

CITY COUNCIL AGENDA

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PUBLIC NOTICE is hereby given that the City Council of SOUTH WEBER CITY, Utah, will meet in a regular public meeting commencing at 6:00 p.m. on Tuesday, January 23, 2024, in the Council Chambers at 1600 E. South Weber Dr.

OPEN (Agenda items may be moved to meet the needs of the Council.)

1. Pledge of Allegiance: Councilwoman Petty
2. Prayer: Councilman Davis
3. Public Comment: Please respectfully follow these guidelines.
 - a. Individuals may speak once for 3 minutes or less: Do not remark from the audience.
 - b. State your name & city and direct comments to the entire Council (They will not respond).

PRESENTATIONS

4. 2023 Audit Report

ACTION ITEMS

5. **Public Hearing to Consider Declaring Surplus Property at 1727 E South Weber Drive**
6. Resolution 24-04: Declaring 1727 E South Weber Drive as Surplus Property
7. Dump Truck Lease Payment

DISCUSSION ITEMS

8. Legislative Review

REPORTS

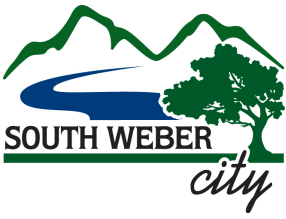
9. New Business
10. Council & Staff
11. Adjourn

In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify the City Recorder, 1600 East South Weber Drive, South Weber, Utah 84405 (801-479-3177) at least two days prior to the meeting.

The undersigned City Recorder for the municipality of South Weber City hereby certifies that a copy of the foregoing notice was mailed/emailed/posted to: City Office building; Mayor, Council, and others on the agenda; City Website southwebercity.com/; and Utah Public Notice website www.utah.gov/pmn/index.html.

DATE: January 15, 2024

CITY RECORDER: Lisa Smith



CITY COUNCIL MEETING STAFF REPORT

MEETING DATE

January 23, 2024

PREPARED BY

Lisa Smith
City Recorder

ITEM TYPE

Presentation

ATTACHMENTS

City Financial Statements
along with Audit Report

PRIOR DISCUSSION DATES

NA

AGENDA ITEM

2023 Audit Report

PURPOSE

The City's Audit Committee will be prepared to present the audit report with K & C representatives in attendance to answer questions, if necessary

RECOMMENDATION

NA

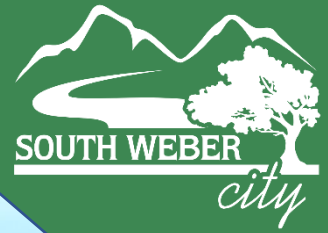
BACKGROUND

Each fiscal year, the City is required to have an independent audit of the City's financial statements. The City contracted with K & C (formerly Keddington and Christensen) to perform this audit.

As established in Resolution 08-55, the Audit Committee consisting of Mayor Westbroek, K & C representative Gary Keddington, Council Member Wayne Winsor, City Recorder Lisa Smith, City Treasurer Tia Jensen, and City Manager David Larson met on January 15, 2024 to review and discuss the report.

ANALYSIS

The FY2023 audit is clean with no findings; the best type of audit available. There was a larger than usual number of corrective journal entries and K & C recommends specific Governmental Accounting Standards Board (GASB) training for financial staff to continue to reduce the number of corrective journal entries to maintain clean audits in the future.



FINANCIAL STATEMENTS

For the year ended June 30, 2023
Together with independent Auditor's Report

Prepared By:

David Larson, City Manager
Mark McRae, Finance Director
Maryn Peterson, Treasurer

Mayor

Rod Westbroek

Councilmembers

| | |
|-----------------|-----------------|
| Blair Halverson | Angie Petty |
| Hayley Alberts | Quin Soderquist |
| Joel Dills | |

SOUTH WEBER CITY
FINANCIAL STATEMENTS
For The Year Ended June 30, 2023
Together With Independent Auditor's Report

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
South Weber City
South Weber City, Utah

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of South Weber City, Utah, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

K&C, CPAs

K&C, CPA's
Woods Cross City, Utah
December 26, 2023

**SOUTH WEBER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

The management team of South Weber City (the City) presents this narrative information on the City's financial statements. It contains an overview and analysis of the financial position and results of operations as of and for the twelve months ended June 30, 2023. As management of the City, we encourage readers to consider information contained in this discussion.

FINANCIAL HIGHLIGHTS

The assets of South Weber City exceeded its liabilities at the end of the current fiscal year by \$47,395,581 (net position). Of this amount, \$12,882,600 (unrestricted position) is available to meet ongoing obligations of citizens and creditors. Net position increased by \$4,064,438 from the prior year.

The City's Governmental activities reported a combined ending net position of \$23,640,806. Of that amount, \$4,362,396 is available for spending at the discretion of the City (unrestricted and undesignated fund balance).

The unassigned fund balance of the general fund at June 30, 2023, totaled \$1,317,908 and is 33% of the general fund total revenues for the year.

During the year, several projects were completed by the City. In addition, several developments were completed as well, upon which the related infrastructure was contributed to the City. Capital assets were added in the water, sewer, and storm sewer funds, as well as the general fixed assets of the City.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements give readers a broad overview of the entire City's financial position, and changes in financial position, similar to consolidated financial statements in a private sector business. These statements consist of the statement of net position and the statement of activities.

The statement of net position shows South Weber City's assets, liabilities and deferred outflows and inflows of resources, with the difference shown as net position. Increases or decreases over time in net position gives an indicator as to whether the financial condition of South Weber City is improving or declining.

The statement of activities shows the changes to net position that occurred during the most recent fiscal year. These changes are recorded on an accrual basis when the underlying event that causes the change occurs, regardless of when the cash transaction takes place.

Both of the government-wide financial statements distinguish between activities that are largely supported by taxes and intergovernmental revenue and those whose operations are entirely or largely financed by user charges and fees. The governmental activities for South Weber City include general government, streets, parks, recreation, and other departments. The business-type activities include water, garbage, storm sewer, and sewer operations.

The government-wide financial statements include only the financial statements of South Weber City. The City does not have any component units. The government-wide financial statements are found immediately following this discussion and analysis.

**SOUTH WEBER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2023**

Fund financial statements are a set of closely related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. South Weber City, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. All of the City's funds can be categorized into one of two categories: governmental funds and proprietary funds.

Governmental funds account for essentially the same activities as the governmental activities in the government-wide financial statements, but with a narrower focus. Governmental funds concentrate on near-term inflows and outflows of financial resources and the balances of spendable resources available to the government at the end of the fiscal year. This information can be useful in evaluating the government's short-term financing requirements.

Comparing similar information presented in the government-wide statements for the governmental activities with that presented in governmental funds statements can provide useful information because of the different focus of the two approaches. With the long-term focus of the government-wide statements, a reader may be able to better understand the long-term effects of the near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balance show reconciliation between the governmental funds' statements to the governmental activities in the government-wide statements to aid in the comparison.

South Weber City uses four major government funds, which are the general fund, special revenue recreation fund, special revenue transportation fund, and capital projects fund. The information on these funds is shown separately. The City has four nonmajor funds which are the park impact special revenue, road impact special revenue, recreation impact special revenue, and public safety impact special revenue fund. The City adopts an annual appropriated budget for all its governmental funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

Within the proprietary funds are the enterprise funds. The enterprise funds report the same functions as the business-type activities in the government-wide financial statements. The enterprise funds maintained by South Weber City are the water, sewer, sanitation(garbage), and storm sewer utility. The internal service fund is to account for the lease of vehicles and large equipment.

Proprietary funds present the same information as in the government-wide statements, but in more detail. All of the proprietary funds are considered to be major funds of South Weber City.

Notes to the financial statements contain additional information important to a complete understanding of the information contained in the government-wide and fund financial statements. Notes to the financial statements are located after the statements for major funds as listed in the table of contents.

OTHER INFORMATION

Other information is contained in this report immediately following the notes to the financial statements and required supplementary information as listed in the table of contents.

**SOUTH WEBER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

| | Comparative Summary of Net Position | | | | | | Total % Change From Prior Year |
|---|-------------------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|--------------------------------------|
| | Governmental Activities | | Business-type Activities | | Total Activities | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | |
| Current and other assets | \$ 8,178,319 | \$ 7,339,870 | \$ 9,594,381 | \$ 9,035,915 | \$ 17,772,700 | \$ 16,375,785 | 8.5% |
| Capital assets | 19,304,688 | 18,326,221 | 16,855,573 | 15,731,264 | 36,160,261 | 34,057,485 | 6.2% |
| Total assets | 27,483,007 | 25,666,091 | 26,449,954 | 24,767,179 | 53,932,961 | 50,433,270 | 6.9% |
| Total deferred outflows of resources | 200,791 | 141,847 | 116,740 | 95,852 | 317,531 | 237,699 | 33.6% |
| Long-term liabilities outstanding | 1,387,029 | 1,381,628 | 2,563,413 | 2,643,602 | 3,950,442 | 4,025,230 | -1.9% |
| Other liabilities | 1,533,882 | 1,684,283 | 247,864 | 164,440 | 1,781,746 | 1,848,723 | -3.6% |
| Total liabilities | 2,920,911 | 3,065,911 | 2,811,277 | 2,808,042 | 5,732,188 | 5,873,953 | -2.4% |
| Total deferred inflows of resources | 1,122,081 | 1,388,298 | 642 | 77,575 | 1,122,723 | 1,465,873 | -23.4% |
| Net position: | | | | | | | |
| Net investment in capital assets | 18,101,653 | 17,910,814 | 14,273,214 | 13,107,822 | 32,374,867 | 31,018,636 | 4.4% |
| Restricted | 1,176,757 | 784,972 | 961,357 | 943,634 | 2,138,114 | 1,728,606 | 23.7% |
| Unrestricted | 4,362,396 | 2,657,943 | 8,520,204 | 7,925,958 | 12,882,600 | 10,583,901 | 21.7% |
| Total net position | \$ 23,640,806 | \$ 21,353,729 | \$ 23,754,775 | \$ 21,977,414 | \$ 47,395,581 | \$ 43,331,143 | 9.4% |

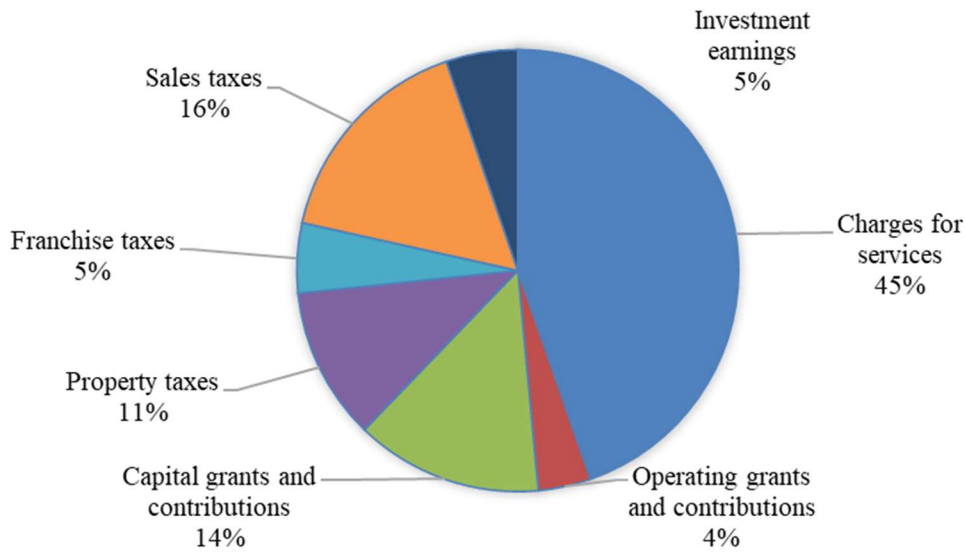
By far the largest component of South Weber City's net position, 68.3% is its investment in capital assets. This figure represents the City's investment in land and improvements, buildings, machinery and equipment, roads, streetlights, and bridges, less any related outstanding debt that was used to acquire these assets. South Weber City uses these capital assets to provide services to citizens who live, work, pass through, or benefit in other ways from the City. By their nature, these assets are not available for future spending. Further, even though these capital assets are reported net of any related debt, resources needed to repay the debt must come from other sources, as the assets themselves cannot be used to satisfy the related obligations.

**SOUTH WEBER CITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2023**

An additional part of net position, 4.5%, is assets that are subject to external restrictions on how they may be expended. The remaining 27.2% of net position can be used to meet the City’s ongoing obligations to its creditors and to citizens.

| | Comparative Changes in Net Position | | | | | | Total % Change From Prior Year |
|------------------------------------|-------------------------------------|---------------------|--------------------------|---------------------|----------------------|---------------------|--------------------------------------|
| | Governmental Activities | | Business-type Activities | | Total Activities | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | |
| Revenues: | | | | | | | |
| Program revenues: | | | | | | | |
| Charges for services | \$ 952,908 | \$ 1,140,368 | \$ 3,795,033 | \$ 3,390,858 | \$ 4,747,941 | \$ 4,531,226 | 4.8% |
| Operating grants and contributions | 410,373 | 419,142 | - | - | 410,373 | 419,142 | -2.1% |
| Capital grants and contributions | 409,259 | 561,518 | 1,046,070 | 342,784 | 1,455,329 | 904,302 | 60.9% |
| General revenues: | | | | | | | |
| Property taxes | 1,186,453 | 1,044,803 | - | - | 1,186,453 | 1,044,803 | 13.6% |
| Franchise taxes | 544,359 | 418,073 | - | - | 544,359 | 418,073 | 30.2% |
| Sales taxes | 1,729,969 | 1,608,842 | - | - | 1,729,969 | 1,608,842 | 7.5% |
| Other revenue | 75,323 | 17,760 | - | - | 75,323 | 17,760 | 0.0% |
| Gain on sale of assets | 101,293 | 4,500 | 23,407 | - | 124,700 | 4,500 | 0.0% |
| Investment earnings | 212,112 | 25,406 | 346,175 | 35,278 | 558,287 | 60,684 | 820.0% |
| Total revenues | \$ 5,622,049 | \$ 5,240,412 | \$ 5,210,685 | \$ 3,768,920 | \$ 10,832,734 | \$ 9,009,332 | 20.2% |

GOVERNMENT TOTAL REVENUES

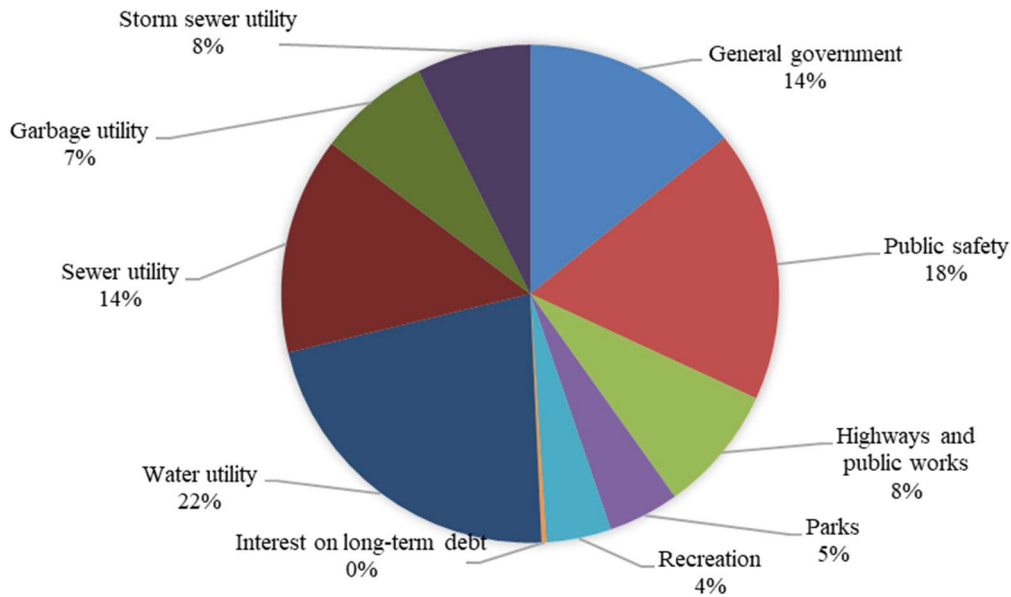


**SOUTH WEBER CITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2023**

Comparative Changes in Net Position (Continued)

| | Governmental Activities | | Business-type Activities | | Total Activities | | Total % Change From Prior Year |
|---|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|--------------------------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | |
| Expenses: | | | | | | | |
| General government | \$ 963,587 | \$ 642,223 | \$ - | \$ - | \$ 963,587 | \$ 642,223 | 50.0% |
| Public safety | 1,194,938 | 1,051,597 | - | - | 1,194,938 | 1,051,597 | 13.6% |
| Highways and public works | 558,283 | 1,653,351 | - | - | 558,283 | 1,653,351 | -66.2% |
| Parks | 312,170 | 406,570 | - | - | 312,170 | 406,570 | -23.2% |
| Recreation | 285,712 | 245,736 | - | - | 285,712 | 245,736 | 16.3% |
| Interest on long-term debt | 20,282 | 22,876 | - | - | 20,282 | 22,876 | -11.3% |
| Water services | - | - | 1,483,905 | 1,229,846 | 1,483,905 | 1,229,846 | 20.7% |
| Sewer services | - | - | 954,725 | 833,195 | 954,725 | 833,195 | 14.6% |
| Garbage services | - | - | 493,844 | 528,704 | 493,844 | 528,704 | -6.6% |
| Storm sewer services | - | - | 500,850 | 371,679 | 500,850 | 371,679 | 34.8% |
| Total expenses | 3,334,972 | 4,022,353 | 3,433,324 | 2,963,424 | 6,768,296 | 6,985,777 | -3.1% |
| Change in net position before transfers | 2,287,077 | 1,218,059 | 1,777,361 | 805,496 | 4,064,438 | 2,023,555 | -50.2% |
| Change in net position | 2,287,077 | 1,218,059 | 1,777,361 | 805,496 | 4,064,438 | 2,023,555 | 100.9% |
| Net position - beginning | 21,353,729 | 20,135,670 | 21,977,414 | 21,171,918 | 43,331,143 | 41,307,588 | 4.9% |
| Net position - end of year | \$ 23,640,806 | \$ 21,353,729 | \$ 23,754,775 | \$ 21,977,414 | \$ 47,395,581 | \$ 43,331,143 | 9.4% |

GOVERNMENT TOTAL EXPENDITURES/EXPENSES



**SOUTH WEBER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2023**

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

Governmental activities net position increased by \$2,287,077 for the year ended June 30, 2023. The major reason for the increase resulted from assets contributed to the City from developers, increases in Sales tax and Property tax, and a decrease in expenses resulting from capital projects being delayed a year.

Business-type activities contributed an increase of \$1,777,361 in net position. The most significant reason for this increase in business-type activities is contributed assets from developers, and charges from services for water, sewer, and garbage utilities.

The City received \$558,287 in investment earnings and \$121,166 in impact fees during the year between governmental and business-type activities. Investment earnings were up 919% over the prior year. Impact fees were down and only 22% of the prior year total.

FINANCIAL ANALYSIS OF SOUTH WEBER CITY'S FUNDS

South Weber City's governmental funds provide information on the short-term resource inflows and outflows and account balances at the end of the fiscal year. The total fund balance is a measure of total available resources. The unrestricted portion of this total fund balance is a measure of the available spendable resources on June 30, 2023.

For the period ended June 30, 2023, the City's governmental funds reported combined fund balances in the amount of \$5,093,134. Of the total balance at year-end, \$1,317,908 is unassigned. The governmental funds also have portions of the fund balance restricted, committed and assigned for various reasons, i.e., class "C" road and impact fee funds.

The special revenue recreation fund has a fund balance of \$537,177 a decrease of \$37,509 from the prior year mainly due to programs being resumed that had been cancelled because of COVID-19 restrictions in 2021. The special revenue transportation fund has a fund balance of \$873,198, an increase of \$382,748 from the prior year due to several projects being postponed a year. The capital projects fund has a fund balance of \$1,188,094, a decrease of \$204,022 from the prior year.

The General Fund is the main operating fund for South Weber City. On June 30, 2023, the general fund's unassigned fund balance was \$1,317,908. Total fund balance of the general fund for South Weber City increased by \$675,443. A useful measure of liquidity is to compare the unrestricted fund balance and the total fund balance to expenditures (including operating transfers out) for the year. Unassigned fund balance for general fund was 41.4% of total expenditures.

The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, with exception of combining the proprietary funds portion of the internal service fund, but in more detail. Unrestricted net position of the City's major proprietary funds totaled \$8,403,176. Discussions about the finances of these funds are addressed in the City's business-type activities.

BUDGETARY HIGHLIGHTS

The general fund was amended to recognize additional Sales Tax and miscellaneous revenue received. Overall, the general fund was under budgeted expenditures by \$264,987.

The special revenue recreation fund budget was amended by \$85,000 during the year, and actual expenditures were less than budgeted expenditures by \$145,764. The COVID-19 pandemic caused the cancellation of some recreation programs.

The capital projects fund budget was amended for additional planned projects. Most significant was the Fire auxillary building & driveway and the new public works facility. The actual expenditures in this fund were \$491,313 less than the budgeted amounts due to delays in the public works project.

**SOUTH WEBER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2023**

The remaining special revenue funds budgeted expenditures did not see any significant increases besides transfers out to the general and capital projects funds as reimbursement of impact fee qualifying expenses in those funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

South Weber City's investment in capital assets for its governmental and business type activities has a combined total of \$36,160,261 (net of \$18,980,559 accumulated depreciation) at June 30, 2023. Types of assets included in this category are land, buildings, improvements, vehicles, machinery, equipment, roads (including curb and gutter), streetlights, traffic signals, water, waste water, and sewer. The City's investment in net capital assets equals 67% of total assets.

Major capital asset activities are included in the following table:

| | Governmental Activities | | Business-type Activities | | Total Activities | | Total % Change From Prior Year |
|-----------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|--------------------------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | |
| Land and water rights | \$ 6,229,087 | \$ 5,464,211 | \$ - | \$ - | \$ 6,229,087 | \$ 5,464,211 | 14.0% |
| Buildings | 3,352,789 | 3,075,860 | 298,262 | 298,262 | 3,651,051 | 3,374,122 | 8.2% |
| Improvements other than buildings | 17,965,169 | 16,963,559 | 23,310,752 | 22,162,601 | 41,275,921 | 39,126,160 | 5.5% |
| Vehicles | 2,331,851 | 2,294,181 | - | 22,250 | 2,331,851 | 2,316,431 | 0.7% |
| Machinery and equipment | 493,669 | 417,345 | 379,673 | 356,165 | 873,342 | 773,510 | 12.9% |
| Construction in process | 146,639 | 355,193 | 632,929 | 13,152 | 779,568 | 368,345 | 100.0% |
| Less: Accumulated Depreciation | (11,214,516) | (10,244,128) | (7,766,043) | (7,121,166) | (18,980,559) | (17,365,294) | 9.3% |
| Net Book Value | \$ 19,304,688 | \$ 18,326,221 | \$ 16,855,573 | \$ 15,731,264 | \$ 36,160,261 | \$ 34,057,485 | 6.2% |

On June 30, 2023 South Weber City's total debt amounted to \$2,906,887 of which \$2,505,887 was incurred by the City's business-type activities and the remaining \$401,000 was incurred by the City's governmental units. The City's debt consists of revenue bonds and is secured by specific revenue sources (i.e., sales taxes and water).

Additional information on South Weber City's capital assets and debt can be found in Notes 4 and 6 in the notes to the City's basic financial statements.

| Debt Outstanding | Governmental Activities | | Business-type Activities | | Total Activities | | Total % Change From Prior Year |
|-------------------------------|-------------------------|-------------------|--------------------------|---------------------|---------------------|---------------------|--------------------------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | |
| Revenue Bonds | \$ 401,000 | \$ 494,000 | \$ 2,505,887 | \$ 2,623,442 | \$ 2,906,887 | \$ 3,117,442 | -6.8% |
| Total debt outstanding | \$ 401,000 | \$ 494,000 | \$ 2,505,887 | \$ 2,623,442 | \$ 2,906,887 | \$ 3,117,442 | -6.8% |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

As of October 2023, the state unemployment rate was 2.7%, a slight increase from 2.1% the previous year. Currently, South Weber City is experiencing moderate economic growth and has not been seriously impacted financially by the pandemic. Sales tax has remained strong during the pandemic as South Weber has benefited from the shift from brick-and-mortar sales to on-line sales. The City has experienced a significant slowing of residential building and additional subdivisions that could bring more property taxes into the City in future years since the land was previously farm property subject to the greenbelt provisions.

The rates and fees for most services remained constant for fiscal year 2023 compared with fiscal year 2022. The exception was a 100% increase in Storm Drain utility fees.

REQUEST FOR INFORMATION

This financial report is designed to give its readers a general overview of the South Weber City's finances. Questions regarding any information contained in this report or requests for additional financial information should be addressed to South Weber City, 1600 East South Weber Drive, South Weber City, Utah 84405.

BASIC FINANCIAL STATEMENTS

SOUTH WEBER CITY
STATEMENT OF NET POSITION
June 30, 2023

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|----------------------|
| Assets: | | | |
| Cash and cash equivalents | \$ 4,377,839 | \$ 7,965,772 | \$ 12,343,611 |
| Receivables: | | | |
| Property, franchise, and excise taxes | 1,560,204 | - | 1,560,204 |
| Accounts receivable | 40,592 | 320,531 | 361,123 |
| Prepaid expenses | - | 188,197 | 188,197 |
| Internal balances | (117,029) | 117,029 | - |
| Restricted: | | | |
| Cash and cash equivalents | 2,232,345 | 1,002,852 | 3,235,197 |
| Receivables - Class "C" road funds | 84,368 | - | 84,368 |
| Capital assets not being depreciated: | | | |
| Land and water rights | 6,229,087 | - | 6,229,087 |
| Construction in process | 146,639 | 632,929 | 779,568 |
| Capital assets, net of accumulated depreciation: | | | |
| Buildings | 1,978,871 | 149,128 | 2,127,999 |
| Improvements other than buildings | 9,263,853 | 15,852,359 | 25,116,212 |
| Machinery and equipment | 254,355 | 221,157 | 475,512 |
| Vehicles | 1,431,883 | - | 1,431,883 |
| Total Assets | <u>27,483,007</u> | <u>26,449,954</u> | <u>53,932,961</u> |
| Deferred Outflows of Resources | | | |
| Deferred loss on refunding | 16,175 | 61,595 | 77,770 |
| Deferred outflows relating to pensions | 184,616 | 55,145 | 239,761 |
| Total Deferred Outflows of Resources | <u>200,791</u> | <u>116,740</u> | <u>317,531</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 27,683,798</u> | <u>\$ 26,566,694</u> | <u>\$ 54,250,492</u> |

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

SOUTH WEBER CITY
STATEMENT OF NET POSITION (Continued)
June 30, 2023

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|----------------------|
| Liabilities: | | | |
| Accounts payable | \$ 254,319 | \$ 197,766 | \$ 452,085 |
| Accrued liabilities | 118,222 | - | 118,222 |
| Accrued interest | 21,385 | 8,603 | 29,988 |
| Unearned revenue | 1,042,736 | 41,495 | 1,084,231 |
| Restricted liabilities: | | | |
| Developer and customer deposits | 97,220 | - | 97,220 |
| Noncurrent liabilities: | | | |
| Due within one year | 331,155 | 117,863 | 449,018 |
| Due in more than one year | 962,963 | 2,417,797 | 3,380,760 |
| Net pension liability | 92,911 | 27,753 | 120,664 |
| Total Liabilities | <u>2,920,911</u> | <u>2,811,277</u> | <u>5,732,188</u> |
| Deferred Inflows of Resources | | | |
| Deferred revenue - property taxes | 1,119,933 | - | 1,119,933 |
| Deferred inflows relating to pensions | 2,148 | 642 | 2,790 |
| Total Deferred Inflows of Resources | <u>1,122,081</u> | <u>642</u> | <u>1,122,723</u> |
| Net Position | | | |
| Net investment in capital assets | 18,101,653 | 14,273,214 | 32,374,867 |
| Restricted for: | | | |
| Impact fees | 263,258 | 961,357 | 1,224,615 |
| Roads | 801,216 | - | 801,216 |
| Other | 112,283 | - | 112,283 |
| Unrestricted | 4,362,396 | 8,520,204 | 12,882,600 |
| Total Net Position | <u>23,640,806</u> | <u>23,754,775</u> | <u>47,395,581</u> |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>\$ 27,683,798</u> | <u>\$ 26,566,694</u> | <u>\$ 54,250,492</u> |

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

**SOUTH WEBER CITY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023**

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | | | |
|--------------------------------------|--------------|----------------------|------------------------------------|---|-------------------------|--------------------------|---------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Primary Government: | | | | | | | |
| Government Activities | | | | | | | |
| General government | \$ 963,587 | \$ 236,663 | \$ 49,809 | \$ 9,600 | \$ (667,515) | \$ - | \$ (667,515) |
| Public safety | 1,194,938 | 68,083 | - | 323,219 | (803,636) | - | (803,636) |
| Highways and public works | 558,283 | 460,185 | 360,564 | 61,790 | 324,256 | - | 324,256 |
| Parks | 312,170 | 3,035 | - | 10,480 | (298,655) | - | (298,655) |
| Recreation | 285,712 | 184,942 | - | 4,170 | (96,600) | - | (96,600) |
| Interest on long-term debt | 20,282 | - | - | - | (20,282) | - | (20,282) |
| Total Governmental Activities | 3,334,972 | 952,908 | 410,373 | 409,259 | (1,562,432) | - | (1,562,432) |
| Business-type Activities | | | | | | | |
| Water utility | 1,483,905 | 1,658,716 | - | 417,379 | - | 592,190 | 592,190 |
| Sewer utility | 954,725 | 1,073,842 | - | 307,016 | - | 426,133 | 426,133 |
| Garbage utility | 493,844 | 540,026 | - | - | - | 46,182 | 46,182 |
| Storm sewer utility | 500,850 | 522,449 | - | 321,675 | - | 343,274 | 343,274 |
| Total Business-type Activities | 3,433,324 | 3,795,033 | - | 1,046,070 | - | 1,407,779 | 1,407,779 |
| Total Government | \$ 6,768,296 | \$ 4,747,941 | \$ 410,373 | \$ 1,455,329 | (1,562,432) | 1,407,779 | (154,653) |
| General Revenues: | | | | | | | |
| | | | | | 1,186,453 | - | 1,186,453 |
| | | | | | 544,359 | - | 544,359 |
| | | | | | 1,729,969 | - | 1,729,969 |
| | | | | | 75,323 | - | 75,323 |
| | | | | | 212,112 | 346,175 | 558,287 |
| | | | | | 101,293 | 23,407 | 124,700 |
| | | | | | - | - | - |
| Total General Revenues and Transfers | | | | | 3,849,509 | 369,582 | 4,219,091 |
| Changes in Net Position | | | | | 2,287,077 | 1,777,361 | 4,064,438 |
| Net Position, Beginning | | | | | 21,353,729 | 21,977,414 | 43,331,143 |
| Net Position, Ending | | | | | \$ 23,640,806 | \$ 23,754,775 | \$ 47,395,581 |

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

SOUTH WEBER CITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

| | General Fund | Special Revenue Funds | | Capital Projects Fund | Nonmajor Governmental Funds | Totals |
|--|---------------------|-----------------------|------------------------|--------------------------|-----------------------------------|---------------------|
| | | Recreation Fund | Transportation Fund | | | |
| Assets | | | | | | |
| Cash and cash equivalents | \$ 1,125,583 | \$ 528,797 | \$ 921,450 | \$ 1,232,226 | \$ - | \$ 3,808,056 |
| Accounts receivable | - | - | 40,592 | - | - | 40,592 |
| Property, franchise, and excise tax receivable | 1,457,507 | - | - | - | - | 1,457,507 |
| Receivables, other | 59,049 | 17,010 | 26,638 | - | - | 102,697 |
| Restricted assets: | | | | | | |
| Cash and cash equivalents | 1,470,623 | - | - | 498,464 | 263,258 | 2,232,345 |
| Receivables - Class "C" road monies | 84,368 | - | - | - | - | 84,368 |
| Total Assets | \$ 4,197,130 | \$ 545,807 | \$ 988,680 | \$ 1,730,690 | \$ 263,258 | \$ 7,725,565 |
| Liabilities | | | | | | |
| Accounts payable | \$ 86,076 | \$ 8,630 | \$ 115,482 | \$ 44,132 | \$ - | \$ 254,320 |
| Accrued liabilities | 118,222 | - | - | - | - | 118,222 |
| Unearned revenue | 544,272 | - | - | 498,464 | - | 1,042,736 |
| Restricted liabilities: | | | | | | |
| Developer and customer deposits | 97,220 | - | - | - | - | 97,220 |
| Total Liabilities | 845,790 | 8,630 | 115,482 | 542,596 | - | 1,512,498 |
| Deferred Inflows of Resources | | | | | | |
| Unavailable revenue - construction receivables | 48,433 | - | - | - | - | 48,433 |
| Unavailable revenue - property taxes | 1,071,500 | - | - | - | - | 1,071,500 |
| Total Deferred Inflows of Resources | 1,119,933 | - | - | - | - | 1,119,933 |
| Fund Balances | | | | | | |
| Restricted | | | | | | |
| Class "C" roads | 801,216 | - | - | - | - | 801,216 |
| Impact fees | - | - | - | - | 263,258 | 263,258 |
| RAP Tax | 93,083 | - | - | - | - | 93,083 |
| Future projects | 19,200 | - | - | - | - | 19,200 |
| Assigned | | | | | | |
| Recreation | - | 537,177 | - | - | - | 537,177 |
| Transportation | - | - | 873,198 | - | - | 873,198 |
| Capital improvements | - | - | - | 1,188,094 | - | 1,188,094 |
| Unassigned | 1,317,908 | - | - | - | - | 1,317,908 |
| Total Fund Balances | 2,231,407 | 537,177 | 873,198 | 1,188,094 | 263,258 | 5,093,134 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 4,197,130 | \$ 545,807 | \$ 988,680 | \$ 1,730,690 | \$ 263,258 | \$ 7,725,565 |

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

SOUTH WEBER CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2023

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

| | | |
|--|-----------|---------------------------------|
| Total fund balance - governmental funds | \$ | 5,093,134 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | 17,872,805 |
| Deferred outflows of resources relating to refunding are not financial resources and, therefore, are not reported in the funds. | | 16,175 |
| Long-term liabilities, including bond payable, and compensated absences are not due and payable in the current period and therefore are not recorded in the funds. | | |
| Bonds payable | | (401,000) |
| Accrued compensated absences | | (74,908) |
| Accrued interest expense is not due and payable in the current period and therefore is not recorded in the funds. | | (5,954) |
| The internal service fund is used by management to charge costs for leased vehicles . The assets and liabilities are of the internal service fund are included in the governmental activities in the Statement of Net Position | | 1,050,997 |
| Pension assets and liabilities along with the corresponding deferred inflows and outflows are not collectable or payable in the current period and therefore are not recorded in the funds. | | <u>89,557</u> |
| Net position - governmental activities | \$ | <u><u>23,640,806</u></u> |

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

SOUTH WEBER CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

| | General Fund | Special Revenue Funds | | Capital Projects Fund | Nonmajor Governmental Funds | Totals |
|--|------------------|-----------------------|------------------------|--------------------------|-----------------------------------|------------------|
| | | Recreation Fund | Transportation Fund | | | |
| Revenues | | | | | | |
| General property taxes | \$ 1,186,480 | \$ - | - | \$ - | \$ - | \$ 1,186,480 |
| Sales, use, and excise taxes | 1,382,142 | - | 148,150 | 275,000 | - | 1,805,292 |
| Franchise taxes | 544,359 | - | - | - | - | 544,359 |
| Impact fees | - | - | - | - | 77,834 | 77,834 |
| Licenses | 77,842 | - | - | - | - | 77,842 |
| Fines | 135,047 | - | - | - | - | 135,047 |
| Charges for services | 96,361 | 184,942 | 460,185 | - | - | 741,488 |
| Interest income | 73,834 | 21,472 | 25,629 | 71,214 | 10,792 | 202,941 |
| Intergovernmental | 410,373 | - | - | 321,825 | - | 732,198 |
| Contributions | - | - | - | - | - | - |
| Miscellaneous revenue | 33,374 | - | - | - | - | 33,374 |
| Total Revenues | 3,939,812 | 206,414 | 633,964 | 668,039 | 88,626 | 5,536,855 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | 721,124 | - | - | - | - | 721,124 |
| Public safety | 1,261,286 | - | - | - | - | 1,261,286 |
| Public works | 934,720 | - | 251,216 | - | - | 1,185,936 |
| Parks | 231,481 | - | - | - | - | 231,481 |
| Recreation | - | 254,818 | - | - | - | 254,818 |
| Capital expenditures | - | - | - | 897,687 | - | 897,687 |
| Debt service: | | | | | | |
| Principal | 26,040 | 66,960 | - | - | - | 93,000 |
| Interest and fiscal charges | 8,161 | 9,458 | - | - | - | 17,619 |
| Total Expenditures | 3,182,812 | 331,236 | 251,216 | 897,687 | - | 4,662,951 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 757,000 | (124,822) | 382,748 | (229,648) | 88,626 | 873,904 |
| Other Financing Sources (Uses) | | | | | | |
| Transfer in | 1,443 | 87,313 | - | 25,626 | - | 114,382 |
| Transfer out | (83,000) | - | - | - | (31,382) | (114,382) |
| Total Other Financing Sources (Uses) | (81,557) | 87,313 | - | 25,626 | (31,382) | - |
| Net Change in Fund Balances | 675,443 | (37,509) | 382,748 | (204,022) | 57,244 | 873,904 |
| Fund Balance, Beginning | 1,555,964 | 574,686 | 490,450 | 1,392,116 | 206,014 | 4,219,230 |
| Fund Balance, Ending | \$ 2,231,407 | \$ 537,177 | \$ 873,198 | \$ 1,188,094 | \$ 263,258 | \$ 5,093,134 |

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

SOUTH WEBER CITY
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, 2023

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

| | |
|--|----------------------------|
| Net change in fund balances - total governmental funds | \$ 873,904 |
| Governmental funds have reported capital outlays, past and present, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | 1,911,212 |
| Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position. | (827,167) |
| Government funds have proceeds from the sale of assets as revenue. However, in the statement activities it reports the gain or loss on the sale of assets. | |
| Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position. | 93,000 |
| The amortization of deferred outflows relating to bond refunding loss is not recorded in the governmental funds. | (4,044) |
| In the statement of activities, accrued interest on debt is recorded. | 1,381 |
| The accumulation of accrued leave does not require the use of current financial resources and therefore is not recorded as an expenditure in the Governmental Funds. | (21,036) |
| The internal service fund had current year gains. These funds are eliminated at the government wide level and their associated gains are reallocated to applicable functional expenses. | 203,564 |
| Changes in the pension asset and liability accounts are not recorded in the funds rather they are recorded in the statement of activities | <u>56,263</u> |
| Change in net position - governmental activities | <u><u>\$ 2,287,077</u></u> |

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

SOUTH WEBER CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2023

| | <u>Business-type Activities - Enterprise Funds</u> | | | | <u>Total Enterprise</u> | <u>Governmental Activities - Internal Service Fund</u> |
|--|--|---------------------|-------------------|---------------------|-----------------------------|--|
| | <u>Water</u> | <u>Sewer</u> | <u>Garbage</u> | <u>Storm Sewer</u> | | |
| Assets: | | | | | | |
| Current Assets: | | | | | | |
| Cash and cash equivalents | \$ 2,725,749 | \$ 4,030,443 | \$ 532,225 | \$ 677,355 | \$ 7,965,772 | \$ 569,783 |
| Accounts receivable | 151,476 | 73,493 | 48,161 | 47,401 | 320,531 | - |
| Prepaid expenses | 188,197 | - | - | - | 188,197 | - |
| Restricted cash and cash equivalents | 120,182 | 841,175 | - | 41,495 | 1,002,852 | - |
| Total Current Assets | <u>3,185,604</u> | <u>4,945,111</u> | <u>580,386</u> | <u>766,251</u> | <u>9,477,352</u> | <u>569,783</u> |
| Noncurrent Assets: | | | | | | |
| Property and equipment | | | | | | |
| Construction in process | 632,929 | - | - | - | 632,929 | - |
| Buildings | 298,262 | - | - | - | 298,262 | - |
| Improvements, other than buildings | 9,897,403 | 7,194,185 | - | 6,219,164 | 23,310,752 | - |
| Machinery and equipment | 340,676 | 38,997 | - | - | 379,673 | - |
| Vehicles | - | - | - | - | - | 2,331,850 |
| Less: Accumulated depreciation | <u>(3,181,889)</u> | <u>(2,446,437)</u> | <u>-</u> | <u>(2,137,717)</u> | <u>(7,766,043)</u> | <u>(899,967)</u> |
| Total property and equipment | <u>7,987,381</u> | <u>4,786,745</u> | <u>-</u> | <u>4,081,447</u> | <u>16,855,573</u> | <u>1,431,883</u> |
| Net pension asset | - | - | - | - | - | - |
| Total Noncurrent Assets | <u>7,987,381</u> | <u>4,786,745</u> | <u>-</u> | <u>4,081,447</u> | <u>16,855,573</u> | <u>1,431,883</u> |
| Total Assets | <u>11,172,985</u> | <u>9,731,856</u> | <u>580,386</u> | <u>4,847,698</u> | <u>26,332,925</u> | <u>2,001,666</u> |
| Deferred Outflows of Resources: | | | | | | |
| Deferred loss on refunding | 61,595 | - | - | - | 61,595 | - |
| Deferred outflows relating to pensions | 28,771 | 14,386 | - | 11,988 | 55,145 | - |
| Total Deferred Outflows of Resources | <u>90,366</u> | <u>14,386</u> | <u>-</u> | <u>11,988</u> | <u>116,740</u> | <u>-</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 11,263,351</u> | <u>\$ 9,746,242</u> | <u>\$ 580,386</u> | <u>\$ 4,859,686</u> | <u>\$ 26,449,665</u> | <u>\$ 2,001,666</u> |

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

SOUTH WEBER CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2023

| | Business-type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Fund |
|--|--|---------------------|-------------------|---------------------|-----------------------------|--|
| | Water | Sewer | Garbage | Storm Sewer | Total Enterprise | |
| Liabilities: | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts payable | \$ 157,573 | \$ 2,123 | \$ 37,029 | \$ 1,040 | \$ 197,765 | \$ - |
| Accrued interest | 8,603 | - | - | - | 8,603 | 15,430 |
| Unearned revenue | - | - | - | 41,495 | 41,495 | - |
| Current portion of compensated absences | 7,341 | 7,238 | - | 3,284 | 17,863 | - |
| Current portion of bonds payable | 100,000 | - | - | - | 100,000 | - |
| Current portion of lease payable | - | - | - | - | - | 189,210 |
| Total Current Liabilities | 273,517 | 9,361 | 37,029 | 45,819 | 365,726 | 204,640 |
| Noncurrent Liabilities: | | | | | | |
| Compensated absences | 4,894 | 4,826 | - | 2,190 | 11,910 | - |
| Bonds payable | 2,405,887 | - | - | - | 2,405,887 | - |
| Lease payable | - | - | - | - | - | 629,000 |
| Net pension liability | 14,480 | 7,240 | - | 6,033 | 27,753 | - |
| Total Noncurrent Liabilities | 2,425,261 | 12,066 | - | 8,223 | 2,445,550 | 629,000 |
| Total Liabilities | 2,698,778 | 21,427 | 37,029 | 54,042 | 2,811,276 | 833,640 |
| Deferred Inflows of Resources: | | | | | | |
| Deferred inflows relating to pensions | 335 | 167 | - | 140 | 642 | - |
| | 335 | 167 | - | 140 | 642 | - |
| Net Position: | | | | | | |
| Net investment in capital assets | 5,405,022 | 4,786,745 | - | 4,081,447 | 14,273,214 | 613,673 |
| Restricted: | | | | | | |
| Impact fees | 120,182 | 841,175 | - | - | 961,357 | - |
| Unrestricted | 3,039,034 | 4,096,728 | 543,357 | 724,057 | 8,403,176 | 554,353 |
| Total Net Position | 8,564,238 | 9,724,648 | 543,357 | 4,805,504 | 23,637,747 | 1,168,026 |
| Total Liabilities, Deferred Inflows, and Net Position | \$ 11,263,351 | \$ 9,746,242 | \$ 580,386 | \$ 4,859,686 | \$ 26,449,665 | \$ 2,001,666 |
| Net Position Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Net Position: | | | | | \$ 23,637,747 | |
| Adjustment for the cumulative internal balance from the net activity between internal service funds and enterprise funds | | | | | 117,028 | |
| | | | | | \$ 23,754,775 | |

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

SOUTH WEBER CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION – PROPRIETARY FUNDS
For the Year Ended June 30, 2023

| | Business-type Activities - Enterprise Funds | | | | Total Enterprise | Governmental Activities - Internal Service Fund |
|---|--|---------------------|-------------------|---------------------|-----------------------------|--|
| | Water | Sewer | Garbage | Storm Sewer | | |
| Operating Revenues: | | | | | | |
| Sales and charges for services | \$ 1,658,716 | \$ 1,073,842 | \$ 540,026 | \$ 522,449 | \$ 3,795,033 | \$ 373,000 |
| Total Operating Revenues | <u>1,658,716</u> | <u>1,073,842</u> | <u>540,026</u> | <u>522,449</u> | <u>3,795,033</u> | <u>373,000</u> |
| Operating Expenses: | | | | | | |
| Personnel services | 269,818 | 164,257 | 38,000 | 142,717 | 614,792 | - |
| Supplies | 730,147 | 21,457 | 448,670 | 101,100 | 1,301,374 | - |
| Purchased services | 47,873 | 579,777 | 7,174 | 28,430 | 663,254 | - |
| Capital outlay | 64,401 | 30,260 | - | - | 94,661 | - |
| Depreciation and amortization | 291,359 | 160,814 | - | 230,443 | 682,616 | 232,984 |
| Total operating expenses | <u>1,403,598</u> | <u>956,565</u> | <u>493,844</u> | <u>502,690</u> | <u>3,356,697</u> | <u>232,984</u> |
| Operating income | <u>255,118</u> | <u>117,277</u> | <u>46,182</u> | <u>19,759</u> | <u>438,336</u> | <u>140,016</u> |
| Nonoperating revenue (expense): | | | | | | |
| Interest income | 125,273 | 176,507 | 19,507 | 22,769 | 344,056 | 11,291 |
| Gain (loss) on disposal of assets | - | - | - | - | - | 124,700 |
| Interest expense | (98,129) | - | - | - | (98,129) | (25,394) |
| Total nonoperating revenues (expenses) | <u>27,144</u> | <u>176,507</u> | <u>19,507</u> | <u>22,769</u> | <u>245,927</u> | <u>110,597</u> |
| Income (loss) before capital contributions and transfers | <u>282,262</u> | <u>293,784</u> | <u>65,689</u> | <u>42,528</u> | <u>684,263</u> | <u>250,613</u> |
| Capital Contributions: | | | | | | |
| Grants and other contributions | 408,786 | 287,951 | - | 306,001 | 1,002,738 | 645,311 |
| Impact fee income | 8,593 | 19,065 | - | 15,674 | 43,332 | - |
| Transfers in | 8,025 | 9,365 | - | - | 17,390 | - |
| Transfers out | (8,025) | (9,365) | - | - | (17,390) | - |
| Total Capital Contributions | <u>417,379</u> | <u>307,016</u> | <u>-</u> | <u>321,675</u> | <u>1,046,070</u> | <u>645,311</u> |
| Change in net position | 699,641 | 600,800 | 65,689 | 364,203 | 1,730,333 | 895,924 |
| Net position, beginning | 7,864,597 | 9,123,848 | 477,668 | 4,441,301 | 21,907,414 | 272,102 |
| Net position, ending | <u>\$ 8,564,238</u> | <u>\$ 9,724,648</u> | <u>\$ 543,357</u> | <u>\$ 4,805,504</u> | <u>\$ 23,637,747</u> | <u>\$ 1,168,026</u> |
| Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Activities: | | | | | \$ 1,730,333 | |
| Adjustment to eliminate the current fiscal year's internal service funds net income from internal customer applicable to business-type activities | | | | | 47,028 | |
| Changes in Net Position of Business-type activities | | | | | <u>\$ 1,777,361</u> | |

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

SOUTH WEBER CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For the Year Ended June 30, 2023

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Fund | |
|---|--|---------------------|-------------------|--------------------|--|---------------------|
| | Water | Sewer | Garbage | Storm Sewer | Total Enterprise | Service Fund |
| Cash Flows From Operating Activities | | | | | | |
| Receipts from customers and users | \$ 1,650,948 | \$ 1,071,400 | \$ 539,954 | \$ 494,345 | \$ 3,756,647 | \$ - |
| Receipts from interfund services provided | - | - | - | - | - | 373,000 |
| Payments to suppliers and service providers | (683,147) | (642,659) | (456,184) | (128,357) | (1,910,347) | - |
| Payments to suppliers and service providers - DOL | - | - | - | - | - | - |
| Payments to employees and related benefits | (277,369) | (163,237) | (38,154) | (144,847) | (623,607) | - |
| Payments to other funds for services provided | (58,000) | (6,000) | - | (6,000) | (70,000) | - |
| Net cash flows from operating activities | 632,432 | 259,504 | 45,616 | 215,141 | 1,152,693 | 373,000 |
| Cash Flows From Non-Capital Financing Activities | | | | | | |
| Transfers in | 8,025 | 9,365 | - | - | 17,390 | - |
| Transfers out | (8,025) | (9,365) | - | - | (17,390) | - |
| Net cash flows from non-capital financing activities | - | - | - | - | - | - |
| Cash Flows From Capital and Related Financing Activities | | | | | | |
| Acquisition and construction of capital assets | (763,115) | (38,997) | - | - | (802,112) | (149,196) |
| Principal paid on bonds and leases | (100,000) | - | - | - | (100,000) | (147,617) |
| Proceeds from debt issuance | - | - | - | - | - | 132,071 |
| Proceeds from sale of assets | - | - | - | - | - | 146,470 |
| Interest Paid | (115,054) | - | - | - | (115,054) | (9,964) |
| Impact fees received | 8,593 | 19,065 | - | 15,673 | 43,331 | - |
| Net cash flows from capital and related financing activities | (969,576) | (19,932) | - | 15,673 | (973,835) | (28,236) |
| Cash Flows From Investing Activities | | | | | | |
| Interest income | 125,273 | 176,507 | 19,507 | 22,769 | 344,056 | 11,291 |
| Net cash flows from investing activities | 125,273 | 176,507 | 19,507 | 22,769 | 344,056 | 11,291 |
| Net Increase (Decrease) In Cash and Cash Equivalents | (211,871) | 416,079 | 65,123 | 253,583 | 522,914 | 356,055 |
| Cash and Cash Equivalents, Beginning | 3,057,802 | 4,455,539 | 467,102 | 465,267 | 8,445,710 | 213,728 |
| Cash and Cash Equivalents, Ending | \$ 2,845,931 | \$ 4,871,618 | \$ 532,225 | \$ 718,850 | \$ 8,968,624 | \$ 569,783 |
| As reported in the Statement of Net Position - Proprietary Funds | | | | | | |
| Cash and Cash Equivalents | \$ 2,725,749 | \$ 4,030,443 | \$ 532,225 | \$ 677,355 | \$ 7,965,772 | \$ 569,783 |
| Restricted Cash and Cash Equivalents | 120,182 | 841,175 | - | 41,495 | 1,002,852 | - |
| Total Cash and Cash Equivalents | \$ 2,845,931 | \$ 4,871,618 | \$ 532,225 | \$ 718,850 | \$ 8,968,624 | \$ 569,783 |

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

SOUTH WEBER CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
For the Year Ended June 30, 2023

| | Business-type Activities - Enterprise Funds | | | | | Governmental |
|--|---|-------------------|------------------|-------------------|---------------------|--|
| | Water | Sewer | Garbage | Storm Sewer | Total Enterprise | Activities - Internal Service Fund |
| Reconciliation of operating income to net cash flows from operating activities | | | | | | |
| Operating income (loss) | \$ 255,118 | \$ 117,277 | \$ 46,182 | \$ 19,759 | \$ 438,336 | \$ 140,016 |
| Adjustments to reconcile operating income to net cash flows from operating activities: | | | | | | |
| Depreciation expense | 291,359 | 160,814 | - | 230,443 | 682,616 | 232,984 |
| (Increase) Decrease in accounts receivables | (7,768) | (2,442) | (72) | (28,104) | (38,386) | - |
| (Increase) Decrease in prepaids | (5,628) | - | - | - | (5,628) | - |
| (Increase) Decrease in net pension asset | 22,196 | 22,196 | - | 11,098 | 55,490 | - |
| (Increase) Decrease in deferred outflows related to pension | (16,608) | (2,223) | - | (5,907) | (24,738) | - |
| Increase (Decrease) in accounts payable | 106,902 | (17,165) | (340) | (4,827) | 84,570 | - |
| Increase (Decrease) in compensated absences | 3,076 | 4,670 | (154) | 2,021 | 9,613 | - |
| Increase (Decrease) in net pension liability | 14,480 | 7,240 | - | 6,033 | 27,753 | - |
| Increase (Decrease) in deferred inflows related to pension | (30,695) | (30,863) | - | (15,375) | (76,933) | - |
| Net cash flows from operating activities | \$ 632,432 | \$ 259,504 | \$ 45,616 | \$ 215,141 | \$ 1,152,693 | \$ 373,000 |
| Schedule of Non-cash capital and Related Financing Activity: | | | | | | |
| Non-cash contribution of assets from developers | \$ 408,786 | \$ 287,951 | \$ - | \$ 306,001 | \$ 1,002,738 | \$ 645,311 |

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

SOUTH WEBER CITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

South Weber City (City) was incorporated on August 1, 1936. The City operates under a mayor-council form of government and provides the following services as authorized by its charter: public safety, highways and streets, parks, recreation, planning and zoning, water, sewer, storm sewer, and general administrative. The financial statements of South Weber City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

(A) The Reporting Entity

For financial reporting purposes, the reporting entity includes all funds, agencies, and authorities for which the City holds corporate powers, and all component units for which the City is financially accountable. GASB has established criteria to consider in determining financial accountability. The criteria are: appointment of a majority of the voting members of an organization's governing board and, either (1) the City has the ability to impose its will on the organization or, (2) there is potential for the organization to provide specific financial benefits, or impose specific financial burdens on, the City. The City currently does not have any component units.

(B) Government-Wide and Fund Financial Statements

The Statement of Net Positions presents the City's assets and liabilities, with the difference reported as net position. Net positions are restricted when constraints placed upon them are either externally imposed or are imposed by constitutional provisions or enabling legislation. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(C) Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are reported as assets in the government-wide financial statements, whereas those financial resources are reported as expenditures in the governmental fund financial statements. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, whereas they are reported as another financing source in the governmental fund financial statements. Amounts paid to reduce long-term debt in the government-wide financial statements are reported as a reduction of the related liability, whereas the amounts paid are reported as expenditures in the governmental fund statements.

**SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter (generally within sixty days) to pay liabilities of the current period. Expenditures are generally recorded when a liability is incurred, as under the accrual method of accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded when payment is due.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, revenues, fund balance, revenues, and expenditures or expenses as appropriate.

The City reports the following major governmental funds:

General Fund - The General Fund is used to account for all financial resources of the City not accounted for by a separate, specialized fund.

Recreation Fund - Special Revenue Fund is used to account for the sports and recreation functions of the City.

Transportation Fund - Special Revenue Funds is use to account for road funds.

Capital Projects Fund- The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital improvements (other than those financed by proprietary funds).

The City reports the following major enterprise funds:

Water Utility Fund - is used to account for the water services provided.

Sewer Utility Fund - is used to account for the sewer services provided.

Garbage Utility Fund - is used to account for the garbage services provided.

Storm Sewer Utility Fund - is used to account for the storm sewer services provided.

In addition, the City reports the following fund type.

Internal Service Fund - is used to account for fleet leases.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by the Enterprise Funds for providing administrative, billing, and repair services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the enterprise funds are charges to customers of the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(D) Budgets

Annual budgets are prepared and adopted before June 23 for the fiscal year commencing the following July 1, in accordance with the Uniform Fiscal Procedures Act for Utah Cities. State law requires budgeted revenues to equal budgeted expenditures, and legal control is exercised at the department level. Once a budget has been adopted, it remains in effect until it has been formally revised. Budgets for the general fund, special revenue, and capital projects funds are legally required, prepared and adopted on the modified accrual basis of accounting. Therefore, no reconciliation between budgetary schedules and the GAAP statements is required.

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

Utah State allows for any undesignated fund balances in excess of 5% of total revenue of the general fund to be utilized for budget purposes. The law also allows for the accumulation of a fund balance in the general fund in an amount equal to 35% of the total estimated revenue of the general fund. In the event that the fund balance, at the end of the fiscal year, is in excess of that allowed, the City has one year to determine an appropriate use and then the excess must be included as an available resource in the general fund budget.

(E) Taxes

In connection with budget adoption, an annual tax ordinance establishing the tax rate is adopted before June 23 and the City Recorder is to certify the tax rate to the County Auditor before June 23. Budgets for the general, special revenue, debt service and capital projects funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The above procedures are authorized by the Utah Code Sections 10-6-109 through 10-6-135.

All property taxes levied by the City are assessed and collected by Davis County. Taxes are attached as an enforceable lien as of January 1, are levied as of October 1, and are due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis.

(F) Capital Assets

Capital assets, which include land, buildings, property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(F) Capital Assets (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are carried at cost or estimated historical cost. Depreciation of these assets is computed by use of the straight-line method over their estimated useful lives as follows:

| | |
|--|--------------|
| Buildings | 30-40 years |
| Improvements, other than buildings | 5-40 years |
| Machinery and equipment, including leased property under capital leases | 5-20 years |
| Infrastructure roads, signals, lights, and bridges | 25-40 years |
| Water and sewer lines | 20-100 years |
| Vehicles | 5-10 years |

(G) Long-Term Obligation

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

(H) Equity Classifications

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

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

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

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

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

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

**SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(H) Equity Classifications (Continued)

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

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use the budget process to determine when restricted resources will be used. Although restricted resources may be available for an eligible expenditure, other resources may be used if the city considers a different expenditure would be a more appropriate use of the restricted resources. It is the City's policy to generally use committed funds first then assigned funds and lastly use unassigned funds when all are available for use in satisfying the expenditure. Exceptions to this may be made during the budget process.

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

(I) Cash and Cash Equivalents

The City considers all cash and investments with original maturities of three months or less to be cash and cash equivalents. For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalent accounts and the restricted cash and cash equivalents accounts.

Cash includes amounts in demand deposits as well as short-term investments with a maturity date of three months or less when acquired by the City.

(J) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(K) Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources for the following items: deferred loss on refunding of debt, and items relating to the City's pension plans with the Utah Retirement Systems (URS).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenue from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition to this, the City reports deferred inflows of resources relating to the City's pension plans with the URS.

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(L) Pensions

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

(M) Leases

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 or lease term.

(N) Prepaid

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

NOTE 2 CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits, a municipal money market account, and the Utah State Treasurer's investment pool (PTIF) which are considered demand deposits. All cash, demand deposits, money market accounts, and PTIF funds, are considered cash and cash equivalents.

Deposits and investments for the City are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council ("the Council"). Following are discussions of the City's exposure to various risks related to its cash management activities.

Custodial credit risk – deposits is the risk that in the event of bank failure, the City's deposits may not be recovered. The City's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the City to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Money Management Council. As of June 30, 2023, \$207,967 of the City's bank balances of \$470,395 (excluding PTIF) was uninsured and uncollateralized.

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard & Poors; banker acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations as defined in the Act.

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND INVESTMENTS (Continued)

The City is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF) which is a voluntary external pooled investment fund managed by the Utah State Treasurer's Office and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, is not rated, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

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

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

For the year ended June 30, 2022, the City had cash balances of \$15,160,706 deposited in the PTIF. The fair value of the PTIF is \$15,161,845. The City has elected to report the PTIF balances at cost as it approximates fair value.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment in the PTIF has no concentration of credit risk as the PTIF is an external investment pool managed by the Utah State Treasurer.

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City has no formal policy regarding interest rate risk. The City manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less.

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

| | Carrying Amount |
|--|------------------------|
| Cash on hand and on deposit: | |
| Cash on hand | \$ 1,700 |
| Cash on deposit | 416,402 |
| Utah State Treasurer's investment pool accounts | 15,160,706 |
| Total cash on hand and deposit | \$ 15,578,808 |

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 RESTRICTED ASSETS

Certain assets are restricted to use for the following purposes as of June 30, 2023:

| | |
|------------------------|----------------------------|
| Performance bonds | \$ 97,220 |
| Class "C" road funds | 801,216 |
| Developer deposits | 585,767 |
| Rstricted Contribution | 19,200 |
| Unspent RAP tax | 93,083 |
| Unspent grant | 498,464 |
| Impact fees | <u>1,224,615</u> |
| Restricted assets | <u><u>\$ 3,319,565</u></u> |

NOTE 4 CAPITAL ASSETS

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

| | <u>Balance</u> <u>June 30, 2022</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2023</u> |
|---|--|---------------------|---------------------|--|
| Governmental Activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 5,464,211 | \$ 764,876 | \$ - | \$ 6,229,087 |
| Construction in process | 355,193 | 64,656 | (273,210) | 146,639 |
| Total capital assets, not being depreciated | <u>5,819,404</u> | <u>829,532</u> | <u>(273,210)</u> | <u>6,375,726</u> |
| Capital assets, being depreciated | | | | |
| Buildings | 3,075,860 | 276,929 | - | 3,352,789 |
| Improvements other than buildings | 16,963,559 | 1,001,610 | - | 17,965,169 |
| Equipment | 417,318 | 76,351 | - | 493,669 |
| Vehicles | 2,294,183 | 149,196 | (111,528) | 2,331,851 |
| Total capital assets, being depreciated | <u>22,750,920</u> | <u>1,504,086</u> | <u>(111,528)</u> | <u>24,143,478</u> |
| Less accumulated depreciation for | | | | |
| Buildings | (1,310,092) | (63,826) | - | (1,373,918) |
| Improvements other than buildings | (7,977,586) | (723,730) | - | (8,701,316) |
| Equipment | (199,703) | (39,611) | - | (239,314) |
| Vehicles | (756,747) | (232,984) | 89,763 | (899,968) |
| Total accumulated depreciation | <u>(10,244,128)</u> | <u>(1,060,151)</u> | <u>89,763</u> | <u>(11,214,516)</u> |
| Total capital assets, being depreciated, net | <u>12,506,792</u> | <u>443,935</u> | <u>(21,765)</u> | <u>12,928,962</u> |
| Governmental activities capital assets, net | <u>\$ 18,326,196</u> | <u>\$ 1,273,467</u> | <u>\$ (294,975)</u> | <u>\$ 19,304,688</u> |

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 CAPITAL ASSETS (Continued)

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

| | Balance June 30, 2022 | Additions | Deletions | Balance June 30, 2023 |
|---|--|---------------------|-------------------|--|
| Business-type Activities | | | | |
| Capital assets, not being depreciated | | | | |
| Construction in process | \$ 13,152 | \$ 625,586 | \$ (5,809) | \$ 632,929 |
| Total capital assets, not being depreciated | 13,152 | 625,586 | (5,809) | 632,929 |
| Capital assets, being depreciated | | | | |
| Buildings | 298,262 | - | - | 298,262 |
| Improvements other than buildings | 22,162,601 | 1,148,151 | - | 23,310,752 |
| Equipment | 356,165 | 38,997 | (15,489) | 379,673 |
| Vehicles | 22,250 | - | (22,250) | - |
| Total capital assets, being depreciated | 22,839,278 | 1,187,148 | (37,739) | 23,988,687 |
| Less accumulated depreciation for | | | | |
| Buildings | (141,677) | (7,457) | - | (149,134) |
| Improvements other than buildings | (6,814,999) | (643,394) | - | (7,458,393) |
| Equipment | (142,240) | (31,765) | 15,489 | (158,516) |
| Vehicles | (22,250) | - | 22,250 | - |
| Total accumulated depreciation | (7,121,166) | (682,616) | 37,739 | (7,766,043) |
| Total capital assets, being depreciated, net | 15,718,112 | 504,532 | - | 16,222,644 |
| Business-type activities capital assets, net | \$ 15,731,264 | \$ 1,130,118 | \$ (5,809) | \$ 16,855,573 |

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs for the year ended June 30, 2023 as follows:

| | |
|---|---------------------|
| Governmental Activities | |
| General government | \$ 177,387 |
| Public safety | 269,239 |
| Highways and public works | 517,690 |
| Parks | 57,729 |
| Recreation | <u>38,106</u> |
| Total depreciation expense - governmental activities | <u>\$ 1,060,151</u> |
| Business-type Activities | |
| Water services | \$ 291,359 |
| Sewer services | 160,814 |
| Storm sewer services | <u>230,443</u> |
| Total depreciation expense - business-type activities | <u>\$ 682,616</u> |
| Combined depreciation expense | <u>\$ 1,742,767</u> |

NOTE 5 COMPENSATED ABSENCES

Accumulated unpaid vacation, compensatory leave pay and other employee benefit amounts are accrued when incurred in proprietary funds (using the accrual basis of accounting). The total compensated absences liability is reported in the government wide financial statements as long-term debt in accordance with the Governmental Accounting Standards. Based on historical estimates, the City estimates that \$44,945 of the compensated absences balance will be due in the next year. The General fund and the Proprietary funds typically liquidates the liability for compensated absences.

NOTE 6 LONG-TERM LIABILITIES

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

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due within One Year</u> |
|---|------------------------------|-------------------|---------------------|---------------------------|--------------------------------|
| Governmental Activities | | | | | |
| Sales Tax Revenue Bond, Series 2012 | \$ 494,000 | \$ - | \$ (93,000) | \$ 401,000 | \$ 97,000 |
| Total governmental bonds payable | 494,000 | - | (93,000) | 401,000 | 97,000 |
| Capital Leases | 833,756 | 132,071 | (147,617) | 818,210 | 189,210 |
| Compensated absences | 53,872 | 26,357 | (5,321) | 74,908 | 44,945 |
| Net pension liability | <u>-</u> | <u>92,911</u> | <u>-</u> | <u>92,911</u> | <u>-</u> |
| Total governmental long-term liabilities | <u>\$ 547,872</u> | <u>\$ 251,339</u> | <u>\$ (245,938)</u> | <u>\$ 1,387,029</u> | <u>\$ 331,155</u> |

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 LONG-TERM LIABILITIES (Continued)

| | Beginning Balance | Additions | Reductions | Ending Balance | Due within One Year |
|--|------------------------------|------------------|--------------------|---------------------------|--------------------------------|
| Business-type Activities | | | | | |
| Water Revenue Refunding, Series 2017 | \$ 2,325,000 | \$ - | \$ (100,000) | 2,225,000 | \$ 100,000 |
| Bond Premium, Series 2017 | 298,442 | - | (17,555) | 280,887 | - |
| Total business-type bonds payable | 2,623,442 | | | 2,505,887 | 100,000 |
| Compensated absences | 20,160 | 26,801 | (17,188) | 29,773 | 17,863 |
| Net pension liability | - | 27,753 | - | 27,753 | - |
| Total business-type long-term liabilities | \$ 2,643,602 | \$ 54,554 | \$ (17,188) | \$ 2,563,413 | \$ 117,863 |

The two revenue bonds are direct placement revenue bonds and contain a significant default provision wherein if the City does not pay the scheduled principal and interest payments the bondholder may require the City to increase rates sufficient to comply with the bond requirements or may petition the court to appoint a receiver. In addition, the bonds have an acceleration clause wherein upon default the bonds shall bear an interest at the rate of 18% until the default is cured.

The City does not have any unused lines of credit.

Sales Tax Revenue Refunding Bonds, Series 2012

The Sales Tax Revenue Refunding Bonds, Series 2012 were issued in February 2012. Original issuance amount of \$1,312,000 and carry interest at 2.970%. Interest payments are due semi-annually in January and July, with principal payments due annually in January, and mature in January 2027. The Sales Tax Revenue Refunding Bonds, Series 2012 were issued to refund a portion of the Sales Tax Revenue Bonds, Series 2004. Bonds are secured by sales tax revenues.

The annual debt service requirements to maturity, including principal and interest, for the Sales Tax Revenue Refunding Bonds, Series 2012, as of June 30, 2023 are as follows:

| Year Ending June 30, | Sales Tax Refunding Bonds, Series 2012 | | |
|-----------------------------|---|------------------|-------------------|
| | Principal | Interest | Total |
| 2024 | \$ 97,000 | \$ 11,910 | \$ 108,910 |
| 2025 | 101,000 | 9,029 | 110,029 |
| 2026 | 100,000 | 6,029 | 106,029 |
| 2027 | 103,000 | 3,059 | 106,059 |
| Total | \$ 401,000 | \$ 30,027 | \$ 431,027 |

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 LONG-TERM LIABILITIES (Continued)Water Revenue Refunding Bonds, Series 2017

The Water Revenue Refunding Bonds, Series 2017 were issued in December 2017 to refund the Series 2010 Water Revenue Bonds. The \$2,800,000 refunding revenue bonds carry interest ranging from 2.0% to 5.0%. Interest payments are due semi-annually in June and December, with principal payments due annually in June, and matures in June 2039. The issuance of the Series 2017 bonds generated a premium of \$386,217. The bond proceeds, including the premium, together with funds from the debt service reserve account for the Series 2010 bonds were deposited into an escrow account which will be used to pay down the balance of the Series 2010 bonds, and ultimately retired those bonds when those bonds matured in June 2020. The advance refunding resulted in a deferred loss on refunding of \$84,695. The premium and deferred loss on refunding will be amortized over the life of the bonds. Bonds are secured by the revenues of the water department.

The annual debt service requirements to maturity as of June 30, 2023 are as follows:

| <u>Year Ending June 30,</u> | <u>Water Revenue Bonds, Series 2017</u> | | |
|-----------------------------|---|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2024 | \$ 100,000 | \$ 118,500 | \$ 218,500 |
| 2025 | 110,000 | 114,700 | 224,700 |
| 2026 | 115,000 | 110,700 | 225,700 |
| 2027 | 120,000 | 106,500 | 226,500 |
| 2028 | 125,000 | 101,000 | 226,000 |
| 2029-2033 | 710,000 | 413,500 | 1,123,500 |
| 2034-2038 | 915,000 | 230,500 | 1,145,500 |
| 2039 | 30,000 | 20,000 | 50,000 |
| Total | \$ 2,225,000 | \$ 1,215,400 | \$ 3,440,400 |

Leases

The City utilizes leases when deemed appropriate or necessary to finance equipment needs. Leased assets are included in capital assets in the appropriate category. Current lease activities in the right-to-use of vehicles and equipment. Interest rates at vary from 3.35% to 7.23%.

As of June 30, 2023, the City held leased asset balances as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|---------------------|---------------------------|
| Governmental Activities | | | | |
| Leases being depreciated: | | | | |
| Leased vehicles | \$ 892,130.00 | \$ 1,551,248 | \$ (111,528) | \$ 2,331,850 |
| Total leases being depreciated | 892,130 | 1,551,248 | (111,528) | 2,331,850 |
| Less accumulated depreciation for: | | | | |
| Leased vehicles | - | 989,730 | (89,763) | 899,967 |
| Total accumulated depreciated | - | 989,730 | (89,763) | 899,967 |
| Total leases being depreciated, net | \$ 892,130 | \$ 3,530,708 | \$ (291,054) | \$ 4,131,784 |

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 LONG-TERM LIABILITIES (Continued)

Leases payable outstanding as of June 30, 2023 are as follows:

| <u>Purpose</u> | <u>Interest Rate</u> | <u>Amount</u> |
|----------------|--------------------------|---------------|
| Vehicles | Various | \$ 833,756 |

Leases payable debt service requirements to maturity are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|-------------------|-------------------|-------------------|
| 2024 | \$ 189,210 | \$ 44,086 | \$ 233,296 |
| 2025 | 133,776 | 23,805 | 157,581 |
| 2026 | 138,826 | 18,756 | 157,582 |
| 2027 | 320,994 | 13,499 | 334,493 |
| 2028 | 35,404 | 2,099 | 37,503 |
| Total | <u>\$ 818,210</u> | <u>\$ 102,245</u> | <u>\$ 920,455</u> |

NOTE 7 CONSTRUCTION COMMITMENTS

The City had the following construction commitment on June 30, 2023.

| <u>Project</u> | <u>Contract Amount</u> | <u>Paid to Date</u> | <u>Commitment Outstanding</u> |
|--|----------------------------|---------------------|-----------------------------------|
| Construction projects and improvements | \$ 1,392,678 | \$ 521,734 | \$ 870,944 |
| | <u>\$ 1,392,678</u> | <u>\$ 521,734</u> | <u>\$ 870,944</u> |

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 TRANSFERS

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

| | <u>Out</u> | <u>In</u> |
|-------------------------------|-------------------|-------------------|
| Governmental funds: | | |
| General fund | \$ 83,000 | \$ 1,443 |
| Capital improvements fund | - | 25,626 |
| Recreation fund | - | 87,313 |
| Park impact fee fund | 10,838 | - |
| Road impact fee fund | 14,788 | - |
| Recreation impact fee fund | 4,313 | - |
| Public safety impact fee fund | 1,443 | - |
| Transportation fund | - | - |
| Business-type | | |
| Water utility fund | 8,025 | 8,025 |
| Sewer utility fund | 9,365 | 9,365 |
| Totals | <u>\$ 131,772</u> | <u>\$ 131,772</u> |

The purpose of the interfund transfers is as follows:

General Fund transfer to the recreation fund to assist with recreation funding.

Public Safety impact fees transferred to the General Fund to fund the bond payment on the fire station.

Recreation impact fees transferred to the Recreation Fund to fund the bond payment on the Family Activity Center.

Park Impact fees and General Fund revenue transferred to the capital projects fund to assist with park upgrades and expansions.

NOTE 9 RETIREMENT PLANPlan Description

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

Defined Benefit Plans

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

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The System's defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 RETIREMENT PLAN (Continued)

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.

Benefits Provided

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

| System | Final Average Salary | Years of Service required and/or age eligible for benefit | Benefit percent per year of service | COLA** |
|-----------------------------------|-------------------------|---|--|------------|
| Noncontributory System | Highest 3 Years | 30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65 | 2.0% per year all years | Up to 4% |
| Tier 2 Public Employees System | Highest 5 Years | 35 years any age 20 years age 60* 10 years age 62* 4 years age 65 | 1.5% per year all years | Up to 2.5% |

* With actuarial reductions.

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases no met may be carried forward to subsequent years.

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2022 are as follows:

| | Employee Paid | Employer Contribution Rates | Employer Rate for 401(k) Plan |
|-------------------------------------|---------------|-----------------------------------|----------------------------------|
| Contributory System | | | |
| 111 - Local Government Div - Tier 2 | - | 16.01 | 0.18 |
| Noncontributory System | | | |
| 15 - Local Government Div - Tier 1 | - | 17.97 | - |
| Firefighters Retirement System | | | |
| 31 - Other Division A | 15.05 | 3.61 | - |
| 132 - Tier 2 DB Hybrid Firefighters | 2.59 | 14.08 | - |
| Tier 2 DC Only | | | |
| 211 - Local Government | - | 6.19 | 10.00 |
| 232 - Firefighters | - | 0.08 | 14.00 |

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 RETIREMENT PLAN (Continued)

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

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

| System | Employer Contributions | Employee Contributions |
|--------------------------------|---------------------------|---------------------------|
| Noncontributory System | \$ 62,858 | - |
| Tier 2 Public Employees System | 116,374 | - |
| Tier 2 DC Only System | 3,517 | - |
| Total Contributions | <u>\$ 182,749</u> | <u>\$ -</u> |

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

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

At June 30, 2023, we reported a net pension asset of \$0 and a net pension liability of \$120,664.

| | (Measurement Date): December 31, 2022 | | | | |
|-------------------------------------|---------------------------------------|--------------------------|------------------------|--|----------------------|
| | Net Pension Asset | Net Pension Liability | Proportionate Share | Proportionate Share December 31, 2021 | Change (Decrease) |
| Noncontributory System | \$ - | \$ 90,381 | 0.0527693% | 0.0467049% | 0.0060644% |
| Tier 2 Public Employees System | - | 30,283 | 0.0278107% | 0.0235571% | 0.0042536% |
| Total Net Pension Asset / Liability | <u>\$ -</u> | <u>\$ 120,664</u> | | | |

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

For the year ended June 30, 2023, we recognized pension expense of \$107,757.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 40,884 | \$ 1,201 |
| Changes in assumptions | 24,643 | 438 |
| Net difference between projected and actual earnings on pension plan investments | 71,825 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 12,686 | 1,151 |
| Contributions subsequent to the measurement date | 89,723 | - |
| Total | <u>\$ 239,761</u> | <u>\$ 2,790</u> |

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 RETIREMENT PLAN (Continued)

\$ 89,723 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

| <u>Year Ended December 31,</u> | <u>Net Deferred Outflows (inflows) of Resources</u> |
|--------------------------------|---|
| 2023 | \$ (6,098) |
| 2024 | 8,255 |
| 2025 | 29,705 |
| 2026 | 102,524 |
| 2027 | 2,583 |
| Thereafter | 10,280 |

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

For the year ended June 30, 2023, we recognized pension expense of \$49,759.

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

| <u></u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 30,656 | \$ - |
| Changes in assumptions | 14,812 | 361 |
| Net difference between projected and actual earnings on | 59,616 | - |
| Changes in proportion and differences between | 7,647 | - |
| Contributions subsequent to the measurement date | 29,833 | - |
| Total | <u>\$ 142,564</u> | <u>\$ 361</u> |

\$ 29,833 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 RETIREMENT 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, | Net Deferred Outflows (inflows) of Resources |
|-------------------------|---|
| 2023 | \$ (7,779) |
| 2024 | 4,651 |
| 2025 | 23,945 |
| 2026 | 91,553 |
| 2027 | - |
| Thereafter | - |

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

For the year ended June 30, 2023, we recognized pension expense of \$57,998.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 10,228 | \$ 1,201 |
| Changes in assumptions | 9,831 | 77 |
| Net difference between projected and actual earnings on | 12,209 | - |
| Changes in proportion and differences between | 5,039 | 1,151 |
| Contributions subsequent to the measurement date | 59,890 | - |
| Total | <u>\$ 97,197</u> | <u>\$ 2,429</u> |

\$ 59,890 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

| Year Ended December 31, | Net Deferred Outflows (inflows) of Resources |
|-------------------------|---|
| 2023 | \$ 1,681 |
| 2024 | 3,604 |
| 2025 | 5,760 |
| 2026 | 10,971 |
| 2027 | 2,583 |
| Thereafter | 10,280 |

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 RETIREMENT PLAN (Continued)

Actuarial Assumptions

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

| | |
|---------------------------|---|
| Inflation | 2.50 Percent |
| Salary Increases | 3.25 – 9.25 percent, average, including inflation |
| Investment Rate of Return | 6.85 percent, net of pension plan investment expense, including inflation |

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

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

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

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

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.

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 RETIREMENT PLAN (Continued)

Discount Rate

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

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

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

| System | 1% Decrease (5.85%) | Discount Rate (6.85%) | 1% Increase (7.85%) |
|--------------------------------|------------------------|--------------------------|------------------------|
| Noncontributory System | \$ 569,609 | \$ 90,381 | \$ (310,040) |
| Tier 2 Public Employees System | 132,320 | 30,283 | (48,323) |
| Total | <u>\$ 701,929</u> | <u>\$ 120,664</u> | <u>\$ (358,363)</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.

Defined Contribution Savings Plans

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

South Weber City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- Roth IRA Plan

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 RETIREMENT PLAN (Continued)

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

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|------------------------|-------------|-------------|-------------|
| 401(k) Plan | | | |
| Employer Contributions | \$ 50,406 | \$ 47,647 | \$ 48,492 |
| Employee Contributions | 47,564 | 46,954 | 53,912 |
| 457 Plan | | | |
| Employer Contributions | - | - | - |
| Employee Contributions | 2,950 | - | - |
| Roth IRA Plan | | | |
| Employer Contributions | N/A | N/A | N/A |
| Employee Contributions | 2,050 | 2,300 | 5,980 |
| Traditional IRA | | | |
| Employer Contributions | N/A | N/A | N/A |
| Employee Contributions | 800 | - | - |

NOTE 10 SUBSEQUENT EVENTS

Subsequent to year end the City issued the Local Building Authority Lease Revenue Bonds, Series 2023 for \$9,000,000 to construct a new public works building. The bond carries interest rates from 3.3% to 5.37% and matures in November 2043. Principal payments are from \$297,000 to \$687,000 over the life of the bond.

REQUIRED SUPPLEMENTAL INFORMATION

SOUTH WEBER CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with final budget |
|--|------------------|--------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| General property taxes | \$ 1,138,000 | \$ 1,138,000 | \$ 1,186,480 | \$ 48,480 |
| Sales, use, and excise taxes | 1,120,000 | 1,120,000 | 1,382,142 | 262,142 |
| Franchise taxes | 420,000 | 420,000 | 544,359 | 124,359 |
| Licenses | 292,000 | 292,000 | 77,842 | (214,158) |
| Fines | 100,000 | 100,000 | 135,047 | 35,047 |
| Charges for services | 143,000 | 143,000 | 96,361 | (46,639) |
| Interest income | 11,000 | 11,000 | 73,834 | 62,834 |
| Intergovernmental | 415,500 | 415,500 | 410,373 | (5,127) |
| Miscellaneous revenue | 31,500 | 45,300 | 33,374 | (11,926) |
| Total Revenues | 3,671,000 | 3,684,800 | 3,939,812 | 255,012 |
| Expenditures | | | | |
| General government | | | | |
| Administrative | 681,000 | 686,000 | 624,845 | 61,155 |
| Legislative | 66,000 | 73,000 | 57,449 | 15,551 |
| Judicial | 46,000 | 46,000 | 38,830 | 7,170 |
| Public works | | | | |
| Building inspection | 703,000 | 703,000 | 646,037 | 56,963 |
| Streets | 313,000 | 313,000 | 288,683 | 24,317 |
| Public safety | | | | |
| Police and animal control | 355,000 | 355,000 | 342,165 | 12,835 |
| Fire protection | 1,012,000 | 1,014,700 | 919,121 | 95,579 |
| Parks | 221,000 | 225,100 | 231,481 | (6,381) |
| Debt service: | | | | |
| Principal | 27,000 | 27,000 | 26,040 | 960 |
| Interest | 5,000 | 5,000 | 8,162 | (3,162) |
| Total Expenditures | 3,429,000 | 3,447,800 | 3,182,813 | 264,987 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | |
| | 242,000 | 237,000 | 756,999 | 519,999 |
| Other Financing Sources (Uses) | | | | |
| Transfer in | 12,000 | 12,000 | 1,444 | (10,556) |
| Transfer out | (145,000) | (145,000) | (83,000) | 62,000 |
| Total Other Financing Sources (Uses) | (133,000) | (133,000) | (81,556) | 51,444 |
| Net Change in Fund Balance | \$ 109,000 | \$ 104,000 | 675,443 | \$ 571,443 |
| Fund Balance, Beginning | | | 1,555,964 | |
| Fund Balance, Ending | | | \$ 2,231,407 | |

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

SOUTH WEBER CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – RECREATION SPECIAL REVENUE FUND
For the Year Ended June 30, 2023

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>final budget</u> |
|--|-------------------------|---------------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Charges for services | \$ 191,000 | \$ 191,000 | \$ 184,942 | \$ (6,058) |
| Interest income | 4,000 | 4,000 | 21,472 | 17,472 |
| Total Revenues | <u>195,000</u> | <u>195,000</u> | <u>206,414</u> | <u>11,414</u> |
| Expenditures | | | | |
| Recreation | 311,000 | 396,000 | 254,818 | 141,182 |
| Debt service: | | | | |
| Principal | 65,000 | 65,000 | 66,960 | (1,960) |
| Interest | 16,000 | 16,000 | 9,458 | 6,542 |
| Total Expenditures | <u>392,000</u> | <u>477,000</u> | <u>331,236</u> | <u>145,764</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(197,000)</u> | <u>(282,000)</u> | <u>(124,822)</u> | <u>157,178</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer in | <u>131,000</u> | <u>131,000</u> | <u>87,313</u> | <u>(43,687)</u> |
| Total Other Financing Sources (Uses) | <u>131,000</u> | <u>131,000</u> | <u>87,313</u> | <u>(43,687)</u> |
| Net Change in Fund Balance | <u>\$ (66,000)</u> | <u>\$ (151,000)</u> | <u>(37,509)</u> | <u>\$ 113,491</u> |
| Fund Balance, Beginning | | | <u>574,686</u> | |
| Fund Balance, Ending | | | <u>\$ 537,177</u> | |

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

SOUTH WEBER CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – TRANSPORTATION SPECIAL REVENUE
FUND
For the Year Ended June 30, 2023

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with final budget</u> |
|--|-------------------------|-------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Sales tax - local option | \$ 110,000 | \$ 110,000 | \$ 148,150 | \$ 38,150 |
| Intergovernmental | 80,000 | 80,000 | - | (80,000) |
| Charges for services - road fee | 430,000 | 430,000 | 460,185 | 30,185 |
| Interest income | 2,000 | 2,000.00 | 25,629 | 23,629 |
| Total Revenues | <u>622,000</u> | <u>622,000</u> | <u>633,964</u> | <u>11,964</u> |
| Expenditures | | | | |
| Public works | 296,000 | 296,000 | 251,216 | 44,784 |
| Total Expenditures | <u>296,000</u> | <u>296,000</u> | <u>251,216</u> | <u>44,784</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>326,000</u> | <u>326,000</u> | <u>382,748</u> | <u>56,748</u> |
| Other Financing Sources (Uses) | | | | |
| Contributions | 10,000 | 10,000 | - | (10,000) |
| Total Other Financing Sources (Uses) | <u>10,000</u> | <u>10,000</u> | <u>-</u> | <u>(10,000)</u> |
| Net Change in Fund Balance | <u>\$ 336,000</u> | <u>\$ 336,000</u> | 382,748 | <u>\$ 46,748</u> |
| Fund Balance, Beginning | | | <u>490,450</u> | |
| Fund Balance, Ending | | | <u>\$ 873,198</u> | |

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

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

| <u>For the year ended December 31,</u> | <u>Proportion of</u> <u>the net pension</u> <u>liability (asset)</u> | <u>Proportionate</u> <u>share of the net</u> <u>pension</u> <u>liability (asset)</u> | <u>Covered</u> <u>payroll</u> | <u>Proportionate</u> <u>share of the net</u> <u>pension</u> <u>liability (asset)</u> <u>as a percentage</u> <u>of its covered</u> <u>payroll</u> | <u>Plan fiduciary</u> <u>net position as</u> <u>a percentage of</u> <u>total pension</u> <u>liability(asset)</u> |
|--|--|---|----------------------------------|--|--|
| Noncontributory Retirement System | | | | | |
| 2022 | 0.0527693% | \$ 90,381 | \$ 346,627 | 26.07% | 97.5% |
| 2021 | 0.0467049% | (267,484) | 305,074 | -87.68% | 108.7% |
| 2020 | 0.0440812% | 22,611 | 301,378 | 7.50% | 99.2% |
| 2019 | 0.0426931% | 160,905 | 287,168 | 56.03% | 93.7% |
| 2018 | 0.0423883% | 312,136 | 290,780 | 107.34% | 87.0% |
| 2017 | 0.0469185% | 205,564 | 352,474 | 58.32% | 91.9% |
| 2016 | 0.0504895% | 324,204 | 399,151 | 81.22% | 87.3% |
| 2015 | 0.0572056% | 323,697 | 457,570 | 70.74% | 87.8% |
| 2014 | 0.0486916% | 211,430 | 384,233 | 55.03% | 90.2% |
| Tier 2 Public Employees Retirement System | | | | | |
| 2022 | 0.0278107% | \$ 30,283 | \$ 604,512 | 5.01% | 92.3% |
| 2021 | 0.0235571% | (9,970) | 437,090 | -2.28% | 103.8% |
| 2020 | 0.0215236% | 3,096 | 344,029 | 0.90% | 98.3% |
| 2019 | 0.0229183% | 5,154 | 318,488 | 1.62% | 96.5% |
| 2018 | 0.0230247% | 9,861 | 268,358 | 3.67% | 90.8% |
| 2017 | 0.0183092% | 1,614 | 179,039 | 0.90% | 97.4% |
| 2016 | 0.0180146% | 2,010 | 147,733 | 1.36% | 95.1% |
| 2015 | 0.0206238% | (45) | 133,243 | -0.03% | 100.2% |
| 2014 | 0.2582740% | (783) | 126,524 | -0.62% | 103.5% |

* This schedule will be built out prospectively to show a 10-year history.

See notes to required supplementary information

SOUTH WEBER CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
June 30, 2023
Last 10 Fiscal Years*

| As of fiscal year ended June 30, | Actuarial Determined Contributions | Contributions in relation to the contractually required contribution | Contribution deficiency (excess) | Covered payroll | Contributions as a percentage of covered payroll |
|--|--|---|--|--------------------|---|
| Noncontributory System | | | | | |
| 2023 | \$ 62,858 | \$ 62,858 | \$ - | \$ 349,792 | 17.97% |
| 2022 | 59,445 | 59,445 | - | 321,848 | 18.47% |
| 2021 | 54,368 | 54,368 | - | 294,359 | 18.47% |
| 2020 | 56,060 | 56,060 | - | 303,520 | 18.47% |
| 2019 | 50,305 | 50,305 | - | 272,670 | 18.45% |
| 2018 | 62,139 | 62,139 | - | 336,430 | 18.47% |
| 2017 | 63,880 | 63,880 | - | 345,860 | 18.47% |
| 2016 | 85,487 | 85,487 | - | 467,173 | 18.30% |
| 2015 | 76,280 | 76,280 | - | 429,160 | 17.77% |
| 2014 | 71,335 | 71,335 | - | 413,474 | 17.25% |
| Tier 2 Public Employees System* | | | | | |
| 2023 | \$ 116,374 | \$ 116,374 | \$ - | \$ 726,884 | 16.01% |
| 2022 | 76,653 | 76,653 | - | 479,827 | 15.98% |
| 2021 | 60,716 | 60,716 | - | 384,278 | 15.80% |
| 2020 | 51,614 | 51,614 | - | 330,284 | 15.63% |
| 2019 | 46,657 | 46,657 | - | 300,889 | 15.51% |
| 2018 | 32,651 | 32,651 | - | 216,091 | 15.11% |
| 2017 | 22,503 | 22,503 | - | 150,925 | 14.91% |
| 2016 | 21,380 | 21,380 | - | 143,386 | 14.91% |
| 2015 | 17,885 | 17,885 | - | 103,673 | 17.25% |
| 2014 | 14,123 | 14,123 | - | 76,308 | 18.51% |
| Tier 2 Public Employees DC Only System* | | | | | |
| 2023 | \$ 3,517 | \$ 3,517 | \$ - | \$ 56,818 | 6.19% |
| 2022 | 2,764 | 2,764 | - | 41,318 | 6.69% |
| 2021 | 2,583 | 2,583 | - | 38,617 | 6.69% |
| 2020 | 2,763 | 2,763 | - | 41,294 | 6.69% |
| 2019 | 2,817 | 2,817 | - | 42,110 | 6.69% |
| 2018 | 2,760 | 2,760 | - | 41,251 | 6.69% |
| 2017 | 4,040 | 4,040 | - | 60,469 | 6.68% |
| 2016 | 949 | 949 | - | 92,255 | 1.03% |
| 2015 | 534 | 534 | - | 87,277 | 0.61% |
| 2014 | - | - | - | 83,188 | 0.00% |

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.

** This schedule will be built out prospectively to show a 10-year history. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

See notes to required supplementary information

SOUTH WEBER CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

URS Pension Plan - Changes in Assumptions

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

SUPPLEMENTAL INFORMATION

**SOUTH WEBER CITY
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023**

| | <u>Park Impact Fee Fund</u> | <u>Road Impact Fee Fund</u> | <u>Recreation Impact Fee Fund</u> | <u>Public Safety Impact Fee Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|--|---------------------------------|---------------------------------|---------------------------------------|--|--|
| Assets: | | | | | |
| Cash and cash equivalents | \$ - | \$ 263,258 | \$ - | \$ - | \$ 263,258 |
| Total assets | <u>\$ -</u> | <u>\$ 263,258</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 263,258</u> |
| Liabilities: | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | | | |
| Assigned for capital improvements | - | 263,258 | - | - | 263,258 |
| Total fund balances | <u>-</u> | <u>263,258</u> | <u>-</u> | <u>-</u> | <u>263,258</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ -</u> | <u>\$ 263,258</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 263,258</u> |

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

SOUTH WEBER CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

| | <u>Park Impact Fee Fund</u> | <u>Road Impact Fee Fund</u> | <u>Recreation Impact Fee Fund</u> | <u>Public Safety Impact Fee Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|--|---------------------------------|---------------------------------|---------------------------------------|--|--|
| Revenues: | | | | | |
| Impact fees | \$ 10,480 | \$ 61,790 | \$ 4,170 | \$ 1,394 | \$ 77,834 |
| Interest income | 358 | 10,242 | 143 | 49 | 10,792 |
| Total Revenues | <u>10,838</u> | <u>72,032</u> | <u>4,313</u> | <u>1,443</u> | <u>88,626</u> |
| Expenditures: | | | | | |
| Public works | - | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>10,838</u> | <u>72,032</u> | <u>4,313</u> | <u>1,443</u> | <u>88,626</u> |
| Other Sources (Uses) | | | | | |
| Transfers out | <u>(10,838)</u> | <u>(14,788)</u> | <u>(4,313)</u> | <u>(1,443)</u> | <u>(31,382)</u> |
| Total Other Sources (Uses) | <u>(10,838)</u> | <u>(14,788)</u> | <u>(4,313)</u> | <u>(1,443)</u> | <u>(31,382)</u> |
| Net Change in Fund Balance | - | 57,244 | - | - | 57,244 |
| Fund Balance, Beginning | - | 206,014 | - | - | 206,014 |
| Fund Balance, Ending | <u>\$ -</u> | <u>\$ 263,258</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 263,258</u> |

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

SOUTH WEBER CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
For the Year Ended June 30, 2023

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>final budget</u> |
|--|-------------------------|---------------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Sales tax | \$ 275,000 | \$ 275,000 | \$ 275,000 | \$ - |
| Interest income | 5,000 | 10,000 | 71,214 | 61,214 |
| Intergovernmental | 230,000 | 571,000 | 321,825 | (249,175) |
| Contributions | - | 85,000 | - | (85,000) |
| Total Revenues | <u>510,000</u> | <u>941,000</u> | <u>668,039</u> | <u>(272,961)</u> |
| Expenditures | | | | |
| Capital outlay | <u>773,000</u> | <u>1,389,000</u> | <u>897,687</u> | <u>491,313</u> |
| Total Expenditures | <u>773,000</u> | <u>1,389,000</u> | <u>897,687</u> | <u>491,313</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(263,000)</u> | <u>(448,000)</u> | <u>(229,648)</u> | <u>218,352</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer in | <u>191,000</u> | <u>341,000</u> | <u>25,626</u> | <u>(315,374)</u> |
| Total Other Financing Sources (Uses) | <u>191,000</u> | <u>341,000</u> | <u>25,626</u> | <u>(315,374)</u> |
| Net Change in Fund Balance | <u>\$ (72,000)</u> | <u>\$ (107,000)</u> | <u>(204,022)</u> | <u>\$ (97,022)</u> |
| Fund Balance, Beginning | | | <u>1,392,116</u> | |
| Fund Balance, Ending | | | <u>\$ 1,188,094</u> | |

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

SOUTH WEBER CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – NONMAJOR PARK IMPACT FEE FUND
For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with final budget |
|--|------------------|------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Impact fees | \$ 120,000 | \$ 120,000 | \$ 10,480 | \$ (109,520) |
| Interest income | 1,000 | 1,000 | 358 | (642) |
| Total Revenues | <u>121,000</u> | <u>121,000</u> | <u>10,838</u> | <u>(110,162)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>121,000</u> | <u>121,000</u> | <u>10,838</u> | <u>(110,162)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer out | <u>(121,000)</u> | <u>(121,000)</u> | <u>(10,838)</u> | <u>110,162</u> |
| Total Other Financing Sources (Uses) | <u>(121,000)</u> | <u>(121,000)</u> | <u>(10,838)</u> | <u>110,162</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Fund Balance, Beginning | | | <u>-</u> | |
| Fund Balance, Ending | | | <u>\$ -</u> | |

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

SOUTH WEBER CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – NONMAJOR ROAD IMPACT FEE FUND
For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with final budget |
|--|------------------|------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Impact fees | \$ 140,000 | \$ 140,000 | \$ 61,790 | \$ (78,210) |
| Interest income | - | - | 10,242 | 10,242 |
| Total Revenues | 140,000 | 140,000 | 72,032 | (67,968) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 140,000 | 140,000 | 72,032 | (67,968) |
| Other Financing Sources (Uses) | | | | |
| Transfer out | (140,000) | (140,000) | (14,788) | 125,212 |
| Total Other Financing Sources (Uses) | (140,000) | (140,000) | (14,788) | 125,212 |
| Net Change in Fund Balance | \$ - | \$ - | 57,244 | \$ 57,244 |
| Fund Balance, Beginning | | | 206,014 | |
| Fund Balance, Ending | | | \$ 263,258 | |

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

SOUTH WEBER CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL –
NONMAJOR RECREATION IMPACT FEE FUND
For the Year Ended June 30, 2023

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with final budget</u> |
|--|-------------------------|-----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Impact fees | \$ 48,000 | \$ 48,000 | \$ 4,170 | \$ (43,830) |
| Interest income | - | - | 143 | 143 |
| Total Revenues | <u>48,000</u> | <u>48,000</u> | <u>4,313</u> | <u>(43,687)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>48,000</u> | <u>48,000</u> | <u>4,313</u> | <u>(43,687)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer out | <u>(48,000)</u> | <u>(48,000)</u> | <u>(4,313)</u> | <u>43,687</u> |
| Total Other Financing Sources (Uses) | <u>(48,000)</u> | <u>(48,000)</u> | <u>(4,313)</u> | <u>43,687</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Fund Balance, Beginning | | | <u>-</u> | |
| Fund Balance, Ending | | | <u>\$ -</u> | |

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

SOUTH WEBER CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL –
NONMAJOR PUBLIC SAFETY IMPACT FEE FUND
For the Year Ended June 30, 2023

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with final budget</u> |
|--|-------------------------|-----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Impact fees | \$ 12,000 | \$ 12,000 | \$ 1,394 | \$ (10,606) |
| Interest income | - | - | 49 | 49 |
| Total Revenues | <u>12,000</u> | <u>12,000</u> | <u>1,443</u> | <u>(10,557)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>12,000</u> | <u>12,000</u> | <u>1,443</u> | <u>(10,557)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer out | <u>(12,000)</u> | <u>(12,000)</u> | <u>(1,443)</u> | <u>10,557</u> |
| Total Other Financing Sources (Uses) | <u>(12,000)</u> | <u>(12,000)</u> | <u>(1,443)</u> | <u>10,557</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Fund Balance, Beginning | | | <u>-</u> | |
| Fund Balance, Ending | | | <u>\$ -</u> | |

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

COMPLIANCE REPORTS

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

Honorable Mayor and
Members of the City Council
South Weber City
South Weber, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of South Weber City, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise South Weber City's (the City) basic financial statements, and have issued our report thereon dated December 26, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

K&C, CPAs

K&C, CPA's
Woods Cross City, Utah
December 26, 2023

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

Honorable Mayor and
 Members of the City Council
 South Weber City
 South Weber, Utah

Report on Compliance

We have audited the South Weber City's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2023.

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

- | | |
|------------------------------|-----------------------|
| Budgetary Compliance | Fund Balance |
| Restricted Taxes | Fraud Risk Assessment |
| Governmental Fees | Justice Court |
| Cash Management | Impact Fees |
| Open and Public Meetings Act | |

Opinion on Compliance

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

Basis for Opinion

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

We are required to be independent of South Weber City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of South Weber City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on South Weber City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about South Weber City's compliance with the requirements of the government program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding South Weber City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the South Weber City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of South Weber City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report On Internal Control over Compliance

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

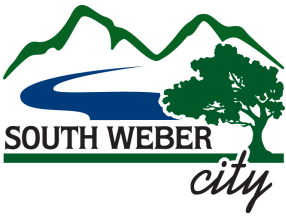
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct noncompliance with a state compliance requirement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

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

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 Guide. Accordingly, this report is not suitable for any other purpose.

K&C, CPAs

K&C, CPA's
Woods Cross City, Utah
December 26, 2023



6 Surplus
CITY COUNCIL MEETING
STAFF REPORT

MEETING DATE

January 23, 2024

PREPARED BY

David Larson

City Manager

ITEM TYPE

Administrative

ATTACHMENTS

RES 24-03

PRIOR DISCUSSION DATES

[November 28, 2023](#)

AGENDA ITEM

Resolution 24-03: Declaring City Owned Public Works Property at appx 1721 East South Weber Drive as Surplus

PURPOSE

Declare the City's intent to obtain offers to purchase the City-owned property currently occupied by the Public Works facility

RECOMMENDATION

Staff recommends approval

BACKGROUND

The City Council will hold a public hearing to receive public comments about the proposed disposition prior to considering the item.

The City Council has taken steps to relocate the public works facility, including purchasing new property, bonding for the new facility, contracting for the design-build team, and rezoning the current public works property according to the General Plan.

ANALYSIS

Prior to the City Council selling the property, it must be declared surplus. Now that it's clear the City's public works facility will be relocated and the project to construct the new facility is far enough along, the City is prepared to sell the current public works property.

RESOLUTION 24-04**A RESOLUTION OF THE SOUTH WEBER CITY COUNCIL DECLARING
1727 E SOUTH WEBER DRIVE TO BE SURPLUS PROPERTY**

WHEREAS, South Weber owns 2.169 acres of property at 1727 E South Weber Drive which currently accommodates the public works department shops; and

WHEREAS, South Weber is in the process of building new facilities at 104 E South Weber Drive which will make the current building obsolete; and

WHEREAS, the Procurement officer and Department Head have reviewed the future possibilities for the land and find it is surplus to the city's needs; and

WHEREAS, a public hearing was held on January 23, 2024, allowing public comment regarding the proposed declaration; and

WHEREAS, the City Council finds the citizens of South Weber are best served by declaring this property as surplus;

NOW THEREFORE BE IT RESOLVED by the Council of South Weber City, Davis County, State of Utah, as follows:

Section 1. Declaration: The 2.169 acres of city owned property located at 1727 E South Weber Drive (parcel 130300009) and described below is hereby declared to be surplus and may be disposed per procurement guidelines.

Legal Description: BEG AT A PT 1304.22 FT E OF NW COR OF NE 1/4 OF 34-T5N-R1W, SLM; TH S 0°13' W 198.90 FT; TH W 196.22 FT; TH S 346.77 FT; TH S 71°19' E 32 FT; TH S 77°36' E 84 FT; TH S 71° E 90.5 FT; TH S 57°31' E 36.5 FT TO E LN OF NW1/4 OF NE1/4 OF SD SEC 34; TH N 0°13'30" E 623.02 FT; TH W 35 FT TO THE POB. CONT. 2.169 ACRES

Section 2: Repealer Clause: All ordinances or resolutions or parts thereof, which are in conflict herewith, are hereby repealed.

PASSED AND ADOPTED by the City Council of South Weber, Davis County, on the 23rd day of January 2024.

Roll call vote is as follows:

| | | |
|--------------------------|-----|---------|
| Council Member Halverson | FOR | AGAINST |
| Council Member Petty | FOR | AGAINST |
| Council Member Winsor | FOR | AGAINST |
| Council Member Davis | FOR | AGAINST |
| Council Member Dills | FOR | AGAINST |

Rod Westbroek, Mayor

Attest: Lisa Smith, Recorder



7 Dump Truck
CITY COUNCIL MEETING
STAFF REPORT

MEETING DATE

January 23, 2024

PREPARED BY

Maryn Nelson
Admin Services Director

ITEM TYPE

Administrative

ATTACHMENTS

Vehicle specs and lease details

PRIOR DISCUSSION DATES

[April 11, 2023](#)

[May 9, 2023](#)

[May 23, 2023](#)

AGENDA ITEM

Dump Truck Lease Payment

PURPOSE

Council approval for placing the order of the purchase of a dump truck for Public Works including the increased lease payment amount

RECOMMENDATION

Staff recommends approval

BACKGROUND

Council approved an annual lease payment of \$45,000 for a new dump truck in the current fiscal year 2024 budget. Per the City Procurement Policy, this purchase (over \$10,000) requires City Council approval.

ANALYSIS

When staff went to research the purchase to place the order, the price had increased to \$64,710.78, so the Council would need to approve the purchase and the increased budget amount to \$65,000.

The order time for the dump truck is one year, and payment would not be due until the truck is received. Even though no payment would be made this fiscal year the budget would need to reflect the full amount to complete the order.

Prepared For:
SOUTH WEBER CITY
Mark Larsen
1600 EAST SOUTH WEBER DR
SOUTH WEBER, UT 84405-
(801)479 - 3177
Reference ID: N/A

Presented By:
RUSH TRUCK CENTERS OF UT
Daniel Sebastian
964 SOUTH 3800 WEST
SALT LAKE CITY UT 84104 -
(801)972-5320

Thank you for the opportunity to provide you with the following quotation on a new International truck. I am sure the following detailed specification will meet your operational requirements, and I look forward to serving your business needs.

Model Profile
2025 HV507 SFA (HV507)

| | |
|----------------------------------|--|
| AXLE CONFIG: | 4X4 |
| APPLICATION: | Front Plow with spreader |
| MISSION: | Requested GVWR: 35000. Calc. GVWR: 37780. Calc. GCWR: 80000 Calc. Start / Grade Ability: 39.90% / 4.22% @ 55 MPH Calc. Geared Speed: 65.4 MPH |
| DIMENSION: | Wheelbase: 171.00, CA: 96.00, Axle to Frame: 75.00 |
| ENGINE, DIESEL: | {Cummins L9 370} EPA 2024, 370HP @ 2100 RPM, 1250 lb-ft Torque @ 1200 RPM, 2100 RPM Governed Speed, 370 Peak HP (Max) |
| TRANSMISSION, AUTOMATIC: | {Allison 3000 RDS} 6th Generation Controls, Close Ratio, 6-Speed with Double Overdrive, with PTO Provision, Less Retarder, Includes Oil Level Sensor, with 80,000-lb GVW and GCW Max, On/Off Highway |
| CLUTCH: | Omit Item (Clutch & Control) |
| AXLE, FRONT DRIVING: | {Meritor MX-18-120HR} Single Reduction, 18,000-lb Capacity, with Hub Piloted Wheel Mounting |
| AXLE, REAR, SINGLE: | {Meritor RS-23-160} Single Reduction, 23,000-lb Capacity, 200 Wheel Ends Gear Ratio: 6.14 |
| CAB: | Conventional, Day Cab |
| TIRE, FRONT: | (2) 12R22.5 Load Range H XDN2 (MICHELIN), 483 rev/mile, 75 MPH, Drive |
| TIRE, REAR: | (4) 12R22.5 Load Range H XDN2 (MICHELIN), 483 rev/mile, 75 MPH, Drive |
| SUSPENSION, REAR, SINGLE: | 23,500-lb Capacity, Vari-Rate Springs, with 4500-lb Capacity Auxiliary Rubber Springs |
| PAINT: | Cab schematic 100WK Location 1: 9219, Winter White (Std) Chassis schematic N/A |

| <u>Code</u> | <u>Description</u> |
|-------------|---|
| HV50700 | Base Chassis, Model HV507 SFA with 171.00 Wheelbase, 96.00 CA, and 75.00 Axle to Frame. |
| 1570 | TOW HOOK, FRONT (2) Frame Mounted |
| 1ANB | AXLE CONFIGURATION {Navistar} 4x4 |
| | <u>Notes</u> : Pricing may change if axle configuration is changed. |
| 1CAJ | FRAME RAILS Heat Treated Alloy Steel (120,000 PSI Yield); 10.866" x 3.622" x 0.437" (276.0mm x 92.0mm x 11.1mm); 456.0" (11582mm) Maximum OAL |
| 1LLA | BUMPER, FRONT Swept Back, Steel, Heavy Duty |
| 1MEJ | FRAME DIMPLE Dimple on Left and Right Top Flange of Frame Rail to Reference Rear Axle Centerline |
| 1WDS | FRAME EXTENSION, FRONT Integral; 20" In Front of Grille |
| 1WGE | WHEELBASE RANGE 148" (375cm) Through and Including 179" (455cm) |
| 2ESP | AXLE, FRONT DRIVING {Meritor MX-18-120HR} Single Reduction, 18,000-lb Capacity, with Hub Piloted Wheel Mounting |
| | <u>Notes</u> : Axle Lead Time is 120 Days |
| 3ADG | SUSPENSION, FRONT, SPRING Parabolic Taper Leaf, Shackle Type, 18,000-lb Capacity, with Shock Absorbers |
| 4091 | BRAKE SYSTEM, AIR Dual System for Straight Truck Applications |
| | <u>Includes</u> : BRAKE LINES Color and Size Coded Nylon : DRAIN VALVE Twist-Type : GAUGE, AIR PRESSURE (2) Air 1 and Air 2 Gauges; Located in Instrument Cluster : PARKING BRAKE CONTROL Yellow Knob, Located on Instrument Panel : PARKING BRAKE VALVE For Truck : QUICK RELEASE VALVE On Rear Axle for Spring Brake Release: 1 for 4x2, 2 for 6x4 : SPRING BRAKE MODULATOR VALVE R-7 for 4x2, SR-7 with relay valve for 6x4/8x6 |
| 4732 | DRAIN VALVE {Berg} with Pull Chain, for Air Tank |
| 4AZA | AIR BRAKE ABS {Bendix AntiLock Brake System} 4-Channel (4 Sensor/4 Modulator) Full Vehicle Wheel Control System |
| 4EBD | AIR DRYER {Wabco System Saver 1200} with Heater |
| 4ETG | BRAKE CHAMBERS, FRONT AXLE {MGM} 24 SqIn |
| 4EXU | BRAKE CHAMBERS, REAR AXLE {Bendix EverSure} 30/30 SqIn Spring Brake |
| 4GBM | BRAKE, PARKING Manual Push-Pull Pneumatic Parking Brake |
| 4LAA | SLACK ADJUSTERS, FRONT {Haldex} Automatic |
| 4LGA | SLACK ADJUSTERS, REAR {Haldex} Automatic |
| 4SPA | AIR COMPRESSOR {Cummins} 18.7 CFM |
| 4VCL | AIR TANK LOCATION (2) Mounted 25" Back of Cab, Outside Right Rail, with Ground Clearance |
| 4VGG | AIR DRYER LOCATION Mounted Inside Left Rail, Behind Transfer Case Mounting |
| 4WBX | DUST SHIELDS, FRONT BRAKE for Air Cam Brakes |
| 4WDM | DUST SHIELDS, REAR BRAKE for Air Cam Brakes |

| <u>Code</u> | <u>Description</u> |
|-------------|---|
| 4XDR | BRAKES, REAR {Meritor 16.5X7 Q-PLUS CAST} Air S-Cam Type, Cast Spider, Fabricated Shoe, Double Anchor Pin, Size 16.5" X 7", 23,000-lb Capacity per Axle |
| 4XDT | BRAKES, FRONT {Meritor 16.5X6 Q-PLUS CAST} Air S-Cam Type, Cast Spider, Fabricated Shoe, Double Anchor Pin, Size 16.5" X 6", 23,000-lb Capacity |
| 5710 | STEERING COLUMN Tilting and Telescoping |
| 5CAW | STEERING WHEEL 4-Spoke; 18" Dia., Black |
| 5PUD | STEERING GEAR (2) {Sheppard M110/M90} Dual Power |
| 6DHJ | DRIVELINE SYSTEM {Dana Spicer} SPL140 Main Driveline, 1710 Driveline to Transfer Case, SPL140 Driveline to Front Axle, for 4x4 |
| 7BEV | AFTERTREATMENT COVER Steel, Black |
| 7BMA | EXHAUST SYSTEM Horizontal Aftertreatment System, Frame Mounted Right Side Under Cab, for Single Vertical Tail Pipe, Frame Mounted Right Side Back of Cab, for All-Wheel Drive |
| 7SDP | ENGINE COMPRESSION BRAKE {Jacobs} for Cummins ISL/L9 Engines; with Selector Switch and On/Off Switch |
| 7WAZ | TAIL PIPE (1) Turnback Type |
| 7WDM | EXHAUST HEIGHT 10' |
| 7WDN | MUFFLER/TAIL PIPE GUARD (1) Aluminum |
| 8000 | ELECTRICAL SYSTEM 12-Volt, Standard Equipment |
| | <u>Includes</u> |
| | : DATA LINK CONNECTOR For Vehicle Programming and Diagnostics In Cab |
| | : HAZARD SWITCH Push On/Push Off, Located on Instrument Panel to Right of Steering Wheel |
| | : HEADLIGHT DIMMER SWITCH Integral with Turn Signal Lever |
| | : PARKING LIGHT Integral with Front Turn Signal and Rear Tail Light |
| | : STARTER SWITCH Electric, Key Operated |
| | : STOP, TURN, TAIL & B/U LIGHTS Dual, Rear, Combination with Reflector |
| | : TURN SIGNAL SWITCH Self-Cancelling for Trucks, Manual Cancelling for Tractors, with Lane Change Feature |
| | : WINDSHIELD WIPER SWITCH 2-Speed with Wash and Intermittent Feature (5 Pre-Set Delays), Integral with Turn Signal Lever |
| | : WINDSHIELD WIPERS Single Motor, Electric, Cowl Mounted |
| | : WIRING, CHASSIS Color Coded and Continuously Numbered |
| 8GXD | ALTERNATOR {Leece-Neville AVI160P2013} Brush Type, 12 Volt, 160 Amp Capacity, Pad Mount, with Remote Sense |
| 8HAG | ELECTRIC TRAILER BRAKE/LIGHTS Accommodation Package to Rear of Frame; for Separate Trailer Stop, Tail, Turn, Marker Light Circuits; Includes Electric Trailer Brake accommodation package with Cab Connections for Mounting Customer Installed Electric Brake Unit, Less Trailer Socket |
| 8HAU | BODY BUILDER WIRING INSIDE CAB; Includes Sealed Connectors for Tail/Amber, Turn/Marker/Backup/Accessory, Power/Ground, and Stop/Turn |
| 8MSG | BATTERY SYSTEM {Fleetrite} Maintenance-Free, (3) 12-Volt 1980CCA Total, Top Threaded Stud |
| 8RGA | 2-WAY RADIO Wiring Effects; Wiring with 20 Amp Fuse Protection, Includes Ignition Wire with 5 Amp Fuse, Wire Ends Heat Shrink and Routed to Center of Header Console in Cab |
| 8RMZ | SPEAKERS (2) 6.5" Dual Cone Mounted in Both Doors, (2) 5.25" Dual Cone Mounted in Both B-Pillars |
| 8RPB | RADIO, AUXILIARY CONTROLS Mounted in Steering Wheel, Radio Function Control Switch, Includes Volume Up/Down, Mute, Forward/Back and Bluetooth Answer/Disconnect |

| <u>Code</u> | <u>Description</u> |
|-------------|--|
| 8RPP | ANTENNA Shark Fin, Roof Mounted |
| 8RPS | RADIO AM/FM/WB/Clock/Bluetooth/USB Input/Auxiliary Input |
| 8THB | BACK-UP ALARM Electric, 102 dBA |
| 8THJ | AUXILIARY HARNESS 3.0' for Auxiliary Front Head Lights and Turn Signals for Front Plow Applications |
| 8VAY | HORN, ELECTRIC Disc Style |
| 8WGL | WINDSHIELD WIPER SPD CONTROL Force Wipers to Slowest Intermittent Speed When Park Brake Set and Wipers Left on for a Predetermined Time |
| 8WPH | CLEARANCE/MARKER LIGHTS (5) {Truck Lite} Amber LED Lights, Flush Mounted on Cab or Sunshade |
| 8WPZ | TEST EXTERIOR LIGHTS Pre-Trip Inspection will Cycle all Exterior Lamps Except Back-up Lights |
| 8WRB | HEADLIGHTS ON W/WIPERS Headlights Will Automatically Turn On if Windshield Wipers are Turned On |
| 8WTK | STARTING MOTOR {Delco Remy 38MT Type 300} 12 Volt, Less Thermal Over-Crank Protection |
| 8WWJ | INDICATOR, LOW COOLANT LEVEL with Audible Alarm |
| 8WXD | ALARM, PARKING BRAKE Electric Horn Sounds in Repetitive Manner When Vehicle Park Brake is "NOT" Set, with Ignition "OFF" and any Door Opened |
| 8XAH | CIRCUIT BREAKERS Manual-Reset (Main Panel) SAE Type III with Trip Indicators, Replaces All Fuses |
| 8XDU | BATTERY BOX Steel, with Aluminum Cover, 14" Wide, 2-3 Battery Capacity, Mounted Left Side Under Cab |
| 8XGT | TURN SIGNALS, FRONT Includes LED Side Turn Lights Mounted on Fender |
| 8XHD | BATTERY DISCONNECT SWITCH 300 Amp, Disconnects Charging Circuits, Locks with Padlock, Cab Mounted |
| 8XHN | HORN, AIR Single Trumpet, Black, with Lanyard Pull Cord |
| 8XNY | HEADLIGHTS Halogen |
| 8XPK | POWER SOURCE, ADDITIONAL Auxiliary Power Outlet (APO) with USB-A Port and USB-C Port, Located in the Instrument Panel |
| 9585 | FENDER EXTENSIONS Rubber |
| 9AAB | LOGOS EXTERIOR Model Badges |
| 9AAE | LOGOS EXTERIOR, ENGINE Badges |
| 9HAN | INSULATION, UNDER HOOD for Sound Abatement |
| 9HBM | GRILLE Stationary, Chrome |
| 9HBN | INSULATION, SPLASH PANELS for Sound Abatement |
| 9WAC | BUG SCREEN Mounted Behind Grille |
| 9WBC | FRONT END Tilting, Fiberglass, with Three Piece Construction, for WorkStar/HV |
| 10060 | PAINT SCHEMATIC, PT-1 Single Color, Design 100 |
| | <u>Includes</u> |
| | : PAINT SCHEMATIC ID LETTERS "WK" |
| 10761 | PAINT TYPE Base Coat/Clear Coat, 1-2 Tone |
| 10AGB | COMMUNICATIONS MODULE Telematics Device with Over the Air Programming; Includes Five Year Data Plan and International 360 |
| 10SLV | PROMOTIONAL PACKAGE Government Silver Package |

| <u>Code</u> | <u>Description</u> |
|-------------|--|
| 11001 | CLUTCH Omit Item (Clutch & Control) |
| 12703 | ANTI-FREEZE Red, Extended Life Coolant; To -40 Degrees F/ -40 Degrees C, Freeze Protection |
| 12849 | BLOCK HEATER, ENGINE 120V/1000W, for Cummins ISB/B6.7/ISL/L9 Engines <u>Includes</u> : BLOCK HEATER SOCKET Receptacle Type; Mounted below Drivers Door |
| 12851 | PTO EFFECTS, ENGINE FRONT Less PTO Unit, Includes Adapter Plate on Engine Front Mounted |
| 12EZA | ENGINE, DIESEL {Cummins L9 370} EPA 2024, 370HP @ 2100 RPM, 1250 lb-ft Torque @ 1200 RPM, 2100 RPM Governed Speed, 370 Peak HP (Max) |
| 12THT | FAN DRIVE {Horton Drivemaster} Two-Speed Type, Direct Drive, with Residual Torque Device for Disengaged Fan Speed <u>Includes</u> : FAN Nylon |
| 12UWZ | RADIATOR Aluminum, Cross Flow, Front to Back System, 1228 SqIn, with 1167 SqIn Charge Air Cooler, Includes In-Tank Oil Cooler <u>Includes</u> : DEAERATION SYSTEM with Surge Tank : HOSE CLAMPS, RADIATOR HOSES Gates Shrink Band Type; Thermoplastic Coolant Hose Clamps : RADIATOR HOSES Premium, Rubber |
| 12VAG | AIR CLEANER Single Element, with Integral Snow Valve and In-Cab Control |
| 12VJS | EMISSION, CALENDAR YEAR {Cummins L9} EPA, OBD and GHG Certified for Calendar Year 2024 |
| 12VXT | THROTTLE, HAND CONTROL Engine Speed Control; Electronic, Stationary, Variable Speed; Mounted on Steering Wheel |
| 12VYP | ENGINE CONTROL, REMOTE MOUNTED No Provision for Remote Mounted Engine Control |
| 12WVG | EPA IDLE COMPLIANCE Low NOx Idle Engine, Complies with EPA Clean Air Regulations; Includes "Certified Clean Idle" Decal on Hood |
| 12WZE | CARB IDLE COMPLIANCE Does Not Comply with California Clean Air Idle Regulations |
| 12XCS | CARB EMISSION WARR COMPLIANCE Does Not Comply with CARB Emission Warranty |
| 13BCS | TRANSMISSION, AUTOMATIC {Allison 3000 RDS} 6th Generation Controls, Close Ratio, 6-Speed with Double Overdrive, with PTO Provision, Less Retarder, Includes Oil Level Sensor, with 80,000-lb GVW and GCW Max, On/Off Highway |
| 13TKK | TRANSFER CASE {Meritor MTC-4210} 2-Speed, 10,000 lb-ft Torque Rating, Less PTO Provision, Electric Over Air Control, with Lube Pump |
| 13WAW | OIL COOLER, TRANSMISSION {Modine} Water to Oil Type |
| 13WDB | TRANSFER CASE LUBE {EmGard 50W} Synthetic; 1 thru 14.99 Pints |
| 13WDZ | SHIFT CONTROL PARAMETERS {Allison} 3000 or 4000 Series Transmissions, S1 Performance in Primary and Fixed Programming in Secondary |
| 13WET | TRANSMISSION SHIFT CONTROL Column Mounted Stalk Shifter, Not for Use with Allison 1000 & 2000 Series Transmission |
| 13WGC | OIL COOLER, TRANSFER CASE with Oil Coolant Lines Routed to Oil Cooler |
| 13WLP | TRANSMISSION OIL Synthetic; 29 thru 42 Pints |
| 13WUC | ALLISON SPARE INPUT/OUTPUT for Rugged Duty Series (RDS) and Regional Haul Series (RHS), General Purpose Trucks, Construction, Package Number 223 |

| <u>Code</u> | <u>Description</u> |
|-------------|--|
| 13WVV | NEUTRAL AT STOP Allison Transmission Shifts to Neutral When Service Brake is Depressed and Vehicle is at Stop; Remains in Neutral Until Service Brake is Released |
| 13WYH | TRANSMISSION TCM LOCATION Located Inside Cab |
| 13XAM | PTO LOCATION Dual, Customer Intends to Install PTO at Left and/or Right Side of Transmission |
| 14051 | AXLE, REAR, SINGLE {Meritor RS-23-160} Single Reduction, 23,000-lb Capacity, 200 Wheel Ends . Gear Ratio: 6.14 |
| 14881 | DIFFERENTIAL, LOCKING {Detroit Locker} No-Spin; for Meritor Rear Axles; Not with Meritor 185 & 186 Family of Axles |
| | <u>Notes</u> : Axle Lead Time is 90 Days |
| 14VAH | SUSPENSION, REAR, SINGLE 23,500-lb Capacity, Vari-Rate Springs, with 4500-lb Capacity Auxiliary Rubber Springs |
| 15LNR | FUEL/WATER SEPARATOR {Racor 400 Series} with Primer Pump, Includes Water-in-Fuel Sensor, Mounted on Engine |
| 15SXJ | FUEL TANK Top Draw, Non-Polished Aluminum, 24" Dia, 50 US Gal (189L), Mounted Left Side, Under Cab |
| 15WCN | DEF TANK 5 US Gal (19L) Capacity, Frame Mounted Outside Left Rail, Under Cab |
| 16030 | CAB Conventional, Day Cab |
| 16BAM | AIR CONDITIONER with Integral Heater and Defroster |
| 16GEG | GAUGE CLUSTER Premium Level; English with English Electronic Speedometer |
| | <u>Includes</u> : GAUGE CLUSTER DISPLAY: Base Level (3" Monochromatic Display), Premium Level (5" LCD Color Display); Odometer, Voltmeter, Diagnostic Messages, Gear Indicator, Trip Odometer, Total Engine Hours, Trip Hours, MPG, Distance to Empty/Refill for : GAUGE CLUSTER Speedometer, Tachometer, Engine Coolant Temp, Fuel Gauge, DEF Gauge, Oil Pressure Gauge, Primary and Secondary Air Pressure : WARNING SYSTEM Low Fuel, Low DEF, Low Oil Pressure, High Engine Coolant Temp, Low Battery Voltage (Visual and Audible), Low Air Pressure (Primary and Secondary) |
| 16HHE | GAUGE, AIR CLEANER RESTRICTION {Filter-Minder} Mounted in Instrument Panel |
| 16HKT | IP CLUSTER DISPLAY On Board Diagnostics Display of Fault Codes in Gauge Cluster |
| 16HLR | VIRTUAL GAUGE, AIR APPLICATION Requires Premium Cluster |
| 16HLU | VIRTUAL GA, OIL TEMP,AUTO XMSN for Allison Transmission, Requires Premium Cluster |
| 16JYX | SEAT, DRIVER {National 2000} Air Suspension, High Back with Integral Head Rest, Cloth, Isolated, 1 Chamber Lumbar, 2 Position Front Cushion Adjustment, -3 to +14 Degree Seat Back Angle Adjustment, Dual Shocks |
| 16SMM | SEAT, PASSENGER {National} Non Suspension, High Back, Fixed Back, Integral Headrest, Cloth |
| 16SMW | GRAB HANDLE, EXTERIOR Black, Aluminum, for Cab Entry Mounted Left Side at B-Pillar |
| 16SNP | MIRRORS (2) C-Loop, Power Adjust, Heated, Black Heads and Arms, 7.5" x 14" Flat Glass, Includes 7.5" x 7" Convex Mirrors, for 102" Load Width |
| | <u>Notes</u> : Mirror Dimensions are Rounded to the Nearest 0.5" |
| 16VKK | CAB INTERIOR TRIM Diamond, for Day Cab |
| | <u>Includes</u> |

| <u>Code</u> | <u>Description</u> |
|------------------------------|--|
| | : CONSOLE, OVERHEAD Molded Plastic with Dual Storage Pockets, Retainer Nets and CB Radio Pocket; Located Above Driver and Passenger |
| | : DOME LIGHT, CAB Door Activated and Push On-Off at Light Lens, Timed Theater Dimming, Reading Lights; Integral to Overhead Console, Center Mounted |
| | : SUN VISOR (3) Padded Vinyl; 2 Moveable (Front-to-Side) Primary Visors, Driver Side with Vanity Mirror and Toll Ticket Strap, plus 1 Auxiliary Visor (Front Only), Driver Side |
| 16VLV | MONITOR, TIRE PRESSURE Omit |
| 16WBY | ARM REST, RIGHT, DRIVER SEAT |
| 16WJU | WINDOW, POWER (2) and Power Door Locks, Left and Right Doors, Includes Express Down Feature |
| 16WSK | CAB REAR SUSPENSION Air Bag Type |
| 16XJP | INSTRUMENT PANEL Wing Panel |
| 16XWJ | WINDSHIELD WIPER BLADES Snow Type |
| 16XWY | WINDSHIELD WASHER RESERVOIR Mounted Under Cab with Remote Fill Mounted Behind Cab Drivers Side |
| 16XXC | COWL TRAY LID |
| 16ZBT | ACCESS, CAB Steel, Driver & Passenger Sides, Two Steps per Door, for use with Day Cab and Extended Cab |
| 27DUK | WHEELS, FRONT {Accuride 29169} DISC; 22.5x8.25 Rims, Powder Coat Steel, 5-Hand Hole, 10-Stud, 285.75mm BC, Hub-Piloted, Flanged Nut, with .472" Thick Increased Capacity Disc and Steel Hubs |
| 28DUK | WHEELS, REAR {Accuride 29169} DUAL DISC; 22.5x8.25 Rims, Powder Coat Steel, 5-Hand Hole, 10-Stud, 285.75mm BC, Hub-Piloted, Flanged Nut, with .472" Thick Increased Capacity Disc and Steel Hubs |
| 7482153264 | (2) TIRE, FRONT 12R22.5 Load Range H XDN2 (MICHELIN), 483 rev/mile, 75 MPH, Drive |
| 7482153264 | (4) TIRE, REAR 12R22.5 Load Range H XDN2 (MICHELIN), 483 rev/mile, 75 MPH, Drive |
| Services Section: | |
| 40128 | WARRANTY Standard for HV507, HV50B, HV607 Models, Effective with Vehicles Built July 1, 2017 or Later, CTS-2025A |
| 40YZL | SRV CONTRACT, EXT CMS ENG/AFTR {Cummins} To 60-Month/100,000 Miles (160,000 km), Extended Cummins L9 Engine Coverage, Protection Plan 1 and Aftertreatment, (Truck Application Only) |
| 1 | Snow package 10' hook |

(US DOLLAR)

Description

Price

Net Sales Price:

\$156,431.09

Please feel free to contact me regarding these specifications should your interests or needs change. I am confident you will be pleased with the quality and service of an International vehicle.

Approved by Seller:

Accepted by Purchaser:

Official Title and Date

Firm or Business Name

Authorized Signature

Authorized Signature and Date

This proposal is not binding upon the seller without Seller's Authorized Signature

Official Title and Date

The TOPS FET calculation is an estimate for reference purposes only. The seller or retailer is responsible for calculating and reporting/paying appropriate FET to the IRS.

The limited warranties applicable to the vehicles described herein are Navistar, Inc.'s standard printed warranties which are incorporated herein by reference and to which you have been provided a copy and hereby agree to their terms and conditions.



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1930
 Customer: SOUTH WEBER CITY

Quote Number: MSL0001800
 Quote Date: 10/26/2023
 Quote valid until: 11/25/2023

Contact: BRIAN WAGEMAN
 Phone: 801-791-5765
 Fax:

Salesperson: JEREMY KINDER

| QUANTITY | | DESCRIPTION | UNIT PRICE | AMOUNT |
|----------|----|---|------------|--------|
| 1 | EA | 20K CAPACITY HOOK LIFT TRUCK, WITH SPREADER, PLOW & WING, CONTAINER AND DUMP BODY HOOKLIFT READY, MOUNTED ON CUSTOMER SUPPLIED CHASSIS WITH A 102" TO 108" CA | | |
| 1 | EA | STELLAR MODEL 108-11-20 20K SHUTTLE HOOKLIFT INCLUDING: - IDEAL FOR 12FT CONTAINERS - DOUBLE PIVOT HOOK SYSTEM WITH TILTING HOOK ASSEMBLY (LOWERS THE ANGLE CONTAINERS ARE PULLED ONTO THE LIFT PUTTING LESS STRESS ON THE HOOKLIFT AND CONTAINERS) - 54"HOOK HEIGHT - 45 DEGREE MAXIMUM DUMP ANGLE - 4200 PSI OPERATING PRESSURE - SINGLE 5" LIFT/DUMP CYLINDER - 2" GALVANIZED STEEL REAR PIVOT - HYDRAULIC CYLINDER LOCKS IN CASE OF HOSE FAILURE - PERMANENTLY LUBRICATED BUSHINGS - MECHANICAL REAR BODY HOLD DOWN LATCHES - MANUFACTURED IN THE USA | | |
| 1 | EA | 54" HOOK HEIGHT- NOT AVAILABLE ON 168" OR 190" | | |
| 1 | EA | SH20TA1 ELECTRIC TAB ALARM | | |
| 1 | PR | POLY FENDERS FOR SINGLE AXLE TRUCK - 22.5" WHEELS INCLUDING FENDER BRACKETS | | |
| 2 | EA | OWEN EQUIPMENT MUD FLAP INSTALLED BEHIND REAR WHEELS | | |
| 1 | EA | FORCE AMERICA HYDRAULIC PACKAGE 1060656 CFG-999061 5.98CID - CCW- 1-1/4" KEYED. 4 BLT C - L.S. - 2-1/2"X 1" SFP SIDE - COMP.=2350PSI / MAX=3,800PSI - W/FITTING KIT 622AK-L-CFG REV. A 26" DRIVELINE KIT WITH 479 AND 329 FLANGE YOKES AND 1-1/4" C.F. FAD-479X329X333X26 FULL PORT HIGH PSI BALL VALVE 5000 PSI FA-HPBV-16 CFG-038974 VT35 GEN 2 TANK ENCLOSURE WITH MCV-009 VALVE PLATE VT35G2-B-PP-CFG FULL PORT 2" NPT BRASS BALL VALVE 600 PSI S95I41 TEMP/LEVEL SENDER 158 DEGREE F 30 GAL WITH SLOSH SHIELD VT-35 S2-TSM10-L212-AC-DN-SS 10 MICRON SYNTHETIC Z-GLASS ELEMENT FOR SRF & TS SERIES FILTER INTERCHANGE SCHROEDER "K" SERIES ZSRE-409-10 | | |



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| QUANTITY | DESCRIPTION | UNIT PRICE | AMOUNT |
|----------|--|------------|--------|
| | 1090692 CFG-076785 AAF-S4-S4-PR-3-4-4-PRI-SAV D/A HOOK UP/DOWN D/A JIB IN/OUT PRESSURE REDUCING S/A PLOW UP/DOWN D/A PLOW LEFT/RIGHT D/A WING UP/DOWN PRIORITY SPINNER/AUGER PMV KIT-CFG CFG-076786 MPJC-5100EX-3-ULTRA-CFG H, J, P, A/S MPJC-5100EX-3- ULTRA-CFG MIS KEYCHAIN USB THUMB DRIVE KEYCHAIN-USB-THUMB-DRIVE | | |
| 1 | EA HOSE, COUPLERS & FITTINGS FOR HYDRAULIC SYSTEM | | |
| 2 | EA ALUMINUM HOUSING FOR REAR LIGHTING KIT | | |
| 1 | EA ROUND TAILLIGHT KIT -L.E. D STOP, TURN, TAIL | | |
| 2 | EA 4" L.E.D. STOP, TURN TAILLIGHT | | |
| 2 | EA PIGTAIL FOR TAILLIGHTS OR BACKUP LIGHTS | | |
| 2 | EA 4" ROUND RUBBER GROMMET FOR 4" SEALED LIGHTS | | |
| 1 | EA ROUND BACKUP LIGHT KIT - L.E.D BACKUP LIGHT | | |
| 2 | EA 4" L.E.D. CLEAR BACK-UP LIGHT. | | |
| 2 | EA PIGTAIL FOR TAILLIGHTS OR BACKUP LIGHTS | | |
| 2 | EA 4" ROUND RUBBER GROMMET FOR 4" SEALED LIGHTS | | |
| 1 | EA OVAL STROBE LIGHT KIT INCLUDING LIGHT HOLE | | |
| 2 | EA OVAL STROBE, SELF CONTAINED INCLUDING LIGHT HOLES | | |
| 2 | EA OVAL GROMMET | | |
| 2 | EA PIGTAIL | | |
| 1 | EA HEAVY DUTY RECTANGULAR BUMPER WITH L.E.D. LIGHT KIT & BACK-UP ALARM | | |
| 1 | EA FEDERAL SIGNAL "LEGEND" 45" LED AMBER LIGHTBAR TO INCLUDE: -SIX PATTERN FLASH -DIRECTIONAL STICK-ON REAR OF LIGHT -TWO (2) WHITE LIGHTS ON FRONT & TWO RED LIGHTS IN REAR -IN CAB MOUNTED SWITCH -UNIT CAN BE MOUNTED DIRECTLY ON CAB OR MOUNTED TO CABSHIELD OF DUMP BODY -INCLUDES INSTALLATION | | |
| 1 | EA LEGEND LIGHTBAR MOUNTING KIT - DIRECT MOUNT TO CHASSIS CAB | | |
| 1 | EA ONE (1) CRYSTEEL/TBEI 11 FT. CARBON STEEL DUMP BODY TO INCLUDE: **HOOKLIFT APPLICATION MAB-SLTS-84/96-1100-09Y-HOOK-50/36/44 BODY LENGTH 11'-0" BODY ID 84 BODY OD 96 HOIST MOUNTING TYPE STANDARD *HOIST MODEL HOOKLIFT APPLICATION* FRONT STYLE STRAIGHT | | |



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| QUANTITY | DESCRIPTION | UNIT PRICE | AMOUNT |
|----------|--|------------|--------|
| | SIDE STYLE 3/4 DOUBLE WALL REAR STYLE STRAIGHT *FRAME STYLE: 2 X 6 TUBING EXTENDED 36" IN FRONT OF BODY (1733075) * FRONT HEIGHT 50 SIDE HEIGHT FRONT 36 SIDE HEIGHT REAR 36 REAR HEIGHT 44 FRONT MATERIAL 7GA A1011 STEEL SIDE MATERIAL 10GA A1011 STEEL REAR MATERIAL 7GA A1011 STEEL FLOOR MATERIAL 7GA A1011 STEEL *FRAME MATERIAL 2 X 6 X 1/4 TUBING* OUTER SIDE MATERIAL 10GA A1011 STEEL REAR PILLAR WIDTH 14 TAILGATE RELEASE TYPE AIR TAILGATE HINGE TYPE 1 THICK / 7 OFFSET TAILGATE THICKNESS 2.5 TAILGATE BRACING STYLE FULLRIB LEFT FRONT LADDER RIGID SIDE VERTICAL QUANTITY 0 FRONT BRACE QUANTITY 2 CHAIN SLOT BRACKET TYPE BANJO LIGHT CARTON LESS LIGHTS W/AIR CYL CONNECTION KIT ---CUSTOM OPTIONS--- *CENTER AIR CYLINDER BETWEEN LONGSILLS* *LOWER SIDE RUBRAIL 4-5" TO COMPENSATE FOR HOOKLIFT FRAME* FINISH PAINT OPTIONS WASH AND PRIME WASH AND COMMERCIAL GRADE URETHANE PRIMER UNDERBODY COATING WASH/BLACK COMPLETE UNDERBODY LIGHT CARTON LESS LIGHTS W/AIR CYL CONNECTION KIT RUSTPROOF LONGSILLS YES TAILGATE CHAIN KIT YES AIR CYLINDER YES | | |
| 1 | EA | | |
| | PAINT DUMP BODY 11' WHITE | | |
| 1 | EA | | |
| | A-FRAME ONLY FOR 54" HIGH HOOK | | |
| 1 | EA | | |
| | HOOKLIFT ROLLERS- 8.5"-STEEL | | |
| 1 | EA | | |
| | SWENSON EV 100 118256 W/ ROLLOFF HYDRAULIC DRIVEN SPREADER CONSTRUCTED OF 12 G. STAINLESS STEEL SIDES AND ENDS. 82" WIDE HOPPER 45° SIDE SLOPE BOLTIN 6" WIDE FLANGE (H) BEAM 10 GA. BOLTIN REPLACEABLE CONVEYOR FLOOR 10 GA. SLOTTED LONGITUDINALS FOR EASY GEARBOX/DRIVE SHAFT REMOVAL 1 1/2" DRIVE SHAFT, 1 1/4" IDLER SHAFT, SPRING LOADED CHAIN TAKE UP | | |



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| QUANTITY | DESCRIPTION | UNIT PRICE | AMOUNT |
|----------|---|------------|--------|
| | SELF-CLEANING PINTLE STYLE CONVEYOR CHAIN (21,000 LBS. TENSILE STRENGTH PER STRAND) 1-1/2" X 1/4" DOUBLE WELDED CROSS BARS REAR CHAIN WIPER DROPNLOC TOP SCREENS W/ 18" RISE AN OPTIONAL INVERTED VEE 12 GA. CORROSION RESISTANT STAINLESS STEEL STANDARD SPINNER WITH 12" ADJUSTABLE HEIGHT SWINGS UP SPINNER EXTENSION 1 INTERNAL BAFFLE, 4 BAFFLE (3 ADJUSTABLE, FRONT FIXED) LOWER SPINNER ASSEMBLY WITH BOTTOM MOUNTED MOTOR 18" POLY SPINNER DISC WINCH FOR SWING UP. ** FRONT 8" SS SPILL SHIELD ** REAR 8" SS SPILL SHIELD ** FOLD UP OBSERVATION PLATFORM ** ROLL OFF PLATFORM W/ CATCH PLATE. | | |
| 1 | EA SPREADER HOSE KIT | | |
| 1 | EA A-FRAME ONLY FOR 54" HIGH HOOK | | |
| 1 | EA HOOKLIFT ROLLERS- 8.5"-STEEL | | |
| 1 | EA HENKE 38R11J, SSTE - 11 FOOT REVERSIBLE PLOW MOLDBOARD HOME SAFE SNOWPLOW 11' LONG, 38" WITH 10 GAUGE GRADE 50 ROLLED PLATE INVERTED "J" STYLE, ROLLED PLATE MOLDBOARD TOP ANGLE: 3" X 2 1/2" X 1/2" RIBS:(10)1/2" WITH TWO HORIZONTAL SUPPORTS FOR ADDED RIGIDITY (4) MOLDBOARD CONNECTION POINTS WITH BUSHINGS TRIP EDGE (SSTE) SQUARE SPRING TRIP-EDGE WITH SINGLE SHAFT PUSH FRAME HEAVY-DUTY, TUBULAR STEEL PUSH FRAME 5" X 2" TOP TUBE 6" X 4" LOWER TUBE WELDED BOSSES AT ALL CRITICAL CONNECTION POINTS ARMS PARALLEL LIFT SYSTEM DUAL A-LIFT ARMS WITH MECHANICAL FLOAT THAT ALLOWS FOR MECHANICAL MEANS OF FLOAT BETWEEN PLOW AND TRUCK PORTION FLAT PLATE HITCH THIS EXCLUSIVE MECHANICAL FLOAT SYSTEM ALLOWS THE PLOW TO FOLLOW THE PROFILE OF THE ROAD WITH 22.5" OF TRAVEL OVER OBSTACLES WITHOUT AN EXPENSIVE HYDRAULIC FLOAT SYSTEM THE MECHANICAL FLOAT SYSTEM CAN QUICKLY REACT TO CHANGES IN ELEVATION WITH LESS RESISTANCE THAN AN EXPENSIVE HYDRAULIC FLOAT SYSTEM THE MECHANICAL FLOAT SYSTEM IS MUCH SIMPLER FOR DEALERS OR END USERS ONLY REQUIRING (2) TWO DOUBLE-ACTING HYDRAULIC CIRCUITS JUST LIKE A CONVENTIONAL PLOW SETUP | | |



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|----------|---|------------|--------|
| | <p>PLOW SIDE HITCH PARALLEL LIFT SYSTEM SWIVEL HAS A POLY WEAR SHEET BETWEEN OSCILLATION SURFACES TO REDUCE FRICTION AND ALSO INCLUDES BUSHINGS AT ALL CONNECTIONS TO INCREASE STRENGTH AND PREVENT OVER-TIGHTENING</p> <p>PLOW SIDE FLAT PLATE HITCH ACCEPTS ALL PARALLEL LIFT TRUCK SIDE FLAT PLATE HITCHES</p> <p>CYLINDERS PARALLEL LIFT SYSTEM CYLINDERS INCLUDE THE FOLLOWING: (2) TWO MATCHING 4" X 15-1/8" X 2" HYDRAULIC REVERSING CYLINDERS WITH A CUSHION VALVE ONE 4" X 13-1/8" X 2" HYDRAULIC LIFT CYLINDER WITH ADJUSTABLE DOWN PRESSURE RELIEF AN ON-BOARD ACCUMULATOR THAT ALLOWS FOR THE COLLECTION OF OIL WHILE RAISING, LOWERING, AND FLOATING OF THE PLOW DURING OPERATION ACCUMULATOR CAN BE USED WITH OR WITHOUT A HYDRAULIC LOAD COMPENSATING SYSTEMS SUCH AS A "POWER FLOAT" SYSTEM ALSO KNOWN AS "PLOW BALANCE" SYSTEM</p> <p>RUNNING GEAR BOLT ON PARKING STANDS</p> <p>CUTTING EDGE 1/2" X 8" X SAE 1084 HIGH CARBON STEEL CUTTING EDGE</p> <p>RUBBER SHIELD RUBBER SHIELD 11' J/JP</p> <p>FEATURES AND ADD ONS ROD MARKERS</p> <p>PAINT MOLDBOARD FRONT OMAHA ORANGE, ALL ELSE SATIN BLACK</p> | | |
| 1 | EA | | |
| | <p>FPH - FLAT PLATE HITCH TRUCK SIDE HITCH TRUCK SIDE FLAT PLATE HITCH: W/ QUICK LATCH MECHANISM ACCEPTS ALL PARALLEL LIFT PLOWS AND ADAPTER HITCHES (SQH)</p> <p>TRUCK ATTACH SIDE PLATE TRUCK ATTACH KIT</p> <p>PAINT SATIN BLACK</p> | | |
| 1 | EA | | |
| | <p>HENKE PPW, NO TRUCK ATTACH, 9 FOOT SNOW WING FRONT POST POSTLESS PATROL WING FRONT-MOUNT (F1 LOCATION, SEE LAYOUT IMAGE BELOW AND VERIFY AT TIME OF ORDER) DESIGN WITH 14.50" OF FLOAT 23" BY 12" HEAVY-DUTY PARALLEL ARM STRUCTURE WITH</p> | | |



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| QUANTITY | DESCRIPTION | UNIT PRICE | AMOUNT |
|----------|---|------------|--|
| | <p>3" X 10" X 2" DOUBLE-ACTING LIFT CYLINDER (LOCK VALVE IS RECOMMENDED TO PREVENT DRIFTING) PARALLEL ARM STRUCTURE WILL NOT BIND UP LIKE TRADITIONAL SLIDE POSTS SO IT REQUIRES LESS MAINTENANCE AND WILL LAST LONGER ADDITIONALLY, OUR UNIQUE "TRUE FLOAT, NON-TRAILING LINK" DESIGN REDUCES WING "CHATTER" AND INCREASES EFFECTIVENESS TO CUT THROUGH PACKED SNOW AND ICE</p> <p>MOLDBOARD MOLDBOARD SETUP FOR REAR LIFT 9' LONG TRIP-EDGE MOLDBOARD WITH HENKE (SSTE) SQUARE SPRING TRIPEDGE DESIGN THAT INCLUDES INDIVIDUAL TRIP SPRING SHAFTS LEADING END HEIGHT 34" AND DISCHARGE END HEIGHT 41" SMOOTH ROLLED 3/16" HI-TENSILE 50,000PSI STEEL PLATE (2) TWO POSITION PIVOT BUSHING ON LEADING END AND (6) SIX POSITION PUSH-BEAM ADJUSTMENT ON BACK-SIDE OF DISCHARGE END FRONT ATTACH 1 N/A NO TRUCK ATTACH KIT, DEALER OR END USER TO SUPPLY</p> <p>REAR ATTACH SEE LOCATION AND REAR ATTACH STYLES BELOW, PLEASE MAKE YOUR SELECTION AT TIME OF ORDER IF YOU FAIL TO CHOOSE THE LOCATION AND A STYLE AT TIME OF ORDER A SELECTION WILL BE MADE FOR YOU AND ANY CHANGES ARE SUBJECT TO ADDITIONAL COST ALL HENKE REAR ATTACH STYLES WILL INCLUDE A FULLY ADJUSTABLE WING STOP WITH RUBBER CUSHION AND SAFETY LOCK CHAIN</p> <p>PUSHBEAM SINGLE PUSH-BEAM REAR LIFT 3" X 15" X 2" DOUBLE ACTING WING STOW CYLINDER WITH DECEL FEATURE AND BUILT IN LOCK VALVE PUSH-BEAM INNER MATERIAL IS 3" X 3" X 3/8" SQUARE TUBE AND OUTER MATERIAL IS 4" X 4" X 3/8" SQUARE TUBE PUSH-BEAM HAS HENKE EXCLUSIVE FLOAT LINK ASSEMBLY THAT ALLOWS FOR ADDITIONAL MECHANICAL MEANS OF FLOAT</p> <p>LOOSE SHIP INSTALL KIT THAT INCLUDES PUSH-BEAM TO MOLDBOARD ATTACHING PLATE AND A HARDWARE BAG</p> <p>CUTTING EDGE 1/2" X 8" SAE 1084 HIGH CARBON STEEL CUTTING EDGE</p> <p>FEATURES AND ADD ONS HENKE REMOTE MOUNT LOCK VALVE THAT PREVENTS POST DRIFT</p> <p>PAINT: OMAHA ORANGE</p> | | |
| 1 | EA | | SNOWPLOW LIGHT (PAIR) - HALOGEN, 4 X 6 IN. RECTANGULAR, 2 BULB, 12 VOLT KIT |
| 2 | EA | | SNOWPLOW LIGHT BRACKET (EACH) |
| 6 | EA | | SNOWPLOW LIGHT BRACKET FEET |



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| QUANTITY | DESCRIPTION | UNIT PRICE | AMOUNT |
|---------------------|--|------------|---------------------|
| 1 EA | TIR3 WING PLOW SYSTEM, AMBER | | |
| 1 EA | LASERLINE: WING PLOW GUIDANCE LASER | | |
| 1 EA | ONE (1) ROSCO VIDEO SYSTEM KIT TO INCLUDE: - 5" COLOR LCD - REAR MOUNT CAMERA W/INFRARED, L.E.D.'S AND AUDIO - 65' HARNESS WITH TWIST LOCK CONNECTORS - 2 CAMERA MAX INPUT - 1 YEAR WARRANTY - INSTALLATION | | |
| Quote Total: | | | \$187,440.00 |
| Sales Tax: | | | |
| Total Due: | | | \$187,440.00 |

- ◆ Pricing Valid 30 days from the date of this quotation.
- ◆ Pricing subject to change pending availability of the chassis, or ANY Manufacturer Price Increases or Surcharges.
- ◆ Price does not include chassis or equipment modifications that may be necessary due to unforeseen compatibility issues. Customers will be contacted for approval before any modifications are made.
- ◆ Paint, if applicable, will be matched as closely as possible. An exact match cannot be guaranteed.
- ◆ Terms are Due Upon Receipt unless prior credit arrangements are made at the time of order.
- ◆ Please note if chassis is furnished, it is as a convenience and terms are Net Due on Receipt of Chassis
- ◆ Quote may not include all applicable Federal Excise Tax, Sales Tax or Delivery Fees.

Customer must fill out the information below before the order can be processed...

| | |
|---------------------|--|
| <i>Accepted by:</i> | |
| <i>Date:</i> | |
| <i>P.O. number:</i> | |

Notes: