

2025

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

**PREPARED BY**  
FINANCE DEPARTMENT

**PRESENTED TO**  
WASHINGTON TERRACE CITY  
STAKEHOLDERS

06/30/2025

CITY OF WASHINGTON TERRACE

COUNTY OF WEBER, STATE OF UTAH

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2025

INCLUDES INTERNAL CONTROL, COMPLIANCE REPORTS, AND  
SUPPLEMENTAL INFORMATION

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Washington Terrace, UT 84405  
801.393.8681

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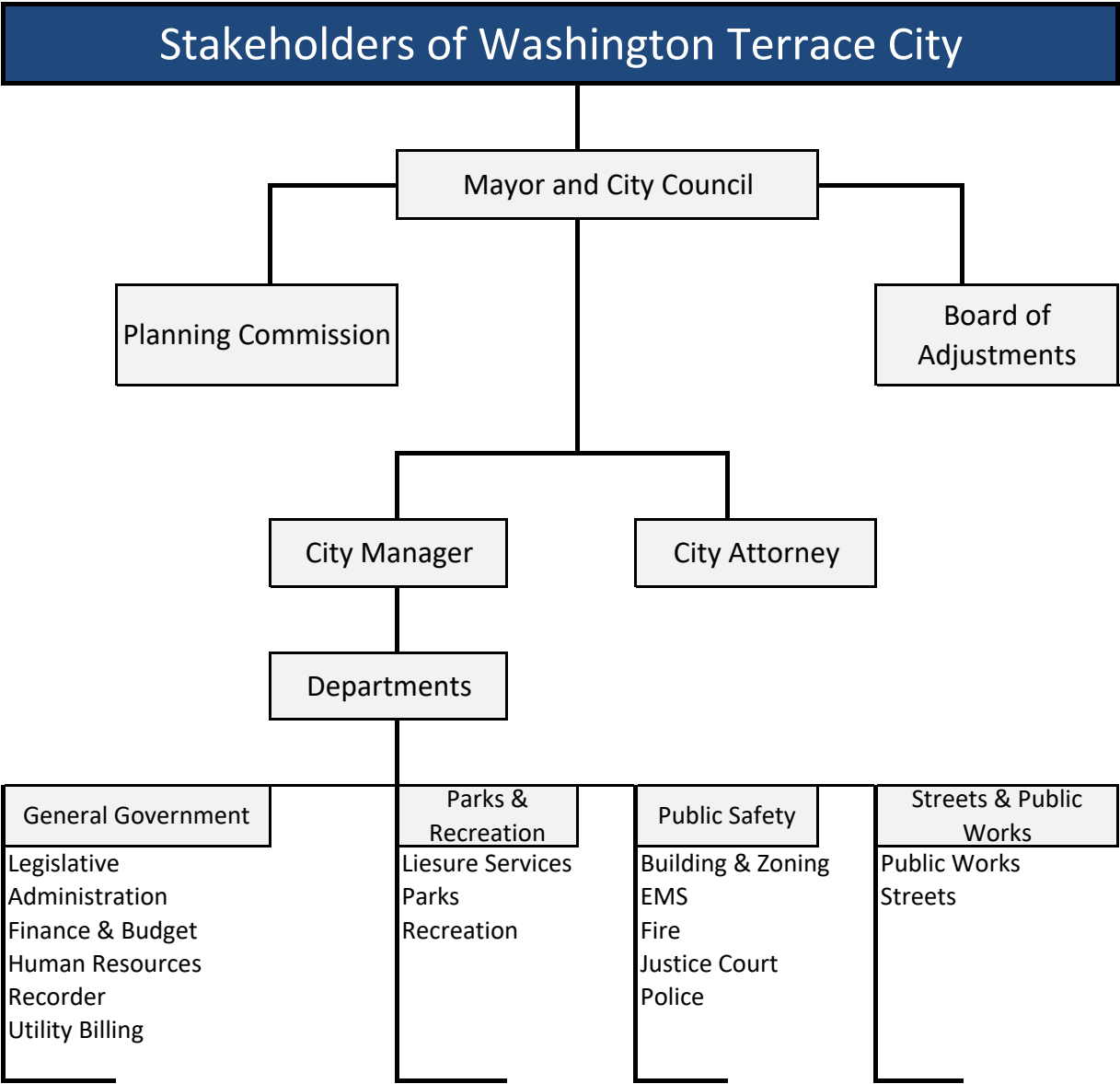
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# INTRODUCTORY SECTION





## MAYOR AND CITY COUNCIL

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



Council Member  
Jill Christiansen  
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Council Member  
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## MAYOR AND CITY COUNCIL

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Council Member  
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Council Member  
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Council Member  
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December 5, 2025

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, 2025, 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.

K&C, 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, 2025, 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, the City's population has remained relatively flat growing by just over 100 persons. In 2016 population estimates were 9,157 while in 2024 estimates were 9,267. Future population estimates indicate that the City could have a "build out" population of approximately 10,000. The City represents very few cities in the area that are not experiencing population growth.

### 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 29% 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 the most recent major development with the construction of a new corporate center located at 5100 South Washington Boulevard. The five-level, 99,000 square-foot, mixed-use building will be constructed on a four-acre parcel of land that is west of Goldenwest's current



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

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

*Source: Goldenwest Summer 2022 Newsline*

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

### **Assessed Property Value**

The City's total assessed/taxable value is small compared to other cities of similar size within Weber County at \$897 million and the total direct tax rate is moderate at 0.001748 compared to other cities within Weber County.

Assessed/taxable value grew by 8 percent in 2024. The largest increase since 2015 was reported in 2023 increasing by 30 percent or \$192 million. Said increase is largely attributed to new/renovated developments in addition to general market adjustments.

When comparing 2024 to 2015 (ten year comparison), assessed/taxable value has increased by over 150 percent or \$500 million. Although new growth has been limited in the City due to buildout constraints, the newly constructed Goldenwest Credit Union corporate campus in the Southeast Redevelopment Project Area is leaving the City optimistic about the positive near and long-term impacts as their campus continues to be developed.

### **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), Goldenwest Credit Union corporate campus, 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, parks, capital equipment, culinary water, storm water and sanitary sewer.

The Capital Investment Plan has identified \$14 million in requirements over the next 5 years to meet capital needs. Funding sourcing include use of existing resources (capital reserves), 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 2023.

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

# FINANCIAL SECTION

City of  
WASHINGTON TERRACE  
*Utah*

# Independent Auditor's Report



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## 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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other schedules and notes as noted on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***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 1 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. 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 3, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*K&C, CPAs*

K&C, Certified Public Accountants  
Woods Cross, Utah  
December 3, 2025

# Management's Discussion and Analysis



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The management of the City of Washington Terrace presents to the readers of its financial statements this narrative information to facilitate a better understanding of the City's financial position and results of operations for fiscal year ended June 30, 2025.

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 \$50,863,904, deferred outflow of resources \$434,654, liabilities \$2,188,158, and deferred inflows of resources were \$1,494,799. The assets and deferred outflow of resources of Governmental activities exceeded its liabilities and deferred inflows by \$47,615,599 (net position). Of this amount, \$29,361,200 is net investment in capital assets; \$3,355,846 is restricted; and \$14,898,553 is unrestricted (committed, assigned and unassigned).

The City's Governmental funds (General, Redevelopment, Capital Projects, and Debt Service Funds) reported a combined ending **fund balance** of \$18,565,883, or an increase of 13.8 percent or \$2,256,241. Of the combined fund balance in 2025, \$1,798,493 is unassigned; \$4,946,970 is assigned for redevelopment activities and related projects; \$8,464,574 is committed for capital requirements; and \$3,355,846 is restricted. No amounts were reported as nonspendable. Fund balance of the General Fund totaled \$2,110,232 or an increase of 1 percent or \$20,559 from 2024. Of said balance, \$311,739 is restricted, and \$1,798,493 is unassigned.

#### **Business-type Activities**

At year end, Business-type Activities or *fee supported activities* **total assets** were \$30,661,227 and liabilities \$4,574,870. The assets of Business-type Activities exceeded its liabilities by \$26,086,357 (net position). Of this amount, \$13,836,817 is net investment in capital assets, \$81,763 is restricted, and \$12,167,777 is unrestricted.

#### **Government-wide**

The Primary Government reported **total assets** of \$81,525,131, deferred outflow of resources \$434,654, liabilities of \$6,763,028 and deferred inflows of resources \$1,494,799 resulting in a total net position of \$73,701,956. Total net position consists of net investment in capital assets of \$43,198,017, restricted net position of \$3,437,609, and unrestricted net position of \$27,066,330.

Total assets of \$81,525,131 increased by 8.6 percent or \$6,485,741 from 2024. Capital assets of \$47,450,943 increased by 5.6 percent or \$2,500,978, while current and other assets of \$34,074,188 increased by 13.2 percent or \$3,984,763.

Total liabilities of \$6,763,028 increased by 15.2 percent or \$890,974 from 2024. Long-term liabilities decreased by 1.6 percent or \$83,427 and current and other liabilities increased by 122.6 percent or \$974,401.

### **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 Culinary Water, Sanitary 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 2024 and 2025, 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 8.6 percent or by \$5,855,036; increasing from \$67,846,920 (as restated) to \$73,701,956.

### **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 2025, Capital Assets for the Primary Government represented 58 percent or \$47,450,943 of total assets. Of said amount, 38 percent or \$17,875,978 is reported in Business-type activities and 62 percent or \$29,574,965 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 2025, Long-Term Liabilities (excluding deferred outflow of resources) for the Primary Government represented 74 percent or \$4,993,547 of total liabilities--down from 86 percent or \$5,076,974 in 2024. Long-term liabilities outstanding have decreased by 1.6 percent or \$83,427.

Business-type activities represent 81 percent or \$4,039,161 of total long-term liabilities outstanding. Governmental activities represent 19 percent or \$954,386.

**Total liabilities** for the Primary Government of \$6,763,028 reported an *increase* of 15.2 percent or \$890,974.

CITY OF WASHINGTON TERRACE, UT  
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Fiscal Year Ended June 30, 2025



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

|                                       | Governmental Activities |                      | Business-Type Activities |                      | Total Activities     |                      | %<br>Change<br>From Prior<br>Year | \$<br>Change<br>From Prior<br>Year |
|---------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|-----------------------------------|------------------------------------|
|                                       | 2024                    | 2025                 | 2024                     | 2025                 | 2024                 | 2025                 |                                   |                                    |
| Current and Other Assets              | \$ 18,384,890           | \$ 21,288,939        | \$ 11,704,535            | \$ 12,785,249        | \$ 30,089,425        | \$ 34,074,188        | 13.2%                             | \$ 3,984,763                       |
| Capital Assets                        | 27,132,259              | 29,574,965           | 17,817,706               | 17,875,978           | 44,949,965           | 47,450,943           | 5.6                               | 2,500,978                          |
| <b>Total Assets</b>                   | <b>45,517,149</b>       | <b>50,863,904</b>    | <b>29,522,241</b>        | <b>30,661,227</b>    | <b>75,039,390</b>    | <b>81,525,131</b>    | <b>8.6</b>                        | <b>6,485,741</b>                   |
| <b>Deferred Outflows of Resources</b> | <b>401,726</b>          | <b>434,654</b>       | <b>-</b>                 | <b>-</b>             | <b>401,726</b>       | <b>434,654</b>       | <b>8.2</b>                        | <b>32,928</b>                      |
| Current and Other Liabilities         | 625,053                 | 1,233,772            | 170,027                  | 1,043,295            | 795,080              | 2,277,067            | 186.4                             | 1,481,987                          |
| Long-term Liabilities                 | 609,037                 | 954,386              | 4,467,937                | 3,531,575            | 5,076,974            | 4,485,961            | (11.6)                            | (591,013)                          |
| <b>Total Liabilities</b>              | <b>1,234,090</b>        | <b>2,188,158</b>     | <b>4,637,964</b>         | <b>4,574,870</b>     | <b>5,872,054</b>     | <b>6,763,028</b>     | <b>15.2</b>                       | <b>890,974</b>                     |
| <b>Deferred Inflows of Resources</b>  | <b>1,452,652</b>        | <b>1,494,799</b>     | <b>-</b>                 | <b>-</b>             | <b>1,452,652</b>     | <b>1,494,799</b>     | <b>2.9</b>                        | <b>42,147</b>                      |
| <b>Net Position:</b>                  |                         |                      |                          |                      |                      |                      |                                   |                                    |
| Net Investment in Capital Assets      | 26,881,393              | 29,361,200           | 13,349,770               | 13,836,817           | 40,231,163           | 43,198,017           | 7.4                               | 2,966,854                          |
| Restricted                            | 2,999,658               | 3,355,846            | 83,060                   | 81,763               | 3,082,718            | 3,437,609            | 11.5                              | 354,891                            |
| Unrestricted                          | 13,351,082              | 14,898,553           | 11,451,446               | 12,167,777           | 24,802,528           | 27,066,330           | 9.1                               | 2,263,802                          |
| <b>Total Net Position</b>             | <b>\$ 43,232,133</b>    | <b>\$ 47,615,599</b> | <b>\$ 24,884,277</b>     | <b>\$ 26,086,357</b> | <b>\$ 68,116,409</b> | <b>\$ 73,701,956</b> | <b>8.2%</b>                       | <b>\$ 5,585,547</b>                |

Table 1 – Comparative Summary of Net Position

**Net Investment in Capital Assets** represents the largest component of the City’s net position for the Primary Government representing 59 percent or \$43,198,017 in 2025. These assets reflect 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 7.4 percent or \$2,966,854 from the prior year.

**Restricted Net Position** represents assets that are subject to external restrictions on how they may be used. These restrictions include: statutory limits, bond proceeds, road funds, debt service reserves, and grants. Restricted net position for the Primary Government increased by 11.5 percent or \$354,891 in 2025. Restricted net position for the Primary Government represents \$3,437,609 or 5 percent of total net position.

Unrestricted Net Position of \$27,066,330 represents assets that may be used at the City’s discretion to meet its ongoing financial obligations. Unrestricted net position increased by 9.1 percent or \$2,263,802

Primary Government Revenues 2025

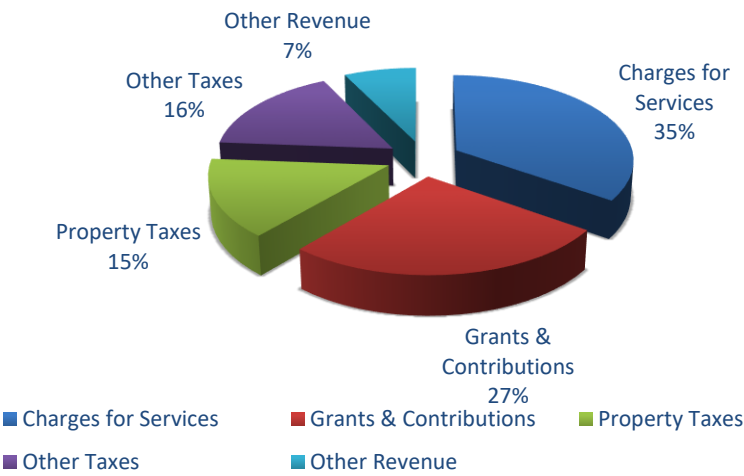


Figure 1 – Primary Government Revenues as a Percentage of Total Revenues

in 2025. Unrestricted net position for the Primary Government represents 37 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 \$73,701,956 increased by 8.2 percent or \$5,585,547 when compared to 2024.

**Total revenue** of \$15,704,699, increased by 22.7 percent or \$2,910,395. The greatest increase was reported in Capital Grants & Contributions increasing by 142.9 percent or \$2,334,760. Said increase is largely attributed to grant funding for received for the 300 West Road Reconstruction Project.

As shown in Figure 1, Charges for Services of \$5,325,858 continue to be the largest revenue source representing 34 percent of total revenues. Grants & Contributions represent the second largest revenue source for the Primary Government at 26 percent or \$4,091,712.

**Program expenses** of \$9,849,663 decreased by 2.7 percent or \$278,416 from 2024.

Parks & Recreation reported the largest *increase* from the prior year increasing by \$478,478 or 78.4 percent. Said increase is largely attributed to one-time park improvement projects at Rohmer Park.

Primary Government Expenses 2025

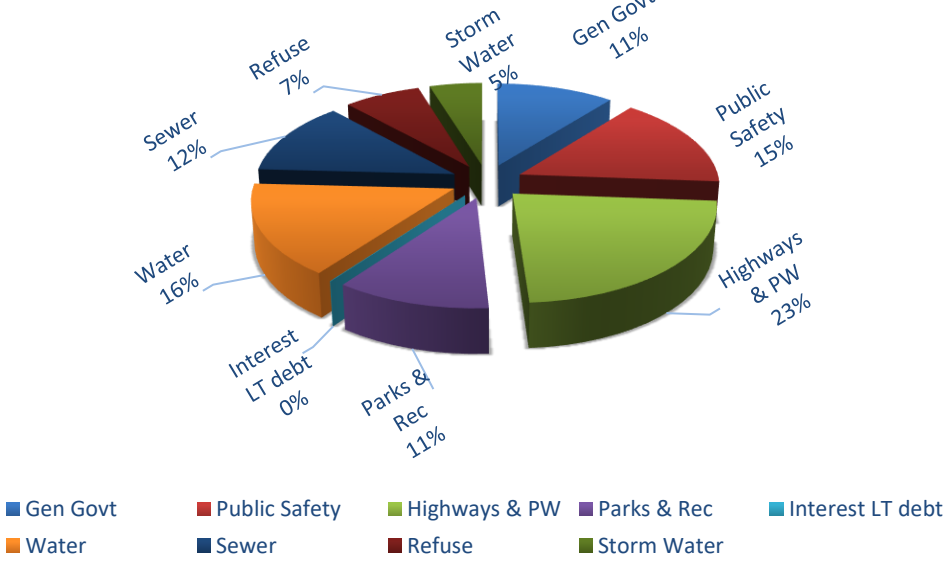


Figure 2 – Primary Government Expenses as a Percentage of Total

CITY OF WASHINGTON TERRACE, UT  
MANGEMENT DISCUSSION & ANALYSIS  
Fiscal Year Ended June 30, 2025

Highways & Public Works reported the largest *decrease* in program expenses—decreasing by 22.9 percent or \$668,921. Said decrease is attributed to changes in one-time capital investment expenses.

As illustrated in Figure 2, Highways & Public Works, at \$2,252,936, represents the largest program expense for the Primary Government with a share of total program expense of 23 percent.

Interest on Long-term Debt of \$7,016 represents the smallest program expenses with a share of 0.1%.

| CITY OF WASHINGTON TERRACE<br>Comparative Changes in Net Position<br>Primary Government<br>For Fiscal Year Ended June 30 |                         |                      |                          |                      |                      |                      |                                   |                                    |
|--------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|-----------------------------------|------------------------------------|
|                                                                                                                          | Governmental Activities |                      | Business-Type Activities |                      | Total Activities     |                      | %<br>Change<br>From Prior<br>Year | \$<br>Change<br>From Prior<br>Year |
| Revenues                                                                                                                 | 2024                    | 2025                 | 2024                     | 2025                 | 2024                 | 2025                 |                                   |                                    |
| Program Revenues:                                                                                                        |                         |                      |                          |                      |                      |                      |                                   |                                    |
| Charges for Services                                                                                                     | \$ 635,830              | \$ 659,210           | \$ 4,400,918             | \$ 4,666,648         | \$ 5,036,748         | \$ 5,325,858         | 5.7%                              | \$ 289,110                         |
| Operating Grants and Contributions                                                                                       | 130,075                 | 123,380              | -                        | -                    | 130,075              | 123,380              | (5.1)                             | (6,695)                            |
| Capital Grants and Contributions                                                                                         | 1,330,212               | 3,953,886            | 303,360                  | 14,446               | 1,633,572            | 3,968,332            | 142.9                             | 2,334,760                          |
| General Revenues:                                                                                                        |                         |                      |                          |                      |                      |                      |                                   |                                    |
| Property Taxes                                                                                                           | 1,997,643               | 2,284,262            | -                        | -                    | 1,997,643            | 2,284,262            | 14.3                              | 286,619                            |
| Other Taxes                                                                                                              | 2,470,045               | 2,523,352            | -                        | -                    | 2,470,045            | 2,523,352            | 2.2                               | 53,307                             |
| Other                                                                                                                    | 913,077                 | 898,011              | 613,144                  | 581,504              | 1,526,221            | 1,479,515            | (3.1)                             | (46,706)                           |
| <b>Total Revenues</b>                                                                                                    | <b>7,476,882</b>        | <b>10,442,101</b>    | <b>5,317,422</b>         | <b>5,262,598</b>     | <b>12,794,304</b>    | <b>15,704,699</b>    | <b>22.7</b>                       | <b>2,910,395</b>                   |
| Expenses                                                                                                                 |                         |                      |                          |                      |                      |                      |                                   |                                    |
| Program Expenses:                                                                                                        |                         |                      |                          |                      |                      |                      |                                   |                                    |
| General Government                                                                                                       | 887,251                 | 1,053,804            | -                        | -                    | 887,251              | 1,053,804            | 18.8                              | 166,553                            |
| Public Safety                                                                                                            | 2,033,906               | 1,523,785            | -                        | -                    | 2,033,906            | 1,523,785            | (25.1)                            | (510,121)                          |
| Highways & Public Works                                                                                                  | 2,921,857               | 2,252,936            | -                        | -                    | 2,921,857            | 2,252,936            | (22.9)                            | (668,921)                          |
| Parks & Recreation                                                                                                       | 610,408                 | 1,088,886            | -                        | -                    | 610,408              | 1,088,886            | 78.4                              | 478,478                            |
| Interest on Long-term Debt                                                                                               | 7,966                   | 7,016                | -                        | -                    | 7,966                | 7,016                | (11.9)                            | (950)                              |
| Water Services                                                                                                           | -                       | -                    | 1,408,942                | 1,543,044            | 1,408,942            | 1,543,044            | 9.5                               | 134,102                            |
| Sewer Services                                                                                                           | -                       | -                    | 1,168,024                | 1,218,371            | 1,168,024            | 1,218,371            | 4.3                               | 50,347                             |
| Refuse Services                                                                                                          | -                       | -                    | 660,524                  | 690,906              | 660,524              | 690,906              | 4.6                               | 30,382                             |
| Storm Water Services                                                                                                     | -                       | -                    | 429,201                  | 470,915              | 429,201              | 470,915              | 9.7                               | 41,714                             |
| <b>Total Expenses</b>                                                                                                    | <b>6,461,388</b>        | <b>5,926,427</b>     | <b>3,666,691</b>         | <b>3,923,236</b>     | <b>10,128,079</b>    | <b>9,849,663</b>     | <b>(2.7)</b>                      | <b>(278,416)</b>                   |
| Increase in net position before Transfers                                                                                | 1,015,494               | 4,515,674            | 1,650,731                | 1,339,362            | 2,666,225            | 5,855,036            | 119.6                             | 3,188,811                          |
| Transfers                                                                                                                | 105,058                 | 137,281              | (105,058)                | (137,281)            | -                    | -                    |                                   | -                                  |
| <b>Change in Net Position</b>                                                                                            | <b>1,120,552</b>        | <b>4,652,955</b>     | <b>1,545,673</b>         | <b>1,202,081</b>     | <b>2,666,225</b>     | <b>5,855,036</b>     | <b>119.6</b>                      | <b>3,188,811</b>                   |
| Net Position - Beginning                                                                                                 | 42,111,581              | 43,232,133           | 23,338,603               | 24,884,276           | 65,450,184           | 68,116,409           | 4.1                               | 2,666,225                          |
| Prior Period Adjustment                                                                                                  |                         | (269,489)            |                          |                      | -                    | (269,489)            |                                   |                                    |
| <b>Net Position - Ending</b>                                                                                             | <b>\$ 43,232,133</b>    | <b>\$ 47,615,599</b> | <b>\$ 24,884,276</b>     | <b>\$ 26,086,357</b> | <b>\$ 68,116,409</b> | <b>\$ 73,701,956</b> | <b>8.2%</b>                       | <b>\$ 5,585,547</b>                |

Table 2- Comparative Changes in Net Position

## Governmental Activities

Ending net position for Governmental activities of \$47,615,599 reported an *increase* of 10 percent or \$4,383,466 compared to 2024.

Governmental activity revenue of \$10,442,101 reported an *increase* of 40 percent or \$2,965,219 from the prior year. Said increase is largely attributed to Capital Grants and Contributions increasing by \$2,623,674. In 2025, the City recognized a one-time capital grants for the 300 West Road Reconstruction Project and Public Safety capital equipment.

Other revenue reported the largest revenue *decrease* of 2 percent or \$15,066.

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 2025, general revenues covered \$1,189,951 of program costs.

| CITY OF WASHINGTON TERRACE<br>Net Cost of Governmental Programs<br>For Fiscal Year Ended June 30 |                    |                    |                       |                    |                                  |                       |                                          |              |
|--------------------------------------------------------------------------------------------------|--------------------|--------------------|-----------------------|--------------------|----------------------------------|-----------------------|------------------------------------------|--------------|
| Program                                                                                          | Program Expenses   |                    | Less Program Revenues |                    | Net Program<br>(Expense) Revenue |                       | Program<br>Revenues as a %<br>of Program |              |
|                                                                                                  | 2024               | 2025               | 2024                  | 2025               | 2024                             | 2025                  | 2024                                     | 2025         |
| General Government                                                                               | \$ 887,251         | \$1,053,804        | \$ 612,267            | \$ 617,654         | \$ (274,984)                     | \$ (436,150)          | 69.0%                                    | 58.6%        |
| Public Safety                                                                                    | 2,033,906          | 1,523,785          | 12,549                | 481,573            | (2,021,357)                      | (1,042,212)           | 0.6                                      | 31.6         |
| Highways & Public Works                                                                          | 2,921,857          | 2,252,936          | 777,028               | 3,262,614          | (2,144,829)                      | 1,009,678             | 26.6                                     | 144.8        |
| Parks & Recreation                                                                               | 610,408            | 1,088,886          | 694,273               | 374,635            | 83,865                           | (714,251)             | 113.7                                    | 34.4         |
| Interest on Long-term Debt                                                                       | 7,966              | 7,016              |                       |                    | (7,966)                          | (7,016)               | -                                        | -            |
| <b>Total Governmental Activities</b>                                                             | <b>\$6,461,388</b> | <b>\$5,926,427</b> | <b>\$2,096,117</b>    | <b>\$4,736,476</b> | <b>\$ (4,365,271)</b>            | <b>\$ (1,189,951)</b> | <b>32.4%</b>                             | <b>79.9%</b> |

Table 3 – Net Cost of Governmental Activities

Highways & Public Works, the largest Governmental program expense representing \$2,252,936 or 38 percent of total program expenses and \$3,262,614 of program revenue, reported net program revenue of \$1,009,678. In other words, Highways & Public Works self-generated more revenues than it did expenses during reporting period.

Public Safety had the second *lowest* ability to generate revenues to support its program expenses reporting a net program cost of \$1,042,212. Program revenues as a percentage of program expenses were 31.6 percent.

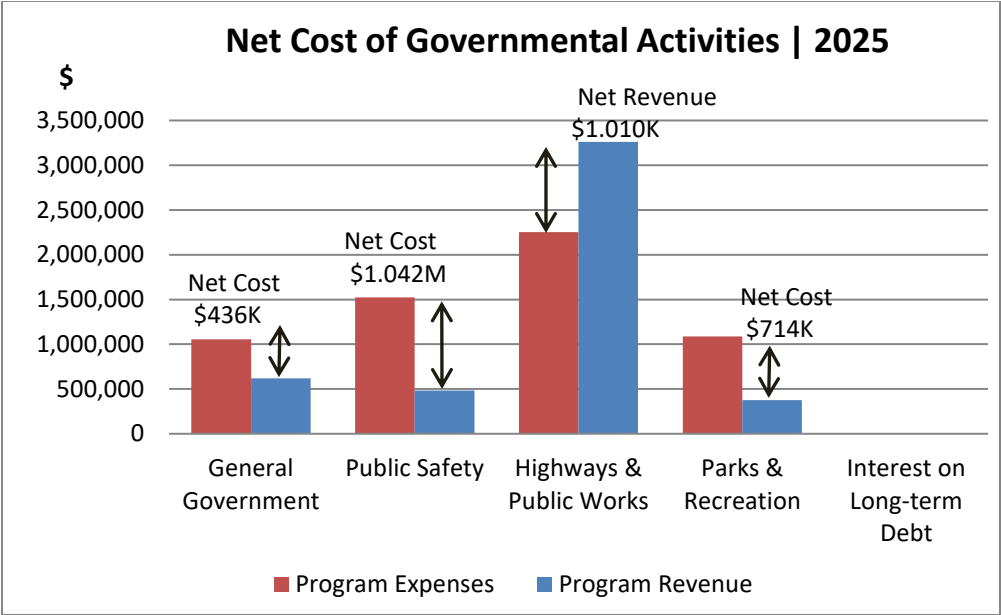


Figure 3 – Net Cost of Governmental Activities

**Business-Type Activities**

Ending net position for Business-type activities of \$26,086,357 reported an *increase* of 5 percent or \$1,202,081 when compared to 2024.

**Total revenue** *decreased* by 1 percent or \$54,824.

Charges for services reported the greatest *increase* increasing by \$265,730 or 6 percent. Said increase is attributed to annual user rate increases.

Capital grants and contributions experienced the greatest *decrease*, decreasing 95 percent or \$288,914 from 2024.

**Program expenses** of \$3,923,236 *increased* by 7 percent or \$256,545. Water Services reported the greatest *increase* in program expenses increasing by \$134,102 or 10 percent. No services reported a *decrease* in program expenses.

CAPITAL ASSETS AND LONG-TERM DEBT

**Capital Assets**

As illustrated in Table 4, “Comparative Summary of Capital Assets”, the City’s investment in capital assets for the Primary Government totaled \$47,450,943 (net of accumulated depreciation) or an *increase* of 5.6 percent or \$2,500,978 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 in Infrastructure increasing by 9.1 percent or \$2,009,882.

Construction in Process reported a *decrease* of \$293,320 or 86.5 percent. Upon project completion, these assets were reclassified and capitalized.

Major capital asset additions for the Primary Government in 2025 were (amounts rounded):

Building & Improvements | \$483K

- Parks & Recreation – Rohmer Park Pickleball Complex & Parking Lot Improvements \$341K
- Culinary Water – Advanced Metering Infrastructure \$142K

Construction in Process | \$29K

- Parks & Recreation - Road Reconstruction - 300 West \$29K

Machinery & Equipment | \$1.5M

- Fleet replacement \$266K
- Public Safety – Fire Engine \$612K
- Storm Water – Street Sweeper \$386K
- Streets – Snow Plow \$100K
- Culinary Water – Backhoe \$134K

Infrastructure | \$3.2M

- Streets - Road Reconstruction RR4-F 300 West \$3.2M

CITY OF WASHINGTON TERRACE, UT  
MANAGEMENT DISCUSSION & ANALYSIS  
Fiscal Year Ended June 30, 2025

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     |                      | %                         | \$                        |
|--------------------------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|---------------------------|---------------------------|
|                                                        | 2024                    | 2025                 | 2024                     | 2025                 | 2024                 | 2025                 | Change From<br>Prior Year | Change From<br>Prior Year |
| <b>Capital Assets, not being depreciated</b>           |                         |                      |                          |                      |                      |                      |                           |                           |
| Land                                                   | \$ 10,448,157           | \$ 10,097,309        | \$ 715,958               | \$ 715,958           | \$ 11,164,115        | \$ 10,813,267        | -3.1%                     | \$ (350,848)              |
| Construction in process                                | 339,025                 | 28,768               | -                        | 16,937               | 339,025              | 45,705               | -86.5                     | (293,320)                 |
|                                                        |                         |                      |                          |                      |                      |                      |                           | -                         |
| <b>Capital Assets, net of accumulated depreciation</b> |                         |                      |                          |                      |                      |                      |                           |                           |
| Buildings & Improvements                               | 4,835,447               | 4,945,223            | 4,783,665                | 4,744,769            | 9,619,112            | 9,689,992            | 0.7                       | 70,880                    |
| Machinery & Equipment                                  | 662,256                 | 1,253,243            | 961,168                  | 1,434,565            | 1,623,424            | 2,687,808            | 65.6                      | 1,064,384                 |
| Infrastructure                                         | 10,847,374              | 13,250,422           | 11,356,915               | 10,963,749           | 22,204,289           | 24,214,171           | 9.1                       | 2,009,882                 |
| <b>Total Assets, net of accumulated depreciation</b>   | <b>\$ 27,132,259</b>    | <b>\$ 29,574,965</b> | <b>\$ 17,817,706</b>     | <b>\$ 17,875,978</b> | <b>\$ 44,949,965</b> | <b>\$ 47,450,943</b> | <b>5.6%</b>               | <b>\$ 2,500,978</b>       |

Table 4 – Comparative Summary of Capital Assets

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

### Long-Term Liabilities

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

As illustrated in the following Table 5, “Comparative of Debt Outstanding”, the Primary Government’s total outstanding long-term liabilities of \$4,993,548 reported a *decrease* of 6.6 percent or \$352,914 compared to 2024.

**Governmental activities** total debt outstanding of \$954,386 reported a 9 percent or \$75,862 *increase* from prior year.

The greatest increase was reported in the Pension liability increasing by \$101,374 or 45.8 percent.

The greatest *decrease* was reported in Utility Revenue Bonds Series 2010C decreasing by \$16,499 or 13.2 percent.

**Business-type activities** total debt outstanding of \$4,039,162 reported a 10 percent or \$428,776 *decrease* from prior year. The greatest value *decrease* in long-term liabilities was reported in the Utility Revenue Bonds, Series 2017 decreasing by \$215,000.

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Fiscal Year Ended June 30, 2025

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    |                     | %<br>Change<br>From Prior<br>Year | \$<br>Change<br>From Prior<br>Year |
|-------------------------------|-------------------------|-------------------|--------------------------|---------------------|---------------------|---------------------|-----------------------------------|------------------------------------|
|                               | 2024                    | 2025              | 2024                     | 2025                | 2024                | 2025                |                                   |                                    |
| Compensated Absences*         | \$ 406,340              | \$ 417,843        | \$ -                     | \$ -                | \$ 406,340          | \$ 417,843          | 2.8%                              | \$ 11,503                          |
| Lease                         | 16,871                  | 10,410            | 376,899                  | 232,546             | 393,770             | 242,956             | -38.3                             | (150,814)                          |
| Utility Revenue Bonds Ser10B  | 107,879                 | 93,824            | 196,121                  | 171,176             | 304,000             | 265,000             | -12.8                             | (39,000)                           |
| Utility Revenue Bonds Ser10C  | 126,115                 | 109,616           | 214,885                  | 186,384             | 341,000             | 296,000             | -13.2                             | (45,000)                           |
| Utility Revenue Bonds Ser17   | -                       | -                 | 3,475,000                | 3,260,000           | 3,475,000           | 3,260,000           | -6.2                              | (215,000)                          |
| Bond Premium                  | -                       | -                 | 205,033                  | 189,056             | 205,033             | 189,056             | -7.8                              | (15,977)                           |
| Pension                       | 221,319                 | 322,693           | -                        | -                   | 221,319             | 322,693             | 45.8                              | 101,374                            |
| <b>Total Debt Outstanding</b> | <b>\$ 878,524</b>       | <b>\$ 954,386</b> | <b>\$ 4,467,938</b>      | <b>\$ 4,039,162</b> | <b>\$ 5,346,462</b> | <b>\$ 4,993,548</b> | <b>-6.6%</b>                      | <b>\$ (352,914)</b>                |

\*The beginning balance of the compensated absences liability was restated with the implementation of GASB No. 101; the change is presented as a net change.

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 \$18,565,883 for 2025 an *increase* of 13.8 percent or \$2,256,241.

Of said balance, \$3,355,846 or 18 percent is restricted (externally enforceable limitations on use i.e. imposed by creditors, grantors, contributors, law and regulations); \$8,464,574 or 46 percent is committed (self-imposed limitations); \$4,946,970 or 27 percent is assigned for community development activities; and \$1,798,493 or 10 percent is unassigned (total fund balance in excess of restricted, committed, and assigned balances).

Assigned fund balance experienced the dollar value greatest change *increasing* by \$961,038 or 24 percent. Said increase is attributed to unspent capital funding for current and future capital investment projects.

Nonspendable fund balance experienced the only *decrease* decreasing from \$16,721 in 2024 to zero in 2025.

CITY OF WASHINGTON TERRACE, UT  
MANGEMENT DISCUSSION & ANALYSIS  
Fiscal Year Ended June 30, 2025



| 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 | \$ Change from Prior |
|                               | 2024         | 2025         | 2024               | 2025         | 2024                 | 2025          | 2024              | 2025   | 2024          | 2025          | Prior Year    | Year                 |
| Nonspendable                  | \$ -         | \$ -         |                    |              | \$ 16,721            | \$ -          |                   |        | \$ 16,721     | \$ -          | -100.0%       | \$ (16,721)          |
| Restricted                    | 306,844      | 311,739      |                    |              | 2,692,814            | 3,044,107     |                   |        | 2,999,658     | 3,355,846     | 11.9          | 356,188              |
| Committed                     |              |              |                    |              | 7,524,502            | 8,464,574     |                   |        | 7,524,502     | 8,464,574     | 12.5          | 940,072              |
| Assigned                      |              |              | 3,985,119          | 4,946,159    |                      |               | 813               | 811    | 3,985,932     | 4,946,970     | 24.1          | 961,038              |
| Unassigned                    | 1,782,829    | 1,798,493    |                    |              |                      |               |                   |        | 1,782,829     | 1,798,493     | 0.9           | 15,664               |
| Total                         | \$ 2,089,673 | \$ 2,110,232 | \$ 3,985,119       | \$ 4,946,159 | \$ 10,234,037        | \$ 11,508,681 | \$ 813            | \$ 811 | \$ 16,309,642 | \$ 18,565,883 | 13.8%         | \$ 2,256,241         |

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 \$5.4M *exceeded* final budget estimates of \$5M or a \$402K final budget variance.

Tax collections of \$3.990M *exceeded* final budget estimates of \$3.895M or a \$96K variance.

- **Licenses and permits** of \$239K *exceeded* final budget estimates of \$223K or a \$16K variance.
- **Intergovernmental** collections of \$255K *exceeded* final budget estimates of \$158K or a \$97K variance.
- **Fines & Forfeitures** of \$96K were *under* final budget estimates of \$98K or a \$2K variance.
- **Miscellaneous** revenue of \$650K *exceeded* final budget estimates of \$457K or a variance of \$193K.

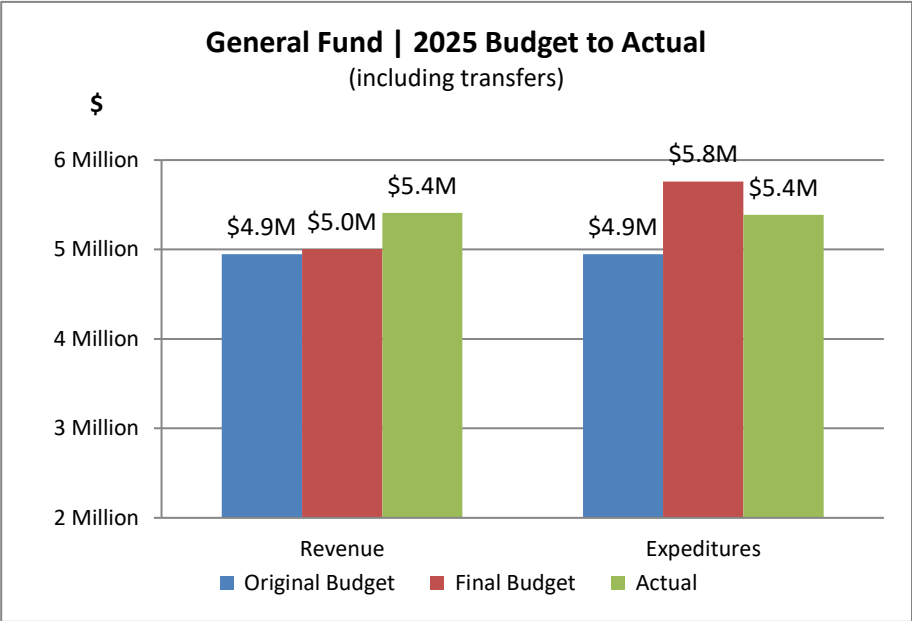


Figure 4 – General Fund Final Budget to Actual

**Expenditures | General Fund Expenditures**

Actual expenditures of \$5.39M (including transfers) were *below* final budget estimates of \$5.76M or a \$373K final budget variance.

- **General Government** expenditures of \$831K were *below* final budget estimates of \$964K or a budget variance of \$133K.
- **Public Safety** expenditures of \$2.13M were *below* final budget estimates of \$2.22M or a budget variance of \$94K.
- **Highways and Public**

**Works** expenditures of \$372K were *below* final budget estimates of \$512K or a budget variance of \$139K.

- **Parks & Recreation** expenditures of \$577K were *below* final budget estimates of \$620K generating a budget variance of \$43K.

**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 \$26,086,357 has increased by 5 percent or \$1,202,080 from the prior year.

Net position represents: \$13,836,817 or 53 percent of Net Investment in Capital Assets; \$12,167,777 or 47 percent Unrestricted; and \$81,763 or 0.3 percent Restricted.

**Changes in Net Position**

Business-type activities generated \$5,262,598 of total revenue a decrease of 1 percent or \$54,824 from prior year.

The largest program *revenue*, Charges for Services \$4,666,648, representing 89 percent of revenues, an increase of 6 percent or \$265,730. Capital Grants and Contributions, representing 0.3 percent or \$14,446. Other revenue, representing 11 percent or \$581,504 of program revenue, decreasing by \$31,640, or 5 percent from the prior year.

Total program *expenses* of \$3,923,236 increased by 7 percent or \$256,545 from the prior year.

Culinary Water services, the largest utility program expense, represent 39 percent or \$1,543,044 of total program expenses increasing by 10 percent or \$134,102 from the prior year.

Sanitary Sewer services, the second largest utility program expense, represent 31 percent or \$1,218,371 of total program expenses growing by 4 percent or \$50,347 from the prior year.

Refuse services, the third largest utility program expense, represent 18 percent or \$690,906 of total program expenses growing by 5 percent or \$30,382 from the prior year.

Storm Water services, the fourth largest utility program expense, represent 12 percent or \$470,915 of total program expenses increased by 10 percent or \$41,714 from the prior year.

ECONOMIC & DEMOGRAPHIC FACTORS

How is the economy?

According to the Utah Department of Workforce Services *Economic Snapshot* March 2025 for Weber County (for which the City resides), “Weber County added 928 jobs over the past year, raising total employment to 124,140. Government remained the largest employer with 25,174 jobs, while manufacturing and trade each contributed about 16% of the workforce. Average monthly wages climbed 5.1% to \$5,048, with the strongest gains in professional services and information. The unemployment rate stood at 3.4% in July, and unemployment claims averaged about 139 per week. Taxable sales increased 3.8% year-over-year, making Weber one of only six Utah counties to top \$1 billion in quarterly sales.”

Jobs

“Weber County reported 124,140 nonfarm jobs in March 2025, reflecting an increase of 928 positions or 0.8% over the year, ranking 18th statewide. Over two years the county added 4,237 jobs, also a 3.5% gain. Government was the largest employer with 25,174 jobs, or 20% of the workforce. Manufacturing and trade, transportation, and utilities each accounted for 16% of total employment. Education and health services expanded payrolls by 514 jobs during the past year, while government added 486. Growth in financial activities (+112) and leisure/hospitality (+290) contrasted with losses in professional and business services (-209) and other services (-105).”



Populations and People

Total Population

9,267

P1 | 2020 Decennial Census



Housing

Total Housing Units

3,495

H1 | 2020 Decennial Census



Education

Bachelor's Degree or Higher

22.1%

S1501 | 2022 American Community Survey 5-Year Estimates

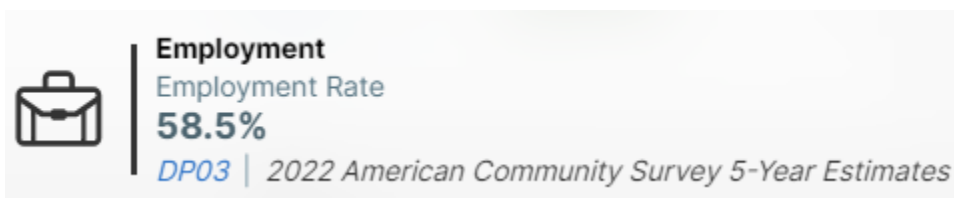


Income and Poverty

Median Household Income

\$72,558

S1901 | 2022 American Community Survey 5-Year Estimates



Source: US Census Bureau

## OTHER MATTERS

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

## REQUESTS FOR INFORMATION

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

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

# Basic Financial Statements

Including notes



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**CITY OF WASHINGTON TERRACE**  
**STATEMENT OF NET POSITION**  
**June 30, 2025**

|                                                                              | Primary Government         |                             |                      |
|------------------------------------------------------------------------------|----------------------------|-----------------------------|----------------------|
|                                                                              | Governmental<br>Activities | Business-type<br>Activities | Total                |
| <b>Assets</b>                                                                |                            |                             |                      |
| Cash and cash equivalents                                                    | \$ 15,358,470              | \$ 11,987,188               | \$ 27,345,658        |
| Accounts receivable, net                                                     | 51,573                     | 507,371                     | 558,944              |
| Due from other governmental units                                            | 1,830,459                  | -                           | 1,830,459            |
| Prepaid expenses                                                             | -                          | 164,665                     | 164,665              |
| Cash - restricted                                                            | 3,928,988                  | 103,547                     | 4,032,535            |
| Receivables - restricted                                                     | 119,449                    | -                           | 119,449              |
| Inventory                                                                    | -                          | 22,478                      | 22,478               |
| Capital assets not being depreciated:                                        |                            |                             |                      |
| Land                                                                         | 10,097,309                 | 715,958                     | 10,813,267           |
| Construction work in progress                                                | 28,768                     | 16,937                      | 45,705               |
| Capital assets, net of accumulated depreciation:                             |                            |                             |                      |
| Buildings and improvements                                                   | 4,945,223                  | 4,744,769                   | 9,689,992            |
| Infrastructure                                                               | 13,250,422                 | 10,963,749                  | 24,214,171           |
| Machinery and equipment                                                      | 1,253,243                  | 1,434,565                   | 2,687,808            |
| <b>Total Assets</b>                                                          | <b>50,863,904</b>          | <b>30,661,227</b>           | <b>81,525,131</b>    |
| <b>Deferred Outflows of Resources</b>                                        |                            |                             |                      |
| Pension related                                                              | 434,654                    | -                           | 434,654              |
| <b>Total Deferred Outflows of Resources</b>                                  | <b>434,654</b>             | <b>-</b>                    | <b>434,654</b>       |
| <b>Total Assets and Deferred Outflows<br/>of Resources</b>                   | <b>\$ 51,298,556</b>       | <b>\$ 30,661,227</b>        | <b>\$ 81,959,783</b> |
| <b>Liabilities</b>                                                           |                            |                             |                      |
| Accounts payable                                                             | \$ 396,910                 | \$ 400,063                  | \$ 796,973           |
| Accrued liabilities                                                          | 175,935                    | 105,314                     | 281,249              |
| Unearned revenue                                                             | 660,927                    | 30,332                      | 691,259              |
| Noncurrent liabilities:                                                      |                            |                             |                      |
| Due within one year                                                          | 333,860                    | 507,586                     | 841,446              |
| Due in more than one year                                                    | 297,833                    | 3,531,575                   | 3,829,408            |
| Net pension liability                                                        | 322,693                    | -                           | 322,693              |
| <b>Total Liabilities</b>                                                     | <b>2,188,158</b>           | <b>4,574,870</b>            | <b>6,763,028</b>     |
| <b>Deferred Inflows of Resources</b>                                         |                            |                             |                      |
| Deferred revenue - property taxes                                            | 1,489,283                  | -                           | 1,489,283            |
| Pension related                                                              | 5,516                      | -                           | 5,516                |
| <b>Total Deferred Inflows of Resources</b>                                   | <b>1,494,799</b>           | <b>-</b>                    | <b>1,494,799</b>     |
| <b>Net Position</b>                                                          |                            |                             |                      |
| Net investment in capital assets                                             | 29,361,200                 | 13,836,817                  | 43,198,017           |
| Restricted for:                                                              |                            |                             |                      |
| Debt service                                                                 | 38,110                     | 64,890                      | 103,000              |
| Repair & Replacement                                                         | 9,909                      | 16,873                      | 26,782               |
| Roads                                                                        | 3,044,107                  | -                           | 3,044,107            |
| Statutory 5% Minimum                                                         | 263,720                    | -                           | 263,720              |
| Unrestricted                                                                 | 14,898,553                 | 12,167,777                  | 27,066,330           |
| <b>Total Net Position</b>                                                    | <b>47,615,599</b>          | <b>26,086,357</b>           | <b>73,701,956</b>    |
| <b>Total Liabilities, Deferred Inflows of Resources<br/>and Net Position</b> | <b>\$ 51,298,556</b>       | <b>\$ 30,661,227</b>        | <b>\$ 81,959,783</b> |

**CITY OF WASHINGTON TERRACE  
STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 2025**

| 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         |
| <b>Primary Government:</b>           |              |                      |                                    |                                  |                                                   |                          |               |
| Government Activities                |              |                      |                                    |                                  |                                                   |                          |               |
| General governmental                 | \$ 1,053,804 | \$ 614,672           | \$ 2,982                           | \$ -                             | \$ (436,150)                                      | \$ -                     | \$ (436,150)  |
| Public safety                        | 1,523,785    | -                    | 13,353                             | 468,220                          | (1,042,212)                                       | -                        | (1,042,212)   |
| Highways and public works            | 2,252,936    | -                    | 97,778                             | 3,164,836                        | 1,009,678                                         | -                        | 1,009,678     |
| Parks and recreation                 | 1,088,886    | 44,538               | 9,267                              | 320,830                          | (714,251)                                         | -                        | (714,251)     |
| Interest on long-term debt           | 7,016        | -                    | -                                  | -                                | (7,016)                                           | -                        | (7,016)       |
| Total Governmental Activities        | 5,926,427    | 659,210              | 123,380                            | 3,953,886                        | (1,189,951)                                       | -                        | (1,189,951)   |
| Business-type Activities             |              |                      |                                    |                                  |                                                   |                          |               |
| Water services                       | 1,543,044    | 1,822,649            | -                                  | 8,426                            | -                                                 | 288,031                  | 288,031       |
| Sewer services                       | 1,218,371    | 1,506,095            | -                                  | 4,413                            | -                                                 | 292,137                  | 292,137       |
| Refuse services                      | 690,906      | 701,804              | -                                  | -                                | -                                                 | 10,898                   | 10,898        |
| Storm water services                 | 470,915      | 636,100              | -                                  | 1,607                            | -                                                 | 166,792                  | 166,792       |
| Total Business-type Activities       | 3,923,236    | 4,666,648            | -                                  | 14,446                           | -                                                 | 757,858                  | 757,858       |
| Total Government                     | \$ 9,849,663 | \$ 5,325,858         | \$ 123,380                         | \$ 3,968,332                     | (1,189,951)                                       | 757,858                  | (432,093)     |
| <b>General Revenues</b>              |              |                      |                                    |                                  |                                                   |                          |               |
| Property taxes                       |              |                      |                                    |                                  | 2,284,262                                         | -                        | 2,284,262     |
| Sales taxes                          |              |                      |                                    |                                  | 1,782,585                                         | -                        | 1,782,585     |
| Franchise taxes                      |              |                      |                                    |                                  | 740,767                                           | -                        | 740,767       |
| Unrestricted interest on investments |              |                      |                                    |                                  | 837,175                                           | 545,229                  | 1,382,404     |
| Gain on disposal of capital assets   |              |                      |                                    |                                  | 60,836                                            | 36,275                   | 97,111        |
| <b>Transfers</b>                     |              |                      |                                    |                                  | 137,281                                           | (137,281)                | -             |
| Total General Revenues and Transfers |              |                      |                                    |                                  | 5,842,906                                         | 444,223                  | 6,287,129     |
| Changes in Net Position              |              |                      |                                    |                                  | 4,652,955                                         | 1,202,081                | 5,855,036     |
| Net Position, Beginning              |              |                      |                                    |                                  | 43,232,133                                        | 24,884,276               | 68,116,409    |
| Prior Period Adjustment              |              |                      |                                    |                                  | (269,489)                                         | -                        | (269,489)     |
| Net Position, Ending                 |              |                      |                                    |                                  | \$ 47,615,599                                     | \$ 26,086,357            | \$ 73,701,956 |

# Fund Financial Statements



**CITY OF WASHINGTON TERRACE**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2025**

|                                                                                | <b>General</b>      | <b>Redevelopment<br/>Agency</b> | <b>Capital<br/>Projects</b> | <b>Debt<br/>Service</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--------------------------------------------------------------------------------|---------------------|---------------------------------|-----------------------------|-------------------------|-----------------------------------------|
| <b>Assets</b>                                                                  |                     |                                 |                             |                         |                                         |
| Cash and cash equivalents                                                      | \$ 1,930,594        | \$ 4,943,223                    | \$ 8,483,842                | \$ 811                  | \$ 15,358,470                           |
| Accounts receivable, net                                                       | 51,573              | -                               | -                           | -                       | 51,573                                  |
| Due from other governmental units                                              | 1,688,523           | 141,936                         | -                           | -                       | 1,830,459                               |
| Restricted assets:                                                             |                     |                                 |                             |                         |                                         |
| Cash and cash equivalents                                                      | 354,330             | 650,000                         | 2,924,658                   | -                       | 3,928,988                               |
| Due from other governmental units                                              | -                   | -                               | 119,449                     | -                       | 119,449                                 |
| <b>Total Assets</b>                                                            | <b>\$ 4,025,020</b> | <b>\$ 5,735,159</b>             | <b>\$11,527,948</b>         | <b>\$ 811</b>           | <b>\$ 21,288,938</b>                    |
| <b>Liabilities</b>                                                             |                     |                                 |                             |                         |                                         |
| Accounts payable                                                               | \$ 377,643          | \$ -                            | \$ 19,267                   | \$ -                    | \$ 396,910                              |
| Accrued liabilities                                                            | 175,935             | -                               | -                           | -                       | 175,935                                 |
| Unearned revenue                                                               | 10,927              | 650,000                         | -                           | -                       | 660,927                                 |
| <b>Total Liabilities</b>                                                       | <b>564,505</b>      | <b>650,000</b>                  | <b>19,267</b>               | <b>-</b>                | <b>1,233,772</b>                        |
| <b>Deferred Inflows of Resources</b>                                           |                     |                                 |                             |                         |                                         |
| Unavailable revenue - property taxes                                           | 1,350,283           | 139,000                         | -                           | -                       | 1,489,283                               |
| <b>Fund Balances</b>                                                           |                     |                                 |                             |                         |                                         |
| Restricted                                                                     |                     |                                 |                             |                         |                                         |
| Roads funds                                                                    | -                   | -                               | 3,044,107                   | -                       | 3,044,107                               |
| Debt service                                                                   | 38,110              | -                               | -                           | -                       | 38,110                                  |
| Repair & Replacement                                                           | 9,909               | -                               | -                           | -                       | 9,909                                   |
| Statutory 5% Minimum                                                           | 263,720             | -                               | -                           | -                       | 263,720                                 |
| Committed for:                                                                 |                     |                                 |                             |                         |                                         |
| Capital projects                                                               | -                   | -                               | 8,464,574                   | -                       | 8,464,574                               |
| Assigned                                                                       |                     |                                 |                             |                         |                                         |
| Redevelopment Agency                                                           | -                   | 4,946,159                       | -                           | -                       | 4,946,159                               |
| Debt service                                                                   | -                   | -                               | -                           | 811                     | 811                                     |
| Unassigned                                                                     | 1,798,493           | -                               | -                           | -                       | 1,798,493                               |
| <b>Total Fund Balances</b>                                                     | <b>2,110,232</b>    | <b>4,946,159</b>                | <b>11,508,681</b>           | <b>811</b>              | <b>18,565,883</b>                       |
| <b>Total Liabilities, Deferred Inflows<br/>of Resources, and Fund Balances</b> | <b>\$ 4,025,020</b> | <b>\$ 5,735,159</b>             | <b>\$11,527,948</b>         | <b>\$ 811</b>           | <b>\$ 21,288,938</b>                    |

**CITY OF WASHINGTON TERRANCE**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**June 30, 2025**

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

|                                                                                                                                                                                             |                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| <b>Total fund balance - governmental funds</b>                                                                                                                                              | \$ 18,565,883               |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.                                                                   | 29,574,965                  |
| 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                                                                                                                                                                               | (203,440)                   |
| Lease payable                                                                                                                                                                               | (10,410)                    |
| Compensated absences                                                                                                                                                                        | (417,843)                   |
| 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. |                             |
| Net Pension Liability                                                                                                                                                                       | (322,693)                   |
| Pension Deferred Outflows                                                                                                                                                                   | 434,654                     |
| Pension Deferred Inflows                                                                                                                                                                    | <u>(5,516)</u>              |
| <b>Net position - governmental activities</b>                                                                                                                                               | <u><u>\$ 47,615,599</u></u> |

**CITY OF WASHINGTON TERRACE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – GOVERNMENTAL FUNDS**  
**For The Year Ended June 30, 2025**

|                                                              | <b>General</b>     | <b>Redevelopment<br/>Agency</b> | <b>Capital<br/>Projects</b> | <b>Debt<br/>Service</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--------------------------------------------------------------|--------------------|---------------------------------|-----------------------------|-------------------------|-----------------------------------------|
| <b>Revenues</b>                                              |                    |                                 |                             |                         |                                         |
| Taxes                                                        | \$ 3,990,274       | \$ 139,000                      | \$ -                        | \$ -                    | \$ 4,129,274                            |
| Licenses and permits                                         | 238,863            | -                               | -                           | -                       | 238,863                                 |
| Intergovernmental                                            | 254,888            | 678,340                         | 3,942,110                   | -                       | 4,875,338                               |
| Charges for services                                         | 44,538             | -                               | -                           | -                       | 44,538                                  |
| Impact fees                                                  | -                  | -                               | 5,699                       | -                       | 5,699                                   |
| Fines and forfeitures                                        | 95,514             | -                               | -                           | -                       | 95,514                                  |
| Interest income                                              | 501,553            | 218,502                         | 117,120                     | -                       | 837,175                                 |
| Miscellaneous revenue                                        | 148,767            | -                               | 6,077                       | -                       | 154,844                                 |
| <b>Total Revenues</b>                                        | <b>5,274,397</b>   | <b>1,035,842</b>                | <b>4,071,006</b>            | <b>-</b>                | <b>10,381,245</b>                       |
| <b>Expenditures</b>                                          |                    |                                 |                             |                         |                                         |
| Current:                                                     |                    |                                 |                             |                         |                                         |
| General government                                           | 840,325            | 14,961                          | 16,931                      | -                       | 872,217                                 |
| Public safety                                                | 2,130,071          | -                               | -                           | -                       | 2,130,071                               |
| Highways and public works                                    | 372,391            | 17,740                          | -                           | -                       | 390,131                                 |
| Parks and recreation                                         | 567,831            | -                               | -                           | -                       | 567,831                                 |
| Capital expenditures                                         | -                  | 42,101                          | 4,419,361                   | -                       | 4,461,462                               |
| Debt service:                                                |                    |                                 |                             |                         |                                         |
| Principal retirement                                         | -                  | -                               | -                           | 37,015                  | 37,015                                  |
| Interest and fiscal charges                                  | -                  | -                               | -                           | 7,016                   | 7,016                                   |
| <b>Total Expenditures</b>                                    | <b>3,910,618</b>   | <b>74,802</b>                   | <b>4,436,292</b>            | <b>44,031</b>           | <b>8,465,743</b>                        |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 1,363,779          | 961,040                         | (365,286)                   | (44,031)                | 1,915,502                               |
| <b>Other Financing Sources (Uses)</b>                        |                    |                                 |                             |                         |                                         |
| Transfer in                                                  | 133,802            | -                               | 1,837,022                   | 44,031                  | 2,014,855                               |
| Transfer out                                                 | (1,477,022)        | -                               | (400,552)                   | -                       | (1,877,574)                             |
| Disposal of capital assets                                   | -                  | -                               | 203,460                     | -                       | 203,460                                 |
| <b>Total Other Financing<br/>Sources (Uses)</b>              | <b>(1,343,220)</b> | <b>-</b>                        | <b>1,639,930</b>            | <b>44,031</b>           | <b>340,741</b>                          |
| Net Change in Fund Balances                                  | 20,559             | 961,040                         | 1,274,644                   | -                       | 2,256,243                               |
| Fund Balance, Beginning                                      | 2,089,675          | 3,985,119                       | 10,234,037                  | 811                     | 16,309,642                              |
| Fund Balance, Ending                                         | \$ 2,110,232       | \$ 4,946,159                    | \$ 11,508,681               | \$ 811                  | \$ 18,565,883                           |

**CITY OF WASHINGTON TERRACE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended June 30, 2025**

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

|                                                                                                                                                                                                                                            |                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <b>Net change in fund balances - total governmental funds</b>                                                                                                                                                                              | \$ 2,256,243               |
| 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. | (1,133,940)                |
| Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position.                                                                            | 4,070,113                  |
| 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.                                                                                           | (493,465)                  |
| Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.                                                                                              | 37,015                     |
| 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.                                                                  | (11,503)                   |
| Changes in the pension asset and liability accounts are not recorded in the funds rather they recorded in the statement of activities                                                                                                      | (71,508)                   |
| <b>Change in net position - governmental activities</b>                                                                                                                                                                                    | <u><u>\$ 4,652,955</u></u> |

**CITY OF WASHINGTON TERRACE**  
**STATEMENT OF NET POSITION – PROPRIETARY FUND**  
**June 30, 2025**

|                                            | <b>Business-type<br/>Activities</b>         |
|--------------------------------------------|---------------------------------------------|
|                                            | <b>Enterprise Fund<br/>Public Utilities</b> |
| <b>Assets</b>                              |                                             |
| <b>Current Assets</b>                      |                                             |
| Cash and cash equivalents                  | \$ 11,987,188                               |
| Accounts receivable, net                   | 507,371                                     |
| Prepays                                    | 164,665                                     |
| Inventories                                | 22,478                                      |
| Total Current Assets                       | <u>12,681,702</u>                           |
| <b>Noncurrent Assets</b>                   |                                             |
| Cash - restricted                          | 103,547                                     |
| Land                                       | 715,958                                     |
| Buildings                                  | 6,502,060                                   |
| Infrastructure                             | 17,296,365                                  |
| Machinery and equipment                    | 2,074,940                                   |
| Less: Accumulated depreciation             | <u>(8,730,282)</u>                          |
| Total Noncurrent Assets                    | <u>17,979,525</u>                           |
| <b>Total Assets</b>                        | <u><u>\$ 30,661,227</u></u>                 |
| <b>Liabilities</b>                         |                                             |
| <b>Current Liabilities</b>                 |                                             |
| Accounts payable                           | \$ 400,063                                  |
| Accrued liabilities                        | 105,314                                     |
| Unearned revenue                           | 30,332                                      |
| Long term liabilities - current portion    | <u>507,586</u>                              |
| Total Current Liabilities                  | <u>1,043,295</u>                            |
| <b>Noncurrent Liabilities</b>              |                                             |
| Long term liabilities - noncurrent portion | <u>3,531,575</u>                            |
| <b>Total Noncurrent Liabilities</b>        | <u>3,531,575</u>                            |
| <b>Total Liabilities</b>                   | <u>4,574,870</u>                            |
| <b>Net Position</b>                        |                                             |
| Net invested in capital assets             | 13,836,817                                  |
| Restricted:                                |                                             |
| Debt reserve                               | 64,890                                      |
| Repair & Replacement                       | 16,873                                      |
| Unrestricted                               | <u>12,167,777</u>                           |
| Total Net Position                         | <u>26,086,357</u>                           |
| <b>Total Liabilities and Net Position</b>  | <u><u>\$ 30,661,227</u></u>                 |

**CITY OF WASHINGTON TERRACE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET**  
**POSITION – PROPRIETARY FUND**  
**For The Year Ended June 30, 2025**

|                                                          | <b>Business-type<br/>Activities</b>         |
|----------------------------------------------------------|---------------------------------------------|
|                                                          | <b>Enterprise Fund<br/>Public Utilities</b> |
| <b>Operating Revenues</b>                                |                                             |
| Charges for services:                                    |                                             |
| Water                                                    | \$ 1,817,706                                |
| Sewer                                                    | 1,502,969                                   |
| Refuse                                                   | 701,804                                     |
| Storm water                                              | 636,100                                     |
| Connection and other fees                                |                                             |
| Water                                                    | 4,943                                       |
| Sewer                                                    | 3,126                                       |
| Total Operating Revenues                                 | <u>4,666,648</u>                            |
| <b>Operating Expenses</b>                                |                                             |
| Personnel services                                       | 1,431,257                                   |
| Contractual services                                     | 1,476,045                                   |
| Materials and supplies                                   | 262,200                                     |
| Depreciation expense                                     | 629,839                                     |
| Total operating expenses                                 | <u>3,799,341</u>                            |
| Operating income                                         | <u>867,307</u>                              |
| <b>Nonoperating revenue (expense)</b>                    |                                             |
| Interest income                                          | 545,229                                     |
| Interest expense                                         | (123,895)                                   |
| Disposal of capital assets                               | 36,275                                      |
| Total nonoperating revenues (expenses)                   | <u>457,609</u>                              |
| Income (loss) before capital contributions and transfers | 1,324,916                                   |
| Capital contributions:                                   |                                             |
| Impact fee income                                        | 8,060                                       |
| Intergovernmental income                                 | 6,386                                       |
| Transfers in/(out)                                       | (137,281)                                   |
| Change in net position                                   | 1,202,081                                   |
| Net position, beginning                                  | <u>24,884,276</u>                           |
| Net position, ending                                     | <u><u>\$ 26,086,357</u></u>                 |

**CITY OF WASHINGTON TERRACE**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUND**  
**For The Year Ended June 30, 2025**

|                                                                         | <b>Business-type<br/>Activities</b>         |
|-------------------------------------------------------------------------|---------------------------------------------|
|                                                                         | <b>Enterprise Fund<br/>Public Utilities</b> |
| <b>Cash Flows From Operating Activities</b>                             |                                             |
| Receipts from customers and users                                       | \$ 4,660,146                                |
| Payments to suppliers and service providers                             | (1,274,864)                                 |
| Cash payments for interfund services used                               | (1,431,257)                                 |
| <b>Net cash flows from operating activities</b>                         | <b>1,954,025</b>                            |
| <b>Cash Flows From Non-Capital Financing<br/>Activities</b>             |                                             |
| Transfers out                                                           | (137,281)                                   |
| <b>Net cash flows from non-capital financing<br/>activities</b>         | <b>(137,281)</b>                            |
| <b>Cash Flows From Capital and Related Financing<br/>Activities</b>     |                                             |
| Acquisition and construction of capital assets                          | (839,382)                                   |
| Principal paid on bonds and leases                                      | (412,799)                                   |
| Proceeds from disposal of assets                                        | 187,547                                     |
| Intergovernmental                                                       | 6,386                                       |
| Interest Paid                                                           | (139,872)                                   |
| Impact fees received                                                    | 8,060                                       |
| <b>Net cash flows from capital and<br/>related financing activities</b> | <b>(1,190,060)</b>                          |
| <b>Cash Flows From Investing Activities</b>                             |                                             |
| Interest on investment                                                  | 545,229                                     |
| <b>Net cash flows from investing activities</b>                         | <b>545,229</b>                              |
| <b>Net Increase (Decrease) In Cash and Cash<br/>Equivalents</b>         | <b>1,171,913</b>                            |
| <b>Cash and Cash Equivalents, Beginning</b>                             | <b>10,918,823</b>                           |
| <b>Cash and Cash Equivalents, Ending</b>                                | <b>\$ 12,090,735</b>                        |

**CITY OF WASHINGTON TERRACE**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUND (Continued)**  
**For The Year Ended June 30, 2025**

|                                                                                           | <u>Business-type<br/>Activities</u><br><u>Enterprise Fund</u><br><u>Public Utilities</u> |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| <b>Reconciliation of operating income to<br/>net cash flows from operating activities</b> |                                                                                          |
| Operating income                                                                          | \$ 867,307                                                                               |
| Adjustments to reconcile operating income<br>to net cash flows from operating activities: |                                                                                          |
| Depreciation expense                                                                      | 629,839                                                                                  |
| (Increase) Decrease in accounts receivables                                               | (7,105)                                                                                  |
| (Increase) Decrease in prepaids                                                           | (19,362)                                                                                 |
| (Increase) Decrease in inventory                                                          | 117,665                                                                                  |
| Increase (Decrease) in accounts payable                                                   | 360,775                                                                                  |
| Increase (Decrease) in accrued liabilities                                                | 4,303                                                                                    |
| Increase (Decrease) in unearned revenue                                                   | 603                                                                                      |
| <b>Net cash flows from operating<br/>activities</b>                                       | <u><u>\$ 1,954,025</u></u>                                                               |
| <b>Schedule of non-cash capital and related financing activities</b>                      |                                                                                          |
| Bond premium amortization                                                                 | \$ 15,977                                                                                |

# Notes to the Financial Statements



## **CITY OF WASHINGTON TERRACE 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.

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.

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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

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

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. 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

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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

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

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 September 1. 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.

**(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.

**CITY OF WASHINGTON TERRACE  
NOTES TO FINANCIAL STATEMENTS (Continued)**

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

**(F) Capital Assets (Continued)**

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.

The City accounts for its leases as required by GASB 87.

**(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.

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.

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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

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

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. The General Fund is the only fund that can report a positive unassigned fund balance.

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 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.

## **CITY OF WASHINGTON TERRACE NOTES TO FINANCIAL STATEMENTS (Continued)**

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

**(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.

**(N) Inventories**

Inventory is valued at cost using the first in, first out method. Inventory consists of materials to be used for ongoing water projects. The cost is recorded as an expense as inventory items are consumed.

**(O) Change in Accounting Principle**

For 2025, the City implemented *Governmental Accounting Standards Board Statement (GASBS) No. 101, Compensated Absences*, which updates the recognition and measurement guidance for compensated absences by aligning it under a unified model to more appropriately reflect when a government incurs an obligation. These changes were incorporated in the City's 2025 financial statements and an adjustment of \$269,489 decreased net position and increased the compensated absences liability as of July 1, 2024.

### **NOTE 2 CASH AND INVESTMENTS**

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

Deposits and investments for the City are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council ("the Council").

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

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

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

The following are discussions of the City's exposure to various risks related to its cash management activities.

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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

*Custodial credit risk – deposits* is the risk that in the event of bank failure, the City’s deposits may not be recovered. The City’s policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the City to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Money Management Council. As of June 30, 2025 \$352,954 of the City’s bank balances of \$713,129 (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, 2025, the City had cash balances of 30,779,846 deposited in the PTIF. The fair value of this cash balance was \$30,840,957 using a fair value factor of 1.00198542.

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, 2025, is 66.13 days.

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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

Following are the City's cash on hand and on deposit at June 30, 2025:

|                                                    | <b>Carrying<br/>Amount</b>  |
|----------------------------------------------------|-----------------------------|
| <b>Cash on hand and on deposit:</b>                |                             |
| Cash on hand                                       | \$ 1,300                    |
| Cash on deposit                                    | 486,870                     |
| Money Market                                       | 110,175                     |
| Utah State Treasurer's investment<br>pool accounts | <u>30,779,846</u>           |
| <b>Total cash on hand and deposit</b>              | <b><u>\$ 31,378,193</u></b> |

**NOTE 3 ACCOUNTS RECEIVABLE**

Accounts receivable are recorded net of the allowance for doubtful accounts of \$20,230 in the enterprise fund.

**NOTE 4 RESTRICTED ASSETS**

Certain assets are restricted to use as follows as of June 30, 2025:

|                               |                            |
|-------------------------------|----------------------------|
| Road Funds                    | \$ 3,044,107               |
| Statutory 5% Minimum          | 263,720                    |
| 2010 Series Bond Reserve Fund | 129,782                    |
| Performance Bonds             | 25,500                     |
| Customer Deposits             | 23,284                     |
| Unearned revenues             | 657,265                    |
| Bail Held                     | <u>8,326</u>               |
|                               | <b><u>\$ 4,151,984</u></b> |

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 5 CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2025, is as follows:

|                                                     | <b>Balance<br/>June 30, 2024</b> | <b>Additions</b>    | <b>Deletions</b>    | <b>Balance<br/>June 30, 2025</b> |
|-----------------------------------------------------|----------------------------------|---------------------|---------------------|----------------------------------|
| <b>Governmental activities</b>                      |                                  |                     |                     |                                  |
| <b>Capital assets, not being depreciated</b>        |                                  |                     |                     |                                  |
| Land                                                | \$ 10,448,157                    | \$ -                | \$ (350,848)        | \$ 10,097,309                    |
| Construction in progress                            | 339,025                          | 28,768              | (339,025)           | 28,768                           |
| <b>Total capital assets, not being depreciated</b>  | 10,787,182                       | 28,768              | (689,873)           | 10,126,077                       |
| <b>Capital assets, being depreciated</b>            |                                  |                     |                     |                                  |
| Buildings and Improvements                          | 7,224,441                        | 340,570             | -                   | 7,565,011                        |
| Infrastructure                                      | 26,466,703                       | 3,220,687           | (233,909)           | 29,453,481                       |
| Machinery and equipment                             | 1,344,713                        | 819,111             | (370,197)           | 1,793,627                        |
| <b>Total capital assets, being depreciated</b>      | 35,035,857                       | 4,380,368           | (604,106)           | 38,812,119                       |
| <b>Less accumulated depreciation for</b>            |                                  |                     |                     |                                  |
| Buildings and Improvements                          | (2,388,994)                      | (230,794)           | -                   | (2,619,788)                      |
| Infrastructure                                      | (15,619,329)                     | (810,782)           | 227,052             | (16,203,059)                     |
| Machinery and equipment                             | (682,457)                        | (92,364)            | 234,437             | (540,384)                        |
| <b>Total accumulated depreciation</b>               | (18,690,780)                     | (1,133,940)         | 461,489             | (19,363,231)                     |
| <b>Total capital assets, being depreciated, net</b> | 16,345,077                       | 3,246,428           | (142,617)           | 19,448,888                       |
| <b>Governmental activities capital assets, net</b>  | <u>\$ 27,132,259</u>             | <u>\$ 3,275,196</u> | <u>\$ (832,490)</u> | <u>\$ 29,574,965</u>             |

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 5 CAPITAL ASSETS (Continued)**

The Business-type Activities property, plant and equipment consist of the following at June 30, 2025:

|                                                     | Balance<br>June 30, 2024 | Additions         | Deletions           | Balance<br>June 30, 2025 |
|-----------------------------------------------------|--------------------------|-------------------|---------------------|--------------------------|
| <b>Business-type Activities</b>                     |                          |                   |                     |                          |
| <b>Capital assets, not being depreciated</b>        |                          |                   |                     |                          |
| Land                                                | \$ 715,958               | \$ -              | \$ -                | \$ 715,958               |
| Construction in progress                            | -                        | 16,937            | -                   | 16,937                   |
| <b>Total capital assets, not being depreciated</b>  | 715,958                  | 16,937            | -                   | 732,895                  |
| <b>Capital assets, being depreciated</b>            |                          |                   |                     |                          |
| Buildings                                           | 6,359,767                | 142,293           | -                   | 6,502,060                |
| Infrastructure                                      | 17,296,365               | -                 | -                   | 17,296,365               |
| Machinery and equipment                             | 1,657,872                | 680,152           | (263,084)           | 2,074,940                |
| <b>Total capital assets, being depreciated</b>      | 25,314,004               | 822,445           | (263,084)           | 25,873,365               |
| <b>Less accumulated depreciation for</b>            |                          |                   |                     |                          |
| Buildings                                           | (1,576,102)              | (181,189)         | -                   | (1,757,291)              |
| Infrastructure                                      | (5,939,450)              | (393,165)         | -                   | (6,332,615)              |
| Machinery and equipment                             | (696,704)                | (55,485)          | 111,813             | (640,376)                |
| <b>Total accumulated depreciation</b>               | (8,212,256)              | (629,839)         | 111,813             | (8,730,282)              |
| <b>Total capital assets, being depreciated, net</b> | 17,101,748               | 192,606           | (151,271)           | 17,143,083               |
| <b>Business-type activities capital assets, net</b> | <u>\$17,817,706</u>      | <u>\$ 209,543</u> | <u>\$ (151,271)</u> | <u>\$17,875,978</u>      |

Depreciation expense was charged to functions/programs as follows:

|                                                              |                    |
|--------------------------------------------------------------|--------------------|
| <b>Governmental activities</b>                               |                    |
| General government                                           | \$ 94,496          |
| Public safety                                                | 59,127             |
| Highways and public works                                    | 832,089            |
| Parks and recreation                                         | 148,228            |
| <b>Total depreciation expense - governmental activities</b>  | <u>\$1,133,940</u> |
| <b>Business-type activities</b>                              |                    |
| Water services                                               | \$ 398,070         |
| Sewer services                                               | 145,947            |
| Storm water services                                         | 85,822             |
| <b>Total depreciation expense - business-type activities</b> | <u>\$ 629,839</u>  |
| <b>Combined depreciation expense</b>                         | <u>\$1,763,779</u> |

# CITY OF WASHINGTON TERRACE

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 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 assets 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 \$1,350,283 and \$139,000 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, 2025, was not expected to be received within 30 days after the year ended June 30, 2025, 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, 2025.

### NOTE 7 COMPENSATED ABSENCES

The City implemented the provisions of *GASB Statement No. 101, Compensated Absences*, in the financial statements of the current fiscal year. The City provides three forms of leave (vacation, sick, and compensatory time) but has previously only accrued vacation and compensatory leave. Vacation leave is earned each pay period and carries over at the end of the fiscal year. Vacation leave may not exceed 260 hours by employee’s anniversary date, and hours in excess of 260 will be forfeited and not paid out, and any unused portion is paid without limits upon termination. Compensatory leave is accumulated when earned and carries over at the end of the fiscal year, with accumulation limits of 120 hours. Any unused portion of compensatory leave is paid without limits upon termination. Accumulated vacation and compensatory leave meet the criteria of GASB Statement 101 for accrual and will continue to be reported as a liability in the government-wide financial statements. Sick leave is also earned each pay period and carries over without limits at the end of the fiscal year. Because sick leave is not paid upon termination, the City did not accrue a liability in previous years. Under Statement 101 accumulated sick leave meets the first two criteria (attributable to past service and accumulates). The City, therefore, examined its past experience with accumulated sick leave and estimated the amount of accumulated leave that was more likely than not to be used by employees. This estimate is now to be reported as a liability in the government-wide statements. The portion of this liability that existed at the beginning of the current year (or the earliest year presented in the comparative statements) is recognized as a decrease in beginning net position from adoption of this new accounting standard.

|                               | June 30, 2024 as<br>Previously<br>Reported | Change in<br>Accounting<br>Principle | June 30, 2024,<br>as Restated |
|-------------------------------|--------------------------------------------|--------------------------------------|-------------------------------|
| Net Position: Government-wide |                                            |                                      |                               |
| Governmental Activities       | \$ 43,232,133                              | \$ (269,489)                         | \$ 42,962,644                 |
| Business-type Activities      | 24,884,276                                 | -                                    | 24,884,276                    |
| Total Primary Government      | <u>\$ 68,116,409</u>                       | <u>\$ (269,489)</u>                  | <u>\$ 67,846,920</u>          |

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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

The following is summary of long-term debt transactions of the City for the year ended June 30, 2025:

|                                                     | <b>Beginning<br/>Balance</b> | <b>Additions</b>  | <b>Reductions</b>   | <b>Ending<br/>Balance</b> | <b>Due within<br/>One Year</b> |
|-----------------------------------------------------|------------------------------|-------------------|---------------------|---------------------------|--------------------------------|
| <b>Governmental activities</b>                      |                              |                   |                     |                           |                                |
| <b>Direct Placement Debt:</b>                       |                              |                   |                     |                           |                                |
| Utility Revenue Bond, Series 2010B                  | \$ 107,879                   | \$ -              | \$ (14,055)         | \$ 93,824                 | \$ 14,400                      |
| Utility Revenue Bond, Series 2010C                  | 126,115                      | -                 | (16,499)            | 109,616                   | 16,560                         |
| Total bonds payable                                 | 233,994                      | -                 | (30,554)            | 203,440                   | 30,960                         |
| <b>Direct Borrowing Debt</b>                        |                              |                   |                     |                           |                                |
| Finance purchase - lease                            | 16,871                       | -                 | (6,461)             | 10,410                    | 10,410                         |
| Total finance purchase - lease                      | 16,871                       | -                 | (6,461)             | 10,410                    | 10,410                         |
| <b>Other Debt</b>                                   |                              |                   |                     |                           |                                |
| Compensated absences*                               | 406,340                      | 11,503            | -                   | 417,843                   | 292,490                        |
| Pension                                             | 221,319                      | 101,374           | -                   | 322,693                   | -                              |
| Total other debt                                    | 627,659                      | 112,877           | -                   | 740,536                   | 292,490                        |
| <b>Governmental activity long-term liabilities</b>  | <b>\$ 878,524</b>            | <b>\$ 112,877</b> | <b>\$ (37,015)</b>  | <b>\$ 954,386</b>         | <b>\$ 333,860</b>              |
| <b>Business-type activities</b>                     |                              |                   |                     |                           |                                |
| <b>Direct Placement bonds:</b>                      |                              |                   |                     |                           |                                |
| Utility Revenue Bond, Series 2010B                  | \$ 196,121                   | \$ -              | \$ (24,945)         | \$ 171,176                | \$ 25,600                      |
| Utility Revenue Bond, Series 2010C                  | 214,885                      | -                 | (28,501)            | 186,384                   | 29,440                         |
| <b>Other bonds:</b>                                 |                              |                   |                     |                           |                                |
| Utility Revenue Bond, Series 2017                   | 3,475,000                    | -                 | (215,000)           | 3,260,000                 | 220,000                        |
| Bond Premium                                        | 205,033                      | -                 | (15,977)            | 189,056                   | -                              |
| Total bonds payable                                 | 4,091,039                    | -                 | (284,423)           | 3,806,616                 | 275,040                        |
| <b>Direct Borrowing Debt</b>                        |                              |                   |                     |                           |                                |
| Finance purchase - lease                            | 376,899                      | -                 | (144,353)           | 232,546                   | 232,546                        |
| Total finance purchase - lease                      | 376,899                      | -                 | (144,353)           | 232,546                   | 232,546                        |
| <b>Business-type activity long-term liabilities</b> | <b>\$ 4,467,938</b>          | <b>\$ -</b>       | <b>\$ (428,776)</b> | <b>\$ 4,039,162</b>       | <b>\$ 507,586</b>              |

\*The beginning balance of the compensated absences liability was restated with the implementation of GASB No. 101, and the change is presented as a net change. The City has opted to show the net change in the balance.

The City has no lines of credit.

**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.

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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

The annual debt service requirements to maturity, including principal and interest, for the Utility Revenue Bond Series 2010B, as of June 30, 2025, are as follows:

| <b>Year Ending June 30,</b> | <b>Principal</b>  | <b>Interest</b>  | <b>Total</b>      |
|-----------------------------|-------------------|------------------|-------------------|
| 2026                        | \$ 40,000         | \$ 9,434         | \$ 49,434         |
| 2027                        | 42,000            | 8,010            | 50,010            |
| 2028                        | 43,000            | 6,515            | 49,515            |
| 2029                        | 45,000            | 4,984            | 49,984            |
| 2030                        | 47,000            | 3,382            | 50,382            |
| 2031                        | 48,000            | 1,709            | 49,709            |
| <b>Total</b>                | <b>\$ 265,000</b> | <b>\$ 34,034</b> | <b>\$ 299,034</b> |

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, 2025, are as follows:

| <b>Year Ending June 30,</b> | <b>Principal</b>  | <b>Interest</b>  | <b>Total</b>      |
|-----------------------------|-------------------|------------------|-------------------|
| 2026                        | \$ 46,000         | \$ 7,400         | \$ 53,400         |
| 2027                        | 47,000            | 6,250            | 53,250            |
| 2028                        | 48,000            | 5,075            | 53,075            |
| 2029                        | 50,000            | 2,875            | 52,875            |
| 2030                        | 52,000            | 26,525           | 78,525            |
| 2031                        | 53,000            | 1,325            | 54,325            |
| <b>Total</b>                | <b>\$ 296,000</b> | <b>\$ 49,450</b> | <b>\$ 345,450</b> |

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.

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**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, 2025, are as follows:

| <b>Year Ending June 30,</b> | <b>Principal</b>    | <b>Interest</b>   | <b>Total</b>        |
|-----------------------------|---------------------|-------------------|---------------------|
| 2026                        | \$ 220,000          | \$ 115,025        | \$ 335,025          |
| 2027                        | 230,000             | 106,225           | 336,225             |
| 2028                        | 240,000             | 97,025            | 337,025             |
| 2029                        | 250,000             | 87,425            | 337,425             |
| 2030                        | 255,000             | 79,925            | 334,925             |
| 2031                        | 265,000             | 72,275            | 337,275             |
| 2032                        | 275,000             | 63,000            | 338,000             |
| 2033                        | 285,000             | 53,375            | 338,375             |
| 2034                        | 295,000             | 43,400            | 338,400             |
| 2035                        | 305,000             | 33,075            | 338,075             |
| 2036                        | 315,000             | 22,400            | 337,400             |
| 2037                        | 325,000             | 11,375            | 336,375             |
| <b>Total</b>                | <b>\$ 3,260,000</b> | <b>\$ 784,525</b> | <b>\$ 4,044,525</b> |

Leases

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

The City entered into a lease purchase agreement as a lessee for financing the acquisition of construction equipment. The total original lease amount was \$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 \$30,650.

| <b>Asset:</b>                  | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> |
|--------------------------------|------------------------------------|-------------------------------------|
| Machinery and equipment        | \$ 79,397                          | \$ 656,263                          |
| Less: accumulated depreciation | (15,076)                           | (95,122)                            |
|                                | <b>\$ 64,321</b>                   | <b>\$ 561,141</b>                   |

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2025, are as follows:

| Year Ending<br>June 30, | Governmental Activities |               | Business-type Activities |                 |
|-------------------------|-------------------------|---------------|--------------------------|-----------------|
|                         | Principal               | Interest      | Principal                | Interest        |
| 2026                    | \$ 10,410               | \$ 141        | \$ 232,546               | \$ 3,139        |
| Total                   | <u>\$ 10,410</u>        | <u>\$ 141</u> | <u>\$ 232,546</u>        | <u>\$ 3,139</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, 2025.

| Project          |                                          | Contract Amount   | Paid to Date | Commitment<br>Outstanding |
|------------------|------------------------------------------|-------------------|--------------|---------------------------|
| Governmental     | Road Maintenance                         | \$ 210,000        | \$ -         | \$ 210,000                |
| Water Enterprise | 5350 South Waterline Replacement Project | 508,969           | -            | 508,969                   |
|                  |                                          | <u>\$ 718,969</u> | <u>\$ -</u>  | <u>\$ 718,969</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.

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**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 2025:

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

| <u>Project Area</u>      | <u>2025</u>       |
|--------------------------|-------------------|
| Southeast                | \$ 817,340        |
| Total increment received | <u>\$ 817,340</u> |

The Agency expended amounts in the following areas:

Amounts expended for:

|                                             |                  |
|---------------------------------------------|------------------|
| Administrative costs                        | \$ 68,252        |
| Property acquisitions and site improvements | <u>6,550</u>     |
| Total amounts expended by RDA               | <u>\$ 74,802</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, 2025, are as follows:

|                  | <u>In</u>           | <u>Out</u>         |
|------------------|---------------------|--------------------|
| Governmental:    |                     |                    |
| General Fund     | \$ 133,802          | \$1,477,022        |
| Capital Projects | 1,837,022           | 400,552            |
| Debt Service     | 44,031              | -                  |
| Business-type    |                     |                    |
| Public Utilities | <u>39,604</u>       | <u>176,885</u>     |
|                  | <u>\$ 2,054,459</u> | <u>\$2,054,459</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 \$1,422,118 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) is a multiple-employer, cost sharing, retirement system.

# CITY OF WASHINGTON TERRACE

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 14 RETIREMENT PLAN (Continued)

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

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

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

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

#### Benefits Provided

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

| System                            | Final Average Salary | Years of Service required<br>and/or age eligible for<br>benefit                                        | Benefit percent per year of<br>service                                 | COLA**     |
|-----------------------------------|----------------------|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------|
| Noncontributory<br>System         | Highest 3 Years      | 30 years, any age<br>25 years, any age *<br>20 years, age 60 *<br>10 years, age 62*<br>4 years, age 65 | 2.0% per year all years                                                | Up to 4%   |
| Contributory<br>System            | Highest 5 Years      | 30 years, any age<br>20 years, age 60*<br>10 years, age 62*<br>4 years, age 65                         | 1.25% per year to June 1975;<br>2.00% per year July 1975 to<br>present | Up to 4%   |
| Tier 2 Public<br>Employees System | Highest 5 Years      | 35 years, any age<br>20 years, age 60*<br>10 years, age 62*<br>4 years, age 65                         | 1.50% per year all years                                               | Up to 2.5% |

\* 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.

#### 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.

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 14 RETIREMENT PLAN (Continued)**

Contribution rates as of June 30, 2025, are as follows:

|                               | Tier 1 - DB System |          |           | Tier 2 - DB Hybrid System |          |          |           | Tier 2 - 401(k) Option |          |          |           |
|-------------------------------|--------------------|----------|-----------|---------------------------|----------|----------|-----------|------------------------|----------|----------|-----------|
|                               | Employee           | Employer | ER 401(k) | Fund                      | Employee | Employer | ER 401(k) | Fund                   | Employee | Employer | ER 401(k) |
| <b>Contributory System</b>    |                    |          |           |                           |          |          |           |                        |          |          |           |
| 11 Local Government           | 6.00               | 12.96    | -         | 111                       | 0.70     | 16.95    | -         | 211                    | -        | 6.95     | 10.00     |
| <b>Noncontributory System</b> |                    |          |           |                           |          |          |           |                        |          |          |           |
| 15 Local Government           | -                  | 16.97    | -         | 111                       | 0.70     | 15.19    | -         | 211                    | -        | 5.19     | 10.00     |

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

For fiscal year ended June 30, 2025, the employer and employee contributions to the Systems were as follows:

| <b>System</b>                   | <b>Employer Contributions</b> | <b>Employee Contributions</b> |
|---------------------------------|-------------------------------|-------------------------------|
| Noncontributory System          | \$ 160,277                    | \$ -                          |
| Tier 2 Public Employees System  | \$ 61,379                     | \$ 2,829                      |
| Tier 2 DC Public Employees Plan | \$ 8,274                      | \$ -                          |
| <b>Total Contributions</b>      | <b>\$ 229,930</b>             | <b>\$ 2,829</b>               |

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

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

At June 30, 2025, we reported a net pension liability of \$322,693 and a net pension asset of \$0.

|                                | <b>(Measurement Date): December 31, 2024</b> |                          |                            | <b>Proportionate Share Dec 31, 2022</b> | <b>Change (Decrease)</b> |
|--------------------------------|----------------------------------------------|--------------------------|----------------------------|-----------------------------------------|--------------------------|
|                                | <b>Net Pension Liability</b>                 | <b>Net Pension Asset</b> | <b>Proportionate Share</b> |                                         |                          |
| Noncontributory System         | \$ 282,788                                   | \$ -                     | 0.0891760%                 | 0.0833095%                              | 0.0058665%               |
| Tier 2 Public Employees System | \$ 39,905                                    | \$ -                     | 0.0133803%                 | 0.0144251%                              | -0.0010448%              |
|                                | <b>\$ 322,693</b>                            | <b>\$ -</b>              |                            |                                         |                          |

The net pension asset and liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024, 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, 2025, we recognized pension expense of \$301,769.

At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 14 RETIREMENT PLAN (Continued)**

|                                                                                                      | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                                                   | \$ 185,752                                | \$ 275                                   |
| Change in assumptions                                                                                | 36,720                                    | 4                                        |
| Net difference between projected and actual earnings on pension plan investments                     | 87,731                                    | -                                        |
| Changes in proportion and differences between contributions and proportionate share of contributions | 8,259                                     | 5,237                                    |
| Contributions subsequent to the measurement date                                                     | 116,193                                   | -                                        |
| Total                                                                                                | <u>\$ 434,655</u>                         | <u>\$ 5,516</u>                          |

\$116,193 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, 2024.

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

| <b>Year Ended December 31,</b> | <b>Deferred Outflows<br/>(inflow) of Resources</b> |
|--------------------------------|----------------------------------------------------|
| 2025                           | \$ 164,358                                         |
| 2026                           | 161,905                                            |
| 2027                           | (31,337)                                           |
| 2028                           | (2,389)                                            |
| 2029                           | 9,098                                              |
| Thereafter                     | 11,311                                             |

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

For the year ended June 30, 2025, we recognized pension expense of \$257,216.

At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

|                                                                                                      | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                                                   | \$ 168,501                                | \$ -                                     |
| Change in assumptions                                                                                | 23,392                                    | -                                        |
| Net difference between projected and actual earnings on pension plan investments                     | 85,180                                    | -                                        |
| Changes in proportion and differences between contributions and proportionate share of contributions | -                                         | 4,338                                    |
| Contributions subsequent to the measurement date                                                     | 81,308                                    | -                                        |
| Total                                                                                                | <u>\$ 358,381</u>                         | <u>\$ 4,338</u>                          |

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 14 RETIREMENT PLAN (Continued)**

\$81,308 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, 2024.

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

| <b>Year Ended December 31,</b> | <b>Deferred Outflows<br/>(inflow) of Resources</b> |
|--------------------------------|----------------------------------------------------|
| 2025                           | \$ 158,981                                         |
| 2026                           | 154,629                                            |
| 2027                           | (34,563)                                           |
| 2028                           | (6,312)                                            |
| 2029                           | -                                                  |
| Thereafter                     | -                                                  |

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

For the year ended June 30, 2025, we recognized pension expense of \$795.

June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

|                                                                                                      | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                                                   | \$ -                                      | \$ -                                     |
| Change in assumptions                                                                                | -                                         | -                                        |
| Net difference between projected and actual earnings on pension plan investments                     | -                                         | -                                        |
| Changes in proportion and differences between contributions and proportionate share of contributions | 605                                       | 2                                        |
| Contributions subsequent to the measurement date                                                     | -                                         | -                                        |
| Total                                                                                                | <u>\$ 605</u>                             | <u>\$ 2</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, 2024.

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:

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 14 RETIREMENT PLAN (Continued)**

| <u>Year Ended December 31,</u> | <u>Deferred Outflows<br/>(inflow) of Resources</u> |
|--------------------------------|----------------------------------------------------|
| 2025                           | \$ 603                                             |
| 2026                           | -                                                  |
| 2027                           | -                                                  |
| 2028                           | -                                                  |
| 2029                           | -                                                  |
| Thereafter                     | -                                                  |

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

For the year ended June 30, 2025, we recognized pension expense of \$43,757.

At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

|                                                                                                      | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                                                   | \$ 17,251                                 | \$ 275                                   |
| Change in assumptions                                                                                | 13,328                                    | 4                                        |
| Net difference between projected and actual earnings on pension plan investments                     | 2,551                                     | -                                        |
| Changes in proportion and differences between contributions and proportionate share of contributions | 7,654                                     | 898                                      |
| Contributions subsequent to the measurement date                                                     | 34,885                                    | -                                        |
| Total                                                                                                | <u>\$ 75,669</u>                          | <u>\$ 1,177</u>                          |

\$34,885 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, 2024.

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

| <u>Year Ended December 31,</u> | <u>Deferred Outflows<br/>(inflow) of Resources</u> |
|--------------------------------|----------------------------------------------------|
| 2025                           | \$ 4,773                                           |
| 2026                           | 7,276                                              |
| 2027                           | 3,226                                              |
| 2028                           | 3,923                                              |
| 2029                           | 9,098                                              |
| Thereafter                     | 11,311                                             |

# CITY OF WASHINGTON TERRACE

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 14 RETIREMENT PLAN (Continued)

#### Actuarial Assumptions

The total pension liability in the December 31, 2024, 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 – 9.5 percent, average, including inflation                          |
| Investment rate of return | 6.85 percent, net of pension plan investment expense, including inflation |

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 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, 2023, valuation were based on the results of an actuarial experience study ending December 31, 2022.

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         | 35%                              | 7.01%                        | 2.45%                                            |
| Debt securities           | 20%                              | 2.54%                        | 0.51%                                            |
| Real assets               | 18%                              | 5.45%                        | 0.98%                                            |
| Private equity            | 12%                              | 10.05%                       | 1.21%                                            |
| Absolute return           | 15%                              | 4.36%                        | 0.65%                                            |
| Cash and cash equivalents | 0%                               | 0.49%                        | 0.00%                                            |
| Totals                    | 100%                             |                              | 5.80%                                            |
|                           |                                  |                              | Inflation 2.50%                                  |
|                           |                                  |                              | Expected Arithmetic Nominal Return 8.30%         |

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.

# CITY OF WASHINGTON TERRACE

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 14 RETIREMENT PLAN (Continued)

#### 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.

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

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

| <b>System</b>                  | <b>1% Decrease<br/>(5.85%)</b> | <b>Discount Rate<br/>(6.85%)</b> | <b>1% Increase<br/>(7.85%)</b> |
|--------------------------------|--------------------------------|----------------------------------|--------------------------------|
| Noncontributory System         | \$ 1,195,959                   | \$ 282,788                       | \$ (483,068)                   |
| Tier 2 Public Employees System | \$ 119,188                     | \$ 39,905                        | \$ (21,768)                    |
| <b>Total</b>                   | \$ 1,315,147                   | \$ 322,693                       | \$ (504,836)                   |

#### 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:

**CITY OF WASHINGTON TERRACE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 14 RETIREMENT PLAN (Continued)**

| <b>401 (k) Plan</b>    | 2025 |        | 2024 |        | 2023 |        |
|------------------------|------|--------|------|--------|------|--------|
| Employer Contributions | \$   | 48,843 | \$   | 48,671 | \$   | 42,234 |
| Employee Contributions | \$   | 38,479 | \$   | 28,126 | \$   | 24,977 |
| <b>457 Plan</b>        |      |        |      |        |      |        |
| Employer Contributions | \$   | -      | \$   | -      | \$   | -      |
| Employee Contributions | \$   | 46,215 | \$   | 46,743 | \$   | 40,572 |
| <b>Roth IRA Plan</b>   |      |        |      |        |      |        |
| Employer Contributions |      | N/A    |      | N/A    |      | N/A    |
| Employee Contributions | \$   | 21,630 | \$   | 20,828 | \$   | 20,531 |

# Required Supplementary Information



**WASHINGTON TERRACE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – GENERAL FUND**  
**For The Year Ended June 30, 2025**

|                                 | <u>Budgeted Amounts</u> |                     | <u>Actual</u>       | <u>Variance with</u> |
|---------------------------------|-------------------------|---------------------|---------------------|----------------------|
|                                 | <u>Original</u>         | <u>Final</u>        | <u>Amounts</u>      | <u>Final budget</u>  |
| <b>Revenues</b>                 |                         |                     |                     |                      |
| Taxes:                          |                         |                     |                     |                      |
| Property tax - real estate      | \$ 1,324,510            | \$ 1,324,510        | \$ 1,372,208        | \$ 47,698            |
| Property tax - vehicles         | 90,000                  | 90,000              | 72,150              | (17,850)             |
| Delinquent property taxes       | 20,000                  | 20,000              | 22,564              | 2,564                |
| Sales and use taxes             | 1,748,280               | 1,748,280           | 1,782,585           | 34,305               |
| Franchise taxes                 | 691,850                 | 691,850             | 724,461             | 32,611               |
| Municipal energy tax            | 20,000                  | 20,000              | 16,306              | (3,694)              |
| Total taxes                     | <u>3,894,640</u>        | <u>3,894,640</u>    | <u>3,990,274</u>    | <u>95,634</u>        |
| Licenses and permits:           |                         |                     |                     |                      |
| Business licenses               | 145,000                 | 145,000             | 150,550             | 5,550                |
| Building permits                | 30,000                  | 53,755              | 62,697              | 8,942                |
| Planning fees                   | 10,000                  | 20,000              | 22,374              | 2,374                |
| Animal licenses                 | 4,000                   | 4,000               | 3,242               | (758)                |
| Total licenses and permits      | <u>189,000</u>          | <u>222,755</u>      | <u>238,863</u>      | <u>16,108</u>        |
| Intergovernmental revenue:      |                         |                     |                     |                      |
| RAMP tax                        | 9,267                   | 9,267               | 9,267               | -                    |
| Road funds                      | 62,050                  | 62,050              | 97,778              | 35,728               |
| State liquor fund allotment     | 8,679                   | 8,679               | 9,665               | 986                  |
| Other grants                    | -                       | 2,982               | 6,670               | 3,688                |
| Service Contracts               | 75,000                  | 75,000              | 131,508             | 56,508               |
| Total intergovernmental revenue | <u>154,996</u>          | <u>157,978</u>      | <u>254,888</u>      | <u>96,910</u>        |
| Charges for services:           |                         |                     |                     |                      |
| Recreation fees                 | 41,718                  | 41,718              | 44,538              | 2,820                |
| Total charges for services      | <u>41,718</u>           | <u>41,718</u>       | <u>44,538</u>       | <u>2,820</u>         |
| Fines and forfeitures           | <u>75,500</u>           | <u>98,195</u>       | <u>95,514</u>       | <u>(2,681)</u>       |
| Miscellaneous:                  |                         |                     |                     |                      |
| Interest                        | 350,000                 | 350,000             | 501,553             | 151,553              |
| Other                           | 107,407                 | 107,407             | 148,767             | 41,360               |
| Total miscellaneous             | <u>457,407</u>          | <u>457,407</u>      | <u>650,320</u>      | <u>192,913</u>       |
| Total Revenues                  | <u>\$ 4,813,261</u>     | <u>\$ 4,872,693</u> | <u>\$ 5,274,397</u> | <u>\$ 401,704</u>    |

**WASHINGTON TERRACE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – GENERAL FUND (Continued)**  
**For The Year Ended June 30, 2025**

|                                       | <b>Budgeted Amounts</b> |                     | <b>Actual</b>       | <b>Variance with</b> |
|---------------------------------------|-------------------------|---------------------|---------------------|----------------------|
|                                       | <b>Original</b>         | <b>Final</b>        | <b>Amounts</b>      | <b>Final budget</b>  |
| <b>Expenditures</b>                   |                         |                     |                     |                      |
| General government:                   |                         |                     |                     |                      |
| City council                          | \$ 50,402               | \$ 50,402           | \$ 38,366           | \$ 12,036            |
| Municipal court                       | 231,852                 | 236,052             | 233,718             | 2,334                |
| Administrative                        | 269,332                 | 265,791             | 250,540             | 15,251               |
| Budget & Finance                      | 223,275                 | 235,914             | 194,967             | 40,947               |
| Non-departmental                      | 71,789                  | 71,789              | 47,585              | 24,204               |
| General government building           | 108,874                 | 113,374             | 75,149              | 38,225               |
| Total general government              | 955,524                 | 973,322             | 840,325             | 132,997              |
| Public safety:                        |                         |                     |                     |                      |
| Police department                     | 1,113,249               | 1,135,943           | 1,135,943           | -                    |
| Fire department                       | 867,832                 | 867,832             | 821,629             | 46,203               |
| Inspection and planning               | 139,809                 | 139,809             | 91,394              | 48,415               |
| Animal control                        | 80,161                  | 80,161              | 81,105              | (944)                |
| Total public safety                   | 2,201,051               | 2,223,745           | 2,130,071           | 93,674               |
| Highways and public works:            |                         |                     |                     |                      |
| Streets                               | 117,856                 | 117,856             | 97,778              | 20,078               |
| Public works                          | 393,866                 | 393,866             | 274,613             | 119,253              |
| Total highways and public works       | 511,722                 | 511,722             | 372,391             | 139,331              |
| Parks and recreation                  |                         |                     |                     |                      |
| Parks and recreation                  | 588,030                 | 611,169             | 567,831             | 43,338               |
| Total Expenditures                    | 4,256,327               | 4,319,958           | 3,910,618           | 409,340              |
| Excess (Deficiency) of Revenues       |                         |                     |                     |                      |
| Over (Under) Expenditures             | 556,934                 | 552,735             | 1,363,779           | 811,044              |
| <b>Other Financing Sources (Uses)</b> |                         |                     |                     |                      |
| Transfer in                           | 133,802                 | 133,802             | 133,802             | -                    |
| Transfer out                          | (690,736)               | (1,440,736)         | (1,477,022)         | (36,286)             |
| Total Other Financing Sources (Uses)  | (556,934)               | (1,306,934)         | (1,343,220)         | (36,286)             |
| <b>Net Change in Fund Balance</b>     | <b>\$ -</b>             | <b>\$ (754,199)</b> | <b>20,559</b>       | <b>\$ 774,758</b>    |
| <b>Fund Balance, Beginning</b>        |                         |                     | <b>2,089,675</b>    |                      |
| <b>Fund Balance, Ending</b>           |                         |                     | <b>\$ 2,110,232</b> |                      |

**WASHINGTON TERRACE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – REDEVELOPMENT AGENCY**  
**SPECIAL REVENUE FUND**  
**For The Year Ended June 30, 2025**

|                                                                      | <b>Budgeted Amounts</b> |                   | <b>Actual</b>       | <b>Variance with</b> |
|----------------------------------------------------------------------|-------------------------|-------------------|---------------------|----------------------|
|                                                                      | <b>Original</b>         | <b>Final</b>      | <b>Amounts</b>      | <b>final budget</b>  |
| <b>Revenues</b>                                                      |                         |                   |                     |                      |
| Property taxes - increment                                           | \$ 550,000              | \$ 746,739        | \$ 817,340          | \$ 70,601            |
| Interest                                                             | -                       | -                 | 218,502             | 218,502              |
| <b>Total Revenues</b>                                                | <u>550,000</u>          | <u>746,739</u>    | <u>1,035,842</u>    | <u>289,103</u>       |
| <b>Expenditures</b>                                                  |                         |                   |                     |                      |
| Salaries and benefits                                                | 15,800                  | 15,800            | 15,646              | 154                  |
| Professional and technical                                           | 3,800                   | 3,800             | 2,094               | 1,706                |
| Capital expenditures                                                 | -                       | 6,550             | 6,550               | -                    |
| Administrative fee to general fund                                   | 6,509                   | 12,411            | 14,961              | (2,550)              |
| Homeless Shelter Funding                                             | 30,212                  | 30,212            | 35,551              | (5,339)              |
| <b>Total Expenditures</b>                                            | <u>56,321</u>           | <u>68,773</u>     | <u>74,802</u>       | <u>(6,029)</u>       |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>493,679</u>          | <u>677,966</u>    | <u>961,040</u>      | <u>283,074</u>       |
| <b>Net Change in Fund Balance</b>                                    | <u>\$ 493,679</u>       | <u>\$ 677,966</u> | <u>961,040</u>      | <u>\$ 283,074</u>    |
| <b>Fund Balance, Beginning</b>                                       |                         |                   | <u>3,985,119</u>    |                      |
| <b>Fund Balance, Ending</b>                                          |                         |                   | <u>\$ 4,946,159</u> |                      |

**WASHINGTON TERRACE CITY**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**UTAH RETIREMENT SYSTEMS**  
**Measurement Date of December 31, 2024**  
**June 30, 2025**  
**Last 10 Fiscal Years**

|                                                                                                             | Year<br>Ended<br>12/31 | Noncontributory<br>Retirement<br>System | Firefighters<br>Retirement<br>System | Tier 2 Public<br>Employees<br>Retirement<br>System |
|-------------------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------|--------------------------------------|----------------------------------------------------|
| Proportion of the net pension liability (asset)                                                             | 2015                   | 0.0892990%                              | 0.1773189%                           | 0.0142525%                                         |
|                                                                                                             | 2016                   | 0.0886715%                              | 0.1751689%                           | 0.0138746%                                         |
|                                                                                                             | 2017                   | 0.0912999%                              | 0.1724810%                           | 0.0120871%                                         |
|                                                                                                             | 2018                   | 0.0914244%                              | 0.1674643%                           | 0.0118255%                                         |
|                                                                                                             | 2019                   | 0.0862821%                              | 0.0534939%                           | 0.0144460%                                         |
|                                                                                                             | 2020                   | 0.0767150%                              | -                                    | 0.0207228%                                         |
|                                                                                                             | 2021                   | 0.0760797%                              | -                                    | 0.0174941%                                         |
|                                                                                                             | 2022                   | 0.0813711%                              | -                                    | 0.0153591%                                         |
|                                                                                                             | 2023                   | 0.0833095%                              | -                                    | 0.0144251%                                         |
|                                                                                                             | 2024                   | 0.0891760%                              | -                                    | 0.0133803%                                         |
| Proportionate share of the net pension liability (asset)                                                    | 2015                   | \$ 505,297                              | \$ (3,212)                           | \$ (31)                                            |
|                                                                                                             | 2016                   | 569,380                                 | (1,381)                              | 1,548                                              |
|                                                                                                             | 2017                   | 400,012                                 | (10,772)                             | 1,066                                              |
|                                                                                                             | 2018                   | 673,224                                 | 21,745                               | 5,065                                              |
|                                                                                                             | 2019                   | 325,186                                 | (6,634)                              | 3,249                                              |
|                                                                                                             | 2020                   | 39,350                                  | -                                    | 2,981                                              |
|                                                                                                             | 2021                   | (435,717)                               | -                                    | (7,404)                                            |
|                                                                                                             | 2022                   | 139,368                                 | -                                    | 16,724                                             |
|                                                                                                             | 2023                   | 193,242                                 | -                                    | 28,077                                             |
|                                                                                                             | 2024                   | 282,788                                 | -                                    | 39,905                                             |
| Covered payroll                                                                                             | 2015                   | 774,829                                 | 47,679                               | 92,070                                             |
|                                                                                                             | 2016                   | 788,554                                 | 49,205                               | 113,783                                            |
|                                                                                                             | 2017                   | 814,999                                 | 50,462                               | 118,398                                            |
|                                                                                                             | 2018                   | 827,790                                 | 51,901                               | 138,298                                            |
|                                                                                                             | 2019                   | 773,229                                 | 17,128                               | 200,601                                            |
|                                                                                                             | 2020                   | 642,286                                 | -                                    | 331,199                                            |
|                                                                                                             | 2021                   | 638,081                                 | -                                    | 324,491                                            |
|                                                                                                             | 2022                   | 715,830                                 | -                                    | 335,340                                            |
|                                                                                                             | 2023                   | 793,109                                 | -                                    | 372,938                                            |
|                                                                                                             | 2024                   | 899,175                                 | -                                    | 396,473                                            |
| Proportionate share of the net pension liability (asset)<br>as a percentage of its covered-employee payroll | 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%                                   | 0.00%                                | 0.90%                                              |
|                                                                                                             | 2021                   | -68.29%                                 | 0.00%                                | -2.28%                                             |
|                                                                                                             | 2022                   | 19.47%                                  | 0.00%                                | 4.99%                                              |
|                                                                                                             | 2023                   | 24.37%                                  | 0.00%                                | 7.53%                                              |
|                                                                                                             | 2024                   | 31.45%                                  | 0.00%                                | 10.07%                                             |
| Plan fiduciary net position as a percentage of its<br>covered payroll                                       | 2015                   | 87.80%                                  | 101.00%                              | 100.20%                                            |
|                                                                                                             | 2016                   | 87.30%                                  | 100.40%                              | 95.10%                                             |
|                                                                                                             | 2017                   | 91.90%                                  | 103.00%                              | 97.40%                                             |
|                                                                                                             | 2018                   | 87.00%                                  | 94.30%                               | 90.80%                                             |
|                                                                                                             | 2019                   | 93.70%                                  | 105.00%                              | 96.50%                                             |
|                                                                                                             | 2020                   | 99.20%                                  | 0.00%                                | 98.30%                                             |
|                                                                                                             | 2021                   | 108.70%                                 | 0.00%                                | 103.80%                                            |
|                                                                                                             | 2022                   | 97.50%                                  | 0.00%                                | 92.30%                                             |
|                                                                                                             | 2023                   | 96.90%                                  | 0.00%                                | 89.58%                                             |
|                                                                                                             | 2024                   | 96.02%                                  | 0.00%                                | 87.44%                                             |

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

**WASHINGTON TERRACE CITY  
SCHEDULE OF CONTRIBUTIONS  
UTAH RETIREMENT SYSTEMS**

**June 30, 2025**

Last 10 Fiscal Years

|                                              | As of fiscal<br>year ended<br>June 30, | Actuarial<br>Determined<br>Contributions | Contributions in<br>relation to the<br>contractually<br>required<br>Contributions | Contribution<br>deficiency<br>(excess) | Covered<br>payroll | Contributions as<br>a percentage of<br>covered<br>payroll |
|----------------------------------------------|----------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------|--------------------|-----------------------------------------------------------|
| <b>Noncontributory System</b>                | 2015                                   | \$ 137,506                               | \$ 137,506                                                                        | \$ -                                   | \$ 773,112         | 17.79%                                                    |
|                                              | 2016                                   | 140,423                                  | 140,423                                                                           | -                                      | 787,605            | 17.83%                                                    |
|                                              | 2017                                   | 142,713                                  | 142,713                                                                           | -                                      | 799,975            | 17.84%                                                    |
|                                              | 2018                                   | 145,156                                  | 145,156                                                                           | -                                      | 813,178            | 17.85%                                                    |
|                                              | 2019                                   | 146,308                                  | 146,308                                                                           | -                                      | 822,922            | 17.78%                                                    |
|                                              | 2020                                   | 122,140                                  | 122,140                                                                           | -                                      | 695,721            | 17.56%                                                    |
|                                              | 2021                                   | 110,987                                  | 110,987                                                                           | -                                      | 635,477            | 17.47%                                                    |
|                                              | 2022                                   | 118,810                                  | 118,810                                                                           | -                                      | 646,318            | 18.38%                                                    |
|                                              | 2023                                   | 131,662                                  | 131,662                                                                           | -                                      | 732,679            | 17.97%                                                    |
|                                              | 2024                                   | 153,642                                  | 153,642                                                                           | -                                      | 873,403            | 17.59%                                                    |
|                                              | 2025                                   | 160,277                                  | 160,277                                                                           | -                                      | 968,522            | 16.55%                                                    |
| <b>Firefighters System</b>                   | 2015                                   | 1,757                                    | 1,757                                                                             | -                                      | 46,003             | 3.82%                                                     |
|                                              | 2016                                   | 1,974                                    | 1,974                                                                             | -                                      | 49,460             | 3.99%                                                     |
|                                              | 2017                                   | 1,943                                    | 1,943                                                                             | -                                      | 49,941             | 3.89%                                                     |
|                                              | 2018                                   | 2,003                                    | 2,003                                                                             | -                                      | 50,960             | 3.93%                                                     |
|                                              | 2019                                   | 1,989                                    | 1,989                                                                             | -                                      | 43,440             | 4.58%                                                     |
|                                              | 2020                                   | 5                                        | 5                                                                                 | -                                      | 108                | 4.61%                                                     |
|                                              | 2021                                   | -                                        | -                                                                                 | -                                      | -                  | 0.00%                                                     |
|                                              | 2022                                   | -                                        | -                                                                                 | -                                      | -                  | 0.00%                                                     |
|                                              | 2023                                   | -                                        | -                                                                                 | -                                      | -                  | 0.00%                                                     |
|                                              | 2024                                   | -                                        | -                                                                                 | -                                      | -                  | 0.00%                                                     |
|                                              | 2025                                   | -                                        | -                                                                                 | -                                      | -                  | 0.00%                                                     |
| <b>Tier 2 Public Employees System</b>        | 2015                                   | 13,624                                   | 13,624                                                                            | -                                      | 91,189             | 14.94%                                                    |
|                                              | 2016                                   | 15,725                                   | 15,725                                                                            | -                                      | 105,729            | 14.87%                                                    |
|                                              | 2017                                   | 16,854                                   | 16,854                                                                            | -                                      | 113,392            | 14.86%                                                    |
|                                              | 2018                                   | 19,326                                   | 19,326                                                                            | -                                      | 128,024            | 15.10%                                                    |
|                                              | 2019                                   | 24,448                                   | 24,448                                                                            | -                                      | 157,452            | 15.53%                                                    |
|                                              | 2020                                   | 42,211                                   | 42,211                                                                            | -                                      | 269,547            | 15.66%                                                    |
|                                              | 2021                                   | 51,740                                   | 51,740                                                                            | -                                      | 327,584            | 15.79%                                                    |
|                                              | 2022                                   | 56,210                                   | 56,210                                                                            | -                                      | 349,785            | 16.07%                                                    |
|                                              | 2023                                   | 53,951                                   | 53,951                                                                            | -                                      | 336,984            | 16.01%                                                    |
|                                              | 2024                                   | 64,078                                   | 64,078                                                                            | -                                      | 400,999            | 15.98%                                                    |
|                                              | 2025                                   | 61,379                                   | 61,379                                                                            | -                                      | 404,075            | 15.19%                                                    |
| <b>Tier 2 Public Employees DC On System*</b> | 2015                                   | 3,076                                    | 3,076                                                                             | -                                      | 45,772             | 6.72%                                                     |
|                                              | 2016                                   | 3,117                                    | 3,117                                                                             | -                                      | 46,596             | 6.69%                                                     |
|                                              | 2017                                   | 3,138                                    | 3,138                                                                             | -                                      | 46,904             | 6.69%                                                     |
|                                              | 2018                                   | 3,400                                    | 3,400                                                                             | -                                      | 50,827             | 6.69%                                                     |
|                                              | 2019                                   | 3,657                                    | 3,657                                                                             | -                                      | 54,661             | 6.69%                                                     |
|                                              | 2020                                   | 6,286                                    | 6,286                                                                             | -                                      | 93,960             | 6.69%                                                     |
|                                              | 2021                                   | 7,623                                    | 7,623                                                                             | -                                      | 113,949            | 6.69%                                                     |
|                                              | 2022                                   | 7,237                                    | 7,237                                                                             | -                                      | 108,175            | 6.69%                                                     |
|                                              | 2023                                   | 8,339                                    | 8,339                                                                             | -                                      | 134,721            | 6.19%                                                     |
|                                              | 2024                                   | 9,052                                    | 9,052                                                                             | -                                      | 147,118            | 6.15%                                                     |
|                                              | 2025                                   | 8,274                                    | 8,274                                                                             | -                                      | 159,428            | 5.19%                                                     |

\*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.

**WASHINGTON TERRACE CITY  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**

Changes in Assumptions

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

# STATISTICAL SECTION



# Financial Trends

City of  
WASHINGTON TERRACE  
*Utah*

•

CITY OF WASHINGTON TERRACE, UT  
STATISTICAL SECTION - FINANCIAL TRENDS  
Fiscal Year Ended June 30, 2025

**NET POSITION BY COMPONENT**

**Last Ten Fiscal Years**

**(accrual basis of accounting)**

|                                                    | 2025                 | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 |
|----------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental Activities</b>                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | 29,361,200           | 26,881,393           | 26,308,058           | 25,980,934           | 25,972,131           | 26,667,848           | 26,759,958           | 26,613,264           | 26,470,757           | 26,642,581           |
| Restricted                                         | 3,355,846            | 2,999,658            | 2,606,212            | 2,313,822            | 1,940,741            | 2,108,751            | 1,844,386            | 1,249,966            | 916,665              | 689,763              |
| Unrestricted                                       | 14,898,553           | 13,351,082           | 13,197,312           | 11,219,636           | 10,037,237           | 8,171,384            | 7,191,880            | 6,477,794            | 5,640,719            | 4,837,963            |
| <b>Total Governmental Activities Net Position</b>  | <b>\$ 47,615,599</b> | <b>\$ 43,232,133</b> | <b>\$ 42,111,582</b> | <b>\$ 39,514,392</b> | <b>\$ 37,950,109</b> | <b>\$ 36,947,983</b> | <b>\$ 35,796,224</b> | <b>\$ 34,341,024</b> | <b>\$ 33,028,141</b> | <b>\$ 32,170,307</b> |
| <b>Business-Type Activities</b>                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | 13,836,817           | 13,349,770           | 12,603,736           | 11,201,602           | 10,658,261           | 10,072,594           | 9,774,936            | 9,494,617            | 9,124,288            | 8,986,836            |
| Restricted                                         | 81,763               | 83,060               | 85,060               | 85,290               | 131,444              | 157,519              | 268,708              | 623,382              | 4,341,586            | 36,523               |
| Unrestricted                                       | 12,167,777           | 11,451,446           | 10,649,806           | 11,089,921           | 9,977,154            | 9,333,068            | 8,417,342            | 7,234,895            | 2,677,059            | 6,343,731            |
| <b>Total Business-Type Activities Net Position</b> | <b>\$ 26,086,357</b> | <b>\$ 24,884,276</b> | <b>\$ 23,338,602</b> | <b>\$ 22,376,813</b> | <b>\$ 20,766,859</b> | <b>\$ 19,563,181</b> | <b>\$ 18,460,986</b> | <b>\$ 17,352,894</b> | <b>\$ 16,142,933</b> | <b>\$ 15,367,090</b> |
| <b>Primary Government</b>                          |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | 43,198,017           | 40,231,163           | 38,911,794           | 37,182,536           | 36,630,392           | 36,740,442           | 36,534,894           | 36,107,881           | 35,595,045           | 35,629,417           |
| Restricted                                         | 3,437,609            | 3,082,718            | 2,691,272            | 2,399,112            | 2,072,185            | 2,266,270            | 2,113,094            | 1,873,348            | 5,258,251            | 726,286              |
| Unrestricted                                       | 27,066,330           | 24,802,528           | 23,847,118           | 22,309,557           | 20,014,391           | 17,504,452           | 15,609,222           | 13,712,689           | 8,317,778            | 11,181,694           |
| <b>Total Primary Government Net Position</b>       | <b>\$ 73,701,956</b> | <b>\$ 68,116,409</b> | <b>\$ 65,450,184</b> | <b>\$ 61,891,205</b> | <b>\$ 58,716,968</b> | <b>\$ 56,511,164</b> | <b>\$ 54,257,210</b> | <b>\$ 51,693,918</b> | <b>\$ 49,171,074</b> | <b>\$ 47,537,397</b> |

CITY OF WASHINGTON TERRACE, UT  
STATISTICAL SECTION - FINANCIAL TRENDS  
Fiscal Year Ended June 30, 2025

**CHANGES IN NET POSITION**

**Last Ten Fiscal Years**

(accrual basis of accounting)

| <b>Expenses</b>                       | <b>2025</b>         | <b>2024</b>          | <b>2023</b>         | <b>2022</b>         | <b>2021</b>         | <b>2020</b>         | <b>2019</b>         | <b>2018</b>         | <b>2017</b>         | <b>2016</b>         |
|---------------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Governmental Activities:</b>       |                     |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| General Government                    | 1,053,804           | 887,251              | 815,161             | 679,665             | 1,344,633           | 819,440             | 1,142,552           | 792,357             | 921,913             | 1,268,508           |
| Public Safety                         | 1,523,785           | 2,033,903            | 1,948,468           | 1,627,849           | 1,562,949           | 1,374,095           | 1,302,603           | 1,183,257           | 1,025,791           | 1,106,801           |
| Highways and Public Works             | 2,252,936           | 2,921,857            | 2,201,250           | 1,294,419           | 2,081,282           | 1,702,747           | 1,501,806           | 939,608             | 1,625,695           | 4,035,527           |
| Parks and Recreation                  | 1,088,886           | 610,408              | 572,642             | 491,500             | 420,952             | 397,864             | 375,145             | 388,509             | 269,962             | 352,265             |
| Interest and Long-term Debt           | 7,016               | 7,966                | 8,886               | 14,519              | 16,086              | 25,783              | 37,357              | 45,117              | 53,303              | 118,645             |
| <b>Total Governmental Activities</b>  | <b>\$ 5,926,427</b> | <b>\$ 6,461,385</b>  | <b>\$ 5,546,407</b> | <b>\$ 4,107,952</b> | <b>\$ 5,425,902</b> | <b>\$ 4,319,929</b> | <b>\$ 4,359,463</b> | <b>\$ 3,348,848</b> | <b>\$ 3,896,664</b> | <b>\$ 6,881,746</b> |
| <b>Business-Type Activities:</b>      |                     |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| Water services                        | 1,543,044           | 1,408,942            | 1,414,994           | 1,271,383           | 1,195,832           | 1,191,902           | 1,147,621           | 1,050,660           | 1,030,805           | 1,290,998           |
| Sewer services                        | 1,218,371           | 1,168,024            | 1,156,062           | 988,126             | 981,847             | 980,820             | 935,822             | 1,056,835           | 932,924             | 924,553             |
| Refuse services                       | 690,906             | 660,524              | 589,295             | 581,345             | 554,034             | 533,222             | 514,638             | 478,155             | 455,940             | 448,900             |
| Storm Water services                  | 470,915             | 429,201              | 397,641             | 367,838             | 398,534             | 430,543             | 363,610             | 357,287             | 288,391             | 308,856             |
| <b>Total Business-Type Activities</b> | <b>\$ 3,923,236</b> | <b>\$ 3,666,691</b>  | <b>\$ 3,557,992</b> | <b>\$ 3,208,692</b> | <b>\$ 3,130,247</b> | <b>\$ 3,136,487</b> | <b>\$ 2,961,691</b> | <b>\$ 2,942,937</b> | <b>\$ 2,708,060</b> | <b>\$ 2,973,307</b> |
| <b>Total Expenses</b>                 | <b>\$ 9,849,663</b> | <b>\$ 10,128,076</b> | <b>\$ 9,104,399</b> | <b>\$ 7,316,644</b> | <b>\$ 8,556,149</b> | <b>\$ 7,456,416</b> | <b>\$ 7,321,154</b> | <b>\$ 6,291,785</b> | <b>\$ 6,604,724</b> | <b>\$ 9,855,053</b> |
| <b>Program Revenues</b>               |                     |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Governmental Activities:</b>       |                     |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| Charges for Services                  |                     |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| General Government                    | 614,672             | 604,267              | 579,021             | 618,224             | 555,179             | 415,451             | 414,869             | 347,920             | 313,617             | 1,188,505           |
| Public Safety                         |                     |                      | -                   | -                   | -                   | 2,045               | 74,955              | 62,249              | 60,918              | 77,749              |
| Highways and Public Works             |                     |                      | -                   | -                   | -                   | -                   | 15,774              | 14,176              | 80,660              | 25,575              |
| Parks and Recreation                  | 44,538              | 31,563               | 40,612              | 34,771              | 40,471              | 23,550              | 46,169              | 43,854              | 45,820              | 43,993              |
| Operating Grants and Contributions    | 123,380             | 130,075              | 89,172              | 564,302             | 1,381,933           | 478,920             | 453,184             | 431,191             | 353,898             | 296,953             |
| Capital Grants and Contributions      | 3,953,886           | 1,330,212            | 2,295,672           | 29,430              | 236,934             | 400,392             | 745,966             | 96,816              | 352,431             | 1,758,196           |
| <b>Total Governmental Activities</b>  | <b>\$ 4,736,476</b> | <b>\$ 2,096,117</b>  | <b>\$ 3,004,477</b> | <b>\$ 1,246,727</b> | <b>\$ 2,214,517</b> | <b>\$ 1,320,358</b> | <b>\$ 1,750,917</b> | <b>\$ 996,206</b>   | <b>\$ 1,207,344</b> | <b>\$ 3,390,971</b> |
| <b>Business-Type Activities:</b>      |                     |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| Charges for Services                  |                     |                      |                     |                     |                     |                     |                     |                     |                     |                     |
| Water services                        | 1,822,649           | 1,661,377            | 1,569,513           | 1,528,555           | 1,571,360           | 1,439,380           | 1,388,800           | 1,386,923           | 1,312,840           | 1,262,644           |
| Sewer services                        | 1,506,095           | 1,450,290            | 1,357,227           | 1,269,292           | 1,228,007           | 1,245,773           | 1,208,166           | 1,177,040           | 1,163,060           | 1,106,126           |
| Refuse services                       | 701,804             | 671,463              | 648,285             | 641,619             | 553,807             | 548,658             | 510,994             | 497,830             | 479,991             | 481,828             |
| Storm water services                  | 636,100             | 617,788              | 604,770             | 563,366             | 577,814             | 582,655             | 543,265             | 542,702             | 448,529             | 422,626             |
| Operating Grants and Contributions    |                     |                      | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Capital Grants and Contributions      | 14,446              | 303,360              | 51,062              | 708,897             | 437,039             | 334,663             | 297,636             | 465,229             | 40,355              | 120,747             |
| <b>Total Business-Type Activities</b> | <b>\$ 4,681,094</b> | <b>\$ 4,704,278</b>  | <b>\$ 4,230,857</b> | <b>\$ 4,711,729</b> | <b>\$ 4,368,027</b> | <b>\$ 4,151,129</b> | <b>\$ 3,948,861</b> | <b>\$ 4,069,724</b> | <b>\$ 3,444,775</b> | <b>\$ 3,393,971</b> |

CITY OF WASHINGTON TERRACE, UT  
STATISTICAL SECTION - FINANCIAL TRENDS  
Fiscal Year Ended June 30, 2025

**CHANGES IN NET POSITION (continued)**

**Last Ten Fiscal Years**

(accrual basis of accounting)

|                                         | 2025                | 2024                  | 2023                  | 2022                  | 2021                  | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  |
|-----------------------------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Total Program Revenues</b>           | <b>\$ 9,417,570</b> | <b>\$ 6,800,395</b>   | <b>\$ 7,235,334</b>   | <b>\$ 5,958,456</b>   | <b>\$ 6,582,544</b>   | <b>\$ 5,471,487</b>   | <b>\$ 5,699,778</b>   | <b>\$ 5,065,930</b>   | <b>\$ 4,652,119</b>   | <b>\$ 6,784,942</b>   |
| <b>Net (Expense)/Revenue</b>            |                     |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities                 | (1,189,951)         | (4,365,268)           | (2,541,930)           | (2,861,225)           | (3,211,385)           | (2,999,571)           | (2,608,546)           | (2,352,642)           | (2,689,320)           | (3,490,775)           |
| Business-Type Activities                | 757,858             | 1,037,587             | 672,865               | 1,503,037             | 1,237,780             | 1,014,642             | 987,170               | 1,126,787             | 736,715               | 420,664               |
| <b>Total Net (Expense)</b>              | <b>\$ (432,093)</b> | <b>\$ (3,327,681)</b> | <b>\$ (1,869,065)</b> | <b>\$ (1,358,188)</b> | <b>\$ (1,973,605)</b> | <b>\$ (1,984,929)</b> | <b>\$ (1,621,376)</b> | <b>\$ (1,225,855)</b> | <b>\$ (1,952,605)</b> | <b>\$ (3,070,111)</b> |
| <b>General Revenues &amp; Transfers</b> |                     |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| <b>Governmental Activities:</b>         |                     |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Property taxes                          | 2,284,262           | 1,997,643             | 1,928,224             | 1,931,526             | 1,945,944             | 1,940,420             | 1,731,549             | 1,652,915             | 1,525,792             | 1,598,906             |
| General sales and use tax               | 1,782,585           | 1,722,350             | 1,714,766             | 1,631,841             | 1,458,505             | 1,246,432             | 1,127,904             | 1,106,849             | 1,070,626             | 1,008,180             |
| Franchise tax                           | 740,767             | 747,695               | 782,754               | 700,013               | 645,399               | 657,681               | 673,404               | 685,289               | 784,024               | 718,914               |
| Investment earnings                     | 837,175             | 899,567               | 611,689               | 71,998                | 54,524                | 198,636               | 258,253               | 123,922               | 65,345                | 36,138                |
| Gain (loss) on sale of assets           | 60,836              | 13,510                | 22,060                | 71,694                | 18,514                | 20,019                | 158,750               | 12,323                | 18,731                | -                     |
| Transfers                               | 137,281             | 105,058               | 79,627                | 18,436                | 90,628                | 88,145                | 113,888               | 84,227                | 82,635                | 90,240                |
| <b>Total Governmental Activities</b>    | <b>\$ 5,842,906</b> | <b>\$ 5,485,823</b>   | <b>\$ 5,139,120</b>   | <b>\$ 4,425,508</b>   | <b>\$ 4,213,514</b>   | <b>\$ 4,151,333</b>   | <b>\$ 4,063,748</b>   | <b>\$ 3,665,525</b>   | <b>\$ 3,547,153</b>   | <b>\$ 3,452,378</b>   |
| <b>Business-Type Activities:</b>        |                     |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Investment earnings                     | 545,229             | 568,629               | 368,551               | 47,665                | 46,586                | 175,698               | 201,415               | 167,401               | 88,852                | 42,955                |
| Gain on sale of assets                  | 36,275              | 44,515                | -                     | 77,691                | 9,940                 | -                     | 33,395                | -                     | -                     | -                     |
| Transfers                               | (137,281)           | (105,058)             | (79,627)              | (18,436)              | (90,628)              | (88,145)              | (113,888)             | (84,227)              | (82,635)              | (90,240)              |
| <b>Total Business-Type Activities</b>   | <b>\$ 444,223</b>   | <b>\$ 508,086</b>     | <b>\$ 288,924</b>     | <b>\$ 106,920</b>     | <b>\$ (34,102)</b>    | <b>\$ 87,553</b>      | <b>\$ 120,922</b>     | <b>\$ 83,174</b>      | <b>\$ 6,217</b>       | <b>\$ (47,285)</b>    |
| <b>Total Primary Government</b>         | <b>\$ 6,287,129</b> | <b>\$ 5,993,909</b>   | <b>\$ 5,428,044</b>   | <b>\$ 4,532,428</b>   | <b>\$ 4,179,412</b>   | <b>\$ 4,238,886</b>   | <b>\$ 4,184,670</b>   | <b>\$ 3,748,699</b>   | <b>\$ 3,553,370</b>   | <b>\$ 3,405,093</b>   |
| <b>Change in Net Position</b>           |                     |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities                 | 4,652,955           | 1,120,555             | 2,597,190             | 1,564,283             | 1,002,129             | 1,151,762             | 1,455,202             | 1,312,883             | 857,833               | (38,397)              |
| Business-Type Activities                | 1,202,081           | 1,545,673             | 961,789               | 1,609,957             | 1,203,678             | 1,102,195             | 1,108,092             | 1,209,961             | 742,932               | 373,379               |
| <b>Total Primary Government</b>         | <b>\$ 5,855,036</b> | <b>\$ 2,666,228</b>   | <b>\$ 3,558,979</b>   | <b>\$ 3,174,240</b>   | <b>\$ 2,205,807</b>   | <b>\$ 2,253,957</b>   | <b>\$ 2,563,294</b>   | <b>\$ 2,522,844</b>   | <b>\$ 1,600,765</b>   | <b>\$ 334,982</b>     |

CITY OF WASHINGTON TERRACE, UT  
STATISTICAL SECTION - FINANCIAL TRENDS  
Fiscal Year Ended June 30, 2025

**FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**

(modified accrual basis of accounting)

|                                           | 2025                 | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 | 2019                | 2018                | 2017                | 2016                |
|-------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| <b>General Fund</b>                       |                      |                      |                      |                      |                      |                      |                     |                     |                     |                     |
| Nondisposable                             | -                    | -                    | 5,538                |                      |                      |                      |                     |                     |                     |                     |
| Restricted                                | 311,739              | 306,844              | 296,208              | 830,829              | 688,978              | 557,929              | 510,949             | 573,327             | 382,908             | 350,698             |
| Committed                                 |                      |                      | -                    | 53,525               | 178,521              | 334,209              | -                   | -                   | -                   | -                   |
| Unassigned                                | 1,798,493            | 1,782,829            | 1,746,401            | 1,641,916            | 1,422,357            | 657,614              | 900,214             | 832,172             | 826,625             | 863,933             |
| <b>Total General Fund</b>                 | <b>\$ 2,110,232</b>  | <b>\$ 2,089,673</b>  | <b>\$ 2,048,147</b>  | <b>\$ 2,526,270</b>  | <b>\$ 2,289,856</b>  | <b>\$ 1,549,752</b>  | <b>\$ 1,411,163</b> | <b>\$ 1,405,499</b> | <b>\$ 1,209,533</b> | <b>\$ 1,214,631</b> |
| <b>All Other Governmental Funds</b>       |                      |                      |                      |                      |                      |                      |                     |                     |                     |                     |
| Nondisposable                             | -                    | 16,721               | -                    | -                    | -                    | -                    | 23,565              | 408,414             | 410,828             | 41,656              |
| Restricted                                | 3,044,107            | 2,692,814            | 2,310,004            | 1,482,993            | 1,251,763            | 1,550,822            | 1,333,437           | 676,639             | 533,757             | 339,065             |
| Committed                                 | 8,464,574            | 7,524,502            | 7,001,616            | 6,113,478            | 5,352,763            | 4,547,196            | 4,154,796           | 3,720,032           | 3,419,416           | 3,093,829           |
| Assigned                                  | 4,946,970            | 3,985,932            | 4,446,946            | 3,952,709            | 3,421,222            | 3,027,168            | 2,429,358           | 2,009,343           | 1,467,284           | 966,590             |
| Unassigned                                | -                    | -                    | -                    | -                    | -                    | -                    | 15,333              | (308,720)           | (308,715)           | -                   |
| <b>Total All Other Governmental Funds</b> | <b>\$ 16,455,651</b> | <b>\$ 14,219,969</b> | <b>\$ 13,758,566</b> | <b>\$ 11,549,180</b> | <b>\$ 10,025,748</b> | <b>\$ 9,125,186</b>  | <b>\$ 7,956,489</b> | <b>\$ 6,505,708</b> | <b>\$ 5,522,570</b> | <b>\$ 4,441,140</b> |
| <b>Total Fund Balances</b>                | <b>\$ 18,565,883</b> | <b>\$ 16,309,642</b> | <b>\$ 15,806,713</b> | <b>\$ 14,075,450</b> | <b>\$ 12,315,604</b> | <b>\$ 10,674,938</b> | <b>\$ 9,367,652</b> | <b>\$ 7,911,207</b> | <b>\$ 6,732,103</b> | <b>\$ 5,655,771</b> |

CITY OF WASHINGTON TERRACE, UT  
STATISTICAL SECTION - FINANCIAL TRENDS  
Fiscal Year Ended June 30, 2025

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**

(modified accrual basis of accounting)

|                                                             | 2025                 | 2024                | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                |
|-------------------------------------------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                                             |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Taxes                                                       | 4,129,274            | 3,994,972           | 3,985,845           | 4,263,380           | 4,049,847           | 3,844,531           | 3,532,855           | 3,445,053           | 3,380,486           | 3,326,000           |
| Licenses and permits                                        | 238,863              | 296,336             | 211,848             | 365,977             | 314,921             | 232,877             | 215,969             | 171,128             | 184,586             | 191,414             |
| Intergovernmental                                           | 4,875,338            | 2,025,013           | 2,924,182           | 638,312             | 1,456,744           | 813,382             | 531,022             | 505,876             | 794,206             | 2,571,025           |
| Charges for services                                        | 44,538               | 31,563              | 106,645             | 34,771              | 40,471              | 70,810              | 136,226             | 115,678             | 126,480             | 958,888             |
| Impact fees                                                 | 5,699                | 3,799               | 1,900               | 24,430              | 53,191              | 70,274              | 27,506              | 26,591              | 12,229              | 5,697               |
| Fines and forfeitures                                       | 95,514               | 105,958             | 90,429              | 75,238              | 60,244              | 54,627              | 88,968              | 177,588             | 133,966             | 163,061             |
| Interest income                                             | 837,175              | 899,567             | 611,689             | 71,998              | 54,524              | 198,636             | 258,253             | 123,922             | 65,345              | 36,138              |
| Miscellaneous revenue                                       | 154,844              | 106,164             | 109,372             | 107,999             | 122,158             | 85,252              | 105,587             | 56,993              | 52,286              | 78,375              |
| <b>Total Revenues</b>                                       | <b>\$ 10,381,245</b> | <b>\$ 7,463,372</b> | <b>\$ 8,041,910</b> | <b>\$ 5,582,105</b> | <b>\$ 6,152,100</b> | <b>\$ 5,370,389</b> | <b>\$ 4,896,386</b> | <b>\$ 4,622,829</b> | <b>\$ 4,749,584</b> | <b>\$ 7,330,598</b> |
| <b>Expenditures</b>                                         |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Current:                                                    |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| General Government                                          | 872,217              | 859,878             | 803,390             | 799,690             | 1,192,903           | 690,166             | 786,078             | 762,066             | 735,281             | 1,129,884           |
| Public Safety                                               | 2,130,071            | 2,091,796           | 1,914,760           | 1,749,080           | 1,520,684           | 1,388,172           | 1,294,402           | 1,203,232           | 1,148,434           | 1,140,698           |
| Highways and public works                                   | 390,131              | 442,538             | 477,246             | 448,067             | 345,287             | 440,281             | 443,809             | 407,045             | 381,265             | 725,355             |
| Parks and recreation                                        | 567,831              | 485,968             | 475,236             | 394,316             | 412,716             | 309,141             | 310,544             | 316,768             | 291,764             | 233,761             |
| Capital expenditures                                        | 4,461,462            | 3,327,785           | 2,732,819           | 439,894             | 818,771             | 792,003             | 321,413             | 331,322             | 630,140             | 2,913,404           |
| Debt Service:                                               |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Principal retirement                                        | 37,015               | 36,211              | 35,115              | 257,443             | 414,726             | 522,234             | 515,882             | 512,885             | 524,586             | 2,218,950           |
| Interest and fiscal charges                                 | 7,016                | 7,966               | 8,886               | 14,519              | 19,462              | 29,270              | 40,451              | 47,728              | 28,168              | 120,157             |
| Bond issuance costs                                         | -                    | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 20,059              |
| <b>Total Expenditures</b>                                   | <b>\$ 8,465,743</b>  | <b>\$ 7,252,142</b> | <b>\$ 6,447,452</b> | <b>\$ 4,103,009</b> | <b>\$ 4,724,549</b> | <b>\$ 4,171,267</b> | <b>\$ 3,712,579</b> | <b>\$ 3,581,046</b> | <b>\$ 3,739,638</b> | <b>\$ 8,502,268</b> |
| Excess (Deficiency of<br>Revenues over Expenditures         | \$ 1,915,502         | \$ 211,230          | \$ 1,594,458        | \$ 1,479,096        | \$ 1,427,551        | \$ 1,199,122        | \$ 1,183,807        | \$ 1,041,783        | \$ 1,009,946        | \$ (1,171,670)      |
| <b>Other Financing Sources (Uses)</b>                       |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Contributions                                               |                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Transfers in                                                | 2,014,855            | 2,102,753           | 4,475,238           | 1,959,624           | 1,366,473           | 1,501,794           | 1,426,435           | 1,058,388           | 1,078,612           | 1,201,174           |
| Transfers out                                               | (1,877,574)          | (1,997,695)         | (4,395,611)         | (1,941,188)         | (1,275,845)         | (1,413,649)         | (1,312,547)         | (974,161)           | (995,977)           | (1,203,606)         |
| Bond proceeds                                               | -                    | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 1,802,000           |
| Capital lease                                               | -                    | -                   | -                   | 29,534              | 50,000              | -                   | -                   | -                   | -                   | -                   |
| Sale of capital assets                                      | 203,460              | 186,643             | 57,175              | 232,780             | 72,487              | 20,019              | 158,750             | 53,096              | 80,203              | 71,688              |
| <b>Total Other Financing<br/>Sources (Uses)</b>             | <b>\$ 340,741</b>    | <b>\$ 291,701</b>   | <b>\$ 136,802</b>   | <b>\$ 280,750</b>   | <b>\$ 213,115</b>   | <b>\$ 108,164</b>   | <b>\$ 272,638</b>   | <b>\$ 137,323</b>   | <b>\$ 162,838</b>   | <b>\$ 1,871,256</b> |
| <b>Net change in fund balance</b>                           | <b>\$ 2,256,243</b>  | <b>\$ 502,931</b>   | <b>\$ 1,731,260</b> | <b>\$ 1,759,846</b> | <b>\$ 1,640,666</b> | <b>\$ 1,307,286</b> | <b>\$ 1,456,445</b> | <b>\$ 1,179,106</b> | <b>\$ 1,172,784</b> | <b>\$ 699,586</b>   |
| Debt service as a percentage of<br>non-capital expenditures | 1.1%                 | 1.1%                | 1.2%                | 8.0%                | 12.5%               | 19.5%               | 19.6%               | 20.8%               | 21.6%               | 72.4%               |

# Revenue Capacity

City of  
WASHINGTON TERRACE  
*Utah*

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CITY OF WASHINGTON TERRACE, UT  
STATISTICAL SECTION - REVENUE CAPACITY  
Fiscal Year Ended June 30, 2025

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

| <b>Fiscal Year</b> | <b>Taxes</b>        | <b>Licenses &amp; Permits</b> | <b>Inter-Governmental</b> | <b>Charges for Services</b> | <b>Fines &amp; Forfeitures</b> | <b>Interest &amp; Miscellaneous</b> | <b>Impact Fees</b> | <b>Total Revenue</b> |
|--------------------|---------------------|-------------------------------|---------------------------|-----------------------------|--------------------------------|-------------------------------------|--------------------|----------------------|
| <b>2025</b>        | <b>\$ 4,129,274</b> | <b>\$ 238,963</b>             | <b>\$ 4,875,338</b>       | <b>\$ 44,538</b>            | <b>\$ 95,514</b>               | <b>\$ 992,019</b>                   | <b>\$ 5,699</b>    | <b>\$ 10,381,345</b> |
| 2024               | 3,994,972           | 296,336                       | 2,025,013                 | 31,563                      | 105,958                        | 1,005,731                           | 3,799              | 7,463,372            |
| 2023               | 3,985,845           | 211,848                       | 2,924,182                 | 106,645                     | 90,429                         | 721,061                             | 1,900              | 8,041,910            |
| 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            |

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

| <b>Fiscal Year</b> | <b>General Property</b> | <b>General Sales &amp; Use</b> | <b>Franchise</b>  | <b>Total Tax Revenue</b> |
|--------------------|-------------------------|--------------------------------|-------------------|--------------------------|
| <b>2025</b>        | <b>\$ 2,284,262</b>     | <b>\$ 1,782,585</b>            | <b>\$ 740,767</b> | <b>\$ 4,807,614</b>      |
| 2024               | 1,997,643               | 1,722,350                      | 747,695           | 4,467,688                |
| 2023               | 1,928,224               | 1,714,766                      | 782,754           | 4,425,744                |
| 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                |

CITY OF WASHINGTON TERRACE, UT  
STATISTICAL SECTION - REVENUE CAPACITY  
Fiscal Year Ended June 30, 2025

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

| Calendar Year<br>December 31, | Real Property  |                |                | Personal<br>Property | State<br>Centrally<br>Assessed | Total<br>Assessed/Taxable<br>Value | Total<br>Direct<br>Tax Rate | Estimated<br>Market<br>Value | Ratio of<br>Assessed /<br>Taxable to<br>Estimated<br>Market Value |
|-------------------------------|----------------|----------------|----------------|----------------------|--------------------------------|------------------------------------|-----------------------------|------------------------------|-------------------------------------------------------------------|
|                               | Residential    | Commercial     | Other<br>Misc. |                      |                                |                                    |                             |                              |                                                                   |
| 2024                          | \$ 661,450,796 | \$ 171,084,106 | \$ 20,687      | \$ 53,528,318        | \$ 10,581,177                  | \$ 896,665,084                     | 0.001748                    | \$ 1,426,319,195             | 62.87                                                             |
| 2023                          | 638,834,685    | 140,735,611    | 19,037         | 43,113,102           | 10,739,987                     | 833,442,422                        | 0.001802                    | 1,345,630,219                | 61.94                                                             |
| 2022                          | 667,719,189    | 125,133,388    | 18,749         | 35,824,555           | 11,135,850                     | 839,831,731                        | 0.002187                    | 1,381,726,679                | 60.78                                                             |
| 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                                                             |

Source:  
State Tax Commission

PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
Last Ten Fiscal Years

| Fiscal<br>Year | City Direct Rates     |                               |                          | Overlapping Rates                       |                         |                                  |                           |                            |                                     |                   |                                   |                         |                           |                                 |                                        | TOTAL<br>TAX<br>RATES |  |
|----------------|-----------------------|-------------------------------|--------------------------|-----------------------------------------|-------------------------|----------------------------------|---------------------------|----------------------------|-------------------------------------|-------------------|-----------------------------------|-------------------------|---------------------------|---------------------------------|----------------------------------------|-----------------------|--|
|                |                       |                               |                          | Schools                                 | County                  |                                  |                           |                            |                                     |                   | Special Districts                 |                         |                           |                                 |                                        |                       |  |
|                | General               |                               |                          | Weber<br>District<br>& State<br>Charter | Weber<br>County<br>Levy | County<br>Assess &<br>Collecting | Weber<br>Morgan<br>Health | Weber<br>County<br>Library | Weber<br>County<br>Flood<br>Control | Paramedic<br>Fund | Mosquito<br>Abatement<br>District | Weber<br>Basin<br>Water | Central<br>Weber<br>Sewer | Weber<br>Area 911 &<br>Dispatch | Multi-County<br>Assess &<br>Collecting |                       |  |
|                | General<br>Operations | Obligation<br>Debt<br>Service | Total<br>City<br>Millage |                                         |                         |                                  |                           |                            |                                     |                   |                                   |                         |                           |                                 |                                        |                       |  |
| 2025           | 0.001748              | 0.000000                      | 0.001748                 | 0.005483                                | 0.001290                | 0.000167                         | 0.000075                  | 0.000435                   | 0.000072                            | 0.000108          | 0.000066                          | 0.000196                | 0.00055                   | 0.000167                        | 0.000015                               | 0.010372              |  |
| 2024           | 0.001802              | 0.000000                      | 0.001802                 | 0.005585                                | 0.001260                | 0.000173                         | 0.000066                  | 0.000422                   | 0.000072                            | 0.000109          | 0.000068                          | 0.0002                  | 0.000523                  | 0.000173                        | 0.000015                               | 0.010468              |  |
| 2023           | 0.002187              | 0.000000                      | 0.002187                 | 0.005514                                | 0.001254                | 0.000173                         | 0.000066                  | 0.000421                   | 0.000072                            | 0.000109          | 0.000068                          | 0.000167                | 0.000482                  | 0.000173                        | 0.000015                               | 0.010701              |  |
| 2022           | 0.002187              | 0.000000                      | 0.002187                 | 0.005566                                | 0.001565                | 0.000214                         | 0.000082                  | 0.000474                   | 0.000046                            | 0.000136          | 0.000084                          | 0.000132                | 0.000503                  | 0.000215                        | 0.000012                               | 0.011216              |  |
| 2021           | 0.001820              | 0.000656                      | 0.002476                 | 0.005868                                | 0.001905                | 0.000214                         | 0.000092                  | 0.000458                   | 0.000026                            | 0.000135          | 0.000094                          | 0.000146                | 0.000564                  | 0.000241                        | 0.000012                               | 0.012231              |  |
| 2020           | 0.001979              | 0.000884                      | 0.002863                 | 0.006110                                | 0.002117                | 0.000258                         | 0.000099                  | 0.000493                   | -                                   | 0.000145          | 0.000101                          | 0.000153                | 0.000607                  | 0.000239                        | 0.000009                               | 0.013194              |  |
| 2019           | 0.001543              | 0.001006                      | 0.002549                 | 0.006307                                | 0.002304                | 0.000275                         | 0.000086                  | 0.000526                   | -                                   | 0.000135          | 0.000108                          | 0.000164                | 0.000649                  | 0.000234                        | 0.000009                               | 0.013346              |  |
| 2018           | 0.001719              | 0.001162                      | 0.002881                 | 0.006373                                | 0.002539                | 0.000300                         | 0.000095                  | 0.000578                   | -                                   | 0.000148          | 0.000119                          | 0.000174                | 0.000709                  | 0.000257                        | 0.000010                               | 0.014183              |  |
| 2017           | 0.001591              | 0.001239                      | 0.002830                 | 0.006693                                | 0.002179                | 0.000318                         | 0.000079                  | 0.000597                   | -                                   | 0.000157          | 0.000127                          | 0.000187                | 0.000758                  | 0.000273                        | 0.000011                               | 0.014209              |  |
| 2016           | 0.001637              | 0.001313                      | 0.002950                 | 0.006643                                | 0.002269                | 0.000337                         | 0.000083                  | 0.000631                   | -                                   | 0.000211          | 0.000134                          | 0.000196                | 0.000802                  | 0.000288                        | 0.000012                               | 0.014556              |  |

Source:  
Utah State Tax Commission



PRINCIPAL PROPERTY TAX PAYERS  
Current Year and Ten Years Ago

| Property Taxpayer                     | Principal Nature of Business | 2024 |                                |                           | 2015 |                                |                           |
|---------------------------------------|------------------------------|------|--------------------------------|---------------------------|------|--------------------------------|---------------------------|
|                                       |                              | Rank | Taxable Assessed Valuation (1) | % of Total Assessed Value | Rank | Taxable Assessed Valuation (1) | % of Total Assessed Value |
| Columbia Ogden Medical Center.....    | Healthcare                   | 1    | \$ 88,784,604                  | 9.9%                      | 1    | \$ 43,296,871                  | 12.2%                     |
| Goldenwest Credit Union.....          | Financial                    | 2    | 48,274,835                     | 5.4%                      |      |                                |                           |
| HCPI Utah LLC.....                    | Healthcare                   | 3    | 10,517,000                     | 1.2%                      |      |                                |                           |
| Lake Park Apartments Inc.....         | Housing                      | 4    | 9,248,244                      | 1.0%                      | 6    | 2,643,283                      | 0.7%                      |
| PF Investments.....                   | Housing                      | 5    | 6,846,422                      | 0.8%                      |      |                                |                           |
| Stonehenge.....                       | Healthcare                   | 6    | 4,479,871                      | 0.5%                      | 3    | 4,856,539                      |                           |
| Woodland Cove.....                    | Housing                      | 7    | 6,279,978                      | 0.7%                      | 10   | 2,207,088                      | 0.6%                      |
| PacifiCorp.....                       | Public Utilities             | 8    | 4,110,454                      | 0.5%                      |      |                                |                           |
| Washington House Assisted Living..... | Healthcare                   | 9    | 3,804,324                      | 0.4%                      | 4    | 3,552,032                      | 1.0%                      |
| Ogden Orthepedic Medical.....         | Healthcare                   | 10   | 4,538,000                      | 0.5%                      | 7    | 2,631,688                      | 0.7%                      |
| Storage South LLC.....                | Storage                      |      |                                |                           | 9    | 2,218,682                      | 0.6%                      |
| The Boyer Company.....                | Healthcare                   |      |                                |                           | 2    | 6,974,318                      | 2.0%                      |
| Pleasant Valley Office Plaza.....     | Office                       |      |                                |                           | 5    | 2,702,478                      | 0.8%                      |
| MT Ogden Health & Rehab.....          | Healthcare                   |      |                                |                           | 8    | 2,273,535                      | 0.6%                      |
| Venture Investments.....              | Healthcare                   |      |                                |                           |      |                                | 0.0%                      |
| Totals                                |                              |      | <u>\$ 186,883,732</u>          | <u>20.8%</u>              |      | <u>\$ 73,356,514</u>           | <u>20.6%</u>              |
| City Taxable Value                    |                              |      | \$ 896,665,084                 | 100.0%                    |      | \$ 355,652,251                 | 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, 2025

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

| Calendar Year<br>December 31, | Taxes<br>Levied for<br>the Year | Less:<br>Treasurer's<br>Relief (1) | Net Taxes to be<br>Collected | Collections Current<br>Year Levy | %            | of Current<br>Year Levy<br>Collected | Collections in<br>Subsequent<br>Years (2) | Total Collections to Date |              |
|-------------------------------|---------------------------------|------------------------------------|------------------------------|----------------------------------|--------------|--------------------------------------|-------------------------------------------|---------------------------|--------------|
|                               |                                 |                                    |                              |                                  |              |                                      |                                           | \$<br>Amount              | %<br>of Levy |
| <b>2024</b>                   | <b>\$ 1,570,261</b>             | <b>\$ 72,781</b>                   | <b>\$ 1,497,480</b>          | <b>\$ 1,497,480</b>              | <b>95.4%</b> |                                      | <b>\$ 26,972</b>                          | <b>\$ 1,524,452</b>       | <b>97.1%</b> |
| 2023                          | 1,498,888                       | 77,543                             | 1,421,345                    | 1,421,345                        | 94.8         |                                      | 30,869                                    | 1,452,214                 | 96.9         |
| 2022                          | 1,471,779                       | 69,555                             | 1,402,224                    | 1,402,224                        | 95.3         |                                      | 20,788                                    | 1,423,012                 | 96.7         |
| 2021                          | 1,425,924                       | 55,138                             | 1,370,786                    | 1,370,786                        | 96.1         |                                      | 25,951                                    | 1,396,737                 | 98.0         |
| 2020                          | 1,425,924                       | 55,138                             | 1,370,786                    | 1,370,786                        | 96.1         |                                      | 25,951                                    | 1,396,737                 | 98.0         |
| 2019                          | 1,380,787                       | 63,555                             | 1,317,232                    | 1,317,232                        | 95.4         |                                      | 15,692                                    | 1,332,924                 | 96.5         |
| 2018                          | 1,432,407                       | 61,735                             | 1,370,672                    | 1,370,672                        | 95.7         |                                      | 24,929                                    | 1,395,601                 | 97.4         |
| 2017                          | 1,174,461                       | 47,766                             | 1,126,695                    | 1,126,695                        | 95.9         |                                      | 20,157                                    | 1,146,852                 | 97.6         |
| 2016                          | 1,139,211                       | 48,980                             | 1,090,231                    | 1,090,231                        | 95.7         |                                      | 15,544                                    | 1,105,775                 | 97.1         |
| 2015                          | 1,049,096                       | 42,303                             | 1,006,793                    | 1,006,793                        | 96.0         |                                      | 15,048                                    | 1,021,841                 | 97.4         |

Note:

(1) Treasurer's relief includes abatements

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

Source:

Weber County Treasurer

DIRECT AND OVERLAPPING SALES TAX RATES  
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>City Direct Rate</u> | <u>Weber County</u> | <u>State of Utah</u> | <u>Combined Rate</u> |
|--------------------|-------------------------|---------------------|----------------------|----------------------|
| 2025               | 1.00                    | 1.40                | 4.85                 | 7.25                 |
| 2024               | 1.00                    | 1.40                | 4.85                 | 7.25                 |
| 2023               | 1.00                    | 1.40                | 4.85                 | 7.25                 |
| 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                 |

Source:  
Utah State Tax Commission

# Debt Capacity

City of  
WASHINGTON TERRACE  
*Utah*

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

|                | Governmental Activities        |                            |                             |                    | Business-Type Activities |                 |                               |                    |                                |                                       |
|----------------|--------------------------------|----------------------------|-----------------------------|--------------------|--------------------------|-----------------|-------------------------------|--------------------|--------------------------------|---------------------------------------|
|                | General<br>Obligation<br>Bonds | Sales Tax<br>Revenue Bonds | Utility<br>Revenue<br>Bonds | Equipment<br>Lease | Utility Revenue<br>Bonds | Bond<br>Premium | Sales Tax<br>Revenue<br>Bonds | Equipment<br>Lease | Total<br>Primary<br>Government | Debt<br>Outstanding<br>Per Capita (1) |
| Fiscal<br>Year | (3)                            | (4)(5)                     | (10)(11)                    |                    | (8)(9)(10)<br>(11)(12)   |                 | (5)                           |                    |                                |                                       |
| 2025           | \$ -                           | \$ -                       | \$ 203,440                  | \$ 10,410          | \$ 3,617,560             | \$ 189,056      | \$ -                          | \$ 232,546         | \$ 4,253,012                   | 472                                   |
| 2024           | -                              | -                          | 233,994                     | 16,871             | 3,886,006                | 205,033         | -                             | 376,899            | 4,718,803                      | 522                                   |
| 2023           | -                              | -                          | 263,830                     | 23,246             | 4,143,170                | 221,010         | -                             | 519,327            | 5,170,583                      | 562                                   |
| 2022           | -                              | -                          | 292,658                     | 29,534             | 4,393,342                | 236,987         | -                             | 659,811            | 5,612,332                      | 602                                   |
| 2021           | -                              | 179,333                    | 320,768                     | 50,000             | 4,637,232                | 252,964         | 89,667                        | -                  | 5,529,964                      | 598                                   |
| 2020           | 314,000                        | 252,666                    | 348,160                     | -                  | 5,129,840                | 282,111         | 126,334                       | -                  | 6,453,111                      | 696                                   |
| 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                                   |

Notes:

(1) See Demographic and Economic Indicators for population data.

(3) General Obligation Refunding Bonds Series 2015 ( Refunded GO Ref Series 2005), par \$1,802,000

(4) Sales Tax Revenue Bond, Series 2009, par \$1,700,000

(5) Sales Tax Revenue Refunding Bonds, Series 2013 (Refunded Sales Tax Series 2009 and Special Assessment Series 2001), par \$1,097,000

(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.

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 |
|-------------|------------|----------------|-------------------|-----------------------------|-----------------|--------------------------------------------|-------------------------------|
| 2025        | 9,267      | \$ 896,665,084 | \$ -              | \$ -                        | \$ -            | 0.00                                       | -                             |
| 2024        | 9,070      | 833,442,422    | -                 | -                           | -               | 0.00                                       | -                             |
| 2023        | 9,160      | 839,831,731    | -                 | -                           | -               | 0.00                                       | -                             |
| 2022        | 9,326      | 647,500,995    | -                 | -                           | -               | 0.00                                       | -                             |
| 2021        | 9,248      | 552,321,017    | -                 | -                           | -               | 0.00                                       | -                             |
| 2020        | 9,267      | 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                           |

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

Sources:  
US Census Bureau

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

| Governmental Unit                                                            | General<br>Obligation Debt<br>Outstanding | 2023<br>Taxable Value | Estimated<br>%<br>Applicable<br>to City | Estimated<br>\$<br>Applicable<br>to City |
|------------------------------------------------------------------------------|-------------------------------------------|-----------------------|-----------------------------------------|------------------------------------------|
| Weber County                                                                 | \$ 32,643,530                             | \$ 35,794,609,616     | 2.5%                                    | \$ 817,730                               |
| Weber County School District                                                 | 381,225,000                               | 25,282,855,475        | 3.5%                                    | 135,203                                  |
| Total Overlapping Debt.....                                                  |                                           |                       |                                         | 952,932                                  |
| Washington Terrace City Direct Debt ( <i>Governmental Activities</i> ) ..... |                                           |                       |                                         | 213,850                                  |
| Total Direct and Overlapping Debt.....                                       |                                           |                       |                                         | <u><u>\$ 1,166,782</u></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

| LEGAL DEBT MARGIN INFORMATION                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|---------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Last Ten Fiscal Years                                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|                                                         | 2025                 | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
| Debt Limit                                              | 35,866,603           | 33,337,697           | 33,593,269           | 25,900,040           | 22,092,841           | 20,153,528           | 18,262,175           | 15,837,272           | 14,775,092           | 14,226,090           | 13,397,045           |
| Total net debt applicable to limit                      | -                    | -                    | -                    | -                    | -                    | 231,377              | 665,802              | 980,037              | 1,352,161            | 1,714,243            | 1,996,598            |
| Legal debt margin                                       | <u>\$ 35,866,603</u> | <u>\$ 33,337,697</u> | <u>\$ 33,593,269</u> | <u>\$ 25,900,040</u> | <u>\$ 22,092,841</u> | <u>\$ 19,922,151</u> | <u>\$ 17,596,373</u> | <u>\$ 14,857,235</u> | <u>\$ 13,422,931</u> | <u>\$ 12,511,847</u> | <u>\$ 11,400,447</u> |
|                                                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Total net debt applicable to debt limit as a percentage | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 1.15%                | 3.65%                | 6.19%                | 9.15%                | 12.05%               | 14.90%               |

Legal Debt Margin Calculation for Fiscal Year 2024

|                                                 |                             |
|-------------------------------------------------|-----------------------------|
| Total assessed taxable value - 2024             | \$ 896,665,084              |
| Debt limit - 4% of total assessed value         | <u>35,866,603</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>\$ 35,866,603</u></u> |

# Demographic and Economic Information



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CITY OF WASHINGTON TERRACE, UT  
STATISTICAL SECTION - DEBT CAPACITY  
Fiscal Year Ended June 30, 2025

**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)            |                   |                                      |                                  |                                        |              |            |            |                  |  |
| 2025                                    | \$ 4,666,648      | \$ 3,169,502                         | \$ 457,609                       | \$ 1,954,755                           | \$ 306,000   | \$ 131,859 | \$ 437,859 | 4.46             |  |
| 2024                                    | 4,400,918         | 2,929,808                            | 476,137                          | 1,947,247                              | 299,000      | 142,972    | 441,972    | 4.41             |  |
| 2023                                    | 4,179,795         | 2,806,213                            | 211,087                          | 1,584,669                              | 297,000      | 153,625    | 450,625    | 3.52             |  |
| 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             |  |
| Sales & Franchise Tax Revenue Bonds (2) |                   |                                      |                                  |                                        |              |            |            |                  |  |
| 2025                                    | \$ 2,523,352      | \$ -                                 | \$ -                             | \$ 2,523,352                           | \$ -         | \$ -       | \$ -       | 0.00             |  |
| 2024                                    | 2,470,045         | -                                    | -                                | 2,470,045                              | -            | -          | -          | 0.00             |  |
| 2023                                    | 2,497,520         | -                                    | -                                | 2,497,520                              | -            | -          | -          | 0.00             |  |
| 2022                                    | 2,331,854         | -                                    | -                                | 2,331,854                              | -            | -          | -          | 0.00             |  |
| 2021                                    | 2,103,904         | -                                    | -                                | 2,103,904                              | 118,000      | 5,326      | 123,326    | 17.06            |  |
| 2020                                    | 1,904,113         | -                                    | -                                | 1,904,113                              | 110,000      | 7,504      | 117,504    | 16.20            |  |
| 2019                                    | 1,801,308         | -                                    | -                                | 1,801,308                              | 109,000      | 9,662      | 118,662    | 15.18            |  |
| 2018                                    | 1,792,138         | -                                    | -                                | 1,792,138                              | 105,000      | 11,741     | 116,741    | 15.35            |  |
| 2017                                    | 1,854,694         | -                                    | -                                | 1,854,694                              | 106,000      | 13,840     | 119,840    | 15.48            |  |
| 2016                                    | 1,727,094         | -                                    | -                                | 1,727,094                              | 101,000      | 15,840     | 116,840    | 14.78            |  |

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.

DEMOGRAPHIC AND ECONOMIC INDICATORS

Last Ten Fiscal Years

| Fiscal Year | Population |                               |              |                                 |               |                                | Unemployment Rate as of June 30, |              |      | Median Household Income |              |               |
|-------------|------------|-------------------------------|--------------|---------------------------------|---------------|--------------------------------|----------------------------------|--------------|------|-------------------------|--------------|---------------|
|             | 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 |
| 2025        | 9,012      | -0.4%                         | 271,382      | 0.6%                            | 3,506,838     | 1.5%                           | 3.2%                             | 3.3%         | 4.1% | na                      | na           | na            |
| 2024        | 9,048      | -1.6%                         | 269,811      | 0.5%                            | 3,456,446     | 1.6                            | 3.0                              | 3.4          | 4.1  | 79,971                  | 87,083       | 98,336        |
| 2023        | 9,195      | -1.4%                         | 268,459      | 0.9%                            | 3,400,493     | 1.7                            | 2.4                              | 2.6          | 3.6  | 75,551                  | 85,686       | 93,421        |
| 2022        | 9,326      | 0.8                           | 266,003      | 1.2%                            | 3,342,543     | 1.8                            | 2.0                              | 2.1          | 3.6  | 73,442                  | 83,675       | 91,750        |
| 2021        | 9,248      | (0.2)                         | 262,727      | 0.2                             | 3,284,823     | 0.4                            | 2.7                              | 3.1          | 5.9  | 76,933                  | 84,096       | 90,415        |
| 2020        | 9,267      | 0.9                           | 262,223      | 2.3                             | 3,271,617     | 3.5                            | 5.1                              | 5.3          | 11.1 | 75,923                  | 80,396       | 89,064        |
| 2019        | 9,187      | 0.2                           | 256,359      | 1.8                             | 3,161,105     | 1.9                            | 2.8                              | 3.2          | 3.7  | 65,356                  | 78,680       | 87,544        |
| 2018        | 9,165      | 0.1                           | 251,769      | 1.8                             | 3,101,833     | 1.7                            | 3.1                              | 3.6          | 4.0  | 66,179                  | 77,360       | 85,629        |
| 2017        | 9,152      | (0.1)                         | 247,319      | 1.8                             | 3,051,217     | 1.8                            | 3.4                              | 3.7          | 4.3  | 60,345                  | 75,979       | 83,231        |
| 2016        | 9,157      | (0.1)                         | 242,978      | 1.1                             | 2,995,919     | 1.8                            | 3.6                              | 3.8          | 4.9  | 57,002                  | 72,988       | 81,461        |

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  
Neilsberg  
US Census Bureau



PRINCIPAL EMPLOYERS  
Last Ten Fiscal Years

| Employer                                     | Principal Nature of Business | 2024 |                          |                          |                                | 2015 |                          |                          |                                |
|----------------------------------------------|------------------------------|------|--------------------------|--------------------------|--------------------------------|------|--------------------------|--------------------------|--------------------------------|
|                                              |                              | Rank | Yearly Minimum Employees | Yearly Maximum Employees | % of Total City Employment (1) | Rank | Yearly Minimum Employees | Yearly Maximum Employees | % of Total City Employment (1) |
| Ogden Regional Medical Center.....           | Health Care                  | 1    | 500                      | 999                      | 28.5%                          | 1    | 500                      | 999                      | 33.3%                          |
| Weber School District.....                   | Education                    | 2    | 500                      | 999                      | 28.5                           | 2    | 500                      | 999                      | 33.3                           |
| Goldenwest Credit Union.....                 | Financial                    | 3    | 100                      | 199                      | 5.7                            |      |                          |                          |                                |
| Stonehenge of Ogden.....                     | Health Care                  | 4    | 100                      | 199                      | 5.7                            | 3    | 100                      | 199                      |                                |
| Mount Ogden Health Care.....                 | Health Care                  | 5    | 100                      | 199                      | 5.7                            |      |                          |                          |                                |
| Washington Terrace Health Care.....          | Health Care                  | 6    | 100                      | 199                      | 5.7                            | 4    | 50                       | 99                       |                                |
| Western States Loding & Management.....      | Health Care                  | 7    | 50                       | 99                       | 2.8                            |      |                          |                          |                                |
| Ogden Clinic Specialty Services.....         | Health Care                  | 8    | 20                       | 49                       | 1.4                            |      |                          |                          |                                |
| Rocky Mountain Anesthesiology.....           | Health Care                  | 9    | 20                       | 49                       | 1.4                            |      |                          |                          |                                |
| New Image Day Spa.....                       | Professional                 | 10   | 20                       | 49                       | 1.4                            |      |                          |                          |                                |
| Legacy House of Ogden.....                   | Health Care                  |      |                          |                          |                                | 5    | 50                       | 99                       | 3.3                            |
| Mountain Star Blood Services.....            | Health Care                  |      |                          |                          |                                | 6    | 50                       | 99                       | 3.3                            |
| Washington Heights Healthcare.....           | Health Care                  |      |                          |                          |                                | 7    | 50                       | 99                       | 3.3                            |
| Gauss Management Research & Engineering..... | Professional                 |      |                          |                          |                                | 8    | 50                       | 99                       | 3.3                            |
| Care First Pharmacy LLC .....                | Health Care                  |      |                          |                          |                                | 9    | 20                       | 49                       | 1.6                            |
| Wasatch Therapy.....                         | Health Care                  |      |                          |                          |                                | 10   | 20                       | 49                       | 1.6                            |
| <b>Total</b>                                 |                              |      | <b>1,510</b>             | <b>3,040</b>             | <b>58.6%</b>                   |      | <b>1,390</b>             | <b>2,790</b>             | <b>50.1%</b>                   |

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, 2025

OPERATING INDICATORS BY FUNCTION  
Last Ten Fiscal Years

|                                                  | 2025       | 2024       | 2023       | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       | 2016       |
|--------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Police Protection &amp; Animal Control</b>    |            |            |            |            |            |            |            |            |            |            |
| Officers                                         | outsourced | outsourced | outsourced | outsourced | outsourced | outsourced | outsourced | outsourced | outsourced | outsourced |
| Police calls for service                         | 7,752      | 6,032      | 6,699      | 6,459      | 6,459      | 4,986      | 5,285      | 6,261      | 5,397      | 5,387      |
| Animal control calls for service                 | 309        | 353        | 373        | 371        | 355        | 296        | 302        | 325        | 361        | 294        |
| <b>Municipal Culinary Water Services</b>         |            |            |            |            |            |            |            |            |            |            |
| # Connections                                    | 3,020      | 3,017      | 3,016      | 3,018      | 3,008      | 2,971      | 2,938      | 2,938      | 2,906      | 2,887      |
| Gallons billed (millions)                        | 206,934    | 211,734    | 207,211    | 201,601    | 223,587    | 198,774    | 197,768    | 198,910    | 200,167    | 206,591    |
| Gallons used (millions)                          | 238,911    | 267,838    | 262,103    | 239,199    | 251,733    | 237,586    | 238,261    | 237,471    | 274,091    | 248,855    |
| <b>Municipal Sanitary Sewer Services</b>         |            |            |            |            |            |            |            |            |            |            |
| # Connections                                    | 2,986      | 2,994      | 2,993      | 2,995      | 2,986      | 2,929      | 2,871      | 2,860      | 2,880      | 2,878      |
| <b>Municipal Refuse &amp; Recycling Services</b> |            |            |            |            |            |            |            |            |            |            |
| Average monthly service container:               | 5,636      | 5,679      | 5,611      | 5,737      | 5,477      | 5,444      | 5,385      | 5,330      | 5,325      | 5,326      |
| Annual mainstream waste disposed (tons)          | 3,301      | 3,424      | 3,121      | 3,279      | 3,573      | 3,392      | 3,240      | 3,125      | 3,025      | 3,207      |
| Annual recycle material disposed (tons)          | 257        | NA         | NA         | 337        | 347        | 359        | 308        | 340        | 301        | 428        |
| <b>Parks and Recreation</b>                      |            |            |            |            |            |            |            |            |            |            |
| Football participants                            | 68         | 25         | 78         | 81         | 63         | 98         | 85         | 116        | 115        | 121        |
| Basketball participants                          | 150        | 142        | 142        | 132        | 79         | 128        | 152        | 141        | 146        | 156        |
| Baseball/softball participants                   | 147        | 145        | 153        | 130        | 119        | -          | 211        | 223        | 214        | 264        |
| Soccer participants                              | 106        | 103        | 113        | 100        | 104        | 105        | 103        | 117        | 121        | 122        |
| Volleyball participants                          | -          | -          | -          | -          | -          | -          | 27         | 19         | 27         | 40         |
| <b>Business Licenses</b>                         |            |            |            |            |            |            |            |            |            |            |
| Licenses issued                                  | 355        | 358        | 343        | 333        | 314        | 320        | 298        | 314        | 396        | 409        |

Source:  
City departments

| CAPITAL ASSETS BY FUNCTION<br>Last Ten Fiscal Years |      |      |      |      |      |      |      |      |      |      |
|-----------------------------------------------------|------|------|------|------|------|------|------|------|------|------|
|                                                     | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Fire Protection                                     |      |      |      |      |      |      |      |      |      |      |
| Stations                                            | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Fire hydrants                                       | 290  | 290  | 290  | 271  | 271  | 271  | na   | na   | 265  | 265  |
| Fire pumping vehicles                               | 3    | 3    | 3    | 3    | 3    | 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                                | 35   | 35   | 32   | 32   | 32   | 32   | 32   | 32   | 32   | 32   |
| Municipal Sewer Facilities                          |      |      |      |      |      |      |      |      |      |      |
| Miles of storm water mains                          | 22   | 22   | 22   | 22   | 22   | 22   | 22   | 22   | 22   | 22   |
| Parks and Recreation                                |      |      |      |      |      |      |      |      |      |      |
| Park and open space acreage                         | 50   | 50   | 50   | 50   | 50   | 50   | 50   | 50   | 50   | 50   |
| Community Centers                                   | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |

Source:  
City departments

CITY OF WASHINGTON TERRACE, UT  
STATISTICAL SECTION - OPERATING INFORMATION  
Fiscal Year Ended June 30, 2025

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

| <b>Governmental Activities</b>   | <b>2025</b>         | <b>2024</b>         | <b>2023</b>         | <b>2022</b>         | <b>2021</b>         | <b>2020</b>         | <b>2019</b>         | <b>2018</b>         | <b>2017</b>         | <b>2016</b>         | <b>2015</b>         |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>General Government</b>        | <b>8.46</b>         | <b>8.46</b>         | <b>8.46</b>         | <b>8.46</b>         | <b>7.83</b>         | <b>7.83</b>         | <b>7.68</b>         | <b>7.68</b>         | <b>7.18</b>         | <b>7.18</b>         | <b>7.18</b>         |
| City Council                     | V                   | V                   | V                   | V                   | V                   | V                   | V                   | V                   | V                   | V                   | V                   |
| Muni Court                       | 1.78                | 1.78                | 1.78                | 1.78                | 1.78                | 1.78                | 1.63                | 1.63                | 1.63                | 1.63                | 1.63                |
| Administration                   | 2.00                | 2.00                | 2.00                | 2.00                | 2.00                | 2.00                | 2.00                | 2.00                | 3.00                | 3.00                | 3.00                |
| Budget & Finance                 | 4.05                | 4.05                | 4.05                | 4.05                | 4.05                | 4.05                | 4.05                | 4.05                | -                   | -                   | -                   |
| HR & Treasury                    | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 2.55                | 2.55                | 2.55                |
| Buildings                        | 0.63                | 0.63                | 0.63                | 0.63                | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  |
| <b>Public Safety</b>             | <b>1.25</b>         | <b>1.25</b>         | <b>1.25</b>         | <b>1.00</b>         | <b>1.00</b>         | <b>1.00</b>         | <b>2.56</b>         | <b>1.56</b>         | <b>1.56</b>         | <b>1.56</b>         | <b>1.56</b>         |
| Police                           | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  |
| Fire                             | V                   | V                   | V                   | V                   | V                   | V                   | 1                   | 1                   | 1                   | 1                   | 1                   |
| Inspection & Planning            | 1.25                | 1.25                | 1.25                | 1.00                | 1.00                | 1.00                | 1.56                | 1.56                | 1.56                | 1.56                | 1.56                |
| Animal Control                   | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  |
| <b>Highways and Public Works</b> | <b>9.00</b>         | <b>9.00</b>         | <b>9.00</b>         | <b>9.00</b>         | <b>9.00</b>         | <b>9.00</b>         | <b>9.00</b>         | <b>9.00</b>         | <b>8.75</b>         | <b>8.75</b>         | <b>8.75</b>         |
| Public Works                     | 9.00                | 9.00                | 9.00                | 9.00                | 9.00                | 9.00                | 9.00                | 9.00                | 8.75                | 8.75                | 8.75                |
| <b>Parks and Recreation</b>      | <b>1.89</b>         | <b>1.86</b>         | <b>1.86</b>         | <b>1.72</b>         | <b>1.72</b>         | <b>1.72</b>         | <b>1.40</b>         | <b>1.40</b>         | <b>1.40</b>         | <b>1.40</b>         | <b>1.40</b>         |
| Parks                            | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  | OS                  |
| Recreation                       | 1.89                | 1.86                | 1.86                | 1.72                | 1.72                | 1.72                | 1.40                | 1.40                | 1.40                | 1.40                | 1.40                |
| <b>Total Employees</b>           | <b><u>20.60</u></b> | <b><u>20.57</u></b> | <b><u>20.57</u></b> | <b><u>20.18</u></b> | <b><u>19.55</u></b> | <b><u>19.55</u></b> | <b><u>20.64</u></b> | <b><u>19.64</u></b> | <b><u>18.89</u></b> | <b><u>18.89</u></b> | <b><u>18.89</u></b> |

Note:

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

V = Volunteer

OS= Outsourced

Source:

City Human Resources Department



| PROPERTY VALUE AND CONSTRUCTION<br>Last Ten Fiscal Years |                           |                              |                                      |                                 |                              |                                      |                           |                                  |                             |                                  |  |
|----------------------------------------------------------|---------------------------|------------------------------|--------------------------------------|---------------------------------|------------------------------|--------------------------------------|---------------------------|----------------------------------|-----------------------------|----------------------------------|--|
| Fiscal<br>Year                                           | New                       |                              |                                      | Additions, Alterations, Repairs |                              |                                      | Total                     |                                  | % Change from<br>Prior Year |                                  |  |
|                                                          | # of<br>Buildings/Permits | Residential<br>Value (\$000) | Non-<br>Residential<br>Value (\$000) | # of<br>Buildings/Permits       | Residential<br>Value (\$000) | Non-<br>Residential<br>Value (\$000) | # of<br>Buildings/Permits | Construction<br>Value<br>(\$000) | # of<br>Units               | Construction<br>Value<br>(\$000) |  |
| 2025                                                     | 5                         | \$ 1,517                     | \$ 4,602                             | 7                               | \$ 77                        | \$ 1,934                             | 12                        | \$ 8,130                         | -57.1%                      | -22.3%                           |  |
| 2024                                                     | 11                        | 648                          | 393                                  | 17                              | 734                          | 8,686                                | 28                        | 10,461                           | -6.7%                       | 212.5%                           |  |
| 2023                                                     | 9                         | 927                          | 138                                  | 21                              | 1,067                        | 1,215                                | 30                        | 3,347                            | (23.1)                      | (58.1)                           |  |
| 2022                                                     | 16                        | 1,587                        | 5,380                                | 23                              | 342                          | 682                                  | 39                        | 7,991                            | (55.7)                      | (73.7)                           |  |
| 2021                                                     | 36                        | 5,749                        | 10,508                               | 52                              | 906                          | 13,276                               | 88                        | 30,438                           | 225.9                       | 385.6                            |  |
| 2020                                                     | 16                        | 5,788                        | 21                                   | 11                              | 305                          | 155                                  | 27                        | 6,269                            | 22.7                        | 86.6                             |  |
| 2019                                                     | 20                        | 2,917                        | 304                                  | 2                               | 61                           | 79                                   | 22                        | 3,360                            | (40.5)                      | (25.9)                           |  |
| 2018                                                     | 27                        | 3,998                        | 309                                  | 10                              | 84                           | 141                                  | 37                        | 4,532                            | (21.3)                      | 60.9                             |  |
| 2017                                                     | 32                        | 1,590                        | 472                                  | 15                              | 209                          | 545                                  | 47                        | 2,816                            | (11.3)                      | (62.8)                           |  |
| 2016                                                     | 13                        | 1,832                        | 306                                  | 40                              | 609                          | 4,828                                | 53                        | 7,575                            | (3.6)                       | 478.4                            |  |

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

# **INTERNAL CONTROL & COMPLIANCE REPORTS**



.



CERTIFIED PUBLIC  
ACCOUNTANTS

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

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

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

We have audited, in accordance with the 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, and each major fund, as of and for the year ended June 30, 2025, 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 3, 2025.

**Report on 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 or significant deficiencies may exist that were not identified.

**Report on 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 financial statements. 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 instances of noncompliance or other matters that are 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  
Woods Cross, Utah  
December 3, 2025



CERTIFIED PUBLIC  
ACCOUNTANTS

Gary K. Keddington, CPA  
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**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, for the year ended June 30, 2025.

State compliance requirements were tested for the year ended June 30, 2025, in the following areas:

Budgetary Compliance  
Restricted Taxes  
Governmental Fees  
Impact Fees

Fund Balance  
Fraud Risk Assessment  
Justice Court  
Utah Retirement Systems

**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, 2025.

**Basis for Opinion**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the *State Compliance Audit Guide* (Guide). Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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 GAAS, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report On Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose. However, pursuant to Utah Code Title 63G, Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

*K&C, CPAs*

K&C, Certified Public Accountants  
Woods Cross, Utah  
December 3, 2025