

2017 SOUTH WEBER CITY COUNCIL & PLANNING COMMISSION SUMMIT AGENDA

PUBLIC NOTICE is hereby given that the **City Council and Planning Commission of SOUTH WEBER CITY**, Utah, will meet in an annual summit meeting on **Saturday, 14 January 2017** at the Davis County Library 133 Main St., Farmington, UT 84025 commencing at **8:00 a.m.**

- 8:00 a.m. - 9:45 a.m. **General Plan**
How and why they are created? How are they implemented? Why they are important to follow?
Facilitators: City Engineer, Brandon Jones & City Planner, Barry Burton
- 9:45 a.m. - 10:00 a.m. **Break**
- 10:00 a.m. - 12:15 p.m. **2017 Council Policy Priorities – Three Year Strategic Capital Improvements Plan**
Goals:
1. Water, Sewer Capital Facilities Plans;
2. Buildings/Facilities:
 a) Public Works Facility;
 b) Central Park Playground Equipment;
Council and Planning Commission Discussion
Facilitators: City Manager, Tom Smith & City Engineer, Brandon Jones
- 12:30 p.m. - 1:15 p.m. **Lunch** (provided for City Participants)
- 1:15 p.m. - 2:45 p.m. **Financial Status of the City –**
Future General Revenue Forecasts
Growth Revenue Forecasts
Service Level to be Provided
Facilitators: Finance Director, Mark McRae & City Treasurer, Paul Laprevote
- 2:45 p.m. - 3:00 p.m. **Break**
- 3:00 p.m. - 4:00 p.m. **Economic Development – What Does the Future Look Like?**
Strengths: East End of the City and I-89
Obstacles: Location, Infrastructure, Zoning
Resources
Public Education: Culture & Tradition
Commitment
Council and Planning Commission Discussion
Facilitators: Mayor Tammy Long & Planning Commission Chair Rob Osborne
- 4:00 p.m. - 5:00 p.m. **Form of Government - Legislative and Administrative Roles & Responsibilities of a Six Member Council**
Facilitator: City Attorney, Doug Ahlstrom
- 5:00 p.m. **Adjourn**

THE UNDERSIGNED DULY APPOINTED CITY RECORDER FOR THE MUNICIPALITY OF SOUTH WEBER CITY HEREBY CERTIFIES THAT A COPY OF THE FOREGOING NOTICE WAS MAILED, EMAILED, OR POSTED TO:

CITY OFFICE BUILDING	EACH MEMBER OF THE GOVERNING	UTAH PUBLIC NOTICE WEBSITE
	BODY	www.pmn.utah.gov
CITY WEBSITE	THOSE LISTED ON THE AGENDA	
www.southwebercity.com		

DATE: January 9, 2017

CITY RECORDER: Elyse Greiner

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.

Agenda times are approximate and may be moved in order, sequence and time to meet the needs of the Council

South Weber City General Plan Update 2014

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INTRODUCTION

South Weber City continues to grow and is experiencing significant transformation from an agricultural community to a residential community. Housing has increased at the same rate as the population, altering the character of the community and introducing development to areas that were untouched a decade or two ago, and in recent years this trend has increased. This growth prompted the City to take the large step of obtaining financing and contracting for the city wide installation of the first public sanitary sewer system in 1991. This project was completed early in 1994. The completion of the sewer system has opened areas to potential development which were previously thought undevelopable.

South Weber City recognizes the need to constantly reevaluate planning for the future of the city and respond to current issues and ideals. Late in 1996, again in late 2001, mid 2006 and 2007, in 2010 and again in 2014, the Planning Commission was asked to prepare an update to the General Plan. It has been the City's goal to obtain and integrate as much citizen input as practicable into this update and to address all major planning issues but not to duplicate efforts that have already been made.

As with previous updates, this plan does not totally replace all the research and work done on previous versions, but rather supplements those plans using current data and ideas. There will be some portions of the plan that must replace older plans by their very nature, such as land use section. Major portions of the older plan, however, are still valid or have been replaced with other more practical review methods.

MASTER GOAL

Growth and how to deal with it is a major concern to every community in a rapidly expanding region. South Weber is no exception. From 1980 to 1990 South Weber's population increased by 82 percent from 1,575 to 2,863. In the 90's it increased another 49 percent to 4,260. The 2013 population is estimated at 6,525 and still growing. This growth trend has resulted in fundamental changes in the character of the city. What was once a largely agriculture based community is now mostly residential. The City is endeavoring to maintain some of its rural character, but knows that agriculture as an economic base is a thing of the past.

Even though the character of the community is changing, South Weber's geographic location remains somewhat isolated from the surrounding urban area. Sitting in the Weber River drainage basin, it is cut off from other communities by Interstate 84 and the Weber River to the north, high bluffs to the south, the Wasatch Mountains to the east and a narrow band of land between the freeway and the bluff to the west. This geographic isolation gives the community a distinct advantage in maintaining a clear identity as it continues to urbanize. Though the City can sustain considerable growth yet, it will never blend in with and become indistinguishable from surrounding communities and it will never become a large city.

As the City continues to grow, South Weber should vigorously pursue the retention of the small town charm that is its hallmark. It should foster an environment where residents are safe, where they know their neighbors and look out for each other. It should be a walkable community and promote the good health of its residents. The City should also utilize the growth principals contained in the Wasatch Choices 2040 plan as adopted by the Wasatch Front Regional Council. The Wasatch Choices 2040 plan and growth principals can be found at www.envisionutah.org.

SECTION 1: EXISTING ENVIRONMENT

In our effort to look into the future of South Weber, it is important to analyze the existing characteristics of the community. By gaining a full understanding of just what kind of community South Weber is today, we will be better able to understand what may happen in its future. If we look at the current land uses, population, and development limitations, or factors which might encourage development, we will be better prepared to make decisions that will help guide the future of the city.

LAND USE:

South Weber is a community in transition. It is and has historically been predominantly agricultural in nature. In recent years, however, there has been a rapid increase in the area devoted to housing, a land use which is rapidly becoming the predominant type. This transition has created conflicts among the residents similar to any other community in this situation. Many of the recent move-ins want to stop growth in order to preserve the agricultural character. The owners of the agricultural land, on the other hand, do not want any restrictions on their ability to develop their land. There are conflicts between farm animal owners and adjacent residential areas. These are growing pains that many cities have suffered and few have been able to find ways to avoid.

South Weber contains a small amount of commercial development, mainly at one location in the center of town. The only industrial uses are sand and gravel mining operations in the northeastern area, some self-storage complexes and some construction businesses. In the past, the gravel pits have been the source of constant irritation to residents in the vicinity. Recently; however, the City has successfully worked with gravel pit operators to significantly reduce nuisances arising from operations.

There are few institutional uses with just four churches; one recreation center; one two-building elementary school, with one building dedicated to kindergarten through second grade, a charter school, a fire station and city hall. One institutional use which is not in the city but which impacts it is the Weber Basin Job Corp which has its campus adjacent to the city on the east side. Five developed neighborhood type parks and a posse grounds (outdoor equestrian arena) and a short section of the Weber River Trail constitute the recreational uses.

POPULATION:

One of the major factors contributing to changes in the community is population change. As population increases so does the amount of land devoted to residential use. The demand for municipal services, such as police and fire protection and water and sewer, goes up creating a strain on the resources of the City. It is not possible to predict exactly what changes will occur in the population in the future, but we can make some reasonable projections. This can be done by analyzing past population growth and projecting growth rates.

If we assume that all vacant land remaining in the city will be developed, with limitations on some land, it is possible to begin to understand the potential growth of South Weber. This study calculated the area of all vacant land and then deleted areas suspected to be unbuildable based on available geologic and flood plain data. Current zoning and projected land uses were then used to calculate a projected dwelling density. The projected land use was based on this General Plan update. The projected dwelling densities in given areas were then used with the vacant land calculations to figure the total dwelling unit increase. An average of 3.54 (2010 Census) persons per household was then multiplied by the total number of dwellings in order to arrive at an ultimate **build-out population of 12,662.**

As of July 1, 2013, new population projections were produced for South Weber. As a result of changes in the local economy, population projections have decreased somewhat. This study indicates that there were 6,525 residents in the city at that time. There were 262 vacant lots or dwelling units as of August 7, 2014. This count includes all lots that are existing but vacant or have received preliminary approval by the Planning Commission. It also includes all dwelling units that are under construction or have received some form of approval from the City. An analysis of vacant developable lands which determined the total area in each residential density category and the number of dwelling units (D.U.) each could generate was conducted. In each density category the total number of acres of vacant land was decreased by 10% to allow for inefficiencies in platting of lots and odd shaped parcels that result in fewer lots than the zone allows, except in the high density category, where efficiencies are easier to realize. The analysis follows:

1. 99 ac. in Very Low Density -10%= 89.1 x .90 D.U./ac. = 80 D.U.
2. 49 ac. in Low Density -10%= 44.1 x 1.45 D.U./ac. = 64 D.U.
3. 118 ac. in Low-Mod. Density -10%= 106.2 x 1.85 D.U./ac. = 196 D.U.
4. 338 ac. in Moderate Density -10%= 304.2 x 2.8 D.U./ac. = 852 D.U.
5. 29 ac. in Moderate High Density -10% = 26.1 x 6 D.U./ac.= 157 D.U.
6. 9.75 acres in High Density x 13 D.U./ac. = 127 D.U.

Total Dwelling Units on Vacant Land 1,476 D.U.

Add 1,755 existing dwellings, 127 potential apartments, 262 vacant lots and 1,476 possible dwelling units on vacant land and arrive at a potential build-out dwelling unit

count of 3,620. The most recent persons per household number for South Weber, based on 2010 Census figures, is 3.54. Multiply that by the build-out dwelling unit count and you arrive at a build-out population of 12,814. At an average growth rate of 3% per year, build out will be reached in approximately 24 years. Realistically, that growth rate can be expected to slow as the city grows.

As of March 2010, South Weber City has made significant changes to the Zoning Ordinances. The City added a new zone, the Commercial Overlay zone (C-O), which allows for multi-family development in conjunction with commercial developments. Because of the unpredictability of these types of developments, the population projections for the C-O area of the City has not been included in the build-out analysis.

ENVIRONMENTAL HAZARDS:

There are several known environmental hazards in South Weber, some man-caused and others natural. The natural hazards include possible faulting and associated earthquake hazards, flooding and landslides. The man-caused hazards are associated with the Davis and Weber Counties Canal which runs the entire length of the City from the east end to the west end and Hill Air Force Base, which borders the city on its south side west end. There are toxic waste disposal sites near that border and there is noise and accident potential from over flying aircraft and from vehicle transport via Highway 89 and Interstate 84.

FAULTING: The Wasatch Fault runs through the east end of the city and in the area projected for future annexation. The fault is not a single fissure in the earth's surface as many imagine it to be. Along the foot of the mountain it has formed several faults running in a north/south direction. So far as these fault lines have been identified, they affect very little existing development but are mostly located in fields. The Weber Basin Job Corp is the only developed area known to have faults running through it.

As development pressure increases and starts to fill in the area between Highway 89 and because the mountain slope is too steep to build on, it will be imperative that the exact location of these fault lines be identified. It is recommended that any proposed development within this area be required to have a study done to determine the exact location of the fault, in accordance with the Sensitive Lands Ordinance (Ord. 10-14). (See Sensitive Lands Map #1)

FLOODING: The Weber River forms the northern border of South Weber. It has been identified by the Federal Emergency Management Agency (FEMA) as a potential flooding source to the low lying lands along the river. Even though the river has several dams along its course upstream of South Weber, it can still flood due to very heavy snowfall in its drainage area exceeding the dams' capacities. It can also flood due to localized cloud bursts or landslides which might dam its course. FEMA has produced

Flood Insurance Rate Maps (FIRM) which identifies the potential flood areas. There are no other potential flood sources identified by FEMA.

As development occurs, additional hard surfacing creates the potential for localized flooding due to cloud bursts and potentially excessive snow melt. It is recommended that the City continue to maintain its Capital Facilities Plan related to Storm Water flood control facilities (both existing and future) and update the plan as often as necessary.

LAND SLIDES: South Weber sits in a river valley formed in ancient times as the Weber River cut through an alluvial fan deposited there in even more ancient times when Lake Bonneville covered the entire region. As the river cut down through this alluvial fan, it left steep bluffs on the sides. One of these bluffs is on the south side of town running its length. This bluff has been identified in at least two geologic studies¹ as having very high potential for landslides. In fact, there is ample evidence of both ancient and more recent slope failure activity along this bluff. When development of any nature is proposed on or near this bluff, it will be important to determine the safety of such development as far as possible. It may be necessary to require mitigation of the hazard or even to prevent the development from occurring. (See Sensitive Lands Map #1)

WETLANDS: There are numerous pockets of wetlands and suspected wetlands within South Weber, the most prominent of which lies along the banks of the Weber River. These wetlands include sandbars, meadows, swamps, ditches, marshes, and low spots that are periodically wet. They usually have wet soil, water, and marshy vegetation during some part of the year. Open space is also characteristic of an effective wetland.

Wetlands are important to the community because they can provide many values, such as aid in protection from flooding, improved water quality, wildlife habitat, educational and recreational opportunities and open space. It is the intent of this plan that all wetlands be considered sensitive lands. Therefore, any development occurring where wetlands are suspected shall be required to comply with the permitting process of the Army Corps of Engineers, if it is concluded (in a report acceptable to the Corps of Engineers) that jurisdictional wetlands will be impacted.

Preservation of important wetlands is considered an important community goal. One wetland area in particular should be considered paramount for preservation purposes. The area between I-84 and the Weber River east of the Cottonwood Rd. Bridge has been identified on the Davis County Wetlands Conservation Plan as an area of critical importance and every effort should be made to preserve this area.

¹ Landslide Hazard Map by Mike Lowe, Davis County Geologist, 1989
Geologic Hazard Map by Bruce N. Kaliser, U.G.M.S., 1976

STEEP SLOPES: Steep slopes are found along the south bench area of the City, along the foothill area of the Wasatch Mountains on the east side of the city, and at spot locations throughout the City. These slopes should be considered fragile from a development standpoint and will be required to comply with the Sensitive Lands Ordinance (Ord 10-14). Building roads and subdivisions within them could cause massive environmental damage due to the necessity of cuts and fills to do so. There could be a great hazard of erosion and flooding should denuding result from development efforts without any mitigation efforts applied. These steep slope areas generally coincide with the location of the known faults. These areas are also important to wildlife habitat areas including high value deer winter range. They represent a significant fire hazard to structures which might be tucked within the heavy vegetation located there. In addition these steep foothills are very important view shed areas for residents as well as passers-by. The mountains are such a prominent feature of the landscape that the eye is constantly drawn to them and their foothills. Should this landscape become scarred up due to development, or for any other reason, would be a significant reduction in the community's overall quality of life.

These steep slopes are hazardous areas for development and are important community assets. They are ecologically fragile and should be protected as much as possible.

GRAVEL PITS: There are two large gravel mining operations in South Weber, the Staker Parson pit adjacent to and on the west side of Highway 89 and north of South Weber Drive; and the Geneva pit adjacent to and east of Highway 89 between the Weber River and Cornia Drive. These gravel mining operations are potential hazards to younger residents that might see them as a good place to play. There are steep drop-offs along the edges of the excavations and many pieces of heavy equipment working in them. As these excavations reach the end of their usefulness, the City should make every effort to assure that the companies who operate these pits are responsible for rehabilitating any hazardous conditions before their operations cease.

NOISE HAZARDS: Hill Air Force Base (HAFB) sits directly south of the city at the top of the bluff previously discussed. Aircraft flying over South Weber can cause annoying levels of noise. In its Air Installation Compatible Use Zone (AICUZ) report, the Air Force designates specific zones where noise may cause a negative impact to the quality of life. These noise zones are produced by a computer model which takes many variables into account such as the types of aircraft being flown, flight paths, frequency of flights and time of flights. These noise zones are 65-70 Ldn, 70-75 Ldn, 75-80 Ldn, 80-85 Ldn and 85+ Ldn. Ldn is a unit of noise measurement roughly equivalent to decibels but with other weighted factors taken into account. The last officially adopted AICUZ report was published in 1993. Noise contours were updated in 2006 using a Department of Defense (DOD) contract.

The noise zones indicated in the 1993 report severely affect South Weber with approximately one-half of the city inside the 65 Ldn zone. The largest portion of land left which would be available for development is in this noise impacted area. Aircraft noise is felt to be a serious impact to residential development and residential development near HAFB is felt to be a threat to the continued operations and mission of the Base. HAFB is an important economic factor in the community and the region and its continued presence is worthy of protection efforts on the part of local communities. The dual impact of the noise on residences and the residences on the operations of the Base warrant considerations in land use planning in South Weber. It is, therefore, recommended that no residential development be allowed inside the 75+ Ldn noise contours. In support of this, the State of Utah has purchased easements inside the 75+ Ldn noise contour to prevent incompatible development. It is further recommended that the most recent AICUZ report or other officially adopted Air Force noise study be used to determine the location of the 75 Ldn noise contour. (See HAFB Noise & Crash Zone Map #4)

Hill AFB has been chosen as the first air base in the US to receive and act as permanent base for the new F-35 aircraft. It is not currently understood exactly what impact the flight activities of this plane will have on the AICUZ. That will only be determined after the aircraft arrive and begin operations. This is scheduled to take place in 2015. South Weber will continue to use the existing AICUZ information in its planning until such time as it is updated.

ACCIDENT POTENTIAL: Anywhere that there are regular over flights of aircraft, there exists a higher than average degree of potential for an accident involving aircraft. This is certainly true in South Weber's case but there is an area where such potential is particularly high. The same AICUZ study discussed above designates "Crash Zones" and "Accident Potential Zones." The Crash Zone is the area immediately off the end of the runway and Accident Potential Zones (APZ) extend outward along the flight path from that. The APZ 1 which is adjacent to the Crash Zone on the north end of Hill's runway overlays the very west end of South Weber.

Careful consideration should be given to any development proposals in this area. Residential development should be restricted to one dwelling unit per ten acres. Agriculture and open space should be encouraged in these zones as much as possible.

HILL AIR FORCE BASE ENVIRONMENTAL IMPACT: Note: Subsequent information, including maps referenced, has been provided by Hill Air Force Base, for the sole purpose of providing general information for this plan.

Only isolated areas of shallow groundwater and surface water in the southwest portion of South Weber are contaminated with low levels of various chemicals resulting from former activities at Hill Air Force Base (HAFB). The areas of contaminated groundwater,

parcels with restrictive easements (OU 1 and 2), and parcel owned by HAFB (OU 4), are illustrated in the Sensitive Lands Map (Map #1), which shows OUs 1, 2, and 4.

Since many contaminants evaporate easily, the chemicals can move up into basements and other overlying structures in the affected areas. Drinking water has not been contaminated.

As part of the federal Superfund program, the area has been intensely studied and monitored since the early 1990's. Remediation technologies have been implemented at OU's 1, 2, and 4, and HAFB measures the performance of those technologies continuously. In general, off-Base contamination in South Weber City has been identified.

Areas of known underground contamination are typically identified using plume maps (See Sensitive Lands Map #1). When using these maps, it is important to note that plume boundaries are inexact and based on available data. The plume images generally illustrate the maximum extent of groundwater contamination that is above the clean-up level imposed by the regulatory (CERCLA or "Superfund") process for the most widespread contaminant. Where there are other contaminants, they are located within the footprint illustrated in Sensitive Lands Map (Maps #1).

Planners, developers, property owners and residents are encouraged to seek additional information from reliable sources including:

- Hill AFB Restoration Advisory Board, www.hillrab.org
- Hill AFB Environmental Restoration Branch, (801) 777-6919
- State of Utah, Department of Environmental Quality, (801) 536-4100
- South Weber Landfill Coalition, (801) 479-3786

Development in the vicinity of this contamination should be conducted in a manner that minimizes chemical exposure. Building requirements could include prohibiting basements, requiring field drains, adding vapor removal systems, etc. Builders should be aware of alternate building standards that may mitigate potential hazards from vapor or ground water contaminates. Those living or planning to live above or near the areas of contamination need to familiarize themselves with this information, be aware of possible issues or health problems and be accountable for their own health and safety programs after studying all the available records.

SECTION 2: CITIZEN PARTICIPATION

The City understands that in order for this document to be effective as a planning tool participation and input from residents is imperative. To achieve this goal the City shall continue to be sure ample opportunity is given for resident input during public meetings, open houses, surveys, etc. Notice of these meetings shall be provided in accordance with state law.

SECTION 3: LAND USE GOALS AND PROJECTIONS

This section discusses the various recognized major land use categories and various other important factors impacting the future of South Weber. Citizen recommendations and sound planning principles are integrated with physical and cultural constraints to project the most beneficial uses for the various areas of the community. In most instances, these recommendations are general in nature and will be subject to refinement by the City as proposed changes in land use or zoning are made.

AGRICULTURE, RURAL CHARACTER AND OPEN SPACE:

Agriculture, the foundation upon which South Weber was built, is still important to the community, but perhaps in a different way than it was originally. It would be difficult to say that agriculture is a thriving industry upon which many depend for their livelihood. It has become more important to the community as a whole for the character it provides, the lifestyle it promotes and the open space it preserves. It is this agricultural setting which is desirable to maintain. If the industry can survive, it will be a welcome part of the community. If it fails, other means must be used to preserve this valued land use.

One of the problems associated with the preservation of rural character/agriculture is that rural character is a community goal while the property creating this character is individually owned and it is by the individual's grace that the use is maintained. If the property owner and the community differ on what the use of the property should be, there is conflict. In order to find a solution to this problem, a legal middle ground must be found between the individual's desires for his/her property and the community's desires.

Open space is also a very important asset to the community. It may consist of agricultural lands but may be other types of land also. For the purposes of this plan, open space is defined as undeveloped land with few or no structures which provides residents with the ability to move about or view large outdoor areas, to experience nature, to retreat for a safe peaceful outdoor experience or which can be used for organized recreational activities. (See Recreation Section for more on this subject). Some of the valued open spaces within South Weber are the Weber River corridor, wooded and open areas along Interstate 84, the steep hillsides above and below the Davis and Weber Canal and the steep and wooded hillsides on the east side of the City adjacent to the National Forest lands.

Since it is beyond the City's capability to purchase property for the purpose of maintaining rural character or open space, other methods should be used. Some recommended methods are as follows:

1. The City can do little to assure the survival of agriculture as an industry but it should make every effort not to interfere with, or allow adjacent land uses to interfere with ongoing agricultural pursuits.
2. AICUZ noise zones of 75 Ldn or greater are areas where, generally, the State has purchased residential building rights. These areas are mostly agricultural in nature and represent the best hope of preserving some agriculture within the City. Though the State's easements allow some other types of development, these areas are mostly zoned for agriculture and are generally not suitable for commercial or industrial development. They should remain agricultural or in some form of open space.
3. Another method of encouraging very low density development is to provide cost incentives. In areas where natural grades are less than 5%, lot widths are 200 ft. or more and significant portions of the development have a gross density of one dwelling unit per 2 acres or less, curb, gutter and sidewalk should be eliminated.
4. It is felt that allowing development on private right-of-ways encourages the preservation of the agricultural character. Ordinances governing development on private right-of-ways should allow lots of 2 acres or larger and reduce the required right-of-way width where it is clear it will not be needed for a public street.

RESIDENTIAL:

The existing residential development pattern in South Weber is almost entirely single family type. The majority of that is found in subdivisions of 9,000 sq. ft. to 18,000 sq. ft. lots. The rest of the residential development has occurred along previously existing roads with lots ranging widely in size but most of which are ½ acre or larger.

This pattern of mostly single family residential development on moderate size lots is an acceptable and desirable trend to maintain, provided that some areas need to be preserved for open space and community character reasons. It would be beneficial to encourage variety in lot size and housing types.

By adopting zoning ordinances which regulate the density of dwellings rather than the lot size, more variety of lot size could be encouraged without any additional impacts to the City over the impacts more traditional development would bring. This method of land use regulation would also allow for the preservation of open space within more traditional developments. There should; however, in all cases be an absolute minimum lot size in any ordinances regulating residential land use to prevent difficulties arising from too little room for adequate off-street parking of vehicles, R.V.'s, etc. Large lots are acceptable, being in character with the community, but are not recommended unless they are large enough to pasture farm animals, one acre or more. Otherwise large lots tend to become too much of a burden to maintain and often become unsightly and a nuisance to surrounding neighbors.

It is also important to reserve adequate area for moderate income housing which may take the form of multi-family high density residential areas (See Moderate Income Housing Section). In order to accommodate multi-family dwellings and still meet goals for preserving open space, it may be necessary to increase the number of dwelling units allowed in each building. By increasing the number of units in a building the total area consumed by buildings would be reduced, thereby leaving more land available for recreation or other purposes.

In order to make some recommendations concerning dwelling unit density it is first necessary to define the density categories which will be used.

1. Very Low Density is considered to be any density of .85 dwelling units per gross acre or less.
2. Low Density is an area where the number of dwellings is .86 to 1.35 per gross acre.
3. Low-Moderate Density would be 1.36 to 1.75 dwelling units per gross acre.
4. Moderate Density is considered an area where the number of dwelling units per gross acre ranges from 1.76 to 2.6.
5. Moderate High Density (Patio Homes) is an area ranging in density from 2.61 to 6.0 units per acre.
6. High Density is an area in which the dwelling units number 6.1 to 13.00 units per acre.
7. Commercial Overlay Density is an area in which the dwelling units number 8-25 dwelling units per acre.

* Gross acreage is defined as all property within a defined area including lots, streets, parking areas, open space, and recreational uses. For the purposes of calculating new development densities, all area within the development boundaries will be included.

These dwelling densities have been incorporated into the color coded Projected Land Use Map (Map #2). These recommended dwelling unit densities are intended to be a guide and recommended densities for the given colored area; zoning requests or development approval requests for lower densities than that recommended are always acceptable in terms of their density. Densities greater than those contained on the

Projected Land Use Map may be granted in exchange for such amenities as trails, buffers, etc. as deemed in the best interest of the city. The Zoning Ordinance should be structured so that a particular residential zone corresponds with each of the density categories and the maximum density allowed within that zone falls within the range described above. The maximum density allowed in any zone would be exclusive of any density bonuses which may be offered as incentives to achieve listed goals of this plan.

High density residential areas have been purposefully spread out and kept small in nature so that associated impacts are reduced in any given area. These designations represent some areas which could be acceptable for high density housing if adequate protections or buffers to nearby lower density housing are incorporated in the development.

The Commercial Overlay Zone (C-O) is an area that allows multi-family development in conjunction with commercial development. These areas are suitable for mixed use development where the residential becomes an important component in the commercial project. Currently the City does not have any projects of this type. It is the desire of the community to create a mixed-use walkable area along South Weber Drive.

MODERATE INCOME HOUSING

In accordance with section 10-9a-403 Utah Code Annotated, South Weber is providing reasonable opportunities for a variety of housing including housing which would be considered moderate income housing. Moderate income housing is defined in the Utah Code as:

Housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in the county in which the city is located.

According to this definition, any dwelling occupied by an individual or family with income equal to or less than 80% of the median income of the county would qualify as moderate income housing, regardless of the circumstances under which the dwelling is occupied. For instance, it could be that the house was inherited and though valued at something far more than a family of moderate income could afford to purchase; it is nevertheless, occupied by a family whose income is below 80% of the regional median. That house, therefore, is a moderate income house by definition. The same could be said for homes that have been in the same ownership for a long time and for which the mortgage was established prior to many years of inflation and rising housing costs. The occupants might be able to afford what, if mortgaged today, would be far out of their financial reach.

In order to determine how many homes fall into the moderate income housing category, it would be necessary to determine the actual gross income of every

household in South Weber. This information; however, would not be of a great significance in the ability to provide moderate income housing as the information would not provide an adequate picture of the housing which can be purchased or rented today.

According to the U.S. Census Bureau, the 2012 median household income for South Weber City is \$85,133. Eighty percent of that median income is then \$68,106. Information extrapolated from the Utah Affordable Housing Manual indicates that a household with this income level could afford to purchase a dwelling which has a maximum purchase price of 3.1 times the annual income. In the case of South Weber that translates **to a maximum purchase price of \$211,128**. The same manual indicates that 27% of the monthly income could be spent on rent which would mean a **maximum monthly rent of \$1532**.

PRESERVING MODERATE INCOME HOUSING: There are primarily three areas in which South Weber can significantly affect the cost of housing.

1. Lot Size Requirements: The cost of land is one of the major factors affecting the cost of housing. Land prices along the Wasatch Front have increased dramatically in recent years with the resultant increase in housing costs. It is also true that the cost of developing large lot developments is high due to the extensive infrastructure that must be installed to serve it. Therefore the size of lots required by the city must have some effect on the cost of housing. Requiring large lots in all development would certainly make it less likely that moderate income housing would be developed within the City. Allowing all small lots and high density residential development, however goes contrary to other stated goals of this plan.

2. Zoning: The cost of housing is also affected by the zoning which not only regulates dwelling density, but it also controls the type of dwelling that can be built. Zones that allow multi-family dwellings help to reduce the cost of housing construction. South Weber has seven such zones. An inventory of zones which allow residential uses follows:

August 2014 Zoning Inventory

R-M	748 acres
R-LM	84 acres
R-L	291 acres
A	1187 acres
R-H	31 acres
C-O	91 acres

There are currently 291 acres which allow two-family dwelling development under some conditions. This R-L zone allows only 1.45 dwelling units per acre so it is not likely there will be a significant number of two-family dwellings.

The 31 acres of R-H zoning has resulted in 166 dwelling units so far that would be considered in the moderate income range. It is expected that another 100 moderate income apartments will be added soon. The C-O zone does not have any residential development to date, but has the potential to provide a number of affordable units for the City.

3. Impact Fees: The imposition of impact fees is another cost of building over which the City has control. These fees exist as a direct result of the impacts that development has on certain vital systems that the City is responsible to maintain in a state of efficiency. These systems such as the water system, storm drains, sewer system, roads and parks are just as necessary for residents living in moderate income housing as for those in more expensive housing. Furthermore the impacts of a moderate income house in these systems are comparable to those impacts of more expensive housing.

MODERATE INCOME HOUSING NEEDS: The exact number of moderate income housing units recommended for any community by the Utah Affordable Housing Manual depends on a number of variables. An analysis the existing housing and income situation using available information and come to some reasonable conclusions as to need.

Number of Dwelling Units 2013	1755
2013 Population	6525
Persons Per Household 2010	3.54
2005 Median Annual Household Income	\$85,133
2005 Moderate Annual Household Income	\$68,106

Once again by extrapolating from information contained in the Utah Affordable Housing Manual, we find that a household with this income level could afford a mortgage of approximately 3.1 times the annual income or could afford to spend 27% of their monthly income on rent.

Maximum Purchase Price	$\$68,106 \times 3.1 = \$211,128$
Maximum Monthly Rent	$\$68,106/12 = \$5,675 \times .27 = \$1,532$

There are a few older residences within the City that would fall under the maximum purchase price of a moderate income family. The City currently has two built out condominium project with prices that fall into that range.

The maximum monthly rent, however, points to rental units as the most attainable type of moderate income housing likely to be established in South Weber. There are currently 87 rental units in the City, 60 being in one apartment complex and the rest are basement type apartments. The City has recently approved zoning for a 100 unit apartment complex that is expected to be constructed in the next year. It is believed

that all rental units do, or will, qualify as moderate income housing. The 106 existing condominium units, along with the existing rental units comprise 11% of the housing in the City. Within a short time, the addition of another 100 rental units will bring that up to over 16% of South Weber's housing stock will be moderate income housing.

Recommendations: It is apparent that to meet demands for moderate income housing, as well as meet the recommendations of this Plan for open space and agricultural character of the community, multi-family residences will continue to be the primary type of housing in this price range. In addition the completed condominium units , there is the potential of expanding one of the existing R-H areas by 3.5 acres and the other by 1.5 acres. That could produce another 52 units in the future. This is in addition to the unknown potential for mixed-use zoning in the C-O zone to provide additional moderate income housing.

If the growth rate continues at an average rate of 3% over the next five years the population will reach 7,562. At the current number of people per household, this equates to 2,144 dwelling units. If the City acquires no more than the 170 currently existing multi-family units, they will still comprise 7.9% of the housing stock. If South Weber reaches its projected build out population of 12,814, the number of housing units at that time would be approximately 3,619. By that time we can expect that there would be 297 multi-family dwelling units or 8.2% of the total housing stock would be in the moderate income range. Bear in mind this count does not include any potential multi-family housing developed as in the C-O zone. By this estimate, South Weber can expect to carry its fair share of Moderate income housing for the region. It is recommended that South Weber continue to support the development of multifamily housing in the areas designated in this Plan.

INDUSTRIAL:

Current industrial uses are limited to the gravel mining operations. It is recognized that the resources extracted by the gravel pits are important to the health and growth of the area in and around South Weber. It is also recognized that these mining operations have caused negative impacts to the community. In an effort to provide residents with an outlet to submit their complaints as well as to aid in the documentation efforts of the City, residents can now submit an affidavit. Along with this, the City conducts weekly inspections of the gravel pit operations to ensure that dust is not becoming a nuisance, the decorative berm is maintained, and to ensure that the overall size of the gravel pit is not increasing beyond the scope of the original approved mining plan.

COMMERCIAL:

Existing commercial developments are very limited. The few businesses that were located next to Highway 89 have been removed to allow for the new interchange or for expansion of the highway. The small businesses that were in the commercial district near the center of town have gone out of business.

It is very important to the financial health of the City, as well as the Davis County School District, to encourage more commercial land uses to locate in South Weber. The City is striving to move forward with development that is both residential and commercial in nature, while at the same time, implementing guidelines that have an underlying thread of the rural character that has made up the city for years. Commercial development will be the gateway to be able to offer residents the goods and services they desire within their community.

New commercial development should be encouraged in the vicinity of the Highway 89/South Weber Drive interchange so that traffic has minimal impact to residents of the area. The land available for commercial development near the new interchange should be protected for commercial purposes and not allowed to develop in less beneficial ways. The City has rezoned all of the land shown on the Projected Land Use Map as commercial in the vicinity of the Hwy 89/South Weber Drive interchange, to the Commercial Highway zone as a method of protection. Commercial development in this area should be encouraged to be of the retail type to provide the maximum benefit to the City. All commercial development within this area shall follow the 2009 South Weber Drive Commercial Design Guidelines (Resolution 09-39).

Other commercial development of a limited area should be encouraged in the vicinity of the Interstate 84/475 East interchange. This should also be retail commercial and be oriented to the I-84 traveler and the local neighborhood. Care should be given to approval of such a business so that traffic does not impact the neighborhood. Commercial development in other areas of the community should be limited to the existing commercial zoned area. There may be one exception to this recommendation and that would be in the case of a proposal to convert a historic home to commercial use. This should be allowed if it is necessary to preserve the home, but not otherwise.

Care should be given to any commercial development adjacent to a residential or planned residential area. There should be a buffer between the two land uses which reduces the negative impacts of the commercial development as much as possible. Design standards for commercial development have been established to assure some compatibility and sense of community among various potential commercial enterprises. Every opportunity to improve "walkability" in South Weber should be taken. This would mean providing and connecting to proposed bike routes and trails (See Pedestrian Transportation Map #6). The street construction standard has also been modified to incorporate larger park strips for planting street trees as well as to provide a larger buffer between the street and sidewalk.

RECREATION:

Public recreation areas in South Weber are currently in an expansion mode. There are 31.38 acres of developed park in several locations. The City has also recently acquired an additional 30 acres in two different parcels for use as park. Total park space, when all these properties are developed, will be 61 acres. In addition to this park space, are six acres in the school grounds and the City owned Posse Grounds. The National Recreation and Parks Association recommends a total of 25 acres of open space per 1000 population as a standard. Ten acres of each 25 acres should be developed recreation areas. The rest of the acreage could be in stream corridor or other less developed open space. Following this standard, South Weber should have 65 acres of developed recreation space for the current population. When all park properties are developed, the City will only be 4 acres short of that recommendation. If the community reaches its projected population of 12,262, it should then have 123 acres developed for recreation.

The presence of the Weber River on the north boundary of the City presents an opportunity for a river recreation corridor reaching into Weber County and which would be of regional interest. The Wasatch National Forest to the east of town also presents abundant recreation possibilities which are important to residents of South Weber and many others.

Since the Weber River Recreation Corridor would be a regional type facility, it should not be the sole responsibility of the City to develop this facility. This river corridor should be protected as a very important recreational venue in South Weber and as important wildlife habitat. The City should make every effort to secure public access to and through this corridor. A related recommendation is that the City participate in and promote the development of a public parking and river access area at the north end of Cornia Dr. The city has already participated in the development of a river access point at the I -84 river crossing immediately west of the Hwy. 89 interchange. As development along the east bench area occurs, the City should make sure that public access to the National Forest is provided.

South Weber should become more bicycle friendly by considering adding bicycle lanes to all new roads. The possibility of a bicycle path along the Davis & Weber Canal should be explored. It may be possible to enter into a use agreement with the Canal Company removing liability from the Company and possibly making some improvements to their access road.

Other recommendations for recreation development are that public access from areas south of the canal be provided to the park on 2100 East St. north of the canal.

There are recommended locations on the Projected Land Use Map (Map #2), for recreational use. They are only intended to indicate that, due to existing or projected residential growth in the area, it would be a good location for some type of public recreation facilities. There may be other areas suitable for recreational uses which are not designated on the map. Designation of a property in the recreational category is not meant to limit the use of the property exclusively to recreational use but is indicative of a special recreational resource which needs protection or the resource may be lost. Other uses which are compatible with the development of the recreational resources will be considered on such properties.

INSTITUTIONAL:

The only real institutional issue South Weber is faced with concerns schools. Currently, South Weber Elementary School and the Highmark Charter School are the only schools in the community. The City should assist the School District in every way possible in locating any future school sites. This would help to assure the most advantageous site for both the District and the City.

FREEWAY BUFFER AREA:

Map #2, Projected Land Use, shows a buffer along both sides of Interstate 84 through a portion of the City. The intent of this buffer is to partially shield residents and businesses from the impacts of the freeway, to preserve native trees in the area and to improve the image of the City as seen from the interstate. It is hoped that sufficient buffering will alleviate the need for unsightly sound walls along the freeway. These buffer areas could consist of linear parkways or other open spaces with berms, low walls and sufficient plantings to mitigate noise from the freeway and reduce visual intrusion into private properties. These buffers could include trails or walkways or other recreational opportunities.

Projected Land Use Map #2 shows specific locations and information concerning projected land uses. Please note that there is no date proposed at which time these projections should be realized. It is felt that too many variables are involved in determining when these things will occur to make accurate predictions.

SECTION 4: TRANSPORTATION

VEHICLE TRANSPORTATION:

In our vehicle oriented society one of the items having a great effect on the quality of our lives and on our ability to reach many of the goals stated to previous sections of this Plan, is the transportation system. In this Section we will look at the existing state of the transportation system and what should be done to improve it to meet current safety needs and future growth needs. This plan does not attempt give exact locations of every local or residential access street in the City. What it will do is look at all critical transportation routes concentrating on those that are City streets and over which the City has control. All the streets that are currently stubbed are shown with an intended connecting location so that all future development is aware of the City's intent for connecting streets (See Vehicle Transportation Map #5). In order to encourage connectivity between developments, cul-de-sacs or turnarounds are only to be considered if topographic or other constraints prohibit the connection to a thru street. Temporary turnarounds must be provided at all stubbed street locations where a thru street is eventually planned.

It is important that all major transportation routes through South Weber, whether city streets or state highways, are protected from unnecessary traffic "motion." Friction results mainly when too many driveways are allowed access directly onto a street, causing traffic to slow as vehicles maneuver in and out of the driveways. To reduce this motion and preserve the full functionality of these major transportation routes, the number of direct access driveways should be limited to as few as reasonably possible. It is also important that streets within the City that serve the general public or that have no restrictions to ingress and egress by the public be maintained in a reasonable and acceptable condition. To this end, all new roads developed in South Weber are public streets and no private streets are allowed. There should be some leeway allowed in the design of public roads within planned unit developments, to allow more creativity in providing public improvements. In that case, the area of flexibility in the road standards should come in how park strips and foot traffic are handled.

HIGHWAY 89:

Proposed changes to Highway 89 have already been discussed to some extent in other sections. This road is not controlled by the City, but the City can exert some influence on plans for the future of this facility and has done so. The City Council has officially endorsed a limited access expressway concept.

1900 EAST STREET:

1900 East Street is an extremely important collector road. It has a serious safety hazard at approximately 7550 South where it traverses a steep bluff. The bluff both reduces sight distance at the intersection with 7600 South St. and encourages traffic to speed. The correction of, or reduction of, this safety hazard should be a high priority for South Weber road projects. It is also important that as properties along this road are developed, the City should require 60 ft. of right-of-way.

SOUTH WEBER DRIVE:

South Weber Drive is an arterial street and serves as the transportation backbone of the community. This road also is a State controlled facility. It is also anticipated that the road will someday need to be widened from the current 65 ft. right-of-way (in many locations) and the City should continue its current policy of requiring curb and gutter of all new development along this road. Widening of the road should include sufficient room for a bike lane. Access to this road should be limited to protect its arterial status and usage. This should be done in conjunction with UDOT standards for access onto a State Road.

Growth in the City has increased traffic at the intersection of 2700 East (the westerly Hwy 89 frontage road) and South Weber Drive significantly. Anticipated future growth in the area will further increase traffic at this intersection. The City should encourage UDOT to install a traffic light at this location to mitigate traffic hazards.

7600 SOUTH STREET/1550 EAST STREET:

A high priority road project should be to connect (plat and construct) the remaining portion of 7600 South that is not currently dedicated as a public right-of-way (approx. 250 ft.) in order to provide that this street become a thru street. This should all be developed with standard street improvements and a 60 ft. right-of-way. This road is necessary to provide a more direct and much safer route to the elementary school, as well the as central part of the city and South Weber Drive.

6650 SOUTH STREET AND 475 EAST STREET:

6650 South St. is a very narrow street with existing houses fronting it, some of which are not set back very far from the edge of the asphalt. Only minimal widening of the road should occur between 475 East and South Weber Drive at 6650 South, due to feasibility challenges. As development occurs to the North of this area, it is imperative that a collector road be constructed that would connect 475 East to South Weber Drive and draw the majority of traffic away from 6650. As development to the south of this section of 6650 South occurs, secondary access could be allowed, provided there is a primary access onto South Weber Drive or 475 East.

The area east of 475 East on 6650 South has the potential of being widened to the north side. A right-of-way consistent with a major collector should be acquired when the adjacent property to the north develops. This road is intended to be a frontage road

connecting 475 East to South Weber Drive (See Vehicle Transportation Map #5). Traffic friction on this road should be reduced by restricting the number of access points, particularly residential driveways. Bicycle lanes should be incorporated along the entire length from South Weber Drive to 475 East.

475 East Street is also somewhat narrow, with only a 50' wide right-of-way. It is currently the main route from South Weber Drive to Interstate 84. As development of the west end of town occurs, it is imperative that the majority of traffic in that area find an alternative route to 475 East St. The continued development of Old Fort Rd. and the development of a new future road connecting 475 East from a point near the freeway off ramp westward to South Weber Drive are imperative to direct traffic away from 475 East. See Vehicle Transportation Map #5 for suggested routes for these roads.

It is also recommended that existing 6650 St. be improved. The extent of the improvements and the additional right-of-way needed to accommodate that improvement is dependent on the feasibility of the associated improvements. If there is little or no additional traffic generated by adjacent development, then only minor improvement need be done. In that case, it is recommended that the asphalt be widened to a minimum of 24 feet with curb and gutter, but no on-street parking would be allowed. Other options for increasing safety should also be considered, such as making it a one-way road or closing it to thru traffic.

VIEW DRIVE:

View Drive currently dead ends on its east end at approximately 2370 East. In order to facilitate better traffic flows in the area, this road should connect through to 7800 South. This should be done by developers as adjacent properties are developed. It is important, given the narrowness of 7800 South, that strong consideration be given to the public's safety as road connections and improvements are made to the streets in this area.

CONNECTION TO LAYTON:

Layton City is currently working on developing the north end of their City by Hill Air Force Base, a large portion of which is currently unincorporated Davis County, into a business/light industrial district currently entitled the East Gate Development. South Weber City has constructed a new culinary water reservoir at the top of the bluff and adjacent to this East Gate Development in order to meet the current needs of the city. An access road is associated with this reservoir. This road will tie into 1900 East and continue to function as a minor collector. It is recommended that before this road is constructed with asphalt pavement, curb, gutter, and sidewalk that a traffic study be performed by a traffic engineer to evaluate the impact of this connection. Due to South Weber City's limited means of ingress and egress (South Weber Drive: Highway 89 and Riverdale, and Interstate 84 at 475 East), this connection should be strongly considered as the city develops and becomes built out. Increased population will lead to an

increase in traffic. A connection to the south will add an additional critical means of ingress and egress, thus helping to disperse the anticipated increased traffic.

Furthermore, it is also recommended that another access to the same area be provided by extending Old Fort Rd. south across South Weber Dr. connecting with 1160 East and continuing southward and eastward up the bluff. Other recommendations for the City wide transportation system can be found on the Vehicle Transportation Recommendations Map #5.

TRAILS

In order to promote the health and general welfare of the citizens of South Weber, it is the intent of the City to develop a network of non-motorized trails throughout the community. These trails should be readily available to all residents and others so far as possible with trailheads and access points located all through the city. These trails should provide a variety of walking, jogging, running, biking and equestrian experiences through use of different widths, surfaces and degrees of difficulty. Trails should generally be off-street, not sidewalks in the street right-of-way. There may be locations where trails and sidewalks are coterminous for a short distance where other options are not practical. Specific trail recommendations follow.

BONNEVILLE SHORELINE TRAIL:

The Bonneville Shoreline Trail (BST) is a regional trail conceptually traversing the entire Wasatch Front and extending into Cache County approximately along the high water level of ancient Lake Bonneville. A portion of this trail runs along the foothills east of the City at approximately 5200 ft. elevation. Though most of this trail lies outside the city boundaries, it is nevertheless of great importance to the residents of South Weber. The City should cooperate and encourage Davis County and others to complete the trail.

This trail should be constructed at approximately 4 ft. in width and have a natural material surface. Special care to reduce impacts and keep grades manageable will need to be taken in crossing Corbet Creek and other ravines. At some point above the Weber Basin Job Corps this trail needs to transition from the 5200 ft. level to the proposed Weber Canyon Trailhead just above river level at the mouth of the canyon. This trailhead will support and provide cross access to two other trails, the proposed Canal Trail and the proposed Weber River Parkway Trail.

CANAL TRAIL:

The Canal Trail is proposed to run adjacent to or on top of the Davis and Weber Counties Canal running the length of the City on the south side. The City should seek an agreement with the Davis and Weber Counties Canal Company and any private property owners along the route to allow public use and development of the trail. Safety precautions should be used in designing a trail along open portions of the canal.

The City should also encourage Riverdale City officials to continue this trail through their city as well.

This trail should be developed partly as natural surface trail and partly as a paved trail utilizing the existing maintenance road along the canal or directly on top of the canal where it has been piped. This trail should be paved to at least 10 ft. in width where it passes through residential areas from 2700 East to approximately 1550 East. The rest of the trail east of Hwy 89 and west of 1550 East should be graded dirt with some possible surface stabilization where necessary.

CHATER SCHOOL TRAIL:

This proposed new trail should extend from View Drive to South Weber Drive near the west side of the charter school property. This will better facilitate pedestrian access to the school from the south.

OLD FORT TRAIL:

This trail is intended to be a 10 ft. wide paved trail running from approximately 1200 East to near the west end of the City following along the south side of I-84. It should run within the buffer zone proposed previously in this document so far as practical. Special attention to safety will be warranted at the trail crossing of 475 East. This trail should become the responsibility of the City for maintenance and control.

It is anticipated that the majority of this trail will be constructed by developers of adjacent property. As these developments are proposed, the City should see that a continuous trail is established with consistent width and surface.

WEBER RIVER PARKWAY TRAIL:

The Weber River Parkway Trail is proposed extension of an existing trail in Riverdale. In general this trail will run along the south bank of the river between the river and I-84. At the west end of the City this will vary due to existing residences abutting the river. In this area it will run between Cottonwood Dr. and I-84 going under Adams Ave. toll bridge and run along the south river bank again westward.

Some of the property involved is privately owned and some is owned by the Utah Department of Transportation. The City should work with other interested groups in securing the easements or right-of-ways for this trail. South Weber seems to be the most likely candidate to maintain this section of the trail and should consider accepting responsibility for Weber River Parkway Trail within its borders.

Because the existing trail in Riverdale is paved, it is recommended that this section of the trail be paved at the time of construction. It should be approximately 10ft. wide with a compacted granular surface. It could be paved at some point in the future, should that prove to be a wise course of action.

Pedestrian access from the Canyon Drive Trailhead at Canyon Drive and 1325 East over I-84 to the Weber River Parkway should be a high priority trail improvement.

Other recommendations for the City wide pedestrian transportation system can be found on the Parks and Trails Map #6.

SECTION 5: ANNEXATION POLICY PLAN

This section of the Comprehensive Plan, the Annexation Policy Plan, is set forth herein to comply with Section 10-2-400 Utah Code Annotated. This section generally sets forth the area that the City will consider for annexation at some undefined point in the future. This section also defines the criteria that will guide the city's decision whether or not to grant future annexation petitions.

CHARACTER OF THE COMMUNITY:

South Weber is a community somewhat isolated from the other communities around it. This isolation is due to its geographic location in the Weber River drainage basin, cut off from other communities by the river and freeway to the north, high bluffs to the south, the Wasatch Mountains to the east and a narrowing band of land between the freeway and the bluff on the west. This isolation fosters cohesiveness to the community which in turn promotes friendliness among neighbors and a family oriented environment. The City was founded, and until recent years, continued to exist on an agricultural base. Agriculture remains a major land use and an important factor in the essence of South Weber but is playing a diminishing role as residential uses continue to expand. There are no major commercial centers at present but plans contained in this document promote the establishment of such at the intersection of South Weber Drive and Highway 89. If build-out projections are correct, South Weber will always be a small city and, hopefully, will retain its charm and character.

NEED FOR MUNICIPAL SERVICES IN UNDEVELOPED UNINCORPORATED AREAS:

The areas considered for annexation are located within the area illustrated on the Annexation Area Map (Map #3). If annexed to South Weber, the purpose would most likely be to accommodate some type of development. This would require full municipal services and possibly services provided by Weber Basin Water Conservancy District, South Weber Irrigation District and Davis School District. Infrastructure expansion, i.e., water, sewer, and storm drain systems could be extended into these areas on an as needed basis. Financing of infrastructure expansion would mostly be borne by the developers of these properties. There may be the need for the City to participate in the financing of some facilities which will improve service to existing development. These costs will be met via various means. The City may choose to use general funds, impact fees, special improvement districts, bonding or other means of meeting these financial obligations.

There are no existing developed areas within the expansion area, so adequacy or purchase of existing service systems is not an issue.

TAX CONSEQUENCES OF ANNEXATIONS:

It is well known that property taxes from residential properties generally do not cover the full costs of providing services to those residences. This means that, if allowed to develop strictly in residential use, the annexation and development of these properties will result in an increase in the City's burden of paying for the services required by the development. To help delay some of the increased tax burden, some of the proposed expansion area may be appropriately developed as a mix of commercial and residential uses.

It is felt that future development of planned commercial areas within the City will produce enough tax revenues that remaining deficiencies in tax revenue from existing and potential future residential properties will be offset. The consequences of annexation of expansion areas, when looked at alone, will be to increase the tax burden of all residences within the City. But, when looked at in light of potential commercial development, the entire City should see either a reduction in tax burden or an increase in quality and amount of services offered by the City.

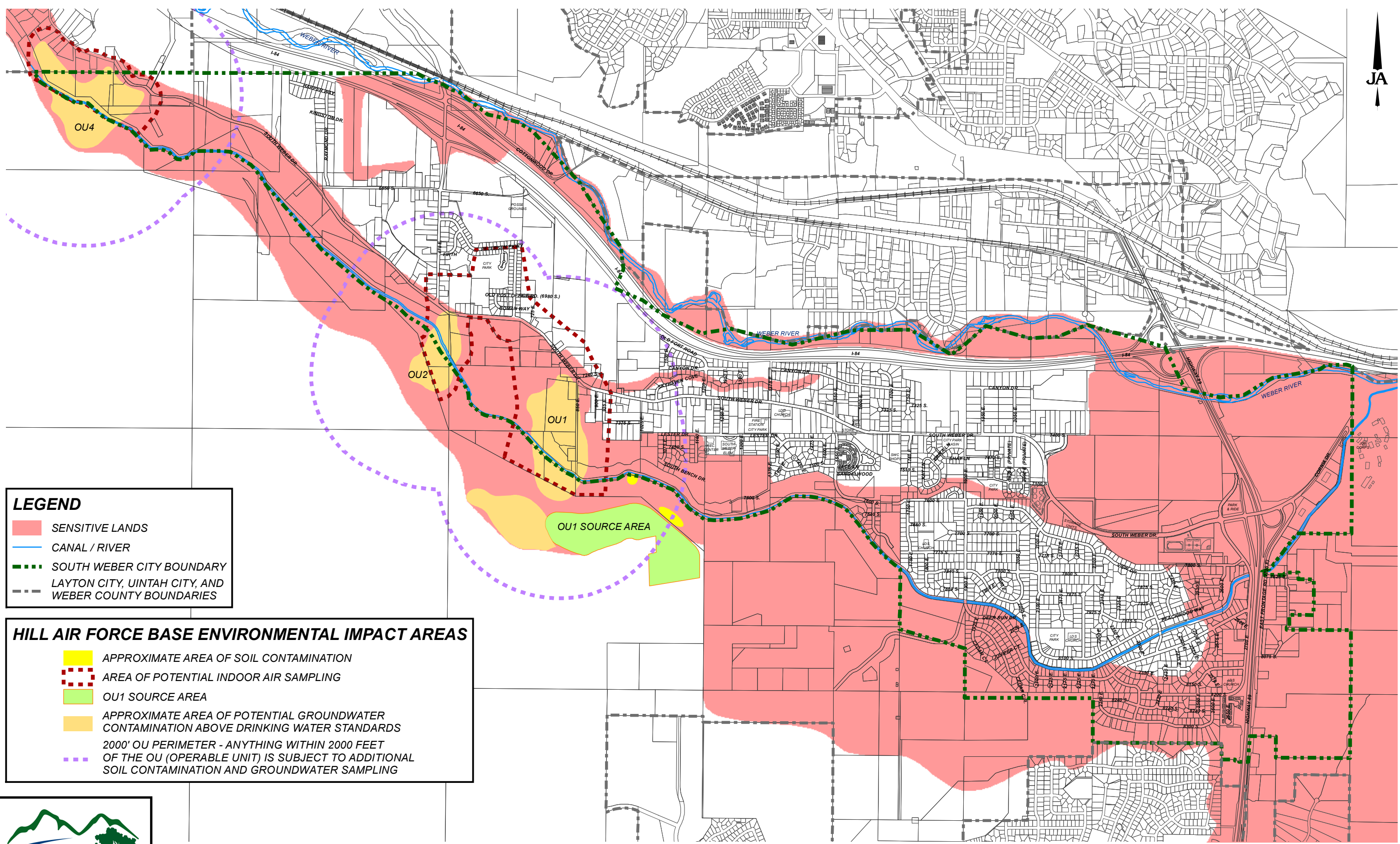
INTEREST OF ALL AFFECTED ENTITIES:

Prior to adoption of this section of the South Weber General Plan, discussions were held with representatives of Davis County, Weber County and Layton City, the primary affected entities of these annexation policies. Every effort has been made to resolve any conflicts over the proposed expansion areas with those entities. Other entities that may have an interest in the expansion areas include the Davis School District which would be interested in how much of any annexation would be devoted to housing development and the resultant increase in student population. The Central Weber Sewer District may have an interest in expansion areas from the standpoint of how total sewage volume from South Weber may be increased. Some of these areas may benefit from services of the Weber Basin Water Conservancy District also.

All affected entities as defined in the Utah Code Annotated, Section 10-2-401(1)(a) may review the proposed annexation policy plan or any amendments thereto and may submit oral or written comments and recommendations to the City. The City shall address any comments made by affected entities prior to adoption.

URBAN DEVELOPMENT EXCLUDED FROM EXPANSION AREA:

The Utah State Code Annotated, Section 10-2-401.5 encourages all urban development within a close proximity of a city's boundary to be included in that city's expansion area. There are no areas of urban development within a close proximity to South Weber's boundary that are not already within an existing city except for that found on Hill Air Force Base. Land within HAFB would not be under the jurisdiction of South Weber even if it were within the City limits; therefore none of that urban development was included in the expansion area.



LEGEND

- SENSITIVE LANDS
- CANAL / RIVER
- SOUTH WEBER CITY BOUNDARY
- LAYTON CITY, UINTAH CITY, AND WEBER COUNTY BOUNDARIES

HILL AIR FORCE BASE ENVIRONMENTAL IMPACT AREAS

- APPROXIMATE AREA OF SOIL CONTAMINATION
- AREA OF POTENTIAL INDOOR AIR SAMPLING
- OU1 SOURCE AREA
- APPROXIMATE AREA OF POTENTIAL GROUNDWATER CONTAMINATION ABOVE DRINKING WATER STANDARDS
- 2000' OU PERIMETER - ANYTHING WITHIN 2000 FEET OF THE OU (OPERABLE UNIT) IS SUBJECT TO ADDITIONAL SOIL CONTAMINATION AND GROUNDWATER SAMPLING



NOTES: HAFB MAPPING INFORMATION PROVIDED FROM THE SOUTH WEBER GENERAL PLAN MAP #7 (TWO MAPS). REFER TO THESE MAPS FOR MORE DETAILED INFORMATION.
 HAFB MAPS - AREAS OF HILL AIR FORCE BASE ENVIRONMENTAL IMPACT OPERABLE UNITS 1 AND 2
 HAFB MAP - AREAS OF HILL AIR FORCE BASE ENVIRONMENTAL ADDITIONAL LAND STUDIES

SCALE:
 1 in = 1,800 ft

DATE:
 09/23/2014

DESIGNED - BEB
 DRAWN - BEB
 CHECKED - BKJ

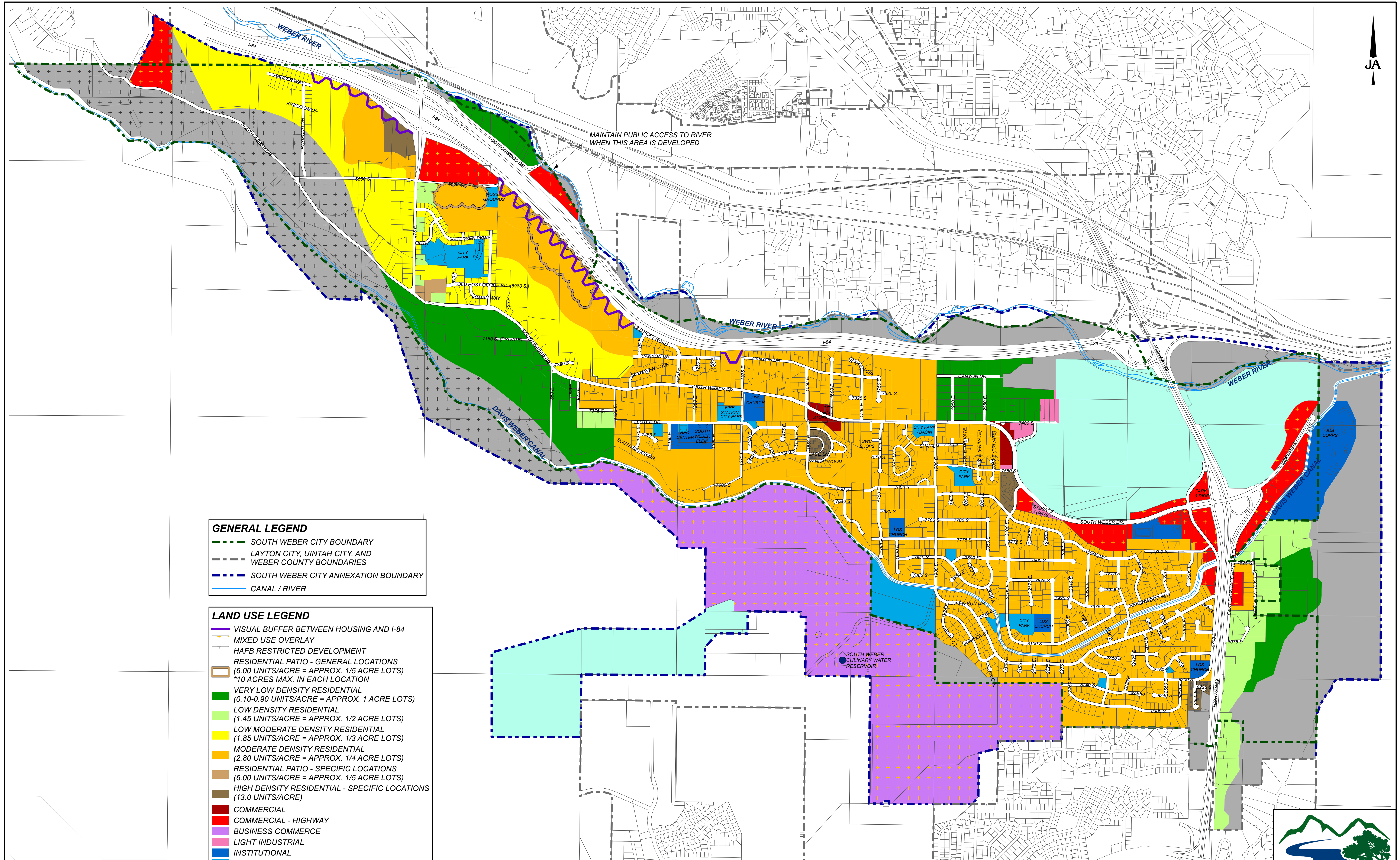
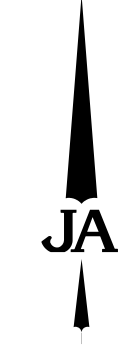
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SOUTH WEBER CITY CORPORATION
GENERAL PLAN

SENSITIVE LANDS MAP



GENERAL LEGEND

- SOUTH WEBER CITY BOUNDARY
- LAYTON CITY, UTAH CITY, AND WEBER COUNTY BOUNDARIES
- SOUTH WEBER CITY ANNEXATION BOUNDARY
- CANAL / RIVER

LAND USE LEGEND

- VISUAL BUFFER BETWEEN HOUSING AND I-84
- MIXED USE OVERLAY
- HAFB RESTRICTED DEVELOPMENT
- RESIDENTIAL PATIO - GENERAL LOCATIONS (6.00 UNITS/ACRE = APPROX. 1/5 ACRE LOTS) *10 ACRES MAX. IN EACH LOCATION
- VERY LOW DENSITY RESIDENTIAL (0.10-0.90 UNITS/ACRE = APPROX. 1 ACRE LOTS)
- LOW DENSITY RESIDENTIAL (1.45 UNITS/ACRE = APPROX. 1/2 ACRE LOTS)
- LOW MODERATE DENSITY RESIDENTIAL (1.85 UNITS/ACRE = APPROX. 1/3 ACRE LOTS)
- MODERATE DENSITY RESIDENTIAL (2.80 UNITS/ACRE = APPROX. 1/4 ACRE LOTS)
- RESIDENTIAL PATIO - SPECIFIC LOCATIONS (6.00 UNITS/ACRE = APPROX. 1/5 ACRE LOTS)
- HIGH DENSITY RESIDENTIAL - SPECIFIC LOCATIONS (13.0 UNITS/ACRE)
- COMMERCIAL
- COMMERCIAL - HIGHWAY
- BUSINESS COMMERCE
- LIGHT INDUSTRIAL
- INSTITUTIONAL
- RECREATION - SPECIFIC LOCATIONS
- COMMERCIAL RECREATION
- OPEN LANDS

NOTES:

SCALE:
1 in = 850 ft

DATE:
07/26/2016

DESIGNED - BEB

DRAWN - BEB

CHECKED - BKJ

JA CONSULTING ENGINEERS
JONES & ASSOCIATES

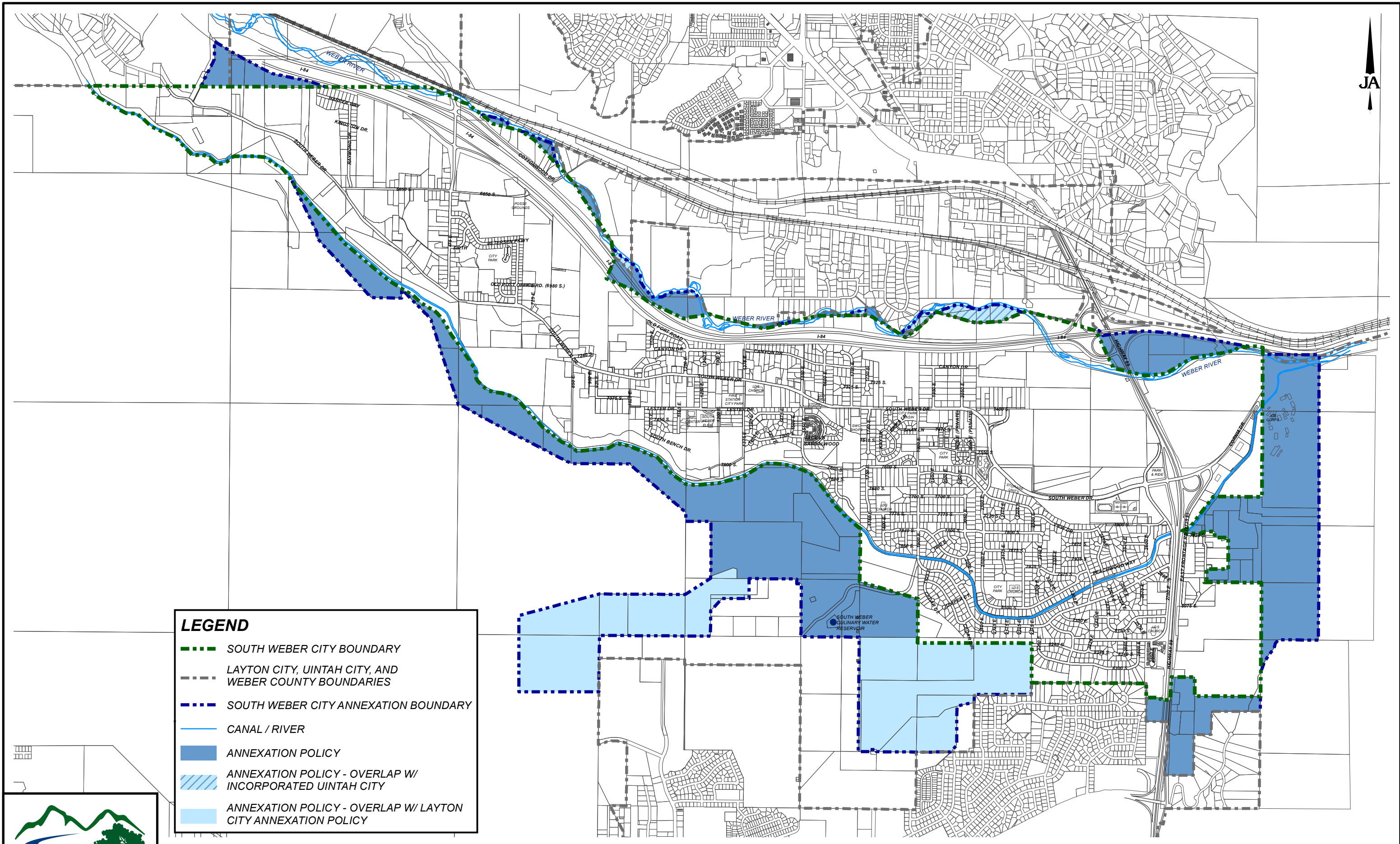
1716 East 5600 South
South Ogden, Utah 84403 (801) 476-9767

SOUTH WEBER CITY CORPORATION
GENERAL PLAN

PROJECTED LAND USE MAP

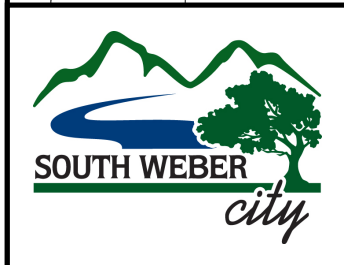
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2
OF 1 SHEETS





LEGEND

- - - SOUTH WEBER CITY BOUNDARY
- LAYTON CITY, UINTAH CITY, AND WEBER COUNTY BOUNDARIES
- SOUTH WEBER CITY ANNEXATION BOUNDARY
- CANAL / RIVER
- ANNEXATION POLICY
- ANNEXATION POLICY - OVERLAP W/ INCORPORATED UINTAH CITY
- ANNEXATION POLICY - OVERLAP W/ LAYTON CITY ANNEXATION POLICY



NOTES:

SCALE:
1 in = 2,000 ft

DATE:
09/23/2014

DESIGNED BEB

DRAWN BEB

CHECKED BKJ

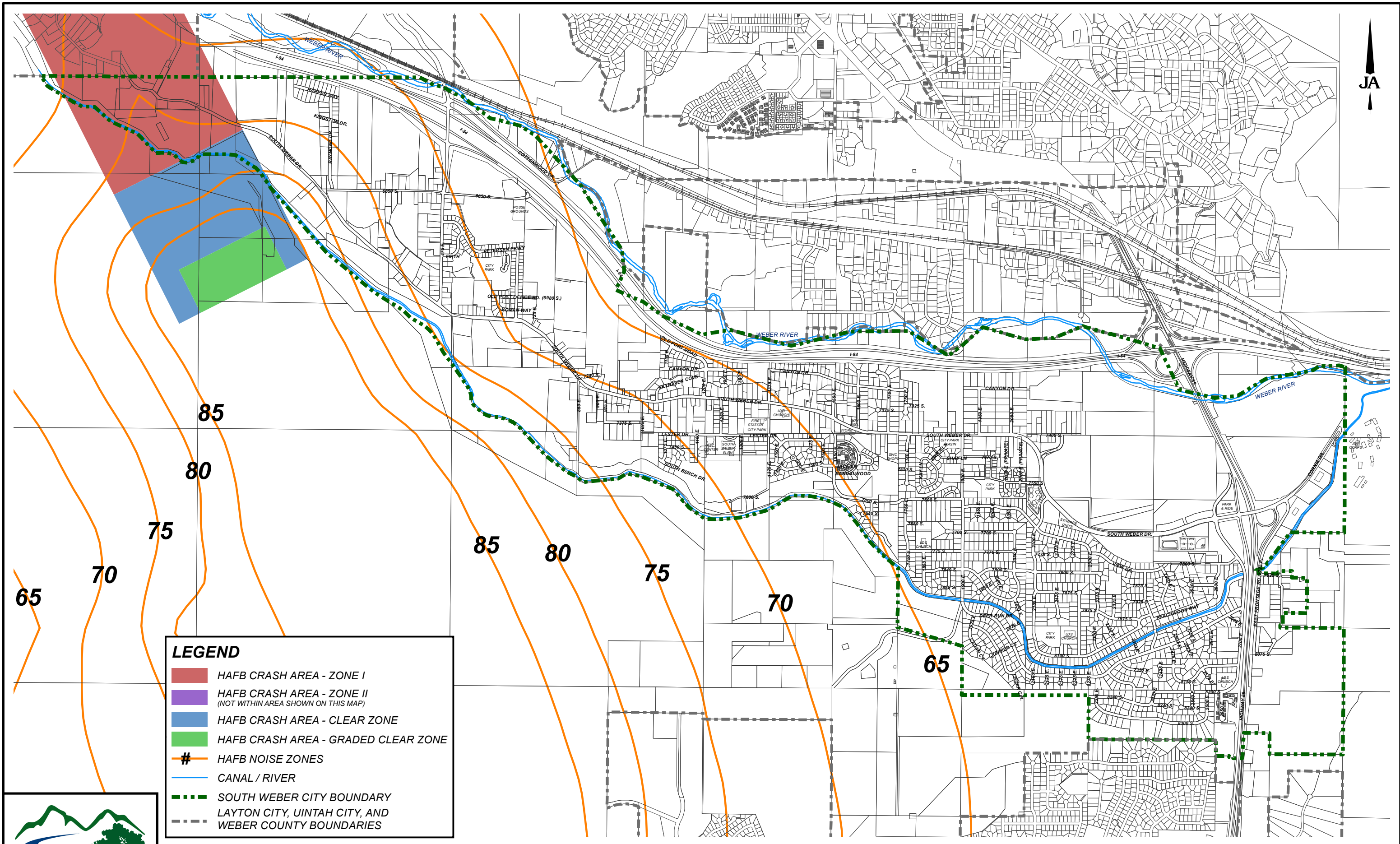
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SOUTH WEBER CITY CORPORATION
GENERAL PLAN

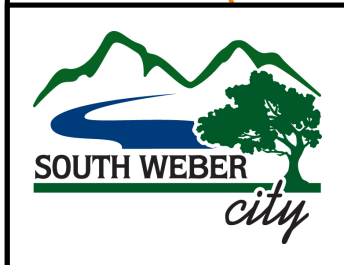
ANNEXATION MAP

SHEET:
3
OF SHEETS
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LEGEND

- HAFB CRASH AREA - ZONE I
- HAFB CRASH AREA - ZONE II (NOT WITHIN AREA SHOWN ON THIS MAP)
- HAFB CRASH AREA - CLEAR ZONE
- HAFB CRASH AREA - GRADED CLEAR ZONE
- # HAFB NOISE ZONES
- CANAL / RIVER
- SOUTH WEBER CITY BOUNDARY
- LAYTON CITY, UINTAH CITY, AND WEBER COUNTY BOUNDARIES



NOTES:

SCALE:
1 in = 1,800 ft

DATE:
09/23/2014

DESIGNED BEB

DRAWN BEB

CHECKED BKJ

JA CONSULTING ENGINEERS

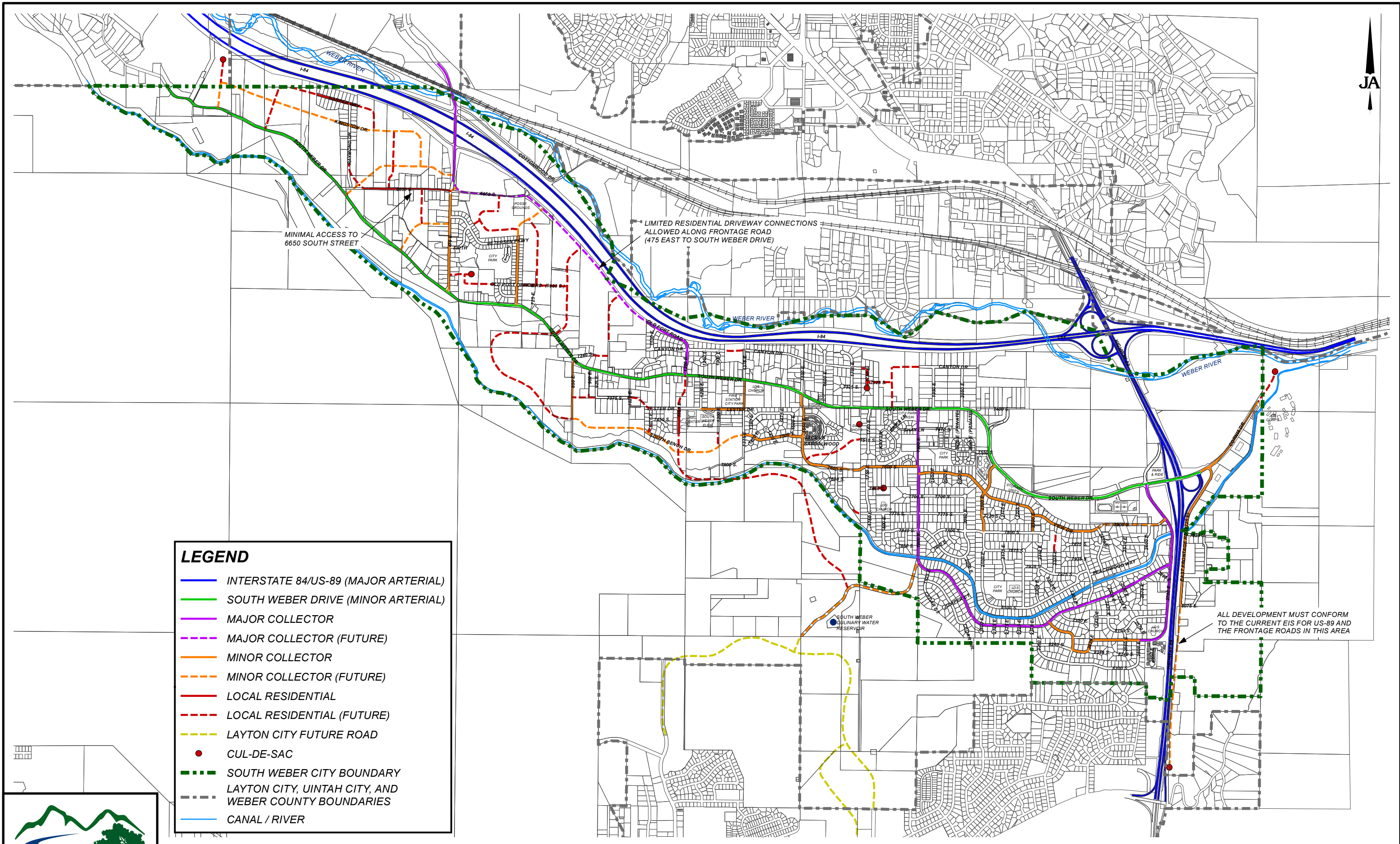
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SOUTH WEBER CITY CORPORATION
GENERAL PLAN

HAFB NOISE & CRASH ZONE MAP

SHEET:
4
OF SHEETS
0



LEGEND

- INTERSTATE 84/US-89 (MAJOR ARTERIAL)
- SOUTH WEBER DRIVE (MINOR ARTERIAL)
- MAJOR COLLECTOR
- - - MAJOR COLLECTOR (FUTURE)
- MINOR COLLECTOR
- - - MINOR COLLECTOR (FUTURE)
- LOCAL RESIDENTIAL
- - - LOCAL RESIDENTIAL (FUTURE)
- - - LAYTON CITY FUTURE ROAD
- CUL-DE-SAC
- - - SOUTH WEBER CITY BOUNDARY
- - - LAYTON CITY, UINTAH CITY, AND WEBER COUNTY BOUNDARIES
- CANAL / RIVER



NOTES:

SCALE:
1 in = 2,000 ft

DATE:
09/23/2014

DESIGNED BEB

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JA CONSULTING ENGINEERS

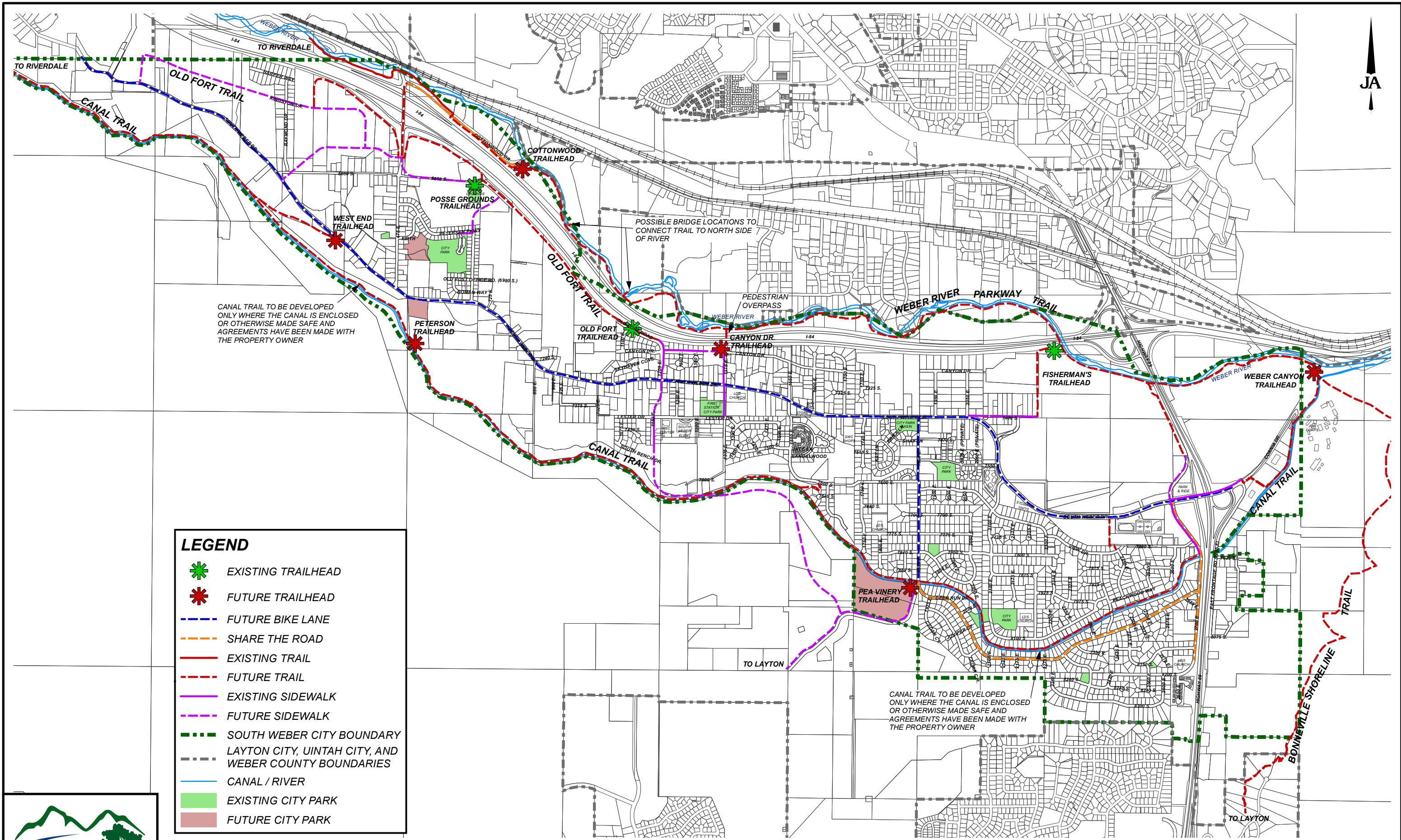
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SOUTH WEBER CITY CORPORATION
GENERAL PLAN

VEHICLE TRANSPORTATION MAP

SHEET:
5
OF SHEETS
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LEGEND

- EXISTING TRAILHEAD
- FUTURE TRAILHEAD
- FUTURE BIKE LANE
- SHARE THE ROAD
- EXISTING TRAIL
- FUTURE TRAIL
- EXISTING SIDEWALK
- FUTURE SIDEWALK
- SOUTH WEBER CITY BOUNDARY
- LAYTON CITY, UTAH CITY, AND WEBER COUNTY BOUNDARIES
- CANAL / RIVER
- EXISTING CITY PARK
- FUTURE CITY PARK

NOTES: THE PARKS AND TRAILS PLAN IS NOT A COMPREHENSIVE SIDEWALK PLAN. ONLY SIDEWALK LINKS BETWEEN EXISTING OR FUTURE TRAILS ARE SHOWN ON THIS MAP.

SCALE:
1 in = 1,800 ft

DATE:
09/23/2014

DESIGNED BEB
DRAWN BEB
CHECKED BKJ

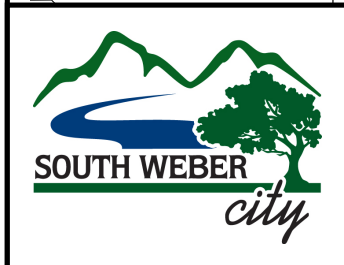
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SOUTH WEBER CITY CORPORATION
GENERAL PLAN

PARKS AND TRAILS MAP

SHEET:
6
OF SHEETS
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2017 - 2018 Fiscal Year Capital Projects

Project	Priority
1250 East	1
Central Park Playground Equipment	2
CFP Water: Generator @ Church Street Pump Station	3
CFP Water: upsize (6) pipes to 8"	4
Cottonwood Cove	5
Fire Engine Replacement	6
Old Maple Farms Detention Basin	7

Company	Service	Bid Price
Chris Wilkinson	30 years experience; 3 applications fertilizer; Mowing, edging, weed eating; spring tree trimming (small trees); Sprinkler repair; Controls watering	Approx. \$3,500 per acre X 47 acres = \$164,500.00
Senske Services	Weekly lawn maintenance; Holding ponds twice year; Fertilizer and weed control; Playground tilling; Tree Prunning; Spring and Fall clean up; Sprinkler Repair; Turf Aeration; Flower planting	\$45.00/hr. = Landscaping \$65.00/hr. = Sprinkler Repair \$63,761.63 month = \$471,000.00 annually
Tuxedo Lawn Care	Weekly lawn maintenance; Holding ponds twice year; 3 applications of fertilizer and weed control; Playground tilling; Tree Prunning; Spring and Fall clean up; Sprinkler Repair; Aeration twice a year; Flower planting; Bathroom/Playground maintenance	\$25,337.77/month \$228,040.00/year
Layton City	Not interested	No Upside to providing service; Doesn't benefit their residents as tax payers

FINANCIAL PICTURE 2017

South Weber has grown and changed from a rural, agricultural community to a growing, upper class, bedroom community. 2013 median household income for SWC \$81,982, for the State \$59,770. This is an increase of 16% over 2000. South Weber City faces several challenges unique to upper-class bedroom communities:

1. Limited revenue. The burden for all services falls on the city's citizens. The citizens of our neighboring communities do not contribute revenue to the city coffers in the form of tourism, entertainment, or retail sales.
2. Limited services. Because of the first limitation, bedroom communities are faced with deciding which service they will offer and which they will not. Generally, a more limited set of services are offered.
3. Growth. Developers and Impact fees pay for the initial increase in the city's infrastructure. But once those additions are built and accepted by the city, the additional costs of maintenance and eventual replacement falls on all citizens, not just the new residents.
4. Grants. Our upper-class status based on our high household income puts the city out of the running for most state and federal grants.

A look at where we are.

City Debt (page 28 of the audited Financial Statements for June 30, 2016.)

FAC & Fire Station	\$ 1,204,595	Will be paid off in 2027
Water	<u>\$ 5,162,913</u>	Will be paid off in 2040
	\$ 6,367,508	
Anticipated impact fees to cover bond payments		
Public Safety (8,307/yr thru 2027)	\$ 91,377	
Recreation (37,130/yr thru 2027)	\$ 408,430	
Water (69,736/yr thru 2040)	<u>\$ 1,673,664</u>	
	\$ 2,173,471	
Debt to be covered by <u>other revenues</u>	(4,194,037)	

Capital Replacement – Infrastructure & Equipment

One measure of the amount to be set aside for future replacement is Depreciation. Accumulated depreciation does not take into effect inflation. But it does show the minimum needed to be set aside for future replacements.

Gov. Activities Accum. Deprec. (p26)	\$ 6,534,534
Cap Proj Fund Balance less 2017 projects	\$ 1,267,153
Shortfall	\$(5,267,381)
Bus. Activities Accum. Deprec.	\$ 4,261,921
Cash Balances less 2017 projects	\$ 3,400,346
Shortfall	\$(861,575)
Total Capital Replacement Shortfall	\$(6,128,956)

SOUTH WEBER CITY

FINANCIAL STATEMENTS

For The Year Ended June 30, 2016

Together With Independent Auditor's Report



Keddington & Christensen, LLC
Certified Public Accountants

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

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 (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules relating to the City's pension obligations as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 7, 2016, on our consideration of South Weber City's internal control over financial reporting and 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 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 South Weber City's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

December 7, 2016
Salt Lake City, Utah

**SOUTH WEBER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2016**

South Weber City's management presents to the readers of its financial statements this narrative information. It contains an overview and analysis of the financial position and results of operations as of and for the twelve months ended June 30, 2016. 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 \$26,619,906 (net position). Of this amount, \$9,107,777 (unrestricted position) is available to meet ongoing obligations of citizens and creditors. Net position increased by \$2,704,634 from the prior year.

The City's Governmental activities reported a combined ending fund balance of \$12,925,344. Of the combined total fund balance, \$5,051,851 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, 2016, totaled \$341,067 and is 15% of the general fund total revenue for the year.

Total principal balance of debt for South Weber City decreased approximately \$153,000. Since the City has increased the total fund balance, the financial position of the City has improved.

Several developments were completed during the year, and the related infrastructure was contributed to the City. These assets include streets, sewer, storm drain, and culinary water infrastructure.

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 entire position and liabilities 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, 2016**

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 three major government funds, which are the general fund, special revenue recreation fund, and capital projects fund. The information on these funds is shown separately. The City has five nonmajor funds which are the park impact special revenue, road impact special revenue, Country Fair Days special revenue, recreation impact special revenue, and the public safety impact special revenue funds. 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, garbage, and storm sewer utility.

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, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

South Weber City
Comparative Summary of Net Position

	Governmental Activities		Business-type Activities		Total Activities		Total % Change From Prior Year
	2016	2015	2016	2015	2016	2015	
Current and other assets	\$ 3,711,661	\$ 3,309,316	\$ 4,722,756	\$ 3,876,261	\$ 8,434,417	\$ 7,185,577	-14.8%
Capital assets	10,872,879	9,708,693	12,300,110	12,052,121	23,172,989	21,760,814	-6.1%
Total assets	14,584,540	13,018,009	17,022,866	15,928,382	31,607,406	28,946,391	-8.4%
Total deferred outflows of resources	171,743	84,697	68,525	19,480	240,268	104,177	100.0%
Long-term liabilities outstanding	1,255,556	1,212,291	3,268,867	3,224,774	4,524,423	4,437,065	-1.9%
Other liabilities	242,088	168,338	115,959	181,447	358,047	349,785	-2.3%
Total liabilities	1,497,644	1,380,629	3,384,826	3,406,221	4,882,470	4,786,850	-2.0%
Total deferred inflows of resources	333,291	338,568	12,003	9,878	345,294	348,446	0.9%
Net position:							
Net investment in capital assets	9,901,362	8,614,693	9,161,801	8,828,802	19,063,163	17,443,495	-8.5%
Restricted	1,021,614	992,117	476,835	952,473	1,498,449	1,944,590	29.8%
Unrestricted	2,002,372	1,776,699	4,055,926	2,750,488	6,058,298	4,527,187	-25.3%
Total net position	\$ 12,925,348	\$ 11,383,509	\$ 13,694,562	\$ 12,531,763	\$ 26,619,910	\$ 23,915,272	-10.2%

By far the largest component of South Weber City's net position is its investment in capital assets. The 60% of total net position 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.

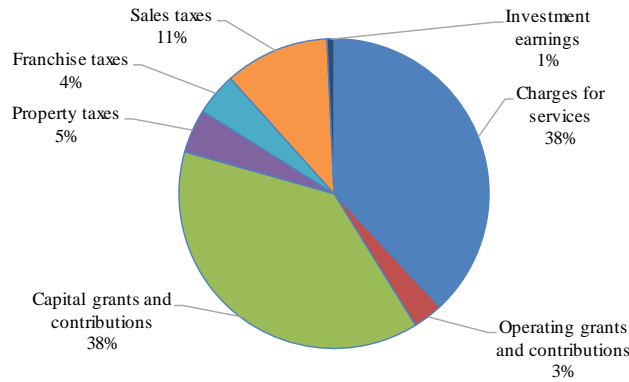
An additional part of net position, 6%, is assets that are subject to external restrictions on how they may be expended. The remaining 34% of net position can be used to meet the City's ongoing obligations to its creditors and to citizens.

South Weber City
Comparative Changes in Net Position

	Governmental Activities		Business-type Activities		Total Activities		Total % Change From Prior Year
	2016	2015	2016	2015	2016	2015	
Revenues:							
Program revenues:							
Charges for services	\$ 535,951	\$ 524,597	\$ 2,416,625	\$ 2,312,216	\$ 2,952,576	\$ 2,836,813	-3.9%
Operating grants and contributions	243,563	199,772	-	-	243,563	199,772	-18.0%
Capital grants and contributions	1,907,226	112,338	1,053,053	163,866	2,960,279	276,204	-90.7%
General revenues:							
Property taxes	353,886	337,602	-	-	353,886	337,602	-4.6%
Franchise taxes	344,521	313,078	-	-	344,521	313,078	-9.1%
Sales taxes	846,961	776,125	-	-	846,961	776,125	-8.4%
Other revenue	-	785	-	5,206	-	5,991	-100.0%
Gain on sale of assets	-	-	-	-	-	-	0.0%
Investment earnings	19,286	11,161	36,196	15,218	55,482	26,379	-52.5%
Total revenues	\$ 4,251,394	\$ 2,275,458	\$ 3,505,874	\$ 2,496,506	\$ 7,757,268	\$ 4,771,964	-38.5%

**SOUTH WEBER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016**

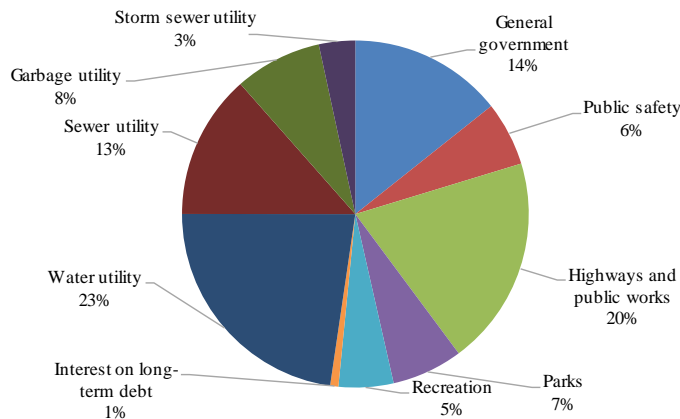
GOVERNMENT TOTAL REVENUES



**South Weber City
Comparative Changes in Net Position (Continued)**

	Governmental Activities		Business-type Activities		Total Activities		Total % Change From Prior Year
	2016	2015	2016	2015	2016	2015	
Expenses:							
General government	\$ 741,324	\$ 704,032	\$ -	\$ -	\$ 741,324	\$ 704,032	-5.0%
Public safety	310,185	347,998	-	-	310,185	347,998	12.2%
Highways and public works	1,010,804	640,564	-	-	1,010,804	640,564	-36.6%
Parks	342,947	185,934	-	-	342,947	185,934	-45.8%
Recreation	264,372	247,911	-	-	264,372	247,911	-6.2%
Interest on long-term debt	39,923	39,816	-	-	39,923	39,816	-0.3%
Water services	-	-	1,174,001	1,004,294	1,174,001	1,004,294	-14.5%
Sewer services	-	-	697,482	656,237	697,482	656,237	-5.9%
Garbage services	-	-	421,634	331,513	421,634	331,513	-21.4%
Storm sewer services	-	-	175,347	218,705	175,347	218,705	24.7%
Total expenses	2,709,555	2,166,255	2,468,464	2,210,749	5,178,019	4,377,004	-15.5%
Change in net position before transfers	1,541,839	109,203	1,037,410	285,757	2,579,249	394,960	-84.7%
Transfers	-	-	-	-	-	-	-
Change in net position	1,541,839	109,203	1,037,410	285,757	2,579,249	394,960	-84.7%
Net position - beginning	11,383,509	11,274,306	12,531,763	12,246,006	23,915,272	23,520,312	-1.7%
Prior Period Adjustment	-	-	125,389	-	125,389	-	100%
Net position - end of year	\$ 12,925,348	\$ 11,383,509	\$ 13,694,562	\$ 12,531,763	\$ 26,619,910	\$ 23,915,272	-10.2%

GOVERNMENT TOTAL EXPENSES



**SOUTH WEBER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016**

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

Governmental activities net position increased by \$1,541,835 for the year ended June 30, 2016. The major reason for the increase resulted from contributions for assets contributed from developers.

Business-type activities contributed an increase of \$1,162,799 in net position. The most significant reason for this increase in business-type activities is charges from services for water, sewer, and garbage. The City received \$55,482 in invested earnings and \$341,444 in impact fees during the year between governmental and business-type activities.

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 at June 30, 2016.

For the period ended June 30, 2016, the City's governmental funds reported combined fund balances in the amount of \$3,173,628. Of the total balance at year-end, \$338,391 is unassigned. The governmental funds also have portions of the fund balance restricted, committed and assigned for various reasons, including fire vehicles, class "C" road, impact fee funds, and others. The special revenue recreation fund has a fund balance of \$352,336, an increase of \$26,569 from the prior year. The capital projects fund has a fund balance of \$1,456,615, an increase \$157,883 from the prior year.

The General Fund is the main operating fund for South Weber City. At June 30, 2016, the general fund's unassigned fund balance was \$341,067. Total fund balance of the general fund for South Weber City increased by \$82,157. 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 governmental funds was 15% of total expenditures.

The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the City's major proprietary funds totaled \$4,055,926. Discussions about the finances of these funds are addressed in the City's business-type activities.

BUDGETARY HIGHLIGHTS

The general fund budget had some major budget changes in public safety that decreased from the preliminary budget. Overall, the general fund was under budgeted expenditures by approximately \$447,000.

The special revenue recreation fund budget did not change during the year, and actual expenditures were less than budgeted expenditures by \$26,569.

The capital projects fund budget was increased for additional planned projects, but ultimately the projects did not occur. This resulted in the actual expenditures in this fund to be \$236,883 less than the budgeted amounts.

The remaining special revenue funds budgeted expenditures were increased for capital outlay. The park impact fee fund, and road impact fee fund, and the public safety impact funds had the expenditures increased from additional projects anticipated during the year.

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 \$23,172,989 (net of \$10,796,475 accumulated depreciation) at June 30, 2016. Types of assets included in this category are land, buildings, improvements, vehicles, machinery, equipment, roads (including curb and gutter), street lights, traffic signals, water, waste water, and sewer. The City's investment in net capital assets equals nearly 73% of total assets.

**SOUTH WEBER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016**

Major capital asset activities are included in the following table:

South Weber City Comparative Summary of Capital Assets							
	Governmental Activities		Business-type Activities		Total Activities		Total % Change From Prior Year
	2016	2015	2016	2015	2016	2015	
Land and water rights	\$ 2,664,313	\$ 1,822,089	\$ -	\$ 8,925	\$ 2,664,313	\$ 1,831,014	-31.3%
Office equipment	-	34,086	-	-	-	34,086	-100.0%
Buildings	3,075,860	3,123,210	298,262	304,114	3,374,122	3,427,324	1.6%
Improvements other than buildings	11,151,984	10,625,734	15,921,885	15,291,218	27,073,869	25,916,952	-4.3%
Vehicles	378,455	245,916	225,589	228,620	604,044	474,536	-21.4%
Machinery and equipment	136,821	742,388	116,295	334,523	253,116	1,076,911	325.5%
Less: Accumulated Depreciation	(6,534,554)	(6,884,730)	(4,261,921)	(4,115,279)	(10,796,475)	(11,000,009)	1.9%
Net Book Value	\$ 10,872,879	\$ 9,708,693	\$ 12,300,110	\$ 12,052,121	\$ 23,172,989	\$ 21,760,814	-6.1%

At June 30, 2016, South Weber City's total debt amounted to \$4,154,309 of which \$3,138,309 was incurred by the City's business-type activities and the remaining \$1,016,000 was incurred by the City's governmental units. Most of 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.

South Weber City Comparative of Debt Outstanding							
	Governmental Activities		Business-type Activities		Total Activities		Total % Change From Prior Year
	2016	2015	2016	2015	2016	2015	
Debt Outstanding							
Revenue Bonds	\$ 1,016,000	\$ 1,094,000	\$ 3,138,309	\$ 3,223,319	\$ 4,154,309	\$ 4,317,319	3.9%
Total debt outstanding	\$ 1,016,000	\$ 1,094,000	\$ 3,138,309	\$ 3,223,319	\$ 4,154,309	\$ 4,317,319	3.9%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

As of October 2016, the state unemployment rate was 3.2%, down from 3.4% the previous year. This is consistent with the nationwide decrease in unemployment rates as the economy begins to improve. Currently, South Weber City is experiencing slow economic growth consistent with the rest of the nation. The City has some 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 2016 compared with fiscal year 2015.

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, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 2,111,283	\$ 3,904,546	\$ 6,015,829
Receivables:			
Property, franchise, and excise taxes	539,960	-	539,960
Accounts receivable	-	213,874	213,874
Prepaid expenses	4,672	125,389	130,061
Restricted:			
Cash and cash equivalents	1,000,587	478,934	1,479,521
Receivables - Class "C" road funds	55,127	-	55,127
Capital assets not being depreciated:			
Land and water rights	2,664,313	-	2,664,313
Capital assets, net of accumulated depreciation:			
Buildings	2,134,895	201,327	2,336,222
Improvements other than buildings	5,888,417	12,056,610	17,945,027
Machinery and equipment	48,996	37,073	86,069
Vehicles	136,258	5,100	141,358
Net pension asset	32	13	45
Total Assets	<u>14,584,540</u>	<u>17,022,866</u>	<u>31,607,406</u>
Deferred Outflows of Resources			
Deferred loss on refunding	44,483	-	44,483
Deferred outflows relating to pensions	127,260	68,525	195,785
Total Deferred Outflows of Resources	<u>171,743</u>	<u>68,525</u>	<u>240,268</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 14,756,283</u>	<u>\$ 17,091,391</u>	<u>\$ 31,847,674</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, 2016

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Liabilities:			
Accounts payable	\$ 69,953	\$ 77,730	\$ 147,683
Accrued liabilities	20,921	-	20,921
Accrued interest	15,088	11,700	26,788
Unearned revenue	102,026	24,430	126,456
Restricted liabilities:			
Developer and customer deposits	34,100	2,099	36,199
Noncurrent liabilities:			
Due within one year	95,492	85,358	180,850
Due in more than one year	949,661	3,070,215	4,019,876
Net pension liability	210,403	113,294	323,697
	<u>1,497,644</u>	<u>3,384,826</u>	<u>4,882,470</u>
Deferred Inflows of Resources			
Deferred revenue - property taxes	311,000	-	311,000
Deferred inflows relating to pensions	22,291	12,003	34,294
	<u>333,291</u>	<u>12,003</u>	<u>345,294</u>
Net Position			
Net investment in capital assets	9,901,362	9,161,801	19,063,163
Restricted for:			
Impact fees	444,105	476,835	920,940
Roads	577,509	-	577,509
Unrestricted	2,002,372	4,055,926	6,058,298
	<u>12,925,348</u>	<u>13,694,562</u>	<u>26,619,910</u>
	<u>12,925,348</u>	<u>13,694,562</u>	<u>26,619,910</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 14,756,283</u>	<u>\$ 17,091,391</u>	<u>\$ 31,847,674</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, 2016

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	\$ 741,324	\$ 370,857	\$ 4,728	\$ -	\$ (365,739)	\$ -	\$ (365,739)
Public safety	310,185	-	6,389	7,056	(296,740)	-	(296,740)
Highways and public works	1,010,804	-	215,354	1,831,722	1,036,272	-	1,036,272
Parks	342,947	1,862	-	35,088	(305,997)	-	(305,997)
Recreation	264,372	163,232	17,092	33,360	(50,688)	-	(50,688)
Interest on long-term debt	39,923	-	-	-	(39,923)	-	(39,923)
Total Governmental Activities	2,709,555	535,951	243,563	1,907,226	(22,815)	-	(22,815)
Business-type Activities							
Water utility	1,174,001	1,071,551	-	449,647	-	347,197	347,197
Sewer utility	697,482	845,099	-	315,972	-	463,589	463,589
Garbage utility	421,634	357,150	-	-	-	(64,484)	(64,484)
Storm sewer utility	175,347	142,825	-	287,434	-	254,912	254,912
Total Business-type Activities	2,468,464	2,416,625	-	1,053,053	-	1,001,214	1,001,214
Total Government	\$ 5,178,019	\$ 2,952,576	\$ 243,563	\$ 2,960,279	(22,815)	1,001,214	978,399
General Revenues:							
					353,886	-	353,886
					344,521	-	344,521
					846,961	-	846,961
					19,286	36,196	55,482
				Total General Revenues and Transfers	1,564,654	36,196	1,600,850
				Changes in Net Position	1,541,839	1,037,410	2,579,249
				Net Position, Beginning, Restated	11,383,509	12,657,152	24,040,661
				Net Position, Ending	\$ 12,925,348	\$ 13,694,562	\$ 26,619,910

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

SOUTH WEBER CITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2016

	<u>General</u>	<u>Special Revenue Recreation Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Assets					
Cash and cash equivalents	\$ 293,367	\$ 338,995	\$ 1,469,346	\$ 9,575	\$ 2,111,283
Accounts receivable	-	-	700	-	700
Property, franchise, and excise tax receivable	502,695	-	-	-	502,695
Receivables, other	21,765	14,800	-	-	36,565
Prepays	-	-	-	4,672	4,672
Restricted assets:					
Cash and cash equivalents	556,482	-	-	444,105	1,000,587
Receivables - Class "C" road monies	55,127	-	-	-	55,127
Total Assets	<u>\$ 1,429,436</u>	<u>\$ 353,795</u>	<u>\$ 1,470,046</u>	<u>\$ 458,352</u>	<u>\$ 3,711,629</u>
Liabilities					
Accounts payable	\$ 56,361	\$ 1,459	\$ 12,013	\$ 120	\$ 69,953
Accrued liabilities	20,921	-	-	-	20,921
Unearned revenue	88,478	-	1,417	12,131	102,026
Restricted liabilities:					
Developer and customer deposits	34,100	-	-	-	34,100
Total Liabilities	<u>199,860</u>	<u>1,459</u>	<u>13,430</u>	<u>12,251</u>	<u>227,000</u>
Deferred Inflows of Resources					
Unavailable revenue - property taxes	311,000	-	-	-	311,000
Fund Balances					
Nonspendable					
Prepays	-	-	-	4,672	4,672
Restricted					
Class "C" roads	577,509	-	-	-	577,509
Impact fees	-	-	-	444,105	444,105
Committed for:					
Fire fighting vehicle	-	-	197,495	-	197,495
Assigned					
Capital projects		352,336	1,259,121	-	1,611,457
Unassigned	341,067	-	-	(2,676)	338,391
Total Fund Balances	<u>918,576</u>	<u>352,336</u>	<u>1,456,616</u>	<u>446,101</u>	<u>3,173,629</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,429,436</u>	<u>\$ 353,795</u>	<u>\$ 1,470,046</u>	<u>\$ 458,352</u>	<u>\$ 3,711,629</u>

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, 2016**

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

Total fund balance - governmental funds	\$ 3,173,629
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,872,879
Deferred outflows of resources relating to refunding are not financial resources and, therefore, are not reported in the funds.	44,483
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.	(1,045,153)
Accrued interest expense is not due and payable in the current period and therefore is not recorded in the funds.	(15,088)
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.	(105,402)
 Net position - governmental activities	 <u><u>\$ 12,925,348</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, 2016

	General	Special Revenue Recreation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Totals
Revenues					
General property taxes	\$ 353,886	\$ -	\$ -	\$ -	\$ 353,886
Sales, use, and excise taxes	846,961	-	-	-	846,961
Franchise taxes	344,521	-	-	-	344,521
Impact fees	-	-	-	116,191	116,191
Licenses	234,237	-	-	-	234,237
Fines	121,390	-	-	-	121,390
Charges for services	80,845	136,417	-	43,907	261,169
Interest income	6,542	1,963	7,764	3,017	19,286
Intergovernmental	225,243	-	-	-	225,243
Contributions	-	-	1,228	-	1,228
Miscellaneous revenue	15,230	-	-	-	15,230
Total Revenues	<u>2,228,855</u>	<u>138,380</u>	<u>8,992</u>	<u>163,115</u>	<u>2,539,342</u>
Expenditures					
Current:					
General government	782,105	-	-	-	782,105
Public safety	252,021	-	-	-	252,021
Public works	330,093	-	-	-	330,093
Parks	142,381	-	-	-	142,381
Recreation	-	169,767	-	50,029	219,796
Capital expenditures	-	-	319,108	89,288	408,396
Debt service:					
Principal	22,000	56,000	-	-	78,000
Interest and fiscal charges	9,098	26,044	-	-	35,142
Total Expenditures	<u>1,537,698</u>	<u>251,811</u>	<u>319,108</u>	<u>139,317</u>	<u>2,247,934</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>691,157</u>	<u>(113,431)</u>	<u>(310,116)</u>	<u>23,798</u>	<u>291,408</u>
Other Financing Sources (Uses)					
Transfer in	-	140,000	468,000	1,000	609,000
Transfer out	<u>(609,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(609,000)</u>
Total Other Financing Sources (Uses)	<u>(609,000)</u>	<u>140,000</u>	<u>468,000</u>	<u>1,000</u>	<u>-</u>
Net Change in Fund Balances	82,157	26,569	157,884	24,798	291,408
Fund Balance, Beginning	<u>836,419</u>	<u>325,767</u>	<u>1,298,732</u>	<u>421,303</u>	<u>2,882,221</u>
Fund Balance, Ending	<u>\$ 918,576</u>	<u>\$ 352,336</u>	<u>\$ 1,456,616</u>	<u>\$ 446,101</u>	<u>\$ 3,173,629</u>

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, 2016

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

Net change in fund balances - total governmental funds	\$ 291,408
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.	(484,399)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position.	2,036,389
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.	(387,804)
Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	78,000
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.	(737)
The long term portion of accrued leave does not require the use of current financial resources and therefore is not recorded as an expenditure in the Governmental Funds.	(669)
Changes in the pension asset and liability accounts are not recorded in the funds rather they are recorded in the statement of activities	<u>13,695</u>
Change in net position - governmental activities	<u><u>\$ 1,541,839</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, 2016

	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Garbage Utility Fund</u>	<u>Storm Sewer Utility Fund</u>	<u>Total Proprietary Funds</u>
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 1,031,600	\$ 1,813,172	\$ 362,565	\$ 697,209	\$ 3,904,546
Accounts receivable	98,454	68,493	33,436	13,491	213,874
Prepaid expenses	125,389	-	-	-	125,389
Restricted cash and cash equivalents	307,214	77,291	-	94,429	478,934
Total Current Assets	<u>1,562,657</u>	<u>1,958,956</u>	<u>396,001</u>	<u>805,129</u>	<u>4,722,743</u>
Noncurrent Assets:					
Property and equipment					
Buildings	298,262	-	-	-	298,262
Improvements, other than buildings	7,329,030	5,524,253	-	3,068,602	15,921,885
Machinery and equipment	116,295	-	-	-	116,295
Vehicles	225,589	-	-	-	225,589
Less: Accumulated depreciation	(1,770,807)	(1,514,201)	-	(976,913)	(4,261,921)
Total property and equipment	<u>6,198,369</u>	<u>4,010,052</u>	<u>-</u>	<u>2,091,689</u>	<u>12,300,110</u>
Net pension asset	8	5	-	-	13
Total Noncurrent Assets	<u>6,198,377</u>	<u>4,010,057</u>	<u>-</u>	<u>2,091,689</u>	<u>12,300,123</u>
Total Assets	<u>7,761,034</u>	<u>5,969,013</u>	<u>396,001</u>	<u>2,896,818</u>	<u>17,022,866</u>
Deferred Outflows of Resources:					
Deferred outflows relating to pensions	35,241	21,536	5,874	5,874	68,525
Total Assets and Deferred Outflows of Resources	<u>\$ 7,796,275</u>	<u>\$ 5,990,549</u>	<u>\$ 401,875</u>	<u>\$ 2,902,692</u>	<u>\$ 17,091,391</u>
Liabilities:					
Current Liabilities:					
Accounts payable	\$ 6,740	\$ 29,247	\$ 38,453	\$ 3,290	\$ 77,730
Accrued interest	11,700	-	-	-	11,700
Unearned revenue	-	-	-	24,430	24,430
Restricted liabilities:					
Developer and customer deposits	2,099	-	-	-	2,099
Current portion of compensated absences	5,560	3,165	851	782	10,358
Current portion of bonds payable	75,000	-	-	-	75,000
Total Current Liabilities	<u>101,099</u>	<u>32,412</u>	<u>39,304</u>	<u>28,502</u>	<u>201,317</u>
Noncurrent Liabilities:					
Compensated absences	3,706	2,111	568	521	6,906
Bonds payable	3,063,309	-	-	-	3,063,309
Net pension liability	58,265	35,607	9,711	9,711	113,294
Total Noncurrent Liabilities	<u>3,125,280</u>	<u>37,718</u>	<u>10,279</u>	<u>10,232</u>	<u>3,183,509</u>
Total Liabilities	<u>3,226,379</u>	<u>70,130</u>	<u>49,583</u>	<u>38,734</u>	<u>3,384,826</u>
Deferred Inflows of Resources:					
Deferred inflows relating to pensions	6,173	3,772	1,029	1,029	12,003
Net Position:					
Net investment in capital assets	3,060,060	4,010,052	-	2,091,689	9,161,801
Restricted:					
Impact fees	305,115	77,291	-	94,429	476,835
Unrestricted	1,198,548	1,829,304	351,263	676,811	4,055,926
Total Net Position	<u>4,563,723</u>	<u>5,916,647</u>	<u>351,263</u>	<u>2,862,929</u>	<u>13,694,562</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 7,796,275</u>	<u>\$ 5,990,549</u>	<u>\$ 401,875</u>	<u>\$ 2,902,692</u>	<u>\$ 17,091,391</u>

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, 2016

	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Garbage Utility Fund</u>	<u>Storm Sewer Utility Fund</u>	<u>Total Proprietary Funds</u>
Operating Revenues:					
Sales and charges for services	\$ 1,071,551	\$ 845,099	\$ 357,150	\$ 142,825	\$ 2,416,625
Total Operating Revenues	<u>1,071,551</u>	<u>845,099</u>	<u>357,150</u>	<u>142,825</u>	<u>2,416,625</u>
Operating Expenses:					
Personnel services	213,438	129,736	30,217	24,830	398,221
Supplies	499,408	20,479	306,277	6,074	832,238
Purchased services	43,172	436,068	4,803	16,294	500,337
Capital outlay	-	15,910	-	-	15,910
Depreciation and amortization	203,666	91,119	-	103,960	398,745
Total operating expenses	<u>959,684</u>	<u>693,312</u>	<u>341,297</u>	<u>151,158</u>	<u>2,145,451</u>
Operating income	<u>111,867</u>	<u>151,787</u>	<u>15,853</u>	<u>(8,333)</u>	<u>271,174</u>
Nonoperating revenue (expense):					
Interest income	18,108	11,264	2,274	4,550	36,196
Impact fee income	85,147	85,972	-	54,134	225,253
Gain (loss) on disposal of assets	(72,370)	(4,170)	(80,337)	(24,189)	(181,066)
Interest expense	(141,947)	-	-	-	(141,947)
Total nonoperating revenues (expenses)	<u>(111,062)</u>	<u>93,066</u>	<u>(78,063)</u>	<u>34,495</u>	<u>(61,564)</u>
Income (loss) before capital contributions and transfers	<u>805</u>	<u>244,853</u>	<u>(62,210)</u>	<u>26,162</u>	<u>209,610</u>
Capital Contributions:					
Grants and other contributions	364,500	230,000	-	233,300	827,800
Total Capital Contributions	<u>364,500</u>	<u>230,000</u>	<u>-</u>	<u>233,300</u>	<u>827,800</u>
Change in net position	365,305	474,853	(62,210)	259,462	1,037,410
Net position, beginning	4,073,029	5,441,794	413,473	2,603,467	12,531,763
Prior period adjustment	125,389	-	-	-	125,389
Net position, ending	<u>\$ 4,563,723</u>	<u>\$ 5,916,647</u>	<u>\$ 351,263</u>	<u>\$ 2,862,929</u>	<u>\$ 13,694,562</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, 2016

	Water Utility Fund	Sewer Utility Fund	Garbage Utility Fund	Storm Sewer Utility Fund	Total Proprietary Funds
Cash Flows From Operating Activities					
Receipts from customers and users	\$ 1,061,885	\$ 849,382	\$ 356,813	\$ 167,126	\$ 2,435,206
Payments to suppliers and service providers	(545,694)	(475,644)	(306,781)	(27,874)	(1,355,993)
Payments to employees and related benefits	(213,581)	(129,817)	(30,310)	(27,294)	(401,002)
Net cash flows from operating activities	<u>302,610</u>	<u>243,921</u>	<u>19,722</u>	<u>111,958</u>	<u>678,211</u>
Cash Flows From Capital and Related Financing Activities					
Principal paid on bonds and leases	(75,000)	-	-	-	(75,000)
Interest Paid	(149,144)	-	-	-	(149,144)
Impact fees received	85,147	85,972	-	54,134	225,253
Net cash flows from capital and related financing activities	<u>(138,997)</u>	<u>85,972</u>	<u>-</u>	<u>54,134</u>	<u>1,109</u>
Cash Flows From Investing Activities					
Interest on deposits	18,108	11,265	2,274	4,549	36,196
Net cash flows from investing activities	<u>18,108</u>	<u>11,265</u>	<u>2,274</u>	<u>4,549</u>	<u>36,196</u>
Net Increase (Decrease) In Cash and Cash Equivalents	181,721	341,158	21,996	170,641	715,516
Cash and Cash Equivalents, Beginning	1,157,093	1,549,305	340,569	620,997	3,667,964
Cash and Cash Equivalents, Ending	<u>\$ 1,338,814</u>	<u>\$ 1,890,463</u>	<u>\$ 362,565</u>	<u>\$ 791,638</u>	<u>\$ 4,383,480</u>
Reconciliation of operating income to net cash flows from operating activities					
Operating income	\$ 111,867	\$ 151,787	\$ 15,853	\$ (8,333)	\$ 271,174
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation expense	203,666	91,119	-	103,960	398,745
(Increase) Decrease in accounts receivables	(9,666)	4,283	(337)	(129)	(5,849)
(Increase) Decrease in net pension asset	133	81	23	24	261
(Increase) Decrease in deferred outflows related to pension	(25,225)	(15,413)	(4,205)	(4,202)	(49,045)
Increase (Decrease) in accounts payable	(3,114)	(3,187)	4,299	(5,506)	(7,508)
Increase (Decrease) in unearned revenues	-	-	-	24,430	24,430
Increase (Decrease) in compensated absences	3,649	2,234	539	(1,836)	4,586
Increase (Decrease) in net pension liability	20,208	12,350	3,368	3,366	39,292
Increase (Decrease) in deferred inflows related to pension	1,092	667	182	184	2,125
Net cash flows from operating activities	<u>\$ 302,610</u>	<u>\$ 243,921</u>	<u>\$ 19,722</u>	<u>\$ 111,958</u>	<u>\$ 678,211</u>
Non-cash contribution of assets from developers	\$ 364,500	\$ 230,000	\$ -	\$ 233,300	\$ 827,800

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

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

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. However, for the fiscal year ended June 30, 2016 the City elected to record as receivable and revenue the sixth payment for the class "C" road distribution even though it was not collected within the 60-day window after fiscal year-end. This is due to the allocation method being re-analyzed, and therefore holding the sixth and final payment for the fiscal year then ended. 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.

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.

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 to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 22 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 25% 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 22 and the City Recorder is to certify the tax rate to the County Auditor before June 22. 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 include those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the governments highest level of decision making authority, the City Council. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the City Council.

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

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

(I) Cash 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.

(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.

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(M) Prepaid

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

NOTE 2 CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits, 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, 2016, \$719,743 of the City's bank balances of \$969,743 (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.

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

For the year ended June 30, 2016, the City had cash balances of \$6,567,989 deposited in the PTIF. The fair value of the PTIF is \$6,597,920. 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.

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND INVESTMENTS (Continued)

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, 2016:

	Carrying Amount
Cash on hand and on deposit:	
Cash on hand	\$ 1,500
Cash on deposit	925,861
Utah State Treasurer's investment pool accounts	6,567,989
Total cash on hand and deposit	\$ 7,495,350

NOTE 3 RESTRICTED ASSETS

Certain assets are restricted to use for the following purposes as of June 30, 2016:

Performance bonds	\$ 36,199
Class "C" road funds	577,508
Impact fees	920,941
Restricted assets	\$ 1,534,648

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2016, is as follows:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 1,822,089	\$ 867,671	\$ (25,447)	\$ 2,664,313
Total capital assets, not being depreciated	1,822,089	867,671	(25,447)	2,664,313
Capital assets, being depreciated				
Buildings	3,123,210	-	(47,350)	3,075,860
Improvements other than buildings	10,625,734	1,012,600	(486,350)	11,151,984
Equipment	742,388	-	(605,567)	136,821
Office equipment	34,086	-	(34,086)	-
Vehicles	245,916	156,118	(23,579)	378,455
Total capital assets, being depreciated	14,771,334	1,168,718	(1,196,932)	14,743,120
Less accumulated depreciation for				
Buildings	(917,179)	(61,711)	37,925	(940,965)
Improvements other than buildings	(5,096,169)	(373,040)	205,642	(5,263,567)
Equipment	(598,021)	(29,623)	539,819	(87,825)
Office equipment	(27,610)	-	27,610	-
Vehicles	(245,751)	(20,025)	23,579	(242,197)
Total accumulated depreciation	(6,884,730)	(484,399)	834,575	(6,534,554)
Total capital assets, being depreciated, net	7,886,604	684,319	(362,357)	8,208,566
Governmental activities capital assets, net	\$ 9,708,693	\$ 1,551,990	\$ (387,804)	\$ 10,872,879

The Business-type Activities property, plant and equipment consist of the following at June 30, 2016:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Business-type Activities				
Capital assets, not being depreciated				
Land	\$ 8,925	\$ -	\$ (8,925)	\$ -
Total capital assets, not being depreciated	8,925	-	(8,925)	-
Capital assets, being depreciated				
Buildings	304,114	-	(5,852)	298,262
Improvements other than buildings	15,291,218	827,800	(197,133)	15,921,885
Equipment	334,523	-	(218,228)	116,295
Vehicles	228,620	-	(3,031)	225,589
Total capital assets, being depreciated	16,158,475	827,800	(424,244)	16,562,031
Less accumulated depreciation for				
Buildings	(94,330)	(7,457)	4,852	(96,935)
Improvements other than buildings	(3,598,655)	(376,643)	110,023	(3,865,275)
Equipment	(205,574)	(7,845)	134,197	(79,222)
Vehicles	(216,720)	(6,800)	3,031	(220,489)
Total accumulated depreciation	(4,115,279)	(398,745)	252,103	(4,261,921)
Total capital assets, being depreciated, net	12,043,196	429,055	(172,141)	12,300,110
Business-type activities capital assets, net	\$ 12,052,121	\$ 429,055	\$ (181,066)	\$ 12,300,110

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
General government	\$ 26,324
Public safety	18,881
Highways and public works	347,416
Parks	53,672
Recreation	38,106
Total depreciation expense - governmental activities	\$ 484,399
Business-type Activities	
Water services	\$ 203,666
Sewer services	91,119
Storm sewer services	103,960
Total depreciation expense - business-type activities	\$ 398,745
Combined depreciation expense	\$ 883,144

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). In the governmental funds (using the modified accrual basis of accounting) only the unpaid amounts due to retired or terminated employees are recorded as liabilities. 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 \$27,850 of the compensated absences balance will be due in the next year.

NOTE 6 LONG-TERM DEBT NOTE

The following is summary of long-term debt transactions of the City for the year ended June 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities					
Sales Tax Revenue Bond, Series 2012	\$ 1,094,000	\$ -	\$ (78,000)	\$ 1,016,000	\$ 78,000
Total governmental bonds payable	1,094,000	-	(78,000)	1,016,000	78,000
Compensated absences	28,484	1,920	(1,251)	29,153	17,492
Net pension liability	137,429	72,974	-	210,403	-
Total governmental long-term liabilities	\$ 1,259,913	\$ 74,894	\$ (79,251)	\$ 1,255,556	\$ 95,492
Business-type Activities					
Water Revenue Bond, Series 2010	\$ 3,080,000	\$ -	\$ (75,000)	\$ 3,005,000	\$ 75,000
Bond Premium, Series 2010	143,319	-	(10,010)	133,309	
Total business-type bonds payable	3,223,319	-	(85,010)	3,138,309	75,000
Compensated absences	14,824	3,059	(620)	17,263	10,358
Net pension liability	74,002	39,293	-	113,295	-
Total business-type long-term liabilities	\$ 3,312,145	\$ 42,352	\$ (85,630)	\$ 3,268,867	\$ 85,358

The General Fund typically liquidates the liability for compensated absences.

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 LONG-TERM DEBT (Continued)

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.

The annual debt service requirements to maturity, including principal and interest, for the Sales Tax Revenue Refunding Bonds, Series 2012, as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Sales Tax Refunding Bonds, Series 2012</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 78,000	\$ 30,175	\$ 108,175
2018	83,000	27,859	110,859
2019	88,000	25,394	113,394
2020	87,000	22,780	109,780
2021	91,000	20,196	111,196
2022-2026	486,000	59,133	545,133
2027	103,000	3,059	106,059
	<u>\$ 1,016,000</u>	<u>\$ 188,595</u>	<u>\$ 1,204,595</u>

Water Revenue Bonds, Series 2010

The Water Revenue Bonds, Series 2010 were issued in August 2010. The \$3,445,000 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 2040. The proceeds of the bond were used to construct a culinary water storage reservoir, a pump station, and other related infrastructure.

The annual debt service requirements to maturity, including principal and interest, for the Water Revenue Bonds, Series 2010, as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Water Revenue Bonds, Series 2010</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 75,000	\$ 140,400	\$ 215,400
2018	75,000	138,713	213,713
2019	80,000	136,650	216,650
2020	80,000	134,250	214,250
2021	85,000	131,750	216,750
2022-2026	480,000	594,400	1,074,400
2027-2031	600,000	475,000	1,075,000
2032-2036	770,000	309,250	1,079,250
2037-2040	760,000	97,500	857,500
Total	<u>\$ 3,005,000</u>	<u>\$ 2,157,913</u>	<u>\$ 5,162,913</u>

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

NOTE 7 CONSTRUCTION COMMITMENTS

The City has active construction projects as of June 30, 2016.

<u>Project</u>	<u>Contract Amount</u>	<u>Paid to Date</u>	<u>Commitment Outstanding</u>
2016 Street Maintenance Project	\$ 151,937	\$ -	\$ 151,937

NOTE 8 TRANSFERS

During the year transfers were made which will not be repaid. Interfund transfers for the year ended June 30, 2016 are as follows:

	<u>Out</u>	<u>In</u>
Governmental:		
General fund	\$ 609,000	\$ -
Capital improvements	-	468,000
Country Fair Days	-	1,000
Recreation fund	-	140,000
	<u>\$ 609,000</u>	<u>\$ 609,000</u>

The purpose of the interfund transfers is to meet the City's ongoing cash needs for capital projects and to provide for cash operations in the Recreation Fund and Country Fair Days funds.

NOTE 9 RETIREMENT PLAN

Plan Description

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

- Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple employer, cost sharing, 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 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.

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

NOTE 9 RETIREMENT PLAN (Continued)

Benefits Provided

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

Summary of Benefits by System

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

Contributions

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 are as follows:

Utah Retirement Systems	Employee Paid	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System			
111 - Local Governmental Div - Tier 2	N/A	14.91%	1.78%
Noncontributory System			
15 - Local Governmental Div - Tier 1	N/A	18.47%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.69%	10.00%

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

SOUTH WEBER CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 RETIREMENT PLAN (Continued)

For fiscal year ended June 30, 2016, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 85,487	N/A
Tier 2 Public Employees System	21,380	-
Tier 2 DC Only System	949	N/A
Total Contributions	<u>\$ 107,816</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.

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

At June 30, 2016, we reported a net pension asset of \$45 and a net pension liability of \$323,697.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.0572056%	\$ -	\$ 323,697
Tier 2 Public Employees System	0.0206238%	45	-
Total Net Pension Asset / Liability		<u>\$ 45</u>	<u>\$ 323,697</u>

The net pension asset and liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015 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, 2016, we recognized pension expense of \$87,118.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 16,003
Changes in assumptions	-	18,291
Net difference between projected and actual earnings on pension plan	110,479	-
Changes in proportion and differences between contributions and	31,542	-
Contributions subsequent to the measurement date	53,764	-
Total	<u>\$ 195,785</u>	<u>\$ 34,294</u>

\$53,765 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, 2015.

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
2016	\$ 25,992
2017	25,992
2018	26,310
2019	30,173
2020	(134)
Thereafter	(605)

Actuarial Assumptions

The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary increases	3.50 – 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2015, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the 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. 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	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
	Inflation		2.75%
	Expected arithmetic nominal retur		7.98%

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

NOTE 9 RETIREMENT PLAN (Continued)

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 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. There was no change in the discount rate from the prior measurement date.

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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

<u>System</u>	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Noncontributory System	\$ 683,940	\$ 323,697	\$ 22,967
Tier 2 Public Employees System	8,256	(45)	(6,337)
Total	\$ 692,196	\$ 323,652	\$ 16,630

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>2016</u>	<u>2015</u>	<u>2014</u>
401(k) Plan			
Employer Contributions	\$ 33,313	\$ 19,778	\$ 16,027
Employee Contributions	37,992	23,829	22,000
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	3,636	1,156	567

NOTE 10 RESTATEMENT OF NET POSITION/FUND BALANCE

During the most recent fiscal year ended June 30, 2016, it was noted expenses incurred related to the future fiscal year, as well as a similar situation was present in the prior year as well. The net effect of the adjustments was as follows:

<u>Water Fund</u>	<u>Adjustment</u>
Net position, begining	\$ (125,389)
Prepaid expenses	125,389

The effect of this adjustment is reflected in the June 30, 2016 year-end amounts reported in the Water fund, and consequently in the Business-type activities in the Statement of Net Position.

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
General property taxes	\$ 343,300	\$ 343,300	\$ 353,886	\$ 10,586
Sales, use, and excise taxes	680,000	850,000	846,961	(3,039)
Franchise taxes	332,000	332,000	344,521	12,521
Licenses	173,000	173,000	234,237	61,237
Fines	120,000	120,000	121,390	1,390
Charges for services	11,700	11,700	80,845	69,145
Interest income	5,000	5,000	6,542	1,542
Intergovernmental	187,000	187,000	225,243	38,243
Miscellaneous revenue	5,500	5,500	15,230	9,730
Total Revenues	<u>1,857,500</u>	<u>2,027,500</u>	<u>2,228,855</u>	<u>201,355</u>
Expenditures				
General government				
Administrative	608,000	608,000	598,659	9,341
Legislative	56,000	56,000	47,696	8,304
Judicial	120,000	160,000	135,750	24,250
Public works				
Building inspection	72,500	77,500	71,224	6,276
Streets	211,000	211,000	184,320	26,680
Class "C" roads	501,500	171,500	74,549	96,951
Public safety				
Police and animal control	152,000	157,000	153,946	3,054
Fire protection	133,900	133,900	98,075	35,825
Parks	177,500	177,500	142,381	35,119
Debt service:				
Interest	22,000	22,000	22,000	-
Principal	9,100	9,100	9,098	2
Total Expenditures	<u>2,063,500</u>	<u>1,783,500</u>	<u>1,537,698</u>	<u>245,802</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(206,000)</u>	<u>244,000</u>	<u>691,157</u>	<u>447,157</u>
Other Financing Sources (Uses)				
Transfer in	-	-	-	-
Transfer out	(208,000)	(658,000)	(609,000)	49,000
Total Other Financing Sources (Uses)	<u>(208,000)</u>	<u>(658,000)</u>	<u>(609,000)</u>	<u>49,000</u>
Net Change in Fund Balance	<u>\$ (414,000)</u>	<u>\$ (414,000)</u>	82,157	<u>\$ 496,157</u>
Fund Balance, Beginning			<u>836,419</u>	
Fund Balance, Ending			<u>\$ 918,576</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 – RECREATION SPECIAL REVENUE FUND
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 146,500	\$ 146,500	\$ 136,417	\$ (10,083)
Interest income	-	-	1,963	1,963
Total Revenues	<u>146,500</u>	<u>146,500</u>	<u>138,380</u>	<u>(8,120)</u>
Expenditures				
Recreation	206,900	206,900	169,767	37,133
Debt service:				
Principal	56,200	56,200	56,000	200
Interest	23,400	23,400	26,044	(2,644)
Total Expenditures	<u>286,500</u>	<u>286,500</u>	<u>251,811</u>	<u>34,689</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(140,000)</u>	<u>(140,000)</u>	<u>(113,431)</u>	<u>26,569</u>
Other Financing Sources (Uses)				
Transfer in	140,000	140,000	140,000	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	26,569	<u>\$ 26,569</u>
Fund Balance, Beginning			<u>325,767</u>	
Fund Balance, Ending			<u>\$ 352,336</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
December 31, 2015
Last 10 Fiscal Years*

For the year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of its covered- employee payroll
Noncontributory Retirement System					
2015	0.0572056%	\$ 323,697	\$ 457,570	70.74%	87.8%
2014	0.0486916%	211,430	384,233	55.00%	90.2%
Tier 2 Public Employees Retirement System					
2015	0.0206238%	\$ (45)	\$ 133,243	-0.03%	100.2%
2014	0.2582740%	(783)	126,524	-0.06%	103.5%

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

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

SOUTH WEBERS CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
December 31, 2015
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- employee payroll	Contributions as a percentage of covered- employee payroll
Noncontributory System					
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*					
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*					
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.

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

SOUTH WEBER CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For fiscal year ended June 30, 2016

Changes in Assumptions

The following assumption changes were adopted from the most recent actuarial experience study. There was a decrease in the wage inflation assumption for all employee groups from 3.75% to 3.50%. Also there was a modification to the rate of salary increases for most groups. The payroll growth assumption was decreased from 3.5% to 3.25%. There was an improvement in the post-retirement mortality assumption for female educators and minor adjustments to the pre-retirement mortality assumption.

There were additional changes to certain demographic assumptions that generally resulted in: (1) more members are anticipated to terminate employment prior to retirement, (2) slightly fewer members are expected to become disabled, and (3) members are expected to retire at a slightly later age.

SUPPLEMENTAL INFORMATION

SOUTH WEBER CITY
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2016

	<u>Park Impact Fee Fund</u>	<u>Road Impact Fee Fund</u>	<u>Country Fair Days 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	\$ -	\$ -	\$ 9,575	\$ -	\$ -	\$ 9,575
Restricted cash and cash equivalents	54,791	212,171	-	141,144	35,999	444,105
Prepaid expenses	-	-	4,672	-	-	4,672
Total assets	<u>\$ 54,791</u>	<u>\$ 212,171</u>	<u>\$ 14,247</u>	<u>\$ 141,144</u>	<u>\$ 35,999</u>	<u>\$ 458,352</u>
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 120	\$ -	\$ -	\$ 120
Unearned revenue	-	-	12,131	-	-	12,131
Total liabilities	<u>-</u>	<u>-</u>	<u>12,251</u>	<u>-</u>	<u>-</u>	<u>12,251</u>
Fund Balances:						
Nonspendable						
Prepaid expenses	-	-	4,672	-	-	4,672
Restricted:						
Impact fees	54,791	212,171	-	141,144	35,999	444,105
Unassigned			(2,676)			(2,676)
Total fund balances	<u>54,791</u>	<u>212,171</u>	<u>1,996</u>	<u>141,144</u>	<u>35,999</u>	<u>446,101</u>
Total liabilities and fund balances	<u>\$ 54,791</u>	<u>\$ 212,171</u>	<u>\$ 14,247</u>	<u>\$ 141,144</u>	<u>\$ 35,999</u>	<u>\$ 458,352</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, 2016

	Park Impact Fee Fund	Road Impact Fee Fund	Country Fair Days Fund	Recreation Impact Fee Fund	Public Safety Impact Fee Fund	Total Nonmajor Governmental Funds
Revenues:						
Impact fees	\$ 35,088	\$ 40,687	\$ -	\$ 33,360	\$ 7,056	\$ 116,191
Charges for services	-	-	43,907	-	-	43,907
Interest income	685	1,249	45	824	214	3,017
Total Revenues	<u>35,773</u>	<u>41,936</u>	<u>43,952</u>	<u>34,184</u>	<u>7,270</u>	<u>163,115</u>
Expenditures:						
Recreation	-	-	50,029	-	-	50,029
Capital outlay	89,288	-	-	-	-	89,288
Total Expenditures	<u>89,288</u>	<u>-</u>	<u>50,029</u>	<u>-</u>	<u>-</u>	<u>139,317</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(53,515)</u>	<u>41,936</u>	<u>(6,077)</u>	<u>34,184</u>	<u>7,270</u>	<u>23,798</u>
Other Sources (Uses)						
Transfers in	-	-	1,000	-	-	1,000
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Net Change in Fund Balance	(53,515)	41,936	(5,077)	34,184	7,270	24,798
Fund Balance, Beginning	<u>108,306</u>	<u>170,235</u>	<u>7,073</u>	<u>106,960</u>	<u>28,729</u>	<u>421,303</u>
Fund Balance, Ending	<u>\$ 54,791</u>	<u>\$ 212,171</u>	<u>\$ 1,996</u>	<u>\$ 141,144</u>	<u>\$ 35,999</u>	<u>\$ 446,101</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, 2016

	<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				
Interest income	\$ 2,000	\$ 2,000	\$ 7,764	\$ 5,764
Contributions	-	-	1,228	1,228
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>8,992</u>	<u>6,992</u>
Expenditures				
Capital outlay	<u>407,000</u>	<u>549,000</u>	<u>319,108</u>	<u>229,892</u>
Total Expenditures	<u>407,000</u>	<u>549,000</u>	<u>319,108</u>	<u>229,892</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(405,000)</u>	<u>(547,000)</u>	<u>(310,116)</u>	<u>236,884</u>
Other Financing Sources (Uses)				
Transfer in	<u>410,000</u>	<u>552,000</u>	<u>468,000</u>	<u>(84,000)</u>
Total Other Financing Sources (Uses)	<u>410,000</u>	<u>552,000</u>	<u>468,000</u>	<u>(84,000)</u>
Net Change in Fund Balance	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>157,884</u>	<u>\$ 152,884</u>
Fund Balance, Beginning			<u>1,298,732</u>	
Fund Balance, Ending			<u>\$ 1,456,616</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact fees	\$ 34,000	\$ 34,000	\$ 35,088	\$ 1,088
Interest income	-	-	685	685
Total Revenues	<u>34,000</u>	<u>34,000</u>	<u>35,773</u>	<u>1,773</u>
Expenditures				
Capital outlay	<u>91,000</u>	<u>96,000</u>	<u>89,288</u>	<u>6,712</u>
Total Expenditures	<u>91,000</u>	<u>96,000</u>	<u>89,288</u>	<u>6,712</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(57,000)</u>	<u>(62,000)</u>	<u>(53,515)</u>	<u>8,485</u>
Net Change in Fund Balance	<u>\$ (57,000)</u>	<u>\$ (62,000)</u>	<u>(53,515)</u>	<u>\$ 8,485</u>
Fund Balance, Beginning			<u>108,306</u>	
Fund Balance, Ending			<u>\$ 54,791</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact fees	\$ 20,000	\$ 25,000	\$ 40,687	\$ 15,687
Interest income	500	500	1,249	749
Total Revenues	<u>20,500</u>	<u>25,500</u>	<u>41,936</u>	<u>16,436</u>
Expenditures				
Capital outlay	-	5,000	-	5,000
Total Expenditures	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>20,500</u>	<u>20,500</u>	<u>41,936</u>	<u>21,436</u>
Net Change in Fund Balance	<u>\$ 20,500</u>	<u>\$ 20,500</u>	41,936	<u>\$ 21,436</u>
Fund Balance, Beginning			<u>170,235</u>	
Fund Balance, Ending			<u>\$ 212,171</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 COUNTRY FAIR DAYS FUND
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 46,850	\$ 46,850	\$ 43,907	\$ (2,943)
Interest income	-	-	45	45
Total Revenues	<u>46,850</u>	<u>46,850</u>	<u>43,952</u>	<u>(2,898)</u>
Expenditures				
Recreation	<u>48,950</u>	<u>50,950</u>	<u>50,029</u>	<u>921</u>
Total Expenditures	<u>48,950</u>	<u>50,950</u>	<u>50,029</u>	<u>921</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,100)</u>	<u>(4,100)</u>	<u>(6,077)</u>	<u>(1,977)</u>
Other Financing Sources (Uses)				
Transfer in	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (2,100)</u>	<u>\$ (3,100)</u>	<u>(5,077)</u>	<u>\$ (1,977)</u>
Fund Balance, Beginning			<u>7,073</u>	
Fund Balance, Ending			<u>\$ 1,996</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 RECREATION IMPACT FEE FUND
For The Year Ended June 30, 2016

	<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				
Impact fees	\$ 30,000	\$ 30,000	\$ 33,360	\$ 3,360
Interest income	-	-	824	824
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>34,184</u>	<u>4,184</u>
Expenditures				
Capital outlay	72,000.00	72,000.00	-	72,000
Total Expenditures	<u>72,000</u>	<u>72,000</u>	<u>-</u>	<u>72,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(42,000)</u>	<u>(42,000)</u>	<u>34,184</u>	<u>76,184</u>
Net Change in Fund Balance	<u>\$ (42,000)</u>	<u>\$ (42,000)</u>	<u>34,184</u>	<u>\$ 76,184</u>
Fund Balance, Beginning			<u>106,960</u>	
Fund Balance, Ending			<u>\$ 141,144</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 RECREATION IMPACT FEE FUND
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact fees	\$ 5,000	\$ 5,000	\$ 7,056	\$ 2,056
Interest income	-	-	214	214
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>7,270</u>	<u>2,270</u>
Expenditures				
Public safety	-	-	-	-
Capital outlay	22,800	22,800	-	22,800
Total Expenditures	<u>22,800</u>	<u>22,800</u>	<u>-</u>	<u>22,800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,800)</u>	<u>(17,800)</u>	<u>7,270</u>	<u>25,070</u>
Net Change in Fund Balance	<u>\$ (17,800)</u>	<u>\$ (17,800)</u>	<u>7,270</u>	<u>\$ 25,070</u>
Fund Balance, Beginning			<u>28,729</u>	
Fund Balance, Ending			<u>\$ 35,999</u>	

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