



Regular City Council Meeting
Tuesday, October 18, 2016
City Hall Council Chambers
5249 South 400 East, Washington Terrace City
801-393-8681
www.washingtonterracecity.com

1. **ROLL CALL** **6:00 p.m.**

2. **PLEDGE OF ALLEGIANCE**

3. **WELCOME**

4. **CONSENT ITEMS**

4.1 APPROVAL OF AGENDA

Any point of order or issue regarding items on the Agenda or the order of the agenda need to be addressed here prior to the approval of the agenda.

4.2 APPROVAL OF OCTOBER 4, 2016, MINUTES

5. **CITIZEN COMMENTS**

This is an opportunity to address the Council regarding your concerns or ideas that are not on the agenda as part of a public hearing. Please limit your comments to no more than 3 minutes.

6. **COUNCIL/STAFF RESPONSE AND CONSIDERATION TO CITIZEN COMMENTS**

Council and staff will consider and address concerns and take appropriate measures to follow up on any comments made in the citizen comments item on the agenda.

7. **NEW BUSINESS**

7.1 PRESENTATION: THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2016

A Presentation of the Comprehensive Annual Financial Report that includes the independent audit report issued by the firm of Keddington & Christensen

8. **SPECIAL ORDER**

Special orders will proceed as follows: Chair introduction of item, staff/applicant presentation, questions By Council, Chair opens public hearing, citizen input; Chair closes public hearing, then Council final

For more information on these agenda items, please visit our website at www.washingtonterracecity.com

ADA Accommodations and Auxiliary aids and services are available upon request to individuals with disabilities by calling 801-395-8283 three days prior to the meeting. Individuals with speech and/or hearing impairments may call the Relay Utah dialing 711. Spanish Relay Utah: 1-888-346-3162. Equal Opportunity Employer/Program

CERTIFICATE OF POSTING

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted in three public places within the City of Washington Terrace City limits and sent to the *Standard Examiner* at least 24 hours prior to the meeting. Amy Rodriguez, City Recorder.

Discussion.

8.1 PUBLIC HEARING: A PUBLIC HEARING TO HEAR COMMENT ON AMENDING THE 2016-2017 FISCAL YEAR BUDGET

9. NEW BUSINESS (continued)

9.1 MOTION/RESOLUTION 16-15: AMENDMENT TO THE FISCAL YEAR 16-17 BUDGET

A resolution amending fiscal year 16-17 budget.

9.2 PRESENTATION: SHERIFF'S OFFICE QUARTERLY REPORT

Weber County Sheriff Office will report on activity during July-September 2016.

9.3 PRESENTATION: ANIMAL CONTROL QUARTERLY REPORT

South Ogden Animal Control will report on activity during July-September 2016.

10. MOTION TO ADJOURN INTO RDA MEETING

11. COUNCIL COMMUNICATION WITH STAFF

This is a discussion item only. No final action will be taken.

12. ADMINISTRATION REPORTS

This is an opportunity for staff to address the Council pertaining to administrative items.

13. UPCOMING EVENTS

October 27th: Planning Commission 6:00 p.m. (tentative)

November 1st: City Council Meeting 6:00 p.m.

November 5th: Council Retreat in NSL

November 8th: Election Day

November 11th: City Offices closed for Veteran's Day

November 15th: City Council Meeting 6:00 p.m.

November 17th: Planning Commission Meeting (Tentative)

14. MOTION: ADJOURN INTO CLOSED SESSION

- To discuss the character, professional competence, or physical or mental health of an individual.
- Strategy session to discuss pending or reasonably imminent litigation
- Discussion regarding deployment of security personnel, devices, or systems
- Strategy sessions to discuss the purchase, exchange, or lease of real property when public discussion of the transaction would disclose the appraisal or estimate value of the property under consideration or prevent the public body from completing the transaction on the best possible terms.

15. ADJOURN THE MEETING: MAYOR ALLEN

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1 **City of Washington Terrace**

2
3 Minutes of a Regular City Council meeting
4 Held on October 4, 2016
5 City Hall, 5249 South 400 East, Washington Terrace City,
6 County of Weber, State of Utah
7
8

9 **MAYOR, COUNCIL, AND STAFF MEMBERS PRESENT AT WORK SESSION**

10 Mayor Mark C. Allen – Arrived at 5:30 p.m.
11 Council Member Scott Monsen
12 Council Member Blair Brown
13 Council Member Robert Jensen
14 Council Member Scott Barker - Excused
15 Council Member Val Shupe
16 Public Works Director Steve Harris
17 Chief Building Official Jeff Monroe
18 City Manager Tom Hanson
19 City Recorder Amy Rodriguez
20

21 **Others Present**

22 None
23

24 **1. WORK SESSION 5:00 p.m.**

25 Topics to include, but are not limited to: Clarification and application of the sensitive land ordinance

26
27 Hanson stated that he would like to review the sensitive lands ordinance to make sure that anyone on
28 sensitive lands, or chose to build on sensitive lands will be safe and protected. Hanson stated that he has
29 spoken with the developer of Fieldcrest South and they have stated that they want to keep their clients
30 safe as well. Hanson stated that he met with the staff from North Salt Lake, along with Monroe and
31 Harris, to speak with them about their concerns on sensitive lands. Hanson stated that Washington
32 Terrace City has several slopes on the bluff.

33 Hanson reviewed the notes that he compiled from the NSL meeting with Council.

34 Hanson stated that the developers are looking to connect a walking trail through the development to
35 South Ogden. Hanson stated that the developers would need to obtain a utility easement on the land and
36 have the trails put in on their HOA so that it is their product and responsibility.

37 Council Member Monsen stated that South Ogden came to the City years ago wanting the City to annex
38 part of the Combe property into the City. He stated that he believed that the issue of sensitive lands came
39 into play and the City rejected that idea. The property was then annexed into Riverdale.

40 Hanson stated that the City Geo-Tech engineer needs to make sure that the City is protecting the area and
41 make sure that the area is safe before developers wish to build on the lands. Hanson stated that the
42 preliminary design of the subdivision shows some overlap with the sensitive lands. Hanson stated that
43 they will need to have a GEO-Tech survey completed and the factored risk will need to be created before
44 any development in the area can begin.

45 Hanson stated that the new ordinance would require the GEO-tech firm to certify the property after the
46 completion of the building.

47 Hanson stated that shoring up large slopes will not be effective. Hanson stated that the large rocks in NSL
48 did nothing to help stop the landslide. Hanson stated that limiting fill and water may possibly help.

49 Hanson stated that the City is trying to protect the person buying a home, as well as residents from the

50 cost of a city lawsuit if something were to happen, such as a landslide, in the area. He stated that he
51 would like the ordinance to stop a development from happening on unsafe sensitive lands, while still
52 protecting land rights of the property owner.
53 Hanson stated that the City is looking to pre-approve a GEO-tech firm and work with developers on
54 deciding which areas will be allowed to be developed.
55 Hanson stated that the Planning Commission will be reviewing a new version of the sensitive lands
56 ordinance and it will be worked through before it is brought back to Council.
57 Hanson stated that the City can require certain steps from the GEO-tech firm before an annexation would
58 occur. Hanson stated that some areas only require minor GEO-tech analysis and some require an
59 expanded analysis.
60 Hanson stated that the goal is to have the City and the developer be successful, while serving future and
61 current residents.
62 Hanson stated that the City should not accept open space on sensitive lands. The City can accept it in a
63 non-sensitive land area. The open space in the sensitive lands area would need to be owned and operated
64 by an HOA.
65 Hanson stated that the developers are doing preliminary work and are meeting with the City for
66 discussions. There have not been any submittals or applications turned into the City. Hanson stated that
67 the GEO-tech survey is one of the City's biggest concerns at this time.
68 Hanson stated that his intent is to have Council think about the new ordinance. He stated that he will be
69 working with the engineers and GEO-techs on developing the new sensitive lands ordinance.
70
71

72 **MAYOR, COUNCIL, AND STAFF MEMBERS PRESENT**

73 Mayor Mark C. Allen
74 Council Member Scott Monsen
75 Council Member Blair Brown
76 Council Member Robert Jensen
77 Council Member Val Shupe
78 Council Member Scott Barker - Excused
79 Public Works Director Steve Harris
80 Chief Building Official Jeff Monroe
81 City Manager Tom Hanson
82 City Recorder Amy Rodriguez
83

84 **Others Present**

85 Charles and Reba Allen, Ulis Gardiner, Gary Klema, John D. Kraaima, Dan Foncesbeck
86

87 **2. ROLL CALL 6:00 p.m.**

88
89 **3. PLEDGE OF ALLEGIANCE**

90
91 **4. WELCOME**

92
93 **5. CONSENT ITEMS**

94
95 **5.1 APPROVAL OF AGENDA**

96 **5.2 APPROVAL OF SEPTEMBER 6, 2016, MINUTES**

97 Items 5.1 and 5.2 were approved by general consent.
98

99 **6. CITIZEN COMMENTS**
100 Resident Gary Klema -429 W 4675 S –asked why there was not water in the retention ponds after the
101 storm. He also asked why Rohmer Park is being used if it is an unstable hillside. He stated that he still
102 has an issue with enforcement on single rental properties that are allowing two families to live in them.
103 He suggested allowing the rentals to be duplexes so that the city can make money from the license.
104

105 **7. COUNCIL/STAFF RESPONSE AND CONSIDERATION TO CITIZEN**
106 **COMMENTS**
107 Hanson stated that staff complies with storm water regulations and is working on finding a way to retain
108 more of the storm water in the detention area.
109 Hanson stated that the concern for the public works facility is geological time, and not an instantaneous
110 event. Hanson stated that if there has been any sliding, it has come gradually with warning.
111 Hanson stated that the City works with landowners on rental properties and asked that any properties that
112 need to be reported be given to staff.
113 Council Member Monsen stated that the City cannot work with rentals when they do not know which
114 properties they are. He stated that the older houses are not designed for legal basement apartments.
115

116 **8. NEW BUSINESS**
117 **8.1 MOTION/ORDINANCE 16-07: AMENDING CHAPTERS 17.20.50 AND**
118 **17.12.070 RELATING TO RESIDENTIAL SIDE YARD SETBACK**
119 **REQUIREMENTS**

120 Hanson stated that the amendment is to be in compliance with another section of the code that has
121 been approved recently. Monroe stated that the ordinance also includes an amendment for covered
122 patios. The new section would allow for extended footprints on homes that would like to have
123 covered patios. Monroe stated that it allows for the setback for the covered patios as long as it
124 does not exceed 45 percent of the backyard footprint.
125

126 **Motion by Council Member Shupe**
127 **Seconded by Council Member Jensen**
128 **To approved Ordinance 16-07 amending Chapters 17.20.50 and**
129 **17.12.70 relating to residential side yard setback requirements**
130 **Approved unanimously (4-0)**
131 **Roll call vote**
132

133 **8.2 MOTION/ORDINANCE 16-03: AMENDING CHAPTER 17.28.050 USE**
134 **REGULATIONS FOR COMMERCIAL ZONES**

135 Monroe stated that it was found that duplicate descriptions for commercial uses were found in the
136 ordinance. He stated that the City is inundated with several types of uses and the amendment
137 clarifies some of the descriptions. Monroe stated that some of the uses will not be allowed in the
138 City. Council Member Brown asked if the ordinance limits storage units in the City. Monroe
139 stated that it would, along with other types of business, such as manufacturing businesses or
140 asphalt plants. He stated that Planning Commission and the Planning Attorney worked together
141 on the permitted uses in commercial zones.
142

143 **Motion by Council Member Monsen**
144 **Seconded by Council Member Jensen**
145 **To approve Ordinance 16-03 amending chapter**
146 **17.28.050 Use regulations for commercial zones**
147 **Approved unanimously (4-0)**
148 **Roll call vote Jensen**

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8.3 MOTION: COUNCIL DESIGNATION OF 5700 SOUTH TO BE A LIMITED ACCESS ROAD

Hanson stated that the motion would be to designate 5700 South on the north side of the road and south side of 5600 South as a limited access road so that it limits people from pulling onto the road. It has been discussed with developers and they have included this requirement into their subdivision plans. The homes along the area of the road discussed will have backyards facing the street. The access limitation is for safety concerns.

**Motion by Council Member Jensen
Seconded by Council Member Shupe
To designate 5700 South as a limited access road
Approved unanimously (4-0)**

8.4 MOTION: APPROVAL OF THE PURCHASE AND INSTALLATION OF THE CONCRETE FENCING OF THE NEW PUBLIC WORKS FACILITY WITH FIELDCREST ESTATES SUBDIVISION

Hanson stated that the property line between the City and Fieldcrest develops will have an 8 foot fence so that there is a security barrier, as well as site barrier. Hanson stated that the developer will pay for their portion of a 6 foot vinyl fence. The developer will be purchasing and installing an 8 foot concrete fence, and the City will be paying their share of the fence. Hanson stated that the pricing came in under budget. He stated that the fence is noted in the land use agreement signed a few months ago allowing water, sewer, and storm drains onto their portion of the property. The City cost will be around \$36,000.

**Motion by Council Member Jensen
Seconded by Council Member Mosen
To approve the purchase and installation of
The concrete fencing for the new public works facility
Approved unanimously (4-0)**

8.5 DISCUSSION: AFTER ACTION REPORT AND UPDATES ON SEPTEMBER 22, 2016 TORNADO STORM EVENT

Mayor Allen stated that he attended an event at Chik-fil-A and stated that the proceeds will go to Washington Terrace and South Ogden City victims of the tornado. He stated that he appreciates all that they are doing to help the community.

Hanson stated that there were weather alerts the day of the tornado, but no warnings of a tornado. Hanson gave a slide show overview of the events of that day. Hanson stated that the staff set up the EOC as soon as it was realized that a tornado happened. Hanson stated that training prepared staff and every staff member understood their role in the process.

Hanson stated that Weber County was in immediate contact with the City and sent personnel immediately to help with the EOC and ground work. Hanson stated that Ogden, Roy, South Ogden, Riverdale, and other surrounding Cities came to help with inspections, clean up, and emergency services.

Hanson stated that staff worked in tandem with the Sheriff's Office on house to house wellness checks in the affected areas. Hanson stated that every unit in the Sheriff's Office helped with the event.

Hanson stated that transmission lines were snapped and caused power to go down for more than 24 hours.

Hanson stated that there was one home that was a total loss.

199 Hanson stated that the permanent generator automatically switched over when the City lost
200 power. Hanson stated that the generator powers the complete building. Hanson stated that the
201 generator at the Civic Center was used to help those who were evacuated to the building for
202 shelter.

203 Hanson stated that the hospital was never compromised.

204 Hanson stated that volunteer leadership worked hand in hand with the City. He stated that over
205 1,000 volunteers were processed through the volunteer center at the Civic Center.

206 Hanson stated that the Governor came to tour the site.

207 Hanson stated that the City received amazing support from the community.

208 Council Member Monsen asked about the progress with clean-up. Hanson stated that power is on
209 except for a few homes. Most everyone is back in their homes and working with Inspector
210 Monroe on fixing their homes and restoring power. Hanson stated that most of the debris has been
211 taken out of the City. Hanson stated that the City is documenting all of the staff and volunteer
212 time and working on paperwork processes.

213 Hanson stated that the City did not have much infrastructure damage.

214 Monroe stated that there are around 6 or 7 homes that are working with their insurance to be able
215 to go back into their homes.

216 Mayor Allen thanked Hanson and staff for their expertise and effort. Hanson stated that it was a
217 team effort.

218

219 **9. COUNCIL COMMUNICATION WITH STAFF**

220 * Council Member Monsen stated that he also appreciates everyone's efforts.

221 * Council Member Brown expressed his thanks to everyone and all the people who offered to
222 come by and help.

223 * Council Member Jensen expressed his appreciation to everyone on their efforts, stating that no
224 one he has spoken too had a negative outlook to the city or situation and realized how fortunate
225 everyone was.

226 * Council Member Shupe asked Hanson to let staff know that Council appreciates their efforts.

227 * Mayor Allen asked about campaign signs in the City. Hanson stated that he has spoken to the
228 candidates to let them know the signs are on private property. The signs will be taken down
229 tomorrow.

230

231 **10. ADMINISTRATION REPORTS**

232 * Hanson stated that he will be out of town the weekend of Terrace Days 2017.

233

234 **11. UPCOMING EVENTS**

235 October 10th: City offices closed for Columbus Day

236 October 18th: City Council Meeting 6:00 p.m.

237 October 27th: Planning Commission 6:00 p.m. (tentative)

238 October 11th: Emergency Preparedness Fair 5:00 p.m.

239

240 **12. ADJOURN THE MEETING: MAYOR ALLEN**

241 Mayor Allen adjourned the meeting at 7:19 p.m.

242

243

244 _____
Date Approved

City Recorder

City of Washington Terrace
County of Weber, State of Utah

RESOLUTION NO. 16-15

**A RESOLUTION AMENDING THE CITY OF WASHINGTON TERRACE
FISCAL YEAR 2016-2017 BUDGET**

WHEREAS, it is the desire of the City Council of the City of Washington Terrace to continue to function in an efficient and cost efficient manner in providing the citizens with a safe and healthy environment; and

WHEREAS, the Washington Terrace City Council deems it necessary to amend the Fiscal Year 2016- 2017 Budget in the following funds: General Fund 10, Refuse Fund 49, Water Enterprise Fund 50, Sewer Enterprise Fund 51, Storm Drain Enterprise Fund 52, Parks Capital Projects Fund 53, and Capital Projects Fund 55. See attached budget worksheet for details.

NOW THEREFORE BE IT RESOLVED by the City Council of Washington Terrace City to amend the Fiscal Year 2016- 2017 budget as attached hereto.

APPROVED this 18th day of October 2016.

City of Washington Terrace

Mark C. Allen, Mayor

ATTEST:

(SEAL)

Amy Rodriguez, City Recorder

Roll Call Vote:
Council Member Blair Brown
Council Member Robert Jensen
Council Member Scott Barker
Council Member Scott Monsen
Council Member Val Shupe

City of Washington Terrace

Est. 1958

Comprehensive Annual Financial Report

City of Washington Terrace
For the Fiscal Year Ended June 30, 2016

With
Independent Auditor's Report



5249 South 400 East
Washington Terrace, UT 84405
801.393.8681

www.washingtonterracecity.com



City of Washington Terrace

County of Weber, State of Utah

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2016

Includes Internal Control, Compliance Reports, and
Supplemental Information

Presented by:

Finance Department

Shari' C. Garrett, Finance Director

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INTRODUCTORY

SECTION



October 18, 2016

The Honorable Mayor, Members of the City Council, and Citizens of the
City of Washington Terrace

Overview

The Comprehensive Annual Financial Report of the City of Washington Terrace City (“the City”) for the fiscal year ended June 30, 2016, is hereby submitted.

The Financial Statements have been prepared by the Washington Terrace City Department of Finance and Budget in accordance with the Generally Accepted Accounting Principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). The accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures, are the responsibility of the management of the City.

We believe the data, as presented, are accurate in all material respects and are presented in a manner that fairly sets forth the following aspects of the City:

- (1) the financial position of the governmental activities;
- (2) the business-type activities;
- (3) the discretely presented component unit;
- (4) each major fund;
- (5) the aggregate remaining fund information;
- (6) the respective changes in financial position; and
- (7) applicable cash flows.

In order to provide a reasonable basis for making these representations, the management of Washington Terrace City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this report is complete and reliable in all material respects.

All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Keddington & Christensen, an independent firm of Certified Public Accountants, has audited these basic financial statements and related notes. Their report is included herein. The goal of the independent audit was to provide reasonable assurance that the financial statements of Washington Terrace City Corporation for the fiscal year ended June 30, 2016, are free of material misstatements. This independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and significant estimates made by management.

City History

Washington Terrace is a bedroom community with a rich history dating back to the World War II era. In the 1940's, the United States Government began creating large housing projects to provide temporary housing for workers of the military facilities supporting the war effort. As part of a military housing project, Washington Terrace was created in 1942-43. This project created approximately 1,400 two-bedroom family homes in barrack style housing. During World War II, the Terrace Housing Project met the needs of many service men and women and war workers from many trades. At the time there was no thought of this project continuing beyond the war.

After World War II, residents began efforts to convert the surplus temporary housing project into a permanent community. Through painstaking planning efforts, residents negotiated with the Federal government to create a permanent community utilizing the temporary infrastructure and housing. It is estimated that the original construction cost of the temporary governmental project was about \$8,000,000.

The Washington Terrace Non-Profit Housing Corporation purchased the temporary housing project from the Federal Government on September 1, 1950, for \$2,250,000. On that day, the Housing Corporation paid a 10 percent down payment of \$225,000 and assumed a mortgage note of \$2,025,000. From 1950 until its incorporation on December 12, 1958, the Housing Corporation operated the municipal needs of the community. The City has always been a leader in innovation and determination. Inspired by the founding residents, this community has never lacked great examples of vision and leadership.



The City operates under a council-manager form of government. Under this organizational structure, the Mayor and a five member Council appoint a city manager to act as the chief executive officer who oversees the daily operations of the City. The Council establishes policy and direction by enacting local legislation and adopting budgets; the city manager is responsible for implementing the Council's policies and direction. The Mayor is elected for a term of 4 years, while the Council is elected for 4 years with staggered terms.

The Mayor appoints Planning Commission members and alternates. The Planning Commission is a volunteer position appointed to 4 year staggered terms. The Commission's primary responsibilities are to review and provide a recommendation on new development plans in accordance to the direction established by Council, zoning changes, and the general plan.

The City provides many public services including: public safety (police, fire/EMS, animal control, and justice court); parks and open space, recreation and special events; culinary water,



sanitary sewer, refuse collection, and storm water services; streets and sidewalks; planning and zoning; and administrative services.

There are multiple overlapping taxing entities which results in the City's customers being subject to overlapping debt and taxation. Additionally, the City established in 1987 two redevelopment project areas known as the Southeast Project Area and Central Business District Project Area. These redevelopment projects were created to promote economic development growth that focus on job creation, increased economic activity, and ultimately broaden the economic base to support governmental services. Redevelopment Agencies are chartered under Utah law as separate legal governmental entities. This document includes reports of the Agency as the Mayor and City Council act as the appointed board members.

This document includes financial statements of all funds responsible for these activities, organizations, and functions that are related to the City and are controlled by or dependent upon the City's governing body, the Mayor and City Council.

Local Economy

Population

The City has had relative diminutive population growth since 2000 with population growth of 7.1 percent or 606 people or from 8,551 to 9,157 in 2015. Future population estimates indicate that the City will have a “build out” population of approximately 12,000 – 13,000 people.

Major Industries

Healthcare is the largest industry in the City. Ogden Regional Medical Center (since 1977) continues to be the City’s largest employer and taxpayer representing an estimated 39% of the City’s employment and 12.7% of the total taxable assessed valuation. Other healthcare businesses include assisted living, retirement and rehabilitation centers, surgical centers, and other healthcare professional office. This business sector, located in the southeast region of the City, continues to grow and develop as a regional healthcare center. Other predominate commercial industries in the City include professional office and multifamily residential housing developments.

Assessed Property Value

The City’s total assessed value is small compared to other cities of similar size at \$355,652,251 and the total direct tax rate is relatively high at 0.002950 compared to other cities within Weber County. Assessed taxable value increased by 6.2 percent from fiscal year 2015. Said increase is attributed to new/renovated commercial developments and an improved housing market.

Since 2007, assessed taxable value has increased by 32.4 percent or \$87 million in. Like perhaps many areas, the City experienced its largest increase in assessed taxable value in 2008, values increasing by 39 percent or \$35,783,264. Said growth was attributed to an increase in values and new commercial growth and development in the Southeast Redevelopment area. Values reached their pinnacle in 2016 at \$355,652,251. Prospects of new growth are leaving the City optimistic about the near term impacts on taxable values.

Major Revenues

The City's major operating revenues for governmental activities are typical of other Utah cities and are composed of sales and use taxes, charges for services, property taxes, franchise taxes, and grants. In 2016, total governmental activity revenues of \$6,753,109 a decreased by 0.70 percent or \$48,089.

The greatest increase in value was reported in other tax revenues increasing 3.2 percent or \$53,162. The greatest decrease was reported in capital grants and contributions decreasing by 9.4 percent or \$181,636. Capital grants and contributions represent the largest program revenue source at \$1,758,196 or 26 percent of total governmental activity revenue—other taxes represents 25.6 percent, property taxes 23.7 percent, charges for services 19.8 percent, operating grants and contributions 4.4 percent and other revenue 0.5 percent.

Economy

According to the State of Utah Department of Workforce Services, the Weber County (the county for which the City resides) economy in early 2015 started to pick up and hasn't slowed down since. Employment is growing at a rate not seen in more than 10 years and is very widespread across all industries. Employment expansion through March 2016 posted 3.5 percent year-over-year growth adding 3,474 new jobs. Wage growth is broad-based, and taxable sales growth exceeded 4 percent for the 17th consecutive quarter with particular strength in retail markets. Unemployment insurance claims are back to pre-recession levels. Overall, the indicators are affirming that the long-term trajectory of economic performance for the county is very positive.

For additional information, refer to the Statistical Section, "Revenue Capacity" and "Demographic and Economic Information" of this report.

Budgetary Control

Budgetary control of each fund is maintained at the department level. Department directors play an active and important role in controlling the budget. The City Council may amend the budget by motion during the fiscal year; however, increases in overall fund budgets require a public hearing. Enterprise fund budgets may be increased by the City Council without a public hearing. Expenditures may not exceed appropriations at the department level.

Regional Overview



The City of Washington Terrace is a 2 square mile suburban community located along the Wasatch Front in Weber County, Utah. Weber County, population 238,519, is home to 22 communities of cities, towns, and unincorporated areas. The City is located 30 miles north of the capital city Salt Lake City, 40 miles from the Salt Lake International Airport, which can be easily reached by nearby Interstate 15 or the Front Runner Rail System. Additionally, Interstate 84 runs adjacent to the southern City boundaries serving as a main easterly corridor.



Its location near Ogden City offers excellent local access to commerce, education, recreation,

transportation, healthcare, and other services. Washington Terrace is home to Ogden Regional Medical Center, Weber School District, and Bonneville High School. Within an 8 mile radius of the City is Hill Air Force Base, Internal Revenue Service, Weber State University, Ogden Hinkley Airport, and McKay Dee Hospital. The City of Washington Terrace is a proud residential community that focuses on preserving the community as a great place to live.



Northern Utah and the Weber County region offers excellent recreational opportunities that attract visitors around the world. During the 2002 Olympics Winter Games the Weber County region hosted a number of events including the downhill, combined races, and super-G events. The local area offers a wide-variety of high adventure recreation such as: skiing and snowboarding, skydiving, hiking, biking and cycling, climbing and bouldering, and kayaking and paddle sports.



Other regional recreational opportunities include classic recreation such as golf, swimming, home to the Ogden Marathon, and local sports teams and leagues.

All of these recreational opportunities are within close proximity to the City—within 30 minutes or 20 miles.

Long-Term Financial Planning

The City adopts a five-year budget document that anticipates revenues and expenses over a five year period. This multi-year budget is a valuable financial planning tool that encourages a forward thinking approach to programs and resource allocation.

Additionally, each year the City conducts a comprehensive assessment of existing facilities and a plan enacted to renovate, repair, and replace existing deficiencies and new growth demands throughout the City. The areas of classification assessed in the update are as follows: road seal projects, city fleet replacement, building and miscellaneous projects, culinary water, sanitary sewer, and storm drain projects, park projects, road overlay and reconstruction projects. The Plan projects a 20 year completion date. Completion of the projects identified in the Plan are subject to funding availability as identified in and an integral part of the City's multi-year budgeting process. The City has committed to actively pursue grant funding to assist with offsetting project costs.

Financial Policies

The City recognizes its duty to its citizens and other interested parties to vigilantly account for public funds and resources. The City has adopted financial policies and objectives establishing guidelines for controls, fiscal accountability, full disclosure, and planning. These financial management policies provide a basic framework for the overall fiscal management of the City. The Policies represent a foundation to address changing circumstances and conditions and to assist in the decision making process. These Policies represent guidelines for evaluating both current and future activities including, but not limited to: general revenue management, user fee cost recovery goals, capital financing and debt management, recession/net revenue shortfall plan, contracting and purchasing, and investments.

Awards and Acknowledgements

According to the Government Finance Officers Association of the United States and Canada (GFOA) the Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program) was established in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles and prepare a comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. The goal of the program is not to assess the financial health of the governments, but rather to ensure that users of their financial statements have the information they need to do so themselves. This Certificate is valid for a period of one year.

We believe our current report conforms to Certificate of Achievement Program requirements and goals. We are submitting it to the GFOA to determine its eligibility for recognition. The City has been a successful recipient of this prestigious award consecutively since 2007.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of management. We appreciate Keddington & Christensen, Certified Public Accountants, for their professional services and assistance. We thank the members of the City Council and the Mayor for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,



Tom Hanson, City Manager



Shari' C. Garrett, Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Washington Terrace
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

MAYOR AND CITY COUNCIL



Mayor Mark C. Allen

170 West 5600 South
Washington Terrace, UT 84405
Email: mayormark41@yahoo.com



Council Member Blair Brown

187 East 4700 South
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Council Member Robert Jensen

5528 South 50 East
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MAYOR AND CITY COUNCIL



Council Member Scott Barker

281 East 5500 South
Washington Terrace, UT 84405
Email: barkerscott03@gmail.com



Council Member Scott J. Monsen

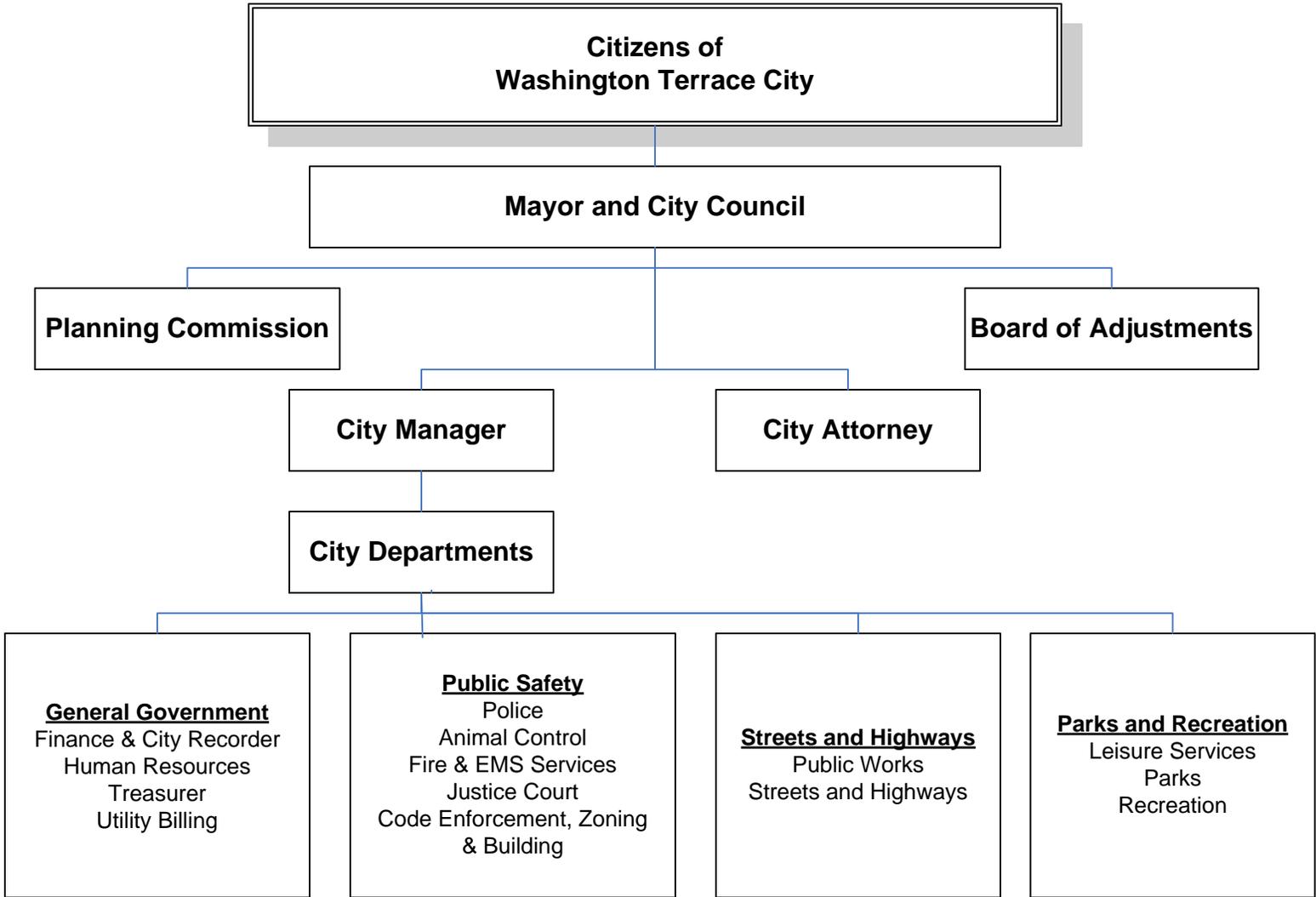
4354 South 175 East
Washington Terrace, UT 84405
Email: s.monsen@washingtonterracecity.org

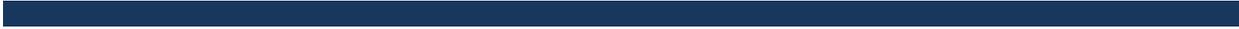


Council Member Val D. Shupe

98 East 5600 South
Washington Terrace, UT 84405
Email: vshupe09@gmail.com

City of Washington Terrace Organizational Structure





FINANCIAL

SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
City of Washington Terrace
Washington Terrace, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Washington Terrace as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion 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 *Governmental 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 of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Washington Terrace as of June 30, 2016, and the respective changes in

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Washington Terrace's financial statements basic financial statements. The introductory section, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 budgetary comparison schedules are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 13, 2016 on our consideration of the City of Washington Terrace'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 the 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 Washington Terrace City's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

October 13, 2016

**MANAGEMENT DISCUSSION
&
ANALYSIS**

The management of the City of Washington Terrace presents to the readers of its financial statements this narrative information to facilitate a better understanding of the City's financial position and results of operations for fiscal year ended June 30, 2016. Readers are encouraged to consider all sections of this report to gain a more complete knowledge of the City's financial performance.

FINANCIAL HIGHLIGHTS

Governmental Activities

At year end, Governmental activities or *tax supported activities* total assets were \$36,752,638, deferred outflow of resources \$274,480, liabilities \$3,803,708, and deferred inflows of resources were \$1,053,103. The assets and deferred outflow of resources of Governmental activities exceeded its liabilities and deferred inflows by \$32,170,307 (net position). Of this amount, \$26,642,581 is net investment in capital assets; \$689,763 is restricted; and \$4,837,963 is unrestricted.

The City's Governmental funds (General, Redevelopment Agency, Capital Projects, and Debt Service Funds) reported a combined ending fund balance of \$5,655,771, a decrease of 5.6 percent or \$51,547 when compared to the prior year's total ending fund balances of \$5,472,532. Of the combined total fund balance in 2016, \$863,933 is unassigned; \$1,008,246 is assigned for redevelopment activities and related projects; \$3,093,829 is committed for capital requirements; and \$689,763 is restricted. The fund balances of the General Fund at June 30, 2016, totaled \$1,214,631, down 1.4 percent or \$16,790 from 2015. Of said balance, \$350,698 is restricted primarily for Class "C" road requirements and \$863,933 is unassigned.

Business-type Activities

At year end, Business-type Activities or *fee supported activities* total assets were \$17,752,613 and liabilities \$2,385,523. The assets of Business-type Activities exceeded its liabilities by \$15,367,090 (net position). Of this amount, \$8,957,657 is net investment in capital assets, \$36,523 is restricted, and \$6,343,731 is unrestricted.

Government-wide

The Primary Government reported total assets of \$54,505,251, deferred outflow of resources \$274,480, liabilities of \$6,189,231, and deferred inflows of resources \$1,053,103 resulting in a total net position of \$47,537,397. Total net position consists of net investment in capital assets of \$35,629,417, \$726,286 restricted, and \$11,181,694 unrestricted.

Long-term Debt

Long-term debt outstanding for the Primary Government decreased by 11.7 percent or \$707,896 compared to the prior year. Governmental activities long-term debt outstanding decreased by 11.8 percent or \$409,529, with amounts due within one year of \$563,564. Business-type Activities long-term debt outstanding decreased by 11.5 percent or \$298,367, with total amounts due within one year of \$291,547.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the City's basic financial statements that include three components: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains other supplementary information that will help the reader gain a more in depth understanding of the City's financial condition.

The government-wide financial statements are comprised of: 1) the Statement of Net Position (SNP), and 2) the Statement of Activities (SA). These two statements provide a broad overview of the City's finances.

The SNP reports the overall net position of the City and is measured as the difference between 1) assets and deferred outflows of resources and 2) liabilities and deferred inflows of resources. Over time, increases and decreases in net position are one indicator of the City's overall financial position as improving or declining.

The SA helps identify functions of the City that are primarily supported by taxes and other General Governmental activity revenue in conjunction with other functions that are intended to recover all or most of their costs through user fees and charges (Business-type activities). The SA shows the changes to net position that occurred during the most recent fiscal year. These changes are recorded on an accrual basis when the underlying event that causes the change occurs, regardless of when the cash transaction takes place. One example is the next debt interest payment when the fiscal year ends in between interest payments. The SA shows an additional interest expense for the time period between the last interest payment and the end of the fiscal year.

Both of the government-wide financial statements distinguish between activities that are largely supported by taxes and intergovernmental revenues (Governmental activities) and those whose operations are entirely or largely financed by user charges and fees (Business-type activities). Governmental activities provided by the City include: General Governmental (legislative, executive, non-departmental, and government buildings); Public Safety (police, fire, inspections & planning, and animal control), Highways and Public Works and Parks and Recreation. Business-type activities include Water, Sewer, Storm Water, and Refuse collection. The government-wide financial statements include not only Washington Terrace City itself (the Primary Government), but also the legally separate Washington Terrace Redevelopment Agency. This entity (a component unit) is financially accountable to the City and is presented separately from the Primary Government itself; but for all practical purposes function as a part of the City and are therefore blended as an integral part of the Primary Government.

Business-type activities provided by the City include: culinary water distribution, sanitary sewer collection, refuse collection and disposal, and storm water management services.

FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the City's major funds. A fund is a group of related accounts that the City uses to keep track of specific resources that are segregated for a specific purpose. Some funds are required to exist by law to demonstrate compliance with financial related requirements, while other funds are established internally to maintain control over a particular activity.

There are three fund types in which all individual fund classifications can be categorized: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds – These fund types are essentially the same functions reported as Governmental activities in the government-wide financial statements. Governmental funds are presented using the modified accrual basis of accounting that focuses on near-term inflows and outflows of spendable resources and balances of spendable resources available at the end of the fiscal year. Governmental fund types include: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Proprietary Funds – There are two types of proprietary funds: enterprise funds and internal service funds. These funds operate much like private-sector companies. These funds, like the government-wide statements, provide both long-term and short-term financial information. Enterprise Funds are the same as Business-type activities, but the financial statements provide more detailed information, such as cash flows. Like government-wide statements, proprietary fund statements are presented using the full accrual basis of accounting.

The City utilizes enterprise funds to account for its fee based services that include: culinary water, sanitary sewer, storm water, and refuse. Internal Service Funds report activities that provide internal services and supplies for the City's other programs and activities. The City has no Internal Service Funds.

Fiduciary Funds - Used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and other governmental units. The City would be responsible for ensuring that the assets reported in these funds are used for their intended purposes. There are four fiduciary fund types: Pension (and other employee benefits) Trust Funds, Investment Trust Funds, Private-Purpose Trust Funds, and Agency Funds. The City has no Fiduciary Funds.

Differences between Government-Wide and Fund Statements

Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements. Capital outlays result in capital assets on the government-wide statements but are expenditures on the governmental fund statements. Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements. Those revenues are deferred on the governmental fund statements. Government-wide statements provide users with a broad overview of the City's finances, similar to a private-sector business.

Notes to the Financial Statements

The notes found within these financial statements provide additional schedules and information that are essential to a complete understanding of the financial statements and the City's financial position or the inflow and outflows of resources. The notes apply to both government-wide financial statements and the fund financial statements.

Required Supplementary Information (RSI)

Following the Basic Financial Statements are budgetary comparison schedules for major funds with legally adopted budgets and schedules on the funded status and employer contributions for the City's pension liability. RSI further supports the information contained in the basic financial statements.

Statistical Section

This section provides up to ten years of financial, economic, demographic, and operating information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As discussed in the Overview of the Financial Statements, total net position may over time serve as a useful tool to determine if the City's overall financial position is improving or declining. For fiscal years ended 2015 and 2016, assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources for Governmental and Business-type activities. The Primary Government's total net position increased by 1.4 percent or by \$339,679; increasing from \$47,202,415 in 2015 to \$47,537,397 in 2016.

Net Position

As illustrated in the following "Comparative Summary of Net Position", Capital Assets represent the largest asset type for Governmental and Business-type activities for all comparative years. Capital Assets include: land, construction in process, buildings and improvements, infrastructure, and machinery and equipment. Capital Assets are not resources available for spending, nor can they be readily liquidated to satisfy current liabilities. In 2016, Capital Assets represented 80.6 percent or \$29,606,317 of total Governmental activity total assets, 63.6 percent or \$11,281,804 of total for Business-type activities, and 75.0 percent or \$40,888,121 of total assets for the Primary Government.

Long-term liabilities outstanding represent the largest liability type for Governmental and Business-type activities for all comparative years. Long-term liabilities outstanding include: bonds, notes, and leases outstanding and compensated absences. In 2016, Long-Term Liabilities (excluding deferred outflow of resources) for the Primary Government represented 80.8 percent or \$5,003,257 of total liabilities. When compared to 2015, long-term liabilities outstanding for the Primary Government decreased by 17.5 percent or \$1,057,710. Total liabilities outstanding decreased by 12.8 percent or \$911,493.

CITY OF WASHINGTON TERRACE, UT
MANAGEMENT DISCUSSION & ANALYSIS
Fiscal Year Ended June 30, 2016

For Governmental activities, long-term liabilities represented 78.9 percent or \$2,999,836 of total liabilities and 84.0 percent or \$2,003,421 for Business-type activities.



CITY OF WASHINGTON TERRACE
Comparative Summary of Net Position
Primary Government
For Fiscal Year Ended June 30

	Governmental Activities		Business-Type Activities		Total Activities		% Change From Prior Year
	2015	2016	2015	2016	2015	2016	
Current and Other Assets	\$ 7,707,745	\$ 7,146,321	\$ 6,167,479	\$ 6,470,809	\$13,875,224	\$13,617,130	-1.9%
Capital Assets	30,249,017	29,606,317	11,550,992	11,281,804	41,800,009	40,888,121	-2.2%
Total Assets	37,956,762	36,752,638	17,718,471	17,752,613	55,675,233	54,505,251	-2.1%
Deferred Outflow of Resources	87,072	274,480	-	-	87,072	274,480	
Current and Other Liabilities	528,754	745,605	131,425	382,102	660,179	1,127,707	70.8%
Long-term Liabilities	3,847,210	3,058,103	2,593,335	2,003,421	6,440,545	5,061,524	-21.4%
Total Liabilities	4,375,964	3,803,708	2,724,760	2,385,523	7,100,724	6,189,231	-12.8%
Deferred Inflows of Resources	1,520,304	1,053,103	-	-	1,520,304	1,053,103	-30.7%
Net Position:							
Net Investment in Capital Assets	26,868,331	26,642,581	8,957,657	8,986,836	35,825,988	35,629,417	-0.5%
Restricted	1,187,098	689,763	29,833	36,523	1,216,931	726,286	-40.3%
Unrestricted	4,092,137	4,837,963	6,006,221	6,343,731	10,098,358	11,181,694	10.7%
Total Net Position	\$32,147,566	\$32,170,307	\$14,993,711	\$15,367,090	\$47,141,277	\$47,537,397	0.8%

Table 1 – Comparative Summary of Net Position

Net Investment in Capital Assets represents the largest component of the City’s net position for the Primary Government representing 75.0 percent or \$35,629,417 in 2016. These assets reflects the City’s investment in capital assets less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to the City’s customers and therefore, are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources need to repay this debt must be provided from other sources, since the capital assets cannot be liquidated or easily liquidated to repay these liabilities. Net Investment in Capital Assets for the Primary Government decreased by 0.5 percent or \$196,571 compared to the prior year.

Restricted Net Position represents assets that are subject to external restrictions on how they may be used. These restrictions include: Class C road funds, debt service reserves, and grants.

Restricted net position for the Primary Government decreased by 40.3 percent or \$490,645 in 2016. Restricted net position for the Primary Government represents \$726,286 or 1.5 percent of total net position.

Unrestricted Net Position represents assets that may be used at the City’s discretion to meet its ongoing financial obligations. Unrestricted net position increased by 13.8 percent or \$1,351,776 in 2016. Unrestricted net position for the Primary Government represents \$11,181,694 or 23.5 percent of total net position.

Changes in Net Position

Primary Government

As illustrated in the following Table 2, “Comparative Changes in Net Position”, the Primary Government’s net ending position increased by 1.4 percent or \$664,560 from the prior year. Total activity revenue increased by 0.4 percent or \$36,793. Capital Grants and Contributions experienced the largest dollar value change from the prior year decreasing by 3.8 percent or \$74,136 from 2015.

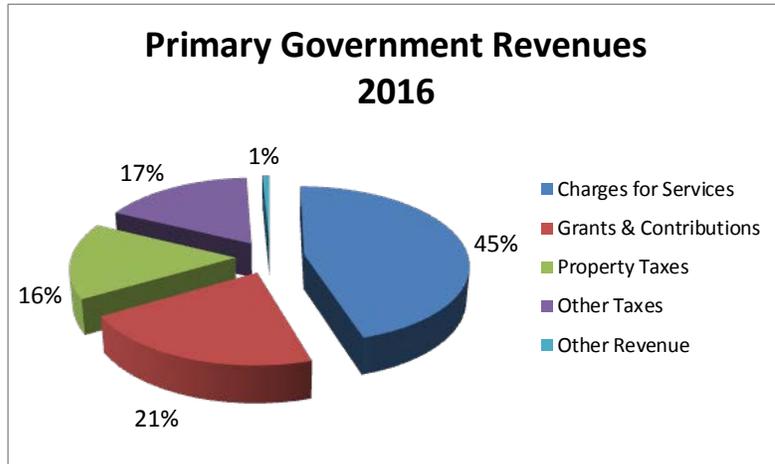


Figure 1 – Primary Government Revenues as a Percentage of Total

Total program expenses increased by 29.6 percent or \$2,253,087 from 2015. Said increase was largely due to one-time capital projects for Highways and Public Works. Highways and Public Works experienced the largest dollar value and percent change from the prior year-increasing by \$1,460,938 or 56.7 percent. Public Safety experienced the greatest decrease in dollar value decreasing \$47,001 or 4.1 percent.

CITY OF WASHINGTON TERRACE, UT
MANAGEMENT DISCUSSION & ANALYSIS
Fiscal Year Ended June 30, 2016

As shown in Figure 1, Charges for Services of \$4,609,046 continue to be the largest revenue source representing 45.2 percent of total revenues compared \$4,606,610 or 45.4 percent in 2015.

Grants & Contributions represent the second largest revenue source for the Primary Government representing 18.4 percent or \$1,878,943. Grants and Contributions decreased by 3.8 percent or \$74,136 in 2016. Other Taxes and Property Taxes closely follow Grants & Contributions representing 16.9 and 15.7 percent or a combined \$3,326,000 of total revenues.

CITY OF WASHINGTON TERRACE							
Comparative Changes in Net Position							
Primary Government							
For Fiscal Year Ended June 30							
	Governmental Activities		Business-Type Activities		Total Activities		% Change From Prior Year
	2015	2016	2015	2016	2015	2016	
Revenues							
Program Revenues:							
Charges for Services	\$ 1,303,058	\$ 1,335,822	\$ 3,303,552	\$ 3,273,224	\$ 4,606,610	\$ 4,609,046	0.1%
Operating Grants and Contributions	278,869	296,953	-	-	278,869	296,953	6.5%
Capital Grants and Contributions	1,939,832	1,758,196	13,247	120,747	1,953,079	1,878,943	-3.8%
General Revenues:							
Property Taxes	1,591,528	1,598,906	-	-	1,591,528	1,598,906	0.5%
Other Taxes	1,673,932	1,727,094	-	-	1,673,932	1,727,094	3.2%
Other	13,979	36,138	35,245	42,955	49,224	79,093	60.7%
Total Revenues	6,801,198	6,753,109	3,352,044	3,436,926	10,153,242	10,190,035	0.4%
Expenses							
Program Expenses:							
General Government	840,591	1,268,508	-	-	840,591	1,268,508	50.9%
Public Safety	1,153,802	1,106,801	-	-	1,153,802	1,106,801	-4.1%
Highways & Public Works	2,574,589	4,035,527	-	-	2,574,589	4,035,527	56.7%
Parks & Recreation	261,500	352,265	-	-	261,500	352,265	34.7%
Interest on Long-term Debt	116,935	118,645	-	-	116,935	118,645	1.5%
Water Services	-	-	951,617	1,290,998	951,617	1,290,998	35.7%
Sewer Services	-	-	965,234	924,553	965,234	924,553	-4.2%
Refuse Services	-	-	436,185	448,900	436,185	448,900	2.9%
Storm Water Services	-	-	301,513	308,856	301,513	308,856	2.4%
Total Expenses	4,947,417	6,881,746	2,654,549	2,973,307	7,601,966	9,855,033	29.6%
							0.0%
Increase in Net Position							
Before Transfers	1,853,781	(128,637)	697,495	463,619	2,551,276	3,248,771	27.3%
Transfers	91,106	90,240	(91,106)	(90,240)	-	-	0.0%
Change in Net Position	1,944,887	(38,397)	606,389	373,379	2,551,276	339,679	-86.7%
Net Position - Beginning (as restated)	30,202,679	32,208,704	14,387,322	14,993,711	44,590,001	47,202,415	0.0%
Net Position - Ending	\$ 32,147,566	\$32,170,307	\$14,993,711	\$15,367,090	\$47,141,277	\$47,537,397	0.8%

Table 2- Comparative Changes in Net Position

As shown in Figure 2, Highways and Public Works continue to be the largest expense activity representing \$4,035,527 or 40.9 percent of total revenues in 2016 compared to \$2,574,589 or 33.9 percent in 2015.

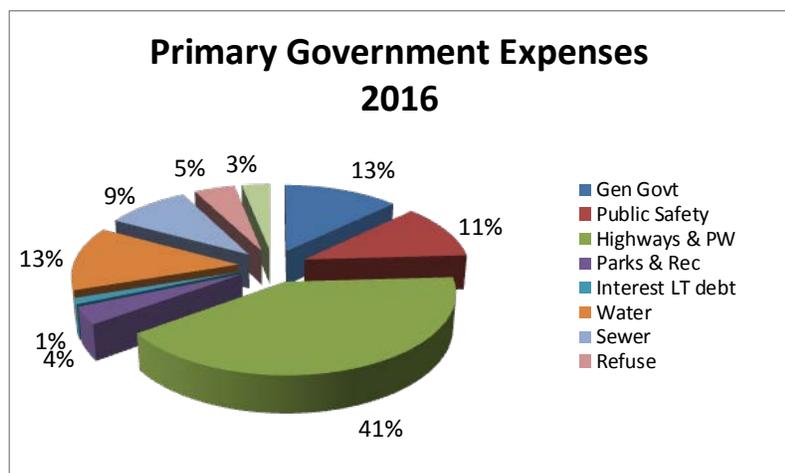


Figure 2 – Primary Government Expenses as a Percentage of Total

Water represents the second largest expense activity for the Primary Government representing \$1,290,998 or 13.1 percent. Water program expenses have increased by \$339,381 or 35.7 percent from prior year. Said increase is largely attributed to one-time water meter replacements.

Governmental Activities

Ending net position for Governmental activities of \$32,170,307 reported a decrease of 3.4 percent or \$38,397 compared to the prior year.

Total activity revenue decrease by 0.9 percent or \$48,089 primarily attributed to a decrease in reported Capital Grants and contributions. Capital Grants and Contributions experienced the largest component change from the prior year decreasing by 9.4 percent or \$181,636. Capital Grants and Contributions represent 26.0 percent or \$1,758,196 of total Governmental revenues.

Total program expenses increased by 39.1 percent or \$1,934,329 largely due to one-time capital projects for Highways and Public Works. Highways and Public Works experienced the largest component change from the prior year increasing by 56.7 percent or \$1,460,938.

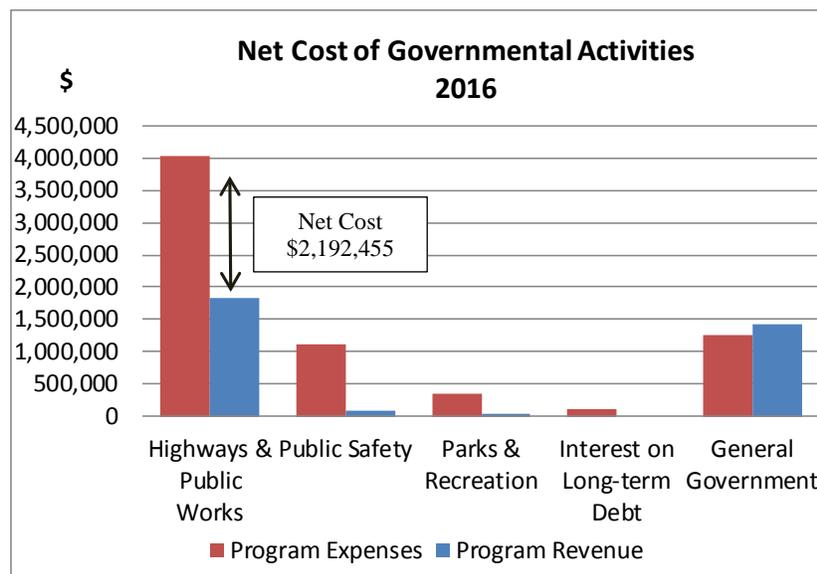
The following Table 3 and Figure 3, “Net Cost of Governmental Activities”, illustrates each Governmental program’s ability to rely on self-generated revenues to cover its related program expenses. General revenues including property tax, sales tax, and franchise taxes cover the remaining \$3,490,775 net program deficit.

CITY OF WASHINGTON TERRACE
Net Cost of Governmental Programs
For Fiscal Year Ended June 30

Program	Program Expenses		Less Program Revenues		Net Program Cost	
	2015	2016	2015	2016	2015	2016
Highways & Public Works	\$ 2,574,589	\$ 4,035,527	\$ 2,277,021	\$ 1,843,072	\$ (297,568)	\$ (2,192,455)
Public Safety	1,153,802	1,106,801	84,743	84,929	(1,069,059)	(1,021,872)
Parks & Recreation	261,500	352,265	42,819	43,993	(218,681)	(308,272)
Interest on Long-term Debt	116,935	118,645	-	-	(116,935)	(118,645)
General Government	840,591	1,268,508	1,117,176	1,418,977	276,585	150,469
Total Governmental Activities	\$ 4,947,417	\$ 6,881,746	\$ 3,521,759	\$ 3,390,971	\$ (1,425,658)	\$ (3,490,775)

Table 3 – Net Cost of Governmental Activities

General Government, representing 18.4 percent of total Governmental programs, had the greatest ability to generate revenues to support its program expenses. Program revenues generated were \$1,418,977 and expenses were \$1,268,508 resulting in a program surplus of \$150,469.



Highways & Public Works, the largest program representing \$4,035,527 or 58.6 percent of total program expenses, had the lowest ability to generate revenues to support its program expenses. Program revenues of \$1,843,072 resulted in a program deficit of \$2,192,455.

Figure 3 – Net Cost of Governmental Activities

Business-Type Activities

Ending net position for Business-type activities of \$15,367,090 reported an increase of 2.5 percent or \$373,379 when compared to the prior year.

Total revenue increased by 2.5 percent or \$84,882 largely due to Capital Grants and Contributions. Capital Grants and Contributions experienced the largest component value change from the prior year increasing \$107,500.

Total program expenses increased by 12.0 percent or \$318,758 associated with one-time water operating costs. Water services experienced the largest component change from the prior year increasing 35.7 percent or \$339,381.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

As illustrated in Table 4, “Comparative Summary of Capital Assets”, the City’s investment in capital assets for the Primary Government totaled \$40,888,121 (net of accumulated depreciation) a 2.2 percent or \$911,888 decrease from the prior year.

Capital Assets are categorized by five major groups: Land, Construction in Process, Buildings & Improvements, Machinery & Equipment, and Infrastructure. The greatest change in value was Construction in Process decreasing from \$2,769,872 to \$146,044 or a change of \$2,623,828. Building & Improvements reported the greatest increase in value (net of accumulated depreciation) moving from \$2,896,362 to \$4,664,924 or a change for \$1,768,562.

Major capital asset additions for 2016 were:

- Adams Avenue Road Reconstruction - *\$4,406,429*
- Adams Avenue Tank Seismic Upgrade - *\$195,070*

CITY OF WASHINGTON TERRACE
Comparative Summary of Capital Assets
Primary Government
For Fiscal Year Ended June 30

Capital Assets	Governmental Activities		Business-Type Activities		Total Activities		% Change From Prior Year
	2015	2016	2015	2016	2015	2016	
Land	\$ 9,420,402	\$ 9,420,402	\$ 116,813	\$ 116,813	\$ 9,537,215	\$ 9,537,215	0.0%
Construction in process	2,760,898	118,159	8,974	27,885	2,769,872	146,044	-94.7%
Buildings & Improvements	2,896,362	3,408,945	-	1,255,979	2,896,362	4,664,924	61.1%
Machinery & Equipment	1,105,721	621,920	381,405	387,815	1,487,126	1,009,735	-32.1%
Infrastructure	14,065,634	16,036,891	11,043,800	9,493,312	25,109,434	25,530,203	1.7%
Total Assets, net of accumulated depreciation	#####	#####	#####	#####	#####	#####	-2.2%

Table 4 – Comparative Summary of Capital Assets

Additional information on Capital Assets can be found in Note 5 of the Financial Statements.

Long-Term Debt

The State of Utah mandates a general obligation debt limit not to exceed 4 percent of the City’s total assessed value. The City’s general obligation indebtedness of \$1,802,000 is below the statutory limit.

As illustrated in the following table, “Comparative of Debt Outstanding”, the greatest decrease in debt outstanding for Governmental activities was refunding the \$2,085,000 of General Obligation Refunding Bonds Series 2005 and the issuing of \$1,802,000 of General Obligation Refunding Bonds Series 2015 resulting in a combined decrease of General Obligation debt outstanding of \$283,000.

Governmental activities total debt outstanding of \$3,058,103 reported an 11.8 percent or \$409,529 decrease from prior year. Business-type activities total debt outstanding of \$2,294,968 reported an 11.5 percent or \$298,367 decrease from prior year. Total outstanding debt for the Primary Government of \$5,353,071 is down 11.7 percent or \$707,896 from the prior year.

Additional information on Long-Term Debt can be found in Notes 7-9 of the Financial Statements.

**CITY OF WASHINGTON TERRACE
Comparative of Debt Outstanding
Primary Government
For Fiscal Year Ended June 30**

Debt Outstanding	Governmental Activities		Business-Type Activities		Total Activities		% Change From Prior Year
	2015	2016	2015	2016	2015	2016	
Compensated Absences	\$ 86,946	\$ 94,367	\$ -	\$ -	\$ 86,946	\$ 94,367	8.5%
Capital Lease	220,000	177,853	-	-	220,000	177,853	-19.2%
General Obligation Ref Ser05 Bonds	2,085,000	-	-	-	2,085,000	-	-100.0%
General Obligation Ref Ser15 Bonds	-	1,802,000	-	-	-	1,802,000	
Utility Revenue Bonds Ser10A	-	-	1,385,000	1,175,000	1,385,000	1,175,000	-15.2%
Utility Revenue Bonds Ser10B	218,202	207,253	383,798	365,747	602,000	573,000	-4.8%
Utility Revenue Bonds Ser10C	256,151	243,297	444,849	421,703	701,000	665,000	-5.1%
Sales & Excise Tax Revenue Bonds Ser13	601,333	533,333	300,667	266,667	902,000	800,000	-11.3%
Bond Premium	-	-	79,021	65,851	79,021	65,851	-16.7%
Total Debt Outstanding	\$ 3,467,632	\$ 3,058,103	\$2,593,335	\$2,294,968	\$ 6,060,967	\$ 5,353,071	-11.7%

Table 5 – Comparative of Debt Outstanding

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

Fund Balances

As illustrated in the following Table 6, “Governmental Fund Balances”, total Governmental fund balance of \$5,655,771 for 2016 has increased by 3.3 percent or \$183,239 from 2015.

Of said balance, \$41,656 or 0.7 percent is nonspendable (prepaids); \$689,763 or 12.2 percent is restricted (externally enforceable limitations on use i.e. imposed by creditors, grantors, contributors, law and regulations); \$3,093,829 or 54.7 percent is committed (self-imposed limitations); \$1,008,246 or 17.8 percent is assigned for community development activities; and \$863,933 or 15.3 percent is unassigned (total fund balance in excess of restricted, committed, and assigned balances).

Restricted fund balance experienced the greatest change decreasing 41.7 percent or \$497,335 resulting in an ending fund balance of \$689,763. Said decrease is attributed to the funding of one-time capital road projects.

Additionally, Assigned fund balance for community development activities increased 30.3 percent or \$234,239

Unassigned fund balance decreased by 5.6 percent or \$51,547. Said decrease is attributed to a one-time General Fund reserve transfers to the Capital Projects Fund to support the capital needs of Governmental activities.

CITY OF WASHINGTON TERRACE
Governmental Fund Balances
For Fiscal Year Ended June 30

Components	General Fund		Redevelopment Fund		Capital Project Fund		Debt Service Fund		Total		% Change from Prior Year
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	
Nonspendable				41,656					-	41,656	-
Restricted	315,941	350,698			782,755	251,308	88,402	87,757	1,187,098	689,763	-41.9%
Committed					2,595,947	3,093,829			2,595,947	3,093,829	19.2%
Assigned			774,007	966,590					774,007	966,590	24.9%
Unassigned	915,480	863,933							915,480	863,933	-5.6%
Total	\$1,231,421	\$1,214,631	\$774,007	\$1,008,246	\$3,378,702	\$3,345,137	\$88,402	\$87,757	\$5,472,532	\$5,655,771	3.3%

Table 6 – Governmental Fund Balances

General Fund Budgetary Highlights

Final budget to actual variances for revenues and expenditures greater than \$10,000 reported in the General Fund are summarized below.

For a comprehensive schedule, refer to Required Supplemental Information, Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, General Fund.

REVENUES

General Revenues

Tax actual collections of \$2,300,492 were below final budget estimates of \$2,387,632 or a \$19,627 final budget variance.

Intergovernmental collections of \$338,989 were above final budget estimates of \$323,884 or a \$15,105 final budget variance.

Fines & Forfeitures of \$163,061 were above final budget estimates of \$149,000 or a \$14,061 final budget variance.

Miscellaneous collections of \$110,017 were above final budget estimates of \$72,000 or a \$38,017 budget variance of \$38,017.

EXPENDITURES

General Government expenditures of \$1,064,076 were below budget estimates of \$1,162,562 or a budget variance of \$98,486. Said surplus is being ascribed to reduced personnel requirements and one-time operating maintenance projects pending completion.

Public Safety expenditures of \$1,140,698 were below budget estimates of \$1,171,368 or a budget variance of \$30,670. Said surplus is largely being ascribed to reduced personnel requirements.

Highways and Public Works expenditures of \$707,774 were below budget estimates of \$782,200 or a budget variance of \$74,426.

Said surplus is being ascribed to reduced personnel requirements.

Parks & Recreation expenditures of \$233,761 were below budget estimates of \$267,131 or a budget variance of \$33,370. Said surplus is being ascribed to one-time

operating maintenance projects pending completion.

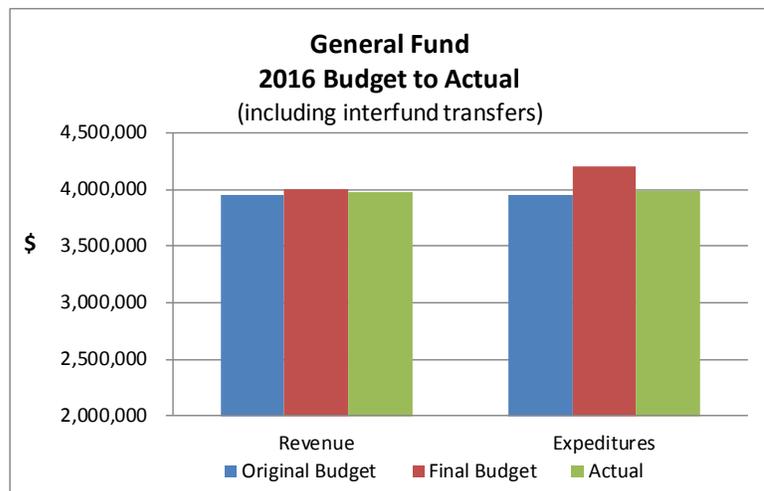


Figure 4 – General Fund Final Budget to Actual

FINANCIAL ANALYSIS OF ENTERPRISE FUNDS

Net Position

As illustrated in Table 1 “Comparative Summary of Net Position”, the City’s enterprise funds or Business-type activities total net position of \$15,367,090 has increased by 2.5 percent or \$373,379 from the prior year. Of said balance, \$8,986,836 or 58.5 percent represents net investment in capital assets, remaining flat from prior year. Restricted net position of \$36,523 is up 22.4 percent or \$6,690 from prior year. Unrestricted net position of \$6,343,731 is up 5.6 percent or \$337,510 from prior year.

Changes in Net Position

Business-type activities generated \$3,436,926 of total revenue up 2.5 percent or \$84,882 from prior year. The largest program revenue, Charges for Services representing 95.2 percent of revenues, decreased by 0.92 percent or \$30,328. Capital Grants and Contributions increased from \$13,247 to \$120,747 or by \$107,500.

Total program expenses of \$2,973,307 increased by 12.0 percent or \$318,758 from prior year.

Culinary Water Services, the largest operating expense program, represent 43.4 percent or \$1,290,998 of total program expenses. Water expenses grew by \$339,381 or 35.7 percent compared to prior year. Said increase is attributed to one-time meter replacement.

Sanitary Sewer Services, the second largest utility activity, represent 31.1 percent or \$924,553 of total program expenses. Sewer expenses experienced a decline of 4.2 percent or \$40,681 from prior year.

ECONOMIC & DEMOGRAPHIC FACTORS

According to the State of Utah Department of Workforce Services, the Weber County (the county for which the City resides) economy in early 2015 started to pick up and hasn't slowed down since. Employment is growing at a rate not seen in more than 10 years and is very wide-spread across all industries. Employment expansion through March 2016 posted 3.5 percent year-over-year growth adding 3,474 new jobs. Wage growth is broad-based, and taxable sales growth exceeded 4 percent for the 17th consecutive quarter with particular strength in retail markets. Unemployment insurance claims are back to pre-recession levels. Overall, the indicators are affirming that the long-term trajectory of economic performance for the county is very positive.

Furthermore, the Department of Workforce Services reported in their *Utah's Employment Summary: June 2016* that Utah's nonfarm wage and salaried job count for June 2016 grew by 3.5 percent adding 48,500 jobs to the Utah economy compared to June 2015. Utah's June 2016 seasonally adjusted unemployment rate registered 4.0 percent, employment year-over change 3.5 percent. The national employment year-over change was 1.8 percent with an unemployment rate at 4.9 percent.

Approximately 59,200 Utahans were considered to be unemployed and actively seeking work. According to Carrie Mayne,

Chief Economist at the Department of workforce services, 'Utah's economy exhibits all the signs of robust growth and tightening labor markets.'

Demographic Profile Highlights	
Population	
Population 2013 (estimate)	9,164
Persons under 5 years	9.30%
Persons under 18 years	27.60%
Persons 65 years and over	15.00%
Education	
High school graduate or higher	91.60%
Bachelor's degree or higher	14.70%
Housing	
Housing units	3,462
Homeownership rate	60.30%
Housing units in multi-unit structures	29.70%
Median value of owner-occupied housing units	\$141,700
Persons per household	2.58
Income	
Per capita money income	\$23,034
Median household income	\$50,325
Persons below poverty level	10.00%
Geography	
Land area in square miles	1.97
Persons per square mile	4,604.90

Source: US Census

According to the US Census, the City represents 0.32 percent of the State of Utah's population. The City has an older demographic compared to the State. Persons over 65 represent 15 percent of the City's population or 6 percent higher than the State's 9 percent. Persons under 18 represent 27.6 percent compared to the State's 31.5 percent. Levels of education are comparable with the State at 91.6 percent of the population with a high school graduate or higher level of education but fall short of a bachelor's degree or higher representing 14.7 percent compared to the State's 29.9 percent. The City offers more housing diversity and affordability compared to the State with 29.7 percent of housing units multi-unit structures—State 21.3 percent. Homeownership rates represent 60.3 percent of housing compared to 70.4 percent statewide. Median value of owner-occupied housing units is \$141,700 compared to \$217,800 statewide. The City's poverty levels and median household income are below statewide levels at 10 percent and \$50,325 respectively compared to 12.10 percent and \$58,164 statewide.

OTHER MATTERS

Current and Future Projects - The City's Capital Facilities Plan is a comprehensive assessment on existing and future facilities. The Plan provides a 20 year outlook on renovating, repairing, replacing, and expanding facilities and equipment. The Plan assists in addressing budgetary issues more effectively and focuses on the following project areas: Road Maintenance and Reconstruction, City Fleet and Equipment Replacement, Buildings, Culinary Water, Parks and Open Space, Storm Water, and Sanitary Sewer. Funding sources identified in the Plan include: grants, impact fees, user fees, taxes, and fund/developer contributions. Through the budget process, capital requirements will be prioritized according to funding availability.

REQUESTS FOR INFORMATION

This financial report is designed to provide its readers with a general overview of the City's financial performance and condition. The City recognizes its duty to its citizens and other interested parties to vigilantly account for public funds and resources. Questions concerning any of the information in this report or any other matters related to the City's finances should be addressed to:

Washington Terrace Municipal Corporation

Finance Department

5249 South 400 East

Washington Terrace City, Utah 84405

Email: sharip@washingtonterracecity.org

Direct: 801-395-8284



BASIC FINANCIAL STATEMENTS
(audited)

STATEMENT OF NET POSITION

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and cash equivalents	\$ 4,461,144	\$ 5,996,480	\$ 10,457,624
Accounts receivable, net	317,036	278,913	595,949
Due from other governmental units	1,334,267	-	1,334,267
Prepaid expenses	418,766	140,393	559,159
Cash - restricted	611,865	55,023	666,888
Capital assets not being depreciated:			
Land	9,420,402	116,813	9,537,215
Construction work in progress	118,159	27,885	146,044
Capital assets, net of accumulated depreciation:			
Buildings and improvements	3,408,945	1,255,979	4,664,924
Infrastructure	16,036,891	9,493,312	25,530,203
Machinery and equipment	621,920	387,815	1,009,735
Net pension asset	3,243	-	3,243
Total Assets	36,752,638	17,752,613	54,505,251
Deferred Outflows of Resources			
Pension related	274,480	-	274,480
Total Deferred Outflows of Resources	274,480	-	274,480
Total Assets and Deferred Outflows of Resources	\$ 37,027,118	\$ 17,752,613	\$ 54,779,731
Liabilities			
Accounts payable	\$ 176,288	\$ 31,559	\$ 207,847
Accrued liabilities	44,451	58,996	103,447
Accrued interest	14,110	-	14,110
Unearned revenue	5,459	-	5,459
Noncurrent liabilities:			
Due within one year	563,564	291,547	855,111
Due in more than one year	2,494,539	2,003,421	4,497,960
Net pension liability	505,297	-	505,297
Total Liabilities	3,803,708	2,385,523	6,189,231
Deferred Inflows of Resources			
Deferred revenue - property taxes	992,669	-	992,669
Pension related	60,434	-	60,434
Total Deferred Inflows of Resources	1,053,103	-	1,053,103
Net Position			
Net investment in capital assets	26,642,581	8,986,836	35,629,417
Restricted for:			
Debt service	120,326	36,523	156,849
Roads	569,437	-	569,437
Unrestricted	4,837,963	6,343,731	11,181,694
Total Net Position	32,170,307	15,367,090	47,537,397
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 37,027,118	\$ 17,752,613	\$ 54,779,731

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

BALANCE SHEET - GOVERNMENTAL FUNDS

	<u>General</u>	<u>Redevelopment Agency</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 622,046	\$ 966,590	\$ 2,872,508	\$ -	\$ 4,461,144
Accounts receivable, net	48,596	-	-	-	48,596
Due from other funds	-	-	289,353	-	289,353
Due from other governmental units	777,046	102,500	65,043	389,678	1,334,267
Prepays	-	41,656	-	377,110	418,766
Restricted assets:					
Cash and cash equivalents	360,557	-	251,308	-	611,865
Total Assets	<u>\$ 1,808,245</u>	<u>\$ 1,110,746</u>	<u>\$ 3,478,212</u>	<u>\$ 766,788</u>	<u>\$ 7,163,991</u>
Liabilities					
Accounts payable	\$ 43,213	\$ -	\$ 133,075	\$ -	\$ 176,288
Accrued liabilities	44,451	-	-	-	44,451
Due to other funds	-	-	-	289,353	289,353
Unearned revenue	5,459	-	-	-	5,459
Total Liabilities	<u>93,123</u>	<u>-</u>	<u>133,075</u>	<u>289,353</u>	<u>515,551</u>
Deferred Inflows of Resources					
Unavailable revenue - property taxes	500,491	102,500	-	389,678	992,669
Fund Balances					
Nonspendable					
Prepays	-	41,656	-	-	41,656
Restricted					
Class "C" roads	318,129	-	251,308	-	569,437
Debt service	32,569	-	-	87,757	120,326
Committed for:					
Capital projects	-	-	3,093,829	-	3,093,829
Assigned					
Redevelopment Agency	-	966,590	-	-	966,590
Unassigned	863,933	-	-	-	863,933
Total Fund Balances	<u>1,214,631</u>	<u>1,008,246</u>	<u>3,345,137</u>	<u>87,757</u>	<u>5,655,771</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,808,245</u>	<u>\$ 1,110,746</u>	<u>\$ 3,478,212</u>	<u>\$ 766,788</u>	<u>\$ 7,163,991</u>

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

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION**

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

Total fund balance - governmental funds	\$ 5,655,771
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	29,606,317
Long-term liabilities, including bond payable, are not due and payable in the current period and therefore are not recorded in the funds.	(3,058,103)
Accrued interest expense is not due and payable in the current period and therefore is not recorded in the funds.	(14,110)
Pension assets and liabilities along with the corresponding deferred inflows and outflows are not collectable or payable in the current period and therefore are not recorded in the funds.	(288,008)
Special Improvement District receivables are not recorded in the fund financial statements.	<u>268,440</u>
Net position - governmental activities	<u><u>\$ 32,170,307</u></u>

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES – GOVERNMENTAL FUNDS**

	General	Redevelopment Agency	Capital Projects	Debt Service	Total Governmental Funds
Revenues					
Taxes	\$ 2,300,492	\$ 116,732	\$ -	\$ 392,426	\$ 2,809,650
Licenses and permits	191,414	-	-	-	191,414
Intergovernmental	338,989	2,015,408	216,628	-	2,571,025
Charges for services	872,174	-	86,714	-	958,888
Impact fees	-	-	5,697	-	5,697
Fines and forfeitures	163,061	-	-	-	163,061
Interest income	31,642	4,459	-	37	36,138
Miscellaneous revenue	78,375	-	-	-	78,375
Total Revenues	3,976,147	2,136,599	309,039	392,463	6,814,248
Expenditures					
Current:					
General government	1,064,076	62,048	3,760	-	1,129,884
Public safety	1,140,698	-	-	-	1,140,698
Highways and public works	707,774	17,581	-	-	725,355
Parks and recreation	233,761	-	-	-	233,761
Capital expenditures	-	1,822,733	1,090,671	-	2,913,404
Debt service:					
Principal retirement	-	-	-	2,218,950	2,218,950
Interest and fiscal charges	-	-	-	120,157	120,157
Bond issuance costs	-	-	-	20,059	20,059
Total Expenditures	3,146,309	1,902,362	1,094,431	2,359,166	8,502,268
Excess (Deficiency) of Revenues Over (Under) Expenditures	829,838	234,237	(785,392)	(1,966,703)	(1,688,020)
Other Financing Sources (Uses)					
Transfer in	92,672	-	904,491	204,011	1,201,174
Transfer out	(939,301)	-	(224,352)	(39,953)	(1,203,606)
Issuance of debt	-	-	-	1,802,000	1,802,000
Disposal of capital assets	-	-	71,688	-	71,688
Total Other Financing Sources (Uses)	(846,629)	-	751,827	1,966,058	1,871,256
Net Change in Fund Balances	(16,791)	234,237	(33,565)	(645)	183,236
Fund Balance, Beginning	1,231,422	774,009	3,378,702	88,402	5,472,535
Fund Balance, Ending	\$ 1,214,631	\$ 1,008,246	\$ 3,345,137	\$ 87,757	\$ 5,655,771

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
 STATEMENT OF ACTIVITIES**

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

Net change in fund balances - total governmental funds	\$	183,236
Governmental funds have reported capital outlays, past and present, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		(992,131)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position.		4,643,256
Government funds have proceeds from the sale of assets as revenue. However, in the statement of activities it reports the gain or loss on the sale of assets.		(4,293,824)
Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.		2,218,950
Issuance of long-term debt provides current financial resources to governmental funds. However, these revenues are reported as debt in the statement of net position.		(1,802,000)
In the statement of activities, accrued interest on debt is recorded.		21,573
The long term portion of accrued leave does not require the use of current financial resources and therefore is not recorded as an expenditure in the Governmental Funds.		(7,421)
Changes in the pension asset and liability accounts are not recorded in the funds rather they are recorded in the statement of activities		51,103
Repayment of Special Improvement District receivables is a revenue in the funds, but the repayment reduces the receivable in the statement of net position.		(61,139)
Change in net position - governmental activities	\$	<u>(38,397)</u>

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

STATEMENT OF NET POSITION – PROPRIETARY FUND

	Business-type Activities
	Enterprise Fund Public Utilities
Assets	
Current Assets	
Cash and cash equivalents	\$ 5,996,480
Accounts receivable, net	278,913
Prepays	140,393
Cash - restricted	55,023
Total Current Assets	<u>6,470,809</u>
Noncurrent Assets	
Land	116,813
Construction work in progress	27,885
Buildings	1,267,343
Infrastructure	13,646,562
Machinery and equipment	1,193,893
Less: Accumulated depreciation	<u>(4,970,692)</u>
Total Noncurrent Assets	<u>11,281,804</u>
Total Assets	<u>\$ 17,752,613</u>
Liabilities	
Current Liabilities	
Accounts payable	\$ 31,559
Accrued liabilities	58,996
Bonds payable	291,547
Total Current Liabilities	<u>382,102</u>
Noncurrent Liabilities	
Bonds payable	<u>2,003,421</u>
Total Noncurrent Liabilities	<u>2,003,421</u>
Total Liabilities	<u>2,385,523</u>
Net Position	
Net invested in capital assets	8,986,836
Restricted:	
Debt reserve	36,523
Unrestricted	<u>6,343,731</u>
Total Net Position	<u>15,367,090</u>
Total Liabilities and Net Position	<u>\$ 17,752,613</u>

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
 POSITION – PROPRIETARY FUND**

	<u>Business-type Activities</u> <u>Enterprise Fund</u> <u>Public Utilities</u>
Operating Revenues	
Charges for services:	
Water	\$ 1,256,822
Sewer	1,100,893
Refuse	481,828
Storm water	422,626
Connection and other fees	
Water	5,822
Sewer	5,233
Total Operating Revenues	3,273,224
Operating Expenses	
Personnel services	773,639
Contractual services	1,043,767
Materials and supplies	537,092
Depreciation expense	409,873
Total operating expenses	2,764,371
Operating income	508,853
Nonoperating revenue (expense)	
Interest income	42,955
Impact fee income	7,552
Intergovernmental income	113,195
Interest expense	(68,984)
Sale of capital assets	(139,952)
Total nonoperating revenues (expenses)	(45,234)
Income (loss) before capital contributions and transfers	463,619
Transfers in/(out)	(90,240)
Change in net position	373,379
Net position, beginning	14,993,711
Net position, ending	\$ 15,367,090

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

STATEMENT OF CASH FLOWS – PROPRIETARY FUND

	<u>Business-type Activities</u>
	<u>Enterprise Fund Public Utilities</u>
Cash Flows From Operating Activities	
Receipts from customers and users	\$ 3,310,672
Payments to suppliers and service providers	(1,675,710)
Payments to employees and related benefits	(773,639)
Net cash flows from operating activities	<u>861,323</u>
Cash Flows From Non-Capital Financing Activities	
Transfers out	(90,240)
Intergovernmental	113,195
Net cash flows from non-capital financing activities	<u>22,955</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition and construction of capital assets	(280,637)
Principal paid on bonds and leases	(298,366)
Interest Paid	(68,984)
Impact fees received	7,552
Net cash flows from capital and related financing activities	<u>(640,435)</u>
Cash Flows From Investing Activities	
Interest on deposits	42,955
Net cash flows from investing activities	<u>42,955</u>
Net Increase (Decrease) In Cash and Cash Equivalents	286,798
Cash and Cash Equivalents, Beginning	<u>5,764,705</u>
Cash and Cash Equivalents, Ending	<u>\$ 6,051,503</u>

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

STATEMENT OF CASH FLOWS – PROPRIETARY FUND (Continued)

	<u>Business-type Activities</u>
	<u>Enterprise Fund</u>
	<u>Public Utilities</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$ 508,853
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation expense	409,873
(Increase) Decrease in accounts receivables	37,448
(Increase) Decrease in prepaids	(53,980)
Increase (Decrease) in accounts payable	(40,358)
Increase (Decrease) in accrued liabilities	(513)
Net cash flows from operating activities	<u>\$ 861,323</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Washington Terrace (City) was incorporated on December 12, 1958. The City operates under a council manager form of government and provides the following services as authorized by its character: public safety (police, fire, inspection and animal control), streets and highways, public utilities (refuse collection, water and sewer), parks and recreation and general administrative services. The financial statements of The City of Washington Terrace have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

(A) **The Reporting Entity**

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations.

Blended Component Unit

The Washington Terrace Redevelopment Agency (RDA) is governed by the Mayor and City Council. Although it is legally separate from the City, the RDA is reported as if it were part of the primary government because its sole purpose is to redevelop areas within the City thereby generating additional property tax and sales tax for the City.

(B) **Government-Wide and Fund Financial Statements**

The Statement of Net Positions presents the City's assets and liabilities, with the difference reported as net position. Net positions are restricted when constraints placed upon them are either externally imposed or are imposed by constitutional provisions or enabling legislation. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The City does not allocate general government (indirect) expenses to other functions. Program-revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) Measurement Focus and Basis of Accounting (Continued)

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

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

Sales and use taxes, franchise taxes and earned but un-reimbursed state and federal grants associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Property taxes are measurable as of the date levied and available only when cash is received by the county treasurer prior to the City's fiscal year end and remitted to the City within sixty days of its fiscal year end.

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

The City reports the following major governmental funds:

General Fund - The General Fund is used to account for all financial resources of the City not accounted for by a separate, specialized fund.

Redevelopment Agency Funds- Special Revenue Fund is used to account for the proceeds of property tax revenues that are legally restricted for the improvement, rehabilitation, and redevelopment of lighted areas within the City.

Capital Projects Fund- The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital improvements (other than those financed by proprietary funds).

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs (other than those of the proprietary funds).

The City reports the following major enterprise funds:

Public Utilities Fund - is used to account for the water, sewer, refuse, and storm water service.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by the Enterprise Funds for providing administrative, billing, and repair services for such funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) Measurement Focus and Basis of Accounting (Continued)

Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

(D) Budgets

Annual budgets are prepared and adopted before June 22 for the fiscal year commencing the following July 1, in accordance with the Uniform Fiscal Procedures Act for Utah Cities. State law requires budgeted revenues to equal budgeted expenditures, and legal control is exercised at the department level. Once a budget has been adopted, it remains in effect until it has been formally revised. Budgets for the general fund, special revenue, and capital projects funds are legally required, prepared and adopted on the modified accrual basis of accounting. Therefore, no reconciliation between budgetary schedules and the GAAP statements is required.

The Budgetary Comparison schedules presented in this section of the report are for the City's general fund and major special revenue funds. Original budgets represent the revenue estimates and spending authority authorized by the City Council prior to July 1. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the City Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Utah State allows for any undesignated fund balances in excess of 5% of total revenue of the general fund to be utilized for budget purposes. The law also allows for the accumulation of a fund balance in the general fund in an amount equal to 25% of the total estimated revenue of the general fund. In the event that the fund balance, at the end of the fiscal year, is in excess of that allowed, the City has one year to determine an appropriate use and then the excess must be included as an available resource in the general fund budget.

(E) Taxes

In connection with budget adoption, an annual tax ordinance establishing the tax rate is adopted before June 22 and the City Recorder is to certify the tax rate to the County Auditor before June 22. Budgets for the general, special revenue, debt service and capital projects funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The above procedures are authorized by the Utah Code Sections 10-6-109 through 10-6-135.

All property taxes levied by the City are assessed and collected by Weber County. Taxes are attached as an enforceable lien as of January 1, are levied as of October 1, and are due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(F) Capital Assets

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are carried at cost or estimated historical cost. Depreciation of these assets is computed by use of the straight-line method over their estimated useful lives as follows:

Buildings and improvements	20-50 Years
Sewer collection system	50 Years
Water distribution system	50 Years
Infrastructure and improvements	20-40 Years
Machinery and equipment	5-10 Years
Other improvements	10-40 Years

(G) Long-Term Obligation

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

(H) Equity Classifications

Equity is classified in the government-wide financial statements as net position and is displayed in three components:

- a. Net investment capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net positions with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets ".

In the fund financial statements; governmental fund equity is classified as fund balance. Fund balance is further classified as Nonspendable, Restricted, Committed, Assigned or Unassigned.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(H) Equity Classifications (Continued)

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

Committed fund balance classification include those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the governments highest level of decision making authority, the City Council. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the City Council.

Assigned fund balance classifications include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Council authorizes such assignments. Also includes all remaining amounts that are reported in governmental funds, other than the general fund that are not classified as nonspendable, restricted nor committed or in the General Fund, that are intended to be used for specific purposes.

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted. It is the City's policy to use committed funds first then assigned funds and lastly use unassigned funds when all are available for use in satisfying the expenditure.

Proprietary Fund equity is classified the same as in the government-wide statements.

(I) Cash and Cash Equivalents

The City considers all cash and investments with original maturities of three months or less to be cash and cash equivalents. For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalent accounts and the restricted cash and cash equivalents accounts.

Cash includes amounts in demand deposits as well as short-term investments with a maturity date of three months or less when acquired by the City.

(J) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(K) Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(K) Deferred outflows/inflows of resources (Continued)

this category. The governmental funds report unavailable revenue from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

(L) Pensions

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

(M) Prepaid

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

NOTE 2 CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits including the portion of the Utah State Treasurer's investment pool (PTIF) that is considered as a demand deposit. Investments are stated at carrying value as the carrying value approximates the fair value. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" and "investments" which also includes cash accounts that are separately held by several of the City's funds.

Deposits and investments for the City are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council ("the Council"). Following are discussions of the City's exposure to various risks related to its cash management activities.

Custodial credit risk – deposits is the risk that in the event of bank failure, the City's deposits may not be recovered. The City's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the City to be in a *qualified depository*, defined 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 Money Management Council. As of June 30, 2016, \$1,114,338 of the City's bank balances of \$1,374,084 (excluding PTIF) was uninsured and uncollateralized.

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard & Poors; banker acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations as defined in the Act.

NOTE 2 CASH AND INVESTMENTS (Continued)

The City is authorized to invest in the Utah Public Treasurer’s Investment Fund (PTIF) which is a voluntary external pooled investment fund managed by the Utah State Treasurer’s Office and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, is not rated, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants’ average daily balances.

For the year ended June 30, 2016, the City had cash balances of \$10,363,469 deposited in the PTIF. The fair value of this cash balance was \$10,410,696 using a fair value factor of 1.00455704.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The City’s investment in the PTIF has no concentration of credit risk as the PTIF is an external investment pool managed by the Utah State Treasurer.

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City has no formal policy regarding interest rate risk. The City manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. The City’s investments do not have stipulated maturity dates but are only deposited and held until debt service due dates arrive.

Following are the City’s cash on hand and on deposit at June 30, 2016:

	<u>Carrying Amount</u>
Cash on hand and on deposit:	
Cash on hand	\$ 1,000
Cash on deposit	760,040
Utah State Treasurer's investment pool accounts	<u>10,363,472</u>
Total cash on hand and deposit	<u><u>\$ 11,124,512</u></u>

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable are recorded net of the allowance for doubtful accounts of \$15,328 in the enterprise fund.

NOTE 4 RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2016:

Developer and Customer deposits	\$	22,900
Unearned Revenue - Football Fees		5,459
Class C Road Funds		569,437
2010 Series Bond Reserve Fund		59,346
2013 Series Bond Fund		9,746
		<u>666,888</u>
	\$	<u>666,888</u>

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2016, is as follows:

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 9,420,402	\$ -	\$ -	\$ 9,420,402
Construction in progress	2,753,111	116,753	(2,751,705)	118,159
Total capital assets, not being depreciated	<u>12,173,513</u>	<u>116,753</u>	<u>(2,751,705)</u>	<u>9,538,561</u>
Capital assets, being depreciated				
Buildings and Improvements	4,653,353	-	-	4,653,353
Infrastructure	22,540,929	4,406,429	(2,114,034)	24,833,324
Machinery and equipment	1,919,241	120,074	(865,888)	1,173,427
Total capital assets, being depreciated	<u>29,113,523</u>	<u>4,526,503</u>	<u>(2,979,922)</u>	<u>30,660,104</u>
Less accumulated depreciation for				
Buildings and Improvements	(1,114,380)	(130,028)	-	(1,244,408)
Infrastructure	(9,091,844)	(808,624)	1,104,035	(8,796,433)
Machinery and equipment	(831,794)	(53,480)	333,767	(551,507)
Total accumulated depreciation	<u>(11,038,018)</u>	<u>(992,132)</u>	<u>1,437,802</u>	<u>(10,592,348)</u>
Total capital assets, being depreciated, net	<u>18,075,505</u>	<u>3,534,371</u>	<u>(1,542,120)</u>	<u>20,067,756</u>
Governmental activities capital assets, net	<u>\$ 30,249,018</u>	<u>\$ 3,651,124</u>	<u>\$ (4,293,825)</u>	<u>\$ 29,606,317</u>

NOTE 5 CAPITAL ASSETS (Continued)

The Business-type Activities property, plant and equipment consist of the following at June 30, 2016:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Business-type Activities				
Capital assets, not being depreciated				
Land	\$ 116,813	\$ -	\$ -	\$ 116,813
Construction in progress	8,974	20,879	(1,968)	27,885
Total capital assets, not being depreciated	<u>125,787</u>	<u>20,879</u>	<u>(1,968)</u>	<u>144,698</u>
Capital assets, being depreciated				
Buildings	11,364	-	-	11,364
Infrastructure	15,141,356	195,070	(433,885)	14,902,541
Machinery and equipment	1,169,703	64,690	(40,500)	1,193,893
Total capital assets, being depreciated	<u>16,322,423</u>	<u>259,760</u>	<u>(474,385)</u>	<u>16,107,798</u>
Less accumulated depreciation for				
Buildings	(11,364)	-	-	(11,364)
Infrastructure	(4,097,556)	(360,229)	304,535	(4,153,250)
Machinery and equipment	(788,300)	(49,644)	31,866	(806,078)
Total accumulated depreciation	<u>(4,897,220)</u>	<u>(409,873)</u>	<u>336,401</u>	<u>(4,970,692)</u>
Total capital assets, being depreciated, net	<u>11,425,203</u>	<u>(150,113)</u>	<u>(137,984)</u>	<u>11,137,106</u>
Business-type activities capital assets, net	<u>\$ 11,550,990</u>	<u>\$ (129,234)</u>	<u>\$ (139,952)</u>	<u>\$ 11,281,804</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities	
General government	\$ 89,634
Public safety	30,793
Highways and public works	824,074
Parks and recreation	47,631
Total depreciation expense - governmental activities	<u>\$ 992,132</u>
Business-type activities	
Water services	\$ 203,122
Sewer services	120,794
Storm water services	85,957
Total depreciation expense - business-type activities	<u>\$ 409,873</u>
Combined depreciation expense	<u>\$ 1,402,005</u>

NOTE 6 DEFERRED OUTFLOWS/INFLOWS

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City has no items that qualify for reporting in this category.

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

In conjunction with GASB pronouncement 33, “*Accounting and Financial Reporting for Nonexchange Transactions*” the City has accrued property tax receivable and a deferred outflow in the General Fund, Redevelopment Agency, and the Debt Service Fund in the amounts of \$500,491, \$102,500, and \$389,678 respectively.

Property taxes recorded in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 30 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on October 1 and then are due and payable at November 30. Since the property tax levied on October 1, 2016 was not expected to be received within 30 days after the year ended June 30, 2016, the City was required to record receivable and deferred inflow of the estimated amount of the total property tax to be levied on October 1, 2016.

NOTE 7 COMPENSATED ABSENCES

Accumulated unpaid vacation, compensatory leave pay and other employee benefit amounts are accrued when incurred in proprietary funds (using the accrual basis of accounting). In the governmental funds (using the modified accrual basis of accounting) only the unpaid amounts due to retired or terminated employees are recorded as liabilities. All City employees are paid from the general fund. The total compensated absences liability is reported in the government wide financial statements as long-term debt in accordance with the Governmental Accounting Standards. Based on historical estimates, the City estimates that \$66,057 of the compensated absences balance will be due in the next year.

NOTE 8 CAPITAL LEASES

The City entered into a lease agreement as lessee for financing the acquisition of a fire truck valued at \$220,000. The fire truck has a ten-year estimated useful life. This year, \$15,526 was included in depreciation expense. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

	Governmental Activities
Asset:	
Machinery and equipment	\$ 220,000
Less: accumulated depreciation	(15,526)
	\$ 204,474

NOTE 8 CAPITAL LEASES (Continued)

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2017	\$ 46,631
2018	46,631
2019	46,631
2020	46,631
Total minimum lease payments	186,524
Less: amount representing interest	(8,671)
Present value of minimum lease payments	<u>\$ 177,853</u>

NOTE 9 LONG-TERM DEBT

The following is summary of long-term debt transactions of the City for the year ended June 30, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities					
G.O. Refunding Bonds, Series 2015	\$ -	\$ 1,802,000	\$ -	\$ 1,802,000	\$ 363,000
Sales Tax Revenue Refunding Bonds, Series 2013	601,333		(68,000)	533,333	67,333
Utility Revenue Bond, Series 2010B	218,202	-	(10,949)	207,253	10,800
Utility Revenue Bond, Series 2010C	256,151	-	(12,854)	243,297	13,320
G.O. Refunding Bonds, Series 2005	2,085,000	-	(2,085,000)	-	-
Total bonds payable	<u>\$ 3,160,686</u>	<u>\$ 1,802,000</u>	<u>\$ (2,176,803)</u>	<u>\$ 2,785,883</u>	<u>\$ 454,453</u>
Capital lease	220,000	-	(42,147)	177,853	43,054
Compensated absences	86,946	66,928	(59,507)	94,367	66,057
Governmental activity long- term liabilities	<u>\$ 3,467,632</u>	<u>\$ 1,868,928</u>	<u>\$ (2,278,457)</u>	<u>\$ 3,058,103</u>	<u>\$ 563,564</u>
Business-type activities					
Sales Tax Revenue Refunding Bonds, Series 2013	\$ 300,667	\$ -	\$ (34,000)	\$ 266,667	\$ 33,667
Revenue Refunding Bonds, Series 2010A	1,385,000	-	(210,000)	1,175,000	215,000
Utility Revenue Bond, Series 2010B	383,798	-	(18,051)	365,747	19,200
Utility Revenue Bond, Series 2010C	444,849	-	(23,146)	421,703	23,680
Bond Premium	79,021	-	(13,170)	65,851	-
Total bonds payable	<u>\$ 2,593,335</u>	<u>\$ -</u>	<u>\$ (298,367)</u>	<u>\$ 2,294,968</u>	<u>\$ 291,547</u>
Business-type activity long- term liabilities	<u>\$ 2,593,335</u>	<u>\$ -</u>	<u>\$ (298,367)</u>	<u>\$ 2,294,968</u>	<u>\$ 291,547</u>

The General Fund typically liquidates the liability for compensated absences.

NOTE 9 LONG-TERM DEBT (Continued)

Sales Tax Revenue Refunding Bonds, Series 2013

The \$1,097,000 Sales Tax Revenue Refunding Bonds, Series 2013 was issued in December 2013. The proceeds, along with the debt reserve account of \$98,057, were used to refund the Special Assessments Bonds, Series 2001 and the 2009 Sales Tax Revenue Bond which had interest rates from 2.50% to 5.95%. The Sales Tax Revenue Refunding Bonds, Series 2013 are due in annual installments through June 1, 2024. The bonds carry an interest rate of 1.98%.

The annual debt service requirements to maturity, including principal and interest, for the Sales Tax Revenue Refunding Bonds, Series 2013, as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 101,000	\$ 15,840	\$ 116,840
2018	106,000	13,840	119,840
2019	105,000	11,741	116,741
2020	109,000	9,662	118,662
2021	110,000	7,504	117,504
2022	118,000	5,326	123,326
2023	75,000	2,990	77,990
2024	76,000	1,505	77,505
Total	\$ 800,000	\$ 68,408	\$ 868,408

General Obligation Refunding Bonds, Series 2005

The General Obligation Refunding Bonds, Series 2005 was issued in March 2005. The \$3,445,000 revenue bonds are due in annual installments through March, 2020. The bonds carry a varying interest rate each year from 3.85% - 4.10%. The government issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The bonds are direct obligations and pledge the full faith and credit of the government. During the year this obligation was refunded by the General Obligation Refunding Bonds, Series 2015

General Obligation Refunding Bonds, Series 2015

The General Obligation Refunding Bonds, Series 2005 was issued in September 2015. The \$1,802,000 revenue bonds are due in annual principal installments and semiannual interest installments through July 2020. The bonds carry a varying interest rate each year from .850% - 2.150%. The government issued general obligation bonds to provide funds to refund the General Obligation Refunding Bonds, Series 2005. The bonds are direct obligations and pledge the full faith and credit of the government. This refunding was undertaken to reduce total debt service payments by \$73,231 and resulted in a \$67,027 economic gain.

NOTE 9 LONG-TERM DEBT (Continued)

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Refunding Bonds, Series 2015, as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	363,000	26,678	389,678
2018	373,000	22,524	395,524
2019	375,000	16,819	391,819
2020	377,000	10,238	387,238
2021	314,000	3,376	317,376
Total	\$ 1,802,000	\$ 79,635	\$ 1,881,635

Revenue Refunding Bonds, Series 2010A

The Revenue Refunding Bonds, Series 2010A was issued in December 2010. The \$2,505,000 revenue bonds are due in annual installments through June 1, 2021. The bonds carry a varying interest rate each year from 2.0% - 4.0%. The Revenue Refunding Bond, Series 2010A requires a Debt Service Reserve which is being funded by an insurance policy. The City has pledged future utility customer revenues to repay revenue refunding bonds issued in 2010.

The annual debt service requirements to maturity, including principal and interest, for the Revenue Refunding Bonds Series 2010A, as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 215,000	\$ 45,712	\$ 260,712
2018	225,000	39,800	264,800
2019	230,000	33,050	263,050
2020	250,000	22,700	272,700
2021	255,000	10,200	265,200
Total	\$ 1,175,000	\$ 151,462	\$ 1,326,462

NOTE 9 LONG-TERM DEBT (Continued)

Utility Revenue Bond, Series 2010B

The Utility Revenue Bond, Series 2010B was issued in December 2010. The \$708,000 revenue bonds are due in annual installments through June 1, 2031. The bonds carry an interest rate of 3.56%.

The annual debt service requirements to maturity, including principal and interest, for the Utility Revenue Bond Series 2010B, as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 30,000	\$ 20,399	\$ 50,399
2018	31,000	19,331	50,331
2019	32,000	18,227	50,227
2020	33,000	17,088	50,088
2021	34,000	15,913	49,913
2022	35,000	14,703	49,703
2023	36,000	13,457	49,457
2024	38,000	12,175	50,175
2025	39,000	10,822	49,822
2026	40,000	9,434	49,434
2027	42,000	8,010	50,010
2028	43,000	6,515	49,515
2029	45,000	4,984	49,984
2030	47,000	3,382	50,382
2031	48,000	1,709	49,709
Total	<u>\$ 573,000</u>	<u>\$ 176,149</u>	<u>\$ 749,149</u>

NOTE 9 LONG-TERM DEBT (Continued)

Utility Revenue Bond, Series 2010C

The Utility Revenue Bond, Series 2010C was issued in December 2010. The \$835,000 revenue bonds are due in annual installments through June 1, 2031. The bonds carry an interest rate of 2.50%.

The annual debt service requirements to maturity, including principal and interest, for the Utility Revenue Bond Series 2010C, as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 37,000	\$ 16,625	\$ 53,625
2018	38,000	15,700	53,700
2019	39,000	14,750	53,750
2020	40,000	13,775	53,775
2021	41,000	12,775	53,775
2022	42,000	11,750	53,750
2023	43,000	10,700	53,700
2024	44,000	9,625	53,625
2025	45,000	8,525	53,525
2026	46,000	7,400	53,400
2027	47,000	6,250	53,250
2028	48,000	5,075	53,075
2029	50,000	2,875	52,875
2030	52,000	26,525	78,525
2031	53,000	1,325	54,325
Total	\$ 665,000	\$ 163,675	\$ 828,675

NOTE 10 CONTINGENT LIABILITIES

Amounts received or receivables from grantor agencies are subject to audit and adjustment by those grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial. The City is also involved in various claims that should be covered by insurance.

NOTE 11 CONSTRUCTION COMMITMENTS

The City has active construction projects as of June 30, 2016.

<u>Project</u>	<u>Contract Amount</u>	<u>Paid to Date</u>	<u>Commitment Outstanding</u>
Victory Park Improvements	\$ 237,490	\$ 173,435	\$ 64,055
Adams Avenue road reconstruction	318,831	301,341	17,490
	\$ 556,321	\$ 474,776	\$ 81,545

NOTE 12 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in the Local Governments Trust, a public entity risk pool. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. The City carries \$2,000,000 of liability coverage, \$500,000 of fidelity bond coverage for the treasurer, and \$10,000 fidelity bond coverage for other city cashiers.

The City participates in the public entity risk pool's general liability insurance program. This program requires annual premiums based on the City's level of insurance and previous claims experience. The payment of the premium indemnifies the City for claims that exceed its deductible amount. The risk pool is governed by the inter-local risk pool agreement.

NOTE 13 REDEVELOPMENT AGENCY

In accordance with Utah Code Section 17C-1-605(1), the City's Redevelopment Agency is required to disclose the following information for fiscal year 2016:

The tax increment collected by the Agency for each project area is as follows:

<u>Project Area</u>	<u>2016</u>
Southeast	\$ 569,355
Central B/D	<u>26,914</u>
Total increment received	<u>\$ 596,269</u>

The Agency expended amounts in the following areas:

Amounts expended for:	
Administrative costs	\$ 79,629
Property acquisitions and site improvements	<u>1,822,733</u>
Total amounts expended by RDA	<u>\$ 1,902,362</u>
Outstanding bonds to finance RDA projects	<u>\$ -</u>

NOTE 14 TRANSFERS

During the year transfers were made which will not be repaid. Interfund transfers for the year ended June 30, 2016 are as follows:

	<u>In</u>	<u>Out</u>
Governmental:		
General Fund	\$ 92,672	\$ 846,629
Capital Projects	904,491	224,352
Debt Service	204,011	39,953
Business-type		
Public Utilities	45,722	135,962
	<u>\$ 1,246,896</u>	<u>\$ 1,246,896</u>

The purpose of the interfund transfers is to meet the City's ongoing cash needs for capital projects and shared portion of debt. In addition to the transfers, the General Fund charged \$773,639 to the proprietary fund for personnel and administrative services during the year.

NOTE 15 RETIREMENT PLAN

Plan Description

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

- Public Employees Noncontributory Retirement System (Noncontributory System);
- Firefighters Retirement System (Firefighters System); are multiple employer, cost sharing, public employee retirement systems.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer, cost sharing, public employee retirement system.

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

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

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

NOTE 15 RETIREMENT PLAN (Continued)

Benefits Provided

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

Summary of Benefits by System
Summary of Benefits by System

System	Final Average Salary	Years of Service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 Years	30 years any age 25 years any age * 20 years age 60 * 10 years age 62 * 4 years age 65	2.0% per year all years	Up to 4%
Firefighter System	Highest 3 Years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 Years	35 years any age 20 years age 60* 10 years age 62* 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 CPE increases not met may be carried forward to subsequent years.

Contributions

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

Utah Retirement Systems

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System				
111 Local Governmental Div - Tier 2	N/A	N/A	16.67	1.78
Noncontributory System				
15 Local Governmental Div - Tier 1	N/A	N/A	18.47	N/A
Firefighters Retirement System				
31 Other Division A	N/A	15.05	3.99	N/A
Tier 2 DC Only				
211 Local Government	N/A	N/A	6.69	10.00

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

NOTE 15 RETIREMENT PLAN (Continued)

For fiscal year ended June 30, 2016, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 140,423	N/A
Firefighters System	1,974	-
Tier 2 Public Employees System	15,725	-
Tier 2 DC Only System	3,117	N/A
Total Contributions	\$ 161,238	\$ -

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

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

At June 30, 2016, we reported a net pension asset of \$3,243 and a net pension liability of \$505,297.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.0892990%	\$ -	\$ 505,297
Firefighters System	0.1773189%	3,212	-
Tier 2 Public Employees System	0.0142525%	31	-
		\$ 3,243	\$ 505,297

The net pension asset and liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2016, we recognized pension expense of \$110,157

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 26,600
Change in assumptions	-	33,702
Net difference between projected and actual earnings on pension plan investments	186,173	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,853	132
Contributions subsequent to the measurement date	82,454	-
Total	\$ 274,480	\$ 60,434

NOTE 15 RETIREMENT PLAN (Continued)

\$82,454 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2015.

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:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (inflow) of Resources</u>
2016	\$ 30,902
2017	30,902
2018	31,399
2019	41,803
2020	(1,502)
Thereafter	(1,916)

Actuarial Assumptions

The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary increases	3.50 – 10.50 percent, average, including inflation
Investment rate of return	7.50 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, 2015, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2013.

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

NOTE 15 RETIREMENT PLAN (Continued)

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		2.75%
	Expected Arithmetic Nominal Return		7.98%

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

System	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Noncontributory System	\$ 1,067,643	\$ 505,297	\$ 35,851
Firefighters System	\$ 43,716	\$ (3,212)	\$ (41,326)
Tier 2 Public Employees System	\$ 5,706	\$ (31)	\$ (4,379)
Total	\$ 1,117,065	\$ 502,054	\$ (9,854)

Pension Plan Fiduciary Net Position

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

NOTE 15 RETIREMENT PLAN (Continued)

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 Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

City of Washington Terrace participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

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

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

	2016	2015	2014
401 (k) Plan			
Employer Contributions	\$31,366	\$29,969	\$27,285
Employee Contributions	\$33,791	\$31,849	\$25,728
457 Plan			
Employer Contributions	\$0	\$0	\$0
Employee Contributions	\$16,436	\$19,981	\$13,829
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$15,155	\$11,627	\$6,130

NOTE 17 SUBSEQUENT EVENTS

On September 6, 2016, the City Council authorized the terms and conditions for the issuance and sale of water, sewer, storm water, and refuse collection revenue bonds in the aggregate principal amount not to exceed \$6,000,000 for the purposes of acquiring land and construction of a new public works facility. These bonds are expected to be sold on or before June 30, 2017.

NOTE 18 PRIOR PERIOD ADJUSTMENT – SPECIAL IMPROVEMENT DISTRICT RECEIVABLE

During the year, the City determined that there the Special Improvement District receivables were not recorded in the fund financial statements. The addition of this receivable in this fiscal year resulted in an adjustment to the prior period net position of the Governmental Activities on the Statement of Net Position. The net results to net position was an increase of \$268,440.

**REQUIRED SUPPLEMENTARY
INFORMATION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES – BUDGET AND ACTUAL – GENERAL FUND**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Property tax - real estate	\$ 591,476	\$ 591,476	\$ 493,998	\$ (97,478)
Property tax - vehicles	90,756	90,756	89,899	(857)
Delinquent property taxes	20,000	20,000	26,314	-
Direct charges	1,500	1,500	-	-
Sales and use taxes	1,009,400	1,009,400	1,008,180	(1,220)
Franchise taxes	717,000	674,500	682,101	7,601
Total taxes	<u>2,430,132</u>	<u>2,387,632</u>	<u>2,300,492</u>	<u>(91,954)</u>
Licenses and permits:				
Business licenses	100,000	97,500	97,091	(409)
Building permits	25,000	60,000	58,668	(1,332)
Planning fees	16,250	30,000	29,220	(780)
Animal licenses	5,500	6,200	6,435	235
Total licenses and permits	<u>146,750</u>	<u>193,700</u>	<u>191,414</u>	<u>(2,286)</u>
Intergovernmental revenue:				
Local Hwy County Sales Tax	-	-	6,210	
RAMP tax	9,067	24,167	30,603	6,436
Class "C" roads	281,626	281,626	281,626	-
State liquor fund allotment	7,000	7,000	6,960	(40)
Other grants	6,591	6,591	8,367	1,776
Service Contracts	4,500	4,500	5,223	723
Total intergovernmental revenue	<u>308,784</u>	<u>323,884</u>	<u>338,989</u>	<u>8,895</u>
Charges for services:				
Administrative fee - other funds	828,181	828,181	828,181	-
Recreation fees	42,620	43,567	43,993	426
Total charges for services	<u>870,801</u>	<u>871,748</u>	<u>872,174</u>	<u>426</u>
Fines and forfeitures	<u>148,500</u>	<u>149,000</u>	<u>163,061</u>	<u>14,061</u>
Miscellaneous:				
Interest	8,000	10,000	31,642	21,642
Other	44,170	62,000	78,375	16,375
Total miscellaneous	<u>52,170</u>	<u>72,000</u>	<u>110,017</u>	<u>38,017</u>
Total Revenues	<u>\$ 3,957,137</u>	<u>\$ 3,997,964</u>	<u>\$ 3,976,147</u>	<u>\$ (32,841)</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES – BUDGET AND ACTUAL – GENERAL FUND (Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
General government:				
City council	\$ 39,531	\$ 39,831	\$ 33,063	\$ 6,768
Municipal court	146,345	146,345	135,278	11,067
Administrative	329,883	329,883	313,147	16,736
Treasurer	205,965	215,265	202,862	12,403
Recorder	104,151	92,151	80,692	11,459
Leisure services	88,444	86,237	81,798	4,439
Non-departmental	123,041	115,456	101,571	13,885
General government building	114,884	137,394	115,665	21,729
Total general government	1,152,244	1,162,562	1,064,076	98,486
Public safety:				
Police department	746,769	746,769	746,769	-
Fire department	245,956	245,956	228,269	17,687
Inspection and planning	122,193	126,193	116,244	9,949
Animal control	52,450	52,450	49,416	3,034
Total public safety	1,167,368	1,171,368	1,140,698	30,670
Highways and public works:				
Streets	111,551	111,551	95,802	15,749
Public works	685,889	670,649	611,972	58,677
Total highways and public works	797,440	782,200	707,774	74,426
Parks and recreation	234,729	267,131	233,761	33,370
Total Expenditures	3,351,781	3,383,261	3,146,309	236,952
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	605,356	614,703	829,838	204,111
Other Financing Sources (Uses)				
Transfer in	104,672	105,672	92,672	(13,000)
Transfer out	(710,028)	(924,028)	(939,301)	(15,273)
Total Other Financing Sources (Uses)	(605,356)	(818,356)	(846,629)	(28,273)
Net Change in Fund Balance	\$ -	\$ (203,653)	(16,791)	\$ 175,838
Fund Balance, Beginning, Restated			<u>1,231,422</u>	
Fund Balance, Ending			<u>\$ 1,214,631</u>	

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

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL – REDEVELOPMENT AGENCY SPECIAL REVENUE FUND**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes - increment	\$ 452,800	\$ 452,800	\$ 116,732	\$ (336,068)
Interest	-	-	4,459	4,459
Intergovernmental	97,398	1,194,577	2,015,408	820,831
Total Revenues	<u>550,198</u>	<u>1,647,377</u>	<u>2,136,599</u>	<u>489,222</u>
Expenditures				
Salaries and benefits	15,500	15,500	14,856	644
Professional and technical	4,000	4,000	2,725	1,275
Capital expenditures	1,042,205	1,582,403	1,822,733	(240,330)
Administrative fee to general fund	53,624	53,624	62,048	(8,424)
Water utility charge	-	114,050	-	114,050
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,115,329</u>	<u>1,769,577</u>	<u>1,902,362</u>	<u>(132,785)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(565,131)</u>	<u>(122,200)</u>	<u>234,237</u>	<u>356,437</u>
Other Financing Sources (Uses)				
Transfers In	122,200	122,200	-	122,200
Total Other Financing Sources (Uses)	<u>122,200</u>	<u>122,200</u>	<u>-</u>	<u>122,200</u>
Net Change in Fund Balance	<u>\$ (442,931)</u>	<u>\$ -</u>	<u>234,237</u>	<u>\$ 478,637</u>
Fund Balance, Beginning			<u>774,009</u>	
Fund Balance, Ending			<u>\$ 1,008,246</u>	

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

SCHEDULE OF PROPORTIONATE SHARE OF THE PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
December 31, 2015
 Last 10 Fiscal Years*

	Year Ended 12/31	Noncontributory Retirement System	Firefighters Retirement System	Tier 2 Public Employees Retirement System
Proportion of the net pension liability (asset)	2014	0.0874154%	0.1685186%	0.0147457%
	2015	0.0892990%	0.1773189%	0.0142525%
Proportionate share of the net pension liability (asset)	2014	\$ 379,578	\$ (9,616)	\$ (447)
	2015	\$ 505,297	\$ (3,212)	\$ (31)
Covered-employee payroll	2014	\$ 755,767	\$ 390,094	\$ 78,361
	2015	\$ 774,829	\$ 47,679	\$ 92,070
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2014	50.20%	-21.80%	-0.60%
	2015	65.21%	-6.74%	-0.03%
Plan fiduciary net position as a percentage of its covered-employee payroll	2014	90.2%	103.5%	103.5%
	2015	87.8%	101.0%	100.2%

SCHEDULE OF CONTRIBUTIONS UTAH RETIREMENT SYSTEMS
December 31, 2015
 Last 10 Fiscal Years*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required Contributions	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	\$ 126,907	\$ 126,907	\$ -	\$ 762,621	16.64%
	2015	\$ 137,506	\$ 137,506	\$ -	\$ 773,112	17.79%
	2016	\$ 140,423	\$ 140,423	\$ -	\$ 787,605	17.83%
Firefighters System	2014	\$ 1,322	\$ 1,322	\$ -	\$ 44,660	2.96%
	2015	\$ 1,757	\$ 1,757	\$ -	\$ 46,003	3.82%
	2016	\$ 1,974	\$ 1,974	\$ -	\$ 49,460	3.99%
Tier 2 Public Employees System*	2014	\$ 6,128	\$ 6,128	\$ -	\$ 43,804	13.99%
	2015	\$ 13,624	\$ 13,624	\$ -	\$ 91,189	14.94%
	2016	\$ 15,725	\$ 15,725	\$ -	\$ 105,729	14.87%
Tier 2 Public Employees DC Only System*	2014	\$ 2,517	\$ 2,517	\$ -	\$ 45,108	5.58%
	2015	\$ 3,076	\$ 3,076	\$ -	\$ 45,772	6.72%
	2016	\$ 3,117	\$ 3,117	\$ -	\$ 46,596	6.69%

*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.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes in Assumptions

The following assumption changes were adopted from the most recent actuarial experience study. There was a decrease in the wage inflation assumption for all employee groups from 3.75% to 3.50%. Also there was a modification to the rate of salary increases for most groups. The payroll growth assumption was decreased from 3.5% to 3.25%. There was an improvement in the post retirement mortality assumption for female educators and minor adjustments to the pre retirement mortality assumption.

There were additional changes to certain demographic assumptions that generally resulted in: (1) more members are anticipated to terminate employment prior to retirement, (2) slightly fewer members are expected to become disabled, and (3) members are expected to retire at a slightly later age.



SUPPLEMENTARY
INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND For**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 138,833	\$ 216,628	\$ 216,628	\$ -
Charges for services	80,135	80,135	86,714	6,579
Impact fees	5,000	5,000	5,697	697
Interest income	-	-	-	-
Total Revenues	<u>223,968</u>	<u>301,763</u>	<u>309,039</u>	<u>7,276</u>
Expenditures				
General government	918	918	3,760	(2,842)
Administrative fee to general fund	-	-	-	-
Capital expenditures	605,626	1,495,865	1,090,671	405,194
Water utility charge	33,284	33,284	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>639,828</u>	<u>1,530,067</u>	<u>1,094,431</u>	<u>402,352</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(415,860)</u>	<u>(1,228,304)</u>	<u>(785,392)</u>	<u>409,628</u>
Other Financing Sources (Uses)				
Transfer in	587,323	754,018	904,491	150,473
Transfer out	(270,657)	(224,352)	(224,352)	-
Proceeds from capital lease	-	-	-	-
Disposal of capital assets	86,000	153,765	71,688	-
Total Other Financing Sources (Uses)	<u>402,666</u>	<u>683,431</u>	<u>751,827</u>	<u>150,473</u>
Net Change in Fund Balance	<u>\$ (13,194)</u>	<u>\$ (544,873)</u>	<u>(33,565)</u>	<u>\$ 560,101</u>
Fund Balance, Beginning, Restated			<u>3,378,702</u>	
Fund Balance, Ending			<u>\$ 3,345,137</u>	

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

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – NONMAJOR DEBT SERVICE FUND**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
Revenues				
Property taxes	\$ 392,426	\$ 392,426	\$ 392,426	\$ -
Interest income	-	-	37	37
Total Revenues	392,426	392,426	392,463	37
Expenditures				
Debt service:				
Principal retirement	448,951	2,265,996	2,218,950	47,046
Interest and fiscal charges	109,283	73,602	120,157	(46,555)
Bond issuance costs	-	20,636	20,059	577
Total Expenditures	558,234	2,360,234	2,359,166	1,068
Excess (Deficiency) of Revenues Over (Under) Expenditures	(165,808)	(1,967,808)	(1,966,703)	1,105
Other Financing Sources (Uses)				
Transfer in	204,011	204,011	204,011	-
Transfer out	(39,953)	(39,953)	(39,953)	-
Issuance of debt	-	1,802,000	1,802,000	-
Total Other Financing Sources (Uses)	164,058	1,966,058	1,966,058	-
Net Change in Fund Balance	\$ (1,750)	\$ (1,750)	(645)	\$ 1,105
Fund Balance, Beginning			88,402	
Fund Balance, Ending			\$ 87,757	

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

STATISTICAL SECTION (unaudited)

The Statistical Section presents detailed comparative data to assist with understanding what the information in the financial statements, note disclosures, and required supplementary information express about the government's overall financial health.

Financial Trends

Those schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedule offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.



FINANCIAL TREND DATA

NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities										
Net investment in capital assets	26,642,581	26,868,331	24,809,751	24,243,148	24,773,485	23,271,524	23,115,197	21,530,243	21,735,498	20,816,639
Restricted	689,763	220,498	1,002,446	792,171	724,144	1,031,661	971,559	1,038,001	1,228,921	699,211
Unrestricted	4,837,963	3,823,697	4,529,696	5,253,102	4,224,554	3,815,011	3,711,039	4,722,837	2,551,108	2,621,787
Total Governmental Activities Net Position	<u>\$32,170,307</u>	<u>\$30,912,526</u>	<u>\$30,341,893</u>	<u>\$30,288,421</u>	<u>\$29,722,183</u>	<u>\$28,118,196</u>	<u>\$27,797,795</u>	<u>\$27,291,081</u>	<u>\$25,515,527</u>	<u>\$24,137,637</u>
Business-Type Activities										
Net investment in capital assets	8,986,836	8,957,657	9,268,778	6,962,596	7,046,086	4,819,572	5,850,150	5,854,976	5,474,317	5,378,627
Restricted	36,523	29,833	281,627	-	-	-	-	-	-	-
Unrestricted	6,343,731	6,006,221	4,836,916	4,133,635	3,568,149	3,772,175	1,973,641	1,185,690	100,069	(400,541)
Total Business-Type Activities Net Position	<u>\$15,367,090</u>	<u>\$14,993,711</u>	<u>\$14,387,321</u>	<u>\$11,096,231</u>	<u>\$10,614,235</u>	<u>\$ 8,591,747</u>	<u>\$ 7,823,791</u>	<u>\$ 7,040,666</u>	<u>\$ 5,574,386</u>	<u>\$ 4,978,086</u>
Primary Government										
Net investment in capital assets	35,629,417	35,825,988	34,078,529	31,205,744	31,819,571	28,091,096	28,965,347	27,385,219	27,209,815	26,195,266
Restricted	726,286	250,331	1,284,073	792,171	724,144	1,031,661	971,559	1,038,001	1,228,921	699,211
Unrestricted	11,181,694	9,829,918	9,366,612	9,386,737	7,792,703	7,587,186	5,684,680	5,908,527	2,651,177	2,221,246
Total Primary Government Net Position	<u>\$47,537,397</u>	<u>\$45,906,237</u>	<u>\$44,729,214</u>	<u>\$41,384,652</u>	<u>\$40,336,418</u>	<u>\$36,709,943</u>	<u>\$35,621,586</u>	<u>\$34,331,747</u>	<u>\$31,089,913</u>	<u>\$29,115,723</u>

CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Expenses	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
General Government	1,268,508	840,591	1,299,410	1,227,430	1,059,655	1,102,705	1,073,622	1,079,101	1,006,926	926,255
Public Safety	1,106,801	1,153,802	1,268,295	1,173,056	1,153,483	1,130,528	1,214,932	1,197,872	1,149,680	1,083,474
Highways and Public Works	4,035,527	2,574,589	1,506,224	1,723,620	977,754	1,647,499	1,793,659	1,491,848	1,457,532	1,546,983
Parks and Recreation	352,265	261,500	244,530	223,097	209,734	186,999	180,901	180,326	188,071	144,432
Interest and Long-term Debt	118,645	116,935	112,941	195,865	259,206	275,517	324,825	299,143	283,059	459,702
Total Governmental Activities	\$ 6,881,746	\$ 4,947,417	\$ 4,431,400	\$ 4,543,068	\$ 3,659,832	\$ 4,343,248	\$ 4,587,939	\$ 4,248,290	\$ 4,085,268	\$ 4,160,846
Business-Type Activities:										
Water services	1,290,998	951,617	834,383	815,941	725,142	774,618	720,818	728,511	697,403	764,699
Sewer services	924,553	965,234	916,534	903,727	743,011	704,079	607,499	554,896	448,436	504,760
Refuse services	448,900	436,185	421,714	482,100	458,407	445,248	442,545	454,020	343,036	430,934
Storm Water services	308,856	301,513	282,040	257,990	229,326	261,955	222,279	226,799	200,683	14,085
Public Utilities										
Total Business-Type Activities	\$ 2,973,307	\$ 2,654,549	\$ 2,454,671	\$ 2,459,758	\$ 2,155,886	\$ 2,185,900	\$ 1,993,141	\$ 1,964,226	\$ 1,689,558	\$ 1,714,478
Total Expenses	\$ 9,855,053	\$ 7,601,966	\$ 6,886,071	\$ 7,002,826	\$ 5,815,718	\$ 6,529,148	\$ 6,581,080	\$ 6,212,516	\$ 5,774,826	\$ 5,875,324
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	1,188,505	1,109,104	1,178,215	968,522	847,924	893,319	852,338	926,269	805,287	1,016,722
Public Safety	77,749	76,235	69,409	160,392	170,033	205,613	149,075	122,224	156,929	205,554
Highways and Public Works	25,575	74,900	87,942	83,109	86,577	90,695	100,496	103,600		
Parks and Recreation	43,993	42,819	52,691	51,152	46,081	28,004	32,722	32,476	34,005	26,466
Contributions	296,953	278,869	275,322	349,177	310,363	276,511	255,217	317,945	286,009	273,025
Capital Grants and Contributions	1,758,196	1,939,832	1,200,243	322,351	974,000	184,609	726,243	1,738,260	1,114,704	
Total Governmental Activities	\$ 3,390,971	\$ 3,521,759	\$ 2,863,822	\$ 1,934,703	\$ 2,434,978	\$ 1,678,751	\$ 2,116,091	\$ 3,240,774	\$ 2,396,934	\$ 1,521,767
Business-Type Activities:										
Charges for Services										
Water services	1,262,644	1,309,749	1,355,552	1,118,803	1,079,900	1,022,204	1,010,392	1,082,007	949,092	655,537
Sewer services	1,106,126	1,148,077	1,140,737	1,058,798	905,983	873,327	821,167	798,912	555,970	518,224
Refuse services	481,828	449,480	453,241	501,473	523,077	525,341	528,553	543,913	520,380	477,207
Storm Water services	422,626	396,246	370,951	328,388	299,953	283,933	278,421	294,948	210,641	160,383
Public Utilities										
Operating Grants and Contributions										
Capital Grants and Contributions	120,747	13,247	242,162	7,790	1,302,809	230,915	42,081	412,753		
Total Business-Type Activities	\$ 3,393,971	\$ 3,316,799	\$ 3,562,643	\$ 3,015,252	\$ 4,111,722	\$ 2,935,720	\$ 2,680,614	\$ 3,132,533	\$ 2,236,083	\$ 1,811,351

CHANGES IN NET POSITION (continued)

**Last Ten Fiscal Years
 (accrual basis of accounting)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Program Revenues	<u>\$ 6,784,942</u>	<u>\$ 6,838,558</u>	<u>\$ 6,426,465</u>	<u>\$ 4,949,955</u>	<u>\$ 6,546,700</u>	<u>\$ 4,614,471</u>	<u>\$ 4,796,705</u>	<u>\$ 6,373,307</u>	<u>\$ 4,633,017</u>	<u>\$ 3,333,118</u>
Net (Expense)/Revenue										
Governmental Activities	(3,490,775)	(1,425,658)	(1,567,578)	(2,608,365)	(1,224,854)	(2,664,497)	(2,471,848)	(1,007,516)	(1,688,334)	(2,639,079)
Business-Type Activities	420,664	662,250	1,107,972	555,494	1,955,836	749,820	687,473	1,168,307	546,525	96,873
Total Net (Expense)	<u>\$(3,070,111)</u>	<u>\$ (763,408)</u>	<u>\$ (459,606)</u>	<u>\$(2,052,871)</u>	<u>\$ 730,982</u>	<u>\$(1,914,677)</u>	<u>\$(1,784,375)</u>	<u>\$ 160,791</u>	<u>\$(1,141,809)</u>	<u>\$(2,542,206)</u>
General Revenues & Transfers										
Governmental Activities:										
Property taxes	1,598,906	1,591,528	1,719,870	1,571,060	1,577,070	1,519,651	1,560,747	1,524,661	1,348,177	1,283,263
General sales and use tax	1,008,180	978,712	919,397	887,879	873,830	765,000	724,468	737,185	926,068	864,738
Franchise tax	718,914	695,220	698,397	699,047	677,204	683,168	658,721	669,459	635,230	588,724
Investment earnings	36,138	13,979	20,182	16,617	15,918	17,079	34,625	57,766	112,570	101,219
Miscellaneous					2,479				81,603	153,219
Gain (loss) on sale of assets								(206,001)		
Transfers	90,240	91,106	90,538						(37,423)	(21,494)
Total Governmental Activities	<u>\$ 3,452,378</u>	<u>\$ 3,370,545</u>	<u>\$ 3,448,384</u>	<u>\$ 3,174,603</u>	<u>\$ 3,146,501</u>	<u>\$ 2,984,898</u>	<u>\$ 2,978,561</u>	<u>\$ 2,783,070</u>	<u>\$ 3,066,225</u>	<u>\$ 2,969,669</u>
Business-Type Activities:										
Investment earnings	42,955	35,245	24,432	53,635	48,950	18,136	6,695	12,286	12,350	44,869
Miscellaneous							88,956			
Gain (loss) on sale of assets				6,045	17,702					
Transfers	(90,240)	(91,106)	(90,538)					206,001	37,423	21,494
Total Business-Type Activities	<u>\$ (47,285)</u>	<u>\$ (55,861)</u>	<u>\$ (66,106)</u>	<u>\$ 59,680</u>	<u>\$ 66,652</u>	<u>\$ 18,136</u>	<u>\$ 95,651</u>	<u>\$ 218,287</u>	<u>\$ 49,773</u>	<u>\$ 66,363</u>
Total Primary Government	<u>\$ 3,405,093</u>	<u>\$ 3,314,684</u>	<u>\$ 3,382,278</u>	<u>\$ 3,234,283</u>	<u>\$ 3,213,153</u>	<u>\$ 3,003,034</u>	<u>\$ 3,074,212</u>	<u>\$ 3,001,357</u>	<u>\$ 3,115,998</u>	<u>\$ 3,036,032</u>
Change in Net Position										
Governmental Activities	(38,397)	1,944,887	1,880,806	566,238	1,921,647	320,401	506,713	1,775,554	1,377,891	330,590
Business-Type Activities	373,379	606,389	1,041,866	615,174	2,022,488	767,956	783,124	1,386,594	596,298	163,236
Total Primary Government	<u>\$ 334,982</u>	<u>\$ 2,551,276</u>	<u>\$ 2,922,672</u>	<u>\$ 1,181,412</u>	<u>\$ 3,944,135</u>	<u>\$ 1,088,357</u>	<u>\$ 1,289,837</u>	<u>\$ 3,162,148</u>	<u>\$ 1,974,189</u>	<u>\$ 493,826</u>

FUND BALANCES OF GOVERNMENTAL FUNDS

**Last Ten Fiscal Years
 (modified accrual basis of accounting)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009 (1)(2)</u>	<u>2008</u>	<u>2007</u>
General Fund										
Restricted	350,698	315,941	282,707	241,345	203,376	492,437	464,791	459,189	414,528	384,016
Unassigned	863,933	915,480	1,040,164	801,557	601,278	618,819	598,070	564,426	925,844	949,220
Total General Fund	<u>\$1,214,631</u>	<u>\$1,231,421</u>	<u>\$1,322,871</u>	<u>\$1,042,902</u>	<u>\$ 804,654</u>	<u>\$1,111,256</u>	<u>\$1,062,861</u>	<u>\$1,023,615</u>	<u>\$1,340,372</u>	<u>\$1,333,236</u>
All Other Governmental Funds										
Nonspendable	41,656									
Restricted	339,065	871,157	719,739	2,334,889	596,569	609,431	579,674	659,345	888,384	372,906
Committed	3,093,829	2,595,947	2,132,560	2,232,625	2,140,120	1,900,204	2,022,491	3,440,780	1,127,657	1,257,894
Assigned	966,590	774,007	672,779	-	1,437,854	1,172,745	944,035	626,352	426,381	284,618
Total All Other Governmental Funds	<u>\$4,441,140</u>	<u>\$4,241,111</u>	<u>\$3,525,078</u>	<u>\$4,567,514</u>	<u>\$4,174,543</u>	<u>\$3,682,380</u>	<u>\$3,546,200</u>	<u>\$4,726,477</u>	<u>\$2,442,422</u>	<u>\$1,915,418</u>
Total Fund Balances	<u><u>\$5,655,771</u></u>	<u><u>\$5,472,532</u></u>	<u><u>\$4,847,949</u></u>	<u><u>\$5,610,416</u></u>	<u><u>\$4,979,197</u></u>	<u><u>\$4,793,636</u></u>	<u><u>\$4,609,061</u></u>	<u><u>\$5,750,092</u></u>	<u><u>\$3,782,794</u></u>	<u><u>\$3,248,654</u></u>

Notes:

- (1) In 2009, the City dissolved nonmajor special revenue fund. Special revenue reserved fund balance is reported in reserved major capital projects funds.
- (2) The increase in unreserved fund balance in fiscal year 2009 was due to unspent bond proceeds from an issuance during the period for capital projects.

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues										
Taxes	2,809,650	3,265,460	3,337,664	3,157,986	3,128,104	2,967,819	2,943,936	2,931,305	2,909,475	2,736,725
Licenses and permits	191,414	158,860	218,632	111,449	99,981	114,076	128,304	165,638	76,376	159,771
Intergovernmental	2,571,025	2,218,701	1,471,056	671,528	310,363	461,120	981,460	2,056,205	286,009	273,025
Charges for services	958,888	942,182	965,682	910,344	856,609	869,278	829,379	869,005	700,235	764,747
Impact fees	-	-	6,841	7,952	3,647	7,329	16,819	17,297	50,878	127,764
Fines and forfeitures	163,061	154,858	146,356	154,803	170,033	205,613	149,075	120,724	156,929	185,494
Interest income	36,138	13,976	20,182	16,617	15,918	17,079	34,625	57,766	112,570	101,219
Miscellaneous revenue	78,375	47,158	55,255	78,627	996,824	21,335	11,054	11,904	1,208,110	164,185
Total Revenues	\$ 6,808,551	\$ 6,801,195	\$ 6,221,668	\$ 5,109,306	\$ 5,581,479	\$ 4,663,649	\$ 5,094,652	\$ 6,229,844	\$ 5,500,582	\$ 4,512,930
Expenditures										
Current:										
General Government	1,129,884	1,198,067	1,184,080	1,031,931	978,234	1,021,693	989,764	1,044,072	958,548	892,078
Public Safety	1,140,698	1,139,546	1,151,935	1,129,803	1,140,451	1,117,570	1,167,257	1,156,683	1,112,995	1,044,916
Highways and public works	725,355	691,966	695,917	709,811	700,222	713,828	717,215	730,926	685,875	635,684
Parks and recreation	233,761	210,827	212,704	199,168	190,131	167,255	162,418	161,263	153,057	132,385
Capital expenditures	2,913,404	2,509,991	1,642,215	592,153	1,544,163	418,222	1,861,384	1,914,591	1,295,763	231,717
Debt Service:										
Principal retirement	2,218,950	644,799	1,385,792	608,399	611,832	779,739	1,041,099	465,893	442,099	644,000
Interest and fiscal charges	120,157	128,794	184,797	206,822	230,885	260,768	296,545	283,117	280,681	311,925
Bond issuance costs	20,059									
Total Expenditures	\$ 8,502,268	\$ 6,523,990	\$ 6,457,440	\$ 4,478,087	\$ 5,395,918	\$ 4,479,075	\$ 6,235,682	\$ 5,756,545	\$ 4,929,018	\$ 3,892,705
Excess (Deficiency of Revenues over Expenditures)	\$ (1,693,717)	\$ 277,205	\$ (235,772)	\$ 631,219	\$ 185,561	\$ 184,574	\$ (1,141,030)	\$ 473,299	\$ 571,564	\$ 620,225
Other Financing Sources (Uses)										
Contributions										
Transfers in	1,201,174	1,421,662	538,670	856,390	856,390	838,651	2,594,179	835,850	550,953	626,942
Transfers out	(1,203,606)	(1,330,556)	(448,132)	(856,390)	(856,390)	(838,651)	(294,179)	(1,041,851)	(588,376)	(648,436)
Bond proceeds	1,802,000		731,333					1,700,000		
Capital lease		220,379								
Sale of capital assets	71,688	35,892	63,400							
Total Other Financing Sources (Uses)	\$ 1,871,256	\$ 347,377	\$ 885,271	\$ -	\$ -	\$ -	\$ 2,300,000	\$ 1,493,999	\$ (37,423)	\$ (21,494)
Net change in fund balance	\$ 177,539	\$ 624,582	\$ 649,499	\$ 631,219	\$ 185,561	\$ 184,574	\$ 1,158,970	\$ 1,967,298	\$ 534,141	\$ 598,731
Debt service as a percentage of non-capital expenditures	42%	19%	33%	21%	22%	26%	31%	19%	20%	26%



REVENUE CAPACITY

GENERAL GOVERNMENTAL REVENUES BY SOURCE
 Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses & Permits	Inter-Governmental	Charges for Services	Fines & Forfeitures	Interest & Miscellaneous	Impact Fees	Total Revenue
2016	\$ 2,809,650	\$ 191,414	\$ 2,571,025	\$ 958,888	\$ 163,061	\$ 36,138	\$ -	\$6,730,176
2015	3,265,460	158,860	2,218,701	942,182	154,858	61,134	-	6,801,195
2014	3,337,664	218,632	1,471,056	965,682	146,356	75,437	6,841	6,221,668
2013	3,157,986	111,449	671,528	910,344	154,803	95,244	7,952	5,109,306
2012	3,128,104	99,981	310,363	856,609	170,033	1,012,742	3,647	5,581,479
2011	2,967,819	114,076	461,120	869,278	205,613	17,079	7,329	4,642,314
2010	2,943,936	128,304	981,460	829,379	149,075	34,625	16,819	5,232,673
2009	2,931,305	165,638	2,056,205	869,005	120,724	57,766	17,297	6,217,940
2008	2,909,475	76,376	286,009	700,235	156,929	1,320,680	50,878	5,500,582
2007	2,736,725	159,771	273,025	764,747	185,494	265,404	127,764	4,512,930

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 Last Ten Fiscal Years

Fiscal Year	General Property	General Sales & Use	Franchise	Total Tax Revenue
2016	\$ 1,598,906	\$ 1,008,180	\$ 718,914	\$ 3,326,000
2015	1,591,528	978,712	695,220	3,265,460
2014	1,719,809	919,458	698,397	3,337,664
2013	1,571,060	887,879	699,047	3,157,986
2012	1,577,070	873,830	677,204	3,128,104
2011	1,519,651	765,000	683,168	2,967,819
2010	1,560,747	724,468	658,721	2,943,936
2009	1,524,661	737,185	669,459	2,931,305
2008	1,348,177	926,068	635,230	2,909,475
2007	1,283,263	864,738	588,724	2,736,725

ASSESSED / TAXABLE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year	Real Property			Personal Property	State Centrally Assessed	Total Assessed/Taxable Value	Total Direct Tax Rate	Estimated Market Value	Ratio of Assessed / Taxable to Estimated Market Value
	Residential	Commercial	Other Misc.						
2016	\$ 239,125,984	\$83,666,594	\$ 24,762	\$ 27,320,869	\$ 5,514,042	\$ 355,652,251	0.002950	\$556,434,265	63.92
2015	223,683,370	75,817,539	30,581	30,334,997	5,059,647	334,926,134	0.003101	\$523,188,279	64.02
2014	217,583,053	75,167,587	31,788	30,832,278	5,118,752	328,733,458	0.003217	512,097,796	64.19
2013	213,364,811	74,327,029	33,706	28,919,283	4,953,113	321,597,942	0.003085	513,941,537	62.57
2012	226,028,844	73,479,614	33,548	28,790,810	5,476,106	333,808,922	0.002938	561,930,652	59.40
2011	226,052,833	70,034,831	868,983	29,640,983	5,488,357	332,085,987	0.002939	560,862,597	59.21
2010	240,581,217	65,336,332	881,836	28,552,953	5,713,064	341,065,402	0.002866	581,729,703	58.63
2009	246,645,897	59,804,472	882,526	25,872,159	4,125,679	337,330,733	0.002830	580,824,791	58.08
2008	226,279,216	52,599,877	882,345	20,838,514	3,811,307	304,411,259	0.002865	522,332,162	58.28
2007	202,717,420	46,250,462	880,477	14,988,687	3,790,949	268,627,995	0.003203	461,041,193	58.27

Source:
 Weber County Clerk Auditor
 Weber County Assessor

**PROPERTY TAX RATES
 DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years**

Fiscal Year	City Direct Rates			Overlapping Rates									TOTAL TAX RATES
	General Operations	General Obligation Debt Service	Total City Millage	Weber County Levy	State & County Assessment /Collecting	Weber Morgan Health	Weber County Library	School District	Mosquito Abatement District	Secondary Water	Central Weber Sewer	Paramedic & Dispatch 911 Fund	
2016	0.001637	0.0013130	0.002950	0.002269	0.000349	0.000083	0.000631	0.006643	0.000134	0.000196	0.000802	0.000499	0.014556
2015	0.001690	0.0014110	0.003101	0.002335	0.000367	0.000125	0.000662	0.006526	0.000141	0.000199	0.000838	0.000525	0.014819
2014	0.001743	0.0014737	0.003217	0.002288	0.000385	0.000129	0.000686	0.006920	0.000146	0.000210	0.000866	0.000540	0.015387
2013	0.001588	0.0014970	0.003085	0.002507	0.000399	0.000130	0.000696	0.007071	0.000148	0.000215	0.000880	0.000550	0.015681
2012	0.001497	0.0014410	0.002938	0.002520	0.000391	0.000123	0.000660	0.006833	0.000141	0.000217	0.000854	0.000523	0.015200
2011	0.001498	0.0014410	0.002939	0.002472	0.000377	0.000120	0.000646	0.006526	0.000138	0.000207	0.000833	0.000526	0.014784
2010	0.001420	0.0014460	0.002866	0.002303	0.000342	0.000112	0.000601	0.005721	0.000128	0.000188	0.000811	0.000488	0.013560
2009	0.001378	0.0014520	0.002830	0.002235	0.000321	0.000156	0.000585	0.005458	0.000089	0.000181	0.000800	0.000428	0.013083
2008	0.001281	0.0015840	0.002865	0.002376	0.000295	0.000164	0.000615	0.005626	0.000094	0.000200	0.000519	0.000451	0.013205
2007	0.001408	0.0017950	0.003203	0.002673	0.000335	0.000185	0.000692	0.006263	0.000106	0.000870	0.000573	0.000480	0.015380

Source:
 Utah State Tax Commission

PRINCIPAL PROPERTY TAX PAYERS
 Current Year and Ten Years Ago

Taxpayer	Principal Nature of Business	2016			2007		
		Rank	Taxable Assessed Valuation (1)	% of Total Assessed Value	Rank	Taxable Assessed Valuation (1)	% of Total Assessed Value
Columbia Ogden Medical Center.....	Healthcare	1	45,279,025	12.7	1	27,716,848	10.3
The Boyer Company.....	Professional Office	2	6,974,318	2.0	2	4,491,712	1.7
Stonehenge.....	Healthcare	3	4,856,539	1.4			
Pleasant Valley Office.....	Professional Office	4	3,796,385	1.1	4	3,464,681	1.3
Washington House Assisted Living.....	Healthcare	5	3,552,032	1.0	3	2,645,882	1.0
Ogden Orthopedic Medical.....	Healthcare	6	2,636,867	0.7			
Mt. Ogden Healt & Rehab.....	Healthcare	7	2,677,928	0.8	5	2,036,642	0.8
Lake Park Apartments Inc.....	Housing	8	2,643,283	0.7	7	1,797,936	0.7
Woodland Cove.....	Housing	9	2,207,088	0.6			
Questar Gas.....	Utilities	10	2,058,565	0.6	10	1,512,382	
ST Benedicks Development.....					6	1,825,010	0.7
GFI LTD.....					8	1,642,200	0.6
Health Care Property Investors.....	Healthcare				9	1,640,497	0.6
Totals			\$ 76,682,030	21.6%		\$ 47,133,293	17.5%
City Taxable Value			\$ 355,652,251	100.0%		\$ 268,627,995	100%

Note:
 (1) Assessed valuation includes real, personal and centrally assessed.

Source:
 Weber County Clerk Auditor

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Calendar Years

Calendar Year December 31,	Taxes Levied for the Year	Less: Treasurer's Relief (1)	Net Taxes to be Collected	Collections Current Year Levy	% of Current Year Levy Collected	Collections in Subsequent Years (2)	Total Collections to Date	
							Amount	% of Levy
2015	\$ 1,053,300	\$ 37,651	\$ 1,015,649	\$ 1,015,649	96.4%	\$ 22,167	\$ 1,037,816	98.53%
2014	1,042,125	48,352	993,773	993,773	95.4%	28,257	1,022,030	98.07
2013	922,382	48,662	873,720	873,720	94.72	21,756	895,476	97.08
2012	864,581	46,944	817,637	817,637	94.57	27,501	845,138	97.75
2011	859,026	44,151	814,875	814,875	94.86	31,562	846,437	98.53
2010	851,234	20,720	830,514	798,825	93.84	19,180	818,005	96.10
2009	839,520	20,993	818,527	783,283	93.30	26,655	809,938	96.48
2008	832,113	20,920	811,193	787,143	94.60	28,897	816,040	98.07
2007	778,700	19,075	759,625	729,321	93.66	25,858	755,179	96.98
2006	771,633	21,308	750,325	724,594	93.90	22,951	747,545	96.88

Note:

- (1) Treasurer's relief includes abatements
- (2) Delinquent tax collections do not include interest and penalties.

Source:

Weber County Treasurer

DIRECT AND OVERLAPPING SALES TAX RATES
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Weber County</u>	<u>State of Utah</u>	<u>Combined Rate</u>
2016	1.00	1.40	4.70	7.10
2015	1.00	1.15	4.70	6.85
2014	1.00	1.15	4.70	6.85
2013	1.00	1.15	4.70	6.85
2012	1.00	1.15	4.70	6.85
2011	1.00	1.15	4.70	6.85
2010	1.00	1.15	4.70	6.85
2009	1.00	1.15	4.70	6.85
2008	1.00	1.10	4.65	6.75
2007	1.00	0.85	4.75	6.60

Source:
 Utah State Tax Commission



DEBT CAPACITY

INFORMATION

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

Governmental Unit	Net Debt Outstanding (2)	Estimated % Applicable to City	Estimated \$ Applicable to City
Weber County	\$ 39,818,015	1.77%	\$ 706,055
Weber County School District	132,770,000	3.80%	5,051,328
Weber Basin Water Conservancy District (1)	21,139,452	0.70%	<u>147,671</u>
Total Overlapping Debt.....			5,905,054
Washington Terrace City Direct Debt.....			<u>2,963,736</u>
Total Direct and Overlapping Debt.....			<u><u>\$ 8,868,790</u></u>

Notes:

(1) Weber Basin Water Conservancy District services all of Morgan and Weber County, most of Davis County, and portions of Box Elder and Summit Counties. Principal and interest payments on bonds outstanding are paid primarily from the sale of water. WBWCD bonds are shown as

(2) Includes only long-term general obligation debt being repaid through general property taxes.

The State of Utah general obligation debt is not included in the calculation of general obligation overlapping debt because the State does not levy property tax for the payment of general obligation bonds.

Source:
 Utah State Auditor
 Utah State Tax Commission

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt Limit	14,226,090	13,397,045	13,149,338	12,863,918	13,352,357	13,283,439	13,642,616	13,493,229	12,176,450	10,745,120
Total net debt applicable to limit	<u>1,714,243</u>	<u>1,996,598</u>	<u>2,307,171</u>	<u>2,600,320</u>	<u>2,899,793</u>	<u>3,174,793</u>	<u>3,437,094</u>	<u>3,684,467</u>	<u>3,936,010</u>	<u>4,182,289</u>
Legal debt margin	<u>\$12,511,847</u>	<u>\$11,400,447</u>	<u>\$10,842,167</u>	<u>\$ 10,263,598</u>	<u>\$10,452,564</u>	<u>\$10,108,646</u>	<u>\$10,205,522</u>	<u>\$9,808,762</u>	<u>\$8,240,440</u>	<u>\$6,562,831</u>
Total net debt applicable to debt limit as a percentage	12.05%	14.90%	17.55%	20.21%	21.72%	23.90%	25.19%	27.31%	32.32%	38.92%

Legal Debt Margin Calculation for Fiscal Year 2015

Total assessed value	\$355,652,251
Debt limit - 4% of total assessed value	<u>14,226,090</u>
Amount of debt applicable to debt limits: General Obligation Refunding Bonds Series 2015	1,802,000
Less: Amount available for repayment of general obligation bonds	87,757
Total net debt applicable to limit	<u>1,714,243</u>
Legal debt margin	<u>\$ 12,511,847</u>

PLEDGED-REVENUE COVERAGE
 Last Ten Fiscal Years

Fiscal Year	Gross Operating Revenue	Operating Expenses less Depreciation	Net Available Revenue	Debt Service			Time Coverage %
				Principal	Interest	Total	
Utility Revenue Bonds							
2016	\$ 3,273,224	\$ 2,354,498	\$ 918,726	\$282,000	\$ 82,735	\$364,735	2.52
2015	3,303,552	2,229,784	1,073,768	275,000	89,918	364,918	2.94
2014	3,320,481	1,922,097	1,398,384	266,000	88,728	354,728	3.94
2013	3,007,462	2,021,772	985,690	263,639	96,473	360,112	2.74
2012	2,808,913	1,761,918	1,046,995	257,000	113,289	370,289	2.83
2011	2,704,805	1,720,634	984,171	220,000	209,952	429,952	2.29
2010	2,645,228	1,627,410	1,017,818	160,000	129,648	289,648	3.51
2009	2,732,066	1,586,487	1,145,579	155,000	136,391	291,391	3.93
2008	2,248,433	1,307,046	941,387	150,000	142,766	292,766	3.22
2007	1,856,220	1,352,914	503,306	140,000	148,576	288,576	1.74
Sales & Franchise Tax Revenue Bonds (1)							
2016	\$ 1,727,094	\$ -	\$ 1,727,094	\$101,000	\$ 15,840	\$116,840	14.78
2015	\$ 1,673,932	\$ -	1,673,932	102,000	17,870	119,870	13.96
2014	1,617,855	-	1,617,855	107,000	19,488	126,488	12.79
2013	1,586,926	-	1,586,926	53,000	35,891	88,891	17.85
2012	1,551,034	-	1,551,034	77,000	38,201	115,201	13.46
2011	1,448,168	-	1,448,168	300,000	73,824	373,824	3.87
2010	1,383,189	-	1,383,189	270,000	45,626	315,626	4.38
2009	1,406,644	-	1,406,644	556,000	59,526	615,526	2.29
2008	-	-	-	-	-	-	-

Notes:

(1) Sales and Franchise Tax Revenue Bonds, Series 2009 and Sales and Franchise Tax Refunding Bonds, Series 2013.

For additional information on the City's outstanding debt, refer to Note 8 and 9 to the financial statements.

RATIOS OF GENERAL OBLIGATION (GO) BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Less Debt Service Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded GO Debt Per Capita
2016	9,157	\$ 355,652,251	\$ 1,802,000	\$ 87,757	\$1,714,243	0.48	\$ 187
2015	9,164	334,926,134	2,085,000	88,402	1,996,598	0.60	218
2014	9,164	328,733,458	2,390,000	82,829	2,307,171	0.70	252
2013	9,147	321,597,942	2,685,000	84,680	2,600,320	0.81	284
2012	9,106	333,808,922	2,970,000	70,207	2,899,793	0.87	318
2011	9,106	332,085,987	3,245,000	70,207	3,174,793	0.96	349
2010	9,067	341,065,402	3,510,000	72,906	3,437,094	1.01	379
2009	8,515	337,330,733	3,765,000	80,533	3,684,467	1.09	433
2008	8,389	304,411,259	4,010,000	73,990	3,936,010	1.29	469
2007	8,247	268,627,995	4,240,000	57,711	4,182,289	1.56	507

Notes:
 For additional information on the City's outstanding debt, refer to the notes to the financial statements.

Sources:
 US Census Bureau
 Weber County Clerk Auditor

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Business-Type Activities					% of Personal Income (1)	Per Capita (1)
	General Obligation Bonds (3)	Sales Tax Revenue Bonds (4)(5)	Utility Revenue Bonds (10)(11)	Capital Lease	Redevelopment Tax Increment Bonds (6)	Special Assessment Bonds (7)	Utility Revenue Bonds (8)(9)(10)(11)	Sales Tax Revenue Bonds (5)	Capital Lease	Special Assessment Bonds (7)	Total Primary Government		
2016	\$ 1,802,000	\$ 533,333	\$ 450,550	\$ 177,853	\$ -	\$ -	\$ 1,962,450	\$ 266,667	\$ -	\$ -	\$ 5,192,853	na	567
2015	2,085,000	601,333	474,353	220,000	-	-	2,213,647	300,667	-	-	5,895,000	na	643
2014	2,390,000	660,000	497,437		257,745	-	2,463,563	330,000	27,309	-	6,626,054	2.02	723
2013 (2)	2,685,000	744,000	519,651		504,208	6,783	2,707,349	-	44,700	393,217	7,604,908	2.35	831
2012	2,970,000	797,000			739,608	435,000	3,491,000		61,467		8,494,075	2.73	933
2011	3,245,000	874,000			964,441	470,000	3,748,000		69,623		9,371,064	3.17	1,029
2010	3,510,000	1,144,000			1,179,180	500,000	2,360,000		-		8,693,180	2.92	959
2009	3,765,000	1,700,000			1,384,279	525,000	2,520,000		-		9,894,279	3.43	1,162
2008	4,010,000	-			1,580,172	550,000	2,675,000		11,237		8,826,409	3.11	1,052
2007	4,240,000	-			1,767,271	575,000	2,825,000		21,928		9,429,199	3.63	1,143

Notes:

- (1) See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population reported from the prior calendar year.
- (2) Fiscal year debt outstanding restated according to activity type. Refer to the Fiscal Year ended June 30, 2014, CAFR, Note 16, Prior Period Adjustments
- (3) General Obligation Refunding Bonds Series 2015 (Refunded GO Ref Series 2005), par \$1,802,000
- (4) Sales Tax Revenue Bond, Series 2009, par \$1,700,000
- (5) Sales Tax Revenue Refunding Bonds, Series 2013 (Refunded Sales Tax Series 2009 and Special Assessment Series 2001), par \$1,097,000
- (6) RDA Tax Increment Revenue Refunding Bonds, Series 2003, par \$2,490,000
- (7) Special Assessment Bonds, Series 2001, par \$2,360,000
- (8) Utility Revenue Bonds, Series 2001, par \$3,600,000
- (9) Utility Revenue Refunding Bonds, Series 2010A, par \$2,505,000
- (10) Water Utility Revenue Bonds, Series 2010B, par \$708,000
- (11) Sewer Utility Revenue Bonds, Series 2010C, par \$835,000

For additional information on the City's outstanding debt, refer to Note 8 and 9 to the financial statements.

**DEMOGRAPHIC & ECONOMIC
INFORMATION**

DEMOGRAPHIC AND ECONOMIC INDICATORS
Last Ten Fiscal Years

Fiscal Year	Population						Income (1)		Employment
	City	City % Change From Prior Year	Weber County	County % Change From Prior Year	State of Utah	State % Change From Prior Year	Personal Income (\$000)	Per Capita Personal Income	Utah Unemployment Rate for June 30,
2016	9,157	-0.08%	243,645	1.32%	2,995,919	1.80%	n/a	n/a	4.00%
2015	9,164	0.00%	240,475	0.82%	2,942,902	1.45%	320,172	34,938	3.50%
2014	9,164	0.19%	238,519	0.79%	2,900,872	1.60%	328,474	35,844	3.50
2013	9,147	0.45%	236,640	0.95%	2,855,287	1.47%	323,392	35,355	4.60
2012	9,106	0.00%	234,420	1.38%	2,813,923	1.41%	310,578	34,107	5.50
2011	9,106	0.43%	231,236	-0.26%	2,774,663	0.39%	296,063	32,513	7.00
2010	9,067	6.48%	231,834	2.04%	2,763,885	3.79%	297,253	32,784	8.10
2009	8,515	1.50%	227,193	2.78%	2,663,029	2.51%	288,514	33,883	7.90
2008	8,389	1.72%	221,044	2.26%	2,597,746	2.86%	283,666	33,814	3.20
2007	8,247	-1.19%	216,165	1.17%	2,525,507	2.76%	259,789	31,501	2.60

Note:

(1) Estimated

(2) Applies to Weber County

Source:

Weber County Clerk Auditor

US Census Bureau

Utah Department of Workforce Services

US Department of Labor, Bureau of Labor Statistics

Utah State Tax Commission

US Department of Commerce, Bureau of Economic Analysis

PRINCIPAL EMPLOYERS
 Current Year and Seven Years Ago

Employer	Principal Nature of Business	2015				2008			
		Rank	Yearly Minimum Employees	Yearly Maximum Employees	% of Total City Employment (1)	Rank	Yearly Minimum Employees	Yearly Maximum Employees	% of Total City Employment (1)
Ogden Regional Medical Center.....	Health Care	1	500	999	39.2	1	500	750	41.7
Weber School District.....	Education	2	100	249	9.8	2	300	349	19.4
Stonehenge of Ogden.....	Health Care	3	50	99	3.9				
Goldenwest Credit Union.....	Financial	4	50	99					
Washington Heights Healthcare Inc.....	Health Care	5	50	99	3.9				
Gauss Management Research & Engineering.....	Professional	6	20	49	1.9				
Legacy House of Ogden.....	Health Care	7	50	99	3.9	6	75	99	5.5
Washington Terrace Care & Rehab.....	Health Care	8	50	99	3.9				
Wasatch Physical Therapy, Inc.....	Health Care	9	20	49	1.9				
Bravo Arts Academy.....	Education	10	20	49	1.9				
Family Fresh Foods.....	Grocery					3	50	74	4.1
Mountain Star Blood Services.....	Health Care					4	20	49	2.7
Bear Care Pediatric, Inc.....	Health Care					5	20	49	2.7
Vistacare Hospice.....	Health Care					7	20	49	2.7
Washington Terrace City.....	Government					8	20	49	2.7
Adams Ave Parkway.....	Commercial					9	10	19	1.1
Terrace Depot.....	Commercial					10	10	19	1.1
Total			910	1,890	70.2%		1,025	1,506	83.7%

Note:
 (1) based on the maximum number of employees within the range.

Data range will increase to ten years over time.

Source:
 Utah Department of Workforce Services



**OPERATING
INFORMATION**

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Fire Protection										
Number of full-time employees	1	1	1	1	1	1	1	1	-	-
Number of volunteers	20	20	20	20	20	20	20	20	20	22
Fire calls for service	98	81	131	257	175	117	143	106	99	*
Medical calls for service	940	786	708	710	669	736	629	659	626	*
Police Protection & Animal Control										
Police calls for service	*	5,237	4,601	4,734	4,342	4,893	4,834	5,071	4,880	*
Animal control calls for service	294	335	275	302	192	166	115	175	181	*
Municipal Water Services										
Connections	2,887	2,884	2,880	2,878	2,876	2,870	2,858	2,848	2,838	2,835
Gallons billed (in millions)	206,591	213,021	217,174	218,677	218,559	223,170	224,676	233,260	243,605	253,701
Gallons used (in millions)	248,855	242,560	243,023	251,541	251,989	256,522	269,452	288,069	292,296	295,881
Municipal Sewer Services										
Connections	2,878	2,875	2,856	2,871	2,845	2,849	2,842	2,825	2,823	2,820
Municipal Refuse Services										
Service containers (general use)	2,648	2,645	2,613	2,607	2,601	2,631	2,635	2,635	2,635	1,815
Refuse tonage disposed	3,074	3,076	2,886	3,028	3,053	3,149	3,099	*	*	*
Recycle tonage disposed	381	415	405	412	352	546	445	*	*	*
Parks and Recreation										
Football participants	120	125	143	130	123	136	114	109	113	*
Basketball participants	160	160	162	123	120	117	114	139	110	*
Baseball/softball participants	260	260	222	203	153	150	145	130	109	*
Soccer participants	120	140	130	115	105	92	86	na	na	na
Volleyball participants	40	31	14	na						
Business Licenses										
Licenses issued	409	423	438	415	411	410	412	432	433	336

Note:
 * Information not available at the time of report compilation.

Source:
 City departments

CAPITAL ASSETS BY FUNCTION
Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Area (square miles)	2	2	2	2	2	2	2	2	2	2
Streets										
Lane miles	58	58	58	53	53	53	53	53	53	53
Street lights	286	286	286	286	286	286	286	286	286	286
Police Protection & Animal Control										
Fire Protection										
Stations	1	1	1	1	1	1	1	1	1	1
Fire hydrants	265	265	265	265	265	265	265	265	260	260
Fire pumping vehicles	4	4	4	4	4	4	4	4	4	3
Education										
High schools (public)	1	1	1	1	1	1	1	1	1	1
Junior high schools (public)	1	1	1	1	1	1	1	1	1	1
Elementary schools (public)	2	2	2	2	2	2	2	2	2	2
Municipal Water Facilities										
Miles of water mains	32	32	32	32	32	32	32	32	32	32
Municipal Sewer Facilities										
Miles of sewer mains	31	31	31	31	29	29	29	29	29	29
Parks and Recreation										
Parks	7	7	7	7	7	7	7	7	7	6
Community centers	1	1	1	1	1	1	1	2	2	2
Park and open space acreage	50	50	50	50	50	50	50	50	50	48

Note:
 * Information not available at the time of report compilation.

Source:
 City departments

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Governmental Activities	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government	6.56	6.56	6.56	6.34	6.06	5.56	5.55	5.55	5.68	5.50
Public Safety	3.63	3.63	3.63	3.63	3.63	3.63	2.65	2.65	2.50	2.50
Highways and Public Works	8.73	8.73	8.73	8.75	8.75	8.75	8.75	8.75	9.00	8.00
Parks and Recreation	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Total Employees	<u>20.32</u>	<u>20.32</u>	<u>20.32</u>	<u>20.12</u>	<u>19.84</u>	<u>19.34</u>	<u>18.35</u>	<u>18.35</u>	<u>18.58</u>	<u>17.40</u>

Note:
 General Government and Highways and Public Works Employees overlap between Business-Type Activities and Governmental Activities.

Source:
 City of Washington Terrace

PROPERTY VALUE AND CONSTRUCTION
 Last Ten Fiscal Years

Fiscal Year	New		Additions, Alterations, Repairs			Total		% Change from Prior Year		
	# of Buildings	Residential Value (\$000)	Non-Residential Value (\$000)	# of Units	Residential Value (\$000)	Non-Residential Value (\$000)	# of Units	Construction Value (\$000)	# of Units	Construction Value (\$000)
2016	16	1,832	425.7	40	609.1	4,828.2	56	7,695	2%	458%
2015	-	-	69	55	362	947	55	1,379	1000%	61%
2014	1	229	-	4	44	585	5	857	-95%	-87%
2013	13	3,283	2,107	88	506	744	101	6,639	339%	399%
2012	1	291	66	22	367	607	23	1,331	-21%	-55%
2011	3	160	872	26	131	1,820	29	2,983	222%	409%
2010	4	308	219	5	45	15	9	586	-91%	-92%
2009	3	108	408	93	2,202	4,504	96	7,222	-34%	90%
2008	-	-	-	145	874	2,918	145	3,793	6%	-65%
2007	14	1,887	4,996	123	556	3,384	137	10,823	36%	63%

Source:
 Bureau of Economic and Business Research, Utah Construction Report, David Eccles School of Business,
 University of Utah

**INTERNAL CONTROLS
&
COMPLIANCE REPORTS**



**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**

Honorable Mayor and
Members of the City Council
City of Washington Terrace
Washington Terrace, 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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Washington Terrace, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Washington Terrace's (the City) basic financial statements, and have issued our report thereon dated October 13, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying *Schedule of Findings and Recommendations*.

Response to Finding

City of Washington Terrace's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Keddington & Christensen, LLC

October 13, 2016



**INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH
THE STATE COMPLIANCE AUDIT GUIDE ON COMPLIANCE
WITH GENERAL STATE COMPLIANCE REQUIREMENTS AND
INTERNAL CONTROL OVER COMPLIANCE**

Honorable Mayor and
Members of the City Council
City of Washington Terrace
Washington Terrace, Utah

Report on Compliance with General State Compliance Requirements

We have audited the City of Washington Terrace's compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City or each of its major state programs for the year ended June 30, 2016.

General state compliance requirements were tested for the year ended June 30, 2016 in the following areas:

Budgetary Compliance	Open and Public Meetings Act
Fund Balance	Treasurer's Bond
Justice Courts	Cash Management
Utah Retirement Systems	Impact Fees
Restricted Taxes	

The City did not have any state funding classified as a major program during the year ended June 30, 2016.

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

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

Opinion on General State Compliance Requirements

In our opinion, the City of Washington Terrace complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompanying *Schedule of Findings and Recommendations*. Our opinion on compliance is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying *Schedule of Findings and Recommendations*. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control 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 or major state program 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 or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Keddington & Christensen, LLC

October 13, 2016

CITY OF WASHINGTON TERRACE
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For The Year Ended June 30, 2016

STATE COMPLIANCE

EXPENDITURES IN EXCESS OF BUDGET - *Significant Deficiency*

Criteria:

Utah State Code 10-6-123, indicates that officers and employees of the entity shall not incur expenditures or encumbrances in excess of the total appropriation for any department or fund.

Condition:

The City expenditures for the Redevelopment Agency exceeded its legally adopted budget for the entire fund for the year. The total final amended adopted legal budget expenditures were \$1,769,577. The final actual expenditures were \$1,902,362, exceeding the final budget by \$132,785.

Cause:

The City did not budget for the total *allowable* STP federal aid and related expenses for the Adams Avenue Road Reconstruction Project.

Effect:

Allowable federal aid expenses exceeded the original project bid amounts and related approved budget amounts.

Recommendation:

We recommend the City monitor more closely the expenditures as compared to the approved budget.

City's Response:

For STP projects, the City will budget for the total *allowable* federal aid and related expenses rather than original project bid amounts.

Report Criteria:

Account.Acct No = All
Account Detail

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
GENERAL FUND					
TAX REVENUE					
10-31-10	Property Taxes	486,460	0	486,460	
10-31-11	Cash Over & Short	0	0	0	
10-31-12	Property Tax Increment Southea	105,423	0	105,423	
10-31-13	Property Tax Increment CBD RDA	5,200	0	5,200	
10-31-15	Property Taxes - Vehicles	90,500	0	90,500	
10-31-20	Prior Taxes - Redemptions	20,000	0	20,000	
10-31-25	Direct Charges	2,000	0	2,000	
10-31-30	General Sales Tax	1,029,588	9,781	1,039,369	
10-31-40	Franchise Tax	671,700	5,018	676,718	
	TAX REVENUE Totals:	2,410,871	14,799	2,425,670	
LICENSES & PERMITS					
10-32-10	Business Licenses	98,000	0	98,000	
10-32-21	Building Permits	25,000	0	25,000	
10-32-22	Planning Fees	16,250	0	16,250	
10-32-25	Animal Licenses & Fees	5,500	0	5,500	
	LICENSES & PERMITS Totals:	144,750	0	144,750	
INTERGOVERNMENTAL REVENUE					
10-33-31	Local Hwy County Sales Tax	245,968	2,337	248,305	
10-33-35	RAMP Tax	9,067	0	9,067	
10-33-56	Class "C" Road Funds	305,000	0	305,000	
10-33-58	State Liquor Funds (R)	7,000	0	7,000	
10-33-61	Fire & Rescue Grants	0	0	0	
10-33-62	Grant Revenue	4,500	0	4,500	
10-33-63	Public Safety Grant - Police	0	0	0	
10-33-65	Communities That Care	0	0	0	
10-33-70	Service Contracts	4,500	0	4,500	
	INTERGOVERNMENTAL REVENUE Totals:	576,035	2,337	578,372	

Recognize gross tax collections rather than net collections. Previously, amounts were reported net of third party collection fees. Refer to 10-49-31 for reporting collection fee expenses.
\$14,799

Recognize gross tax collections rather than net collections. Previously, amounts were reported net of third party collection fees. Refer to 10-49-31 for reporting collection fee expenses.
\$2,337

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
<u>GENERAL FUND</u>					
<u>COURT FINES</u>					
10-35-10	MS Fines	70,000	0	70,000	
10-35-11	WTC Fines	75,000	0	75,000	
10-35-13	Traffic School Registration	5,000	0	5,000	
	COURT FINES Totals:	150,000	0	150,000	
<u>OTHER REVENUE</u>					
10-36-10	Interest Earned	10,000	0	10,000	
10-36-12	Convenience Fees	19,000	0	19,000	
10-36-15	Newsletter Advertisements	800	0	800	
10-36-20	Public Facility Rentals	500	0	500	
10-36-21	Telecom Site Leases	0	0	0	
10-36-90	Miscellaneous Revenue	4,000	0	4,000	
	OTHER REVENUE Totals:	34,300	0	34,300	
<u>CONTRIBUTIONS & TRASFERS</u>					
10-39-38	Charges for services SID	918	0	918	
10-39-39	Charges for services RDA	5,652	0	5,652	
10-39-40	Charges for services E/F	787,275	0	787,275	
10-39-41	Transfer Other Financing Sourc	84,028	0	84,028	
10-39-44	Use of Beginning Fund Balance	0	0	0	
	CONTRIBUTIONS & TRASFERS Totals:	877,873	0	877,873	
<u>Mayor & City Council</u>					
10-41-11	Salaries and Wages	19,200	0	19,200	
10-41-13	Employees Benefits	1,550	0	1,550	
10-41-14	Special Benefits - Allowances	750	0	750	
10-41-21	Memberships, Books, Subscripti	4,035	0	4,035	
10-41-23	Travel & Training	8,080	0	8,080	
10-41-24	Office Supplies	150	0	150	
10-41-44	Public Relations	1,200	0	1,200	
10-41-46	Services and Supplies	1,200	0	1,200	
10-41-48	Small equipment	0	0	0	
	Mayor & City Council Totals:	36,165	0	36,165	

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
GENERAL FUND					
<u>Justice Court</u>					
10-42-11	Salaries and Wages	91,865	637	92,502	
10-42-13	Employee benefits	35,760	180	35,940	
10-42-14	Special Benefits - Allowances	1,920	0	1,920	
10-42-21	Memberships, Books, Subscripti	200	0	200	
10-42-23	Travel and Training	800	0	800	
10-42-24	Office Supplies and Expenses	1,500	0	1,500	
10-42-25	Equipment O&M	0	0	0	
10-42-29	Traffic Safety	1,800	0	1,800	
10-42-31	Professional and Technical	10,500	3,500	14,000	
10-42-32	Witness & Jury Fees	500	0	500	
10-42-46	Services and Supplies	500	0	500	
10-42-48	Small equipment	0	300	300	
	Justice Court Totals:	145,345	4,617	149,962	
<u>Administration</u>					
10-44-11	Salaries and Wages	190,500	0	190,500	
10-44-13	Employees Benefits	105,050	0	105,050	
10-44-14	Special Benefits - Allowances	9,700	0	9,700	
10-44-21	Books, Subscriptions, Membersh	2,000	0	2,000	
10-44-23	Travel and Training	9,000	0	9,000	
10-44-24	Office Supplies and Expenses	700	0	700	
10-44-31	Professional and Technical	13,500	0	13,500	
10-44-40	Communities That Care Program	2,500	0	2,500	
10-44-46	Services and Supplies	2,000	0	2,000	
10-44-48	Small equipment	0	0	0	
	Administration Totals:	334,950	0	334,950	
<u>Treasurer/HR/Utility Billing</u>					
10-45-11	Salaries and Wages	128,000	0	128,000	
10-45-13	Employees Benefits	55,550	0	55,550	
10-45-21	Memberships, Book, Subscriptio	600	0	600	
10-45-22	Employment Notices	1,300	0	1,300	
10-45-23	Travel and Training	2,000	0	2,000	
10-45-24	Office Supplies	2,200 (1,800)	400	
10-45-26	Bank Fees	16,000	0	16,000	
10-45-31	Professional and Technical	1,000	0	1,000	
10-45-41	Insurance	2,400	0	2,400	
10-45-46	Services and Supplies	6,290	0	6,290	

New FLSA overtime rule. Rule extends overtime protection to workers who are not currently eligible under federal law. Workers who do not earn at least \$47,476 a year will have to be paid overtime even if they are classified as a manager or professional. The Dept of Labor will increase salary thresholds every 3 years. Based on current projects the salary threshold is expected to rise to more than \$51,000 with its first update on Jan. 1, 2020. Employers must comply with new regulation by Dec. 1, 2016.

One position in the Justice Court is affected by this rule. Mid-year fiscal impact **\$817**. New ongoing cost.

Public defender services - in response to a growing demand for public defender and interpreter services. **\$3,500**. Onetime cost adjustment to be reviewed annually.

Department reallocation.

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
GENERAL FUND					
Treasurer/HR/Utility Billing (Cont.)					
10-45-48	Small Equipment	500	1,300	1,800	Department reallocation.
Treasurer/HR/Utility Billing Totals:		215,840	(500)	215,340	
Recorder & Elections					
10-46-11	Salaries and Wages	52,915	0	52,915	New FLSA overtime rule. Rule extends overtime protection to workers who are not currently eligible under federal law. Workers who do not earn at least \$47,476 a year will have to be paid overtime even if they are classified as a manager or professional. The Dept of Labor will increase salary thresholds every 3 years. Based on current projects the salary threshold is expected to rise to more than \$51,000 with its first update on Jan. 1, 2020. Employers must comply with new regulation by Dec. 1, 2016.
10-46-13	Employees Benefits	21,900	0	21,900	
10-46-21	Membership, Books, Subscriptio	600	0	600	
10-46-22	Legal Notices	800	0	800	
10-46-23	Travel and Training	1,500	0	1,500	
10-46-24	Office Supplies	2,690	0	2,690	
10-46-31	Professional and Technical	800	0	800	
10-46-46	Services and Supplies	1,500	0	1,500	
Recorder & Elections Totals:		82,705	0	82,705	
Leisure Services Dept					
10-47-11	Salaries and Wages	59,268	566	59,834	One position in Leisure Services is affected by this rule. Mid-year fiscal impact \$731 . New ongoing cost.
10-47-13	Employees Benefits	30,750	165	30,915	
10-47-14	Special Benefits - Allowances	762	0	762	
10-47-21	Memberships, Books, Subscripts	0	0	0	
10-47-23	Travel and Training	1,000	0	1,000	
10-47-24	Office Supplies	250	0	250	
10-47-46	Services and Supplies	250	0	250	
10-47-48	Small Equipment	0	0	0	
10-47-49	Other Programs	1,000	0	1,000	
10-47-50	Vehicle Operations	1,155	0	1,155	
10-47-51	Vehicle Repairs & Maintenance	200	0	200	
10-47-52	Vehicle Insurance	400	0	400	
Leisure Services Dept Totals:		95,035	731	95,766	
Non-Departmental					
10-49-31	Professional and Technical	0	17,136	17,136	Third party tax collection fees. Also see tax revenue adjustments. \$17,136 Ongoing cost adjustment
10-49-60	Contingency Account	10,000	(4,848)	5,152	
10-49-73	Telephone System O&M	1,000	0	1,000	
10-49-75	Caselle Technical Support	8,037	0	8,037	
10-49-76	Copier/Postage Equipment O&M	2,000	0	2,000	

Offset increased requirements in Justice Court and Leisure Services Depts.
\$(4,848)

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
<u>GENERAL FUND</u>					
<u>Non-Departmental (Cont.)</u>					
10-49-77	IT System O&M	8,500	0	8,500	
10-49-79	Emergency Prep/Operations Ctr	1,000	0	1,000	
10-49-80	Code Enforcement	2,000	0	2,000	
10-49-81	Insurance	78,641	0	78,641	
	Non-Departmental Totals:	111,178	12,288	123,466	
<u>Transfers Out</u>					
10-50-51	Interfund Charges - Refuse 49	3,700	0	3,700	
10-50-52	Interfund Charges - Water 50	62,810	0	62,810	
10-50-53	Interfund Charges - Sewer 51	1,653	0	1,653	
10-50-54	Interfund Charges - Storm 52	15,865	0	15,865	
10-50-55	Charges for Enterprise utiliti	0	0	0	
10-50-67	Transfer to Fire CIP Fund	0	0	0	
10-50-69	Transfer to Capital Projects	163,089	0	163,089	
10-50-71	Transfer to Recreation Fund	12,000	0	12,000	
10-50-72	Transfer to Parks CIP Fund	10,000	0	10,000	
10-50-75	Transfer to CIP - Class C	490,968	0	490,968	
10-50-76	Transfer to RDA (tax increment	110,623	0	110,623	
10-50-80	Budgeted Increase Fund Balance	0	0	0	
	Transfers Out Totals:	870,708	0	870,708	
<u>General Buildings</u>					
10-51-25	Equipment O & M	7,400	0	7,400	
10-51-26	Buildings & Grounds - O & M	0	0	0	
10-51-27	Utilities	59,286	0	59,286	
10-51-28	Telecommunications	16,983	0	16,983	
10-51-31	Professional and Technical	29,175	0	29,175	
10-51-46	Services and Supplies	25,750	0	25,750	
10-51-48	Small equipment	0	0	0	
10-51-54	Equipment	0	0	0	
	General Buildings Totals:	138,594	0	138,594	
<u>Police Expenditures</u>					
10-54-30	Contracted Police Services	755,666	0	755,666	

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
GENERAL FUND					
Police Expenditures (Cont.)					
	Police Expenditures Totals:	755,666	0	755,666	
Fire Department					
10-55-11	Salaries and Wages	150,600	0	150,600	
10-55-13	Benefits	41,000	0	41,000	
10-55-14	Clothing Allowance	3,000	0	3,000	
10-55-21	Memberships, Books, Subscripts	300	0	300	
10-55-23	Travel and Training	3,000	0	3,000	
10-55-24	Office Supplies and Maintenanc	800	0	800	
10-55-25	Equipment O&M	2,000	0	2,000	
10-55-26	Building and Grounds O & M	600	0	600	
10-55-27	Utilities	0	0	0	
10-55-28	Telecommunications	6,350	0	6,350	
10-55-31	Professional & Technical	0	0	0	
10-55-42	Personal Protective Gear	0	0	0	
10-55-46	Services and Supplies	8,000	0	8,000	
10-55-47	Fire Prevention Education	500	0	500	
10-55-48	Small Equipment	0	0	0	
10-55-50	Vehicle Operations	5,645	0	5,645	
10-55-51	Vehicle Repairs/Maintenance	9,050	0	9,050	
10-55-52	Vehicle Insurance	5,700	0	5,700	
	Fire Department Totals:	236,545	0	236,545	
Inspections and Planning					
10-56-11	Salaries and Wages	76,700	0	76,700	
10-56-13	Employee Benefits	36,250	0	36,250	
10-56-14	Special Benefits - Allowances	1,082	0	1,082	
10-56-21	Memberships, Books, Subscripts	600	0	600	
10-56-23	Travel and Training	1,400	0	1,400	
10-56-24	Office Expenses and Supplies	400	0	400	
10-56-28	Telephone	0	0	0	
10-56-31	Professional and Technical	6,000	0	6,000	
10-56-46	Services and Supplies	1,500	0	1,500	
10-56-50	Vehicle Operations	840	0	840	
10-56-51	Vehicle Repairs/Maintenance	400	0	400	
10-56-52	Vehicle Insurance	350	0	350	

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
GENERAL FUND					
<u>Inspections and Planning (Cont.)</u>					
	Inspections and Planning Totals:	125,522	0	125,522	
<u>Animal Control Expenditures</u>					
10-57-24	Office Supplies	900	0	900	
10-57-30	Contract Services	34,459	0	34,459	
10-57-31	Professional and Technical	250	0	250	
10-57-32	Animal Sheltering Services	19,370	0	19,370	
10-57-46	Services and Supplies	0	0	0	
	Animal Control Expenditures Totals:	54,979	0	54,979	
<u>Public Works Expenditures</u>					
10-60-11	Salaries and Wages	411,000	0	411,000	
10-60-13	Employees Benefits	227,100	0	227,100	
10-60-15	Overtime	7,000	0	7,000	
10-60-21	Memberships, Books, Subscripts	450	0	450	
10-60-23	Travel and Training	3,500	0	3,500	
10-60-24	Office Supplies and Expenses	1,300	0	1,300	
10-60-25	Equip Supplies and Maint	2,300	0	2,300	
10-60-28	Telecommunications	6,840	0	6,840	
10-60-31	Professional and Technical	3,000	0	3,000	
10-60-46	Services and Supplies	12,600	0	12,600	
10-60-47	Fire Hydrant O&M	2,500	0	2,500	
10-60-48	Small Equipment	0	0	0	
10-60-50	Vehicle Operations	15,350	0	15,350	
10-60-51	Vehicle Repairs/Maintenance	7,000	0	7,000	
10-60-52	Vehicle Insurance	4,700	0	4,700	
	Public Works Expenditures Totals:	704,640	0	704,640	
<u>Streets Expenditures</u>					
10-61-27	Utilities - Street Lights	52,582	0	52,582	
10-61-47	Class "C" Road Maintenance	60,000	0	60,000	
	Streets Expenditures Totals:	112,582	0	112,582	

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
<u>GENERAL FUND</u>					
<u>Parks Expenditures</u>					
10-64-25	Equipment O&M	700	0	700	
10-64-26	Building and Grounds O&M	0	0	0	
10-64-27	Utilities	4,745	0	4,745	
10-64-31	Park Maintenance Contract	139,519	0	139,519	
10-64-42	Secondary Water Fees	12,611	0	12,611	
10-64-46	Services & Supplies	15,800	0	15,800	
	Parks Expenditures Totals:	173,375	0	173,375	
	GENERAL FUND Revenue Totals:	4,193,829	8,421,930	4,210,965	
	GENERAL FUND Expenditure Totals:	4,193,829	8,421,930	4,210,965	
	GENERAL FUND Totals:	0	0	0	

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
RECREATION FUND					
<u>Program Revenue</u>					
12-30-20	Grant/Donation Revenue	0	0	0	
12-30-30	Youth Basketball Revenue	7,200	0	7,200	
12-30-31	Youth Baseball/Softball Revenue	9,900	0	9,900	
12-30-33	Youth Football Revenue	15,450	0	15,450	
12-30-34	Football Concessions/Merchandi	1,500	0	1,500	
12-30-35	Terrace Days Donations	6,000	0	6,000	
12-30-37	Soccer Program Revenue	5,400	0	5,400	
12-30-38	Girls Softball Revenue	0	0	0	
12-30-39	Summer Programs	500	0	500	
12-30-40	Girls Volleyball	1,800	0	1,800	
	Program Revenue Totals:	47,750	0	47,750	
<u>Contributions & Transfers</u>					
12-31-40	Transfer in from General Fund	12,000	0	12,000	
12-31-41	Use of Beginning Fund Balance	0	0	0	
	Contributions & Transfers Totals:	12,000	0	12,000	
<u>Program Expenditures</u>					
12-40-11	Salaries and Wages	3,300	0	3,300	
12-40-13	Employees Benefits	330	0	330	
12-40-40	Summer Programs	500	0	500	
12-40-42	Volleyball Program	1,636	0	1,636	
12-40-45	Baseball/Softball Program	8,996	0	8,996	
12-40-47	Baseball Umpires	0	0	0	
12-40-49	Basketball Program	6,542	0	6,542	
12-40-50	Basketball Referees	0	0	0	
12-40-51	Basketball Coordinator Fees	0	0	0	
12-40-52	Football Program	15,539	0	15,539	
12-40-53	Football Concessions	0	0	0	
12-40-54	Football Officiating Crew	0	0	0	
12-40-55	Football Coordinator Fees	0	0	0	
12-40-57	Soccer Program	4,907	0	4,907	
12-40-58	Terrace Days	18,000	0	18,000	
12-40-60	Budgeted Increase Fund Balance	0	0	0	
	Program Expenditures Totals:	59,750	0	59,750	

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
<u>RECREATION FUND</u>					
	RECREATION FUND Revenue Totals:	59,750	119,500	59,750	
	RECREATION FUND Expenditure Totals:	59,750	119,500	59,750	
	RECREATION FUND Totals:	0	0	0	

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
REFUSE ENTERPRISE FUND					
INVESTING REVENUES					
49-36-05	Interfund Loan Repayment EF	0	0	0	
49-36-10	Interest Earned	2,719	0	2,719	
49-36-40	Disposition of Fixed Assets	0	0	0	
INVESTING REVENUES Totals:		2,719	0	2,719	
OPERATING REVENUES					
49-37-01	Late Fees/ Penalties	5,000	0	5,000	
49-37-02	Misc. Revenue	0	0	0	
49-37-50	Refuse Service Charges	474,375	0	474,375	
49-37-60	Recycle Second	0	0	0	
49-37-65	Green Waste	0	0	0	
OPERATING REVENUES Totals:		479,375	0	479,375	
CONTRIBUTIONS & TRANSFERS					
49-39-26	Charges for services - G/F	3,700	0	3,700	
49-39-30	Use of beginning fund balance	0	12,603	12,603	
CONTRIBUTIONS & TRANSFERS Totals:		3,700	12,603	16,303	
OPERATING EXPENSES					
49-70-24	Office Supplies	805	0	805	
49-70-28	Franchise Fee	14,230	0	14,230	
49-70-30	Utility Bill Printing/Mailing	5,930	0	5,930	
49-70-31	Professional and Technical	500	0	500	
49-70-34	Waste Collection	256,500	0	256,500	
49-70-35	Waste Disposal	102,724	0	102,724	
49-70-46	Services and Supplies	0	0	0	
49-70-47	Bad Debt	0	0	0	
49-70-71	Charges for Services - GF 10	78,727	0	78,727	
49-70-72	Charges for services- Water 50	22,678	12,603	35,281	
49-70-95	Depreciation	0	0	0	
OPERATING EXPENSES Totals:		482,094	12,603	494,697	

Roll over from prior year - appropriate unexpended funds from prior year for preliminary work for the new public works facility. \$12,603

Roll over from prior year - appropriate unexpended funds from prior year for preliminary work for the new public works facility. \$12,603

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
<u>REFUSE ENTERPRISE FUND</u>					
<u>CONTRIBUTIONS & TRANSFERS</u>					
49-75-08	Transfer out G/F nonoperating	3,700	0	3,700	
	CONTRIBUTIONS & TRANSFERS Totals:	3,700	0	3,700	
	REFUSE ENTERPRISE FUND Revenue Totals:	485,794	996,794	498,397	
	REFUSE ENTERPRISE FUND Expenditure Totals:	485,794	996,794	498,397	
	REFUSE ENTERPRISE FUND Totals:	0	0	0	

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
WATER ENTERPRISE FUND					
NONCAPITAL FINANCING REVENUE					
50-33-10	Grants	0	0	0	
50-33-70	Contract Services	50,000	0	50,000	
NONCAPITAL FINANCING REVENUE Totals:		50,000	0	50,000	
INVESTING REVENUES					
50-36-10	Interest Earned	13,000	0	13,000	
50-36-40	Disposition of Fixed Assets	62,300	19,363	81,663	
INVESTING REVENUES Totals:		75,300	19,363	94,663	
OPERATING REVENUES					
50-37-01	Late Fees/ Penalties	11,000	0	11,000	
50-37-02	Misc. Revenue	9,000	0	9,000	
50-37-10	Water Service Charges	1,105,200	0	1,105,200	
50-37-20	Water Connection Fees	5,000	0	5,000	
OPERATING REVENUES Totals:		1,130,200	0	1,130,200	
CAPITAL REVENUES					
50-39-03	Bond Proceeds	5,460,000	0	5,460,000	
50-39-04	IRS BABs Interest Credit	5,650	0	5,650	
50-39-05	Outside Revenue Sources	0	0	0	
50-39-10	Impact Fees	10,000	0	10,000	
50-39-11	Charges for Services - CPF 55	53,035	30,442	83,477	
50-39-12	Charges for services - Refuse	22,678	12,603	35,281	
50-39-16	Charges for Services -Storm 52	53,034	13,999	67,033	
50-39-17	Charges for services RDA Fd 70	0	114,050	114,050	
50-39-18	Charges for Services -Sewer 51	106,068	47,587	153,655	
50-39-19	Due from Debt Service Fund 65	16,877	0	16,877	
50-39-26	Charges for Services G/F	62,810	0	62,810	
50-39-30	Use of Beginning Fund Balance	0	754,626	754,626	
CAPITAL REVENUES Totals:		5,790,152	973,307	6,763,459	

Fleet sales - adjust to reflect fleet management plan anticipated sales.
\$19,363

Roll over from prior year - remaining prior year contributions from other funds for:

Preliminary work to be performed for the new public works facility. **\$104,631**

RDA commercial water meter replacement project. **\$114,050**

Appropriate unspent capital funds from prior year. **\$754,626**

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
WATER ENTERPRISE FUND					
OPERATING EXPENSES					
50-70-21	Memberships, books, subscrip	1,785	0	1,785	
50-70-23	Travel & Training	1,515	0	1,515	
50-70-24	Office Supplies	825	0	825	
50-70-25	Equipment O & M	1,500	0	1,500	
50-70-27	Utilities	3,568	0	3,568	
50-70-28	Franchise fees	33,156	0	33,156	
50-70-30	Utility Bill Printing/Mailing	5,985	0	5,985	
50-70-31	Professional and Technical	10,000	0	10,000	
50-70-32	Weber Basin Water	185,764	0	185,764	
50-70-35	S/O Wheeling Agreement	3,087	0	3,087	
50-70-45	Services and Supplies	32,225	0	32,225	
50-70-47	Bad Debt	0	0	0	
50-70-50	Impact Fee Projects	10,000	0	10,000	
50-70-52	Fleet Insurance	0	0	0	
50-70-71	Charges for services G/F	314,910	0	314,910	
50-70-95	Depreciation	0	0	0	
	OPERATING EXPENSES Totals:	604,320	0	604,320	
CAPITAL PROJECTS					
50-71-05	CW5 - 500 West Waterline	82,848	0	82,848	
50-71-06	CW6 Tank #1 Rehabilitation	75,000	18,000	93,000	
50-71-07	CW7 WELL#1	25,000	0	25,000	
50-71-08	CW8 Adams Ave Tank #3	0	0	0	
50-71-12	CW12 5050 S - 400 W to 500 W	0	0	0	
50-71-17	CW17 300 E - 5050 S to 5100 S	40,000	25,000	65,000	
50-71-22	CW22 4800 S - 350 E TO 500 W	0	0	0	
50-71-28	CW28 5200 -5300 S & 400-500 W	0	0	0	
50-71-36	CW36 Adams Ave line improvemen	0	0	0	
50-71-37	CW37 Zone B Looping	0	170,000	170,000	
50-71-46	CW46 waterline 10" 5050S 150W	0	100,000	100,000	
50-71-47	CW47 5150S, 150-300E	0	100,000	100,000	
50-71-48	CW48 meter/auto valve vault ta	0	0	0	
50-71-49	CW49 8" line Ridgeline 5350S	0	25,000	25,000	
50-71-51	CW51 Southpointe Dr. laterals	0	35,000	35,000	
50-71-80	Public Works Facility	5,460,000	0	5,460,000	
	CAPITAL PROJECTS Totals:	5,682,848	473,000	6,155,848	

Roll over from prior year. Appropriate unspent capital project funds scheduled for completion. \$473,000

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
WATER ENTERPRISE FUND					
CAPITAL EQUIPMENT					
50-73-01	Electronic Meters	60,000	222,270	282,270	
50-73-02	Capital Equipment	15,000	206,634	221,634	
50-73-03	Fleet Replacements	77,300	90,766	168,066	
CAPITAL EQUIPMENT Totals:		152,300	519,670	671,970	
DEBT SERVICE					
50-74-05	Bond Interest Series 2010A	21,485	0	21,485	
50-74-10	Bond Principal Series 2010A	101,050	0	101,050	
50-74-20	Bond Series 2010B Principal	19,926	0	19,926	
50-74-25	Bond Series 2010B Interest	13,549	0	13,549	
50-74-26	Bond Interest Sales (SID)Ser13	2,288	0	2,288	
50-74-27	Bond Principal Sales(SID)Ser13	14,589	0	14,589	
50-74-28	Bond Interest RDA Ser 2003	0	0	0	
50-74-29	Bond Series 2016	353,561	0	353,561	
DEBT SERVICE Totals:		526,448	0	526,448	
CONTRIBUTIONS & TRANSFERS					
50-75-01	Budgeted Increase Fund Balance	0	0	0	
50-75-08	Transfer out G/F nonoperating	62,810	0	62,810	
50-75-09	Due to DSF 65 - Ser2010B Princ	8,732	0	8,732	
50-75-10	Due to DSF 65 - Ser2010B Inter	5,938	0	5,938	
50-75-11	Due to Storm Fund 52- Ser10B P	1,343	0	1,343	
50-75-12	Due to Storm Fund 52- Ser10B I	913	0	913	
CONTRIBUTIONS & TRANSFERS Totals:		79,736	0	79,736	
WATER ENTERPRISE FUND Revenue Totals:		7,045,652	16,076,644	8,038,322	
WATER ENTERPRISE FUND Expenditure Totals:		7,045,652	16,076,644	8,038,322	
WATER ENTERPRISE FUND Totals:		0	0	0	

**Roll over from prior year. Appropriate
unspent capital equipment funds.
\$519,670**

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
SEWER ENTERPRISE FUND					
INVESTING REVENUES					
51-36-10	Interest Earned	8,000	0	8,000	
51-36-30	STAG Grant	0	0	0	
51-36-40	Disposition of fixed assets	26,000	27,600	53,600	
INVESTING REVENUES Totals:		34,000	27,600	61,600	
OPERATING REVENUES					
51-37-01	Late Fees/ Penalties	11,000	0	11,000	
51-37-02	Misc. Revenue	8,000	0	8,000	
51-37-30	Sewer Service Charges	1,084,700	0	1,084,700	
51-37-40	Sewer Connection Fees	3,000	0	3,000	
OPERATING REVENUES Totals:		1,106,700	0	1,106,700	
CAPITAL REVENUES					
51-39-03	Bond Proceeds	0	0	0	
51-39-04	IRS BABs Interest Credit	4,605	0	4,605	
51-39-05	Outside Revenue Sources	0	0	0	
51-39-10	Impact Fees	9,000	0	9,000	
51-39-19	Due from Debt Service Fund 65	15,579	0	15,579	
51-39-21	Transfer In - CIP Class C	0	0	0	
51-39-25	Use of Beginning Fund Balance	0	667,585	667,585	
51-39-26	Charges for Services G/F	1,653	0	1,653	
CAPITAL REVENUES Totals:		30,837	667,585	698,422	
OPERATING EXPENSES					
51-70-20	Memberships, Books, Subscripti	650	0	650	
51-70-23	Travel and Training	0	0	0	
51-70-24	Office Supplies	830	0	830	
51-70-25	Equipment O & M	2,000	0	2,000	
51-70-28	Franchise Fees	32,542	0	32,542	
51-70-30	Utility Bill Printing /Mailing	5,700	0	5,700	
51-70-31	Professional and Technical	10,000	0	10,000	
51-70-33	Central Weber Sewer	508,150	0	508,150	
51-70-46	Services and Supplies	10,000	0	10,000	
51-70-47	Bad Debt	0	0	0	
51-70-50	Impact Fee Projects	9,000	0	9,000	

Fleet sales - adjust to reflect fleet management plan anticipated sales. \$27,600

Appropriate unspent capital funds from prior year. \$667,585

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
SEWER ENTERPRISE FUND					
OPERATING EXPENSES (Cont.)					
51-70-52	Fleet Insurance	518	0	518	
51-70-71	Charges for Services - GF	236,183	0	236,183	
51-70-75	Budgeted Increase Fund Balance	0	0	0	
51-70-95	Depreciation	0	0	0	
	OPERATING EXPENSES Totals:	815,573	0	815,573	
CAPITAL PROJECTS					
51-72-03	SS5 375 W - 5000 to 4800 S	37,000	0	37,000	
51-72-07	SS7 4800 S - WASHGT TO 500 W	0	0	0	
51-72-08	SS8 4850-4800 S Outfall line	0	85,000	85,000	
51-72-12	SS12 5200-5300 S & 400-500 W	0	0	0	
51-72-17	SS17 trenchless 12" line	0	73,730	73,730	
51-72-18	SS18 LIN 500 W & 4525 S-4900 S	0	72,221	72,221	
51-72-19	SS19 Adams Ave line replacemen	0	0	0	
51-72-20	SS20 Retaining Wall/Manholes	0	75,000	75,000	
51-72-21	SS21 repair line under railroa	0	29,000	29,000	
51-72-22	SS22 4750 S, 300-350 W	0	70,000	70,000	
51-72-80	Public Works Facility	0	0	0	
51-72-97	Capital Projects	0	0	0	
	CAPITAL PROJECTS Totals:	37,000	404,951	441,951	
CAPITAL EQUIPMENT					
51-73-02	Capital Equipment	20,000	134,381	154,381	
51-73-03	Fleet Replacements	36,000	108,266	144,266	
	CAPITAL EQUIPMENT Totals:	56,000	242,647	298,647	
DEBT SERVICE					
51-74-05	Bond Interest Series 2010A	15,085	0	15,085	
51-74-10	Bond Principal Series 2010A	70,950	0	70,950	
51-74-12	Bond Series 2010C Interest	8,441	0	8,441	
51-74-14	Bond Series 2010C Principal	18,785	0	18,785	
51-74-25	Loan Payment	0	0	0	
51-74-26	Bond Interest Sales (SID)Ser13	2,112	0	2,112	
51-74-27	Bond Principal Sales(SID)Ser13	13,467	0	13,467	
51-74-28	Bond Interest RDA Ser 2003	0	0	0	

Roll over from prior year. Appropriate unspent capital project funds scheduled for completion. \$404,951

Roll over from prior year. Appropriate unspent capital equipment funds. \$242,647

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
<u>SEWER ENTERPRISE FUND</u>					
<u>DEBT SERVICE (Cont.)</u>					
	DEBT SERVICE Totals:	128,840	0	128,840	
<u>CONTRIBUTIONS AND TRANSFERS</u>					
51-75-01	Budgeted Increase Fund Balance	0	0	0	
51-75-05	Charges for Services Water 50	106,068	47,587	153,655	
51-75-08	Transfer out G/F nonoperating	1,653	0	1,653	
51-75-09	Due to DSF 65 - Ser2010C Inter	7,095	0	7,095	
51-75-10	Due to DSF 65 - Ser10C Princip	15,789	0	15,789	
51-75-11	Due to Storm Fund 52 -Ser10C I	1,091	0	1,091	
51-75-12	Due to Storm Fund 52 -Ser10C P	2,428	0	2,428	
	CONTRIBUTIONS AND TRANSFERS Totals:	134,124	47,587	181,711	
	SEWER ENTERPRISE FUND Revenue Totals:	1,171,537	3,733,444	1,866,722	
	SEWER ENTERPRISE FUND Expenditure Totals:	1,171,537	3,733,444	1,866,722	
	SEWER ENTERPRISE FUND Totals:	0	0	0	

Roll over from prior year -
appropriate unexpended funds from
prior year for preliminary work for
the new public works facility. **\$47,587**

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
STORM WATER ENTERPRISE FUND					
REVENUE					
52-33-10	Grant Revenue	0	0	0	
	REVENUE Totals:	0	0	0	
OPERATING REVENUE					
52-36-10	Interest Earned	2,000	0	2,000	
52-36-20	Storm Water Service Charges	404,000	0	404,000	
52-36-30	Miscellaneous Revenue	0	0	0	
52-36-40	Disposition of fixed assets	33,800	0	33,800	
	OPERATING REVENUE Totals:	439,800	0	439,800	
REVENUE					
52-37-01	Late Fees/ Penalties	4,000	0	4,000	
52-37-02	Misc. Revenue	0	0	0	
	REVENUE Totals:	4,000	0	4,000	
CAPITAL REVENUES					
52-39-03	Bond Proceeds	0	0	0	
52-39-05	Outside Revenue Sources	0	0	0	
52-39-10	Impact Fees	5,000	0	5,000	
52-39-17	Due from Water Fund 50 -Ser10B	2,256	0	2,256	
52-39-18	Due from Sewer Fund 51	3,519	0	3,519	
52-39-19	Due from Debt Service Fund 65	6,491	0	6,491	
52-39-26	Charges for Serivces G/F nonop	15,865	0	15,865	
52-39-30	Use of Beginning Fund Balance	0	350,324	350,324	
	CAPITAL REVENUES Totals:	33,131	350,324	383,455	
OPERATING EXPENSES					
52-70-21	Memberships, Books, Subscript	760	0	760	
52-70-24	Office Supplies	1,850	0	1,850	
52-70-26	Equipment O&M	2,500	0	2,500	
52-70-28	Franchise Fees	12,120	0	12,120	
52-70-30	Utility Bill Printing /Mailing	6,244	0	6,244	

Appropriate unspent capital funds
from prior year. **\$350,324**

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
STORM WATER ENTERPRISE FUND					
OPERATING EXPENSES (Cont.)					
52-70-31	Professional and Technical	13,450	0	13,450	
52-70-46	Services and Supplies	15,000	0	15,000	
52-70-47	Bad Debt	0	0	0	
52-70-50	Impact Fee Projects	5,000	0	5,000	
52-70-52	Fleet Insurance	445	0	445	
52-70-71	Charges for Services - GF	157,455	0	157,455	
52-70-95	Depreciation	0	0	0	
	OPERATING EXPENSES Totals:	214,824	0	214,824	
CAPITAL PROJECTS					
52-71-02	4800 S - 350 E to 500 W	0	0	0	
52-71-03	SD 5200 S. UTILITY DEDICATION	0	0	0	
52-71-05	SD6 3500 S \$ 100 E	45,000	0	45,000	
52-71-06	RR-6F 5000 S-Washing to 500 W	0	0	0	
52-71-08	SD 450 West Project	0	0	0	
52-71-16	SD16 Relief Line 4850 S-300 W	0	110,000	110,000	
52-71-18	SD18 Relief line 300 W -4800 S	0	30,000	30,000	
52-71-19	SD19 4300 S w/land drain	0	75,000	75,000	
52-71-20	SD20 Detention Basin Park Outl	0	0	0	
52-71-21	SD21 Intersection Improvements	30,000	1,030	31,030	
52-71-50	300 W Ridgeline Storm Drain	0	0	0	
52-71-60	Pressure Wash Station	0	0	0	
52-71-80	Public Works Facility	0	0	0	
	CAPITAL PROJECTS Totals:	75,000	216,030	291,030	
CAPITAL EQUIPMENT					
52-73-02	Capital Equipment	15,000	58,000	73,000	
52-73-03	Fleet Replacements	38,800	62,295	101,095	
52-73-05	CAPITAL LEASE INTEREST	0	0	0	
	CAPITAL EQUIPMENT Totals:	53,800	120,295	174,095	
DEBT SERVICE					
52-74-02	CAPITAL LEASE PRINCIPAL	0	0	0	
52-74-03	CAPITAL LEASE INTEREST	0	0	0	
52-74-05	Bond Interest Series 2010A	9,142	0	9,142	

Roll over from prior year. Appropriate unspent capital project funds scheduled for completion. \$216,030

Roll over from prior year. Appropriate unspent capital equipment funds. \$120,295

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
STORM WATER ENTERPRISE FUND					
DEBT SERVICE (Cont.)					
52-74-10	Bond Principal Series 2010A	43,000	0	43,000	
52-74-12	Bond Interest Rev Ser2010BC	2,004	0	2,004	
52-74-14	Bond Principal Rev Ser2010BC	3,771	0	3,771	
52-74-15	Interfund Loan Payment Refuse	0	0	0	
52-74-26	Bond Interest Sales (SID)Ser13	880	0	880	
52-74-27	Bond Principal Sales(SID)Ser13	5,611	0	5,611	
52-74-28	Bond Interest RDA Ser 2003	0	0	0	
52-74-29	Bond Princial Wtr Swr Ser10BC	0	0	0	
52-74-30	Bond Interest Wtr Swr Ser10BC	0	0	0	
	DEBT SERVICE Totals:	64,408	0	64,408	
CONTRIBUTIONS AND TRANSFERS					
52-75-01	Budgeted Increase Fund Balance	0	0	0	
52-75-05	Charges for Services Water 50	53,034	13,999	67,033	
52-75-08	Transfer out G/F nonoperating	15,865	0	15,865	
	CONTRIBUTIONS AND TRANSFERS Totals:	68,899	13,999	82,898	
TORM WATER ENTERPRISE FUND Revenue Totals:		476,931	1,654,510	827,255	
IRM WATER ENTERPRISE FUND Expenditure Totals:		476,931	1,654,510	827,255	
STORM WATER ENTERPRISE FUND Totals:		0	0	0	

Roll over from prior year - appropriate unexpended funds from prior year for preliminary work for the new public works facility. \$13,999

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
PARKS C I P FUND					
Revenues					
53-35-05	Impact Fees	5,000	0	5,000	
53-35-10	Contributions from Other Govts	0	65,043	65,043	
	Revenues Totals:	5,000	65,043	70,043	
Contributions & Transfers					
53-36-20	Transfer in from General Fund	10,000	0	10,000	
53-36-25	Transfer in from CIP Fund	0	0	0	
53-36-90	Use of beginning fund balance	0	22,522	22,522	
	Contributions & Transfers Totals:	10,000	22,522	32,522	
Other Improvements					
53-70-28	Capital Facilities Plan	0	0	0	
53-70-50	Impact Fee Projects	5,000	0	5,000	
53-70-65	Budgeted Increase Fund Balance	0	0	0	
	Other Improvements Totals:	5,000	0	5,000	
Rohmer Park Improvements					
53-71-01	PK16 Little Rohmer Restroom	0	0	0	
53-71-02	Little Rohmer Park	0	0	0	
53-71-04	Parking Lots	10,000	10,000	20,000	
53-71-15	PK15 Rohmer Park Improvements	0	0	0	
53-71-30	PK30 PK31 Rohmer road/parking	0	0	0	
	Rohmer Park Improvements Totals:	10,000	10,000	20,000	
Lions Park Improvements					
53-73-01	PK10 Lions Park Improvements	0	0	0	
	Lions Park Improvements Totals:	0	0	0	

Roll over from prior year - Recognize final payment from CDBG for the Victory Park Project. \$65,043

Roll over from prior year - appropriate unspent capital funds for scheduled projects. \$22,522

Roll over from prior year - appropriate unexpended capital project funds for scheduled projects. \$10,000

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
PARKS C I P FUND					
<u>VanLeeuwen Park Improvements</u>					
53-74-13	PK13 VanLeeuwen Park Improve	0	11,500	11,500	
	VanLeeuwen Park Improvements Totals:	0	11,500	11,500	
<u>Open Space Improvements</u>					
53-75-05	Library Open Space	0	0	0	
53-75-11	PK11 CIVIC CENTER PARK	0	0	0	
53-75-22	PK22 Fire Station Park	0	0	0	
	Open Space Improvements Totals:	0	0	0	
<u>Victory Park Improvements</u>					
53-76-07	PK7 Vicotry Park Improvements	0	66,065	66,065	
	Victory Park Improvements Totals:	0	66,065	66,065	
	PARKS C I P FUND Revenue Totals:	15,000	205,130	102,565	
	PARKS C I P FUND Expenditure Totals:	15,000	205,130	102,565	
	PARKS C I P FUND Totals:	0	0	0	

Roll over from prior year -
appropriate unexpended capital project
funds for scheduled projects. **\$11,500**

Roll over from prior year -
appropriate unexpended capital project
funds for scheduled projects. **\$66,065**

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
<u>Capital Projects Fund</u>					
<u>Revenue</u>					
55-38-05	Impact Fees - Police	0	0	0	
55-38-06	Impact Fees - Fire	0	0	0	
55-38-10	Other Financing Sources	0	0	0	
55-38-11	Disposit of fixed assets -road	52,000	0	52,000	
55-38-12	CDBG Proceeds	97,023	0	97,023	
55-38-13	Disposition of Fixed Assets	65,500	0	65,500	
55-38-14	Grant Revenue	0	0	0	
	Revenue Totals:	214,523	0	214,523	
<u>Contributions and Transfers</u>					
55-39-05	Outside Revenue Sources	0	0	0	
55-39-25	Transfer in from GF	163,089	0	163,089	
55-39-26	Loan Payment Enterprise Funds	0	0	0	
55-39-27	Transfer in CFF 57	0	0	0	
55-39-28	Transfer in FCP 54	0	0	0	
55-39-29	Transfer from GF - Class C	490,968	0	490,968	
55-39-40	Other Financing Sources	0	0	0	
55-39-43	Use of Fund Balance - Class C	0	99,563	99,563	
55-39-44	Use of Fund Balance - General	72,745	161,715	234,460	
	Contributions and Transfers Totals:	726,802	261,278	988,080	
<u>Expenditures</u>					
55-40-40	Other Financing Uses	0	0	0	
55-40-41	Charges for Services Water 50	53,035	30,442	83,477	
55-40-42	Transfer to DSF 65	82,061	0	82,061	
55-40-43	Transfer to General Fund	0	0	0	
55-40-44	Transfer to Capital Facilities	0	0	0	
55-40-46	Transfer to Parks/Fire CIP	0	0	0	
55-40-60	Budgeted Increase Fund Balance	0	0	0	
	Expenditures Totals:	135,096	30,442	165,538	
<u>Road Maintenance</u>					
55-41-02	RS2	391,368	17,770	409,138	

Appropriate unspent capital funds
from prior year. **\$261,278**

Roll over from prior year -
appropriate unexpended funds from
prior year for preliminary work for
the new public works facility. **\$30,442**

Roll over from prior year -
appropriate unexpended capital project
funds for scheduled projects. **\$17,770**

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
<u>Capital Projects Fund</u>					
<u>Road Maintenance (Cont.)</u>					
	Road Maintenance Totals:	391,368	17,770	409,138	
<u>Road Fleet</u>					
55-42-01	RF1	62,000	81,793	143,793	
55-42-02	Road Equipment	88,000	0	88,000	
	Road Fleet Totals:	150,000	81,793	231,793	
<u>Road Reconstruction Projects</u>					
55-43-02	RR-2F 4800 S Wash. Blvd-500 W	0	0	0	
55-43-04	5700 South Road Improvements	0	0	0	
55-43-06	RR-6F 5000 S-Wash Blvd - 500 W	0	0	0	
55-43-08	300 West Road Project	1,600	0	1,600	
55-43-09	RR9 450 West Pjct	0	0	0	
55-43-10	300 West Riverdale Project	0	0	0	
55-43-25	Adams Ave reconstruct	0	0	0	
	Road Reconstruction Projects Totals:	1,600	0	1,600	
<u>Buildings</u>					
55-45-04	BM4	10,000	56,890	66,890	
55-45-05	Fire/Senior Center Complex	0	0	0	
55-45-10	Impact Fee Projects	0	0	0	
55-45-80	Public Works Facility	0	0	0	
	Buildings Totals:	10,000	56,890	66,890	
<u>Information Technology</u>					
55-50-01	IT Replacements/Upgrades	10,000	26,509	36,509	
	Information Technology Totals:	10,000	26,509	36,509	

Roll over from prior year - appropriate unexpended capital project funds for scheduled projects. \$81,793

Roll over from prior year - appropriate unexpended capital project funds for scheduled projects. \$56,890

Roll over from prior year - appropriate unexpended capital project funds for scheduled projects. \$26,509

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
<u>Capital Projects Fund</u>					
<u>Non-Road Fleet</u>					
55-60-01	Fleet Replacements Non-Streets	70,500	47,874	118,374	
55-60-02	Equipment Non-Streets	172,761	0	172,761	
	Non-Road Fleet Totals:	243,261	47,874	291,135	
	Capital Projects Fund Revenue Totals:	941,325	2,405,206	1,202,603	
	Capital Projects Fund Expenditure Totals:	941,325	2,405,206	1,202,603	
	Capital Projects Fund Totals:	0	0	0	

Roll over from prior year - appropriate unexpended capital equipment funds. \$11,500

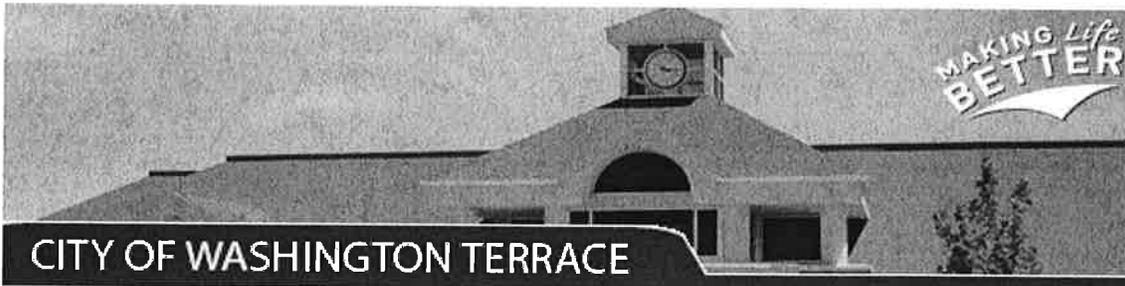
Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
CAPITAL FACILITIES FUND					
<u>Capital Expenditures</u>					
57-40-35	Equipment	0	0	0	
57-40-40	Building Construction Costs	0	0	0	
57-40-45	Fire Station /Demo- CDBG	0	0	0	
57-40-50	Landscaping	0	0	0	
	Capital Expenditures Totals:	0	0	0	
<u>Other Financing Uses</u>					
57-45-05	Other Financing Use	0	0	0	
57-45-10	Bond Issuance Costs	0	0	0	
	Other Financing Uses Totals:	0	0	0	
<u>Debt Service</u>					
57-50-79	Sales Tax Bond 2009 Principal	0	0	0	
57-50-80	Sales Tax Bond 2009 Interest	0	0	0	
57-50-81	Sales Tax Bond 2013 Principal	0	0	0	
57-50-82	Sales Tax Bond 2013 Interest	0	0	0	
	Debt Service Totals:	0	0	0	
<u>Department 57-51</u>					
57-51-01	Transfer to CPF 55	0	0	0	
	Department 57-51 Totals:	0	0	0	
<u>Contributions & Transfers</u>					
57-70-65	Budgeted Increase Fund Balance	0	0	0	
	Contributions & Transfers Totals:	0	0	0	
	CAPITAL FACILITIES FUND Totals:	0	0	0	

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
<u>Debt Service Fund</u>					
<u>Source 65-36</u>					
65-36-10	Interest Earned	0	0	0	
	Source 65-36 Totals:	0	0	0	
<u>REVENUES</u>					
65-39-10	GO Property Taxes	389,678	0	389,678	
65-39-15	General Obligation Int Earnings	0	0	0	
65-39-30	Due from CPF 55	82,061	0	82,061	
65-39-31	Due from SID 66	81,410	0	81,410	
65-39-32	Due from Water Fund 50	14,670	0	14,670	
65-39-33	Due from Sewer Fund 51	22,884	0	22,884	
65-39-40	Other Financing Sources	0	0	0	
65-39-41	Use of fund balance	1,750	0	1,750	
	REVENUES Totals:	592,453	0	592,453	
<u>EXPENDITURES</u>					
65-40-40	Other Financing Uses	0	0	0	
65-40-52	Bond Principal GO Ref Ser 2015	26,678	0	26,678	
65-40-53	Bond Interest GO Ref Ser 2015	363,000	0	363,000	
65-40-54	Muni Equipment Lease Principal	43,054	0	43,054	
65-40-55	Muni Equipment Lease Interest	3,577	0	3,577	
65-40-56	Bond Principal Sales Tax Ser13	67,333	0	67,333	
65-40-57	Bond Interest Sales Tax Ser13	10,560	0	10,560	
65-40-58	Bond Princial Wtr Swr Ser10BC	24,521	0	24,521	
65-40-59	Bond Interest Wtr Swr Ser10BC	13,033	0	13,033	
65-40-60	Series 2005 GO bond principal	0	0	0	
65-40-61	Series 2005 GO bond interest	0	0	0	
65-40-63	Other	1,750	0	1,750	
65-40-64	Bond Issuance Costs	0	0	0	
	EXPENDITURES Totals:	553,506	0	553,506	
<u>CONTRIBUTIONS & TRANSFERS</u>					
65-75-09	Due to Water Fund 50	16,877	0	16,877	
65-75-10	Due to Sewer Fund 51	15,579	0	15,579	
65-75-11	Due to Storm Fund 52	6,491	0	6,491	

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
<u>Debt Service Fund</u>					
<u>CONTRIBUTIONS & TRANSFERS (Cont.)</u>					
	CONTRIBUTIONS & TRANSFERS Totals:	38,947	0	38,947	
	Debt Service Fund Revenue Totals:	592,453	1,184,906	592,453	
	Debt Service Fund Expenditure Totals:	592,453	1,184,906	592,453	
	Debt Service Fund Totals:	0	0	0	

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
<u>SID Capital Projects Fund</u>					
<u>Revenue</u>					
66-39-10	Owner Assessment Collections	80,660	0	80,660	
66-39-11	Late fees and penalties	0	0	0	
66-39-15	Interest Earnings	0	0	0	
66-39-40	Other Financing Sources	0	0	0	
66-39-41	Use of Beginning Fund Balance	1,668	0	1,668	
	Revenue Totals:	82,328	0	82,328	
<u>Operating Expenditures</u>					
66-40-40	Other Financing Uses	0	0	0	
66-40-62	Professional and Technical	0	0	0	
66-40-63	Charges for services G/F	918	0	918	
	Operating Expenditures Totals:	918	0	918	
<u>Debt Service</u>					
66-50-60	Retirement of Bonds	0	0	0	
66-50-61	Interest on Bonds	0	0	0	
	Debt Service Totals:	0	0	0	
<u>Department 66-55</u>					
66-55-01	Transfer to CFF 57	0	0	0	
66-55-02	Transfer to DSF 65	81,410	0	81,410	
	Department 66-55 Totals:	81,410	0	81,410	
	SID Capital Projects Fund Revenue Totals:	82,328	164,656	82,328	
	SID Capital Projects Fund Expenditure Totals:	82,328	164,656	82,328	
	SID Capital Projects Fund Totals:	0	0	0	

**WEBER COUNTY SHERIFF'S OFFICE
WASHINGTON TERRACE
MONTHLY STATISTICS**

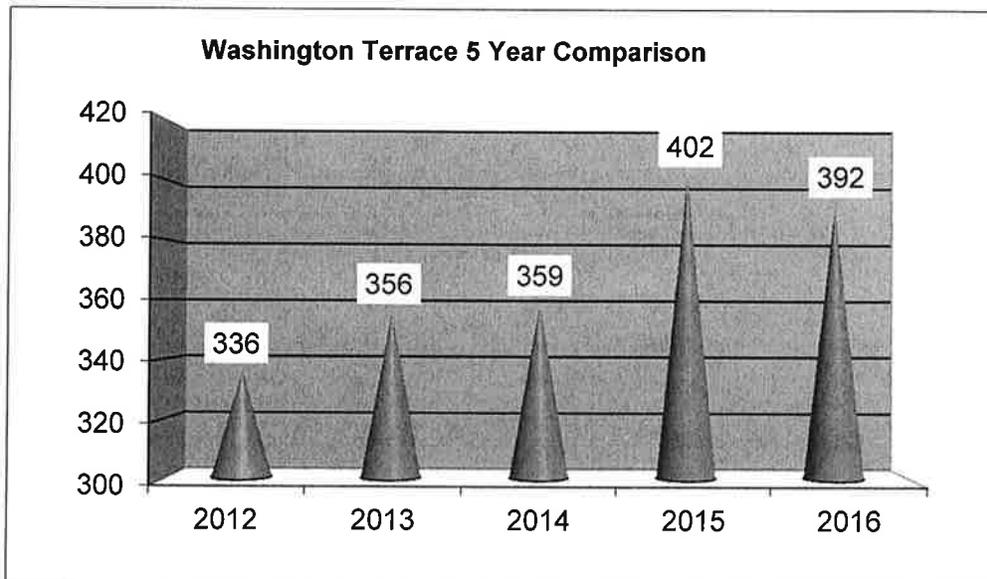


AUGUST 2016

WASHINGTON TERRACE *CALLS FOR SERVICE FOR THE MONTH OF AUGUST 2016

*Calls that were received at our dispatch center and officers were dispatched on

336	356	359	402	392
2012	2013	2014	2015	2016



Self Initiated Agency Assists

SOPD	3
OJ	2
UHP	0
ROPD	3
RIPD	0
NOPD	0
PVPD	1
SF	0
OPD	2
Total	11

Agency Assists

ROYPD	9
OJ	9
SF	0
RIVPD	2
NOPD	0

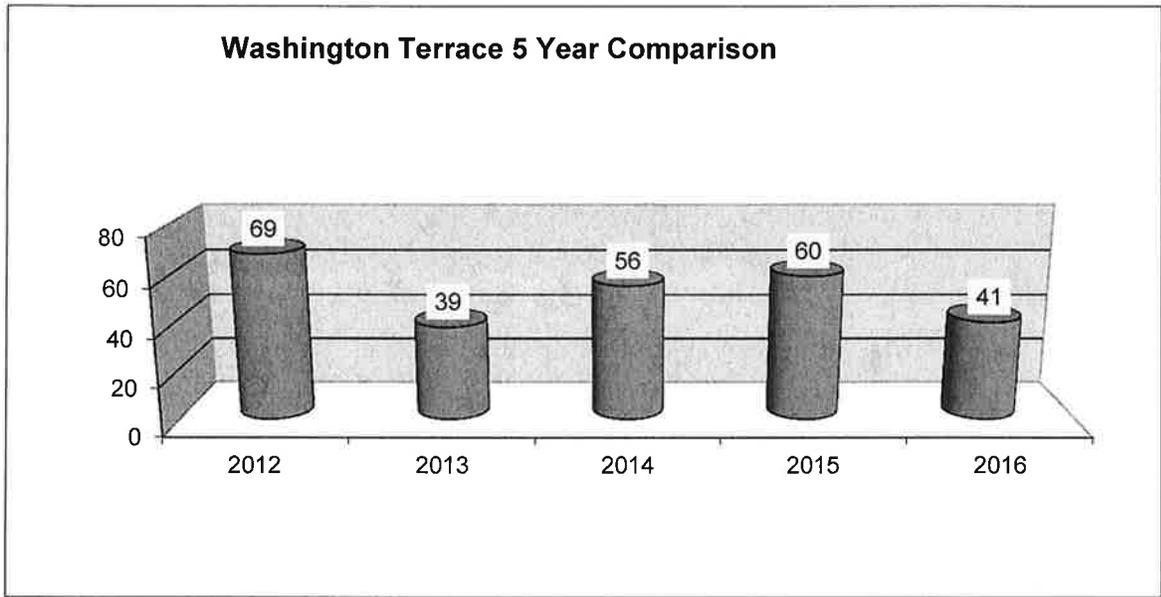
MCSO	1
HRPD	1
OPD	11
SOPD	9
UHP	2
PVPD	3
Total	47

REPORTS PER DEPUTY FOR WASHINGTON TERRACE FOR THE MONTH OF AUGUST 2016

Deputy	Total	Assign.
A Allen	11	Nights
C Allen	2	SRO
P Babinsky	2	SRO
M Chatelain	2	Days
C Clarke	2	Days
C Creager	9	Days
S Endsley	7	Nights
A Freestone	15	Nights
J Gard	14	Days
T Gordon	1	Nights
T Hebdon	9	Days
M Horton	6	Nights
B Jacobs	4	Days
B Johanson	1	Days
K Logerquist	2	Nights
S Malan	9	SRO
M McDonald	2	Days
J Millaway	7	Nights
D Ney	10	Days
J Ortgiesen	5	SRO
C Ryan	3	Det
N Shears	17	Nights
William Smith	2	Nights
C Stanger	15	Days
K Stuart	12	Days
S Tatton	3	Nights
J Torres	9	Nights
W Voth	31	Days
J Wiese	7	Nights
	219	

WASHINGTON TERRACE CITATION 5 YEAR COMPARISON FOR THE MONTH OF AUGUST 2016

69	39	56	60	41
2012	2013	2014	2015	2016



WASHINGTON TERRACE CRIME CALENDAR

2016

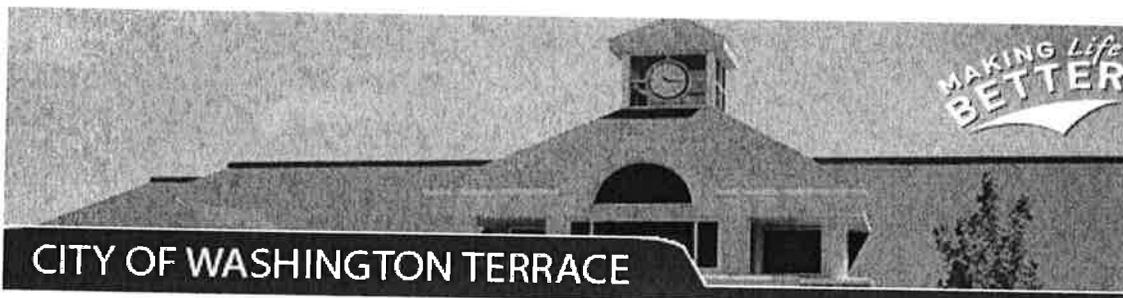


ASSAULT One occurred every 5.2 days

THEFT One occurred every 5.2 days

BURGLARY One occurred every 1.9 days

WEBER COUNTY SHERIFF'S OFFICE WASHINGTON TERRACE MONTHLY STATISTICS

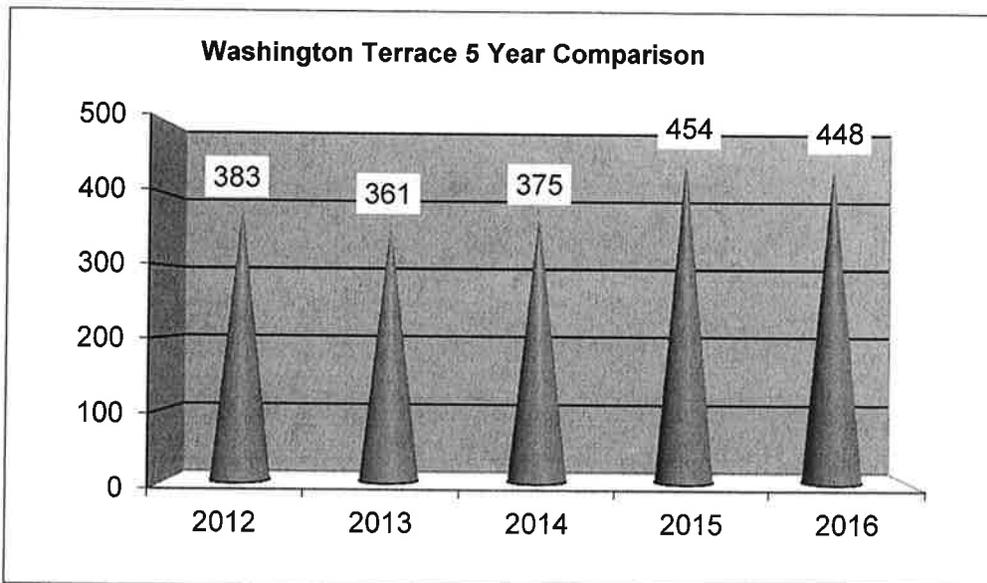


SEPTEMBER 2016

WASHINGTON TERRACE *CALLS FOR SERVICE FOR THE MONTH OF SEPTEMBER 2016

*Calls that were received at our dispatch center and officers were dispatched on

383	361	375	454	448
2012	2013	2014	2015	2016



Self Initiated Agency Assists

SOPD	0
OJ	0
UHP	1
ROPD	0
RIPD	0
NOPD	0
PVPD	0
SF	0
MCSO	1
OPD	0
Total	2

Agency Assists	
ROYPD	1
OJ	12
SF	0
RIVPD	4

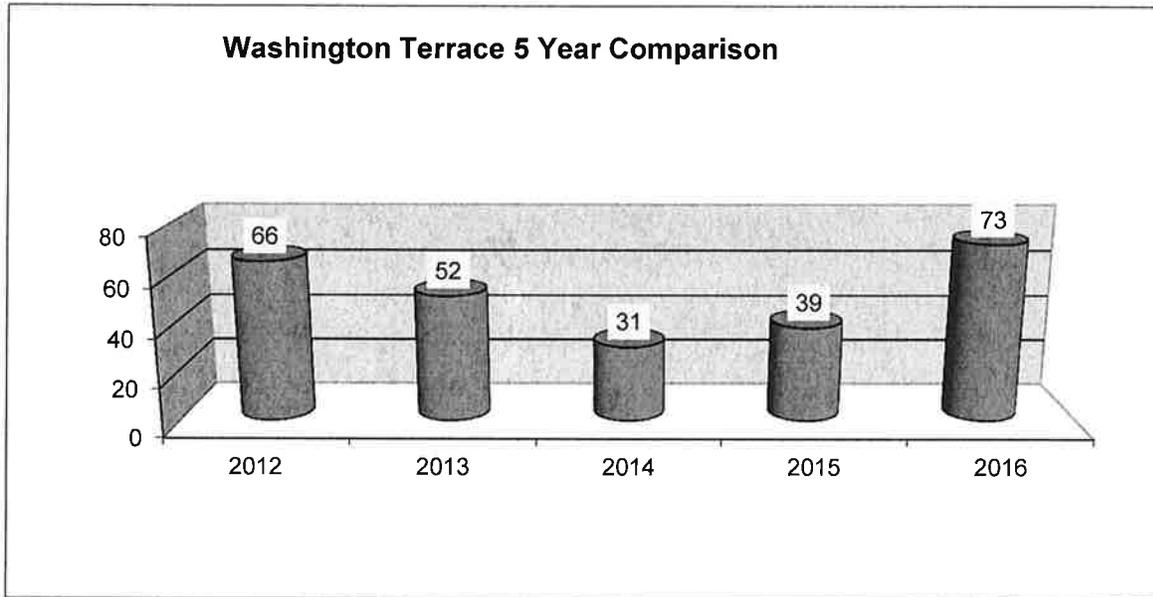
NOPD	1
MCSO	0
HRPD	2
OPD	5
SOPD	5
UHP	0
PVPD	1
Total	31

REPORTS PER DEPUTY FOR WASHINGTON TERRACE FOR THE MONTH OF SEPTEMBER 2016

Deputy	Total	Assign.
A Allen	14	Nights
C Allen	19	SRO
V Bitton	4	Days
M Chatelain	1	Days
C Clark	5	Days
C Creager	8	Days
S Endsley	13	Nights
A Freestone	6	Nights
J Gard	14	Days
T Gordon	7	Nights
T Hebdon	30	Days
M Horton	2	Nights
B Jacobs	7	Days
N Jones	3	Nights
J LacQuay	3	Days
J Leon	8	Days
K Logerquist	7	Nights
D MacInnes	1	Days
M McDonald	1	Days
J Millaway	8	Nights
A Nelson	1	Nights
D Ney	7	Days
J Ortgiesen	7	SRO
J Rock	1	Days
Colby Ryan	14	Days
Cortney Ryan	1	Det
N Shears	1	Nights
K Slater	3	Nights
William Smith	1	Nights
C Stanger	1	Days
	198	

WASHINGTON TERRACE CITATION 5 YEAR COMPARISON FOR THE MONTH OF SEPTEMBER 2016

66	52	31	39	73
2012	2013	2014	2015	2016



WASHINGTON TERRACE

CRIME CALENDAR

2016



ASSAULT One occurred every 15 days

THEFT One occurred every 3.8 days

BURGLARY One occurred every 10 days



City of Washington Terrace
Redevelopment Agency Meeting
Tuesday, October 18, 2016
following the Regular City Council Meeting
City Hall Council Chambers
5249 South 400 East, Washington Terrace City

1. **ROLL CALL**

2. **INTRODUCTION OF GUESTS**

3. **CONSENT ITEMS**

Any point of order or issue regarding items on the Agenda or the order of the agenda need to be addressed here prior to the approval of the agenda.

3.1 **APPROVAL OF AGENDA**

3.2 **APPROVAL OF MEETING MINUTES FROM JULY 19, 2016**

4. **NEW BUSINESS**

4.1 **RESOLUTION 16-16: AMENDING THE 2016-2017 FISCAL YEAR
BUDGET**

5. **COMMENTS CONSIDERED**

6. **ADJOURNMENT OF MEETING: CHAIR ALLEN**

CERTIFICATE OF POSTING

I, Amy Rodriguez, The undersigned duly appointed City Recorder of the City of Washington Terrace do hereby certify that the above agenda was posted in three public places within the City limits and sent to the *Standard Examiner* at least 24 hours prior to the meeting.

For Packet Information, please visit our website at www.washingtonterracecity.org

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City of Washington Terrace

Minutes of a Redevelopment meeting
Held on July 19, 2016
Immediately following the Regular City Council Meeting
City Hall, 5249 South 400 East, Washington Terrace City,
County of Weber, State of

CHAIR, BOARD, AND STAFF MEMBERS PRESENT

Chair Allen
Board Member Monsen
Board Member Brown- Excused
Vice-Chair Shupe
Board Member Barker
Board Member Jensen- Excused
City Manager Tom Hanson
Secretary Amy Rodriguez
Public Works Director Steve Harris

Others Present

Charles and Reba Allen, Dell Kraaima

1. ROLL CALL

2. INTRODUCTION OF GUESTS

3. CONSENT ITEMS.

3.1 APPROVAL OF AGENDA

3.2 APPROVAL OF MEETING MINUTES FROM JUNE 21, 2016

Items 3.1 and 3.2 were approved by general consent.

4. COMMENTS CONSIDERED

There were no comments considered.

5. ADJOURNMENT OF MEETING: CHAIR ALLEN

Chair Allen adjourned the meeting at 7:29 p.m.

City of Washington Terrace
County of Weber, State of Utah

RESOLUTION NO. 16-16

**A RESOLUTION AMENDING THE WASHINGTON TERRACE
REDEVELOPMENT AGENCY FISCAL YEAR 2016-2017 BUDGET**

WHEREAS, it is the desire of the Redevelopment Agency Board of the City of Washington Terrace to continue to function in an efficient and cost efficient manner in providing the citizens with a safe and healthy environment; and

WHEREAS, the Washington Terrace Redevelopment Agency Board deems it necessary to amend the Fiscal Year 2016- 2017 Redevelopment Agency Budget as detailed in the attached budget worksheet.

NOW THEREFORE BE IT RESOLVED by the Redevelopment Agency Board of Washington Terrace City to amend the Redevelopment Agency Fiscal Year 2016- 2017 budget as attached hereto.

APPROVED this 18th day of October 2016.

City of Washington Terrace

Mark C. Allen, Mayor/ Chair

ATTEST:

(SEAL)

Amy Rodriguez, City Recorder

Roll Call Vote:
Board Member Blair Brown
Board Member Robert Jensen
Board Member Scott Barker
Board Member Scott Monsen
Board Member Val Shupe

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
REDEVELOPMENT AGENCY FUND					
INTERGOVERNMENTAL REVENUE					
70-31-10	Tax Increment - Southeast	398,372	0	398,372	Recognize final STP grant contribution for the Adams Ave Road Reconstruct Project. \$254,814
70-31-11	Tax Increment - Central B/D	19,800	0	19,800	
70-31-14	Grant Revenue	0	254,814	254,814	
INTERGOVERNMENTAL REVENUE Totals:		418,172	254,814	672,986	
OTHER REVENUE					
70-36-10	Interest Income	0	0	0	
OTHER REVENUE Totals:		0	0	0	
CONTRIBUTIONS & TRANSFERS					
70-39-25	Transfer in GF 10 Southeast	105,423	0	105,423	Roll over from prior year - appropriate unspent funds for the RDA commercial water meter replacement project. \$114,050 (also see page 13)
70-39-26	Transfer in GF 10 Cen Bus Dist	5,200	0	5,200	
70-39-40	Use of Beginning Fund Balance	725,568	114,050	839,618	
CONTRIBUTIONS & TRANSFERS Totals:		836,191	114,050	950,241	
OPERATING EXPENDITURES					
70-40-11	Salaries and Wages	14,400	0	14,400	
70-40-13	Benefits	1,100	0	1,100	
70-40-21	Memberships, Books, Subscripti	2,800	0	2,800	
70-40-23	Travel and Training	1,000	0	1,000	
70-40-24	Office Supplies	0	0	0	
70-40-31	Professional and Technical	0	0	0	
70-40-46	Misc. Services and Supplies	0	0	0	
70-40-48	RDA Increment Incentive	0	0	0	
70-40-50	Charges for services GF 10	5,652	0	5,652	
OPERATING EXPENDITURES Totals:		24,952	0	24,952	
CENTRAL BUSINESS DISTRICT					
70-44-31	Professional and Technical	0	0	0	
70-44-46	300 W. Riverdale Rd Pjct	0	0	0	
70-44-47	Road Maintenance	0	0	0	
70-44-48	Redevelopment Projects CBD	181,356	0	181,356	

Acct No	Account Description	07/16-09/16	2016 - 2017	2016-17	Budget Adj Justification
		Cur YTD Budget	Budget Adj (+/-)	Final Adjusted Budget	
REDEVELOPMENT AGENCY FUND					
CENTRAL BUSINESS DISTRICT (Cont.)					
70-44-50	Charges for services Water 50	0	8,550	8,550	
70-44-71	Charges for Services GF 10	0	0	0	
CENTRAL BUSINESS DISTRICT Totals:		181,356	8,550	189,906	
SOUTHEAST PROJECT AREA					
70-45-31	Professional and Technical	0	0	0	
70-45-45	Project Area Lighting - SE	65,900	0	65,900	
70-45-46	Adams Avenue Reconstruction	0	296,470	296,470	
70-45-47	Road Maintenance	0	0	0	
70-45-48	Capital Projects - Southeast	982,155	(41,656)	940,499	
70-45-50	Charges for services Water 50	0	105,500	105,500	
70-45-71	Charges for Services GF 10	0	0	0	
SOUTHEAST PROJECT AREA Totals:		1,048,055	360,314	1,408,369	
DEBT SERVICE					
70-50-79	Series 2003 bond principal	0	0	0	
70-50-80	Series 2003 bond interest	0	0	0	
DEBT SERVICE Totals:		0	0	0	
REDEVELOPMENT AGENCY FUND					
MISC REVENUE Revenue Totals:		1,254,363	3,246,454	1,623,227	
REDEVELOPMENT AGENCY FUND					
MISC REVENUE Expenditure Totals:		1,254,363	3,246,454	1,623,227	
REDEVELOPMENT AGENCY FUND					
MISC REVENUE Totals:		0	0	0	
Grand Totals:		0	0	0	

Roll over from prior year - appropriate unexpended funds for scheduled CBD commercial water meter replacment project. **\$8,550**

Roll over from prior year - appropriate unexpended funds for scheduled SE commercial water meter replacment project. **\$105,500**

Appropriate funds for the completion and closeout of the Adams Ave Road Reconstruction STP Project. **\$296,470** (see page 31, grant revenue)

Reallocate unspecified Southeast Capital Projects to the Adams Ave Road Reconstruction STP Project to fund remaining City share. **\$(41,656)**

Report Criteria:
Account.Acct No = All
Account Detail