

**UTAH LEAGUE OF CITIES & TOWNS**  
**BOARD OF DIRECTORS MEETING**  
**UTAH LOCAL GOVERNMENTS TRUST, 55 US-89, NORTH SALT LAKE, UT 84054**  
**MONDAY, DECEMBER 11, 2017 @ 9:00 AM**  
**(TIMES ARE APPROXIMATE)**

- 1. Welcome and Introductions – Council Member Beth Holbrook, ULCT President** **9:00 AM**
- 2. Review & Approval of Minutes – Council Member Beth Holbrook, ULCT President** **9:05 AM**  
ACTION: Review & Approval of Minutes  
HANDOUT: [October 16, 2017 Draft Minutes](#)
- 3. Conflict of Interest Disclosure – Council Member Beth Holbrook, ULCT President** **9:10 AM**  
ACTION: Disclosure of any potential conflict of interest with agenda items  
HANDOUT: None
- 4. ULCT Board & Commission Reports and NLC City Summit Update  
– Council Member Beth Holbrook, ULCT President & Scott Bond, UCMA President** **9:15 AM**  
ACTION: Receive reports from ULCT representatives to Boards & Commissions  
HANDOUT: None
- 5. ULCT Board of Directors Vacancy – Council Member Mike Mendenhall, ULCT 2<sup>nd</sup> Vice President** **9:30 AM**  
ACTION: Appointment of ULCT Board Member  
HANDOUT: [Memo on Appointment of ULCT Board Member](#)
- 6. Adoption of 2018 Meeting Schedule – Nick Jarvis, Chief Operating Officer** **9:35 AM**  
ACTION: Review & Approval of 2018 Meeting Schedule  
HANDOUT: [Draft 2018 Meeting Schedule](#)
- 7. Review & Approval of Check Register – Nick Jarvis, Chief Operating Officer** **9:40 AM**  
ACTION: Review & Approval of October & November Check Registers  
HANDOUT: [October & November 2017 Check Registers](#)
- 8. FY 2017 Year-End Financial Report – Nick Jarvis, Chief Operating Officer** **9:50 AM**  
ACTION: Review & Approval of FY 2017 Year-End Financial Report  
HANDOUT: [FY 2017 Year-End Financial Report](#)
- 9. FY 2018 July-November Financial Report – Nick Jarvis, Chief Operating Officer** **10:00 AM**  
ACTION: Review & Approval of FY 2018 July-November Financial Report  
HANDOUT: [FY 2018 July-November Financial Report](#)
- 10. Presentation of FY 2017 Annual Audit – Eide Bailly LLP** **10:10 AM**  
ACTION: Review & Approval Annual Audit  
HANDOUT: [FY 2017 Audited Financial Statements](#)
- 11. ULCT Office Remodel – Cameron Diehl, Executive Director & Roger Tew, Senior Policy Analyst** **10:55 AM**  
ACTION: Review & Approval of Remodel Plan  
HANDOUT: [ULCT Office Remodel Memo](#)
- 12. ULCT Events (Elected Officials’ Essentials Training, & Local Officials’ Day at the Legislature)  
– Cameron Diehl, Executive Director** **11:15 AM**  
ACTION: None  
HANDOUT: EOE Materials
- 13. ULCT Constitution & Bylaws – Cameron Diehl, Executive Director** **11:25 AM**  
ACTION: None  
HANDOUT: None

**14. Closed Session (if needed) As per Utah Code 52-4-205**

**11:45 AM**

ACTION: Vote required to enter closed session (as per Utah Code 52-4-204)  
HANDOUT: None

**15. Other Business**

ACTION: For Information Only  
HANDOUT: None

**16. Adjourn**

**MINUTES OF THE UTAH LEAGUE OF CITIES & TOWNS**  
**BOARD OF DIRECTORS MEETING**  
**UTAH LOCAL GOVERNMENTS TRUST, 55 US-89, NORTH SALT LAKE, UT 84054**  
**MONDAY, OCTOBER 16, 2017 – 9:00 AM**

**CONDUCTING:** ULCT Board of Directors President, Council Member Beth Holbrook, Bountiful

**EXECUTIVE BOARD**

Council Member Beth Holbrook, President, Bountiful  
Mayor Jon Pike, 1<sup>st</sup> Vice President, St. George  
Council Member Mike Mendenhall, 2<sup>nd</sup> Vice President, Spanish Fork  
Mayor Len Arave, Treasurer, North Salt Lake  
Mayor Steve Hiatt, Past President, Kaysville

**BOARD OF DIRECTORS**

Mayor Karen Cronin, Perry  
Mayor Dean Baker, Naples  
Council Member Andy Beerman, Park City  
Mayor Mike Caldwell, Ogden City  
Council Member Kelleen Potter, Heber City  
Council Member Bob Stevenson, Layton  
Council Member Damon Cann, North Logan  
Council Member Nicole Martin, Herriman  
Mayor Pat Brady Green River  
Council Member Richard Barnett, Richfield  
Council Member Jewell Allen, Grantsville  
Mayor Brent Taylor, North Ogden

**EX-OFFICIO MEMBERS**

David Church, General Counsel  
Teresa Harris, Logan City Recorder, UMCA

**ULCT STAFF**

Cameron Diehl, Executive Director  
Nick Jarvis, Chief Operating Officer  
Roger Tew, Senior Policy Analyst  
Susan Wood, Director of Communications and Training  
John Hiskey

### **1. Welcome and Introductions – Council Member Beth Holbrook, ULCT President**

President Beth Holbrook called the meeting to order at 9:05 am and called for introductions.

### **2. Board Member Bios, Photos, Fun Facts, and NLC Conference – Cameron Diehl, Executive Director**

Mr. Diehl addressed the group and asked that each board member provide a photo and bio that will be placed on the ULCT website.

He also announced that the National League of Cities Conference held in North Carolina November 15-18. Those interested can contact Cameron for more information.

Interviews will be held this month to hire a new Director of Government Relations on the League staff. The League has also hired Kason Eilers as the new Legislative Research Analyst.

### **3. Review and Approval of Minutes – Council Member Beth Holbrook, ULCT President**

The Board reviewed the minutes of the September 5, 2017 Board Meeting and the minutes of the September 12, 2017 Board meeting.

A correction was made to the September 12, 2017 minutes correcting the spelling of Jon Pike and a correction to Page 9, second paragraph changing the word statue to status.

**ACTION: Mayor Pike moved to approve the minutes of the September 5, 2017 and the minutes of the September 12, 2017 ULCT Board Meeting as amended. The motion was seconded by Mayor Stevenson. The motion carried.**

### **4. Conflict of Interest Disclosure – Council Member Beth Holbrook, ULCT President**

President Holbrook stated that the Conflict of interest Disclosure will now be submitted on an annual basis and can be updated at any time through the year. She asked that board members submit the disclosure whether they have a conflict or not.

Nick Jarvis added that League staff will also complete a disclosure.

President Holbrook stated the Conflict of Interest Disclosure item will remain on the agenda each meeting and she asked that all disclosures be submitted before the next ULCT Board meeting on December 11, 2017.

There were no Conflict of Interest items brought forward at this time.

### **5. ULCT Board & Commission Reports – Council Member Beth Holbrook, ULCT President**

Mayor Pike reported that he and Executive Director Diehl attended the most recent State Highway Commission meeting in Brigham City. He said this was an important meeting as it relates to various counties.

Executive Director Diehl said there were some questions about a proposed UDOT rule for rights-of-way and who is responsible for bridges over UDOT infrastructure.

Scott ?? with the Utah Retirement Membership Council addressed the Board and stated the URS Council meetings throughout the year.

Executive Director Diehl stated the ULCT has over 50 board appointments to varying committees across the State of Utah. The ULCT is now keeping track of all these committees.

ULCT President Holbrook reported that she serves on the Utility Facility Review Board and they meet as needed. She also serves on the Wasatch Front Regional Council.

## **6. Review & Approval of Check Register – Nick Jarvis, Chief Operating Officer**

Nick Jarvis reported that as part of best practices that were recommended by the Office of the Legislative State Auditor along with the Speaker of the House and President of the Senate. He reviewed the September check register and asked the board to review the register and he asked if there were any questions.

Mayor Taylor asked if the retirement is quarterly.

Mr. Jarvis responded the retirement is paid monthly.

President Holbrook asked for clarification on the Zions Bank payment.

Mr. Jarvis indicated this is a credit card payment to Zions Bank.

President Holbrook stated her bio needs to be updated on the ULCT website, she no longer works at Zions Bank.

**ACTION: Council Member Allen moved to approve the September Check Register as presented. The motion was seconded by Mayor Caldwell. The motion carried unanimously.**

## **7. FY 2018 Budget Amendment – Cameron Diehl, Executive Director & Roger Tew, Senior Policy Analyst**

Mr. Tew gave the following background of the proposed budget amendment.

### **Background**

Mr. Tew stated the Leagues owns the building they currently occupy and the building was built in 1985. The building had one renovation in the early 1990's when the basement was completed but since that time there has been no remodeling of the building. While serving as the Interim Executive Director he noticed the need for additional space in the current League building. The space above the Leagues offices has been rented but never used. He started the process to see what it would take to upgrade the building and this was never an issue of cosmetics but rather functionality. Through budget savings there is \$150,000 of savings that can be used for remodeling costs. The building is currently in non-compliance with the Americans for Disabilities Act and the downstairs conference room could not be accessed and the League was on notice they were not in compliance. The other side of the League building is currently vacant

so there was an opportunity for the League to move to that temporary space while the current office space is remodeled. The League contracted with an architect to help with the design and it was discovered that not only was the basement area in non-compliance but it was in violation of the fire code and there is no way the basement can be used for any future conference space and the plan is to have the conference room on the main floor. Building costs have gone up significantly and costs are now approximately \$300,000 instead of \$150,000. He spoke with Mayor Hiatt who stated that given the equity in the building and the remodeling costs, would it be better to sell the building and relocate the League offices rather than remodel. Mr. Tew stated that a property evaluation was completed by Monica Rafferty with Coldwell Banker. Copies of the evaluation were distributed by Mr. Tew. He stated that League staff would like to remain in this location because of the proximity to the Capital, downtown and accessibility.

The property evaluation indicated that the current areas is highly desired and well-maintained properties in this location tend to maintain their values better in down markets, and increase in value more quickly in up markets. The property provides close proximity for employees and clients to interact with the numerous governments buildings located on or near South Temple. This property offers free private parking in an off-street lot as well as plentiful, free on-street parking. The evaluation indicates that remodeling makes economic sense.

### **Proposed Budget Amendment**

Mr. Jarvis reported the ULCT staff created a budget amendment for the ULCT Board to consider. Through the amendment, the Transfer from Reserves revenue for 2017-18 is increased by \$200,000. Similarly, an increase in Capital Improvements – Office Remodel in the amount of \$200,000 is created in the 2017-18 budget. \$200,000 is approximately 11% of ULCT's PTIF reserves.

The ULCT staff provided public notice for a public hearing for the Board to accept public comment regarding the proposed budget amendment. Following the public hearing, the Board should consider adopting a motion amending the 2017-18 ULCT Budget.

Mr. Jarvis reported that when the Utah League of Cities and Towns Board of Directors adopted the League's 2017-18 budget, the budget included \$88,000 in the "Transfer from Reserves" revenue category. This was made possible through FY 2016-2017 revenue over expenditures savings which totaled \$514,181 at year end. This total includes the additional \$200,652 received from the Utah Municipal Finance Cooperative described in FY 2016-17 Budget Amendment #1 (June 19, 2017), leaving the League with a year-end savings of \$313,529 excluding Co-Op funds. These monies have been transferred to fund balance, leaving the League with \$1,756,781 in ULCT's PTIF reserve account (55% of the original FY 2017-18 budget).

Mr. Jarvis continued and stated the original 2017-18 budget included \$160,000 in "Capital Improvements – Office Remodel" expenditures. Once the office remodel was approved by the Board, ULCT staff engaged with architects, contractors, and other professionals to begin the remodeling process. Professional estimates then indicated that the office remodel would cost significantly more than initially anticipated.

Mr. Tew stated the money is there within the reserves. He stated there is no going back and use the same office space that was used before. The choices are a minor remodeling and combine the two floors. We could sell the building and move somewhere else but another location is unknown and staff likes where they are currently located. The final option is for the Board to approve the proposed budget amendment to allow for the remodel as presented.

Mr. Tew added the conference room in the basement will be closed and no longer used. It will be used for storage only. The remodeling plans are to move the conference room to the first floor, three offices will also be located on the main floor. There will be 7 offices on the upstairs floor and a stairwell will be added. He has hired an architect to do the initial planning of the remodel.

David Church said to comply with ADA the spaces the public is invited to must be accessible and will be located on the main floor. An elevator is not needed because the conference room will be located on the main floor.

Mayor Hiatt stated that its always better to own than rent and he likes the fact that the ULCT owns the building. He said now is a hard time to remodel and to try and get a contractor to come in and do the work and costs could go higher. The ULCT constitution says the offices must be located in Salt Lake City and it would require an amendment to the constitution to change.

Mr. Tew said the current space of the building would sell for \$640,000 and a remodel would cost \$800,000.

President Holbrook said parking is also a value to this location which is very important. The challenge is this will be a 3,000-square foot space that will be fully remodeled. She feels the Board needs to look at what will be a value to the League in the long term and take everything into consideration.

Mayor Hiatt said for him the unknown is if there is something else available for rent somewhere else and can minimal improvements be made at another location.

Mr. Tew said there are no spaces for available for rent available in the immediate area. The League is currently paying \$3,000 a month in rent. The League owns one fourth of the building.

Mayor Taylor said it sounds like to him that the main reason for the remodel is conference space.

Mr. Tew responded the remodel needs to be done to bring the building into ADA compliance, fire code compliance, reconfigure the office space and have an accessible conference room.

Mayor Taylor commented that he feels that \$300,000 is excessive for a remodel. He feels this will be scrutinized by the citizens and we need to be careful.

Mr. Tew said staff has saved half of the money out of their own budget and they can go back and scrutinize but they can't go forward at all with the building they have now.

Mayor Taylor said he is not saying that we don't do the remodel but we look at how to cut the cost of the remodel. Maybe remodel the conference room now and wait on the offices. He feels there aren't enough details and he would like to know more about what is costing \$300,000.

Mayor Caldwell said the Wasatch Regional Council is looking to move their building from the International Center to the downtown and they have looked at space for the last year and there was nothing available.

Mayor Hiatt commented that a budget increase from \$150,000 to \$300,00 is significant and he agreed with Mayor Taylor in needing more detailed information on what exactly the remodel will include.

President Holbrook said she is a firm believer in owning the space and feels that will ultimately be of value to the League in the long term. She also feels there is a challenge in Salt Lake City with building and getting a contractor.

Mayor Taylor said again, he is not against remodeling but he would like more details of the remodel.

Mr. Tew said the League will not spend any money until they know exactly what the costs of the remodel will be.

Mr. Church stated there are necessary repairs that the condo association is doing to the heating and cooling system and the Leagues must pay for those costs.

Mr. Tew said money has been spent on architectural services and the amount doubled from a "guess" he had about the costs. He said it has been 30 years since a remodel was done on the building.

Council Member Beerman said it makes sense to him to move forward in obtaining the scope of work for the remodel and bring it back for the Board to evaluate.

Mayor Pike said when you consider the history of the building, the remodel is a bargain and he feels we should move forward.

Mayor Hiatt said he is not against a remodel and feels the need is there and we can do a bid with options.

**ACTION: Mayor Caldwell moved that the Board adopt a motion amending the ULCT 2017-18 Budget as outlined in FY 2017-18 Budget Amendment #1 dated October 16, 2017 as presented. The motion was seconded by Council Member Stevenson. The motion carried (4 nays – Mayor Baker, Mayor Hiatt, Mayor Taylor and Council Member Allen).**

## 8. ULCT Events – Cameron Diehl, Executive Director

Director Diehl highlighted the event calendar for 2017-2018. He gave a background on the Road School Conference and asked the Board to consider whether they want the League to continue sponsoring Road School in the future or partner with other Public Work organizations for better training opportunities.

Mr. Tew stated that the ULCT staff was helping with the Road School and they had no real tie to this school and were in competition with other groups.

Mayor Hiatt said when he first heard about the League not sponsoring the Road School he was against it but as he now understands this is a huge drain on the League staff and is a dying event and there are other training options.

Nick Jarvis reported the League made a small amount of money on Road School last year because of the entertainment but in past years they would usually lose money and staff time was heavily impacted.

Cameron stated that the Leagues serves the elected officials and they do not attend the Road School Conference.

**ACTION: Council Member Stevenson moved to discontinue the ULCT sponsoring the Road School Conference and to partner with other Public Works organization for training opportunities as presented. The motion was seconded by Council Member Mendenhall. The motion carried unanimously.**

Mayor Hiatt asked about the quarterly ULCT board meetings and he feels they should be held monthly.

Cameron Diehl stated board meetings are not scheduled during the legislative session and that is why a gap is indicated.

Nick Jarvis said at the next board meeting an official meeting schedule will be presented.

President Holbrook said we need to take the next step and be a governing board and need to have at least a monthly board meeting.

President Holbrook referred to a conversation with Mayor Hiatt who stated that whomever replaces him as Mayor attend board meetings for the remainder of the year. She also suggested that other newly elected Mayors or Council Members get involved as well.

### **Calendar of Major Events 2017-2018**

ULCT Board of Directors Meeting & Legislative Policy Committee – November 13, 2017

National League of Cities, City Summit (Charlottesville, NC) – November 15-18, 2017  
ULCT Board of Directors Meeting & Legislative Policy Committee – December 11, 2017

Municipal Officials Training (Newly Elected) – December & January (Dates TBD)

ULCT Board of Directors Meeting & Legislative Policy Committee – January 8, 2018

First Day of Legislative Session – January 22, 2018

Local Officials Day at the Legislature – January 24, 2018

Utah Rural Water Annual Conference (St. George) – February 26 - March 2, 2018

Last Day of the Legislative Session – March 8, 2018

National League of Cities, Congress of Cities (Washington DC) – March 11-14, 2018

WaterNow Alliance Annual Summit – March 28-29, 2018

Road School (St. George) – April 11-13, 2018

ULCT Board of Directors Meeting (St. George) – April 24, 2018

Midyear Conference w/ Utah Association of Counties (St. George) – April 25-27, 2018

ULCT Board of Directors Meeting (Tentative Budget) – May 2018 (TBD)

ULCT Board of Directors Meeting (Budget Adoption) – June 2018 (TBD)

ULCT Board of Directors Meeting & Legislative Policy Committee – September 11, 2018

Annual Convention – September 12-14, 2018

At 10:38 am, President Holbrook opened the meeting to a public hearing to adopt the ULCT 2017-18 Budget as outlined in FY 2017-18 Budget Amendment #1 dated October 16, 2017 as presented earlier in the meeting.

**ACTION: Mayor Brady moved to adjourn to a public hearing to adopt the ULCT 2017-18 Budget as outlined in FY 2017-18 Budget Amendment #1 dated October 16, 2017 as presented. The motion was seconded by Mayor Hiatt. The motion carried unanimously.**

There were no comments and President Holbrook closed the public hearing.

**ACTION: Council Member Mendenhall moved to close the public hearing. The motion was seconded by Council Member Stevenson. The motion carried unanimously.**

David Church stated that since the public hearing was not held earlier the Board should reconsider the budget amendment.

**ACTION: Council Member Cann moved that the Board adopt a motion amending the ULCT 2017-18 Budget as outlined in FY 2017-18 Budget Amendment #1 dated October 16, 2017 with the condition that when bids go out for the remodel of the ULCT office space that bids go out with options for several different portions of the task and those bids must**

**bey approved by the Board as presented. The motion was seconded by Mayor Pike. The motion carried unanimously.**

**The Board recessed at 10:40 am.**

**The Board reconvened at 10:54 am.**

Mayor Hiatt made a clarification and said what Mr. Tew presented today regarding the remodel is exactly what Mayor Hiatt recommended he present to the Board when they spoke about this several weeks ago. Mayor Hiatt stated he serves on the Mortgage Regulatory Commission and Mr. Tew invited him to review the remodeling plans so he could help report back to the Board.

President Holbrook said that finding out what Mr. Tew reported the League saved for the remodel makes sense as to why they are now coming back to request additional funding.

## **9. ULCT Constitution & Bylaws – Cameron Diehl, Executive Director**

**Andy left the meeting at this time.**

### **Background**

Mr. Diehl stated that the ULCT Board of Directors has committed itself to ensuring that the organization creates, implements, and complies with sound rules, policies, and procedures to provide for good governance and effective operations. It is with this mentality that the Board has recently adopted new personnel and accounting policies and revised the bylaws for the Legislative Policy Committee. Continuing in this effort, the Board should seriously consider an update to the ULCT Constitution to be brought forward to the general membership after consideration by a Constitution and Bylaws Review Committee and the Board of Directors.

### **Timeline for Amending the Constitution**

First, a proposed amendment must be prepared in writing and submitted to the Board of Directors. Second, the ULCT membership must consider the amendment. Third, the ULCT membership must provide a two-thirds majority to amend the constitution. If an amendment is proposed for consideration at a special meeting (such as the Midyear Conference), then the Board must review the amendment on or before the first day of the meeting. The membership shall consider an amendment in one of two ways: in a general meeting or voting by ballot. The proposed amendment may be presented to any annual or special meeting of members of the League. The Midyear Conference qualifies as a “special meeting of members of the League.” The voting by ballot process requires a minimum of 45 days for notice and ballot distribution to all ULCT members.

### **Comparison from 1980 to 2017**

The ULCT Constitution dates to the 1980 Annual Convention with the last major revision occurring in 1995. Utah has changed dramatically since 1980, and yet the ULCT structure and organizational documents have not changed. For example, the constitution requires that a majority of the Board shall be from cities whose residents are approximately equal to 50% of the total number of residents of the State living in ULCT member municipalities. In 1980, people

residing within the 11 incorporated municipalities of Salt Lake County consisted of 50.2% of the county's total population. In 2017, people residing within the 17 incorporated municipalities consist of 93% of the county's total population. Thus, the ULCT membership has 2 changed dramatically since 1980 and the ULCT constitution and bylaws should reflect those changes.

Meanwhile, Utah's population has grown 112% since 1980 from 1,461,037 to 3,098,761. The number of Utah's municipalities has increased by 14% since 1980. Specifically, Utah had one city of the first class (population of 100,000+, which was Salt Lake) in 1980. In 2017, Utah has five cities of the first class (Salt Lake, West Valley, Provo, West Jordan, and Sandy) with several cities projected to become cities of the first class in the decades to come.

### **Constitution and Bylaws Review Committee**

Mr. Diehl recommended that the Board of Directors authorizes me to form a Constitution and Bylaws Review Committee. I recommend that the committee consist of current and former board members as well as municipal attorneys or other staff members with the relevant and invaluable institutional knowledge required for such an endeavor. The committee will make recommendations to the Board for potential constitutional amendments which the membership would consider at the April Midyear Conference.

### **Proposed Time Frame**

- October 16, 2017 – The Board authorizes the committee
- January 8, 2018 – Committee presents draft recommendations to the Board of Directors
- January-April – The Board finalizes the amendments for presentation to the membership at Midyear Conference
- April 25-27 – Midyear Conference with business session for amendment review and approval

**ACTION: Mayor Caldwell moved to adopt a motion authorizing the Executive Director to form a Constitution and Bylaws Review Committee as presented. The motion was seconded by Council Member Martin. The motion carried unanimously**

### **10. Status of Utah Municipal Finance Cooperative II Trust – David Church, General Counsel**

David Church explained that the Co-Op Trust and the Co-Op are two different things. He gave an update on the Co-Op Trust and said in 1990 the League and others created an entity called the Municipal Finance Agency which was a way that we borrowed money as a group and did a Municipal Finance pool. The pool was successful in a lot of ways until the Federal government changed the tax rules. The result of the Co-Op is there was approximately one million dollars created from savings and it was taken out of the Co-Op when the financing was done. Instead of giving this to the League the Co-Op Board, which was essentially the ULCT Board, they created a Trust called the Utah Municipal Cooperative Trust and the purpose was to use that money for the benefit of Utah Cities & Towns. It had a beneficiary to the Trust which was the Utah Cities & Towns. The terms of the Trust are that when all of the bonds are paid off or the year 2012, whatever money was left in the Trust was to be distributed to the trustees of the ULCT. That did not happen as seamlessly as it should have. After the State Auditor and others became involved

with the finances of the ULCT, the trustees of the Trust met and decided to do what they were legally obligated to do which is to pay out the remaining money to the beneficiary which is the ULCT and that was done last April which was \$200,000. They held back \$75,000 to pay the costs of finishing up the Trust which will end this month. He and Mr. Tew have been in regular contact with the attorney who is handling the finishing up of the Trust. As of last month the back taxes had been paid in the amount of just under \$12,000. They are still waiting for the attorney fees to be paid and then will know from the \$75,000 what will be left.

Mr. Tew explained there was a previous controversy on who could access the League money. Once the money from Michelle Reilly was received it was deposited into the Co-Op Trust account. It was then transferred to the Trust fund for the law firm and they will make the final distribution of funds.

Mr. Church continued that after everything is paid the Co-Op Trust account will be closed. The Co-Op (Municipal Finance Agency) will still need to finalize which the ULCT Board will do. Former ULCT staff Michelle Reilly returned money in the amount of \$15,000 to the Trust, not the League for the claims made by the Trust attorneys and the State Auditor of money that was used inappropriately by Michelle Reilly.

Mr. Church said the State Auditor determined the \$15,000 amount and there was some issue where the State Auditor said there some credit card transaction that were inappropriately made by Michelle Reilly. The League sent a demand letter to Michelle Reilly for that money and it has not been taken care of at this time. The information of this money was turned over to the County Attorney's Office and they will determine where it goes from here and he has no updates at this time.

President Holbrook indicated that the ULCT Board has done everything recommended by the State Auditor regarding the Trust and the issues with Michelle Reilly.

#### **11. Closed Session (if needed) as per Utah Code 52-4-205**

No Closed Session was held by the Board.

#### **12. Other Business**

Council Member Stevenson said he had reports that the September ULCT Conference was the best they had ever attended.

Mayor Hiatt agreed and thanked the ULCT staff on a job well done.

President Holbrook stated she had a lot of vendors and elected officials who said the same and she too thanked the ULCT staff for a great conference.

Director Diehl thanked Mr. Tew for his leadership as Interim Executive Director.

Mayor Hiatt said when the change of Executive Director occurred in January, the Board called Mr. Tew nad asked him to serve as the Interim. Mr. Tew accepted the appointment and has done a great job and he thanked Mr. Tew for his service.

Director Diehl said tentatively there is a ULCT Board and LPC meeting scheduled in November He suggested that LPC be cancelled in November because there are no major updates to report. The Board can also review the remodeling bids for the new building at the December meeting.

**ACTION: Mayor Hiatt moved to cancel the November ULCT Board meeting as presented. The motion was seconded by Mayor Caldwell. The motion carried unanimously.**

The next ULCT Board meeting and LPC meeting will be held on Monday, December 11, 2017.

No further business was discussed by the Board and the meeting adjourned at 11:34 am.

**ACTION: Mayor Cronin moved to adjourn the ULCT Board of Directors meeting of October 16, 2017. The motion was seconded by Mayor Baker. The motion carried unanimously.**

**MINUTES APPROVED:**

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date



**TO:** ULCT Board of Directors  
**FROM:** Council Member Mike Mendenhall, ULCT 2<sup>nd</sup> Vice President  
**DATE:** November 29, 2017  
**SUBJECT:** ULCT Board of Directors Vacancy and Appointment

**Background:**

According to Article IV Section 7 of the ULCT Constitution, “In the event of a vacancy on the Board, it shall appoint a member to fill the vacancy until the next Convention of the League when such position shall be filled by election of the members of the League for the unexpired term.” In my role as ULCT 2<sup>nd</sup> Vice President, I will chair the Board Nominations Committee that will select a slate of candidates to be voted on by the membership in September 2018, and therefore present my recommendation to fill the vacancy until that time.

**Discussion:**

I recommend Council Member Don Christensen of West Valley City to fill the seat to be vacated by Mayor Karen Cronin in January 2018. Council Member Christensen has previously served on the Board, and has remained active with the League through the Legislative Policy Committee. He was nominated for the Board this last September and garnered significant consideration from the Nominations Committee. I have attached Mr. Christensen’s nomination materials for your review.

###

**MAKING LIFE BETTER**



# Questionnaire for ULCT Board Nominees

**Name:** Don Christensen

**Position:** Council Member at Large

**Municipality:** West Valley City

## 1. Why would you like to serve as a Board member?

I have always tried to give 120% to whatever position I serve in. I feel that I can better serve both my city and the league by serving on the Board of Directors. When I served as a council member previously, I was privileged to serve on the League Board and felt that I was able to communicate the league's position on various issues to the cities and towns. I would like to have that opportunity again.

## 2. What goals for the League would you like to initiate or support during your time on the Board?

Full support for all members of the League as we advocate for them on the hill. All sides of the argument need to be heard, but one city should not control the decision. I would advocate for all cities to be equally represented.

## 3. What specific areas of expertise or interest do you have that you feel you can contribute to the League Board?

I am interested in the Legislative advocacy part of the League and have been part of the LPC all of the time I have been in elected office, and as much as possible when I was not an elected official.

## 4. Are you willing to represent the interests of your entire region on the Board? (This would include frequent communications with each community within the region.) How?

Yes. Through frequent phone calls, texts, e-mails, and visits to the elected leadership.

## 5. Please describe your past participation with the League.

Member of LPC for six years. Board Member for two years.

## 6. When does your term of office expire? Do you intend to seek reelection?

2019. At this point Yes



## ULCT Board of Directors Meeting Schedule 2018

**Monday, January 8, 2018**

**Monday, February 12, 2018 – Utah State Capitol**  
in conjunction with the Legislative Session

**Wednesday April 25, 2018 – St. George, UT**  
in conjunction with the ULCT Midyear Conference

**Monday, May 14, 2018**  
Consideration of Tentative Budget

**Monday, June 18, 2018**  
Approval of FY 2019 Budget

**Monday, August 20, 2018**

**Tuesday, September 11, 2018 – Salt Lake Sheraton**  
in conjunction with ULCT Annual Convention

**Monday, October 15, 2018**

**Monday, November 19, 2018**

**Monday, December 10, 2018**

MAKING LIFE BETTER



# Utah League of Cities & Towns

## Check Register (Checks and EFTs of All Types)

2:35 pm

Sorted by Check Number

(Report period: October 1, 2017 to October 31, 2017)

| Check Number                            | Date     | EFT #/<br>Vendor     | Name                       | Discounts | Net Amount |
|---|----------|----------------------|----------------------------|-----------|------------|
| Cash Account #1 [Zions Bank - Checking] |          |                      |                            |           |            |
| EFT                                     | 10/18/17 | EFT 10/17/2017       |                            |           |            |
|   |          | ZIO 100              | Zions Bank                 | 0.00      | 6530.09    |
| EFT                                     | 10/31/17 | 2017 10 BANK CHARGES |                            |           |            |
|   |          | ZIO 100              | Zions Bank                 | 0.00      | 4708.40    |
| EFT                                     | 10/19/17 | DAVID CHURCH OCTOBER |                            |           |            |
|   |          | CHU 100              | David Church               | 0.00      | 3000.00    |
| EFT                                     | 10/31/17 | PAYDAY 10.31 FEES    |                            |           |            |
|   |          | NAT 102              | National Payroll Systems   | 0.00      | 164.72     |
| EFT                                     | 10/10/17 | 10/10/2017           |                            |           |            |
|   |          | UTA 102              | Utah State Retirement Fund | 0.00      | 11165.38   |
| EFT                                     | 10/31/17 | 10/31 PAYDAY         |                            |           |            |
|   |          | NAT 102              | National Payroll Systems   | 0.00      | 24033.18   |
| EFT                                     | 10/19/17 | 2017 10 15 PAY       |                            |           |            |
|   |          | NAT 102              | National Payroll Systems   | 0.00      | 6338.93    |
| EFT                                     | 10/19/17 | 2017 10 15 TAX       |                            |           |            |
|   |          | NAT 102              | National Payroll Systems   | 0.00      | 1012.82    |
| EFT                                     | 10/19/17 | 2017 10 15 PAY       |                            |           |            |
|   |          | NAT 102              | National Payroll Systems   | 0.00      | 23518.80   |
| EFT                                     | 10/19/17 | 2017 10 15 FEES      |                            |           |            |
|   |          | NAT 102              | National Payroll Systems   | 0.00      | 101.15     |
| EFT                                     | 10/12/17 | SEL 10/12/217        |                            |           |            |
|   |          | SEL 100              | Select Health              | 0.00      | 1888.00    |
| 36812                                   | 10/03/17 | COC 100              | Swire Coca-Cola, USA       | 0.00      | 108.27     |
| 36813                                   | 10/03/17 | DOU 100              | Doug Foxley                | 0.00      | 15000.00   |
| 36814                                   | 10/03/17 | DS 100               | DS Accounting Services LLC | 0.00      | 2000.00    |
| 36815                                   | 10/03/17 | LAR 100              | Peter Lara                 | 0.00      | 850.00     |
| 36816                                   | 10/03/17 | LEX 100              | RELX Inc. DBA LexisNexis   | 0.00      | 96.00      |
| 36817                                   | 10/03/17 | MAR 101              | Marco                      | 0.00      | 311.15     |
| 36818                                   | 10/03/17 | MEG 100              | Meg Ryan                   | 0.00      | 154.18     |
| 36819                                   | 10/03/17 | OPD 100              | The OP Dealer              | 0.00      | 113.26     |
| 36820                                   | 10/03/17 | SHE 100              | Sheraton City Centre       | 0.00      | 308227.62  |
| 36821                                   | 10/03/17 | SPA 100              | Spatafore Design           | 0.00      | 8204.00    |
| 36822                                   | 10/03/17 | SUS 100              | Susan Wood                 | 0.00      | 45.00      |
| 36823                                   | 10/03/17 | UP&L 100             | Rocky Mountain Power       | 0.00      | 490.82     |
| 36824                                   | 10/03/17 | UTA 117              | Utah State Fair            | 0.00      | 4650.00    |
| 36825                                   | 10/13/17 | ABB 100              | Abby Bolic                 | 0.00      | 7.24       |
| 36826                                   | 10/13/17 | BAL 100              | Baldassin Pianos           | 0.00      | 370.00     |
| 36827                                   | 10/13/17 | CAM 101              | Cameron Diehl              | 0.00      | 637.54     |
| 36828                                   | 10/13/17 | CAP 105              | Capitol Hill Association   | 0.00      | 6000.00    |
| 36829                                   | 10/13/17 | FAS 100              | Fast Forward Productions   | 0.00      | 6000.00    |
| 36830                                   | 10/13/17 | FIL 100              | Access                     | 0.00      | 191.68     |
| 36831                                   | 10/13/17 | HOW 100              | Howard M. Blackson III     | 0.00      | 397.96     |
| 36832                                   | 10/13/17 | LON 100              | Lone Peak Productions      | 0.00      | 14894.50   |
| 36833                                   | 10/13/17 | MAR 101              | Marco                      | 0.00      | 1554.94    |
| 36834                                   | 10/13/17 | MAR 108              | Marvellous Catering        | 0.00      | 1446.12    |

# Utah League of Cities & Towns

## Check Register (Checks and EFTs of All Types)

2:35 pm

Sorted by Check Number

(Report period: October 1, 2017 to October 31, 2017)

| Check Number       | Date     | EFT #/<br>Vendor | Name                                 | Discounts | Net Amount |
|--------------------|----------|------------------|--------------------------------------|-----------|------------|
| 36835              | 10/13/17 | NIC 100          | Nick Jarvis                          | 0.00      | 38.83      |
| 36836              | 10/13/17 | OPD 100          | The OP Dealer                        | 0.00      | 3.80       |
| 36837              | 10/13/17 | SAL 104          | Salt Lake County Treasurer           | 0.00      | 2571.22    |
| 36838              | 10/13/17 | SAL 108          | Salt Lake County Center for the Arts | 0.00      | 12215.17   |
| 36839              | 10/13/17 | SNO 100          | Snow Christensen Martineau           | 0.00      | 4446.00    |
| 36840              | 10/13/17 | TAY 100          | Jennie Taylor                        | 0.00      | 170.36     |
| 36841              | 10/13/17 | UTA 101          | Utah Interactive, LLC                | 0.00      | 2675.00    |
| 36842              | 10/13/17 | VAN 100          | Vanguard Cleaning Systems            | 0.00      | 395.00     |
| 36854              | 10/31/17 | NAT 102          | National Payroll Systems             | 0.00      | 7999.69    |
| Cash account Total |          |                  |                                      | 0.00      | 484726.82  |
| Report Total       |          |                  |                                      | 0.00      | 484726.82  |

**Utah League of Cities and Towns Credit Card Reallocation of Expenses Template**

Card Name: VISA Statement Close 10/24/16  
 Card Number: VISA

| DATE       | Receipt   | CARD   | TO                                      | AMOUNT            | BUSINESS PURPOSE               | REALLOCATE TO |
|------------|-----------|--------|---|-------------------|--------------------------------|---------------|
| 9/25/2017  | Recurring | XX0434 | ADOBE *ACROPRO SUBS 800-833-6687        | \$16.02           | Recurring                      | 8100.099      |
| 9/23/2017  | Recurring | XX0434 | ADOBE *CREATIVE CLOUD 800-833-6687      | \$149.57          | Recurring                      | 8100.099      |
| 9/26/2017  | Yes       | XX0434 | CAFE ZUPAS - DOWNTOWN SLC UT            | \$250.46          | LUTF Meeting Lunch             | 8200.033      |
| 9/26/2017  | Recurring | XX0434 | DRI*CISCO SYSTEMS 952-908-4089 MN       | \$41.67           | Recurring                      | 8100.099      |
| 9/28/2017  | Yes       | XX0434 | RED BUTTE GARDEN TC SALT LAKE CITY      | \$300.00          | Staff Retreat Location         | 8250.099      |
| 9/29/2017  | Yes       | XX0434 | PP*Natural History Museum801-581692     | \$97.60           | Staff Retreat Visit            | 8600.099      |
| 10/1/2017  | Recurring | XX0434 | STOR-N-LOCK #9 801-974-0200 UT          | \$187.00          | Recurring                      | 8100.099      |
| 10/2/2017  | Yes       | XX0434 | PIE PIZZERIA DELIVERY SALT LAKE CITY    | \$48.36           | Staff Retreat Lunch            | 8200.099      |
| 10/7/2017  | Recurring | XX0434 | DNH*MADMIMI0492166- 877-9606464         | \$27.00           | Recurring                      | 8100.099      |
| 10/8/2017  | Recurring | XX0434 | ADOBE *ACROPRO SUBS 800-833-6687        | \$16.02           | Recurring                      | 8100.099      |
| 10/9/2017  | Recurring | XX0434 | MICROSOFT *OFFICE 365 800-642-7676      | \$7.47            | Recurring                      | 8100.099      |
| 10/12/2017 | Yes       | XX0434 | THE UTAH LAND USE INSTITUTE180-185-9000 | \$569.98          | Cam and Meg Event Registration | 8600.099      |
| 10/12/2017 | Yes       | XX0434 | IN *MOMENTUM RECYCLING LL801-355        | \$44.00           | Recycling                      | 8053.099      |
| 10/15/2017 | Recurring | XX0434 | MICROSOFT *OFFICE 365 800-642-7676      | \$7.47            | Recurring                      | 8100.099      |
| 10/16/2017 | Recurring | CARD   | MICROSOFT *OFFICE 365 800-642-7676      | \$7.47            | Recurring                      | 8100.099      |
| 10/16/2017 | Recurring | XX0434 | MICROSOFT *OFFICE 365 800-642-7676      | \$7.47            | Recurring                      | 8100.099      |
| 10/16/2017 | Recurring | XX0434 | MICROSOFT *OFFICE 365 800-642-7676      | \$7.47            | Recurring                      | 8100.099      |
| 10/16/2017 | Recurring | XX0434 | MICROSOFT *OFFICE 365 800-642-7676      | \$7.47            | Recurring                      | 8100.099      |
| 10/17/2017 | Yes       | XX0434 | CAFE ZUPAS - DOWNTOWN SLC UT            | \$239.68          | LUTF Meeting Lunch             | 8200.033      |
| 10/17/2017 | Recurring | XX0434 | WWW COSTCO COM 800-955-2292 WA          | \$64.11           | Costco Membership              | 8100.099      |
| 10/18/17   | Yes       | XX0434 | CAFE ZUPAS - DOWNTOWN SLC UT            | \$51.92           | Office Meeting Lunch           | 8200.099      |
| 10/19/17   | Yes       | XX0434 | SALT PALACE - SMG 385-462-2203 UT       | \$1.03            | LOD Facility Deposit           | 6170.000      |
| 10/20/17   | Yes       | XX0434 | SQ *CAPITAL INTERIO LINTHICUM MD        | \$48.10           | Office Pictures                | 8345.099      |
| 10/20/17   | Yes       | XX0434 | SQ *CAPITAL INTERIO LINTHICUM MD        | \$192.80          | Office Pictures                | 8345.099      |
|            |           |        | ABBY BOLIC                              |                   |                                |               |
|            |           |        | <b>TOTAL XXXXXXXXXXXXX0434</b>          | <b>\$2,390.14</b> |                                |               |

| Common Reallocation Accounts | Account Name                    | Total             |
|------------------------------|---------------------------------|-------------------|
|                              | 8250.099 Facility Rent & Set Up | \$300.00          |
|                              | 8600.099 Staff Training         | \$667.58          |
|                              | 8200.033 Food - Legislative     | \$490.14          |
|                              | 8200.099 Food - Administrative  | \$100.28          |
|                              | 6170.000 Facility Rent & Set Up | \$1.03            |
|                              | 8100.099 Dues & Subscriptions   | \$546.21          |
|                              | 8345.099 Office Supplies        | \$240.90          |
|                              | 8053.099 ing Repairs & Maintan  | \$44.00           |
|                              | <b>STATEMENT TOTAL</b>          | <b>\$2,390.14</b> |

2:36 pm

# Utah League of Cities & Towns

## Check Register (Checks and EFTs of All Types)

Sorted by Check Number

(Report period: November 1, 2017 to November 30, 2017)

| Check Number                            | Date     | EFT #/<br>Vendor                    | Name                                | Discounts | Net Amount |
|---|----------|-------------------------------------|-------------------------------------|-----------|------------|
| Cash Account #1 [Zions Bank - Checking] |          |                                     |                                     |           |            |
| EFT                                     | 11/30/17 | 2017 11 30 COST<br>NAT 102          | National Payroll Systems            | 0.00      | 97.15      |
| EFT                                     | 11/30/17 | 2017 11 30 DD<br>NAT 102            | National Payroll Systems            | 0.00      | 24573.14   |
| EFT                                     | 11/30/17 | 2017 11 30 PAYROLL STATE<br>NAT 102 | National Payroll Systems            | 0.00      | 1096.74    |
| EFT                                     | 11/30/17 | 2017 11 30 PAYROLL<br>NAT 102       | National Payroll Systems            | 0.00      | 7014.71    |
| EFT                                     | 11/24/17 | CREDIT CARD FEES<br>ZIO 100         | Zions Bank                          | 0.00      | 547.55     |
| EFT                                     | 11/24/17 | BANK CHARGES NOV<br>ZIO 100         | Zions Bank                          | 0.00      | 400.43     |
| EFT                                     | 11/21/17 | 2017 11 SELECT<br>SEL 100           | Select Health                       | 0.00      | 1888.00    |
| EFT                                     | 11/24/17 | 1124 URS<br>UTA 102                 | Utah State Retirement Fund          | 0.00      | 12631.55   |
| EFT                                     | 11/15/17 | #11152017<br>CHU 100                | David Church                        | 0.00      | 3000.00    |
| EFT                                     | 11/15/17 | 2017 11 15 DD PAYROLL<br>NAT 100    | National League of Cities           | 0.00      | 24078.21   |
| EFT                                     | 11/15/17 | 2017 11 15 FED TAX<br>NAT 100       | National League of Cities           | 0.00      | 6917.29    |
| EFT                                     | 11/15/17 | 2017 11 15 STATE TAX<br>NAT 100     | National League of Cities           | 0.00      | 1082.36    |
| EFT                                     | 11/15/17 | 2017 11 15 NAT FEES<br>NAT 100      | National League of Cities           | 0.00      | 95.44      |
| 36843                                   | 11/01/17 | 6TH 100                             | Sixth East Condo Assoc.             | 0.00      | 900.00     |
| 36844                                   | 11/01/17 | COM 100                             | Comcast                             | 0.00      | 734.00     |
| 36845                                   | 11/01/17 | DS 100                              | DS Accounting Services LLC          | 0.00      | 2000.00    |
| 36846                                   | 11/01/17 | EXE 100                             | Executech                           | 0.00      | 1610.82    |
| 36847                                   | 11/01/17 | GOL 102                             | Gold Star Awards and Engraving, Inc | 0.00      | 195.00     |
| 36848                                   | 11/01/17 | LES 100                             | Les Olsen Company                   | 0.00      | 2655.10    |
| 36849                                   | 11/01/17 | NIC 100                             | Nick Jarvis                         | 0.00      | 336.35     |
| 36850                                   | 11/01/17 | PEH 100                             | Public Employees Health Program     | 0.00      | 249.12     |
| 36851                                   | 11/01/17 | QUE 100                             | Dominion Energy                     | 0.00      | 97.77      |
| 36852                                   | 11/01/17 | UP&L 100                            | Rocky Mountain Power                | 0.00      | 285.86     |
| 36853                                   | 11/01/17 | UTA 100                             | Utah Local Gov't Trust              | 0.00      | 736.82     |
| 36855                                   | 11/14/17 | COC 100                             | Swire Coca-Cola, USA                | 0.00      | 429.63     |
| 36856                                   | 11/14/17 | FIL 100                             | Access                              | 0.00      | 191.54     |
| 36857                                   | 11/14/17 | GOL 102                             | Gold Star Awards and Engraving, Inc | 0.00      | 500.06     |
| 36858                                   | 11/14/17 | KAR 102                             | Karson Eilers                       | 0.00      | 93.42      |
| 36859                                   | 11/14/17 | PET 100                             | Mark Pett                           | 0.00      | 1100.00    |
| 36860                                   | 11/14/17 | SNO 100                             | Snow Christensen Martineau          | 0.00      | 627.00     |
| 36861                                   | 11/14/17 | SOM 100                             | Wilford H. Sommerkorn               | 0.00      | 150.00     |
| 36862                                   | 11/14/17 | SPA 100                             | Spatafore Design                    | 0.00      | 1500.00    |

# Utah League of Cities & Towns

## Check Register (Checks and EFTs of All Types)

2:36 pm

Sorted by Check Number

(Report period: November 1, 2017 to November 30, 2017)

| Check Number       | Date     | EFT #/<br>Vendor | Name                            | Discounts | Net Amount |
|--------------------|----------|------------------|---------------------------------|-----------|------------|
| 36863              | 11/14/17 | STE 100          | Steve Pastorik                  | 0.00      | 150.00     |
| 36864              | 11/22/17 | ZIO 100          | Zions Bank                      | 0.00      | 2390.14    |
| 36865              | 11/30/17 | 6TH 100          | Sixth East Condo Assoc.         | 0.00      | 3900.00    |
| 36866              | 11/30/17 | BET 100          | Beth Holbrook                   | 0.00      | 464.90     |
| 36867              | 11/30/17 | BOU 100          | Bountiful City                  | 0.00      | 1780.64    |
| 36868              | 11/30/17 | CAM 101          | Cameron Diehl                   | 0.00      | 1792.12    |
| 36869              | 11/30/17 | COM 100          | Comcast                         | 0.00      | 722.19     |
| 36870              | 11/30/17 | DS 100           | DS Accounting Services LLC      | 0.00      | 2400.00    |
| 36871              | 11/30/17 | EXE 100          | Executech                       | 0.00      | 910.55     |
| 36872              | 11/30/17 | MAI 100          | MAILFINANCE                     | 0.00      | 631.81     |
| 36873              | 11/30/17 | NIC 100          | Nick Jarvis                     | 0.00      | 2500.10    |
| 36874              | 11/30/17 | PEH 100          | Public Employees Health Program | 0.00      | 249.12     |
| 36875              | 11/30/17 | QUE 100          | Dominion Energy                 | 0.00      | 279.78     |
| 36876              | 11/30/17 | SPA 100          | Spatafore Design                | 0.00      | 2401.00    |
| 36877              | 11/30/17 | UTA 100          | Utah Local Gov't Trust          | 0.00      | 441.37     |
| 36878              | 11/30/17 | UTA 101          | Utah Interactive, LLC           | 0.00      | 3870.00    |
| Cash account Total |          |                  |                                 | 0.00      | 122698.78  |
| Report Total       |          |                  |                                 | 0.00      | 122698.78  |

Utah League of Cities and Towns Credit Card Reallocation of Expenses Template

Card Name: VISA

Card Number: VISA

| DATE                                     | Receipt   | CARD   | TO                                      | AMOUNT    | BUSINESS PURPOSE                  | REALLOCATE TO |
|--|-----------|--------|---|-----------|-----------------------------------|---------------|
| 10/24/2017                               | Recurring | XX0434 | ADOBE *CREATIVE CLOUD 800-833-6687 CA   | \$149.57  | Recurring                         | 8100.099      |
| 10/24/2017                               | Yes       | XX0434 | COSTCO WHSE #0113 SALT LAKE CITUT       | \$394.80  | Office Food                       | 8200.099      |
| 10/25/2017                               | Yes       | XX0434 | HARMONS - CITY CREE SALT LAKE CITUT     | \$7.46    | Office Supplies                   | 8345.099      |
| 10/25/2017                               | Recurring | XX0434 | ADOBE *ACROPRO SUBS 800-833-6687 CA     | \$16.02   | Recurring                         | 8100.099      |
| 10/27/2017                               | Recurring | XX0434 | DRI*CISCO SYSTEMS 952-908-4089 MN       | \$41.67   | Recurring                         | 8100.099      |
| 10/30/2017                               | Yes       | XX0434 | CTC*CONSTANTCONTACT.COM 855-2295506 MA  | \$95.00   | Email Software                    | 8100.099      |
| 11/1/2017                                | Recurring | XX0434 | STOR-N-LOCK #9 801-974-0200 UT          | \$187.00  | Recurring                         | 8100.099      |
| 11/1/2017                                | Yes       | XX0434 | UTAH CITY MGMT ASSOC 801-622-2702 UT    | \$50.00   | Nick Training                     | 8600.099      |
| 11/3/2017                                | Yes       | XX0434 | SQ *PARADISE PALM I SALT LAKE CITUT     | \$99.32   | Office Plants                     | 8345.099      |
| 11/3/2017                                | Yes       | XX0434 | PAYPAL *UTAHFOUNDAT 402-935-7733 CA     | \$24.00   | Cam and Karson Event Registration | 8600.099      |
| 11/7/2017                                | Recurring | XX0434 | DNH*MADMIMI0492166- 877-9606464 AZ      | \$27.00   | Recurring                         | 8100.099      |
| 11/8/2017                                | Yes       | XX0434 | CAFE ZUPAS - MURRAY MURRAY UT           | \$202.32  | LUTF Lunch                        | 8200.033      |
| 11/8/2017                                | Recurring | XX0434 | MICROSOFT *OFFICE 365 800-642-7676 WA   | \$7.47    | Recurring                         | 8100.099      |
| 11/8/2017                                | Recurring | XX0434 | DNH*MADMIMI0492166- 877-9606464 AZ      | \$15.90   | Recurring                         | 8100.099      |
| <b>TOTAL XXXXXXXXXXXX0434 \$1,317.53</b> |           |        |   |           |                                   |               |
| 11/8/2017                                | Recurring | XX8233 | ADOBE *ACROPRO SUBS 800-833-6687 CA     | \$16.02   | Recurring                         | 8100.099      |
| 11/9/2017                                | Yes       | XX8233 | AMAZON.COM AMZN.COM/BILL AMZN.COM/BILLW | \$499.99  | Camera                            | 8345.099      |
| 11/9/2017                                | Yes       | XX8233 | CCI*HOTEL@GETAROOM 800-468-3578 TX      | \$664.31  | Credit                            |               |
| 11/9/2017                                | Yes       | XX8233 | MANDALAY - FRONT DESK LAS VEGAS NV      | \$649.21  | In process                        | 2140          |
| 11/13/2017                               | Yes       | XX8233 | FEDEX CARD DELIVERY FEE                 | \$25.00   | New credit card delivery          | 8460.099      |
| 11/14/2017                               | Yes       | XX8233 | CAFE ZUPAS - DOWNTOWN SLC UT            | \$284.40  | LUTF Lunch                        | 8200.033      |
| 11/14/2017                               | Recurring | XX8233 | IN *MOMENTUM RECYCLING LL801-3550334 UT | \$44.00   | Recurring                         | 8053.099      |
| 11/16/17                                 | Recurring | XX8233 | MICROSOFT *OFFICE 365 800-642-7676 WA   | \$7.47    | Recurring                         | 8100.099      |
| 11/16/17                                 | Recurring | XX8233 | MICROSOFT *OFFICE 365 800-642-7676 WA   | \$7.47    | Recurring                         | 8100.099      |
| 11/16/17                                 | Recurring | XX8233 | MICROSOFT *OFFICE 365 800-642-7676 WA   | \$7.47    | Recurring                         | 8100.099      |
| 11/16/17                                 | Recurring | XX8233 | MICROSOFT *OFFICE 365 800-642-7676 WA   | \$7.47    | Recurring                         | 8100.099      |
| 11/16/17                                 | Recurring | XX8233 | MICROSOFT *OFFICE 365 800-642-7676 WA   | \$7.47    | Recurring                         | 8100.099      |
| 11/16/17                                 | Recurring | XX8233 | WESTIN CHARLOTTE 704-3752600 NC         | \$175.00  | NLC Breakfast Deposit             | 8200.099      |
| 11/21/2017                               | Yes       | XX8233 | WESTIN CHARLOTTE 704-3752600 NC         | \$297.72  | NLC Breakfast                     | 8200.099      |
| 11/9/2017                                | Yes       | XX3486 | ADJUSTMENT-PURCHASES                    | -\$664.31 |                                   |               |
| <b>TOTAL XXXXXXXXXXXX8233 \$2,693.00</b> |           |        |   |           |                                   |               |
| <b>Statement Due Balance: \$3,346.22</b> |           |        |   |           |                                   |               |

| Common Reallocation Accounts | Account Name                 | Total             |
|------------------------------|------------------------------|-------------------|
|                              | 8460.099 Postage - Admin     | \$25.00           |
|                              | 8200.033 Food - Legislative  | \$486.72          |
|                              | 8200.099 Food - Administrat  | \$867.52          |
|                              | 8100.099 Dues & Subscribctic | \$637.00          |
|                              | 8600.099 Staff Training      | \$74.00           |
|                              | 8345.099 Office Supplies     | \$606.77          |
|                              | \$2,140.00 Accrued Accounts  | \$649.21          |
|                              | <b>STATEMENT TOTA</b>        | <b>\$3,346.22</b> |



**TO:** ULCT Board of Directors  
**FROM:** Nick Jarvis, Chief Operating Officer  
**DATE:** November 29, 2017  
**SUBJECT:** FY 2017 Year-End Financial Report

Attached please find a ULCT FY 2017 year-end unaudited actual income and expenses compared to budget report. This report covers the period July 1, 2016 – June 30, 2017. We are happy to report that at the end of FY 2017 revenues for ULCT outpaced expenditures by \$514,181.

## Revenue

Overall, by the end of FY 2017, the ULCT collected 95% of all revenue budgeted for the year. 53% of ULCT annual budgeted revenue derived from **Membership Dues**. Membership dues were 99% collected by the end of Q4. The fact that dues revenue is not 100% collected is largely the result of one community opting not to participate in the ULCT.

The ULCT's budgeted revenue for **Registration Fees** is 16% of total revenue budgeted. By the end of Q4, the ULCT received 98% of the registration fee revenue budgeted.

**Donation and Advertising** revenue accounts for 9% of annual budgeted revenue. ULCT exceeded the budgeted amount by \$376,452 (137%). Though this includes a one-time windfall due to the monies transferred from Co-op II, the Board should note that this is also a result of a modernization of our sponsorship program and a renewed relationship with the Utah Local Governments Trust. In the previous fiscal year, only 37% (\$97,200) was collected in this category.

**Exhibit Space** revenue at the end of FY 2017 is 106% of budget.

Only 18% of **Grants and Special Project** revenue was collected in FY 2017. This is largely due to a reporting delay in the Active & Healthy Communities (IHC Wellness) grant which is to be remedied in FY 2018, and the reallocation of certain categories to Donations & Advertising, and the recognition that some categories no longer bring in revenue (Grant for Research Assistant, Transfer-Making Life Better) which have been excluded from the FY 2018 budget.

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## **Expenditures**

Overall, actual ULCT FY 2017 expenditures are 79% of what was budgeted.

### **Personnel Services**

Expenditures for Personnel Services account for 30% of overall ULCT budgeted spending. However, expenditures in this category topped out at 80% largely due to the resignation of the ULCT's Executive Director in January 2017.

### **Charges for Services**

The savings seen in Personnel Services was somewhat offset by an increase in contract labor as the ULCT Board retained the services of Roger Tew (current contractor) to serve as an Interim Executive Director. Also, unforeseen accounting expenses were incurred as a result of an internal financial review and the expanded annual audit conducted by Eide Bailly. Consequently, Charges for Services is 161% expended at the end of FY 2017.

### **Operating & Program Expenses**

Actual expenditures for FY 2017 in this category are 83% of budget for the year. Though some line-items came in over budget (Dues & Subscriptions, Facility Rent, etc.) savings were found elsewhere in this category to ultimately come in under budget.

### **Grants and Special Projects**

Expenditures in this category are low (44% of budget) largely due to the changes described in the revenue section. In general, ULCT staff will not spend on special projects without commitments that the revenue to support the project has been received. The Board should be aware that FY 2017 checks for the Active & Healthy Communities Grant (IHC Wellness Program) sub grantees (\$155,000) were paid with revenue received from Intermountain in FY 2016. This total, combined with the \$132,500 expended to sub grantees in FY 2016 left \$12,500 for the ULCT's administrative costs for the program.

### **Materials and Supplies**

The ULCT budget includes \$12,000 for office supplies. At the end of FY 2017, ULCT expended only 74% of its budget for office supplies. Staff continued to monitor this budget throughout the year with a special eye to managing expenses and found savings to offset expenditures in other areas of the budget.

### **Miscellaneous**

The ULCT's Miscellaneous line item is budgeted at \$1,500. ULCT overspent this category, largely as a result of credit card charges, bank fees, late fees and penalties. Following the staff transition, all

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but one of the ULCT credit card accounts have been closed. Presently, the ULCT's Operations Coordinator (Abby Bolic) holds the remaining ULCT credit card. Managing one credit card and related statement will ensure that payments are timely and excess credit card charges, late fees and penalties are avoided. The FY 2018 budget has added a category for "Credit Card Processing/Bank Fees" so that these unavoidable expenses can be accounted for elsewhere.

### **Capital Outlay**

None of the \$5,000 budgeted for capital outlay and capital improvements was expended in FY 2017.

### **Conclusion**

While ULCT dealt with a tumultuous year and incurred unforeseen expenses, staff was able to effectively manage the finances to put the League in a cash positive situation at year-end. This will allow ULCT to invest more in the PTIF and collect more interest revenue in FY 2018.

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# UTAH LEAGUE OF CITIES AND TOWNS

*FY 2016-17 Q4 Report*

| REVENUES                             | <i>2016-2017<br/>ADOPTED<br/>BUDGET</i> | <i>Q4<br/>July -June<br/>YTD Actual</i> | <i>Difference<br/>2017 Budget<br/>TO<br/>Actual</i> | <i>%<br/>Collected</i> |
|--------------------------------------|---|---|---|------------------------|
| <b>General Revenue</b>               |   |   |   |                        |
| Membership Dues                      | <b>\$1,572,324</b>                      | <b>\$1,564,284</b>                      | <b>(\$8,040)</b>                                    | 99%                    |
| Registration Fees                    | <b>\$490,000</b>                        | <b>\$479,167</b>                        | <b>(\$10,833)</b>                                   | 98%                    |
| Donations & Advertising              | <b>\$275,000</b>                        | <b>\$651,452</b>                        | <b>\$376,452</b>                                    | 237%                   |
| Exhibit Space                        | <b>\$115,000</b>                        | <b>\$121,520</b>                        | <b>\$6,520</b>                                      | 106%                   |
| Interest                             | <b>\$3,500</b>                          | <b>\$4,616</b>                          | <b>\$1,116</b>                                      | 132%                   |
| Publications                         | <b>\$15,000</b>                         | <b>\$7,725</b>                          | <b>(\$7,275)</b>                                    | 52%                    |
| Miscellaneous Income                 | <b>\$250</b>                            | <b>\$3,812</b>                          | <b>\$3,562</b>                                      | 1525%                  |
| Rental Income                        | <b>\$18,000</b>                         | <b>\$18,000</b>                         | <b>\$0</b>  | 100%                   |
| <b>General Revenue</b>               | <b>\$2,489,074</b>                      | <b>\$2,860,576</b>                      | <b>\$371,502</b>                                    | <b>115%</b>            |
| <b>Grants &amp; Special Projects</b> |   |   |   |                        |
| Essay Contest Donations              | <b>\$10,000</b>                         | <b>\$10,000</b>                         | <b>\$0</b>  | 0%                     |
| Grant for Deseret News Project       | <b>\$120,000</b>                        | <b>\$0</b>                              | <b>(\$120,000)</b>                                  | 0%                     |
| Grant for Research Assistant         | <b>\$24,000</b>                         | <b>\$0</b>                              | <b>(\$24,000)</b>                                   | 0%                     |
| Transfer-Making Life Better          | <b>\$50,000</b>                         | <b>\$0</b>                              | <b>(\$50,000)</b>                                   | 0%                     |
| Transfer for Budget Amendments       | <b>\$0</b>                              | <b>\$0</b>                              | <b>\$0</b>  | 0%                     |
| Grants-IHC Wellness                  | <b>\$300,000</b>                        | <b>\$0</b>                              | <b>(\$300,000)</b>                                  | 0%                     |
| Grants-LUAU                          | <b>\$100,000</b>                        | <b>\$103,000</b>                        | <b>\$3,000</b>                                      | 103%                   |
| Grant-UTOPIA                         | <b>\$24,000</b>                         | <b>\$0</b>                              | <b>(\$24,000)</b>                                   | 0%                     |
| Benchmarking                         | <b>\$20,000</b>                         | <b>\$14,358</b>                         | <b>(\$5,642)</b>                                    | 72%                    |
| <b>Grants &amp; Special Projects</b> | <b>\$648,000</b>                        | <b>\$117,358</b>                        | <b>(\$530,642)</b>                                  | <b>18%</b>             |
| <b>TOTAL REVENUE</b>                 | <b>\$3,137,074</b>                      | <b>\$2,977,934</b>                      | <b>(\$159,140)</b>                                  | <b>95%</b>             |

| EXPENDITURES                                 | 2016-2017<br>ADOPTED<br>BUDGET | Q4<br>July - June<br>YTD Actual | Difference<br>2017 Budget<br>TO<br>Actual | Difference<br>% |
|--|--------------------------------|---------------------------------|---|-----------------|
| <b>Personnel Services</b>                    |                                |                                 |   |                 |
| Employee Benefits                            | \$291,471                      | \$171,682                       | \$119,789                                 | 59%             |
| Staff Salaries                               | \$636,614                      | \$574,711                       | \$61,903                                  | 90%             |
| <b>Personnel Services Subtotal</b>           | <b>\$928,085</b>               | <b>\$ 746,393</b>               | <b>\$181,692</b>                          | <b>80%</b>      |
| <b>Charges for Services</b>                  |                                |                                 |   |                 |
| Database Maintenance                         | \$24,000                       | \$0                             | \$24,000                                  | 0%              |
| Accounting Expenses                          | \$18,000                       | \$48,531                        | (\$30,531)                                | 270%            |
| Contract Labor                               | \$90,000                       | \$194,680                       | (\$104,680)                               | 216%            |
| Building Utilities                           | \$4,000                        | \$3,958                         | \$42                                      | 99%             |
| Computer Services                            | \$24,000                       | \$40,020                        | (\$16,020)                                | 167%            |
| Legal Expense                                | \$34,000                       | \$24,877                        | \$9,123                                   | 73%             |
| <b>Charges for Services Subtotal</b>         | <b>\$194,000</b>               | <b>\$312,066</b>                | <b>(\$118,066)</b>                        | <b>161%</b>     |
| <b>Operating &amp; Program Expenses</b>      |                                |                                 |   |                 |
| Car Expense                                  | \$12,776                       | \$5,294                         | \$7,482                                   | 41%             |
| Building Repairs                             | \$19,000                       | \$21,575                        | (\$2,575)                                 | 114%            |
| Dues and Subscriptions                       | \$22,000                       | \$36,977                        | (\$14,977)                                | 168%            |
| Convention Entertainment                     | \$94,000                       | \$102,530                       | (\$8,530)                                 | 109%            |
| Food & Beverage                              | \$546,687                      | \$426,458                       | \$120,229                                 | 78%             |
| Facility Rent/Setup                          | \$68,526                       | \$124,632                       | (\$56,106)                                | 182%            |
| League Relations                             | \$24,000                       | \$16,253                        | \$7,747                                   | 68%             |
| Library                                      | \$1,500                        | \$0                             | \$1,500                                   | 0%              |
| Insurance                                    | \$8,500                        | \$6,281                         | \$2,219                                   | 74%             |
| Speakers Fee/Honorariums                     | \$170,000                      | \$119,269                       | \$50,731                                  | 70%             |
| Printing Expense                             | \$96,000                       | \$53,597                        | \$42,403                                  | 56%             |
| Postage and Freight                          | \$6,500                        | \$3,692                         | \$2,808                                   | 57%             |
| Equipment Purchases                          | \$1,000                        | \$959                           | \$41                                      | 96%             |
| Staff Training & Tuition Aid                 | \$2,500                        | \$722                           | \$1,778                                   | 29%             |
| Equipment Repairs and Maint.                 | \$10,000                       | \$10,628                        | (\$628)                                   | 106%            |
| Spec. Equip. Rental                          | \$65,000                       | \$24,288                        | \$40,712                                  | 37%             |
| Telephone Expense                            | \$15,000                       | \$14,520                        | \$480                                     | 97%             |
| Travel and Lodging                           | \$55,000                       | \$53,128                        | \$1,872                                   | 97%             |
| Board Expenses                               | \$11,000                       | \$3,985                         | \$7,015                                   | 36%             |
| <b>Operating &amp; Program Exp. Subtotal</b> | <b>\$1,228,989</b>             | <b>\$1,024,788</b>              | <b>\$204,201</b>                          | <b>83%</b>      |
| <b>Grants &amp; Special Projects</b>         |                                |                                 |   |                 |
| Special Project-UTOPIA                       | \$24,000                       | \$0                             | \$24,000                                  | 0%              |
| Salary Survey                                | \$12,000                       | \$0                             | \$12,000                                  | 0%              |
| Special Project-ULCTv                        | \$35,000                       | \$429                           | \$34,571                                  | 1%              |
| Special Project-LUAU                         | \$100,000                      | \$20,181                        | \$79,819                                  | 20%             |

|   |                    |                    |                   |             |
|---|--------------------|--------------------|-------------------|-------------|
| Special Project-Making Life Better            | \$50,000           | \$0                | \$50,000          | 0%          |
| Special Projects-IHC Wellness                 | \$300,000          | \$155,000          | \$145,000         | 52%         |
| Deseret News Project                          | \$120,000          | \$40,000           | \$80,000          | 33%         |
| Tax Education Program                         | \$26,500           | \$0                | \$26,500          | 0%          |
| Municipal Funding Project                     | \$55,000           | \$91,325           | (\$36,325)        | 166%        |
| University of Utah Policy Institute           | \$10,000           | \$10,000           | \$0               | 0%          |
| Essay Contest Expenses                        | \$10,000           | \$8,450            | \$1,550           | 85%         |
| Benchmarking                                  | \$20,000           | \$12,408           | \$7,592           | 62%         |
| <b>Grants &amp; Special Projects Subtotal</b> | <b>\$762,500</b>   | <b>\$337,793</b>   | <b>\$424,707</b>  | <b>44%</b>  |
| <b>Materials and Supplies</b>                 |                    |                    |                   |             |
| Office Supplies                               | \$12,000           | \$8,842            | \$3,158           | 74%         |
| <b>Materials &amp; Supplies Subtotal</b>      | <b>\$12,000</b>    | <b>\$8,842</b>     | <b>\$3,158</b>    |             |
| <b>Miscellaneous</b>                          |                    |                    |                   |             |
| Miscellaneous                                 | \$1,500            | \$33,871           | (\$32,371)        | 2258%       |
| Contingency Reserve                           | \$5,000            | \$0                | \$5,000           | 0%          |
| <b>Miscellaneous Subtotal</b>                 | <b>\$6,500</b>     | <b>\$33,871</b>    | <b>(\$27,371)</b> | <b>521%</b> |
| <b>Capital</b>                                |                    |                    |                   |             |
| Capital Outlay                                | \$5,000            | \$0                | \$5,000           | 0%          |
| Capital Improvements                          | \$0                | \$0                | \$0               | 0%          |
| <b>Capital Subtotal</b>                       | <b>\$5,000</b>     | <b>\$0</b>         | <b>\$5,000</b>    | <b>0%</b>   |
| <b>TOTAL EXPENSES</b>                         | <b>\$3,137,074</b> | <b>\$2,463,753</b> | <b>\$673,321</b>  | <b>79%</b>  |
| <b>TOTAL ALL REVENUES</b>                     | <b>\$3,137,074</b> | <b>\$2,977,934</b> | <b>\$159,140</b>  | <b>95%</b>  |
| <b>REVENUES (Under) Over EXPENSES</b>         | <b>\$0</b>         | <b>\$514,181</b>   |                   |             |



**TO:** ULCT Board of Directors  
**FROM:** Nick Jarvis, Chief Operating Officer  
**DATE:** December 8, 2017  
**SUBJECT:** FY 2018 July-November Financial Report

Attached please find a ULCT FY 2018 Q1+ unaudited actual income and expenses compared to budget. This report covers the period July 1, 2017 to November 30, 2017.

## Revenue

Overall, by the end of November 2017, the League has collected 64% of all revenue budgeted for the year. 49% of ULCT annual budgeted revenue derived from **Membership Dues**. Membership dues were just over 100% collected by the end of November. One community continues to opt out of participation with ULCT, and this was factored into the FY 2018 budget for dues revenue.

The ULCT's budgeted revenue for **Registration Fees** is 15% of total revenue budgeted. By the end of November, the ULCT received 52% of the registration fee revenue budgeted. The Board should note that staff does not expect to receive 100% of the revenue budget in this category because of the decision to discontinue Road School this year. However, relevant expenditure categories should also decrease as a result of not holding Road School, and ULCT still has two major events that will collect registration fees (Local Officials Day and Midyear).

**Donation and Advertising** revenue accounts for 9% of annual budgeted revenue, and the League has collected 21% of that expected revenue. ULCT Executive Director Cameron Diehl has contacted all of the League's sponsors and anticipates nearly all current sponsors to continue their support. ULCT has also approached new potential sponsors and we are hopeful for increased involvement. Invoices will be sent to sponsors in Q3.

**Exhibit Space** revenue at the end of November is 37% of budget. Similar to registration fee revenue, staff does not expect to receive 100% of the revenue budget in this category because of the decision to discontinue Road School this year.

27% of **Grants and Special Project** revenue was collected in this period. The reporting requirements have been met for the Active & Healthy Communities Grant, and ULCT expects the

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funds from Intermountain Healthcare by the end of the calendar year. Staff also anticipates last year's sponsor of the essay contest, Maverik, renew their sponsorship of the program.

## **Expenditures**

Overall, actual July-November expenditures are 34% of what was budgeted for FY 2018.

### **Personnel Services**

Expenditures for Personnel Services account for 27% of overall ULCT budgeted spending. So far, ULCT has spent 32% of what has been budgeted. This is right on track for what staff expects considering the vacancy of the Director of Government relations position for a month and a half of this period.

### **Charges for Services**

Charges for Services is 47% expended by the end of November 2017. This is also on track considering that contract labor expenses will decrease in the second half of the fiscal year because of Roger Tew's reversion to a lobbyist contract as opposed to Interim Executive Director. Line-items that staff anticipates being over budget are Building Utilities, Computer Expenses, and Legal Expense (David Church), though savings elsewhere should easily balance this out.

### **Operating & Program Expenses**

Actual expenditures for July-November 2017 in this category are 49% of budget for the year. This is largely due to significantly increased costs for facility rental at the Sheraton for our Annual Convention. However, the other venues the League rents for our remaining events are less expensive, and we will not be renting out the Dixie Center for Road School.

### **Grants and Special Projects**

Expenditures in this category are quite low (9% of budget). Major expenses such as the Active & Healthy Communities Grant, Essay Contest, and Benchmarking database, are incurred later in the year.

### **Materials and Supplies**

The ULCT budget includes \$12,000 for office supplies. This category is currently at 68% of budget largely due to our move to our temporary office location and the equipment that was needed there.

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### **Capital**

3% has been expended in this category for the hiring of an architectural firm to design and provide options and cost estimates for the ULCT office remodel.

### **Conclusion**

The ULCT finances are in good shape and we are on pace to be on budget for FY 2018. Staff has diligently made sure that revenue and expenditures are properly classified in order to give management and the board a better understanding of where ULCT resources are best used. Staff will continue to monitor the budget to ensure that the League remains in a financially sound position.



# UTAH LEAGUE OF CITIES AND TOWNS

FY 2017-2018 YTD 11.30.2017

| REVENUES                             | <i>2017-2018<br/>ADOPTED<br/>BUDGET</i> | <i>YTD Actual<br/>July - November<br/>YTD Actual</i> | <i>Difference<br/>2018 Budget<br/>TO<br/>Actual</i> | <i>%<br/>Collected</i> |
|--------------------------------------|---|--|---|------------------------|
| <b>General Revenue</b>               |   |  |   |                        |
| Membership Dues                      | \$1,650,000                             | \$1,657,571  | \$7,571   | 100%                   |
| Registration Fees                    | \$490,000                               | \$253,860  | (\$236,140)   | 52%                    |
| Donations & Advertising              | \$320,000                               | \$67,889   | (\$252,111)   | 21%                    |
| Exhibit Space                        | \$118,000                               | \$43,920   | (\$74,080)  | 37%                    |
| Interest                             | \$3,500                                 | \$9,282  | \$5,782   | 265%                   |
| Publications                         | \$15,000                                | \$2,641  | (\$12,359)  | 18%                    |
| Miscellaneous Income                 | \$250                                   | \$116  | (\$250)   | 0%                     |
| Reserves                             | \$288,000                               | \$0  | (\$288,000)   | 0%                     |
| Rental Income                        | \$0                                     | \$6,000  | \$6,000   | 100%                   |
| <b>General Revenue</b>               | <b>\$2,884,750</b>                      | <b>\$2,041,163</b>                                   | <b>\$843,587</b>                                    | <b>71%</b>             |
| <b>Grants &amp; Special Projects</b> |   |  |   |                        |
| Essay Contest Donations              | \$10,000                                | \$0  | (\$10,000)  | 0%                     |
| Co-Op Funds Deseret News Project     | \$48,000                                | \$37,050   | (\$10,834)  | 77%                    |
| Grant for Research Assistant         | \$0                                     | \$0  | \$0   | 0%                     |
| Transfer-Making Life Better          | \$0                                     | \$0  | \$0   | 0%                     |
| Grants-Active & Healthy Communitie   | \$300,000                               | \$0  | (\$300,000)   | 0%                     |
| Grants-LUAU                          | \$130,286                               | \$97,000   | (\$33,286)  | 74%                    |
| Grant-UTOPIA                         | \$0                                     | \$0  | \$0   | 0%                     |
| Benchmarking                         | \$0                                     | \$0  | \$0   | 0%                     |
| <b>Grants &amp; Special Projects</b> | <b>\$488,286</b>                        | <b>\$134,166</b>                                     | <b>(\$354,120)</b>                                  | <b>27%</b>             |
| <b>TOTAL REVENUE</b>                 | <b>\$3,373,036</b>                      | <b>\$2,175,329</b>                                   | <b>\$1,197,707</b>                                  | <b>64%</b>             |

| EXPENDITURES                                 | <i>2017-2018<br/>ADOPTED<br/>BUDGET</i> | <i>YTD Actual<br/>July - November<br/>YTD Actual</i> | <i>Difference<br/>2018 Budget<br/>TO<br/>Actual</i> | <i>Difference<br/>%<br/>Expended</i> |
|--|---|--|---|--------------------------------------|
| <b>Personnel Services</b>                    |   |  |   |                                      |
| Employee Benefits                            | \$273,000                               | \$94,636   | \$178,364   | 35%                                  |
| Staff Salaries                               | \$625,000                               | \$194,127  | \$430,873   | 31%                                  |
| <b>Personnel Services Subtotal</b>           | <b>\$898,000</b>                        | <b>\$ 288,763</b>                                    | <b>\$609,237</b>                                    | <b>32%</b>                           |
| <b>Charges for Services</b>                  |   |  |   |                                      |
| Database Maintenance                         | \$0                                     | \$0  | \$0   | 0%                                   |
| Accounting Expenses                          | \$30,000                                | \$10,400   | \$19,600  | 35%                                  |
| Contract Labor                               | \$332,500                               | \$151,170  | \$181,330   | 45%                                  |
| Building Utilities                           | \$4,000                                 | \$3,338  | \$662   | 83%                                  |
| Computer Services                            | \$24,000                                | \$14,884   | \$9,116   | 62%                                  |
| Legal Expense                                | \$24,000                                | \$15,000   | \$9,000   | 63%                                  |
| <b>Charges for Services Subtotal</b>         | <b>\$414,500</b>                        | <b>\$194,792</b>                                     | <b>\$18,116</b>                                     | <b>47%</b>                           |
| <b>Operating &amp; Program Expenses</b>      |   |  |   |                                      |
| Car Expense                                  | \$3,000                                 | \$1,125  | \$1,875   | 38%                                  |
| Building Repairs                             | \$0                                     | \$9,680  | (\$9,680)   | 100%                                 |
| Dues and Subscriptions                       | \$22,000                                | \$12,236   | \$9,764   | 56%                                  |
| Convention Entertainment                     | \$94,000                                | \$93,378   | \$622   | 99%                                  |
| Food & Beverage                              | \$545,000                               | \$162,862  | \$382,138   | 30%                                  |
| Facility Rent/Setup                          | \$68,526                                | \$168,233  | (\$99,707)  | 246%                                 |
| League Relations                             | \$24,000                                | \$0  | \$24,000  | 0%                                   |
| Library                                      | \$1,500                                 | \$0  | \$1,500   | 0%                                   |
| Insurance                                    | \$8,500                                 | \$7,726  | \$774   | 91%                                  |
| Speakers Fee/Honorariums                     | \$150,000                               | \$30,895   | \$119,105   | 21%                                  |
| Printing Expense                             | \$75,000                                | \$13,546   | \$61,454  | 18%                                  |
| Postage and Freight                          | \$6,500                                 | \$1,865  | \$4,635   | 29%                                  |
| Equipment Purchases                          | \$1,000                                 | \$0  | \$1,000   | 0%                                   |
| Staff Training & Tuition Aid                 | \$2,500                                 | \$668  | \$1,832   | 27%                                  |
| Equipment Repairs and Maint.                 | \$10,000                                | \$2,950  | \$7,050   | 30%                                  |
| Spec. Equip. Rental                          | \$65,000                                | \$37,000   | \$28,000  | 57%                                  |
| Telephone Expense                            | \$15,000                                | \$4,962  | \$10,038  | 33%                                  |
| Travel and Lodging                           | \$70,000                                | \$15,753   | \$54,247  | 23%                                  |
| League Office Lease Payment                  | \$36,000                                | \$18,000   | \$18,000  | 50%                                  |
| Credit Card Processing/Bank Fees             | \$10,000                                | \$13,902   | (\$3,902)   | 139%                                 |
| Board Expenses                               | \$11,000                                | \$328  | \$10,672  | 3%                                   |
| <b>Operating &amp; Program Exp. Subtotal</b> | <b>\$1,218,526</b>                      | <b>\$595,109</b>                                     | <b>\$623,417</b>                                    | <b>49%</b>                           |

**Grants & Special Projects**

|   |                  |                 |                  |           |
|---|------------------|-----------------|------------------|-----------|
| Special Project-UTOPIA                        | \$0              | \$0             | \$0              | 0%        |
| Salary Survey                                 | \$12,000         | \$0             | \$12,000         | 0%        |
| Special Project-ULCTv                         | \$0              | \$0             | \$0              | 0%        |
| Special Project-LUAU                          | \$76,000         | \$20,277        | \$55,723         | 27%       |
| Special Project-Making Life Better            | \$0              | \$0             | \$0              | 100%      |
| Special Projects-IHC Wellness                 | \$278,000        | \$0             | \$278,000        | 0%        |
| Deseret News Project                          | \$48,000         | \$20,000        | \$28,000         | 42%       |
| Tax Education Program                         | \$0              | \$0             | \$0              | 0%        |
| Municipal Funding Project                     | \$0              | \$0             | \$0              | 100%      |
| University of Utah Policy Institute           | \$10,000         | \$0             | \$10,000         | 0%        |
| Essay Contest Expenses                        | \$10,000         | \$0             | \$10,000         | 0%        |
| Benchmarking                                  | \$20,000         | \$0             | \$20,000         | 0%        |
| <b>Grants &amp; Special Projects Subtotal</b> | <b>\$454,000</b> | <b>\$40,277</b> | <b>\$346,000</b> | <b>9%</b> |

**Materials and Supplies**

|  |                 |                |                |     |
|--|-----------------|----------------|----------------|-----|
| Office Supplies                          | \$12,000        | \$8,129        | \$3,871        | 68% |
| <b>Materials &amp; Supplies Subtotal</b> | <b>\$12,000</b> | <b>\$8,129</b> | <b>\$3,871</b> |     |

**Miscellaneous**

|                               |                |             |                |           |
|-------------------------------|----------------|-------------|----------------|-----------|
| Miscellaneous                 | \$1,500        | \$88        | \$1,412        | 6%        |
| Transfer to Fund Balance      | \$0            | \$0         | \$0            | 0%        |
| Contingency Reserve           | \$5,000        | \$0         | \$5,000        | 0%        |
| <b>Miscellaneous Subtotal</b> | <b>\$6,500</b> | <b>\$88</b> | <b>\$6,412</b> | <b>1%</b> |

**Capital**

|                                       |                  |                 |                  |           |
|---------------------------------------|------------------|-----------------|------------------|-----------|
| Capital Outlay                        | \$9,510          | \$0             | \$9,510          | 0%        |
| Capital Improvements - Office remodel | \$360,000        | \$10,540        | \$349,460        | 0%        |
| <b>Capital Subtotal</b>               | <b>\$369,510</b> | <b>\$10,540</b> | <b>\$358,970</b> | <b>3%</b> |

|                       |                    |                    |                    |            |
|-----------------------|--------------------|--------------------|--------------------|------------|
| <b>TOTAL EXPENSES</b> | <b>\$3,373,036</b> | <b>\$1,137,698</b> | <b>\$2,235,338</b> | <b>34%</b> |
|-----------------------|--------------------|--------------------|--------------------|------------|

|                           |                    |                    |                    |            |
|---------------------------|--------------------|--------------------|--------------------|------------|
| <b>TOTAL ALL REVENUES</b> | <b>\$3,373,036</b> | <b>\$2,175,329</b> | <b>\$1,197,707</b> | <b>64%</b> |
|---------------------------|--------------------|--------------------|--------------------|------------|

|                                       |            |                    |  |  |
|---------------------------------------|------------|--------------------|--|--|
| <b>REVENUES (Under) Over EXPENSES</b> | <b>\$0</b> | <b>\$1,037,631</b> |  |  |
|---------------------------------------|------------|--------------------|--|--|

November 30, 2017

To the Board of Directors  
Utah League of Cities and Towns  
Salt Lake City, Utah

We have audited the financial statements of Utah League of Cities and Towns as of and for the year ended June 30, 2017, and have issued our report thereon dated November 30, 2017. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards***

As communicated in our letter dated August 9, 2017, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of Utah League of Cities and Towns solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material weaknesses and material noncompliance, and other matters noted during our audit in a separate letter to you dated November 30, 2017.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

**Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Utah League of Cities and Towns is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Originally, we were engaged to audit the financial statements of the Utah League of Cities and Towns. During the course of our audit, we determined that the Utah Municipal Finance Cooperative No. II Trust (the Trust) qualifies to be reported in the financial statements of the League as a discretely presented component unit in accordance with Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity* and Statement No. 39, *Determining Whether Certain Organizations are Component Units*. Because of the lack of availability of information related to the Trust, we did not perform any audit procedures on the Trust's financial data. Accordingly, we provided an adverse auditor's opinion on the separate opinion unit of the Trust related to its exclusion from the financial statements. This did not affect our unmodified auditor's opinion on the opinion units of the Utah League of Cities and Towns and the Utah Municipal Finance Authority.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is the net pension liability, which is calculated by the Utah State Retirement Systems and includes various estimates as utilized by the actuaries. We evaluated the key factors and assumptions used to develop the liability in determining that it is reasonable in relation to the financial statements taken as a whole.

### *Financial Statement Disclosures*

The financial statement disclosures are neutral, consistent, and clear.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. For the year ended June 30, 2017 there were no misstatements identified.

## **Disagreements with Management**

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

## **Representations Requested from Management**

We have requested certain written representations from management that are included in the management representation letter dated November 30, 2017.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with Utah League of Cities and Towns, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Utah League of Cities and Towns' auditors.

## **Other Information in Documents Containing Audited Financial Statements**

Pursuant to professional standards, our responsibility as auditors for other information in documents containing Utah League of Cities and Towns audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we applied certain limited procedures to the following: Management's Discussion and Analysis, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions and Notes to Required Supplementary Information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the management of Utah League of Cities and Towns and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Salt Lake City, Utah

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Financial Statements  
June 30, 2017

# Utah League of Cities and Towns

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## **Independent Auditor's Report**

Board of Directors  
Utah League of Cities and Towns  
Salt Lake City, Utah

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

We have audited the accompanying statement of net position of the Utah League of Cities and Towns (the League) and Utah Municipal Finance Cooperative, a discretely presented component unit, as of June 30, 2017, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

### **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.

### **Basis for Adverse Opinion on the Discretely Presented Component Unit**

The financial statements do not include the financial data for one of the League's legally separate component units, Utah Municipal Finance Cooperative No. II Trust (the Trust). Accounting principles generally accepted in the United States of America require the financial data for the Trust to be reported with the financial data of the League's primary government, unless the League also issues financial statements for the financial reporting entity that include the financial data for its component unit. The

League has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of the Trust are not discretely presented in the accompanying financial statements. The effect of this departure has not been determined.

### **Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Discretely Presented Component Unit” paragraph, the financial statements referred to above do not present fairly, the financial position of the Trust as a discretely presented component unit of the League as of June 30, 2017, or the changes in its financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Unmodified Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Utah League of Cities and Towns and Utah Municipal Finance Cooperative at June 30, 2017 and their respective changes in net position and cash flows for the year then ended in conformity 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, the schedule of the proportionate share of the net pension liability, and the 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquires, 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 League’s financial statements. The supplemental schedule to statement of revenues and expenses – compared with budget is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplemental schedule to statement of revenues and expenses – compared with budget is the responsibility of management and was derived from and relates 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 supplemental schedule to statement of revenues and expenses – compared with budget is 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 30, 2017 on our consideration of the League’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 League’s internal control over financial reporting and compliance.

EB Signature

Salt Lake City, Utah  
November 30, 2017

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Management's Discussion and Analysis  
June 30, 2017

# Utah League of Cities and Towns

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As Management of the Utah League of Cities & Towns (the League), an Interlocal Cooperative, we offer readers of the League's financial statements this narrative overview and analysis of the financial activities of the League for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the financial statements and accompanying notes to enhance their understanding of the League's financial activities.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the League's basic financial statements. The financial statements are designed to provide readers with a broad overview of the League's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the League's assets, deferred outflows, liabilities, and deferred inflows, with the difference being 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 League is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents information showing how the League's net position changed during the most recent fiscal year. 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.

The statement of cash flows presents changes in cash and cash equivalents, resulting from operating, non-capital financing, capital and related financing, and investing activities. In other words, it provides information regarding where the cash came from and how it was used, and the change in cash balance during the reporting period.

The League maintains one type of proprietary fund, an enterprise fund. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the League's budget and actual amounts.

## **FINANCIAL HIGHLIGHTS**

The League's total assets at June 30, 2017 were \$1,189,914, which is an increase of \$112,445 from the prior year, resulting primarily from an increase in the League's cash balances by \$156,517.

The League ended the 2017 fiscal year with \$1,060,048 in total liabilities, which is a decrease of \$382,301 from the prior year, resulting primarily from 1) a decrease membership dues received in advance of \$105,182, 2) a decrease in accrued liabilities of \$197,713, and 3) a decrease in net pension liability of \$83,214. Net position increased by \$491,735. The increase in net position is primarily due to an increase in donations collected throughout the year and increases in sponsorships.

The League also implemented the provisions of GASB Statement No. 68, which now requires the League to report its net pension assets and liabilities, as well as deferred inflows and deferred outflows, in connection with its participation in the Utah Retirement Systems. The following table describes the Utah League of Cities and Town's net position as of June 30, 2017 and 2016:

|                                      | 2017              | 2016               |
|--------------------------------------|-------------------|--------------------|
| Current and Other Assets             | \$ 1,136,066      | \$ 1,001,168       |
| Capital Assets, Net                  | 53,848            | 76,301             |
| <b>Total assets</b>                  | <b>1,189,914</b>  | <b>1,077,469</b>   |
| Total Deferred Outflows of Resources | 357,132           | 312,983            |
| Other Liabilities                    | 382,075           | 681,161            |
| Long-Term Liabilities                | 677,973           | 761,188            |
| <b>Total liabilities</b>             | <b>1,060,048</b>  | <b>1,442,349</b>   |
| Total Deferred Inflows of Resources  | 90,496            | 43,336             |
| Net Position                         |                   |                    |
| Net investment in capital assets     | 53,848            | 76,301             |
| Unrestricted                         | 342,654           | (171,534)          |
| <b>Total net position</b>            | <b>\$ 396,502</b> | <b>\$ (95,233)</b> |

### Revenues

Total operating revenues increased by approximately 11.4% overall due to an increase in the collection of donations by approximately \$557,000. Dues assessed by the League help to finance the organization's day-to-day operations and represent the majority of the League's revenue. The League's other significant revenue sources come from registration at conferences, grants and advertising, and the sale of publications. Additionally, in the current fiscal year, the League received \$103,000 from the State Department of Commerce in connection with a land use training project, which is classified as non-operating revenues. Dues revenue increased approximately 5% in the current fiscal year. The dues are calculated using a formula based upon sales tax revenue, assessed valuation and population. Registration related revenue increased approximately \$2,500 (0.5%).

### Expenses

Operating expenses decreased by approximately \$450,000 (15%). Significant factors contributing to the overall decrease include a decrease in the pension expense of approximately \$244,000 associated with the net pension liability calculated at June 30, 2017. In addition, salaries and employee benefits and taxes decreased by approximately \$163,000.

Utah League of Cities and Towns  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2017

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The elements of the increase in net position for the fiscal years ended June 30, 2017 and 2016 are as follows:

|                                      | 2017         | 2016         |
|--------------------------------------|--------------|--------------|
| Revenues                             |              |              |
| Operating revenues                   | \$ 2,866,508 | \$ 2,571,234 |
| Nonoperating revenues                | 111,433      | 32,942       |
| Total revenues                       | 2,977,941    | 2,604,176    |
| Expenses                             |              |              |
| Payroll and related benefits         | 744,291      | 1,152,018    |
| Other expenses                       | 1,741,915    | 1,783,935    |
| Total expenses                       | 2,486,206    | 2,935,953    |
| Change in Net Position               | 491,735      | (331,777)    |
| Net Position - Beginning of the Year | (95,233)     | 236,544      |
| Net Position - End of the Year       | \$ 396,502   | \$ (95,233)  |

**Capital Assets**

There were no capital assets purchased in 2017 or 2016. Current year depreciation for the fiscal year ended June 30, 2017 was \$22,453, compared to \$26,281 for fiscal year ended June 30, 2016.

**Requests for Information**

This report is designed to provide a general overview of the League's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Utah League of Cities and Towns, 50 South 600 East, Suite 150, Salt Lake City, UT 84102.

Utah League of Cities and Towns  
Statement of Net Position  
June 30, 2017

|                                  | Utah League<br>of Cities<br>and Towns | Utah Municipal<br>Finance<br>Cooperative |
|----------------------------------|---------------------------------------|--|
| Assets                           |                                       |  |
| Current Assets                   |                                       |  |
| Cash and cash equivalents        | \$ 1,097,361                          | \$ 7                                     |
| Accounts receivable, net         | 12,500                                | -  |
| Prepaid expenses                 | 26,205                                | -  |
| Total current assets             | 1,136,066                             | 7  |
| Capital assets, net              | 53,848                                | -  |
| Total assets                     | 1,189,914                             | 7  |
| Deferred Outflows of Resources   |                                       |  |
| Pensions                         | 357,132                               | -  |
| Liabilities                      |                                       |  |
| Current Liabilities              |                                       |  |
| Accounts payable                 | 30,577                                | -  |
| Accrued liabilities              | 14,632                                | -  |
| Deferred revenues:               |                                       |  |
| Membership dues                  | 289,619                               | -  |
| Grants and contracts             | 47,247                                | -  |
| Total current liabilities        | 382,075                               | -  |
| Net pension liability            | 677,973                               | -  |
| Total liabilities                | 1,060,048                             | -  |
| Deferred Inflows of Resources    |                                       |  |
| Pensions                         | 90,496                                | -  |
| Net Position                     |                                       |  |
| Net investment in capital assets | 53,848                                | -  |
| Unrestricted                     | 342,654                               | 7  |
| Total net position               | \$ 396,502                            | \$ 7                                     |

Utah League of Cities and Towns  
Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2017

|  | Utah League<br>of Cities<br>and Towns | Utah Municipal<br>Finance<br>Cooperative |
|--|---------------------------------------|--|
| Operating Revenues                       |                                       |  |
| Membership dues                          | \$ 1,564,284                          | \$ -                                     |
| Contracts and grants                     | 14,359                                | -  |
| Registration fees                        | 476,587                               | -  |
| Donations, advertising and exhibit space | 787,302                               | -  |
| Publication sales                        | 5,976                                 | -  |
| Rental income                            | 18,000                                | -  |
| Total operating revenues                 | 2,866,508                             | -  |
| Operating Expenses                       |                                       |  |
| Speaker fees and honorariums             | 119,271                               | -  |
| Convention supplies                      | 7,178                                 | -  |
| Food and beverage                        | 426,459                               | -  |
| Entertainment                            | 102,530                               | -  |
| Facility rent and setup                  | 124,634                               | -  |
| Printing/Copying                         | 53,599                                | -  |
| Employee benefits and payroll taxes      | 89,382                                | -  |
| Salaries                                 | 574,711                               | -  |
| Pension expense                          | 80,198                                | -  |
| Repairs and maintenance                  | 21,577                                | -  |
| Bad debt expense                         | 12,300                                | -  |
| Depreciation                             | 22,453                                | -  |
| Special equipment- rental                | 23,989                                | -  |
| Special projects                         | 337,794                               | -  |
| Travel and lodging                       | 53,129                                | -  |
| Professional services                    | 73,409                                | -  |
| Computer consulting                      | 40,020                                | -  |
| Contract labor                           | 194,860                               | -  |
| Other expenses                           | 128,713                               | 642                                      |
| Total operating expenses                 | 2,486,206                             | 642                                      |
| Operating Income (Loss)                  | 380,302                               | (642)                                    |
| Non-Operating Revenues                   |                                       |  |
| Government grants and contracts          | 103,000                               | -  |
| Interest income                          | 8,433                                 | -  |
| Income before operating transfers        | 491,735                               | (642)                                    |
| Transfers In (Out)                       | -                                     | (37,389)                                 |
| Change in Net Position                   | 491,735                               | (38,031)                                 |
| Net Position, Beginning of Year          | (95,233)                              | 38,038                                   |
| Net Position, End of Year                | \$ 396,502                            | \$ 7                                     |

Utah League of Cities and Towns  
Statement of Cash Flows  
Years Ended June 30, 2017

|  | Utah League<br>of Cities<br>and Towns | Utah Municipal<br>Finance<br>Cooperative |
|--|---------------------------------------|--|
| Cash Flows from Operating Activities   |                                       |  |
| Receipts from members  | \$ 1,459,102                          | -  |
| Receipts from customers  | 1,295,979                             | -  |
| Receipts from grants and contracts   | 5,001                                 | -  |
| Payments to suppliers  | (1,843,016)                           | (642)                                    |
| Payments to employees  | (871,982)                             | -  |
|  | 45,084                                | (642)                                    |
| Cash Flows from Non-Capital Financing Activities                                   |                                       |  |
| Government grants and contracts received   | 103,000                               | -  |
| Transfers in (out)   | -                                     | (37,389)                                 |
|  | 103,000                               | (37,389)                                 |
| Cash Flows from Investing Activities   |                                       |  |
| Interest received  | 8,433                                 | -  |
|  | 8,433                                 | -  |
| Net Change in Cash and Cash Equivalents  | 156,517                               | (38,031)                                 |
| Cash and Cash Equivalents, Beginning of Year                                       | 940,844                               | 38,038                                   |
| Cash and Cash Equivalents, End of Year   | \$ 1,097,361                          | \$ 7                                     |
| <br>   |                                       |  |
| Cash Flows from Operating Activities   |                                       |  |
| Operating income (loss)  | \$ 380,302                            | \$ (642)                                 |
| Adjustments to reconcile operating income to<br>net cash from operating activities |                                       |  |
| Depreciation   | 22,453                                | -  |
| Bad debt   | 12,300                                | -  |
| Net pension adjustment   | (80,204)                              | -  |
| Changes in operating assets and liabilities  |                                       |  |
| Accounts receivable  | 8,114                                 | -  |
| Prepaid expenses   | 1,205                                 | -  |
| Accounts payable   | (137,059)                             | -  |
| Accrued liabilities  | (47,487)                              | -  |
| Deferred revenues - membership dues  | (105,182)                             | -  |
| Deferred revenues - grants and contracts   | (9,358)                               | -  |
|  | 45,084                                | (642)                                    |
| Net cash from (used for) operating activities                                      | \$ 45,084                             | \$ (642)                                 |

## **Note 1 - Reporting Entity and Summary of Significant Accounting Policies**

The Utah League of Cities and Towns (the League) is a governmental agency created pursuant to the Utah Interlocal Cooperation Act, and is exempt from income taxation. The League represents municipal government interests with a strong, unified voice at the state and federal levels and provides information, training and technical assistance to local officials on municipal issues in order to create a greater public awareness and understanding of municipal responsibilities, governance and administration. The League is not a component unit of another governmental entity and is governed by a Board of Directors selected from the elected officials of the cities and towns the League represents.

### **Reporting Entity**

For financial reporting purposes, the League has considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the League are such that the exclusion would cause the League's financial situation to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) in its Statement No. 14, *The Financial Reporting Entity* and Statement No. 39, *Determining Whether Certain Organizations are Component Units* has established criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the League to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the League.

### **Discretely Presented Component Units**

Utah Municipal Finance Cooperative No. II Trust (the Trust) was created in 1993 to receive certain property to be administered for the benefit of the League. The Trust is governed by four trustees who have the authority to determine the timing and amount of distributions to or on behalf of the League. Under the terms of the Trust agreement, it was to have terminated December 31, 2012, and distributed the remaining assets to the League. The League has considered whether the Trust qualifies as a component unit using the guidance of GASB Statements No. 14 and 39. The Trust meets the criteria established in GASB Statement No. 39 paragraph 5 warranting inclusion as a component unit in the League's financial statements due to the nature and significance the Trust's ongoing financial support to the League.

Utah Municipal Finance Cooperative (MFA) was created in 1986 to issue bonds to help its participating members finance facilities, services, or improvements. The MFA's governing body consists of one representative duly selected by the governing body of each member of the MFA. Each city, town or special district of various kinds in the State of Utah is eligible to become a member of the MFA. The League has considered whether the MFA qualifies as a component unit using the guidance of GASB Statements No. 14 and 39. The MFA meets the criteria established in GASB Statement No. 39 paragraph 5 warranting inclusion as a component unit in the League's financial statements due to the nature and significance the MFA's ongoing financial support to the League.

The League has determined further that the financial data of the Trust and the MFA are required to be reported in the League's financial statements as a discretely presented component units, in separate columns from the activity of the League as the primary government. Because of the lack of availability of financial data for the Trust, it is not practicable to include the financial data of the Trust in the accompanying financial statements, as required by accounting principles generally accepted in the United States of America. However, the MFA fiscal year ended August 31<sup>st</sup> 2017, does have the financial statement data available and will be reported as a discretely presented component unit.

The financial data of the MFA is presented in accordance with the provisions of GASB Statement No. 14 paragraph 59 which allows the presentation of financial data of a component unit for a period ending after the primary government's fiscal year end. The difference in fiscal year end between the League and MFA results in a timing difference related to a transfer out made by the MFA to the League in July 2017 totaling \$37,389. The MFA has reflected the transfer out in its accompanying financial data. The League will reflect the related transfer in from the MFA in its financial statements for the year ending June 30, 2018.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The League's operations are accounted for within a proprietary fund. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the League are member dues, registration fees, various donations and government contracts, and other charges to members and customers for goods and services rendered. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

### **Membership Dues**

Membership dues are recognized as revenue in the applicable membership period, which coincides with the League's fiscal year.

### **Capital Assets**

Property and equipment acquisitions in excess of \$2,000 are capitalized and recorded at cost. Depreciation is provided using the straight-line method based on the estimated useful lives of the assets over three to thirty years.

### **Deferred Revenues**

Dues and other revenues collected in advance are deferred and recognized as revenue in the period earned.

### **Cash and Investments (Cash Equivalents)**

For purposes of the statement of cash flows, the League considers all investments with an original maturity of three months or less to be cash equivalents. The Public Treasurer's Investment Fund is considered a cash equivalent since it is readily accessible by the League.

The League's investments in the Public Treasurer's Investment Fund (an external investment pool) are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. See Note 2 for further discussion regarding the League's policies regarding cash deposits and investments.

### **Accounts Receivable**

Accounts receivable primarily consist of amounts due from members for dues and grants receivable. Management provides for probable uncollectible amounts through an allowance for doubtful accounts. Additions to the allowance for doubtful accounts are based on management's judgment, considering historical write-offs, review of specific past-due accounts, collections and credit conditions. Balances which remain outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to the applicable accounts receivable. Payments received on accounts receivable subsequent to being written off are considered a bad debt recovery. As of June 30, 2017, the allowance for doubtful accounts totaled \$0.

### **Vacation and Sick Leave**

Employees are allowed to convert up to 40 hours of accrued vacation leave to cash at their current pay rate once per year. An employee may accumulate up to 240 hours of vacation, which can be carried forward each fiscal year. Under extenuating circumstances, employees may accumulate more than 240 hours of vacation. All accrued vacation leave is payable at the time of termination.

Once each year, employees may convert up to 32 hours of sick leave to cash at their current pay rate. However, the employee must retain a minimum of 240 hours of sick leave after conversion.

### **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 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.

### **Deferred Outflows of Resources and Deferred Inflows of Resources**

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

## Use of Estimates

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

## Note 2 - Cash and Investments (Cash Equivalents)

*Cash Deposits* – At year end, the carrying amount of the League’s book cash balance was \$1,097,361. No deposits are collateralized.

*Deposit Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The League’s policy for managing custodial credit risk is to deposit funds in financial institutions whose deposits are insured by the federal government. At times, the League’s deposit balance may exceed federally insured limits. The State of Utah does not require collateral on deposits.

*Investments* – The League’s deposits and investment policy follows the requirements of the Utah Money Management Act (the Act) (Utah Code Annotated 1953, Chapter 7) in handling its depository and temporary investing transactions. This law requires the depositing of Leagues funds in a “qualified depository.” The Act defines a “qualified depository” as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Act defines the types of securities authorized as appropriate investments for the League’s funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. The Act authorizes the League to invest in the following types of instruments:

1. Negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories,
2. Repurchase and reverse repurchase agreements,
3. Commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations,
4. Bankers’ acceptances that are eligible for discount at a federal reserve bank and which have a remaining term of 180 days or less,
5. Obligations of the United States Treasury, including bills, notes and bonds,
6. Obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae),
7. Bonds, notes, and other evidence of indebtedness of political subdivisions of the State,
8. Fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations,
9. Shares or certificates in a money market mutual fund as defined in the Money Management Act, and
10. Utah State Public Treasurers’ Investment Fund.

The League has invested the majority of its temporarily idle funds with the Utah Public Treasurer’s Investment Fund (PTIF). The Utah State Treasurer’s Office operates the PTIF. The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code*, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. Parties interested in learning what specific investments comprise the State Treasurer’s Fund may contact the Utah State Treasurer’s Office.

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

*Fair Value of Investments* – The League 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, 2017, the League had \$952,026 in the PTIF. These investments were valued by applying the June 30, 2017 fair value factor, as calculated by the Utah State Treasurer, to the League’s average daily balance in the PTIF. Such valuation is considered a *Level 2* valuation for GASB Statement No. 72 purposes.

*Summary* – The above described cash deposits and investments are summarized and presented in the financial statements at fair value in accordance with the following analysis:

|                 | Bank<br>Balances | Book<br>Balances |
|-----------------|------------------|------------------|
| Cash on hand    | \$ -             | \$ 194           |
| Cash on deposit | 1,119,520        | 1,097,167        |
| Total           | \$ 1,119,520     | \$ 1,097,361     |

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The League does not have a formal investment policy that limits investment maturities as a means of managing its exposure to increasing interest rates. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States

Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the state to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years. The League's investments in the PTIF can be withdrawn at any time.

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The League's policy for reducing its exposure to credit risk is to comply with the Act as previously discussed. As of June 30, 2017, the League's investments in the State of Utah Public Treasurer's Investment Fund were unrated.

*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. The League's policy for reducing the risk of loss is to comply with the rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5% to 10%, depending upon the total dollar amount held in the portfolio.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the League will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The League does not have a formal policy for custodial credit risk.

### Note 3 - Capital Assets

The following tables summarize the changes in capital assets during the year ended June 30, 2017:

|  | Balance<br>June 30,<br>2016 | Additions   | Transfers<br>or Deletions | Balance<br>June 30,<br>2017 |
|--|-----------------------------|-------------|---------------------------|-----------------------------|
| Capital assets being depreciated       |                             |             |                           |                             |
| Buildings and improvements             | \$ 344,512                  | \$ -        | \$ -                      | \$ 344,512                  |
| Furniture, fixtures and equipment      | 171,989                     | -           | -                         | 171,989                     |
| Total capital assets being depreciated | 516,501                     | -           | -                         | 516,501                     |
| Less accumulated depreciation          |                             |             |                           |                             |
| Buildings and improvements             | (288,148)                   | (11,066)    | -                         | (299,214)                   |
| Furniture, fixtures and equipment      | (152,052)                   | (11,387)    | -                         | (163,439)                   |
| Total accumulated depreciation         | (440,200)                   | (22,453)    | -                         | (462,653)                   |
| Net capital assets being depreciated   | \$ 76,301                   | \$ (22,453) | \$ -                      | \$ 53,848                   |

### Note 4 - Contingencies

The League is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the League carries commercial insurance. The League carries a Workers' Compensation policy for which the premiums are based on past experience.

**Note 5 - Pension Plan**

Defined Benefit Plans – General Information and Contributions

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:

- Public Employees Contributory Retirement System (Contributory System); is a multiple employer, cost sharing, 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 (URS) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The URS' 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 URS under the direction of the URS Board, whose members are appointed by the Governor. The URS 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 City, Utah 84102 or visiting the website: [www.urs.org](http://www.urs.org).

*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 percent per year services                                   | COLA**     |
|--------------------------------|----------------------|---|---|------------|
| Contributory System            | Highest 5 years      | 30 years any age<br>25 years any age*<br>20 years age 60*<br>10 years age 62*<br>4 years age 65 | 1.25% per year to June 1975;<br>2.00% per year July 1975 to present | Up to 4%   |
| Tier 2 Public Employees System | Highest 5 years      | 35 years any age<br>20 years age 60*<br>10 years age 62*<br>4 years age 65                      | 1.50% per year all years  | Up to 2.5% |

\* with actuarial reductions

\*\* All post-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 URS, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS 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, 2017 are as follows:

|  | <u>Employee<br/>Paid</u> | <u>Paid by<br/>Employer<br/>for Employee</u> | <u>Employer<br/>Contribution<br/>Rates</u> | <u>Employer<br/>Rate for<br/>401(k) Plan</u> |
|--|--------------------------|--|--|--|
| Contributory System                    |                          |  |  |  |
| 11 Local Governmental Division Tier 1  | 6.000%                   | N/A  | 14.46%                                     | N/A  |
| 111 Local Governmental Division Tier 2 | N/A                      | N/A  | 16.67%                                     | 1.78%  |
| Tier 2 DC Only                         |                          |  |  |  |
| 211 Local Government                   | N/A                      | N/A  | 8.45%                                      | 10.00  |

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

For the fiscal year ended June 30, 2017, the employer and employee contributions to the URS were as follows:

|                                | <u>Employer<br/>Contributions</u> | <u>Employee<br/>Contributions</u> |
|--------------------------------|-----------------------------------|-----------------------------------|
| Contributory System            | \$ 45,982                         | \$ -                              |
| Tier 2 Public Employees System | 7,460                             | -                                 |
| Tier 2 DC Only System          | 14,008                            | N/A                               |
| Total Contributions            | <u>\$ 67,450</u>                  | <u>-</u>                          |

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

**Defined Benefit Plans – Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources relating to Pension**

At June 30, 2017, the League reported a net pension asset of \$0 and a net pension liability of \$677,973, which is summarized as follows:

|                                | <u>Proportionate<br/>Share</u> | <u>Net Pension<br/>Liability</u> |
|--------------------------------|--------------------------------|----------------------------------|
| Contributory System            | 2.0638026%                     | \$ 677,156                       |
| Tier 2 Public Employees System | 0.0073265%                     | 817                              |
|                                |                                | <u>\$ 677,973</u>                |

The net pension asset and liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2016 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the League’s actual contributions to the Systems during the plan year over the total of all employer contributions to the Systems during the plan year.

For the year ended June 30, 2017 the League recognized an actuarial pension adjustment of \$12,860.

At June 30, 2017, the League reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience   | \$ -                                 | \$ 5,742                            |
| Changes in assumptions   | 528                                  | 74                                  |
| Net difference between projected and actual earnings on pension plan investments                     | 321,907                              | 84,680                              |
| Changes in proportion and differences between contributions and proportionate share of contributions | 5,234                                | -                                   |
| Contributions subsequent to the measurement date   | 29,462                               | -                                   |
|  | \$ 357,131                           | \$ 90,496                           |

\$29,462 was included in deferred outflows of resources related to pensions—this results from contributions made by the League prior to the fiscal year end, but subsequent to the measurement date of December 31, 2016.

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<br>Outflows<br>(Inflows) of<br>Resources |
|-------------------------|---|
| 2017                    | \$ 88,030   |
| 2018                    | 88,479  |
| 2019                    | 81,511  |
| 2020                    | (21,145)  |
| 2021                    | 24  |
| Thereafter              | 274   |

Actuarial assumptions: The total pension liability in the December 31, 2016 measurement was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation 2.60 percent
- Salary increases 3.35 - 10.35 percent, average, including inflation
- Investment rate of return 7.20 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, 2016, valuation were based on the results of an actuarial experience study for the five year period ended December 31, 2013.

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 and is applied consistently to each defined benefit pension plan. 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:

| Asset Class               | Expected Return Arithmetic Basis   |                              |  |
|---------------------------|------------------------------------|------------------------------|--|
|                           | Target Asset Allocation            | Real Return Arithmetic Basis | Long-Term Expected Portfolio Real Rate of Return |
| Equity securities         | 40%                                | 7.06%                        | 2.82%  |
| Debt securities           | 20%                                | 0.80%                        | 0.16%  |
| Real assets               | 13%                                | 5.10%                        | 0.66%  |
| Private equity            | 9%                                 | 11.30%                       | 1.02%  |
| Absolute return           | 18%                                | 3.15%                        | 0.57%  |
| Cash and cash equivalents | 0%                                 | 0.00%                        | 0.00%  |
| Totals                    | 100%                               |                              | 5.23%  |
|                           | Inflation                          |                              | 2.60%  |
|                           | Expected arithmetic nominal return |                              | 7.83%  |

The 7.20% assumed investment rate of return is comprised of an inflation rate of 2.60%, a real return of 4.60% that is net of investment expense.

*Discount rate:* The discount rate used to measure the total pension liability was 7.50%. 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 was reduced to 7.20 percent from 7.50 percent from the prior measurement period.

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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

|                                | 1% Decrease<br>(6.20%) | Discount Rate<br>(7.20%) | 1% Increase<br>(8.20%) |
|--------------------------------|------------------------|--------------------------|------------------------|
| Contributory System            | \$ 1,630,149           | \$ 677,156               | \$ (125,643)           |
| Tier 2 Public Employees System | 5,563                  | 817                      | (2,793)                |
| Total                          | \$ 1,635,712           | \$ 677,973               | \$ (128,436)           |

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

### Changes of Assumptions

The following assumption changes were adopted from the most recent actuarial experience study. The assumed investment return assumption was decreased from 7.50 percent to 7.20 percent and the assumed inflation rate was decreased from 2.75 percent to 2.60 percent. With the decrease in the assumed rate of inflation, both the payroll growth and wage inflation assumptions were decreased by 0.15 percent from the prior year's assumption.

### Defined Contribution Savings Plans

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 URS, but may also be used as a primary retirement plan. These plans are voluntary tax-advantage 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.

Utah League Cities and Towns participates in the following Defined Contribution Savings Plans with Utah Retirement Systems. Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, were as follows:

|                        | 2017      | 2016      | 2015      |
|------------------------|-----------|-----------|-----------|
| 401(k) Plan:           |           |           |           |
| Employer contributions | \$ 20,547 | \$ 15,122 | \$ 13,236 |
| Employee contributions | \$ 8,829  | \$ -      | \$ -      |

**Note 6 - Leases**

The League leases to other tenants unused office space in its building on a month-to-month lease. Rental income for the year ended June 30, 2017 was \$18,000.

**Note 7 - Employee Benefits**

The League and its employees also participate in a separate defined contribution retirement plan (the Plan) pursuant to Internal Revenue Code 401(k). All employees who are 18 years of age or older are eligible to participate in the Plan. Participants are 100 percent vested in the employer's contribution after three years of service. The Plan is funded by voluntary employee contributions, employer profit sharing contributions and discretionary matching employer contributions of 3.35 percent of the employee's first 1.65 percent of which they contribute to the plan. For the years ended June 30, 2017, 2016 and 2015, the League contributed \$7,068, \$16,333 and \$12,448, respectively, to the Plan.

DRAFT

Required Supplementary Information  
June 30, 2017

# Utah League of Cities and Towns

DRAFT

Utah League of Cities and Towns  
Schedule of the Proportionate Share of the Net Pension Liability  
June 30, 2017  
Last 10 Fiscal Years\*

|                      | As of and for<br>the year ended<br>June 30, | Proportion<br>of the net<br>pension<br>liability (asset) | Proportionate<br>share of the<br>net pension<br>liability (asset) | Covered<br>employee<br>payroll | Proportionate<br>share of the net<br>pension liability<br>(asset) as a<br>percentage of<br>its covered<br>employee<br>payroll | Plan<br>fiduciary net<br>position as a<br>percentage<br>of its covered<br>employee<br>payroll |
|----------------------|---|--|---|--------------------------------|---|---|
| <b>Contributory</b>  |   |  |   |                                |   |   |
| System               | 2015  | 0.8078009%   | \$ 233,005  | \$ 362,189                     | 64.30%  | 94.00%  |
|                      | 2016  | 1.0829946%   | 761,188   | 370,373                        | 205.52%   | 85.70%  |
|                      | 2017  | 2.0638026%   | 677,156   | 378,251                        | 179.02%   | 92.90%  |
| <b>Tier 2 Public</b> |   |  |   |                                |   |   |
| Employees            | 2015  | 0.0000000%   | \$ -  | \$ -                           | 0.00%   | 0.00%   |
| Systems              | 2016  | 0.0025496%   | (6)   | 16,500                         | -0.04%  | 100.20%   |
|                      | 2017  | 0.0073265%   | 817   | 60,083                         | 1.36%   | 95.10%  |

\* GASB Statement No. 68 requires ten years of information be presented in this table. However, the schedule above is only for fiscal years ending in 2015 and after. The League will build the 10-year schedule prospectively.

Utah League of Cities and Towns  
Schedule of Contributions  
June 30, 2017  
Last 10 Fiscal Years\*

|  | For the<br>year ended<br>June 30, | Actuarially<br>determined<br>contributions | Contributions in<br>relation to the<br>contractually<br>required<br>contribution | Contribution<br>deficiency<br>(excess) | Covered<br>employee<br>payroll | Contributions<br>as a<br>percentage<br>of covered<br>employee<br>payroll** |
|--|-----------------------------------|--|--|--|--------------------------------|--|
| Contributory<br>System                   | 2014                              | \$ 48,993                                  | \$ 48,993  | \$ -                                   | \$ 368,921                     | 13.28%   |
|  | 2015                              | 51,739                                     | 51,739   | -                                      | 357,805                        | 14.46%   |
|  | 2016                              | 54,793                                     | 54,793   | -                                      | 378,928                        | 14.46%   |
|  | 2017                              | 45,982                                     | 45,982   | -                                      | 317,995                        | 14.46%   |
| Tier 2 Public<br>Employees<br>System***  | 2014                              | \$ -                                       | \$ -   | \$ -                                   | \$ -                           | 0.00%  |
|  | 2015                              | -  | -  | -                                      | -                              | 0.00%  |
|  | 2016                              | 8,307                                      | 8,307  | -                                      | 49,833                         | 16.67%   |
|  | 2017                              | 7,460                                      | 7,460  | -                                      | 44,750                         | 16.67%   |
| Tier 2 Public<br>Employees<br>DC Only*** | 2014                              | \$ 8,882                                   | \$ 8,882   | \$ -                                   | \$ 121,009                     | 7.34%  |
|  | 2015                              | 11,224                                     | 11,224   | -                                      | 132,356                        | 8.48%  |
|  | 2016                              | 12,028                                     | 12,028   | -                                      | 142,345                        | 8.45%  |
|  | 2017                              | 14,008                                     | 14,008   | -                                      | 165,775                        | 8.45%  |

\* GASB Statement No. 68 requires ten years of information be presented in this table. However, the schedule above is only for fiscal years ending in 2014 and after. The League will build the 10-year schedule prospectively.

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

\*\*\* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

**Changes of Assumptions**

The following assumption changes were adopted from the most recent actuarial experience study. The assumed investment return assumption was decreased from 7.50 percent to 7.20 percent and the assumed inflation rate was decreased from 2.75 percent to 2.60 percent. With the decrease in the assumed rate of inflation, both the payroll growth and wage inflation assumptions were decreased by 0.15 percent from the prior year’s assumption.

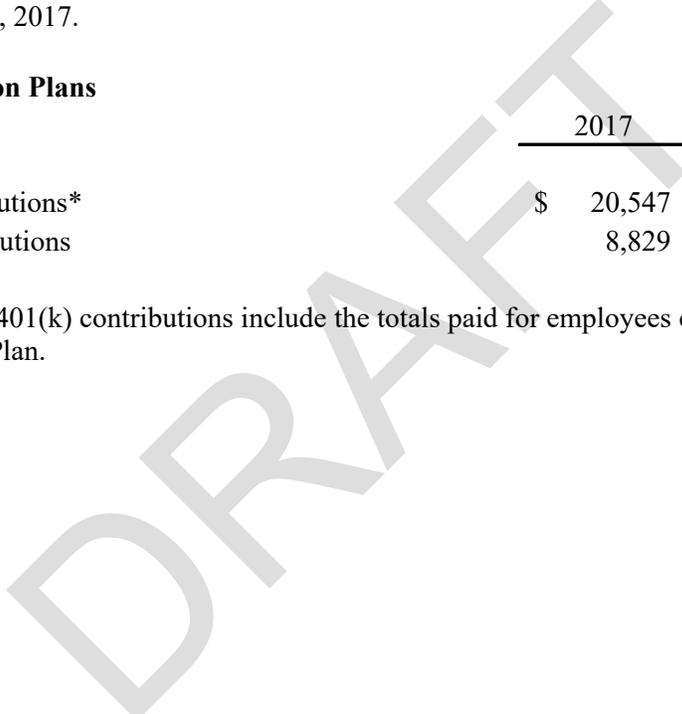
**Other information that is not required as part of required supplementary information**

This information below is not required as part of GASB Statement No. 68 but is provided for informational purposes. The schedule below is a summary of the Defined Contribution Savings Plans for pay periods July 1, 2014 through June 30, 2017.

**Defined Contribution Plans**

|                         | 2017      | 2016      | 2015      |
|-------------------------|-----------|-----------|-----------|
| 401(k) Plan:            |           |           |           |
| Employer contributions* | \$ 20,547 | \$ 15,122 | \$ 13,236 |
| Employee contributions  | 8,829     | -         | -         |

\* The employer paid 401(k) contributions include the totals paid for employees enrolled in the Tier 2 Defined Contribution 401(k) Plan.



Supplementary Information  
June 30, 2017

# Utah League of Cities and Towns

DRAFT

Utah League of Cities and Towns  
Supplemental Schedule to the Statement of Revenues, Expenses  
and Changes in Net Position - Compared with Budget  
For the Year Ended June 30, 2017

|  | Annual<br>Budget | Actual            | Variance with<br>Budget |
|--|------------------|-------------------|-------------------------|
| <b>Operating Revenues</b>                |                  |                   |                         |
| Membership dues                          | \$ 1,572,324     | \$ 1,564,284      | \$ (8,040)              |
| Contracts and grants                     | 648,000          | 14,359            | (633,641)               |
| Registration fees                        | 490,000          | 476,587           | (13,413)                |
| Donations, advertising and exhibit space | 390,000          | 787,302           | 397,302                 |
| Publication sales                        | 15,000           | 5,976             | (9,024)                 |
| Rental income                            | 18,000           | 18,000            | -                       |
| Other income                             | 250              | -                 | (250)                   |
|  | <u>3,133,574</u> | <u>2,866,508</u>  | <u>(267,066)</u>        |
| <b>Operating Expenses</b>                |                  |                   |                         |
| Speaker fees and honorariums             | 170,000          | 119,271           | (50,729)                |
| Convention supplies                      | -                | 7,178             | 7,178                   |
| Food and beverage                        | 546,687          | 426,459           | (120,228)               |
| Entertainment                            | 94,000           | 102,530           | 8,530                   |
| Facility rent and setup                  | 68,526           | 124,634           | 56,108                  |
| Printing/Copying                         | 96,000           | 53,599            | (42,401)                |
| Employee benefits and payroll taxes      | 291,471          | 89,382            | (202,089)               |
| Salaries                                 | 636,614          | 574,711           | (61,903)                |
| Pension expense                          | -                | 80,198            | 80,198                  |
| Repairs and maintenance                  | 10,000           | 21,577            | 11,577                  |
| Bad debt expense                         | -                | 12,300            | 12,300                  |
| Depreciation                             | -                | 22,453            | 22,453                  |
| Special equipment- rental                | 65,000           | 23,989            | (41,011)                |
| Special projects                         | 762,500          | 337,794           | (424,706)               |
| Travel and lodging                       | 55,000           | 53,129            | (1,871)                 |
| Professional services                    | 52,000           | 73,409            | 21,409                  |
| Computer consulting                      | 24,000           | 40,020            | 16,020                  |
| Contract labor                           | 90,000           | 194,860           | 104,860                 |
| Other expenses                           | 175,276          | 128,713           | (46,563)                |
|  | <u>3,137,074</u> | <u>2,486,206</u>  | <u>(650,868)</u>        |
| Operating Income/(Loss)                  | (3,500)          | 380,302           | 383,802                 |
| <b>Non-Operating Revenue</b>             |                  |                   |                         |
| Government grants and contracts          | -                | 103,000           | 103,000                 |
| Interest income                          | 3,500            | 8,433             | 4,933                   |
| Change in Net Position                   | <u>\$ -</u>      | <u>\$ 491,735</u> | <u>\$ 491,735</u>       |

Compliance and Internal Control  
June 30, 2017

Utah League of Cities and Towns

DRAFT

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

The Board of Directors  
Utah League of Cities and Towns  
Salt Lake City, Utah

We have audited, 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, the financial statements of Utah League of Cities and Towns as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Utah League of Cities and Towns basic financial statements, and have issued our report thereon dated November 30, 2017.

**Internal Control over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

*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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2017-A to be a material weakness.

*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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Utah League of Cities and Towns' 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2017-B and 2017-C.

**Utah League of Cities and Towns' Response to Findings**

The Utah League of Cities and Towns' responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Utah League of Cities and Towns' responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

**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 over 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.

EB Signature

Salt Lake City, Utah  
November 30, 2017

DRAFT

**Independent Auditor’s Report on Compliance with General State Compliance  
Requirements and Internal Control over Compliance as Required by the  
*State Compliance Audit Guide***

To The Board of Directors  
Utah League of Cities and Towns  
Salt Lake City, Utah

**Report on Compliance with General State Compliance Requirements**

We have audited the Utah League of Cities and Towns’ compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2017.

General state compliance requirements were tested for the year ended June 30, 2017 in the following areas:

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems
- Open and Public Meetings Act
- Public Treasurer’s Bond
- Cash Management

***Management’s Responsibility***

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

***Auditor’s Responsibility***

Our responsibility is to express an opinion on Utah League of Cities and 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 the Utah League of Cities and 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 referred to above. However, our audit does not provide a legal determination of the Utah League of Cities and Town’s compliance with those requirements.

### ***Basis for Qualified Opinion on Open and Public Meetings Act***

As described in the accompanying schedule of findings and responses, the Utah League of Cities and Towns did not comply with requirements regarding the following:

- Open and Public Meetings Act—Utah League of Cities and Towns did not make board minutes available to the public within three days of approval.
- Open and Public Meetings Act—Utah League of Cities and Towns did not provide an audio recording or a sworn statement that the sole purpose of the closed meeting was to discuss issues permitted by the Open and Public Meetings Act.

Compliance with such requirements is necessary, in our opinion, for the Utah League of Cities and Towns to comply with the requirements applicable to the general compliance requirements listed above.

### ***Qualified Opinion on Open and Public Meetings Act***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Utah League of Cities and Towns complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2017.

### ***Unmodified Opinion on Each of the Other General Compliance Areas***

In our opinion, the Utah League of Cities and Towns complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2017.

### ***Other Matters***

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

The Utah League of Cities and Town's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and responses. The Utah League of Cities and Town's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control over Compliance**

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

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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state compliance requirement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and responses as items 2017-B and 2017-C to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Utah League of Cities and Town's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and responses. The Utah League of Cities and Town's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Purpose of Report**

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.

EB Signature

Salt Lake City, Utah  
November 30, 2017

**Current Year Findings – Financial Statements**

**2017-A GAAP Departure for Exclusion of Discretely Presented Component Units  
Material Weakness in Internal Control over Financial Reporting**

*Criteria:* Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and Statement No. 39, *Determining Whether Certain Organizations are Component Units* require that certain component units that meet certain criteria to be considered in determining financial accountability for primary governments, and include guidance about the inclusion of component units in the financial statements of primary governments.

*Condition:* Utah Municipal Finance Cooperative No. II Trust (the Trust) meets the criteria established in GASB Statement No. 39 paragraph 5 warranting inclusion in the League's financial statements as a discretely presented component unit due to the nature and significance the Trust's ongoing financial support to the League.

*Cause:* Current management and the Board of Directors reviewed its relationship with the Trust. Considering the guidance of GASB Statements No. 14 and 39 the League determined the Trust meet the criteria established in GASB Statement No. 39 paragraph 5 warranting inclusion as a component unit in the League's financial statements due to the nature and significance of the Trust's ongoing financial support to the League. The League has determined further that the financial data of the Trust is required to be reported in the League's financial statements as a discretely presented component unit, in a separate column from the activity of the League as the primary government.

Because of the lack of availability of financial data for the Trust, management determined that it is not practicable to include the financial data of the Trust in the accompanying financial statements, as required by accounting principles generally accepted in the United States of America.

*Effect:* The financial statements of the League do not comply with accounting principles generally accepted in the United States of America. Because the Trust is a legally separate entity and qualifies as a discretely presented component unit, for purposes of the audit the League and the Trust are considered separate opinion units, and each receives a separate auditor's opinion. In the accompanying auditor's report on the financial statements, the League, as the primary government entity received an unmodified opinion; however, the exclusion of the Trust, as the discretely presented component unit, received an adverse opinion.

*Recommendations:* We recommend that management and the Board of Directors of the League continue their review and consideration of the League's relationship with the Trust to resolve outstanding issues, including the availability of financial data for the Trust.

*Views of Responsible Officials:* Records for the Trust for the year ended June 30, 2017 are not available to the League at this time.

**Current Year Findings – State Compliance:**

**2017-B      Open and Public Meetings Act  
Material Weakness in Internal Control over Compliance**

*Criteria:* Utah Code Annotated (UCA) 52-4-203 requires the League uploads Board minutes to the Utah Public Notice Website.

*Condition:* During the year ended June 30, 2017, the League did not post the required notices to the Utah Public Notice Website within three days of approval.

*Cause:* Per inquiry of management, roles had not been properly assigned during the year for responsibilities related to uploading meeting minutes to the Utah Public Notice Website.

*Effect:* For the year ended June 30, 2017, the League was not compliant with the above criteria.

*Recommendations:* We recommend that the League develop policies and controls to ensure meeting minutes are uploaded to the Utah Public Notice Website in accordance with the policy.

*Views of Responsible Officials:* The responsibility for compliance with the Open and Public Meetings Act has been clearly assigned. Documentation of timely posting will be maintained by the designated Records Manager.

**2017-C      Open and Public Meetings Act  
Material Weakness in Internal Control over Compliance**

*Criteria:* UCA 52-4-204 requires that the League provide adequate assurance that closed meetings are for authorized purposes and is documented through a sworn statement or an audio recording.

*Condition:* During the year ended June 30, 2017, the league did not provide a sworn statement or a recording for closed sessions throughout the year.

*Cause:* Per inquiry of management, the audio recording was not available due to technical difficulties during the meeting.

*Effect:* For the year ended June 30, 2017, the League was not compliant with the above criteria.

*Recommendations:* We recommend that the League develop policies and controls to provide adequate support through a sworn statement that the closed meeting is for authorized purposes.

*Views of Responsible Officials:* The responsibility for compliance with the Open and Public Meetings Act has been clearly assigned. The League will provide a sworn statement for closed meeting sessions.

**Prior Year Findings – Financial Statements**

**2016-A      Lack of Written Policies Related to Credit Cards  
Material Weakness in Internal Control over Financial Reporting**

*Initial Year Finding Occurred:* Year ended June 30, 2016

*Finding Summary:* The League has not currently designed controls over the use of company credit cards. The Leagues' credit cards were used inappropriately for personal expenses by the employees holding the cards.

*Status:* This is no longer a finding.

**2016-B      Billing and Accounts Receivable  
Material Weakness in Internal Control over Financial Reporting**

*Initial Year Finding Occurred:* Year ended June 30, 2015

*Finding Summary:* Billing, collection, and reconciliation of event registrations and sponsorships and donations were not always being performed on a timely basis. Consequently, the receivables of the League have increased significantly as compared to the prior year, and a certain degree of uncertainty exists surrounding the collectability of receivables, some of which are significantly aged. Additionally, donations that were recognized during the year from various sponsors and other donors were not always well documented. Although many of these donations are recurring in nature, all donations should be sufficiently documented before being recognized as revenue in order to verify a donor's intent to continue making contributions to the League.

*Status:* This is no longer a finding.

**2016-C      GAAP Departure for Exclusion of Discretely Presented Component Unit  
Material Weakness in Internal Control over Financial Reporting**

*Initial Year Finding Occurred:* Year ended June 30, 2016

*Finding Summary:* Because of the lack of availability of financial data for the Utah Municipal Finance Cooperative No. II Trust (the Trust), the League determined that it is not practicable to include the financial data of the Trust in the accompanying financial statements, as required by accounting principles generally accepted in the United States of America. Therefore, not presenting the Trust as a discretely presented component unit.

*Status:* This is a finding in the current year. See item 2017-A.

**2016-D      Financial Statement Preparation  
Significant Deficiency**

*Initial Year Finding Occurred:* Year ended June 30, 2009

*Finding Summary:* The League has not currently designed controls over the preparation of the year-end financial statements sufficient to identify all required disclosures and to identify new pronouncements from the Government Accounting Standards Board. The League relies on the financial statement audit procedures to identify certain necessary adjustments, accruals and reversals, reclassifications, and disclosures to produce financial statements in compliance with generally accepted accounting principles.

*Status:* This is no longer a finding.

**Prior Year Findings – State Compliance:**

**2016-E      Budgetary Compliance  
Material Weakness in Internal Control over Compliance**

*Initial Year Finding Occurred:* Year ended June 30, 2016

*Finding Summary:* Utah League of Cities and Towns (the League) should have policies and procedures established to ensure that quarterly financial statements are prepared for review and approval by the Board of Directors. Not all quarterly financial statements were prepared and reviewed by the Board of Directors during the year ended June 30, 2016.

*Status:* This is no longer a finding.

**2016-F      Open and Public Meetings Act  
Material Weakness in Internal Control over Compliance**

*Initial Year Finding Occurred:* Year ended June 30, 2014

*Finding Summary:* The League is required to give notice of public meetings at least 24 hours prior by posting the notice on the Utah Public Notice Website. During the year ended June 30, 2016, the League did not post the required notices to the Utah Public Notice Website.

*Status:* This is no longer a finding.

**2016-G**      **Open and Public Meetings Act**  
**Material Weakness in Internal Control over Compliance**

*Initial Year Finding Occurred:* Year ended June 30, 2014

*Finding Summary:* The League is required to provide notice of a meeting at which a tentative budget is to be adopted by publishing the notice in one issue of newspaper of general circulation, at least seven days before the meeting. The League did not provide the required notice at by publishing it in one issue of a newspaper of general circulation, at least seven days before the meeting.

*Status:* This is no longer a finding

**2016-H**      **Treasurer's Bond**  
**Material Weakness in Internal Control over Compliance**

*Initial Year Finding Occurred:* Year ended June 30, 2016

*Finding Summary:* The League is required to be properly bonded in accordance with the Administrative Code R628-4-4 for the Money Management Council. During the year ending June 30, 2016, the League did not maintain the required treasurer's bond.

*Status:* This is no longer a finding.

**2016-I**      **Cash Management**  
**Significant Deficiency in Internal Control over Compliance**

*Initial Year Finding Occurred:* Year ended June 30, 2016

*Finding Summary:* The League is required to file the "Deposit and Investment Report Form" with the Utah Money Management Council by January 31 and July 31 each year. The reports due January 31, 2016 and July 31, 2016 were not filed.

*Status:* This is no longer a finding.

**2016-J**      **Net Position**  
**Immaterial Instance of Non-Compliance**

*Initial Year Finding Occurred:* Year ended June 30, 2016

*Finding Summary:* The League is required to maintain a positive net position. As of June 30, 2016, the League reported a negative unrestricted net position.

*Status:* This is no longer a finding.



**TO:** ULCT Board of Directors  
**FROM:** Council Member Beth Holbrook, ULCT President  
**DATE:** December 7, 2017  
**SUBJECT:** ULCT Office Remodel

An important agenda item that will be considered at the ULCT Board meeting on December 11th will be some final direction on the ULCT office remodeling project. We spent considerable time discussing this issue at our last board meeting. We also have a number of important matters that need to be dealt with at our upcoming meeting.

The request for additional funding was approved at the last board meeting. However, there was a request to examine various options. However, after spending time with staff examining various proposals and actually looking at the office space, it is apparent that in reality there really are limited options to consider: Essentially to move forward with the proposal or to dramatically scale back the effort to a more cosmetic change and defer major remodeling until a later date.

Attached is the following information:

- A memorandum from Roger Tew outlining the history of this project and the staff recommendations.
- The current floor plans and the proposed changes.
- Photographs of some of the impacted space
- Cost estimates

Please note that it is unlikely that Board members have ever seen the 2nd floor space. It has been rented for many years. However, that space will require extensive modification. The photos focus on that space.

**MAKING LIFE BETTER**



**TO:** ULCT Board of Directors  
**FROM:** Roger Tew, Senior Policy Analyst  
**DATE:** December 6, 2017  
**SUBJECT:** ULCT Office Remodel

The purpose of this memo is to provide some background information on the ULCT office remodeling project. When the Board of Directors met in October it was the first meeting for half of the board members and as such the first exposure to the remodeling project.

### **Background:**

The inadequacies of the ULCT offices are apparent to anyone who has spent time in the facility. These concerns are not cosmetic, nor can they be addressed by new paint and carpet. There is not sufficient office space for a professional staff and the conference room does not comply in any fashion with the ADA law.

During the time I was serving as the Interim Executive Director, Kerry Nakamura and I looked seriously at options to upgrade the office space. As part of the preparation for the FY 2017-18 budget we identified \$160,000 of one-time savings that could be allocated for a remodeling project. (The bulk of these savings came from personnel contracts that had been left open pending the appointment of the new Executive Director). The Board of Directors approved the use of that money for the office remodeling project as part of the budget approval process.

### What does the \$160,000 represent?

It is apparent that there may be some misunderstanding of what the \$160,000 represented. That figure was the maximum amount of internal savings that we were able to generate. It was not a professional estimate of what it would cost to complete the remodeling project. In fairness, we had information regarding the remodeling costs of other projects undertaken in our building. We hoped that we would be within that same ballpark. However, these projects were much smaller in scope and were undertaken some time ago.

### Timing of the Move

As the budget was being prepared, Doug Foxley, who had recently purchased the space that we are currently using, approached us with a very compelling offer. He would make that space available to the ULCT as a short-term rental if we were going to go forward with our remodeling project. The use of this rental space would make the remodeling logistics much easier. There



would be no need to find temporary quarters and the logistics of moving within the same building were immeasurably easier. However, it was an option that we needed to accept quickly. As such, in July we moved into our current location with hopes of soon beginning the construction project. In addition, we also stopped holding public meetings in the existing conference space given its obvious failure to conform to the ADA.

### Design and Cost Estimates

The viability of the remodeling project would ultimately turn on whether the existing space could be reconfigured to provide a new ADA-compliant conference room and the requisite office space. Secondly, the actual costs could only be ascertained after the design was developed. To that end, we engaged the services of a very reputable architect, Lisa Arnett of Prescott Muir Architects, to develop a design. We then sought a contractor (John Paulsen of Paulsen Construction, who is also on the state-approved list) to provide a cost estimate. That cost estimate significantly exceeded our savings amount. We then brought the issue back to the Board at the October meeting with the goal of seeking additional funding for the project.

### **Remodeling Options:**

The ULCT Board approved the additional funding request of \$200,000 but wanted to look at remodeling options. I have spent considerable time looking at design alternatives that would meet the basic remodeling objectives and would meaningfully impact costs. Reminder: These remodeling objectives are (1) the creation of ADA conference space; and (2) the development of sufficient office space for the professional staff.

In order to accomplish these goals within the available floor space (1st and 2nd floors) requires the realignment of a virtually all of the walls within this floor space. In addition, the space on the 2nd floor involves a large atrium space which is currently not useable for anything but aesthetics. In order to facilitate the remodeling objectives that atrium space needs to be modified. The single largest cost component of this project is the demolition and reconfiguration of the floor space. Without this reconfiguration there really is no reason to undertake the project.

### Inside Stairway

There was some discussion at the Board meeting about the inside stairway. In actuality the cost of the stairs is around \$20,000 – not inconsequential but also manageable. The reason the cost is rather modest is that the stairway would go through the space currently occupied by the atrium. As such the demolition cost is removed since we need to remove the atrium anyway.

### Non-Remodel Option

The only real alternative to moving forward with the proposed remodel plan is to simply leave the existing floor space as is and apply new amenities such as carpet and paint. It would leave us

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without any meaningful conference meeting space. It would also eventually require the ULCT to confront the same space allocation issues that exist today.

In summary there really are only two options – a major remodeling along the lines that we have proposed or a very short-term carpet and paint improvement and deferral of a major remodel until a later date.

### **Construction/Contract Process:**

The office building where the ULCT offices are located is in fact a condo which currently has three owners: The ULCT owns  $\frac{1}{4}$ ; Kay Spatafore owns  $\frac{1}{4}$  and Doug Foxley owns  $\frac{1}{2}$ . There is a condo association that acts as the management entity for the building and to which each of the condo owners pays a monthly assessment. There are a number of upgrades and repairs that have been made during the past year and more that are anticipated. Our remodeling efforts will also require some modifications to the common areas. As a result, the condo association would prefer that a single construction manager be engaged to oversee the process. Each of the entities is responsible for their own changes. To that end the association has agreed on a contractor who has experience with the building. John Paulsen is the contractor. He would be responsible for the bidding process for subcontractors and he has provided the cost estimates for our project.

### **Summary:**

I believe that there are three important questions before the ULCT Board of Directors on this project:

1. Is there a need for the remodeling project?
2. Has a credible remodeling plan been presented?
3. Does the ULCT have the financial resources to undertake the project?

As to the first question, we would remind the Board that there has not been a significant upgrade to the ULCT offices in more than 20 years. In addition to not providing adequate office space the current conference room is in violation of the ADA. Hopefully we have outlined the reasons why the proposal is a reasonable request and is really the only approach to address the needed changes in the ULCT office space. Lastly, we are mindful of the trust implicit in using ULCT resources. The additional monetary request represents a very small portion of the ULCT reserves (11%) and would still leave the organization with budget reserves of 52% the amended FY 2018 budget.

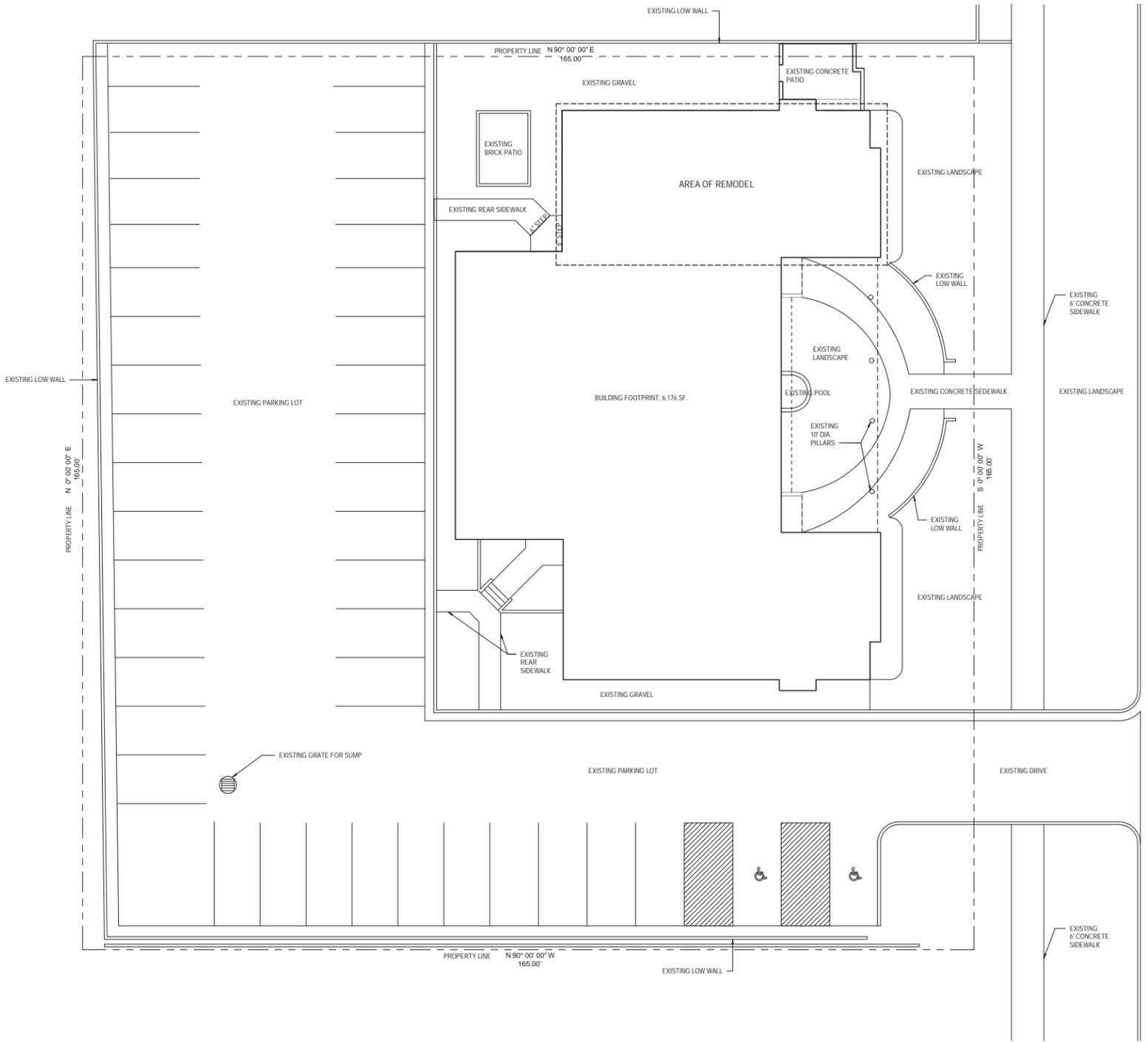
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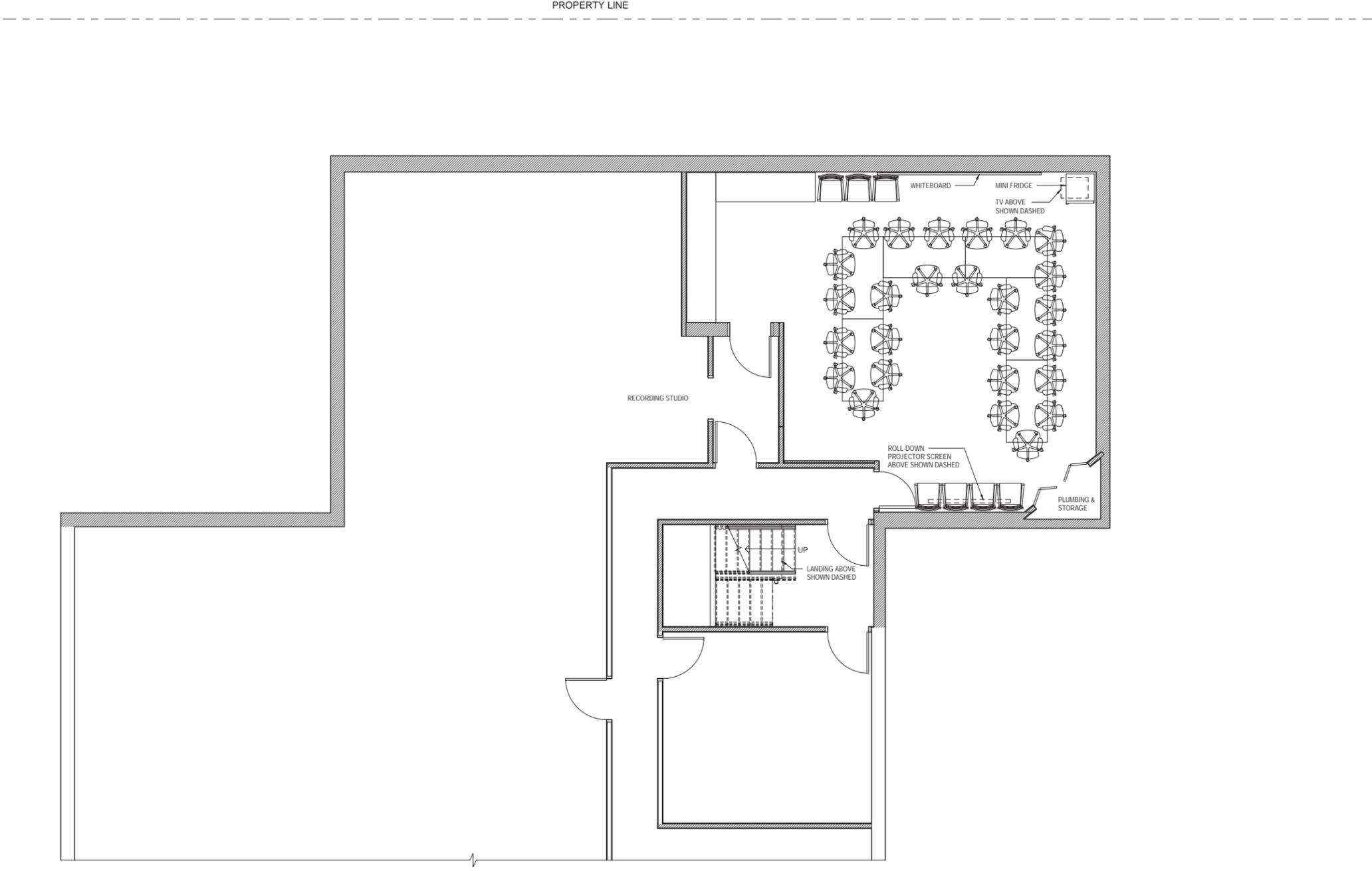


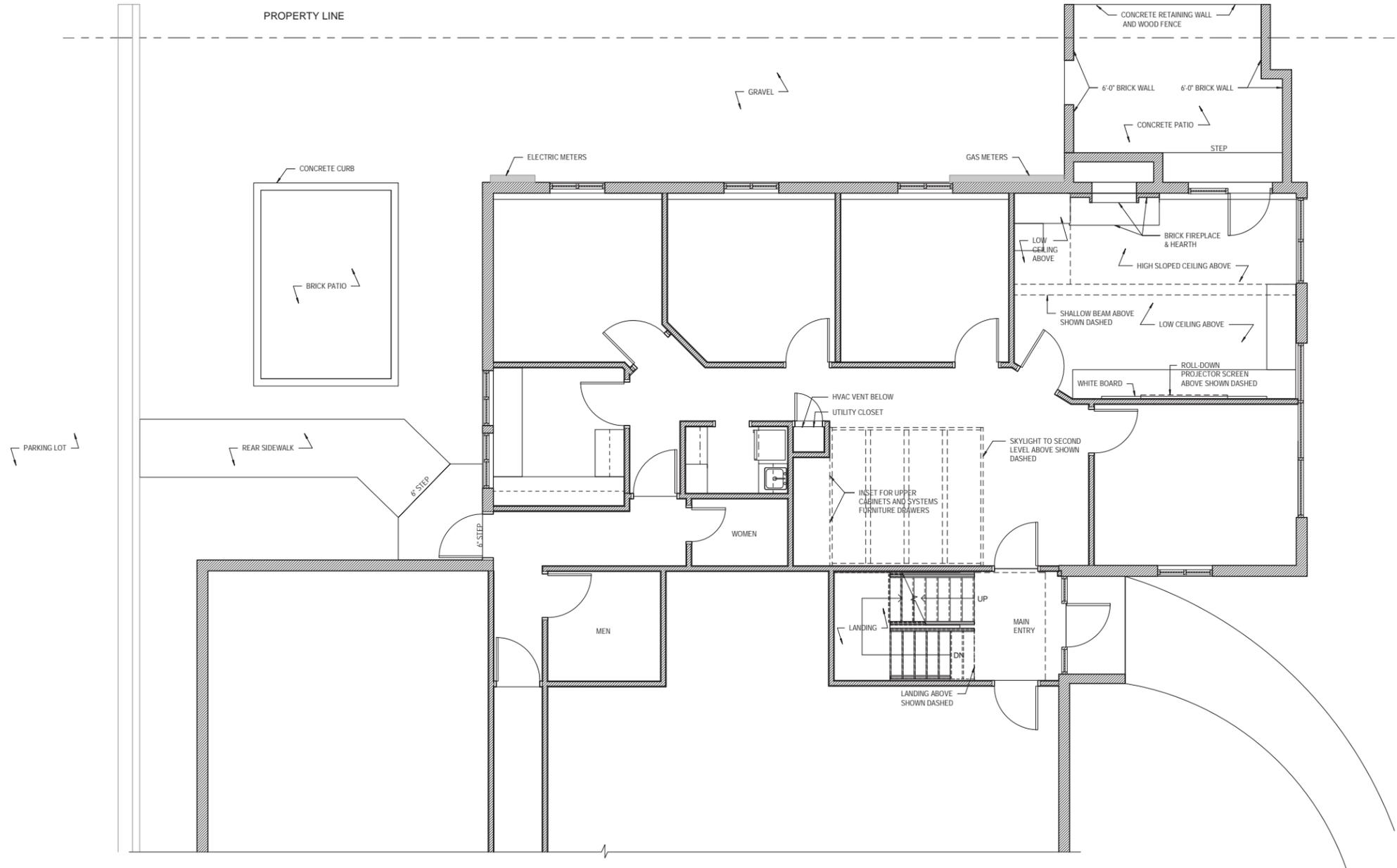
UTAH LEAGUE OF CITIES AND TOWNS

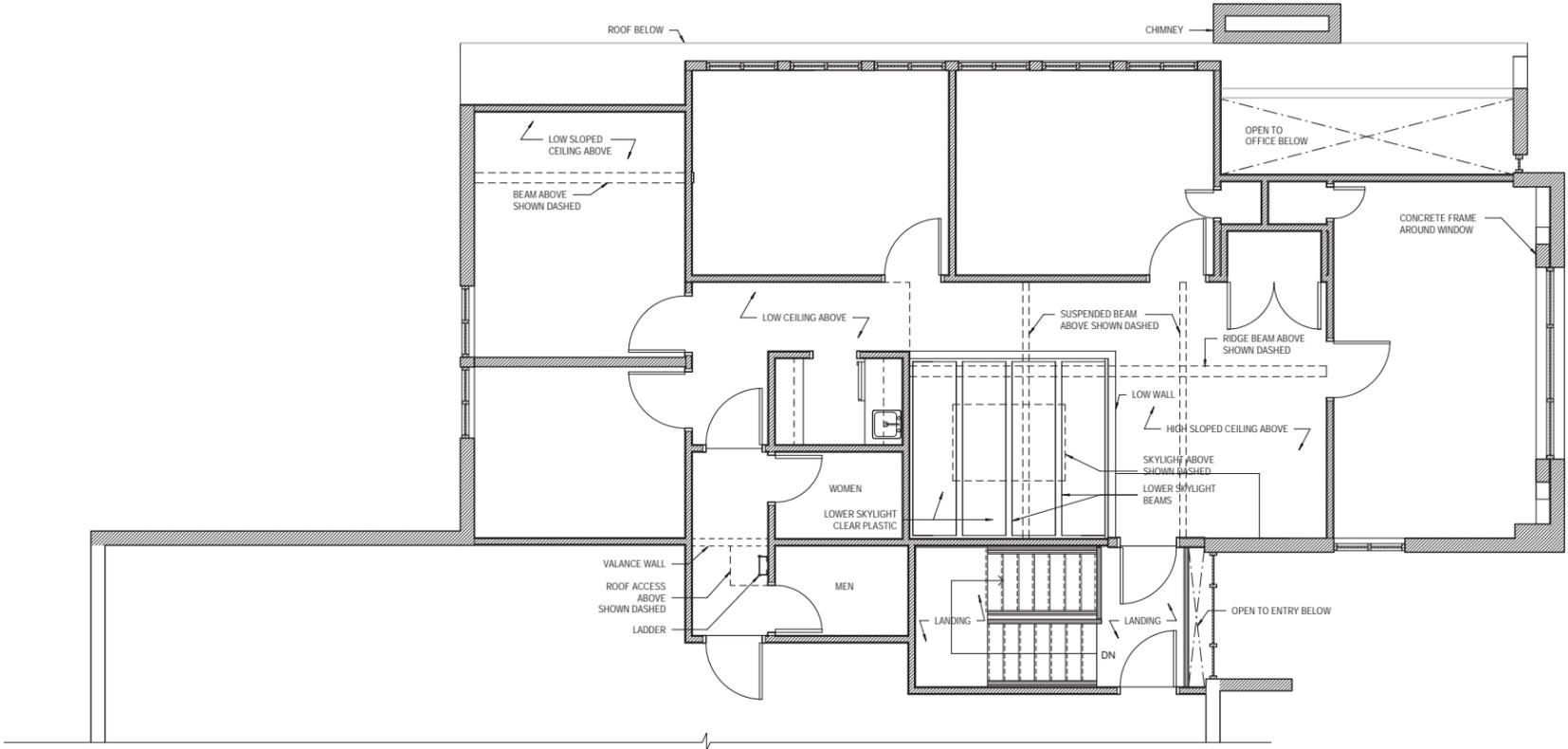
OFFICE  
REMODEL

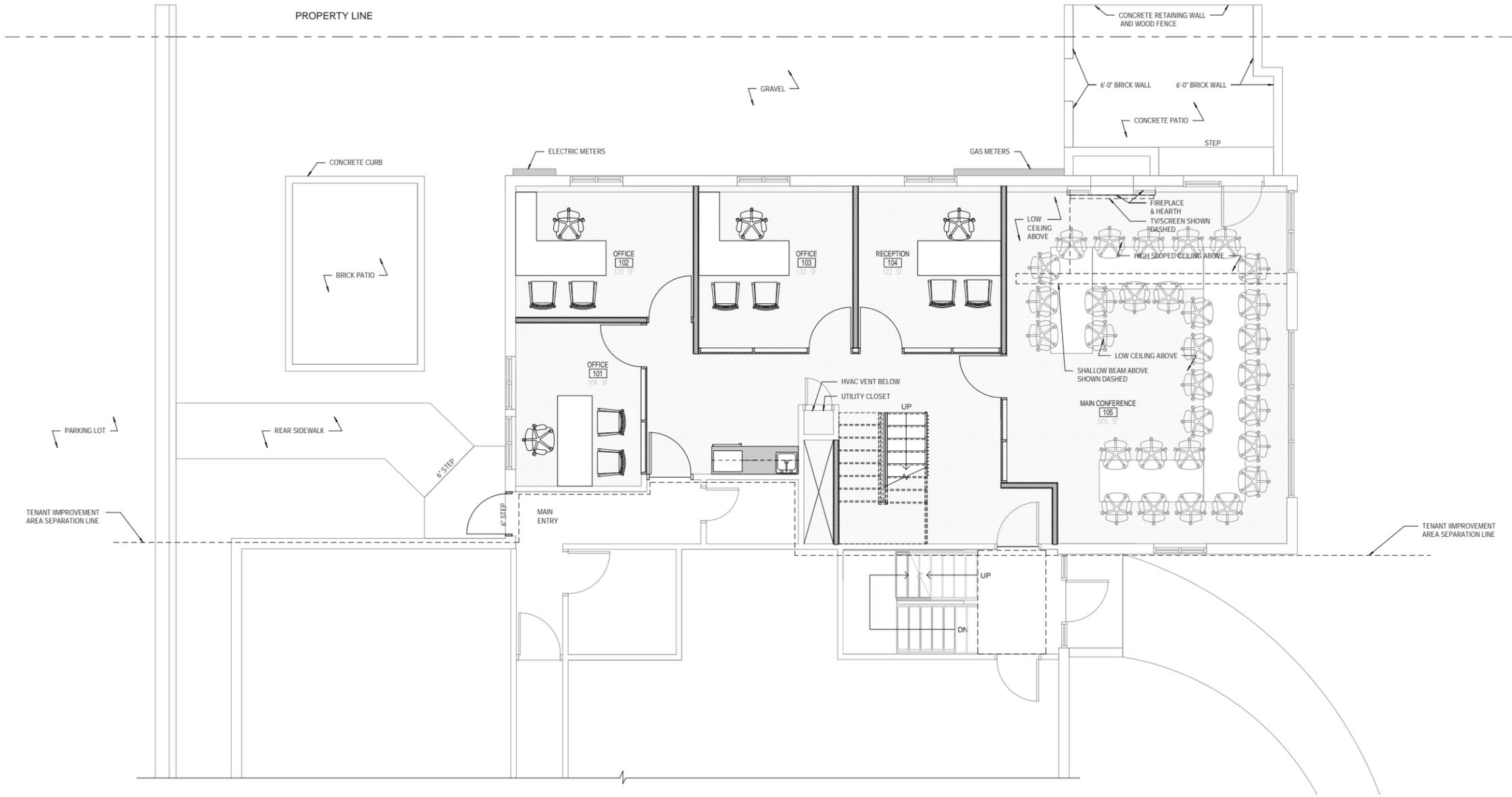
PRESCOTT MUIR ARCHITECTS

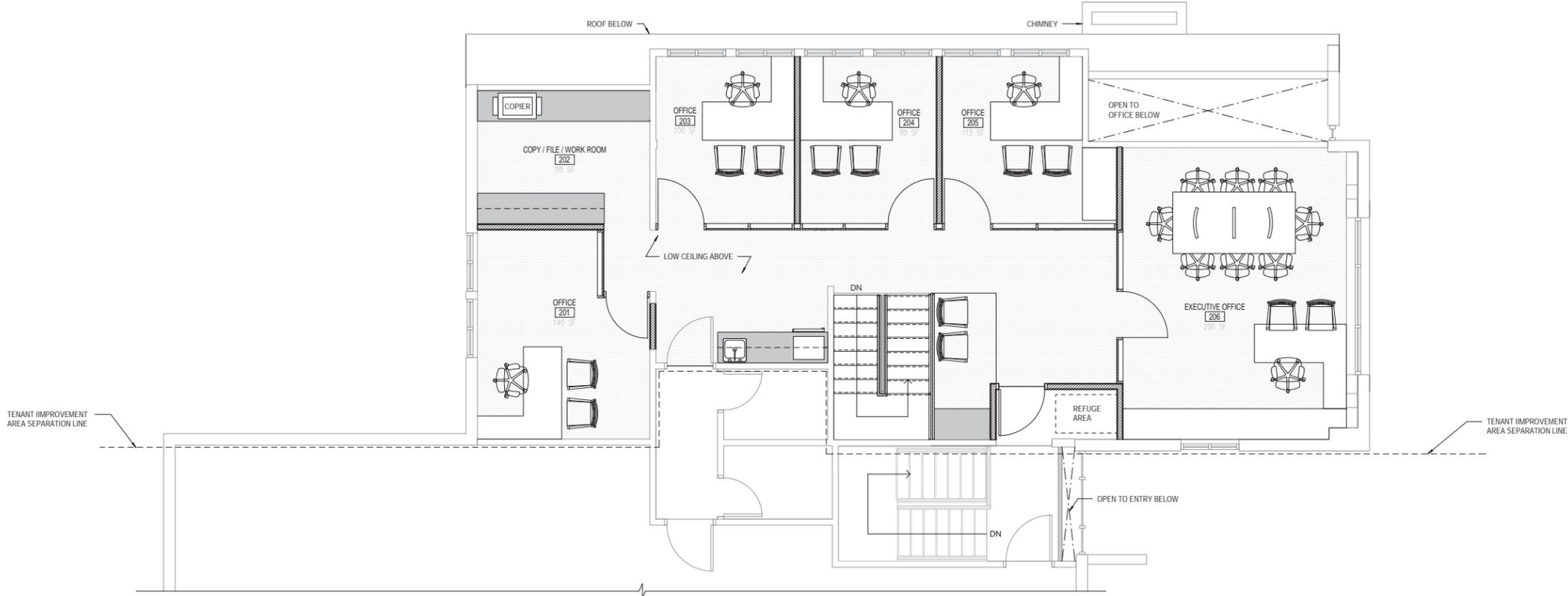
















**Project:** League of Cities  
**Estimator:** Harold Saunders

**Bid Date:**  
**Bid Time:**

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|  |                          | Subcontractor        |             |              |             |           |              |
|--|--------------------------|----------------------|-------------|--------------|-------------|-----------|--------------|
| Section(s)   | Trade                    | or Supplier          | Material    | Labor        | Subcontract | Equipment | Sub-Total    |
| <b>DIVISION 1 - GENERAL CONDITIONS (total from page 2)</b> |                          |                      |             |              |             |           |              |
| 01000  | GENERAL CONDITIONS       | Paulsen Construction | \$ -        | \$ 53,194.00 | \$ -        |           | \$ 53,194.00 |
|  |                          |                      |             |              |             |           | \$ -         |
| <b>DIVISION TOTAL:</b>                                     |                          |                      |             |              |             |           | \$ 53,194.00 |
| <b>DIVISION 2 - EXISTING CONDITIONS</b>                    |                          |                      |             |              |             |           |              |
| 2.0600   | SAW CUTTING              | in sub demo          |             |              | \$ 2,000.00 |           | \$ 2,000.00  |
| 2.0750   | CONCRETE DEMOLITION      | "_"                  |             |              |             |           | \$ -         |
| 2.4116   | STRUCTURE DEMOLITION     | Redrock              |             |              | \$ 6,950.00 |           | \$ 6,950.00  |
| 2.4119   | SELECTIVE DEMOLITION     | in sub demo          |             |              |             |           | \$ -         |
|  |                          |                      |             |              |             |           | \$ -         |
|  |                          |                      |             |              |             |           | \$ -         |
|  |                          |                      |             |              |             |           | \$ -         |
|  |                          |                      |             |              |             |           | \$ -         |
| <b>DIVISION TOTAL:</b>                                     |                          |                      |             |              |             |           | \$ 8,950.00  |
| <b>DIVISION 3 - CONCRETE</b>                               |                          |                      |             |              |             |           |              |
| 3.1010   | FORMING MATERIALS        |                      | \$ 1,900.00 |              |             |           | \$ 1,900.00  |
| 3.1100   | READY-MIX                |                      |             |              |             |           | \$ -         |
| <b>DIVISION TOTAL:</b>                                     |                          |                      |             |              |             |           | \$ 1,900.00  |
| <b>DIVISION 4 - MASONRY</b>                                |                          |                      |             |              |             |           |              |
| 4.0110   | MASONRY CLEANING         |                      |             |              |             |           | \$ -         |
| 4.0120   | BRICK MASONRY REPAIR     |                      |             |              |             |           | \$ -         |
| 4.0124   | BRICK MASONRY REPOINTING |                      |             |              |             |           | \$ -         |
| 4.0140   | STONE REPAIR             |                      |             |              |             |           | \$ -         |
| 4.0142   | STONE REPOINTING         |                      |             |              |             |           | \$ -         |
| 4.2000   | UNIT MASONRY             |                      |             |              |             |           | \$ -         |
| 4.2300   | GLASS UNIT MASONRY       |                      |             |              |             |           | \$ -         |
| 4.4200   | EXTERIOR STONE CLADDING  |                      |             |              |             |           | \$ -         |
| 4.7200   | CAST STONE MASONRY       |                      |             |              |             |           | \$ -         |
|  |                          |                      |             |              |             |           | \$ -         |
| <b>DIVISION TOTAL:</b>                                     |                          |                      |             |              |             |           | \$ -         |

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|   |   | Subcontractor         |  | Labor       | Subcontract  | Equipment   | Sub-Total    |
|---|---|-----------------------|--|-------------|--------------|-------------|--------------|
| Section(s)  | Trade   | or Supplier           |  | Material    |              |             |              |
| <b>DIVISION 5 - METALS</b>                            |   |                       |  |             |              |             |              |
| 5.5000  | METAL FABRICATIONS                                |                       |  |             |              |             | \$ -         |
| 5.5010  | STAINLESS STEEL                                   |                       |  |             |              |             | \$ -         |
| 5.5100  | ERECTION - STEEL                                  |                       |  |             |              |             | \$ -         |
| 5.5113  | METAL PAN STAIRS                                  |                       |  |             |              |             | \$ -         |
| <b>5.5200</b>   | <b>HANDRAILS &amp; RAILINGS</b>                   | Budget                |  |             | \$ 8,000.00  |             | \$ 8,000.00  |
| 5.5813  | COLUMN COVERS                                     |                       |  |             |              |             | \$ -         |
| <b>5.7113</b>   | <b>FABRICATED METAL SPIRAL STAIRS</b>             | Budget                |  |             | \$ 15,000.00 |             | \$ 15,000.00 |
|   |   |                       |  |             |              |             | \$ -         |
| <b>DIVISION TOTAL:</b>                                |   |                       |  |             |              |             | \$ 23,000.00 |
| <b>DIVISION 6 - WOOD, PLASTIC, &amp; COMPOSITES</b>   |   |                       |  |             |              |             |              |
| <b>6.1000</b>   | <b>ROUGH CARPENTRY</b>                            | Budget                |  | \$ 4,500.00 | \$ 5,000.00  | \$ 1,451.95 | \$ 10,951.95 |
| <b>6.4100</b>   | <b>CABINETS / MILLWORK</b>                        | Budget                |  |             | \$ 6,200.00  |             | \$ 6,200.00  |
| 6.4200  | PANELING  |                       |  |             |              |             | \$ -         |
| 6.4300  | WOOD STAIRS AND RAILING                           |                       |  |             |              |             | \$ -         |
| 6.4400  | ORNAMENTAL WOODWORK                               |                       |  |             |              |             | \$ -         |
| 6.4600  | WOOD TRIM   |                       |  |             |              |             | \$ -         |
| 6.4919  | WOOD SHUTTERS                                     |                       |  |             |              |             | \$ -         |
|   |   |                       |  |             |              |             | \$ -         |
|   |   |                       |  |             |              |             | \$ -         |
|   |   |                       |  |             |              |             | \$ -         |
|   |   |                       |  |             |              |             | \$ -         |
|   |   |                       |  |             |              |             | \$ -         |
|   |   |                       |  |             |              |             | \$ -         |
| <b>DIVISION TOTAL:</b>                                |   |                       |  |             |              |             | \$ 17,151.95 |
| <b>DIVISION 7 - THERMAL &amp; MOISTURE PROTECTION</b> |   |                       |  |             |              |             |              |
| 7.1130  | DAMPPROOFING                                      |                       |  |             |              |             | \$ -         |
| 7.1300  | WATERPROOFING                                     |                       |  |             |              |             | \$ -         |
| <b>7.2100</b>   | <b>Sound INSULATION</b>                           |                       |  |             | \$ 3,138.00  |             | \$ 3,138.00  |
|   |   |                       |  |             |              |             | \$ -         |
|   |   |                       |  |             |              |             | \$ -         |
| <b>DIVISION TOTAL:</b>                                |   |                       |  |             |              |             | \$ 3,138.00  |
| <b>DIVISION 8 - OPENINGS</b>                          |   |                       |  |             |              |             |              |
| <b>8.1113</b>   | <b>HOLLOW METAL DOORS AND FRAMES</b>              | Budget with sidelites |  | \$ 4,500.00 | \$ 12,100.00 |             | \$ 16,600.00 |
| <b>8.1113</b>   | <b>Frames, Doors, &amp; Hardware Installation</b> | Budget                |  |             | \$ 2,200.00  |             | \$ 2,200.00  |
|   |   |                       |  |             |              |             | \$ -         |
|   |   |                       |  |             |              |             | \$ -         |
| <b>DIVISION TOTAL:</b>                                |   |                       |  |             |              |             | \$ 18,800.00 |

**Project:** League of Cities  
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Building SF: 2940



|                                  |  | Subcontractor  |  | Labor    | Subcontract  | Equipment | Sub-Total     |
|----------------------------------|--|----------------|--|----------|--------------|-----------|---------------|
| Section(s)                       | Trade  | or Supplier    |  | Material |              |           |               |
| <b>DIVISION 9 - FINISHES</b>     |  |                |  |          |              |           |               |
| 9.2400                           | PLASTERING                                     |                |  |          |              |           | \$ -          |
| 9.2718                           | GLASS FIBER REINFORCED PLASTER FABs            |                |  |          |              |           | \$ -          |
| <b>9.2900</b>                    | <b>GYPsUM BOARD</b>                            | Budget         |  |          | \$ 28,480.00 |           | \$ 28,480.00  |
| 9.3013                           | CERAMIC TILING                                 |                |  |          |              |           | \$ -          |
| 9.3033                           | STONE TILING                                   |                |  |          |              |           | \$ -          |
| <b>9.5100</b>                    | <b>ACOUSTIC CEILINGs</b>                       | Budget         |  |          | \$ 12,820.00 |           | \$ 12,820.00  |
| 9.5200                           | WOOD CEILINGs                                  |                |  |          |              |           | \$ -          |
| 9.6340                           | STONE FLOORING                                 |                |  |          |              |           | \$ -          |
| 9.6400                           | WOOD FLOORING                                  |                |  |          |              |           | \$ -          |
| 9.6466                           | ATHLETIC FLOORING                              |                |  |          |              |           | \$ -          |
| 9.6500                           | RESILIENT FLOORING                             |                |  |          |              |           | \$ -          |
| 9.6723                           | RESINOUs FLOORING                              |                |  |          |              |           | \$ -          |
| <b>9.6800</b>                    | <b>CARPETING &amp; TILE</b>                    | Budget \$20 SF |  |          | \$ 58,000.00 |           | \$ 58,000.00  |
| 9.6810                           | FLOOR PREPARATION                              |                |  |          |              |           | \$ -          |
| 9.7000                           | SPECIAL FLOORING                               |                |  |          |              |           | \$ -          |
| 9.7200                           | WALL COVERINGs                                 |                |  |          |              |           | \$ -          |
| 9.8000                           | SPECIAL COATINGs                               |                |  |          |              |           | \$ -          |
| 9.8433                           | SOUND ABSORBING WALL UNITS                     |                |  |          |              |           | \$ -          |
| <b>9.9100</b>                    | <b>PAINTING</b>                                | Budget         |  |          | \$ 10,000.00 |           | \$ 10,000.00  |
|                                  |  |                |  |          |              |           | \$ -          |
| <b>DIVISION TOTAL:</b>           |  |                |  |          |              |           | \$ 109,300.00 |
| <b>DIVISION 10 - SPECIALTIES</b> |  |                |  |          |              |           |               |
| <b>10.2800</b>                   | <b>TOILET, BATH, &amp; LAUNDRY ACCESSORIES</b> | Budget         |  |          | \$ 800.00    |           | \$ 800.00     |
| 10.2819                          | TUB AND SHOWER DOORS                           |                |  |          |              |           | \$ -          |
| <b>10.3010</b>                   | <b>FIREPLACES</b>                              | Budget         |  |          | \$ 3,500.00  |           | \$ 3,500.00   |
| <b>10.4400</b>                   | <b>FIRE EXTINGUISHERS AND CABINETS</b>         |                |  |          | \$ 525.00    |           | \$ 525.00     |
|                                  |  |                |  |          |              |           | \$ -          |
|                                  |  |                |  |          |              |           | \$ -          |
|                                  |  |                |  |          |              |           | \$ -          |
|                                  |  |                |  |          |              |           | \$ -          |
|                                  |  |                |  |          |              |           | \$ -          |
| <b>DIVISION TOTAL:</b>           |  |                |  |          |              |           | \$ 4,825.00   |
| <b>DIVISION 11 - EQUIPMENT</b>   |  |                |  |          |              |           |               |
|                                  |  |                |  |          |              |           | \$ -          |
|                                  |  |                |  |          |              |           | \$ -          |
| <b>DIVISION TOTAL:</b>           |  |                |  |          |              |           | \$ -          |

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| Section(s)  |                                      | Trade | Subcontractor<br>or Supplier | Material | Labor | Subcontract  | Equipment              | Sub-Total    |
|---|--------------------------------------|-------|------------------------------|----------|-------|--------------|------------------------|--------------|
| <b>DIVISION 12 - FURNISHINGS</b>                                |                                      |       |                              |          |       |              |                        |              |
|   |                                      |       |                              |          |       |              |                        | \$ -         |
|   |                                      |       |                              |          |       |              |                        | \$ -         |
|   |                                      |       |                              |          |       |              | <b>DIVISION TOTAL:</b> | \$ -         |
| <b>DIVISION 13 - SPECIAL CONSTRUCTION</b>                       |                                      |       |                              |          |       |              |                        |              |
|   |                                      |       |                              |          |       |              | <b>DIVISION TOTAL:</b> | \$ -         |
| <b>DIVISION 14 - CONVEYING EQUIPMENT</b>                        |                                      |       |                              |          |       |              |                        |              |
|   |                                      |       |                              |          |       |              |                        | \$ -         |
|   |                                      |       |                              |          |       |              | <b>DIVISION TOTAL:</b> | \$ -         |
| <b>DIVISION 21 - FIRE SUPPRESSION</b>                           |                                      |       |                              |          |       |              |                        |              |
|   |                                      |       |                              |          |       |              |                        | \$ -         |
|   |                                      |       |                              |          |       |              |                        | \$ -         |
|   |                                      |       |                              |          |       |              | <b>DIVISION TOTAL:</b> | \$ -         |
| <b>DIVISION 22 - PLUMBING</b>                                   |                                      |       |                              |          |       |              |                        |              |
| <b>22.0100</b>  | <b>PLUMBING</b>                      |       | Budget                       |          |       | \$ 7,200.00  |                        | \$ 7,200.00  |
| 22.0719   | PLUMBING PIPE INSULATION             |       |                              |          |       |              |                        | \$ -         |
|   |                                      |       |                              |          |       |              |                        | \$ -         |
|   |                                      |       |                              |          |       |              |                        | \$ -         |
|   |                                      |       |                              |          |       |              | <b>DIVISION TOTAL:</b> | \$ 7,200.00  |
| <b>DIVISION 23 - HEATING, VENTILATION, AND AIR CONDITIONING</b> |                                      |       |                              |          |       |              |                        |              |
| <b>23.0100</b>  | <b>HVAC</b>                          |       | Budget                       |          |       | \$ 10,000.00 |                        | \$ 10,000.00 |
| 23.0593   | TESTING, ADJUSTING, & BALANCING HVAC |       |                              |          |       |              |                        | \$ -         |
| 23.0713   | DUCT INSULATION                      |       |                              |          |       |              |                        | \$ -         |
| 23.0800   | COMMISSIONING OF HVAC                |       |                              |          |       |              |                        | \$ -         |
| 23.0923   | DIRECT DIGITAL CONTROL SYSTEM / HVAC |       |                              |          |       |              |                        | \$ -         |
| 23.3713   | AIR DIFFUSERS, REGISTERS, AND GRILLS |       |                              |          |       |              |                        | \$ -         |
|   |                                      |       |                              |          |       |              |                        | \$ -         |
|   |                                      |       |                              |          |       |              | <b>DIVISION TOTAL:</b> | \$ 10,000.00 |
| <b>DIVISION 26 - ELECTRICAL</b>                                 |                                      |       |                              |          |       |              |                        |              |
| <b>26.0100</b>  | <b>ELECTRICAL</b>                    |       | Budget                       |          |       | \$ 16,500.00 |                        | \$ 16,500.00 |
| 26.0923   | LIGHTING CONTROL DEVICES             |       |                              |          |       |              |                        | \$ -         |
| 26.2923   | VARIABLE FREQUENCY MOTOR CONTROLS    |       |                              |          |       |              |                        | \$ -         |
| 26.3213   | ENGINE GENERATORS                    |       |                              |          |       |              |                        | \$ -         |
| 26.5561   | THEATRICAL LIGHTING                  |       |                              |          |       |              |                        | \$ -         |
| 26.0923   | LIGHTING CONTROL DEVICES             |       |                              |          |       |              |                        | \$ -         |
|   |                                      |       |                              |          |       |              |                        | \$ -         |

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| Section(s)  | Trade  | Subcontractor<br>or Supplier | Material                          | Labor        | Subcontract   | Equipment   | Sub-Total            |             |
|---|--|------------------------------|-----------------------------------|--------------|---------------|-------------|----------------------|-------------|
|   |  |                              |                                   |              |               |             | \$ -                 |             |
| <b>DIVISION TOTAL:</b>  |  |                              |                                   |              |               |             | \$ 16,500.00         |             |
| <b>DIVISION 27 - COMMUNICATIONS</b>                                     |  |                              |                                   |              |               |             |                      |             |
|   |  |                              |                                   |              |               |             | \$ -                 |             |
| <b>DIVISION TOTAL:</b>  |  |                              |                                   |              |               |             | \$ -                 |             |
| <b>DIVISION 28 - ELECTRONIC SAFETY AND SECURITY</b>                     |  |                              |                                   |              |               |             |                      |             |
|   |  |                              |                                   |              |               |             | \$ -                 |             |
|   |  |                              |                                   |              |               |             | \$ -                 |             |
| <b>DIVISION TOTAL:</b>  |  |                              |                                   |              |               |             | \$ -                 |             |
| <b>DIVISION 31 - EARTHWORK</b>  |  |                              |                                   |              |               |             |                      |             |
|   |  |                              |                                   |              |               |             | \$ -                 |             |
|   |  |                              |                                   |              |               |             | \$ -                 |             |
|   |  |                              |                                   |              |               |             | \$ -                 |             |
| <b>DIVISION TOTAL:</b>  |  |                              |                                   |              |               |             | \$ -                 |             |
| <b>DIVISION 32 - EXTERIOR IMPROVEMENTS</b>                              |  |                              |                                   |              |               |             |                      |             |
|   |  |                              |                                   |              |               |             | \$ -                 |             |
|   |  |                              |                                   |              |               |             | \$ -                 |             |
| <b>DIVISION TOTAL:</b>  |  |                              |                                   |              |               |             | \$ -                 |             |
| <b>DIVISION 33 - UTILITIES</b>  |  |                              |                                   |              |               |             |                      |             |
|   |  |                              |                                   |              |               |             | \$ -                 |             |
|   |  |                              |                                   |              |               |             | \$ -                 |             |
| <b>DIVISION TOTAL:</b>  |  |                              |                                   |              |               |             | \$ -                 |             |
| <b>PRESCOTT MUIR ARCHITECTS - DESIGN, ENGINEERING, &amp; PERMITTING</b> |  |                              |                                   |              |               |             |                      |             |
|   | DESIGN, ENGINEERING, PERMITTING              |                              |                                   |              | \$ 29,000.00  |             | \$ -                 |             |
|   |  |                              |                                   |              |               |             | \$ -                 |             |
| <b>DIVISION TOTAL:</b>  |  |                              |                                   |              |               |             | \$ 29,000.00         |             |
|   | <b>Total hard cost</b>                       |                              | \$ 10,900.00                      | \$ 58,194.00 | \$ 203,413.00 | \$ 1,451.95 | \$ 273,958.95        |             |
| 1.0015  | General Liability Insurance for Subcontracts | 0.1809%                      |                                   |              |               |             | \$ 367.97            |             |
|   | Tax  | yes                          |                                   |              |               |             | \$ 746.65            |             |
| 1.0010  | Bond   | yes                          |                                   |              |               |             | \$ 3,342.69          |             |
|   | Builder's Risk Insurance                     | yes                          |                                   |              |               |             | \$ 275.38            |             |
|   | Fee  | 10.00%                       |                                   |              |               |             | \$ 27,537.53         |             |
|   | SLC permits allowance                        |                              |                                   |              |               |             | \$ 3,090.38          |             |
|   | Contractor's Contingency                     | 1.25%                        | structural engineering in conting |              |               |             |                      | \$ 3,531.21 |
| <b>Total:</b>   |  |                              |                                   |              |               |             | <b>\$ 341,850.76</b> |             |