

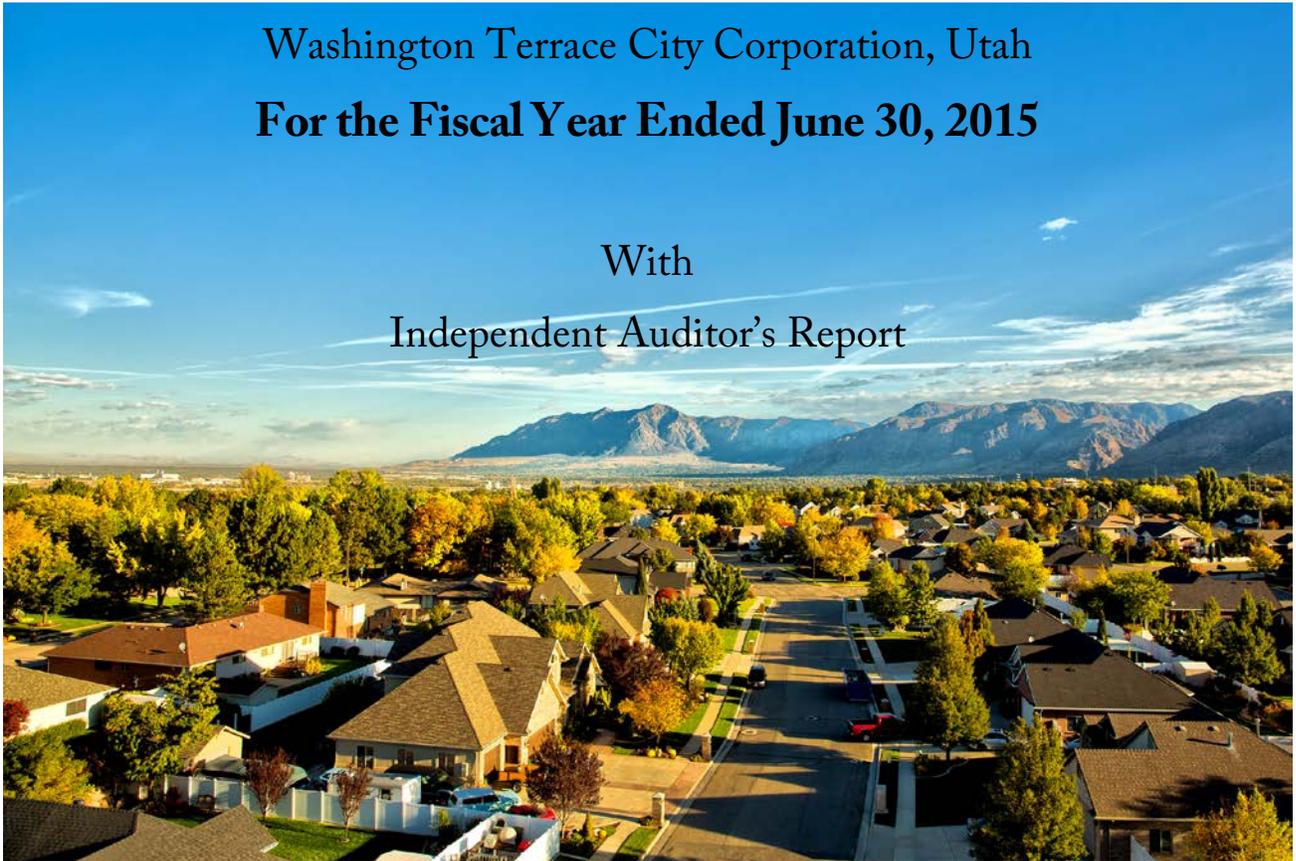
City of Washington Terrace

Est. 1958

Comprehensive Annual Financial Report

Washington Terrace City Corporation, Utah
For the Fiscal Year Ended June 30, 2015

With
Independent Auditor's Report



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Washington Terrace, UT 84405
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www.washingtonterracecity.com

Washington Terrace City Corporation

County of Weber, State of Utah

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2015

Includes Internal Control, Compliance Reports, and
Supplemental Information



Prepared by:

Finance Department

Shari' C. Garrett, Finance Director



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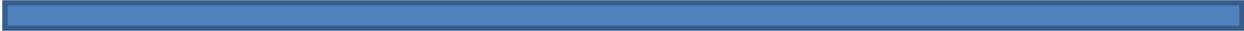
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INTRODUCTORY

SECTION

November 5, 2015



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, 2015, 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 Washington Terrace City Corporation’s

financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Washington Terrace City Corporation'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, 2015, 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 7.2 percent or 613 people or from 8,551 to 9,164 estimated 2013. 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 12.1% 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.

Assessed Property Value

The City’s total assessed value is small compared to other cities of similar size at \$334,926,134, while the total direct tax rate is relatively high at 0.003101. Assessed taxable value increased by 1.9 percent from fiscal year 2014. Said increase is attributed to an improving housing market and values and new/renovated commercial developments.

Since 2006, assessed taxable value has increased by 25 percent. 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. Subsequently, values reached their pinnacle in 2010 at \$341,065,402. While current values have yet to reach the 2010 high, they appear to have stabilized and are showing signs of some growth.

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 2015, total governmental activity revenues of \$6,801,198 increased by 9.3 percent or \$579,530. The greatest increase was reported in intergovernmental revenues increasing 61.6 percent or \$739,589. The greatest decrease was reported in property taxes decreasing by 7.5 percent or \$128,342. Capital grants and contributions represent the largest program revenue source at \$1,939,832 or 28.5 percent of total governmental activity revenue--other taxes represents 24.6 percent, property taxes 23.4 percent, charges for services 19.2 percent, operating grants and contributions 4.1 percent and other revenue 0.21 percent.

Economy

According to the State of Utah Department of Workforce Services, the Weber County (the county which the City resides) economy started 2015 with strong economic performance. Employment is growing at a rate not seen in more than 10 years and is very wide-spread across all industries. Employment growth is up to 4.1% year-over growth in March 2015 adding 3,923 new jobs. Taxable sales were up more than 6 percent with particular strength in retail markets suggesting consumer confidence continues to build. Unemployment remains low and initial unemployment insurance claims are back to pre-recession levels. Overall, the indicators are reaffirming 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, 2014

Executive Director/CEO

MAYOR AND CITY COUNCIL



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Washington Terrace, UT 84405
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Council Member Blair Brown

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Council Member Robert Jensen

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MAYOR AND CITY COUNCIL



Council Member Mary Johnston

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Council Member Scott J. Monsen

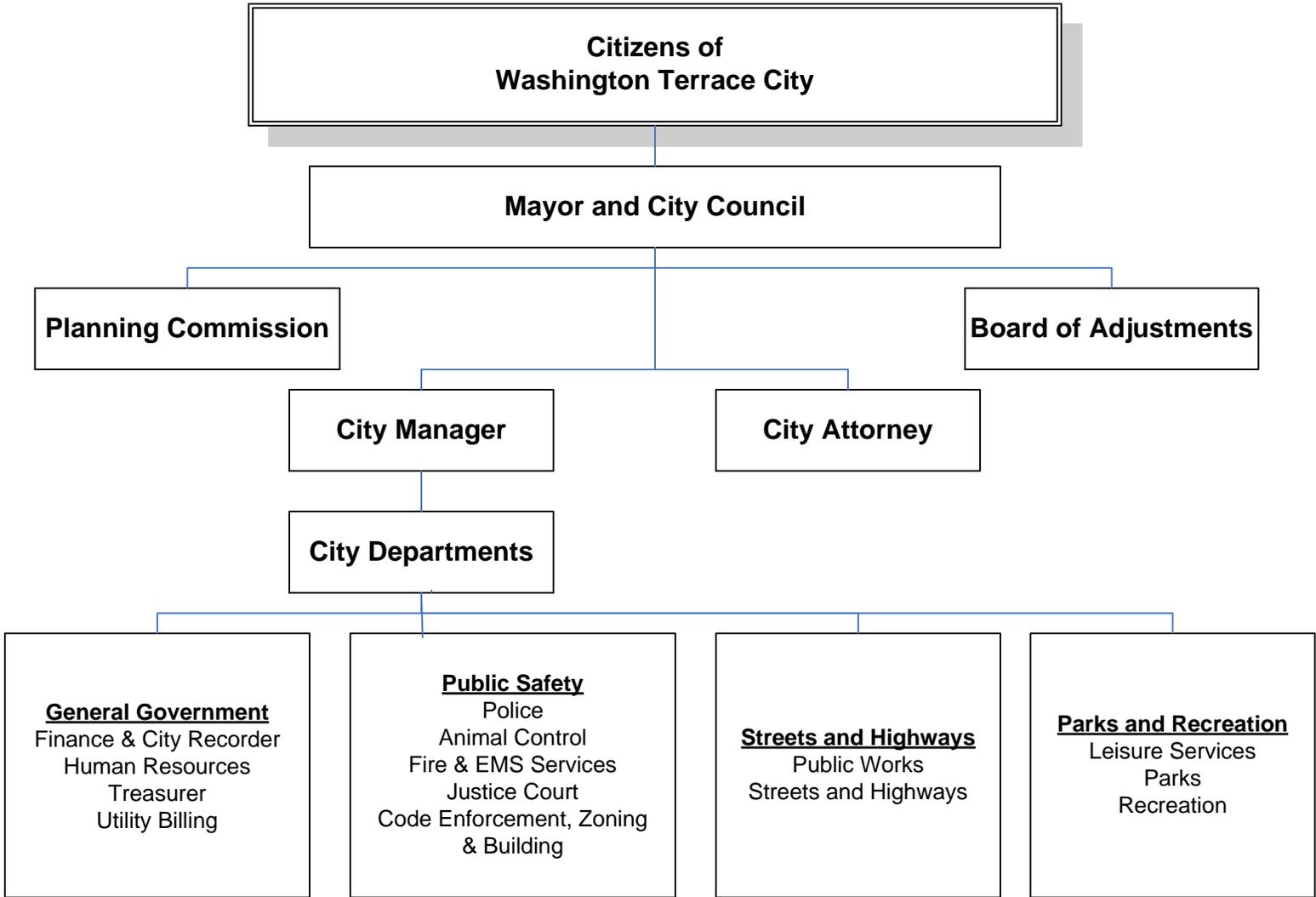
4354 South 175 East
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Council Member Val D. Shupe

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Email: vshupe09@gmail.com

City of Washington Terrace Organizational Structure





FINANCIAL

SECTION



Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

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, 2015, 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, 2015, 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.

Emphasis of Matter

As discussed in Note 15 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

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 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, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and 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 combining and individual nonmajor fund financial statements and 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 November 4, 2015 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

November 4, 2015



**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, 2015. 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 \$37,688,322, deferred outflow of resources \$87,072, liabilities \$4,375,964, and deferred inflows of resources were \$1,520,304. The assets and deferred outflow of resources of Governmental Activities exceeded its liabilities and deferred inflows by \$31,879,126 (net position). Of this amount, \$26,868,331 is net investment in capital assets; \$1,187,098 is restricted; and \$3,823,697 is unrestricted.

The City's Governmental funds (General, Redevelopment Agency, Capital Projects, and Debt Service Funds) reported a combined ending fund balance of \$5,472,532, an increase of 12.9 percent or \$624,582 in comparison to the prior year's total ending fund balances of \$4,847,950. Of the combined total fund balance in 2015, \$915,480 is unassigned; \$774,007 is assigned for redevelopment activities and related projects; \$2,595,947 is committed for capital projects; and \$1,187,098 is restricted. The fund balances of the General Fund at June 30, 2015, totaled \$1,231,421, down 6.9 percent or \$91,450 from 2014. Of said balance, \$315,941 is restricted for Class "C" road and debt service purposes and \$915,480 is unassigned.

Business-type Activities

At year end, Business-type Activities or *fee supported activities* total assets were \$17,718,471 and liabilities \$2,724,760. The assets of Business-type Activities exceeded its liabilities by 14,993,711 (net position). Of this amount, \$8,957,657 is net investment in capital assets, \$29,833 is restricted, and \$6,006,221 is unrestricted.

Government-wide

The Primary Government reported total assets of \$55,406,793, deferred outflow of resources \$87,072, liabilities of \$7,100,724, and deferred inflows of resources \$1,520,304 resulting in a total net position of \$46,872,837. Total net position consists of net investment in capital assets of \$35,825,988, \$1,216,931 restricted, and \$9,829,918 unrestricted.

Long-term Debt

Long-term debt outstanding for the Primary Government decreased by 10.9 percent or \$739,886 compared to the prior year. Governmental Activities long-term debt outstanding decreased by 10.8 percent or \$420,158, with amounts due within one year of \$509,409. Business-type Activities long-term debt outstanding decreased by 11 percent or \$319,728, with total amounts due within one year of \$285,600.

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 Statement of Activities 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). The Governmental Activities for the City include general governmental (legislative and executive activities and non-departmental); public safety (Police and Fire), public works/streets and parks/recreation (Public Services). 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 Redevelopment Agency of Washington Terrace. 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.

The City Business-type Activities include operating culinary water, sanitary sewer, refuse, and storm water 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 – Most of the City's basic services are accounted for in 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: culinary water, sanitary sewer, storm water, and refuse. Internal Service Funds report activities that provide services and supplies for the City's other programs and activities such as city garage and fuel services. 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 is 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. 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, and 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 2014 and 2015, 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 5.8 percent or by \$2,551,276; increasing from \$44,321,561 as restated in 2014 to \$46,872,837 in 2015.

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, equipment, infrastructure, and improvements. Capital Assets are not resources available for spending, nor can they be readily liquidated to satisfy related liabilities. In 2015, Capital Assets represented 80.3 percent or \$30,249,017 of total Governmental activity total assets, 65.2 percent or \$11,550,992 of total for Business-type activities, and 75.4 percent or \$41,800,009 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 2015, Long-Term Liabilities (excluding deferred outflow of resources) for the Primary Government represented 85.4 percent or \$6,060,967 of total liabilities. For Governmental Activities long-term liabilities represented 79.2 percent or \$3,467,632 of total liabilities and 95.2 percent or \$2,593,335 for Business-type Activities. Long-term liabilities outstanding for the Primary Government decreased by 10.9 percent or \$739,886 from 2014 to 2015. Total liabilities outstanding decreased by 1.8 percent or \$130,876.

CITY OF WASHINGTON TERRACE, UT
MANAGEMENT DISCUSSION & ANALYSIS
Fiscal Year Ended June 30, 2015

| CITY OF WASHINGTON TERRACE | | | | | | | |
|--|--------------------------------|---------------------|---------------------------------|---------------------|-------------------------|---------------------|---|
| Comparative Summary of Net Position | | | | | | | |
| Primary Government | | | | | | | |
| For Fiscal Year Ended June 30 | | | | | | | |
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total Activities</u> | | Total % Change From Prior Year |
| | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | |
| Current and Other Assets | \$ 6,617,651 | \$ 7,439,305 | \$ 5,510,043 | \$ 6,167,479 | \$ 12,127,694 | \$ 13,606,784 | 12.2% |
| Capital Assets | 29,429,197 | 30,249,017 | 11,895,323 | 11,550,992 | 41,324,520 | 41,800,009 | 1.2% |
| Total Assets | 36,046,848 | 37,688,322 | 17,405,366 | 17,718,471 | 53,452,214 | 55,406,793 | 3.7% |
| Deferred Outflow of Resources | - | 87,072 | - | - | - | 87,072 | 100.0% |
| Current and Other Liabilities | 325,765 | 908,332 | 104,982 | 131,425 | 430,747 | 1,039,757 | 141.4% |
| Long-term Liabilities | 3,887,790 | 3,467,632 | 2,913,063 | 2,593,335 | 6,800,853 | 6,060,967 | -10.9% |
| Total Liabilities | 4,213,555 | 4,375,964 | 3,018,045 | 2,724,760 | 7,231,600 | 7,100,724 | -1.8% |
| Deferred Inflows of Resources | 1,491,400 | 1,520,304 | - | - | 1,491,400 | 1,520,304 | 1.9% |
| Net Position: | | | | | | | |
| Net Investment in Capital Assets | 25,624,015 | 26,868,331 | 9,232,700 | 8,957,657 | 34,856,715 | 35,825,988 | 2.8% |
| Restricted | 1,002,446 | 1,187,098 | 281,627 | 29,833 | 1,284,073 | 1,216,931 | -5.2% |
| Unrestricted | 3,715,432 | 3,823,697 | 4,872,994 | 6,006,221 | 8,588,426 | 9,829,918 | 14.5% |
| Total Net Position | \$30,341,893 | \$31,879,126 | \$14,387,321 | \$14,993,711 | \$44,729,214 | \$46,872,837 | 4.8% |

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 at 76.4 percent or \$35,825,988 in 2015. 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 increased by 2.8 percent or \$969,273 compared to the prior year.

Restricted Net Position or 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 5.2 percent or \$67,142 in 2015. Restricted net position for the Primary Government represents 2.6 percent of total net position. The Primary Government’s remaining \$9,829,918 or 21.0 percent of its net position is

unassigned and may be used at the City's discretion to meet its ongoing obligations to customers, creditors, completion of ongoing or scheduled projects, or maintained for a reserve.

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 4.8 percent or \$2,551,276 from the prior year. Total activity revenue increased by 3.5 percent or \$371,396 primarily as a result of an increase in reported grants and contributions. Capital Grants and Contributions experienced the largest component change from the prior year increasing by 35.4 percent or \$510,674 from 2014.

Total program expenses increased by 10.4 percent or \$715,895 from 2014. 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 \$1,068,365 or 70.9 percent. General Government experienced the greatest decrease in dollar value and percent change—decreasing \$458,819 or 35.3 percent.

CITY OF WASHINGTON TERRACE, UT
MANGEMENT DISCUSSION & ANALYSIS
Fiscal Year Ended June 30, 2015



CITY OF WASHINGTON TERRACE
Comparative Changes in Net Position
Primary Government
For Fiscal Year Ended June 30

| | Governmental Activities | | Business-Type Activities | | Total Activities | | Total % Change From Prior Year |
|--|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|---|
| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | |
| Revenues | | | | | | | |
| Program Revenues: | | | | | | | |
| Charges for Services | \$ 1,388,257 | \$ 1,303,058 | \$ 3,320,481 | \$ 3,303,552 | \$ 4,708,738 | \$ 4,606,610 | -2.2% |
| Operating Grants and Contributions | 275,322 | 278,869 | - | - | 275,322 | 278,869 | 1.3% |
| Capital Grants and Contributions | 1,200,243 | 1,939,832 | 242,162 | 13,247 | 1,442,405 | 1,953,079 | 35.4% |
| General Revenues: | | | | | | | |
| Property Taxes | 1,719,870 | 1,591,528 | - | - | 1,719,870 | 1,591,528 | -7.5% |
| Other Taxes | 1,617,794 | 1,673,932 | - | - | 1,617,794 | 1,673,932 | 3.5% |
| Other | 20,182 | 13,979 | 24,432 | 35,245 | 44,614 | 49,224 | 10.3% |
| Total Revenues | 6,221,668 | 6,801,198 | 3,587,075 | 3,352,044 | 9,808,743 | 10,153,242 | 3.5% |
| Expenses | | | | | | | |
| Program Expenses: | | | | | | | |
| General Government | 1,299,410 | 840,591 | - | - | 1,299,410 | 840,591 | -35.3% |
| Public Safety | 1,268,295 | 1,153,802 | - | - | 1,268,295 | 1,153,802 | -9.0% |
| Highways & Public Works | 1,506,224 | 2,574,589 | - | - | 1,506,224 | 2,574,589 | 70.9% |
| Parks & Recreation | 244,530 | 261,500 | - | - | 244,530 | 261,500 | 6.9% |
| Interest on Long-term Debt | 112,941 | 116,935 | - | - | 112,941 | 116,935 | 3.5% |
| Water Services | - | - | 834,383 | 951,617 | 834,383 | 951,617 | 14.1% |
| Sewer Services | - | - | 916,534 | 965,234 | 916,534 | 965,234 | 5.3% |
| Refuse Services | - | - | 421,714 | 436,185 | 421,714 | 436,185 | 3.4% |
| Storm Water Services | - | - | 282,040 | 301,513 | 282,040 | 301,513 | 6.9% |
| Total Expenses | 4,431,400 | 4,947,417 | 2,454,671 | 2,654,549 | 6,886,071 | 7,601,966 | 10.4% |
| Increase in Net Position Before | | | | | | | |
| Transfers | 1,790,268 | 1,853,781 | 1,132,404 | 697,495 | 2,922,672 | 2,551,276 | -12.7% |
| Transfers | 90,538 | 91,106 | (90,538) | (91,106) | - | - | |
| Change in Net Position | 1,880,806 | 1,944,887 | 1,041,866 | 606,389 | 2,922,672 | 2,551,276 | -12.7% |
| Net Position - Beginning (as restated) | 28,461,087 | 29,934,239 | 13,345,455 | 14,387,322 | 41,806,542 | 44,321,561 | 6.0% |
| Net Position - Ending | \$ 30,341,893 | \$ 31,879,126 | \$ 14,387,321 | \$ 14,993,711 | \$ 44,729,214 | \$ 46,872,837 | 4.8% |

Table 2- Comparative Changes in Net Position

As shown in Figure 1, Charges for Services continue to be the largest revenue source representing 45 percent of total revenues in 2015 compared to 48 percent in 2014. Charges for Services declined by 2.2 percent in 2015 or from \$4,708,738 in 2014 to \$4,606,610 in 2015.

Grants & Contributions represent the second largest revenue source for the primary government representing 22.0 percent or \$1,953,079. Grants and Contributions increased by 35.4 percent or \$510,674 in 2015. Other Taxes and Property Taxes closely follow Grants & Contributions representing 16.5 and 15.7 percent or a combined \$3,265,460 of total revenues.

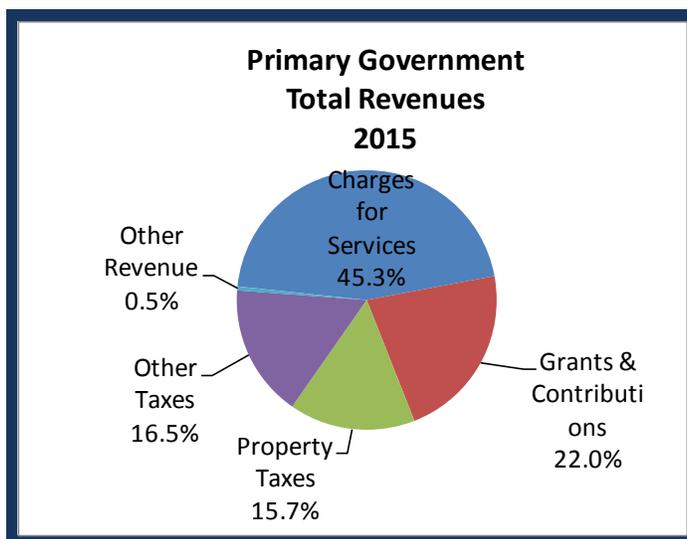


Figure 1 – Primary Government Revenues as a Percentage of Total

As shown in Figure 2, Highways and Public Works continue to be the largest expenses activity representing 33.9 percent of total revenues in 2015 compared to 21.9 percent in 2014. Highways and Public Works increased by 70.9 percent or \$1,068,365 in 2015.

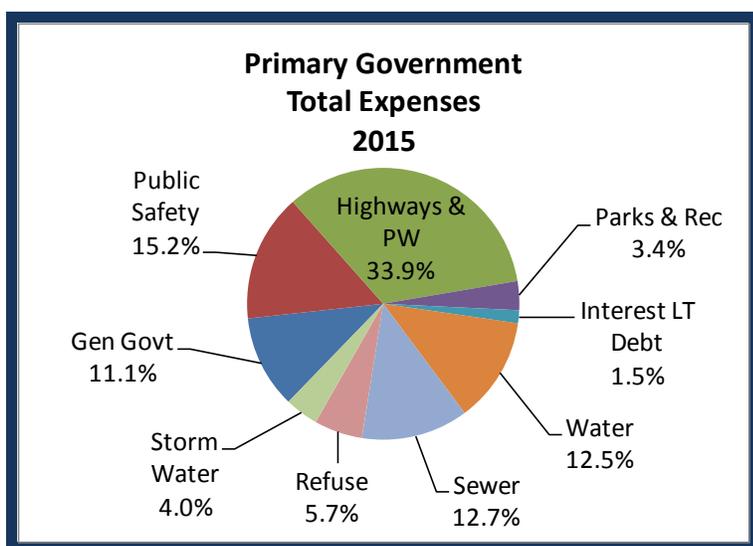


Figure 2 – Primary Government Expenses as a Percentage of Total

Public Safety represents the second largest expense activity for the primary government representing 15.2 percent or \$1,153,802. Public Safety expenses decreased by 9 percent or \$114,493 in 2015. Closely following Public Safety is Water and Sewer activities at 12.7 and 12.5 respectively or a combined expense total of \$1,916,851.

Governmental Activities

Ending net position for Governmental Activities increased by 3.4 percent or \$1,944,887 compared to the prior year.

Total activity revenue increased by 9.3 percent or \$579,530 primarily attributed to an increase in reported Capital Grants and contributions. Capital Grants and Contributions experienced the largest component change from the prior year increasing by 61.6 percent or \$739,589. Capital Grants and Contributions represent 28.5 percent or \$1,939,832 of total governmental revenues.

Total activity expenses increased by 11.6 percent or \$516,017 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 70.9 percent or \$1,068,365.

The following Table 3 and Figure 3, “Net Cost of Governmental Activities”, illustrates each governmental activity’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 \$1,425,658 net program deficit.

| CITY OF WASHINGTON TERRACE Net Cost of Governmental Activities For Fiscal Year Ended June 30 | | | | | | | | |
|--|---------------------|---------------------|-----------------------|---------------------|-------------------------------------|-----------------------|--|---------------|
| Activities | Program Expenses | | Less Program Revenues | | Net Program (Expense) / Revenues | | Program Revenues as a % of Program Expenses | |
| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 |
| General Government | \$ 1,299,410 | \$ 840,591 | \$ 984,483 | \$ 1,117,176 | \$ (314,927) | \$ 276,585 | -75.8% | -132.9% |
| Public Safety | 1,268,295 | 1,153,802 | 171,253 | 84,743 | (1,097,042) | (1,069,059) | -13.5% | -7.3% |
| Highways & Public Works | 1,506,224 | 2,574,589 | 348,069 | 2,277,021 | (1,158,155) | (297,568) | -23.1% | -88.4% |
| Parks & Recreation | 244,530 | 261,500 | 430,898 | 42,819 | 186,368 | (218,681) | -176.2% | -16.4% |
| Interest on Long-term Debt | 112,941 | 116,935 | - | - | (112,941) | (116,935) | 0.0% | 0.0% |
| Total Governmental Activities | \$ 4,431,400 | \$ 4,947,417 | \$ 1,934,703 | \$ 3,521,759 | \$ (2,496,697) | \$ (1,425,658) | -43.7% | -71.2% |

Table 3 – Net Cost of Governmental Activities

General Government, representing 17 percent of total governmental expense activities, had the greatest ability to generate revenues to support its program expenses. Program revenues generated were \$1,117,176 and expenses were \$840,591 resulting in a program surplus of \$276,585.

Public Safety, the third largest activity representing \$1,153,802 or 23.3 percent of total program expenses, had the lowest ability to generate revenues to support its program expenses. Program revenues of \$84,743 resulted in a program deficit of \$1,069,059.

Business-Type Activities

Ending net position for Business-type Activities increased by 4.2 percent or \$606,389 when compared to the prior year. Total activity revenue decreased by 6.6 percent or \$235,031 largely due to a 94.5 percent or \$228,915 reduction in Capital Grants and Contributions. Capital Grants and Contributions experienced the largest component value change from the prior year.

Total activity expenses increased by 8.1 percent or \$199,878 largely due to general increases to water operating costs. Water services experienced the largest component change from the prior year increasing 14.1 percent or \$117,234.

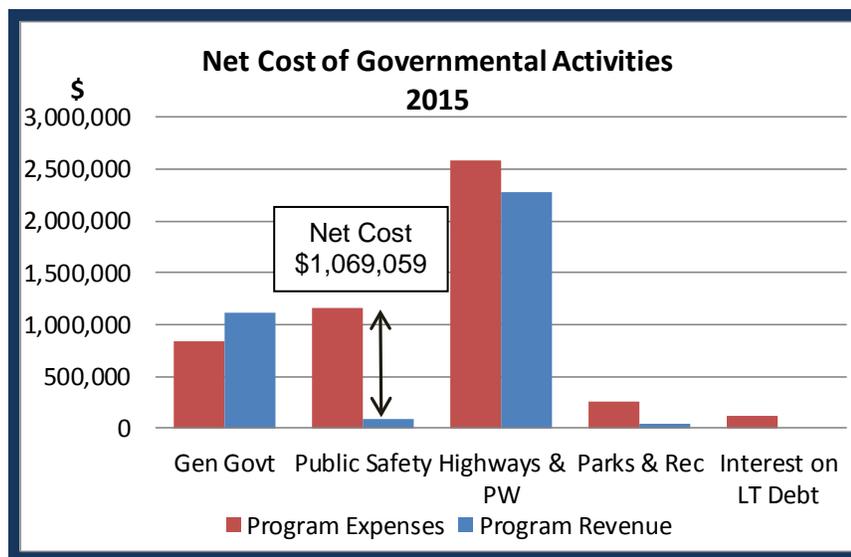


Figure 3 – Net Cost of Governmental Activities

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 \$41,800,009 (net of \$15,935,236 accumulated depreciation) a 1.2 percent or \$475,489 increase from the prior year.

Capital Assets are categorized by five major groups: land, construction in process, buildings & improvements, equipment, and infrastructure. The greatest percent and value change in capital assets from prior year as a percentage change was construction in process increasing 272.9 percent or \$2,027,021 from prior year.

Major capital asset added during 2015 included the following:

- Adams Avenue Road Reconstruction - \$2,081,228
- Fleet Replacement - \$389,260

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 | | Total % Change From Prior Year |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|---|
| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | |
| Land | \$ 9,420,401 | \$ 9,420,402 | \$ 116,813 | \$ 116,813 | \$ 9,537,214 | \$ 9,537,215 | 0.0% |
| Construction in process | 742,851 | 2,760,898 | - | 8,974 | 742,851 | 2,769,872 | 272.9% |
| Buildings & Improvements | 3,511,794 | 2,896,362 | - | - | 3,511,794 | 2,896,362 | -17.5% |
| Machinery & Equipment | 814,263 | 1,105,721 | 370,532 | 381,405 | 1,184,795 | 1,487,126 | 25.5% |
| Infrastructure | 14,939,888 | 14,065,634 | 11,407,978 | 11,043,800 | 26,347,866 | 25,109,434 | -4.7% |
| Total Assets, net of accumulated depreciation | \$29,429,197 | \$30,249,017 | \$11,895,323 | \$11,550,992 | \$41,324,520 | \$41,800,009 | 1.2% |

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 \$2,085,000 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 the General Obligation Refunding Bonds Series 2005 decreasing by \$305,000 or 12.8 percent from the prior year. The greatest increase in debt for the Primary Government was capital leases outstanding increasing to \$220,000. Said capital lease was used to finance a fire ladder truck.

Governmental activities total debt outstanding decreased by 10.8 percent or \$420,158. Business-type activities total debt outstanding decreased by 11 percent or \$319,728. Total outstanding debt for the Primary Government decreased by 10.9 percent or \$739,886.

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 | | Total % Change From Prior Year |
|---|-------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|---|
| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | |
| Compensated Absences | \$ 82,608 | \$ 86,946 | \$ - | \$ - | \$ 82,608 | \$ 86,946 | 5.3% |
| Capital Lease | - | 220,000 | 27,309 | - | 27,309 | 220,000 | 705.6% |
| General Obligation Ref Ser05 Bonds | 2,390,000 | 2,085,000 | - | - | 2,390,000 | 2,085,000 | -12.8% |
| Utility Revenue Bonds Ser10A | - | - | 1,595,000 | 1,385,000 | 1,595,000 | 1,385,000 | -13.2% |
| Utility Revenue Bonds Ser10B | 228,821 | 218,202 | 401,179 | 383,798 | 630,000 | 602,000 | -4.4% |
| Utility Revenue Bonds Ser10C | 268,616 | 256,151 | 467,384 | 444,849 | 736,000 | 701,000 | -4.8% |
| Sales & Excise Tax Revenue Bonds Ser13 | 660,000 | 601,333 | 330,000 | 300,667 | 990,000 | 902,000 | -8.9% |
| Redevelopment Tax Increment Bonds Ser03 | 257,745 | - | - | - | 257,745 | - | -100.0% |
| Bond Premium | - | - | 92,191 | 79,021 | 92,191 | 79,021 | -14.3% |
| Total Debt Outstanding | \$3,887,790 | \$3,467,632 | \$2,913,063 | \$2,593,335 | \$6,800,853 | \$6,060,967 | -10.9% |

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 \$5,472,532 for 2015 has increased by 12.9 percent or \$624,582 from 2014.

Of said balance, \$1,187,098 or 21.7 percent is restricted (externally enforceable limitations on use i.e. imposed by creditors, grantors, contributors, law and regulations); \$2,595,947 or 47.4 percent is committed (self-imposed limitations); \$774,007 or 14.1 percent is assigned for redevelopment activities and projects; and \$915,480 or 16.7 percent is unassigned (total fund balance in excess of restricted, committed, and assigned balances).

Committed Capital Project Fund balance experienced the greatest change in fund balance increasing 21.7 percent or \$463,387 resulting in an ending fund balance of \$2,595,947. Said increase is attributed to the General Fund transferring reserves to the Capital Projects Fund to support capital requirements. Additionally, increases to committed reserves resulted from funded outstanding projects to yet to be completed. Committed reserves are expected to decrease in the future in response to completing outstanding funded projects.

Unassigned fund balance decreased by 12 percent or \$124,684. Said decrease is attributed to a one-time General Fund reserves transfer to the Capital Projects Fund to support the capital needs for 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 | | Total % Change From Prior Year |
|--------------|--------------------|--------------------|--------------------|-------------------|----------------------|--------------------|-------------------|------------------|--------------------|--------------------|---|
| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | |
| Restricted | \$ 282,707 | \$ 315,941 | \$ - | \$ - | \$ 636,910 | \$ 782,755 | \$ 82,829 | \$ 88,402 | \$1,002,446 | \$1,187,098 | 18.4% |
| Committed | - | - | - | - | 2,132,560 | 2,595,947 | - | - | 2,132,560 | 2,595,947 | 21.7% |
| Assigned | - | - | 672,779 | 774,007 | - | - | - | - | 672,779 | 774,007 | 15.0% |
| Unassigned | 1,040,164 | 915,480 | - | - | - | - | - | - | 1,040,164 | 915,480 | -12.0% |
| Total | \$1,322,871 | \$1,231,421 | \$ 672,779 | \$ 774,007 | \$2,769,470 | \$3,378,702 | \$ 82,829 | \$ 88,402 | \$4,847,949 | \$5,472,532 | 12.9% |

Table 6 – Governmental Fund Balances

General Fund Budgetary Highlights

Significant differences or variance with final budget amounts and actual revenues or expenditures for 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

Actual real Property Tax collections of \$593,690 exceeded its final budget estimates of \$574,063 or \$19,627 or 3.4 percent. Said increase is largely attributed to incremental property tax revenue received from the redevelopment project areas within the City.

EXPENDITURES

Public Safety

Public Safety final budget of \$1,163,106 exceeded actual expenditures of \$1,139,546, resulting in a budget surplus of \$23,560. Said surplus is being ascribed to

overestimating the personnel and service and supply requirements for the Fire Department during the fiscal year.

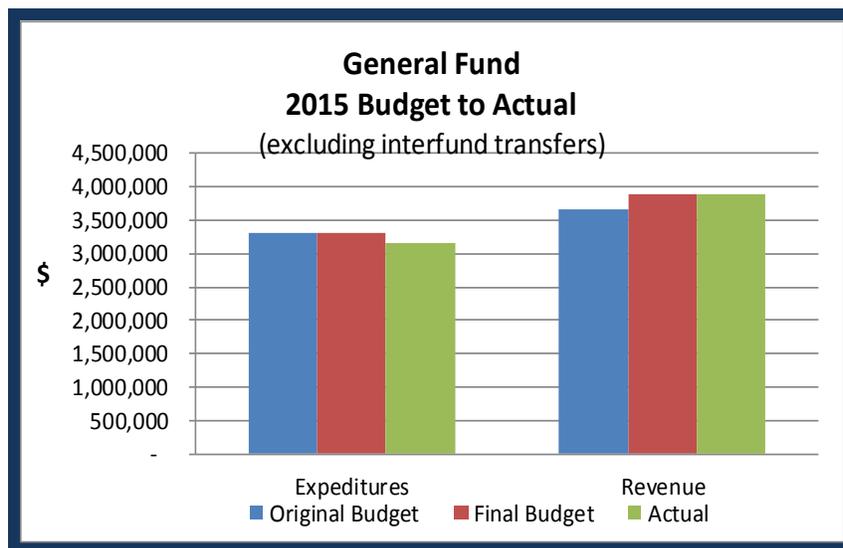


Figure 4 – General Fund Budget to Actual

Streets and Public Works

The Streets Public Works Department final budget of \$782,024 exceeded actual expenditures of \$676,139, resulting in a budget surplus of \$105,885. Said variance was largely due to public works personnel staffing changes that resulting in a budgetary savings and unexpended street

maintenance operating costs. Street surpluses are used to fund future street operating and capital requirements.

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 \$14,993,711 has increased by 4.2 percent or \$606,390 from the prior year. Of said balance, \$8,957,657 or 59.7 percent represents net investment in capital assets, down 3 percent or \$275,043 from prior year. Restricted net position is down \$251,794 from prior year and unrestricted net position is up 23 percent or \$1,133,227 from prior year.

Changes in Net Position

The largest program revenue, Charges for Services representing 98.6 percent of revenues, decreased by 0.51 percent or \$16,929. Capital Grants and Contributions decreased by \$228,915 or from \$242,162 in 2014 to \$13,247 in 2015. Total program revenues decreased by 6.6 percent or \$235,031.

Sanitary Sewer Services, the largest operating expense activity representing 36.4 percent or \$965,234 of Business-type Activity expenses. Sewer expenses grew by \$48,700 or 5.3 percent compared to prior year.

Culinary Water Service, the second largest utility activity representing 35.8 percent or \$951,617 of Business-type Activity expenses, experienced the greatest operating expense growth—growing 14.1 percent or \$117,234 from prior year. Said growth is attributed to replacing customer water meters.

ECONOMIC & DEMOGRAPHIC FACTORS

According to the State of Utah Department of Workforce Services, the Weber County (the county which the City resides) economy started 2015 with strong economic performance. Employment is growing at a rate not seen in more than 10 years and is very wide-spread across all industries. Employment growth is up to 4.1% year-over growth in March 2015 adding 3,923 new jobs. Taxable sales were up more than 6 percent with particular strength in retail markets suggesting consumer confidence continues to build. Unemployment remains low and initial unemployment insurance claims are back to pre-recession levels. Overall, the indicators are reaffirming that the long term trajectory of economic performance for the county is very positive.

Utah's Employment Summary: June 2015, Utah's nonfarm wage and salaried job count for June 2015 grew by 4.5 percent adding 59,200 jobs to the Utah economy compared to June 2014. Utah's June 2015 seasonally adjusted unemployment rate registered 3.5 percent, employment year-over change 4.5 percent. The national employment year-over change was 2.1 percent with an unemployment rate at 5.3 percent.

Approximately 51,700 Utahans were considered to be unemployed and actively seeking work.

| 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, and fund/developer contributions. Through the budgeting process, projects will be identified and scheduled for completion as funding becomes available.

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

Fax: 801-393-1921



BASIC FINANCIAL STATEMENTS
(audited)

STATEMENT OF NET POSITION

| | Primary Government | | |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total |
| Assets | | | |
| Cash and cash equivalents | \$ 4,397,031 | \$ 5,672,759 | \$ 10,069,790 |
| Investments | - | 42,313 | 42,313 |
| Accounts receivable, net | 46,051 | 316,361 | 362,412 |
| Due from other governmental units | 1,712,388 | - | 1,712,388 |
| Prepaid expenses | 153,185 | 86,413 | 239,598 |
| Cash - restricted | 1,120,587 | 49,633 | 1,170,220 |
| Capital assets not being depreciated: | | | |
| Land | 9,420,402 | 116,813 | 9,537,215 |
| Construction work in progress | 2,760,898 | 8,974 | 2,769,872 |
| Capital assets, net of accumulated depreciation: | | | |
| Buildings and improvements | 2,896,362 | - | 2,896,362 |
| Infrastructure | 14,065,634 | 11,043,800 | 25,109,434 |
| Machinery and equipment | 1,105,721 | 381,405 | 1,487,126 |
| Net pension asset | 10,063 | - | 10,063 |
| Total Assets | 37,688,322 | 17,718,471 | 55,406,793 |
| Deferred Outflows of Resources | | | |
| Pension related | 87,072 | - | 87,072 |
| Total Deferred Outflows of Resources | 87,072 | - | 87,072 |
| Total Assets and Deferred Outflows of Resources | \$ 37,775,394 | \$ 17,718,471 | \$ 55,493,865 |
| Liabilities | | | |
| Accounts payable | \$ 362,480 | \$ 71,916 | \$ 434,396 |
| Accrued liabilities | 113,270 | 59,509 | 172,779 |
| Accrued interest | 35,681 | - | 35,681 |
| Unearned revenue | 17,323 | - | 17,323 |
| Noncurrent liabilities: | | | |
| Due within one year | 509,409 | 285,600 | 795,009 |
| Due in more than one year | 2,958,223 | 2,307,735 | 5,265,958 |
| Net pension liability | 379,578 | - | 379,578 |
| Total Liabilities | 4,375,964 | 2,724,760 | 7,100,724 |
| Deferred Inflows of Resources | | | |
| Deferred revenue - property taxes | 1,463,636 | - | 1,463,636 |
| Pension related | 56,668 | - | 56,668 |
| Total Deferred Inflows of Resources | 1,520,304 | - | 1,520,304 |
| Net Position | | | |
| Net investment in capital assets | 26,868,331 | 8,957,657 | 35,825,988 |
| Restricted for: | | | |
| Debt service | 113,078 | 29,833 | 142,911 |
| Capital projects | - | - | - |
| Roads | 1,074,020 | - | 1,074,020 |
| Unrestricted | 3,823,697 | 6,006,221 | 9,829,918 |
| Total Net Position | 31,879,126 | 14,993,711 | 46,872,837 |
| Total Liabilities, Deferred Inflows of Resources and Net Position | \$ 37,775,394 | \$ 17,718,471 | \$ 55,493,865 |

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

STATEMENT OF ACTIVITIES

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | | | |
|--------------------------------|--------------|----------------------|------------------------------------|---|-------------------------|--------------------------|---------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Primary Government: | | | | | | | |
| Government Activities | | | | | | | |
| General governmental | \$ 840,591 | \$ 1,109,104 | \$ 8,072 | \$ - | \$ 276,585 | \$ - | \$ 276,585 |
| Public safety | 1,153,802 | 76,235 | 8,508 | - | (1,069,059) | - | (1,069,059) |
| Highways and public works | 2,574,589 | 74,900 | 262,289 | 1,939,832 | (297,568) | - | (297,568) |
| Parks and recreation | 261,500 | 42,819 | - | - | (218,681) | - | (218,681) |
| Interest on long-term debt | 116,935 | - | - | - | (116,935) | - | (116,935) |
| Total Governmental Activities | 4,947,417 | 1,303,058 | 278,869 | 1,939,832 | (1,425,658) | - | (1,425,658) |
| Business-type Activities | | | | | | | |
| Water services | 951,617 | 1,309,749 | - | 7,277 | - | 365,409 | 365,409 |
| Sewer services | 965,234 | 1,148,077 | - | 5,970 | - | 188,813 | 188,813 |
| Refuse services | 436,185 | 449,480 | - | - | - | 13,295 | 13,295 |
| Storm water services | 301,513 | 396,246 | - | - | - | 94,733 | 94,733 |
| Total Business-type Activities | 2,654,549 | 3,303,552 | - | 13,247 | - | 662,250 | 662,250 |
| Total Government | \$ 7,601,966 | \$ 4,606,610 | \$ 278,869 | \$ 1,953,079 | (1,425,658) | 662,250 | (763,408) |
| General Revenues | | | | | | | |
| | | | | | 1,591,886 | - | 1,591,886 |
| | | | | | 978,354 | - | 978,354 |
| | | | | | 695,220 | - | 695,220 |
| | | | | | 13,979 | 35,245 | 49,224 |
| | | | | | 91,106 | (91,106) | - |
| | | | | | 3,370,545 | (55,861) | 3,314,684 |
| | | | | | 1,944,887 | 606,389 | 2,551,276 |
| | | | | | 29,934,239 | 14,387,322 | 44,321,561 |
| | | | | | \$ 31,879,126 | \$ 14,993,711 | \$ 46,872,837 |

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

BALANCE SHEET - GOVERNMENTAL FUNDS

| | General | Redevelopment Agency | Capital Projects | Debt Service | Total Governmental Funds |
|--|---------------------|-------------------------|---------------------|-------------------|--------------------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ 973,254 | \$ 653,679 | \$ 2,681,696 | \$ 88,402 | \$ 4,397,031 |
| Accounts receivable, net | 46,051 | - | - | - | 46,051 |
| Due from other governmental units | 857,085 | 462,877 | - | 392,426 | 1,712,388 |
| Prepays | - | 153,185 | - | - | 153,185 |
| Restricted assets: | | | | | |
| Cash and cash equivalents | 337,832 | - | 782,755 | - | 1,120,587 |
| Total Assets | \$ 2,214,222 | \$ 1,269,741 | \$ 3,464,451 | \$ 480,828 | \$ 7,429,242 |
| Liabilities | | | | | |
| Accounts payable | \$ 241,062 | \$ 35,670 | \$ 85,749 | \$ - | \$ 362,481 |
| Accrued liabilities | 113,270 | - | - | - | 113,270 |
| Unearned revenue | 17,323 | - | - | - | 17,323 |
| Total Liabilities | 371,655 | 35,670 | 85,749 | - | 493,074 |
| Deferred Inflows of Resources | | | | | |
| Unavailable revenue - property taxes | 611,146 | 460,064 | - | 392,426 | 1,463,636 |
| Fund Balances | | | | | |
| Restricted | | | | | |
| Class "C" roads | 291,265 | - | 782,755 | - | 1,074,020 |
| Debt service | 24,676 | - | - | 88,402 | 113,078 |
| Committed for: | | | | | |
| Capital projects | - | - | 2,595,947 | - | 2,595,947 |
| Assigned | | | | | |
| Redevelopment Agency | - | 774,007 | - | - | 774,007 |
| Unassigned | 915,480 | - | - | - | 915,480 |
| Total Fund Balances | 1,231,421 | 774,007 | 3,378,702 | 88,402 | 5,472,532 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 2,214,222 | \$ 1,269,741 | \$ 3,464,451 | \$ 480,828 | \$ 7,429,242 |

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 | \$ 5,472,532 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 30,249,017 |
| Long-term liabilities, including bond payable, are not due and payable in the current period and therefore are not recorded in the funds. | (3,467,632) |
| Accrued interest expense is not due and payable in the current period and therefore is not recorded in the funds. | (35,680) |
| 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. | <u>(339,111)</u> |
| Net position - governmental activities | <u><u>\$ 31,879,126</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 | \$ 2,375,809 | \$ 495,442 | \$ - | \$ 394,209 | \$ 3,265,460 |
| Licenses and permits | 158,860 | - | - | - | 158,860 |
| Intergovernmental | 278,869 | 1,939,832 | - | - | 2,218,701 |
| Charges for services | 867,282 | - | 74,900 | - | 942,182 |
| Impact fees | - | - | - | - | - |
| Fines and forfeitures | 154,858 | - | - | - | 154,858 |
| Interest income | 10,297 | 3,671 | - | 8 | 13,976 |
| Miscellaneous revenue | 47,158 | - | - | - | 47,158 |
| Total Revenues | 3,893,133 | 2,438,945 | 74,900 | 394,217 | 6,801,195 |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 1,132,514 | 63,154 | 2,399 | - | 1,198,067 |
| Public safety | 1,139,546 | - | - | - | 1,139,546 |
| Highways and public works | 676,139 | 15,827 | - | - | 691,966 |
| Parks and recreation | 210,827 | - | - | - | 210,827 |
| Capital expenditures | - | 2,110,432 | 399,559 | - | 2,509,991 |
| Debt service: | | | | | |
| Principal retirement | - | 258,047 | - | 386,752 | 644,799 |
| Interest and fiscal charges | - | 12,128 | - | 116,666 | 128,794 |
| Total Expenditures | 3,159,026 | 2,459,588 | 401,958 | 503,418 | 6,523,990 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 734,107 | (20,643) | (327,058) | (109,201) | 277,205 |
| Other Financing Sources (Uses) | | | | | |
| Transfer in | 92,093 | 121,872 | 1,054,470 | 153,227 | 1,421,662 |
| Transfer out | (917,650) | - | (374,453) | (38,453) | (1,330,556) |
| Proceeds from capital lease | - | - | 220,379 | - | 220,379 |
| Sale of capital assets | - | - | 35,892 | - | 35,892 |
| Total Other Financing Sources (Uses) | (825,557) | 121,872 | 936,288 | 114,774 | 347,377 |
| Net Change in Fund Balances | (91,450) | 101,229 | 609,230 | 5,573 | 624,582 |
| Fund Balance, Beginning, Restated | 1,322,871 | 672,778 | 2,769,472 | 82,829 | 4,847,950 |
| Fund Balance, Ending | <u>\$ 1,231,421</u> | <u>\$ 774,007</u> | <u>\$ 3,378,702</u> | <u>\$ 88,402</u> | <u>\$ 5,472,532</u> |

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 | \$ 624,582 |
| 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. | (1,295,978) |
| Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position. | 2,486,503 |
| Government funds have proceeds from the sale of assets as revenue. However, in the state of activities it reports the gain or loss on the sale of assets. | (370,654) |
| Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position. | 644,496 |
| 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. | (220,000) |
| In the statement of activities, accrued interest on debt is recorded. | 11,783 |
| 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. | (4,388) |
| Changes in the pension asset and liability accounts are not recorded in the funds rather they are recorded in the statement of activities | 68,543 |
| Change in net position - governmental activities | <u>\$ 1,944,887</u> |

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

STATEMENT OF NET POSITION – PROPRIETARY FUND

| | <u>Business-type Activities</u> |
|---|---|
| | <u>Enterprise Fund Public Utilities</u> |
| Assets | |
| Current Assets | |
| Cash and cash equivalents | \$ 5,672,759 |
| Investments | 42,313 |
| Accounts receivable, net | 316,361 |
| Prepays | 86,413 |
| Cash - restricted | 49,633 |
| | <hr/> |
| Total Current Assets | 6,167,479 |
| Noncurrent Assets | |
| Land | 116,813 |
| Construction work in progress | 8,974 |
| Buildings | 11,364 |
| Infrastructure | 15,141,356 |
| Machinery and equipment | 1,169,703 |
| Less: Accumulated depreciation | (4,897,218) |
| | <hr/> |
| Total Noncurrent Assets | 11,550,992 |
| | <hr/> |
| Total Assets | \$ 17,718,471 |
| Liabilities | |
| Current Liabilities | |
| Accounts payable | \$ 71,916 |
| Accrued liabilities | 59,509 |
| Bonds payable | 285,600 |
| | <hr/> |
| Total Current Liabilities | 417,025 |
| Noncurrent Liabilities | |
| Bonds payable | 2,307,735 |
| | <hr/> |
| Total Noncurrent Liabilities | 2,307,735 |
| | <hr/> |
| Total Liabilities | 2,724,760 |
| Net Position | |
| Net invested in capital assets | 8,957,657 |
| Restricted: | |
| Debt reserve | 29,833 |
| Unrestricted | 6,006,221 |
| | <hr/> |
| Total Net Position | 14,993,711 |
| | <hr/> |
| Total Liabilities and Net Position | \$ 17,718,471 |
| | <hr/> |

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 | \$ 1,305,469 |
| Sewer | 1,143,797 |
| Refuse | 449,480 |
| Storm water | 396,246 |
| Connection and other fees | |
| Water | 4,280 |
| Sewer | 4,280 |
| Total Operating Revenues | 3,303,552 |
| Operating Expenses | |
| Personnel services | 765,980 |
| Contractual services | 1,041,518 |
| Materials and supplies | 422,286 |
| Depreciation expense | 409,043 |
| Total operating expenses | 2,638,827 |
| Operating income | 664,725 |
| Nonoperating revenue (expense) | |
| Interest income | 35,245 |
| Impact fee income | - |
| Intergovernmental income | 13,247 |
| Interest expense | (75,492) |
| Sale of capital assets | 59,770 |
| Total nonoperating revenues (expenses) | 32,770 |
| Income (loss) before capital contributions and transfers | 697,495 |
| Transfers in/(out) | (91,106) |
| Change in net position | 606,389 |
| Net position, beginning | 14,387,322 |
| Net position, ending | \$ 14,993,711 |

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

STATEMENT OF CASH FLOWS – PROPRIETARY FUND

| | Business-type Activities |
|---|---|
| | Enterprise Fund Public Utilities |
| Cash Flows From Operating Activities | |
| Receipts from customers and users | \$ 3,294,085 |
| Payments to suppliers and service providers | (1,429,465) |
| Payments to employees and related benefits | (765,980) |
| | <hr/> |
| Net cash flows from operating activities | 1,098,640 |
| | <hr/> |
| Cash Flows From Non-Capital Financing Activities | |
| Transfers out | (91,106) |
| Intergovernmental | 13,247 |
| | <hr/> |
| Net cash flows from non-capital financing activities | (77,859) |
| | <hr/> |
| Cash Flows From Capital and Related Financing Activities | |
| Acquisition and construction of capital assets | (94,903) |
| Principal paid on bonds and leases | (319,728) |
| Proceeds from sale of assets | 89,962 |
| Interest Paid | (75,492) |
| Impact fees received | - |
| | <hr/> |
| Net cash flows from capital and related financing activities | (400,161) |
| | <hr/> |
| Cash Flows From Investing Activities | |
| Interest on investments | 35,245 |
| | <hr/> |
| Net cash flows from investing activities | 35,245 |
| | <hr/> |
| Net Increase (Decrease) In Cash and Cash Equivalents | 655,865 |
| Cash and Cash Equivalents, Beginning | 5,108,840 |
| | <hr/> |
| Cash and Cash Equivalents, Ending | <u>\$ 5,764,705</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 | \$ 664,725 |
| Adjustments to reconcile operating income to net cash flows from operating activities: | |
| Depreciation expense | 409,043 |
| (Increase) Decrease in accounts receivables | (9,467) |
| (Increase) Decrease in prepaids | 7,896 |
| Increase (Decrease) in accounts payable | 29,164 |
| Increase (Decrease) in accrued liabilities | <u>(2,721)</u> |
| Net cash flows from operating activities | <u>\$ 1,098,640</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 and 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.

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 additional 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 or 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.

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, 2015, \$1,258,346 of the City's bank balances of \$1,518,334 (excluding PTIF) was uninsured and uncollateralized.

Custodial credit risk – investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. As of June 30, 2015, all of the City's \$42,313 in investments was exposed to custodial credit risk because it 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, 2015, the City had cash balances of \$9,754,390 deposited in the PTIF. The fair value of this cash balance was \$9,802,776 using a fair value factor of 1.00496043.

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, on deposit, and investments at June 30, 2015:

| | Carrying Amount |
|--|-----------------------------|
| Cash on hand and on deposit: | |
| Cash on hand | \$ 1,000 |
| Cash on deposit | 1,484,620 |
| Utah State Treasurer's investment pool accounts | <u>9,754,390</u> |
| Total cash on hand and deposit | <u>\$ 11,240,010</u> |
| Investments | |
| Utah State Treasurer's investment pool accounts | <u>42,313</u> |
| Total Investments | <u>\$ 42,313</u> |

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable are recorded net of the allowance for doubtful accounts of \$13,287 in the enterprise fund.

NOTE 4 RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2015:

| | | |
|----------------------------------|-----------|------------------|
| Developer and Customer deposits | \$ | 24,368 |
| Unearned Revenue - Football Fees | | 4,323 |
| Class C Road Funds | | 1,074,020 |
| 2010 Series Bond Reserve Fund | | 44,521 |
| 2013 Series Bond Fund | | 9,988 |
| Unspent grant proceeds | | 13,000 |
| | <u>\$</u> | <u>1,170,220</u> |

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2015, is as follows:

| | <u>Balance</u> <u>June 30, 2014</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2015</u> |
|---|--|---------------------|---------------------|--|
| Governmental activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 9,420,402 | \$ - | \$ - | \$ 9,420,402 |
| Construction in progress | 742,851 | 2,082,635 | (64,588) | 2,760,898 |
| Total capital assets, not being depreciated | <u>10,163,253</u> | <u>2,082,635</u> | <u>(64,588)</u> | <u>12,181,300</u> |
| Capital assets, being depreciated | | | | |
| Buildings | 3,574,332 | 68,282 | (8,159) | 3,634,455 |
| Improvements | 901,672 | - | (537,786) | 363,886 |
| Infrastructure | 23,112,248 | - | - | 23,112,248 |
| Machinery and equipment | 1,751,429 | 335,586 | (91,869) | 1,995,146 |
| Total capital assets, being depreciated | <u>29,339,681</u> | <u>403,868</u> | <u>(637,814)</u> | <u>29,105,735</u> |
| Less accumulated depreciation for | | | | |
| Buildings | (708,523) | (58,207) | 72 | (766,658) |
| Improvements | (255,687) | (79,634) | - | (335,321) |
| Infrastructure | (8,172,361) | (1,126,178) | 251,925 | (9,046,614) |
| Machinery and equipment | (937,165) | (31,959) | 79,699 | (889,425) |
| Total accumulated depreciation | <u>(10,073,736)</u> | <u>(1,295,978)</u> | <u>331,696</u> | <u>(11,038,018)</u> |
| Total capital assets, being depreciated, net | <u>19,265,945</u> | <u>(892,110)</u> | <u>(306,118)</u> | <u>18,067,717</u> |
| Governmental activities capital assets, net | <u>\$ 29,429,198</u> | <u>\$ 1,190,525</u> | <u>\$ (370,706)</u> | <u>\$ 30,249,017</u> |

NOTE 5 CAPITAL ASSETS (Continued)

The Business-type Activities property, plant and equipment consist of the following at June 30, 2015:

| | Balance June 30, 2014 | Additions | Deletions | Balance June 30, 2015 |
|---|----------------------------------|---------------------|--------------------|----------------------------------|
| Business-type Activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 116,813 | \$ - | \$ - | \$ 116,813 |
| Construction in progress | - | 8,974 | - | 8,974 |
| Total capital assets, not being depreciated | 116,813 | 8,974 | - | 125,787 |
| Capital assets, being depreciated | | | | |
| Buildings | 11,364 | - | - | 11,364 |
| Infrastructure | 15,141,356 | - | - | 15,141,356 |
| Machinery and equipment | 1,182,215 | 85,932 | (98,444) | 1,169,703 |
| Total capital assets, being depreciated | 16,334,935 | 85,932 | (98,444) | 16,322,423 |
| Less accumulated depreciation for | | | | |
| Buildings | (11,364) | - | - | (11,364) |
| Infrastructure | (3,733,377) | (364,179) | - | (4,097,556) |
| Machinery and equipment | (811,683) | (44,864) | 68,249 | (788,298) |
| Total accumulated depreciation | (4,556,424) | (409,043) | 68,249 | (4,897,218) |
| Total capital assets, being depreciated, net | 11,778,511 | (323,111) | (30,195) | 11,425,205 |
| Business-type activities capital assets, net | \$ 11,895,324 | \$ (314,137) | \$ (30,195) | \$ 11,550,992 |

Depreciation expense was charged to functions/programs as follows:

| | |
|---|---------------------|
| Governmental activities | |
| General government | \$ 105,493 |
| Public safety | 14,256 |
| Highways and public works | 1,125,555 |
| Parks and recreation | 50,674 |
| Total depreciation expense - governmental activities | <u>\$ 1,295,978</u> |
| Business-type activities | |
| Water services | \$ 200,592 |
| Sewer services | 121,850 |
| Refuse services | 86,579 |
| Storm water services | 22 |
| Total depreciation expense - business-type activities | <u>\$ 409,043</u> |
| Combined depreciation expense | <u>\$ 1,705,021</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 \$611,146, \$460,064, and \$392,426 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, 2015 was not expected to be received within 30 days after the year ended June 30, 2015, 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, 2015.

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 \$60,862 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, \$4,479 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.

| | |
|--------------------------------|-------------------|
| Asset: | Governmental |
| Machinery and equipment | Activities |
| Less: accumulated depreciation | \$ 220,000 |
| | (4,479) |
| | <u>\$ 215,521</u> |

NOTE 8 CAPITAL LEASES (Continued)

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2015 are as follows:

| <u>Year Ending June 30,</u> | Governmental Activities |
|---|----------------------------|
| 2016 | \$ 46,631 |
| 2017 | 46,631 |
| 2018 | 46,631 |
| 2019 | 46,631 |
| 2020 | 46,631 |
| Total minimum lease payments | 233,155 |
| Less: amount representing interest | (13,155) |
| Present value of minimum lease payments | <u>\$ 220,000</u> |

NOTE 9 LONG-TERM DEBT

The following is summary of long-term debt transactions of the City for the year ended June 30, 2015:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due within One Year</u> |
|---|------------------------------|-------------------|---------------------|---------------------------|--------------------------------|
| Governmental activities | | | | | |
| RDA Tax Increment Revenue & Refunding Bonds, Series 2003 | \$ 257,745 | \$ - | \$ (257,745) | \$ - | \$ - |
| Sales Tax Revenue Refunding Bonds, Series 2013 | 660,000 | - | (58,667) | 601,333 | 68,000 |
| Utility Revenue Bond, Series 2010B | 228,821 | - | (10,619) | 218,202 | 10,440 |
| Utility Revenue Bond, Series 2010C | 268,616 | - | (12,465) | 256,151 | 12,960 |
| G.O. Refunding Bonds, Series 2005 | 2,390,000 | - | (305,000) | 2,085,000 | 315,000 |
| Total bonds payable | \$ 3,805,182 | \$ - | \$ (644,496) | \$ 3,160,686 | \$ 406,400 |
| Capital lease | - | 220,000 | - | 220,000 | 42,147 |
| Compensated absences | 82,608 | 76,192 | (71,854) | 86,946 | 60,862 |
| Governmental activity long- term liabilities | <u>\$ 3,887,790</u> | <u>\$ 296,192</u> | <u>\$ (716,350)</u> | <u>\$ 3,467,632</u> | <u>\$ 509,409</u> |
| Business-type activities | | | | | |
| Sales Tax Revenue Refunding Bonds, Series 2013 | \$ 330,000 | \$ - | \$ (29,333) | \$ 300,667 | \$ 34,000 |
| Revenue Refunding Bonds, Series 2010A | 1,595,000 | - | (210,000) | 1,385,000 | 210,000 |
| Utility Revenue Bond, Series 2010B | 401,179 | - | (17,381) | 383,798 | 18,560 |
| Utility Revenue Bond, Series 2010C | 467,384 | - | (22,535) | 444,849 | 23,040 |
| Bond Premium | 92,191 | - | (13,170) | 79,021 | - |
| Total bonds payable | \$ 2,885,754 | \$ - | \$ (292,419) | \$ 2,593,335 | \$ 285,600 |
| Capital lease | 27,309 | - | (27,309) | - | - |
| Business-type activity long- term liabilities | <u>\$ 2,913,063</u> | <u>\$ -</u> | <u>\$ (319,728)</u> | <u>\$ 2,593,335</u> | <u>\$ 285,600</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, 2015 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|-------------------|------------------|-------------------|
| 2016 | \$ 102,000 | \$ 17,870 | \$ 119,870 |
| 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 | <u>\$ 902,000</u> | <u>\$ 86,278</u> | <u>\$ 988,278</u> |

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.

The annual debt service requirements to maturity, including principal and interest, for the General Obligation Refunding Bonds Series 2005, as of June 30, 2015 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|---------------------|-------------------|---------------------|
| 2016 | \$ 315,000 | \$ 77,426 | \$ 392,426 |
| 2017 | 325,000 | 64,862 | 389,862 |
| 2018 | 345,000 | 51,572 | 396,572 |
| 2019 | 355,000 | 37,463 | 392,463 |
| 2020 | 365,000 | 22,971 | 387,971 |
| 2021 | 380,000 | 7,790 | 387,790 |
| Total | <u>\$ 2,085,000</u> | <u>\$ 262,084</u> | <u>\$ 2,347,084</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, 2015 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|-------------------|-------------------|-------------------|
| 2016 | \$ 36,000 | \$ 17,525 | \$ 53,525 |
| 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 | <u>\$ 701,000</u> | <u>\$ 181,200</u> | <u>\$ 882,200</u> |

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, 2015.

| <u>Project</u> | <u>Contract Amount</u> | <u>Paid to Date</u> | <u>Commitment Outstanding</u> |
|--------------------------------|----------------------------|-------------------------|-----------------------------------|
| Road Maintenance | \$ 911,742 | \$ 84,245 | \$ 827,497 |
| Adams Ave. road reconstruction | 360,487 | 207,302 | 153,185 |
| | <u>\$ 1,272,229</u> | <u>\$ 291,547</u> | <u>\$ 980,682</u> |

NOTE 9 LONG-TERM DEBT (Continued)

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, 2015 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|---------------------|-------------------|---------------------|
| 2016 | \$ 210,000 | \$ 50,962 | \$ 260,962 |
| 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 | \$ 1,385,000 | \$ 202,424 | \$ 1,587,424 |

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, 2015 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|-------------------|-------------------|-------------------|
| 2016 | \$ 29,000 | \$ 21,431 | \$ 50,431 |
| 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 | \$ 602,000 | \$ 197,580 | \$ 799,580 |

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 2015:

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

| <u>Project Area</u> | <u>2015</u> |
|--------------------------|-------------------|
| Southeast | \$ 474,131 |
| Central B/D | 21,311 |
| Total increment received | <u>\$ 495,442</u> |

The Agency expended amounts in the following areas:

| | |
|---|---------------------|
| Amounts expended for: | |
| Administrative costs | \$ 78,981 |
| Property acquisitions and site improvements | 2,110,432 |
| Debt service costs | <u>270,175</u> |
| Total amounts expended by RDA | <u>\$ 2,459,588</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, 2015 are as follows:

| | <u>In</u> | <u>Out</u> |
|------------------|---------------------|---------------------|
| Governmental: | | |
| General Fund | \$ 92,093 | \$ 917,650 |
| RDA | 121,872 | - |
| Capital Projects | 1,054,470 | 374,453 |
| Debt Service | 153,227 | 38,453 |
| Business-type | | |
| Public Utilities | 38,453 | 129,559 |
| | <u>\$ 1,460,115</u> | <u>\$ 1,460,115</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 \$795,980 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. The 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 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

| 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% |
| Public Safety 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 2.5% |
| Tier 2 Public Employees System | Highest 5 years | 35 years any age 20 years any age 60* 10 years age 62* 4 years age 65 | 1.5% per year all years | Up to 2.5% |
| Tier 2 Public Safety and Firefighter System | Highest 5 years | 25 years any age 20 years any age 60* 10 years age 62* 4 years age 65 | 1.5% per year all years | Up to 2.5% |

* With actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases no 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 URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

| Utah Retirement Systems | Employee Paid | Paid by Employer for Employee | Employer Contribution Rates |
|--|---------------|-------------------------------|-----------------------------|
| Contributory System | | | |
| 111 - Local Governmental Division Tier 2 | N/A | N/A | 14.830% |
| Noncontributory System | | | |
| 15 - Local Governmental Division Tier 1 | N/A | N/A | 18.470% |
| Public Safety Retirement System | | | |
| 31 - Division A Tier 1 | N/A | 15.050% | 3.820% |
| 122 - Division B Tier 2 | N/A | N/A | 10.800% |

NOTE 15 RETIREMENT PLAN (Continued)

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

At December 31, 2014, we reported a net pension asset of \$10,063 and a net pension liability of \$379,578.

| | Proportionate Share | Net Pension Asset | Net Pension Liability |
|-------------------------------------|------------------------|----------------------|--------------------------|
| Noncontributory System | 0.0874154% | \$ - | \$ 379,578 |
| Firefighter System | 0.1685186% | 9,616 | - |
| Tier 2 Public Employees System | 0.0147457% | 447 | - |
| Total Net Pension Asset / Liability | | <u>\$ 10,063</u> | <u>\$ 379,578</u> |

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended December 31, 2014, we recognized pension expense of \$93,170. At December 31, 2014, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ - | \$ 13,632 |
| Changes in assumptions | - | 43,036 |
| Net difference between projected and actual earnings on pension plan investments | 9,445 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | - | - |
| Contributions subsequent to the measurement date | <u>77,627</u> | <u>-</u> |
| Total | <u>\$ 87,072</u> | <u>\$ 56,668</u> |

NOTE 15 RETIREMENT PLAN (Continued)

\$77,627 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of Resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended December 31, | Deferred Outflows (inflows) of Resources |
|-------------------------|---|
| 2015 | \$ (10,981) |
| 2016 | (10,981) |
| 2017 | (10,981) |
| 2018 | (10,981) |
| 2019 | (10,981) |
| Thereafter | (2,606) |

Actuarial Assumptions

The total pension liability in the December 31, 2014, 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 |

Active member mortality rates are a function of the member’s gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table.

Retired Member Mortality

Class of Member

Educators

Men EDUM (90%)

Women EDUF (100%)

Public Safety and Firefighters

Men RP 2000mWC (100%)

Women EDUF (120%)

Local Government, Public Employees

Men RP 2000mWC (100%)

Women EDUF (120%)

EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage

EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage

RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 – 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,

NOTE 15 RETIREMENT PLAN (Continued)

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:

| Asset Class | Expected Return Arithmetic Basis | | |
|---|----------------------------------|------------------------------|--|
| | Target 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:

| | 1% Decrease (6.50%) | Discount Rate (7.50%) | 1% Increase (8.50%) |
|---------------------------------|------------------------|--------------------------|------------------------|
| Proportionate share of | | | |
| Net pension (asset) / liability | \$ 946,692 | \$ 369,515 | \$ (110,151) |

NOTE 15 RETIREMENT PLAN (Continued)

Pension Plan Fiduciary Net Position

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

NOTE 16 DEFINED CONTRIBUTION PLANS

The City sponsors a defined contribution deferred compensation plan administered by Utah Retirement Systems under the Internal Revenue Code Section 401(k). Although not required by the Systems to contribute to the 401(k), the City contributed 4% of salaries for those eligible exempt positions for the year ended June 30, 2015. The rate of City participation is determined by the City Council.

The City also sponsors a defined contribution deferred compensation plan under the Internal Revenue Code Section 457 as well Roth Individual Retirement Accounts (Roth IRA) administered by Utah Retirement Systems. All full-time regular employees are eligible to participate in this plan. The City does not contribute to these plans.

The following illustrates the three year-trend analysis of employer and employee contributions to Utah Retirement System for deferred compensation plans.

| Plan | Year Ended June 30 | Employee paid Contributions | Employer paid for Employee Contributions |
|---------------|-----------------------|--------------------------------|--|
| 401(k) Plan | 2015 | \$ 29,196 | \$ 32,778 |
| | 2014 | 25,600 | 51,047 |
| | 2013 | 24,201 | 22,582 |
| 457 Plan | 2015 | 16,495 | - |
| | 2014 | 13,829 | - |
| | 2013 | 16,330 | - |
| Roth IRA Plan | 2015 | 8,700 | - |
| | 2014 | 6,130 | - |
| | 2013 | 5,770 | - |

NOTE 17 SUBSEQUENT EVENTS

Subsequent to year end the City issued \$1,802,000 General Obligation Convertible Road Refunding bonds, Series 2015. The proceeds from this bond were used to refund the General Obligation Refunding Bonds, Series 2005. The Series 2015 bonds carry interest rates of .85% to 2.15% and are due in semi-annual payments maturing in July 2020.

Subsequent events have been evaluated through the day of the financial statement issuance of November 4, 2015

NOTE 18 PRIOR PERIOD ADJUSTMENT – APPLICATION OF GASB 68

The requirement to apply GASB 68 this fiscal year resulted in an adjustment to the prior period net position of the Governmental Activities on the Statement of Net Position. This is due to the required disclosure of the Net Pension Liability, Deferred Outflows and Inflows of Resources and a Net Pension Asset. The net results to net position was a decrease of \$407,654.

**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 | \$ 452,022 | \$ 574,063 | \$ 593,690 | \$ 19,627 |
| Property tax - vehicles | 90,304 | 90,304 | 90,838 | 534 |
| Delinquent property taxes | 20,000 | 20,000 | 17,707 | - |
| Direct charges | 1,500 | 1,500 | - | - |
| Sales and use taxes | 906,576 | 980,000 | 978,354 | (1,646) |
| Franchise taxes | 714,070 | 684,070 | 677,153 | (6,917) |
| RAMP tax | - | 31,067 | 18,067 | (13,000) |
| Total taxes | <u>2,184,472</u> | <u>2,381,004</u> | <u>2,375,809</u> | <u>11,598</u> |
| Licenses and permits: | | | | |
| Business licenses | 100,000 | 120,500 | 120,483 | (17) |
| Building permits | 25,000 | 25,000 | 23,122 | (1,878) |
| Planning fees | 12,500 | 12,500 | 8,934 | (3,566) |
| Animal licenses | 5,000 | 6,000 | 6,321 | 321 |
| Total licenses and permits | <u>142,500</u> | <u>164,000</u> | <u>158,860</u> | <u>(5,140)</u> |
| Intergovernmental revenue: | | | | |
| Class "C" roads | 255,000 | 255,000 | 262,289 | 7,289 |
| State liquor fund allotment | 6,700 | 6,700 | 6,888 | 188 |
| Other grants | 7,000 | 8,800 | 9,692 | 892 |
| Service Contracts | 4,500 | 6,900 | 6,513 | (387) |
| Total intergovernmental revenue | <u>273,200</u> | <u>277,400</u> | <u>285,382</u> | <u>7,982</u> |
| Charges for services: | | | | |
| Administrative fee - other funds | 817,949 | 817,949 | 817,950 | 1 |
| Recreation fees | 41,620 | 45,420 | 42,819 | (2,601) |
| Total charges for services | <u>859,569</u> | <u>863,369</u> | <u>860,769</u> | <u>(2,600)</u> |
| Fines and forfeitures | <u>153,500</u> | <u>153,500</u> | <u>154,858</u> | <u>1,358</u> |
| Miscellaneous: | | | | |
| Interest | 8,000 | 8,000 | 10,297 | 2,297 |
| Other | 37,777 | 43,399 | 47,158 | 3,759 |
| Total miscellaneous | <u>45,777</u> | <u>51,399</u> | <u>57,455</u> | <u>6,056</u> |
| Total Revenues | <u>\$ 3,659,018</u> | <u>\$ 3,890,672</u> | <u>\$ 3,893,133</u> | <u>\$ 19,254</u> |

**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 | \$ 33,940 | \$ 33,940 | \$ 32,726 | \$ 1,214 |
| Municipal court | 137,662 | 139,462 | 134,090 | 5,372 |
| Administrative | 324,007 | 326,759 | 317,979 | 8,780 |
| Treasurer | 205,157 | 205,157 | 204,343 | 814 |
| Recorder | 83,110 | 83,110 | 81,978 | 1,132 |
| Leisure services | 87,384 | 87,384 | 79,180 | 8,204 |
| Non-departmental | 132,800 | 127,800 | 187,650 | (59,850) |
| General government building | 125,300 | 125,300 | 94,568 | 30,732 |
| Total general government | 1,129,360 | 1,128,912 | 1,132,514 | (3,602) |
| Public safety: | | | | |
| Police department | 763,535 | 751,835 | 751,834 | 1 |
| Fire department | 237,666 | 246,166 | 222,360 | 23,806 |
| Inspection and planning | 107,437 | 114,569 | 114,520 | 49 |
| Animal control | 50,536 | 50,536 | 50,832 | (296) |
| Total public safety | 1,159,174 | 1,163,106 | 1,139,546 | 23,560 |
| Highways and public works: | | | | |
| Streets | 113,040 | 113,040 | 70,171 | 42,869 |
| Public works | 688,984 | 668,984 | 605,968 | 63,016 |
| Total highways and public works | 802,024 | 782,024 | 676,139 | 105,885 |
| Parks and recreation | 209,834 | 232,460 | 210,827 | 21,633 |
| Total Expenditures | 3,300,392 | 3,306,502 | 3,159,026 | 147,476 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | |
| | 358,626 | 584,170 | 734,107 | 166,730 |
| Other Financing Sources (Uses) | | | | |
| Transfer in | 92,093 | 92,093 | 92,093 | - |
| Transfer out | (450,719) | (828,339) | (917,650) | (89,311) |
| Total Other Financing Sources (Uses) | (358,626) | (736,246) | (825,557) | (89,311) |
| Net Change in Fund Balance | \$ - | \$ (152,076) | (91,450) | \$ 77,419 |
| Fund Balance, Beginning, Restated | | | 1,322,871 | |
| Fund Balance, Ending | | | \$ 1,231,421 | |

**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 | \$ 675,000 | \$ 553,128 | \$ 495,442 | \$ (57,686) |
| Interest | - | - | 3,671 | 3,671 |
| Intergovernmental | - | 3,037,011 | 1,939,832 | (1,097,179) |
| Total Revenues | <u>675,000</u> | <u>3,590,139</u> | <u>2,438,945</u> | <u>(1,151,194)</u> |
| Expenditures | | | | |
| Salaries and benefits | 15,502 | 15,502 | 15,502 | - |
| Professional and technical | 6,100 | 14,100 | 325 | 13,775 |
| Capital expenditures | 360,580 | 3,487,011 | 2,110,432 | 1,376,579 |
| Administrative fee to general fund | 51,070 | 51,070 | 63,154 | (12,084) |
| Debt service: | | | | |
| Principal retirement | 229,620 | 258,047 | 258,047 | - |
| Interest and fiscal charges | 12,128 | 12,128 | 12,128 | - |
| Total Expenditures | <u>675,000</u> | <u>3,837,858</u> | <u>2,459,588</u> | <u>1,378,270</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>(247,719)</u> | <u>(20,643)</u> | <u>227,076</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | - | 121,872 | 121,872 | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>121,872</u> | <u>121,872</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ (125,847)</u> | <u>101,229</u> | <u>\$ 227,076</u> |
| Fund Balance, Beginning | | | <u>672,778</u> | |
| Fund Balance, Ending | | | <u>\$ 774,007</u> | |

SCHEDULE OF PROPORTIONATE SHARE OF THE PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
December 31, 2014
 Last 10 Fiscal Years*

| | Noncontributory System | Firefighters System | Tier 2 Public Employees System |
|--|---------------------------|------------------------|--------------------------------------|
| Proportion of the net pension liability (asset) | 0.0874154% | 0.1685186% | 0.0147457% |
| Proportionate share of the net pension liability (asset) | \$ 379,578 | \$ (9,616) | \$ (447) |
| Covered employee payroll | 755,767 | 390,094 | 78,361 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 50.2% | -21.8% | -0.6% |
| Plan fiduciary net position as a percentage of the total pension liability | 90.2% | 103.5% | 103.5% |

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

SCHEDULE OF PENSION CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
December 31, 2014
 Last 10 Fiscal Years*

| | Noncontributory System | Firefighters System | Tier 2 Public Employees System |
|--|---------------------------|------------------------|--------------------------------------|
| Contractually required contribution | \$ 137,393 | \$ 1,052 | \$ 6,084 |
| Contributions in relation to the contractually required contribution | <u>(137,393)</u> | <u>(1,052)</u> | <u>(6,084)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered employee payroll | \$ 755,767 | \$ 44,195 | \$ 72,469 |
| Contributions as a percentage of covered-employee payroll** | 18.18% | 3.40% | 8.41% |

*Amounts presented were determined as of calendar year January 1 – December 31. Employers are required to prospectively develop this table in future years to show 10-years of information. The Schedule above is only for the current year.

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

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

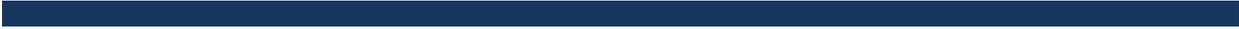
These schedules contain information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

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>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> | <u>2006</u> |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | 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 | 20,921,337 |
| Restricted | 1,187,098 | 1,002,446 | 792,171 | 724,144 | 1,031,661 | 971,559 | 1,038,001 | 1,228,921 | 699,211 | 442,084 |
| Unrestricted | 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 | 2,443,624 |
| Total Governmental Activities Net Position | <u>\$31,879,126</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> | <u>\$23,807,045</u> |
| Business-Type Activities | | | | | | | | | | |
| Net investment in capital assets | 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 | 5,417,528 |
| Restricted | 29,833 | 281,627 | - | - | - | - | - | - | - | - |
| Unrestricted | 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) | (602,678) |
| Total Business-Type Activities Net Position | <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> | <u>\$ 4,814,850</u> |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets | 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 | 26,338,865 |
| Restricted | 1,216,931 | 1,284,073 | 792,171 | 724,144 | 1,031,661 | 971,559 | 1,038,001 | 1,228,921 | 699,211 | 442,084 |
| Unrestricted | 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 | 1,840,946 |
| Total Primary Government Net Position | <u>\$46,872,837</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> | <u>\$28,621,895</u> |

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

| Expenses | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities: | | | | | | | | | | |
| General Government | 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 | 935,221 |
| Public Safety | 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 | 1,108,090 |
| Highways and Public Works | 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 | 1,344,756 |
| Parks and Recreation | 261,500 | 244,530 | 223,097 | 209,734 | 186,999 | 180,901 | 180,326 | 188,071 | 144,432 | 158,641 |
| Interest and Long-term Debt | 116,935 | 112,941 | 195,865 | 259,206 | 275,517 | 324,825 | 299,143 | 283,059 | 459,702 | 319,404 |
| Total Governmental Activities | \$ 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 | \$ 3,866,112 |
| Business-Type Activities: | | | | | | | | | | |
| Water services | 951,617 | 834,383 | 815,941 | 725,142 | 774,618 | 720,818 | 728,511 | 697,403 | 764,699 | |
| Sewer services | 965,234 | 916,534 | 903,727 | 743,011 | 704,079 | 607,499 | 554,896 | 448,436 | 504,760 | |
| Refuse services | 436,185 | 421,714 | 482,100 | 458,407 | 445,248 | 442,545 | 454,020 | 343,036 | 430,934 | |
| Storm Water services | 301,513 | 282,040 | 257,990 | 229,326 | 261,955 | 222,279 | 226,799 | 200,683 | 14,085 | 16,423 |
| Public Utilities | | | | | | | | | | 1,689,534 |
| Total Business-Type Activities | \$ 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 | \$ 1,705,957 |
| Total Expenses | \$ 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 | \$ 5,572,069 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| General Government | 1,109,104 | 1,178,215 | 968,522 | 847,924 | 893,319 | 852,338 | 926,269 | 805,287 | 1,016,722 | 1,072,818 |
| Public Safety | 76,235 | 69,409 | 160,392 | 170,033 | 205,613 | 149,075 | 122,224 | 156,929 | 205,554 | 222,406 |
| Highways and Public Works | 74,900 | 87,942 | 83,109 | 86,577 | 90,695 | 100,496 | 103,600 | | | |
| Parks and Recreation | 42,819 | 52,691 | 51,152 | 46,081 | 28,004 | 32,722 | 32,476 | 34,005 | 26,466 | 26,204 |
| Contributions | 278,869 | 275,322 | 349,177 | 310,363 | 276,511 | 255,217 | 317,945 | 286,009 | 273,025 | 285,519 |
| Capital Grants and Contributions | 1,939,832 | 1,200,243 | 322,351 | 974,000 | 184,609 | 726,243 | 1,738,260 | 1,114,704 | | |
| Total Governmental Activities | \$ 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 | \$ 1,606,947 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Water services | 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 | 1,148,077 | 1,140,737 | 1,058,798 | 905,983 | 873,327 | 821,167 | 798,912 | 555,970 | 518,224 | |
| Refuse services | 449,480 | 453,241 | 501,473 | 523,077 | 525,341 | 528,553 | 543,913 | 520,380 | 477,207 | |
| Storm Water services | 396,246 | 370,951 | 328,388 | 299,953 | 283,933 | 278,421 | 294,948 | 210,641 | 160,383 | 186,041 |
| Public Utilities | | | | | | | | | | 1,677,713 |
| Operating Grants and Contributions | | | | | | | | | | 2,988 |
| Capital Grants and Contributions | 13,247 | 242,162 | 7,790 | 1,302,809 | 230,915 | 42,081 | 412,753 | | | |
| Total Business-Type Activities | \$ 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 | \$ 1,866,742 |

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

| | <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> | <u>2006</u> |
|---|----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Total Program Revenues | <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> | <u>\$ 3,473,689</u> |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | (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) | (2,259,165) |
| Business-Type Activities | 662,250 | 1,107,972 | 555,494 | 1,955,836 | 749,820 | 687,473 | 1,168,307 | 546,525 | 96,873 | 160,785 |
| Total Net (Expense) | <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> | <u>\$(2,098,380)</u> |
| General Revenues & Transfers | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property taxes | 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 | 1,312,438 |
| General sales and use tax | 978,712 | 919,397 | 887,879 | 873,830 | 765,000 | 724,468 | 737,185 | 926,068 | 864,738 | 752,715 |
| Franchise tax | 695,220 | 698,397 | 699,047 | 677,204 | 683,168 | 658,721 | 669,459 | 635,230 | 588,724 | 622,866 |
| Investment earnings | 13,979 | 20,182 | 16,617 | 15,918 | 17,079 | 34,625 | 57,766 | 112,570 | 101,219 | 72,975 |
| Miscellaneous | | | | 2,479 | | | | 81,603 | 153,219 | 269,179 |
| Gain (loss) on sale of assets | | | | | | | (206,001) | | | (56,544) |
| Transfers | 91,106 | 90,538 | | | | | | (37,423) | (21,494) | (70,358) |
| Total Governmental Activities | <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> | <u>\$ 2,903,271</u> |
| Business-Type Activities: | | | | | | | | | | |
| Investment earnings | 35,245 | 24,432 | 53,635 | 48,950 | 18,136 | 6,695 | 12,286 | 12,350 | 44,869 | 5,151 |
| Miscellaneous | | | | | | 88,956 | | | | |
| Gain (loss) on sale of assets | | | 6,045 | 17,702 | | | | | | |
| Transfers | (91,106) | (90,538) | | | | | 206,001 | 37,423 | 21,494 | 70,358 |
| Total Business-Type Activities | <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> | <u>\$ 75,509</u> |
| Total Primary Government | <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> | <u>\$ 2,978,780</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | 1,944,887 | 1,880,806 | 566,238 | 1,921,647 | 320,401 | 506,713 | 1,775,554 | 1,377,891 | 330,590 | 644,106 |
| Business-Type Activities | 606,389 | 1,041,866 | 615,174 | 2,022,488 | 767,956 | 783,124 | 1,386,594 | 596,298 | 163,236 | 236,294 |
| Total Primary Government | <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> | <u>\$ 880,400</u> |

FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
 (modified accrual basis of accounting)

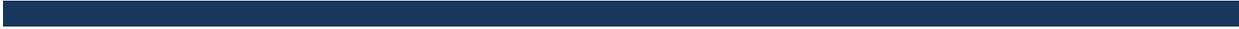
| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009 (1)(2)</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| General Fund | | | | | | | | | | |
| Restricted | 315,941 | 282,707 | 241,345 | 203,376 | 492,437 | 464,791 | 459,189 | 414,528 | 384,016 | 211,097 |
| Unassigned | 915,480 | 1,040,164 | 801,557 | 601,278 | 618,819 | 598,070 | 564,426 | 925,844 | 949,220 | 977,005 |
| Total General Fund | <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> | <u>\$1,188,102</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted | 871,157 | 719,739 | 2,334,889 | 596,569 | 609,431 | 579,674 | 659,345 | 888,384 | 372,906 | 280,181 |
| Committed | 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 | 949,689 |
| Assigned | 774,007 | 672,779 | - | 1,437,854 | 1,172,745 | 944,035 | 626,352 | 426,381 | 284,618 | 231,949 |
| Total All Other Governmental Funds | <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> | <u>\$1,461,819</u> |
| Total Fund Balances | <u>\$5,472,532</u> | <u>\$4,847,949</u> | <u>\$5,610,416</u> | <u>\$4,979,197</u> | <u>\$4,793,636</u> | <u>\$4,609,061</u> | <u>\$5,750,092</u> | <u>\$3,782,794</u> | <u>\$3,248,654</u> | <u>\$2,649,921</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>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> | <u>2006</u> |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Revenues | | | | | | | | | | |
| Taxes | 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 | 2,688,019 |
| Licenses and permits | 158,860 | 218,632 | 111,449 | 99,981 | 114,076 | 128,304 | 165,638 | 76,376 | 159,771 | 156,345 |
| Intergovernmental | 2,218,701 | 1,471,056 | 671,528 | 310,363 | 461,120 | 981,460 | 2,056,205 | 286,009 | 273,025 | 285,519 |
| Charges for services | 942,182 | 965,682 | 910,344 | 856,609 | 869,278 | 829,379 | 869,005 | 700,235 | 764,747 | 753,361 |
| Impact fees | - | 6,841 | 7,952 | 3,647 | 7,329 | 16,819 | 17,297 | 50,878 | 127,764 | 214,160 |
| Fines and forfeitures | 154,858 | 146,356 | 154,803 | 170,033 | 205,613 | 149,075 | 120,724 | 156,929 | 185,494 | 184,838 |
| Interest income | 13,976 | 20,182 | 16,617 | 15,918 | 17,079 | 34,625 | 57,766 | 112,570 | 101,219 | 72,975 |
| Miscellaneous revenue | 47,158 | 55,255 | 78,627 | 996,824 | 21,335 | 11,054 | 11,904 | 1,208,110 | 164,185 | 225,358 |
| Total Revenues | <u>\$6,801,195</u> | <u>\$6,221,668</u> | <u>\$5,109,306</u> | <u>\$5,581,479</u> | <u>\$4,663,649</u> | <u>\$ 5,094,652</u> | <u>\$6,229,844</u> | <u>\$5,500,582</u> | <u>\$4,512,930</u> | <u>\$4,580,575</u> |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | 1,198,067 | 1,184,080 | 1,031,931 | 978,234 | 1,021,693 | 989,764 | 1,044,072 | 958,548 | 892,078 | 839,362 |
| Public Safety | 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 | 1,070,649 |
| Highways and public works | 691,966 | 695,917 | 709,811 | 700,222 | 713,828 | 717,215 | 730,926 | 685,875 | 635,684 | 604,246 |
| Parks and recreation | 210,827 | 212,704 | 199,168 | 190,131 | 167,255 | 162,418 | 161,263 | 153,057 | 132,385 | 147,506 |
| Capital expenditures | 2,509,991 | 1,642,215 | 592,153 | 1,544,163 | 418,222 | 1,861,384 | 1,914,591 | 1,295,763 | 231,717 | 743,025 |
| Debt Service: | | | | | | | | | | |
| Principal retirement | 644,799 | 1,385,792 | 608,399 | 611,832 | 779,739 | 1,041,099 | 465,893 | 442,099 | 644,000 | 635,678 |
| Interest and fiscal charges | 128,794 | 184,797 | 206,822 | 230,885 | 260,768 | 296,545 | 283,117 | 280,681 | 311,925 | 308,287 |
| Total Expenditures | <u>\$6,523,990</u> | <u>\$6,457,440</u> | <u>\$4,478,087</u> | <u>\$5,395,918</u> | <u>\$4,479,075</u> | <u>\$ 6,235,682</u> | <u>\$5,756,545</u> | <u>\$4,929,018</u> | <u>\$3,892,705</u> | <u>\$4,348,753</u> |
| Excess (Deficiency of Revenues over Expenditures) | \$ 277,205 | \$ (235,772) | \$ 631,219 | \$ 185,561 | \$ 184,574 | \$(1,141,030) | \$ 473,299 | \$ 571,564 | \$ 620,225 | \$ 231,822 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Bond proceeds: | | 731,333 | | | | | 1,700,000 | | | |
| Payment to refunded bond escrow agent | | | | | | | | | | |
| Capital lease | 220,379 | | | | | | | | | |
| Transfers in | 1,421,662 | 538,670 | 856,390 | 856,390 | 838,651 | 2,594,179 | 835,850 | 550,953 | 626,942 | 355,490 |
| Transfers out | (1,330,556) | (448,132) | (856,390) | (856,390) | (838,651) | (294,179) | (1,041,851) | (588,376) | (648,436) | (425,848) |
| Sale of capital assets | 35,892 | 63,400 | | | | | | | | |
| Total Other Financing Sources (Uses) | <u>\$ 347,377</u> | <u>\$ 885,271</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,300,000</u> | <u>\$1,493,999</u> | <u>\$ (37,423)</u> | <u>\$ (21,494)</u> | <u>\$ (70,358)</u> |
| Net change in fund balance | <u>\$ 624,582</u> | <u>\$ 649,499</u> | <u>\$ 631,219</u> | <u>\$ 185,561</u> | <u>\$ 184,574</u> | <u>\$ 1,158,970</u> | <u>\$1,967,298</u> | <u>\$ 534,141</u> | <u>\$ 598,731</u> | <u>\$ 161,464</u> |
| Debt service as a percentage of non-capital expenditures | 19% | 33% | 21% | 22% | 26% | 31% | 19% | 20% | 26% | 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 |
|--------------------|---------------------|-------------------------------|---------------------------|-----------------------------|--------------------------------|-------------------------------------|--------------------|----------------------|
| 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 |
| 2006 | 2,688,019 | 156,345 | 285,519 | 753,361 | 184,838 | 298,333 | 214,160 | 4,580,575 |

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 Last Ten Fiscal Years

| Fiscal Year | General Property | General Sales & Use | Franchise | Total Tax Revenue |
|--------------------|-------------------------|--------------------------------|-------------------|--------------------------|
| 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 |
| 2006 | 1,312,438 | 752,715 | 622,866 | 2,688,019 |

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. | | | | | | |
| 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 |
| 2006 | 205,792,054 | 42,382,323 | 881,325 | 15,163,045 | 3,827,533 | 268,046,280 | 0.003308 | 462,054,967 | 58.01 |

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 | |
| 2015 | 0.001690 | 0.001411 | 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 | 0.00692 | 0.000146 | 0.000210 | 0.000866 | 0.000540 | 0.015387 |
| 2013 | 0.001588 | 0.001497 | 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 | 0.001441 | 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 | 0.001441 | 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 | 0.001446 | 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 | 0.001452 | 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 | 0.001584 | 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 | 0.001795 | 0.003203 | 0.002673 | 0.000335 | 0.000185 | 0.000692 | 0.006263 | 0.000106 | 0.000870 | 0.000573 | 0.000480 | 0.015380 |
| 2006 | 0.001510 | 0.001798 | 0.003308 | 0.002808 | 0.000464 | 0.000193 | 0.000721 | 0.006427 | 0.000110 | 0.001247 | 0.000567 | 0.000185 | 0.016234 |

Source:
 Utah State Tax Commission

PRINCIPAL PROPERTY TAX PAYERS
 Current Year and Ten Years Ago

| Taxpayer | Principal Nature of Business | 2015 | | | 2006 | | |
|---------------------------------------|------------------------------|------|--------------------------------|---------------------------|------|--------------------------------|---------------------------|
| | | Rank | Taxable Assessed Valuation (1) | % of Total Assessed Value | Rank | Taxable Assessed Valuation (1) | % of Total Assessed Value |
| Columbia Ogden Medical Center..... | Healthcare | 1 | 40,611,377 | 12.1 | 1 | 27,648,764 | 10.3 |
| The Boyer Company..... | Professional Office | 2 | 6,653,375 | 2.0 | 2 | 4,491,712 | 1.7 |
| Pleasant Valley Office..... | Professional Office | 3 | 3,715,827 | 1.1 | 4 | 2,903,399 | 1.1 |
| Washington House Assisted Living..... | Healthcare | 4 | 3,511,710 | 1.0 | 3 | 2,663,437 | 1.0 |
| Ogden Orthopedic Medical..... | Healthcare | 5 | 2,636,867 | 0.8 | | | |
| Mt. Ogden Healt & Rehab..... | Healthcare | 6 | 2,631,939 | 0.8 | 5 | 2,041,634 | 0.8 |
| Lake Park Apartments Inc..... | Housing | 7 | 2,614,974 | 0.8 | 10 | 1,797,936 | 6.7 |
| Venture Investments..... | Healthcare | 8 | 2,302,939 | 0.7 | | | |
| Ogden Tomotherapy..... | Healthcare | 9 | 2,278,193 | 0.7 | | | |
| Woodland Cove..... | Housing | 10 | 2,217,588 | 0.7 | 6 | 2,049,939 | 0.8 |
| ST Benedicks Development | | | | | 7 | 1,825,010 | 0.7 |
| GFI LTD..... | | | | | 9 | 1,642,200 | 0.6 |
| Health Care Property Investors..... | Healthcare | | | | 8 | 1,640,497 | 0.6 |
| Totals | | | \$ 69,174,789 | 20.7% | | \$ 47,064,031 | 23.6% |
| City Taxable Value | | | \$ 334,926,134 | 100.0% | | \$ 268,046,280 | 100% |

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

Source:
 Weber County Clerk Auditor

CITY OF WASHINGTON TERRACE, UT
 STATISTICAL SECTION - REVENUE CAPACITY
 Fiscal Year Ended June 30, 2015

PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Calendar Years

Washington Terrace City

| 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 |
| 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 |
| 2005 | 795,914 | 22,834 | 773,080 | 748,318 | 94.02 | 20,669 | 768,987 | 96.62 |

Redevelopment Agencies

| | | | | | | | | |
|-------------|-------------------|-------------|-------------------|-------------------|----------------|-------------|-------------------|----------------|
| 2014 | \$ 618,527 | \$ - | \$ 618,527 | \$ 618,527 | 100.00% | \$ - | \$ 618,527 | 100.00% |
| 2013 | 629,545 | - | 629,545 | 629,545 | 100.00 | - | 629,545 | 100.00 |
| 2012 | 630,369 | - | 630,369 | 630,369 | 100.00 | - | 630,369 | 100.00 |
| 2011 | 628,311 | - | 628,311 | 628,311 | 100.00 | - | 628,311 | 100.00 |
| 2010 | 613,653 | - | 613,653 | 613,653 | 100.00 | - | 613,653 | 100.00 |
| 2009 | 646,392 | - | 646,392 | 646,392 | 100.00 | - | 646,392 | 100.00 |
| 2008 | 570,446 | - | 570,446 | 570,446 | 100.00 | - | 570,446 | 100.00 |
| 2007 | 463,006 | - | 463,006 | 463,006 | 100.00 | - | 463,006 | 100.00 |
| 2006 | 414,196 | - | 414,196 | 414,196 | 100.00 | - | 414,196 | 100.00 |
| 2005 | 428,294 | - | 428,294 | 428,294 | 100.00 | - | 428,294 | 100.00 |

Total Property Tax Levies and Collections

| Calendar Year Ended December 31, | Taxes Levied for the Year | Treasurer's Relief | Net Taxes Assessed | Current Tax Collection | % of Current Taxes Collected | Delinquent Tax Collections (1) | Total Tax Collections | Ratio of Total Tax Collections |
|--|---------------------------------|-----------------------|-----------------------|---------------------------|------------------------------------|-----------------------------------|--------------------------|--------------------------------------|
| 2014 | \$ 1,660,652 | \$ 48,352 | \$ 1,612,300 | \$ 1,612,300 | \$ 2 | \$ 28,257 | \$ 1,640,557 | 98.79% |
| 2013 | 1,551,927 | 48,662 | 1,503,265 | 1,503,265 | 195 | 21,756 | 1,525,021 | 98.27 |
| 2012 | 1,494,950 | 46,944 | 1,448,006 | 1,448,006 | 195 | 27,501 | 1,475,507 | 98.70 |
| 2011 | 1,487,337 | 44,151 | 1,443,186 | 1,443,186 | 195 | 31,562 | 1,474,748 | 99.15 |
| 2010 | 1,464,887 | 20,720 | 1,444,167 | 1,412,478 | 194 | 19,180 | 1,431,658 | 97.73 |
| 2009 | 1,485,912 | 20,993 | 1,464,919 | 1,429,675 | 193 | 26,655 | 1,456,330 | 98.01 |
| 2008 | 1,402,559 | 20,920 | 1,381,639 | 1,357,589 | 195 | 28,897 | 1,386,486 | 98.85 |
| 2007 | 1,241,706 | 19,075 | 1,222,631 | 1,192,327 | 194 | 25,858 | 1,218,185 | 98.11 |
| 2006 | 1,185,829 | 21,308 | 1,164,521 | 1,138,790 | 194 | 22,951 | 1,161,741 | 97.97 |
| 2005 | 1,224,208 | 22,834 | 1,201,374 | 1,176,612 | 194 | 20,669 | 1,197,281 | 97.80 |

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> |
|--------------------|-------------------------|---------------------|----------------------|----------------------|
| 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 |
| 2006 | 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 | \$ 94,849,032 | 2.80% | \$ 2,652,813 |
| Weber County School District | 141,010,000 | 4.11% | 5,798,547 |
| Weber Basin Water Conservancy District (1) | 22,440,000 | 2.80% | <u>627,621</u> |
| Total Overlapping Debt..... | | | 9,078,981 |
| Washington Terrace City Direct Debt..... | | | <u>3,380,686</u> |
| Total Direct and Overlapping Debt..... | | | <u><u>\$ 12,459,667</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>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> | <u>2006</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| Debt Limit | 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 | 10,721,851 |
| Total net debt applicable to limit | <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> | <u>4,410,806</u> |
| Legal debt margin | <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> | <u>\$6,311,045</u> |
| Total net debt applicable to debt limit as a percentage | 14.90% | 17.55% | 20.21% | 21.72% | 23.90% | 25.19% | 27.31% | 32.32% | 38.92% | 41.14% |

Legal Debt Margin Calculation for Fiscal Year 2015

| | |
|--|---------------------|
| Total assessed value | 334,926,134 |
| Debt limit - 4% of total assessed value | <u>13,397,045</u> |
| Amount of debt applicable to debt limits: | 2,085,000 |
| General Obligation Refunding Bonds Series 2005 | |
| Less: Amount available for repayment of general obligation bonds | 88,402 |
| Total net debt applicable to limit | <u>1,996,598</u> |
| Legal debt margin | <u>\$11,400,447</u> |

PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

| Fiscal Year | Gross Revenue | Less Operating Expense | Net Available Revenue | Debt Service | | | Time Coverage % |
|--|---------------|------------------------|-----------------------|--------------|-----------|-----------|-----------------|
| | | | | Principal | Interest | Total | |
| Utility Revenue Bonds | | | | | | | |
| 2015 | \$ 3,303,552 | \$ 2,638,827 | \$ 664,725 | \$275,000 | \$ 89,918 | \$364,918 | 1.82 |
| 2014 | 3,320,481 | 2,312,942 | 1,007,539 | 266,000 | 88,728 | 354,728 | 2.84 |
| 2013 | 3,007,462 | 2,363,285 | 644,177 | 263,639 | 96,473 | 360,112 | 1.79 |
| 2012 | 2,808,913 | 2,042,597 | 766,316 | 257,000 | 113,289 | 370,289 | 2.07 |
| 2011 | 2,704,805 | 1,975,948 | 728,857 | 220,000 | 209,952 | 429,952 | 1.70 |
| 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 |
| 2006 | 1,871,893 | 1,344,979 | 526,914 | 135,000 | 153,975 | 288,975 | 1.82 |
| Sales & Franchise Tax Revenue Bonds (1) | | | | | | | |
| 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 |
|--------------------|-------------------|-----------------------|--------------------------|------------------------------------|------------------------|---|--------------------------------------|
| 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 |
| 2006 | 8,346 | 268,046,280 | 4,460,000 | 49,194 | 4,410,806 | 1.65 | 528 |

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 | | | | | Total Primary Government | % 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) | | | | |
| 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 | |
| 2006 | 4,460,000 | - | | | 1,946,272 | 820,000 | 2,965,000 | | 32,100 | | 10,223,372 | 4.20 | 1,225 | |

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 2005, par \$3,445,000
- (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 | | 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) (1) | Per Capita Personal Income (2) | Utah Unemployment Rate for June 30, |
| 2015 | 9,164 | 0.00% | 240,475 | 0.82% | 2,942,902 | 1.45% | \$333,017 | \$ 36,340 (1) | 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 |
| 2006 | 8,346 | -0.31% | 213,667 | 1.44% | 2,457,719 | 2.34% | 243,227 | 29,143 | 3.00 |

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 | 100 | 249 | 9.8 | | | | |
| Washington Heights Healthcare Inc..... | Health Care | 4 | 50 | 99 | 3.9 | | | | |
| Gauss Management Research & Engineering..... | Professional | 5 | 20 | 49 | 1.9 | | | | |
| Legacy House of Ogden..... | Health Care | 6 | 50 | 99 | 3.9 | 6 | 75 | 99 | 5.5 |
| Washington Terrace Care & Rehab..... | Health Care | 7 | 50 | 99 | 3.9 | | | | |
| Mountain Star Blood Services..... | Health Care | 8 | 20 | 49 | 1.9 | 4 | 20 | 49 | 2.7 |
| Wasatch Physical Therapy, Inc..... | Health Care | 9 | 20 | 49 | 1.9 | | | | |
| Washington Terrace City..... | Government | 10 | 20 | 49 | 1.9 | 8 | 20 | 49 | 2.7 |
| Family Fresh Foods..... | Grocery | | | | | 3 | 50 | 74 | 4.1 |
| Vistacare Hospice..... | Health Care | | | | - | 7 | 20 | 49 | 2.7 |
| Bear Care Pediatric, Inc..... | Health Care | | - | - | - | 5 | 20 | 49 | 2.7 |
| Adams Ave Parkway..... | Commercial | | - | - | - | 9 | 10 | 19 | 1.1 |
| Terrace Depot..... | Commercial | | - | - | - | 10 | 10 | 19 | 1.1 |
| Total | | | 930 | 1,990 | 78.0% | | 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 Nine Fiscal Years

| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Fire Protection | | | | | | | | | |
| Number of full-time employees | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - |
| Number of volunteers | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 22 |
| Fire calls for service | 81 | 131 | 257 | 175 | 117 | 143 | 106 | 99 | |
| Medical calls for service | 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 | 335 | 275 | 302 | 192 | 166 | 115 | 175 | 181 | |
| Municipal Water Services | | | | | | | | | |
| Connections | 2,904 | 2,896 | 2,891 | 2,870 | 2,870 | 2,858 | 2,848 | 2,838 | 2,835 |
| Gallons billed/day | 583,676 | 590,615 | 564,952 | 568,585 | 574,193 | 581,030 | 604,550 | 632,891 | 660,553 |
| Gallons used/day | 664,548 | 665,819 | 689,153 | 690,381 | 702,800 | 738,225 | 789,230 | #REF! | #REF! |
| Municipal Sewer Services | | | | | | | | | |
| Connections | 2,875 | 2,856 | 2,871 | 2,845 | 2,849 | 2,842 | 2,825 | 2,823 | 2,820 |
| Municipal Refuse Services | | | | | | | | | |
| Service containers | 2,645 | 2,613 | 2,607 | 2,601 | 2,631 | 2,635 | 2,635 | 2,635 | 1,815 |
| Refuse tonnage disposed | 3,326 | 2,958 | 3,028 | 3,053 | 3,149 | 3,099 | | | |
| Recycle tonnage disposed | 466 | 378 | 413 | 400 | 546 | 445 | | | |
| Parks and Recreation | | | | | | | | | |
| Football participants | 125 | 143 | 130 | 123 | 136 | 114 | 109 | 113 | |
| Basketball participants | 160 | 162 | 123 | 120 | 117 | 114 | 139 | 110 | |
| Baseball/softball participants | 260 | 222 | 203 | 153 | 150 | 145 | 130 | 109 | |
| Soccer participants | 140 | 130 | 115 | 105 | 92 | 86 | na | na | |
| Volleyball participants | 31 | 14 | na | na | na | na | na | na | |
| Business Licenses | | | | | | | | | |
| Licenses issued | 423 | 438 | 415 | 411 | 410 | 412 | 432 | 433 | 336 |

Note:
 Table represents data available since 2007. Years available will increase to ten years over time.
 * Information not available at the time of report compilation.

Source:
 City departments

CAPITAL ASSETS BY FUNCTION
Last Nine Fiscal Years

| | <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 |
| Streets | | | | | | | | | |
| Lane miles | 58 | 58 | 53 | 53 | 53 | 53 | 53 | 53 | 53 |
| Street lights | 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 |
| Fire hydrants | 265 | 265 | 265 | 265 | 265 | 265 | 265 | 260 | 260 |
| Fire pumping vehicles | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 3 |
| Education | | | | | | | | | |
| High schools (public) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Junior high schools (public) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Elementary schools (public) | 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 |
| Municipal Sewer Facilities | | | | | | | | | |
| Miles of sewer mains | 31 | 31 | 31 | 29 | 29 | 29 | 29 | 29 | 29 |
| Parks and Recreation | | | | | | | | | |
| Parks | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 6 |
| Community centers | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 |
| Park and open space acreage | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 48 |

Note:
 Table represents data available since 2007. Years available will increase to ten years over time.
 * Information not available at the time of report compilation.

Source:
 City departments

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

| Governmental Activities | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General Government | 6.56 | 6.56 | 6.34 | 6.06 | 5.56 | 5.55 | 5.55 | 5.68 | 5.50 | 5.53 |
| Public Safety | 3.63 | 3.63 | 3.63 | 3.63 | 3.63 | 2.65 | 2.65 | 2.50 | 2.50 | 3.50 |
| Highways and Public Works | 8.73 | 8.73 | 8.75 | 8.75 | 8.75 | 8.75 | 8.75 | 9.00 | 8.00 | 8.00 |
| Parks and Recreation | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.00 |
| Total Employees | 20.32 | 20.32 | 20.12 | 19.84 | 19.34 | 18.35 | 18.35 | 18.58 | 17.40 | 18.03 |

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) |
| 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% |
| 2006 | 13 | 3,283 | 2,107 | 88 | 506 | 744 | 101 | 6,639 | -5% | 166% |

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