



**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**With Report of**  
**Certified Public Accountants**

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## **Independent Auditor's Report**

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

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washington City, Utah, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Washington City, Utah's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washington City, Utah, as of June 30, 2024, 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 (GAAS) 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 Washington City, Utah 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***

Washington City, Utah's 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 Washington City, Utah's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

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

### ***Supplementary Information***

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

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the bond disclosures but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2025 on our consideration of Washington City, Utah’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 solely 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washington City, Utah’s internal control over financial reporting and compliance.

*HintonBurdick, PLLC*

St. George, Utah  
January 6, 2025

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**Washington City, Utah**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2024**

This section of Washington City's (the City) annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2024. Please read it in conjunction with the City's financial statements, which follow this section.

**Financial Highlights**

- The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$466,710,469 (net position). Of this amount, \$50,330,069 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position increased by \$55,392,727. Of this amount, \$22,355,644 relates to capital contributions of capital assets (infrastructure, utility systems, etc.).
- As of the close of the current fiscal year, the governmental funds reported a combined ending fund balance of \$58,938,480, which is an increase of \$10,136,868 from the prior year. Approximately 9.64% (or \$5,684,271) of this total amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,684,271 or approximately 18.40% of total general fund expenditures.
- For the current fiscal year, general fund revenues exceeded general fund expenditures by \$5,133,722 before interfund transfers and other financings sources and uses and by \$3,997,103 after interfund transfers and other financing sources and uses.
- Total long-term debt (excluding net pension liability and compensated absences) increased by \$1,992,100 or 6.57% during the current fiscal year.

**Overview of Financial Statements**

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements and the required and other supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements:
  - The government funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses.

The financial statements also include notes that explain some of the information in the financial statements and provide additional details. The statements are followed by sections of required and other supplementary information that further explains and supports the information in the financial statements.



**Government-wide financial statements.** The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets (and deferred outflows of resources) and liabilities (and deferred inflows of resources). All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position—essentially the difference between the City's assets (and deferred outflows) and liabilities (and deferred inflows)—is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one should consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

The government-wide financial statements of the City are divided into two categories:

- *Governmental activities*—Most of the City's basic services are included here, such as public safety, streets and highways, parks, recreation and general administration. Property taxes, sales taxes, energy taxes, franchise taxes, state grants and impact fees finance most of these activities.
- *Business-type activities*—The City charges fees to customers to help it cover the costs of services it provides. The City's water, sewer and electric activities (among others) are included here.

**Fund financial statements.** The fund financial statements provide more detailed information about the City's most significant *funds*—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources (revenues) and uses (expenditures) of funding for particular purposes.

- Some funds are required by state law and by bond covenants.
- The City Council establishes other funds to control and manage resources for particular purposes.

The City has two types of funds:

- *Governmental funds*—Most of the City's basic services are included in governmental funds, which focus on (1) how *cash* and *other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed, short-term view that help one determine whether there are financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided that explains the relationship (or differences) between them.
- *Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the City's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets (and deferred outflows of resources) exceed liabilities (and deferred inflows of resources) by \$466,710,469 at the close of the fiscal year. By far the largest portion of Washington City's net position, (79.49% for governmental activities and 78.24% for business-type activities) reflects its investment in capital assets (i.e. land, infrastructure, buildings, equipment) less any related debt used to acquire those assets that is still outstanding. Washington City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Washington City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Washington City's Net Position

	Governmental activities		Business-type activities		Total	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Current and other assets	\$ 69,555,301	\$ 62,091,834	\$ 51,500,144	\$ 40,466,489	\$ 121,055,445	\$ 102,558,323
Capital assets	207,001,918	188,325,614	185,535,264	169,393,132	392,537,182	357,718,746
Total assets	276,557,219	250,417,448	237,035,408	209,859,621	513,592,627	460,277,069
Deferred outflows of resources	3,447,841	2,400,314	1,378,007	951,886	4,825,848	3,352,200
Long-term liabilities outstanding	20,432,111	21,484,239	16,856,996	12,583,280	37,289,107	34,067,519
Other liabilities	4,589,201	7,767,469	4,057,073	5,011,205	8,646,274	12,778,674
Total liabilities	25,021,312	29,251,708	20,914,069	17,594,485	45,935,381	46,846,193
Deferred inflows of resources	5,691,845	5,400,623	80,780	64,711	5,772,625	5,465,334
Net position:						
Net investment in capital assets	198,171,909	179,150,129	170,088,591	157,601,361	368,260,500	336,751,490
Restricted	40,527,644	32,375,841	7,592,256	6,792,243	48,119,900	39,168,084
Unrestricted	10,592,350	6,639,461	39,737,719	28,758,707	50,330,069	35,398,168
Total net position	\$ 249,291,903	\$ 218,165,431	\$ 217,418,566	\$ 193,152,311	\$ 466,710,469	\$ 411,317,742

### Percentage of Net Position

Net position type	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	79.49%	78.23%	78.91%
Restricted net position	16.26%	3.49%	10.31%
Unrestricted net position	4.25%	18.28%	10.78%
Total net position	100.00%	100.00%	100.00%

An additional portion of Washington City's governmental net position (16.26% and 3.49%, respectively) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$50,330,069 (4.25% and 18.28%, respectively), may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Washington City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

**Governmental activities.** Governmental activities increased Washington City's net position by \$31,126,472. See below table for details.

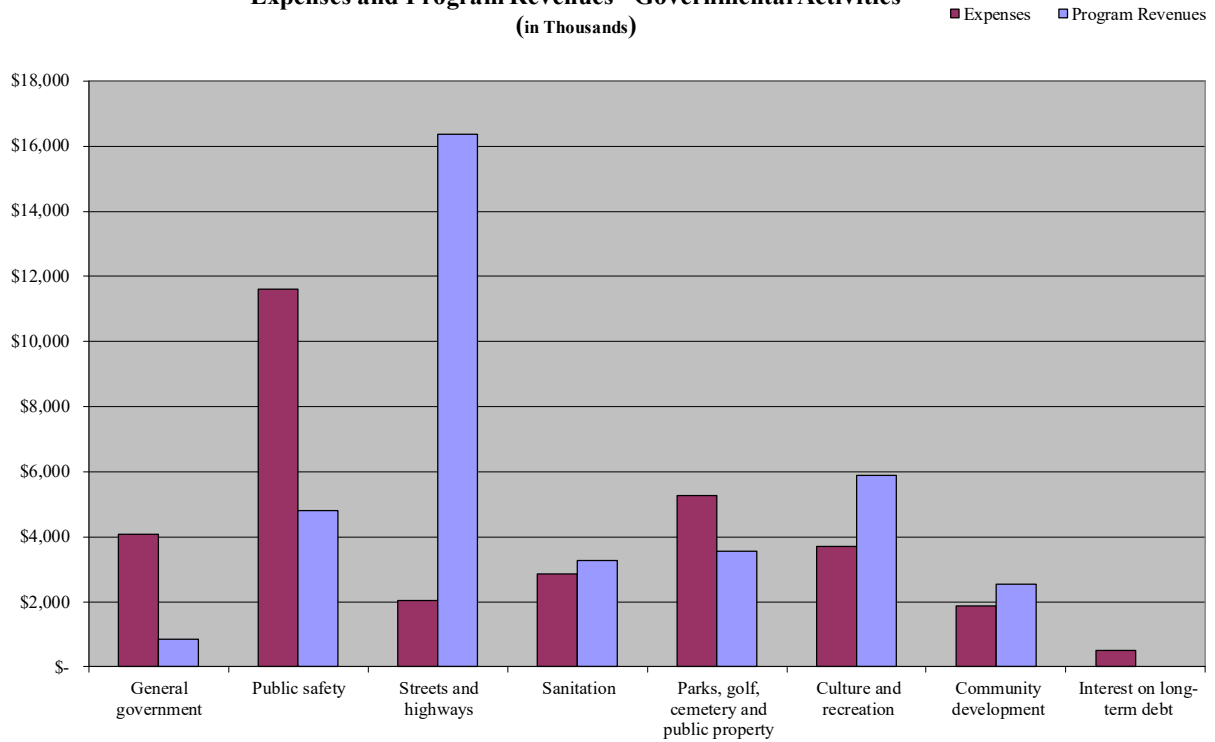
**Business-type activities.** Business-type activities increased Washington City's net position by \$24,266,255. See below table for details.

Washington City's Changes in Net Position

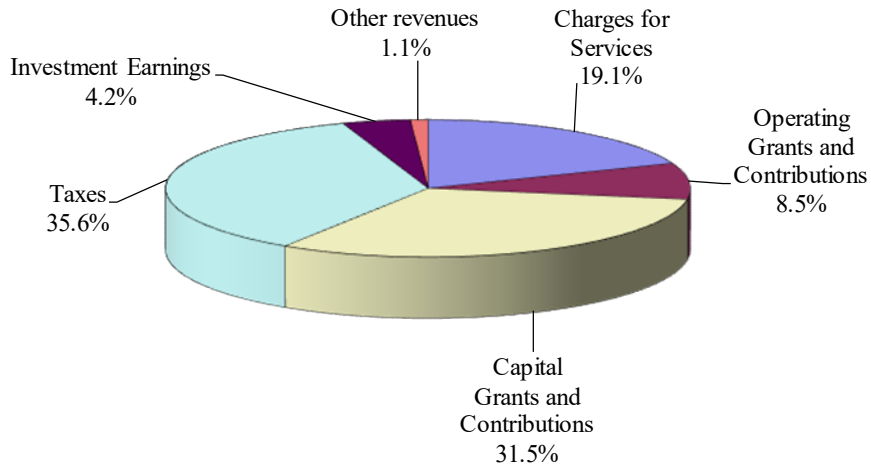
	Governmental activities		Business-type activities		Total	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Revenues:						
Program revenues:						
Charges for services	\$ 12,002,031	\$ 11,157,640	\$ 38,227,282	\$ 34,823,362	\$ 50,229,313	\$ 45,981,002
Operating grants and contributions	5,378,531	1,931,162	-	-	5,378,531	1,931,162
Capital grants and contributions	19,873,438	14,929,567	18,955,327	13,650,035	38,828,765	28,579,602
General revenues:						
Taxes	22,424,073	21,653,289	-	-	22,424,073	21,653,289
Unrestricted investment earnings	2,627,318	1,068,584	2,033,194	205,416	4,660,512	1,274,000
Other	687,664	304,917	-	-	687,664	304,917
Total revenues	62,993,055	51,045,159	59,215,803	48,678,813	122,208,858	99,723,972
Expenses:						
General government	4,069,924	3,720,563	-	-	4,069,924	3,720,563
Public safety	11,603,389	10,709,198	-	-	11,603,389	10,709,198
Streets and highways	2,043,291	2,378,500	-	-	2,043,291	2,378,500
Sanitation	2,845,707	2,604,005	-	-	2,845,707	2,604,005
Parks, golf, cemetery and public property	5,262,488	4,913,739	-	-	5,262,488	4,913,739
Culture and recreation	3,687,057	3,667,456	-	-	3,687,057	3,667,456
Community development	1,861,337	1,783,153	-	-	1,861,337	1,783,153
Interest on long-term debt	493,390	519,087	-	-	493,390	519,087
Water	-	-	10,617,350	9,567,313	10,617,350	9,567,313
Sewer	-	-	3,076,209	2,693,761	3,076,209	2,693,761
Electric	-	-	19,170,819	22,987,469	19,170,819	22,987,469
Irrigation	-	-	-	6,361	-	6,361
Storm drain	-	-	2,085,170	1,994,594	2,085,170	1,994,594
Total expenses	31,866,583	30,295,701	34,949,548	37,249,498	66,816,131	67,545,199
Change in net position before transfers	31,126,472	20,749,458	24,266,255	11,429,315	55,392,727	32,178,773
Transfers	-	-	-	-	-	-
Change in net position	31,126,472	20,749,458	24,266,255	11,429,315	55,392,727	32,178,773
Net position, beginning	218,165,431	197,415,973	193,152,311	181,722,996	411,317,742	379,138,969
Net position, ending	\$ 249,291,903	\$ 218,165,431	\$ 217,418,566	\$ 193,152,311	\$ 466,710,469	\$ 411,317,742

The following graphs compare program expenses and program revenues and provide a breakdown of revenues by source for all governmental activities:

**Expenses and Program Revenues - Governmental Activities**  
(in Thousands)

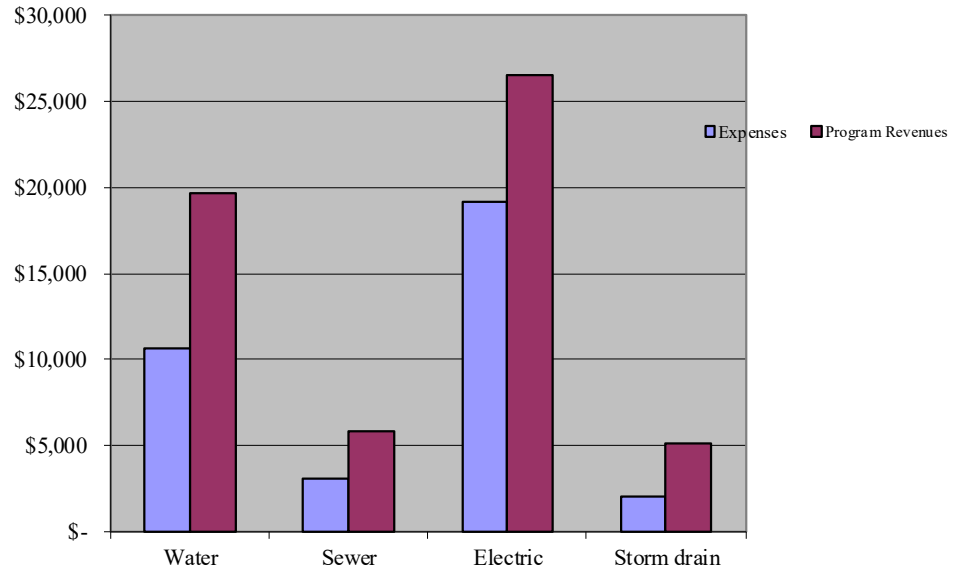


**Revenue By Source - Governmental Activities**



The following graph compares program expenses and program revenues for all business-type activities:

**Expenses and Program Revenues - Business-type Activities  
(in Thousands)**



## Financial Analysis of the Government's Funds

As noted earlier, Washington City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Washington City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Washington City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported a combined ending fund balance of \$58,938,480, an increase of \$10,136,868 from the prior year; \$5,684,271 or approximately 9.64% of the fund balance constitutes *unassigned* fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is *nonspendable* (\$59,002), *restricted* (\$48,245,272), and *assigned* (\$4,949,935).

The general fund is the chief operating fund of Washington City. At the end of the current fiscal year, *unassigned* fund balance of the general fund was \$5,684,271 or approximately 48.75% of the total fund balance of \$11,660,038. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 18.40% of total general fund expenditures, while total fund balance represents approximately 37.74% of that same amount.

The streets capital projects fund has a fund balance of \$17,033,245, of which \$4,680,669 is restricted for capital outlay relating to street impact fees. The remainder is restricted for other capital outlay.

All other governmental funds (capital projects funds, special revenue fund, and debt service funds) have a total fund balance of \$30,245,197, which is restricted and assigned for various purposes related to capital outlay and other purposes.

**Proprietary funds.** Washington City's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail.

The combined unrestricted net position for the enterprise funds total \$39,737,719 at the end of the fiscal year. All of the enterprise funds experienced increases in total net position for the current fiscal year.

## General Fund Budgetary Highlights

The general fund budget was amended during the year. The general fund revenues were more than the final budget by \$4,108,045, primarily due to intergovernmental revenues being more than budgeted amounts. The general fund expenditures were less than the final budget by \$2,465,251, primarily due to public safety expenditures being less than the final budget. The general fund transfers out were more than the final budget by \$1,403,276.

## Capital Asset and Debt Administration

**Capital assets.** Washington City's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$392,861,006 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, utility systems, infrastructure (i.e. roads, and sidewalks), autos and trucks and machinery and equipment.

Washington City's Capital Assets  
(net of depreciation)

	Governmental Activities	Business-type Activities	Total
Land	\$ 10,373,937	\$ 2,750,487	\$ 13,124,424
Infrastructure	146,552,138	-	146,552,138
Construction in progress	11,227,669	9,643,395	20,871,064
Buildings and improvements	31,998,796	5,562,386	37,561,182
Improvements and systems	-	165,487,921	165,487,921
Machinery and equipment	3,370,213	1,167,602	4,537,815
Machinery and equipment (leased)	11,463	-	11,463
Right-to-us subscription asset	312,361	-	312,361
Automobiles and trucks	3,479,165	923,473	4,402,638
<b>Total</b>	<b>\$ 207,325,742</b>	<b>\$ 185,535,264</b>	<b>\$ 392,861,006</b>

The City uses the modified approach to account for infrastructure assets in the governmental funds; consequently, the City does not depreciate infrastructure assets. Instead, the City expenses certain maintenance costs to maintain the condition of these assets at a certain level. As shown in the accompanying required supplementary information, based on the City's recent condition assessment, improvements were made during the current fiscal year and the City's average rating of 14.85 exceeds the City's minimum of 12.60.

**Long-term debt.** At fiscal year-end, the City had \$32,313,649 in outstanding debt (excluding net pension liability and compensated absences)—an increase of 6.57% over the last fiscal year—as shown in the below table. More detailed information about the City's long-term debt (and other long-term liabilities) is presented in the notes to the financial statements.

Washington City's Outstanding Debt

	Governmental Activities		Business-type Activities		Total		Percent Change
	2024	2023	2024	2023	2024	2023	
General obligation bonds	\$ 2,895,000	\$ 3,585,000	\$ -	\$ -	\$ 2,895,000	\$ 3,585,000	-19.25%
Lease revenue bonds	4,389,000	5,046,000	-	-	4,389,000	5,046,000	-13.02%
Sales/Excise tax revenue bonds	8,839,000	9,422,000	-	-	8,839,000	9,422,000	-6.19%
Revenue bonds	-	-	14,484,000	10,357,000	14,484,000	10,357,000	39.85%
Deferred issuance premium	180,573	225,716	687,970	720,731	868,543	946,447	-8.23%
Notes payable	164,299	353,238	292,087	425,274	456,386	778,512	-41.38%
Leases payable	69,575	186,590	-	-	69,575	186,590	-62.71%
Subscription liabilities	312,145	-	-	-	312,145	-	-
<b>Total</b>	<b>\$ 16,849,592</b>	<b>\$ 18,818,544</b>	<b>\$ 15,464,057</b>	<b>\$ 11,503,005</b>	<b>\$ 32,313,649</b>	<b>\$ 30,321,549</b>	<b>6.57%</b>

## **Next Year's Budget and Economic Factors**

The City has experienced residential growth averaging over 5% for the past five years which brings some challenges along with economic prosperity, as population growth outpaces commercial development in Washington City. Sales tax derived from commercial growth is an integral part of Washington City's tax base and a necessary component to keeping property taxes low. The City Council continues to focus on economic development. Attracting new commercial development is critical to maintaining a healthy tax base. For the last two years, Washington City has received recognition for being the top small city in America to start a small business.

Washington City currently maintains the lowest area property tax rate when compared to St. George, Ivins, Hurricane, and Santa Clara. (Source:taxrates.utah.gov) The unemployment rate for the County (of which Washington City is the second-largest city) was 3.6% for the month ended November 2024 compared with a state unemployment rate of 3.5% and a national rate of 4.2% (Source: Utah Department of Workforce Services).

There were no major policy changes for the 2024 fiscal year that started on July 1, 2023 and ended on June 30, 2024. The budget was approved without a property tax rate increase. After careful consideration of all revenue sources and conservative forecasts for future revenues, the general fund budget was presented to the City Council as being funded within the scope of anticipated revenues. The budget as adopted will continue the significant work that has come to be expected by our citizens as we strive to meet their needs and fulfill our commitments to provide high-quality services to all those who live in or visit our community.

## **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Budget Officer, 111 North 100 East, Washington City, Utah, 84780.



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**BASIC FINANCIAL STATEMENTS**

**WASHINGTON CITY, UTAH**  
**Statement of Net Position**  
**June 30, 2024**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 24,329,963	\$ 7,807,182	\$ 32,137,145
Investments	23,437,516	35,323,829	58,761,345
Receivables, net	9,554,158	4,987,750	14,541,908
Lease receivable	103,943	-	103,943
Inventories	59,002	1,893,227	1,952,229
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	11,445,058	1,364,510	12,809,568
Net pension asset	301,837	123,646	425,483
Capital assets not being depreciated:			
Land, easements and water rights	10,373,937	2,750,487	13,124,424
Infrastructure	146,552,138	-	146,552,138
Construction in progress	11,227,669	9,643,395	20,871,064
Capital assets net of accumulated depreciation:			
Buildings and improvements	31,998,796	5,562,386	37,561,182
Improvements and systems	-	165,487,921	165,487,921
Machinery and equipment	3,370,213	1,167,602	4,537,815
Machinery and equipment (leased)	11,463	-	11,463
Right-to-use subscription asset	312,361	-	312,361
Automobiles and trucks	3,479,165	923,473	4,402,638
Total assets	<u>276,557,219</u>	<u>237,035,408</u>	<u>513,592,627</u>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	126,349	17,384	143,733
Deferred outflows related to pensions	3,321,492	1,360,623	4,682,115
Total deferred outflows of resources	<u>3,447,841</u>	<u>1,378,007</u>	<u>4,825,848</u>
<b>Liabilities</b>			
Accounts payable and other current liabilities	4,496,515	3,902,474	8,398,989
Unearned revenue	-	47,996	47,996
Accrued interest payable	92,686	106,603	199,289
Noncurrent liabilities:			
Due within one year	3,136,203	1,239,854	4,376,057
Due in more than one year	15,178,109	14,749,603	29,927,712
Net pension liability	2,117,799	867,539	2,985,338
Total liabilities	<u>25,021,312</u>	<u>20,914,069</u>	<u>45,935,381</u>
<b>Deferred Inflows of Resources</b>			
Deferred revenue - property taxes	5,392,652	-	5,392,652
Deferred inflows related to pensions	197,200	80,780	277,980
Deferred inflows related to leases	101,993	-	101,993
Total deferred inflows of resources	<u>5,691,845</u>	<u>80,780</u>	<u>5,772,625</u>
<b>Net Position</b>			
Net investment in capital assets	198,171,909	170,088,591	368,260,500
Restricted for:			
Debt service	3,737,810	502,063	4,239,873
Capital outlay	28,872,554	7,090,193	35,962,747
Other	7,917,280	-	7,917,280
Unrestricted	10,592,350	39,737,719	50,330,069
Total net position	<u>\$ 249,291,903</u>	<u>\$ 217,418,566</u>	<u>\$ 466,710,469</u>

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

**WASHINGTON CITY, UTAH**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

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	Primary Government Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 4,069,924	\$ 850,762	\$ -	\$ -	\$ (3,219,162)	\$ -	\$ (3,219,162)
Public safety	11,603,389	736,585	3,548,462	510,167	(6,808,175)	-	(6,808,175)
Streets and highways	2,043,291	-	1,830,069	14,549,520	14,336,298	-	14,336,298
Sanitation	2,845,707	3,268,469	-	-	422,762	-	422,762
Parks, golf, cemetery and public property	5,262,488	2,384,448	-	1,178,002	(1,700,038)	-	(1,700,038)
Culture and recreation	3,687,057	2,235,854	-	3,635,749	2,184,546	-	2,184,546
Community development	1,861,337	2,525,913	-	-	664,576	-	664,576
Interest on long-term debt	493,390	-	-	-	(493,390)	-	(493,390)
Total governmental activities	<u>31,866,583</u>	<u>12,002,031</u>	<u>5,378,531</u>	<u>19,873,438</u>	<u>5,387,417</u>	<u>-</u>	<u>5,387,417</u>
Business-type activities:							
Water	10,617,350	10,586,495	-	9,042,477	-	9,011,622	9,011,622
Sewer	3,076,209	2,440,580	-	3,409,663	-	2,774,034	2,774,034
Electric	19,170,819	23,710,027	-	2,818,423	-	7,357,631	7,357,631
Storm drain	2,085,170	1,490,180	-	3,684,764	-	3,089,774	3,089,774
Total business-type activities	<u>34,949,548</u>	<u>38,227,282</u>	<u>-</u>	<u>18,955,327</u>	<u>-</u>	<u>22,233,061</u>	<u>22,233,061</u>
Total primary government	<u>\$ 66,816,131</u>	<u>\$ 50,229,313</u>	<u>\$ 5,378,531</u>	<u>\$ 38,828,765</u>	<u>5,387,417</u>	<u>22,233,061</u>	<u>27,620,478</u>
General Revenues:							
Taxes:							
Property taxes					5,616,451	-	5,616,451
Sales taxes					13,823,846	-	13,823,846
Franchise and energy taxes					2,983,776	-	2,983,776
Unrestricted investment earnings					2,627,318	2,033,194	4,660,512
Other revenues not restricted to specific programs					687,664	-	687,664
Total general revenues and transfers					<u>25,739,055</u>	<u>2,033,194</u>	<u>27,772,249</u>
Change in net position					31,126,472	24,266,255	55,392,727
Net position - beginning					218,165,431	193,152,311	411,317,742
Net position - ending					<u>\$ 249,291,903</u>	<u>\$ 217,418,566</u>	<u>\$ 466,710,469</u>

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

**WASHINGTON CITY, UTAH**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	<u>General Fund</u>	<u>Capital Projects Streets</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 3,469,412	\$ 12,598,239	\$ 8,262,312	\$ 24,329,963
Investments	8,139,569	5,486,151	9,811,796	23,437,516
Receivables, net	509,868	558	167	510,593
Property taxes receivable	4,597,102	-	795,550	5,392,652
Due from other governments	2,229,829	537,222	883,862	3,650,913
Lease receivable	103,943	-	-	103,943
Inventory	59,002	-	-	59,002
Restricted cash and cash equivalents	-	-	11,445,058	11,445,058
Total assets	<u>\$ 19,108,725</u>	<u>\$ 18,622,170</u>	<u>\$ 31,198,745</u>	<u>\$ 68,929,640</u>
<b>Liabilities, deferred inflows, and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,156,248	\$ 1,588,925	\$ 157,998	\$ 2,903,171
Accrued wages and taxes	606,779	-	-	606,779
Other payables	88,364	-	-	88,364
Construction bonds payable	898,201	-	-	898,201
Total liabilities	<u>2,749,592</u>	<u>1,588,925</u>	<u>157,998</u>	<u>4,496,515</u>
<b>Deferred inflow of resources:</b>				
Deferred revenue - property taxes	4,597,102	-	795,550	5,392,652
Deferred revenue - lease related	101,993	-	-	101,993
Total deferred inflows of resources	<u>4,699,095</u>	<u>-</u>	<u>795,550</u>	<u>5,494,645</u>
<b>Fund balances:</b>				
Nonspendable - inventory and prepaids	59,002	-	-	59,002
<b>Restricted for:</b>				
Debt service	-	-	3,830,496	3,830,496
Capital outlay - impact fees	-	4,680,669	11,839,309	16,519,978
Capital outlay - other	-	12,352,576	7,569,410	19,921,986
Class C roads and transit	5,057,166	-	-	5,057,166
Culture and recreation	-	-	2,836,382	2,836,382
Other purposes	55,532	-	23,732	79,264
<b>Assigned to:</b>				
Capital outlay	-	-	4,145,868	4,145,868
Health premium rebate	804,067	-	-	804,067
Unassigned	5,684,271	-	-	5,684,271
Total fund balances	<u>11,660,038</u>	<u>17,033,245</u>	<u>30,245,197</u>	<u>58,938,480</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,108,725</u>	<u>\$ 18,622,170</u>	<u>\$ 31,198,745</u>	<u>\$ 68,929,640</u>

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

**WASHINGTON CITY, UTAH**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**To the Statement of Net Position**  
**June 30, 2024**

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

**Total fund balances - total governmental funds** \$ 58,938,480

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 238,835,524	
Accumulated depreciation	<u>(31,509,782)</u>	207,325,742

Net pension asset is not an available resource and, therefore, is not reported in the funds.

301,837

Some liabilities, including bonds, notes and leases payable, subscription and net pension liabilities, are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable	(16,123,000)	
Bond issuance premium	(180,573)	
Notes payable	(164,299)	
Leases payable	(69,575)	
Subscription liability	(312,145)	
Net pension liability	(2,117,799)	
Compensated absences	(1,464,720)	
Accrued interest payable	<u>(92,686)</u>	(20,524,797)

Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.

Deferred charge on refunding (amortized as interest expense)	126,349	
Deferred outflows related to pensions	3,321,492	
Deferred inflows related to pensions	<u>(197,200)</u>	<u>3,250,641</u>

**Net position of governmental activities** \$ 249,291,903

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

**WASHINGTON CITY, UTAH**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	<u>General Fund</u>	<u>Capital Projects Streets</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Current year property taxes	\$ 4,646,834	\$ -	\$ 838,742	\$ 5,485,576
Prior year property taxes	130,875	-	-	130,875
Sales and use taxes	9,921,374	3,132,757	769,715	13,823,846
Energy taxes	2,752,452	-	-	2,752,452
Franchise taxes	231,324	-	-	231,324
Licenses and permits	1,625,956	-	-	1,625,956
Intergovernmental revenues	5,378,532	2,926,196	787,500	9,092,228
Charges for services	9,978,150	-	-	9,978,150
Impact fees	-	3,098,696	4,012,925	7,111,621
Fines and forfeitures	392,850	-	-	392,850
Investment earnings	575,598	802,005	1,382,735	2,760,338
Miscellaneous	395,955	235,560	18,650	650,165
Total revenues	<u>36,029,900</u>	<u>10,195,214</u>	<u>7,810,267</u>	<u>54,035,381</u>
<b>Expenditures</b>				
Current:				
General government	4,223,246	-	68,153	4,291,399
Public safety	11,696,393	-	51,712	11,748,105
Streets and highways	1,525,224	119,711	-	1,644,935
Sanitation	2,845,707	-	-	2,845,707
Parks, golf, cemetery and public property	4,938,365	-	-	4,938,365
Culture and recreation	3,356,074	-	77,150	3,433,224
Community and economic development	1,951,724	-	-	1,951,724
Debt service:				
Principal	326,994	-	1,930,000	2,256,994
Interest	32,451	-	471,260	503,711
Capital outlay	-	5,493,662	5,123,872	10,617,534
Total expenditures	<u>30,896,178</u>	<u>5,613,373</u>	<u>7,722,147</u>	<u>44,231,698</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,133,722</u>	<u>4,581,841</u>	<u>88,120</u>	<u>9,803,683</u>
<b>Other financing sources (uses)</b>				
Transfers in	93,172	-	3,012,384	3,105,556
Transfers out	(1,562,976)	-	(1,542,580)	(3,105,556)
Subscription liability	333,185	-	-	333,185
Total other financing sources and (uses)	<u>(1,136,619)</u>	<u>-</u>	<u>1,469,804</u>	<u>333,185</u>
Net change in fund balances	3,997,103	4,581,841	1,557,924	10,136,868
Fund balances - beginning	<u>7,662,935</u>	<u>12,451,404</u>	<u>28,687,273</u>	<u>48,801,612</u>
Fund balances - ending	<u>\$ 11,660,038</u>	<u>\$ 17,033,245</u>	<u>\$ 30,245,197</u>	<u>\$ 58,938,480</u>

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

**WASHINGTON CITY, UTAH**  
**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, 2024**

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

**Net change in fund balances-total governmental funds** \$ 10,136,868

Governmental funds report capital outlays 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. This is the amount by which capital outlays exceeded depreciation expense in the current period as shown below:

Capital outlays	\$ 12,712,298	
Depreciation expense	<u>(2,725,994)</u>	9,986,304

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and transfers) changes net position. In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the carrying cost of the assets sold. (51,980)

Sub divider and other capital contributions do not provide current financial resources in the governmental funds, however these contributions are recorded as revenue in the government-wide statement of activities. 8,952,599

Repayment of principal on long-term debt is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. 2,256,994

The issuance of long-term debt provides current financial resources in the governmental funds but increases long-term liabilities in the statement of net position.

Debt issued or incurred, including subscription liabilities	<u>(333,185)</u>	(333,185)
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Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of premium on bonds	<u>45,143</u>	45,143
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details of this difference are as follows:

Amortization of deferred charge on refunding	(48,419)	
Accrued interest, net change	13,597	
Compensated absences, net change	<u>(208,148)</u>	(242,970)

Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the net pension liability is measured six months before the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the statement of activities.

Pension contributions	890,703	
Pension expense	<u>(514,004)</u>	<u>376,699</u>

**Change in net position of governmental activities** \$ 31,126,472

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



**WASHINGTON CITY, UTAH**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2024**

	<b>Business-type Activities</b>				<b>Total Enterprise Funds</b>
	<b>Water</b>	<b>Sewer</b>	<b>Electric</b>	<b>Storm Drain</b>	
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 4,849,361	\$ 167,047	\$ 1,009,024	\$ 1,781,750	\$ 7,807,182
Investments	12,376,207	6,940,906	13,187,664	2,819,052	35,323,829
Accounts receivable, net	1,578,033	186,945	3,082,490	108,901	4,956,369
Other receivables	-	23,042	8,339	-	31,381
Inventory	-	-	1,893,227	-	1,893,227
Total current assets	<u>18,803,601</u>	<u>7,317,940</u>	<u>19,180,744</u>	<u>4,709,703</u>	<u>50,011,988</u>
Noncurrent assets:					
Restricted cash and cash equivalents	494,763	-	869,747	-	1,364,510
Net pension asset	43,570	21,530	45,143	13,403	123,646
Capital assets:					
Land	989,363	294,229	1,367,687	99,208	2,750,487
Buildings	1,822,718	2,166,910	3,427,431	-	7,417,059
Improvements and systems	99,356,662	45,895,601	45,022,089	29,594,269	219,868,621
Machinery and equipment	1,374,235	925,999	1,203,381	95,514	3,599,129
Automobiles and trucks	917,146	715,181	1,073,646	183,469	2,889,442
Construction in progress	3,668,149	1,798,600	1,917,105	2,259,541	9,643,395
Less accumulated depreciation	<u>(27,050,837)</u>	<u>(11,884,350)</u>	<u>(16,625,972)</u>	<u>(5,071,710)</u>	<u>(60,632,869)</u>
Total capital assets, net	<u>81,077,436</u>	<u>39,912,170</u>	<u>37,385,367</u>	<u>27,160,291</u>	<u>185,535,264</u>
Total noncurrent assets	<u>81,615,769</u>	<u>39,933,700</u>	<u>38,300,257</u>	<u>27,173,694</u>	<u>187,023,420</u>
Total assets	<u>100,419,370</u>	<u>47,251,640</u>	<u>57,481,001</u>	<u>31,883,397</u>	<u>237,035,408</u>
<b>Deferred outflow of resources</b>					
Deferred charge on refunding	-	-	17,384	-	17,384
Deferred outflows related to pensions	479,448	236,915	496,773	147,487	1,360,623
Total deferred outflow of resources	<u>479,448</u>	<u>236,915</u>	<u>514,157</u>	<u>147,487</u>	<u>1,378,007</u>

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

**WASHINGTON CITY, UTAH**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2024**

	<b>Business-type Activities</b>				<b>Total Enterprise Funds</b>
	<b>Water</b>	<b>Sewer</b>	<b>Electric</b>	<b>Storm Drain</b>	
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	\$ 691,091	\$ 429,609	\$ 1,627,997	\$ 90,163	\$ 2,838,860
Accrued wages and taxes	72,702	46,536	65,903	16,026	201,167
Accrued interest payable	82,814	-	23,789	-	106,603
Customer deposits	494,695	-	367,752	-	862,447
Unearned revenue	43,600	-	-	4,396	47,996
Compensated absences payable - current	121,249	71,697	148,199	33,658	374,803
Notes payable - current	3,095	-	95,956	-	99,051
Revenue bonds payable - current	205,000	-	561,000	-	766,000
Total current liabilities	<u>1,714,246</u>	<u>547,842</u>	<u>2,890,596</u>	<u>144,243</u>	<u>5,296,927</u>
Noncurrent liabilities:					
Compensated absences payable	42,234	6,933	79,937	21,493	150,597
Notes payable	6,033	-	187,003	-	193,036
Revenue bonds payable	12,027,970	-	2,378,000	-	14,405,970
Net pension liability	305,699	151,058	316,744	94,038	867,539
Total noncurrent liabilities	<u>12,381,936</u>	<u>157,991</u>	<u>2,961,684</u>	<u>115,531</u>	<u>15,617,142</u>
Total liabilities	<u>14,096,182</u>	<u>705,833</u>	<u>5,852,280</u>	<u>259,774</u>	<u>20,914,069</u>
<b>Deferred inflows of resources</b>					
Deferred inflows related to pensions	28,465	14,065	29,494	8,756	80,780
Total deferred inflow of resources	<u>28,465</u>	<u>14,065</u>	<u>29,494</u>	<u>8,756</u>	<u>80,780</u>
<b>Net position</b>					
Net investment in capital assets	68,835,338	39,912,170	34,180,792	27,160,291	170,088,591
Restricted for:					
Debt service	68	-	501,995	-	502,063
Capital outlay - Impact fees	3,691,853	1,392,159	-	2,006,181	7,090,193
Unrestricted	14,246,912	5,464,328	17,430,597	2,595,882	39,737,719
Total net position	<u>\$ 86,774,171</u>	<u>\$ 46,768,657</u>	<u>\$ 52,113,384</u>	<u>\$ 31,762,354</u>	<u>\$ 217,418,566</u>

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

**WASHINGTON CITY, UTAH**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Business-type Activities</b>				<b>Total</b>
	<b>Water</b>	<b>Sewer</b>	<b>Electric</b>	<b>Storm Drain</b>	<b>Enterprise Funds</b>
<b>Operating revenues:</b>					
Charges for services	\$ 10,562,677	\$ 2,440,580	\$ 23,491,400	\$ 1,411,112	\$ 37,905,769
Miscellaneous	23,818	-	218,627	79,068	321,513
Total operating revenues	<u>10,586,495</u>	<u>2,440,580</u>	<u>23,710,027</u>	<u>1,490,180</u>	<u>38,227,282</u>
<b>Operating expenses:</b>					
Salaries and wages	1,581,109	781,225	1,594,872	481,222	4,438,428
Employee benefits	835,870	426,664	693,930	265,644	2,222,108
Utilities	665,257	65,940	128,275	8,452	867,924
Professional services	299,948	1,665	143,651	300,766	746,030
Repairs and maintenance	487,302	24,921	318,278	33,214	863,715
Water purchased	3,591,900	-	-	-	3,591,900
Power purchased	-	-	12,372,117	-	12,372,117
Transmission expense	-	-	1,756,103	-	1,756,103
Miscellaneous	126,359	104,058	259,733	28,313	518,463
Administrative cost allocation	582,212	403,976	493,966	397,302	1,877,456
Supplies	237,258	104,285	63,386	21,048	425,977
Depreciation/amortization	1,879,025	1,000,796	1,254,033	549,209	4,683,063
Total operating expenses	<u>10,286,240</u>	<u>2,913,530</u>	<u>19,078,344</u>	<u>2,085,170</u>	<u>34,363,284</u>
Operating income (loss)	<u>300,255</u>	<u>(472,950)</u>	<u>4,631,683</u>	<u>(594,990)</u>	<u>3,863,998</u>
<b>Nonoperating revenues (expenses):</b>					
Intergovernmental	-	-	-	1,282,142	1,282,142
Investment earnings	696,251	520,223	566,983	249,737	2,033,194
Impact fees	2,287,104	863,000	980,130	139,906	4,270,140
Gain (loss) on disposal of capital assets	-	37,540	-	-	37,540
Interest and fiscal charges	(290,110)	(200,219)	(92,475)	-	(582,804)
Bond issuance costs	(41,000)	-	-	-	(41,000)
Total nonoperating revenues (expenses)	<u>2,652,245</u>	<u>1,220,544</u>	<u>1,454,638</u>	<u>1,671,785</u>	<u>6,999,212</u>
Income (loss) before transfers and capital contributions	2,952,500	747,594	6,086,321	1,076,795	10,863,210
Capital contributions	<u>6,755,373</u>	<u>2,546,663</u>	<u>1,838,293</u>	<u>2,262,716</u>	<u>13,403,045</u>
<b>Change in net position</b>	9,707,873	3,294,257	7,924,614	3,339,511	24,266,255
Total net position - beginning	<u>77,066,298</u>	<u>43,474,400</u>	<u>44,188,770</u>	<u>28,422,843</u>	<u>193,152,311</u>
<b>Total net position - ending</b>	<u>\$ 86,774,171</u>	<u>\$ 46,768,657</u>	<u>\$ 52,113,384</u>	<u>\$ 31,762,354</u>	<u>\$ 217,418,566</u>

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

**WASHINGTON CITY, UTAH**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Business-type Activities</b>				<b>Total Enterprise Funds</b>
	<b>Water</b>	<b>Sewer</b>	<b>Electric</b>	<b>Storm Drain</b>	
<b>Cash flows from operating activities:</b>					
Cash received from customers and users	\$ 10,177,826	\$ 2,412,578	\$ 23,616,645	\$ 1,487,089	\$ 37,694,138
Cash collected (remitted) for pass through fees, net	-	12,320	-	-	12,320
Cash paid to suppliers	(6,562,001)	(650,440)	(15,798,693)	(792,597)	(23,803,731)
Cash paid to employees	(2,468,484)	(1,228,452)	(2,334,733)	(756,179)	(6,787,848)
Net cash flows from operating activities	<u>1,147,341</u>	<u>546,006</u>	<u>5,483,219</u>	<u>(61,687)</u>	<u>7,114,879</u>
<b>Cash flows from capital and related financing activities:</b>					
Capital grants and contributions	-	-	-	1,282,142	1,282,142
Proceeds from capital debt	5,000,000	-	-	-	5,000,000
Principal paid on capital debt	(327,905)	-	(678,281)	-	(1,006,186)
Interest paid on capital debt	(302,302)	(200,219)	(79,713)	-	(582,234)
Purchase and acquisition of capital assets	(4,127,876)	(2,010,573)	(1,493,400)	(126,291)	(7,758,140)
Proceeds from sales of capital assets	-	50,000	-	-	50,000
Impact fees	2,287,104	863,000	980,130	139,906	4,270,140
Net cash flows from capital and related financing activities	<u>2,529,021</u>	<u>(1,297,792)</u>	<u>(1,271,264)</u>	<u>1,295,757</u>	<u>1,255,722</u>
<b>Cash flows from investing activities:</b>					
Purchase of investments	(461,182)	-	(4,198,978)	(351,424)	(5,011,584)
Proceeds from the sale of investments	-	430,197	-	-	430,197
Investment earnings	696,251	520,223	566,983	249,737	2,033,194
Net cash flows from investing activities	<u>235,069</u>	<u>950,420</u>	<u>(3,631,995)</u>	<u>(101,687)</u>	<u>(2,548,193)</u>
Net change in cash and cash equivalents	3,911,431	198,634	579,960	1,132,383	5,822,408
Cash and cash equivalents, including restricted, beginning of year	<u>1,432,693</u>	<u>(31,587)</u>	<u>1,298,811</u>	<u>649,367</u>	<u>3,349,284</u>
<b>Cash and cash equivalents, including restricted, end of year</b>	<u>\$ 5,344,124</u>	<u>\$ 167,047</u>	<u>\$ 1,878,771</u>	<u>\$ 1,781,750</u>	<u>\$ 9,171,692</u>

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

**WASHINGTON CITY, UTAH**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Business-type Activities</b>				<b>Total Enterprise Funds</b>
	<b>Water</b>	<b>Sewer</b>	<b>Electric</b>	<b>Storm Drain</b>	
<b>Reconciliation of operating income (loss) to net cash flows from operating activities:</b>					
Net operating income (loss)	\$ 300,255	\$ (472,950)	\$ 4,631,683	\$ (594,990)	\$ 3,863,998
Adjustments to reconcile net operating income (loss) to net cash flows from operating activities:					
Depreciation/amortization	1,879,025	1,000,796	1,254,033	549,209	4,683,063
Pension expense	72,865	35,730	77,394	26,846	212,835
Employer pension contributions	(128,571)	(63,532)	(133,216)	(39,551)	(364,870)
Changes in operating assets and liabilities:					
(Increase) decrease in receivables	(427,256)	(28,699)	(110,241)	(4,723)	(570,919)
(Increase) decrease in inventory	-	-	(47,483)	-	(47,483)
Increase (decrease) in accounts payable	(571,765)	66,725	(215,701)	(3,502)	(724,243)
Increase (decrease) in accrued payroll	(4,390)	1,506	6,891	(5,091)	(1,084)
Increase (decrease) in customer deposits	44,045	-	13,400	-	57,445
Increase (decrease) in unearned revenues	(25,458)	697	3,459	1,632	(19,670)
Increase (decrease) in compensated absences	8,591	5,733	3,000	8,483	25,807
Net cash flows from operating activities	<u>\$ 1,147,341</u>	<u>\$ 546,006</u>	<u>\$ 5,483,219</u>	<u>\$ (61,687)</u>	<u>\$ 7,114,879</u>
<b>Noncash investing, capital, and financing activities</b>					
Contributions of capital assets	\$ 6,755,373	\$ 2,546,663	\$ 1,838,293	\$ 2,262,716	\$ 13,403,045

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

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Summary of Significant Accounting Policies**

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**Description of Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities, when applicable, are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**Reporting Entity**

Washington City (the City) is organized as a mayor/council form of government and is located in Washington County, Utah. 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 are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. When applicable, each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The City has no discretely presented component units. The following are blended component units included with the reporting entity:

The **Coral Canyon Special Service District** (the District) was created on June 14, 2000 for the purpose of providing various services within the boundaries of the District. Specifically, the District issued bonds to finance the construction of public infrastructure within the District.

The **Municipal Building Authority of Washington City** (the Authority) was incorporated in the State of Utah on October 20, 1995 for the purpose of accomplishing the public purposes for which the City exists by acquiring, improving or extending one or more projects and financing the cost of such projects on behalf of the City.

Both the District and the Authority are governed by boards of trustees comprised of the elected officials of the City and both are treated as governmental debt service funds in these financial statements.

The **Washington City Foundation** (the Foundation) was created on August 10, 2016 to account for various activities related to the award of grants and other qualified tax-exempt funding and donations made to the Foundation. The Foundation is a separate, nonprofit entity (501c3) that has the same governing body as the City. The Foundation is treated as a blended component unit in these financial statements as a special revenue fund.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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**Basis of Presentation – Government-wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds (when applicable), even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the City’s funds, including its blended component units. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City’s primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The **Capital Projects Fund—Streets** accounts for the acquisition and construction of the City’s major capital facilities relating to streets. This fund primarily includes the collection and expenditure of street impact fees and highway taxes.

The City reports the following major enterprise funds:

The **Water Fund** accounts for the activities of the City’s water production, treatment, and distribution operation.

The **Sewer Fund** accounts for the activities of the City’s sewer system which provides services to residential and commercial users within the City.

The **Electric Fund** accounts for the activities of the City’s electric distribution operations.

The **Storm Drain Fund** accounts for the activities of the City’s storm drain system, which provides services to residential and commercial users within the City.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 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 to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.



**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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Property taxes, sales taxes, franchise taxes, energy taxes, state road funds and unreimbursed, earned grant funds associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City. The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

***Cash and cash equivalents***

The City's cash and cash equivalents are considered to be cash on hand, demand deposits with banks and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition.

***Investments***

The City's investment policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, and other investments as allowed by the State of Utah's Money Management Act. Investments are carried at fair value with unrealized gains and losses recorded as adjustments to investment earnings. Fair market values are based on quoted market prices.

***Receivables***

Management regularly reviews accounts receivable and writes off uncollectible amounts. Receivables are reported net of allowances for uncollectible amounts. The City's allowances for uncollectible amounts are currently established at four percent (seven percent for electric) of accounts receivable. The majority of accounts receivable in the general fund relates to garbage service revenues. The accounts receivable allowances at June 30, 2024 are as follows: general fund (garbage service) - \$15,880; water - \$17,749; sewer - \$7,491; electric - \$165,396; and storm drain - \$4,413.

Given the nature of the amounts due from other governments (e.g. property, sales, highway, energy and franchise taxes, Class C road funds and other intergovernmental revenues), an allowance for uncollectible amounts is not considered necessary.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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***Inventories and Prepaid Items***

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and materials. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. The costs of all other inventories are recorded as expenditures/expenses when purchased rather than when consumed and are not deemed material to the financial statements and have not been recognized in these financial statements.

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.

***Capital Assets***

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), reported in the applicable governmental or business-type activity column in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed (except for intangible right-to-use lease assets, the measurement of which is discussed in the Leases section of Note 1). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life.

Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated (along with infrastructure – see below).

Capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings and improvements	10-50 years
Improvements and systems	10-100 years
Machinery and equipment (including leased)	5-20 years
Automobiles and trucks	3-20 years
Infrastructure	Not depreciated*

\*The City uses the modified approach to account for infrastructure assets. See accompanying supplemental information.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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***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. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City has two types of items that qualify for reporting in this category. The deferred charge on refunding reported in the proprietary funds statement of net position and government-wide statement of net position and pension related items (see Note 9). A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category. The first item, *deferred revenue – property taxes*, is reported in both the governmental funds balance sheet and the statement of net position. These amounts are deferred and recognized as an inflow of resources in the period for which they are levied. The second item (when applicable), *unavailable revenue – grants*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from grants. These unavailable amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The third and fourth items are pension (see Note 9) and lease (see Note 7) related items.

***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 at fair value.

***Net Position Flow Assumption***

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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*Fund Balance Flow Assumptions*

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

*Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The city council (council) is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The city manager is authorized to assign amounts to a specific purpose in accordance with the City's budget policy. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Leases and Subscription-Based Information Technology Arrangements (SBITA)*

Lessee: The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor for noncancellable leases of properties. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term.

Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The City recognized a subscription asset and liability on the government-wide financial statements. Accounting policies are similar to that used in measuring lease asset and liabilities unless otherwise noted.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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**Revenues and Expenditures/Expenses**

***Program Revenues***

Amounts reported as 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 or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

***Property Taxes***

Property taxes are collected by the Washington County Treasurer and remitted to the City in monthly installments. Taxes are levied each October on the taxable value listed as of the prior January 1 (lien date) for all real property located in the City. Taxable values are established by the county assessor at a percent of the fair market value on primary residential property and 100 percent of the fair market value on non-primary residential property. A revaluation of all property is required to be completed no less than every five years. Taxes are due and payable on November 1 and delinquent after November 30 of each year, at which time they become liens if not paid.

***Compensated Absences***

For governmental funds, amounts of vested or accumulated vacation, sick and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the governmental fund financial statements. Vested or accumulated vacation and comp time in the proprietary funds are recorded as an expense and a liability of that fund as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Accumulated unpaid vacation, sick and comp time are accrued based upon the City's expected legal obligation as of the statement date.

***Proprietary Funds Operating and Nonoperating Revenues and Expenses***

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 operations. The principal operating revenues of the water, sewer, electric, irrigation, and storm drain funds are charges to customers for sales and services. 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.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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**NOTE 2. Reconciliation of Government-Wide and Fund Financial Statements**

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The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 19.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 21.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 3. Stewardship, Compliance, and Accountability**

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**Budgets and Budgetary Accounting**

Annual budgets are reported and adopted by the governing council on or before June 22 for the fiscal year commencing the following July 1 in accordance with State Law. The operating budget includes proposed expenditures and the proposed sources of financing for such expenditures. Prior to June 22, a public hearing is conducted to obtain taxpayer input. Budgets are adopted and control of budget appropriations is exercised, under State Law, at the department level. Budget amendments are required to increase expenditure budgets and are adopted, in a public hearing, before the end of the fiscal year. The budget was amended during the current fiscal year.

The governmental fund budgets are prepared using the modified accrual basis of accounting. Budgets for the proprietary fund types are prepared using the accrual basis of accounting.

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**NOTE 4. Deposits and Investments**

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A reconciliation of deposits and investments as shown on the statement of net position is as follows:

A reconciliation of cash and investments as shown on the financial statements follows:

Cash and cash equivalents	\$ 28,870,922
Investments	58,761,345
Restricted cash and cash equivalents	<u>16,075,793</u>
	<u>\$ 103,708,060</u>

Restricted cash and cash equivalents consist primarily of assets relating to required debt reserves and unspent bond proceeds. Restricted assets also include refundable deposits relating to construction bonds and other payables.

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The City follows the requirements of the Utah Money Management Act (*Utah code*, Section 51, chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.



**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 4. Deposits and Investments, Continued**

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**Deposits**

*Custodial Credit Risk*

For deposits this is the risk that in the event of a bank failure, the government's deposit may not be returned. The City does not have a formal policy for custodial credit risk. As of June 30, 2024, \$5,972,287 of the City's bank balance of \$6,222,287 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**Investments**

The Money Management Act (the Act) defines the types of securities authorized as appropriate investment for the City and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

The Act authorizes investments in negotiable or nonnegotiable deposits of qualified depositories and permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; the Utah Public Treasurer's Investment Fund; and reciprocal deposits subject to rules of the State Money Management Council.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gain or losses on investments. Financial statements for the PTIF funds can be obtained by contacting the Utah State Treasurer's office.

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 participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 4. Deposits and Investments, Continued**

As of June 30, 2024, the City's deposits and investments consist of the following:

	Fair Value	Credit Ratings (1)		Weighted Average Maturity (2)
		Moody's	S&P	
Cash on hand	\$ 2,000	N/A	N/A	N/A
Cash deposits	2,651,402	N/A	N/A	N/A
Utah Public Treasurers' Investment Fund	42,293,313	N/A	N/A	82.96
Moreton Capital Markets				
Cash	3,893	N/A	N/A	N/A
Money market	740,772	Aaa-mf	AAAm	24
Bonds - U.S. Treasury	927,380	AAA	N/A	700
Bonds - U.S. agencies	41,303,016	Aaa	AA+	664
Bonds - municipal	-	A2	AA-	0
Bonds - certificates of deposits (3)	3,547,416	N/A	N/A	453
Bonds - corporate	7,930,489	A1 to A2	A+ to A-	852
Bonds - international	4,308,379	A1 to A2	A to A-	423
Total Fair Value	<u>\$ 103,708,060</u>			

(1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable.

(2) Interest rate risk is estimated using the weighted average days to maturity.

(3) FDIC insured to limits

**Interest rate risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**Credit risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act.

**Fair value measurements**

As noted above, the City holds investments that are measured at fair value on a recurring basis. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

All of the City's investments, as listed above, are valued using significant other observable inputs (Level 2 inputs).

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 5. Capital Assets**

Capital asset activity for governmental activities for the year ended June 30, 2024 was as follows:

<b>Governmental Activities:</b>	<b>Balance 6/30/23</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/24</b>
Capital assets, not being depreciated:				
Land, easements and water rights	\$ 8,879,399	\$ 1,494,538	\$ -	\$ 10,373,937
Construction in progress	8,061,100	8,150,499	(4,983,930)	11,227,669
Infrastructure	135,262,378	11,289,760	-	146,552,138
Total capital assets, not being depreciated:	<u>152,202,877</u>	<u>20,934,797</u>	<u>(4,983,930)</u>	<u>168,153,744</u>
Capital assets, being depreciated:				
Buildings and other improvements	52,388,230	3,356,488	(130,000)	55,614,718
Machinery and equipment	6,743,880	515,467	-	7,259,347
Machinery and equipment - leased asset	513,837	-	-	513,837
Right-to-use subscription asset	-	333,185	-	333,185
Automobiles and trucks	5,451,803	1,508,890	-	6,960,693
Total capital assets, being depreciated:	<u>65,097,750</u>	<u>5,714,030</u>	<u>(130,000)</u>	<u>70,681,780</u>
Less accumulated depreciation for:				
Buildings and other improvements	(22,158,693)	(1,535,249)	78,020	(23,615,922)
Machinery and equipment	(3,326,522)	(562,612)	-	(3,889,134)
Machinery and equipment - leased asset	(400,632)	(101,742)	-	(502,374)
Right-to-use subscription asset	-	(20,824)	-	(20,824)
Automobiles and trucks	(2,975,961)	(505,567)	-	(3,481,528)
Total accumulated depreciation	<u>(28,861,808)</u>	<u>(2,725,994)</u>	<u>78,020</u>	<u>(31,509,782)</u>
Total capital assets, being depreciated, net	<u>36,235,942</u>	<u>2,988,036</u>	<u>(51,980)</u>	<u>39,171,998</u>
Governmental activities capital assets, net	<u>\$ 188,438,819</u>	<u>\$ 23,922,833</u>	<u>\$ (5,035,910)</u>	<u>\$ 207,325,742</u>

Depreciation/amortization expense was charged to the functions/programs of the City as follows:

Depreciation/amortization expense was charged to the functions/programs of the City as follows:

<b>Governmental Activities:</b>	
General government	\$ 305,997
Public safety	808,473
Streets and highways	108,773
Parks, golf, cemetery and public property	1,041,047
Culture and recreation	441,801
Community and economic development	<u>19,903</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 2,725,994</u>

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 5. Capital Assets, Continued**

Capital asset activity for business-type activities for the year ended June 30, 2024 was as follows:

<b>Business-type Activities:</b>	<b>Balance 6/30/23</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/24</b>
Capital assets not being depreciated:				
Land, easements and water rights	\$ 2,315,313	\$ 435,174	\$ -	\$ 2,750,487
Construction in progress	<u>6,473,671</u>	<u>6,151,587</u>	<u>(2,981,863)</u>	<u>9,643,395</u>
Total capital assets, not being depreciated	<u>8,788,984</u>	<u>6,586,761</u>	<u>(2,981,863)</u>	<u>12,393,882</u>
Capital assets being depreciated:				
Buildings and improvements	7,417,059	-	-	7,417,059
Improvements and systems	203,035,937	16,832,684	-	219,868,621
Machinery and equipment	3,418,672	366,652	(186,195)	3,599,129
Automobiles and trucks	<u>2,856,021</u>	<u>33,421</u>	<u>-</u>	<u>2,889,442</u>
Total capital assets, being depreciated	<u>216,727,689</u>	<u>17,232,757</u>	<u>(186,195)</u>	<u>233,774,251</u>
Less accumulated depreciation for:				
Buildings	(1,697,261)	(157,412)	-	(1,854,673)
Improvements and systems	(50,268,916)	(4,111,784)	-	(54,380,700)
Machinery and equipment	(2,387,497)	(217,765)	173,735	(2,431,527)
Automobiles and trucks	<u>(1,769,867)</u>	<u>(196,102)</u>	<u>-</u>	<u>(1,965,969)</u>
Total accumulated depreciation	<u>(56,123,541)</u>	<u>(4,683,063)</u>	<u>173,735</u>	<u>(60,632,869)</u>
Total capital assets, being depreciated, net	<u>160,604,148</u>	<u>12,549,694</u>	<u>(12,460)</u>	<u>173,141,382</u>
Business-type activities capital assets, net	<u>\$ 169,393,132</u>	<u>\$ 19,136,455</u>	<u>\$ (2,994,323)</u>	<u>\$ 185,535,264</u>

Depreciation expense was charged to the functions/programs of the City as follows:

<b>Business-type Activities:</b>	
Water	\$ 1,879,024
Sewer	1,000,796
Electric	1,254,033
Storm drain	<u>549,210</u>
Total depreciation expense - business-type activities	<u>\$ 4,683,063</u>

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6. Long-term Liabilities**

The following is a summary of changes in long-term obligations for the year ended June 30, 2024:

<b>Governmental Activities:</b>	Balance 6/30/23	Additions	Retirements	Balance 6/30/24	Current Portion
General obligation bonds (Coral Canyon)	\$ 3,585,000	\$ -	\$ 690,000	\$ 2,895,000	\$ 710,000
Direct placements:					
Lease revenue bonds (MBA)	5,046,000	-	657,000	4,389,000	679,000
Sales and excise tax road revenue bonds	9,422,000	-	583,000	8,839,000	592,000
Total direct placements	14,468,000	-	1,240,000	13,228,000	1,271,000
Deferred amounts:					
For issuance premium	225,716	-	45,143	180,573	-
Notes payable	353,238	-	188,939	164,299	55,716
Leases payable	186,590	-	117,015	69,575	69,575
Subscription liabilities	-	333,185	21,040	312,145	35,626
Net pension liability	1,409,123	708,676	-	2,117,799	-
Compensated absences	1,256,572	1,061,138	852,990	1,464,720	994,286
 Total governmental activities	 21,484,239	 2,102,999	 3,155,127	 20,432,111	 3,136,203
 <b>Business-type Activities:</b>					
Revenue bonds	6,870,000	5,000,000	325,000	11,545,000	205,000
Revenue bonds - direct placements	3,487,000	-	548,000	2,939,000	561,000
Total revenue bonds	10,357,000	5,000,000	873,000	14,484,000	766,000
Deferred amounts:					
For issuance premium	720,731	-	32,761	687,970	-
Notes payable	425,274	-	133,187	292,087	99,051
Net pension liability	580,683	286,856	-	867,539	-
Compensated absences	499,593	391,248	365,441	525,400	374,803
 Total business-type activities	 12,583,281	 5,678,104	 1,404,389	 16,856,996	 1,239,854
 Total long-term liabilities	 <u>\$ 34,067,520</u>	 <u>\$ 7,781,103</u>	 <u>\$ 4,559,516</u>	 <u>\$ 37,289,107</u>	 <u>\$ 4,376,057</u>

The City's outstanding bonds from direct placements related to governmental activities of \$13,228,000 and business-type activities of \$2,939,000 contain a provision that in an event of default (i.e. failure to pay principal or interest payments when due or failure to remedy after notice given of failure to perform or observe covenants, agreements, or conditions contained in the indenture or bonds), principal of all outstanding bonds and the interest accrued thereon become immediately due and payable. The lease revenue bonds are secured by lease revenue and with collateral of five developed lots zoned for administrative professional use (city hall, Veterans Park, city museum and community center), four parcels of land zoned RA-2 (Sullivan Virgin River Soccer Park), and one developed lot zoned R2 (police station). The sales tax revenue and excise tax road revenue bonds are secured by sales tax and excise tax revenues, respectively. The electric revenue bonds are secured by electric fund revenues.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6. Long-term Liabilities, Continued**

The City's other outstanding bonds related to governmental activities of \$2,895,000 are secured by property tax revenues related to Coral Canyon Special Service District (a blended component unit of the City). The City's other outstanding bonds related to business-type activities of \$11,545,000 also contain a provision that in an event of default (i.e. failure to pay principal or interest payments when due or failure to remedy after notice given of failure to perform or observe covenants, agreements, or conditions contained in the indenture or bonds), principal of all outstanding bonds and the interest accrued thereon become immediately due and payable. The water revenue bonds are secured by water fund revenues.

The City has a credit account with a financial institution with a maximum limit of \$575,000 and an unused amount of \$493,596 as of June 30, 2024.

Long-term liabilities for the City at June 30, 2024 consist of the following:

**General Obligation Bonds:**

**Governmental Activities:**

Coral Canyon Special Service District:

General Obligation Refunding Bonds Series 2016 issued October 6, 2016 in the amount of \$7,370,000 payable in annual principal installments of \$595,000 to \$755,000 with final payment due July 15, 2027. Interest is paid semi-annually at a rate of 3.00%.	<u>\$ 2,895,000</u>
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Total general obligation bonds, governmental activities	<u>2,895,000</u>
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**Revenue Bonds:**

**Governmental Activities:**

Lease Revenue and Refunding Bonds Series 2008 issued by the Municipal Building Authority in the amount of \$8,321,000 payable in annual installments of \$305,000 to \$552,000 with final payment due December 15, 2027. The bond bears interest of 1.053% to 4.45%. Interest is paid semi-annually.	2,086,000
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Lease Revenue Refunding Bonds Series 2020 issued by the Municipal Building Authority in the amount of \$3,021,000 payable in annual installments of \$177,000 to \$233,000 with final payment due June 15, 2035. The bond bears interest of 1.97%. Interest is paid semi-annually.	<u>2,303,000</u>
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Total lease revenue bonds (MBA), governmental activities	<u>4,389,000</u>
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Sales Tax Revenue Bonds Series 2022. Payable in annual principal installments of \$578,000 to \$795,000 with interest due semi-annually. The bonds bear interest of 1.55% to 3.55%. Final payment is due April 15, 2037.	<u>8,839,000</u>
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Total sales tax revenue bonds, governmental activities	<u>8,839,000</u>
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(Continued)

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6. Long-term Liabilities, Continued**

**Business-type Activities:**

Water Revenue Refunding Bonds - Series 2024 payable in annual principal installments of \$0 to \$368,000 with a final payment due June 1, 2044. The bond bears interest of 3.10% to 5.50%. Interest is paid semi-annually.	\$ 5,000,000
Water Revenue Refunding Bonds - Series 2016 B payable in annual principal installments of \$0 to \$495,000 with a final payment due June 1, 2046. The bond bears interest of 3.00% to 4.00%. Interest is paid semi-annually.	6,545,000
Electric Revenue Bonds - Series 2013 issued May 1, 2013 in the amount of \$7,621,000. Principal payable in annual installments of \$80,000 to \$617,000 with final payment due March 1, 2028. The bonds bear interest of 2.38%.	<u>2,939,000</u>
Total revenue bonds, business-type activities	<u>14,484,000</u>

**Notes Payable:**

**Governmental Activities:**

3.34% note payable due in monthly principal and interest installments, maturing June 12, 2027. Allocated among three funds of the City as follows: general - 36%; water fund - 2%; electric fund - 62%.	<u>164,299</u>
Total notes payable, governmental activities	<u>164,299</u>

**Business-type Activities:**

3.34% note payable due in monthly principal and interest installments, maturing June 12, 2027. Allocated among three funds of the City as follows: general fund - 36%; water fund - 2%; electric fund - 62%.	<u>292,087</u>
Total notes payable, business-type activities	<u>292,087</u>

**Leases Payable**

69,575

**Subscription liabilities**

312,145

**Net Pension Liability**

2,985,338

**Accrued Compensated Absences**

1,990,120

**Bond Premiums**

868,543

Total long-term liabilities	<u>\$ 37,289,107</u>
Due within one year	\$ 4,376,057
Due in more than one year	<u>32,913,050</u>
Total long-term liabilities	<u>\$ 37,289,107</u>

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6. Long-term Liabilities, Continued**

The annual requirements to amortize bonds and notes payable at June 30, 2024 are as follows:

**Governmental Activities**

Year Ending June 30,	CCSSD GO Bonds		MBA Lease Revenue Bonds		Sales Tax Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 710,000	\$ 76,200	\$ 679,000	\$ 62,902	\$ 592,000	\$ 228,634	\$ 55,716	\$ 4,640
2026	730,000	54,600	703,000	53,888	603,000	217,978	59,291	2,725
2027	755,000	32,325	727,000	44,580	614,000	206,521	49,292	896
2028	700,000	10,500	752,000	34,978	627,000	193,934	-	-
2029	-	-	204,000	28,092	641,000	180,453	-	-
2030-2034	-	-	1,091,000	77,569	3,450,000	664,869	-	-
2035-2039	-	-	233,000	2,296	2,312,000	159,038	-	-
<b>Totals</b>	<b>\$ 2,895,000</b>	<b>\$ 173,625</b>	<b>\$ 4,389,000</b>	<b>\$ 304,305</b>	<b>\$ 8,839,000</b>	<b>\$ 1,851,427</b>	<b>\$ 164,299</b>	<b>\$ 8,261</b>

**Business-type Activities**

Year Ending June 30,	Electric Revenue Bonds		Water Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 561,000	\$ 63,272	\$ 205,000	\$ 500,577	\$ 99,051	\$ 8,249
2026	575,000	49,754	179,000	447,931	105,406	4,844
2027	590,000	35,890	550,000	442,203	87,630	1,593
2028	596,000	21,778	571,000	421,498	-	-
2029	617,000	-	593,000	399,804	-	-
2030-2034	-	-	3,337,000	1,634,507	-	-
2035-2039	-	-	3,162,000	956,877	-	-
2040-2044	-	-	2,783,000	391,282	-	-
2045-2046	-	-	165,000	6,407	-	-
<b>Totals</b>	<b>\$ 2,939,000</b>	<b>\$ 170,694</b>	<b>\$ 11,545,000</b>	<b>\$ 5,201,086</b>	<b>\$ 292,087</b>	<b>\$ 14,686</b>



**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 7. Leases and Subscription-Based Information Technology Arrangements (SBITA'S)**

**Lease Receivable**

The City leases certain city property to third parties. As of June 30, 2024, the City's receivable for lease payments is shown on the governmental funds balance sheet and the government-wide statement of financial position. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term (see the same aforementioned statements). This lease activity is not material to the City's financial statements.

**Leases Payable**

During fiscal year 2019, the City entered into a seven-year lease agreement (expires fiscal year 2025) as lessee for the acquisition and use of 70 golf carts. An initial lease liability was recorded in the amount of \$400,443. The City is required to make monthly principal and interest payments of \$8,739 to be adjusted each year by the annual percentage change in the consumer price index (increase not to exceed 1.5% per year). The lease has an interest rate of approximately 15.69%. The equipment has a seven-year estimated useful life.

During fiscal year 2022, the City entered into three lease agreements (expire fiscal years 2024 and 2025) as lessee for the acquisition and use various equipment. A combined initial lease liability was recorded in the amount of \$113,394 during the current fiscal year. The City is required to make combined monthly principal and interest payments of annual totals ranging from \$17,562 to \$29,721. The three leases have an interest rate of approximately 2.50%. The equipment has a three to five year estimated useful life.

See Note 6 for the value of the combined lease liability as of the end of the current fiscal year. See Note 5 for the value of the right-to-use asset (leased) and related accumulated amortization as of the end of the current fiscal year.

The future principal and interest lease payments as of June 30, 2024 were as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Governmental Leases Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 69,575	\$ 2,691
Totals	<u>\$ 69,575</u>	<u>\$ 2,691</u>

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 7. Leases and (SBITA'S), Continued**

The total amount of subscription assets and the related accumulated amortization are as follows:

Right-to-use subscription asset	\$	333,185
Accumulated Amortization		<u>(20,824)</u>
Carrying Value	<u>\$</u>	<u>312,361</u>

The following schedule details minimum subscription payments to maturity for the City's subscription liability at June 30, 2024:

Year Ending June 30,	Principal	Interest
2025	\$ 35,626	\$ 13,929
2026	37,315	12,240
2027	39,084	10,471
2028	40,938	8,617
2029	42,879	6,676
2030-2034	116,303	7,582
Totals	<u>\$ 312,145</u>	<u>\$ 59,515</u>

The City's subscription agreement has an original term length of five years, with a three-year option to extend and an interest rate of 4.66%. The City has intentions of exercising the lease option, therefore it is reasonably certain that the City will exercise the three-year option to extend the subscription, therefore the factors related to the option to extend are included in lease asset and liability calculations. As of June 30, 2024, the value of the subscription liabilities are \$312,145. The value of the right-to-use asset as of June 30, 2024 is \$333,185 with accumulated amortization of \$20,824. The City is required to make monthly fixed payments of \$12,389.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 8. Interfund Transfers and Balances**

Interfund transfers for the fiscal year ended June 30, 2024 are as follows:

		<b>Transfers In</b>		
		General Fund	Nonmajor Governmental	Total
<b>Transfers Out</b>	General Fund	\$ -	1,562,976	\$ 1,562,976
	Nonmajor Governmental	93,172	1,449,408	1,542,580
	Total	\$ 93,172	\$ 3,012,384	\$ 3,105,556

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) move unrestricted revenues collected in the general fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

The City has no interfund balances at June 30, 2024.

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**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 9. Defined Benefit Pension Plan**

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**General Information about the Pension Plan**

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

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

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9. Defined Benefit Pension Plan, Continued**

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

**Summary of Benefits by System**

<b>System</b>	<b>Final average salary</b>	<b>Years of service required and/or age eligible for benefit</b>	<b>Benefit percent per year of service</b>	<b>COLA**</b>
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending on the employer
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year to June 30, 2020 2.0% per year July 1, 2020 to present	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 URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9. Defined Benefit Pension Plan, Continued**

Contribution rates as of June 30, 2024 are as follows:

**Utah Retirement Systems**

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k) Plan</u>
<b>Contributory System</b>			
111 – Local Governmental Div Tier 2	N/A	16.01 %	0.18 %
<b>Noncontributory System</b>			
15 – Local Governmental Div Tier 1	N/A	17.97 %	N/A
<b>Public Safety System (Contributory)</b>			
23 – Other Div A with 2.5% COLA	12.29 %	22.79 %	N/A
122 – Tier 2 DB Hybrid Public Safety	2.59%	25.85%	N/A
<b>Firefighters Retirement System</b>			
31 – Other Division A	15.05 %	3.61 %	N/A
132 – Tier 2 DB Hybrid Firefighters	2.59%	14.08 %	N/A
<b>Tier 2 DC Only</b>			
211 – Local Government	N/A	6.19 %	10.00 %
222 – Public Safety	N/A	11.85 %	14.00 %
232 – Firefighters	N/A	0.08 %	14.00 %

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

For fiscal year ended June 30, 2024 the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 896,323	\$ -
Public Safety System	256,825	138,498
Firefighters System	25,527	106,422
Tier 2 Public Employees System	706,012	-
Tier 2 Public Safety and Firefighter System	647,923	49,025
Tier 2 DC Only System	45,851	-
Tier 2 DC Public Safety and Firefighter System	9,126	-
Total Contributions	\$ 2,587,587	\$ 293,945

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.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9. Defined Benefit Pension Plan, Continued**

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

At June 30, 2024, the City reported a net pension asset of \$2,985,339 and a net pension liability of \$425,482.

	(Measurement Date): December 31, 2023				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2022	Change (Decrease)
Noncontributory System	\$ -	\$ 1,354,363	0.5838867%	0.5542038%	0.0296829%
Public Safety System	-	1,037,686	0.7255714%	0.6210725%	0.1044989%
Firefighters System	425,482	-	1.8129206%	1.4803984%	0.3325222%
Tier 2 Public Employees System	-	322,313	0.1655959%	0.1704029%	-0.0048070%
Tier 2 Public Safety and Firefighter	-	270,977	0.7193589%	0.6251078%	0.0942511%
	\$ 425,482	\$ 2,985,339			

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023 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 contribution so the System during the plan year.

For the year ended June 30, 2024, the City recognized pension expense of \$2,057,462.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,657,039	\$ 23,776
Changes in assumptions	924,474	5,815
Net difference between projected and actual earnings on pension plan investments	732,445	-
Changes in proportion and differences between contributions and proportional share of contributions	112,584	248,390
Contributions subsequent to the measurement date	1,255,572	-
Total	\$ 4,682,115	\$ 277,981

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9. Defined Benefit Pension Plan, Continued**

\$1,255,572 was reported as deferred outflows of resources related to pension results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

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 (Inflows) of Resources</u>
2024	\$ 869,837
2025	702,180
2026	1,390,218
2027	(221,353)
2028	57,895
Thereafter	349,786

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

For the year ended June 30, 2024, the City recognized pension expense of \$959,635.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 948,341	\$ -
Changes in assumptions	406,416	-
Net difference between projected and actual earnings on pension plan investments	440,427	-
Changes in proportion and differences between contributions and proportional share of contributions	12,335	8,490
Contributions subsequent to the measurement date	422,577	-
Total	<u>\$ 2,230,094</u>	<u>\$ 8,490</u>



**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9. Defined Benefit Pension Plan, Continued**

\$422,577 was reported as deferred outflows of resources related to pension results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

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 (Inflows) of Resources</b>
2024	\$ 599,885
2025	556,091
2026	828,033
2027	(184,981)
2028	-
Thereafter	-

**Public Safety System Pension Expense and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2024, the City recognized pension expense of \$476,835.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 180,820	\$ -
Changes in assumptions	91,183	-
Net difference between projected and actual earnings on pension plan investments	148,534	-
Changes in proportion and differences between contributions and proportional share of contributions	47,382	55
Contributions subsequent to the measurement date	122,017	-
Total	\$ 589,936	\$ 55

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9. Defined Benefit Pension Plan, Continued**

\$122,017 was reported as deferred outflows of resources related to pension results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

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 (Inflows) of Resources</b>
2024	\$ 216,337
2025	26,038
2026	290,105
2027	(64,615)
2028	-
Thereafter	-

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

For the year ended June 30, 2024, the City recognized pension expense of (\$144,872).

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 279,742	\$ -
Changes in assumptions	44,950	-
Net difference between projected and actual earnings on pension plan investments	78,732	-
Changes in proportion and differences between contributions and proportional share of contributions	194	228,533
Contributions subsequent to the measurement date	12,435	-
Total	\$ 416,052	\$ 228,533

\$12,435 was reported as deferred outflows of resources related to pension results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9. Defined Benefit Pension Plan, Continued**

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ (1,857)
2025	44,490
2026	145,157
2027	(12,705)
2028	-
Thereafter	-

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

For the year ended June 30, 2024, the City recognized pension expense of \$421,036.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 103,234	\$ 5,278
Changes in assumptions	184,490	255
Net difference between projected and actual earnings on pension plan investments	36,397	-
Changes in proportion and differences between contributions and proportional share of contributions	44,838	6,491
Contributions subsequent to the measurement date	369,762	-
Total	\$ 738,721	\$ 12,024

\$369,762 was reported as deferred outflows of resources related to pension results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9. Defined Benefit Pension Plan, Continued**

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ 30,482
2025	43,320
2026	74,365
2027	24,458
2028	33,414
Thereafter	150,895

**Tier 2 Public Safety and Firefighter System Pension Expense and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2024, the City recognized pension expense of \$344,828.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 144,902	\$ 18,498
Changes in assumptions	197,435	5,560
Net difference between projected and actual earnings on pension plan investments	28,356	-
Changes in proportion and differences between contributions and proportional share of contributions	7,837	4,821
Contributions subsequent to the measurement date	328,782	-
Total	\$ 707,312	\$ 28,879

\$328,782 was reported as deferred outflows of resources related to pension results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9. Defined Benefit Pension Plan, Continued**

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 (Inflows) of Resources</b>
2024	\$ 24,989
2025	32,242
2026	52,558
2027	16,491
2028	24,481
Thereafter	198,890

Actuarial assumptions: The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.5- 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 for the period 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 the target asset allocation percentage and by adding expected inflation.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9. Defined Benefit Pension Plan, Continued**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Expected Return Arithmetic Basis</b>		
	<b>Target Asset Allocation</b>	<b>Real Return Arithmetic Basis</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Equity securities	35.00%	6.87%	2.40%
Debt securities	20.00%	1.54%	0.31%
Real assets	18.00%	5.43%	0.98%
Private equity	12.00%	9.80%	1.18%
Absolute return	15.00%	3.86%	0.58%
Cash and cash equivalents	0.00%	0.24%	0.00%
Totals	100.00%		5.45%
		Inflation	2.50%
		Expected arithmetic nominal return	7.95%

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

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

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9. Defined Benefit Pension Plan, Continued**

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

<b>System</b>	<b>1% Decrease (5.85%)</b>	<b>Discount Rate (6.85%)</b>	<b>1% Increase (7.85%)</b>
Noncontributory System	\$ 7,029,072	\$ 1,354,363	\$ (3,397,821)
Public Safety System	3,255,975	1,037,686	(770,082)
Firefighters System	507,744	(425,482)	(1,184,335)
Tier 2 Public Employees System	1,107,420	322,313	(286,538)
Tier 2 Public Safety and Firefighter System	873,096	270,977	(210,729)
Total	<u>\$ 12,773,307</u>	<u>\$ 2,559,857</u>	<u>\$ (5,849,505)</u>

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

**NOTE 10. Defined Contribution Plan**

**Defined Contribution Plan**

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.

The City participates in the 401(k), 457(b), Traditional IRA and Roth IRA defined contribution plans. The City contributes 4.5% of the salaries of full-time employees and 11.66% of elected officials. However employees in the Public Safety and Firefighters Retirement Systems are ineligible for this benefit.

All full-time employees and elected officials can make additional contributions to the 401(k) plan, the 457 plan, the Traditional IRA plan and/or the Roth IRA plan up to specified limits. These plan funds are fully vested to participants at the time of deposit.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 10. Defined Contribution Plan, Continued**

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for the current fiscal year and the two previous years are as follows:

	<u>Year</u>	<u>Employee contributions</u>	<u>Employer contributions</u>
Defined Contribution System:			
457 Plan			
2024	\$ 120,136	\$ -	
2023	77,919	-	
2022	48,250	-	
401(k) Plan			
2024	323,144	575,264	
2023	269,261	560,352	
2022	231,653	430,372	
Roth IRA Plan			
2024	79,644	N/A	
2023	43,950	N/A	
2022	41,379	N/A	
Traditional IRA Plan			
2024	4,052	N/A	
2023	3,250	N/A	
2022	1,975	N/A	

**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. Risk financing activities are accounted for in various operating funds, with unallocated or city-wide activities being accounted for in the general fund.

The City maintains insurance for general liability, auto liability, and employee dishonesty through the Utah Local Government Trust. Worker's compensation coverage is also carried through the Utah Local Government's Insurance Trust.



**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 12. Municipal Building Authority Lease Agreement**

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On February 1, 2008 the Municipal Building Authority of Washington City, Utah (the Authority), and the City entered into a Master Lease Agreement.

Pursuant to the lease arrangement, the Authority is to construct a community center and related improvements and refund all the Authority's outstanding Lease Revenue Bonds, Series 1995 and its Lease Revenue Bonds, Series 1996, which were originally issued to finance the costs of acquisition and construction of the City's existing municipal office facility. In order to accomplish these items, the Authority issued Lease Revenue and Refunding Bonds, Series 2008 in the amount of \$8,321,000. In fiscal year 2015, the Authority issued Lease Revenue Bonds, and Series 2016, which amounted to \$3,700,000. Later, in fiscal year 2020, Series 2016 was refunded to lower interest rates. The Series 2020 refunding bonds replaced the Series 2016 bond in the amount of \$3,021,000.

The initial term of the lease commenced as of the date of delivery (in fiscal year 2008) of the Series 2008 Bonds and terminated on June 30, 2008. The lease term may be continued, solely at the option of the City, beyond the expiration of the original term for an additional one year, the first "renewal term", and for consecutive additional renewal terms thereafter each of one year in duration except that the final renewal term shall commence July 1, 2027 and end on December 15, 2027. The City makes an election to continue the lease for the next renewal term by budgeting sufficient City funds to pay the base and reasonably estimated additional rentals during the next following renewal term. The City renewed the lease for the current fiscal year.

The City and the Authority acknowledge and agree that the obligation of the City to pay base rentals and additional rentals constitutes a current expense of the City payable exclusively from City funds and shall not in any way be construed to be an obligation or indebtedness of the City within the meaning of Sections 3 or 4 of Article XIVC of the Utah Constitution, or any other constitutional or statutory limitation or requirement applicable to the City concerning the creation of indebtedness. The lease is to be deemed a net lease.

The terms of the lease require Washington City to pay certain rentals, which approximate the principal and interest due on the lease revenue bonds issued by the Authority. See the long-term liabilities note for annual requirements to amortize the MBA Lease Revenue Bonds.

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**NOTE 13. Commitments**

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The City has entered into various contracts with commitments for its various funds. The City's significant contracts with commitments are as follows:

The City of St. George for the purpose of transportation and treatment of wastewater initially entered into April 1, 1987 for 25 years (extended). The City collects these fees from wastewater users and remits the fees to the City of St. George. These collections and remittances are not reported as revenue and expenses in the sewer fund; rather, they are recorded in a liability account. During fiscal year 2024, the City collected \$2,688,823 under this contract.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 13. Commitments, Continued**

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Effective July 1, 2018, the City entered into a 30 year shared facilities agreement with Hurricane Valley Fire Special Service District (HVFSSD) for the Coral Canyon fire station. The City makes 50% of the annual total debt service payments (50% is approximately \$45,625 annually) to HVFSSD through March 2048. Since HVFSSD recognizes the full fire station asset (and related obligation), the City does not recognize a portion in these financial statements.

The Flood Control Authority and interlocal cooperation agreement includes the City of St. George, Washington City, Santa Clara City, Ivins City and Hurricane City. The purpose of the Flood Control Authority is to administer, acquire, construct, operate, inspect, repair and maintain flood control facilities and to perform all other related activities necessary for regional flood control. Flood control refers to the management and conveyance of flows above baseline conditions. The Flood Control board is made up of elected officials of the primary members and Washington City has two representatives on the board. Each primary member pays a monthly amount based upon the number of water connections as set by the board. The term of the agreement is 50 years (beginning fiscal year 2014) with automatic extensions of 50 year terms unless terminated as set forth in the agreement.

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**NOTE 14. Jointly Governed Organization**

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The City, in conjunction with a number of other governmental entities that provide for the purchase and transmission of electrical services, created the Utah Association of Municipal Power System (UAMPS). UAMPS owns an interest in various power generation entities as well as coordinating the purchase of additional power on the open spot-market for the purpose of acquiring reliable and economic supplies of power and energy—the agreement terminates on December 31, 2049. The UAMPS board is comprised of one member from each participating entity (dependent on the particular projects which an entity elects to participate in). Except for minimum purchase requirements, no participant has any obligation, entitlement, or residual interest. The City's electric utility fund purchased power with transmission delivery totaling \$14,128,220 during the fiscal year ended June 30, 2024.

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**NOTE 15. Leisure Services Trade Sales**

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In connection with its leisure services operations (community center), the City occasionally trades services with various outside parties. These transactions have not been recorded in the fund financial statements; however, they are included in the government-wide financial statements. The revenue from such trades for fiscal year 2024 was \$5,075.

**WASHINGTON CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**NOTE 16. Contingencies**

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The City is involved with various matters of litigation. It is the opinion of management that these cases will either be handled by the City's insurance coverage or that they will not have a material effect on the City's financial condition.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**WASHINGTON CITY, UTAH**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Current year property taxes	\$ 4,795,400	\$ 4,795,400	\$ 4,646,834	\$ (148,566)
Prior-years property taxes	150,000	150,000	130,875	(19,125)
General sales and use taxes	10,834,000	10,834,000	9,921,374	(912,626)
Energy taxes	2,350,608	2,350,608	2,752,452	401,844
Franchise taxes	270,000	270,000	231,324	(38,676)
Licenses and permits	1,358,000	1,358,000	1,625,956	267,956
Intergovernmental revenues	1,967,000	1,994,000	5,378,532	3,384,532
Charges for services	8,962,097	8,962,097	9,978,150	1,016,053
Fines and forfeitures	520,000	520,000	392,850	(127,150)
Investment earnings	290,060	290,060	575,598	285,538
Miscellaneous	397,690	397,690	395,955	(1,735)
Total revenues	<u>31,894,855</u>	<u>31,921,855</u>	<u>36,029,900</u>	<u>4,108,045</u>
<b>Expenditures</b>				
Current:				
General government	4,223,621	4,260,561	4,223,246	37,315
Public safety	12,922,633	12,951,793	11,696,393	1,255,400
Streets and highways	1,829,736	1,834,007	1,525,224	308,783
Sanitation	2,843,209	2,843,209	2,845,707	(2,498)
Parks, golf, cemetery and public property	5,077,195	5,116,405	4,938,365	178,040
Culture and recreation	3,596,067	3,729,787	3,356,074	373,713
Community and economic development	2,258,484	2,294,224	1,951,724	342,500
Debt service:				
Principal	323,700	323,700	326,994	(3,294)
Interest	7,743	7,743	32,451	(24,708)
Total debt service	<u>331,443</u>	<u>331,443</u>	<u>359,445</u>	<u>(28,002)</u>
Total expenditures	<u>33,082,388</u>	<u>33,361,429</u>	<u>30,896,178</u>	<u>2,465,251</u>
Excess of revenues over (under) expenditures	<u>(1,187,533)</u>	<u>(1,439,574)</u>	<u>5,133,722</u>	<u>6,573,296</u>
<b>Other financing sources (uses)</b>				
Transfers in	93,175	93,175	93,172	(3)
Transfers out	(159,700)	(159,700)	(1,562,976)	(1,403,276)
Subscription agreements	-	-	333,185	333,185
Total other financing sources and (uses)	<u>(66,525)</u>	<u>(66,525)</u>	<u>(1,136,619)</u>	<u>(1,070,094)</u>
Net change in fund balance	(1,254,058)	(1,506,099)	3,997,103	5,503,202
Fund balance - beginning	<u>7,662,935</u>	<u>7,662,935</u>	<u>7,662,935</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,408,877</u>	<u>\$ 6,156,836</u>	<u>\$ 11,660,038</u>	<u>\$ 5,503,202</u>

**WASHINGTON CITY, UTAH**  
**Required Supplementary Information**  
**Infrastructure Reporting – Modified Approach**  
**For the Year Ended June 30, 2024**

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As allowed by GASB Statement No. 34, the City has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this method, referred to as the modified approach, the City expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include all roads, bridges, sidewalks and similar items that the City is responsible to maintain.

Improvements that lengthen the lives of infrastructure assets are not recorded unless they increase capacity of service potential, in which case they are recorded as additions to infrastructure at original cost. Therefore, resurfacing done to existing streets is not capitalized, but is treated as a maintenance expenditure under the modified approach.

The City conducts periodic physical assessments and theoretical deterioration modeling to determine whether infrastructure assets are being maintained at the levels required. The City maintains its streets using a pavement management system. The condition of the pavement is based on a weighted average of seven distress factors found in pavement surfaces. The pavement management system uses a measurement scale that is based on a remaining service life (RSL) ranging from 0 years to 20 years.

The most recent condition assessment, completed for June 30, 2024, showed that the City had overall average condition ratings of 14.85 years as shown below:

Remaining Service Life (Years)	Percent of Streets
0-5	0.71
6-7	1.02
7-8	0.37
8-9	0.25
9-10	2.43
10-11	2.92
11-12	3.02
12-13	13.07
13-14	2.77
14-15	24.72
15-16	15.73
16-17	11.97
17-18	13.23
18-19	4.65
19-20	3.14
Total	100.00

The two most recent, previous condition assessments had overall average condition ratings of 15.50 (June 2023) and 16.06 (June 2022).

**WASHINGTON CITY, UTAH**  
**Required Supplementary Information**  
**Infrastructure Reporting – Modified Approach**  
**For the Year Ended June 30, 2024**

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The City’s administrative policy is to maintain its streets at an average remaining service life of 12.60 years. This rating allows for minor cracking and revealing of pavement along with minor roughness that could be noticeable to drivers traveling at posted speed. The following shows the amount the City planned (originally budgeted) to expend at the beginning of the fiscal year and the actual amount expended for street preservation.

For the Year Ended June 30,	Originally Budgeted	Actually Expensed
2024	\$ 1,000,000	\$ 119,711
2023	1,000,000	874,882
2022	1,000,000	1,468,581
2021	1,000,000	442,911
2020	700,000	605,110

In fiscal year 2023, 2.81% of roads had an RLS of 10 years or less. In fiscal year 2024, the percent of roads with an RLS of 10 years or less remained at 2.81%. The City is committed to maintain its infrastructure assets at required conditions.



**WASHINGTON CITY, UTAH**  
**Required Supplementary Information**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**Utah Retirement Systems**  
**June 30, 2024**  
**Last 10 Fiscal Years**

As of fiscal year ended June 30,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
<b>Noncontributory System</b>					
2015	0.4627242%	\$ 2,009,257	\$ 3,879,945	51.79%	90.2%
2016	0.4504741%	\$ 2,549,002	\$ 3,801,938	67.04%	87.8%
2017	0.4423665%	\$ 2,840,534	\$ 3,883,579	73.14%	87.3%
2018	0.4778517%	\$ 2,093,612	\$ 4,166,344	50.25%	91.9%
2019	0.4948566%	\$ 3,643,987	\$ 4,320,979	84.33%	87.0%
2020	0.5019278%	\$ 1,891,700	\$ 4,350,226	43.49%	93.7%
2021	0.5036460%	\$ 258,342	\$ 4,261,183	6.06%	99.2%
2022	0.5218799%	\$ (2,988,862)	\$ 4,372,599	-68.35%	108.7%
2023	0.5542038%	\$ 949,212	\$ 4,748,600	19.99%	97.5%
2024	0.5838867%	\$ 1,354,363	\$ 5,258,666	25.75%	96.9%
<b>Public Safety System</b>					
2015	0.3780941%	\$ 475,485	\$ 963,677	49.34%	90.5%
2016	0.3865187%	\$ 692,352	\$ 949,123	72.95%	87.1%
2017	0.3748773%	\$ 760,730	\$ 918,515	82.82%	86.5%
2018	0.3928491%	\$ 616,246	\$ 943,784	65.30%	90.2%
2019	0.4107826%	\$ 1,056,773	\$ 883,175	119.66%	84.7%
2020	0.4964500%	\$ 797,109	\$ 889,278	89.64%	90.9%
2021	0.5522559%	\$ 458,506	\$ 926,215	49.50%	95.5%
2022	0.6274727%	\$ (509,597)	\$ 1,082,206	-47.09%	104.2%
2023	0.6210725%	\$ 803,093	\$ 1,043,694	76.95%	93.6%
2024	0.7255714%	\$ 1,037,686	\$ 1,193,736	86.93%	93.4%
<b>Firefighters System</b>					
2015	0.8676603%	\$ (49,512)	\$ 299,332	-16.54%	103.5%
2016	0.8735054%	\$ (15,821)	\$ 306,772	-5.16%	101.0%
2017	0.6584776%	\$ (5,191)	\$ 256,713	-2.02%	100.4%
2018	0.5815955%	\$ (36,324)	\$ 215,171	-16.88%	103.0%
2019	0.4544895%	\$ 59,014	\$ 147,553	40.00%	94.3%
2020	0.5084910%	\$ (63,063)	\$ 162,808	-38.73%	105.0%
2021	0.7478446%	\$ (209,112)	\$ 243,982	-85.71%	110.5%
2022	0.9085356%	\$ (529,873)	\$ 302,902	-174.93%	120.1%
2023	1.4803984%	\$ (384,466)	\$ 537,974	-71.47%	108.4%
2024	1.8129206%	\$ (425,482)	\$ 692,200	-61.47%	106.8%
<b>Tier 2 Public Employees System</b>					
2015	0.1058581%	\$ (3,207)	\$ 519,405	-0.62%	103.5%
2016	0.0966741%	\$ (211)	\$ 624,550	-0.03%	100.2%
2017	0.0908929%	\$ 10,139	\$ 745,388	1.36%	95.1%
2018	0.0994700%	\$ 8,770	\$ 974,001	0.90%	97.4%
2019	0.1103358%	\$ 47,254	\$ 1,286,528	3.67%	90.8%
2020	0.1157975%	\$ 26,044	\$ 1,609,524	1.62%	96.5%
2021	0.1272242%	\$ 18,298	\$ 2,033,886	0.90%	98.3%
2022	0.1457371%	\$ (61,681)	\$ 2,703,306	-2.28%	103.8%
2023	0.1704029%	\$ 185,551	\$ 3,718,460	4.99%	92.3%
2024	0.1655959%	\$ 322,313	\$ 4,281,228	7.53%	89.6%
<b>Tier 2 Public Safety and Firefighter System</b>					
2015	0.6825520%	\$ (10,097)	\$ 282,173	-3.58%	120.5%
2016	0.5349819%	\$ (7,816)	\$ 318,257	-2.46%	110.7%
2017	0.4862928%	\$ (4,221)	\$ 401,790	-1.05%	103.6%
2018	0.4394074%	\$ (5,084)	\$ 463,814	-1.10%	103.0%
2019	0.5015148%	\$ 12,566	\$ 669,690	1.88%	95.6%
2020	0.6286231%	\$ 59,131	\$ 1,036,063	5.71%	89.6%
2021	0.6198370%	\$ 55,596	\$ 1,236,336	4.50%	93.1%
2022	0.6016875%	\$ (30,411)	\$ 1,438,862	-2.11%	102.8%
2023	0.6251078%	\$ 52,149	\$ 1,923,324	2.71%	96.4%
2024	0.7193589%	\$ 270,977	\$ 2,725,673	9.94%	89.1%

**WASHINGTON CITY, UTAH**  
**Required Supplementary Information**  
**Schedule of Contributions**  
**Utah Retirement Systems**  
**June 30, 2024**  
**Last 10 Fiscal Years**

As of fiscal year ended June 30,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
<b>Noncontributory System</b>					
2014	\$ 654,253	\$ 654,253	\$ -	\$ 3,777,437	17.32%
2015	707,382	707,382	-	3,838,061	18.43%
2016	699,225	699,225	-	3,872,307	18.06%
2017	720,360	720,360	-	3,974,438	18.12%
2018	766,043	766,043	-	4,272,026	17.93%
2019	780,163	780,163	-	4,331,412	18.01%
2020	783,326	783,326	-	4,321,671	18.13%
2021	772,358	772,358	-	4,270,433	18.09%
2022	816,262	816,262	-	4,562,587	17.89%
2023	853,350	853,350	-	4,922,501	17.34%
2024	896,323	896,323	-	5,192,097	17.26%
<b>Public Safety System</b>					
2014	\$ 146,732	\$ 146,732	\$ -	\$ 914,914	16.04%
2015	170,915	170,915	-	962,327	17.76%
2016	166,136	166,136	-	936,188	17.75%
2017	166,232	166,232	-	937,710	17.73%
2018	164,387	164,387	-	891,635	18.44%
2019	173,735	173,735	-	899,727	19.31%
2020	200,510	200,510	-	910,272	22.03%
2021	227,472	227,472	-	1,008,555	22.55%
2022	247,090	247,090	-	1,094,646	22.57%
2023	253,539	253,539	-	1,117,625	22.69%
2024	256,825	256,825	-	1,130,019	22.73%
<b>Firefighters System</b>					
2014	\$ 6,312	\$ 6,312	\$ -	\$ 285,078	2.21%
2015	9,101	9,101	-	310,410	2.93%
2016	8,193	8,193	-	279,844	2.93%
2017	7,536	7,536	-	257,878	2.92%
2018	5,589	5,589	-	169,334	3.30%
2019	6,861	6,861	-	147,567	4.65%
2020	9,684	9,684	-	210,079	4.61%
2021	11,541	11,541	-	253,121	4.56%
2022	18,828	18,828	-	412,630	4.56%
2023	22,900	22,900	-	638,726	3.59%
2024	25,527	25,527	-	709,290	3.60%
<b>Tier 2 Public Employees System*</b>					
2014	\$ 55,550	\$ 55,550	\$ -	\$ 390,516	14.22%
2015	86,666	86,666	-	580,568	14.93%
2016	102,574	102,574	-	685,240	14.97%
2017	128,353	128,353	-	860,851	14.91%
2018	160,346	160,346	-	1,061,195	15.11%
2019	227,477	227,477	-	1,497,089	15.19%
2020	283,174	283,174	-	1,808,263	15.66%
2021	359,689	359,689	-	2,275,255	15.81%
2022	528,425	528,425	-	3,285,763	16.08%
2023	641,661	641,661	-	4,006,214	16.02%
2024	706,012	706,012	-	4,411,498	16.00%
<b>Tier 2 Public Safety and Firefighter System*</b>					
2014	\$ 33,612	\$ 33,612	\$ -	\$ 210,831	15.94%
2015	55,935	55,935	-	319,625	17.50%
2016	56,399	56,399	-	331,324	17.02%
2017	77,646	77,646	-	437,033	17.77%
2018	95,828	95,828	-	536,016	17.88%
2019	160,930	160,930	-	856,360	18.79%
2020	222,230	222,230	-	1,185,715	18.74%
2021	266,718	266,718	-	1,278,100	20.87%
2022	352,427	352,427	-	1,705,013	20.67%
2023	470,925	470,925	-	2,242,390	21.00%
2024	647,923	647,923	-	3,030,858	21.38%
<b>Tier 2 Public Employees DC Only System*</b>					
2014	\$ 3,400	\$ 3,400	\$ -	\$ 58,808	5.78%
2015	5,075	5,075	-	58,629	8.66%
2016	3,878	3,878	-	56,621	6.85%
2017	5,244	5,244	-	78,391	6.69%
2018	8,000	8,000	-	112,456	7.11%
2019	6,713	6,713	-	105,019	6.39%
2020	15,179	15,179	-	226,888	6.69%
2021	18,781	18,781	-	278,585	6.74%
2022	16,144	16,144	-	239,080	6.75%
2023	25,628	25,628	-	402,953	6.36%
2024	45,851	45,851	-	740,731	6.19%
<b>Tier 2 Public Safety and Firefighter DC Only System*</b>					
2014	\$ 3,999	\$ 3,999	\$ -	\$ 40,235	9.94%
2015	7,343	7,343	-	60,965	12.04%
2016	8,323	8,323	-	69,016	12.06%
2017	6,205	6,205	-	47,870	12.96%
2018	5,582	5,582	-	47,570	11.73%
2019	6,836	6,836	-	58,748	11.64%
2020	9,943	9,943	-	84,874	11.72%
2021	14,253	14,253	-	115,108	12.38%
2022	14,592	14,592	-	123,680	11.80%
2023	14,007	14,007	-	175,511	7.98%
2024	9,126	9,126	-	148,761	6.13%

\* 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.

**WASHINGTON CITY, UTAH**  
**Notes to Required Supplementary Information**  
**June 30, 2024**

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**NOTE 1. Changes in Assumptions**

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Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

## **COMBINING STATEMENTS**

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## NONMAJOR GOVERNMENTAL FUNDS

### Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

**Recreation Fund** – This fund accounts for the acquisition and construction of the City’s major capital facilities relating to recreation. This fund includes, in addition to other items, the collection and expenditure of park impact fees.

**Public Safety Fund** – This fund is used to account for the collection of public safety impact fees and the expenditure of these fees on public facilities.

**General Projects Fund** – This fund is generally used to account for the acquisition and construction of major capital facilities other than those recorded in another capital projects fund.

### Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

**RAP Tax Fund** – This fund is used to account for the collection of RAP taxes and the expenditure of these funds on recreation, arts, and parks.

**Washington City Foundation Fund (blended component unit)** – This fund is used to account for various activities related to the award of grants and other qualified tax-exempt funding and donations made to the Washington City Foundation.

### Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Coral Canyon Special Service District (blended component unit)** – This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest of the District (CCSSD).

**Municipal Building Authority (blended component unit)** – This fund accounts for the accumulation or resources for, and the payment of, long-term debt principal and interest of the Authority (MBA).

**Debt Service Fund** – This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest of the City.

**WASHINGTON CITY, UTAH**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

	Capital Projects		Special Revenue		Debt Service			Total Nonmajor Governmental Funds	
	Public Safety	Recreation	General Projects	RAP Tax	Washington City Foundation	Coral Canyon SSD	Municipal Building Authority		Debt Service
<b>Assets</b>									
Cash and cash equivalents	\$ 3,096,483	\$ 2,110,032	\$ 269,010	\$ 2,763,055	\$ 23,732	\$ -	\$ -	\$ -	\$ 8,262,312
Investments	-	9,651,172	160,624	-	-	-	-	-	9,811,796
Receivables, net	-	136	31	-	-	-	-	-	167
Property taxes receivable	-	-	-	-	-	795,550	-	-	795,550
Due from other governments	-	750,000	-	129,674	-	4,188	-	-	883,862
Restricted cash and cash equivalents	-	-	-	-	-	1,301,143	10,143,029	886	11,445,058
Total assets	<u>\$ 3,096,483</u>	<u>\$ 12,511,340</u>	<u>\$ 429,665</u>	<u>\$ 2,892,729</u>	<u>\$ 23,732</u>	<u>\$ 2,100,881</u>	<u>\$ 10,143,029</u>	<u>\$ 886</u>	<u>\$ 31,198,745</u>
<b>Liabilities, deferred inflows, and fund balances</b>									
Liabilities:									
Accounts payable	\$ 45,613	\$ 6,698	\$ -	\$ 56,347	\$ -	\$ -	\$ 49,340	\$ -	\$ 157,998
Total liabilities	<u>45,613</u>	<u>6,698</u>	<u>-</u>	<u>56,347</u>	<u>-</u>	<u>-</u>	<u>49,340</u>	<u>-</u>	<u>157,998</u>
Deferred inflow of resources:									
Deferred revenue - property tax	-	-	-	-	-	795,550	-	-	795,550
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>795,550</u>	<u>-</u>	<u>-</u>	<u>795,550</u>
Fund balances:									
Restricted for:									
Debt service	-	-	-	-	-	1,305,331	2,524,279	886	3,830,496
Capital outlay - impact fees	1,801,794	10,037,515	-	-	-	-	-	-	11,839,309
Capital outlay - other	-	-	-	-	-	-	7,569,410	-	7,569,410
Culture and recreation	-	-	-	2,836,382	-	-	-	-	2,836,382
Other purposes	-	-	-	-	23,732	-	-	-	23,732
Assigned to:									
Capital outlay	1,249,076	2,467,127	429,665	-	-	-	-	-	4,145,868
Total fund balances	<u>3,050,870</u>	<u>12,504,642</u>	<u>429,665</u>	<u>2,836,382</u>	<u>23,732</u>	<u>1,305,331</u>	<u>10,093,689</u>	<u>886</u>	<u>30,245,197</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,096,483</u>	<u>\$ 12,511,340</u>	<u>\$ 429,665</u>	<u>\$ 2,892,729</u>	<u>\$ 23,732</u>	<u>\$ 2,100,881</u>	<u>\$ 10,143,029</u>	<u>\$ 886</u>	<u>\$ 31,198,745</u>

**WASHINGTON CITY, UTAH**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2024**

	Capital Projects		Special Revenue		Debt Service			Total Nonmajor Governmental Funds	
	Public Safety	Recreation	General Projects	RAP Tax	Washington City Foundation	Coral Canyon SSD	Municipal Building Authority		Debt Service
<b>Revenues</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 838,742	\$ -	\$ -	\$ 838,742
Sales and use taxes	-	-	-	769,715	-	-	-	-	769,715
Intergovernmental revenues	-	750,000	-	-	37,500	-	-	-	787,500
Charges for services	-	-	-	-	-	-	-	-	-
Impact fees	423,899	3,589,026	-	-	-	-	-	-	4,012,925
Investment earnings	148,306	447,623	21,599	146,238	-	54,267	564,714	(12)	1,382,735
Miscellaneous	-	-	-	-	18,650	-	-	-	18,650
Total revenues	<u>572,205</u>	<u>4,786,649</u>	<u>21,599</u>	<u>915,953</u>	<u>56,150</u>	<u>893,009</u>	<u>564,714</u>	<u>(12)</u>	<u>7,810,267</u>
<b>Expenditures</b>									
Current:									
General government	-	-	-	-	37,500	30,653	-	-	68,153
Public safety	45,613	-	-	-	6,099	-	-	-	51,712
Streets and highways	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	77,150	-	-	-	-	77,150
Debt service:									
Principal	-	-	-	-	-	690,000	1,240,000	-	1,930,000
Interest and fiscal charges	-	-	-	-	-	99,700	371,560	-	471,260
Bond issuance costs	-	-	-	-	-	-	-	-	-
Capital outlay	-	2,122,031	1,436,538	295,713	-	-	1,269,590	-	5,123,872
Total expenditures	<u>45,613</u>	<u>2,122,031</u>	<u>1,436,538</u>	<u>372,863</u>	<u>43,599</u>	<u>820,353</u>	<u>2,881,150</u>	<u>-</u>	<u>7,722,147</u>
Excess (deficiency) of revenues over (under) expenditures	<u>526,592</u>	<u>2,664,618</u>	<u>(1,414,939)</u>	<u>543,090</u>	<u>12,551</u>	<u>72,656</u>	<u>(2,316,436)</u>	<u>(12)</u>	<u>88,120</u>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	1,404,848	-	-	-	1,607,536	-	3,012,384
Transfers out	(166,225)	(1,376,355)	-	-	-	-	-	-	(1,542,580)
Bonds and other debt issued	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-
Leases issued	-	-	-	-	-	-	-	-	-
Total other financing sources and (uses)	<u>(166,225)</u>	<u>(1,376,355)</u>	<u>1,404,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,607,536</u>	<u>-</u>	<u>1,469,804</u>
Net change in fund balances	360,367	1,288,263	(10,091)	543,090	12,551	72,656	(708,900)	(12)	1,557,924
Fund balances - beginning	2,690,503	11,216,379	439,756	2,293,292	11,181	1,232,675	10,802,589	898	28,687,273
Fund balances - ending	<u>\$ 3,050,870</u>	<u>\$ 12,504,642</u>	<u>\$ 429,665</u>	<u>\$ 2,836,382</u>	<u>\$ 23,732</u>	<u>\$ 1,305,331</u>	<u>\$ 10,093,689</u>	<u>\$ 886</u>	<u>\$ 30,245,197</u>



**OTHER SUPPLEMENTARY INFORMATION**

**WASHINGTON CITY, UTAH**  
**Other Supplementary Information**  
**Bond Disclosures**  
**For the Year Ended June 30, 2024**

Some of the City’s revenue bond resolutions set forth certain covenants and restrictions. The City is in compliance with all related covenants and restrictions. Adequate funds are available in the applicable funds for reserve requirements. Additional disclosures required by the resolutions are as follows:

**WATER RATES**

Meter Size	Monthly Base Rate	Tier	Threshold Gallons		Washington City	WCWCD	Rate per 1,000 Gallons
5/8"	\$22.12	1	0	12,000	\$0.48	\$1.64	\$2.12
		2	12,001	15,000	\$0.69	\$1.64	\$2.33
		3	15,001	20,000	\$0.92	\$1.64	\$2.56
		4	20,001	25,000	\$1.18	\$1.64	\$2.82
		5	25,001	30,000	\$1.46	\$1.64	\$3.10
		6	30,001	35,000	\$1.77	\$1.64	\$3.41
		7	35,001	40,000	\$2.11	\$1.64	\$3.75
		8	40,001	45,000	\$2.49	\$1.64	\$4.13
		9	45,001	Unlimited	\$2.90	\$1.64	\$4.54
3/4"	\$22.12	1	0	12,000	\$0.48	\$1.64	\$2.12
		2	12,001	15,000	\$0.69	\$1.64	\$2.33
		3	15,001	20,000	\$0.92	\$1.64	\$2.56
		4	20,001	25,000	\$1.18	\$1.64	\$2.82
		5	25,001	30,000	\$1.46	\$1.64	\$3.10
		6	30,001	35,000	\$1.77	\$1.64	\$3.41
		7	35,001	40,000	\$2.11	\$1.64	\$3.75
		8	40,001	45,000	\$2.49	\$1.64	\$4.13
		9	45,001	Unlimited	\$2.90	\$1.64	\$4.54
1"	\$40.09	1	0	16,000	\$0.48	\$1.64	\$2.12
		2	16,001	32,000	\$0.69	\$1.64	\$2.33
		3	32,001	48,000	\$0.92	\$1.64	\$2.56
		4	48,001	64,000	\$1.18	\$1.64	\$2.82
		5	64,001	80,000	\$1.46	\$1.64	\$3.10
		6	80,001	96,000	\$1.77	\$1.64	\$3.41
		7	96,001	112,000	\$2.11	\$1.64	\$3.75
		8	112,001	128,000	\$2.49	\$1.64	\$4.13
		9	128,001	Unlimited	\$2.90	\$1.64	\$4.54
1 1/2"	\$88.62	1	0	27,000	\$0.48	\$1.64	\$2.12
		2	27,001	54,000	\$0.69	\$1.64	\$2.33
		3	54,001	81,000	\$0.92	\$1.64	\$2.56
		4	81,001	108,000	\$1.18	\$1.64	\$2.82
		5	108,001	135,000	\$1.46	\$1.64	\$3.10
		6	135,001	162,000	\$1.77	\$1.64	\$3.41
		7	162,001	189,000	\$2.11	\$1.64	\$3.75
		8	189,001	216,000	\$2.49	\$1.64	\$4.13
		9	216,001	Unlimited	\$2.90	\$1.64	\$4.54
2"	\$158.25	1	0	43,000	\$0.48	\$1.64	\$2.12
		2	43,001	86,000	\$0.69	\$1.64	\$2.33
		3	86,001	129,000	\$0.92	\$1.64	\$2.56
		4	129,001	172,000	\$1.18	\$1.64	\$2.82
		5	172,001	215,000	\$1.46	\$1.64	\$3.10
		6	215,001	258,000	\$1.77	\$1.64	\$3.41
		7	258,001	301,000	\$2.11	\$1.64	\$3.75
		8	301,001	344,000	\$2.49	\$1.64	\$4.13
		9	344,001	Unlimited	\$2.90	\$1.64	\$4.54
3"	\$354.48	1	0	87,000	\$0.48	\$1.64	\$2.12
		2	87,001	174,000	\$0.69	\$1.64	\$2.33
		3	174,001	261,000	\$0.92	\$1.64	\$2.56
		4	261,001	348,000	\$1.18	\$1.64	\$2.82
		5	348,001	435,000	\$1.46	\$1.64	\$3.10
		6	435,001	522,000	\$1.77	\$1.64	\$3.41
		7	522,001	609,000	\$2.11	\$1.64	\$3.75
		8	609,001	696,000	\$2.49	\$1.64	\$4.13
		9	696,001	Unlimited	\$2.90	\$1.64	\$4.54

**WASHINGTON CITY, UTAH**  
**Other Supplementary Information**  
**Bond Disclosures, Continued**  
**For the Year Ended June 30, 2024**

**WATER RATES (Continued)**

Meter Size	Monthly	Tier	Threshold Gallons		Washington	WCWCD	Rate per
	Base Rate				City		1,000 Gallons
4"	\$629.84	1	0	149,000	\$0.48	\$1.64	\$2.12
		2	149,001	298,000	\$0.69	\$1.64	\$2.33
		3	298,001	447,000	\$0.92	\$1.64	\$2.56
		4	447,001	596,000	\$1.18	\$1.64	\$2.82
		5	596,001	745,000	\$1.46	\$1.64	\$3.10
		6	745,001	894,000	\$1.77	\$1.64	\$3.41
		7	894,001	104,300	\$2.11	\$1.64	\$3.75
		8	1,043,001	119,200	\$2.49	\$1.64	\$4.13
		9	1,192,001	Unlimited	\$2.90	\$1.64	\$4.54
6"	\$1,415.81	1	0	327,000	\$0.48	\$1.64	\$2.12
		2	327,001	654,000	\$0.69	\$1.64	\$2.33
		3	654,001	981,000	\$0.92	\$1.64	\$2.56
		4	981,001	1,308,000	\$1.18	\$1.64	\$2.82
		5	1,308,001	1,635,000	\$1.46	\$1.64	\$3.10
		6	1,635,001	1,962,000	\$1.77	\$1.64	\$3.41
		7	1,962,001	2,289,000	\$2.11	\$1.64	\$3.75
		8	2,289,001	2,616,000	\$2.49	\$1.64	\$4.13
		9	2,616,001	Unlimited	\$2.90	\$1.64	\$4.54

**ADMINISTRATIVE I Amount**

Late Fee	5%	Of Unpaid Balance
Collection Fees	100%	Of Collection Agent Fee

Water	Meter Size		
Water Connection	5/8 x 3/4 & 3/4"		\$380.00
	1"		\$480.00
	1 1/2"		\$772.00
	2"		\$974.00
	3"		\$1,562.00
	4"		\$1,987.00
	6"		\$3,107.00
Water Impact:	<b>Meter Size</b>	<b>ERU's</b>	
	5/8 x 3/4 & 3/4"	1.00	\$4,550.00
	1"	1.78	\$8,099.00
	1 1/2"	4.00	\$18,200.00
	2"	7.11	\$32,350.00
	3"	16.00	\$72,800.00
	4"	28.44	\$129,402.00
6"	64.00	\$291,200.00	

**WASHINGTON CITY, UTAH**  
**Other Supplementary Information**  
**Bond Disclosures, Continued**  
**For the Year Ended June 30, 2024**

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Insurance coverage in effect at June 30, 2024:

Provider	Type	Policy Number	Effective	Expires*	Limits
Utah Local Government Trust	Auto - bodily injury liability	14680	07/01/23	06/30/24	\$5,000,000
Utah Local Government Trust	Auto - property damage liability	14680	07/01/23	06/30/24	5,000,000
Utah Local Government Trust	Auto - underinsured	14680	07/01/23	06/30/24	100,000
Utah Local Government Trust	Auto - uninsured	14680	07/01/23	06/30/24	100,000
Utah Local Government Trust	General liability	14680	07/01/23	06/30/24	5,000,000
Utah Local Government Trust	Public officials' errors and omissions	14680	07/01/23	06/30/24	5,000,000
Utah Local Government Trust	Law enforcement liability	14680	07/01/23	06/30/24	5,000,000
Utah Local Government Trust	Property coverage - all risk	14680	07/01/23	06/30/24	96,203,213

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**OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS**  
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**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***

The Honorable Mayor and  
Members of the City Council  
Washington City, 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, each major fund, and the aggregate remaining fund information of Washington City, Utah, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Washington City’s basic financial statements and have issued our report thereon dated January 6, 2025.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Washington 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. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

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



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Washington City’s financial statements are free of 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 *Governmental Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*HintonBurdick, PLLC*

St. George, Utah  
January 6, 2025



**Independent Auditor’s Report on Compliance and  
Report on Internal Control over Compliance  
As Required by the *State Compliance Audit Guide***

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

**Report on Compliance**

We have audited Washington City, Utah’s compliance with the applicable state requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2024.

State compliance requirements were tested for the year ended June 30, 2024 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Court
- Restricted Taxes and Related Restricted Revenue
- Fraud Risk Assessment
- Governmental Fees

***Management’s Responsibility***

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

***Auditor’s Responsibility***

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

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

### ***Opinion on Compliance***

In our opinion, Washington City, Utah, complied, in all material aspects, with the state compliance requirements referred to above for the year ended June 30, 2024.

### **Report on Internal Control Over Compliance**

Management of Washington City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered Washington City's internal control over compliance with the state compliance requirements referred to above to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Washington City's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*HintonBurdick, PLLC*

St. George, Utah  
January 6, 2025



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