

City of Washington Terrace

Est. 1958

County of Weber, State of Utah

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

With
Independent Auditor's Report



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Washington Terrace, UT 84405
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www.washingtonterracecity.com

City of Washington Terrace

Est. 1958

County of Weber, State of Utah

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022

Includes Internal Control, Compliance Reports, and
Supplemental Information



Presented by:
Finance Department
Sharí Garrett, Finance Director

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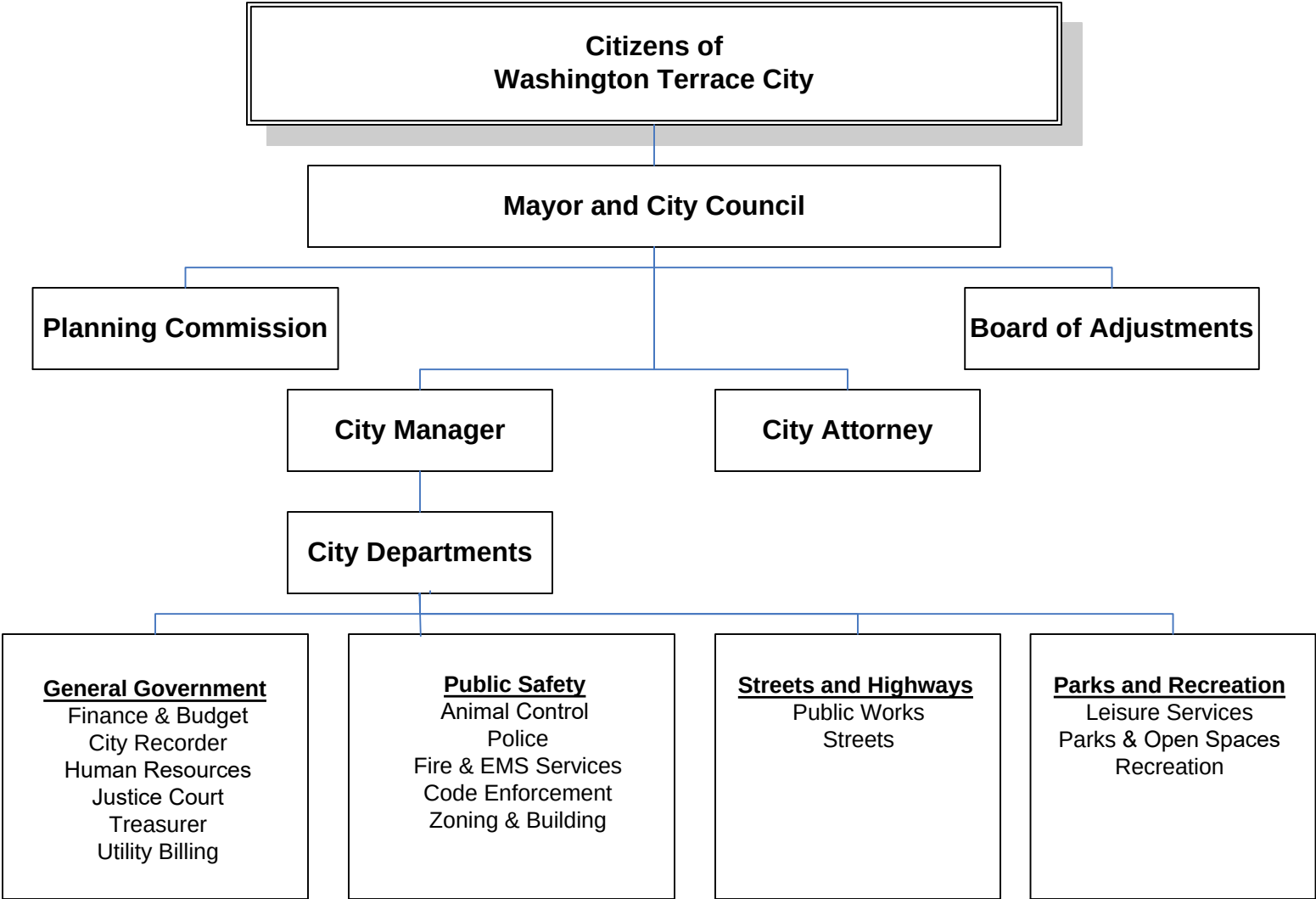
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INTRODUCTORY SECTION

City of Washington Terrace Organizational Structure



MAYOR AND CITY COUNCIL



Mayor
Mark C. Allen
markc@washingtonterracecity.org



Council Member
Jill Christiansen
jillc@washingtonterracecity.org



Council Member
Scott Barker
scottb@washingtonterracecity.org

MAYOR AND CITY COUNCIL



Council Member
Carey Seal
careys@washingtonterracecity.org



Council Member
Jeff West
jeffw@washingtonterracecity.org



Council Member
Randy Ferlin
randyferlin@washingtonterracecity.org

December 6, 2022

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, 2022, 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, 2022, 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. The construction of the new corporate center is expected to be completed in September 2023.

Source: Goldenwest *Summer 2022 Newsline*

Assessed Property Value

The City's total assessed/taxable value is small compared to other cities of similar size within Weber County at \$648 million and the total direct tax rate is moderate at 0.002187 compared to other cities within Weber County. Assessed taxable value increased by 17 percent or \$95 million when comparing tax year 2020 to 2021. Said increase is largely attributed to new/renovated developments in addition to general market adjustments. This is the largest year over increase in taxable value since 2012. When comparing 2021 to 2012, assessed/taxable value has increased by over 200 percent or \$326 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.

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 2021.

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,

A blue ink signature of Tom Hanson, written in a cursive style.

Tom Hanson, City Manager

A blue ink signature of Shari Garrett, written in a cursive style.

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, 2021

Christopher P. Morill

Executive Director/CEO



FINANCIAL

SECTION



INDEPENDENT AUDITOR'S REPORT

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, 2022, 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, 2022, 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

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.

Change in Accounting Principle

As described in Note 8 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2022, 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
Salt Lake City, Utah
December 1, 2022

**MANAGEMENT DISCUSSION
&
ANALYSIS**

The management of the City of Washington Terrace presents to the readers of its financial statements this narrative information to facilitate a better understanding of the City's financial position and results of operations for fiscal year ended June 30, 2022.

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 \$42,808,935, deferred outflow of resources \$196,644, liabilities \$1,478,288, and deferred inflows of resources were \$2,012,899. The assets and deferred outflow of resources of Governmental activities exceeded its liabilities and deferred inflows by \$39,514,392 (net position). Of this amount, \$25,980,934 is net investment in capital assets; \$2,313,822 is restricted; and \$11,219,636 is unrestricted (committed, assigned and unassigned).

The City's Governmental funds (General, Redevelopment Agency, Capital Projects, and Debt Service Funds) reported a combined ending fund balance of \$14,075,450, or an increase of 14.3 percent or \$1,759,846. Of the combined fund balance in 2022, \$1,641,916 is unassigned; \$3,952,709 is assigned for redevelopment activities and related projects; \$6,167,003 is committed for capital requirements; and \$2,313,822 is restricted. Fund balance of the General Fund totaled \$2,526,270 or an increase of 10.3 percent or \$236,416 from 2021. Of said balance, \$830,829 is restricted, \$53,525 is committed, and \$1,641,916 is unassigned.

Business-type Activities

At year end, Business-type Activities or *fee supported activities* total assets were \$27,920,937 and liabilities \$5,544,124. The assets of Business-type Activities exceeded its liabilities by \$22,376,813 (net position). Of this amount, \$11,201,602 is net investment in capital assets, \$85,290 is restricted, and \$11,089,921 is unrestricted.

Government-wide

The Primary Government reported total assets of \$70,729,872, deferred outflow of resources \$196,644, liabilities of \$7,022,412, and deferred inflows of resources \$2,012,899 resulting in a total net position of \$61,891,205. Total net position consists of net investment in capital assets of \$37,182,536, restricted net position of \$2,399,112, and unrestricted net position of \$22,309,557.

Total assets of \$70,729,872 increased by 5.6 percent or \$3,706,146 from 2021. Capital assets of \$42,351,747 slightly increased by 0.5 percent or \$191,391, while current and other assets of \$27,935,004 increased by 14.4 percent or \$3,514,755.

Total liabilities of \$7,022,412 increased by 11.4 percent or \$718,272 from 2021. Long-term liabilities increased by 0.8 percent or \$46,673 and current and other liabilities increased by 106.2 percent or \$671,599.

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 2021 and 2022, 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 5.4 percent or by \$3,174,237; increasing from \$58,716,968 to \$61,891,205.

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 2022, Capital Assets for the Primary Government represented 60.3 percent or \$42,351,747 of total assets. Of said amount, 38.9 percent or \$16,491,742 is reported in Business-type activities and 61.1 percent or \$25,860,005 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 2022, Long-Term Liabilities (excluding deferred outflow of resources) for the Primary Government represented 81.4 percent or \$5,718,315 of total liabilities—down from 90 percent or \$5,671,642 in 2021. Long-term liabilities outstanding have increased by 0.8 percent or \$46,673.

Business-type activities represent 92.5 percent or \$5,290,140 of total long-term liabilities outstanding. Governmental activities represent 7.5 percent or \$428,175.

Total liabilities for the Primary Government of \$7,022,412 reported an increase of 11.4 percent or \$718,272.

CITY OF WASHINGTON TERRACE, UT
FINANCIAL SECTION | MANGEMENT DISCUSSION & ANALYSIS
Fiscal Year Ended June 30, 2022

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
	2021	2022	2021	2022	2021	2022		
Current and Other Assets	\$ 14,143,184	\$ 16,948,930	\$ 10,277,065	\$ 11,429,195	\$ 24,420,249	\$ 28,378,125	16.2%	\$ 3,957,876
Capital Assets	26,522,232	25,860,005	15,638,124	16,491,742	42,160,356	42,351,747	0.5	191,391
Total Assets	40,665,416	42,808,935	25,915,189	27,920,937	66,580,605	70,729,872	6.2	4,149,267
Resources	151,698	196,644	-	-	151,698	196,644	29.6	44,946
Current and Other Liabilities	464,031	1,050,113	168,467	253,984	632,498	1,304,097	106.2	671,599
Long-term Liabilities	691,779	428,175	4,979,863	5,290,140	5,671,642	5,718,315	0.8	46,673
Total Liabilities	1,155,810	1,478,288	5,148,330	5,544,124	6,304,140	7,022,412	11.4	718,272
Deferred Inflows of Resources	1,711,195	2,012,899	-	-	1,711,195	2,012,899	17.6	301,704
Net Position:								
Net Investment in Capital Assets	25,972,131	25,980,934	10,658,261	11,201,602	36,630,392	37,182,536	1.5	552,144
Restricted	1,940,741	2,313,822	131,444	85,290	2,072,185	2,399,112	15.8	326,927
Unrestricted	10,037,237	11,219,636	9,977,154	11,089,921	20,014,391	22,309,557	11.5	2,295,166
Total Net Position	\$ 37,950,109	\$ 39,514,392	\$ 20,766,859	\$ 22,376,813	\$ 58,716,968	\$ 61,891,205	5.4%	\$ 3,174,237

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 60.1 percent or \$37,182,536 in 2022. 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 1.5 percent or \$552,144 compared to the prior year.

Restricted Net Position represents assets that are subject to external restrictions on how they may be used. These restrictions include: bond proceeds, road funds, debt service reserves, and grants. Restricted net position for the Primary Government increased by 15.8 percent or \$326,927 in 2022. Restricted net position for the Primary Government represents \$2,399,112 or 3.9 percent of total net position.

Unrestricted Net Position of \$22,309,557 represents assets that may be used at the City’s discretion to meet its ongoing financial obligations. Unrestricted net position increased by 11.5 percent or \$2,295,166

in 2022. Unrestricted net position for the Primary Government represents 36 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 \$61,891,205 increased by 5.4 percent or \$3,174,237 when compared to 2021.

Program revenue of \$10,490,884 decreased by 2.5 percent or \$271,072. The greatest value increases were reported in Charges for Services increasing by 2.9 percent or \$129,189.

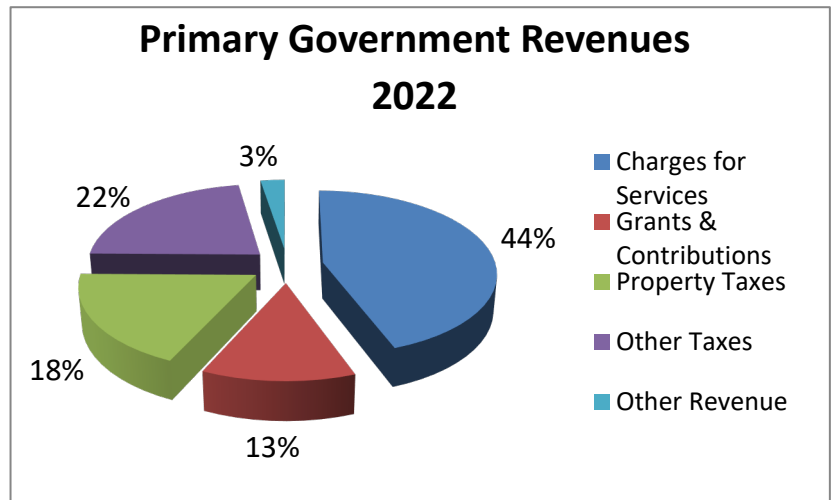


Figure 1 – Primary Government Revenues as a Percentage of Total Revenues

Operating Grants & Contributions experienced the greatest decline decreasing by 59.2 percent or \$817,631. Said decrease is largely attributed to one-time federal grant funding in 2021 in response to the COVID-19 pandemic response.

As shown in Figure 1, Charges for Services of \$4,655,827 continue to be the largest revenue source representing 44.4 percent of total revenues. Other Taxes (sales and franchise) represented the second largest revenue source for the Primary Government at 22.2 percent or \$2,331,854.

Program expenses of \$7,316,644 decreased by 14.5 percent or \$1,239,505 from 2021. Highways & Public Works expenses of \$1,294,419 experienced the greatest value *decrease* from the prior year-decreasing by \$786,863 or 37.8 percent.

Water Services reported the largest value *increase* from the prior year increasing by \$75,551 or 6.3 percent.

As illustrated in Figure 2, Public Safety, at \$1,627,849, represents the largest program expense for the Primary Government with a share of total program expense of 22.2 percent. Public Safety expenses increased by 4.2 percent or \$64,900. Interest on Long-term Debt of \$14,519 represents the smallest program expenses with a share of 0.2%.

CITY OF WASHINGTON TERRACE, UT
FINANCIAL SECTION | MANGEMENT DISCUSSION & ANALYSIS
Fiscal Year Ended June 30, 2022

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
Revenues	2021	2022	2021	2022	2021	2022		
Program Revenues:								
Charges for Services	\$ 595,650	\$ 652,995	\$ 3,930,988	\$ 4,002,832	\$ 4,526,638	\$ 4,655,827	2.9%	\$ 129,189
Operating Grants and Contributions	1,381,933	564,302	-	-	1,381,933	564,302	(59.2)	(817,631)
Capital Grants and Contributions	236,934	29,430	437,039	708,897	673,973	738,327	9.5	64,354
General Revenues:								
Property Taxes	1,945,944	1,931,526	-	-	1,945,944	1,931,526	(0.7)	(14,418)
Other Taxes	2,103,904	2,331,854	-	-	2,103,904	2,331,854	10.8	227,950
Other	73,038	143,692	56,526	125,356	129,564	269,048	107.7	139,484
Total Revenues	6,337,403	5,653,799	4,424,553	4,837,085	10,761,956	10,490,884	(2.5)	(271,072)
Expenses								
Program Expenses:								
General Government	1,344,633	679,665	-	-	1,344,633	679,665	(49.5)	(664,968)
Public Safety	1,562,949	1,627,849	-	-	1,562,949	1,627,849	4.2	64,900
Highways & Public Works	2,081,282	1,294,419	-	-	2,081,282	1,294,419	(37.8)	(786,863)
Parks & Recreation	420,952	491,500	-	-	420,952	491,500	16.8	70,548
Interest on Long-term Debt	16,086	14,519	-	-	16,086	14,519	(9.7)	(1,567)
Water Services	-	-	1,195,832	1,271,383	1,195,832	1,271,383	6.3	75,551
Sewer Services	-	-	981,847	988,126	981,847	988,126	0.6	6,279
Refuse Services	-	-	554,034	581,345	554,034	581,345	4.9	27,311
Storm Water Services	-	-	398,534	367,838	398,534	367,838	(7.7)	(30,696)
Total Expenses	5,425,902	4,107,952	3,130,247	3,208,692	8,556,149	7,316,644	(14.5)	(1,239,505)
Increase in net position before								
Transfers	911,501	1,545,847	1,294,306	1,628,393	2,205,807	3,174,240	43.9	968,433
Transfers	90,628	18,436	(90,628)	(18,436)	-	-	-	-
Change in Net Position	1,002,129	1,564,283	1,203,678	1,609,957	2,205,807	3,174,240	43.9	968,433
Net Position - Beginning (as restated)	36,947,980	37,950,109	19,563,178	20,766,856	56,511,158	58,716,965	3.9	2,205,807
Net Position - Ending	\$ 37,950,109	\$ 39,514,392	\$ 20,766,856	\$ 22,376,813	\$ 58,716,965	\$ 61,891,205	5.4%	\$ 3,174,240

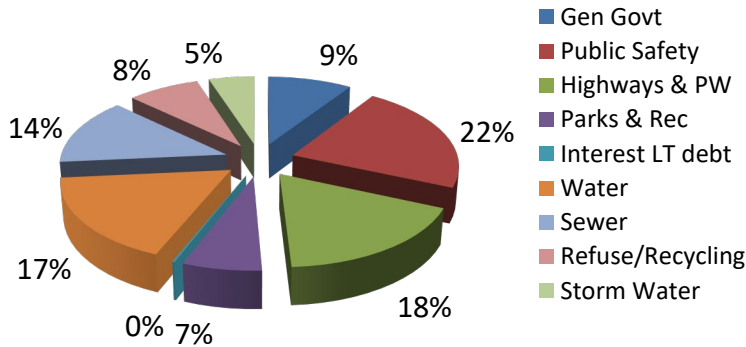
Table 2- Comparative Changes in Net Position

Governmental Activities

Ending net position for Governmental activities of \$39,514,392 reported an *increase* of 4.1 percent or \$1,564,283 compared to 2021.

Governmental activity revenue of \$5,653,799 *decreased* by 10.8 percent or \$683,604 from the prior year. Said decrease was attributed to Operating Grants and Contributions decreasing by 59.2 percent or \$817,631. In 2021, the City received a \$781,000 one-time federal operating grant for Coronavirus Relief (Funds).

Primary Government Expenses 2022



The following Table 3 and Figure 3, “Net Cost of Governmental Activities”, illustrates each Governmental program’s ability to rely on self-generated revenues to cover its related program expenses. *General* program revenues such as property tax, sales and franchise tax, investment earnings, and capital asset disposal cover the remaining program costs. In 2022, general revenues covered \$4,407,072 of program costs.

Figure 2 – Primary Government Expenses as a Percentage of Total

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	
	2021	2022	2021	2022	2021	2022	2021	2022
General Government	\$1,344,633	\$ 679,665	\$1,393,759	\$ 633,753	\$ (49,126)	\$ 45,912	103.7%	93.2%
Public Safety	1,562,949	1,627,849	12,525	12,932	1,550,424	1,614,917	0.8%	0.8%
Highways & Public Works	2,081,282	1,294,419	668,393	527,261	1,412,889	767,158	32.1%	40.7%
Parks & Recreation	420,952	491,500	139,840	72,781	281,112	418,719	33.2%	14.8%
Interest on Long-term Debt	16,086	14,519	-	-	16,086	14,519	0.0%	0.0%
Total Governmental Activities	\$5,425,902	\$4,107,952	\$2,214,517	\$1,246,727	\$3,211,385	\$2,861,225	40.8%	30.3%

Table 3 – Net Cost of Governmental Activities

Public Safety, the largest Governmental program expense representing \$1,627,849 or 39.6 percent of total program expenses. Program revenues of \$12,932 resulted in a net program cost of \$1,614,917. Public Safety had the *lowest* ability to generate revenues to support its program expenses.

General Government, representing \$679,665 or 16.5 percent of total Governmental program expenses, generated \$633,753 of program revenue resulting in a net program cost of \$45,912.

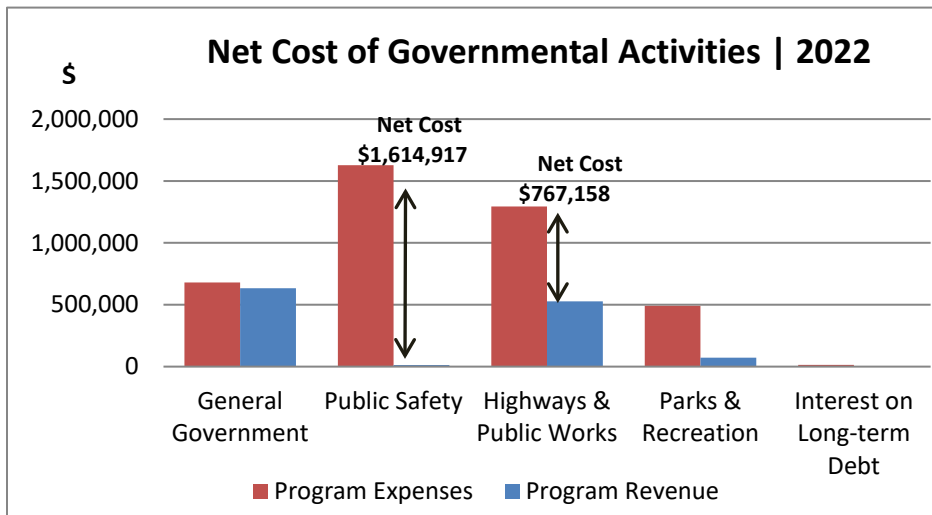


Figure 3 – Net Cost of Governmental Activities

Business-Type Activities

Ending net position for Business-type activities of \$22,376,813 reported an *increase* of 7.8 percent or \$1,609,957 when compared to 2021.

Program revenue *increased* by 9.3 percent or \$412,532. Capital Grants and Contributions reported the greatest value change *increasing* by \$271,858 or 62.2 percent while Other Revenue reported the greatest percent

change increasing by 121.8 percent or \$68,830.

Changes to Capital Grants and Contributions are largely attributed to developer infrastructure contributions while increases to Other Revenue is attributed to gains on the sale of capital assets and investment earnings.

Program expenses of \$3,208,692 *increased* by 2.5 percent or \$78,445. Water Services reported the greatest *increase* in program expenses increasing by \$75,551 or 6.3 percent. Storm Water reported the only *decrease* in program expenses decreasing by \$30,696 or 7.7 percent.

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 \$42,351,747 (net of accumulated depreciation) or a *increase* of 0.5 percent or \$191,391 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 1.8 percent or \$726,289. There were no capital assets that reported a *decrease* in value.

Major capital asset additions for the Primary Government in 2022 were (amounts rounded):

- Machinery & Equipment |
 - Streets fleet & heavy equipment replacement \$227,000
 - Culinary Water, Sewer, and Storm Water fleet& heavy equipment replacement \$922,000
- Infrastructure |
 - Street Reconstruction Southpointe Dr. \$406,000
 - Culinary water and storm water infrastructure Southpointe Dr. \$359,000
 - Culinary Water (CW54) City-wide Valve Replacement Project \$471,000

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
	2021	2022	2021	2022	2021	2022		
Land	\$ 10,448,157	\$ 10,448,157	\$ 715,958	\$ 715,958	\$ 11,164,115	\$ 11,164,115	0.0%	\$ -
Construction in process	-	14,268	2,929	6,477	2,929	20,745	608.3%	17,816
Buildings & Improvements	5,376,903	5,386,861	5,953,079	5,953,079	11,329,982	11,339,940	0.1%	9,958
Machinery & Equipment	1,422,547	1,253,965	1,257,697	1,590,025	2,680,244	2,843,990	6.1%	163,746
Infrastructure	25,431,535	25,578,560	14,916,558	15,495,822	40,348,093	41,074,382	1.8%	726,289
Less: Accum. Depreciation	(16,156,910)	(16,821,806)	(7,208,097)	(7,269,619)	(23,365,007)	(24,091,425)	3.1%	(726,418)
Total Assets, net of accumulated depreciation	\$ 26,522,232	\$ 25,860,005	\$ 15,638,124	\$ 16,491,742	\$ 42,160,356	\$ 42,351,747	0.5%	\$ 191,391

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

As illustrated in the following Table 5, “Comparative of Debt Outstanding”, the Primary Government’s total outstanding long-term liabilities of \$5,718,315 an *increase* of 1.6 percent or \$89,004 compared to 2021. The greatest value *decrease* in long-term liabilities was reported with Sales Tax Revenue Refunding Bonds Series 2013 decreasing by \$269,000. These bonds were fully redeemed on Jun 1, 2022. The greatest value *increase* in long-term liabilities was reported with Leases outstanding increasing by \$639,345 reaching \$689,345 outstanding.

Governmental activities total debt outstanding of \$428,175 reported a 34.1 percent or \$221,273 *decrease* from prior year. The greatest value decrease was reported with Sales Tax Revenue Refunding Bonds Series 2013 decreasing by \$179,333. These bonds were fully redeemed on Jun 1, 2022.

Business-type activities total debt outstanding of \$5,290,140 reported a 6.2 percent or \$310,277 *increase* from prior year. The greatest value *decrease* was reported with Utility Revenue Bonds, Series 2017 decreasing by \$195,000. The greatest *increase* was reported with a new lease purchase agreement for financing the acquisition of construction equipment with a lease amount of \$659,811.

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		%	\$
	2021	2022	2021	2022	2021	2022	Change From Prior Year	Change From Prior Year
Compensated Absences	\$ 99,347	\$ 105,983	\$ -	\$ -	\$ 99,347	\$ 105,983	6.7%	\$ 6,636
Lease	50,000	29,534	-	659,811	50,000	689,345	1278.7%	639,345
General Obligation Ref Ser15 Bonds	-	-	-	-	-	-	-	-
Utility Revenue Bonds Ser10A	-	-	-	-	-	-	-	-
Utility Revenue Bonds Ser10B	147,553	134,952	265,447	243,048	413,000	378,000	-8.5%	(35,000)
Utility Revenue Bonds Ser10C	173,215	157,706	296,785	270,294	470,000	428,000	-8.9%	(42,000)
Sales & Excise Tax Rev Bonds Ser13	179,333	-	89,667	-	269,000	-	-100.0%	(269,000)
Utility Revenue Bonds Ser17	-	-	4,075,000	3,880,000	4,075,000	3,880,000	-4.8%	(195,000)
Bond Premium	-	-	252,964	236,987	252,964	236,987	-6.3%	(15,977)
Total Debt Outstanding	\$ 649,448	\$ 428,175	\$ 4,979,863	\$ 5,290,140	\$ 5,629,311	\$ 5,718,315	1.6%	\$ 89,004

Table 5 – Comparative of Debt Outstanding

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 \$14,075,450 for 2022 has *increased* by 14.3 percent or \$1,759,846.

Of said balance, \$2,313,822 or 16.4 percent is restricted (externally enforceable limitations on use i.e. imposed by creditors, grantors, contributors, law and regulations); \$6,167,003 or 43.8 percent is committed (self-imposed limitations); \$3,952,709 or 28.1 percent is assigned for community development activities; and \$1,641,916 or 11.7 percent is unassigned (total fund balance in excess of restricted, committed, and assigned balances).

Committed fund balance experienced the greatest change *increasing* by \$635,719 or 11.5 percent. Said increase is attributed to capital project funding. No fund balance components experienced a decline.

CITY OF WASHINGTON TERRACE, UT
FINANCIAL SECTION | MANGEMENT DISCUSSION & ANALYSIS
Fiscal Year Ended June 30, 2022

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
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022		
Restricted	\$ 688,978	\$ 830,829	\$ -	\$ -	\$ 1,251,763	\$ 1,482,993	\$ -	\$ -	\$ 1,940,741	\$ 2,313,822	19.2%	373,081
Committed	178,521	53,525	-	-	5,352,763	6,113,478	-	-	5,531,284	6,167,003	11.5%	635,719
Assigned	-	-	3,339,595	3,872,101	-	-	81,627	80,608	3,421,222	3,952,709	15.5%	531,487
Unassigned	1,422,357	1,641,916	-	-	-	-	-	-	1,422,357	1,641,916	15.4%	219,559
Total	\$ 2,289,856	\$ 2,526,270	\$ 3,339,595	\$ 3,872,101	\$ 6,604,526	\$ 7,596,471	\$ 81,627	\$ 80,608	\$ 12,315,604	\$ 14,075,450	14.3%	\$ 1,759,846

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 \$5,058,841 *exceeded* final budget estimates of \$4,591,936 or a \$466,905 final budget variance.

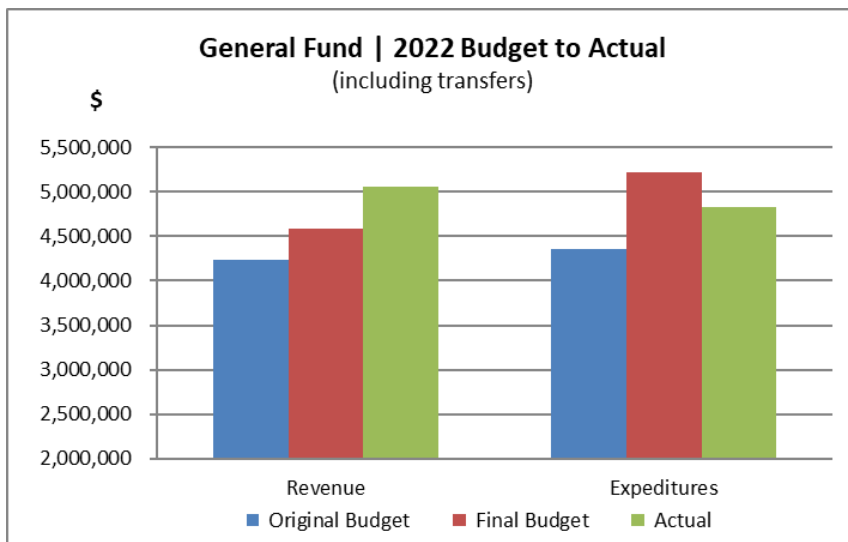


Figure 4 – General Fund Final Budget to Actual

- **Tax collections** of \$3,713,996 *exceeded* final budget estimates of \$3,498,974 or a \$215,022 final budget variance.
- **Licenses and permits** of \$365,977 *exceeded* final budget estimates of \$216,000 or a \$149,977 budget variance.
- **Intergovernmental collections** of \$633,312 *exceeded* final budget estimates of \$553,258 or a \$80,054 budget variance.
- **Fines & Forfeitures** of \$75,238 *exceeded* final budget estimates of \$62,000 or a \$13,238 budget variance.

- **Miscellaneous** revenue of \$163,072 *exceeded* final budget estimates of \$141,479 or a budget variance of \$21,593.

Expenditures | General Fund Expenditures

Actual expenditures of \$4,822,425 (including transfers) were *below* final budget estimates of \$5,215,582 or a \$393,157 final budget variance.

- **General Government** expenditures of \$793,029 were *below* final budget estimates of \$892,210 or a budget variance of \$99,181.
-
- **Public Safety** expenditures of \$1,698,278 were *below* final budget estimates of \$1,908,366 or a budget variance of \$210,088.
- **Highways and Public Works** expenditures of \$424,533 were *below* final budget estimates of \$537,169 or a budget variance of \$112,636.
- **Parks & Recreation** expenditures of \$394,316 were *below* final budget estimates of \$415,061 generating a budget variance of \$20,745.

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 \$22,376,813 has increased by 7.8 percent or \$1,609,954 from the prior year.

Net position represents \$11,201,602 or 50.1 percent of Net Investment in Capital Assets; \$11,089,921 or 49.6 percent Unrestricted; and \$85,290 or 0.4 percent Restricted.

Changes in Net Position

Business-type activities generated \$4,837,085 of total revenue an increase of 9.3 percent or \$412,532 from prior year.

The largest program *revenue*, Charges for Services \$4,002,832, representing 82.8 percent of revenues, increased by 1.8 percent or \$71,844. Capital Grants and Contributions, representing 14.7 percent or \$708,897, increased by 62.2 percent or \$271,858 from the prior year. Other revenue, representing 2.6 percent or \$125,356 of program revenue, increased by \$139,484, or 107.7 percent from the prior year.

Total program *expenses* of \$3,208,692 increased by 2.5 percent or \$78,445 from the prior year.

Culinary Water services, the largest utility program expense, represent 39.6 percent or \$1,271,383 of total program expenses growing by 6.3 percent or \$75,551 from the prior year.

Sanitary Sewer services, the second largest utility program expense, represent 30.8 percent or \$988,126 of total program expenses growing by 0.6 percent or \$6,279 from the prior year.

Refuse services, the third largest utility program expense, represent 18.1 percent or \$581,345 of total program expenses growing by 4.9 percent or \$27,311 from the prior year.

Storm Water services, the fourth largest utility program expense, represent 11.5 percent or \$367,838 of total program expenses fell by 7.7 percent or \$30,696 from the prior year.

ECONOMIC & DEMOGRAPHIC FACTORS

According to Zions Bank, Economic Snapshot: *Utah June 2022*, Utah's April 2022 unemployment rate was 1.9%, while the state's annual total employment increased by 3.9%, or 62,400 jobs. Industry sectors leading the job growth were trade, transportation, and utilities (16,000); leisure and hospitality (11,200); and construction (7,700). The Beehive State's home values grew 29.4% over the past 12 months, bringing the Utah median home price to over \$567,000.

Washington Terrace City Census Statistics

Population Estimates - 2021	9,276
Median Household Income (in 2020 dollars)	\$65,204
Persons in Poverty	5.6%
Median value of owner occupied housing units, 2016-2020	\$216,700
Households	3,287
Persons per household	2.75
Business Firms	395

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

REQUESTS FOR INFORMATION

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

City of Washington Terrace
Finance Department
5249 South 400 East | Washington Terrace City, Utah 84405

BASIC FINANCIAL STATEMENTS

including notes

(Audited)

STATEMENT OF NET POSITION

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Assets			
Cash and cash equivalents	\$ 11,687,697	\$ 10,748,780	\$ 22,436,477
Accounts receivable, net	51,032	427,448	478,480
Due from other governmental units	1,829,054	-	1,829,054
Prepaid expenses	-	135,918	135,918
Cash - restricted	2,938,026	117,049	3,055,075
Capital assets not being depreciated:			
Land	10,448,157	715,958	11,164,115
Construction work in progress	14,268	6,477	20,745
Capital assets, net of accumulated depreciation:			
Buildings and improvements	3,355,036	4,692,659	8,047,695
Infrastructure	11,383,600	10,150,500	21,534,100
Machinery and equipment	658,944	926,148	1,585,092
Net pension asset	443,121	-	443,121
Total Assets	42,808,935	27,920,937	70,729,872
Deferred Outflows of Resources			
Pension related	196,644	-	196,644
Total Deferred Outflows of Resources	196,644	-	196,644
Total Assets and Deferred Outflows of Resources	\$ 43,005,579	\$ 27,920,937	\$ 70,926,516
Liabilities			
Accounts payable	\$ 330,042	\$ 147,730	\$ 477,772
Accrued liabilities	172,817	88,881	261,698
Unearned revenue	547,254	17,373	564,627
Noncurrent liabilities:			
Due within one year	108,916	391,043	499,959
Due in more than one year	319,259	4,899,097	5,218,356
Total Liabilities	1,478,288	5,544,124	7,022,412
Deferred Inflows of Resources			
Deferred revenue - property taxes	1,380,246	-	1,380,246
Pension related	632,653	-	632,653
Total Deferred Inflows of Resources	2,012,899	-	2,012,899
Net Position			
Net investment in capital assets	25,980,934	11,201,602	37,182,536
Restricted for:			
Debt service	39,702	68,120	107,822
Repair & Replacement	10,084	17,170	27,254
Roads	2,014,718	-	2,014,718
Statutory 5% Minimum	249,318	-	249,318
Unrestricted	11,219,636	11,089,921	22,309,557
Total Net Position	39,514,392	22,376,813	61,891,205
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 43,005,579	\$ 27,920,937	\$ 70,926,516

STATEMENT OF ACTIVITIES

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Government Activities							
General governmental	\$ 679,665	\$ 618,224	\$ 15,529	\$ -	\$ (45,912)	\$ -	\$ (45,912)
Public safety	1,627,849	-	12,245	687	(1,614,917)	-	(1,614,917)
Highways and public works	1,294,419	-	527,261	-	(767,158)	-	(767,158)
Parks and recreation	491,500	34,771	9,267	28,743	(418,719)	-	(418,719)
Interest on long-term debt	14,519	-	-	-	(14,519)	-	(14,519)
Total Governmental Activities	4,107,952	652,995	564,302	29,430	(2,861,225)	-	(2,861,225)
Business-type Activities							
Water services	1,271,383	1,528,555	-	475,210	-	732,382	732,382
Sewer services	988,126	1,269,292	-	15,338	-	296,504	296,504
Refuse services	581,345	641,619	-	-	-	60,274	60,274
Storm water services	367,838	563,366	-	218,349	-	413,877	413,877
Total Business-type Activities	3,208,692	4,002,832	-	708,897	-	1,503,037	1,503,037
Total Government	\$ 7,316,644	\$ 4,655,827	\$ 564,302	\$ 738,327	(2,861,225)	1,503,037	(1,358,188)
General Revenues							
Property taxes					1,931,526	-	1,931,526
Sales taxes					1,631,841	-	1,631,841
Franchise taxes					700,013	-	700,013
Unrestricted interest on investments					71,998	47,665	119,663
Gain on disposal of capital assets					71,694	77,691	149,385
Transfers					18,436	(18,436)	-
Total General Revenues and Transfers					4,425,508	106,920	4,532,428
Changes in Net Position					1,564,283	1,609,957	3,174,240
Net Position, Beginning					37,950,109	20,766,856	58,716,965
Net Position, Ending					\$ 39,514,392	\$ 22,376,813	\$ 61,891,205

CITY OF WASHINGTON TERRACE, UT
FINANCIAL SECTION | BASIC FINANCIAL STATEMENTS
June 30, 2022

BALANCE SHEET - GOVERNMENTAL FUNDS

	General	Redevelopment Agency	Capital Projects	Debt Service	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 1,619,983	\$ 3,872,926	\$ 6,114,180	\$ 80,608	\$ 11,687,697
Accounts receivable, net	51,032	-	-	-	51,032
Due from other governmental units	1,740,805	83,249	5,000	-	1,829,054
Restricted assets:					
Cash and cash equivalents	907,779	-	2,030,247	-	2,938,026
Total Assets	\$ 4,319,599	\$ 3,956,175	\$ 8,149,427	\$ 80,608	\$ 16,505,809
Liabilities					
Accounts payable	\$ 323,515	\$ 825	\$ 5,702	\$ -	\$ 330,042
Accrued liabilities	172,817	-	-	-	172,817
Unearned revenue	-	-	547,254	-	547,254
Total Liabilities	496,332	825	552,956	-	1,050,113
Deferred Inflows of Resources					
Unavailable revenue - property taxes	1,296,997	83,249	-	-	1,380,246
Fund Balances					
Restricted					
Roads funds	531,725	-	1,482,993	-	2,014,718
Debt service	39,702	-	-	-	39,702
Repair & Replacement	10,084	-	-	-	10,084
Statutory 5% Minimum	249,318	-	-	-	249,318
Committed for:					
Capital projects	-	-	6,113,478	-	6,113,478
Public Safety	53,525	-	-	-	53,525
Assigned					
Redevelopment Agency	-	3,872,101	-	-	3,872,101
Debt service	-	-	-	80,608	80,608
Unassigned	1,641,916	-	-	-	1,641,916
Total Fund Balances	2,526,270	3,872,101	7,596,471	80,608	14,075,450
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,319,599	\$ 3,956,175	\$ 8,149,427	\$ 80,608	\$ 16,505,809

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

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

Total fund balance - governmental funds	\$ 14,075,450
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	25,860,005
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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	(292,658)
Capital lease	(29,534)
Compensated absences	(105,983)

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 Asset	443,121
Pension Deferred Outflows	196,644
Pension Deferred Inflows	<u>(632,653)</u>

Net position - governmental activities	<u>\$ 39,514,392</u>
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**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS**

	General	Redevelopment Agency	Capital Projects	Debt Service	Total Governmental Funds
Revenues					
Taxes	\$ 3,713,996	\$ 549,384	\$ -	\$ -	\$ 4,263,380
Licenses and permits	365,977	-	-	-	365,977
Intergovernmental	633,312	-	5,000	-	638,312
Charges for services	34,771	-	-	-	34,771
Impact fees	-	-	24,430	-	24,430
Fines and forfeitures	75,238	-	-	-	75,238
Interest income	55,073	16,922	-	3	71,998
Miscellaneous revenue	107,999	-	-	-	107,999
Total Revenues	4,986,366	566,306	29,430	3	5,582,105
Expenditures					
Current:					
General government	793,029	6,661	-	-	799,690
Public safety	1,698,278	-	50,802	-	1,749,080
Highways and public works	424,533	23,534	-	-	448,067
Parks and recreation	394,316	-	-	-	394,316
Capital expenditures	-	3,605	436,289	-	439,894
Debt service:					
Principal retirement	-	-	-	257,443	257,443
Interest and fiscal charges	-	-	-	14,519	14,519
Total Expenditures	3,310,156	33,800	487,091	271,962	4,103,009
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,676,210	532,506	(457,661)	(271,959)	1,479,096
Other Financing Sources (Uses)					
Transfer in	72,475	-	1,524,769	362,380	1,959,624
Transfer out	(1,512,269)	-	(337,477)	(91,442)	(1,941,188)
Proceeds from capital lease	-	-	29,534	-	29,534
Disposal of capital assets	-	-	232,780	-	232,780
Total Other Financing Sources (Uses)	(1,439,794)	-	1,449,606	270,938	280,750
Net Change in Fund Balances	236,416	532,506	991,945	(1,021)	1,759,846
Fund Balance, Beginning	2,289,854	3,339,595	6,604,526	81,629	12,315,604
Fund Balance, Ending	\$ 2,526,270	\$ 3,872,101	\$ 7,596,471	\$ 80,608	\$ 14,075,450

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

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

Net change in fund balances - total governmental funds	\$ 1,759,846
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.	(1,158,489)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position.	657,348
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.	(161,086)
Governmental fund have proceeds from capital leases as revenues. However, in the statement of activities it reports the proceeds as debt.	(29,534)
Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	257,443
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.	(6,636)
Changes in the pension asset and liability accounts are not recorded in the funds rather they are recorded in the statement of activities	245,391
Change in net position - governmental activities	<u>\$ 1,564,283</u>

STATEMENT OF NET POSITION – PROPRIETARY FUND

	Business-type Activities
	Enterprise Fund Public Utilities
Assets	
Current Assets	
Cash and cash equivalents	\$ 10,748,780
Accounts receivable, net	427,448
Prepays	135,918
Total Current Assets	11,312,146
Noncurrent Assets	
Cash - restricted	117,049
Land	715,958
Construction work in progress	6,477
Buildings	5,953,079
Infrastructure	15,495,822
Machinery and equipment	1,590,025
Less: Accumulated depreciation	(7,269,619)
Total Noncurrent Assets	16,608,791
Total Assets	<u>\$ 27,920,937</u>
Liabilities	
Current Liabilities	
Accounts payable	\$ 147,730
Accrued liabilities	88,881
Unearned revenue	17,373
Long term liabilities - current portion	391,043
Total Current Liabilities	645,027
Noncurrent Liabilities	
Long term liabilities - noncurrent portion	4,899,097
Total Noncurrent Liabilities	4,899,097
Total Liabilities	5,544,124
Net Position	
Net invested in capital assets	11,201,602
Restricted:	
Debt reserve	68,120
Repair & Replacement	17,170
Unrestricted	11,089,921
Total Net Position	22,376,813
Total Liabilities and Net Position	<u>\$ 27,920,937</u>

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

	Business-type Activities
	Enterprise Fund Public Utilities
Operating Revenues	
Charges for services:	
Water	\$ 1,516,494
Sewer	1,264,212
Refuse	641,619
Storm water	563,366
Connection and other fees	
Water	12,061
Sewer	5,080
Total Operating Revenues	<u>4,002,832</u>
Operating Expenses	
Personnel services	1,008,088
Contractual services	1,216,038
Materials and supplies	286,576
Depreciation expense	551,357
Total operating expenses	<u>3,062,059</u>
Operating income	<u>940,773</u>
Nonoperating revenue (expense)	
Interest income	47,665
Interest expense	(146,633)
Disposal of capital assets	77,691
Total nonoperating revenues (expenses)	<u>(21,277)</u>
Income (loss) before capital contributions and transfers	919,496
Capital contributions:	
Impact fee income	91,115
Developer contributions	359,051
Intergovernmental income	258,731
Transfers in/(out)	(18,436)
Change in net position	1,609,957
Net position, beginning	<u>20,766,856</u>
Net position, ending	<u><u>\$ 22,376,813</u></u>

STATEMENT OF CASH FLOWS – PROPRIETARY FUND

	Business-type Activities
	Enterprise Fund Public Utilities
Cash Flows From Operating Activities	
Receipts from customers and users	\$ 3,986,372
Payments to suppliers and service providers	(1,419,630)
Cash payments for interfund services used	(1,008,088)
Net cash flows from operating activities	1,558,654
Cash Flows From Non-Capital Financing Activities	
Transfers out	(18,436)
Net cash flows from non-capital financing activities	(18,436)
Cash Flows From Capital and Related Financing Activities	
Acquisition and construction of capital assets	(1,395,789)
Principal paid on bonds and leases	(333,556)
Proceeds from disposal of assets	427,553
Proceeds from issuance of debt	659,811
Intergovernmental	258,731
Interest Paid	(162,610)
Impact fees received	91,115
Net cash flows from capital and related financing activities	(454,745)
Cash Flows From Investing Activities	
Interest on investment	47,665
Net cash flows from investing activities	47,665
Net Increase (Decrease) In Cash and Cash Equivalents	1,133,138
Cash and Cash Equivalents, Beginning	9,732,691
Cash and Cash Equivalents, Ending	\$ 10,865,829

STATEMENT OF CASH FLOWS – PROPRIETARY FUND (Continued)

	Business-type Activities
	Enterprise Fund Public Utilities
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$ 940,773
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation expense	551,357
(Increase) Decrease in accounts receivables	(14,184)
(Increase) Decrease in prepaids	(4,808)
Increase (Decrease) in accounts payable	79,054
Increase (Decrease) in accrued liabilities	8,738
Increase (Decrease) in unearned revenue	(2,276)
Net cash flows from operating activities	\$ 1,558,654
Schedule of non-cash capital and related financing activities	
Developer contributions	\$ 359,051
Bond premium amortization	15,977



NOTES TO 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 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, 2022, \$296,468 of the City's bank balances of \$653,856 (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, 2022, the City had cash balances of \$24,833,944 deposited in the PTIF. The fair value of this cash balance was \$24,731,345 using a fair value factor of .99586858.

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, 2022 is 64.20 days.

NOTE 2 CASH AND INVESTMENTS (Continued)

Following are the City's cash on hand and on deposit at June 30, 2022:

	Carrying Amount
Cash on hand and on deposit:	
Cash on hand	\$ 1,300
Cash on deposit	548,483
Money Market	107,825
Utah State Treasurer's investment pool accounts	<u>24,833,944</u>
Total cash on hand and deposit	<u>\$ 25,491,552</u>

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable are recorded net of the allowance for doubtful accounts of \$9,590 in the enterprise fund.

NOTE 4 RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2022:

Road Funds	\$ 2,014,718
Statutory 5% Minimum	249,318
2010 Series Bond Reserve Fund	134,556
2017 Series Bond Reserve Fund	520
Unspent Grant Proceeds	547,254
Customer Deposits	83,406
Unearned Utility Billings	17,373
Bail Held	<u>7,930</u>
	<u>\$ 3,055,075</u>

CITY OF WASHINGTON TERRACE, UT
FINANCIAL SECTION | NOTES TO THE FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2022

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2022, is as follows:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 10,448,157	\$ -	\$ -	\$ 10,448,157
Construction in progress	-	14,268	-	14,268
Total capital assets, not being depreciated	<u>10,448,157</u>	<u>14,268</u>	<u>-</u>	<u>10,462,425</u>
Capital assets, being depreciated				
Buildings and Improvements	5,376,903	9,958	-	5,386,861
Infrastructure	25,431,536	405,926	(258,902)	25,578,560
Machinery and equipment	1,422,547	227,196	(395,778)	1,253,965
Total capital assets, being depreciated	<u>32,230,986</u>	<u>643,080</u>	<u>(654,680)</u>	<u>32,219,386</u>
Less accumulated depreciation for				
Buildings and Improvements	(1,860,451)	(171,374)	-	(2,031,825)
Infrastructure	(13,530,896)	(910,021)	245,957	(14,194,960)
Machinery and equipment	(765,563)	(77,095)	247,637	(595,021)
Total accumulated depreciation	<u>(16,156,910)</u>	<u>(1,158,490)</u>	<u>493,594</u>	<u>(16,821,806)</u>
Total capital assets, being depreciated, net	<u>16,074,076</u>	<u>(515,410)</u>	<u>(161,086)</u>	<u>15,397,580</u>
Governmental activities capital assets, net	<u>\$ 26,522,233</u>	<u>\$ (501,142)</u>	<u>\$ (161,086)</u>	<u>\$ 25,860,005</u>

NOTE 5 CAPITAL ASSETS (Continued)

The Business-type Activities property, plant and equipment consist of the following at June 30, 2022:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Business-type Activities				
Capital assets, not being depreciated				
Land	\$ 715,958	\$ -	\$ -	\$ 715,958
Construction in progress	2,930	6,476	(2,929)	6,477
Total capital assets, not being depreciated	718,888	6,476	(2,929)	722,435
Capital assets, being depreciated				
Buildings	5,953,079	-	-	5,953,079
Infrastructure	14,916,557	829,668	(250,403)	15,495,822
Machinery and equipment	1,257,698	921,621	(589,294)	1,590,025
Total capital assets, being depreciated	22,127,334	1,751,289	(839,697)	23,038,926
Less accumulated depreciation for				
Buildings	(1,102,042)	(158,378)	-	(1,260,420)
Infrastructure	(5,129,412)	(345,337)	129,427	(5,345,322)
Machinery and equipment	(976,643)	(47,642)	360,408	(663,877)
Total accumulated depreciatio	(7,208,097)	(551,357)	489,835	(7,269,619)
Total capital assets, being depreciated, net	14,919,237	1,199,932	(349,862)	15,769,307
Business-type activities capital assets, net	\$ 15,638,125	\$ 1,206,408	\$ (352,791)	\$ 16,491,742

NOTE 5 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities

General government	\$ 91,574
Public safety	41,695
Highways and public works	932,408
Parks and recreation	<u>92,813</u>

Total depreciation expense - governmental activities	<u>\$ 1,158,490</u>
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Business-type activities

Water services	\$ 337,766
Sewer services	132,604
Storm water services	<u>80,987</u>

Total depreciation expense - business-type activities	<u>\$ 551,357</u>
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Combined depreciation expense	<u>\$ 1,709,847</u>
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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 \$1,296,997 and \$83,249 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, 2022 was not expected to be received within 30 days after the year ended June 30, 2022, 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, 2022.

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 \$74,188 of the compensated absences balance will be due in the next year.

CITY OF WASHINGTON TERRACE, UT
 FINANCIAL SECTION | NOTES TO THE FINANCIAL STATEMENTS
 Fiscal Year Ended June 30, 2022

NOTE 8 LONG-TERM OBLIGATIONS

The following is summary of long-term debt transactions of the City for the year ended June 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities					
Direct Placement Debt:					
Sales Tax Revenue Refunding Bonds, Series 2013	179,333	-	(179,333)	-	-
Utility Revenue Bond, Series 2010B	147,553	-	(12,601)	134,952	12,960
Utility Revenue Bond, Series 2010C	172,498	-	(14,792)	157,706	15,480
Total bonds payable	499,384	-	(206,726)	292,658	28,440
Direct Borrowing Debt					
Finance purchase - lease	50,000	29,534	(50,000)	29,534	6,288
Total finance purchase - lease	50,000	29,534	(50,000)	29,534	6,288
Other Debt					
Compensated absences	99,347	83,118	(76,482)	105,983	74,188
Pension	42,331	-	(42,331)	-	-
Total other debt	141,678	83,118	(118,813)	105,983	74,188
Governmental activity long-term liabilities	\$ 691,062	\$ 112,652	\$ (375,539)	\$ 428,175	\$ 108,916
Business-type activities					
Direct Placement bonds:					
Sales Tax Revenue Refunding Bonds, Series 2013	\$ 89,667	\$ -	\$ (89,667)	\$ -	\$ -
Utility Revenue Bond, Series 2010B	265,447	-	(22,399)	243,048	23,040
Utility Revenue Bond, Series 2010C	297,502	-	(27,208)	270,294	27,520
Other bonds:					
Utility Revenue Bond, Series 2017	4,075,000	-	(195,000)	3,880,000	200,000
Bond Premium	252,964	-	(15,977)	236,987	-
Total bonds payable	4,980,580	-	(350,251)	4,630,329	250,560
Direct Borrowing Debt					
Finance purchase - lease	-	659,811	-	659,811	140,483
Total finance purchase - lease	-	659,811	-	659,811	140,483
Business-type activity long-term liabilities	\$ 4,980,580	\$ 659,811	\$ (350,251)	\$ 5,290,140	\$ 391,043

The General Fund liquidates the liability for compensated absences.

The City has no lines of credit.

NOTE 8 LONG-TERM OBLIGATIONS (Continued)

Sales Tax Revenue Refunding Bonds, Series 2013

The \$1,097,000 Sales Tax Revenue Refunding Bonds, Series 2013 was issued in December 2013. The proceeds, along with the debt reserve account of \$98,057, were used to refund the Special Assessments Bonds, Series 2001 and the 2009 Sales Tax Revenue Bond which had interest rates from 2.50% to 5.95%. The Sales Tax Revenue Refunding Bonds, Series 2013 are due in annual installments through June 1, 2024. The bonds carry an interest rate of 1.98%. The City has pledged the local sales and use tax revenue to repay this debt. 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 or to enforce any obligation of the City. On June 1, 2022 these bonds were fully redeemed at a principal amount of \$269,000 together with accrued interest.

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, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 36,000	\$ 13,457	\$ 49,457
2024	38,000	12,175	50,175
2025	39,000	10,822	49,822
2026	40,000	9,434	49,434
2027	42,000	8,010	50,010
2028	43,000	6,515	49,515
2029	45,000	4,984	49,984
2030	47,000	3,382	50,382
2031	48,000	1,709	49,709
Total	<u>\$ 378,000</u>	<u>\$ 70,488</u>	<u>\$ 448,488</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, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 43,000	\$ 10,700	\$ 53,700
2024	44,000	9,625	53,625
2025	45,000	8,525	53,525
2026	46,000	7,400	53,400
2027	47,000	6,250	53,250
2028	48,000	5,075	53,075
2029	50,000	2,875	52,875
2030	52,000	26,525	78,525
2031	53,000	1,325	54,325
Total	<u>\$ 428,000</u>	<u>\$ 78,300</u>	<u>\$ 506,300</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, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 200,000	\$ 137,825	\$ 337,825
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
Total	<u>\$ 3,880,000</u>	<u>\$ 1,177,800</u>	<u>\$ 5,057,800</u>

Capital Lease

During the year the City implemented GASB 87 related to leases.

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. Depreciation for the year related to these assets was \$14,110.

<u>Asset:</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Machinery and equipment	\$ 79,397	\$ 656,263
Less: accumulated depreciation	(4,138)	(401,027)
	<u>\$ 75,259</u>	<u>\$ 255,236</u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 6,288	\$ 401	\$ 140,483	\$ 8,957
2024	6,375	314	142,429	7,011
2025	6,461	228	144,352	5,088
2026	10,410	141	232,547	3,139
Total	<u>\$ 29,534</u>	<u>\$ 1,084</u>	<u>\$ 659,811</u>	<u>\$ 24,195</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, 2022.

	Project	Contract Amount	Paid to Date	Commitment Outstanding
Governmental Funds	Street Maintenance	\$ 1,314,832	\$ -	\$1,314,832
Utility Fund	Utility Infrastructure	878,809	-	878,809
		<u>\$ 1,314,832</u>	<u>\$ -</u>	<u>\$1,314,832</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 2022:

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

<u>Project Area</u>	<u>2022</u>
Southeast	\$ 513,974
Central B/D	<u>35,410</u>
Total increment received	<u>549,384</u>

The Agency expended amounts in the following areas:

Amounts expended for:

Administrative costs	\$ 30,195
Property acquisitions and site improvements	<u>3,605</u>
Total amounts expended by RDA	<u>\$ 33,800</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, 2022 are as follows:

	<u>In</u>	<u>Out</u>
Governmental:		
General Fund	\$ 72,475	\$ 1,512,269
Capital Projects	1,524,769	337,477
Debt Service	362,380	91,442
Business-type		
Public Utilities	<u>97,193</u>	<u>115,629</u>
	<u>\$ 2,056,817</u>	<u>\$ 2,056,817</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 \$1,008,088 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.

Benefits Provided

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

Summary of Benefits by System

System	Final Average Salary	Years of Service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 Years	30 years, any age 25 years, any age * 20 years, age 60 * 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 Years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.50% per year all years	Up to 2.5%

* 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, 2022 are as follows:

	Employee	Employee	Employer 401(k)
Contributory System			
111 Local Governmental Div - Tier 2	N/A	16.07	0.62
Noncontributory System			
15 Local Governmental Div - Tier 1	N/A	18.47	N/A
Firefighters Retirement System			
31 Other Division A	15.05	4.61	N/A
132 Tier 2 DB Hybrid Firefighters	2.27	14.08	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.69	10.00
232 Firefighters	N/A	0.08	14.00

For fiscal year ended June 30, 2022, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 118,810	N/A
Tier 2 Public Employees System	56,210	-
Tier 2 DC Only System	7,237	N/A
Total Contributions	\$ 182,257	\$ -

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, 2022, we reported a net pension asset of \$443,121 and a net pension liability of \$0.

	(Measurement Date): December 31, 2021				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share Dec 31, 2020	Change (Decrease)
Noncontributory System	\$ 435,717	\$ -	0.0760797%	0.0767150%	-0.0006353%
Tier 2 Public Employees System	7,404	-	0.0174941%	0.0207228%	-0.0032287%
	<u>\$ 443,121</u>	<u>\$ -</u>			

NOTE 14 RETIREMENT PLAN (Continued)

The net pension asset and liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021 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, 2022, we recognized pension expense of (\$63,224)

At June 30, 2022, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 49,234	\$ 954
Change in assumptions	47,798	2,882
Net difference between projected and actual earnings on pension plan investments	-	604,929
Changes in proportion and differences between contributions and proportionate share of contributions	8,349	23,887
Contributions subsequent to the measurement date	91,264	-
Total	<u>\$ 196,645</u>	<u>\$ 632,652</u>

\$91,263 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, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (inflow) of Resources
2022	\$ (118,053)
2023	(174,851)
2024	(144,378)
2025	(98,629)
2026	1,513
Thereafter	7,127

NOTE 14 RETIREMENT PLAN (Continued)

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

For the year ended June 30, 2022, we recognized pension expense of (\$89,840)

At June 30, 2022, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,637	\$ -
Change in assumptions	40,894	2,812
Net difference between projected and actual earnings on pension plan investments	-	586,634
Changes in proportion and differences between contributions and proportionate share of contributions	-	23,489
Contributions subsequent to the measurement date	59,965	-
Total	<u>\$ 146,496</u>	<u>\$ 612,935</u>

\$59,965 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, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (inflow) of Resources
2022	\$ (115,532)
2023	(171,347)
2024	(142,055)
2025	(97,470)
2026	-
Thereafter	-

NOTE 14 RETIREMENT PLAN (Continued)

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

For the year ended June 30, 2022, we recognized pension expense of \$828.

June 30, 2022, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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	3,309	248
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 3,309</u>	<u>\$ 248</u>

\$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, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (inflow) of Resources
2022	\$ 838
2023	825
2024	795
2025	603
2026	-
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, 2022, we recognized pension expense of \$25,789.

At June 30, 2022, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,597	\$ 954
Change in assumptions	6,904	70
Net difference between projected and actual earnings on pension plan investments	-	18,295
Changes in proportion and differences between contributions and proportionate share of contributions	5,040	150
Contributions subsequent to the measurement date	31,299	-
Total	<u>\$ 46,840</u>	<u>\$ 19,469</u>

\$31,299 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, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (inflow) of Resources
2022	\$ (3,359)
2023	(4,328)
2024	(3,118)
2025	(1,762)
2026	1,513
Thereafter	7,127

Actuarial Assumptions

The total pension liability in the December 31, 2021, 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, 2021, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

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

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	37%	6.58%	2.43%
Debt securities	20%	0.28%	-0.06%
Real assets	15%	5.77%	0.87%
Private equity	12%	9.85%	1.18%
Absolute return	16%	2.91%	0.47%
Cash and cash equivalents	0%	-1.01%	0.00%
Totals	100%		4.89%
Inflation			2.50%
Expected Arithmetic Nominal Return			7.39%

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. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

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:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 234,298	\$ (435,717)	\$ (994,713)
Tier 2 Public Employees System	\$ 44,116	\$ (7,404)	\$ (46,961)
Total	\$ 278,414	\$ (443,121)	\$ (1,041,674)

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:

401 (k) Plan	2022	2021	2020
Employer Contributions	\$ 37,199	\$ 37,375	\$ 34,373
Employee Contributions	\$ 30,271	\$ 21,638	\$ 26,747
457 Plan			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ 28,386	\$ 26,363	\$ 32,685
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 16,600	\$ 22,316	\$ 22,894

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget
Revenues				
Taxes:				
Property tax - real estate	\$ 1,223,474	\$ 1,223,474	\$ 1,271,318	\$ 47,844
Property tax - vehicles	90,000	90,000	84,953	(5,047)
Delinquent property taxes	20,000	20,000	25,871	5,871
Direct charges	15,000	15,000	-	(15,000)
Sales and use taxes	1,298,478	1,504,000	1,631,841	127,841
Franchise taxes	626,500	626,500	684,275	57,775
Municipal energy tax	20,000	20,000	15,738	(4,262)
Total taxes	<u>3,293,452</u>	<u>3,498,974</u>	<u>3,713,996</u>	<u>215,022</u>
Licenses and permits:				
Business licenses	95,000	139,000	143,795	4,795
Building permits	30,000	50,000	145,405	95,405
Planning fees	9,000	22,000	72,284	50,284
Animal licenses	5,000	5,000	4,493	(507)
Total licenses and permits	<u>139,000</u>	<u>216,000</u>	<u>365,977</u>	<u>149,977</u>
Intergovernmental revenue:				
RAMP tax	9,198	9,198	9,267	69
Road funds	420,287	480,000	527,261	47,261
State liquor fund allotment	7,000	7,000	8,679	1,679
Other grants	-	7,060	19,095	12,035
Service Contracts	50,000	50,000	69,010	19,010
Total intergovernmental revenue	<u>486,485</u>	<u>553,258</u>	<u>633,312</u>	<u>80,054</u>
Charges for services:				
Recreation fees	47,750	47,750	34,771	(12,979)
Total charges for services	<u>47,750</u>	<u>47,750</u>	<u>34,771</u>	<u>(12,979)</u>
Fines and forfeitures	<u>62,000</u>	<u>62,000</u>	<u>75,238</u>	<u>13,238</u>
Miscellaneous:				
Interest	40,000	40,000	55,073	15,073
Other	99,479	101,479	107,999	6,520
Total miscellaneous	<u>139,479</u>	<u>141,479</u>	<u>163,072</u>	<u>21,593</u>
Total Revenues	<u>\$ 4,168,166</u>	<u>\$ 4,519,461</u>	<u>\$ 4,986,366</u>	<u>\$ 466,905</u>

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget
Expenditures				
General government:				
City council	\$ 34,796	\$ 34,796	\$ 32,421	\$ 2,375
Municipal court	174,429	174,429	174,310	119
Administrative	227,759	300,759	292,867	7,892
Budget & Finance	151,230	151,230	143,949	7,281
Non-departmental	121,541	121,541	68,867	52,674
General government building	101,455	109,455	80,615	28,840
Total general government	811,210	892,210	793,029	99,181
Public safety:				
Police department	1,067,848	1,073,804	961,400	112,404
Fire department	608,275	632,425	561,191	71,234
Inspection and planning	138,671	139,921	113,758	26,163
Animal control	62,216	62,216	61,929	287
Total public safety	1,877,010	1,908,366	1,698,278	210,088
Highways and public works:				
Streets	165,253	165,253	139,804	25,449
Public works	371,740	371,916	284,729	87,187
Total highways and public works	536,993	537,169	424,533	112,636
Parks and recreation	411,761	415,061	394,316	20,745
Total Expenditures	3,636,974	3,752,806	3,310,156	442,650
Excess (Deficiency) of Revenues Over (Under) Expenditures	531,192	766,655	1,676,210	909,555
Other Financing Sources (Uses)				
Transfer in	72,475	72,475	72,475	-
Transfer out	(720,908)	(1,462,776)	(1,512,269)	(49,493)
Total Other Financing Sources (Uses)	(648,433)	(1,390,301)	(1,439,794)	(49,493)
Net Change in Fund Balance	\$ (117,241)	\$ (623,646)	236,416	\$ 860,062
Fund Balance, Beginning, Restated			2,289,854	
Fund Balance, Ending			\$ 2,526,270	

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	final budget
Revenues				
Property taxes - increment	\$ 611,998	\$ 611,998	\$ 549,384	\$ (62,614)
Interest	-	-	16,922	16,922
Total Revenues	<u>611,998</u>	<u>611,998</u>	<u>566,306</u>	<u>(45,692)</u>
Expenditures				
Salaries and benefits	15,800	15,800	14,444	1,356
Professional and technical	3,800	3,800	9,090	(5,290)
Capital expenditures	585,737	3,925,329	3,605	3,921,724
Administrative fee to general fund	6,661	6,661	6,661	-
Total Expenditures	<u>611,998</u>	<u>3,951,590</u>	<u>33,800</u>	<u>3,917,790</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(3,339,592)</u>	<u>532,506</u>	<u>3,872,098</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (3,339,592)</u>	<u>532,506</u>	<u>\$ 3,872,098</u>
Fund Balance, Beginning			<u>3,339,595</u>	
Fund Balance, Ending			<u>\$ 3,872,101</u>	

**SCHEDULE OF THE PROPORTIONATE SHARE OF NET PENSION LIABILITY
 UTAH RETIREMENT SYSTEMS**

Measurement Date of December 31, 2021

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%	-	1.7494100%
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)
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
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%
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%

*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
 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
Noncontributory System	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%
Firefighters System	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%
Tier 2 Public Employees System*	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%

*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

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the total Pension Liability, which is about 1.3% of the total Pension Liability as of December 31, 2020 for all system combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	final budget
Revenues				
Intergovernmental	\$ -	\$ 1,594,507	\$ 5,000	\$ (1,589,507)
Interfund charges for services	-	140,538	-	(140,538)
Impact fees	5,000	5,000	24,430	-
Total Revenues	5,000	1,740,045	29,430	(1,730,045)
Expenditures				
Administrative fee to general fund	-	-	-	-
Capital expenditures	636,976	4,276,400	436,289	3,840,111
Interfund charges for services	50,802	50,802	50,802	-
Total Expenditures	687,778	4,327,202	487,091	3,840,111
Excess (Deficiency) of Revenues Over (Under) Expenditures	(682,778)	(2,587,157)	(457,661)	2,110,066
Other Financing Sources (Uses)				
Transfer in	682,778	1,475,276	1,524,769	49,493
Transfer out	(156,062)	(337,477)	(337,477)	-
Proceeds from capital lease	-	33,082	29,534	(3,548)
Disposal of capital assets	-	213,330	232,780	19,450
Total Other Financing Sources (Uses)	526,716	1,384,211	1,449,606	65,395
Net Change in Fund Balance	\$ (156,062)	\$ (1,202,946)	991,945	\$ 2,175,461
Fund Balance, Beginning, Restated			6,604,526	
Fund Balance, Ending			\$ 7,596,471	

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	final budget
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	3	3
Total Revenues	-	-	3	3
Expenditures				
Debt service:				
Principal retirement	125,700	257,444	257,443	1
Interest and fiscal charges	15,097	15,244	14,519	725
Total Expenditures	140,797	272,688	271,962	726
Excess (Deficiency) of Revenues Over (Under) Expenditures	(140,797)	(272,688)	(271,959)	729
Other Financing Sources (Uses)				
Transfer in	180,965	362,380	362,380	-
Transfer out	(41,108)	(91,442)	(91,442)	-
Total Other Financing Sources (Uses)	139,857	270,938	270,938	-
Net Change in Fund Balance	<u>\$ (940)</u>	<u>\$ (1,750)</u>	(1,021)	<u>\$ 729</u>
Fund Balance, Beginning			<u>81,629</u>	
Fund Balance, Ending			<u>\$ 80,608</u>	



STATISTICAL SECTION (unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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



FINANICAL TRENDS

CITY OF WASHINGTON TERRACE, UT
STATISTICAL SECTION - FINANCIAL TRENDS
Fiscal Year Ended June 30, 2022

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities										
Net investment in capital assets	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	24,243,148
Restricted	2,313,822	1,940,741	2,108,751	1,844,386	1,249,966	916,665	689,763	220,498	1,002,446	792,171
Unrestricted	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	5,253,102
Total Governmental Activities Net Position	\$ 39,514,392	\$ 37,950,109	\$ 36,947,983	\$ 35,796,224	\$ 34,341,024	\$ 33,028,141	\$ 32,170,307	\$ 30,912,526	\$ 30,341,893	\$ 30,288,421
Business-Type Activities										
Net investment in capital assets	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	6,962,596
Restricted	85,290	131,444	157,519	268,708	623,382	4,341,586	36,523	29,833	281,627	-
Unrestricted	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	4,133,635
Total Business-Type Activities Net Position	\$ 22,376,813	\$ 20,766,859	\$ 19,563,181	\$ 18,460,986	\$ 17,352,894	\$ 16,142,933	\$ 15,367,090	\$ 14,993,711	\$ 14,387,321	\$ 11,096,231
Primary Government										
Net investment in capital assets	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	31,205,744
Restricted	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	792,171
Unrestricted	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	9,386,737
Total Primary Government Net Position	\$ 61,891,205	\$ 58,716,968	\$ 56,511,164	\$ 54,257,210	\$ 51,693,918	\$ 49,171,074	\$ 47,537,397	\$ 45,906,237	\$ 44,729,214	\$ 41,384,652

CITY OF WASHINGTON TERRACE, UT
STATISTICAL SECTION - FINANCIAL TRENDS
Fiscal Year Ended June 30, 2022

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

Expenses	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
General Government	679,665	1,344,633	819,440	1,142,552	792,357	921,913	1,268,508	840,591	1,299,410	1,227,430
Public Safety	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	1,173,056
Highways and Public Works	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	1,723,620
Parks and Recreation	491,500	420,952	397,864	375,145	388,509	269,962	352,265	261,500	244,530	223,097
Interest and Long-term Debt	14,519	16,086	25,783	37,357	45,117	53,303	118,645	116,935	112,941	195,865
Total Governmental Activities	\$ 4,107,952	\$ 5,425,902	\$ 4,319,929	\$ 4,359,463	\$ 3,348,848	\$ 3,896,664	\$ 6,881,746	\$ 4,947,417	\$ 4,431,400	\$ 4,543,068
Business-Type Activities:										
Water services	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	815,941
Sewer services	988,126	981,847	980,820	935,822	1,056,835	932,924	924,553	965,234	916,534	903,727
Refuse services	581,345	554,034	533,222	514,638	478,155	455,940	448,900	436,185	421,714	482,100
Storm Water services	367,838	398,534	430,543	363,610	357,287	288,391	308,856	301,513	282,040	257,990
Total Business-Type Activities	\$ 3,208,692	\$ 3,130,247	\$ 3,136,487	\$ 2,961,691	\$ 2,942,937	\$ 2,708,060	\$ 2,973,307	\$ 2,654,549	\$ 2,454,671	\$ 2,459,758
Total Expenses	\$ 7,316,644	\$ 8,556,149	\$ 7,456,416	\$ 7,321,154	\$ 6,291,785	\$ 6,604,724	\$ 9,855,053	\$ 7,601,966	\$ 6,886,071	\$ 7,002,826
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	618,224	555,179	415,451	414,869	347,920	313,617	1,188,505	1,109,104	1,178,215	968,522
Public Safety	-	-	2,045	74,955	62,249	60,918	77,749	76,235	69,409	160,392
Highways and Public Works	-	-	-	15,774	14,176	80,660	25,575	74,900	87,942	83,109
Parks and Recreation	34,771	40,471	23,550	46,169	43,854	45,820	43,993	42,819	52,691	51,152
Operating Grants and Contributions	564,302	1,381,933	478,920	453,184	431,191	353,898	296,953	278,869	275,322	349,177
Capital Grants and Contributions	29,430	236,934	400,392	745,966	96,816	352,431	1,758,196	1,939,832	1,200,243	322,351
Total Governmental Activities	\$ 1,246,727	\$ 2,214,517	\$ 1,320,358	\$ 1,750,917	\$ 996,206	\$ 1,207,344	\$ 3,390,971	\$ 3,521,759	\$ 2,863,822	\$ 1,934,703
Business-Type Activities:										
Charges for Services										
Water services	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	1,118,803
Sewer services	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	1,058,798
Refuse services	641,619	553,807	548,658	510,994	497,830	479,991	481,828	449,480	453,241	501,473
Storm water services	563,366	577,814	582,655	543,265	542,702	448,529	422,626	396,246	370,951	328,388
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	708,897	437,039	334,663	297,636	465,229	40,355	120,747	13,247	242,162	7,790
Total Business-Type Activities	\$ 4,711,729	\$ 4,368,027	\$ 4,151,129	\$ 3,948,861	\$ 4,069,724	\$ 3,444,775	\$ 3,393,971	\$ 3,316,799	\$ 3,562,643	\$ 3,015,252

CITY OF WASHINGTON TERRACE, UT
STATISTICAL SECTION - FINANCIAL TRENDS
Fiscal Year Ended June 30, 2022

CHANGES IN NET POSITION (continued)

Last Ten Fiscal Years

(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Program Revenues	\$ 5,958,456	\$ 6,582,544	\$ 5,471,487	\$ 5,699,778	\$ 5,065,930	\$ 4,652,119	\$ 6,784,942	\$ 6,838,558	\$ 6,426,465	\$ 4,949,955
Net (Expense)/Revenue										
Governmental Activities	(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)	(2,608,365)
Business-Type Activities	1,503,037	1,237,780	1,014,642	987,170	1,126,787	736,715	420,664	662,250	1,107,972	555,494
Total Net (Expense)	\$ (1,358,188)	\$ (1,973,605)	\$ (1,984,929)	\$ (1,621,376)	\$ (1,225,855)	\$ (1,952,605)	\$ (3,070,111)	\$ (763,408)	\$ (459,606)	\$ (2,052,871)
General Revenues & Transfers										
Governmental Activities:										
Property taxes	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	1,571,060
General sales and use tax	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	887,879
Franchise tax	700,013	645,399	657,681	673,404	685,289	784,024	718,914	695,220	698,397	699,047
Investment earnings	71,998	54,524	198,636	258,253	123,922	65,345	36,138	13,979	20,182	16,617
Gain (loss) on sale of assets	71,694	18,514	20,019	158,750	12,323	18,731	-	-	-	-
Transfers	18,436	90,628	88,145	113,888	84,227	82,635	90,240	91,106	90,538	-
Total Governmental Activities	\$ 4,425,508	\$ 4,213,514	\$ 4,151,333	\$ 4,063,748	\$ 3,665,525	\$ 3,547,153	\$ 3,452,378	\$ 3,370,545	\$ 3,448,384	\$ 3,174,603
Business-Type Activities:										
Investment earnings	47,665	46,586	175,698	201,415	167,401	88,852	42,955	35,245	24,432	53,635
Gain on sale of assets	77,691	9,940	-	33,395	-	-	-	-	-	6,045
Transfers	(18,436)	(90,628)	(88,145)	(113,888)	(84,227)	(82,635)	(90,240)	(91,106)	(90,538)	-
Total Business-Type Activities	\$ 106,920	\$ (34,102)	\$ 87,553	\$ 120,922	\$ 83,174	\$ 6,217	\$ (47,285)	\$ (55,861)	\$ (66,106)	\$ 59,680
Total Primary Government	\$ 4,532,428	\$ 4,179,412	\$ 4,238,886	\$ 4,184,670	\$ 3,748,699	\$ 3,553,370	\$ 3,405,093	\$ 3,314,684	\$ 3,382,278	\$ 3,234,283
Change in Net Position										
Governmental Activities	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	566,238
Business-Type Activities	1,609,957	1,203,678	1,102,195	1,108,092	1,209,961	742,932	373,379	606,389	1,041,866	615,174
Total Primary Government	\$ 3,174,240	\$ 2,205,807	\$ 2,253,957	\$ 2,563,294	\$ 2,522,844	\$ 1,600,765	\$ 334,982	\$ 2,551,276	\$ 2,922,672	\$ 1,181,412

CITY OF WASHINGTON TERRACE, UT
 STATISTICAL SECTION - FINANCIAL TRENDS
 Fiscal Year Ended June 30, 2022

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Restricted	830,829	688,978	557,929	510,949	573,327	382,908	350,698	315,941	282,707	241,345
Committed	53,525	178,521	334,209	-	-	-	-	-	-	-
Unassigned	1,641,916	1,422,357	657,614	900,214	832,172	826,625	863,933	915,480	1,040,164	801,557
Total General Fund	\$ 2,526,270	\$ 2,289,856	\$ 1,549,752	\$ 1,411,163	\$ 1,405,499	\$ 1,209,533	\$ 1,214,631	\$ 1,231,421	\$ 1,322,871	\$ 1,042,902
All Other Governmental Funds										
Nonspendable	-	-	-	23,565	408,414	410,828	41,656	-	-	-
Restricted	1,482,993	1,251,763	1,550,822	1,333,437	676,639	533,757	339,065	871,157	719,739	2,334,889
Committed	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	2,232,625
Assigned	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)	-	-	-	-
Total All Other Governmental Funds	\$ 11,549,180	\$ 10,025,748	\$ 9,125,186	\$ 7,956,489	\$ 6,505,708	\$ 5,522,570	\$ 4,441,140	\$ 4,241,111	\$ 3,525,078	\$ 4,567,514
Total Fund Balances	\$ 14,075,450	\$ 12,315,604	\$ 10,674,938	\$ 9,367,652	\$ 7,911,207	\$ 6,732,103	\$ 5,655,771	\$ 5,472,532	\$ 4,847,949	\$ 5,610,416

CITY OF WASHINGTON TERRACE, UT
STATISTICAL SECTION - FINANCIAL TRENDS
Fiscal Year Ended June 30, 2022

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes	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	3,157,986
Licenses and permits	365,977	314,921	232,877	215,969	171,128	184,586	191,414	158,860	218,632	111,449
Intergovernmental	638,312	1,456,744	813,382	531,022	505,876	794,206	2,571,025	2,218,701	1,471,056	671,528
Charges for services	34,771	40,471	70,810	136,226	115,678	126,480	958,888	942,182	965,682	910,344
Impact fees	24,430	53,191	70,274	27,506	26,591	12,229	5,697	-	6,841	7,952
Fines and forfeitures	75,238	60,244	54,627	88,968	177,588	133,966	163,061	154,858	146,356	154,803
Interest income	71,998	54,524	198,636	258,253	123,922	65,345	36,138	13,976	20,182	16,617
Miscellaneous revenue	107,999	122,158	85,252	105,587	56,993	52,286	78,375	47,158	55,255	78,627
Total Revenues	\$ 5,582,105	\$ 6,152,100	\$ 5,370,389	\$ 4,896,386	\$ 4,622,829	\$ 4,749,584	\$ 7,330,598	\$ 6,801,195	\$ 6,221,668	\$ 5,109,306
Expenditures										
Current:										
General Government	799,690	1,192,903	690,166	786,078	762,066	735,281	1,129,884	1,198,067	1,184,080	1,031,931
Public Safety	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	1,129,803
Highways and public works	448,067	345,287	440,281	443,809	407,045	381,265	725,355	691,966	695,917	709,811
Parks and recreation	394,316	412,716	309,141	310,544	316,768	291,764	233,761	210,827	212,704	199,168
Capital expenditures	439,894	818,771	792,003	321,413	331,322	630,140	2,913,404	2,509,991	1,642,215	592,153
Debt Service:										
Principal retirement	257,443	414,726	522,234	515,882	512,885	524,586	2,218,950	644,799	1,385,792	608,399
Interest and fiscal charges	14,519	19,462	29,270	40,451	47,728	28,168	120,157	128,794	184,797	206,822
Bond issuance costs	-	-	-	-	-	-	20,059	-	-	-
Total Expenditures	\$ 4,103,009	\$ 4,724,549	\$ 4,171,267	\$ 3,712,579	\$ 3,581,046	\$ 3,739,638	\$ 8,502,268	\$ 6,523,990	\$ 6,457,440	\$ 4,478,087
Excess (Deficiency of Revenues over Expenditures)	\$ 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)	\$ 631,219
Other Financing Sources (Uses)										
Contributions										
Transfers in	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	856,390
Transfers out	(1,941,188)	(1,275,845)	(1,413,649)	(1,312,547)	(974,161)	(995,977)	(1,203,606)	(1,330,556)	(448,132)	(856,390)
Bond proceeds	-	-	-	-	-	-	1,802,000	-	731,333	-
Capital lease	29,534	50,000	-	-	-	-	-	220,379	-	-
Sale of capital assets	232,780	72,487	20,019	158,750	53,096	80,203	71,688	35,892	63,400	-
Total Other Financing Sources (Uses)	\$ 280,750	\$ 213,115	\$ 108,164	\$ 272,638	\$ 137,323	\$ 162,838	\$ 1,871,256	\$ 347,377	\$ 885,271	\$ -
Net change in fund balance	\$ 1,759,846	\$ 1,640,666	\$ 1,307,286	\$ 1,456,445	\$ 1,179,106	\$ 1,172,784	\$ 699,586	\$ 624,582	\$ 649,499	\$ 631,219
Debt service as a percentage of non-capital expenditures	7.9%	9.6%	15.5%	20.8%	20.6%	17.3%	60.6%	19.2%	32.7%	18.2%



REVENUE CAPACITY

CITY OF WASHINGTON TERRACE, UT
 STATISTICAL SECTION - REVENUE CAPACITY
 Fiscal Year Ended June 30, 2022

GENERAL GOVERNMENTAL REVENUES BY SOURCE
 Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses & Permits	Inter-Governmental	Charges for Services	Fines & Forfeitures	Interest & Miscellaneous	Impact Fees	Total Revenue
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
2013	3,157,986	111,449	671,528	910,344	154,803	95,244	7,952	5,109,306

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 Last Ten Fiscal Years

Fiscal Year	General Property	General Sales & Use	Franchise	Total Tax Revenue
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
2013	1,571,060	887,879	699,047	3,157,986

CITY OF WASHINGTON TERRACE, UT
 STATISTICAL SECTION - REVENUE CAPACITY
 Fiscal Year Ended June 30, 2022

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.						
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
2012	213,364,811	74,327,029	33,706	28,919,283	4,953,113	321,597,942	0.003085	513,941,537	62.57

Source:
 State Tax Commission

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years

Fiscal Year	City Direct Rates			Overlapping Rates										TOTAL TAX RATES
	General Operations	General Obligation Debt Service	Total City Millage	Weber County Levy	State & County Assessment /Collecting	Weber Morgan Health	Weber County Library	Weber School District & State Charter School	Mosquito Abatement District	Weber Basin Water	Central Weber Sewer	Paramedic & Dispatch 911 Fund	Weber County Flood Control	
2022	0.002187	0.0000000	0.002187	0.001565	0.000226	0.000082	0.000474	0.005566	0.000084	0.000132	0.000503	0.000351	0.000046	0.011216
2021	0.001820	0.0006560	0.002476	0.001905	0.000252	0.000092	0.000458	0.005868	0.000094	0.000146	0.000564	0.000376	0.000026	0.012257
2020	0.001979	0.0008840	0.002863	0.002117	0.000267	0.000099	0.000493	0.006110	0.000101	0.000153	0.000607	0.000384	-	0.013194
2019	0.001543	0.0010060	0.002549	0.002304	0.000284	0.000086	0.000526	0.006307	0.000108	0.000164	0.000649	0.000369	-	0.013346
2018	0.001719	0.0011620	0.002881	0.002539	0.000310	0.000095	0.000578	0.006373	0.000119	0.000174	0.000709	0.000405	-	0.014183
2017	0.001591	0.0012390	0.002830	0.002179	0.000329	0.000079	0.000597	0.006693	0.000127	0.000187	0.000758	0.000430	-	0.014209
2016	0.001637	0.0013130	0.002950	0.002269	0.000349	0.000083	0.000631	0.006643	0.000134	0.000196	0.000802	0.000499	-	0.014556
2015	0.001690	0.0014110	0.003101	0.002335	0.000367	0.000125	0.000662	0.006526	0.000141	0.000199	0.000838	0.000525	-	0.014819
2014	0.001743	0.0014737	0.003217	0.002288	0.000385	0.000129	0.000686	0.006920	0.000146	0.000210	0.000866	0.000540	-	0.015387
2013	0.001588	0.0014970	0.003085	0.002507	0.000399	0.000130	0.000696	0.007071	0.000148	0.000215	0.000880	0.000550	-	0.015681

Source:
 Utah State Tax Commission

CITY OF WASHINGTON TERRACE, UT
STATISTICAL SECTION - REVENUE CAPACITY
Fiscal Year Ended June 30, 2022

PRINCIPAL PROPERTY TAX PAYERS
Current Year and Ten Years Ago

Property Taxpayer	Principal Nature of Business	Rank	2021		Rank	2012	
			Taxable Assessed Valuation (1)	% of Total Assessed Value		Taxable Assessed Valuation (1)	% of Total Assessed Value
Columbia Ogden Medical Center.....	Healthcare	1	\$ 63,020,361	9.7%	1	\$ 39,255,744	12.2%
Goldenwest Credit Union.....	Financial	2	6,688,969	1.0%			
Stonehenge.....	Healthcare	3	6,073,000	0.9%			
Storage South LLC.....	Storage	4	5,014,924	0.8%			
Lake Park Apartments Inc.....	Housing	5	4,956,603	0.8%	4	2,614,974	0.8%
Robert Blair Brown Trust.....	Housing	6	4,640,899	0.7%			
Woodland Cove.....	Housing	7	4,222,544	0.7%	6	1,919,415	0.6%
PF Investments.....	Housing	8	4,177,255	0.6%	9	1,626,582	0.5%
Washington House Assisted Living.....	Healthcare	9	4,063,151	0.6%	2	3,135,559	1.0%
Ogden Orthopedic Medical.....	Healthcare	10	3,932,000	0.6%	3	2,636,867	
Wells Fargo Bank.....	Healthcare				7	1,919,208	
Pleasant Valley Office Plaza.....	Office				5	2,575,786	0.8%
Pleasant Valley Professional.....	Office				10	1,359,945	
Healthcare Property Investors/Utah LLC.....	Healthcare				8	1,587,976	0.5%
Totals			\$ 106,789,706	16.5%		\$ 58,632,056	18.2%
City Taxable Value			\$ 647,500,995	100.0%		\$ 321,597,942	100%

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, 2022

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	%	Collections in Subsequent Years (2)	Total Collections to Date	
							\$ Amount	% of Levy
2021	\$ 1,425,924	\$ 55,138	\$ 1,370,786	\$ 1,370,786	96.13	\$ 25,951	\$ 1,396,737	97.95
2020	1,380,787	63,555	1,317,232	1,317,232	95.40	15,692	1,332,924	96.53
2019	1,432,407	61,735	1,370,672	1,370,672	95.69	24,929	1,395,601	97.43
2018	1,174,461	47,766	1,126,695	1,126,695	95.93	20,157	1,146,852	97.65
2017	1,139,211	48,980	1,090,231	1,090,231	95.70	15,544	1,105,775	97.06
2016	1,049,096	42,303	1,006,793	1,006,793	95.97	15,048	1,021,841	97.40
2015	1,053,300	37,651	1,015,649	1,015,649	96.43	22,167	1,037,816	98.53
2014	1,042,125	48,352	993,773	993,773	95.36	28,257	1,022,030	98.07
2013	922,382	48,662	873,720	873,720	94.72	21,756	895,476	97.08
2012	864,581	46,944	817,637	817,637	94.57	27,501	845,138	97.75

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, 2022

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>
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
2013	1.00	1.15	4.70	6.85

Source:
 Utah State Tax Commission



DEBT CAPACITY

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

Governmental Unit	General Oblication Debt Outstanding	2021 Taxable Value	Estimated % Applicable to City	Estimated \$ Applicable to City
Weber County	\$ 40,862,261	\$ 24,567,736,486	2.6%	\$ 1,076,955
Weber County School District	173,320,000	17,157,349,398	3.8	654,092,132
Total Overlapping Debt.....				655,169,087
Washington Terrace City Direct Debt (<i>Governmental Activities</i>)				322,192
Total Direct and Overlapping Debt.....				<u>\$ 655,491,279</u>

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, 2022

LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years

	<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>	<u>2013</u>
Debt Limit	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	12,863,918
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>231,377</u>	<u>665,802</u>	<u>980,037</u>	<u>1,352,161</u>	<u>1,714,243</u>	<u>1,996,598</u>	<u>2,307,171</u>	<u>2,600,320</u>
Legal debt margin	<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>	<u>\$ 10,263,598</u>
Total net debt applicable to debt limit as a percentage	0.00%	0.00%	1.15%	3.65%	6.19%	9.15%	12.05%	14.90%	17.55%	20.21%

Legal Debt Margin Calculation for Fiscal Year 2022

Total assessed taxable value - 2021	\$ 647,500,995
Debt limit - 4% of total assessed value	<u>25,900,040</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><u>\$ 25,900,040</u></u>

CITY OF WASHINGTON TERRACE, UT
STATISTICAL SECTION - DEBT CAPACITY
Fiscal Year Ended June 30, 2022

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	
Utility Revenue Bonds (1)(3)								
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
2013	3,007,462	2,021,772	67,470	1,053,160	263,639	96,473	360,112	2.92
Sales & Franchise Tax Revenue Bonds (2)								
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
2013	1,586,926	-	-	1,586,926	53,000	35,891	88,891	17.85

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, 2022

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

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Less Debt Service Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded GO Debt Per Capita
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
2013	9,147	321,597,942	2,685,000	84,680	2,600,320	0.81	284

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, 2022

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities							
	General Obligation Bonds (3)	Sales Tax Revenue Bonds (4)(5)	Utility Revenue Bonds (10)(11)	Lease	Redevelopment Tax Increment Bonds (6)	Special Assessment Bonds (7)	Utility Revenue Bonds (8)(9)(10) (11)(12)	Bond Premium	Sales Tax Revenue Bonds (5)	Lease	Special Assessment Bonds (7)	Total Primary Government	Debt Outstanding Per Capita (1)
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
2013 (2)	2,685,000	744,000	519,651	-	504,208	6,783	2,707,349	105,361	-	44,700	393,217	7,710,269	843

Notes:

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

CITY OF WASHINGTON TERRACE, UT
 STATISTICAL SECTION - DEMOGRAPHIC ECONOMIC INFORMATION
 Fiscal Year Ended June 30, 2022

DEMOGRAPHIC AND ECONOMIC INDICATORS
 Last Ten Fiscal Years

Fiscal Year	Population						Unemployment Rate as of June 30,			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
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	na	na	na
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
2013	9,147	0.5	236,342	1.0	2,855,287	1.5	4.5	5.4	7.5	41,525	46,243	46,811

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, 2022

PRINCIPAL EMPLOYERS
 Last Ten Fiscal Years

Employer	Principal Nature of Business	Rank	2021			Rank	2012		
			Yearly Minimum Employees	Yearly Maximum Employees	% of Total City Employment (1)		Yearly Minimum Employees	Yearly Maximum Employees	% of Total City Employment (1)
Ogden Regional Medical Center.....	Health Care	1	500	999	33.3%	1	500	999	43.4%
Weber School District.....	Education	2	200	499	16.6	2	200	349	15.2
Goldenwest Credit Union.....	Financial	3	200	499	16.6				
The Terrace at Mount Ogden.....	Health Care	4	100	249	8.3				
Stonehenge of Ogden.....	Health Care	5	50	99	3.3				
Mount Ogden Health Care.....	Health Care	6	50	99	3.3				
Legacy House of Ogden.....	Health Care	7	50	99	3.3	3	50	99	4.3
Utah Hematology Oncology.....	Health Care	8	50	99	3.3				
Gauss Management Research & Engineering.....	Professional	9	20	49	1.6	4	50	99	4.3
New Image Day Spa.....	Professional	10	20	49	1.6	8	50	99	4.3
Family Fresh Foods.....	Grocery					5	50	99	4.3
Washington Terrace Health Services.....	Health Care					6	20	49	2.1
Care First Pharmacy LLC	Health Care					7	20	49	2.1
Alpine Homecare & Hospice.....	Health Care					9	20	49	2.1
Vistacare Hospice.....	Health Care					10	20	49	2.1
Total			1,240	2,740	58.4%		980	1,940	41.3%

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

Source:
 City Business Licensing Department



OPERATING INFORMATION

CITY OF WASHINGTON TERRACE, UT
STATISTICAL SECTION - OPERATING INFORMATION
Fiscal Year Ended June 30, 2022

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fire Protection										
Number of full-time employees	-	-	-	1	1	1	1	1	1	1
Number of part-time employees	-	-	-	-	-	-	-	-	-	-
Number of Fire/EMS volunteers	27	25	29	20	20	20	20	20	20	20
Fire calls for service	131	97	54	31	84	104	98	81	131	257
Medical calls for service	1071	859	754	945	726	1,018	842	786	708	710
Police Protection & Animal Control										
Officers	outsourced	outsourced	outsourced	outsourced	outsourced	outsourced	outsourced	outsourced	outsourced	outsourced
Police calls for service	6,459	6,459	4,986	5,285	6,261	5,397	5,387	5,237	4,601	4,734
Animal control calls for service	371	355	296	302	325	361	294	335	275	302
Municipal Culinary Water Services										
# Connections	3,018	3,008	2,971	2,938	2,938	2,906	2,887	2,884	2,880	2,878
Gallons billed (millions)	201,601	223,587	198,774	197,768	198,910	200,167	206,591	213,021	217,174	218,677
Gallons used (millions)	239,199	251,733	237,586	238,261	237,471	274,091	248,855	242,560	243,023	251,541
Municipal Sanitary Sewer Services										
# Connections	2,995	2,986	2,929	2,871	2,860	2,880	2,878	2,875	2,856	2,886
Municipal Refuse & Recycling Services										
Average service containers in use	5,737	5,477	5,444	5,385	5,330	5,325	5,326	5,292	5,307	5,310
Annual mainstream waste disposed (tons)	3,279	3,573	3,392	3,240	3,125	3,025	3,207	3,109	2,894	3,091
Annual recycle material disposed (tons)	337	347	359	308	340	301	428	442	382	384
Parks and Recreation										
Football participants	81	63	98	85	116	115	121	125	143	130
Basketball participants	132	79	128	152	141	146	156	160	162	123
Baseball/softball participants	130	119	-	211	223	214	264	260	260	222
Soccer participants	100	104	105	103	117	121	122	140	130	115
Volleyball participants	-	-	-	27	19	27	40	31	14	na
Business Licenses										
Licenses issued	333	314	320	298	314	396	409	423	438	415

Source:
City departments

CITY OF WASHINGTON TERRACE, UT
 STATISTICAL SECTION - OPERATING INFORMATION
 Fiscal Year Ended June 30, 2022

CAPITAL ASSETS BY FUNCTION
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Area (square miles)	2	2	2	2	2	2	2	2	2	2
Streets										
Lane miles	59	59	59	58	58	58	58	58	58	53
Street lights				na	na	286	286	286	286	286
Fire Protection										
Stations	1	1	1	1	1	1	1	1	1	1
Fire hydrants	271	271	271	na	na	265	265	265	265	265
Fire pumping vehicles	4	4	4	4	4	4	4	4	4	4
Education										
High schools (public)	1	1	1	1	1	1	1	1	1	1
Junior high schools (public)	1	1	1	1	1	1	1	1	1	1
Elementary schools (public)	2	2	2	2	2	2	2	2	2	2
Municipal Water Facilities										
Miles of water mains	32	32	32	32	32	32	32	32	32	32
Municipal Sewer Facilities										
Miles of sewer mains	31	31	31	31	31	31	31	31	31	31
Municipal Storm Water Facilities										
Miles of storm water mains	22	22	22	22	22	22	22	22	22	22
Parks and Recreation										
Parks	7	7	7	7	7	7	7	7	7	7
Community centers	1	1	1	1	1	1	1	1	1	1
Park and open space acreage	50	50	50	50	50	50	50	50	50	50

Source:
 City departments

CITY OF WASHINGTON TERRACE, UT
 STATISTICAL SECTION - OPERATING INFORMATION
 Fiscal Year Ended June 30, 2022

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Governmental Activities	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government	8.83	8.83	8.83	8.75	8.75	8.72	8.72	8.72	8.72	8.72
Public Safety	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Highways and Public Works	9.63	9.63	9.00	9.00	9.00	8.75	8.75	8.75	8.75	8.75
Parks and Recreation	1.72	1.72	1.22	1.39	1.39	1.40	1.40	1.40	1.40	1.40
Total Employees	<u>21.18</u>	<u>21.18</u>	<u>20.05</u>	<u>20.14</u>	<u>20.14</u>	<u>19.87</u>	<u>19.87</u>	<u>19.87</u>	<u>19.87</u>	<u>19.87</u>

Note:

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

Source:

City Human Resources Department

CITY OF WASHINGTON TERRACE, UT
 STATISTICAL SECTION - OPERATING INFORMATION
 Fiscal Year Ended June 30, 2022

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)
2022	16	\$ 1,587	\$ 5,380	23	\$ 342	\$ 682	39	\$ 7,991	-56%	-74%
2021	36	5749	10,508	52	906	13,276	88	30,438	226%	386%
2020	16	5,788	21	11	305	155	27	6,269	23%	87%
2019	20	2,917	304	2	61	79	22	3,360	-41%	-26%
2018	27	3,998	309	10	84	141	37	4,532	-21%	61%
2017	32	1,590	472	15	209	545	47	2,816	-11%	-63%
2016	13	1,832	306	40	609	4,828	53	7,575	-4%	478%
2015	0	-	-	55	362	947	55	1,310	686%	27%
2014	2	376	-	5	69	585	7	1,029	-63%	-21%
2013	6	472	312	13	474	50	19	1,308	-32%	-7%

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

INTERNAL CONTROLS & 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, 2022, 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 December 1, 2022.

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
December 1, 2022



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, 2022.

State compliance requirements were tested for the year ended June 30, 2022, in the following areas:

Budgetary Compliance	Fund Balance
Restricted Taxes	Fraud Risk Assessment
Governmental Fees	Justice Court
Enterprise Fund Transfers	Impact Fees
Utah Retirement Systems	

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, 2022.

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 matters involving internal control over compliance which we are submitting for your consideration. These matters are 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
December 1, 2022

**CITY OF WASHINGTON TERRACE
SCHEDULE OF FINDING AND RECOMMENDATIONS
For the Fiscal Year Ended June 30, 2022**

Utah State Compliance

2022-01 Enterprise Fund Transfers

Condition: During our test work, we noted the required accounting information related to the enterpriser fund transfer was not posted to the city website within seven days of the Council’s approval of the budgeted transfer.

Criteria: Utah Code section 10-6-135-5(6)(a)(ii)(A) states “If a governing body adopts a budget or a budget amendment that includes or is based on a transfer of money from an enterprise fund to another fund, the governing body shall: within seven days after adopting the budget or budget amendment: post enterprise fund accounting data on the city's website, if the city has a website.”

Cause: It appears this was an oversight of the process since we observed the prior year transfer information was posted to the city website.

Effect: The City did not comply with regulation to post to the city website the information related to the transfer.

Recommendation: We recommend the City ensure each year the required information be posted to the city website.

Response: Staff agrees with auditor recommendation and will adjust internal processes to ensure compliance.

2022-02 Governmental Fees

Condition: During our test work, we noted the City does separately track the expenditures related to fees charged nor does the City track if there is any excess of revenue over the related expenditures.

Criteria The State Compliance Audit Guide requires auditors to test four Governmental Fees to determine the following:

1. Are the revenues and expenses tracked for each specific service or regulatory activity for which the fees are charged?
2. If fee revenue is in excess of expenses, does the entity track those excess revenues to only be used for the intended purpose of the fee in subsequent years?
3. Was a reasonable methodology used to calculate the fee?

The State Compliance Audit Guide does not indicate any legal reference to the state code requiring the city to account for governmental fees as noted above nor is there any accounting guidance that required such accounting.

Cause: Since there is no law or accounting rule requiring such suggested accounting the city does not track the fee costs as suggested by the State Compliance Audit Guide.

Effect: The City did not track the costs of fees as suggested by the State Compliance Audit Guide.

Recommendation: We do not provide a recommend since the City is not required to track separately the related expenditures as noted above.

Response: Staff agrees with the auditor determinations.