

*West Valley City
State of Utah*

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

Year Ended June 30, 2018



WEST VALLEY CITY
STATE OF UTAH

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**
Year Ended June 30, 2018

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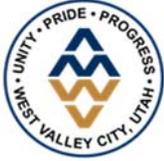


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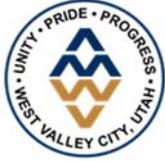


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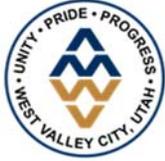


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West Valley City

INTRODUCTORY SECTION

**TRANSMITTAL LETTER**
FY 2017-2018

December 14, 2018

Honorable Mayor and Members of the City Council
West Valley City, Utah

Mayor and City Council:

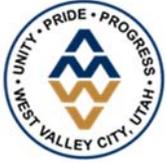
The Comprehensive Annual Financial Report (CAFR) of West Valley City, Utah (the City), for the fiscal year ended June 30, 2018 is herewith submitted. This report has been prepared by the City's Finance Department. The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with City management. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report has been prepared to strictly follow the guidelines recommended by the Government Finance Officers Association (GFOA). Those governments whose annual financial reports are judged to conform substantially with high standards of public financial reporting including generally accepted accounting principles promulgated by the Government Accounting Standards Board, may be awarded a Certificate of Achievement for Excellence in Financial Reporting. This report will be submitted to the GFOA for consideration of this award.

The report complies with the financial reporting model required by the Governmental Accounting Standards Board (GASB). In addition to the fund financial information currently presented in the City's financial statements, this report includes government-wide financial statements. The government-wide financial statements include a Statement of Net Position that reports the total assets and deferred outflows of resources of the City, including all capital assets (including infrastructure), net of liabilities and deferred inflows of resources, and a Statement of Activities that shows the cost of providing government services.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

The City is required to undergo a single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Information related to this single audit, including the schedule of expenditures of federal awards and independent auditors' report on compliance and on internal control over financial reporting, is included in a separate report issued to the City dated December 13, 2018.



TRANSMITTAL LETTER (continued)

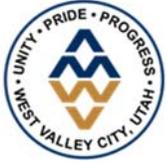
THE REPORTING ENTITY AND ITS SERVICES

This report includes all of the funds of the City. A full range of municipal services excluding water, sewer, and electricity are provided by this municipality. Revenues within the general fund are utilized by the City to provide public safety including fire, police, and ordinance enforcement. Other services provided include ambulance service, streets, storm water drainage, golf courses, Maverik Center, Family Fitness Center, Utah Cultural Celebration Center, sanitation, parks, planning & zoning, Harman Home Seniors Center, general legislative, and administrative services.

The City operates a number of special revenue funds, including the Redevelopment Agency, Community Services Fund, and Grants Fund; also, capital projects funds for Roads, Parks, Fire, Police, and Flood Control impact fees, and the Building Authority, a debt service fund. The Building Authority is used to accumulate resources to service lease revenue bonds issued to finance the construction of several major facilities, including the Maverik Center, the Fitness Center, fire stations, the City's maintenance shop, new police headquarters building, and parking plaza. The Redevelopment Agency assists businesses seeking to locate within the City, and identifies and renovates blighted areas of the City. The Community Services Fund provides Sanitation services to the City's citizens and operates City facilities, including operations of the Maverik Center, Hale Centre Theatre, Family Fitness Center, and Utah Cultural Celebration Center. The Grants Fund was created to match and segregate grant-related revenues and expenditures which were previously included in the General Fund. The Utah Cultural Celebration Center Foundation Fund, a nonprofit organization, was created to solicit donations to fund community programs and exhibits at the Utah Celebration Center. The Road, Park, Fire, Police, and Flood Control Impact Fee Funds utilize impact fees charged on new construction in the City to provide capital improvements and infrastructure required by new growth.

The City operates four enterprise funds. The Golf Courses Fund reports operations of the City's two courses, The Ridge Golf Club and Stonebridge Golf Course. The Ridge Golf Club provides a buffer zone for the Alliant Tech System Inc. (formerly Hercules Inc.) facility as well as a recreation area for the community; it was reconfigured in 2013 to accommodate Utah Department of Transportation's (UDOT's) transportation corridor. Stonebridge Golf Course provides a high-quality recreation facility and catered reception center, as well as providing green space within the City's business and industrial areas. The Storm Water Utility uses assessed fees to construct and maintain storm water drainage infrastructure in the City. The City's Housing Authority assists in providing low-cost housing to low-income residents. The Ambulance Fund reports operations of the City's ambulance service, providing emergency response services to City residents.

West Valley City owns the Maverik Center, an events center and hockey arena, which is operated by Centennial Management. It is the home of the Utah Grizzlies, and was the venue of the 2002 Winter Olympics for men's hockey. It is also used for concerts, basketball tournaments, and other public events. Previously known as the E Center, the naming rights were sold to Maverik Convenience Stores.



TRANSMITTAL LETTER (continued)

Taxing entities within the boundaries of West Valley City including Salt Lake County, Granite School District, Granger Hunter Improvement District, Magna Water Company, Magna Mosquito Abatement District, Taylorsville Bennion Improvement District, Kearns Improvement District, Central Utah Water Conservation District, Salt Lake County Mosquito Abatement District, and Salt Lake County Water Conservancy District do not meet the criteria to be included in the reporting entity, and are therefore excluded from this CAFR.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the City's accounting system, consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. We believe the City's internal accounting controls adequately safeguard the assets and provide reasonable assurance of proper recording of financial transactions.

The City's accounting records for general government operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the City's enterprise funds are on an accrual basis.

By State law, the City Manager of West Valley City is required to submit a proposed budget to the City Council by the first regularly scheduled meeting of the City Council in May. The City Council then reviews with the City Manager, through the budget hearing process, all budget requests. The City Council then adopts a tentative budget, which is then placed before the public to review. Comments are received, requests and recommendations are considered, then after due consideration, the City Council may adopt the budget before June 22 if no tax adjustments are considered. Historically the City Council has elected to consider adoption of the judgment levy each fiscal year in order to maintain property tax revenues at previous year's levels. Due to recent changes in state law, they may also consider adjusting the property tax rate to reflect prior year collections. If these changes to the tax rate are considered or a tax increase is proposed, an additional advertising and public hearing process is required with the final budget adoption on or before August 17.

The City's budget is an annual budget. The Budget/purchasing system used by the City allows City administration and departments to allocate the annual budget on a monthly basis, restricting spending to the amount allocated during the year to date.



TRANSMITTAL LETTER (continued)

GENERAL GOVERNMENT FUNCTIONS

The following schedule presents summaries of all revenues and expenditures for the General Fund for the fiscal years ended June 30, 2018 and 2017, and the percentage of increases and decreases compared to the prior year. Overall, General Fund revenues and expenditures increased over the previous year. Total revenues in 2018 increased by \$2,542,566, a 3.19% increase from 2017; expenditures increased by \$781,243, a 1.06% increase from 2017. The largest increase came in sales taxes, which rose by \$1,541,897 or 6.14%. This continues a trend of strong economic growth, within the City and in the overall economy; this is significant since sales tax provides over 32% of general fund revenues. Property tax, which contributes over 36% of general fund revenues, was almost unchanged from the previous year. Licenses and permits grew by \$361,595, an 8.65% increase, largely due to building permits, also indicating a healthy local economic environment. Intergovernmental revenues decreased by \$230,724 or 5% due to decreased C roads tax revenues from the State. Fines and forfeitures increased by \$320,506 or 12.97% reflecting increased police staffing allowing more focus on enforcement issues. Other operating revenues remained near previous year levels. Revenue from sales of capital assets increased by \$826,494 from the previous year's minimal proceeds; annual fluctuations are inherent in revenues of this nature.

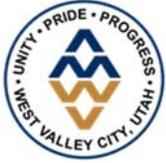
Overall operating expenditures increased by \$781,243, or 1.06%; considering the requirements for providing services for the growing City, this management of budgeted expenditures is significant. Legislative expenditures decreased by \$116,738; swings are normal for this department based on increased or reduced professional consulting services used during the year, as well as election related expenditures in odd years. Police Department expenditures increased by \$1,606,082, or 6.87%, as the City continued to increase its public safety presence, filling vacant positions and expanding its overall staffing level, and providing additional equipment and supplies for the expanded staff. Fire Department expenditures rose, increasing by \$869,469, or 8.93% due to increased personnel costs. Highways and Public Improvements increased by \$1,664,939, 22.43% from the previous year's lower than normal expenditure, due to increased maintenance costs in addition to several major projects undertaken during the year. Debt Service decreased significantly, by \$3,018,120, or 44.56% from the previous year's unusually high level resulting from debt refunding which called and paid existing bond issues, resulting in a total economic gain of over \$200,000 over the remaining term of the bonds. 2018 debt service expenditures were more in line with recent years' averages. Expenditures in other departments showed only minor increases or decreases due to normal operating fluctuations.



TRANSMITTAL LETTER (continued)

Revenues General Fund	FY 2017-2018	FY 2016-2017	Increase (Decrease)	Percent Change
General Property Taxes	\$29,722,496	\$29,841,324	\$(118,828)	(0.40)%
Sales and Use Taxes	26,667,764	25,125,867	1,541,897	6.14%
Utility Taxes (Franchise)	10,067,122	10,218,539	(151,417)	(1.48)%
Licenses and Permits	4,543,730	4,182,135	361,595	8.65%
Intergovernmental	4,388,772	4,619,496	(230,724)	(4.99)%
Fines and Forfeitures	2,840,521	2,520,015	320,506	12.72%
Charges for Services	519,743	801,279	(281,536)	(35.14)%
Interest on Investments	978,106	705,738	272,368	38.59%
Sale of Capital Assets	832,444	5,950	826,494	13,890.66%
Miscellaneous	1,642,893	1,640,682	2,211	0.13%
TOTAL	\$82,203,591	\$79,661,025	\$2,542,566	3.19%

Operating Expenditures General Fund	FY 2017-2018	FY 2016-2017	Increase (Decrease)	Percent Change
Legislative	\$824,309	\$941,047	\$(116,738)	(12.41)%
Administrative	9,193,852	9,094,615	99,237	1.09%
Legal	3,545,329	3,440,654	104,675	3.04%
Finance	1,748,855	1,641,952	106,903	6.51%
Indigent Defense	480,137	380,372	99,765	26.23%
Police	24,998,333	23,392,251	1,606,082	6.87%
Fire	10,607,078	9,737,609	869,469	8.93%
Highways and Public Improvements/Capital outlay	9,086,182	7,421,243	1,664,939	22.43%
Parks and Recreation	2,218,333	2,158,692	59,641	2.76%
Community Development	3,909,711	4,081,870	(172,159)	(4.22)%
Non Departmental	4,038,628	4,561,079	(522,451)	(11.45)%
Debt Service	3,754,413	6,772,533	(3,018,120)	(44.56)%
TOTAL	\$74,405,160	\$73,623,917	\$781,243	1.06%



TRANSMITTAL LETTER (continued)

DEBT ADMINISTRATION

West Valley City has no bonded general obligation debt. However, we recognize the need to have the ability to issue revenue bonds and utilize lease purchasing.

The ratios of net debt to the assessed valuation of taxable property and the amount of general debt per capita are useful indicators of the City's debt position for municipal management, citizens, and investors. This data for West Valley City, at the end of the 2018 fiscal year is as follows:

Governmental Activities Long-term Debt	\$185,904,113
Legal Limit of General Obligation Debt	\$402,713,760
Ratio of Debt to Assessed Value	2.73%
Ratio of Debt to Percent Market Value	1.85%
Debt Per Capita	\$1,355.02

CAPITAL ASSETS

As of June 30, 2018 the capital assets of the City, net of depreciation, were \$460,886,303. Assets are used in the performance of general government functions. This amount represents the original cost of the assets, with the exception of infrastructure acquired at the time of the City's incorporation in 1980. These assets are valued at estimated cost adjusted for inflation. As of June 30, 2018, the City is required by GASB 34 to include infrastructure in capital assets. Infrastructure includes streets, right of ways, sidewalks, bridges, traffic signals, and storm water drainage structures. Donated assets are capitalized at their acquisition value on the date received. In accordance with GASB 34, depreciation is not recognized for governmental funds at the fund level but is included on the entity-wide financial statements. Depreciation is recognized in the Golf Courses, Storm Water Utility, Housing Authority, and Ambulance Service enterprise funds.

ECONOMIC CONDITION AND OUTLOOK

West Valley City's financial situation reflects the general economy's continuing, but moderate positive trend. The City's overall outlook is somewhat positive. As noted above, total General Fund revenues increased in areas that reflect continuing growth and activity within the City. The City has maintained tight controls on spending, keeping overall expenditures below budget while operating revenues continue to improve. Sales tax receipts continued to grow, improving by over 6% over the previous year. The City's landscape is changing, with more development in process and planned. The City Center area surrounding Valley Fair Mall and the City Office complex has been and continues to be revitalized, with significant additions in process which are making the area a focal point for business and community activity, providing additional tax and revenue sources for the City. The City has been able to maintain its focus on major aspects of its strategic plan and continue to accommodate the service requirements mandated by its recent growth, while keeping tight control of expenditures.

The focus of the City's economic activity is centered around the following projects:



TRANSMITTAL LETTER (continued)

Lake Park Corporate Center and Highbury Residential Community

Located just west of Bangerter Highway and 2400 South, Lake Park Corporate Center's 875 acres make it the largest office/recreation complex in the state. Owned and developed by Zions Securities, Phase I of the Park includes 375 acres for deluxe office campuses, such as the three story, 2,000 employee regional headquarters for Discover Credit Card, and the corporate headquarters for Intermountain Health Care. When completed, the park may employ as many as 12,000 workers. The remaining acreage is designed to preserve and enhance the natural habitat for birds and other wildlife, utilizing a 27-hole Johnny Miller golf course, and a multitude of lakes, trails and open space. The City-owned Stonebridge Golf course provides recreation opportunities within the City, and ensures continuing green space.

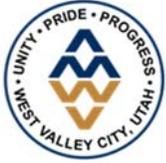
Also being developed by Zions Securities, Highbury residential community continues to develop and provide varied options for high quality residences. Citizens choosing to live there enjoy the option of living, working, recreating, and shopping all within walking distance of their homes. The scale of this project, at 400 acres, combines the intimate feel described as well as a large enough size to make it the premiere community in the City.

West Valley Entertainment District

The \$57.5 million E Center was renamed the Maverik Center after reaching an agreement on naming rights with Maverik Convenience Stores. Located east of I-215 at 3200 South, the Maverik Center opened September 1997 and served as the venue for men's ice hockey during the 2002 Winter Olympics. The 10,400 seat arena is currently the home of the Utah Grizzlies professional hockey team. The Center is also used for collegiate and high school athletic events, concerts, circuses, ice shows, rodeos, conventions, and a variety of special events.

The 57-acre site around the Maverik Center now has more than 800 hotel rooms, plus a variety of restaurants, with additional development in various stages of completion.

In addition to the Maverik Center bringing an important entertainment dimension to Salt Lake County, it also stimulates economic development. Select Portfolio Servicing, or SPS, has established corporate offices in the area, with almost 1,000 employees. Two new hotels in the area directly north of the Maverik Center have opened, encouraging tourism and contributing tax revenues to the City. The nearly 2,000 potential jobs from development in and around the Maverik Center have a potential to infuse the regional economy with payroll wages in excess of \$40 million. Additionally, the Maverik Center and surrounding businesses have raised the City's profile among Salt Lake valley residents; it is now more than ever a destination for valley residents and visitors. The Utah Cultural Celebration Center (UCCC) was completed in 2003 and is designed to showcase the various ethnic communities that comprise West Valley City and the surrounding area. The UCCC hosts art exhibits, cultural awareness events, and concerts highlighting the diverse nature of West Valley City's residents as well as providing a venue with multiple halls and meeting rooms available for public or private use.



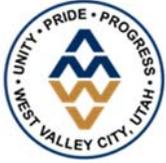
TRANSMITTAL LETTER (continued)

5600 West

The 5600 West corridor area continues to be the City's fastest developing area. The street has been widened to accommodate increased traffic as the City's population continues to grow in this area, and businesses are taking advantage of the increased access and population base. The largest of the businesses is Wal Mart, which is operating two Super Wal Marts - one on the north end of the 5600 West corridor, and the second on the south end. Several other major retail enterprises, including Kohl's, a large WINCO grocery store and a Super Target store are operating, with more businesses and restaurants continuing to open in this area. A Cinemark Theater multiplex offers local entertainment options to the growing number of residents. A large planned-unit development has also been constructed in this area and is currently being marketed to homebuyers. This growth is providing a healthy boost to the City's tax base. A 20,000 capacity amphitheater operated by United Concerts/Pristine Alpine Entertainment brings in high-profile concerts scheduled throughout the summer season. The state of the art facility further raises West Valley City's profile as an entertainment destination, as well as further opening the West Ridge area for development. The Ridge Golf Club, formerly West Ridge Golf Course, a City-owned course operated since 1992, provides another recreation outlet in the area. During 2012 the Utah Department of Transportation (UDOT) purchased a section of the golf course, along with other City-owned properties and extended its western corridor highway system; this enhanced access should also provide impetus for further growth along 5600 West and neighboring areas. The golf course was closed for much of 2012, but reopened in June of 2013 with a scenic, redesigned layout and new name.

City Center

The City Center Redevelopment Project is the City's newest area of major development. The area is focused around Valley Fair Mall and the City Offices complex. The owners of the mall have aggressively expanded the mall property, bringing in a significant number of restaurants, a Miller MegaPlex Theater, and other businesses to expand the mall's scope. A Costco warehouse store opened in 2007 adjacent to the mall property, enhancing the commercial draw of the area. As part of the overall plan for the area, the City's Redevelopment Agency (RDA) has acquired business and residential properties in the area and has sold most of these properties to several developers. When completed, the development is planned to provide a destination for residents and shoppers in a relaxed, open space area. The City has completed a plaza and promenade extending several blocks west of the City Center, which hosts weekly open concerts by local and visiting performers during the summer months, along with numerous food truck options. In partnership with the Utah Transit Authority (UTA), Fairbourne Station is the terminus for the West Valley spur of UTA's light rail system and part of its area transportation hub. As part of the Fairbourne Station area development, The City is constructing a new expanded Police Headquarters Building; a privately-owned office building is also under construction, which will share a multilevel parking plaza with City offices. In addition, construction is underway for a medical/office complex. The City Center development area also includes an Embassy Suites Hotel, which opened in January 2013. Land previously acquired by the RDA was sold to Ivory Company, a large local development company with several other residential developments in the City. A large apartment complex is now open and renting, bringing in younger urban residents and additional traffic for area businesses; as of June



TRANSMITTAL LETTER (continued)

30, 2018, Ivory was in the process of implementing a second phase of their City Center apartment complex. The combination of business, residential, and public/park development, combined with the mass transit options, are changing the look and environment around the City Center. These and similar improvements still in the planning stage will continue to enhance the City Center's draw for City and area residents.

MAJOR INITIATIVES

STRATEGIC PLAN

West Valley City's administration facilitates and implements the City's annual strategic planning process. This strategic plan combines staff recommendations for service needs, Council input for policy prioritization, and reflects desires of the citizenry through such tools as the annual citizen survey and direct contact. The City's administration and City Council have found this input to be very valuable in determining the direction of the City's growth and allocation of resources. The objectives identified in the current strategic plan are as follows:

- Public Safety
- Citizen Involvement
- Education
- Place Making
- Fiscal Responsibility
- Neighborhood Enhancements

Each objective has a number of specific goals, which may change as goals are met, concerns addressed, and new objectives defined.

PUBLIC SAFETY

The City has been actively responding to the citizens' concerns in this area. The City has made a conscious effort to fill vacant positions and increase overall staffing within the police department to address concerns about response time expressed by citizens, and to develop a more visible presence in neighborhood streets and public places. The Police Department is coordinating efforts with other involved departments to improve neighborhoods and remove some of the causes of juvenile crime. The Police and Fire departments provide safety presentations in City elementary schools. The Police Department is participating in the federal COPS (Community Oriented Policing) grant program to provide additional resources and training in this area. The Community Oriented Service Division is modeling and implementing new ways to track and respond to neighborhood safety issues. The City's efforts are reflected in a drop in major crime rates despite a growing population and harsh social and economic conditions that often result in upward pressures. Responding to the increasing emergency calls resulting from the growing population, as of June 30, 2018 the Fire Department was expanding several existing fire stations and building a new station adjacent to growing population areas.



TRANSMITTAL LETTER (continued)

CITIZEN INVOLVEMENT

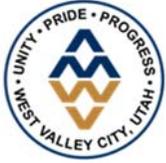
The City is constantly working to improve communications between citizens and City staff; a City website, set up to provide online access to City information, is continually updated, with additional information and information links being added, along with a public access television channel to create more involved and informed citizens. A monthly newsletter is also mailed out to citizens. Citizen input is actively requested in bringing issues to the City's attention, including an annual citizen survey process. City CDBG grant resources are being used to provide assistance to elderly and disabled citizens, funding emergency repairs they could not otherwise afford. The City's Parks and Recreation Department operates several facilities and programs offering multiple recreation opportunities to citizens.

EDUCATION

Focused efforts are being made to cultivate higher educational partnerships and programs regarding employment, housing, and educating residents to increase the number of college graduates in the City. The City's after-school program partnership is also seeing success coordinating after school programs for students.

PLACE MAKING

A new area of focus identified in the most recent Strategic Plan, Place Making involves identifying and improving West Valley City's image and place in the local community. Transportation is part of this place; as West Valley City grows, increased capacity on the City's streets becomes more important. The City has been studying methods of facilitating traffic flow and improving transportation systems. These improvements include a coordinated signal system and continuing a street resurfacing program to maintain the City's infrastructure investment. As population continues to grow, mass transit must play an increasingly important role. The 3500 South corridor is a focus of attention, with planners working to make a more efficient traffic flow design and incorporating mass transit options. The City is working with the Utah Transit Authority (UTA) and neighboring cities on mass transit issues. UTA is operating the state's first Bus Rapid Transit System, referred to as "MAX," operating along 3500 South through the City. The light rail spur from the main line running down the center of the valley to West Valley City was completed in August of 2011 and is now operating at near capacity. The spur terminates at City Hall at Fairbourne Station, the new intermodal transportation hub. The City is taking advantage of these transportation options in developing its City Center area and is partnering with developers to stimulate complementary transit-oriented growth. Efforts are being made to recognize and embrace the City's diverse cultural and ethnic makeup. The City's Utah Cultural Celebration Center is a constant source of exhibits and programs showcasing arts and highlighting the diverse nature of the City's population. Increased recycling stations and programs are being implemented to provide working examples of environmental responsibility.



TRANSMITTAL LETTER (continued)

SUMMARY

The City's economic and social environment continues to change, reflecting the larger society around it. Changes in property taxes, increasing e-commerce, and changes in the overall economy present challenges in projecting revenues; at the same time, a growing, changing City population requires the City to meet changing needs. The need for effective long-range planning is more important than ever. As a result of several years of conservative spending policies, the City has accumulated fund balance which has provided some cushion during the recent challenging economic cycles. The realities of the national and local post-recession economy dictate ongoing planning by management to meet citizens' needs. Demand still outstrips resources, requiring careful allocation of City resources.

That the City is able to accomplish so much during a period of tight economic circumstances is a tribute to the planning and commitment of the Mayor and Council. Successfully coordinating efforts to finish current projects while planning for new growth and improvements is only possible through continued direction and commitment, together with good management and focus from a dedicated staff. West Valley continues to show itself a leader in this area.

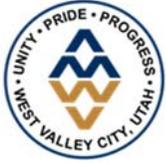
ACKNOWLEDGMENTS

West Valley City has established itself as a major and vital part of the economic and political environment of the greater Salt Lake Valley metropolitan area. Increasingly, West Valley City plays a leadership role in all aspects of life here. That the City continues to move so far, so quickly, can be attributed to the vision and dedication to pursuing common goals and objectives identified, defined and then carried out by the community as a whole, including residents, businesses, the City's staff, and especially its elected officials. The City Manager's tireless efforts in implementing the City Council's vision are guiding the City towards the brightest future possible. Without cooperative, unselfish and dedicated City leadership, the vision that guides the strategic plan would remain only a vision.

These significant achievements are a result of the Mayor and Council's dedication to strong planning through the Strategic Plan and their continued commitment to achieve effective government for the citizens of West Valley City.

CONCLUSION

Citizens of West Valley City can take great pride in their City. The City is successfully implementing the Strategic Plan, designed to improve the quality of life and effectiveness of delivering City services while at the same time promoting quality recreation and lifestyle opportunities, and providing the infrastructure improvements required by a growing citizen base. Achievements of this magnitude are only possible with clear direction from the Mayor and Council and good management from Executive Staff.



TRANSMITTAL LETTER (continued)

INDEPENDENT AUDIT

State law and City Municipal Code require the financial statements of West Valley City to be audited annually by a Certified Public Accountant selected by the City Council. This requirement has been complied with and the auditor's opinion is included in the Financial Section of this report. This report has been audited by the firm of Keddington & Christensen, LLC, whose examination was made for the purpose of forming an opinion on the basic financial statements. As stated in the report, the independent auditors have given an unmodified opinion that the City's basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded Certificates of Achievement for Excellence in Financial Reporting to West Valley City for its Comprehensive Annual Financial Reports for the fiscal years ended June 30, 1991, and 1993 through 2017. The Certificate of Achievement is a prestigious award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that this report conforms to the Certificate of Achievement Program requirements and is being submitted to the GFOA.



TRANSMITTAL LETTER
(continued)

ACKNOWLEDGMENTS

The timely preparation of this report was achieved by the efficient and dedicated accomplishments of the entire staff of West Valley City, to whom we offer our sincere appreciation.

Respectfully submitted,

WEST VALLEY CITY

Wayne T. Pyle
City Manager of West Valley City

James D. Welch
Finance Director of West Valley City

Don L. Groo
Chief Accountant of West Valley City



LISTING OF CITY OFFICIALS
FY 2017-2018

WEST VALLEY CITY, UTAH
PRINCIPAL OFFICIALS
June 30, 2018

CITY COUNCIL

<i>Mayor</i>	Ron Bigelow
<i>Councilmember at Large</i>	Don Christensen
<i>Councilmember at Large</i>	Lars Nordfelt
<i>District 1 Councilmember</i>	Tom Huynh
<i>District 2 Councilmember</i>	Steve Buhler
<i>District 3 Councilmember</i>	Karen Lang
<i>District 4 Councilmember</i>	Jake Fitisemanu

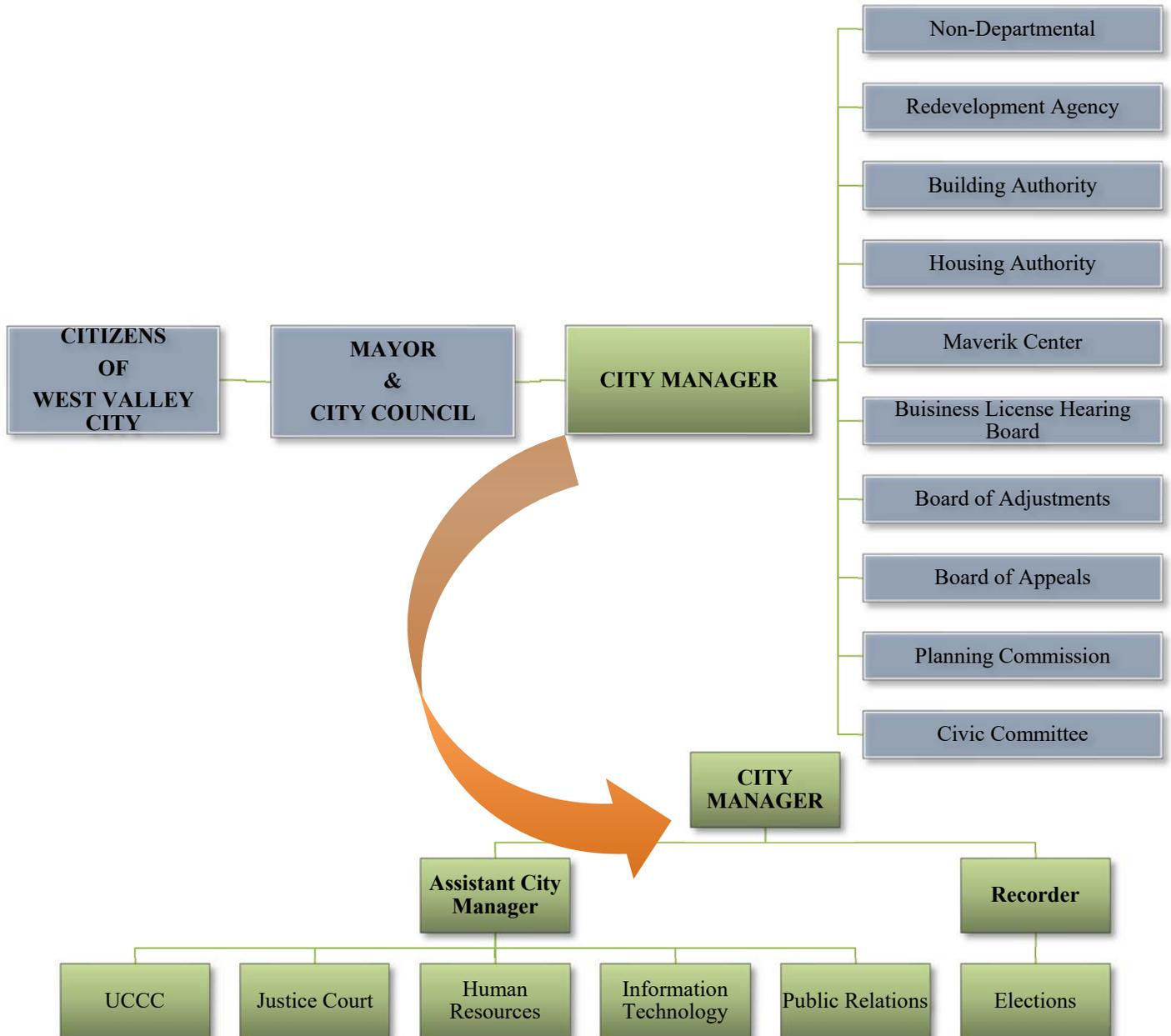
CITY ADMINISTRATION

<i>City Manager</i>	Wayne T. Pyle
<i>Assistant City Manager</i>	Paul D. Isaac
<i>City Recorder</i>	Nichole Camac
<i>City Attorney</i>	J. Eric Bunderson
<i>Community Development Director/Assistant City Manager</i>	Nicole Cottle
<i>Community Preservation Director</i>	Layne Morris
<i>Finance Director</i>	James D. Welch
<i>Fire Chief</i>	John Evans
<i>Parks & Recreation Director</i>	Nancy Day
<i>Police Chief</i>	Colleen Jacobs
<i>Public Works Director</i>	Russell B. Willardson



ORGANIZATIONAL CHART

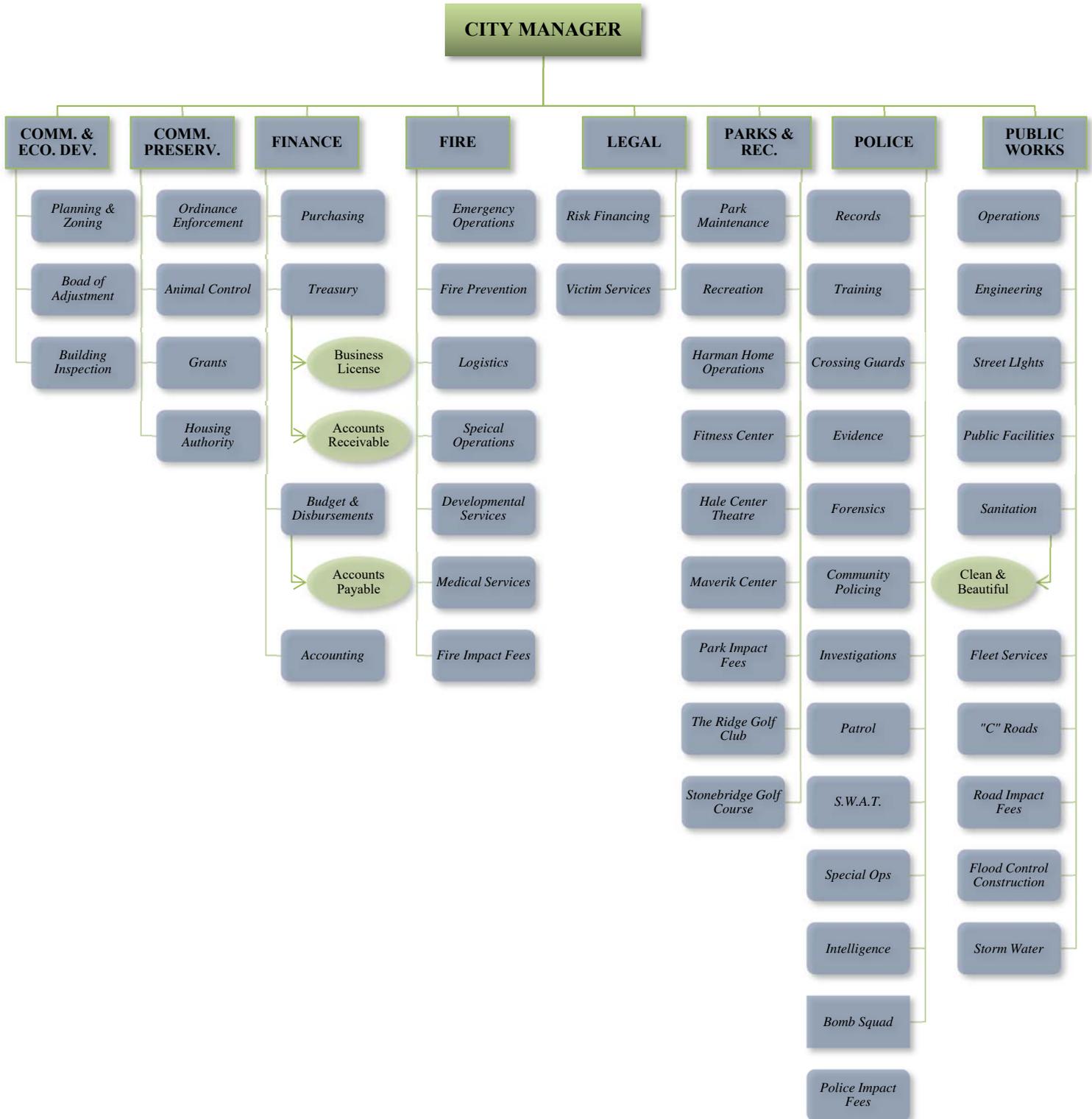
FY 2017-2018





ORGANIZATIONAL CHART

(continued)





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**West Valley City
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



West Valley City

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
West Valley City
West Valley City, Utah

Report on the Financial Statements

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 West Valley City as of and for the year ended June 30, 2018, 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 from 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 City'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 City'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.

Opinion

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 West Valley City as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds 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, information about infrastructure assets reported using the modified approach, the schedule of the proportionate share of the net pension liability, and the schedule of contributions, as noted on 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 inquires 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Valley City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund statements and budgetary comparison schedules, listed as supplemental information in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund statements and budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Report Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 11, 2017, on our consideration of West Valley 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of West Valley City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Valley City's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

December 13, 2018

**WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2018**

As management of West Valley City (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- As of the end of the current fiscal year, the assets of the City exceeded its liabilities by \$365,680,143 (net position). This amount included a negative unrestricted net position of (\$31,907,290); unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.
- The total net position of \$365,680,143 is made up of \$340,923,086 in capital assets net of related debt and \$24,757,057 in other net position.
- The City's total long-term liabilities decreased by \$16,919,877.
- The City's capital assets increased by \$11,688,518 as equipment, vehicle, and infrastructure additions exceeded depreciation on capital assets.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of West Valley City's finances, in a manner similar to a private-sector business.

- The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, you will also need to consider other non-financial factors.
- The *statement of activities* presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of West Valley City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and public improvements, parks and recreation, and Community and Economic Development.

WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018

The government-wide financial statements include not only the City itself, but the following blended component units. The West Valley City Housing Authority (Housing Authority), West Valley City Building Authority (Building Authority), and West Valley City Redevelopment Agency (Redevelopment Agency) are legally separate entities governed by boards appointed by the City Council, consisting of the City Council members. For financial reporting purposes, the Housing Authority, Building Authority, and Redevelopment Agency are reported as if they were part of the City's operations because their governing boards are the City Council. Therefore, the City Council is financially accountable and has significant influence over the programs, projects, activities, and level of services performed or provided by the organizations.

Fund financial statements

A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- *Governmental funds* These funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Redevelopment Agency Fund, Community Services Fund, Capital Projects Fund, and Building Authority, which are considered to be major funds. Data from the other seven governmental funds are combined into a single combined column. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report. Budgetary comparison schedules have been provided to demonstrate compliance with those budgets.

- *Proprietary funds* West Valley City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Golf Courses, Storm Water Utility, Housing Authority, and Ambulance Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. West Valley City Golf Courses and Storm Water Utility are classified as major funds and are included on the Statement of Net Position-Proprietary Funds within this report. Data from the other two proprietary funds are combined into a single combined column. Individual fund data for each of these non-major proprietary funds is provided in the form of *combining statements* elsewhere in the report. The basic proprietary fund financial statements can be found as listed in the table of contents.

WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided 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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found as listed in the table of contents.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$365,680,143 at the close of the most recent year. The City's overall financial position improved in fiscal year 2018. Total net position increased by \$4,786,896; net position from current year activities for governmental activities increased by \$5,944,763 while net position of business-type activities decreased by \$1,157,867. The increase in governmental activities' net position was primarily due to a decrease in liabilities, especially noncurrent liabilities. The decrease in business-type activities' net position was due primarily to transfers to governmental activities, as business-type revenues and expenses were not significantly changed from the previous year. Overall revenues decreased due to a significant drop in capital contributions for City infrastructure improvements; sales taxes rose somewhat as a result of an improving retail tax base. The City also had a significant increase in gains on disposition of assets. Total liabilities decreased for governmental activities by \$13,425,165, due to retirement of long-term debt and reduced net pension liability, and increased by \$500,710 for business-type activities. Unrestricted governmental activities net position decreased by \$58,099,271. The large decrease was partially due to correction of a miscalculation of the prior year's balance, which resulted in an overstatement of unrestricted net assets; unrestricted net assets also were negatively affected by the large balance of restricted assets, primarily unspent bond proceeds, which will ultimately be used for capital asset construction currently in process. Restricted net position decreased due to use of previous year bond proceeds in ongoing capital asset construction. Unrestricted business-type activities net position decreased by \$1,593,509, due to transfers of \$1,297,872 to governmental activities, as well as normal annual fluctuations in seasonal operations.

Long-term liabilities decreased by \$17,566,968. The City retired \$10,714,964 in long-term liabilities, and reduced its net pension liability by \$6,852,003.

Governmental revenues decreased from the previous year, by \$8,598,738 or 6.6%. The overall decrease was due to a decrease of \$11,827,016 in capital grants and contributions for City infrastructure improvements. Property taxes increased by \$1,182,407 or 3.6%, primarily due to an increase in the City's tax base. Sales taxes increased by \$1,580,165, or 6.2%. Other revenues had relatively minor increases or decreases.

Governmental activities expenses increased by \$7,433,443, or 6.8%. General government expenses increased by \$7,178,197 due to non-capital purchases of computer and communications equipment and a shift of some expenses previously included in public safety. This was a corresponding factor in the decrease in public safety expenses; overall public safety expenses decreased by \$6,739,535, or 22.0%. Highways and public improvements increased by \$13,111,800 due to a shift in expenses from Parks and recreation, as well as increased funding for significant maintenance projects. Parks and recreation expenses decreased by \$4,560,973, or 24.8%, returning to historically typical levels. Other governmental activities showed minor increases or decreases attributable to normal variances in operating expenses.

In business-type activities, overall revenues showed a modest increase of \$369,943, or 2.7%. Overall expenses increased by \$291,100. Although the City's golf courses experience some year to year variance, overall the City's business-type activities are relatively stable in generating revenues and expenses.

WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018

By far the largest portion of the City's net position (\$340,923,086 or 93%) is its investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, furniture and equipment, and infrastructure assets), less any related debt still outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities 2018	Governmental Activities 2017	Business-type Activities 2018	Business-type Activities 2017
Current and other assets	\$ 155,421,436	\$ 167,279,518	\$ 8,963,354	\$ 8,489,150
Capital assets	<u>391,036,973</u>	<u>378,744,915</u>	<u>69,849,330</u>	<u>70,452,870</u>
Total Assets	<u>546,458,409</u>	<u>546,024,433</u>	<u>78,812,684</u>	<u>78,942,020</u>
Total deferred outflows of resources	<u>10,350,525</u>	<u>18,426,515</u>	<u>296,448</u>	<u>912,416</u>
Current and other liabilities	25,582,803	21,441,000	461,051	607,432
Long-term liabilities	<u>199,469,326</u>	<u>217,036,294</u>	<u>8,814,689</u>	<u>8,167,598</u>
Total Liabilities	<u>225,052,129</u>	<u>238,477,294</u>	<u>9,275,740</u>	<u>8,775,030</u>
Total deferred inflows of resources	<u>35,706,588</u>	<u>35,868,200</u>	<u>203,466</u>	<u>291,613</u>
Net position:				
Net investment in capital assets	276,995,821	195,124,660	s 63,927,265	63,509,586
Restricted	54,956,095	72,783,222	1,708,252	1,690,289
Unrestricted	<u>(35,901,699)</u>	<u>22,197,572</u>	<u>3,994,409</u>	<u>5,587,918</u>
Total Net Position	<u>\$ 296,050,217</u>	<u>\$ 290,105,454</u>	<u>\$ 69,629,926</u>	<u>\$ 70,787,793</u>

An additional portion of West Valley City's net position totaling \$56,664,347 (15%) represents resources that are subject to external restrictions on how they may be used. The remaining component of net position, unrestricted net position, is a negative balance of (\$31,907,290); unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

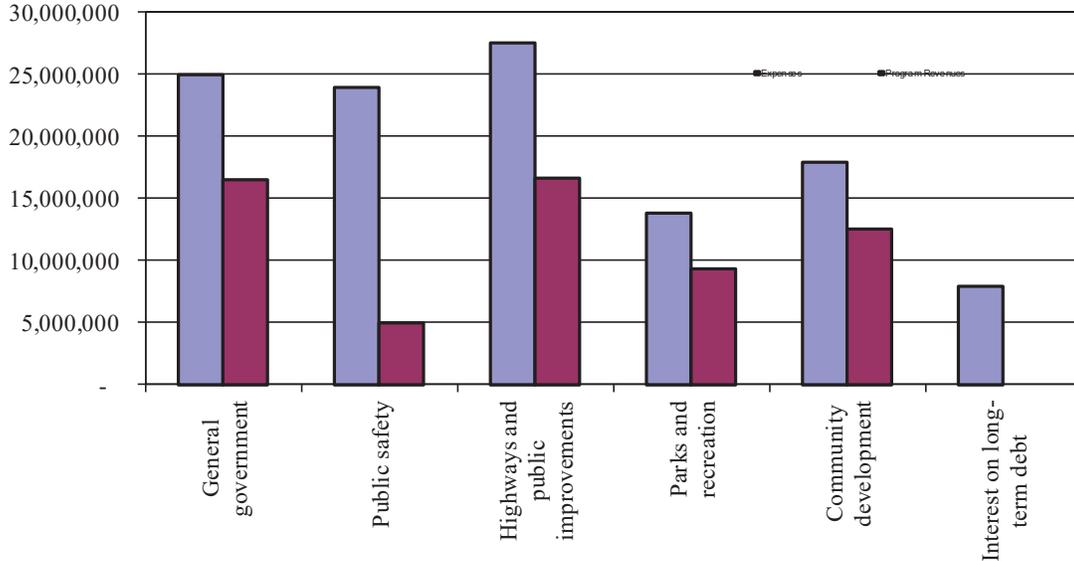
WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018

	Governmental Activities 2018	Governmental Activities 2017	Business-type Activities 2018	Business-type Activities 2017
Revenues:				
Program revenues:				
Charges for services	\$ 32,222,975	\$ 31,040,568	\$ 10,412,219	\$ 10,189,013
Operating grants and contributions	13,302,613	14,163,862	3,511,399	3,283,998
Capital grants and contributions	2,682,046	14,509,062	-	-
General revenues:				
Property taxes	32,674,613	32,486,234	-	-
Sales taxes	27,124,806	25,544,641	-	-
Franchise taxes	10,067,122	10,218,539	-	-
Unrestricted investment earnings	1,695,444	1,306,759	46,020	11,421
Gain (loss) on disposition of assets	1,085,096	34,783	123,822	239,085
Other revenues	-	149,005	-	-
Total Revenues	120,854,715	129,453,453	14,093,460	13,723,517
Expenses:				
General government	24,999,681	17,821,484	-	-
Public safety	23,960,086	30,699,621	-	-
Highways and public improvements	27,551,095	14,439,295	-	-
Parks and recreation	13,834,947	18,395,920	-	-
Community development	17,949,041	18,629,672	-	-
Interest on long-term debt	7,912,974	8,788,389	-	-
Golf courses	-	-	4,324,153	4,704,448
Storm water utility	-	-	4,016,637	3,650,062
Housing Authority	-	-	3,652,828	3,426,072
Ambulance	-	-	1,959,837	1,881,773
Total Expenses	116,207,824	108,774,381	13,953,455	13,662,355
Increase (decrease) in Net Position				
before transfers	4,646,891	20,679,072	140,005	61,162
Transfers	1,297,872	325,272	(1,297,872)	(325,272)
Increase in Net Position	5,944,763	21,004,344	(1,157,867)	(264,110)
Net Position - Beginning	290,105,454	269,101,110	70,787,793	71,051,903
Net Position - Ending	\$ 296,050,217	\$ 290,105,454	\$ 69,629,926	\$ 70,787,793

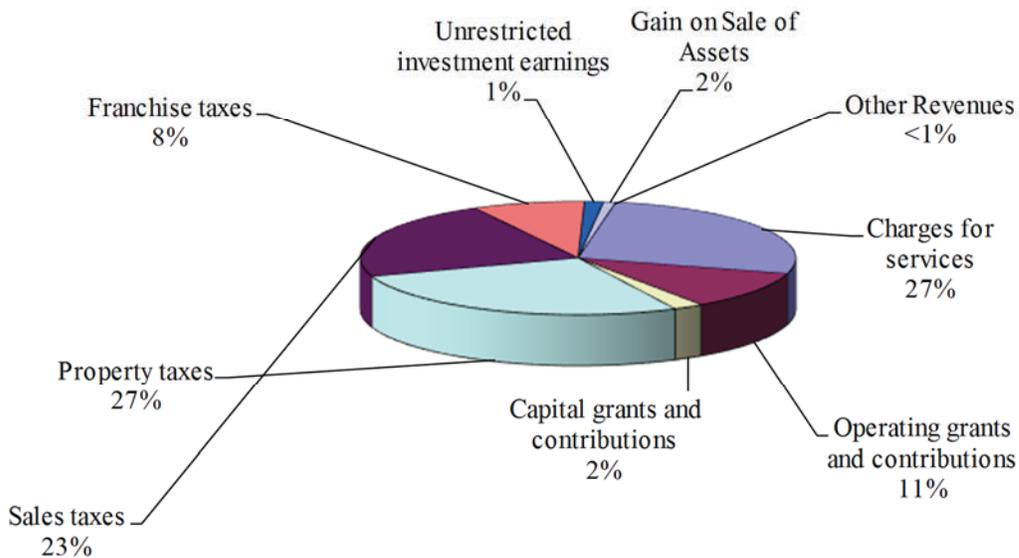
**WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018**

The following graphs display the government-wide activities for governmental activities reflected in the above tables. The program revenues on the graph below do not include general revenue such as property tax, sales taxes, etc., as listed on the preceding page.

Expenses and Program Revenues - Governmental Activities



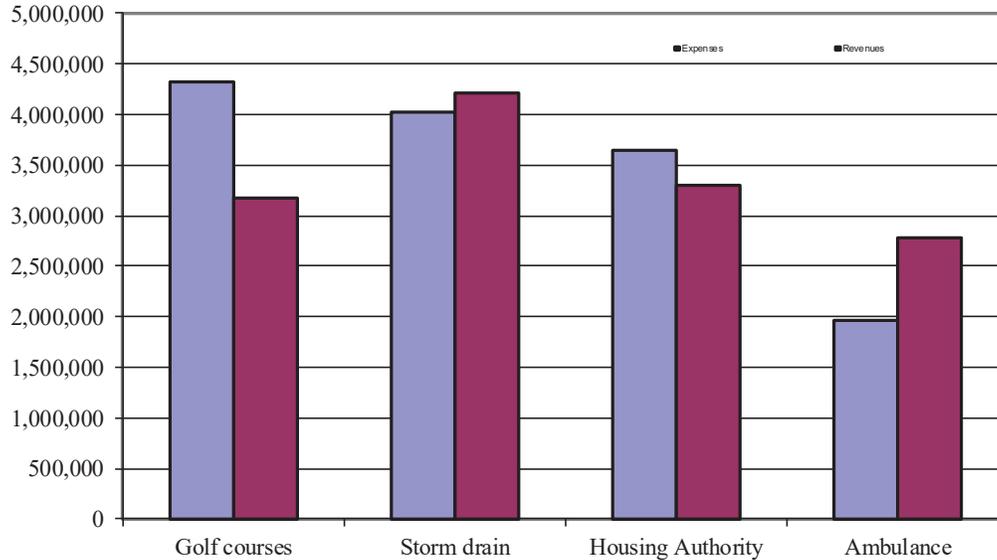
Revenues by Source - Governmental Activities



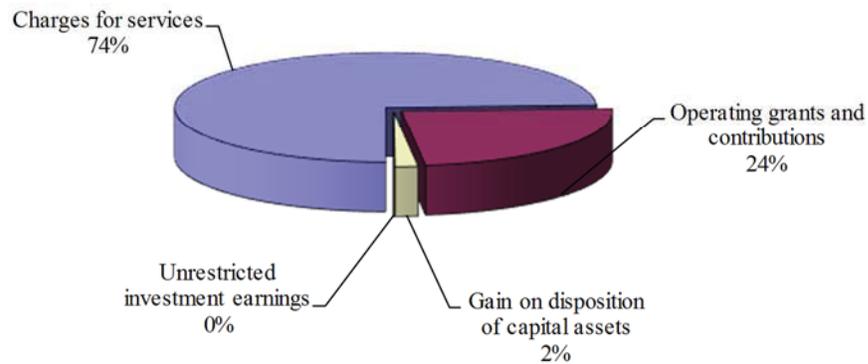
**WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018**

Business-type activities. The City's business-type activities net position decreased by \$264,110. As of the end of the current fiscal year, West Valley City Golf Courses, Storm Water Utility, Ambulance Fund, and Housing Authority each reported positive net position.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year. West Valley City has five Major Governmental Funds: the General Fund, Redevelopment Agency, Community Services Fund, Capital Projects Fund, and Building Authority.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$102,718,674, a decrease of \$16,720,478, made up of five components; nonspendable, restricted, committed, assigned, and unassigned. Of this total amount a negative balance of (\$14,576,353) is unassigned and available for spending at the City's discretion. Assigned fund balance of \$40,954,942 has been assigned to intended uses. The City currently has no committed fund balance. Restricted fund balance of \$57,069,711 has been restricted to pay debt service and for future development. Nonspendable fund balance of \$19,270,374 is composed of prepaid items, long-term notes receivable, inventory, and property held for resale. The most significant change was to fund balance assigned for Municipal Building Authority. The Building Authority's restricted fund balance decreased by \$18,636,282 as restricted cash was drawn down to fund transfers to the Capital Projects fund; its restricted fund balance of \$41,393,830 results in a zero assigned fund balance and negative unassigned fund balance of (\$34,129,485). This also is the reason for the negative combined unassigned fund balance. The Capital Projects Fund also had reduced assigned fund balance of \$14,511,476 due to prior year funding being used for several City facility construction and remodels planned over the next several fiscal years. The Community Services Fund, while still reporting a negative fund balance of (\$1,550,302), increased its fund balance by \$909,284 as a result of transfers in to offset and eventually eliminate the negative fund balance.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$21,110,468; total fund balance was \$35,640,030. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 28.4% of total general fund expenditures, while total fund balance represents 47.9% of that same amount. Overall revenues were up by \$1,716,072, primarily due to increased tax receipts. Property taxes decreased slightly, by \$131,478; sales tax increased by \$1,541,897 as a combined result of new businesses and increased economic activity within the City. This increase is significant since it represents one of the largest sources of funding for the City. Fines and forfeitures increased by \$320,506, reflecting the ongoing change in the focus of the police department's efforts. Overall expenditures increased slightly, by \$781,243 from the previous year. The largest change was a decrease of \$3,018,120 in debt service resulting from the previous year's refunding bonds issued. Public safety expenditures increased by \$2,475,551 due to equipment purchases, rising insurance costs, and increased personnel expenditures for the Police and Fire departments. Highways and public improvements expenditures increased by \$1,178,686 while capital outlay increased by \$486,253. Other departments showed normal minor increases or decreases from the previous year.

The Redevelopment Agency of West Valley City was created by the City Council with the authority and responsibility for redeveloping and upgrading blighted areas of the City. The members of the City Council are also members of the Redevelopment Agency's Board of Directors and, as such, are authorized to transact business and exercise their power to plan, engineer, and carry out projects of the Redevelopment Agency. Fund balance at the end of the year was \$16,482,867 with \$25,425,647 in assets composed of cash and equivalents, property tax increment receivable, land held for future development, hotel inventory, and restricted cash. The overall fund balance decrease of \$1,384,450 resulted from the use of existing resources for ongoing City projects. This also was reflected in the increase of \$1,050,383 in nonspendable fund balance for property held for resale.

The Community Services Fund consolidates several major services provided by the City for its citizens, including the City's Family Fitness Center, Hale Centre Theater, Maverik Center, Utah Cultural Celebration Center, and Sanitation.

WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018

At year end the Community Services Fund had nonspendable fund balance of \$7,034, assigned fund balance of \$0, and unassigned negative fund balance of (\$1,557,336). Negative unassigned fund balance decreased by \$909,447 as a result of additional transfers in to help reduce the deficit.

The Capital Projects Fund was determined to be a major fund due to its increase in assets and increased expenditures on several multiyear construction projects.

The Building Authority was also determined to be a major fund for the current year based on its assets.

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

Unrestricted net position of the West Valley City Golf Courses fund at the end of the year was \$459,012. Operating revenues increased by \$44,293 (1.4%) while operating expenses increased by \$16,345 (0.4%). City management policy is to open the courses to play during marginal early and late season times to increase public exposure, access, and play. Additional course and equipment maintenance and operational expenses exceed additional revenues received during these times. Transfers in from the General Fund decreased by \$934,406.

Unrestricted net position of the Storm Water Utility at the end of the year was \$1,402,801, a decrease of \$312,961. The decrease reflected an increase in operating expenses of \$371,386 for the year.

General Fund Budgetary Highlights

During the fiscal year, the General Fund's original budget was amended from an original budget expenditure total of \$78,947,798 to a final budget of \$81,053,839, an increase of \$2,106,041. These increases can be briefly summarized as follows:

- \$1,476,422 increase in General government
- \$615,395 increase in Public safety
- \$15,645 decrease in Highways and public improvements
- \$60,923 increase in Parks and recreation
- \$216,419 increase in Community development
- \$785,504 decrease in Non-departmental
- \$41,725 increase in Debt service
- \$496,306 increase in Capital outlay

General government budget increased to fund communications and computer system equipment, and for additional personnel costs. Public Safety budget increased to fund anticipated personnel increases. Non-departmental budget decreased as budgeted personnel costs were transferred to specific departments. Capital outlay increased to fund capital equipment purchases. No other departments had significant variances between original and final budget, or between final budget and actual expenditures.

Of these increases, \$1,313,148 was to be funded out of operating and capital donations and \$792,893 from issuance of new debt.

Capital Assets and Debt Administration

Capital assets. West Valley City's investment in capital assets for its governmental and business-type activities as of June 30, 2018, totals \$460,886,303 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, furniture and equipment, infrastructure, and work in progress. The total increase in the City's investment in capital assets for the current year was \$11,688,518 (2.6%); \$12,292,058 (3.2%) increase for governmental activities and a decrease of \$603,540 (0.9%) for business-type activities.

**WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018**

	Governmental Activities 2018	Governmental Activities 2017	Business - type Activities 2018	Business - type Activities 2017
Land	\$ 28,472,747	\$ 31,884,188	\$ 17,813,346	\$ 17,813,346
Infrastructure	242,529,595	241,163,155	-	-
Buildings	87,225,363	91,224,018	2,408,269	2,526,930
Improvements other than buildings	7,198,997	7,582,256	12,438,735	12,600,348
Machinery and equipment	4,921,317	3,981,407	1,507,423	1,695,690
Furniture and fixtures	163,191	286,385	35,681,557	34,958,899
Construction in progress	19,926,091	2,023,834	-	857,657
Intangible assets	599,672	599,672	-	-
Total Capital Assets	\$ 391,036,973	\$ 378,744,915	\$ 69,849,330	\$ 70,452,870

Additional information on the City's capital assets can be found in Note 6 to this financial report.

Infrastructure. The City has adopted an allowable alternative to reporting depreciation for two of seven infrastructure subsystems in the transportation network. Under this alternative method, referred to as the "modified approach," the City must maintain an asset management system and demonstrate that its subsystems are being preserved at or above condition levels established by City policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

Streets

The condition of the streets pavement is measured using the Local Transportation Assistance Program (LTAP). This system uses a measurement scale that considers the condition of the roads using nine condition factors and then assigns the road a Remaining Service Life, (RSL), ranging from 0 to 21. The RSL is the remaining life of the road in years, if no additional upkeep, replacement, or maintenance is performed. The RSL is used to classify roads into categories as follows: Roads with a RSL rating of 19-21 years are considered in "excellent" condition, those with ratings of 13-18 years are considered in "very good" condition, those with ratings of 10-12 years are considered in "good" condition, those with ratings 7-9 years are considered in "fair" condition, those with ratings of 1-6 years are considered in "poor" condition, and those with ratings of 0 years are considered in "failed" condition.

It is the City's policy to maintain an average RSL of 8 years or greater for its streets. The City performs a complete condition assessment on each street every two to three years. A condition assessment on the streets was performed in May 2017.

In 2018, the City spent \$4,006,630 to maintain and preserve its streets. These actual maintenance and preservation costs were \$239,845 less than the estimated maintenance and preservation costs of \$4,246,475. Estimated costs increased from the prior year based on the multi-year plan adopted by the City's Public Works Department to maintain streets at the desired level and increased number of streets to be maintained. The actual costs reflected expenditures as of June 30 on several projects which were still in progress with final estimated costs significantly higher than actual year-end expenditures.

Sidewalks

The condition of the City's sidewalks subsystem is measured by City staff using the Geodatabase System in which concrete management data has been entered into a database linked to each street which has accompanying sidewalk. Sidewalks are assigned a condition category based on physical inspection. Sidewalks showing no defects are considered in the "excellent/good" category; sidewalks with light spalling and less than 1" displacement are considered

**WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018**

in the "fair" category; sidewalks with light spalling and 1" to 2" displacement are considered in the "poor" category; and sidewalks with heavy spalling or more than 2" displacement are considered in the "failed" category.

It is the City's policy to maintain a minimum of 95% of sidewalks (by length) in the "excellent/good" category. The City performs a complete condition assessment on its sidewalks every three years. The condition assessment completed in 2016 shows that 99% of the City's sidewalks were in "excellent/good" condition. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for five years.

In 2018, the City spent \$201,106 to maintain and preserve its sidewalks. These actual maintenance and preservation costs equaled the estimated maintenance and preservation costs of \$201,106. Actual costs increased due to an increase in the amount of sidewalks maintained by the City.

**WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018**

Long-term debt. At the end of the current year, the City had total debt outstanding of \$194,213,702. The total amount is debt that is secured solely by specific revenue sources (i.e. revenue bonds). The debt shown below is net of the related debt issuance costs and/or unamortized premiums.

	Governmental Activities 2018	Governmental Activities 2017	Business - type Activities 2018	Business - type Activities 2017
Revenue bonds	\$ 142,461,410	\$ 153,581,222	\$ 5,764,006	\$ 6,786,680
Special improvement	-	-	-	-
Note payable	30,643,096	31,758,677	-	-
Capital leases	3,977,465	3,559,932	2,239,200	156,603
Compensated absences	421,421	449,040	-	-
Termination benefits	474,024	884,862	-	-
Paid time-off	4,282,825	4,116,605	306,383	305,289
Workers Compensation	-	-	-	-
Claim and contingencies	3,643,872	2,268,740	-	-
Total	\$ 185,904,113	\$ 196,619,078	\$ 8,309,589	\$ 7,248,572

During the current fiscal year the City's total debt decreased by \$9,653,948.

State statutes limit the amount of general obligation debt that a governmental entity may issue to 4% of its total taxable value. The current limitation for the City is \$402,713,760. The City currently has no outstanding general obligation debt. In addition, state statute allows for an additional 4% to be used for water, sewer, or electrical projects thus resulting in a debt limit of 8% of total taxable value. The current limitation for these water, sewer, or electrical projects is \$402,713,760. The City has no debt of this type.

Additional information on the City's long-term debt can be found in Note 9 to this financial report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Salt Lake County (of which West Valley City is the second largest city) was 2.7%. This compares with a state unemployment rate of 3.3% and a national rate of 4.0%. This compares with previous year's rates of 3.7%, 3.4%, and 4.4% respectively. (Source: Utah Department of Workforce Service).
- The General Fund budget for the fiscal year ending June 30, 2018 reflects an increase of \$810,855 from the final budget for the fiscal year ending June 30, 2017.
- Economic trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2018 fiscal year.

Request for Information

This financial report is designed to provide a general overview of West Valley City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: West Valley City, Finance Director, 3600 Constitution Boulevard, West Valley City, UT 84119.

BASIC FINANCIAL STATEMENTS

WEST VALLEY CITY
STATEMENT OF NET POSITION
June 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 38,663,025	\$ 2,387,719	\$ 41,050,744
Receivables:			
Accounts, net	1,481,704	1,252,252	2,733,956
Taxes	33,544,195	-	33,544,195
Intergovernmental	5,755,864	15,914	5,771,778
Internal balances	414,856	(414,856)	-
Loans receivable	639,145	-	639,145
Inventories	173,289	173,987	347,276
Prepaid expenses	803,755	-	803,755
Note receivable - short term	14,157	-	14,157
Note receivable - long term	210,600	-	210,600
Property held for resale	13,693,330	-	13,693,330
Restricted assets:			
Cash and cash equivalents	57,908,827	5,348,772	63,257,599
Intergovernmental receivable	779,192	-	779,192
Net pension asset	1,339,497	199,566	1,539,063
Capital assets not being depreciated:			
Land and collectibles	28,472,747	17,813,346	46,286,093
Infrastructure	235,393,258	-	235,393,258
Construction in progress	19,926,091	-	19,926,091
Intangible assets	599,672	-	599,672
Capital assets net of accumulated depreciation:			
Buildings	87,225,363	2,408,269	89,633,632
Improvements other than buildings	7,198,997	12,438,735	19,637,732
Machinery and equipment	4,921,317	1,507,423	6,428,740
Furniture and fixtures	163,191	-	163,191
Infrastructure	7,136,337	35,681,557	42,817,894
Total Assets	546,458,409	78,812,684	625,271,093
Deferred Outflows of Resources			
Deferred charge on refunding	1,739,821	-	1,739,821
Deferred outflows related to pensions	8,610,704	296,448	8,907,152
Total Deferred Outflows of Resources	10,350,525	296,448	10,646,973
Total Assets and Deferred Outflow of Resources	\$ 556,808,934	\$ 79,109,132	\$ 635,918,066

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

WEST VALLEY CITY
STATEMENT OF NET POSITION (Continued)
June 30, 2018

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	\$ 5,263,935	\$ 76,447	\$ 5,340,382
Accrued liabilities	4,571,575	289,753	4,861,328
Accrued interest payable	11,134,823	94,851	11,229,674
Developer and customer deposits	2,115,462	-	2,115,462
Liabilities payable from restricted assets	730,285	-	730,285
Unearned revenue	1,766,723	-	1,766,723
Noncurrent liabilities			
Due within one year	13,322,880	1,679,167	15,002,047
Due in more than one year	172,581,233	6,630,422	179,211,655
Net pension liability	13,565,213	505,100	14,070,313
Total Liabilities	225,052,129	9,275,740	234,327,869
Deferred Inflows of Resources			
Deferred inflows for property taxes	32,216,161	-	32,216,161
Deferred inflows relating to pensions	3,490,427	203,466	3,693,893
Total Deferred Inflows of Resources	35,706,588	203,466	35,910,054
Net Position:			
Net investment in capital assets	276,995,821	63,927,265	340,923,086
Restricted for:			
Debt Service	45,766,645	1,708,252	47,474,897
Future development	9,189,450	-	9,189,450
Unrestricted	(35,901,699)	3,994,409	(31,907,290)
Total Net Position	296,050,217	69,629,926	365,680,143
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 556,808,934	\$ 79,109,132	\$ 635,918,066

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

**WEST VALLEY CITY
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2018**

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
Government Activities:							
General government	\$ 24,999,681	\$ 2,405,169	\$ 6,364,296	\$ 2,398,994	\$ (13,831,222)	\$ -	\$ (13,831,222)
Public safety	23,960,086	3,963,142	1,115,978	-	(18,880,966)	-	(18,880,966)
Highway and public improvements	27,551,095	6,319,731	4,388,772	223,052	(16,619,540)	-	(16,619,540)
Parks and recreation	13,834,947	7,560,389	82,000	60,000	(6,132,558)	-	(6,132,558)
Community development	17,949,041	11,974,544	1,351,567	-	(4,622,930)	-	(4,622,930)
Interest and issuance costs on long-term debt	7,912,974	-	-	-	(7,912,974)	-	(7,912,974)
Total Governmental Activities	116,207,824	32,222,975	13,302,613	2,682,046	(68,000,190)	-	(68,000,190)
Business-type Activities:							
Golf courses	4,324,153	3,216,017	-	-	-	(1,108,136)	(1,108,136)
Storm water utility	4,016,637	4,171,484	-	-	-	154,847	154,847
Housing authority	3,652,828	7,606	3,511,399	-	-	(133,823)	(133,823)
Ambulance	1,959,837	3,017,112	-	-	-	1,057,275	1,057,275
Total Business-type Activities	13,953,455	10,412,219	3,511,399	-	-	(29,837)	(29,837)
Total Government	\$ 130,161,279	\$ 42,635,194	\$ 16,814,012	\$ 2,682,046	(68,000,190)	(29,837)	(68,000,027)
General Revenues:							
Property taxes					32,674,613	-	32,674,613
Sales taxes					27,124,806	-	27,124,806
Franchise taxes					10,067,122	-	10,067,122
Unrestricted investment earnings					1,695,444	46,020	1,741,464
Gain on disposition of capital assets					1,085,096	123,822	1,208,918
Other revenues					-	-	-
Transfers					1,297,872	(1,297,872)	-
Total General Revenues and Transfers					73,944,953	(1,128,030)	72,816,923
Changes in Net Position					5,944,763	(1,157,867)	4,786,896
Net Position, Beginning					290,105,454	70,787,793	360,893,247
Net Position, Ending					\$ 296,050,217	\$ 69,629,926	\$ 365,680,143

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

WEST VALLEY CITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2018

	General Fund	Redevelopment Agency Fund	Community Services Fund	Capital Project Fund	Building Authority	Other Governmental Funds	Total Governmental Funds
Assets:							
Cash and cash equivalents	\$ 17,599,893	\$ 7,957,028	\$ -	\$ 13,033,116	\$ -	\$ 72,988	\$ 38,663,025
Receivables:							
Accounts, net	266,342	203,098	1,012,264	-	-	-	1,481,704
Taxes	30,647,915	2,896,280	-	-	-	-	33,544,195
Intergovernmental	4,841,020	-	-	-	-	914,844	5,755,864
Loan receivables	-	-	-	-	-	639,145	639,145
Prepaid items	-	-	7,034	-	796,721	-	803,755
Due from other funds	5,113,942	-	-	29,529,485	-	-	34,643,427
Note receivable	4,600,000	-	-	-	-	-	4,600,000
Inventory	38,549	134,740	-	-	-	-	173,289
Property held for resale	-	13,693,330	-	-	-	-	13,693,330
Restricted assets:							
Cash and cash equivalents	11,166,875	541,181	-	2,086,819	41,393,830	2,720,122	57,908,827
Intergovernmental receivable	779,192	-	-	-	-	-	779,192
Total Assets	\$ 75,053,728	\$ 25,425,657	\$ 1,019,298	\$ 44,649,420	\$ 42,190,551	\$ 4,347,099	\$ 192,685,753
Liabilities:							
Accounts payable	\$ 675,920	\$ 2,111,474	\$ 423,940	\$ 1,847,517	\$ -	\$ 205,084	\$ 5,263,935
Accrued liabilities	2,659,643	16,707	1,890,293	-	-	4,932	4,571,575
Developer and customer deposits	2,115,462	-	-	-	-	-	2,115,462
Due to other funds	-	3,918,329	255,367	-	29,529,485	525,390	34,228,571
Unearned revenue	4,038,768	-	-	1,550,609	-	651,713	6,241,090
Notes payable	-	-	-	-	4,600,000	-	4,600,000
Liabilities payable from restricted assets	604,024	-	-	-	-	126,261	730,285
Total Liabilities	10,093,817	6,046,510	2,569,600	3,398,126	34,129,485	1,513,380	57,750,918
Deferred Inflows of Resources							
Unavailable revenue - property taxes	29,319,881	2,896,280	-	-	-	-	32,216,161
Total Deferred Inflows of Resources	29,319,881	2,896,280	-	-	-	-	32,216,161
Fund Balances:							
Nonspendable:							
Prepaid items	-	-	7,034	-	796,721	-	803,755
Long-term note receivable	4,600,000	-	-	-	-	-	4,600,000
Inventory	38,549	134,740	-	-	-	-	173,289
Property held for resale	-	13,693,330	-	-	-	-	13,693,330
Restricted for:							
Debt service	3,831,634	541,181	-	-	5,704,321	-	10,077,136
Future development	6,059,379	-	-	536,210	35,689,509	2,593,861	44,878,959
Workers' compensation	-	-	-	-	-	-	-
Redevelopment agency	-	2,113,616	-	-	-	-	2,113,616
Assigned for:							
Capital projects	-	-	-	40,715,084	-	-	40,715,084
Community services	-	-	-	-	-	-	-
UCCCF	-	-	-	-	-	71,321	71,321
Grants	-	-	-	-	-	168,537	168,537
Building Authority	-	-	-	-	-	-	-
Unassigned:							
Building Authority	-	-	-	-	(34,129,485)	-	(34,129,485)
Community services	-	-	(1,557,336)	-	-	-	(1,557,336)
General fund	21,110,468	-	-	-	-	-	21,110,468
Total Fund Balances	35,640,030	16,482,867	(1,550,302)	41,251,294	8,061,066	2,833,719	102,718,674
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 75,053,728	\$ 25,425,657	\$ 1,019,298	\$ 44,649,420	\$ 42,190,551	\$ 4,347,099	\$ 192,685,753

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

WEST VALLEY CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2018

Total Fund Balance - Governmental Funds	\$ 102,718,674
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	391,036,973
Unearned revenues in the General Fund recorded for the loan to the RDA are eliminated on the Statement of Net Position.	3,835,222
Unearned revenues on loan receivables in the governmental funds are eliminated on the Statement of Net Position.	639,145
Notes receivable that come due in future years are not recorded in the funds.	224,757
Interest expense is not due and payable in the current period and therefore is not recorded in the funds.	(11,134,823)
Long-term liabilities, including bonds, capital leases, notes, termination benefits, workers' compensation, and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(185,904,113)
Pension obligations and assets, including deferred inflows and outflows relating to pensions, are not obligations of the current period and, therefore, are not reported in the funds.	(7,105,439)
Deferred charges for long term debt are not financial resources and, therefore, are not reported in the funds.	1,739,821
Total Net Position - Governmental Activities	\$ 296,050,217

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

WEST VALLEY CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2018

	General Fund	Redevelopment Agency Fund	Community Services Fund	Capital Project Fund	Building Authority	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 66,457,382	\$ 2,952,117	\$ 457,042	\$ -	\$ -	\$ -	\$ 69,866,541
Fees and passes	-	-	2,146,860	-	-	1,070,909	3,217,769
Licenses and permits	4,543,730	-	-	-	-	-	4,543,730
Intergovernmental	4,388,772	6,322,316	-	2,398,994	-	2,573,545	15,683,627
Fines and forfeitures	2,840,521	-	-	-	-	-	2,840,521
Charges for services	519,743	8,287,076	5,764,441	-	-	-	14,571,260
Rental income	-	921,190	4,091,583	-	-	-	5,012,773
Interest	978,106	256,976	9	806	957,596	3,857	2,197,350
Miscellaneous	1,642,893	-	303,582	65,886	-	-	2,012,361
Total Revenues	81,371,147	18,739,675	12,763,517	2,465,686	957,596	3,648,311	119,945,932
Expenditures:							
Current:							
General government	15,792,482	-	-	-	-	24,000	15,816,482
Public safety	35,605,411	-	-	-	-	1,115,978	36,721,389
Highways and public improvements	8,031,509	-	5,067,449	-	-	37,671	13,136,629
Parks and recreation	2,218,333	-	9,089,491	-	-	622,717	11,930,541
Community development	3,909,711	-	-	-	-	1,072,902	4,982,613
Other nondepartmental	4,038,628	-	-	-	-	-	4,038,628
Redevelopment Agency	-	12,460,559	-	-	-	-	12,460,559
Debt service:							
Principal	3,281,112	5,509,223	-	230,009	3,479,719	214,000	12,714,063
Interest	460,801	3,190,568	-	33,494	2,747,402	63,750	6,496,015
Bond issuance costs	12,500	10,000	-	-	(24,421)	-	(1,921)
Capital outlay	1,054,673	-	3,392	24,641,957	335,525	-	26,035,547
Total Expenditures	74,405,160	21,170,350	14,160,332	24,905,460	6,538,225	3,151,018	144,330,545
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,965,987	(2,430,675)	(1,396,815)	(22,439,774)	(5,580,629)	497,293	(24,384,613)
Other Financing Sources (Uses):							
Issuance of new debt	933,843	-	-	513,202	-	-	1,447,045
Payment to refunded bond escrow agent	-	-	-	-	-	-	-
Transfers in	2,475,750	-	7,055,843	4,111,179	3,891,198	-	17,533,970
Transfers out	(7,761,355)	(2,941,000)	(4,749,744)	-	(244,000)	(540,000)	(16,236,099)
Sale of capital assets	832,444	3,987,225	-	99,550	-	-	4,919,219
Total Other Financing Sources (Uses)	(3,519,318)	1,046,225	2,306,099	4,723,931	3,647,198	(540,000)	7,664,135
Net Change in Fund Balances	3,446,669	(1,384,450)	909,284	(17,715,843)	(1,933,431)	(42,707)	(16,720,478)
Fund Balances, Beginning	32,193,361	17,867,317	(2,459,586)	58,967,137	9,994,497	2,876,426	119,439,152
Fund Balances, Ending	\$ 35,640,030	\$ 16,482,867	\$(1,550,302)	\$ 41,251,294	\$ 8,061,066	\$ 2,833,719	\$ 102,718,674

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

WEST VALLEY 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, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ (16,720,478)
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.	(7,186,257)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the Statement of Net Position.	23,312,438
The Statement of Activities reports the gain or loss on the disposal of capital assets, while the governmental funds report the proceeds from the disposal of capital assets.	(3,834,123)
The RDA reports expenditures for the cost of property held for resale that was sold during the year which is offset against the proceeds on the Statement of Activities.	0
Governmental funds report losses on defeasance in the year of the bond refunding or defeasance. However, these losses are reported as deferred charges in the Statement of Net Position and subsequently amortized in the Statement of Activities.	361,410
Repayment of noncurrent liabilities' principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	12,803,745
Net proceeds from issuance of noncurrent liabilities is recorded as income in the governmental funds. However, the issuance of noncurrent liabilities is recorded as a liability in the Statement of Net Position.	(1,591,009)
In the Statement of Activities interest is accrued on noncurrent liabilities, whereas in governmental funds, interest expense is reported when due.	(1,974,648)
Disbursements and repayments of housing loans are accounted for as revenues and expenditures, respectively, in the governmental funds, but they are not recorded as revenues or expenses for the Statement of Activities.	(5,690)
Some payments for the retirement plans are considered to be payments on the net pension liability (calculated as the difference between the actuarially calculated pension expense and the contributions to the retirement plans), but are reported as expenditures in the governmental funds.	1,779,730
Some expenses, including accrued termination benefits, claims, contingencies, and the long term portion of compensated absences and workers' compensation, reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(1,000,355)
Change in Net Position - Governmental Activities	<u>\$ 5,944,763</u>

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

WEST VALLEY CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For The Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 66,931,552	\$ 66,931,552	\$ 66,457,382	\$ (474,170)
Licenses and permits	5,541,000	5,541,000	4,543,730	(997,270)
Intergovernmental	4,500,000	4,500,000	4,388,772	(111,228)
Fines and forfeitures	3,059,000	3,200,470	2,840,521	(359,949)
Charges for services	488,836	511,136	519,743	8,607
Interest	548,640	548,640	978,106	429,466
Miscellaneous	980,954	1,821,809	1,642,893	(178,916)
Total Revenues	82,049,982	83,054,607	81,371,147	(1,683,460)
Expenditures:				
Current:				
General government:				
Legislative	1,012,293	986,333	824,309	162,024
Administrative	8,864,772	10,150,028	9,193,852	956,176
Legal	4,031,592	4,074,684	3,545,329	529,355
Finance	1,897,873	1,930,437	1,748,855	181,582
Indigent defense	373,550	515,020	480,137	34,883
Public Safety:				
Police	25,514,680	25,508,980	24,998,333	510,647
Fire	10,466,037	11,087,132	10,607,078	480,054
Highways and public improvements	9,457,787	9,442,142	8,031,509	1,410,633
Parks and recreation	2,195,467	2,256,390	2,218,333	38,057
Community development	4,239,632	4,456,051	3,909,711	546,340
Nondepartmental	5,594,885	4,809,381	4,038,628	770,753
Debt service:				
Principal	4,011,292	3,462,773	3,281,112	181,661
Interest	682,938	1,273,182	460,801	812,381
Bond fees	45,000	45,000	12,500	32,500
Capital outlay	560,000	1,056,306	1,054,673	1,633
Total Expenditures	78,947,798	81,053,839	74,405,160	6,648,679
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,102,184	2,000,768	6,965,987	4,965,219
Other Financing Sources (Uses):				
Issuance of new debt	-	933,843	933,843	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	3,474,544	3,261,210	2,475,750	(785,460)
Transfers out	(7,826,728)	(7,761,355)	(7,761,355)	-
Sale of capital assets	-	308,523	832,444	523,921
Total Other Financing Sources (Uses)	(4,352,184)	(3,257,779)	(3,519,318)	(261,539)
Net Change in Fund Balances	(1,250,000)	(1,257,011)	3,446,669	4,703,680
Fund Balances, Beginning	32,193,361	32,193,361	32,193,361	-
Fund Balances, Ending	\$ 30,943,361	\$ 30,936,350	\$ 35,640,030	\$ 4,703,680

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

WEST VALLEY CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – REDEVELOPMENT AGENCY
SPECIAL REVENUE FUND
For The Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 13,841,914	\$ 13,841,914	\$ 2,952,117	\$ (10,889,797)
Intergovernmental	-	-	6,322,316	6,322,316
Charges for services	8,500,000	8,500,000	8,287,076	(212,924)
Rental income	198,000	198,000	921,190	723,190
Interest	90,675	90,675	256,976	166,301
Total Revenues	22,630,589	22,630,589	18,739,675	(3,890,914)
Expenditures:				
Redevelopment agency	18,894,552	17,984,552	12,460,559	5,523,993
Debt service:				
Principal	3,009,223	5,509,223	5,509,223	-
Interest	3,179,814	3,199,502	3,190,568	8,934
Bond issue costs	16,000	16,000	10,000	6,000
Total Expenditures	25,099,589	26,709,277	21,170,350	5,538,927
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,469,000)	(4,078,688)	(2,430,675)	1,648,013
Other Financing Sources (Uses):				
Transfers out	(2,031,000)	(2,941,000)	(2,941,000)	-
Sale of capital assets	4,500,000	7,019,688	3,987,225	(3,032,463)
Total Other Financing Sources (Uses)	2,469,000	4,078,688	1,046,225	(3,032,463)
Net Change in Fund Balances	-	-	(1,384,450)	(1,384,450)
Fund Balances, Beginning	17,867,317	17,867,317	17,867,317	-
Fund Balances, Ending	\$ 17,867,317	\$ 17,867,317	\$ 16,482,867	\$ (1,384,450)

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

WEST VALLEY CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – COMMUNITY SERVICES
SPECIAL REVENUE FUND
For The Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Annual passes and activity fees	\$ 2,288,000	\$ 2,298,000	\$ 2,146,860	\$ 151,140
Sales & hotel tax	350,000	350,000	457,042	(107,042)
Charges for services	5,100,000	5,100,000	5,764,441	(664,441)
Rental income	4,987,259	5,021,095	4,091,583	929,512
Interest	-	-	9	(9)
Miscellaneous	220,000	282,473	303,582	(21,109)
Total Revenues	<u>12,945,259</u>	<u>13,051,568</u>	<u>12,763,517</u>	<u>288,051</u>
Expenditures:				
Current:				
Highways and public improvements	5,301,656	5,298,376	5,067,449	230,927
Parks and recreation	9,461,766	9,635,098	9,089,491	545,607
Capital Outlay	-	3,392	3,392	-
Total Expenditures	<u>14,763,422</u>	<u>14,936,866</u>	<u>14,160,332</u>	<u>776,534</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,818,163)</u>	<u>(1,885,298)</u>	<u>(1,396,815)</u>	<u>1,064,585</u>
Other Financing Sources (Uses):				
Transfers in	7,018,821	7,085,843	7,055,843	(30,000)
Transfers out	(4,775,744)	(4,779,744)	(4,749,744)	30,000
Total Other Financing Sources (Uses)	<u>2,243,077</u>	<u>2,306,099</u>	<u>2,306,099</u>	<u>-</u>
Net Change in Fund Balances	424,914	420,801	909,284	488,483
Fund Balances, Beginning	<u>(2,459,586)</u>	<u>(2,459,586)</u>	<u>(2,459,586)</u>	<u>-</u>
Fund Balances, Ending	<u>\$ (2,034,672)</u>	<u>\$ (2,038,785)</u>	<u>\$ (1,550,302)</u>	<u>\$ 488,483</u>

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

WEST VALLEY CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2018

	Business-type Activities - Enterprise Funds			Totals
	Golf Courses	Storm Water Utility	Other Proprietary Funds	
Assets				
Current Assets:				
Cash and cash equivalents	\$ -	\$ 918,335	\$ 1,469,384	\$ 2,387,719
Accounts receivable, net	-	490,925	761,327	1,252,252
Grants receivable	-	-	15,914	15,914
Inventory	173,987	-	-	173,987
Restricted cash and cash equivalents	1,584,169	-	3,764,603	5,348,772
Total Current Assets	<u>1,758,156</u>	<u>1,409,260</u>	<u>6,011,228</u>	<u>9,178,644</u>
Noncurrent Assets:				
Net pension asset	-	-	199,566	199,566
Capital assets net of accumulated depreciation:				
Land	14,399,944	3,413,402	-	17,813,346
Buildings	2,408,269	-	-	2,408,269
Improvements other than buildings	12,438,735	-	-	12,438,735
Machinery and equipment	138,701	707,239	661,483	1,507,423
Infrastructure	-	35,681,557	-	35,681,557
Total Noncurrent Assets	<u>29,385,649</u>	<u>39,802,198</u>	<u>861,049</u>	<u>70,048,896</u>
Total Assets	<u>31,143,805</u>	<u>41,211,458</u>	<u>6,872,277</u>	<u>79,227,540</u>
Deferred Outflows of Resources				
Deferred outflows of resources relating to pensions	125,812	-	170,636	296,448
Total Deferred Outflows of Resources	<u>125,812</u>	<u>-</u>	<u>170,636</u>	<u>296,448</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 31,269,617</u>	<u>\$ 41,211,458</u>	<u>\$ 7,042,913</u>	<u>\$ 79,523,988</u>

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

WEST VALLEY CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2018

	Business-type Activities - Enterprise Funds			Totals
	Golf Courses	Storm Water Utility	Other Proprietary Funds	
Liabilities:				
Current Liabilities:				
Accounts payable	\$ 69,988	\$ 6,459	\$ -	\$ 76,447
Accrued liabilities	141,841	-	147,912	289,753
Accrued interest payable	94,851	-	-	94,851
Paid time off payable	59,631	-	42,231	101,862
Bonds payable	1,221,384	-	-	1,221,384
Capital lease payable	-	-	355,921	355,921
Due to other funds	414,856	-	-	414,856
Total Current Liabilities	2,002,551	6,459	546,064	2,555,074
Noncurrent Liability:				
Paid time off payable	108,218	-	96,302	204,520
Bonds payable, net	4,387,239	155,384	-	4,542,623
Capital lease payable, net	-	-	1,883,279	1,883,279
Net pension liability	437,740	-	67,360	505,100
Total Noncurrent Liability	4,933,197	155,384	2,046,941	7,135,522
Total Liabilities	6,935,748	161,843	2,593,005	9,690,596
Deferred Inflows of Resources				
Deferred inflows of resources relating to pensions	97,831	-	105,635	203,466
Total Deferred Outflows of Resources	97,831	-	105,635	203,466
Net Position:				
Net investment in capital assets	23,777,026	39,646,814	503,425	63,927,265
Restricted for:				
Acquisition of public housing	-	-	1,708,252	1,708,252
Unrestricted	459,012	1,402,801	2,132,596	3,994,409
Total Net Position	24,236,038	41,049,615	4,344,273	69,629,926
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 31,269,617	\$ 41,211,458	\$ 7,042,913	\$ 79,523,988

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

WEST VALLEY CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION – PROPRIETARY FUNDS
For The Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds			Totals
	Golf Courses	Storm Water Utility	Other Proprietary Funds	
Operating Revenues:				
Administration and lesson fees	\$ 1,465,080	\$ -	\$ -	\$ 1,465,080
Equipment and facility rental	577,465	-	-	577,465
Concession and merchandise sales	1,173,472	-	-	1,173,472
Charges for services	-	3,963,534	-	3,963,534
Ambulance fees	-	-	3,017,112	3,017,112
Miscellaneous	-	207,950	7,606	215,556
Total Operating Revenues	<u>3,216,017</u>	<u>4,171,484</u>	<u>3,024,718</u>	<u>10,412,219</u>
Operating Expenses:				
Cost of sales	490,602	-	-	490,602
Operations	1,120,548	1,625,748	-	2,746,296
Maintenance	1,483,178	-	-	1,483,178
General and administrative	590,167	969,225	2,206,800	3,766,192
Housing Payments	-	-	3,246,983	3,246,983
Depreciation	575,592	1,415,546	158,059	2,149,197
Total Operating Expenses	<u>4,260,087</u>	<u>4,010,519</u>	<u>5,611,842</u>	<u>13,882,448</u>
Operating Income (Loss)	<u>(1,044,070)</u>	<u>160,965</u>	<u>(2,587,124)</u>	<u>(3,470,229)</u>
Nonoperating Income (Expense):				
Intergovernmental revenue	-	-	3,511,399	3,511,399
Gain on sale of capital assets	43,600	80,222	-	123,822
Interest income	22,075	802	23,143	46,020
Interest expense	(64,066)	(6,118)	(823)	(71,007)
Total Nonoperating Income (Expense)	<u>1,609</u>	<u>74,906</u>	<u>3,533,719</u>	<u>3,610,234</u>
Income (Loss) Before Transfers	<u>(1,042,461)</u>	<u>235,871</u>	<u>946,595</u>	<u>140,005</u>
Transfers in	492,164	-	-	492,164
Transfers out	<u>(40,000)</u>	<u>(269,666)</u>	<u>(1,480,370)</u>	<u>(1,790,036)</u>
Changes in Net Position	<u>(590,297)</u>	<u>(33,795)</u>	<u>(533,775)</u>	<u>(1,157,867)</u>
Net Position, Beginning	<u>24,826,335</u>	<u>41,083,410</u>	<u>4,878,048</u>	<u>70,787,793</u>
Net Position, Ending	<u>\$ 24,236,038</u>	<u>\$ 41,049,615</u>	<u>\$ 4,344,273</u>	<u>\$ 69,629,926</u>

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

WEST VALLEY CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For The Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds			Totals
	Golf Courses	Storm Water Utility	Other Proprietary Funds	
Cash Flows From Operating Activities:				
Receipts from customers and users	\$ 3,216,017	\$ 4,035,339	\$ 2,852,856	\$ 10,104,212
Payments to suppliers	(1,637,633)	(2,672,232)	(3,889,747)	(8,199,612)
Payments to employees and related benefits	(2,018,035)	-	(1,609,393)	(3,627,428)
Net cash from operating activities	<u>(439,651)</u>	<u>1,363,107</u>	<u>(2,646,284)</u>	<u>(1,722,828)</u>
Cash Flows From Capital and Related Financing Activities:				
Purchase of property and equipment	-	(1,387,599)	(158,058)	(1,545,657)
Proceeds from sale of equipment	-	80,222	-	80,222
Proceeds from issuance of new debt	-	-	2,213,395	2,213,395
Principal paid on bonds and capital lease	(692,795)	(307,113)	(25,811)	(1,025,719)
Interest paid on bonds and capital lease	(197,702)	(6,118)	(823)	(204,643)
Net cash from capital and related financing activities	<u>(890,497)</u>	<u>(1,620,608)</u>	<u>2,028,703</u>	<u>(482,402)</u>
Cash Flows From Non-Capital Financing Activities:				
Cash subsidy from federal grants	-	-	3,531,068	3,531,068
Loan from other funds	414,856	-	-	414,856
Payment on long-term pension obligation	(25,399)	-	(58,943)	(84,342)
Transfers from other funds	492,164	-	-	492,164
Transfers to other funds	(40,000)	(269,666)	(1,480,370)	(1,790,036)
Net cash from non-capital financing activities	<u>841,621</u>	<u>(269,666)</u>	<u>1,991,755</u>	<u>2,563,710</u>
Cash Flows From Investing Activity:				
Interest on investments	22,075	802	23,143	46,020
Net cash from investing activity	<u>22,075</u>	<u>802</u>	<u>23,143</u>	<u>46,020</u>
Net Increase (Decrease) In Cash	(466,452)	(526,365)	1,397,317	404,500
Cash and Cash Equivalents At Beginning Of Year	<u>2,050,621</u>	<u>1,444,700</u>	<u>3,836,670</u>	<u>7,331,991</u>
Cash and Cash Equivalents At End Of Year	<u>\$ 1,584,169</u>	<u>\$ 918,335</u>	<u>\$ 5,233,987</u>	<u>\$ 7,736,491</u>

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

WEST VALLEY CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
For The Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds			Totals
	Golf Courses	Storm Water Utility	Other Proprietary Funds	
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (1,044,070)	\$ 160,965	\$ (2,587,124)	\$ (3,470,229)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation expense	575,592	1,415,546	158,059	2,149,197
Amortization of gain on sale of assets	43,600	-	-	43,600
(Increase) Decrease in accounts receivables	-	(136,145)	(171,862)	(308,007)
(Increase) Decrease in inventory	64	-	-	64
(Increase) Decrease in prepaids	1,951	-	-	1,951
Increase (Decrease) in accounts payable	(6,246)	(77,259)	(64,516)	(148,021)
Increase (Decrease) in accrued liabilities	(2,050)	-	9,573	7,523
Increase (Decrease) in interest payable	-	-	-	-
Increase (Decrease) in paid time off payable	(8,492)	-	9,586	1,094
Net cash from operating activities	\$ (439,651)	\$ 1,363,107	\$ (2,646,284)	\$ (1,722,828)
Noncash investing, capital, and financing activities:				
Trade-in credit received on operating lease	\$ 43,600	\$ -	\$ -	\$ 43,600

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

WEST VALLEY CITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

West Valley City (the City) was incorporated on July 1, 1980 under the provisions of the State of Utah and operates under a mayor-council form of government and provides services as authorized by its charter.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The more significant accounting policies established in GAAP and used by the City are discussed below.

(A) The Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in the related GASB pronouncement.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations. The following are the City's blended component units:

The West Valley City Housing Authority (HA) was established to account for all monies received under the Section 8 Housing Assistance payments program and all monies received by the City under the Public Housing program. The HA is governed by a board composed of the members of the City Council. Although it is a legally separate entity from the City, the HA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the HA. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the HA have been included in the financial reporting entity as a blended component unit. The HA is included in these financial statements as the Housing Authority Enterprise Fund. Separate financial statements are not issued for the HA.

The West Valley City Redevelopment Agency (RDA) was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a board composed of the members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the RDA have been included in the financial reporting entity as a blended component unit. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

The Utah Cultural Celebration Center Foundation (UCCCF) was formed solely to support the activities of the Utah Cultural Celebration Center, which is part of West Valley City (the City). The UCCCF is governed by a board of directors which is appointed by the City Council. Although it is a legally separate entity from the City, the UCCCF is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the Organization. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the UCCCF have been included in the financial reporting entity of the City as a blended component unit, as a Special Revenue Fund. Separate financial statements are not issued for the UCCCF.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(A) The Reporting Entity (Continued)

The West Valley City Building Authority (BA) was established to finance and construct municipal buildings that are then leased to the City. The BA is governed by a board composed of the members of the City Council. Although it is a legally separate entity from the City, the BA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the BA. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the BA have been included in the financial reporting entity as a blended component unit. The BA is included in these financial statements as the Building Authority Debt Service Fund. Separate financial statements are not issued for the BA.

(B) Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's general administrative services, public safety, highways and streets, planning and engineering, parks, community development, impact fees, recreation, theater, the RDA and the BA are classified as governmental activities. The City's golf courses, storm water utility, ambulance service, and the HA are classified as business-type activities.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. *Direct expenses* are those which are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead 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, Basis of Accounting and Financial Statement Presentation

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 revenue in the year for which they became available. 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 capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) Measurement Focus, Basis of Accounting and Financial Statement Presentation (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 to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

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 inflows of resources, liabilities, deferred outflows of resources, fund balance, revenues, and expenditures or expenses as appropriate.

The City reports the following major governmental funds:

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

The *Redevelopment Agency Fund*, a special revenue fund, was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The major revenues of this fund are tax increment revenues.

The *Community Services Fund*, a special revenue fund, was established to account for the activities and services associated with the Fitness Center, the Maverik Center, the Hale Center Theater, Sanitation (Solid Waste), and the Cultural Celebration Center. The major sources of revenue are fees charged to the Fitness Center's users, rental income for the Maverik and Hale Center Theater, and charges to users for Sanitation services.

The *Capital Project Fund* accounts for the financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

The *Building Authority*, a debt service fund, was established to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The City reports the following major proprietary funds:

The Golf Courses Fund accounts for the activities and operations of the of the City's golf courses (The Ridge Golf Club and Stonebridge Golf Course).

The Storm Water Utility Fund accounts for the activities and operations of the City's storm water system and the associated assets and debt of that system.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Additionally, the City reports the following fund types:

Special revenue funds account for and report the proceeds of specific revenue sources that are the foundation of the fund and are restricted or committed to expenditure for specified purposes other than debt or capital projects. Accounting and financial reporting for general and special revenue funds are identical. The City accounts for the Grants Fund and the Utah Cultural Celebration Center Foundation as a special revenue funds.

Capital projects funds account for the financial resources to be used for the acquisition or construction of the major capital facilities of the government. The City accounts for the Capital Projects Fund, Road Impact Fee Fund, Park Impact Fee Fund, Fire Impact Fee Fund, Police Impact Fee Fund, and Flood Impact Fee Fund as capital projects funds.

Debt service funds account for and report the financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The City accounts for the Municipal Building Authority fund as a debt service fund.

Housing Authority Fund (an enterprise fund) accounts for the monies received under the Section 8 Housing Assistance and the Public Housing program.

Ambulance Fund (an enterprise fund) accounts for the monies received and paid to provide ambulance and emergency services to the citizens of West Valley City.

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. General revenues include all taxes.

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

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(D) Budgetary Data

Annual budgets are prepared and adopted, in accordance with State law, by the City Council on or before June 22 for the following fiscal year, beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in several different funds, including the General Fund, Special Revenue Funds and Enterprise Funds. Annual budgets are also adopted for capital projects which may include activities which overlap several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the Mayor and City Council for operating within the budget for their department. All annual budgets lapse at fiscal year-end.

Utah State law prohibits the appropriation of unassigned General Fund balance until it exceeds 5% of the General Fund revenues. Until the unassigned fund balance is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Utah State law also prohibits the accumulation of the stated fund balance categories in any amount greater than 25% of the current year's total revenues.

Once adopted, the budget can be amended by subsequent City Council action. The City Council can amend the budget to any extent, provided the total expenditures do not exceed the total expenditures per the adopted budget, in which case a public hearing must be held. With the consent of the city manager and finance director, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year.

Budgets for the General Fund, Special Revenue Funds and Capital Projects Fund are prepared on the modified accrual basis of accounting. Encumbrance accounting is not used by the City.

Expenditures in the Capital Projects Fund are budgeted annually on a project-by-project basis. Although it is the intention of the City that each project be funded by a specific revenue source, the adopted budget reflects only total anticipated revenues by source. Since it is not practicable or appropriate to separate revenues and fund balance on a project-by-project basis, the Capital Projects Fund is reported as an individual fund in the accompanying financial statements.

The Building Authority's actual expenditures exceeded the final adopted budget by \$2,206,371.

(E) Tax Revenues

On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the tax rate of the previous year, state law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget must be done before August 17. All property taxes levied by the City are assessed and collected by Salt Lake County. Property taxes attach as an enforceable lien on the property as of January 1. Taxes are levied on 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. Tax liens are placed on a property on the January 1 following the due date of unpaid taxes. 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.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(E) Tax Revenues (Continued)

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly.

Franchise taxes are collected by telephone, mobile phone, natural gas, electric utilities, and cable television companies and remitted to the City periodically.

(F) 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.

Investments, in the form of accounts at the Utah Public Treasurer's Investment Trust (the State Treasurer's Pool), of the City are stated at cost, which approximates fair value.

(G) Allowance for Doubtful Accounts

Management has estimated the allowance for uncollectible amounts for the Ambulance Fund, Community Services Fund, and Storm Drain Fund receivables to be approximately \$1,009,000, \$53,000, and \$47,000, respectively, which is estimated based on historical trends related to collections of accounts receivable.

The City considers all other receivables to be fully collectible; no allowance for doubtful accounts is required. Amounts that become uncollectible are written off.

(H) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

(I) Inventories

Inventories are valued at cost, using the first-in first-out (FIFO) method. The costs of governmental fund-type inventories consist of supplies and are accounted for using the consumption method. Purchases are recorded as assets when purchased, then expensed when consumed. The costs of proprietary fund-type inventories consist of merchandise and are also accounted for using the consumption method.

(J) Restricted Assets

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Additionally, the City would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

(K) Capital Assets

Capital assets, which include 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 \$5,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Amortization of capital assets acquired with a capital lease has been included in depreciation expense.

**WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(K) Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives as follows:

Assets	Years
Buildings	10 to 40
Infrastructure	20 to 50
Improvements other than buildings	10 to 40
Machinery and equipment	3 to 10
Vehicles	5 to 10
Office equipment	3 to 5

The City has adopted an allowable alternative to reporting depreciation for its transportation infrastructure network. Under this alternative method, referred to as the “modified approach”, the City must maintain an asset management system and demonstrate that its transportation network is being preserved at or above condition levels established by City policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

(L) Property Held for Resale

Land and property acquired by the Redevelopment Agency that is held for resale is accounted for as property held for resale. The cost of the property held for resale is recorded as an asset on the governmental funds balance sheet until the property is sold.

(M) Compensated Absences

Paid Time Off leave (PTO) is accrued as earned, based on the years of service for each employee. PTO is to be used for all discretionary employee leave previously covered by vacation or sick leave. PTO is accumulated on a biweekly basis and is fully vested when earned. Accumulated PTO cannot exceed 320 hours (415 hours for firefighters) for the year ending approximately mid-November. The City’s policy allows employees to sell unused hours while maintaining a minimum of 40 hours at any time. At retirement, death, or termination in good standing, all accrued unpaid PTO is paid. Proprietary funds expense all accrued PTO amounts when incurred. Governmental funds report expenditures as PTO amounts become current. A significant portion of the PTO payable is considered current based on the City’s policy to allow employees to receive cash for their PTO hours as explained above.

(N) Long-Term Obligations

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. Bond premiums, discounts, and the gain or loss on refunding are deferred and amortized over the life of the applicable debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(O) Unearned Revenue

Unearned revenue arises when resources are received by the City before it has earned them, as when grant monies are received prior to the incurrence of qualifying expenditures, or when receivables are not considered available to pay liabilities of the current period, as in property taxes received in October of each year. In subsequent periods, when both revenue recognition criteria are met, or when the City has earned the resources, the revenue is recognized.

(P) 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 the URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(Q) Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred charges on refunding and deferred outflows related to pensions (discussed previously) in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports unavailable revenue from property taxes (described more fully in Note 8) and deferred inflows related to pension (discussed previously) in this category.

(R) Fund equity

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 remain intact.

Restricted fund balance classification includes amounts with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislations.

Committed fund balance classification include those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the Council (Ordinances for the City, and Resolutions for the RDA, BA, and Housing Authority) and remain binding unless removed in the same manner.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(R) Fund equity (Continued)

Assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The governing council has authorized the City Manager to recommend amounts to be included in assigned fund balance. It is the intent of the City Council that fund balances in governmental funds other than the general fund which are not classed as nonspendable, restricted nor committed are to be assigned and budgeted for the specific purposes for which each of those funds has been created. Within the general fund, the City Manager has assigned fund balance to be budgeted, subject to Council approval, for long-term workers compensation claims.

Unassigned fund balance classification is the residual classification for the General Fund or funds with deficit fund balances. 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.

(S) Interfund Transactions

During the course of normal operations, the City has transactions between funds to subsidize operations in certain enterprise funds, to construct assets, to distribute grant proceeds, etc. These transactions are transfers from a fund authorized to receive certain revenues to the fund through which the resources are to be expended.

(T) Estimates and Assumptions

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

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 as well as time deposits. Investments are stated at cost, which approximate fair value. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" which also includes cash accounts that are separately held by several of the City's funds.

Deposits – Utah State law requires that City funds be deposited with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

Investments – The City's investment policies are governed by State statutes. In addition, the City has its own written investment policies. City funds are invested only in the following: (1) Negotiable or nonnegotiable deposits of qualified depositories (see definition of a qualified depository under "Deposits" above.) (2) Repurchase agreements with qualified depositories or certified dealers, acting as principal for securities of the United States Treasury or other authorized investments only if these securities are conducted with a qualified depository. (3) Commercial paper which is rated P-1 by Moody's Investor Services or A-1 by Standard and Poors, Inc., having a remaining terms to maturity of 270 days or less. Commercial paper can be purchased directly from the depository or the City Treasurer's

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND INVESTMENTS (Continued)

safekeeping bank or trust company. (4) Banker's acceptance that is eligible for discount at a federal reserve bank and which have a remaining term to maturity of 270 days or less. (5) Negotiable certificates of deposit of \$100,000 or more which have a remaining term to maturity of 365 days or less. (6) Obligations of the United States Treasury including United States Treasury Bills, United States Treasury Notes, and United States Treasury Bonds. (7) The Utah State Treasurer's Investment Pool.

The City invests in the Public Treasurer's Investment Fund (PTIF) which is a voluntary external Local Governmental Investment Pool managed by the Utah State Treasurer's Office and is audited by the Utah State Auditor. No separate report as an external investment pool has been issued for the PTIF. The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Utah Code Title 51, Chapter 7). PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. 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 to participants on the ratio of the participant's share to the total funds in the PTIF based on the participant's average daily balance. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available at the Utah State Treasures' Office.

Bond deposits are held by an appointed trustee in accordance with the Bond Resolutions.

Components of cash and investments (including interest earning deposits) at June 30, 2018, are as follows:

	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Maturity (2)</u>
Cash on Hand	\$ 15,636	\$ 15,636	N/A	N/A
Cash on Deposit	<u>9,305,476</u>	<u>9,305,476</u>	N/A	N/A
Total cash on hand and deposit	<u>\$ 9,321,112</u>	<u>\$ 9,321,112</u>		
Investments (3):				
Utah State Treasurer's Investment Pool	90,269,210	\$ 89,928,564	unrated	3 months or less
U.S. Treasury securities	2,538,365	2,538,365	N/A	N/A
Corporate bonds	<u>2,520,302</u>	<u>2,520,302</u>	Baa1 / BBB+ / A	<1 year
Total investments	<u>\$ 95,327,877</u>	<u>\$ 94,987,231</u>		
Total cash and cash equivalents	<u>\$ 104,648,989</u>	<u>\$ 104,308,343</u>		
Portfolio weighted average maturity				N/A

(1) Ratings are provided where applicable to indicate associated **Credit Risk**. N/A indicates not applicable. Credit quality ratings are listed as Moody's/S&P/Fitch as the lowest credit rating for investments in that category. Individual investment ratings within the category may be higher.

(2) Interest Rate Risk is estimated using the weighted average maturity method.

(3) All investments are considered cash equivalents on the financial statements.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND INVESTMENTS (Continued)

The City's cash and cash equivalents and investments are exposed to certain risks as outlined below:

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The City's investment policy for managing interest rate risk is to comply with the Utah Money Management Act which requires that the term to maturity of an investment may not exceed the period of availability of the funds to be invested. The City manages its exposure by investing in short term investments, or investments are matched with anticipated cash flows. The City does not make investments with maturity dates longer than planned expenditures.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City follows the State statutes for investments and only invests in investments that are rated A, AA, or AAA by Standard & Poor's or comparable rating from other investor services, such as Moody's. The City also invests in the Utah Public Treasurer's Investment Fund. As of June 30, 2018, the Utah Public Treasurer's Investment Fund was unrated.

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 investments are held in the Utah State Treasurer's Investment Fund and United States Treasuries, which are not exposed to this risk.

Custodial credit risk – deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2018, \$8,831,272 of the City's \$9,451,826 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. As of June 30, 2018, \$2,520,302 of the City's \$95,327,877 in investments was exposed to custodial credit risk because the investments were uninsured and held by the trustee.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2018:

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Utah State Treasurer's Investment Pool	\$ 90,269,210	\$ -	\$ 90,269,210	\$ -
U.S. Treasury securities	2,538,365	2,538,365	-	-
Corporate bonds	2,520,302	2,520,302	-	-
Total	<u>\$ 95,327,877</u>	<u>\$ 5,058,667</u>	<u>\$ 90,269,210</u>	<u>\$ -</u>

NOTE 3 LOANS RECEIVABLE

Loans receivable consists of Grants Fund home rehabilitation loans made with Federal grant monies. These loans bear interest at rates ranging from 0% to 3%, depending on the borrower's income level and family size. Certain loans are received in monthly or annual installments; others are due upon the sale or transfer of ownership of the related property. At June 30, 2018, the outstanding balance of the loans is \$639,145. The loans are accounted for in the Grants Fund (Non-major Special Revenue Fund). In the fund financial statements, the loans are expensed at inception and revenues are recognized as payments are received by the City. Deferred revenue is recorded to offset the receivables until the payment is received.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable (due from) and payable (due to) balances as of June 30, 2018, are as follows:

	<u>Receivable</u>	<u>Payable</u>
Governmental Activities		
General Fund	\$ 5,113,942	\$ -
Redevelopment Agency	-	3,918,329
Community Services	-	255,367
Nonmajor governmental funds	29,529,485	30,054,875
Business-type Activities		
Golf Courses	-	414,856
	<u>\$ 34,643,427</u>	<u>\$ 34,643,427</u>

The due to/from other funds are the result of individual funds' cash flow needs. These accounts at the fund financial statement level have been eliminated at the government-wide financial statement level (Statement of Net Position).

The City has entered into loan agreements with the Redevelopment Agency whereby the City sold several parcels of land to the Redevelopment Agency in exchange for variable interest rate notes. The interest rate is the current rate paid by Utah's Public Treasurer's Investment Fund, plus 1%. The RDA owes the General fund \$3,918,329 as of June 30, 2018. The rate was approximately 3.50% as of June 30, 2018. During 2018, the Redevelopment Agency paid interest of \$248,640 and repaid principal of \$0. The terms of the notes call for repayment of the note by the Redevelopment Agency with tax increment monies generated from land improvements. The repayment of the notes will come solely from the tax increment on the land improvements. In the event that the tax increment received by the Redevelopment Agency is not sufficient to repay the notes, the debt will be forgiven by the City. This interfund receivable/payable has been eliminated on the Statement of Net Position.

The City has made an agreement with the Building Authority (the BA) to facilitate the costs of constructing the Maverik Center. The BA owes the General Fund \$4,600,000 as of June 30, 2018, under the terms of a note. The BA has committed to pay back all funds to the General Fund over 20 years at 0%, from the proceeds from bond issues and results of operations. For the years ended June 30, 2001 through 2018 the repayment terms were suspended and there were no payments. This interfund receivable/payable has been eliminated on the Statement of Net Position.

The transfers among the funds for the year ended June 30, 2018, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities		
General Fund	\$ 2,475,750	\$ 7,761,355
Redevelopment Agency	-	2,941,000
Community Services Fund	7,055,843	4,749,744
Non major governmental funds	8,002,378	784,000
Business-type Activities		
Golf Courses	492,164	40,000
Storm Utility	-	269,666
Non major business-type funds	-	1,480,370
	<u>\$ 18,026,135</u>	<u>\$ 18,026,135</u>

The purpose of the transfers was to provide cash flows and to fund capital projects.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2018, is as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Governmental Activities:				
Capital assets, not being depreciated:				
Land and collectibles	\$ 31,884,188	\$ 111,553	\$ (3,522,994)	\$ 28,472,747
Infrastructure	234,378,631	1,431,643	(417,016)	235,393,258
Construction in progress	2,023,834	18,212,721	(310,464)	19,926,091
Intangible assets	599,672	-	-	599,672
	<u>268,886,325</u>	<u>19,755,917</u>	<u>(4,250,474)</u>	<u>284,391,768</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings	149,762,133	-	(319,496)	149,442,637
Improvements other than buildings	12,922,492	889,063	-	13,811,555
Machinery and equipment	30,904,138	2,534,280	(836,188)	32,602,230
Furniture and fixtures	1,640,073	9,498	-	1,649,571
Infrastructure	11,574,194	741,424	-	12,315,618
	<u>206,803,030</u>	<u>4,174,265</u>	<u>(1,155,684)</u>	<u>209,821,611</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings	(58,538,115)	(3,714,894)	35,735	(62,217,274)
Improvements other than buildings	(5,340,236)	(1,272,322)	-	(6,612,558)
Machinery and equipment	(26,922,731)	(1,567,002)	808,820	(27,680,913)
Furniture and fixtures	(1,353,688)	(132,692)	-	(1,486,380)
Infrastructure	(4,789,670)	(389,611)	-	(5,179,281)
	<u>(96,944,440)</u>	<u>(7,076,521)</u>	<u>844,555</u>	<u>(103,176,406)</u>
Total accumulated depreciation				
	<u>109,858,590</u>	<u>(2,902,256)</u>	<u>(311,129)</u>	<u>106,645,205</u>
Total capital assets being depreciated, net				
Governmental Activities capital assets, net	<u>\$ 378,744,915</u>	<u>\$ 16,853,661</u>	<u>\$ (4,561,603)</u>	<u>\$ 391,036,973</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 785,648
Public safety	1,300,909
Highways and public improvements	944,271
Parks and recreation	3,175,423
Community development	<u>870,270</u>
Total depreciation expense - governmental activities	<u>\$ 7,076,521</u>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 CAPITAL ASSETS (Continued)

The Business-type Activities property, plant and equipment consist of the following at June 30, 2018:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 17,813,346	\$ -	\$ -	\$ 17,813,346
Construction in progress	857,657	-	(857,657)	-
Total capital assets, not being depreciated	<u>18,671,003</u>	<u>-</u>	<u>(857,657)</u>	<u>17,813,346</u>
Capital assets, being depreciated:				
Buildings	4,311,175	-	-	4,311,175
Improvements other than buildings	14,181,223	-	-	14,181,223
Machinery and equipment	6,560,592	520,312	(212,825)	6,868,079
Furniture and fixtures	10,830	-	-	10,830
Infrastructure	58,075,533	1,921,884	-	59,997,417
Total capital assets, being depreciated	<u>83,139,353</u>	<u>2,442,196</u>	<u>(212,825)</u>	<u>85,368,724</u>
Less accumulated depreciation for:				
Buildings	(1,784,245)	(118,661)	-	(1,902,906)
Improvements other than buildings	(1,580,875)	(161,613)	-	(1,742,488)
Machinery and equipment	(4,864,902)	(669,697)	173,943	(5,360,656)
Furniture and fixtures	(10,830)	-	-	(10,830)
Infrastructure	(23,116,634)	(1,199,226)	-	(24,315,860)
Total accumulated depreciation	<u>(31,357,486)</u>	<u>(2,149,197)</u>	<u>173,943</u>	<u>(33,332,740)</u>
Total capital assets being depreciated, net	<u>51,781,867</u>	<u>292,999</u>	<u>(38,882)</u>	<u>52,035,984</u>
Business-type Activities capital assets, net	<u>\$ 70,452,870</u>	<u>\$ 292,999</u>	<u>\$ (896,539)</u>	<u>\$ 69,849,330</u>

Depreciation expense was charged to functions/programs as follows:

Business-type Activities	
Golf courses	\$ 575,592
Storm Utility	1,415,547
Ambulance	<u>158,058</u>
Total depreciation expense - business-type activities	<u>\$ 2,149,197</u>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 PROPERTY HELD FOR RESALE

Land and property acquired by the Redevelopment Agency of West Valley City (a Special Revenue fund) that is held for resale is accounted for as property held for resale. The cost of property held for resale is capitalized until the property is sold. If the Redevelopment Agency sells property at an amount greater than or less than the carrying amount, a gain/loss is recorded. In the governmental fund financial statements, the resulting gain/loss is accounted for as an other financing source/use, and recognized when measurable and available.

NOTE 7 DEVELOPER AND CUSTOMER DEPOSITS

Developer and customer deposits are principally deposits from developers that are held by the City until building projects and developments receive the required City inspections and are in compliance with all City ordinances.

NOTE 8 DEFERRED INFLOW OF RESOURCES – UNAVAILABLE PROPERTY TAXES

In conjunction with GASB pronouncement 33, “*Accounting and Financial Reporting for Nonexchange Transactions*” the City has accrued property tax receivable and an unearned property tax receivable in the General Fund and Redevelopment Agency in the amounts of \$29,319,881 and \$2,896,280, respectively.

Property taxes recorded in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 60 days). Property taxes attach as an enforceable lien on the property as of January 1 for the calendar year, and then are due and payable at November 30. Since the property tax was not expected to be received within 60 days after the year ended June 30, 2018, the City was required to record a receivable and a deferred inflow of resources of the estimated amount of the total property tax for the 2018 calendar year.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2018:

	<u>June 30, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2018</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
Revenue bonds	\$ 143,125,260	\$ -	\$ (10,570,750)	\$ 132,554,510	\$ 8,105,000
Plus: unamortized premiums	<u>10,455,962</u>	<u>-</u>	<u>(549,062)</u>	<u>9,906,900</u>	<u>-</u>
Total bonds payable	<u>153,581,222</u>	<u>-</u>	<u>(11,119,812)</u>	<u>142,461,410</u>	<u>8,105,000</u>
Notes payable and capital leases:					
Notes payable	31,758,677	87,900	(1,203,481)	30,643,096	1,256,035
Capital leases	<u>3,559,932</u>	<u>1,447,046</u>	<u>(1,029,513)</u>	<u>3,977,465</u>	<u>967,788</u>
Total notes payable and capital leases	<u>35,318,609</u>	<u>1,534,946</u>	<u>(2,232,994)</u>	<u>34,620,561</u>	<u>2,223,823</u>
Other liabilities:					
Banked sick leave	449,040	-	(27,619)	421,421	106,000
Termination benefits	884,862	-	(410,838)	474,024	169,889
Paid time-off	4,116,605	3,628,360	(3,462,140)	4,282,825	1,814,000
Workers compensation	-	-	-	-	-
Claims and contingencies	<u>2,268,740</u>	<u>2,296,554</u>	<u>(921,422)</u>	<u>3,643,872</u>	<u>904,168</u>
Total other liabilities	<u>7,719,247</u>	<u>5,924,914</u>	<u>(4,822,019)</u>	<u>8,822,142</u>	<u>2,994,057</u>
Total Governmental activities long-term liabilities	<u>196,619,078</u>	<u>7,459,860</u>	<u>(18,174,825)</u>	<u>185,904,113</u>	<u>13,322,880</u>
Business-type Activities:					
Bonds payable:					
Revenue bonds	6,331,996	-	(895,362)	5,436,634	1,221,384
Plus: unamortized premiums	<u>454,684</u>	<u>-</u>	<u>(127,312)</u>	<u>327,372</u>	<u>-</u>
Total bonds payable	<u>6,786,680</u>	<u>-</u>	<u>(1,022,674)</u>	<u>5,764,006</u>	<u>1,221,384</u>
Capital Leases	156,603	2,213,395	(130,798)	2,239,200	355,921
Paid time-off	<u>305,289</u>	<u>101,431</u>	<u>(100,337)</u>	<u>306,383</u>	<u>101,862</u>
Total Business-type activities long-term liabilities	<u>7,248,572</u>	<u>2,314,826</u>	<u>(1,253,809)</u>	<u>8,309,589</u>	<u>1,679,167</u>
Total Liabilities	<u>\$ 203,867,650</u>	<u>\$ 9,774,686</u>	<u>\$ (19,428,634)</u>	<u>\$ 194,213,702</u>	<u>\$ 15,002,047</u>

Governmental Activities:

Revenue Bonds

Franchise Fee Revenue Refunding Bonds, Series 2009, original issue of \$13,735,000, principal due in annual installments beginning April 2010, interest at 2.0% to 5.0% due in semi-annual installments beginning October 2009, with the final payment due April 2020. The bonds were issued to refund the Building Authority Lease Revenue Bonds, Series 1998A. The original bonds were issued to finance construction of the fitness center. The defeased portion of the 1998A bonds were called and redeemed in August 2009. Debt service payments will be made from municipal energy sales and use tax revenues.

\$ 2,850,000

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT (Continued)

Redevelopment Agency Tax Increment and Sales Tax Revenue Bonds, Series 2009, original issue of \$9,020,000, principal due in annual installments beginning November 2010, interest at 1.9% to 5.0% due in semi-annual installments beginning May 2010, with the final payment due May 2026. The bonds were issued to fund the acquisition and construction of certain City owned facilities and improvements to promote economic development within the Development Project Area. Debt service payments will be made from the tax increment revenues from the project area and sales and use taxes received by the City. As of June 30, 2018, the total defeased balance is 5,560,000. Funds have been placed into escrow to payoff the defeased balance at May 1, 2019 (the first call date). \$ -

Building Authority Lease Revenue Refunding Bonds, Series 2010, original issue of \$2,870,000, principal due in annual installments beginning January 2012, interest at 3% to 4% due in semi-annual installments beginning January 2011, with the final payment due January 2020. The bonds were issued to defease the Building Authority Lease Revenue Bonds, Series 2001, which were issued to fund the building of a new fire station and public works building. The defeased portion of the 2001 bonds were called and redeemed on July 15, 2011. Debt service payments will be made from the Building Authority Fund. 630,000

Sales Tax Revenue Refunding Bonds (Capital Appreciation Bonds), Series 2010, original issue of \$14,466,760, principal due in annual installments beginning July 2023, interest at 6.75% due in annual installments beginning July 2023, with the final payment due July 2035. The bonds were issued to defease the Sales Tax Revenue Tax Exempt Bonds, Series 2002A, which were issued to finance the costs of acquisition, construction, equipping and improvements of an arts and cultural heritage complex; and to finance equipment purchases and related improvements at the Maverik Center. The defeased portion of the 2002A bonds were called and redeemed in July 2012. Debt service payments will be made from municipal energy sales and use tax and telecommunications franchise tax revenues. 14,466,760

Franchise Tax and Tax Increment Revenue Bonds (Build America Bonds), Series 2010B, original issue of \$4,620,000, principal due in annual installments beginning November 2022, interest at 5.0% to 5.5% due in semi-annual installments beginning May 2011, with the final payment due November 2025. The bonds were issued to finance acquisition of property for redevelopment areas. Debt service payments will be made from franchise tax and tax increment 4,620,000

**WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 9 LONG-TERM DEBT (Continued)

Redevelopment Agency Subordinate Tax Increment and Subordinate Sales Tax Revenue Bonds, Series 2012, original issue of \$5,313,000, principal due in annual installments beginning May 2014, interest at 3.68% due in semi-annual installments beginning November 2012, with the final payment due May 2025. The bonds were issued to finance acquisition of facilities and improvements for the Valley Fair Mall redevelopment area. Debt service payments will be made from tax increment revenues and sales taxes. As of June 30, 2018, the total defeased balance is \$4,265,000. The undefeased balance was paid off during the year. Funds have been placed into escrow to payoff the defeased balance at May 1, 2019 (the first call date).

\$ -

Sales Tax Revenue Refunding Bonds, Series 2013A, original issue of \$5,880,000, principal due in annual installments beginning July 2015, interest at 2-3% due in semi-annual installments beginning July 2013, with the final payment due July 2023. The bonds were issued to refund in advance the callable portion of the Sales Tax Revenue Bonds Series 2008A, which were issued to fund the construction of the public safety storage facility and the animal shelter offices. The defeased portion of the 2008A bonds were called and redeemed in July 2014. Debt service payments will be made from the General Fund sales tax revenues.

4,085,000

Redevelopment Agency Taxable Increment Revenue Refunding Bonds, Series 2015, original issue of \$3,163,000, principal due in annual installments beginning March 2016, interest at 3.16% due in annual semi-annual installments beginning March 2016, with the final payment due March 2024. The bonds were issued to fully refund the Redevelopment Agency Tax Increment Revenue Refunding Bonds Series 2005, which were issued to finance the cost of land and infrastructure improvements, including curb and gutter, paving and landscaping in respect to construction of the Maverik Center. The defeased portion of the 2005 bonds were called and redeemed in November 2015. Debt service payments will be made from the RDA tax increment revenues.

2,146,000

Building Authority Lease Revenue Refunding Bonds Series 2016, original issue of \$30,750,000, principal due in annual installments beginning February 2017, interest at 2.0% to 5.0% due in semi-annual installments beginning February 2017, with the final payment due on February 2038. The bonds were issued to 1) provide funds to build a new fire station and 2) to fully refund the Building Authority Lease Revenue Refunding Bonds Series 2006A. Debt payments will be funded by proceeds from the Maverik Center's operations and transfers from the General Fund. The economic gain on refunding was calculated to be \$2,283,200.

25,640,000

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT (Continued)

Sales Tax Revenue Refunding Bonds, Series 2016, original issue of \$3,160,500, principal due in annual installments beginning July 2017, interest at 2-4% due in semi-annual installments beginning January 2017, with the final payment due July 2021. The bonds were issued to 1) refund the Sales Tax Revenue Refunding Bonds Series 2006 2) fund a deposit to a debt service reserve fund and 3) pay cost of issuance. The original bonds were issued to purchase and renovation of a Public Safety Building and the purchase of Stonebridge Golf Course. Approximately 35% and 65% of the debt service payments will be made from the General Fund sales tax and Golf Course revenues, respectively. The balance shown is 35% of the total outstanding balance as of June 30, 2018 which is the portion attributable to governmental activities. Debt service payments will be made from the General Fund. The economic gain on refunding was calculated to be \$222,230.

\$ 2,843,750

Redevelopment Agency Taxable Increment Revenue Refunding Bonds, Series 2016, original issue of \$10,490,000, principal due in annual installments beginning November 2017, interest at 2.0% to 5.0% due in semi-annual installments beginning March 2017, with the final payment due November 2036. The bonds were issued to 1) fully refund the Redevelopment Agency Franchise Tax and Tax Increment Revenue Refunding Bonds Series 2010A, (the original bonds were issued to purchase land held for resale), and 2) partially refund the Redevelopment Agency Taxable Subordinate Tax Increment Revenue Bonds Series 2014, (the original bonds were issued to finance the acquisition of land within a redevelopment project area). Debt service payments will be made from the RDA tax increment revenues. The economic loss on refunding was calculated to be \$35,754.

10,125,000

Redevelopment Agency Taxable Increment Revenue Refunding Bonds, Series 2016A, original issue of \$16,514,000, principal due in annual installments beginning May 2017, interest at 2.23% due in semi-annual installments beginning May 2017, with the final payment due May 2025. The bonds were issued to 1) fully refund the Redevelopment Agency Tax Increment and Sales Tax Revenue Bonds Series 2009, which were issued to fund the acquisition and construction of certain City owned facilities and improvements to promote economic development within the Development Project Area, and 2) partially refund the Redevelopment Agency Subordinate Tax Increment and Subordinate Sales Tax Revenue Bonds Series 2012, which were issued to finance acquisition of facilities and improvements for the Valley Fair Mall redevelopment area. Debt service payments will be made from the RDA tax increment revenues. The economic loss on refunding was calculated to be \$743,546.

14,804,000

**WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 9 LONG-TERM DEBT (Continued)

Redevelopment Agency Taxable Increment Revenue Refunding Bonds, Series 2016B, original issue of \$8,106,000, principal due in annual installments beginning May 2017, interest at 3.15% due in semi-annual installments beginning May 2017, with the final payment due May 2025. The bonds were issued to 1) partially refund the Redevelopment Agency Subordinate Tax Increment and Subordinate Sales Tax Revenue Bonds Series 2012, which were issued to finance acquisition of facilities and improvements for the Valley Fair Mall redevelopment area, and 2) partially refund the Redevelopment Agency Taxable Subordinate Tax Increment Revenue Bonds Series 2014, (the original bonds were issued to finance the acquisition of land within a redevelopment project area). Debt service payments will be made from the RDA tax increment revenues. The economic loss on refunding was calculated to be \$444,646.

\$ 3,864,000

Building Authority Lease Revenue and Refunding Bonds Series 2017, original issue of \$47,235,000, principal due in annual installments beginning February 2018, interest at 2.0% to 5.0% due in semi-annual installments beginning August 2017, with the final payment due on February 2044. The bonds were issued for 1) the Family Fitness Center Project and 2) the Parking Facility Project, and 3) the Public Safety Building and Courts Project. Debt payments will be made from the General Fund.

46,480,000

Total Revenue Bonds - Governmental Activities \$ 132,554,510

Notes Payable

Housing and Urban Development (HUD) Section 108 Note, original note of \$3,297,000, principal due in annual installments beginning August 2003, interest at 5.43% to 5.56% due in semi-annual installments beginning February 2003, with the final payment due August 2021. Trust certificates guaranteed by the Secretary of Housing and Urban Development were sold in a public offering, and these certificates were backed by this and other notes. The notes were used for the exclusive use of cleaning up the Harvey Street project. Debt service payments will be paid by revenues from future draws from the HUD CDBG grant funds.

\$ 965,000

Utah Infrastructure Agency notes, original notes of \$111,900, principal due in monthly installments beginning January 2013, interest at 6-8% due in monthly installments beginning January 2013, with the final payment due May 2037. The notes were issued to finance fiber-optic network connections for residents. Debt service payments will be paid by the residents according to the agreement set up between the City and the residents, which mirrors the agreement between the City and Utah Infrastructure Agency.

224,757

**WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 9 LONG-TERM DEBT (Continued)

Redevelopment Agency note, original note of \$33,063,000, principal due in monthly installments beginning December 2015, interest at 5.68% due in monthly installments beginning November 2011, with the final payment due November 2037. The note was used for the construction of the Embassy Suites hotel and is secured by the property, improvements, and future rents. Debt service payments will be paid by the sub-lease tenant.

\$ 29,123,339

Redevelopment Agency note, original note of \$500,000, principal due in annual installments beginning October 2017, interest at 0.0%, with the final payment due October 2019. The note was used to finance the purchase of property. Debt service payments will be paid by the Redevelopment Agency.

330,000

Total Notes Payable - Governmental Activities

\$ 30,643,096

Capital Leases

2010 Various Equipment Leases, original amounts totaling \$286,005, lease payments due in quarterly installments totaling \$18,806 including interest at 3.66% to 4.09% with payments beginning from October 2010 to June 2011, with the final payment due from July 2014 to March 2018. The principal and interest payments are made from the General Fund revenues. The leases were used to finance the purchase of various electronic equipment. The Balance was paid off during the year.

\$ -

2012 Suntrust Equipment Lease, original amount of \$606,971, lease payments due in semi-annual installments totaling \$34,609 including interest at 2.57% with payments beginning August 2012, with the final payment due February 2022. The principal and interest payments are made from the General Fund revenues. The lease was used to finance the purchase of a fire truck for the City.

261,522

2012 Suntrust Equipment Lease, original amount of \$149,070, lease payments due in semi-annual installments totaling \$9,889 including interest at 2.50% with payments beginning November 2012, with the final payment due May 2019. The principal and interest payments are made from the General Fund revenues. The lease was used to finance the refurbishment of one of the City's fire trucks.

19,413

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT (Continued)

<p>2013 Suntrust Equipment Lease, original amount of \$293,729, lease payments due in quarterly installments totaling \$15,283 including interest at 1.59% with payments beginning May 2013, with the final payment due February 2018. The principal and interest payments are made from the General Fund revenues. The lease was used to finance the a new phone system for the City. The balance was paid off during the year.</p>	<p>\$ -</p>
<p>2014 Suntrust Equipment Lease, original amount of \$329,034, lease payments due in semi annual installments totaling \$34,295 including interest at 1.52% with payments beginning January 2014, with the final payment due July 2018. The principal and interest payments are made from the General Fund revenues. The lease was used to finance police vehicles. The balance was paid off during the year.</p>	<p>-</p>
<p>2014 Suntrust Equipment Lease, original amount of \$184,510, lease payments due in quarterly installments totaling \$7,119 including interest at 2.33% with payments beginning April 2014, with the final payment due January 2021. The principal and interest payments are made from the General Fund revenues. The lease was used to finance the purchase of police and fire department radios.</p>	<p>75,643</p>
<p>2014 OshKosh Equipment Lease, original amount of \$1,101,605, lease payments due in yearly installments totaling \$139,950 including interest at 3.35% with payments beginning May 2015, with the final payment due June 2021. The principal and interest payments are made from the General Fund revenues. The lease was used to finance the purchase of a Pierce fire engine.</p>	<p>668,224</p>
<p>2014 Various Equipment Leases, original amounts totaling \$291,022, lease payments due in quarterly installments totaling \$19,239 including interest at 2.52% to 3.04% with payments beginning from February to August 2014, with the final payment due from November 2017 to May 2018. The principal and interest payments are made from the General Fund revenues. The leases were used to finance the purchase of various electronic equipment. The balance was paid off during the year.</p>	<p>-</p>
<p>2015 Various Equipment Leases, original amounts totaling \$171,058, lease payments due in quarterly installments totaling \$11,390 including interest between 2.99% to 3.11% with payments beginning January 2015, with the final payment due from October 2018. The principal and interest payments are made from the General Fund revenues. The leases were used to finance the purchase of police laptops and IT software.</p>	<p>22,525</p>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT (Continued)

2015 Suntrust Equipment Lease, original amount of \$286,228, lease payments due in quarterly installments totaling \$11,044 including interest at 2.33% with payments beginning August 2014 for principal and November 2014 for interest, with the final payment due May 2021. The principal and interest payments are made from the General Fund revenues. The lease was used to finance the purchase of police department radios. \$ 127,645

2016 Various Equipment Leases, original amounts totaling \$1,311,903, lease payments due in quarterly installments totaling \$57,895 including interest between 1.80% to 2.15% with payments beginning March 2015, with the final payment due between February 2020 and February 2023. The principal and interest payments are made from the General Fund revenues. The leases were used to finance the purchase of police and fire radios, Maverik Center equipment, and computer equipment. 761,191

2016 Various Equipment Leases, original amounts totaling \$985,939, lease payments due in quarterly installments totaling \$42,870 including interest between 1.807% to 2.204% with payments beginning October 2016, with the final payment due between October 2020 and January 2024. The principal and interest payments are made from the General Fund revenues. The leases were used to finance the purchase of IT network hardware, Emergency communication system, police computers, and public safety radios. 743,514

2018 Various Equipment Leases, original amounts totaling \$1,447,046, lease payments due in semi-annual installments, or quarterly installments totaling \$95,438 and 12,302 respectively, including interest between 2.074% to 2.210% with payments beginning April 2018, with the final payment due October 2025. The principal and interest payments are made from the General Fund revenues. The leases were used to finance the purchase of 1 heavy duty truck and 1 urban search and rescue trailer and computer equipment and radios. 1,297,788

Total Capital Leases - Governmental Activities	\$ 3,977,465
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Banked sick leave

The total of accumulated unpaid compensated absences in governmental funds. The majority of compensated absences are paid out of the general fund. \$ 421,421

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT (Continued)

Termination Benefits

The long-term portion of termination benefits in governmental funds. The City has, from time to time, offered termination benefits as an incentive to early retirement to the employees of the City. As part of the benefit, the employees could elect to receive medical coverage through the City's health insurance provider, with the City paying approximately 65% of the premiums for a maximum of 8 years. As of June 30, 2018, there were 20 employees receiving benefits in the form of paid health insurance premiums. The availability of these benefits range from 1 to 9 years, depending upon individual retirement agreements. The present value of estimated future insurance premium costs of \$451,999 is determined using a 2% discount rate and a health cost trend rate of 6% compounding over the period of availability. The long-term liability associated with the termination benefits are paid out of the general fund.

\$ 474,024

Paid time-off

The long-term portion of paid time off accruals. Employees can carry over up to 320 hours of paid time off. Employees who have not cashed out 80 hours during the current fiscal year, and are over the 320 hour maximum are automatically paid out for the hours over the maximum. Employees who are over the 320 hour maximum and who have already cashed out 80 hours will lose the hours over 320. Employees may cash out their accrued time up to 80 hours at any time during the fiscal year, but must leave a minimum of 40 hours in their accrued paid time off. The long-term liability associated with the paid time off benefit is paid out of the general fund.

\$ 4,282,825

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT (Continued)

Business-type Activities

Revenue Bonds

Storm Sewer Revenue Bonds Series 2013, original issue of \$1,500,000, principal due in semi annual installments beginning March 2014, interest at 1.59% due in semi-annual installments beginning March 2014, with the final payment due on September 2018. The bonds were issued to finance the acquisition of land for storm water retention and open space. Debt payments will be funded by the user fees charged in the Storm Water Utility Fund.

\$ 155,384

Sales Tax Revenue Refunding Bonds, Series 2016, original issue of \$5,869,500, principal due in annual installments beginning July 2017, interest at 2-4% due in semi-annual installments beginning January 2017, with the final payment due July 2021. The bonds were issued to 1) refund the Sales Tax Revenue Refunding Bonds Series 2006 2) fund a deposit to a debt service reserve fund and 3) pay cost of issuance. The original bonds were issued for the purchase and renovation of a Public Safety Building and the purchase of Stonebridge Golf Course. Approximately 35% and 65% of the debt service payments will be made from the General Fund sales tax and Golf Course revenues, respectively. The balance shown is 65% of the total outstanding balance as of June 30, 2018 which is the portion attributable to business type activities.. The economic gain on refunding was calculated to be \$412,714.

5,281,250

Total Revenue Bonds - Business-type Activities

\$ 5,436,634

Capital Leases

2014 Suntrust Equipment Lease, original amount of \$643,882, lease payments due in annual installments totaling \$133,295 including interest at 1.58% with payments beginning April 2014, with the final payment due March 2019. The principal and interest payments are made from the Ambulance fund and Golf Course fund revenues. The lease was used to finance the refurbishment of two ambulances and purchase of golf maintenance equipment.

\$ 25,805

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT (Continued)

2018 Equipment Lease, original amount of \$2,055,337, lease payments due in annual installments totaling \$329,370 including interest at 3.141% with payments beginning October 2018, with the final payment due April 2025. The principal and interest payments are made from the Ambulance fund revenues. The lease was used to finance three fire trucks and two ambulances.

\$ 2,055,337

2018 ZOLL Medical Equipment Lease, original amount of \$158,058, lease payments due in annual installments totaling \$31,612 including interest at -0-% with payments beginning July 2018, with the final payment due July 2021. The principal and interest payments are made from the Ambulance fund revenues. The lease was used to finance medical equipment.

\$ 158,058

\$ 2,239,200

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT (Continued)

The annual debt service requirements to maturity, including principal and interest for the Governmental Activities long-term debt, as of June 30, 2018, are as follows:

Year Ending June 30,	Governmental Activities Revenue Bonds	
	Principal	Interest
2019	\$ 8,105,000	\$ 4,821,595
2020	10,628,250	4,598,523
2021	7,166,000	4,243,960
2022	6,827,500	4,021,932
2023	8,216,000	3,757,023
2024-2028	35,733,780	23,597,345
2029-2033	20,129,100	26,827,895
2034-2038	18,638,880	15,746,526
2039-2043	13,920,000	2,651,550
2044-2048	3,190,000	127,600
	<u>132,554,510</u>	<u>\$ 90,393,948</u>
Plus: unamortized premium	<u>9,906,900</u>	
Total	<u>\$ 142,461,410</u>	

Year Ending June 30,	Governmental Activities Notes Payable	
	Principal	Interest
2019	\$ 1,256,035	\$ 1,758,752
2020	1,307,411	1,698,340
2021	1,212,740	1,634,311
2022	1,276,705	1,566,505
2021	1,078,530	1,494,865
2024-2028	6,389,442	6,470,174
2029-2033	8,433,248	4,491,428
2034-2038	9,688,921	1,882,858
2039-2043	64	14,569
	<u>\$ 30,643,096</u>	<u>\$ 21,011,802</u>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT (Continued)

The future minimum lease payments to be paid by the City for capital leases are as follows:

Year Ending June 30,	Governmental Activities Total
2019	\$ 967,788
2020	917,974
2021	1,152,152
2022	540,393
2023	330,054
2024-2028	<u>320,179</u>
Total minimum lease payments	4,228,540
Less: amount representing interest	<u>(251,075)</u>
Present value of net minimum lease payments	<u>\$ 3,977,465</u>

The annual debt service requirements to maturity, including principal and interest for the Business-type Activities long-term debt, as of June 30, 2018, are as follows:

Year Ending June 30,	Business-type Activities Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 1,221,384	\$ 179,831
2019	1,088,750	142,622
2020	1,131,000	102,440
2021	<u>1,995,500</u>	<u>39,910</u>
	5,436,634	<u>\$ 464,803</u>
Plus: unamortized premium	<u>327,372</u>	
Total	<u>\$ 5,764,006</u>	

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT (Continued)

The future minimum lease payments to be paid by the City for capital leases are as follows:

Year Ending June 30,	Business-type Activities Total
2019	418,810
2020	360,983
2021	360,982
2022	360,981
2023	329,370
2024-2025	658,740
Total minimum lease payments	2,489,866
Less: amount representing interest	(250,666)
Present value of net minimum lease payments	\$ 2,239,200

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Equipment	\$ 6,499,703
Less: accumulated depreciation	(6,413,292)
Total	\$ 86,411
	Business-Type Activities
Asset:	
Machinery and equipment	\$ 2,400,050
Less: accumulated depreciation	(2,046,456)
Total	\$ 353,594

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT (Continued)

Pledges of future revenues

The City has pledged sales taxes, RDA tax increment, franchise fee taxes, lease revenues from the Building Authority (a blended component unit), and storm sewer utility revenues as part of debts issued by the City. The total approximate revenues pledged by type, revenues for the year, payments from pledged revenues for the year, and the ratio of revenues in the current fiscal year to the total pledged revenues, are shown by type below:

	<u>Sales Taxes</u>	<u>RDA Tax Increment</u>	<u>Franchise Taxes</u>	<u>Lease Revenues</u>	<u>Storm Water Revenues</u>
Principal	26,676,760	35,559,000	2,850,000	72,750,000	155,384
Interest	37,207,772	8,246,930	196,500	45,200,200	7,349
Total revenues pledged over the life of the debts	\$ 63,884,532	\$ 43,805,930	\$ 3,046,500	\$ 117,950,200	\$ 162,733
Revenues for the year ended June 30, 2018	\$ 27,124,806	\$ 2,952,117	\$ 10,067,122	\$ 3,891,198	\$ 3,963,534
Principal	1,780,000	4,539,000	1,420,000	3,440,000	307,112
Interest	419,300	1,238,202	184,550	2,741,480	6,118
Payments on debt from pledged revenues for the year ended June 30, 2018	\$ 2,199,300	\$ 5,777,202	\$ 1,604,550	\$ 6,181,480	\$ 313,230
Percent of current year revenues to total pledged revenues	42%	7%	330%	3%	2436%

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss including third party claims, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims have not exceeded the City's insurance coverage for any of the past five years.

Real property is either self-insured or insured through commercial policies. Some vehicles are self-insured (generally those valued at less than \$50,000) while those valued over \$50,000 are typically insured commercially. Where possible and appropriate, in contractual transactions with other persons or entities, responsibility for damages is transferred to the other party or person(s) that perform work for the City. Coverage for asbestos liability is limited to an annual aggregate of \$100,000.

The City operates a self-insured workers' compensation program for claims based on events which occurred prior to June 30 2013. Pinnacle Risk Management Services is the designated third party administrator for the City's workers' compensation program for claims prior to June 30, 2013. For workers' compensation claims subsequent to June 30, 2013 the City has purchased a workers' compensation policy to provide insurance coverage.

The City administration and City Council are ultimately responsible for setting reserves and adjusting the reserve throughout the life of the claims. The City uses prior loss history and actuary studies as the basis for computing the accrual. The City at this time has no annuities. In management's opinion, the accrued workers' compensation claim liability is adequate to cover the reported claims as well as the incurred but not reported claims for which the City is responsible.

**WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 10 RISK MANAGEMENT (Continued)

General liability coverage is provided by the Utah Risk Management Mutual Association (URMMA), a risk mutual association to which the City belongs, along with 25 others cities in Utah. The State of Utah Insurance Department regulates URMMA to ensure sound actuarial standards are used. Payment of an annual insurance premium indemnifies the City for claims that exceed a per occurrence deductible. The policy provides \$6 million of liability coverage per occurrence after a deductible of \$15,000. In the event URMMA becomes insolvent, the City is fully responsible for all claims.

The obligation of URMMA to pay damages on behalf of the City or covered individuals applies only to damages in excess of the member “deductions” and group “self-insured retentions” outlined in the Coverage Profile. The members’ “deductibles” and the group’s “self-insured retentions” also include attorney’s fees and all other costs incurred in defending a claim. Each member may adjust, settle, and pay or deny all “property damage” claims which are less than one hundred percent (100%) of that member’s deductible and which do not include bodily injury, personal injuries, or alleged violation of civil rights.

The following table shows the changes in claim liability for the years ended June 30, 2018 and 2017.

	Workers' Compensation	General Liability
Liability at June 30, 2016	\$ 326,438	\$ 2,075,299
Claims incurred	-	278,020
Payments on claims	(326,438)	(276,009)
Changes to prior estimates	-	191,430
Liability at June 30, 2017	-	2,268,740
Claims incurred	-	1,471,108
Payments on claims	-	(921,422)
Changes to prior estimates	-	825,446
Liability at June 30, 2017	\$ -	\$ 3,643,872

NOTE 11 PENSIONS

Plan Description

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

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

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.

**WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 11 PENSIONS (Continued)

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 (URS 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.

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%
Contributory System	Highest 5 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year up to June 1975; 2.0% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending upon employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year 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 fo

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSIONS (Continued)

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2018 are as follows:

Utah Retirement System

	Paid by Employer for Employee	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System			
11 - Local Governmental Division Tier 1	6.000%	14.460%	N/A
111 - Local Governmental Division Tier 2	N/A	15.110%	1.580%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.470%	N/A
Public Safety Retirement System			
Contributory			
122 - Tier 2 DB Hybred Public Safety	N/A	20.460%	1.26
Noncontributory			
49 - Other Div B with 2.5% COLA	N/A	32.200%	N/A
Firefighters System			
32 - Division B	16.710%	6.760%	N/A
132 - Tier 2 DB Hybred Firefighters	N/A	10.820%	1.26
Tier 2 DC Only			
211 - Local Government	N/A	6.690%	10.000%
222 - Public Safety	N/A	9.720%	12.000%
232 - Firefighters	N/A	0.080%	12.000%

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

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSIONS (Continued)

For the fiscal year ended June 30, 2018, the employer and employee contributions to the Systems were as follows:

	Employer Contributions	Employee Contributions
Noncontributory System	\$ 2,532,545	N/A
Contributory System	31,768	\$ -
Public Safety System	2,503,377	-
Firefighters System	372,388	-
Tier 2 Public Employees System	612,753	-
Tier 2 Public Safety and Firefighter System	751,461	-
Tier 2 DC Only System	81,973	N/A
Tier 2 DC Public Safety and Firefighter System	56,436	N/A
Total Net Pension Asset / Liability	<u>\$ 6,942,701</u>	<u>\$ -</u>

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

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

At June 30, 2018, we reported a net pension asset of \$1,539,063 and a net pension liability of \$14,070,313.

	(Measurement Date): December 31, 2017				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share 12-31-15	Proportionate Share
Noncontributory System	\$ -	\$ 7,287,761	1.6633788%	1.7014786%	-0.0380998%
Contributory System	-	127,830	1.5708981%	2.1364134%	-0.5655153%
Public Safety System	-	6,620,012	13.7002595%	13.9937734%	-0.2935139%
Firefighters System	1,498,844	-	6.6812668%	6.3431125%	0.3381543%
Tier 2 Public Employees System	-	34,710	0.3936794%	0.4406098%	-0.0469304%
Tier 2 Public Safety and Firefighter System	40,219	-	3.4759765%	3.3381985%	0.1377780%
Total Net Pension Asset / Liability	<u>\$ 1,539,063</u>	<u>\$ 14,070,313</u>			

The net pension asset and liability were measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2017 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, 2018, we recognized pension expense of \$4,951,032.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSIONS (Continued)

At June 30, 2018, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,707,212	\$ 1,750,239
Changes in assumptions	8,145,573	923,237
Net difference between projected and actual earnings on pension plan investments	4,170,954	11,039,166
Changes in proportion and differences between contributions and proportionate share of contributions	104,393	628,416
Contributions subsequent to the measurement date	3,492,945	-
Total	\$ 19,621,077	\$ 14,341,058

\$3,492,945 was 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, 2017.

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
2018	\$ 1,522,129
2019	1,716,355
2020	30,077
2021	(1,518,652)
2022	(399,424)
Thereafter	436,589

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSIONS (Continued)

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

For the year ended June 30, 2018, we recognized pension expense of \$2,515,878.

At June 30, 2018, we reported deferred out flows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 162,563	\$ 445,999
Changes in assumptions	2,617,730	170,273
Net difference between projected and actual earnings on pension plan investments	1,569,006	4,119,937
Changes in proportion and differences between contributions and proportionate share of contributions	51,113	239,534
Contributions subsequent to the measurement date	1,265,855	-
Total	\$ 5,666,267	\$ 4,975,743

\$1,265,855 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, 2017.

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
2018	\$ 310,026
2019	535,887
2020	(523,198)
2021	(898,047)
2022	-
Thereafter	-

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSIONS (Continued)

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

For the year ended June 30, 2018, we recognized pension expense of (\$81,056).

At June 30, 2018, we reported deferred out flows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	161,427	366,576
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	10,567	-
Total	\$ 171,994	\$ 366,576

\$10,567 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, 2017.

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

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ (12,306)
2019	(17,602)
2020	(95,668)
2021	(79,573)
2022	-
Thereafter	-

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSIONS (Continued)

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

For the year ended June 30, 2018, we recognized pension expense of \$1,657,005.

At June 30, 2018, we reported deferred out flows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,522,369	\$ -
Changes in assumptions	3,080,598	300,170
Net difference between projected and actual earnings on pension plan investments	1,066,468	3,036,047
Changes in proportion and differences between contributions and proportionate share of contributions	-	357,676
Contributions subsequent to the measurement date	1,237,715	-
Total	\$ 8,907,150	\$ 3,693,893

\$1,237,715 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, 2017.

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

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ 1,419,200
2019	1,392,862
2020	880,800
2021	282,680
2022	-
Thereafter	-

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSIONS (Continued)

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

For the year ended June 30, 2018, we recognized pension expense of \$156,068.

At June 30, 2018, we reported deferred out flows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,271,612
Changes in assumptions	2,312,470	445,841
Net difference between projected and actual earnings on pension plan investments	1,353,245	3,412,442
Changes in proportion and differences between contributions and proportionate share of contributions	5,781	27,934
Contributions subsequent to the measurement date	185,608	-
Total	\$ 3,857,104	\$ 5,157,829

\$185,608 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, 2017.

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

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ (189,667)
2019	(189,667)
2020	(225,836)
2021	(807,735)
2022	(386,160)
Thereafter	312,731

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSIONS (Continued)

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

For the year ended June 30, 2018, we recognized pension expense of \$333,281.

At June 30, 2018, we reported deferred out flows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,299	\$ 32,507
Changes in assumptions	46,712	3,514
Net difference between projected and actual earnings on pension plan investments	10,884	50,489
Changes in proportion and differences between contributions and proportionate share of contributions	37,992	-
Contributions subsequent to the measurement date	362,630	-
Total	\$ 459,517	\$ 86,510

\$362,630 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, 2017.

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

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ (3,160)
2019	(3,160)
2020	(3,675)
2021	(8,859)
2022	(7,534)
Thereafter	36,776

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSIONS (Continued)

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

For the year ended June 30, 2018, we recognized pension expense of \$369,855.

At June 30, 2018, we reported deferred out flows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,981	\$ 121
Changes in assumptions	88,064	3,439
Net difference between projected and actual earnings on pension plan investments	9,924	53,675
Changes in proportion and differences between contributions and proportionate share of contributions	9,507	3,271
Contributions subsequent to the measurement date	430,570	-
Total	\$ 559,046	\$ 60,506

\$430,570 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, 2017.

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

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ (1,965)
2019	(1,965)
2020	(2,346)
2021	(7,117)
2022	(5,730)
Thereafter	87,092

Actuarial Assumptions

The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.25 – 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSIONS (Continued)

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, 2017, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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 and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real Assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
	Inflation		2.50%
	Expected arithmetic nominal return		7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 6.95 percent from 7.2 percent from the prior measurement period.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSIONS (Continued)

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

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 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 (6.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 19,709,528	\$ 7,287,761	\$ (3,040,321)
Contributory System	866,702	127,830	(491,952)
Public Safety System	17,055,282	6,620,012	(1,887,508)
Firefighter System	7,688,277	(1,498,844)	(9,049,590)
Tier 2 Public Employees System	408,689	34,710	(253,682)
Tier 2 Public Safety and Firefighter	356,170	(40,219)	(343,062)
Total	<u>\$ 46,084,648</u>	<u>\$ 12,531,250</u>	<u>\$ (15,066,115)</u>

Pension Plan Fiduciary Net Position

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

NOTE 12 DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS

Utah Retirement System (URS) Plans

The Utah Retirement Defined Contribution Savings Plans administered by 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 a separately issued URS financial report.

West Valley City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan

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

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS (Continued)

<u>System</u>	<u>Year Ended June 30,</u>	<u>Employee paid Contributions</u>	<u>Employer paid for Employee Contributions</u>
Defined Contribution System:			
401(k) Plan	2018	\$ 105,000	\$ 376,087
	2017	103,325	327,827
	2016	70,259	206,754
457 Plan	2018	8,465	-
	2017	1,350	-
	2016	2,228	-
Roth IRA Plan	2018	58,996	N/A
	2017	38,129	N/A
	2016	17,416	N/A

International City Managers Association Plans (ICMA) Plans

The City sponsors a defined contribution plan under Internal Revenue Code 401(a) for City employees covered by the State's contributory and noncontributory retirement plans. ICMA administers this plan. All benefitted employees who had existing accounts as of March 1, 2012, are eligible to participate in the plan. The City does not contribute to this plan, except for employees who have opted out of URS. For these employees, the City participates at rates between 7.3% and 20% (set by the City Council).

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. International City Managers Association (ICMA) administers this plan. The plan, available to all benefitted employees, permits them to defer a portion of their salary until future years. Contributions come from voluntary employee deductions. The following illustrates the three year-trend analysis of employer and employee contributions to ICMA for deferred compensation plans.

<u>System</u>	<u>Year Ended June 30,</u>	<u>Employee paid Contributions</u>	<u>Employer paid for Employee Contributions</u>
Defined Contribution System:			
401(a) Plan	2018	\$ -	\$ 129,669
	2017	-	156,370
	2016	-	102,507
457 Plan	2018	414,685	-
	2017	1,091,744	-
	2016	1,391,667	-

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 COMMITMENTS AND CONTINGENCIES

The City had approximately \$42,560,000 of outstanding construction commitments at June 30, 2018.

The City is a defendant in various claims and suits arising from the ordinary course of business. A provision for loss related to litigation of \$3,643,872 was recorded in the accompanying financial statements. Management believes that any liability resulting from these matters is adequately covered by this provision.

The City has entered into an agreement with WVE, Inc. to operate the Maverik Center. WVE, Inc. is a subsidiary of Centennial Management Group and is responsible for the daily operations, maintenance, bookings, and events that take place at the Maverik Center. The City is responsible for management and operation of the Maverik Center parking facilities.

The City pays to WVE Inc., or its parent company, Centennial Management Group, a fixed annual management fee. This annual fixed fee increases yearly by the amounts stated in the agreement. The fee for the fiscal year ended June 30, 2018, was \$262,500. The fee for the coming fiscal year ended June 30, 2019 will be \$272,500. The term of the agreement has been extended to end in June 2027.

In addition to the annual fixed fee, if certain performance objectives are reached, the City may pay an additional annual incentive fee payment equal to not more than 5% of the annual fixed fee. The annual incentive fee for the year ended June 30, 2018, was \$13,125. The City expects to pay a similar amount for the coming fiscal year ended June 30, 2019. These management fees paid to WVE, Inc., and/or Centennial Management Group are their only compensation for managing the Maverik Center. All Maverik Center revenues are collected by the City (other than those retained by the concessionaire and the hockey club pursuant to their respective contracts). All Maverik Center expenses (including WVE, Inc. personnel expenses) are paid by the City.

During May 2017, the City entered into a contract with USANA Amphitheater (the Amphitheater) to provide management services. The Amphitheater will pay the City \$75,000. The City then contracted with WVE, Inc. to provide the management services for the Amphitheater. The City pays to WVE, Inc., or its parent company, Centennial Management Group, an annual management fee to provide management services to the Amphitheater and the Utah Cultural Celebration Center (the Center). The fee for the year ended June 30, 2018 was \$75,000. The City expects to pay \$75,000 for the coming year ended June 30, 2019. The term of the agreement ends in June 2022, with a renewal option of five years.

The City entered into a "Venue Marketing Services Agreement", wherein the City will pay the other party 50% of marketing revenue earned at the Maverik Center greater than \$1,661,641 for each year through the end of the third year of the agreement, and will increase every year thereafter by the Consumer Price Index. The agreement term is until August 31, 2022. The marketing fee for the fiscal year ended June 30, 2018, was \$-0-. The City expects to pay an amount similar to prior years of approximately \$198,000 for the coming fiscal year ended June 30, 2019.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 INTERGOVERNMENTAL REVENUE

Intergovernmental revenue for the year ended June 30, 2018, consists of the following:

	General Fund	Other Governmental Funds	Business-type Funds
Federal Government:			
CDBG Grant	\$ -	\$ 1,168,923	\$ -
Cooperative Forrestry Assistance	-	8,000	-
COPS Hiring Grant	-	522,235	-
Coverdell Forensic Science Improvement	-	77,461	-
Domestic Violence VOCA	-	130,342	-
Emergency Management Performance Grant	-	23,493	-
Housing Choice Vouchers	-	-	3,511,399
Internet Crimes Against Children	-	25,565	-
NEA Promotion of the Arts	-	10,000	-
Salt Lake Homes Investment Partnership	-	182,644	-
VAWA Grant	-	55,895	-
State of Utah:			
CCJJ Halfway House Grant	-	45,421	-
CCJJ State Asset Forfeiture Grant	-	24,596	-
Class "C" road fund allotment	4,388,772	-	-
EMS Fire Department Grant	-	8,498	-
Liquor allotment	-	174,622	-
Saki	-	9,995	-
SLCPD Domestic Violence	-	9,855	-
Sustainability grant	-	14,000	-
Other Governments:			
ZAP Grant	-	82,000	-
Capital Project Funds	-	2,398,994	-
	<u>\$ 4,388,772</u>	<u>\$ 4,972,539</u>	<u>\$ 3,511,399</u>

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and are subject to audit by the City's independent auditors and other governmental auditors. Any disallowed claims resulting from such an audit could become a liability of the General Fund or other applicable fund. Based on prior experience, the City administration believes such disallowance, if any, would be immaterial.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 15 REDEVELOPMENT AGENCY OF THE WEST VALLEY CITY

In accordance with Utah Code Section 17C-1-605(1), the City's Redevelopment Agency is required to disclose the following information for the year ended June 30, 2018:

Tax increment collected from other taxing agencies for project areas a follows:

Willow Wood	\$ 354,698
Redwood	219,160
Hercules A	303,143
Market Street	68,467
Hercules B	638,577
Decker Lake	687,633
3500 South A	268,650
5600 West Gateway	84,967
Jordan River	371,102
City Center	888,911
Southwest	3,205,954
North Central	684,984
Granger Crossing	163,351
Northwest EDA	1,334,836
	<u>\$ 9,274,433</u>

Amounts expended for:

Site improvements and preparation costs	\$ 1,117,180
Cost of services provided	6,230,062
Administrative costs	901,124
Tax increment paid to other entities	4,212,193
Debt service	8,709,791
	<u>\$ 21,170,350</u>
Property acquisitions, held for resale	<u>\$ 8,702,030</u>
Outstanding bonds and loans to finance RDA projects	<u>\$ 60,392,339</u>

NOTE 16 CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issue. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2018, there are three series of Industrial Revenue Bonds outstanding, with an aggregate original issue principal amount payable of \$17,325,500 composed of the following issues:

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 16 CONDUIT DEBT OBLIGATIONS (Continued)

<u>Company</u>	<u>Maturity</u>	<u>Balance at June 30, 2018</u>
Monticello Academy - Series 2007	June 2037	\$ 9,240,000
East Hollywood High School - Series 2007	June 2037	4,935,000
Hunt 1920 - Series 2015	July 2035	95,010
		<u>\$ 14,270,010</u>

NOTE 17 INTERLOCAL AGREEMENTS

The City is one of 11 founding members of the Utah Telecommunications Open Infrastructure Agency (UTOPIA), an interlocal cooperative agreement organized under the laws of the State of Utah. UTOPIA was created to design, finance, build, operate, and maintain an open, wholesale, public and telecommunication infrastructure that delivers high-speed connections to every home and business in the member communities. UTOPIA issues annual audited financial statements which are available either from UTOPIA or the Utah State Auditor.

The City is a pledging member who has pledged sales and use tax revenues to partially guarantee payment of UTOPIA's bonds. In return for the pledge, the City will be among the first cities to receive UTOPIA's services. In December 2011, UTOPIA issued an \$185,000,000 revenue refunding bond, which will become due in June 2040. The debt service payments will be made by the 11 pledging members according to their respective percentages up to a specific dollar amount. The City's percentage of the Debt Service Reserve shortfall is 28.04% with a yearly liability limit set at a maximum of \$4,053,148 for the coming year ended June 30, 2019. Any bonds or debt issued or incurred by UTOPIA will not constitute debt of the City. Pledge payments made during the year ended June 30, 2018 totaled \$3,973,674. The aggregate amount paid to UTOPIA of \$30,907,805 as of June 30, 2018, is considered to be a note receivable but the entire amount has been reserved and is not expected to be repaid.

The City is also one of eight founding members of the Utah Infrastructure Agency (UIA), an interlocal cooperative agreement organized in July of 2010 under the laws of the State of Utah. Like UTOPIA, UIA was organized to provide for acquisition, construction, and installation of advanced communication lines, improvements, and facilities. The City has pledged franchise tax revenues to ensure that UIA fulfills its revenue requirement from the bond agreements, which is that UIA must have revenue equal to the operations and maintenances expenses and the capital costs in a fiscal year. In the event that there is a shortfall, the City has agreed to lend UIA its franchise tax revenues. The percentage of the City's share of the shortfall pledge is 30.44% with a yearly liability limit set at a maximum of \$1,568,781.

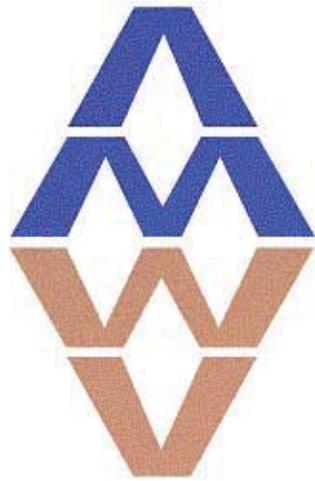
UIA may also establish, as needed, Working Capital Assessments to its member cities to help cover any operational expense (OpEx) shortfall. Under a shortfall scenario, UIA notifies the member cities of their respective obligations to utilize Energy Sales and Use Taxes to replenish the shortfall. The amounts assessed and paid during the year ended June 30, 2018, totaled \$0. The aggregate amount paid to UIA of \$1,017,276 as of June 30, 2018, is considered to be a note receivable but the entire amount has been reserved and is not expected to be repaid. UIA paid back \$77,786 during the year. UIA's annual audited financial statements are available either from UIA or the Utah State Auditor.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

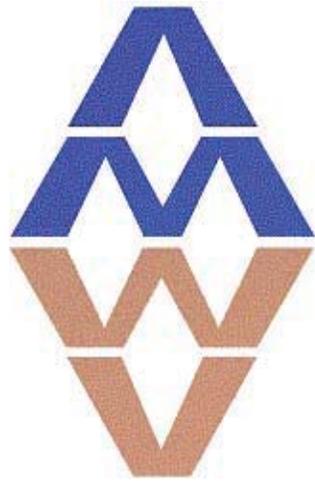
NOTE 18 SUBSEQUENT EVENTS

On October 29, 2018, The City transferred responsibility for operations of its Embassy Suites Hotel to West Valley Hotel Holdings LLC per terms of their 2016 agreement. The City will maintain ownership of the capital asset and related long-term debt, but will no longer be responsible for and report the results of the hotel's operations. Instead, West Valley Hotel Holdings will pay the City a monthly facility rental fee.

On November 27, 2018, The City approved an Incentive Agreement in which the Redevelopment Agency will pay \$1,000,000 over a period of five years to Constitution Boulevard Hotel LLC for construction of a Marriott Springhill Suites hotel in the City Center redevelopment area.



REQUIRED SUPPLEMENTAL INFORMATION



WEST VALLEY CITY
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED
USING THE MODIFIED APPROACH
For The Year Ended June 30, 2018

As allowed by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, the City has adopted an allowable alternative to reporting depreciation for two of seven infrastructure subsystems in the Transportation Network. Under this alternative method, referred to as the “modified approach”, the City must maintain an asset management system and demonstrate that its subsystems are being preserved at or above condition levels established by City policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed. The City capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and /or efficiency of infrastructure assets reported under the modified approach.

In order to utilize the modified approach, the City is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform and document replicable condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the City.
- Document that the infrastructure assets are being preserved approximately at, or above the condition level established by the City.

In the past, the City applied the modified approach to the three major subsystems considered to be owned by the City: Major Streets, Minor Streets and Sidewalks. During the year ending June 30, 2017 the City combined the Major Streets and Minor Streets into one subsystem. The goal of the City in conjunction with adopting the modified approach is to develop and provide a cost effective pavement maintenance and rehabilitation program that preserves the City’s investment in its subsystems and enhances public transportation and safety.

Streets

The condition of the streets pavement is measured using the Local Transportation Assistance Program. This system uses a measurement scale that considers the condition of the roads using nine condition factors and then assigns the road a Remaining Service Life, (RSL), ranging from 0 to 21. The RSL is the remaining life of the road in years, if no additional upkeep, replacement, or maintenance is performed. The RSL is used to classify roads into categories as follows:

WEST VALLEY CITY
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED
USING THE MODIFIED APPROACH (Continued)
For The Year Ended June 30, 2018

Streets (Continued)

The City's policy is to maintain an average RSL of 8 years or greater. The City performs a complete condition assessment on each street every two to three years. A condition assessment on the streets was performed in May 2017.

Category	RSL Rating Range	Description
Excellent	19 - 20 yrs	New or nearly new pavement which provides a very smooth ride and is mainly free of distress. (No maintenance work needed.)
Very Good	13 - 18 yrs	Pavement which provides an adequate ride, and exhibits few, if any, visible signs of distress. (Minor maintenance may be needed.)
Good	10 - 12 yrs	Pavement which provides an adequate ride, and exhibits few signs of distress. (Moderate maintenance may be needed.)
Fair	7 - 9 yrs	Surface defects in this category such as alligator cracking, potholes, rutting, and raveling are affecting the ride of the user. (Major maintenance is likely needed.)
Poor	1 - 6 yrs	These roads have deteriorated to such an extent that they are in need of resurfacing, and the ride is noticeably rough. (Structural improvements, in addition to major maintenance, is likely needed.)
Failed	0 yrs	Pavement in this category is severely deteriorated, and the ride quality is unacceptable. (Complete road reconstruction is likely needed.)

Condition Rating of the City's Streets
(Percentage of Miles)

<u>Category</u>	<u>2017</u>	<u>2014</u>	<u>2012</u>	<u>2010</u>
Excellent	2%	2%	5%	5%
Very Good	11%	16%	20%	29%
Good	30%	27%	26%	42%
Fair	24%	21%	12%	3%
Poor	33%	34%	35%	21%
Fail	0%	0%	2%	0%
Average RSL	8.91 Years	9.27 Years	9.92 Years	10.20 Years

**Comparison of Needed-to-Actual
Maintenance/Preservation**

<u>Streets</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Estimated	\$ 4,246,475	\$ 6,071,752	\$ 2,418,755	\$ 2,322,368	\$ 2,820,825
Actual	4,006,630	2,053,717	1,791,985	2,042,827	2,811,510

WEST VALLEY CITY
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED
USING THE MODIFIED APPROACH (Continued)
For The Year Ended June 30, 2018

Sidewalks

The condition of the sidewalks is measured by City staff using the Geodatabase System in which concrete management data has been entered into a database. The following table details the measurement scale the City uses in assessing the condition rating for sidewalks.

Category	Description
Excellent/ Good	No defects in the sidewalk.
Fair	Light spalling, less than 1" displacement in the sidewalk.
Poor	Light spalling, 1 - 2" displacement in the sidewalk.
Failed	Heavy spalling, more than 2" displacement in the sidewalk.

It is the City's policy to maintain a minimum of 95% of sidewalks (by length) at the "excellent/good" condition level. The City performs a complete condition assessment on each sidewalk every three years. A complete assessment was performed in the summer of 2016.

<u>Category</u>	<u>2016</u>	<u>2013</u>	<u>2012</u>
Excellent/Good	99%	97%	97%
Fair	0%	1%	1%
Poor	1%	1%	1%
Fail	0%	1%	1%

**Comparison of Needed-to-actual
Maintenance/Preservation**

<u>Sidewalks</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Estimated	\$ 201,106	\$ 279,032	\$ 211,519	\$ 146,000	\$ 102,500
Actual	201,106	133,342	157,170	147,192	103,807

WEST VALLEY CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2018
Last 10 Fiscal Years *

	Year Ended December 31,	Noncontributory System	Contributory Retirement System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)	2015	1.7080176%	1.4978171%	15.6422550%	6.8152989%	0.4097114%	2.5710638%
	2016	1.6745525%	1.5509782%	15.4704722%	6.4528216%	0.4075811%	2.5684704%
	2017	1.7014786%	2.1364134%	13.9937734%	6.3431125%	0.4406098%	3.3381985%
	2018	1.6633788%	1.5708981%	13.7002595%	6.6812668%	0.3936794%	3.4759765%
Proportionate share of the net pension liability (asset)	2015	\$ 7,416,614	\$ 432,036	\$ 6,185,459	\$ (750,008)	\$ (12,416)	\$ (38,034)
	2016	\$ 9,475,433	\$ 1,090,112	\$ 7,548,837	\$ 1,098,002	\$ (890)	\$ (37,526)
	2017	\$ 10,925,575	\$ 700,981	\$ 8,722,279	\$ 938,257	\$ 49,150	\$ (28,977)
	2018	\$ 7,287,761	\$ 127,830	\$ 6,620,012	\$ (1,498,844)	\$ 34,710	\$ (40,219)
Covered payroll	2015	\$ 14,618,779	\$ 801,898	\$ 9,846,928	\$ 5,701,588	\$ 2,010,318	\$ 1,063,696
	2016	\$ 14,074,733	\$ 660,852	\$ 9,736,161	\$ 5,443,904	\$ 2,633,305	\$ 1,528,481
	2017	\$ 14,382,192	\$ 512,609	\$ 8,553,994	\$ 5,483,526	\$ 3,613,357	\$ 2,758,116
	2018	\$ 13,905,880	\$ 318,760	\$ 7,961,666	\$ 5,590,663	\$ 3,856,079	\$ 3,669,372
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2015	50.70%	53.90%	62.80%	-13.20%	-0.60%	-3.60%
	2016	67.32%	164.96%	77.53%	20.17%	-0.03%	-2.46%
	2017	75.97%	136.75%	101.97%	17.11%	1.36%	-1.05%
	2018	52.41%	40.10%	83.15%	-26.81%	90.00%	-1.10%
Plan fiduciary net position as a percentage of the total pension liability (asset)	2015	90.2%	94.0%	89.0%	101.3%	103.5%	120.5%
	2016	172.3%	85.7%	87.6%	98.1%	100.2%	110.7%
	2017	87.3%	92.9%	86.1%	98.4%	95.1%	103.6%
	2018	91.9%	98.2%	90.5%	102.3%	97.4%	103.0%

* In accordance with paragraph 81.a of GASB 68 implemented in fiscal year 2015, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively.

WEST VALLEY CITY
SCHEDULE OF CONTRIBUTIONS
June 30, 2018
Last 10 Fiscal Years *

	As of Fiscal Year Ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	\$ 2,450,313	\$ 2,450,313	\$ -	\$ 14,572,530	16.81%
	2015	2,600,999	2,600,999	-	14,440,635	18.01%
	2016	2,493,282	2,493,282	-	13,754,978	18.13%
	2017	2,610,584	2,610,584	-	14,392,836	18.14%
	2018	2,532,545	2,532,545	-	13,984,885	18.11%
Contributory System	2014	106,337	106,337	-	800,735	13.28%
	2015	112,277	112,277	-	776,465	14.46%
	2016	75,314	75,314	-	521,135	14.45%
	2017	63,935	63,935	-	442,150	14.46%
	2018	31,768	31,768	-	219,693	14.46%
Public Safety System	2014	3,029,477	3,029,477	-	9,711,728	31.19%
	2015	3,184,274	3,184,274	-	10,134,306	31.42%
	2016	2,821,143	2,821,143	-	8,788,656	32.10%
	2017	2,715,869	2,715,869	-	8,434,377	32.20%
	2018	2,503,377	2,503,377	-	7,812,909	32.04%
Firefighters System	2014	249,107	249,107	-	5,585,360	4.46%
	2015	371,965	371,965	-	5,644,384	6.59%
	2016	354,614	354,614	-	5,245,749	6.76%
	2017	379,168	379,168	-	5,691,919	6.66%
	2018	372,388	372,388	-	5,558,068	6.70%
Tier 2 Public Employees System **	2014	236,502	236,502	-	1,690,501	13.99%
	2015	344,009	344,009	-	2,303,700	14.93%
	2016	461,138	461,138	-	3,092,335	14.91%
	2017	579,708	579,708	-	3,870,198	14.98%
	2018	612,753	612,753	-	4,058,012	15.10%
Tier 2 Public Safety and Firefighter System **	2014	121,414	121,414	-	770,316	15.76%
	2015	231,052	231,052	-	1,315,557	17.56%
	2016	354,679	354,679	-	2,018,305	17.57%
	2017	613,072	613,072	-	3,360,671	18.24%
	2018	751,461	751,461	-	4,133,369	18.18%
Tier 2 Public Employees DC Only System **	2014	10,771	10,771	-	193,022	5.58%
	2015	29,145	29,145	-	433,703	6.72%
	2016	43,090	43,090	-	644,094	6.69%
	2017	69,191	69,191	-	1,033,265	6.70%
	2018	81,973	81,973	-	1,225,301	6.69%
Tier 2 Public Safety and Firefighter DC Only System **	2014	14,591	14,591	-	228,273	6.39%
	2015	21,588	21,588	-	348,335	6.20%
	2016	33,098	33,098	-	474,639	6.97%
	2017	51,036	51,036	-	681,900	7.48%
	2018	56,436	56,436	-	741,027	7.62%

* In accordance with paragraph 81.a of GASB 68 implemented in fiscal year 2015, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

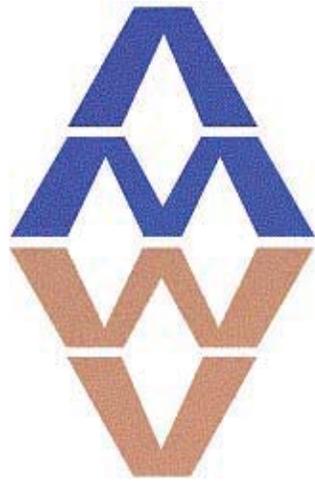
** Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

**WEST VALLEY CITY
SCHEDULE OF CONTRIBUTIONS
June 30, 2018
Last 10 Fiscal Years ***

WEST VALLEY CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2018

Changes in Assumptions

As a result of an experience study conducted as of December 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.6% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).



SUPPLEMENTAL INFORMATION

WEST VALLEY CITY
COMBINING BALANCE SHEET – NONMAJOR
GOVERNMENTAL FUNDS
June 30, 2018

	Capital Projects Funds				
	Road Impact Fee	Park Impact Fee	Fire Impact Fee	Police Impact Fee	Flood Impact Fee
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:					
Intergovernmental	-	-	-	-	-
Loan receivables	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepays	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents	446,943	1,673,263	337,308	102,260	160,348
Total Assets	<u>\$ 446,943</u>	<u>\$ 1,673,263</u>	<u>\$ 337,308</u>	<u>\$ 102,260</u>	<u>\$ 160,348</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Notes payable	-	-	-	-	-
Liabilities payable from restricted assets	-	126,261	-	-	-
Total Liabilities	<u>-</u>	<u>126,261</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Nonspendable, in the form of:					
Prepays	-	-	-	-	-
Restricted for:					
Debt Service	-	-	-	-	-
Future development	446,943	1,547,002	337,308	102,260	160,348
Assigned for:					
Capital projects	-	-	-	-	-
UCCCF	-	-	-	-	-
Grants	-	-	-	-	-
Unassigned for:					
Municipal Building Authority	-	-	-	-	-
Total Fund Balances	<u>446,943</u>	<u>1,547,002</u>	<u>337,308</u>	<u>102,260</u>	<u>160,348</u>
Total Liabilities and Fund Balances	<u>\$ 446,943</u>	<u>\$ 1,673,263</u>	<u>\$ 337,308</u>	<u>\$ 102,260</u>	<u>\$ 160,348</u>

WEST VALLEY CITY
COMBINING BALANCE SHEET – NONMAJOR
GOVERNMENTAL FUNDS (Continued)
June 30, 2018

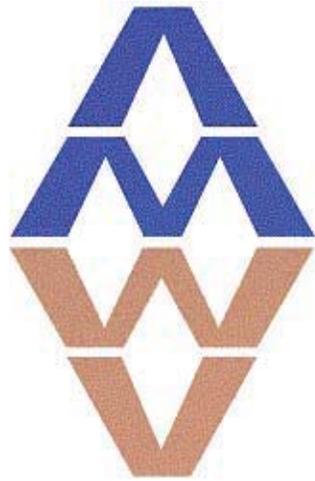
	Special Revenue Funds		Total Nonmajor Governmental Funds
	UCCCF	Grants	
ASSETS			
Cash and cash equivalents	\$ 72,988	\$ -	\$ 72,988
Receivables:			
Intergovernmental	-	914,844	914,844
Loan receivables	-	639,145	639,145
Due from other funds	-	-	-
Prepays	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	2,720,122
Total Assets	\$ 72,988	\$ 1,553,989	\$ 4,347,099
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,667	\$ 203,417	\$ 205,084
Accrued liabilities	-	4,932	4,932
Due to other funds	-	525,390	525,390
Unearned revenue	-	651,713	651,713
Notes payable	-	-	-
Liabilities payable from restricted assets	-	-	126,261
Total Liabilities	1,667	1,385,452	1,513,380
Fund Balances:			
Nonspendable, in the form of:			
Prepays	-	-	-
Restricted for:			
Debt Service	-	-	-
Future development	-	-	2,593,861
Assigned for:			
Capital projects	-	-	-
UCCCF	71,321	-	71,321
Grants	-	168,537	168,537
Municipal Building Authority	-	-	-
Unassigned for:			
Municipal Building Authority	-	-	-
Total Fund Balances	71,321	168,537	2,833,719
Total Liabilities and Fund Balances	\$ 72,988	\$ 1,553,989	\$ 4,347,099

WEST VALLEY CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2018

	Capital Projects Funds				
	Road Impact Fee	Park Impact Fee	Fire Impact Fee	Police Impact Fee	Flood Impact Fee
Revenues:					
Fees	\$ 241,415	\$ 497,739	\$ 79,353	\$ 137,523	\$ 96,899
Intergovernmental	-	-	-	-	-
Interest	-	3,857	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	241,415	501,596	79,353	137,523	96,899
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and public improvements	37,671	-	-	-	-
Parks and recreation	-	540,717	-	-	-
Community development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issue Costs	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	37,671	540,717	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	203,744	(39,121)	79,353	137,523	96,899
Other Financing Sources (Uses):					
Issuance of new debt	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(40,000)	(500,000)	-
Sale of capital assets	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(40,000)	(500,000)	-
Net Change in Fund Balances	203,744	(39,121)	39,353	(362,477)	96,899
Fund Balances, Beginning	243,199	1,586,123	297,955	464,737	63,449
Fund Balances, Ending	\$ 446,943	\$ 1,547,002	\$ 337,308	\$ 102,260	\$ 160,348

WEST VALLEY CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2018

	Special Revenue		Total Nonmajor Governmental Funds
	Fund		
	<u>UCCCF</u>	<u>Grants</u>	
Revenues:			
Fees and contributions	\$ 17,980	\$ -	\$ 1,070,909
Intergovernmental	-	2,573,545	2,573,545
Interest	-	-	3,857
Miscellaneous	-	-	-
Total Revenues	<u>17,980</u>	<u>2,573,545</u>	<u>3,648,311</u>
Expenditures:			
Current:			
General government	-	24,000	24,000
Public safety	-	1,115,978	1,115,978
Highways and public improvements	-	-	37,671
Parks and recreation	-	82,000	622,717
Community development	981	1,071,921	1,072,902
Debt service:			
Principal	-	214,000	214,000
Interest	-	63,750	63,750
Bond Issue Costs	-	-	-
Capital outlay	-	-	-
Total Expenditures	<u>981</u>	<u>2,571,649</u>	<u>3,151,018</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,999</u>	<u>1,896</u>	<u>497,293</u>
Other Financing Sources (Uses):			
Issuance of new debt	-	-	-
Transfers in	-	-	-
Transfers out	-	-	(540,000)
Sale of capital assets	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(540,000)</u>
Net Change in Fund Balances	16,999	1,896	(42,707)
Fund Balances, Beginning	<u>54,322</u>	<u>166,641</u>	<u>2,876,426</u>
Fund Balances, Ending	<u>\$ 71,321</u>	<u>\$ 168,537</u>	<u>\$ 2,833,719</u>



WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2018

	Road Impact Fee - Capital Projects Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Annual passes and activity fees				
Fees	\$ 200,000	\$ 200,000	\$ 241,415	\$ 41,415
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>241,415</u>	<u>41,415</u>
Expenditures:				
Current:				
Highways and public improvements	200,000	200,000	37,671	162,329
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>37,671</u>	<u>162,329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>203,744</u>	<u>203,744</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>203,744</u>	<u>203,744</u>
Fund Balances, Beginning	<u>243,199</u>	<u>243,199</u>	<u>243,199</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 243,199</u>	<u>\$ 243,199</u>	<u>\$ 446,943</u>	<u>\$ 203,744</u>

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2018

	Park Impact Fee - Capital Projects Fund			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees	\$ 300,000	\$ 650,000	\$ 497,739	\$ (152,261)
Interest			3,857	3,857
Miscellaneous				
Total Revenues	<u>300,000</u>	<u>650,000</u>	<u>501,596</u>	<u>(148,404)</u>
Expenditures:				
Current:				
Parks and recreation	<u>300,000</u>	<u>650,000</u>	<u>540,717</u>	<u>109,283</u>
Total Expenditures	<u>300,000</u>	<u>650,000</u>	<u>540,717</u>	<u>109,283</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(39,121)</u>	<u>(39,121)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>(39,121)</u>	<u>(39,121)</u>
Fund Balances, Beginning	<u>1,586,123</u>	<u>1,586,123</u>	<u>1,586,123</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 1,586,123</u>	<u>\$ 1,586,123</u>	<u>\$ 1,547,002</u>	<u>\$ (39,121)</u>

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2018

Fire Impact Fee - Capital Projects Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees	\$ 40,000	\$ 40,000	\$ 79,353	\$ 39,353
Total Revenues	40,000	40,000	79,353	39,353
Expenditures:				
Current:				
Public safety	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,000	40,000	79,353	39,353
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(40,000)	(40,000)	(40,000)	-
Total Other Financing Sources (Uses)	(40,000)	(40,000)	(40,000)	-
Net Change in Fund Balances	-	-	39,353	39,353
Fund Balances, Beginning	297,955	297,955	297,955	-
Fund Balances, Ending	\$ 297,955	\$ 297,955	\$ 337,308	\$ 39,353

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2018

	Police Impact Fee - Capital Projects Fund			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees	\$ 30,000	\$ 500,000	\$ 137,523	\$ (362,477)
Total Revenues	<u>30,000</u>	<u>500,000</u>	<u>137,523</u>	<u>(362,477)</u>
Expenditures:				
Current:				
Public safety	-	-	-	
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>30,000</u>	<u>500,000</u>	<u>137,523</u>	<u>(362,477)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(280,000)	(500,000)	(500,000)	-
Total Other Financing Sources (Uses)	<u>(280,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Net Change in Fund Balances	(250,000)	-	(362,477)	(362,477)
Fund Balances, Beginning	<u>464,737</u>	<u>464,737</u>	<u>464,737</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 214,737</u>	<u>\$ 464,737</u>	<u>\$ 102,260</u>	<u>\$ (362,477)</u>

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2018

	Flood Impact Fee - Capital Projects Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees	\$ 30,000	\$ 30,000	\$ 96,899	\$ 66,899
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>96,899</u>	<u>66,899</u>
Expenditures:				
Current:				
Highways and public improvements	30,000	30,000	-	30,000
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>96,899</u>	<u>96,899</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>96,899</u>	<u>96,899</u>
Fund Balances, Beginning	<u>63,449</u>	<u>63,449</u>	<u>63,449</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 63,449</u>	<u>\$ 63,449</u>	<u>\$ 160,348</u>	<u>\$ 96,899</u>

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2018

	Capital Projects			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees	\$ -	\$ -	\$ -	
Intergovernmental	-	3,700,000	2,398,994	(1,301,006)
Miscellaneous	-	-	65,886	65,886
Interest	-	-	806	806
Total Revenues	<u>-</u>	<u>3,700,000</u>	<u>2,465,686</u>	<u>(1,234,314)</u>
Expenditures:				
Debt service:				
Principal	86,241	86,241	230,009	(143,768)
Interest	2,128	2,128	33,494	(31,366)
Capital outlay	1,244,000	68,983,367	24,641,957	44,341,410
Total Expenditures	<u>1,332,369</u>	<u>69,071,736</u>	<u>24,905,460</u>	<u>44,166,276</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,332,369)</u>	<u>(65,371,736)</u>	<u>(22,439,774)</u>	<u>42,931,962</u>
Other Financing Sources (Uses):				
Capital leases issued	-	513,202	513,202	-
Sale of capital assets	-	64,000	99,550	35,550
Transfers in	1,332,369	5,989,953	4,111,179	(1,878,774)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,332,369</u>	<u>6,567,155</u>	<u>4,723,931</u>	<u>(1,843,224)</u>
Net Change in Fund Balances	<u>-</u>	<u>(58,804,581)</u>	<u>(17,715,843)</u>	<u>41,088,738</u>
Fund Balances, Beginning	<u>58,967,137</u>	<u>58,967,137</u>	<u>58,967,137</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 58,967,137</u>	<u>\$ 162,556</u>	<u>\$ 41,251,294</u>	<u>\$ 41,088,738</u>

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2018

	UCCCF - Special Revenue Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees and contributions	\$ -	\$ 460	\$ 17,980	\$ (17,520)
Interest	-	-	-	-
Total Revenues	-	460	17,980	(17,520)
Expenditures:				
Current:				
General government	-	-		
Public safety	-	-		
Highways and public improvements	-	-		
Parks and recreation	-	-		
Community development	-	1,096	981	115
Debt service:				
Principal	-	-		-
Interest	-	-		-
Bond issuance costs				
Capital outlay				
Total Expenditures	-	1,096	981	115
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(636)	16,999	(17,405)
Other Financing Sources (Uses):				
Proceeds from issuance of bonds	-	-		
Sale of capital assets				
Refunding bonds issued				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	(636)	16,999	17,635
Fund Balances, Beginning	54,322	54,322	54,322	-
Fund Balances, Ending	\$ 54,322	\$ 53,686	\$ 71,321	\$ 17,635

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2018

	Grants - Special Revenue Fund			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,600,000	\$ 3,990,997	\$ 2,573,545	\$ (1,417,452)
Program income	-	-		
Total Revenues	<u>1,600,000</u>	<u>3,990,997</u>	<u>2,573,545</u>	<u>(1,417,452)</u>
Expenditures:				
Current:				
General government	300,000	82,006	24,000	58,006
Public safety	-	1,651,782	1,115,978	535,804
Parks and recreation	-	82,000	82,000	
Community development	1,022,249	1,897,458	1,071,921	825,537
Debt service:				
Principal	214,000	214,000	214,000	-
Interest	63,751	63,751	63,750	1
Total Expenditures	<u>1,600,000</u>	<u>3,990,997</u>	<u>2,571,649</u>	<u>1,419,348</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>1,896</u>	<u>1,896</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>1,896</u>	<u>1,896</u>
Fund Balances, Beginning	<u>166,641</u>	<u>166,641</u>	<u>166,641</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 166,641</u>	<u>\$ 166,641</u>	<u>\$ 168,537</u>	<u>\$ 1,896</u>

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2018

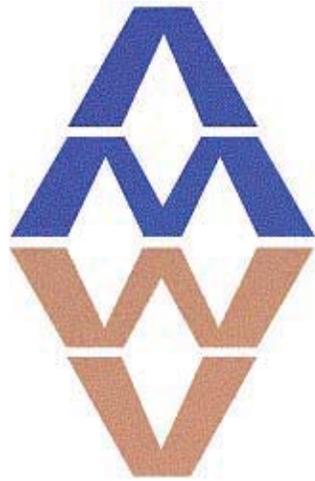
Building Authority - Debt Service Fund				
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ -	\$ -	\$ 957,596	\$ 957,596
Total Revenues	<u>-</u>	<u>-</u>	<u>957,596</u>	<u>957,596</u>
Expenditures:				
Debt service:				
Principal	2,808,557	2,808,557	3,479,719	(671,162)
Interest	1,140,237	1,140,237	2,747,402	(1,607,165)
Bond issuance costs	3,060	3,060	(24,421)	27,481
Capital outlay	380,000	380,000	335,525	44,475
Total Expenditures	<u>4,331,854</u>	<u>4,331,854</u>	<u>6,538,225</u>	<u>(2,206,371)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,331,854)</u>	<u>(4,331,854)</u>	<u>(5,580,629)</u>	<u>(1,248,775)</u>
Other Financing Sources (Uses):				
Issuance of new debt	-	-	-	-
Premium on refunding bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	3,891,198	3,891,198	3,891,198	-
Transfers out	(244,000)	(244,000)	(244,000)	-
Total Other Financing Sources (Uses)	<u>3,647,198</u>	<u>3,647,198</u>	<u>3,647,198</u>	<u>-</u>
Net Change in Fund Balances	<u>(684,656)</u>	<u>(684,656)</u>	<u>(1,933,431)</u>	<u>(1,248,775)</u>
Fund Balances, Beginning	<u>9,994,497</u>	<u>9,994,497</u>	<u>9,994,497</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 9,309,841</u>	<u>\$ 9,309,841</u>	<u>\$ 8,061,066</u>	<u>\$ (1,248,775)</u>

WEST VALLEY CITY
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2018

	Business-type Activities - Enterprise Funds		
	Housing Authority	Ambulance Fund	Total Nonmajor Proprietary Funds
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 377,198	\$ 1,092,186	\$ 1,469,384
Accounts receivable, net	-	761,327	761,327
Grants receivable	15,914	-	15,914
Restricted cash and cash equivalents	1,708,252	2,056,351	3,764,603
Total Current Assets	2,101,364	3,909,864	6,011,228
Noncurrent Assets:			
Net pension asset	-	199,566	199,566
Capital assets, net:			
Machinery and equipment	-	661,483	661,483
Total Noncurrent Assets	-	861,049	861,049
Total Assets	2,101,364	4,770,913	6,872,277
Deferred Outflows of Resources:			
Deferred outflows of resources relating to pensions	22,925	147,711	170,636
Total Deferred Outflows of Resources	22,925	147,711	170,636
Total Assets and Deferred Outflows of Resources	\$ 2,124,289	\$ 4,918,624	\$ 7,042,913

WEST VALLEY CITY
COMBINING STATEMENT OF NET POSITION (Continued)
NONMAJOR ENTERPRISE FUNDS
June 30, 2018

	Business-type Activities - Enterprise Funds		
	Housing Authority	Ambulance Fund	Total Nonmajor Proprietary Funds
Liabilities:			
Current Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	54,620	93,292	147,912
Paid time-off payable	11,301	30,930	42,231
Capital lease payable	-	355,921	355,921
Total Current Liabilities	<u>65,921</u>	<u>480,143</u>	<u>546,064</u>
Noncurrent Liabilities			
Paid time-off payable	-	96,302	96,302
Capital lease payable, net	-	1,883,279	1,883,279
Net pension liability	67,360	-	67,360
Total Noncurrent Liability	<u>67,360</u>	<u>1,979,581</u>	<u>2,046,941</u>
Total Liabilities	<u>133,281</u>	<u>2,459,724</u>	<u>2,593,005</u>
Deferred Inflows of Resources:			
Deferred inflows of resources relating to pensions	15,055	90,580	105,635
Total Deferred Inflows of Resources	<u>15,055</u>	<u>90,580</u>	<u>105,635</u>
Net Position:			
Net investment in capital assets	-	503,425	503,425
Restricted for:			
Acquisition of public housing	1,708,252	-	1,708,252
Unrestricted	267,701	1,864,895	2,132,596
Total Net Position	<u>1,975,953</u>	<u>2,368,320</u>	<u>4,344,273</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 2,124,289</u>	<u>\$ 4,918,624</u>	<u>\$ 7,042,913</u>



WEST VALLEY CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION – NONMAJOR ENTERPRISE FUNDS
For The Year Ended June 30, 2018

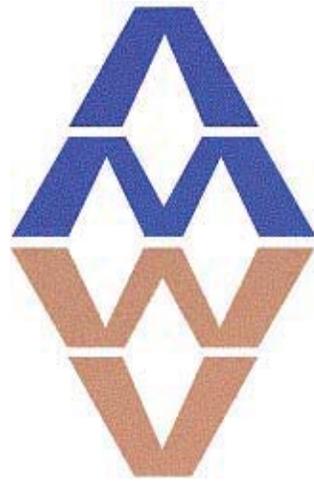
	Business-type Activities - Enterprise Funds		
	Housing Authority	Ambulance Fund	Total Nonmajor Proprietary Funds
Operating Revenues:			
Ambulance fees	\$ -	\$ 3,017,112	\$ 3,017,112
Miscellaneous	7,606	-	7,606
Total Operating Revenues	<u>7,606</u>	<u>3,017,112</u>	<u>3,024,718</u>
Operating Expenses:			
General and administrative	405,845	1,800,955	2,206,800
Housing Payments	3,246,983	-	3,246,983
Depreciation	-	158,059	158,059
Total Operating Expenses	<u>3,652,828</u>	<u>1,959,014</u>	<u>5,611,842</u>
Operating Income (loss)	<u>(3,645,222)</u>	<u>1,058,098</u>	<u>(2,587,124)</u>
Nonoperating Income (Expense):			
Intergovernmental revenue	3,511,399	-	3,511,399
Interest income	23,143	-	23,143
Interest expense	-	(823)	(823)
Total Nonoperating Income (Expense)	<u>3,534,542</u>	<u>(823)</u>	<u>3,533,719</u>
Income (Loss) Before Transfers	<u>(110,680)</u>	<u>1,057,275</u>	<u>946,595</u>
Transfers in	-	-	-
Transfers out	-	(1,480,370)	(1,480,370)
Changes in Net Position	(110,680)	(423,095)	(533,775)
Net Position, Beginning	<u>2,086,633</u>	<u>2,791,415</u>	<u>4,878,048</u>
Net Position, Ending	<u>\$ 1,975,953</u>	<u>\$ 2,368,320</u>	<u>\$ 4,344,273</u>

WEST VALLEY CITY
COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS
For The Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds		
	Housing Authority	Ambulance Fund	Total Nonmajor Proprietary Funds
Cash Flows From Operating Activities:			
Receipts from customers and users	\$ 7,606	\$ 2,845,250	\$ 2,852,856
Payments to suppliers	(3,493,917)	(395,830)	(3,889,747)
Payments to employees and related benefits	(205,577)	(1,403,816)	(1,609,393)
Net cash from operating activities	<u>(3,691,888)</u>	<u>1,045,604</u>	<u>(2,646,284)</u>
Cash Flows From Capital and Related Financing Activities:			
Purchase of property and equipment	-	(158,058)	(158,058)
Proceeds from sale of equipment	-	-	-
Proceeds from issuance of new debt	-	2,213,395	2,213,395
Principal paid on bonds and capital lease	-	(25,811)	(25,811)
Interest paid on bonds and capital lease	-	(823)	(823)
Net cash from capital and related financing activities	<u>-</u>	<u>2,028,703</u>	<u>2,028,703</u>
Cash Flows From Non-Capital Financing Activities:			
Subsidy from federal grants	3,531,068	-	3,531,068
Nonemployer contributions received for pension	-	-	-
Advances to other funds	-	-	-
Payment on loans from other funds	-	-	-
Payment on long-term pension obligation	(3,909)	(55,034)	(58,943)
Transfers from other funds	-	-	-
Transfers to other funds	-	(1,480,370)	(1,480,370)
Net cash from non-capital financing activities	<u>3,527,159</u>	<u>(1,535,404)</u>	<u>1,991,755</u>
Cash Flows From Investing Activity:			
Interest on investments	23,143	-	23,143
Net cash from investing activity	<u>23,143</u>	<u>-</u>	<u>23,143</u>
Net Increase (Decrease) In Cash	(141,586)	1,538,903	1,397,317
Cash and Cash Equivalents At Beginning Of Year	<u>2,227,036</u>	<u>1,609,634</u>	<u>3,836,670</u>
Cash and Cash Equivalents At End Of Year	<u>\$ 2,085,450</u>	<u>\$ 3,148,537</u>	<u>\$ 5,233,987</u>

WEST VALLEY CITY
COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS
(Continued)
For The Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds		
	Housing Authority	Ambulance Fund	Total Nonmajor Proprietary Funds
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	\$ (3,645,222)	\$ 1,058,098	\$ (2,587,124)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation expense	-	158,059	158,059
(Increase) Decrease in accounts receivables	-	(171,862)	(171,862)
Increase (Decrease) in accounts payable	(64,516)	-	(64,516)
Increase (Decrease) in accrued liabilities	17,544	(7,971)	9,573
Increase (Decrease) in paid-time off payable	306	9,280	9,586
Net cash from operating activities	\$ (3,691,888)	\$ 1,045,604	\$ (2,646,284)





West Valley City

STATISTICAL SECTION



STATISTICAL SECTION

FY 2017-2018

This part of the City's comprehensive annual financial report presents detailed information as a context of understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

CONTENTS

- **Financial trends** - These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.
- **Revenue Capacity** - These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax
- **Debt Capacity** - These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and government's ability to issue additional debt in the future.
- **Demographic and Economic Information** - These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.
- **Operating information** - These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.



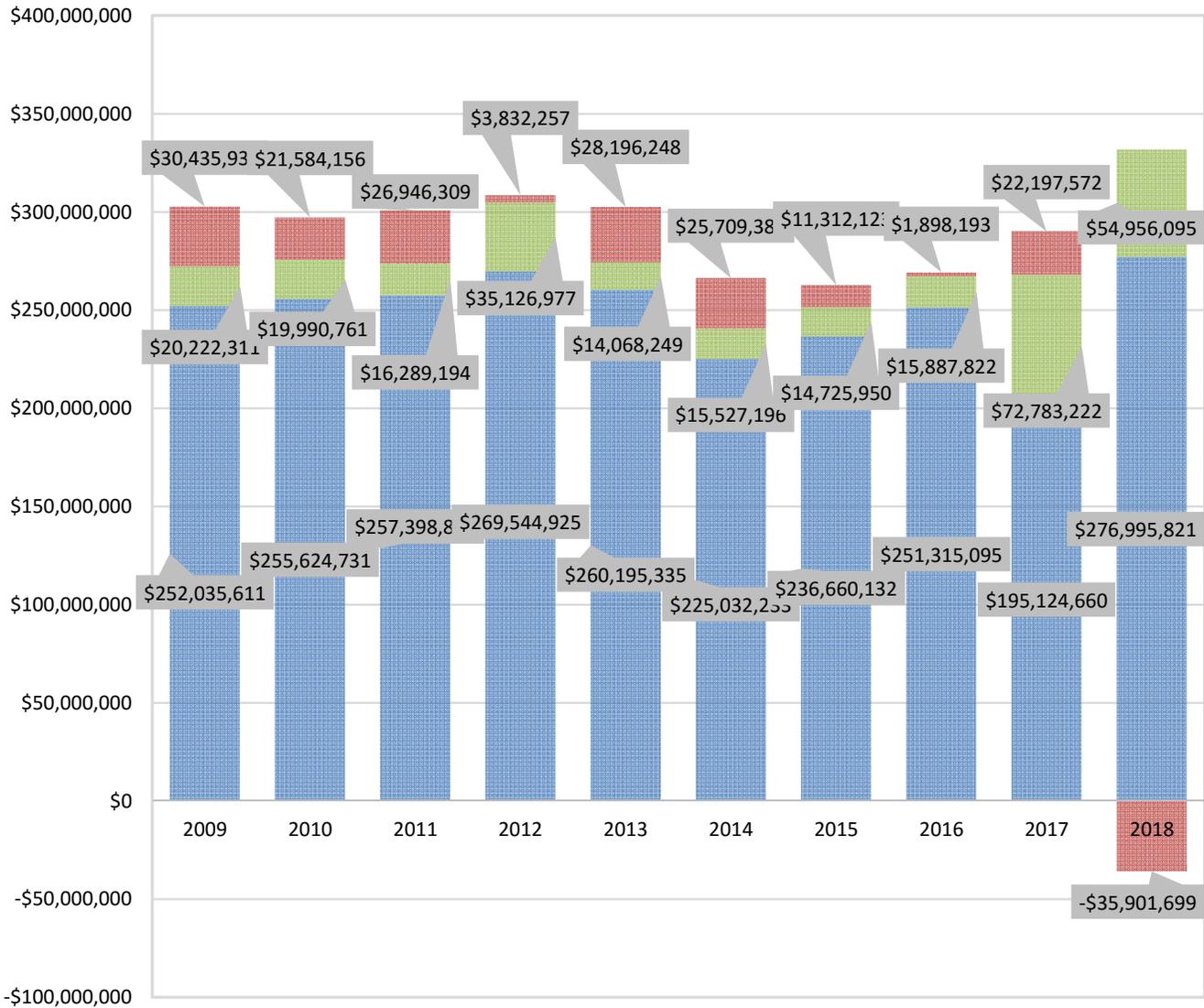
TABLE 1
 West Valley City
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

FISCAL YEAR:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$252,035,611	\$255,624,731	\$257,398,887	\$269,544,925	\$260,195,335	\$225,032,233	\$236,660,132	\$251,315,095	\$195,124,660	\$276,995,821
Restricted	20,222,311	19,990,761	16,289,194	35,126,977	14,068,249	15,527,196	14,725,950	15,887,822	72,783,222	54,956,095
Unrestricted	30,435,939	21,584,156	26,946,309	3,832,257	28,196,248	25,709,381	11,312,123	1,898,193	22,197,572	-35,901,699
Total governmental activities net position	\$302,693,861	\$297,199,648	\$300,634,390	\$308,504,159	\$302,459,832	\$266,268,810	\$262,698,205	\$269,101,110	\$290,105,454	\$296,050,217
Business-type activities										
Net investment in capital assets	\$6,745,381	\$7,035,282	\$7,288,824	\$19,311,891	\$24,150,612	\$62,245,077	\$63,735,153	\$64,002,927	\$63,509,586	\$63,927,265
Restricted	0	639,947	629,234	0	-	-	1,682,742	1,687,741	1,690,289	1,708,252
Unrestricted	2,012,992	1,061,764	1,828,508	11,260,741	5,776,445	8,678,649	4,913,798	5,361,235	5,587,918	3,994,409
Total business-type activities net position	\$8,758,373	\$8,736,993	\$9,746,566	\$30,572,632	\$29,927,057	\$70,923,726	\$70,331,693	\$71,051,903	\$70,787,793	\$69,629,926
Primary government										
Net investment in capital assets	\$258,780,992	\$262,660,013	\$264,687,711	\$288,856,816	\$284,345,947	\$287,277,310	\$300,395,285	\$315,318,022	\$258,634,246	\$340,923,086
Restricted	\$20,222,311	20,630,708	16,918,428	35,126,977	14,068,249	15,527,196	16,408,692	17,575,563	74,473,511	56,664,347
Unrestricted	32,448,931	22,645,920	28,774,817	15,092,998	33,972,693	34,388,030	16,225,921	7,259,428	27,785,490	-31,907,290
Total primary government net position	\$311,452,234	\$305,936,641	\$310,380,956	\$339,076,791	\$332,386,889	\$337,192,536	\$333,029,898	\$340,153,013	\$360,893,247	\$365,680,143

Source: West Valley City CAFR's 2009-2018, Statement of Net Assets (2009-2011), Statement of Net Position (2012-2018)

WEST VALLEY CITY, UTAH NET POSITION OF COMBINED GOVERNMENTAL ACTIVITIES

TOTAL NET POSITION



■ Net investment in capital assets
 ■ Restricted
 ■ Unrestricted

WEST VALLEY CITY, UTAH NET POSITION OF COMBINED BUSINESS-TYPE ACTIVITIES

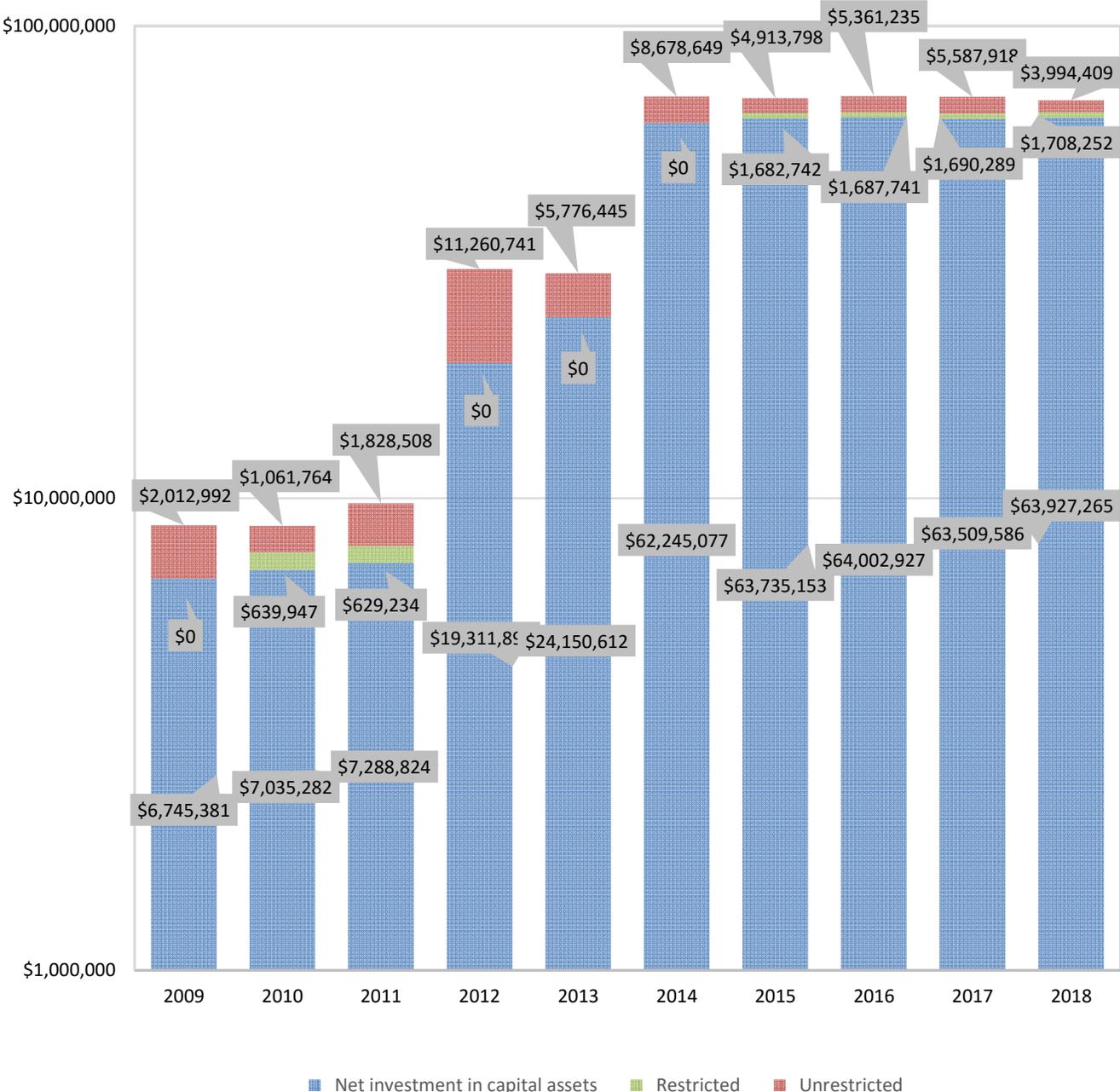


TABLE 2

West Valley City
CHANGES IN NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

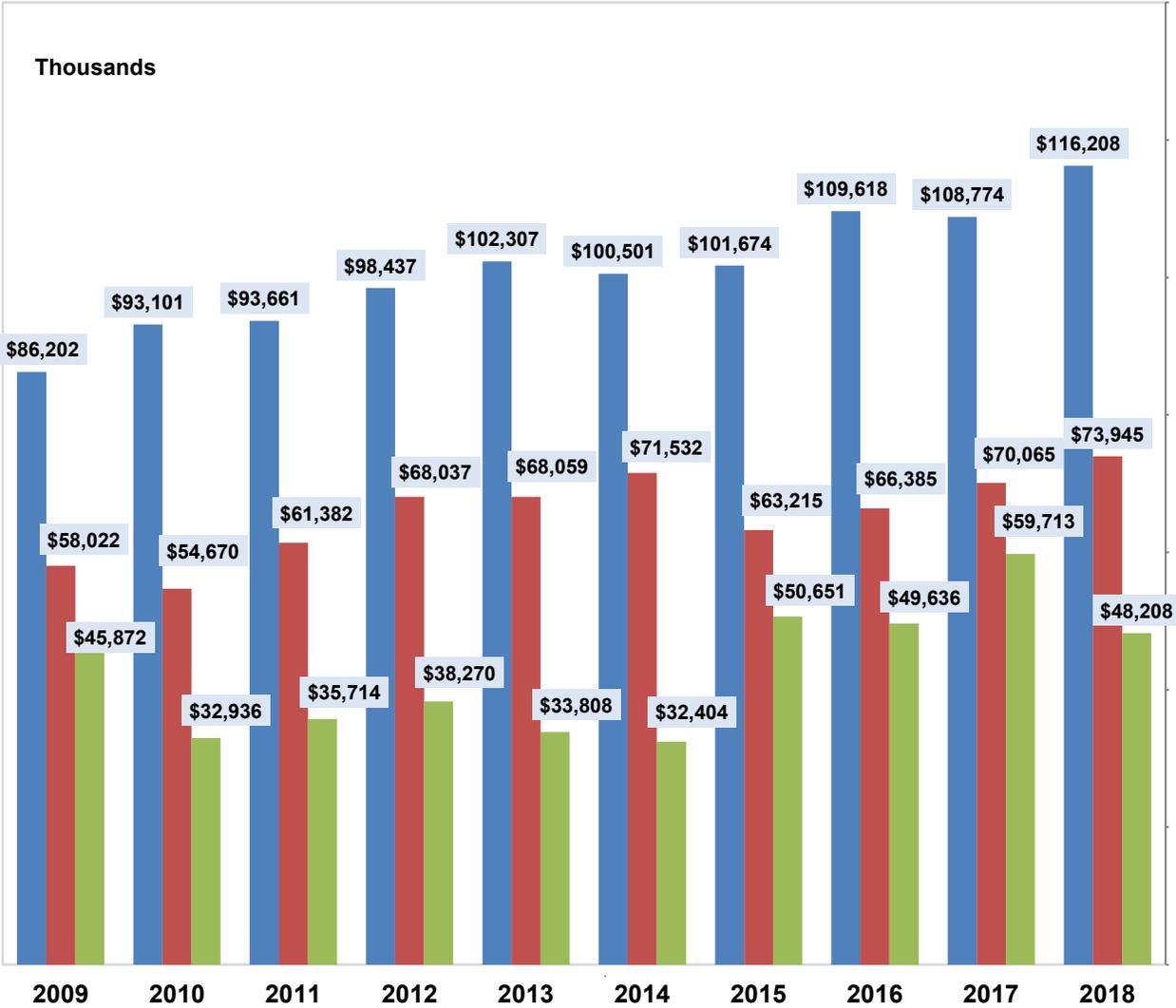
FISCAL YEAR:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EXPENSES:										
Governmental activities										
General government	\$14,647,184	\$14,042,833	\$12,990,589	\$20,295,325	\$20,477,987	\$22,613,246	\$17,240,907	\$21,940,491	\$17,821,484	\$24,999,681
Public safety	30,799,097	31,051,624	31,022,873	31,524,169	32,347,813	32,015,308	34,389,881	32,827,609	30,699,621	23,960,086
Highways and streets	15,475,919	16,161,621	16,998,710	16,190,237	16,101,411	12,130,648	14,070,141	15,145,800	14,439,295	27,551,095
Parks and recreation	12,441,389	12,350,360	11,819,354	12,013,798	12,804,161	13,128,780	13,414,750	13,905,735	18,395,920	13,834,947
Community development	7,841,988	14,128,000	12,435,935	9,786,877	12,763,171	11,678,714	15,046,116	18,734,903	18,629,672	17,949,041
Interest on debt service	4,996,711	5,366,667	8,393,886	8,626,787	7,812,679	8,934,382	7,512,007	7,063,828	8,788,389	7,912,974
Total governmental activities expenses	86,202,288	93,101,105	93,661,347	98,437,193	102,307,222	100,501,078	101,673,802	109,618,366	108,774,381	116,207,824
Business-type activities										
Golf courses	3,888,337	3,745,920	3,672,127	3,454,119	3,566,166	4,161,732	4,374,681	4,444,512	4,704,448	4,324,153
Storm Water Utility	-	-	-	-	-	3,561,672	3,821,997	3,890,184	3,650,062	4,016,637
Housing authority	3,591,190	3,583,050	3,751,302	3,725,270	3,704,991	3,561,026	3,219,275	3,175,214	3,426,072	3,652,828
Ambulance	1,796,312	1,456,942	1,493,395	1,652,818	1,843,976	1,696,175	1,667,265	1,531,800	1,881,773	1,959,837
Total business-type activities expenses	9,275,839	8,785,912	8,916,824	8,832,207	9,115,133	12,980,605	13,083,218	13,041,710	13,662,355	13,953,455
Total primary government expenses	\$95,478,127	\$101,887,017	\$102,578,171	\$107,269,400	\$111,422,355	\$113,481,683	\$114,757,020	\$122,660,076	\$122,436,736	\$130,161,279
PROGRAM REVENUES:										
Governmental activities										
Charges for services - by activity										
General government	\$2,790,821	\$2,872,664	\$2,661,552	\$2,790,566	\$2,482,666	\$2,477,997	\$2,446,507	\$2,336,623	\$2,332,496	\$2,405,169
Public safety	4,467,168	4,984,468	5,271,177	5,012,448	4,354,594	4,043,634	4,282,065	3,470,930	3,588,683	3,963,142
Highways and public improvements	9,311,098	8,490,677	8,488,962	9,195,323	8,657,232	5,731,636	5,767,111	6,203,568	5,286,305	6,319,731
Parks and recreation	7,814,261	7,037,247	6,553,558	7,063,287	6,462,468	6,940,328	7,361,816	7,968,541	9,172,617	7,560,389
Community development	2,429,417	1,848,489	2,175,411	2,105,195	4,147,718	6,362,210	9,116,778	10,072,703	10,660,467	11,974,544
Operating grants and contributions	6,129,745	5,869,996	6,841,726	7,049,075	6,342,362	5,698,543	14,798,016	14,987,200	14,163,862	13,302,613
Capital grants and contributions	12,929,031	1,832,921	3,721,604	5,054,267	1,360,913	1,150,119	6,879,174	4,596,742	14,509,062	2,682,046
Total governmental activities program revenue	45,871,541	32,936,462	35,713,990	38,270,161	33,807,953	32,404,467	50,651,467	49,636,307	59,713,492	48,207,634
Business-type activities										
Golf Courses	2,809,684	2,572,855	2,555,014	2,248,985	1,964,627	3,272,987	3,353,834	3,269,379	3,171,724	3,216,017
Storm Water Utility	-	-	-	-	-	4,004,705	4,052,589	4,157,613	4,208,181	4,171,484
Housing Authority	197,517	181,069	191,498	2,071	1,102	1,554	14,845	21,086	24,899	7,606
Ambulance	1,676,047	1,366,649	1,754,164	1,884,180	1,962,301	1,677,648	1,975,523	2,379,245	2,784,209	3,017,112
Operating grants and contributions	3,265,560	3,541,481	3,945,910	3,503,599	3,505,667	3,551,717	3,100,096	3,215,447	3,283,998	3,511,399
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	7,948,808	7,662,054	8,446,586	7,638,835	7,433,697	12,508,611	12,496,887	13,042,770	13,473,011	13,923,618
Total primary government program revenues	\$53,820,349	\$40,598,516	\$44,160,576	\$45,908,996	\$41,241,650	\$44,913,078	\$63,148,354	\$62,679,077	\$73,186,503	\$62,131,252
Net (expense)/revenue										
Governmental activities	(\$40,330,747)	(\$60,164,643)	(\$57,947,357)	(\$60,167,032)	(\$68,499,269)	(\$68,096,611)	(\$51,022,335)	(\$59,982,059)	(\$49,060,889)	(\$68,000,190)
Business-type activities	(1,327,031)	(1,123,858)	(470,238)	(1,193,372)	(1,681,436)	(471,994)	(586,331)	1,060	(189,344)	(29,837)
Total primary government net expense	(\$41,657,778)	(\$61,288,501)	(\$58,417,595)	(\$61,360,404)	(\$70,180,705)	(\$68,568,605)	(\$51,608,666)	(\$59,980,999)	(\$49,250,233)	(\$68,030,027)

TABLE 2 (continued)

FISCAL YEAR:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GENERAL REVENUES & OTHER CHANGES IN NET POSITION:										
Governmental activities:										
Taxes										
Property taxes	\$28,015,516	\$28,452,413	\$28,999,591	\$34,769,415	\$35,746,167	\$36,266,827	\$28,826,224	\$29,344,107	\$32,486,234	\$32,674,613
Sales taxes	19,120,182	17,586,807	18,239,558	19,958,098	20,741,962	21,843,979	23,298,553	24,279,409	25,544,641	27,124,806
Franchise taxes	9,299,207	9,101,454	9,201,296	9,239,524	9,853,924	9,978,924	10,006,985	10,362,934	10,218,539	10,067,122
Other taxes	155,167	224,620	85,714	-	-	-	-	-	-	-
Unrestricted investment earnings	774,332	126,648	254,036	1,045,055	969,595	898,615	842,229	878,235	1,306,759	1,695,444
Gain (loss) on disposition of assets	321,054	122,825	1,899,411	2,622,627	513,112	(560,203)	366,118	1,930,722	34,783	1,085,096
Other revenues	2,136,542	151,906	4,177,826	1,889,485	735,431	4,435,561	-	64,362	149,005	-
Transfers	(1,799,525)	(1,096,243)	(1,475,333)	(1,487,403)	(501,045)	(1,331,665)	(125,255)	(474,805)	325,272	1,297,872
Special Item	-	-	-	-	-	-	-	-	-	-
Total governmental activities	\$58,022,475	\$54,670,430	\$61,382,099	\$68,036,801	\$68,059,146	\$71,532,038	\$63,214,854	\$66,384,964	\$70,065,233	\$73,944,953
Business-type activities:										
Investment earnings	10,253	6,235	4,478	74,569	37,188	198,226	191,524	68,099	11,421	46,020
Gain on disposition of capital assets	(4,116)	-	-	20,457,466	622,340	312,324	470,780	176,246	239,085	123,822
Transfers	1,799,525	1,096,243	1,475,333	1,487,403	501,045	1,331,665	125,255	474,805	(325,272)	(1,297,872)
Total business-type activities	1,805,662	1,102,478	1,479,811	22,019,438	1,160,573	1,842,215	787,559	719,150	(74,766)	(1,128,030)
Total primary government	\$59,828,137	\$55,772,908	\$62,861,910	\$90,056,239	\$69,219,719	\$73,374,253	\$64,002,413	\$67,104,114	\$69,990,467	\$72,816,923
Changes in Net Position										
Governmental activities	(2,142,168)	(3,276,927)	1,215,067	(462,468)	(37,465)	20,509,703	3,232,795	17,324,075	2,065,043	5,944,763
Business-type activities	681,804	632,240	286,439	20,338,002	688,579	1,255,884	788,619	529,806	(104,603)	(1,157,867)
Total primary government	(\$1,460,364)	(\$2,644,687)	\$1,501,506	\$19,875,534	\$651,114	\$21,765,587	\$4,021,414	\$17,853,881	\$1,960,440	\$4,786,896

Source: West Valley City CAFR's 2009-2018, Statement of Activities

WEST VALLEY CITY, UTAH
**CHANGES IN NET POSITION BY
 GOVERNMENTAL ACTIVITIES**



- Total governmental activities expenses
- Total governmental activities general revenues
- Total governmental activities program revenue

WEST VALLEY CITY, UTAH CHANGES IN NET POSITION BUSINESS-TYPE ACTIVITIES

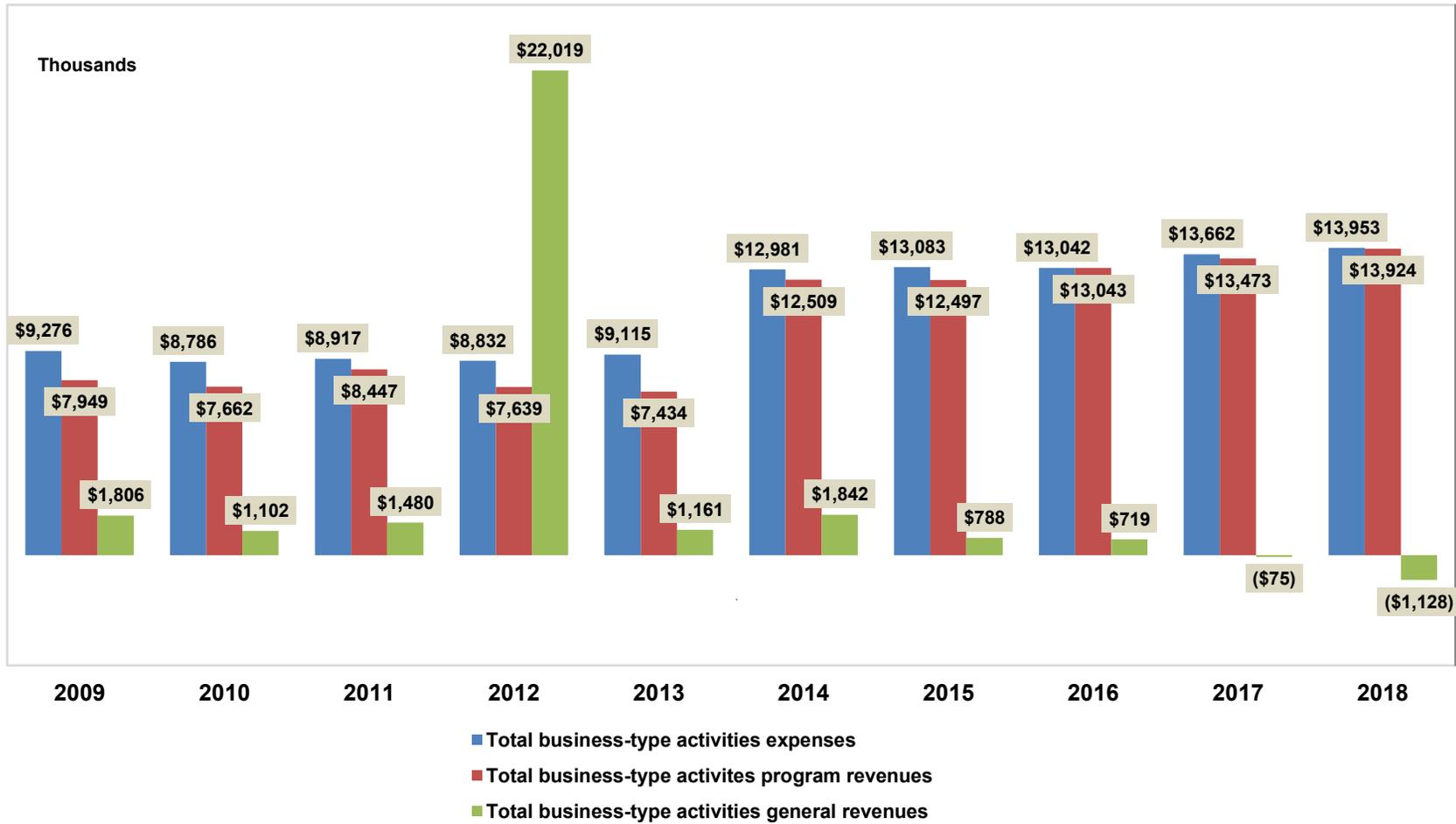


TABLE 3

West Valley City
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

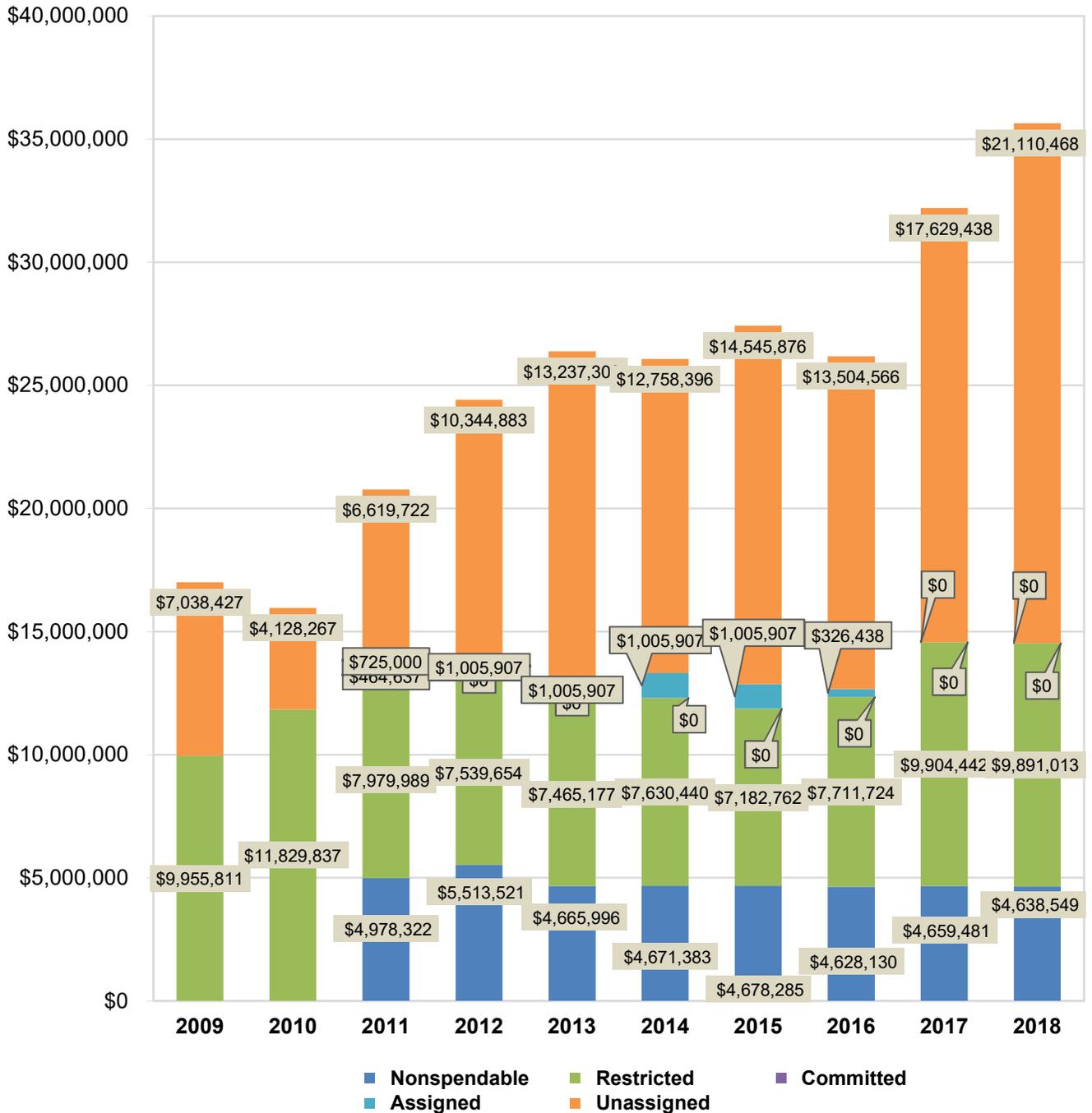
FISCAL YEAR:	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General fund								
Nonspendable	\$4,978,322	\$5,513,521	\$4,665,996	\$4,671,383	\$4,678,285	\$4,628,130	\$4,659,481	\$4,638,549
Restricted	7,979,989	7,539,654	7,465,177	7,630,440	7,182,762	7,711,724	9,904,442	9,891,013
Committed	464,637	-	-	-	-	-	-	-
Assigned	725,000	1,005,907	1,005,907	1,005,907	1,005,907	326,438	-	-
Unassigned	6,619,722	10,344,883	13,237,303	12,758,396	14,545,876	13,504,566	17,629,438	21,110,468
Total general fund	<u>\$20,767,670</u>	<u>\$24,403,965</u>	<u>\$26,374,383</u>	<u>\$26,066,126</u>	<u>\$27,412,830</u>	<u>\$26,170,858</u>	<u>\$32,193,361</u>	<u>\$35,640,030</u>
All other governmental funds								
Nonspendable	\$19,665,950	\$5,217,989	\$6,541,714	\$9,047,478	\$10,057,455	\$7,171,935	\$13,593,150	\$14,631,825
Restricted	8,309,205	27,587,323	6,603,072	7,896,756	7,543,188	8,176,098	66,812,360	47,178,698
Assigned, reported in:								
Special revenue funds	2,563,160	3,876,259	4,447,341	6,285,023	4,510,313	2,442,955	4,955,682	239,858
Capital projects funds	3,481,360	5,749,953	4,782,067	4,420,372	2,540,142	4,113,067	55,226,560	40,715,084
Debt service fund	1,485,436	1,654,507	1,386,685	1,213,175	1,072,323	925,981	(50,875,178)	-
Unassigned	-	-	-	(4,419,337)	(4,368,853)	(4,071,721)	(2,466,783)	(35,686,821)
Total all other governmental funds	<u>\$35,505,111</u>	<u>\$44,086,031</u>	<u>\$23,760,879</u>	<u>\$24,443,467</u>	<u>\$21,354,568</u>	<u>\$18,758,315</u>	<u>\$87,245,791</u>	<u>\$67,078,644</u>

Source: West Valley City CAFR 2011-2018, Balance Sheet - Governmental Funds

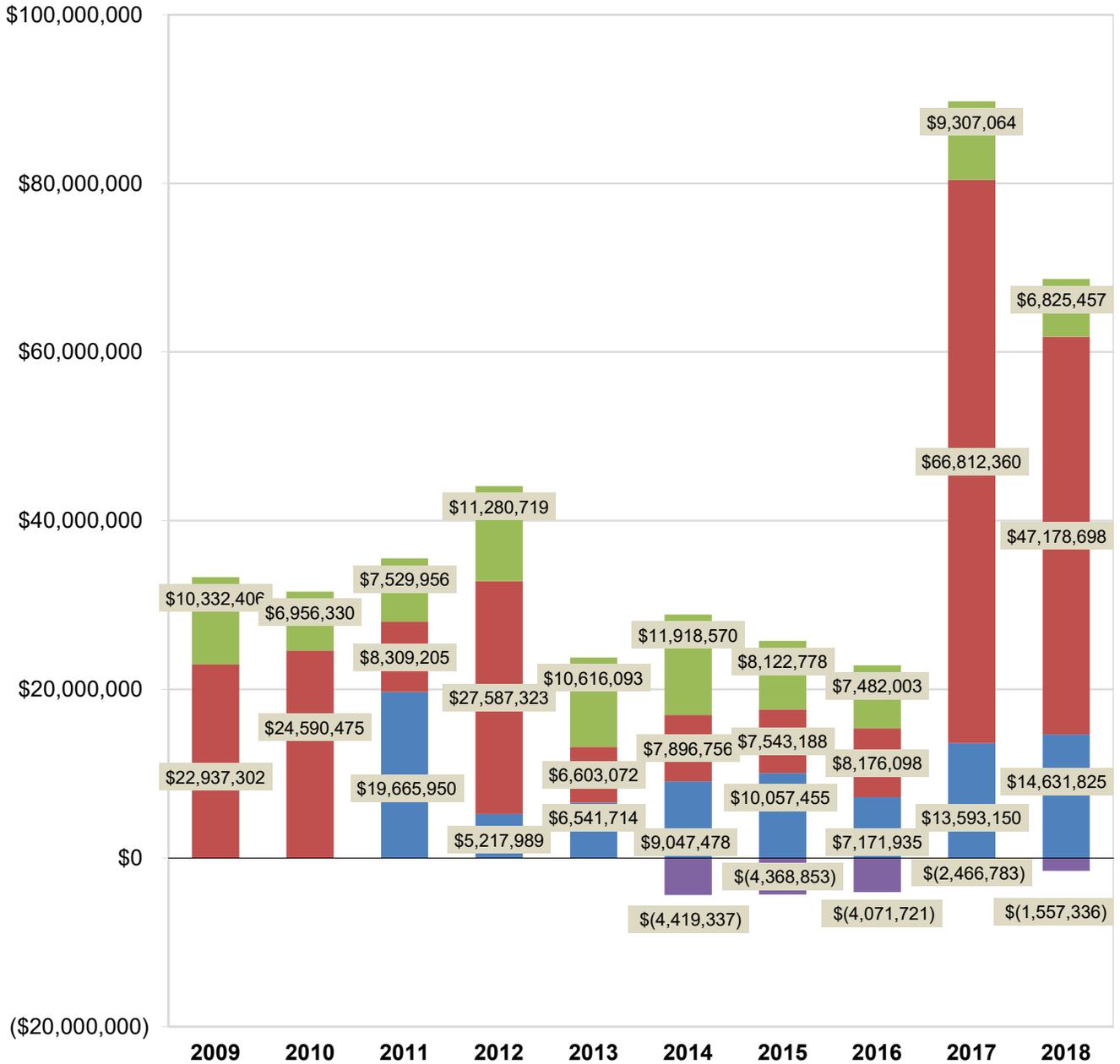
Note: Implementation of GASB 54 changed fund balance category presentation. The years from 2009 to 2010 are displayed below categories under the former GAAP. Their source is West Valley City's CAFR's 2009-2010

FISCAL YEAR:	<u>2009</u>	<u>2010</u>
General fund		
Reserved	\$9,955,811	\$11,829,837
Unreserved	7,038,427	4,128,267
Total general fund	<u>\$16,994,238</u>	<u>\$15,958,104</u>
All other governmental funds		
Reserved	\$22,937,302	\$24,590,475
Unreserved, reported in:		
Special revenue funds	2,425,246	1,826,430
Capital projects funds	7,907,160	5,129,900
Total all other governmental funds	<u>\$33,269,708</u>	<u>\$31,546,805</u>

WEST VALLEY CITY, UTAH GENERAL FUND FUND BALANCES



WEST VALLEY CITY, UTAH ALL OTHER GOVERNMENTAL FUNDS FUND BALANCES



■ Nonspendable ■ Restricted
■ Assigned ■ Unassigned

TABLE 4

West Valley City
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

FISCAL YEAR:	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues				
Taxes	\$56,434,905	\$55,140,674	\$56,440,445	\$63,967,037
Fees and passes	11,867,394	10,828,399	10,576,951	11,512,337
Licenses and permits	3,691,344	3,153,302	3,232,263	3,578,244
Intergovernmental	8,369,446	6,412,916	8,821,298	9,125,280
Fines and forfeitures	3,829,389	4,451,877	4,593,320	4,197,709
Charges for services	870,358	579,947	662,469	681,222
Rental income	4,325,119	4,241,699	3,707,594	3,898,561
Investment earnings	1,227,410	598,318	636,679	731,546
Special assessments	256,512	256,512	232,202	360,482
Miscellaneous	2,002,851	1,766,696	2,183,151	2,141,065
Total revenues	<u>92,874,728</u>	<u>87,430,340</u>	<u>91,086,372</u>	<u>100,193,483</u>
Expenditures				
General government	10,038,150	11,106,431	13,179,882	13,662,587
Public safety	29,385,896	29,277,218	29,526,932	29,348,362
Highways and public improvements	4,015,617	13,992,977	12,253,935	14,119,958
Parks and recreation	9,823,331	9,808,015	8,724,481	9,233,274
Community development	4,860,340	4,114,756	3,945,283	3,747,403
Other nondepartmental	941,979	968,280	(450,795)	2,946,813
Redevelopment agency	2,905,588	9,548,731	7,873,126	8,002,701
Capital outlay	24,285,979	9,346,835	5,296,635	29,857,568
Debt service:				
Principal	6,004,216	7,624,337	13,475,916	6,952,625
Interest	5,175,856	5,447,768	5,094,250	5,909,106
Bond insurance costs	387,242	412,477	940,473	3,667,887
Total expenditures	<u>\$97,824,194</u>	<u>\$101,647,825</u>	<u>\$99,860,118</u>	<u>\$127,448,284</u>
Excess of revenues over (under) expenditures	(4,949,466)	(14,217,485)	(8,773,746)	(27,254,801)
Other financing sources (uses)				
Issuance of new debt	-	-	-	-
Refunding bonds issued	-	-	26,716,760	-
Revenue bonds issued	13,950,000	22,755,000	4,620,000	-
Special assessment bonds issued	-	-	-	-
Premium on bonds issued	48,900	743,829	171,722	-
Payments to refunded bond escrow agent	-	(12,550,848)	(16,505,705)	-
Notes payable issued	-	-	-	33,063,000
Capital leases	2,026,339	1,432,163	683,955	1,445,543
Transfers in	27,318,238	30,662,896	15,242,007	18,378,647
Transfers out	(29,117,763)	(31,759,139)	(16,717,340)	(19,866,050)
Sale of capital assets	2,050,387	174,544	2,286,369	6,450,876
Total other financing sources (uses)	<u>16,276,101</u>	<u>11,458,445</u>	<u>16,497,768</u>	<u>39,472,016</u>
Net changes in fund balances	<u>\$11,326,635</u>	<u>(\$2,759,040)</u>	<u>\$7,724,022</u>	<u>\$12,217,215</u>
Debt service as a percentage of noncapital expenditures	15.2%	14.2%	19.6%	13.2%

Source: West Valley City CAFR's 2009-2018, Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

TABLE 4

West Valley City

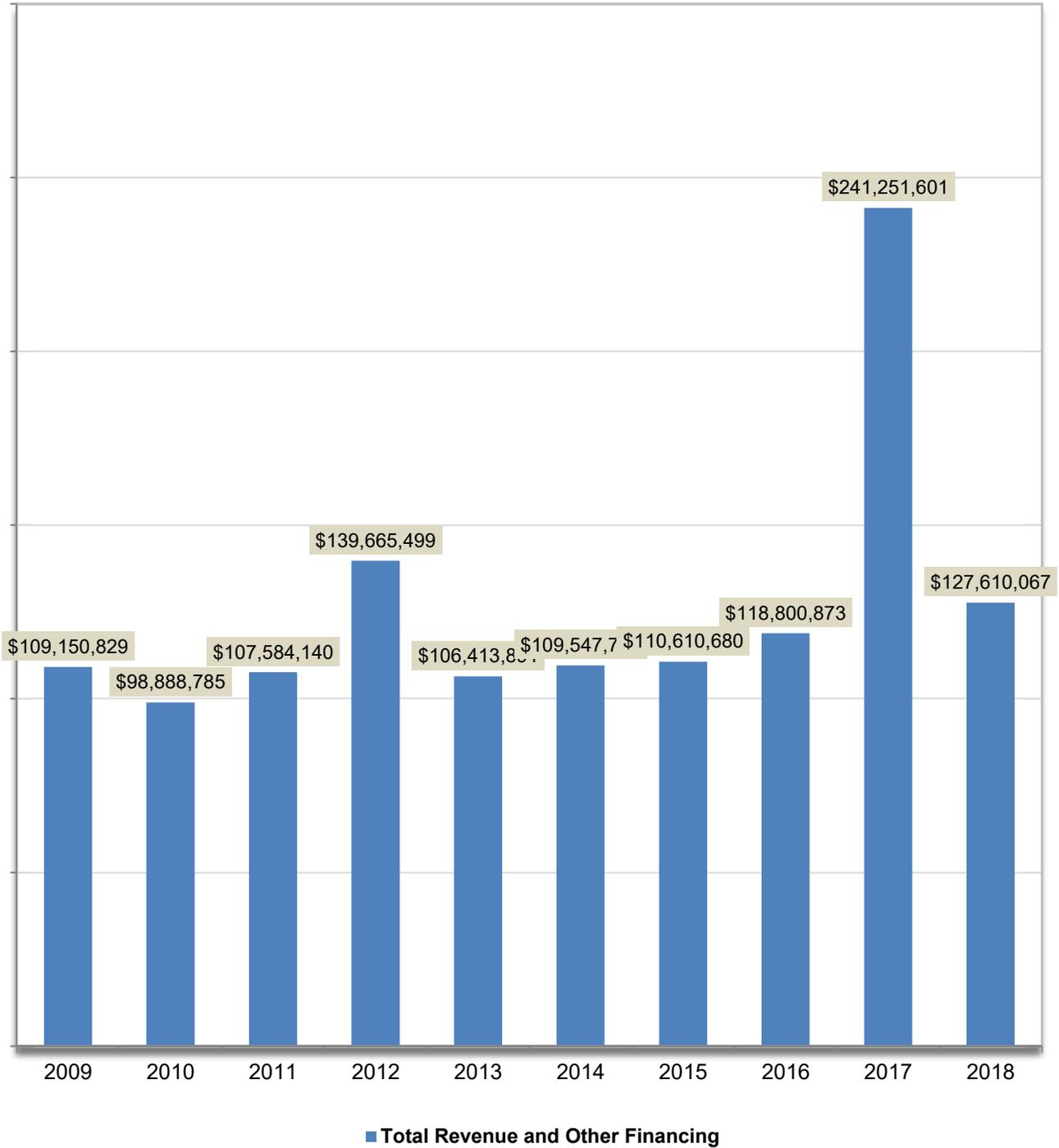
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

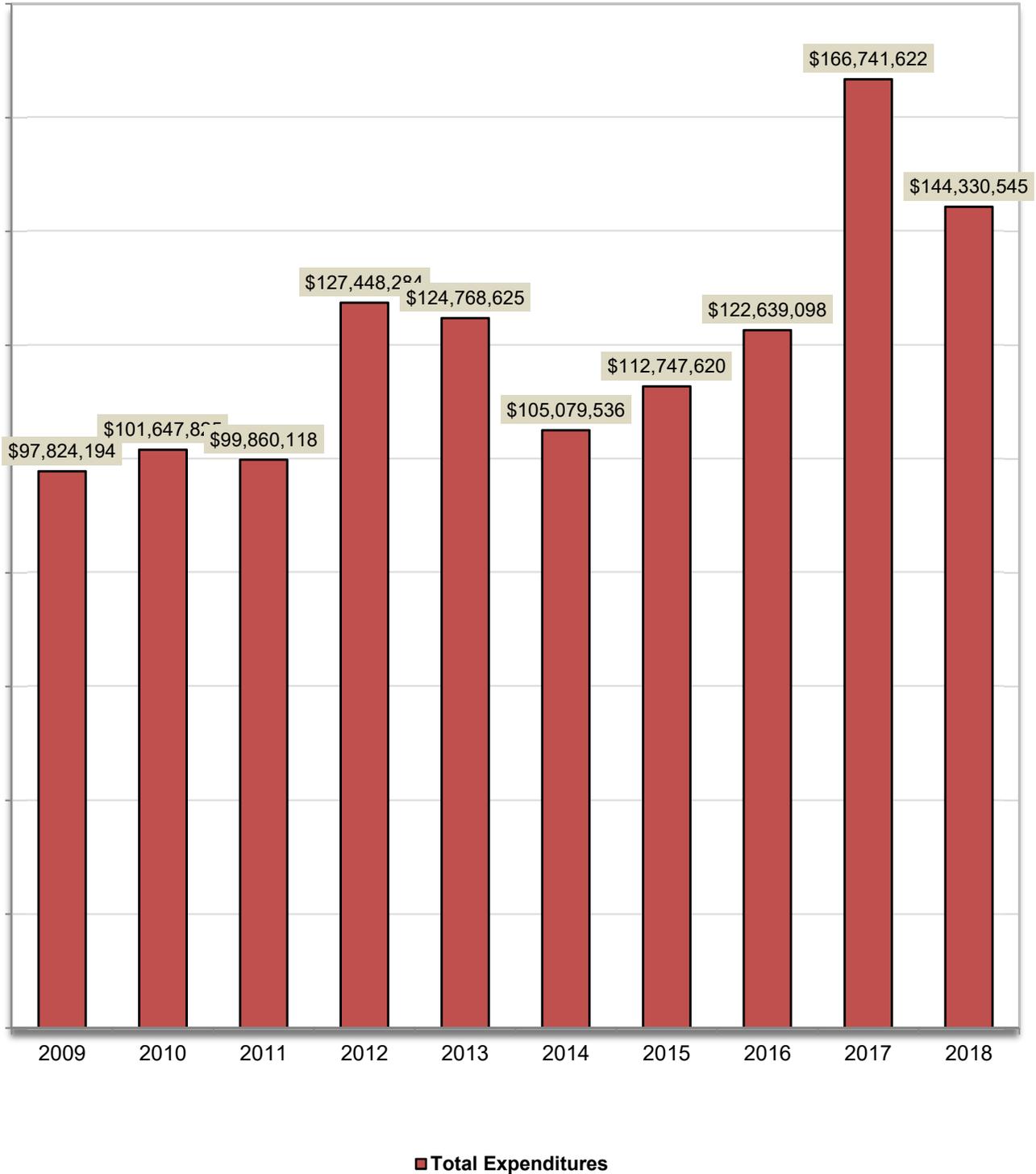
(modified accrual basis of accounting)

2013	2014	2015	2016	2017	2018
\$66,342,053	\$68,089,730	\$62,131,762	\$63,986,450	\$68,249,414	\$69,866,541
3,154,719	4,440,536	3,495,229	4,193,405	3,196,441	3,217,769
3,645,728	3,989,809	3,788,274	4,192,432	4,182,135	4,543,730
7,099,157	10,095,974	18,139,752	17,515,317	24,421,974	15,683,627
3,629,328	3,437,578	3,699,985	2,895,721	2,520,015	2,840,521
8,728,363	6,819,421	12,518,288	12,932,606	13,387,734	14,571,260
5,396,108	5,684,250	4,097,951	5,031,912	6,069,510	5,012,773
787,883	650,056	656,889	705,891	1,202,383	2,197,350
211,260	218,159	178,535	180,486	-	-
1,379,172	1,097,187	1,250,940	1,215,433	2,022,982	2,012,361
100,373,771	104,522,700	109,957,605	112,849,653	125,252,588	119,945,932
12,764,535	13,169,294	13,785,570	15,662,847	15,511,240	15,816,482
31,250,094	31,084,819	33,187,367	33,012,115	34,107,221	36,721,389
13,570,058	15,341,814	10,538,408	14,638,192	7,871,312	15,859,738
9,969,049	9,883,029	11,415,171	10,940,108	10,808,149	11,930,541
4,089,519	4,063,267	4,359,636	4,483,829	5,739,670	4,982,613
4,291,855	5,034,351	4,765,596	4,975,781	4,561,079	4,038,628
8,219,640	6,563,636	9,888,160	13,461,279	10,994,533	12,460,559
26,496,110	5,754,936	10,476,132	6,316,640	19,857,930	23,312,438
7,463,253	8,062,892	8,402,203	13,552,577	50,719,283	12,714,063
6,285,799	6,036,666	5,899,514	5,515,557	4,948,192	6,496,015
368,713	84,832	29,863	80,173	1,623,013	(1,921)
\$124,768,625	\$105,079,536	\$112,747,620	\$122,639,098	\$166,741,622	\$144,330,545
(24,394,854)	(556,836)	(2,790,015)	(9,789,445)	(41,489,034)	(24,384,613)
-	-	-	-	128,332,705	1,447,045
7,737,358	475,533	456,228	-	-	-
5,313,000	5,680,639	-	4,495,303	-	-
-	-	-	-	-	-
(7,022,305)	-	-	-	(12,783,390)	-
-	-	-	-	-	-
-	-	-	-	-	-
13,292,556	13,738,359	14,017,095	17,914,401	76,130,049	17,533,970
(13,793,601)	(15,070,024)	(14,142,350)	(18,389,206)	(75,804,777)	(16,236,099)
513,112	200,525	322,102	1,930,722	124,426	4,919,219
6,040,120	5,025,032	653,075	5,951,220	115,999,013	7,664,135
(\$18,354,734)	\$4,468,196	(\$2,136,940)	(\$3,838,225)	\$74,509,979	(\$16,720,478)
14.0%	14.2%	14.0%	16.4%	37.9%	15.9%

WEST VALLEY CITY, UTAH
**TOTAL REVENUES, TRANSFERS
& OTHER FINANCING SOURCES (Uses)**



WEST VALLEY CITY, UTAH TOTAL EXPENDITURES



WEST VALLEY CITY, UTAH
**DEBT SERVICE AS A PERCENTAGE OF
NON-CAPITAL EXPENDITURES**

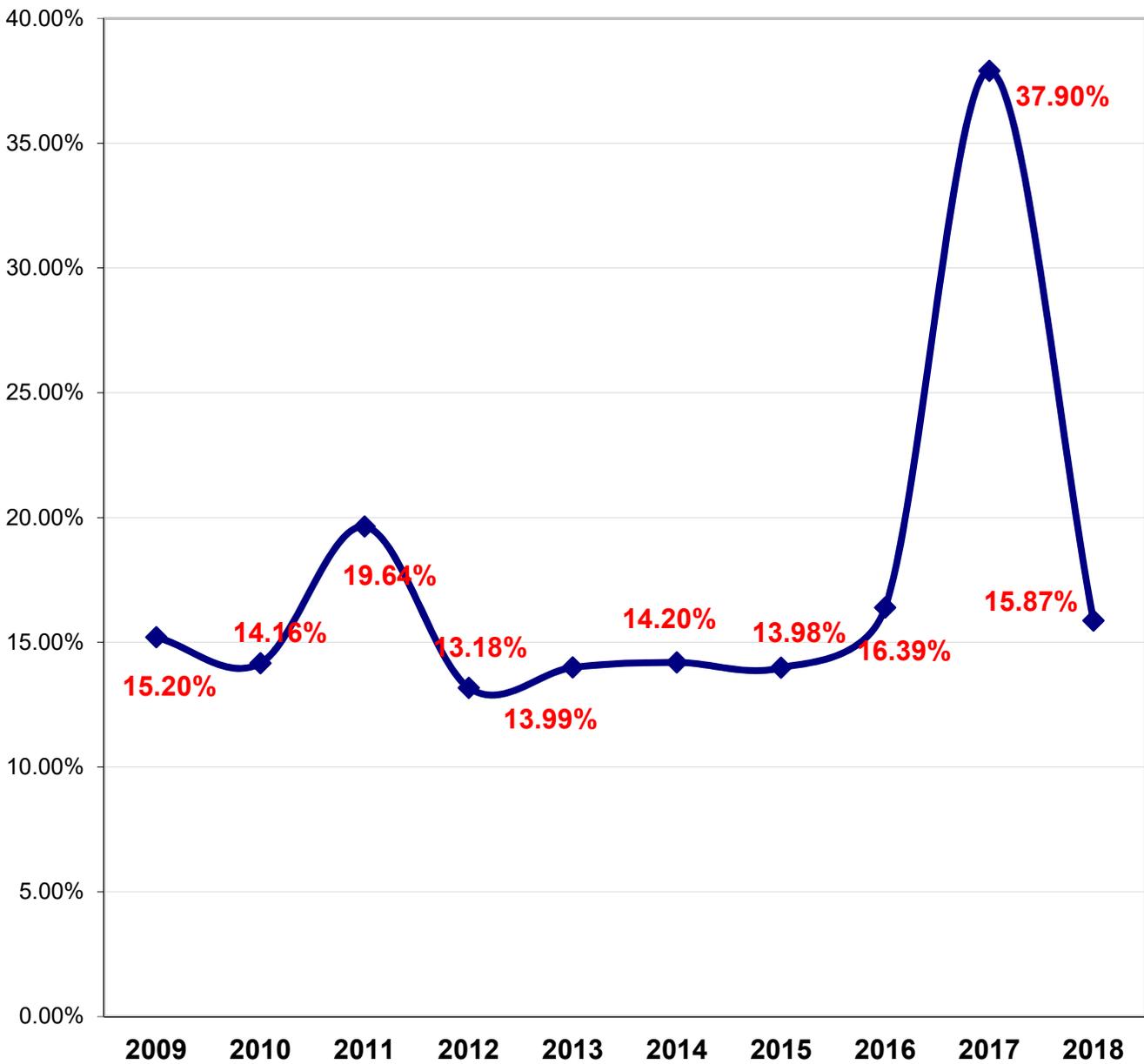


TABLE 5

West Valley City
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN CALENDAR YEARS**

Year Ended December 31	Real Property(3)(4)		Less: Tax Exempt Real Property(1)	Total Taxable Assessed Value(3)	Total Direct Tax Rate(2)	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Primary Residential Property	Secondary or Non-Residential Property					
2008	6,067,080,769	1,672,902,531	2,730,186,346	5,009,796,954	0.0030160	7,739,983,300	64.73%
2009	5,390,308,376	2,138,874,363	2,425,638,769	5,103,543,970	.00360100	7,529,182,739	67.78%
2010	5,309,631,106	1,313,247,950	2,389,333,998	4,233,545,058	.00364400	6,622,879,056	63.92%
2011	5,230,996,208	2,078,928,430	2,353,948,294	4,955,976,344	.00451070	7,309,924,638	67.80%
2012	4,775,422,759	2,069,122,550	2,148,940,242	4,695,605,067	.00485700	6,844,545,309	68.60%
2013	5,027,751,618	2,195,720,530	2,262,488,228	4,960,983,920	.00467000	7,223,472,148	68.68%
2014	5,463,566,060	2,274,917,260	2,458,604,727	5,279,878,593	.00438100	7,738,483,320	68.23%
2015	5,812,847,570	2,441,153,350	2,615,781,407	5,638,219,514	.00419900	8,254,000,920	68.31%
2016	6,557,211,041	2,587,631,850	2,950,744,968	6,194,097,923	.00423300	9,144,842,891	67.73%
2017	7,233,382,940	2,834,461,060	3,255,022,323	6,812,821,677	.00415100	10,067,844,000	67.67%

Source: Tax Division--Salt Lake County Auditor's Office

- Notes:
- (1) Statue 59-2-103 states 45% of the value of primary residential property is specifically exempt under the Constitution of Utah
 - (2) Tax rates are supplied by West Valley City
 - (3) Estimated actual value of real property is a net market value--property value subject to tax after reductions made for greenbelt, full or part exemptions West valley's Finance department
 - (4) Appraised value of real property was not available at printing; number is an estimate.

WEST VALLEY CITY, UTAH
**TOTAL TAXABLE ASSESSED
RESIDENTIAL PROPERTY VALUES**

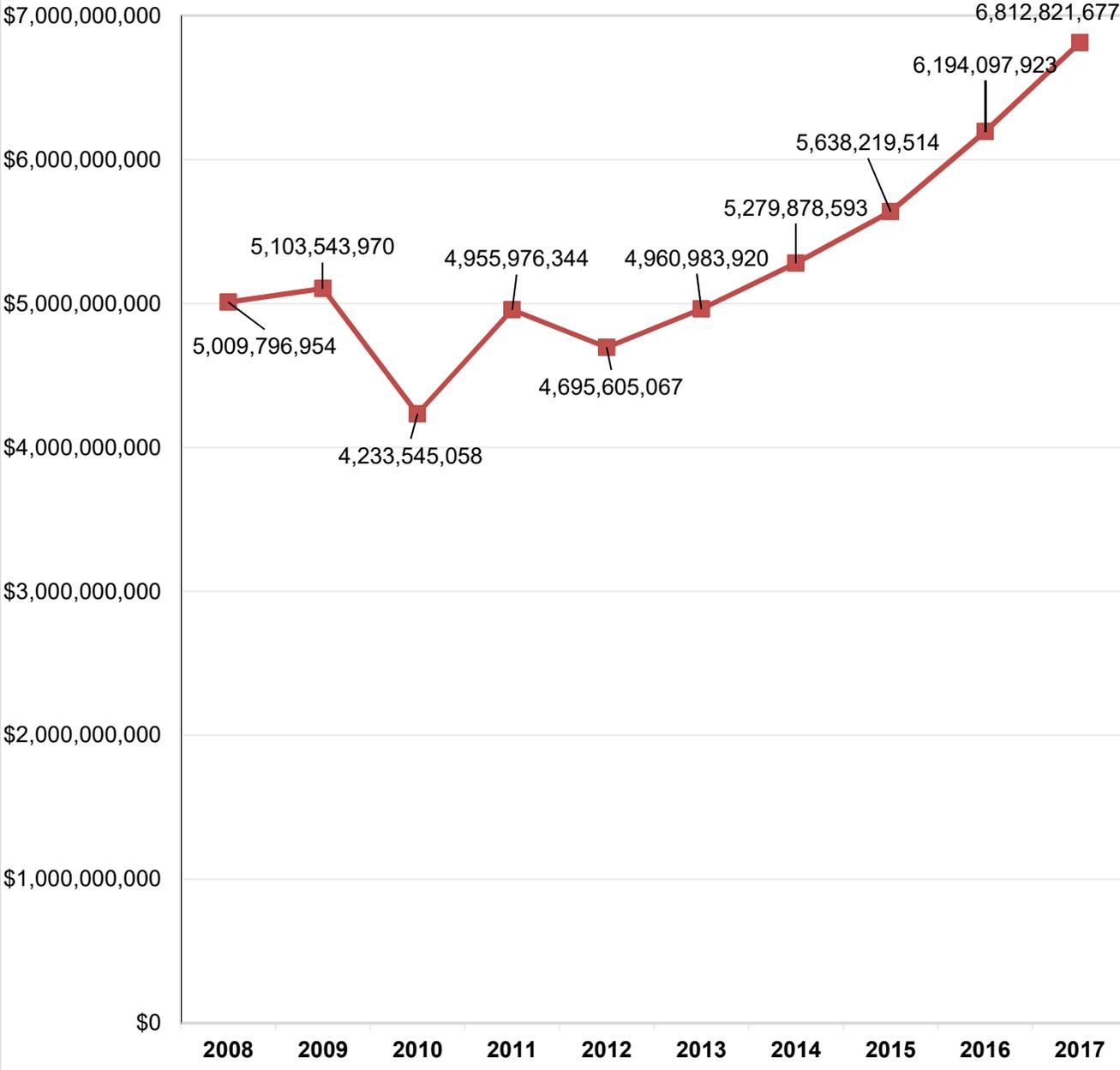


TABLE 6

West Valley City
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN CALENDAR YEARS

Year	<u>Overlapping Rates ⁽¹⁾</u>										
	<u>West Valley City</u>			<u>County</u>			<u>School District</u>			<u>Special Districts</u>	<u>Total Direct & Overlapping Rates</u>
	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total City Millage</u>	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total County Millage</u>	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total School Millage</u>		
2009	3.6040	-	3.6040	5.3050	0.3400	5.6450	6.0470	-	6.0470	6.3590	21.6550
2010	3.6440	-	3.6440	5.4400	0.5660	6.0100	6.4340	-	6.4340	6.3720	22.5410
2011	4.5100	-	4.5100	5.6153	0.6090	6.2243	6.7960	-	6.7960	6.6130	30.9393
2012	4.8570	-	4.8570	4.9330	0.6410	5.5740	7.1660	-	7.1660	7.1160	31.8790
2013	4.6700	-	4.6700	5.5800	0.6280	6.2080	6.9940	-	6.9940	6.7970	24.6690
2014	4.3810	-	4.3810	5.3170	0.6080	5.9250	6.8310	-	6.8310	6.5170	23.6540
2015	4.1990	-	4.1990	5.0720	0.5030	5.5750	7.0860	-	7.0860	6.2270	23.0870
2016	4.2330	-	4.2330	4.8690	0.3650	5.2340	6.4810	-	6.4810	5.3750	21.3230
2017	4.1510	-	4.1510	4.6510	0.3300	4.9810	6.7790	-	6.7790	5.4990	21.4100
2018	3.7060	-	3.7060	4.4360	0.2920	4.7280	7.8220	-	7.8220	5.0800	21.3360

Source: Utah State Tax Commission

(1) Overlapping rates are those of local and county governments that apply to property owners within the West Valley City Property owners

TABLE 7

West Valley City
PRINCIPAL PROPERTY TAXPAYERS
12/31/2016

Taxpayer	2017			2008		
	Taxable Assessed Value(1)	Rank	Percentage of Total Taxable Assessed Value of \$7,796,925,405	Taxable Assessed Value(1)	Rank	Percentage of Total Taxable Assessed Value \$6,569,147,821
Hexcel Corporation	\$333,119,812	1	4.27%	\$ 85,908,506	2	
Alliant Techsystems Inc	102,195,374	2	1.31%	\$105,202,400	1	1.60%
Discover Products Inc	90,807,417	3	1.16%			0.00%
Wheeler Machinery	85,449,423	4	1.10%			0.00%
Valley Fair Mall	74,324,182	5	0.95%	54,233,470	5	0.83%
Boyd Enterprises	66,033,415	6	0.85%	30,985,000	11	0.47%
USANA Health Sciences Inc	51,142,595	7	0.66%	29,431,057	12	0.45%
Zions First National Bank	50,453,510	8	0.65%	34,806,503	9	
Wal-Mart	46,038,442	9	0.59%	53,991,268	6	
Franklin Covey	38,632,334	10	0.50%	29,357,900	13	0.45%
Reef Parkway LLC	36,538,000	11	0.47%	36,587,000	7	
Johnson Matthey/E&E	32,090,500	12	0.41%			
Sagegate Communities	31,257,875	13	0.40%			
Ara-B Llc	30,601,500	14	0.39%			
SLC Somerset Village	30,027,547	15	0.39%			0.00%
Ara-A Llc	28,546,700	16	0.37%			
Pinnacle Highbury Apartments	26,787,255	17	0.34%			
SLC Lake Pointe Equities	26,486,300	18	0.34%			
Salt Lake Newspaper	26,271,654	19	0.34%	73,587,159	3	
Evergreen Utah, LLC	25,756,000	20	0.33%			
201CC Venture 1, LLC	23,427,700	21	0.30%			
Silencerco	22,745,104	22	0.29%			0.00%
HCPI/UTAH LLC	22,705,800	23	0.29%			0.00%
MPT of West Valley City	22,668,900	24	0.29%	27,341,900	15	
Miller Lake Park Station LLC	22,301,686	25	0.29%			
Novus Development				58,818,900	4	
ATR Launch Systems Inc				36,060,565	8	
Truck Pro				31,744,800	10	
IHC Health Services				29,040,188	14	
TalcottIII Legacy 1 & 2				25,656,000	16	0.39%
Frito Lay				21,054,446	17	0.32%
	\$1,346,409,025		17.27%	\$763,807,062		4.50%

(1) Salt Lake County Assessor

*Taxable Market Values Represent Both Real and Personal Property

**Assessed values for United States of America which have previously been included on this table are no longer considered as they are tax-exempt.

TABLE 8

West Valley City
**PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN YEARS**

Year Ended December 31	Total Tax Levy for Year	Collected within the Year of the Levy		Prior Years Delinquent Collections	Total Current Year Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	21,635,813	20,567,959	95.1%	609,752	21,177,711	97.9%
2009	22,048,982	21,018,614	95.3%	624,474	21,643,088	98.2%
2010	21,991,855	21,171,770	96.3%	730,457	21,902,227	99.6%
2011	26,202,774	25,206,753	96.2%	645,314	25,852,067	98.7%
2012	26,956,091	26,207,372	97.2%	739,080	26,946,452	99.9%
2013	27,339,497	26,423,776	96.7%	686,121	27,109,897	99.1%
2014	27,513,955	26,704,118	97.1%	577,238	27,281,356	99.1%
2015	27,793,434	27,225,617	98.0%	539,574	27,765,191	99.8%
2016	30,612,257	29,872,434	97.6%	486,573	30,359,007	99.1%
2017	32,067,816	31,287,173	97.6%	351,408	31,638,581	98.6%

Source: Salt Lake County Treasurer's office - Calendar Year End

TABLE 9

West Valley City
**RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-Type			Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
	General Obligation Bonds	Sales Tax Revenue Bonds	Lease Revenue Bonds	Capital Leases	Notes Payable	General Obligation Bonds	Lease Revenue Bonds	Capital Leases			
2009	-	35,633,000	65,603,736	4,392,688	2,563,000	-	11,939,112	\$150,536	120,282,072	5.54%	961
2010	-	55,606,000	49,621,586	4,739,417	2,418,000	-	11,087,000	-	123,472,003	5.35%	979
2011	-	69,444,127	39,980,000	3,962,011	2,266,000	-	10,358,500	-	126,010,638	5.22%	973
2012	-	66,608,057	37,640,000	3,733,323	35,169,000	-	9,625,750	-	152,776,130	6.14%	1,158
2013	-	70,774,532	35,068,000	2,813,899	34,753,274	-	8,859,500	22,479	152,291,684	6.23%	1,143
2014	-	71,455,042	32,479,000	3,469,384	33,946,522	-	9,431,522	549,592	151,331,062	6.28%	1,127
2015	-	67,320,163	29,780,000	3,072,849	33,086,362	-	8,326,116	414,655	142,000,145	5.79%	1,057
2016	-	60,312,510	27,185,000	3,472,566	32,192,696	-	7,164,049	285,347	130,612,168	5.16%	961
2017	-	77,411,222	76,170,000	3,559,932	31,758,677	-	6,786,680	156,603	195,843,114	7.73%	1,434
2018	-	59,804,510	72,750,000	3,977,465	30,643,096	-	5,436,634	158,058	172,769,763	6.65%	1,259

Source: West Valley City CAFR's 2009-2018, Notes to the financial statements.

Notes:

(1) See Schedule of Demographic and Economic Statistics for personal income and population data.

TABLE 10

West Valley City
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Estimated Actual Value of Property(2)	Taxable Percentage of Estimated Actual Value of Property	Population(1)	General Obligation Debt Per Capita
2009	-	7,739,983,300	64.73%	125,218	N/A
2010	-	7,529,182,739	67.78%	126,117	N/A
2011	-	6,622,879,056	63.92%	129,480	N/A
2012	-	7,309,924,638	67.80%	131,877	N/A
2013	-	6,844,545,309	68.60%	133,229	N/A
2014	-	7,223,472,148	68.68%	134,283	N/A
2015	-	7,738,483,320	68.23%	134,999	N/A
2016	-	8,254,000,920	68.31%	135,977	N/A
2017	-	9,144,842,892	67.73%	136,617	N/A
2018	-	10,067,844,000	67.67%	137,197	N/A

Notes:

(1) West Valley City Community Development Department

(2) Estimated by West Valley City Finance Department based on data from Utah State Tax Commission

TABLE 11

West Valley City

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
as of December 31, 2016**

<u>Governmental Unit</u>	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>	<u>Notes Payable</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
State of Utah	\$2,173,985,000	\$ 1,921,779,586	\$ 21,616,000	\$ 305,000	\$4,117,685,586	4.39%	\$180,941,091
Salt Lake County	226,285,328	366,687,252	529,329	51,370,553	<u>644,872,462</u>	12.03%	<u>77,577,263</u>
Total overlapping debt					4,762,558,048		258,518,354
West Valley City direct debt	-	137,991,144	6,216,665	30,643,096			<u>174,850,905</u>
Total Direct and overlapping debt							<u><u>\$433,369,259</u></u>

Source:

West Valley City Finance Department

Notes:

- (1) Estimated percentage of overlapping debt applicable based on West Valley City's population as a percentage of each overlapping Governmental Unit's total population

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of West Valley City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

TABLE 12

West Valley City
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

FISCAL YEAR:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$309,599,332	\$301,167,310	\$264,915,162	\$292,396,986	\$273,781,812	\$288,938,886	\$309,539,333	\$330,160,037	\$365,793,716	\$402,713,760
Total net debt applicable to limit	N/A									
Legal debt margin	\$309,599,332	\$301,167,310	\$264,915,162	\$292,396,986	\$273,781,812	\$288,938,886	\$309,539,333	\$330,160,037	\$365,793,716	\$402,713,760
Total net debt applicable to the limit as a percentage of debt limit	N/A									

Legal Debt Margin Calculation for Fiscal Year 2016

	Taxable Value (1)	Market Value
Primary Residential Values	\$3,978,360,617	\$7,233,382,940
Secondary & Non-Residential Values	2,834,461,060	2,834,461,060
Totals	\$6,812,821,677	\$10,067,844,000
Total adjusted fair market value		\$10,067,844,000
Debt limit (adjusted fair market value x .04)		402,713,760
General obligation bonds		-
Less: Amount set aside for repayment of general obligation debt		-
Total net debt applicable to limit		402,713,760
Legal debt margin		\$402,713,760

Notes:

(1) The general obligation bonded debt of the City is limited by the Utah Constitution (Section 14, Paragraph 4) to 12% of the "reasonable fair cash value" of property, Of this percent, a maximum of 4% may be used for general purposes. The remaining 8% and any unused portion of the 4% available for general purposes up to the maximum 12% may be utilized for water and/or sewer purposes.

Source: Salt Lake County Auditor's Office; estimated if actual numbers not available at printing

TABLE 13

West Valley City
**PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS**

Fiscal Year	Sales Tax Revenue Bonds				Franchise Tax Revenue Bonds				HUD Contract Payable			
	Sales Tax Revenues	Debt Service		Coverage	Franchise Tax Revenues	Debt Service		Coverage	CDBG Revenues	Debt Service		Coverage
Principal	Interest	Principal	Interest		Principal	Interest	Principal		Interest			
2009	19,120,182	1,081,907	1,159,047	8.5	9,299,207	-	-	N/A	1,429,381	138,000	144,169	5.1
2010	17,586,807	1,632,000	1,315,483	6.0	9,101,454	1,150,000	330,122	6.1	822,776	145,000	138,087	2.9
2011	18,239,558	1,936,500	1,252,063	5.7	9,201,296	1,035,000	452,375	6.2	1,264,717	152,000	131,326	4.5
2012	19,958,098	963,250	621,660	12.6	9,239,524	1,050,000	1,131,217	4.2	751,163	160,000	123,897	2.6
2013	20,741,962	1,005,750	583,770	13.0	9,853,923	1,075,000	1,104,968	4.5	852,754	168,000	115,825	3.0
2014	21,843,979	1,056,750	377,197	15.2	9,978,924	1,220,000	1,078,093	4.3	868,118	176,000	106,978	3.1
2015	23,298,553	1,097,500	337,286	16.2	10,006,985	1,260,000	1,041,492	4.3	1,073,977	185,000	97,300	3.8
2016	24,279,409	1,315,500	300,834	15.0	10,362,934	2,420,000	964,175	3.1	864,937	194,000	86,884	3.1
2017	25,544,641	2,292,800	629,727	8.7	10,218,539	1,365,000	239,150	6.2	1,913,456	204,000	75,708	6.8
2018	27,124,806	1,781,800	629,727	11.2	10,067,122	1,420,000	184,550	6.3	1,168,923	214,000	63,750	4.2

Source: West Valley City CAFR's, Notes to the financial statements, 2009-2018

TABLE 14

West Valley City
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (in thousands)(2)	Per Capita Personal Income(3)	School Enrollment(4)	Unemployment Rate(5)
2009	125,218	2,172,813	17,352	21,262	6.0%
2010	126,117	2,309,076	18,309	22,898	6.3%
2011	129,480	2,413,248	18,638	21,432	6.9%
2012	131,877	2,486,409	18,854	22,512	5.2%
2013	133,229	2,444,486	18,348	24,140	5.8%
2014	134,283	2,408,231	17,934	23,003	4.1%
2015	134,999	2,450,637	18,153	22,417	3.9%
2016	135,977	2,533,116	18,629	22,010	3.0%
2017	136,617	2,434,925	17,823	25,992	2.9%
2018	137,197	2,598,100	18,937	25,805	3.0%

Notes:

- (Data are projections by the West Valley City Community Development Department
- (Provided by Utah Department of Workforce Service statistical report
- (Utah Department of Workforce Service or estimates when actual numbers were not available
- (Student enrollment furnished by Granite School District
- (Utah Department of Workforce Service, As of June 30, 2018

TABLE 15

West Valley City
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2018			2009		
	Employees	Rank	Percentage of total City employment	Employees	Rank	Percentage of total City employment
Discover Financial Services Inc.	4,127	1	6.9%	3,058	1	7.3%
United Parcel Services Inc.	1,590	2	2.7%	1,671	2	4.0%
Swift Transportation Co.	1,300	3	2.2%			0.0%
Select Portfolio Servicing Inc.	1,019	4	1.7%			0.0%
Hexcel Corp	1,009	5	1.7%			0.0%
West Valley City	902	6	1.5%			0.0%
USANA Health Sciences Inc.	827	7	1.4%	555	11	1.3%
Sutter Physician Services	768	8	1.3%			0.0%
Wal-Mart	658	9	1.1%	957	6	2.3%
Pride Transport Inc.	606	10	1.0%	417	15	1.0%
Verizon Wireless	527	11	0.9%	1,108	5	2.7%
C R England & Sons Inc.	523	12	0.9%	630	9	1.5%
Jacobsen Construction	492	13	0.8%			0.0%
ATK Launch Systems Inc.	474	14	0.8%	779	7	1.9%
Hunt Electric Inc.	473	15	0.8%			0.0%
Wheeler Machinery	465	16	0.8%	480	13	1.1%
Zions Bancorporation	443	17	0.7%	1,225	4	2.9%
Olf Dominion Freight Line	441	18	0.7%			0.0%
Jordan Valley Medical Ctr WV Campus	409	19	0.7%	470	14	1.1%
Frito Lay Inc.	401	20	0.7%	300	21	0.7%
Freightliner of Utah LLC	391	21	0.7%	280	22	0.7%
Snap Finance	389	22	0.6%			0.0%
Amazon.com Services Inc.	374	23	0.6%			0.0%
Zions 1st Natl Bank/Accounting & Data	367	24	0.6%			0.0%
YRC,INC (Yellow Freight System Inc.)	350	25	0.6%	340	19	0.8%
Central Refrigerated Services Inc.				1,591	3	3.8%
Six Continents Hotel				713	8	1.7%
ADP Cobra Service				612	10	1.5%
Newspaper Agency				486	12	1.2%
Coventry Management Services				408	16	1.0%
Moog Aircraft Group Salt Lake Oper				404	17	1.0%
Ingenix Inc.				400	18	1.0%
Franklin Quest Co				301	20	0.7%
Parker Packing Company				271	23	0.6%
Broadcast Television System Inc.				69	24	0.2%
	19,325		32.2%	17,525		42.0%

Source: West Valley City Business License Division

TABLE 16

West Valley City

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GENERAL GOVERNMENT	112	111	110	116	110	132	129	133	134	132
PUBLIC SAFETY										
Police										
Officers	189	202	206	194	199	199	208	211	208.5	205.0
Civilians	88	56.8	72	73	68	68	69	67	69	75
Fire										
Firefighters and officers	103	100	102	84	106	89	89	102	102	108
Civilians	3	3	3	3	5	4.5	4.5	3.5	3.5	3.5
HIGHWAYS AND STREETS										
Engineering	18	21	22	20	20	17	19	20.5	20.6	20.9
Maintenance	51	56	60	60	57	64	65	57	56	56.0
PARKS AND RECREATION	80	96	84	89	92	94	93	88	88	88
Golf Courses										
Operations	31	25	24	25	14	14	14	25	25	25
Maintenance	15	16.5	17	16	14	15	15	14	14	14
SANITATION	3	3.5	4	4	4	3.5	3	3	2	3
COMMUNITY DEVELOPMENT	46	68	79	84	73	62	62	56	55	61
TOTAL	740	759	781	768	762	762	771	780	779	792

Source: West Valley City Budget Division

TABLE 17
 West Valley City
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

FISCAL YEAR:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
Police										
Number of full-time sworn officers	189	181	188	194	179	193	196	192	203	209
Physical arrests	3,173	2,762	2,903	2,207	2,445	2,117	3,300	3,313	3,320	3,374
Average Response Time (mins.)	-	-	-	-	-	4.77	5.15	5.22	4.23	0.21
Fire										
Number of calls answered	9,610	9,204	9,098	9,734	9,597	9,820	9,798	10,918	11,961	11,993
Inspections	2,900	2,655	2,072	2,734	2,053	2,118	2,108	1,276	996	969
Average Response Time (mins.)	-	-	-	-	-	6.06	6.12	5.69	5.42	6.19
Highways and streets										
Street resurfacing										
Slurry Seal (sq yards)	600,000	571,211	841,538	755,389	681,526	561,888	685,952	574,339	598,156	568,716
Chipseal (sq yards)	291,250	201,681	218,594	140,511	205,489	-	-	-	-	109,178
Overlay Project (sq yards)	32,560	-	18,006	43,500	79,464	115,200	129,670	110,930	131,263	152,550
Hot Mix Patching (tons)	636	3,974	2,445	2,591	1,397	85	33	1,947	1,709	2,135
Polymer Seal (sq. yards)	-	-	-	-	32,993	2,000	69,000	197,329	181,364	222,205
Zipper Repair (tons)	-	-	-	-	-	900	2,000	1,947	1,709	2,135
Parks & Recreation										
Developed City-owned parks	23	23	23	25	27	25	27	27	27	30
Undeveloped City-owned park property (acres)	17	17	16	13	8	10	14	14	14	101
Developed county-owned parks within the City (acres)	132	132	72	72	72	76	97	97	97	193
Total property acreage maintained by WVC (acres)	258	258	276	278	337	298	305	306	306	313
Community Development										
Building Inspections:										
Permits issued										
Single Family	109	160	89	162	192	174	185	141	139	150
Duplex	-	-	-	-	-	-	1	3	-	-
Multi-family	12	6	3	2	9	35	23	19	17	22
Mobile Home	1	-	-	-	-	-	2	-	2	-

Source: West Valley City departmental reports

TABLE 18

West Valley City
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	FISCAL YEAR:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Public safety										
Police stations		2	2	2	2	2	2	2	2	2	1
Fire stations		5	5	5	5	5	5	5	5	5	5
Highways and streets											
Streets (miles)		307	307	307	307	328	320	339	344	343	347
City Owned Streetlights		6933	6933	6933	6933	6963	7500	7055	7100	7310	7353
Parks and recreation											
Parks acreage		156.50	156.50	156.50	156.50	196.17	162.2	167.42	167.42	167.42	170.81
Parks		23	23	23	23	27	25	27	27	27	30
Tennis courts		15	15	15	15	13	13	13	13	13	13
Softball fields		15	15	15	15	8	8	8	8	8	8
Basketball courts		14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
Pavilions		14	14	14	14	20	20	21	21	21	21
Play structures		24	24	24	24	26	26	27	26	26	26
Baseball Fields ⁽¹⁾		-	-	-	-	4	4	4	4	4	4
Multi-Use Fields ⁽¹⁾		-	-	-	-	8	8	8	8	8	16
Other properties maintained (acres)		149.20	149.20	149.20	149.20	141.15	135.42	137.68	138.18	138.18	141.94
Total properties maintained (acres)		305.70	305.70	305.70	305.70	337.32	297.62	305.1	305.6	305.6	312.75

Sources: City departments

Note: No capital asset indicators are available for the general government function

(1) Information previously unavailable for years 2009-2012, included with Tennis Courts & Softball Fields. Tracking Separately from 2013 on.



West Valley City

CONTINUING DISCLOSURE INFORMATION

REDEVELOPMENT AGENCY OF WEST VALLEY CITY, UTAH
Historical and Pro Forma Schedule of Pledged Revenues, Debt Service, and Coverage
Detailed Debt Service Coverage Table - Updated with Audit Figures for FY Ending June 30, 2018

REVENUE SOURCES PROVIDED BY WVC RDA	HISTORIC									
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total City Center Increment Rec'd	\$1,018,295	\$1,050,000	\$888,911	\$1,129,134	\$6,234,462	\$6,234,462	\$6,234,462	\$6,234,462	\$6,234,462	\$6,234,462
City Center Housing 20%	\$203,659	\$210,000	\$177,782	\$225,827	\$1,246,892	\$1,246,892	\$1,246,892	\$1,246,892	\$1,246,892	\$1,246,892
City Center Admin 5%	\$50,915	\$52,500	\$44,446	\$56,457	\$311,723	\$311,723	\$311,723	\$311,723	\$311,723	\$311,723
City Center TIF less 25%	\$763,721	\$787,500	\$666,683	\$846,851	\$4,675,847	\$4,675,847	\$4,675,847	\$4,675,847	\$4,675,847	\$4,675,847
City Center TIF (excluding City Center Housing and ADMIN Portion)	\$ 763,721	\$ 787,500	\$ 666,683	\$ 846,851	\$ 4,675,847	\$ 4,675,847	\$ 4,675,847	\$ 4,675,847	\$ 4,675,847	\$ 4,675,847
Housing and Administration TIF										
City Center Housing Portion TIF	203,659	210,000	177,782	225,827	1,246,892	1,246,892	1,246,892	1,246,892	1,246,892	1,246,892
Housing Portion of TIF from Other Project Areas ⁽¹⁾	804,374	853,543	955,202	1,603,226	1,716,913	1,594,298	1,626,184	1,807,171	1,843,315	1,880,181
Administration TIF Component City Center	50,915	52,500	47,245	56,457	311,723	311,723	311,723	311,723	311,723	311,723
Administration TIF Component Other Project Areas	227,937	244,096	232,560	279,519	305,514	270,280	275,686	288,395	294,395	300,283
Total Increment (Including City Center Housing)	1,286,885	1,360,139	1,412,789	2,165,029	3,581,043	3,423,194	3,460,486	3,654,182	3,696,326	3,739,080
Projected Land Sale Revenue ⁽²⁾	1,580,674	-	4,000,000	-	-	-	-	-	-	-
Rental Income	51,050	273,280	217,031	48,000	-	-	-	-	-	-
BABs Interest Rebate (RDA Ser. 2010B Bonds)	79,365	79,707	79,835	79,835	79,835	79,835	79,835	79,835	71,471	71,471
Total City Center RDA Income Sources	\$ 3,761,695	\$ 2,500,626	\$ 6,376,339	\$ 3,139,714	\$ 8,336,724	\$ 8,178,875	\$ 8,216,167	\$ 8,409,863	\$ 8,443,643	\$ 8,486,397
OUTSTANDING BONDS	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Series 2009 RDA Bonds	\$ 832,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2010A RDA - Taxable (Net of Capitalized Interest)	1,538,013	-	-	-	-	-	-	-	-	-
Series 2010B RDA - Taxable Build America Bonds ⁽³⁾	244,217	244,217	244,217	244,217	244,217	244,217	244,217	1,312,238	1,295,069	1,273,550
Series 2012 RDA Bonds (Net of Capitalized Interest)	377,323	-	-	-	-	-	-	-	-	-
Series 2014 RDA Bonds	461,430	-	-	-	-	-	-	-	-	-
Series 2015 RDA - Tax Increment Revenue Refunding Bonds	386,041	386,257	385,958	386,500	386,861	386,041	386,063	386,905	386,543	-
Series 2016 RDA - Revenue Refunding Bonds	-	212,188	776,500	779,100	779,575	777,875	778,750	777,050	769,850	769,775
Series 2016A RDA - Tax Increment Revenue & Refunding Bonds	-	1,091,223	1,155,125	1,901,129	1,896,096	2,481,394	2,486,843	2,485,066	2,485,196	2,483,167
Series 2016B RDA - Tax Increment Revenue & Refunding Bonds	-	1,335,507	715,007	1,228,716	1,881,846	992,303	-	-	-	-
Total RDA TIF Debt Service:	\$ 3,007,023	\$ 3,269,392	\$ 3,276,807	\$ 4,539,662	\$ 5,188,595	\$ 4,881,830	\$ 3,895,873	\$ 4,961,259	\$ 4,936,658	\$ 4,526,492
Debt Service Coverage:	0.98	0.76	1.95	0.69	1.61	1.68	2.11	1.70	1.71	1.87
<i>Annual Remaining Cash Balance prior to bond redemption from land sale proceeds</i>	(77,698)	(768,766)	3,099,532	(1,399,947)	3,148,130	3,297,046	4,320,295	3,448,605	3,506,985	3,959,905
<i>Estimated Adjusted Debt Service to Taxable Ser. 2016 Bonds after Pre-payment using \$4,000,000 land sale proceeds to redeem the 2024 through 2025 taxable maturities and a portion of the 2023 maturity</i>	-	145,911	268,000	519,000	891,103	1,225,308	1,402,453	382,395	-	-
<i>Projected Debt Service coverage after Pre-Payment using \$4,000,000 land sale proceeds as noted in the line above</i>	-	1.29	3.11	1.03	2.44	1.89	1.82	1.84	2.03	2.26

Composite Tax Rates in the Redevelopment Project Area (Agency)

Redwood, Market Street, Willow Wood, Decker Lake, Multipurpose East 3500, Jordan River, City Center, North Central, Granger Crossings

Tax Districts: 23A, 23B, 23C, 23D, 23E, 24K, 24L, 24R, 24T, 29C, 29L,

Taxing Entities Tax Year	2017 FY2018	2016 FY2017	2015 FY2016	2014 FY2015	2013 FY2014	2012 FY2013
Salt Lake County	0.002238	0.002371	0.002819	0.003036	0.00318	0.002793
Multicounty Assessing & Collecting Levy	0.000010	0.000011				
County Assessing & Collecting Levy	0.000244	0.000257				
SL County Library	0.000612	0.000639	0.000683	0.000715	0.000755	0.000627
Central Utah Water	0.000400	0.000400	0.000405	0.000422	0.000446	0.000455
Granger Hunter Imp Dist	0.000562	0.000606	0.000658	0.000692	0.000739	0.000771
Granite School District	0.006779	0.006481	0.006978	0.006831	0.006994	0.007166
Jordan Valley Water	0.000400	0.000372	0.000400	0.000399	0.000424	0.000443
South SL Valley Mosquito Dist	0.000017	0.000018	0.000019	0.00002	0.000021	0.000021
West Valley City	0.004151	0.004233	0.004199	0.004381	0.00467	0.004857
Composite Tax Rate	0.015413	0.015388	0.016161	0.016496	0.017229	0.017133

Hercules A, Hercules B, Southwest

Tax Districts: 29G, 29H, 29R

Taxing Entities Tax Year	2017 FY2018	2016 FY2017	2015 FY2016	2014 FY2015	2013 FY2014	2012 FY2013
Salt Lake County	0.002238	0.002371	0.002819	0.003036	0.00318	0.002793
Multicounty Assessing & Collecting Levy	0.000010	0.000011				
County Assessing & Collecting Levy	0.000244	0.000257				
SL County Library	0.000612	0.000639	0.000683	0.000715	0.000755	0.000627
Central Utah Water	0.000400	0.000400	0.000405	0.000422	0.000446	0.000455
Granite School District	0.006779	0.006481	0.006978	0.006831	0.006994	0.007166
Jordan Valley Water	0.000400	0.000372	0.000400	0.000399	0.000424	0.000443
Magna Mosquito Dist	0.000050	0.000048	0.000051	0.000053	0.000056	0.000054
Kearns Improvement District	0.000641	0.000677	0.000759	0.000782	0.000821	0.000845
Oquirrh Recreation Dist	0.001005	0.001056	0.001181	0.001224	0.001279	0.001329
West Valley City	0.004151	0.004233	0.004199	0.004381	0.00467	0.004857
Composite Tax Rate	0.01653	0.016545	0.017475	0.017843	0.018625	0.018569

5600 West, Northwest

Tax Districts: 29J, 29T

Taxing Entities Tax Year	2017 FY2018	2016 FY2017	2015 FY2016	2014 FY2015	2013 FY2014	2012 FY2013
Salt Lake County	0.002238	0.002371	0.002819	0.003036	0.00318	0.002793
Multicounty Assessing & Collecting Levy	0.000010	0.000011				
County Assessing & Collecting Levy	0.000244	0.000257				
SL County Library	0.000612	0.000639	0.000683	0.000715	0.000755	0.000627
Central Utah Water	0.000400	0.000400	0.000405	0.000422	0.000446	0.000455
Granite School District	0.006779	0.006481	0.006978	0.006831	0.006994	0.007166
Jordan Valley Water	0.000400	0.000372	0.000400	0.000399	0.000424	0.000443
Magna Mosquito Dist	0.000050	0.000048	0.000051	0.000053	0.000056	0.000054
Magna Water District	0.002288	0.002052	0.002597	0.002761	0.002838	0.003017
West Valley City	0.004151	0.004233	0.004199	0.004381	0.00467	0.004857
Composite Tax Rate	0.017172	0.016864	0.018132	0.018598	0.019363	0.019412

Southwest

Tax Districts: 29Q

Taxing Entities Tax Year	2017 FY2018	2016 FY2017	2015 FY2016	2014 FY2015	2013 FY2014	2012 FY2013
Salt Lake County	0.002238	0.002371	0.002819	0.003036	0.00318	0.002793
Multicounty Assessing & Collecting Levy	0.000010	0.000011				
County Assessing & Collecting Levy	0.000244	0.000257				
SL County Library	0.000612	0.000639	0.000683	0.000715	0.000755	0.000627
Central Utah Water	0.000400	0.000400	0.000405	0.000422	0.000446	0.000455
Granite School District	0.006779	0.006481	0.006978	0.006831	0.006994	0.007166
Jordan Valley Water	0.000400	0.000372	0.000400	0.000399	0.000424	0.000443
Magna Mosquito Dist	0.000050	0.000048	0.000051	0.000053	0.000056	0.000054
West Valley City	0.004151	0.004233	0.004199	0.004381	0.00467	0.004857
Composite Tax Rate	0.014884	0.014812	0.015535	0.015837	0.016525	0.016395

Southwest

Tax Districts: 29S

Taxing Entities Tax Year	2017 FY2018	2016 FY2017	2015 FY2016	2014 FY2015	2013 FY2014	2012 FY2013
Salt Lake County	0.002238	0.002371	0.002819	0.003036	0.00318	0.002793
Multicounty Assessing & Collecting Levy	0.000010	0.000011				
County Assessing & Collecting Levy	0.000244	0.000257				
SL County Library	0.000612	0.000639	0.000683	0.000715	0.000755	0.000627
Central Utah Water	0.000400	0.000400	0.000405	0.000422	0.000446	0.000455
Granite School District	0.006779	0.006481	0.006978	0.006831	0.006994	0.007166
Magna Mosquito Dist	0.000050	0.000048	0.000051	0.000053	0.000056	0.000054
Kearns Improvement District	0.000641	0.000677	0.000759	0.000782	0.000821	0.000845
West Valley City	0.004151	0.004233	0.004199	0.004381	0.00467	0.004857
Composite Tax Rate	0.015125	0.015117	0.015894	0.01622	0.016922	0.016797

Northwest

Tax Districts: 29U

Taxing Entities Tax Year	2017 FY2018	2016 FY2017	2015 FY2016	2014 FY2015	2013 FY2014	2012 FY2013
Salt Lake County	0.002238	0.002371	0.002819	0.003036	0.00318	No
Multicounty Assessing & Collecting Levy	0.000010	0.000011				
County Assessing & Collecting Levy	0.000244	0.000257				
SL County Library	0.000612	0.000639	0.000683	0.000715	0.000755	Tax
Central Utah Water	0.000400	0.000400	0.000405	0.000422	0.000446	District
Granite School District	0.006779	0.006481	0.006978	0.006831	0.006994	29U
Magna Mosquito Dist	0.000050	0.000048	0.000051	0.000053	0.000056	in 2012
Jordan Valley Water	0.000400	0.000372	0.000400	0.000399	0.000424	
Granger Hunter Imp Dist	0.000562	0.000606	0.000658	0.000692	0.000739	
West Valley City	0.004151	0.004233	0.004199	0.004381	0.00467	
Composite Tax Rate	0.015446	0.015418	0.016193	0.016529	0.017264	

WVC RDA Project Area Top Ten Assesseees for FY 2018

TAX DISTRICT	PROJECT AREA	COMPANY	TOTAL	TAX RATE	PROPERTY TAX
29Q & 29R	Southwest	HEXCEL	\$ 301,374,094	0.016530	\$ 4,981,714
23E	City Center	CF III SH VALLEY FAIR, LLC	\$ 74,293,300	0.015413	\$ 1,145,083
29T, 29U	Northwest	ARA	\$ 71,851,813	0.017172	\$ 1,233,839
24R	North Central	201CC LAND, LLC	\$ 48,369,301	0.015413	\$ 745,516
23A	Decker Lake	FRANKLIN SALT LAKE LLC	\$ 35,647,400	0.015413	\$ 549,433
29H	Hercules B	RECOT INC / FRITO LAY	\$ 33,991,093	0.016530	\$ 561,873
29G	Hercules A	NAC (MEDIA ONE, NEWSPAPER)	\$ 27,465,551	0.016530	\$ 454,006
23A	Decker Lake	MILLER LAKE PARK STATION, LLC	\$ 22,301,686	0.015413	\$ 343,736
23A	Decker Lake	COLE ED SLC / SPRIT ED	\$ 17,482,200	0.015413	\$ 269,453
23D	Jordan River	VILLAGE AT RIVER'S EDGE LLC	\$ 16,010,312	0.015413	\$ 246,767

WVC RDA Aggregate Market and Taxable Value Trends of the Redevelopment Project Area

FISCAL YEAR	REAL PROPERTY TAX VALUE	PERSONAL PROPERTY TAX VALUE	STATE ASSESSED VALUE	TOTAL VALUE	ADJUSTED BASE VALUE	NET TAXABLE VALUE	COMPOSITE TAX RATE	TOTAL TAX INCREMENT REVENUE	ADJUSTED TAX INCREMENT REVENUE
FY2017/18	\$106,241,375	\$12,159,529	\$1,872,902	\$120,273,806	\$43,206,085	\$77,067,721	0.015413	\$1,187,845	\$888,911
FY2016/17	\$93,672,770	\$13,995,155	\$1,029,101	\$108,697,026	\$43,206,085	\$65,490,941	0.015388	\$1,187,845	\$796,689
FY2015/16	\$104,300,662	\$15,400,361	\$644,805	\$120,345,828	\$43,206,085	\$77,139,743	0.016161	\$1,246,655	\$1,018,295
FY2014/15	\$124,483,922	\$15,425,756	\$697,752	\$140,607,430	\$43,206,085	\$97,401,345	0.016496	\$1,606,733	\$1,391,473
FY2013/14	\$151,472,630	\$16,345,535	\$1,065,624	\$168,883,789	\$43,206,085	\$125,677,704	0.017229	\$2,165,301	\$1,933,617
FY2012-13	\$88,446,007	\$10,346,098	\$972,211	\$99,764,316	\$43,206,085	\$56,558,231	0.017133	\$969,012	\$903,804
FY2011/12	\$81,286,327	\$10,863,421	\$1,035,307	\$93,185,055	\$43,206,085	\$49,978,970	0.016230	\$811,159	\$746,982

Tax Increment Projected FY 2018

PROJECT AREA	SARR INCREMENT	REGULAR INCREMENT	TOTAL
Redwood Road	\$ 1,119,096.26	\$ -	\$ 1,119,096.26
Market Street	\$ 181,982.07	\$ -	\$ 181,982.07
Hercules A	\$ 409,321.58	\$ 613,982.36	\$ 1,023,303.94
Hercules B	\$ 243,635.43	\$ 365,453.15	\$ 609,088.58
Willow Wood	\$ 157,769.34	\$ 236,654.01	\$ 394,423.36
Decker Lake	\$ 1,650,075.48	\$ -	\$ 1,650,075.48
East 3500 A	\$ -	\$ 365,638.46	\$ 365,638.46
5600 W Gateway	\$ -	\$ 75,335.26	\$ 75,335.26
Jordan River	\$ -	\$ 504,324.76	\$ 504,324.76
City Center	\$ -	\$ 1,207,071.36	\$ 1,207,071.36
North Central	\$ -	\$ 561,403.86	\$ 561,403.86
Granger Crossing	\$ -	\$ 165,244.34	\$ 165,244.34
Southwest	\$ -	\$ 5,542,842.53	\$ 5,542,842.53
Northwest	\$ -	\$ 979,335.52	\$ 979,335.52
TOTAL	\$ 3,761,880.16	\$ 10,617,285.62	\$ 14,379,165.78