

# City of Washington Terrace

Est. 1958

County of Weber, State of Utah

## Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

With  
Independent Auditor's Report



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# City of Washington Terrace

Est. 1958

County of Weber, State of Utah

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2023

Includes Internal Control, Compliance Reports, and  
Supplemental Information



Presented by:  
Finance Department  
Sharí Garrett, Finance Director

## TABLE OF CONTENTS

### INTRODUCTORY SECTION

<b>Organizational Chart</b> _____	2
<b>Principal Elected Officials</b> _____	3
<b>Transmittal Letter</b> _____	5
<b>Certificate of Achievement</b> _____	13

### FINANCIAL SECTION

<b>Independent Auditor’s Report</b> _____	15
<b>Management’s Discussion and Analysis</b> _____	18
<b>Basic Financial Statements</b>	
<b>Government-Wide Financial Statements</b>	
Statement of Net Position _____	37
Statement of Activities _____	38
<b>Fund Financial Statements</b>	
<b>Governmental Funds</b>	
Balance Sheet _____	39
Balance Sheet Reconciliation to Statement of Net Position _____	40
Statement of Revenues, Expenditures and Changes in Fund Balances _____	41
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities _____	42
<b>Proprietary Funds</b>	
Statement of Net Position _____	43
Statement of Revenues, Expenses, and Changes in Fund Net Position _____	44
Statement of Cash Flows _____	45
<b>Notes to the Financial Statements</b> _____	47

**Required Supplementary Information**

**Governmental Funds**

**Budgetary Comparison Schedules**

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - General Fund _____	76
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual -Redevelopment Agency Special Revenue Fund _____	78
Schedule of Proportionate Share of the Pension Liability – Utah Retirement Systems _____	79
Schedule of Pension Contributions – Utah Retirement Systems _____	80
Notes to Required Supplementary Information _____	81

**Supplementary Information**

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund _____	83
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Debt Service Fund _____	84

**STATISTICAL SECTION**

**Financial Trends**

Net Position by Component _____	87
Changes in Net Position _____	88
Fund Balance of Governmental Funds _____	90
Changes in Fund Balances, Governmental Funds _____	91

**Revenue Capacity**

General Governmental Revenues by Source _____	93
General Governmental Tax Revenue by Source _____	93
Assessed /Taxable and Estimated Market Value of Taxable Property _____	94
Property Tax Rates – Direct and Overlapping Governments _____	95
Principal Property Tax Payers _____	96
Property Tax Levies and Collections _____	97
Direct and Overlapping Sales Tax Rates _____	98

**Debt Capacity**

Computation of Direct and Overlapping Debt _____	100
Legal Debt Margin _____	101
Pledged Revenue Coverage _____	102
Ratios of General Bonded Debt Outstanding _____	103
Ratios of Outstanding Debt by Type _____	104

**Demographic and Economic Information**

Demographic and Economic Indicators _____	106
Principal Employers _____	107

**Operating Information**

Operating Indicators by Function _____	109
Capital Assets by Function _____	110
Full-Time Equivalent Employees by Function _____	111
Property Value and Construction _____	112

**INTERNAL CONTROL & COMPLIANCE REPORTS**

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> _____	114
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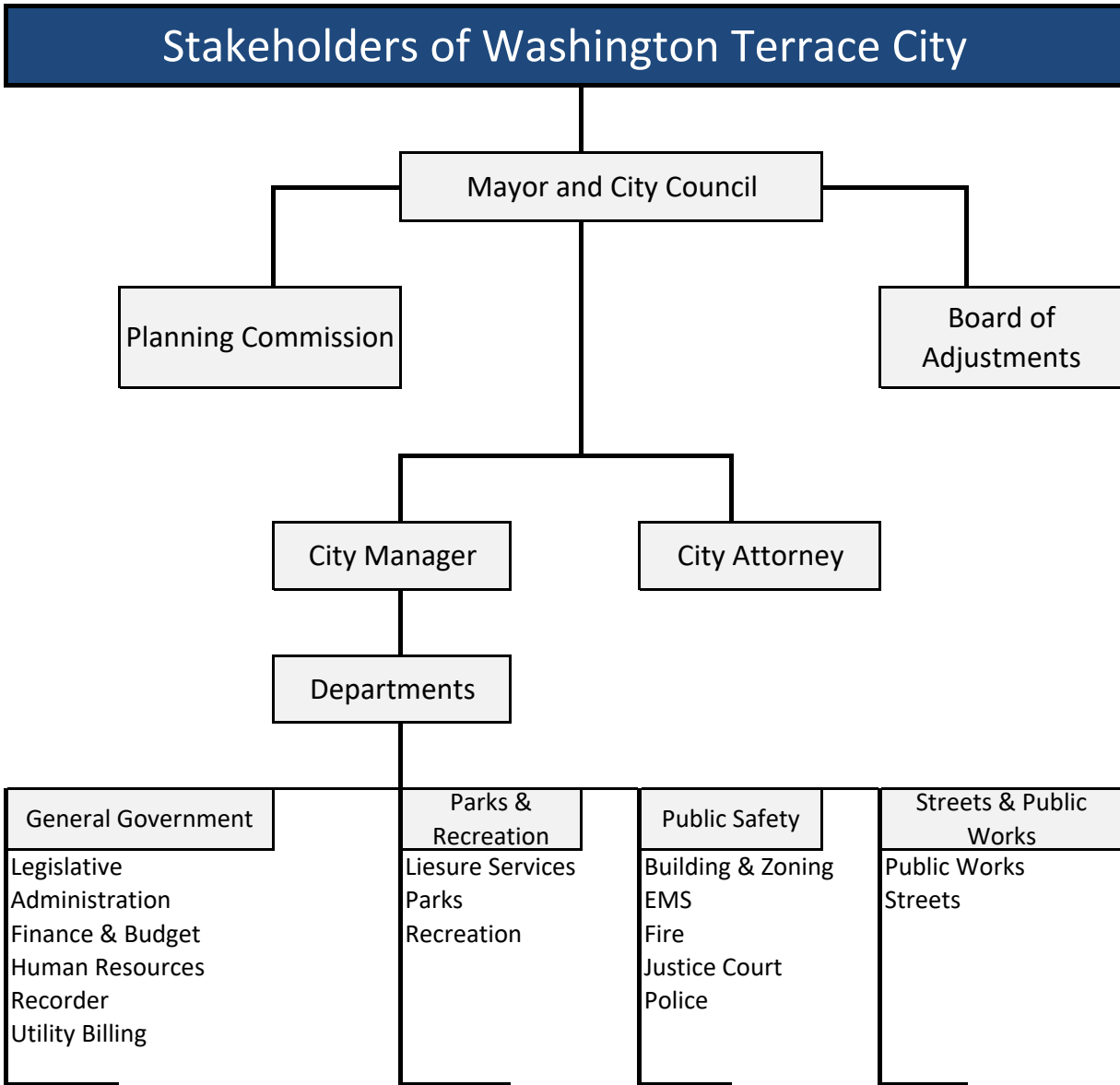
Independent Auditor’s Report on State of Utah Compliance and Report on Internal Control Over Compliance as Required by the <i>State Compliance Audit Guide</i> _____	116
--	-----

Schedule of Findings and Recommendations _____	118
--	-----

Independent Accountant’s Report on Examination Requirements for an Alternative Compliance Engagement for Receiving Coronavirus State and Local Fiscal Recovery Funds _____	119
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# INTRODUCTORY SECTION

City of  
WASHINGTON TERRACE  
*Utah*



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## MAYOR AND CITY COUNCIL

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Mayor  
Mark C. Allen  
[markc@washingtonterracecity.org](mailto:markc@washingtonterracecity.org)



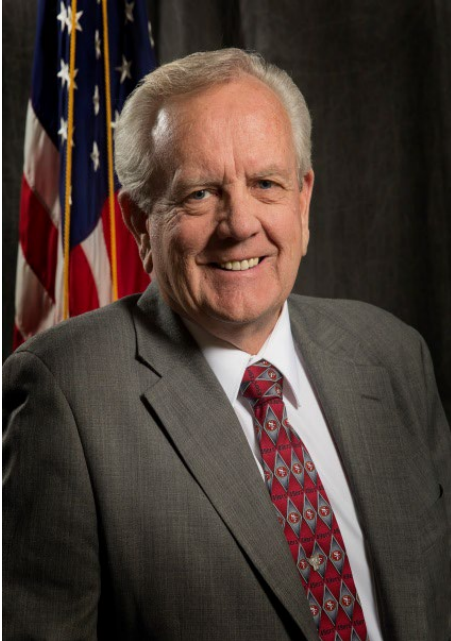
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## MAYOR AND CITY COUNCIL



Council Member  
Carey Seal  
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Council Member  
Jeff West  
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Council Member  
Randy Ferlin  
[randyf@washingtonterracecity.org](mailto:randyf@washingtonterracecity.org)

December 5, 2023

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



## Overview

The Annual Comprehensive Financial Report of the City of Washington Terrace (“the City”) for the fiscal year ended June 30, 2023, is hereby submitted.

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

All disclosures necessary to enable the reader to gain an understanding of the City’s financial activities have been included. Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic

financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The 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 the City for the fiscal year ended June 30, 2023, 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 & Profile

Washington Terrace City 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.



Image – Civic Center monument recognizing the five branches of the US Military

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/emergency medical services, animal control, and justice court); parks and open space, recreation and special events; culinary water delivery, sanitary sewer collection, refuse & recycling collection, and storm water



Image - North facing Washington Terrace City

collection services; street and sidewalks; planning and zoning; and administrative services.

There are multiple overlapping taxing entities such as schools, county services, water and sewer districts that provide services to the taxpayers. This results in the City's taxpayers 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

In the last ten years or since 2013, the City has had diminutive population growth of 1.4 percent or 129 persons--growing from 9,147 in 2013 to 9,276 in 2022. Future population estimates indicate that the City could have a “build out” population of approximately 10,000-12,000.

### Major Industries

Healthcare is the largest industry in the City. Ogden Regional Medical Center (since 1977), a regional hospital, continues to be the City’s largest employer and taxpayer representing an estimated 33% of the City’s employment and 10% 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 financial and professional office and residential rental housing developments.

### Major Developments

Goldenwest Credit Union marked a significant milestone recently with a groundbreaking ceremony for a new corporate center located at 5100 South Washington Boulevard in Washington Terrace. The five-level, 99,000 square-foot, mixed-use building will be constructed on a four-acre parcel of land that is west of



**Image – Goldenwest Credit Union new corporate center rendering**

Goldenwest’s current corporate headquarters in South Ogden, and north of the Credit Union’s Operation Center in Washington Terrace. The corporate center will provide office space in departments including mortgages, financial services, commercial services, and insurance. In addition to office space, the building will house collaboration meeting rooms, multi-use areas for corporate events, and an employee wellness center. “This new corporate center is part of our commitment to provide the best and most advanced financial products and services for our members far into the future,” stated Kerry H. Wahlen, Goldenwest President and CEO.

*Source: Goldenwest Summer 2022 Newsline*

The construction of the new corporate center was completed in September 2023.

### **Assessed Property Value**

The City’s total assessed/taxable value is small compared to other cities of similar size within Weber County at \$840 million and the total direct tax rate is moderate at 0.001733 compared to other cities within Weber County. Assessed taxable value increased by 30 percent or \$192 million when comparing tax year 2021 to 2022. Said increase is largely attributed to new/renovated developments in addition to general market adjustments. This is the largest year over increase reported in taxable value since 2013. When comparing 2022 to 2013 (ten year comparison), assessed/taxable value has increased by over 150 percent or \$511 million. Although new growth has been limited in the City due to buildout constraints, Goldenwest Credit Union is undergoing construction of a new corporate campus in the Southeast Redevelopment Project Area leaving the City optimistic about the positive near and long-term impacts on taxable values.

### **Budgetary Level of Control**

Annual budgets are prepared and adopted before June 30 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. Budgetary control is exercised at the department level. The City Council may amend the budget through a formal revision process that includes 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 Profile**



Image - North facing southern Weber County in Washington Terrace City

The City is a small 2 square mile suburban community located along the Wasatch Front in Weber County, Utah. Weber County, population 267,066, 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



**Image – FrontRunner commuter rail system**

the FrontRunner commuter rail system providing service from Ogden to Provo along an 83-mile corridor along the Wasatch Front. 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 (pictured), 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 is a proud residential community that focuses on preserving the community as a great place to live.



**Image – Ogden Regional Medical Center**

Northern Utah and the Weber County region is known

for its excellent outdoor recreation 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.



**Image – Ski Utah**

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 prepares 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.

As part of the City’s strategic planning process, the City had identified and has developed a financial plan, as part of the 5-year multi-year budget, to address high priority capital infrastructure and improvement projects for roads, culinary water, storm water and sanitary sewer. These projects are estimated to cost \$7 million expanding over the next 5 years. Funding sourcing include use of existing resources, future revenues generated and grants.

### **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. These policies represent a foundation to address changing circumstances and conditions and to assist in the decision making process. They offer 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, revenue shortfall & recession plan, contracting and purchasing, and investments.



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### 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 (ACFR 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 an annual comprehensive 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 between 2007 and 2022.

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 Garrett, Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Washington Terrace  
Utah**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# FINANCIAL SECTION

City of  
WASHINGTON TERRACE  
*Utah*

# Independent Auditor's Report

City of  
WASHINGTON TERRACE  
*Utah*

## INDEPENDENT AUDITOR'S REPORT



CERTIFIED PUBLIC  
ACCOUNTANTS

Gary K. Keddington, CPA  
Marcus K. Arbuckle, CPA  
Steven M. Rowley, CPA

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Washington Terrace, Utah (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, and each major fund of the City of Washington Terrace, Utah, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other schedules and notes as noted on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statement, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023, on our consideration of the City'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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*K&C, CPAs*

K&C, Certified Public Accountants  
Woods Cross, Utah  
November 27, 2023

# Management's Discussion and Analysis



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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, 2023.

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 \$44,963,529, deferred outflow of resources \$281,951, liabilities \$1,706,809, and deferred inflows of resources were \$1,427,089. The assets and deferred outflow of resources of Governmental activities exceeded its liabilities and deferred inflows by \$42,111,582 (net position). Of this amount, \$26,308,058 is net investment in capital assets; \$2,606,212 is restricted; and \$13,197,312 is unrestricted (committed, assigned and unassigned).

The City's Governmental funds (General, Redevelopment, Capital Projects, and Debt Service Funds) reported a combined ending fund balance of \$15,806,713, or an increase of 12.3 percent or \$1,731,263. Of the combined fund balance in 2023, \$1,746,401 is unassigned; \$4,446,946 is assigned for redevelopment activities and related projects; \$7,001,616 is committed for capital requirements; and \$2,606,212 is restricted. Fund balance of the General Fund totaled \$2,048,147 or a decrease of 18.9 percent or \$478,123 from 2022. Of said balance, \$5,538 is nonspendable, \$296,208 is restricted, and \$1,746,401 is unassigned.

### **Business-type Activities**

At year end, Business-type Activities or *fee supported activities* total assets were \$28,755,392 and liabilities \$5,416,790. The assets of Business-type Activities exceeded its liabilities by \$23,338,602 (net position). Of this amount, \$12,603,736 is net investment in capital assets, \$85,060 is restricted, and \$10,649,806 is unrestricted.

### **Government-wide**

The Primary Government reported total assets of \$73,718,921, deferred outflow of resources \$281,951, liabilities of \$7,123,599 and deferred inflows of resources \$1,427,089 resulting in a total net position of \$65,450,184. Total net position consists of net investment in capital assets of \$38,911,794, restricted net position of \$2,691,272, and unrestricted net position of \$23,847,118.

Total assets of \$73,718,921 increased by 4.2 percent or \$2,989,049 from 2022. Capital assets of \$44,082,377 slightly increased by 4.1 percent or \$1,730,630, while current and other assets of \$29,636,544 increased by 4.4 percent or \$1,258,419.



Total liabilities of \$7,123,599 increased by 1.4 percent or \$101,187 from 2022. Long-term liabilities decreased by 4.7 percent or \$269,390 and current and other liabilities increased by 28.4 percent or \$370,577.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

to the City and is presented separately from the Primary Government itself; but for all practical purposes function as a part of the City and are therefore blended as an integral part of the Primary Government.

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

### **FUND FINANCIAL STATEMENTS**

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

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

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

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

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

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

### **Differences between Government-Wide and Fund Statements**

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

### **Notes to the Financial Statements**

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

### **Required Supplementary Information (RSI)**

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

### **Statistical Section**

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As discussed in the Overview of the Financial Statements, total net position may over time serve as a useful tool to determine if the City's overall financial position is improving or declining. For fiscal years ended 2022 and 2023, 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 \$3,558,979; increasing from \$61,891,205 to \$65,450,184.

### **Net Position**

As illustrated in the following "Comparative Summary of Net Position", **Capital Assets** represent the largest asset type for Governmental and Business-type activities for all comparative years. Capital Assets include: land, construction in process, buildings and improvements, infrastructure, and machinery and equipment. Capital Assets are not resources available for spending, nor can they be readily liquidated to satisfy current liabilities. In 2023, Capital Assets for the Primary Government represented 59.8 percent or \$44,082,377 of total assets. Of said amount, 39.7 percent or \$17,487,242 is reported in Business-type activities and 60.3 percent or \$26,595,135 is reported in General governmental activities.

**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 2023, Long-Term Liabilities (excluding deferred outflow of resources) for the Primary Government represented 76.5 percent or \$5,448,925 of total liabilities—down from 81.4 percent or \$5,718,315 in 2022. Long-term liabilities outstanding have decreased by 4.7 percent or \$269,390.

Business-type activities represent 89.6 percent or \$4,883,507 of total long-term liabilities outstanding. Governmental activities represent 10.4 percent or \$565,418.

**Total liabilities** for the Primary Government of \$7,123,599 reported an increase of 1.4 percent or \$101,187.

CITY OF WASHINGTON TERRACE, UT  
MANGEMENT DISCUSSION & ANALYSIS  
Fiscal Year Ended June 30, 2023

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

	Governmental Activities		Business-Type Activities		Total Activities		% Change From Prior Year	\$ Change From Prior Year
	2022	2023	2022	2023	2022	2023		
Current and Other Assets	\$ 16,948,930	\$ 18,368,394	\$ 11,429,195	\$ 11,268,150	\$ 28,378,125	\$ 29,636,544	4.4%	\$ 1,258,419
Capital Assets	25,860,005	26,595,135	16,491,742	17,487,242	42,351,747	44,082,377	4.1	1,730,630
<b>Total Assets</b>	<b>42,808,935</b>	<b>44,963,529</b>	<b>27,920,937</b>	<b>28,755,392</b>	<b>70,729,872</b>	<b>73,718,921</b>	<b>4.2</b>	<b>2,989,049</b>
<b>Deferred Outflows of Resources</b>	<b>196,644</b>	<b>281,951</b>	-	-	<b>196,644</b>	<b>281,951</b>	43.4	85,307
Current and Other Liabilities	1,050,113	1,141,391	253,984	533,283	1,304,097	1,674,674	28.4	370,577
Long-term Liabilities	428,175	565,418	5,290,140	4,883,507	5,718,315	5,448,925	(4.7)	(269,390)
<b>Total Liabilities</b>	<b>1,478,288</b>	<b>1,706,809</b>	<b>5,544,124</b>	<b>5,416,790</b>	<b>7,022,412</b>	<b>7,123,599</b>	<b>1.4</b>	<b>101,187</b>
<b>Deferred Inflows of Resources</b>	<b>2,012,899</b>	<b>1,427,089</b>	-	-	<b>2,012,899</b>	<b>1,427,089</b>	<b>(29.1)</b>	<b>(585,810)</b>
<b>Net Position:</b>								
Net Investment in Capital Assets	25,980,934	26,308,058	11,201,602	12,603,736	37,182,536	38,911,794	4.7	1,729,258
Restricted	2,313,822	2,606,212	85,290	85,060	2,399,112	2,691,272	12.2	292,160
Unrestricted	11,219,636	13,197,312	11,089,921	10,649,806	22,309,557	23,847,118	6.9	1,537,561
<b>Total Net Position</b>	<b>\$ 39,514,392</b>	<b>\$ 42,111,582</b>	<b>\$ 22,376,813</b>	<b>\$ 23,338,602</b>	<b>\$ 61,891,205</b>	<b>\$ 65,450,184</b>	<b>5.8%</b>	<b>\$ 3,558,979</b>

Table 1 – Comparative Summary of Net Position

**Net Investment in Capital Assets** represents the largest component of the City’s net position for the Primary Government representing 59.5 percent or \$38,911,794 in 2023. 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 4.7 percent or \$1,729,258 from the prior year.

**Restricted Net Position** represents assets that are subject to external restrictions on how they may be used. These restrictions include: bond proceeds, road funds, debt service reserves, and grants. Restricted net position for the Primary Government increased by 12.2 percent or \$292,160 in 2023. Restricted net position for the Primary Government represents \$2,691,272 or 4.1 percent of total net position.

Unrestricted Net Position of \$23,847,118 represents assets that may be used at the City’s discretion to meet its ongoing financial obligations. Unrestricted net position increased by 6.9 percent or \$1,537,561

in 2023. Unrestricted net position for the Primary Government represents 36.4 percent of total net position.

## Changes in Net Position

### Primary Government

As illustrated in the following Table 2, “Comparative Changes in Net Position”, the Primary Government’s net ending position of \$65,450,184 increased by 5.8 percent or \$3,558,979 when compared to 2022.

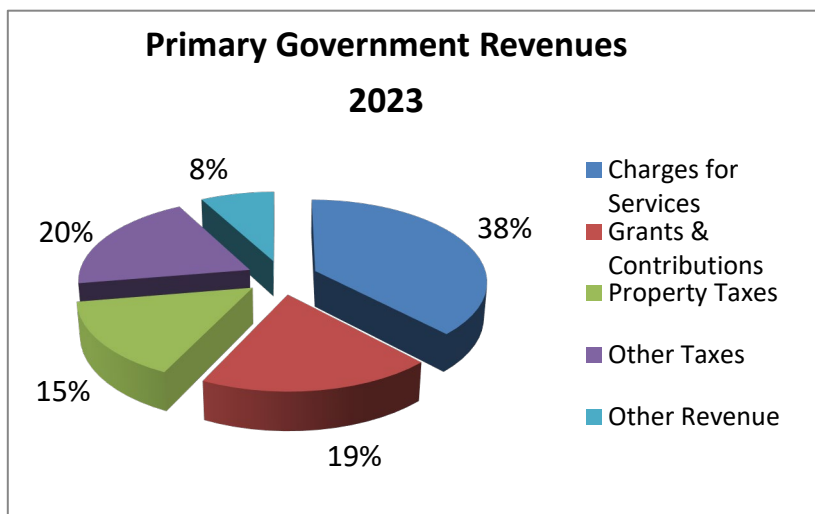


Figure 1 – Primary Government Revenues as a Percentage of Total Revenues

**Program revenue** of \$12,663,378 increased by 20.7 percent or \$2,172,494.

The greatest increase was reported in Capital Grants and Contributions increasing by over 200 percent or \$1,608,407. Said increase is largely attributed to a one-time \$1,094,507 federal grant--American Rescue Plan Act 2021 (ARPA) for road improvements.

As shown in Figure 1, Charges for Services of \$4,799,428 continue to be the largest revenue source representing 37.9 percent of total revenues. Other Taxes (sales and franchise) represented the second largest revenue source for the Primary Government at 19.7 percent or \$2,497,520.

**Program expenses** of \$9,104,399 increased by 24.4 percent or \$1,787,755 from 2022.

Highways & Public Works reported the largest *increase* from the prior year increasing by \$906,831 or 70.1 percent. Said increase is largely attributed to ARPA funded road improvements.

Interest on Long-term Debt was the only program that reported a *decrease* in expenses—decreasing by 38.8 percent or \$5,633.

As illustrated in Figure 2, Highways & Public Works, at \$2,201,250, represents the largest program expense for the Primary Government with a share of total program expense of 24.2 percent.

Interest on Long-term Debt of \$8,886 represents the smallest program expenses with a share of 0.1%.

CITY OF WASHINGTON TERRACE, UT  
MANGEMENT DISCUSSION & ANALYSIS  
Fiscal Year Ended June 30, 2023

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

	Governmental Activities		Business-Type Activities		Total Activities		% Change From Prior Year	\$ Change From Prior Year
	2022	2023	2022	2023	2022	2023		
<b>Revenues</b>								
Program Revenues:								
Charges for Services	\$ 652,995	\$ 619,633	\$ 4,002,832	\$ 4,179,795	\$ 4,655,827	\$ 4,799,428	3.1%	\$ 143,601
Operating Grants and Contributions	564,302	89,172	-	-	564,302	89,172	(84.2)	(475,130)
Capital Grants and Contributions	29,430	2,295,672	708,897	51,062	738,327	2,346,734	217.8	1,608,407
General Revenues:								
Property Taxes	1,931,526	1,928,224	-	-	1,931,526	1,928,224	(0.2)	(3,302)
Other Taxes	2,331,854	2,497,520	-	-	2,331,854	2,497,520	7.1	165,666
Other	143,692	633,749	125,356	368,551	269,048	1,002,300	272.5	733,252
<b>Total Revenues</b>	<b>5,653,799</b>	<b>8,063,970</b>	<b>4,837,085</b>	<b>4,599,408</b>	<b>10,490,884</b>	<b>12,663,378</b>	<b>20.7</b>	<b>2,172,494</b>
<b>Expenses</b>								
Program Expenses:								
General Government	679,665	815,161	-	-	679,665	815,161	19.9	135,496
Public Safety	1,627,849	1,948,468	-	-	1,627,849	1,948,468	19.7	320,619
Highways & Public Works	1,294,419	2,201,250	-	-	1,294,419	2,201,250	70.1	906,831
Parks & Recreation	491,500	572,642	-	-	491,500	572,642	16.5	81,142
Interest on Long-term Debt	14,519	8,886	-	-	14,519	8,886	(38.8)	(5,633)
Water Services	-	-	1,271,383	1,414,994	1,271,383	1,414,994	11.3	143,611
Sewer Services	-	-	988,126	1,156,062	988,126	1,156,062	17.0	167,936
Refuse Services	-	-	581,345	589,295	581,345	589,295	1.4	7,950
Storm Water Services	-	-	367,838	397,641	367,838	397,641	8.1	29,803
<b>Total Expenses</b>	<b>4,107,952</b>	<b>5,546,407</b>	<b>3,208,692</b>	<b>3,557,992</b>	<b>7,316,644</b>	<b>9,104,399</b>	<b>24.4</b>	<b>1,787,755</b>
Increase in net position before								
Transfers	1,545,847	2,517,563	1,628,393	1,041,416	3,174,240	3,558,979	12.1	384,739
Transfers	18,436	79,627	(18,436)	(79,627)	-	-		-
<b>Change in Net Position</b>	<b>1,564,283</b>	<b>2,597,190</b>	<b>1,609,957</b>	<b>961,789</b>	<b>3,174,240</b>	<b>3,558,979</b>	<b>12.1</b>	<b>384,739</b>
Net Position - Beginning (as restated)	37,950,109	39,514,392	20,766,856	22,376,813	58,716,965	61,891,205	5.4	3,174,240
<b>Net Position - Ending</b>	<b>\$ 39,514,392</b>	<b>\$ 42,111,582</b>	<b>\$ 22,376,813</b>	<b>\$ 23,338,602</b>	<b>\$ 61,891,205</b>	<b>\$ 65,450,184</b>	<b>5.8%</b>	<b>\$ 3,558,979</b>

Table 2- Comparative Changes in Net Position

### Governmental Activities

Ending net position for Governmental activities of \$42,111,582 reported an *increase* of 6.6 percent or \$2,597,190 compared to 2022.

Governmental activity revenue of \$8,063,970 *increased* by 42.6 percent or \$2,410,171 from the prior year. Said increase is largely attributed to Capital Grants and Contributions increasing by \$2,266,242. In 2023, the City recognized a one-time \$1,094,507 federal capital grant--American Rescue Plan Act 2021 (ARPA) for road improvements.

Charges for Services reported the largest revenue *decrease* decreasing by 5.1 percent or \$33,362. The following Table 3 and Figure 3, "Net Cost of Governmental Activities", illustrates each Governmental program's ability to rely on self-generated revenues to cover its related program



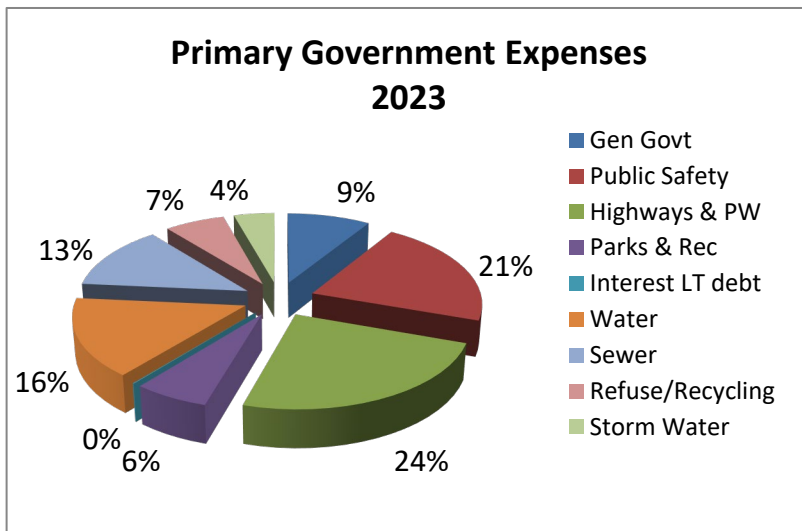


Figure 2 – Primary Government Expenses as a Percentage of Total

expenses. *General* program revenues such as property tax, sales and franchise tax, investment earnings, and capital asset disposal cover the remaining program costs.

In 2023, general revenues covered \$5,059,492 of program costs.

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

Program	Program Expenses		Less Program Revenues		Net Program Cost		Program Revenues as a % of Program Expenses	
	2022	2023	2022	2023	2022	2023	2022	2023
General Government	\$ 679,665	\$ 815,161	\$ 633,753	\$ 586,903	\$ 45,912	\$ 228,258	93.2%	72.0%
Public Safety	1,627,849	1,948,468	12,932	95,819	1,614,917	1,852,649	0.8	4.9
Highways & Public Works	1,294,419	2,201,250	527,261	1,760,916	767,158	440,334	40.7	80.0
Parks & Recreation	491,500	572,642	72,781	560,839	418,719	11,803	14.8	97.9
Interest on Long-term Debt	14,519	8,886	-	-	14,519	8,886	-	-
<b>Total Governmental Activities</b>	<b>\$4,107,952</b>	<b>\$5,546,407</b>	<b>\$1,246,727</b>	<b>\$3,004,477</b>	<b>\$2,861,225</b>	<b>\$2,541,930</b>	<b>30.3%</b>	<b>54.2%</b>

Table 3 – Net Cost of Governmental Activities

Highways & Public Works, the largest Governmental program expense representing \$2,201,250 or 39.7 percent of total program expenses and \$1,760,916 of program revenue, reported a net program cost of \$440,334. In other words, Highways & Public Works self-generated 80 percent of the revenues to cover its costs. The remaining 20 percent of required revenue was generated from general revenues.



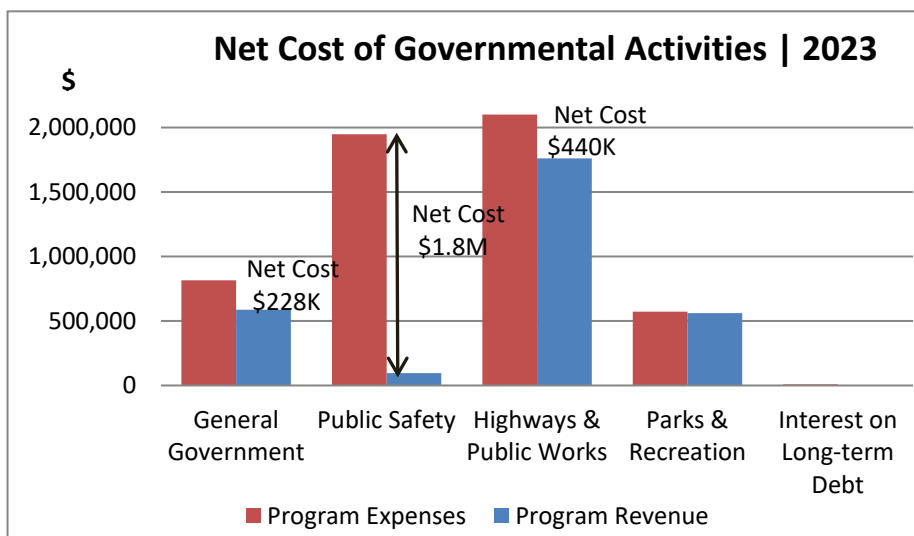


Figure 3 – Net Cost of Governmental Activities

Public Safety had the *lowest* ability to generate revenues to support its program expenses reporting a net program cost of \$1,852,649. Program revenues as a percentage of program expenses were 4.9 percent.

**Business-Type Activities**

Ending net position for Business-type activities of \$23,338,602 reported an *increase* of 4.3 percent or \$961,789 when compared to 2022.

**Program revenue** *decreased* by 4.9 percent or \$237,677.

Capital Grants and Contributions reported the greatest and only *decrease* decreasing by \$657,835 or 92.8 percent while Other Revenue reported the greatest *increase* increasing by 194 percent or \$243,195.

Changes to Capital Grants and Contributions are attributed to various grants and developer infrastructure contributions while increases to Other Revenue is attributed to investment earnings.

**Program expenses** of \$3,557,992 *increased* by 10.9 percent or \$349,300. Water Services reported the greatest *increase* in program expenses increasing by \$143,611 or 11.3 percent. No programs reported a decrease in program expenses.

**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 \$44,082,377 (net of accumulated depreciation) or an *increase* of 4.1 percent or \$1,730,630 from the prior year.

Capital Assets are categorized by five major groups: Land, Construction in Process, Buildings & Improvements, Machinery & Equipment, and Infrastructure. The greatest *increase* in value was reported Infrastructure increasing by 4.8 percent or \$1,977,254. There were no capital assets that reported a *decrease* in value.

CITY OF WASHINGTON TERRACE, UT  
MANGEMENT DISCUSSION & ANALYSIS  
Fiscal Year Ended June 30, 2023

Major capital asset additions for the Primary Government in 2023 were (amounts rounded):

Construction in Process   \$1.033M	
o Pickleball Complex	\$560K
o Road Reconstruction RR25, RR26, RR4F	\$196K
o Culinary Water Line Replacement CW47, CW55	\$277K
Machinery & Equipment   \$190K	
o Fleet replacement	\$190K
Infrastructure   \$2.145M	
o Street Reconstruction RR10, RR24	\$944K
o Culinary water line replacement	\$769K
o Sewer trenchless lining 5200 S.	\$220K
o Storm Water Infrastructure 5200 S/300 E	\$212K

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

Capital Assets	Governmental Activities		Business-Type Activities		Total Activities		% Change From Prior Year	\$ Change From Prior Year
	2022	2023	2022	2023	2022	2023		
Land	\$ 10,448,157	\$ 10,448,157	\$ 715,958	\$ 715,958	\$ 11,164,115	\$ 11,164,115	0.0%	-
Construction in process	14,268	763,673	6,477	276,821	20,745	1,040,494	4915.6%	1,019,749
Buildings & Improvements	5,386,861	5,386,861	5,953,079	5,953,079	11,339,940	11,339,940	0.0%	-
Machinery & Equipment	1,253,965	1,288,402	1,590,025	1,631,887	2,843,990	2,920,289	2.7%	76,299
Infrastructure	25,578,560	26,426,898	15,495,822	16,624,738	41,074,382	43,051,636	4.8%	1,977,254
Less: Accum. Depreciation	(16,821,806)	(17,718,856)	(7,269,619)	(7,715,241)	(24,091,425)	(25,434,097)	5.6%	(1,342,672)
<b>Total Assets, net of accumulated depreciation</b>	<b>\$ 25,860,005</b>	<b>\$ 26,595,135</b>	<b>\$ 16,491,742</b>	<b>\$ 17,487,242</b>	<b>\$ 42,351,747</b>	<b>\$ 44,082,377</b>	<b>4.1%</b>	<b>\$ 1,730,630</b>

Table 4 – Comparative Summary of Capital Assets

Additional information on Capital Assets can be found in the Notes to Financial Statements | Note 5.

## Long-Term Liabilities

The City issued no new or restructured long-term debt obligations.

As illustrated in the following Table 5, “Comparative of Debt Outstanding”, the Primary Government’s total outstanding long-term liabilities (excluding Pension related obligations) of \$5,292,832 reported a *decrease* of 7.4 percent or \$425,483 compared to 2022.

Governmental activities total debt outstanding of \$409,325 reported a 4.4 percent or \$18,850 *decrease* from prior year. The greatest decrease was reported with in the Utility Revenue Bonds, Series 2010C (road improvements).

The greatest and only *increase* (excluding Pension related obligations) was reported in employee compensated absences increasing by \$16,266 or 15.3 percent.

Business-type activities total debt outstanding of \$4,883,507 reported a 7.7 percent or \$406,633 *decrease* from prior year. The greatest value *decrease* in long-term liabilities was reported in the Utility Revenue Bonds, Series 2017 decreasing by \$200,000.

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

Debt Outstanding	Governmental Activities		Business-Type Activities		Total Activities		% Change From Prior Year	\$ Change From Prior Year
	2022	2023	2022	2023	2022	2023		
Compensated Absences	\$ 105,983	\$ 122,249	\$ -	\$ -	\$ 105,983	\$ 122,249	15.3%	\$ 16,266
Lease	29,534	23,246	659,811	519,327	689,345	542,573	-21.3%	(146,772)
Utility Revenue Bonds Ser10B	134,952	121,604	243,048	220,396	378,000	342,000	-9.5%	(36,000)
Utility Revenue Bonds Ser10C	157,706	142,226	270,294	242,774	428,000	385,000	-10.0%	(43,000)
Utility Revenue Bonds Ser17	-	-	3,880,000	3,680,000	3,880,000	3,680,000	-5.2%	(200,000)
Bond Premium	-	-	236,987	221,010	236,987	221,010	-6.7%	(15,977)
<b>Total Debt Outstanding</b>	<b>\$ 428,175</b>	<b>\$ 409,325</b>	<b>\$ 5,290,140</b>	<b>\$ 4,883,507</b>	<b>\$ 5,718,315</b>	<b>\$ 5,292,832</b>	<b>-7.4%</b>	<b>\$(425,483)</b>

Table 5 – Comparative of Debt Outstanding (excluding Pension related)

Additional information on Long-Term Debt can be found in the Notes to Financial Statements | Note 8.

**FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

**Fund Balances**

As illustrated in the following Table 6, “Governmental Fund Balances,” total Governmental fund balance of \$15,806,713 for 2023 an *increase* of 12.3 percent or \$1,731,263.

Of said balance, \$2,606,212 or 16.5 percent is restricted (externally enforceable limitations on use i.e. imposed by creditors, grantors, contributors, law and regulations); \$7,001,616 or 44.3 percent is committed (self-imposed limitations); \$4,446,946 or 28.1 percent is assigned for community development activities; and \$1,746,401 or 11 percent is unassigned (total fund balance in excess of restricted, committed, and assigned balances).

Committed fund balance experienced the greatest change *increasing* by \$834,613 or 13.5 percent. Said increase is attributed to capital funding. No fund balance components experienced a decline.

CITY OF WASHINGTON TERRACE Governmental Fund Balances For Fiscal Year Ended June 30												
Components	General Fund		Redevelopment Fund		Capital Project Fund		Debt Service Fund		Total		% Change from Prior Year	\$ Change from Prior Year
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023		
Nonspendable	\$ -	\$ 5,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5,538	\$ 5,538
Restricted	830,829	296,208	-	-	1,482,993	2,310,004	-	-	2,313,822	2,606,212	12.6%	292,390
Committed	53,525	-	-	-	6,113,478	7,001,616	-	-	6,167,003	7,001,616	13.5%	834,613
Assigned	-	-	3,872,101	4,446,133	-	-	80,608	813	3,952,709	4,446,946	12.5%	494,237
Unassigned	1,641,916	1,746,401	-	-	-	-	-	-	1,641,916	1,746,401	6.4%	104,485
<b>Total</b>	<b>\$ 2,526,270</b>	<b>\$ 2,048,147</b>	<b>\$ 3,872,101</b>	<b>\$ 4,446,133</b>	<b>\$ 7,596,471</b>	<b>\$ 9,311,620</b>	<b>\$ 80,608</b>	<b>\$ 813</b>	<b>\$ 14,075,450</b>	<b>\$ 15,806,713</b>	<b>12.3%</b>	<b>\$ 1,731,263</b>

Table 6 – Governmental Fund Balances

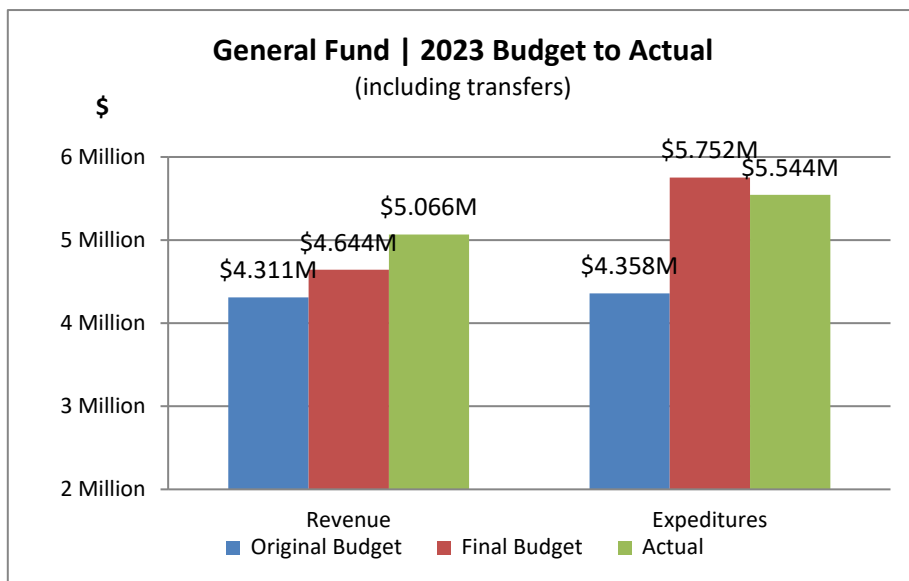
**General Fund Budgetary Highlights**

Final budget to actual variances for revenues and expenditures reported in the General Fund are summarized below.

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

**Revenues | General Fund Revenues**

Actual revenues (including transfers) of \$5.066M *exceeded* final budget estimates of \$4.644M or a \$422K final budget variance.



Tax collections of \$3.877M exceeded final budget estimates of \$3.499M or a \$388K final budget variance.

- **Licenses and permits** of \$212K exceeded final budget estimates of \$206K or a \$6K budget variance.
- **Intergovernmental** collections of \$191K were below final budget estimates of \$196K or a \$5K budget variance.
- **Fines & Forfeitures** of \$90K exceeded final budget estimates of \$75K or a \$15K budget variance.
- **Miscellaneous** revenue of \$503K

exceeded final budget estimates of \$487K or a budget variance of \$16K.

### Expenditures | General Fund Expenditures

Actual expenditures of \$5.544M (including transfers) were below final budget estimates of \$5.752M or a \$208K final budget variance.

- **General Government** expenditures of \$780K were below final budget estimates of \$886K or a budget variance of \$106K.
- **Public Safety** expenditures of \$1.915M were below final budget estimates of \$2.001M or a budget variance of \$86K.
- **Highways and Public Works** expenditures of \$461K were below final budget estimates of \$523K or a budget variance of \$62K.
- **Parks & Recreation** expenditures of \$475K were below final budget estimates of \$491K generating a budget variance of \$16K.

## 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 \$23,338,602 has increased by 4.3 percent or \$961,789 from the prior year.

Net position represents \$12,603,736 or 54 percent of Net Investment in Capital Assets; \$10,649,806 or 45.6 percent Unrestricted; and \$85,060 or 0.4 percent Restricted.

### Changes in Net Position

Business-type activities generated \$4,599,408 of total revenue a decrease of 4.9 percent or \$237,677 from prior year.

The largest program *revenue*, Charges for Services \$4,179,795, representing 90.9 percent of revenues, an increase of 4.4 percent or \$176,963. Capital Grants and Contributions, representing 1.1 percent or \$51,062, decreased by 92.8 percent or \$657,835 from the prior year. Other revenue, representing 8 percent or \$368,551 of program revenue, increased by \$243,195, or 194 percent from the prior year.

Total program *expenses* of \$3,557,992 increased by 10.9 percent or \$349,300 from the prior year.

Culinary Water services, the largest utility program expense, represent 39.8 percent or \$1,414,994 of total program expenses growing by 11.3 percent or \$143,611 from the prior year.

Sanitary Sewer services, the second largest utility program expense, represent 32.5 percent or \$1,156,062 of total program expenses growing by 17 percent or \$167,936 from the prior year.

Refuse services, the third largest utility program expense, represent 16.6 percent or \$589,295 of total program expenses growing by 1.4 percent or \$7,950 from the prior year.

Storm Water services, the fourth largest utility program expense, represent 11.2 percent or \$397,641 of total program expenses increased by 8.1 percent or \$29,803 from the prior year.

**ECONOMIC & DEMOGRAPHIC FACTORS**

According to Zions Bank, Economics July 2023 Economic Snapshot Highlights, “The Beehive State’s June 2023 unemployment rate increased to 2.4%, and its nonfarm payroll employment increased by 3.2%, or 54,200 jobs, during the last 12-months. Industry sectors leading the job growth were leisure and hospitality (17,000); education and health services (11,200); and government (6,900). By contrast, the only industry sector with negative job growth was financial activities (-700).”

**Washington Terrace City, UT  
 Census QuickFacts**

Population Estimates, 2022	9,160
Population per sq mile, 2020	4,542.6
Median Household Income, in 2021 dollars	\$65,253
Persons in Poverty	8.2%
Median value of owner occupied housing units, 2017-2021	\$238,000
Households, 2017-2021	3,254
Persons per household, 2017-2021	2.79

Source: US Census Bureau

**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 includes: grants, impact fees, user fees, taxes, and fund/developer contributions. Through the budget process, capital requirements will be prioritized according to funding availability.

### **REQUESTS FOR INFORMATION**

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

City of Washington Terrace | Finance Department  
5249 South 400 East | Washington Terrace City, Utah 84405  
Direct: 801-395-8284



# Basic Financial Statements

Including notes



## STATEMENT OF NET POSITION

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 13,688,359	\$ 10,490,562	\$ 24,178,921
Accounts receivable, net	52,918	459,903	512,821
Due from other governmental units	1,886,445	-	1,886,445
Prepaid expenses	5,538	139,880	145,418
Cash - restricted	2,735,134	135,365	2,870,499
Inventory	-	42,440	42,440
Capital assets not being depreciated:			
Land	10,448,157	715,958	11,164,115
Construction work in progress	763,673	276,821	1,040,494
Capital assets, net of accumulated depreciation:			
Buildings and improvements	3,183,493	4,534,284	7,717,777
Infrastructure	11,546,370	10,980,171	22,526,541
Machinery and equipment	653,442	980,008	1,633,450
<b>Total Assets</b>	<b>44,963,529</b>	<b>28,755,392</b>	<b>73,718,921</b>
<b>Deferred Outflows of Resources</b>			
Pension related	281,951	-	281,951
<b>Total Deferred Outflows of Resources</b>	<b>281,951</b>	<b>-</b>	<b>281,951</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 45,245,480</b>	<b>\$ 28,755,392</b>	<b>\$ 74,000,872</b>
<b>Liabilities</b>			
Accounts payable	\$ 909,834	\$ 409,512	\$ 1,319,346
Accrued liabilities	230,807	100,980	331,787
Unearned revenue	750	22,791	23,541
Noncurrent liabilities:			
Due within one year	121,469	399,909	521,378
Due in more than one year	287,856	4,483,598	4,771,454
Net pension liability	156,093	-	156,093
<b>Total Liabilities</b>	<b>1,706,809</b>	<b>5,416,790</b>	<b>7,123,599</b>
<b>Deferred Inflows of Resources</b>			
Deferred revenue - property taxes	1,420,290	-	1,420,290
Pension related	6,799	-	6,799
<b>Total Deferred Inflows of Resources</b>	<b>1,427,089</b>	<b>-</b>	<b>1,427,089</b>
<b>Net Position</b>			
Net investment in capital assets	26,308,058	12,603,736	38,911,794
Restricted for:			
Debt service	37,080	67,920	105,000
Repair & Replacement	9,642	17,140	26,782
Roads	2,310,004	-	2,310,004
Statutory 5% Minimum	249,486	-	249,486
Unrestricted	13,197,312	10,649,806	23,847,118
<b>Total Net Position</b>	<b>42,111,582</b>	<b>23,338,602</b>	<b>65,450,184</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 45,245,480</b>	<b>\$ 28,755,392</b>	<b>\$ 74,000,872</b>

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

## STATEMENT OF ACTIVITIES

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary Government:</b>								
Government Activities								
General governmental	\$ 815,161	\$ 579,021	\$ 7,882	\$ -	\$ (228,258)	\$ -	\$ (228,258)	
Public safety	1,948,468	-	12,140	83,679	(1,852,649)	-	(1,852,649)	
Highways and public works	2,201,250	-	50,749	1,710,167	(440,334)	-	(440,334)	
Parks and recreation	572,642	40,612	18,401	501,826	(11,803)	-	(11,803)	
Interest on long-term debt	8,886	-	-	-	(8,886)	-	(8,886)	
Total Governmental Activities	<u>5,546,407</u>	<u>619,633</u>	<u>89,172</u>	<u>2,295,672</u>	<u>(2,541,930)</u>	<u>-</u>	<u>(2,541,930)</u>	
Business-type Activities								
Water services	1,414,994	1,569,513	-	46,461	-	200,980	200,980	
Sewer services	1,156,062	1,357,227	-	4,065	-	205,230	205,230	
Refuse services	589,295	648,285	-	-	-	58,990	58,990	
Storm water services	397,641	604,770	-	536	-	207,665	207,665	
Total Business-type Activities	<u>3,557,992</u>	<u>4,179,795</u>	<u>-</u>	<u>51,062</u>	<u>-</u>	<u>672,865</u>	<u>672,865</u>	
Total Government	<u>\$ 9,104,399</u>	<u>\$ 4,799,428</u>	<u>\$ 89,172</u>	<u>\$ 2,346,734</u>	<u>(2,541,930)</u>	<u>672,865</u>	<u>(1,869,065)</u>	
<b>General Revenues</b>								
					1,928,224	-	1,928,224	
					1,714,766	-	1,714,766	
					782,754	-	782,754	
					611,689	368,551	980,240	
					22,060	-	22,060	
					<u>79,627</u>	<u>(79,627)</u>	<u>-</u>	
					Total General Revenues and Transfers	<u>5,139,120</u>	<u>288,924</u>	<u>5,428,044</u>
					Changes in Net Position	2,597,190	961,789	3,558,979
					Net Position, Beginning	<u>39,514,392</u>	<u>22,376,813</u>	<u>61,891,205</u>
					Net Position, Ending	<u>\$ 42,111,582</u>	<u>\$ 23,338,602</u>	<u>\$ 65,450,184</u>

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

# Fund Financial Statements

City of  
WASHINGTON TERRACE  
*Utah*

**BALANCE SHEET - GOVERNMENTAL FUNDS**

	<b>General</b>	<b>Redevelopment Agency</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Total Governmental Funds</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 1,823,063	\$ 4,446,133	\$ 7,418,350	\$ 813	\$ 13,688,359
Accounts receivable, net	52,918	-	-	-	52,918
Due from other governmental units	1,667,386	98,630	120,429	-	1,886,445
Prepays	5,538	-	-	-	5,538
Restricted assets:					
Cash and cash equivalents	378,122	-	2,357,012	-	2,735,134
<b>Total Assets</b>	<b>\$ 3,927,027</b>	<b>\$ 4,544,763</b>	<b>\$ 9,895,791</b>	<b>\$ 813</b>	<b>\$ 18,368,394</b>
<b>Liabilities</b>					
Accounts payable	\$ 372,671	\$ -	\$ 537,163	\$ -	\$ 909,834
Accrued liabilities	183,799	-	47,008	-	230,807
Unearned revenue	750	-	-	-	750
<b>Total Liabilities</b>	<b>557,220</b>	<b>-</b>	<b>584,171</b>	<b>-</b>	<b>1,141,391</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	1,321,660	98,630	-	-	1,420,290
<b>Fund Balances</b>					
Nonspendable					
Prepays	5,538	-	-	-	5,538
Restricted					
Roads funds	-	-	2,310,004	-	2,310,004
Debt service	37,080	-	-	-	37,080
Repair & Replacement	9,642	-	-	-	9,642
Statutory 5% Minimum	249,486	-	-	-	249,486
Committed for:					
Capital projects	-	-	7,001,616	-	7,001,616
Assigned					
Redevelopment Agency	-	4,446,133	-	-	4,446,133
Debt service	-	-	-	813	813
Unassigned	1,746,401	-	-	-	1,746,401
<b>Total Fund Balances</b>	<b>2,048,147</b>	<b>4,446,133</b>	<b>9,311,620</b>	<b>813</b>	<b>15,806,713</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 3,927,027</b>	<b>\$ 4,544,763</b>	<b>\$ 9,895,791</b>	<b>\$ 813</b>	<b>\$ 18,368,394</b>

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

**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:

<b>Total fund balance - governmental funds</b>	<b>\$ 15,806,713</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	26,595,135
Long-term liabilities, including bond payable, are not due and payable in the current period and therefore are not recorded in the funds.	
Bonds payable	(263,830)
Lease payable	(23,246)
Compensated absences	(122,249)
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.	
Pension Liability	(156,093)
Pension Deferred Outflows	281,951
Pension Deferred Inflows	(6,799)
<b>Net position - governmental activities</b>	<b><u><u>\$ 42,111,582</u></u></b>

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

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

	<b>General</b>	<b>Redevelopment Agency</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>					
Taxes	\$ 3,887,214	\$ 98,631	\$ -	\$ -	\$ 3,985,845
Licenses and permits	211,848	-	-	-	211,848
Intergovernmental	190,511	439,899	2,293,772	-	2,924,182
Charges for services	106,645	-	-	-	106,645
Impact fees	-	-	1,900	-	1,900
Fines and forfeitures	90,429	-	-	-	90,429
Interest income	393,694	147,031	70,964	-	611,689
Miscellaneous revenue	109,372	-	-	-	109,372
<b>Total Revenues</b>	<b>4,989,713</b>	<b>685,561</b>	<b>2,366,636</b>	<b>-</b>	<b>8,041,910</b>
<b>Expenditures</b>					
Current:					
General government	779,990	6,509	16,891	-	803,390
Public safety	1,914,760	-	-	-	1,914,760
Highways and public works	461,311	15,935	-	-	477,246
Parks and recreation	475,236	-	-	-	475,236
Capital expenditures	-	89,085	2,643,734	-	2,732,819
Debt service:					
Principal retirement	-	-	-	35,115	35,115
Interest and fiscal charges	-	-	-	8,886	8,886
<b>Total Expenditures</b>	<b>3,631,297</b>	<b>111,529</b>	<b>2,660,625</b>	<b>44,001</b>	<b>6,447,452</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,358,416	574,032	(293,989)	(44,001)	1,594,458
<b>Other Financing Sources (Uses)</b>					
Transfer in	76,099	878,104	3,476,231	44,804	4,475,238
Transfer out	(1,912,638)	(878,104)	(1,524,269)	(80,600)	(4,395,611)
Disposal of capital assets	-	-	57,175	-	57,175
<b>Total Other Financing Sources (Uses)</b>	<b>(1,836,539)</b>	<b>-</b>	<b>2,009,137</b>	<b>(35,796)</b>	<b>136,802</b>
<b>Net Change in Fund Balances</b>	<b>(478,123)</b>	<b>574,032</b>	<b>1,715,148</b>	<b>(79,797)</b>	<b>1,731,260</b>
Fund Balance, Beginning	2,526,270	3,872,101	7,596,472	80,610	14,075,453
Fund Balance, Ending	<u>\$ 2,048,147</u>	<u>\$ 4,446,133</u>	<u>\$ 9,311,620</u>	<u>\$ 813</u>	<u>\$ 15,806,713</u>

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



**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:**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 1,731,260</b>
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.	(1,018,534)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position.	1,795,794
Government funds have proceeds from the sale of assets as revenue. However, in the activities it reports the gain or loss on the sale of assets.	(42,126)
Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	35,115
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.	(16,266)
Changes in the pension asset and liabilty accounts are not recorded in the funds rather they recorded in the statement of activities	<u>111,947</u>
<b>Change in net position - governmental activities</b>	<b><u>\$ 2,597,190</u></b>

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

**STATEMENT OF NET POSITION – PROPRIETARY FUND**

	<b>Business-type Activities</b>
	<b>Enterprise Fund Public Utilities</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 10,490,562
Accounts receivable, net	459,903
Prepays	139,880
Inventories	42,440
	<hr/>
Total Current Assets	11,132,785
<b>Noncurrent Assets</b>	
Cash - restricted	135,365
Land	715,958
Construction work in progress	276,821
Buildings	5,953,079
Infrastructure	16,624,738
Machinery and equipment	1,631,887
Less: Accumulated depreciation	(7,715,241)
	<hr/>
Total Noncurrent Assets	17,622,607
	<hr/>
<b>Total Assets</b>	<b>\$ 28,755,392</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 409,512
Accrued liabilities	100,980
Unearned revenue	22,791
Long term liabilities - current portion	399,909
	<hr/>
Total Current Liabilities	933,192
<b>Noncurrent Liabilities</b>	
Long term liabilities - noncurrent portion	4,483,598
	<hr/>
<b>Total Noncurrent Liabilities</b>	<b>4,483,598</b>
	<hr/>
<b>Total Liabilities</b>	<b>5,416,790</b>
<b>Net Position</b>	
Net invested in capital assets	12,603,736
Restricted:	
Debt reserve	67,920
Repair & Replacement	17,140
Unrestricted	10,649,806
	<hr/>
Total Net Position	23,338,602
	<hr/>
<b>Total Liabilities and Net Position</b>	<b>\$ 28,755,392</b>

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

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

	<b>Business-type Activities</b>
	<b>Enterprise Fund Public Utilities</b>
<b>Operating Revenues</b>	
Charges for services:	
Water	\$ 1,565,842
Sewer	1,353,988
Refuse	648,285
Storm water	604,770
Connection and other fees	
Water	3,671
Sewer	3,239
Total Operating Revenues	4,179,795
<b>Operating Expenses</b>	
Personnel services	1,110,278
Contractual services	1,426,076
Materials and supplies	269,859
Depreciation expense	594,315
Total operating expenses	3,400,528
Operating income	779,267
<b>Nonoperating revenue (expense)</b>	
Interest income	368,551
Interest expense	(157,464)
Total nonoperating revenues (expenses)	211,087
Income (loss) before capital contributions and transfers	990,354
Capital contributions:	
Impact fee income	2,687
Intergovernmental income	48,375
Transfers in/(out)	(79,627)
Change in net position	961,789
Net position, beginning	22,376,813
Net position, ending	\$ 23,338,602

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

**STATEMENT OF CASH FLOWS – PROPRIETARY FUND**

	<b>Business-type Activities</b>
	<b>Enterprise Fund Public Utilities</b>
<b>Cash Flows From Operating Activities</b>	
Receipts from customers and users	\$ 4,152,758
Payments to suppliers and service providers	(1,468,457)
Cash payments for interfund services used	(1,110,278)
<b>Net cash flows from operating activities</b>	<b>1,574,023</b>
<b>Cash Flows From Non-Capital Financing Activities</b>	
Transfers out	(79,627)
<b>Net cash flows from non-capital financing activities</b>	<b>(79,627)</b>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets	(1,635,046)
Principal paid on bonds and leases	(390,656)
Proceeds from disposal of assets	45,231
Intergovernmental	48,375
Interest Paid	(173,440)
Impact fees received	2,687
<b>Net cash flows from capital and related financing activities</b>	<b>(2,102,849)</b>
<b>Cash Flows From Investing Activities</b>	
Interest on investment	368,551
<b>Net cash flows from investing activities</b>	<b>368,551</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>(239,902)</b>
<b>Cash and Cash Equivalents, Beginning</b>	<b>10,865,829</b>
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 10,625,927</b>

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

**STATEMENT OF CASH FLOWS – PROPRIETARY FUND (Continued)**

	<u>Business-type Activities</u>
	<u>Enterprise Fund Public Utilities</u>
<b>Reconciliation of operating income to net cash flows from operating activities</b>	
Operating income	\$ 779,267
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation expense	594,315
(Increase) Decrease in accounts receivables	(32,455)
(Increase) Decrease in prepaids	(3,962)
(Increase) Decrease in inventory	(42,440)
Increase (Decrease) in accounts payable	261,781
Increase (Decrease) in accrued liabilities	12,099
Increase (Decrease) in unearned revenue	5,418
	<hr/>
<b>Net cash flows from operating activities</b>	<b>\$ 1,574,023</b>
	<hr/>
<b>Schedule of non-cash capital and related financing activities</b>	
Bond premium amortization	\$ 15,977

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

# 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, sewer, and storm water), 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 City established a Redevelopment Agency (RDA) pursuant to state code and designated the City Council and the Mayor as the RDA board. Management of the City is responsible for the day-to-day operations. The financial statements of the RDA are included as part of the Comprehensive Annual Financial Report of the City (by blended presentation) and are included as a major governmental fund.

**(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 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 are charges to customers to the system. Operating expenses for enterprise 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 30 for the fiscal year commencing the following July 1, in accordance with the Uniform Fiscal Procedures Act for Utah Cities. State law requires budgeted revenues to equal budgeted expenditures, and legal control is exercised at the department level. Once a budget has been adopted, it remains in effect until it has been formally revised. Budgets for the general fund, special revenue, and capital projects funds are legally required, prepared and adopted on the modified accrual basis of accounting. Therefore, no reconciliation between budgetary schedules and the GAAP statements is required.

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

Utah State allows for any undesignated fund balances in excess of 5% of total revenues 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 35% of the total revenues 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 30. 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 and equipment, and infrastructure assets (e.g., roads, 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 extending beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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	5-25 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.

During the current year the City implemented GASB 87 which is related to accounting for leases.

**(H) Equity Classifications**

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

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

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

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

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

**(H) Equity Classifications (Continued)**

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

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

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

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

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

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

**(I) Cash, Cash Equivalents and Investments**

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.

Investments for the City are reported at fair value. The State Treasurer's Investment Pool operates in accordance with state laws and regulations. The reported value of the pool is approximately the same as the fair value of the pool shares.

**(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 assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of

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

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

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

**(L) Pensions**

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

**(M) Prepaid**

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

**NOTE 2 CASH AND INVESTMENTS**

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

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").

The City measures its investments using fair value measurement guidelines, established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1*: Quoted prices for identical investments in active markets;
- *Level 2*: Observable inputs other than quoted market prices; and
- *Level 3*: Unobservable inputs.

The City's PTIF investment, which is an external investment pool, was measured as Level 2.

The 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

## NOTE 2 CASH AND INVESTMENTS (Continued)

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, 2023, \$99,114 of the City's bank balances of \$451,721 (excluding PTIF) was uninsured and uncollateralized.

*Credit risk* is the risk that the counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard & Poor's; 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.

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, 2023, the City had cash balances of \$26,610,323 deposited in the PTIF. The fair value of this cash balance was \$26,612,323 using a fair value factor of 1.00007516.

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. The weighted average maturity for the PTIF at June 30, 2023 is 120.3 days.

**NOTE 2 CASH AND INVESTMENTS (Continued)**

Following are the City’s cash on hand and on deposit at June 30, 2023:

	<b>Carrying Amount</b>
<b>Cash on hand and on deposit:</b>	
Cash on hand	\$ 1,300
Cash on deposit	331,740
Money Market	106,055
Utah State Treasurer's investment pool accounts	<u>26,610,323</u>
<b>Total cash on hand and deposit</b>	<b><u>\$ 27,049,418</u></b>

**NOTE 3 ACCOUNTS RECEIVABLE**

Accounts receivable are recorded net of the allowance for doubtful accounts of \$11,164 in the enterprise fund.

**NOTE 4 RESTRICTED ASSETS**

Certain assets are restricted to use as follows as of June 30, 2023:

Road Funds	\$ 2,310,004
Statutory 5% Minimum	249,486
2010 Series Bond Reserve Fund	129,782
Retainage	60,606
Customer Deposits	94,036
Unearned Revenues	23,541
Bail held	<u>3,044</u>
	<b><u>\$ 2,870,499</u></b>

**NOTE 5 CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2023, is as follows:

	<b>Balance June 30, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2023</b>
<b>Governmental activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 10,448,157	\$ -	\$ -	\$ 10,448,157
Construction in progress	14,268	756,416	(7,011)	763,673
<b>Total capital assets, not being depreciated</b>	<b>10,462,425</b>	<b>756,416</b>	<b>(7,011)</b>	<b>11,211,830</b>
<b>Capital assets, being depreciated</b>				
Buildings and Improvements	5,386,861	-	-	5,386,861
Infrastructure	25,578,560	944,338	(96,000)	26,426,898
Machinery and equipment	1,253,965	95,040	(60,603)	1,288,402
<b>Total capital assets, being depreciated</b>	<b>32,219,386</b>	<b>1,039,378</b>	<b>(156,603)</b>	<b>33,102,161</b>
<b>Less accumulated depreciation for</b>				
Buildings and Improvements	(2,031,825)	(171,543)	-	(2,203,368)
Infrastructure	(14,194,960)	(781,568)	96,000	(14,880,528)
Machinery and equipment	(595,021)	(65,423)	25,484	(634,960)
<b>Total accumulated depreciati</b>	<b>(16,821,806)</b>	<b>(1,018,534)</b>	<b>121,484</b>	<b>(17,718,856)</b>
<b>Total capital assets, being depreciated, net</b>	<b>15,397,580</b>	<b>20,844</b>	<b>(35,119)</b>	<b>15,383,305</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 25,860,005</b>	<b>\$ 777,260</b>	<b>\$ (42,130)</b>	<b>\$ 26,595,135</b>



**NOTE 5 CAPITAL ASSETS (Continued)**

The Business-type Activities property, plant and equipment consist of the following at June 30, 2023:

	<b>Balance June 30, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2023</b>
<b>Business-type Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 715,958	\$ -	\$ -	\$ 715,958
Construction in progress	6,477	276,821	(6,477)	276,821
<b>Total capital assets, not being depreciated</b>	<b>722,435</b>	<b>276,821</b>	<b>(6,477)</b>	<b>992,779</b>
<b>Capital assets, being depreciated</b>				
Buildings	5,953,079	-	-	5,953,079
Infrastructure	15,495,822	1,263,185	(134,269)	16,624,738
Machinery and equipment	1,590,025	95,040	(53,178)	1,631,887
<b>Total capital assets, being depreciated</b>	<b>23,038,926</b>	<b>1,358,225</b>	<b>(187,447)</b>	<b>24,209,704</b>
<b>Less accumulated depreciation for</b>				
Buildings	(1,260,420)	(158,375)	-	(1,418,795)
Infrastructure	(5,345,322)	(370,572)	71,327	(5,644,567)
Machinery and equipment	(663,877)	(65,368)	77,366	(651,879)
<b>Total accumulated depreciati</b>	<b>(7,269,619)</b>	<b>(594,315)</b>	<b>148,693</b>	<b>(7,715,241)</b>
<b>Total capital assets, being depreciated, net</b>	<b>15,769,307</b>	<b>763,910</b>	<b>(38,754)</b>	<b>16,494,463</b>
<b>Business-type activities capital assets, net</b>	<b>\$16,491,742</b>	<b>\$ 1,040,731</b>	<b>\$ (45,231)</b>	<b>\$17,487,242</b>

**NOTE 5 CAPITAL ASSETS (Continued)**

Depreciation expense was charged to functions/programs as follows:

<b>Governmental activities</b>	
General government	\$ 87,770
Public safety	37,317
Highways and public works	800,464
Parks and recreation	<u>92,983</u>
Total depreciation expense - governmental activities	<u>\$1,018,534</u>
<b>Business-type activities</b>	
Water services	\$ 369,827
Sewer services	140,631
Storm water services	<u>83,857</u>
Total depreciation expense - business-type activities	<u>\$ 594,315</u>
Combined depreciation expense	<u>\$1,612,849</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 assets 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 and Redevelopment Agency in the amounts of \$1,321,660 and \$98,630 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, 2023 was not expected to be received within 30 days after the year ended June 30, 2023, the City was required to record a receivable and a deferred inflow of the estimated amount of the total property tax to be levied on October 1, 2023.

**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 \$85,574 of the compensated absences balance will be due in the next year.

**NOTE 8 LONG-TERM OBLIGATIONS**

The following is summary of long-term debt transactions of the City for the year ended June 30, 2023:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due within One Year</b>
<b>Governmental activities</b>					
<b>Direct Placement Debt:</b>					
Utility Revenue Bond, Series 2010B	\$ 134,951	\$ -	\$ (13,347)	\$ 121,604	\$ 13,680
Utility Revenue Bond, Series 2010C	157,706	-	(15,480)	142,226	15,840
Total bonds payable	<u>292,657</u>	<u>-</u>	<u>(28,827)</u>	<u>263,830</u>	<u>29,520</u>
<b>Direct Borrowing Debt</b>					
Finance purchase - lease	29,534	-	(6,288)	23,246	6,375
Total finance purchase - lease	<u>29,534</u>	<u>-</u>	<u>(6,288)</u>	<u>23,246</u>	<u>6,375</u>
<b>Other Debt</b>					
Compensated absences	105,983	97,690	(81,424)	122,249	85,574
Pension	-	156,093	-	156,093	-
Total other debt	<u>105,983</u>	<u>253,783</u>	<u>(81,424)</u>	<u>278,342</u>	<u>85,574</u>
<b>Governmental activity long-term liabilities</b>	<u>\$ 428,174</u>	<u>\$ 253,783</u>	<u>\$ (116,539)</u>	<u>\$ 565,418</u>	<u>\$ 121,469</u>
<b>Business-type activities</b>					
<b>Direct Placment bonds:</b>					
Utility Revenue Bond, Series 2010B	\$ 243,048	\$ -	\$ (22,652)	\$ 220,396	\$ 24,320
Utility Revenue Bond, Series 2010C	270,294	-	(27,520)	242,774	28,160
<b>Other bonds:</b>					
Utility Revenue Bond, Series 2017	3,880,000	-	(200,000)	3,680,000	205,000
Bond Premium	236,987	-	(15,977)	221,010	-
Total bonds payable	<u>4,719,996</u>	<u>-</u>	<u>(355,816)</u>	<u>4,364,180</u>	<u>257,480</u>
<b>Direct Borrowing Debt</b>					
Finance purchase - lease	659,811	-	(140,484)	519,327	142,429
Total finance purchase - lease	<u>659,811</u>	<u>-</u>	<u>(140,484)</u>	<u>519,327</u>	<u>142,429</u>
<b>Business-type activity long-term liabilities</b>	<u>\$ 5,379,807</u>	<u>\$ -</u>	<u>\$ (496,300)</u>	<u>\$ 4,883,507</u>	<u>\$ 399,909</u>

The General Fund liquidates the liability for compensated absences.

The City has no lines of credit.

**NOTE 8 LONG-TERM OBLIGATIONS (Continued)**

Utility Revenue Bond, Series 2010B

The Utility Revenue Bond, Series 2010B was issued in December 2010. The \$708,000 revenue bonds are due in annual installments through June 1, 2031. The bonds carry an interest rate of 3.56%. The bond contains a provision wherein if the City fails to pay the scheduled bond payments the City may be considered in default. Upon default, the Trustee may pursue any available remedy by suit at law or equity to enforce the payment of principal of premium and interest on the bonds then outstanding. In addition, the Trustee may liquidate investments in the Bond Fund and Debt Service Fund accounts to apply to the defaulted payments.

The annual debt service requirements to maturity, including principal and interest, for the Utility Revenue Bond Series 2010B, as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
<b>Total</b>	<u>\$ 342,000</u>	<u>\$ 57,031</u>	<u>\$ 399,031</u>

**NOTE 8 LONG-TERM OBLIGATIONS (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 bond contains a provision wherein if the City fails to pay the scheduled bond payments the City may be considered in default. Upon default, the Trustee may pursue any available remedy by suit at law or equity to enforce the payment of principal of premium and interest on the bonds then outstanding. In addition, the Trustee may liquidate investments in the Bond Fund and Debt Service Fund accounts to apply to the defaulted payments.

The annual debt service requirements to maturity, including principal and interest, for the Utility Revenue Bond Series 2010C, as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
<b>Total</b>	<u>\$ 385,000</u>	<u>\$ 67,600</u>	<u>\$ 452,600</u>

Utility Revenue Bond, Series 2017

The Utility Revenue Bond, Series 2017 was issued in January 2017. The \$4,795,000 revenue bonds are due in annual principal and semiannual interest installments through June 1, 2037. The bonds carry interest rates of 3.00% to 4.00%. The City has pledged future utility customer revenues to repay this debt. Upon default, the Trustee may pursue any available remedy by suit at law or equity to enforce the payment of principal of premium and interest on the bonds then outstanding. In addition, the Trustee may liquidate investments in the Bond Fund and Debt Service Fund accounts to apply to the defaulted payments.

**NOTE 8 LONG-TERM OBLIGATIONS (Continued)**

The annual debt service requirements to maturity, including principal and interest, for the Utility Revenue Bond Series 2017, as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 205,000	\$ 131,825	\$ 336,825
2025	215,000	123,625	338,625
2026	220,000	115,025	335,025
2027	230,000	106,225	336,225
2028	240,000	97,025	337,025
2029	250,000	87,425	337,425
2030	255,000	79,925	334,925
2031	265,000	72,275	337,275
2032	275,000	63,000	338,000
2033	285,000	53,375	338,375
2034	295,000	43,400	338,400
2035	305,000	33,075	338,075
2036	315,000	22,400	337,400
2037	325,000	11,375	336,375
<b>Total</b>	<u>\$ 3,680,000</u>	<u>\$ 1,039,975</u>	<u>\$ 4,719,975</u>

Leases

During the current fiscal year, GASB Statement No. 87, Leases, became effective and the City therefore implemented the new standard. This Statement addresses accounting for lease arrangements from both the lessor and lessee perspective. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources, except for certain regulated leases. As a result of implementing this new Statement, the City now reports lease assets and a lease liability. The implementation of this Statement has no impact on the City’s beginning fund balance/net position.

The City entered into a lease purchase agreement as a lessee for financing the acquisition of construction equipment. The total lease amount is \$739,345. The lease contains a provision wherein if the City fails to pay the scheduled payments or does not observe to perform any covenants the City may be considered in default. Upon default, the Lessor has the right to terminate the lease and take possession of the leased equipment. Depreciaton for the year related to these assets was \$18,585.

Asset:	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Machinery and equipment	\$ 79,397	\$ 656,263
Less: accumulated depreciation	(7,784)	(41,114)
	<u>\$ 71,613</u>	<u>\$ 615,149</u>

**NOTE 8 LONG-TERM OBLIGATIONS (Continued)**

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	Governmental Activities		Business-type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 6,375	\$ 314	\$ 142,429	\$ 7,011
2025	6,461	228	144,352	5,088
2026	10,410	141	232,546	3,139
Total	<u>\$ 23,246</u>	<u>\$ 683</u>	<u>\$ 519,327</u>	<u>\$ 15,238</u>

**NOTE 9 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 10 CONSTRUCTION COMMITMENTS**

The City has the following active construction projects as of June 30, 2023.

	<u>Project</u>	<u>Contract Amount</u>	<u>Paid to Date</u>	<u>Commitmen t Outstanding</u>
Governmental Funds	Road & Water Reconstruction	\$ 521,395	\$ 320,047	\$ 201,348
Governmental Funds	Road Maintenance	385,949	374,476	11,473
Governmental Funds	Rohmer Park Pickleball Comp	730,845	517,598	213,247
		<u>\$ 1,638,189</u>	<u>\$ 1,212,121</u>	<u>\$ 426,068</u>

**NOTE 11 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 which represents the maximum combined aggregate limit or the most the Trust will pay per policy period regardless of the number of (1) insureds; (2) claims or suits; (3) persons or organizations sustaining damages; (4) occurrences, personal injury offenses, public officials' error and omissions, wrongful law enforcement acts; or (5) coverages involved in a loss. Payment under any of the coverages provided by the Trust shall reduce the maximum combined aggregate limit available per policy period. The City carries \$5,000,000 of crime coverage to protect against losses associated with employee theft, forgery/alteration, and funds transfer.

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 12 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 2023:

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

<u>Project Area</u>	<u>2023</u>
Southeast	\$ 538,530
Total increment received	<u>538,530</u>

The Agency expended amounts in the following areas:

Amounts expended for:	
Administrative costs	\$ 111,473
Property acquisitions and site improvements	<u>56</u>
Total amounts expended by RDA	<u>\$ 111,529</u>
Outstanding bonds to finance RDA projects	<u>\$ -</u>

**NOTE 13 INTERFUND TRANSFERS AND LOANS**

Transfers

During the year transfers were made which will not be repaid. Interfund transfers for the year ended June 30, 2023 are as follows:

	<u>In</u>	<u>Out</u>
Governmental:		
General Fund	\$ 76,099	\$1,912,638
RDA	878,104	878,104
Capital Projects	3,521,035	1,604,869
Business-type		
Public Utilities	<u>39,519</u>	<u>119,146</u>
	<u>\$ 4,514,757</u>	<u>\$4,514,757</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 \$1,105,855 to the proprietary fund for personnel and administrative services provided the General Fund to the proprietary fund.

**NOTE 14 RETIREMENT PLAN**

Plan Description

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

- Public Employees Noncontributory Retirement System (Noncontributory System);
- Firefighters Retirement System (Firefighters System); are multiple employer, cost sharing, 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 Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

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

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	2.0% per year all years	Up to 4%
		25 years, any age *		
		20 years, age 60 *		
		10 years, age 62*		
Tier 2 Public Employees System	Highest 5 Years	4 years, age 65	1.50% per year all years	Up to 2.5%
		35 years, any age		
		20 years, age 60*		
		10 years, age 62*		
		4 years, age 65		

\* Actuarial reductions are applied

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

**NOTE 14 RETIREMENT PLAN (Continued)**

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement

Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2023 are as follows:

	Employee	Employee	Employer 401(k)
<b>Contributory System</b>			
11 Local Governmental Div - Tier 1	6.00	13.96	-
111 Local Governmental Div - Tier 2	-	16.01	0.18
<b>Noncontributory System</b>			
15 Local Governmental Div - Tier 1	-	17.97	-
<b>Tier 2 DC Only</b>			
211 Local Government	-	6.19	10.00

For fiscal year ended June 30, 2023, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 131,662	-
Tier 2 Public Employees System	53,951	-
Tier 2 DC Only System	8,339	-
<b>Total Contributions</b>	<b>\$ 193,952</b>	<b>\$ -</b>

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

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

At June 30, 2023, we reported a net pension asset of \$0 and a net pension liability of \$156,092.

	<b>(Measurement Date): December 31, 2022</b>				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share Dec 31, 2021	Change (Decrease)
Noncontributory System	\$ -	\$ 139,368	0.0813711%	0.0760797%	0.0052914%
Tier 2 Public Employees System	-	16,724	0.0153591%	0.0174941%	-0.0021350%
	<b>\$ -</b>	<b>\$ 156,092</b>			

**NOTE 14 RETIREMENT PLAN (Continued)**

The net pension asset and liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2023, we recognized pension expense of \$81,310

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 52,921	\$ 664
Change in assumptions	28,271	600
Net difference between projected and actual earnings on pension plan investments	98,672	-
Changes in proportion and differences between contributions and proportionate share of contributions	10,444	5,535
Contributions subsequent to the measurement date	91,643	-
Total	<u>\$ 281,951</u>	<u>\$ 6,799</u>

\$91,643 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, 2022.

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:

<b>Year Ended December 31,</b>	<b>Deferred Outflows (inflow) of Resources</b>
2023	\$ (20,953)
2024	8,529
2025	40,872
2026	147,396
2027	1,576
Thereafter	6,090

**NOTE 14 RETIREMENT PLAN (Continued)**

**Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2023, we recognized pension expense of \$48,278.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 47,272	\$ -
Change in assumptions	22,841	557
Net difference between projected and actual earnings on pension plan investments	91,929	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,595	4,270
Contributions subsequent to the measurement date	61,369	-
Total	<u>\$ 227,006</u>	<u>\$ 4,827</u>

\$61,369 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, 2022.

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:

<b><u>Year Ended December 31,</u></b>	<b><u>Deferred Outflows (inflow) of Resources</u></b>
2023	\$ (22,870)
2024	5,579
2025	36,924
2026	141,176
2027	-
Thereafter	-

**NOTE 14 RETIREMENT PLAN (Continued)**

**Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2023, we recognized pension expense of \$838.

June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ -
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	2,383	159
Contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 2,383</b>	<b>\$ 159</b>

\$0 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, 2022.

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:

<b><u>Year Ended December 31,</u></b>	<b><u>Deferred Outflows (inflow) of Resources</u></b>
2023	\$ 825
2024	795
2025	603
2026	-
2027	-
Thereafter	-

**NOTE 14 RETIREMENT PLAN (Continued)**

**Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2023, we recognized pension expense of \$32,195.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 5,649	\$ 664
Change in assumptions	5,430	43
Net difference between projected and actual earnings on pension plan investments	6,743	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,467	1,105
Contributions subsequent to the measurement date	30,274	-
Total	<u>\$ 52,563</u>	<u>\$ 1,812</u>

\$30,274 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, 2022.

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:

<b>Year Ended December 31,</b>	<b>Deferred Outflows (inflow) of Resources</b>
2023	\$ 1,092
2024	2,155
2025	3,345
2026	6,220
2027	1,576
Thereafter	6,090

**Actuarial Assumptions**

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.25 – 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

**NOTE 14 RETIREMENT PLAN (Continued)**

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021..

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

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Real Return Arithmetic Basis</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Equity securities	35%	6.58%	2.30%
Debt securities	20%	1.08%	0.22%
Real assets	18%	5.72%	1.03%
Private equity	12%	9.80%	1.18%
Absolute return	15%	2.91%	0.44%
Cash and cash equivalents	0%	-0.11%	0.00%
<b>Totals</b>	<b>100%</b>		<b>5.17%</b>
	Inflation		2.50%
	Expected Arithmetic Nominal Return		7.67%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.



**NOTE 14 RETIREMENT PLAN (Continued)**

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.85 percent) or 1 percentage point higher (7.85 percent) than the current rate:

<b>System</b>	<b>1% Decrease (5.95%)</b>	<b>Discount Rate (6.95%)</b>	<b>1% Increase (7.95%)</b>
Noncontributory System	\$ 878,345	\$ 139,368	\$ (478,086)
Tier 2 Public Employees System	\$ 73,077	\$ 16,724	\$ (26,688)
<b>Total</b>	<b>\$ 951,422</b>	<b>\$ 156,092</b>	<b>\$ (504,774)</b>

Pension Plan Fiduciary Net Position

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

Defined Contribution Savings Plans

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

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

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

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

<b>401 (k) Plan</b>	2023	2022	2021
Employer Contributions	\$ 42,234	\$ 37,199	\$ 37,375
Employee Contributions	\$ 24,977	\$ 30,271	\$ 21,638
<b>457 Plan</b>			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ 28,386	\$ 28,386	\$ 26,363
<b>Roth IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 20,531	\$ 16,600	\$ 22,316

# 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>		
<b>Revenues</b>				
Taxes:				
Property tax - real estate	\$ 1,223,474	\$ 1,223,474	\$ 1,282,802	\$ 59,328
Property tax - vehicles	90,000	90,000	77,682	(12,318)
Delinquent property taxes	20,000	20,000	29,190	9,190
Direct charges	15,000	15,000	-	(15,000)
Sales and use taxes	1,298,478	1,504,000	1,714,786	210,786
Franchise taxes	626,500	626,500	755,363	128,863
Municipal energy tax	20,000	20,000	27,391	7,391
Total taxes	<u>3,293,452</u>	<u>3,498,974</u>	<u>3,887,214</u>	<u>388,240</u>
Licenses and permits:				
Business licenses	95,000	145,500	145,725	225
Building permits	30,000	36,557	41,116	4,559
Planning fees	9,000	20,000	20,906	906
Animal licenses	5,000	4,000	4,101	101
Total licenses and permits	<u>139,000</u>	<u>206,057</u>	<u>211,848</u>	<u>5,791</u>
Intergovernmental revenue:				
RAMP tax	9,198	9,198	9,267	69
Road funds	420,287	60,000	50,749	(9,251)
State liquor fund allotment	7,000	8,679	8,679	-
Other grants	-	18,135	20,477	2,342
Service Contracts	50,000	100,000	101,339	1,339
Total intergovernmental revenue	<u>486,485</u>	<u>196,012</u>	<u>190,511</u>	<u>(5,501)</u>
Charges for services:				
Administrative fee - other funds	66,033	66,033	66,033	-
Recreation fees	38,767	38,767	40,612	1,845
Total charges for services	<u>104,800</u>	<u>104,800</u>	<u>106,645</u>	<u>1,845</u>
Fines and forfeitures	<u>75,500</u>	<u>75,500</u>	<u>90,429</u>	<u>14,929</u>
Miscellaneous:				
Interest	40,000	378,400	393,694	15,294
Other	99,479	108,641	109,372	731
Total miscellaneous	<u>139,479</u>	<u>487,041</u>	<u>503,066</u>	<u>16,025</u>
Total Revenues	<u>\$ 4,238,716</u>	<u>\$ 4,568,384</u>	<u>\$ 4,989,713</u>	<u>\$ 421,329</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>		
<b>Expenditures</b>				
General government:				
City council	\$ 34,796	\$ 33,458	\$ 30,658	\$ 2,800
Municipal court	174,429	196,351	196,799	(448)
Administrative	227,759	246,420	236,991	9,429
Budget & Finance	151,230	205,199	162,144	43,055
Non-departmental	121,541	87,569	57,816	29,753
General government building	101,455	117,347	95,582	21,765
Total general government	<u>811,210</u>	<u>886,344</u>	<u>779,990</u>	<u>106,354</u>
Public safety:				
Police department	1,067,848	1,073,804	1,125,368	(51,564)
Fire department	608,275	703,468	681,060	22,408
Inspection and planning	138,671	151,425	39,185	112,240
Animal control	62,216	71,927	69,147	2,780
Total public safety	<u>1,877,010</u>	<u>2,000,624</u>	<u>1,914,760</u>	<u>85,864</u>
Highways and public works:				
Streets	165,253	115,253	100,764	14,489
Public works	371,740	408,139	360,547	47,592
Total highways and public works	<u>536,993</u>	<u>523,392</u>	<u>461,311</u>	<u>62,081</u>
Parks and recreation	411,761	491,336	475,236	16,100
Total Expenditures	<u>3,636,974</u>	<u>3,901,696</u>	<u>3,631,297</u>	<u>270,399</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>601,742</u>	<u>666,688</u>	<u>1,358,416</u>	<u>691,728</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	72,475	76,099	76,099	-
Transfer out	(720,908)	(1,850,411)	(1,912,638)	(62,227)
Total Other Financing Sources (Uses)	<u>(648,433)</u>	<u>(1,774,312)</u>	<u>(1,836,539)</u>	<u>(62,227)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (46,691)</u>	<u>\$ (1,107,624)</u>	<u>(478,123)</u>	<u>\$ 629,501</u>
<b>Fund Balance, Beginning, Restated</b>			<u>2,526,270</u>	
<b>Fund Balance, Ending</b>			<u>\$ 2,048,147</u>	

**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>		
<b>Revenues</b>				
Property taxes - increment	\$ 611,998	\$ 550,000	\$ 538,530	\$ (11,470)
Interest	-	-	147,031	147,031
<b>Total Revenues</b>	<u>611,998</u>	<u>550,000</u>	<u>685,561</u>	<u>135,561</u>
<b>Expenditures</b>				
Salaries and benefits	15,800	15,800	15,685	115
Professional and technical	3,800	3,800	250	3,550
Capital expenditures	585,737	1,296,764	89,085	1,207,679
Administrative fee to general fund	6,661	6,509	6,509	-
<b>Total Expenditures</b>	<u>611,998</u>	<u>1,322,873</u>	<u>111,529</u>	<u>1,211,344</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(772,873)</u>	<u>574,032</u>	<u>1,346,905</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	(878,104)	(878,104)	878,104	(1,756,208)
Transfers out			(878,104)	
<b>Total Other Financing Sources (Uses)</b>	<u>(878,104)</u>	<u>(878,104)</u>	<u>-</u>	<u>(1,756,208)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (878,104)</u>	<u>\$ (1,650,977)</u>	<u>574,032</u>	<u>\$ (409,303)</u>
<b>Fund Balance, Beginning</b>			<u>3,872,101</u>	
<b>Fund Balance, Ending</b>			<u>\$ 4,446,133</u>	

**SCHEDULE OF THE PROPORTIONATE SHARE OF NET PENSION  
 LIABILITY UTAH RETIREMENT SYSTEMS**  
**Measurement Date of December 31, 2022**  
**June 30, 2023**  
 Last 10 Fiscal Years\*

	Year Ended 12/31	Noncontributory Retirement System	Firefighters Retirement System	Tier 2 Public Employees Retirement System
Proportion of the net pension liability (asset)	2014	0.0874154%	0.1685186%	0.0147457%
	2015	0.0892990%	0.1773189%	0.0142525%
	2016	0.0886715%	0.1751689%	0.0138746%
	2017	0.0912999%	0.1724810%	0.0120871%
	2018	0.0914244%	0.1674643%	0.0118255%
	2019	0.0862821%	0.0534939%	0.0144460%
	2020	0.0767150%	-	0.0207228%
	2021	0.0760797%	-	0.0174941%
	2022	0.0813711%	-	0.0153591%
Proportionate share of the net pension liability (asset)	2014	\$ 379,578	\$ (9,616)	\$ (447)
	2015	\$ 505,297	\$ (3,212)	\$ (31)
	2016	\$ 569,380	\$ (1,381)	\$ 1,548
	2017	\$ 400,012	\$ (10,772)	\$ 1,066
	2018	\$ 673,224	\$ 21,745	\$ 5,065
	2019	\$ 325,186	\$ (6,634)	\$ 3,249
	2020	\$ 39,350	\$ -	\$ 2,981
	2021	\$ (435,717)	\$ -	\$ (7,404)
	2022	\$ 139,368	\$ -	\$ 16,724
Covered payroll	2014	\$ 755,767	\$ 390,094	\$ 78,361
	2015	\$ 774,829	\$ 47,679	\$ 92,070
	2016	\$ 788,554	\$ 49,205	\$ 113,783
	2017	\$ 814,999	\$ 50,462	\$ 118,398
	2018	\$ 827,790	\$ 51,901	\$ 138,298
	2019	\$ 773,229	\$ 17,128	\$ 200,601
	2020	\$ 642,286	\$ -	\$ 331,199
	2021	\$ 638,081	\$ -	\$ 324,491
	2022	\$ 715,830	\$ -	\$ 335,340
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2014	50.20%	-21.80%	-0.60%
	2015	65.21%	-6.74%	-0.03%
	2016	72.21%	-2.84%	1.36%
	2017	49.08%	-21.35%	0.90%
	2018	81.33%	41.90%	3.66%
	2019	42.06%	-38.73%	1.62%
	2020	6.13%	-	0.90%
	2021	-68.29%	-	-2.28%
	2022	19.47%	-	4.99%
Plan fiduciary net position as a percentage of its covered payroll	2014	90.2%	103.5%	103.5%
	2015	87.8%	101.0%	100.2%
	2016	87.3%	100.4%	95.1%
	2017	91.9%	103.0%	97.4%
	2018	87.0%	94.3%	90.8%
	2019	93.7%	105.0%	96.5%
	2020	99.2%	-	98.3%
	2021	108.7%	-	103.8%
	2022	97.5%	-	92.3%

\*In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the net pension liability (asset) in their RSI. The schedule will need to be built prospectively.

**SCHEDULE OF CONTRIBUTIONS**  
**UTAH RETIREMENT SYSTEMS**  
**June 30, 2023**  
 Last 10 Fiscal Years\*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required Contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
<b>Noncontributory System</b>	2015	\$ 137,506	\$ 137,506	\$ -	\$ 773,112	17.79%
	2016	\$ 140,423	\$ 140,423	\$ -	\$ 787,605	17.83%
	2017	\$ 142,713	\$ 142,713	\$ -	\$ 799,975	17.84%
	2018	\$ 145,156	\$ 145,156	\$ -	\$ 813,178	17.85%
	2019	\$ 146,308	\$ 146,308	\$ -	\$ 822,922	17.78%
	2020	\$ 122,140	\$ 122,140	\$ -	\$ 695,721	17.56%
	2021	\$ 110,987	\$ 110,987	\$ -	\$ 635,477	17.47%
	2022	\$ 118,810	\$ 118,810	\$ -	\$ 646,318	18.38%
	2023	\$ 131,662	\$ 131,662	\$ -	\$ 732,679	17.97%
<b>Firefighters System</b>	2015	\$ 1,757	\$ 1,757	\$ -	\$ 46,003	3.82%
	2016	\$ 1,974	\$ 1,974	\$ -	\$ 49,460	3.99%
	2017	\$ 1,943	\$ 1,943	\$ -	\$ 49,941	3.89%
	2018	\$ 2,003	\$ 2,003	\$ -	\$ 50,960	3.93%
	2019	\$ 1,989	\$ 1,989	\$ -	\$ 43,440	4.58%
	2020	\$ 5	\$ 5	\$ -	\$ 108	4.61%
	2021	\$ -	\$ -	\$ -	\$ -	0.00%
	2022	\$ -	\$ -	\$ -	\$ -	0.00%
	2023	\$ -	\$ -	\$ -	\$ -	0.00%
<b>Tier 2 Public Employees System</b>	2015	\$ 13,624	\$ 13,624	\$ -	\$ 91,189	14.94%
	2016	\$ 15,725	\$ 15,725	\$ -	\$ 105,729	14.87%
	2017	\$ 16,854	\$ 16,854	\$ -	\$ 113,392	14.86%
	2018	\$ 19,326	\$ 19,326	\$ -	\$ 128,024	15.10%
	2019	\$ 24,448	\$ 24,448	\$ -	\$ 157,452	15.53%
	2020	\$ 42,211	\$ 42,211	\$ -	\$ 269,547	15.66%
	2021	\$ 51,740	\$ 51,740	\$ -	\$ 327,584	15.79%
	2022	\$ 56,210	\$ 56,210	\$ -	\$ 349,785	16.07%
	2023	\$ 53,951	\$ 53,951	\$ -	\$ 336,984	16.01%

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

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



## **NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**

### Changes in Assumptions

No changes were made in actuarial assumptions from the prior year's valuation.

# Supplementary Information

City of  
WASHINGTON TERRACE  
*Utah*

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 1,620,112	\$ 1,594,507	\$ 2,293,772	\$ 699,265
Interfund charges for services	-	140,538	-	(140,538)
Impact fees	5,000	5,000	1,900	-
Interest income	-	-	70,964	70,964
Total Revenues	<u>1,625,112</u>	<u>1,740,045</u>	<u>2,366,636</u>	<u>629,691</u>
<b>Expenditures</b>				
Administrative fee to general fund	-	-	-	-
Capital expenditures	636,976	4,276,400	2,643,734	1,632,666
Interfund charges for services	50,802	50,802	16,891	33,911
Total Expenditures	<u>687,778</u>	<u>4,327,202</u>	<u>2,660,625</u>	<u>1,666,577</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>937,334</u>	<u>(2,587,157)</u>	<u>(293,989)</u>	<u>2,296,268</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	682,778	2,414,004	3,476,231	1,062,227
Transfer out	(156,062)	(1,524,269)	(1,524,269)	-
Proceeds from capital lease	-	-	-	-
Disposal of capital assets	-	-	57,175	57,175
Total Other Financing Sources (Uses)	<u>526,716</u>	<u>889,735</u>	<u>2,009,137</u>	<u>1,119,402</u>
Net Change in Fund Balance	<u>\$ 1,464,050</u>	<u>\$ (1,697,422)</u>	<u>1,715,148</u>	<u>\$ 3,415,670</u>
Fund Balance, Beginning, Restated			<u>7,596,472</u>	
Fund Balance, Ending			<u>\$ 9,311,620</u>	

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-
Total Revenues	-	-	-	-
<b>Expenditures</b>				
Debt service:				
Principal retirement	125,700	35,872	35,115	757
Interest and fiscal charges	15,097	8,932	8,886	46
Total Expenditures	140,797	44,804	44,001	803
Excess (Deficiency) of Revenues Over (Under) Expenditures	(140,797)	(44,804)	(44,001)	803
<b>Other Financing Sources (Uses)</b>				
Transfer in	180,965	44,804	44,804	-
Transfer out	(41,108)	(80,600)	(80,600)	-
Total Other Financing Sources (Uses)	139,857	(35,796)	(35,796)	-
Net Change in Fund Balance	<u>\$ (940)</u>	<u>\$ (80,600)</u>	<u>(79,797)</u>	<u>\$ 803</u>
Fund Balance, Beginning			<u>80,610</u>	
Fund Balance, Ending			<u>\$ 813</u>	

# STATISTICAL SECTION

City of  
WASHINGTON TERRACE  
*Utah*

# Financial Trends



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CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - FINANCIAL TRENDS  
 Fiscal Year Ended June 30, 2023

**NET POSITION BY COMPONENT**

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Governmental Activities</b>										
Net investment in capital assets	26,308,058	25,980,934	25,972,131	26,667,848	26,759,958	26,613,264	26,470,757	26,642,581	26,868,331	24,809,751
Restricted	2,606,212	2,313,822	1,940,741	2,108,751	1,844,386	1,249,966	916,665	689,763	220,498	1,002,446
Unrestricted	13,197,312	11,219,636	10,037,237	8,171,384	7,191,880	6,477,794	5,640,719	4,837,963	3,823,697	4,529,696
<b>Total Governmental Activities</b>										
<b>Net Position</b>	<b>\$ 42,111,582</b>	<b>\$ 39,514,392</b>	<b>\$ 37,950,109</b>	<b>\$ 36,947,983</b>	<b>\$ 35,796,224</b>	<b>\$ 34,341,024</b>	<b>\$ 33,028,141</b>	<b>\$ 32,170,307</b>	<b>\$ 30,912,526</b>	<b>\$ 30,341,893</b>
<b>Business-Type Activities</b>										
Net investment in capital assets	12,603,736	11,201,602	10,658,261	10,072,594	9,774,936	9,494,617	9,124,288	8,986,836	8,957,657	9,268,778
Restricted	85,060	85,290	131,444	157,519	268,708	623,382	4,341,586	36,523	29,833	281,627
Unrestricted	10,649,806	11,089,921	9,977,154	9,333,068	8,417,342	7,234,895	2,677,059	6,343,731	6,006,221	4,836,916
<b>Total Business-Type Activities</b>										
<b>Net Position</b>	<b>\$ 23,338,602</b>	<b>\$ 22,376,813</b>	<b>\$ 20,766,859</b>	<b>\$ 19,563,181</b>	<b>\$ 18,460,986</b>	<b>\$ 17,352,894</b>	<b>\$ 16,142,933</b>	<b>\$ 15,367,090</b>	<b>\$ 14,993,711</b>	<b>\$ 14,387,321</b>
<b>Primary Government</b>										
Net investment in capital assets	38,911,794	37,182,536	36,630,392	36,740,442	36,534,894	36,107,881	35,595,045	35,629,417	35,825,988	34,078,529
Restricted	2,691,272	2,399,112	2,072,185	2,266,270	2,113,094	1,873,348	5,258,251	726,286	250,331	1,284,073
Unrestricted	23,847,118	22,309,557	20,014,391	17,504,452	15,609,222	13,712,689	8,317,778	11,181,694	9,829,918	9,366,612
<b>Total Primary Government</b>										
<b>Net Position</b>	<b>\$ 65,450,184</b>	<b>\$ 61,891,205</b>	<b>\$ 58,716,968</b>	<b>\$ 56,511,164</b>	<b>\$ 54,257,210</b>	<b>\$ 51,693,918</b>	<b>\$ 49,171,074</b>	<b>\$ 47,537,397</b>	<b>\$ 45,906,237</b>	<b>\$ 44,729,214</b>

CITY OF WASHINGTON TERRACE, UT  
STATISTICAL SECTION - FINANCIAL TRENDS  
Fiscal Year Ended June 30, 2023

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

<b>Expenses</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Governmental Activities:</b>										
General Government	815,161	679,665	1,344,633	819,440	1,142,552	792,357	921,913	1,268,508	840,591	1,299,410
Public Safety	1,948,468	1,627,849	1,562,949	1,374,095	1,302,603	1,183,257	1,025,791	1,106,801	1,153,802	1,268,295
Highways and Public Works	2,201,250	1,294,419	2,081,282	1,702,747	1,501,806	939,608	1,625,695	4,035,527	2,574,589	1,506,224
Parks and Recreation	572,642	491,500	420,952	397,864	375,145	388,509	269,962	352,265	261,500	244,530
Interest and Long-term Debt	8,886	14,519	16,086	25,783	37,357	45,117	53,303	118,645	116,935	112,941
<b>Total Governmental Activities</b>	<b>\$ 5,546,407</b>	<b>\$ 4,107,952</b>	<b>\$ 5,425,902</b>	<b>\$ 4,319,929</b>	<b>\$ 4,359,463</b>	<b>\$ 3,348,848</b>	<b>\$ 3,896,664</b>	<b>\$ 6,881,746</b>	<b>\$ 4,947,417</b>	<b>\$ 4,431,400</b>
<b>Business-Type Activities:</b>										
Water services	1,414,994	1,271,383	1,195,832	1,191,902	1,147,621	1,050,660	1,030,805	1,290,998	951,617	834,383
Sewer services	1,156,062	988,126	981,847	980,820	935,822	1,056,835	932,924	924,553	965,234	916,534
Refuse services	589,295	581,345	554,034	533,222	514,638	478,155	455,940	448,900	436,185	421,714
Storm Water services	397,641	367,838	398,534	430,543	363,610	357,287	288,391	308,856	301,513	282,040
<b>Total Business-Type Activities</b>	<b>\$ 3,557,992</b>	<b>\$ 3,208,692</b>	<b>\$ 3,130,247</b>	<b>\$ 3,136,487</b>	<b>\$ 2,961,691</b>	<b>\$ 2,942,937</b>	<b>\$ 2,708,060</b>	<b>\$ 2,973,307</b>	<b>\$ 2,654,549</b>	<b>\$ 2,454,671</b>
<b>Total Expenses</b>	<b>\$ 9,104,399</b>	<b>\$ 7,316,644</b>	<b>\$ 8,556,149</b>	<b>\$ 7,456,416</b>	<b>\$ 7,321,154</b>	<b>\$ 6,291,785</b>	<b>\$ 6,604,724</b>	<b>\$ 9,855,053</b>	<b>\$ 7,601,966</b>	<b>\$ 6,886,071</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services										
General Government	579,021	618,224	555,179	415,451	414,869	347,920	313,617	1,188,505	1,109,104	1,178,215
Public Safety	-	-	-	2,045	74,955	62,249	60,918	77,749	76,235	69,409
Highways and Public Works	-	-	-	-	15,774	14,176	80,660	25,575	74,900	87,942
Parks and Recreation	40,612	34,771	40,471	23,550	46,169	43,854	45,820	43,993	42,819	52,691
Operating Grants and Contributions	89,172	564,302	1,381,933	478,920	453,184	431,191	353,898	296,953	278,869	275,322
Capital Grants and Contributions	2,295,672	29,430	236,934	400,392	745,966	96,816	352,431	1,758,196	1,939,832	1,200,243
<b>Total Governmental Activities</b>	<b>\$ 3,004,477</b>	<b>\$ 1,246,727</b>	<b>\$ 2,214,517</b>	<b>\$ 1,320,358</b>	<b>\$ 1,750,917</b>	<b>\$ 996,206</b>	<b>\$ 1,207,344</b>	<b>\$ 3,390,971</b>	<b>\$ 3,521,759</b>	<b>\$ 2,863,822</b>
<b>Business-Type Activities:</b>										
Charges for Services										
Water services	1,569,513	1,528,555	1,571,360	1,439,380	1,388,800	1,386,923	1,312,840	1,262,644	1,309,749	1,355,552
Sewer services	1,357,227	1,269,292	1,228,007	1,245,773	1,208,166	1,177,040	1,163,060	1,106,126	1,148,077	1,140,737
Refuse services	648,285	641,619	553,807	548,658	510,994	497,830	479,991	481,828	449,480	453,241
Storm water services	604,770	563,366	577,814	582,655	543,265	542,702	448,529	422,626	396,246	370,951
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	51,062	708,897	437,039	334,663	297,636	465,229	40,355	120,747	13,247	242,162
<b>Total Business-Type Activities</b>	<b>\$ 4,230,857</b>	<b>\$ 4,711,729</b>	<b>\$ 4,368,027</b>	<b>\$ 4,151,129</b>	<b>\$ 3,948,861</b>	<b>\$ 4,069,724</b>	<b>\$ 3,444,775</b>	<b>\$ 3,393,971</b>	<b>\$ 3,316,799</b>	<b>\$ 3,562,643</b>



CITY OF WASHINGTON TERRACE, UT  
STATISTICAL SECTION - FINANCIAL TRENDS  
Fiscal Year Ended June 30, 2023

**CHANGES IN NET POSITION (continued)**

Last Ten Fiscal Years  
(accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Program Revenues</b>	<b>\$ 7,235,334</b>	<b>\$ 5,958,456</b>	<b>\$ 6,582,544</b>	<b>\$ 5,471,487</b>	<b>\$ 5,699,778</b>	<b>\$ 5,065,930</b>	<b>\$ 4,652,119</b>	<b>\$ 6,784,942</b>	<b>\$ 6,838,558</b>	<b>\$ 6,426,465</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(2,541,930)	(2,861,225)	(3,211,385)	(2,999,571)	(2,608,546)	(2,352,642)	(2,689,320)	(3,490,775)	(1,425,658)	(1,567,578)
Business-Type Activities	672,865	1,503,037	1,237,780	1,014,642	987,170	1,126,787	736,715	420,664	662,250	1,107,972
<b>Total Net (Expense)</b>	<b>\$ (1,869,065)</b>	<b>\$ (1,358,188)</b>	<b>\$ (1,973,605)</b>	<b>\$ (1,984,929)</b>	<b>\$ (1,621,376)</b>	<b>\$ (1,225,855)</b>	<b>\$ (1,952,605)</b>	<b>\$ (3,070,111)</b>	<b>\$ (763,408)</b>	<b>\$ (459,606)</b>
<b>General Revenues &amp; Transfers</b>										
<b>Governmental Activities:</b>										
Property taxes	1,928,224	1,931,526	1,945,944	1,940,420	1,731,549	1,652,915	1,525,792	1,598,906	1,591,528	1,719,870
General sales and use tax	1,714,766	1,631,841	1,458,505	1,246,432	1,127,904	1,106,849	1,070,626	1,008,180	978,712	919,397
Franchise tax	782,754	700,013	645,399	657,681	673,404	685,289	784,024	718,914	695,220	698,397
Investment earnings	611,689	71,998	54,524	198,636	258,253	123,922	65,345	36,138	13,979	20,182
Gain (loss) on sale of assets	22,060	71,694	18,514	20,019	158,750	12,323	18,731	-	-	-
Transfers	79,627	18,436	90,628	88,145	113,888	84,227	82,635	90,240	91,106	90,538
<b>Total Governmental Activities</b>	<b>\$ 5,139,120</b>	<b>\$ 4,425,508</b>	<b>\$ 4,213,514</b>	<b>\$ 4,151,333</b>	<b>\$ 4,063,748</b>	<b>\$ 3,665,525</b>	<b>\$ 3,547,153</b>	<b>\$ 3,452,378</b>	<b>\$ 3,370,545</b>	<b>\$ 3,448,384</b>
<b>Business-Type Activities:</b>										
Investment earnings	368,551	47,665	46,586	175,698	201,415	167,401	88,852	42,955	35,245	24,432
Gain on sale of assets	-	77,691	9,940	-	33,395	-	-	-	-	-
Transfers	(79,627)	(18,436)	(90,628)	(88,145)	(113,888)	(84,227)	(82,635)	(90,240)	(91,106)	(90,538)
<b>Total Business-Type Activities</b>	<b>\$ 288,924</b>	<b>\$ 106,920</b>	<b>\$ (34,102)</b>	<b>\$ 87,553</b>	<b>\$ 120,922</b>	<b>\$ 83,174</b>	<b>\$ 6,217</b>	<b>\$ (47,285)</b>	<b>\$ (55,861)</b>	<b>\$ (66,106)</b>
<b>Total Primary Government</b>	<b>\$ 5,428,044</b>	<b>\$ 4,532,428</b>	<b>\$ 4,179,412</b>	<b>\$ 4,238,886</b>	<b>\$ 4,184,670</b>	<b>\$ 3,748,699</b>	<b>\$ 3,553,370</b>	<b>\$ 3,405,093</b>	<b>\$ 3,314,684</b>	<b>\$ 3,382,278</b>
<b>Change in Net Position</b>										
Governmental Activities	2,597,190	1,564,283	1,002,129	1,151,762	1,455,202	1,312,883	857,833	(38,397)	1,944,887	1,880,806
Business-Type Activities	961,789	1,609,957	1,203,678	1,102,195	1,108,092	1,209,961	742,932	373,379	606,389	1,041,866
<b>Total Primary Government</b>	<b>\$ 3,558,979</b>	<b>\$ 3,174,240</b>	<b>\$ 2,205,807</b>	<b>\$ 2,253,957</b>	<b>\$ 2,563,294</b>	<b>\$ 2,522,844</b>	<b>\$ 1,600,765</b>	<b>\$ 334,982</b>	<b>\$ 2,551,276</b>	<b>\$ 2,922,672</b>

CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - FINANCIAL TRENDS  
 Fiscal Year Ended June 30, 2023

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>General Fund</b>										
Nonspendable	5,538									
Restricted	296,208	830,829	688,978	557,929	510,949	573,327	382,908	350,698	315,941	282,707
Committed	-	53,525	178,521	334,209	-	-	-	-	-	-
Unassigned	1,746,401	1,641,916	1,422,357	657,614	900,214	832,172	826,625	863,933	915,480	1,040,164
<b>Total General Fund</b>	<b>\$ 2,048,147</b>	<b>\$ 2,526,270</b>	<b>\$ 2,289,856</b>	<b>\$ 1,549,752</b>	<b>\$ 1,411,163</b>	<b>\$ 1,405,499</b>	<b>\$ 1,209,533</b>	<b>\$ 1,214,631</b>	<b>\$ 1,231,421</b>	<b>\$ 1,322,871</b>
<b>All Other Governmental Funds</b>										
Nonspendable	-	-	-	-	23,565	408,414	410,828	41,656	-	-
Restricted	2,310,004	1,482,993	1,251,763	1,550,822	1,333,437	676,639	533,757	339,065	871,157	719,739
Committed	7,001,616	6,113,478	5,352,763	4,547,196	4,154,796	3,720,032	3,419,416	3,093,829	2,595,947	2,132,560
Assigned	4,446,946	3,952,709	3,421,222	3,027,168	2,429,358	2,009,343	1,467,284	966,590	774,007	672,779
Unassigned	-	-	-	-	15,333	(308,720)	(308,715)	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 13,758,566</b>	<b>\$ 11,549,180</b>	<b>\$ 10,025,748</b>	<b>\$ 9,125,186</b>	<b>\$ 7,956,489</b>	<b>\$ 6,505,708</b>	<b>\$ 5,522,570</b>	<b>\$ 4,441,140</b>	<b>\$ 4,241,111</b>	<b>\$ 3,525,078</b>
<b>Total Fund Balances</b>	<b>\$ 15,806,713</b>	<b>\$ 14,075,450</b>	<b>\$ 12,315,604</b>	<b>\$ 10,674,938</b>	<b>\$ 9,367,652</b>	<b>\$ 7,911,207</b>	<b>\$ 6,732,103</b>	<b>\$ 5,655,771</b>	<b>\$ 5,472,532</b>	<b>\$ 4,847,949</b>

CITY OF WASHINGTON TERRACE, UT  
STATISTICAL SECTION - FINANCIAL TRENDS  
Fiscal Year Ended June 30, 2023

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**

(modified accrual basis of accounting)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>										
Taxes	3,985,845	4,263,380	4,049,847	3,844,531	3,532,855	3,445,053	3,380,486	3,326,000	3,265,460	3,337,664
Licenses and permits	211,848	365,977	314,921	232,877	215,969	171,128	184,586	191,414	158,860	218,632
Intergovernmental	2,924,182	638,312	1,456,744	813,382	531,022	505,876	794,206	2,571,025	2,218,701	1,471,056
Charges for services	106,645	34,771	40,471	70,810	136,226	115,678	126,480	958,888	942,182	965,682
Impact fees	1,900	24,430	53,191	70,274	27,506	26,591	12,229	5,697	-	6,841
Fines and forfeitures	90,429	75,238	60,244	54,627	88,968	177,588	133,966	163,061	154,858	146,356
Interest income	611,689	71,998	54,524	198,636	258,253	123,922	65,345	36,138	13,976	20,182
Miscellaneous revenue	109,372	107,999	122,158	85,252	105,587	56,993	52,286	78,375	47,158	55,255
<b>Total Revenues</b>	<b>\$ 8,041,910</b>	<b>\$ 5,582,105</b>	<b>\$ 6,152,100</b>	<b>\$ 5,370,389</b>	<b>\$ 4,896,386</b>	<b>\$ 4,622,829</b>	<b>\$ 4,749,584</b>	<b>\$ 7,330,598</b>	<b>\$ 6,801,195</b>	<b>\$ 6,221,668</b>
<b>Expenditures</b>										
Current:										
General Government	803,390	799,690	1,192,903	690,166	786,078	762,066	735,281	1,129,884	1,198,067	1,184,080
Public Safety	1,914,760	1,749,080	1,520,684	1,388,172	1,294,402	1,203,232	1,148,434	1,140,698	1,139,546	1,151,935
Highways and public works	477,246	448,067	345,287	440,281	443,809	407,045	381,265	725,355	691,966	695,917
Parks and recreation	475,236	394,316	412,716	309,141	310,544	316,768	291,764	233,761	210,827	212,704
Capital expenditures	2,732,819	439,894	818,771	792,003	321,413	331,322	630,140	2,913,404	2,509,991	1,642,215
Debt Service:										
Principal retirement	35,115	257,443	414,726	522,234	515,882	512,885	524,586	2,218,950	644,799	1,385,792
Interest and fiscal charges	8,886	14,519	19,462	29,270	40,451	47,728	28,168	120,157	128,794	184,797
Bond issuance costs	-	-	-	-	-	-	-	20,059	-	-
<b>Total Expenditures</b>	<b>\$ 6,447,452</b>	<b>\$ 4,103,009</b>	<b>\$ 4,724,549</b>	<b>\$ 4,171,267</b>	<b>\$ 3,712,579</b>	<b>\$ 3,581,046</b>	<b>\$ 3,739,638</b>	<b>\$ 8,502,268</b>	<b>\$ 6,523,990</b>	<b>\$ 6,457,440</b>
Excess (Deficiency of Revenues over Expenditures)	\$ 1,594,458	\$ 1,479,096	\$ 1,427,551	\$ 1,199,122	\$ 1,183,807	\$ 1,041,783	\$ 1,009,946	\$ (1,171,670)	\$ 277,205	\$ (235,772)
<b>Other Financing Sources (Uses)</b>										
Contributions										
Transfers in	4,475,238	1,959,624	1,366,473	1,501,794	1,426,435	1,058,388	1,078,612	1,201,174	1,421,662	538,670
Transfers out	(4,395,611)	(1,941,188)	(1,275,845)	(1,413,649)	(1,312,547)	(974,161)	(995,977)	(1,203,606)	(1,330,556)	(448,132)
Bond proceeds	-	-	-	-	-	-	-	1,802,000	-	731,333
Capital lease	-	29,534	50,000	-	-	-	-	-	220,379	-
Sale of capital assets	57,175	232,780	72,487	20,019	158,750	53,096	80,203	71,688	35,892	63,400
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 136,802</b>	<b>\$ 280,750</b>	<b>\$ 213,115</b>	<b>\$ 108,164</b>	<b>\$ 272,638</b>	<b>\$ 137,323</b>	<b>\$ 162,838</b>	<b>\$ 1,871,256</b>	<b>\$ 347,377</b>	<b>\$ 885,271</b>
<b>Net change in fund balance</b>	<b>\$ 1,731,260</b>	<b>\$ 1,759,846</b>	<b>\$ 1,640,666</b>	<b>\$ 1,307,286</b>	<b>\$ 1,456,445</b>	<b>\$ 1,179,106</b>	<b>\$ 1,172,784</b>	<b>\$ 699,586</b>	<b>\$ 624,582</b>	<b>\$ 649,499</b>
Debt service as a percentage of non-capital expenditures	0.8%	7.9%	9.6%	15.5%	20.8%	20.6%	17.3%	60.6%	19.2%	32.7%

# Revenue Capacity

City of  
WASHINGTON TERRACE  
*Utah*

CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - REVENUE CAPACITY  
 Fiscal Year Ended June 30, 2023

**GENERAL GOVERNMENTAL REVENUES BY SOURCE**  
 Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Licenses &amp; Permits</b>	<b>Inter-Governmental</b>	<b>Charges for Services</b>	<b>Fines &amp; Forfeitures</b>	<b>Interest &amp; Miscellaneous</b>	<b>Impact Fees</b>	<b>Total Revenue</b>
<b>2023</b>	<b>\$ 3,985,845</b>	<b>\$ 211,848</b>	<b>\$ 2,924,182</b>	<b>\$ 106,645</b>	<b>\$ 90,429</b>	<b>\$ 721,061</b>	<b>\$ 1,900</b>	<b>\$ 8,041,910</b>
2022	4,263,380	365,977	638,312	34,771	75,238	179,997	24,430	5,582,105
2021	4,049,847	314,921	1,456,744	40,471	60,244	176,682	53,191	6,152,100
2020	3,844,531	232,877	813,382	70,810	54,627	283,888	70,274	5,370,389
2019	3,532,855	215,969	531,022	136,226	88,968	363,840	27,506	4,896,386
2018	3,445,051	171,128	505,876	115,678	177,588	180,915	26,591	4,622,827
2017	3,284,033	184,586	794,206	126,480	133,966	117,631	12,229	4,653,131
2016	3,326,000	191,414	2,571,025	958,888	163,061	36,138	-	7,246,526
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

**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
 Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>General Property</b>	<b>General Sales &amp; Use</b>	<b>Franchise</b>	<b>Total Tax Revenue</b>
<b>2023</b>	<b>\$ 1,928,224</b>	<b>\$ 1,714,766</b>	<b>\$ 782,754</b>	<b>\$ 4,425,744</b>
2022	1,931,526	1,631,841	700,013	4,263,380
2021	1,945,944	1,458,505	645,399	4,049,848
2020	1,940,417	1,246,432	657,681	3,844,530
2019	1,731,549	1,127,904	673,404	3,532,857
2018	1,652,915	1,106,849	685,289	3,445,053
2017	1,525,792	1,070,670	784,024	3,380,486
2016	1,598,906	1,008,180	718,914	3,326,000
2015	1,591,528	978,712	695,220	3,265,460
2014	1,719,809	919,458	698,397	3,337,664

CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - REVENUE CAPACITY  
 Fiscal Year Ended June 30, 2023

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

Calendar Year December 31,	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.						
<b>2022</b>	<b>\$ 667,719,189</b>	<b>\$ 125,133,388</b>	<b>\$ 18,749</b>	<b>\$ 35,824,555</b>	<b>\$ 11,135,850</b>	<b>\$ 839,831,731</b>	<b>0.001733</b>	<b>\$ 1,381,726,679</b>	<b>60.78</b>
2021	485,743,485	117,427,267	17,669	34,033,119	10,279,455	647,500,995	0.002187	1,040,457,811	62.23
2020	412,132,467	97,665,507	19,122	34,212,707	8,291,214	552,321,017	0.002476	805,906,763	68.53
2019	370,655,669	93,611,543	19,707	32,106,402	7,444,875	503,838,196	0.002863	805,906,763	62.52
2018	324,596,482	93,498,730	20,314	32,241,691	6,197,161	456,554,378	0.002549	720,026,735	63.41
2017	276,186,330	86,855,996	22,434	28,799,663	4,067,366	395,931,789	0.002881	619,833,688	63.88
2016	248,919,923	83,629,636	30,114	31,314,654	5,482,968	369,377,295	0.002830	572,172,541	64.56
2015	239,125,984	83,666,594	24,762	27,320,869	5,514,042	355,652,251	0.002950	556,434,265	63.92
2014	223,683,370	75,817,539	30,581	30,334,997	5,059,647	334,926,134	0.003101	523,188,279	64.02
2013	217,583,053	75,167,587	31,788	30,832,278	5,118,752	328,733,458	0.003217	512,097,796	64.19

Source:  
 State Tax Commission

CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - REVENUE CAPACITY  
 Fiscal Year Ended June 30, 2023

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

Fiscal Year	City Direct Rates			Overlapping Rates											TOTAL TAX RATES	
	General			Schools	County						Special Districts					
	General Operations	Obligation Debt Service	Total City Millage	Weber District & State Charter	Weber County Levy	County Assess & Collecting	Weber Morgan Health	Weber County Library	Weber County Flood Control	Paramedic Fund	Mosquito Abatement District	Weber Basin Water	Central Weber Sewer	Weber Area 911 & Dispatch		Multi-County Assess & Collecting
2023	0.002187	0.000000	0.001733	0.005514	0.001254	0.000173	0.000066	0.000421	0.000072	0.000109	0.000068	0.000167	0.000482	0.000173	0.000015	0.010247
2022	0.002187	0.000000	0.002187	0.005566	0.001565	0.000214	0.000082	0.000474	0.000046	0.000136	0.000084	0.000132	0.000503	0.000215	0.000012	0.011216
2021	0.001820	0.000656	0.002476	0.005868	0.001905	0.000214	0.000092	0.000458	0.000026	0.000135	0.000094	0.000146	0.000564	0.000241	0.000012	0.012231
2020	0.001979	0.000884	0.002863	0.006110	0.002117	0.000258	0.000099	0.000493	-	0.000145	0.000101	0.000153	0.000607	0.000239	0.000009	0.013194
2019	0.001543	0.001006	0.002549	0.006307	0.002304	0.000275	0.000086	0.000526	-	0.000135	0.000108	0.000164	0.000649	0.000234	0.000009	0.013346
2018	0.001719	0.001162	0.002881	0.006373	0.002539	0.000300	0.000095	0.000578	-	0.000148	0.000119	0.000174	0.000709	0.000257	0.000010	0.014183
2017	0.001591	0.001239	0.002830	0.006693	0.002179	0.000318	0.000079	0.000597	-	0.000157	0.000127	0.000187	0.000758	0.000273	0.000011	0.014209
2016	0.001637	0.001313	0.002950	0.006643	0.002269	0.000337	0.000083	0.000631	-	0.000211	0.000134	0.000196	0.000802	0.000288	0.000012	0.014556
2015	0.001690	0.001411	0.003101	0.006526	0.002335	0.000354	0.000125	0.000662	-	0.000222	0.000141	0.000199	0.000838	0.000303	0.000013	0.014819
2014	0.001743	0.001474	0.003217	0.006920	0.002288	0.000227	0.000129	0.000686	-	0.000230	0.000146	0.000210	0.000866	0.000310	0.000158	0.015387

Source:  
 Utah State Tax Commission

CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - REVENUE CAPACITY  
 Fiscal Year Ended June 30, 2023

**PRINCIPAL PROPERTY TAX PAYERS**  
**Current Year and Ten Years Ago**

Property Taxpayer	Principal Nature of Business	2022			2013		
		Rank	Taxable Assessed Valuation (1)	% of Total Assessed Value	Rank	Taxable Assessed Valuation (1)	% of Total Assessed Value
Columbia Ogden Medical Center.....	Healthcare	1	\$ 64,965,342	7.7%	1	\$ 38,837,641	11.8%
HCPI Utah LLC.....	Healthcare	2	10,401,108	1.2			
Goldenwest Credit Union.....	Financial	3	7,088,802	0.8			
Stonehenge.....	Healthcare	4	7,064,175	0.8			
Lake Park Apartments Inc.....	Housing	5	6,973,747	0.8	7	2,633,440	0.8
Woodland Cove.....	Housing	6	5,922,181	0.7			
PF Investments.....	Housing	7	5,834,210	0.7			
Storage South LLC.....	Storage	8	5,272,599	0.6	9	2,177,286	0.7
PacifiCorp.....	Public Utilities	9	4,911,701	0.6			
Washington House Assisted Living.....	Healthcare	10	4,063,150	0.5	4	3,253,242	1.0
The Boyer Company.....	Healthcare				2	6,295,773	1.9
CNL Retirement.....	Healthcare				3	4,310,288	1.3
Ogden Orthopedic Medical.....	Healthcare				5	3,047,347	0.9
Pleasant Valley Office Plaza.....	Office				6	2,679,664	0.8
MT Ogden Health & Rehab.....	Healthcare				8	2,539,248	0.8
Questar Gas.....	Public Utilities				10	1,996,284	0.6
<b>Totals</b>			<b>\$ 122,497,015</b>	<b>14.6%</b>		<b>\$ 67,770,213</b>	<b>20.6%</b>
<b>City Taxable Value</b>			<b>\$ 839,831,731</b>	<b>100.0%</b>		<b>\$ 328,733,458</b>	<b>100%</b>

Note:  
 (1) Assessed valuation includes real and personal property.

Source:  
 Weber County Clerk Auditor



CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - REVENUE CAPACITY  
 Fiscal Year Ended June 30, 2023

**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Calendar Years

Calendar Year December 31,	Taxes Levied for the Year	Less: Treasurer's Relief (1)	Net Taxes to be Collected	Collections Current Year Levy	% of Current Year Levy Collected	Collections in Subsequent Years (2)	Total Collections to Date	
							\$ Amount	% of Levy
<b>2023</b>	<b>\$ 1,471,779</b>	<b>\$ 69,555</b>	<b>\$ 1,402,224</b>	<b>\$ 1,402,224</b>	<b>95.3%</b>	<b>\$ 20,788</b>	<b>\$ 1,423,012</b>	<b>96.7%</b>
2022	1,425,924	55,138	1,370,786	1,370,786	96.1	25,951	1,396,737	98.0
2021	1,425,924	55,138	1,370,786	1,370,786	96.1	25,951	1,396,737	98.0
2020	1,380,787	63,555	1,317,232	1,317,232	95.4	15,692	1,332,924	96.5
2019	1,432,407	61,735	1,370,672	1,370,672	95.7	24,929	1,395,601	97.4
2018	1,174,461	47,766	1,126,695	1,126,695	95.9	20,157	1,146,852	97.6
2017	1,139,211	48,980	1,090,231	1,090,231	95.7	15,544	1,105,775	97.1
2016	1,049,096	42,303	1,006,793	1,006,793	96.0	15,048	1,021,841	97.4
2015	1,053,300	37,651	1,015,649	1,015,649	96.4	22,167	1,037,816	98.5
2014	1,042,125	48,352	993,773	993,773	95.4	28,257	1,022,030	98.1

Note:

(1) Treasurer's relief includes abatements

(2) Delinquent tax collections do not include interest and penalties.

Source:

Weber County Treasurer

CITY OF WASHINGTON TERRACE, UT  
STATISTICAL SECTION - REVENUE CAPACITY  
Fiscal Year Ended June 30, 2023

**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>
<b>2023</b>	<b>1.00</b>	<b>1.40</b>	<b>4.85</b>	<b>7.25</b>
2022	1.00	1.40	4.85	7.25
2021	1.00	1.40	4.85	7.25
2020	1.00	1.40	4.85	7.25
2019	1.00	1.40	4.85	7.25
2018	1.00	1.40	4.70	7.10
2017	1.00	1.40	4.70	7.10
2016	1.00	1.40	4.70	7.10
2015	1.00	1.15	4.70	6.85
2014	1.00	1.15	4.70	6.85

Source:  
Utah State Tax Commission

# Debt Capacity

City of  
WASHINGTON TERRACE  
*Utah*

CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - DEBT CAPACITY  
 Fiscal Year Ended June 30, 2023

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>2022 Taxable Value</u>	<u>Estimated % Applicable to City</u>	<u>Estimated \$ Applicable to City</u>
Weber County	\$ 38,216,018	\$ 32,163,768,338	2.6%	\$ 997,863
Weber County School District	246,505,000	22,721,260,679	3.7	<u>911,140,996</u>
Total Overlapping Debt.....				912,138,859
Washington Terrace City Direct Debt ( <i>Governmental Activities</i> ).....				<u>287,076</u>
<b>Total Direct and Overlapping Debt.....</b>				<b><u><u>\$ 912,425,935</u></u></b>

Note:

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

CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - DEBT CAPACITY  
 Fiscal Year Ended June 30, 2023

**LEGAL DEBT MARGIN INFORMATION**  
**Last Ten Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	33,593,269	25,900,040	22,092,841	20,153,528	18,262,175	15,837,272	14,775,092	14,226,090	13,397,045	13,149,338
Total net debt applicable to limit	-	-	-	231,377	665,802	980,037	1,352,161	1,714,243	1,996,598	2,307,171
Legal debt margin	<u>\$ 33,593,269</u>	<u>\$ 25,900,040</u>	<u>\$ 22,092,841</u>	<u>\$ 19,922,151</u>	<u>\$ 17,596,373</u>	<u>\$ 14,857,235</u>	<u>\$ 13,422,931</u>	<u>\$ 12,511,847</u>	<u>\$ 11,400,447</u>	<u>\$ 10,842,167</u>
Total net debt applicable to debt limit as a percentage	0.00%	0.00%	0.00%	1.15%	3.65%	6.19%	9.15%	12.05%	14.90%	17.55%

**Legal Debt Margin Calculation for Fiscal Year 2022**

Total assessed taxable value - 2022	\$ 839,831,731
Debt limit - 4% of total assessed value	<u>33,593,269</u>
Amount of debt applicable to debt limits:	-
Less: Amount available for repayment of general	-
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><b>\$ 33,593,269</b></u>

CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - DEBT CAPACITY  
 Fiscal Year Ended June 30, 2023

**PLEDGED-REVENUE COVERAGE**  
 Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Operating Expenses less Depreciation	Nonoperating Revenues (Expenses)	Net Available Revenue for Debt Service	Debt Service			Times Coverage %
					Principal	Interest	Total	
<b>Utility Revenue Bonds (1)(3)</b>								
2023	\$ 4,179,795	\$ 2,806,213	\$ 211,087	\$ 1,584,669	\$ 287,000	\$ 153,625	\$ 440,625	3.60
2022	4,051,033	2,561,503	(18,677)	1,470,853	250,560	153,500	404,060	3.64
2021	3,930,988	2,432,104	(95,006)	1,403,878	272,000	170,128	442,128	3.18
2020	3,816,466	2,387,574	510,361	1,939,253	520,000	188,263	708,263	2.74
2019	3,651,225	2,246,056	532,446	1,937,615	508,000	208,488	716,488	2.70
2018	3,604,495	2,257,928	554,605	1,901,172	476,000	226,202	702,202	2.71
2017	3,404,420	2,202,321	162,121	1,364,220	464,000	240,106	704,106	1.94
2016	3,273,224	2,354,498	23,750	942,476	282,000	82,735	364,735	2.58
2015	3,303,552	2,229,784	108,262	1,182,030	275,000	89,918	364,918	3.24
2014	3,320,481	1,922,097	227,247	1,625,631	266,000	88,728	354,728	4.58
<b>Sales &amp; Franchise Tax Revenue Bonds (2)</b>								
2023	\$ 2,497,520	\$ -	\$ -	\$ 2,497,520	\$ -	\$ -	\$ -	0.00
2022	2,331,854	-	-	2,331,854	-	-	-	0.00
2021	2,103,904	-	-	2,103,904	118,000	5,326	123,326	17.06
2020	1,904,113	-	-	1,904,113	110,000	7,504	117,504	16.20
2019	1,801,308	-	-	1,801,308	109,000	9,662	118,662	15.18
2018	1,792,138	-	-	1,792,138	105,000	11,741	116,741	15.35
2017	1,854,694	-	-	1,854,694	106,000	13,840	119,840	15.48
2016	1,727,094	-	-	1,727,094	101,000	15,840	116,840	14.78
2015	1,673,932	-	-	1,673,932	102,000	17,870	119,870	13.96
2014	1,617,855	-	-	1,617,855	107,000	19,488	126,488	12.79

Notes:

(1) Utility Revenue Bonds Series 2010A, 2010B, 2010C, 2017

(2) Sales and Franchise Tax Revenue Bonds, Series 2009 and Sales and Franchise Tax Refunding Bonds, Series 2013. Bonds were fully redeemed June 1, 2022.

(3) Utility Revenue Bonds Series 2010A were fully redeemed on June 1, 2021.

For additional information on the City's outstanding debt, refer to the Notes to Financial Statements, Note 8 and 9.

CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - DEBT CAPACITY  
 Fiscal Year Ended June 30, 2023

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

<b>Fiscal Year</b>	<b>Population</b>	<b>Assessed Value</b>	<b>Gross Bonded Debt</b>	<b>Less Debt Service Available</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded GO Debt Per Capita</b>
<b>2023</b>	<b>9,160</b>	<b>\$ 839,831,731</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00</b>	<b>-</b>
2022	9,276	647,500,995	-	-	-	0.00	-
2021	9,267	552,321,017	-	-	-	0.00	-
2020	9,248	503,838,196	314,000	82,623	231,377	0.05	25
2019	9,187	456,554,378	691,000	25,198	665,802	0.15	72
2018	9,165	395,931,789	1,066,000	85,963	980,037	0.25	107
2017	9,152	369,377,295	1,439,000	86,839	1,352,161	0.37	148
2016	9,157	355,652,251	1,802,000	87,757	1,714,243	0.48	187
2015	9,164	334,926,134	2,085,000	88,402	1,996,598	0.60	218
2014	9,164	328,733,458	2,390,000	82,829	2,307,171	0.70	252

Note:  
 For additional information on the City's outstanding debt, refer to the Notes to Financial Statements.

Sources:  
 US Census Bureau

CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - DEBT CAPACITY  
 Fiscal Year Ended June 30, 2023

**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-Type Activities						Total Primary Government	Debt Outstanding Per Capita (1)
	General Obligation Bonds (3)	Sales Tax Revenue Bonds (4)(5)	Utility Revenue Bonds (10)(11)	Lease	Redevelopment Tax Increment Bonds (6)	Utility Revenue Bonds (8)(9)(10)(11)(12)	Bond Premium	Sales Tax Revenue Bonds (5)	Lease			
2023	\$ -	\$ -	\$ 263,830	\$ 23,246	\$ -	\$ 4,143,170	\$ 221,010	\$ -	\$ 519,327	\$ 5,170,583	\$ 564	
2022	-	-	292,658	29,534	-	4,393,342	236,987	-	659,811	5,612,332	605	
2021	-	179,333	320,768	50,000	-	4,637,232	252,964	89,667	-	5,529,964	597	
2020	314,000	252,666	348,160	-	-	5,129,840	282,111	126,334	-	6,453,111	698	
2019	691,000	325,333	374,834	45,893	-	5,611,166	311,257	162,667	-	7,522,150	819	
2018	1,066,000	395,333	400,790	90,819	-	6,061,210	340,404	197,667	-	8,552,223	933	
2017	1,439,000	466,000	426,028	134,799	-	5,539,972	369,551	233,000	-	8,608,350	941	
2016	1,802,000	533,333	450,550	177,853	-	1,962,450	65,850	266,667	-	5,258,703	574	
2015	2,085,000	601,333	474,353	220,000	-	2,213,647	79,021	300,667	-	5,974,021	652	
2014	2,390,000	660,000	497,437	-	257,745	2,463,563	92,191	330,000	27,309	6,718,245	733	

Notes:

- (1) See Demographic and Economic Indicators for population data.
- (3) General Obligation Refunding Bonds Series 2015 ( Refunded GO Ref Series 2005), par \$1,802,000
- (4) Sales Tax Revenue Bond, Series 2009, par \$1,700,000
- (5) Sales Tax Revenue Refunding Bonds, Series 2013 (Refunded Sales Tax Series 2009 and Special Assessment Series 2001), par \$1,097,000
- (6) RDA Tax Increment Revenue Refunding Bonds, Series 2003, par \$2,490,000
- (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
- (12) Utility Revenue Bonds, Series 2017, par \$4,795,000

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



# Demographic and Economic Information



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CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - DEMOGRAPHIC ECONOMIC INFORMATION  
 Fiscal Year Ended June 30, 2023

**DEMOGRAPHIC AND ECONOMIC INDICATORS**  
 Last Ten Fiscal Years

Fiscal Year	Population						Unemployment Rate of June 30, as			Household Median AGI		
	City	City % Change From Prior Year	Weber County	County % Change From Prior Year	State of Utah	State % Change From Prior Year	Utah	Weber County	US	City	Weber County	State of Utah
<b>2023</b>	<b>9,160</b>	<b>-1.3%</b>	<b>269,561</b>	<b>0.9%</b>	<b>3,380,800</b>	<b>1.3%</b>	<b>2.4%</b>	<b>2.6%</b>	<b>3.6%</b>	<b>na</b>	<b>na</b>	<b>na</b>
2022	9,276	0.1	267,066	1.8%	3,337,975	2.0%	2.0	2.1	3.6	na	na	na
2021	9,267	0.2	262,223	0.8	3,271,616	2.0	2.7	3.1	5.9	65,253	74,343	79,133
2020	9,248	0.7	260,213	1.5	3,205,958	1.4	5.1	5.3	11.1	49,200	54,200	na
2019	9,187	0.2	256,359	1.8	3,161,105	1.9	2.8	3.2	3.7	44,072	51,608	53,917
2018	9,165	0.1	251,769	1.8	3,101,833	1.7	3.1	3.6	4.0	44,978	53,739	55,454
2017	9,152	(0.1)	247,319	1.8	3,051,217	1.8	3.4	3.7	4.3	44,077	51,404	52,914
2016	9,157	(0.1)	242,978	1.1	2,995,919	1.8	3.6	3.8	4.9	41,767	49,751	51,184
2015	9,164	-	240,219	0.8	2,942,902	1.4	3.6	4.1	5.3	41,339	48,666	50,123
2014	9,164	0.2	238,222	0.8	2,900,872	1.6	3.7	4.4	6.1	41,445	47,446	48,672

Source:  
 Weber County Clerk Auditor  
 University of Utah, Kem C. Gardner Policy Institute, David Eccles School of Business  
 Utah Department of Workforce Services  
 Utah State Tax Commission

CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - DEMOGRAPHIC ECONOMIC INFORMATION  
 Fiscal Year Ended June 30, 2023

**PRINCIPAL EMPLOYERS**  
**Last Ten Fiscal Years**

Employer	Principal Nature of Business	2022				2013			
		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	40.0%	1	500	999	43.4%
Weber School District.....	Education	2	200	499	20.0	2	200	349	15.2
Goldenwest Credit Union.....	Financial	3	200	499	20.0				
Stonehenge of Ogden.....	Health Care	4	50	99	4.0				
Mount Ogden Health Care.....	Health Care	5	50	99	4.0				
Waterfall Canyon.....	Health Care	6	50	99	4.0				
Legacy House of Ogden.....	Health Care	7	50	99	4.0	3	50	99	4.3
Ogden Clinic Specialty Services.....	Health Care	8	20	49	2.0				
Rocky Mountain Anesthesiology.....	Health Care	9	20	49	2.0				
New Image Day Spa.....	Professional	10	20	49	2.0				
Mountain Star Blood Services.....	Health Care					4	50	99	4.3
Washington Terrace Health Services.....	Health Care					5	50	99	4.3
Gauss Management Research & Engineering.....	Professional					6	20	49	2.1
Care First Pharmacy LLC .....	Health Care					7	20	49	2.1
Wasatch Therapy.....	Health Care					8	20	49	2.1
Bravo Arts Academy.....	Family Services					9	20	49	2.1
Pleasant Valley Dental.....	Professional					10	20	49	2.1
<b>Total</b>			<b>1,160</b>	<b>2,540</b>	<b>62.0%</b>		<b>950</b>	<b>1,890</b>	<b>39.2%</b>

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

Source:  
 City Business Licensing Department

# Operating Information



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CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - OPERATING INFORMATION  
 Fiscal Year Ended June 30, 2023

**OPERATING INDICATORS BY FUNCTION**  
**Last Ten Fiscal Years**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Fire Protection</b>										
Number of full-time employees	-	-	-	-	1	1	1	1	1	1
Number of Fire/EMS volunteers	34	27	25	29	20	20	20	20	20	20
Fire calls for service	170	131	97	54	31	84	104	98	81	131
Medical calls for service	1,044	1,071	859	754	945	726	1,018	842	786	708
<b>Police Protection &amp; Animal Control</b>										
Officers	outsourced	outsourced	outsourced	outsourced	outsourced	outsourced	outsourced	outsourced	outsourced	outsourced
Police calls for service	6,699	6,459	6,459	4,986	5,285	6,261	5,397	5,387	5,237	4,601
Animal control calls for service	373	371	355	296	302	325	361	294	335	275
<b>Municipal Culinary Water Services</b>										
# Connections	3,016	3,018	3,008	2,971	2,938	2,938	2,906	2,887	2,884	2,880
Gallons billed (millions)	207,211	201,601	223,587	198,774	197,768	198,910	200,167	206,591	213,021	217,174
Gallons used (millions)	262,103	239,199	251,733	237,586	238,261	237,471	274,091	248,855	242,560	243,023
<b>Municipal Sanitary Sewer Services</b>										
# Connections	2,993	2,995	2,986	2,929	2,871	2,860	2,880	2,878	2,875	2,856
<b>Municipal Refuse &amp; Recycling Services</b>										
Average service containers in use	5,611	5,737	5,477	5,444	5,385	5,330	5,325	5,326	5,292	5,307
Annual mainstream waste disposed (tons)	3,121	3,279	3,573	3,392	3,240	3,125	3,025	3,207	3,109	2,894
Annual recycle material disposed (tons)	NA	337	347	359	308	340	301	428	442	382
<b>Parks and Recreation</b>										
Football participants	78	81	63	98	85	116	115	121	125	143
Basketball participants	142	132	79	128	152	141	146	156	160	162
Baseball/softball participants	153	130	119	-	211	223	214	264	260	260
Soccer participants	113	100	104	105	103	117	121	122	140	130
Volleyball participants	-	-	-	-	27	19	27	40	31	14
<b>Business Licenses</b>										
Licenses issued	343	333	314	320	298	314	396	409	423	438

Source:  
 City departments

CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - OPERATING INFORMATION  
 Fiscal Year Ended June 30, 2023

**CAPITAL ASSETS BY FUNCTION**  
**Last Ten Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Area (square miles)</b>	2	2	2	2	2	2	2	2	2	2
<b>Streets</b>										
Lane miles	59	59	59	59	58	58	58	58	58	58
<b>Fire Protection</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Fire hydrants	290	271	271	271	na	na	265	265	265	265
Fire pumping vehicles	3	3	3	4	4	4	4	4	4	4
<b>Education</b>										
High schools (public)	1	1	1	1	1	1	1	1	1	1
Junior high schools (public)	1	1	1	1	1	1	1	1	1	1
Elementary schools (public)	2	2	2	2	2	2	2	2	2	2
<b>Municipal Water Facilities</b>										
Miles of water mains	32	32	32	32	32	32	32	32	32	32
<b>Municipal Sewer Facilities</b>										
Miles of storm water mains	22	22	22	22	22	22	22	22	22	22
<b>Parks and Recreation</b>										
Park and open space acreage	50	50	50	50	50	50	50	50	50	50
<b>Community Centers</b>	1	1	1	1	1	1	1	1	1	1

Source:  
 City departments

CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - OPERATING INFORMATION  
 Fiscal Year Ended June 30, 2023

**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**

<b>Governmental Activities</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>General Government</b>	<b>8.46</b>	<b>8.46</b>	<b>7.83</b>	<b>7.83</b>	<b>7.68</b>	<b>7.68</b>	<b>7.18</b>	<b>7.18</b>	<b>7.18</b>	<b>7.18</b>
City Council	V	V	V	V	V	V	V	V	V	V
Muni Court	1.78	1.78	1.78	1.78	1.63	1.63	1.63	1.63	1.63	1.63
Administration	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Budget & Finance	4.05	4.05	4.05	4.05	4.05	4.05	-	-	-	-
HR & Treasury	-	-	-	-	-	-	2.55	2.55	2.55	2.55
Buildings	0.63	0.63	OS	OS	OS	OS	OS	OS	OS	OS
<b>Public Safety</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.56</b>	<b>1.56</b>	<b>1.56</b>	<b>1.56</b>	<b>1.56</b>	<b>1.00</b>
Police	OS	OS	OS	OS	OS	OS	OS	OS	OS	OS
Fire	V	V	V	V	V	V	V	V	V	V
Inspection & Planning	1.00	1.00	1.00	1.00	1.56	1.56	1.56	1.56	1.56	1.00
Animal Control	OS	OS	OS	OS	OS	OS	OS	OS	OS	OS
<b>Highways and Public Works</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>8.75</b>	<b>8.75</b>	<b>8.75</b>	<b>8.75</b>
Public Works	9.00	9.00	9.00	9.00	9.00	9.00	8.75	8.75	8.75	8.75
<b>Parks and Recreation</b>	<b>1.75</b>	<b>1.72</b>	<b>1.72</b>	<b>1.72</b>	<b>1.39</b>	<b>1.39</b>	<b>1.40</b>	<b>1.40</b>	<b>1.40</b>	<b>1.40</b>
Parks	OS	OS	OS	OS	OS	OS	OS	OS	OS	OS
Recreation	1.75	1.72	1.72	1.72	1.39	1.39	1.40	1.40	1.40	1.40
<b>Total Employees</b>	<b><u>38.67</u></b>	<b><u>38.63</u></b>	<b><u>39.10</u></b>	<b><u>39.10</u></b>	<b><u>39.26</u></b>	<b><u>39.26</u></b>	<b><u>37.78</u></b>	<b><u>37.78</u></b>	<b><u>37.78</u></b>	<b><u>36.66</u></b>

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

V = Volunteer  
 OS= Outsourced

Source:  
 City Human Resources Department

CITY OF WASHINGTON TERRACE, UT  
 STATISTICAL SECTION - OPERATING INFORMATION  
 Fiscal Year Ended June 30, 2023

**PROPERTY VALUE AND CONSTRUCTION**  
 Last Ten Fiscal Years

Fiscal Year	New			Additions, Alterations, Repairs			Total		% Change from Prior Year	
	# of Buildings/Permits	Residential Value (\$000)	Non-Residential Value (\$000)	# of Buildings/Permits	Residential Value (\$000)	Non-Residential Value (\$000)	# of Buildings/Permits	Construction Value (\$000)	# of Units	Construction Value (\$000)
<b>2023</b>	<b>9</b>	<b>\$ 927</b>	<b>\$ 138</b>	<b>21</b>	<b>\$ 1,067</b>	<b>\$ 1,215</b>	<b>30</b>	<b>\$ 3,347</b>	<b>-23.1%</b>	<b>-58.1%</b>
2022	16	1,587	5,380	23	342	682	39	7,991	(55.7)	(73.7)
2021	36	5,749	10,508	52	906	13,276	88	30,438	225.9	385.6
2020	16	5,788	21	11	305	155	27	6,269	22.7	86.6
2019	20	2,917	304	2	61	79	22	3,360	(40.5)	(25.9)
2018	27	3,998	309	10	84	141	37	4,532	(21.3)	60.9
2017	32	1,590	472	15	209	545	47	2,816	(11.3)	(62.8)
2016	13	1,832	306	40	609	4,828	53	7,575	(3.6)	478.4
2015	0	-	-	55	362	947	55	1,310	685.7	27.3
2014	2	376	-	5	69	585	7	1,029	(63.2)	(21.3)

Source:  
 University of Utah, David Eccles School of Business, Kem C. Gardner Policy Institute, *Ivory-Boyer Construction Report*



**INTERNAL CONTROL  
&  
COMPLIANCE REPORTS**





CERTIFIED PUBLIC  
ACCOUNTANTS

Gary K. Keddington, CPA  
Marcus K. Arbuckle, CPA  
Steven M. Rowley, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund of the City of Washington Terrace, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Washington Terrace's (the City) basic financial statements, and have issued our report thereon dated November 27, 2023.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*K&C, CPAs*

K&C, Certified Public Accountants  
Salt Lake City, Utah  
November 27, 2023



CERTIFIED PUBLIC  
ACCOUNTANTS

Gary K. Keddington, CPA  
Marcus K. Arbuckle, CPA  
Steven M. Rowley, CPA

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

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

**Report on Compliance**

We have audited the City of Washington Terrace's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2023.

State compliance requirements were tested for the year ended June 30, 2023, in the following areas:

Budgetary Compliance	Fund Balance
Restricted Taxes	Fraud Risk Assessment
Governmental Fees	Justice Court
Enterprise Fund Transfers	Open and Public Meetings Act
Tax Levy Revenue Recognition	

**Management's Responsibility**

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

**Auditor's Responsibility**

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

We believe that our audit provides a reasonable basis for our opinion on compliance of each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

**Opinion on Compliance**

In our opinion, the City of Washington Terrace complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2023.

**Other Matters**

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

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

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

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

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

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

We noted a matter involving internal control over compliance which we are submitting for your consideration. This matter is described in the accompanying schedule of findings and recommendations.

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

*K&C, CPAs*

K&C, Certified Public Accountants  
Salt Lake City, Utah  
November 27, 2023

## Utah State Compliance

### **2023-01 Open and Public Meetings Act**

**Condition:** During our testing of State Compliance, K&C noted that not every Council Member had received their annual Open and Public Meetings Act training, as required by Utah State Code, within the fiscal year.

**Criteria:** Utah State Code 52-4-104 (1) states that: “The presiding officer of the public body shall ensure that the members of the public body are provided with annual training on the requirements of this chapter.”

**Cause:** The presiding officer of the public body did not ensure that every member of the Board received their required annual training.

**Effect:** The City did not follow Utah State Code.

**Recommendation:** We recommend that the City Recorder meet with governance towards the end of the fiscal year to ensure that every member of the Board has completed the required training and recommend that the Board work to ensure their required training is completed.

**City Response:** The city agrees with the auditor’s recommendation.



CERTIFIED PUBLIC  
ACCOUNTANTS

Gary K. Keddington, CPA  
Marcus K. Arbuckle, CPA  
Steven M. Rowley, CPA

## INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Mayor  
And the Honorable Members of City Council  
Washington Terrace City

We have examined Washington Terrace City's (the City) compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2023 OMB Compliance Supplement, including Addendum 1 and Addendum 2 (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended June 30, 2023. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, the City complied, in all material respects, with the specified requirements referenced above during the year ended June 30, 2023.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material effect on the City's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the City's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

### **Intended Purpose**

The purpose of this examination report is solely to express an opinion on whether the City complied, in all material respects with the specified requirements referenced above during the year ended June 30, 2023. Accordingly, this report is not suitable for any other purpose.

*K&C, CPAs*

K&C, Certified Public Accountants  
Woods Cross, Utah  
November 27, 2023