

Wasatch Front Waste and Recycling District

Midvale, Utah



Comprehensive Annual Financial Report
For Fiscal Period ended December 31, 2017

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Wasatch Front Waste and Recycling District, Midvale Utah
Comprehensive Annual Financial Report
For Fiscal Period Ended December 31, 2017

Prepared by the Finance Team

Wasatch Front Waste and Recycling District
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2017
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Introductory Section



April 10, 2018

To the Honorable Administrative Control Board,

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of Wasatch Front Waste and Recycling District for the fiscal year ended December 31, 2017.

This report consists of the management's representations concerning the finances of Wasatch Front Waste and Recycling District (WFWRD.) Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of WFWRD has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of WFWRD's financial statements in conformity with GAAP (Generally accepted accounting principles.) Because the cost of internal controls should not outweigh their benefits, WFWRD's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

WFWRD's financial statements have been audited by Keddington & Christensen, Certified Public Accountants, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of WFWRD for the fiscal year ended December 31, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used, and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that WFWRD's financial statements for the fiscal year ended December 31, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires 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 the MD&A and should be read in conjunction with it. WFWRD's MD&A can be found immediately following the report of the independent auditors.



Profile of the Government

WFWRD, established in 1977, is located in the Central region of Salt Lake County, Utah. The District was formerly a division of Salt Lake County; Salt Lake County Sanitation and has only been recognized as a separate organization since 2013. The District offices are situated approximately 15 miles from Salt Lake City, the capital of Utah. The District covers an area of approximately 300 square miles.

The 2015 census estimates indicated that Salt Lake County, the area in which the District operates has a population of approximately 1,107,134 residents.

WFWRD itself has a customer base of approximately 82,000 customer homes. The District is not empowered to levy a property tax on real or personal properties located within its boundaries. It relies on user fees to support the operations of the organization.

WFWRD operates under a governing board, filled with elected officials representing each community within the District boundaries. Policy-making is vested in the governing Board consisting of 14 Board members. The governing Board is responsible, among other things, for passing resolutions, adopting the budget, appointing committees and providing “advice and consent” for the Executive Director’s appointments.

The District’s Executive Director is responsible for carrying out the policies and ordinances of the Governing Board, and for overseeing the day-to-day operations of the District. The Board is appointed through the individual municipalities within the District boundaries. All Board members serve four-year terms.

Wasatch Front views its mission to be one of encouraging sustainability. The mission statement for the District states: “To provide sustainable integrated waste and recycling collection services for the health and safety of our community...because not everything fits in a can.” WFWRD provides a full range of services; weekly refuse and recycling collection, annual area clean-up, emergency disaster aid, leaf bag collection, curbside Christmas tree collections, bulky green, refuse trailer rental, centralized glass collections and non-residential collection areas.

The Executive Director may make transfers between operating functions if needed. Transfers of appropriations from capital purchases and increases in over-all budget requires the approval of the governing Board.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which WFWRD operates.



Local economy. WFWRD currently serves primarily residential areas. There is a small mix of contractual accounts that generally consist of other governmental entities and some HOAs (Home Owners Associations.)

Salt Lake County, where WFWRD is located, has an employed labor force of approximately 189,634, average wages were \$786 per week; according to the United States Bureau of Labor Statistics (<http://www.bls.gov/ro7/qcewut.htm#table1>.) WFWRD has an employed labor force of approximately 87 full time employees and about 28 part-time positions.

Long-term financial planning. The District Board views the continued operation and the continued financial solvency as a primary issue. Future analysis includes collection and user rates.

Internal Control. The District's financial reporting systems have been designed to emphasize the importance of strong internal controls, including the proper recording of revenues and expenditures and the oversight of budgetary control. These controls have been designed to offer reasonable assurance that assets are safeguarded against waste, fraud and misuse and that the District's financial statements can be relied upon to produce financial statements in accordance with generally accepted accounting principles.

Other financial highlights, not otherwise discussed. Vehicle turn-over is of primary significance to the District. The District quite literally "runs on our vehicles." The Cost of one vehicle is significant. Costing up to \$315,000 each. Fleet fuel and maintenance adds to the cost of operations.

Other constraints the District operates under include: Landfill dumping costs, personnel turnover, and achieving efficiencies in the vast distance between customers and disposal locations.

Risk Management. WFWRD has initiated a risk management program in conjunction with the District's liability insurance provider. Training opportunities have been offered to District employees in areas of health maintenance and safe work environment training. Service-specific training is provided to employees to prevent risk as per industry standards.

The District awards are given regularly to employees who exhibit safety and performance excellence in order to encourage performance excellence.

The District has coordinated with the District's liability insurance provider, Utah Local Governments Trust to design an incentive program whereby "teams" of drivers without significant liabilities can earn food tickets. This program has proven to significantly reduce liabilities that can so easily occur while these large vehicles are maneuvering neighborhoods.

Significant Awards and Accomplishments

Awards. 2017 was a productive year for Wasatch Front. Rhonda Kitchen, a veteran driver for the District was awarded the National Driver of the year by the National Waste and Recycling Association (NWRA.) Rhonda was the first women driver ever to receive this award.



Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Wasatch Front Waste and Recycling District for its comprehensive annual financial report for the fiscal year ended December 31, 2016. In order to be awarded a Certificate of Achievement, a Government must publish an easily readable and efficiently organized comprehensive annual financial report. This report 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 our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The District was also awarded the Utah Business "Green Business Award" for 2017. For recognition of transitioning our entire residential fleet to CNG (Compressed Natural Gas.)

Community Outreach. Wasatch Front takes pride in the District's outreach program which encourages recycling education through community events, citizen education and school education opportunities.

Looking Ahead

The District received notice that the Salt Lake Valley Transfer Station, which plays a key role in refuse collection, in that it reduces miles, fuel and employee time in providing a local, convenient mid-point in the collection process, is going to be closed in 2018.

A transfer station is a processing site for the temporary disposal of refuse. The Salt Lake County transfer station allows the District and other collection entities to deposit their disposal cargo. It is then loaded onto larger vehicles that transport the refuse to the landfill.

The transfer station reduces traffic on busy roads and transports significantly more tonnage in one truck than could be carried by multiple trucks.

If the Transfer Station is closed, the District anticipates significant cost increases through employee time, mileage, fuel and more vehicles to meet the current level of service.

The District is currently assembling a proposal for the District to take over operations of the Transfer Station in order to maintain the operation and key process in the District's operations.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the staff of the budget and finance team, the Human Resource Manager and the Operations Manager. We would like to express our appreciation to all members of the WFWRD staff who assisted and contributed to the preparation of this report, as well as the help and support of our auditors, Keddington & Christensen, Certified Public Accountants.



Wasatch Front Waste and Recycling District. 604 West 6960 South, Midvale, Utah. 385.468.6346

Credit must also be given to the Board for their unfailing support for maintaining the highest standards of professionalism in the management of the WFWRD finances.

Respectfully submitted,

A handwritten signature in blue ink that reads "Pam Roberts".

Pam Roberts
Executive Director

A handwritten signature in blue ink that reads "C Jensen".

Cathy Jensen
Controller, Chief Financial Officer

A handwritten signature in blue ink that reads "Craig P Adams".

Craig P. Adams
Assistant Controller, Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Wasatch Front Waste & Recycling
District, Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

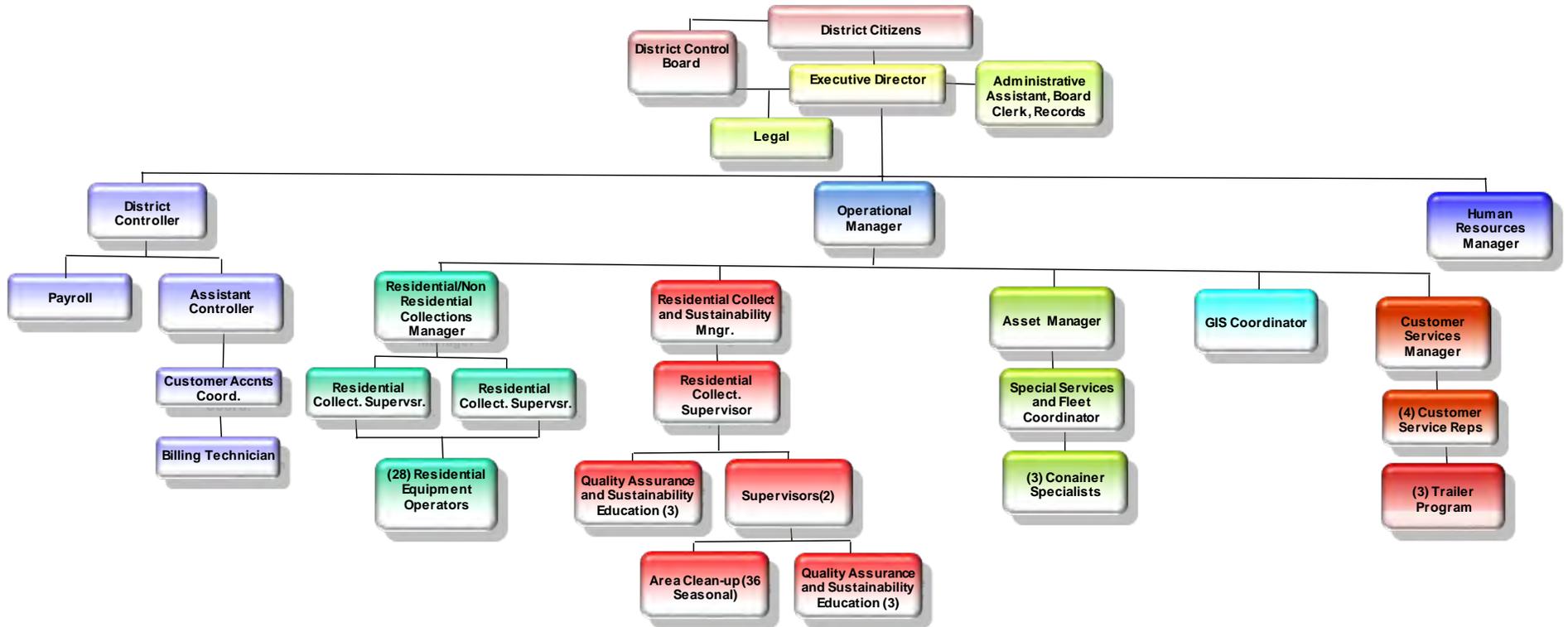
Christopher P. Morill

Executive Director/CEO



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WASATCH FRONT WASTE AND RECYCLING DISTRICT Organizational Chart





Wasatch Front Waste and Recycling District

List of Appointed Officials and Board

December 31, 2017

Appointed Board

Board Chair	Steve Gunn	City of Holladay
Board Vice Chair	Brint Peel	Magna Metro Township
Board Member	Brad Christopherson	Taylorsville City
Board Member	Dwight Marchant	Millcreek
Board Member	Jenny Wilson	Salt Lake County
Board Member	Jim Bradley	Salt Lake County
Board Member	Jim Brass	Murray City
Board Member	Kay Dickerson	White City Metro Township
Board Member	Kelly Bush	Kearns Metro Township
Board Member	Kris Nicholl	Sandy City
Board Member	Robert Paine	Emigration Metro Township
Board Member	Ron Patrick	Copperton Metro Township
Board Member	Scott Bracken	Cottonwood Heights City
Board Member	Sherrie Ohrn	Herriman City

Appointed Officials

Executive Director	Pam Roberts
Controller	Cathy Jensen
Assistant Controller	Craig Adams



Financial Section



Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

INDEPENDENT AUDITOR'S REPORT

Administrative Control Board
Wasatch Front Waste and Recycling District
Midvale, Utah

We have audited the accompanying financial statements of Wasatch Front Waste and Recycling District (the District) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District'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. 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Wasatch Front Waste and Recycling District as of December 31, 2017, and the respective change in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City, Utah
March 30, 2018



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Wasatch Front Waste and Recycling District, we offer readers of Wasatch Front Waste and Recycling District's financial statements this narrative, discussion, overview and analysis of the financial activities of Wasatch Front Waste and Recycling District for the fiscal year ended December 31, 2017.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Wasatch Front Waste and Recycling District activities exceeded the liabilities and deferred inflows of resources as of the close of the most recent year by \$23,036,901 (net position). Of this amount \$11,421,270 (unassigned net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The District replaced 5 vehicles in 2017, receiving net proceeds of \$510,651 and expending \$1,545,108 for new vehicles.
- The District put in 1,268,651 driving miles in order to provide services in the District.
- The cost of fuel for 2017 was \$1,040,950.
- Vehicle maintenance totaled \$2,536,781.
- The Salt Lake Valley Landfill and Salt Lake Valley Transfer Station accepted 110,056 tons of refuse, with a cost of \$3,412,523.
- The Diversion from standard disposal methods (recycling, glass, green) was 29,836 tons.
- There were 81,023 homes served in 2017.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements.

The District's financial statements included in this annual report are those of a special purpose government engaged only in a business-type activity.



The financial statements distinguish functions of the District that are principally supported by activities that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities.) The District has no governmental activities. The business-type activities of the District include Refuse and Recycling Collections, Area Clean-up, Trailer Program and Green Collections.

The District's basic financial statements are presented using the accrual basis of accounting, which provides for revenue recognition in the period in which services are provided and expense recognition when goods and services are received.

Additionally, the District's basic financial statements utilize the flow of economic resources measurement focus, in which all assets and liabilities are reflected on the *Statement of Net Position* and the *Statement of Revenues, Expenses and Changes Net Position* includes all transactions, such as revenues and expenses that increase or decrease the net position.

The statements are comprised of two components: 1) Basic financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The following basic *financial statements* are included in this report:

The *Statement of Net Position* presents information on all the assets, deferred outflow of resources, liabilities and deferred inflow of resources of the District, with the difference 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 District is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the District's net position changed during the most recent fiscal year.

All changes in 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, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave.) The statement reports the District's operating and nonoperating revenue by source along with operating and nonoperating expenses and capital contributions (see page 25.)

The *statement of cash flows* reports the District's cash flows from operating activities, investing, capital and noncapital activities (see page 26.)

NOTES TO THE FINANCIAL STATEMENTS. The *notes* provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes are part of the basic financial statements.

OTHER INFORMATION. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District.



FINANCIAL ANALYSIS. Net position may serve over time as a useful indicator of a government’s financial position. In the case of Wasatch Front Waste and Recycling District, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$23,036,901 (net position) at the close of fiscal year 2017.

An additional portion of the District’s net position (approximately 50%) represents resources that are classified as net investment in capital assets. The remaining balance of unassigned net position \$11,421,270, may be used to meet the government’s ongoing obligations to citizens and creditors.

As of December 31, 2017, the District is able to report positive balances in the net position.

Wasatch Front Waste and Recycling District
Net Position

As of Period Ending December 2016 and 2017

	Business-Type Activities	
	2017	2016
Current and other assets	\$14,397,497	\$14,512,133
Capital Assets (net)	11,615,631	12,333,631
Total assets	26,013,128	26,845,764
Deferred outflow of resources	1,399,210	1,215,214
Current liabilities outstanding	780,638	1,040,029
Long term liabilities	3,292,860	3,052,998
Total liabilities	4,073,498	4,093,027
Deferred inflow of resources	301,938	221,006
Net Position:		
Net investment in capital assets	\$11,615,631	\$12,333,631
Unrestricted	11,421,270	11,413,314
Total net position	\$23,036,901	\$23,746,945

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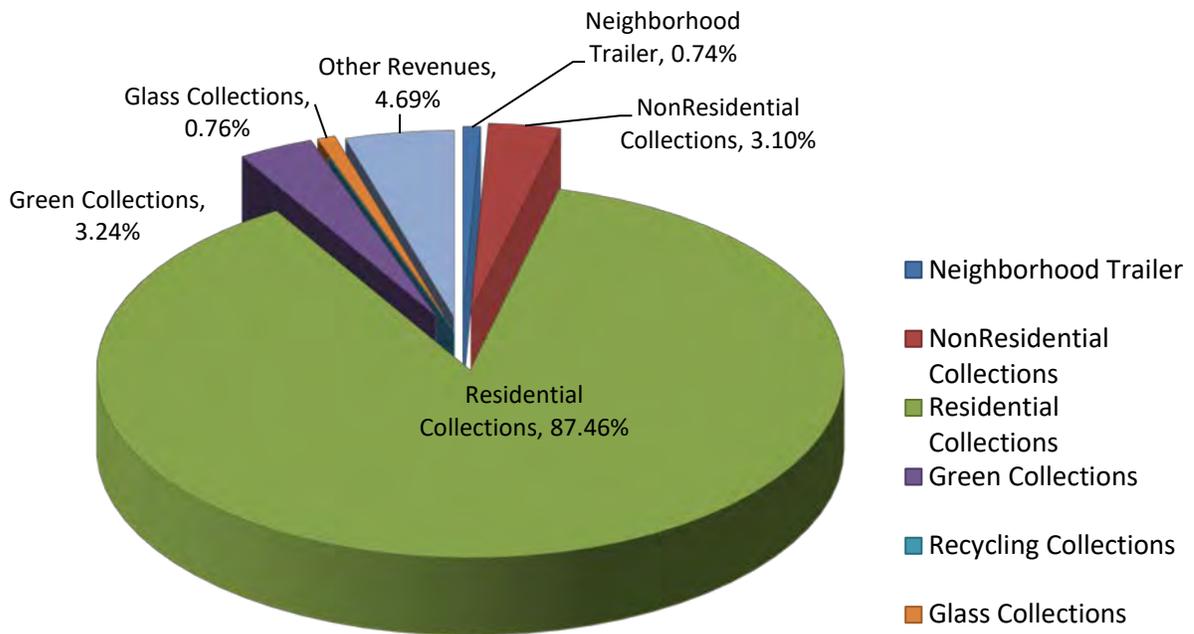
OPERATIONAL ACTIVITIES. Operational activities decreased the District’s net position by \$981,580 over the previous year. We anticipated that our net revenues would generate a negative net position during the budget process, so we’re not surprised by this decrease.

We are tied in many operational areas to contractual arrangements in the areas of rent, vehicle repair, fuel expenses, landfill expenses.

The District exercised prudent management in the capital outlay expenses. Funding for capital assets was primarily for large vehicles. During the 2018 budget process we are anticipating significant decreases in the number of new vehicles, in order to “stretch” the District’s budget.

A visual representation of the revenues by source:

REVENUES BY SOURCE For Period Ending December 31, 2017



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Wasatch Front Waste and Recycling District

Changes in Net Position

For Periods Ending December 31, 2017 and 2016

	Business-Type Activities	
	2017	2016
Revenues:		
Charges for Services	\$ 17,272,981	\$ 17,270,480
General Revenues:		
Interest	152,975	112,687
Gain (Loss) on sale of Assets	118,561	323,517
Other	578,984	434,588
Total Revenues	18,123,501	18,141,272
Expenses:		
Refuse	9,993,508	10,891,267
Recycling	1,922,462	651,078
Area Cleanup	1,525,242	1,376,566
Trailer Program	536,940	366,526
Cart Program	658,028	547,228
Green Collections	450,292	290,329
Special Services	501,256	759,496
Fleet Services	174,777	-
Operational Services	335,482	314,480
Administrative Services	2,735,558	2,778,039
Total expenses	18,833,545	17,975,009
Increase in net position	\$ (710,044)	\$ 166,263
Net Position-beginning	\$ 23,746,945	\$ 23,580,682
Net Position-ending	\$ 23,036,901	\$ 23,746,945

BUSINESS-TYPE ACTIVITIES. As shown above, the net position of Business-Type Activities totals \$23,036,901.

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One of the largest expenses of the year, capital replacement of large vehicles, obligated \$1,545,108 in cash outlay; in the replacement of 6 vehicles.

Overall, the District's position decreased slightly as seen by the reduction in net position over the previous year. With growth and increasing costs, the District continues to seek prudent measures to meet increasing financial obligations.

More information on the District's capital equipment can be found in the notes to the financial statements.

BUDGETARY HIGHLIGHTS. There was no difference between the original budget and the final amended budget.

The District continues to re-evaluate revenue streams and adjust expenses throughout the fiscal year. Management continues to be innovative in looking at ways to adjust their budgetary expenses, to save money.

Traditionally, Wasatch Front Waste and Recycling District has striven to conduct the budget in a fiscally conservative manner, both for Revenues and Expenses.

Much of the expenditure's positive variance can be identified by budgeted positions that were not filled during the fiscal period.

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Wasatch Front Waste and Recycling District

Variances between Final Budget and Actual Results

	Final Budget	Actual Amounts	Variance
Revenues (inflows)			
Trailer Rental	\$ 181,500	\$ 134,917	\$ (46,583)
Nonresidential Collections	800,000	562,082	(237,918)
Residential Collections	15,900,000	15,851,416	(48,584)
Green Collections	540,200	587,494	47,294
Glass Collections	109,600	137,072	27,472
Interest income	109,500	152,975	43,475
Delivery Fee	19,600	21,374	1,774
Gain (Loss) on Sale of Assets	545,000	118,561	(426,439)
Late Fees	230,000	161,038	(68,962)
Recycle Revenue	600	168,052	167,452
Miscellaneous Revenue	16,000	228,520	212,520
Use of Beginning Fund Reserves	1,272,100	-	(1,272,100)
Total revenues	<u>19,724,100</u>	<u>18,123,501</u>	<u>(328,499)</u>
Expenditures (outflows)			
Refuse	9,966,800	9,993,508	(26,708)
Recycling	2,269,700	1,922,462	347,238
Area Cleanup	1,594,700	1,525,242	69,458
Trailer Program	530,700	536,940	(6,240)
Cart Program	728,800	658,028	70,772
Green Collections	324,600	450,292	(125,692)
Special Services	825,700	501,256	324,444
Fleet Management	-	174,777	(174,777)
Operational/Internal Services	374,900	335,482	39,418
Administrative Services	3,108,200	2,735,558	372,642
Total expenditures	<u>19,724,100</u>	<u>18,833,545</u>	<u>890,555</u>
Excess (deficiency) of revenues over expenditures	-	(710,044)	<u>710,044</u>
Net Position the at beginning of the year	<u>23,746,945</u>	<u>23,746,945</u>	
Net Position at end of the year	<u>\$ 23,746,945</u>	<u>\$ 23,036,901</u>	



CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS. Because the District only uses an enterprise fund, all capital assets are included in this fund.

Major capital asset expenses consist primarily of new vehicle purchase.

A primary concern of the District is the maintenance and upkeep of the District vehicles and the financing of future capital assets.

An analysis of the District’s capital assets is as follows:

Wasatch Front Waste and Recycling District

Capital Assets

For Periods Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Land	\$1,904,800	\$1,904,800
Land Improvement	216,835	103,732
Buildings	455,098	455,098
Equipment	703,351	662,818
Vehicles	15,397,543	15,178,138
Office Furniture/Equipment	153,323	153,323
Less Accumulated Depreciation	<u>(7,215,319)</u>	<u>(6,124,278)</u>
Total	<u>\$11,615,631</u>	<u>\$12,333,631</u>

Readers desiring more detailed information on capital asset activity can refer to note 6 of the financial statements.

LONG-TERM DEBT

At the end of the current year, the District had no bonded debt outstanding.

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ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Wasatch Front Waste and Recycling District is located in Salt Lake County. The unemployment rate for Salt Lake County as of December 2017 was 3.0%. This rate is less than the reported US unemployment rate at that time of 4.1%, as provided by the Utah Department of Workforce Services. (<https://jobs.utah.gov/wi>.)
- The District continues to exercise conservatism with regards to expenses, employee compensation, and capital assets. District administration continues to exercise prudence regarding operating expenses. Some of the techniques the District uses to look for savings opportunities include tracking miles, fuel consumption, repairs and employee time to look for economies; monitor vehicles for optimum re-sale potential; seek contracts that stretch the purchase power of the District.
- One of the major budget issues on the horizon for the District is possible increasing costs of non-negotiable expenses such as landfill costs and fuel. The District will continue to evaluate the effects of possible increasing changes and find ways to meet new demands.
- The District has been notified as of the end of this reporting period that Salt Lake County will close the Salt Lake Valley Transfer Station. This will have significant financial impacts on the District through mileage and time to travel to alternative disposal areas.

The District has been invited to bid on the option of taking over the operations of the Transfer Station and intends to do an analysis to see if this is a feasible option for the District.

- The District has sought, and was approved for a rate increase in the 2018 budget year to help cover increasing costs.

Approval for a rate increase includes approval of the majority of District's participating entities

REQUESTS FOR INFORMATION. The financial report is designed to provide a general overview of Wasatch Front Waste and Recycling District'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 Wasatch Front Waste and Recycling District, District Clerk, 604 West 6960 South, Midvale, Utah 84047.

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Basic Financial Statements

WASATCH FRONT WASTE AND RECYCLING DISTRICT
Statement of Net Position
December 31, 2017

	<u>Refuse and Recycling</u>
ASSETS	
Current assets	
Cash - checking	\$ 6,942,810
Cash -state treasurer's pool	2,514,785
Accounts receivable - net of allowance	4,724,339
Prepaid Expense	13,107
Inventory	105,502
Due from other entities	96,954
Total current assets	<u>14,397,497</u>
Capital assets, at cost	
Land	1,904,800
Buildings and improvements	455,098
Improvements other than buildings	216,835
Machinery and equipment	16,254,217
Less: accumulated depreciation	<u>(7,215,319)</u>
Total Net Capital Assets	<u>11,615,631</u>
 Total assets	 <u>26,013,128</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension Related	<u>1,399,210</u>
Total deferred outflow of resources	<u>\$ 1,399,210</u>

See accompanying notes to the financial statements.

WASATCH FRONT WASTE AND RECYCLING DISTRICT
Statement of Net Position (continued)
December 31, 2017

	Refuse and Recycling
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	\$ 561,711
Accrued salaries and benefits payable	57,484
Other Current Liabilities	23,000
Compensated absences	138,443
Total current liabilities	780,638
Noncurrent liabilities	
Compensated absences	244,001
Other Post Employment Benefits (OPEB)	787,762
Net Pension Liability	1,936,009
Other Non Current Liabilities	325,088
Total noncurrent liabilities	3,292,860
Total liabilities	4,073,498
DEFERRED INFLOW OF RESOURCES	
Pension Related	301,938
Total deferred outflow of resources	301,938
NET POSITION	
Net Investment in Capital Assets	11,615,631
Unrestricted Net Position	11,421,270
Total net position	\$ 23,036,901

**WASATCH FRONT WASTE AND RECYCLING DISTRICT
Proprietary Fund**

Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2017

	<u>Refuse and Recycling</u>
Operating revenues:	
Charges for services	\$ 17,272,981
Other operating income	<u>578,984</u>
Total operating revenues	<u>17,851,965</u>
Operating expenses:	
Salaries, wages and employee benefits	6,771,801
Utilities, Telephone and Building Expenses	545,110
Professional and technical	270,557
Vehicle Maintenance and Fuel	3,577,873
Landfill and Disposal Fees	3,950,628
Cart Purchases	430,250
Other	1,334,754
Depreciation	<u>1,952,572</u>
Total operating expenses	<u>18,833,545</u>
Operating income (Loss)	<u>(981,580)</u>
Nonoperating revenues (expenses):	
Interest income	152,975
Gain (Loss) on sale of assets	<u>118,561</u>
Total nonoperating revenues (expenses)	<u>271,536</u>
Net income (loss) before contributions and transfers	<u>(710,044)</u>
Change in net positions	(710,044)
Total net positions - beginning	<u>\$ 23,746,945</u>
Total net positions - ending	<u><u>\$ 23,036,901</u></u>

WASATCH FRONT WASTE AND RECYCLING DISTRICT
Proprietary Fund
Statement of Cash Flows
For the Year Ended December 31, 2017

	Business-Type Activities <u>Refuse and Recycling</u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 17,829,076
Payments to suppliers	(10,273,844)
Payments to employees	<u>(6,664,240)</u>
Net cash provided (used) by operating activities	<u>890,992</u>
Cash Flows From Capital Financing Activities	
Financing Activities	
Net Acquisition(Sale) of Cap Assets	<u>(1,116,011)</u>
Net cash provided (used) by capital and related financing activities	<u>(1,116,011)</u>
Cash Flows From Investing Activities	
Interest and dividends received	152,975
Net Change in investments (A/R)	<u>171,920</u>
Net cash provided (used) by investing activities	<u>324,895</u>
Net increase (decrease) in cash and cash equivalents	<u>99,876</u>
Cash and cash equivalents - beginning	<u>\$ 230,355</u>
Cash and cash equivalents - ending	<u><u>\$ 330,231</u></u>

WASATCH FRONT WASTE AND RECYCLING DISTRICT

Proprietary Funds

Statement of Cash Flows (*Continued*)
For the Year Ended December 31, 2017

	Business-Type Activities (continued) <u>Refuse and Recycling</u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (981,580)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	1,952,572
(Increase) decrease in accounts receivable	(22,889)
Increase (decrease) in accounts payable	(242,863)
Increase (decrease) in accrued salaries and benefits	(36,069)
Increase (decrease) in compensated absences	18,958
Increase (decrease) in Workers Comp liability	28,746
Increase (decrease) in OPEB obligations	(18,766)
Increase (decrease) in pension liability	114,692
(Increase) decrease in inventory	78,191
Total adjustments	<u>1,872,572</u>
Net cash provided (used) by operating activities	<u>\$ 890,992</u>
 Reconciliation of total cash and cash investments	
Cash and cash equivalents	\$ 287,046
PTIF and Zions Investment Funds	<u>43,185</u>
Total cash and cash investments	<u>\$ 330,231</u>



Notes to the Financial Statements

The notes to the financial statements are included to provide information that is essential to the user's understanding of the basic financial statements.



NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wasatch Front Waste and Recycling District, Utah (District) was established under what is now the governing code of Utah Code Annotated Title 17D, with some sections that pertain to the District in Utah Code Annotated 17-B.

The District operates under a Board-Executive Director form of government and provides the following broad range of services to its customers: Refuse and Recycling Collections, Area Clean-up, Trailer Program, Green and Glass collection.

Accounting and Reporting Policies

The accounting and reporting policies of the District relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB).

Basis of Presentation

All activities for the District, are reported as business-type activities, which rely on fees and service charges for support.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the *Statement of Net Position*.

Refuse and Recycling Fund

The Refuse and Recycling fund is the sole fund utilized by the District. It is used to account for refuse and recycling collection services provided to the residents of the District. Activities of the fund include administration, operations and maintenance of the District's capital assets (primarily vehicles), and billing and collection activities. All costs are financed through charges to utility customers.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods or services in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, materials and supplies, and depreciation of capital assets. All revenue and expenses not meeting the definition are reported as non-operating revenues and expenses.

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

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The economic resources measurement focus means that all assets and liabilities (whether current or non-current) are included on the *Statement of Net Position*; and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Assets, Liabilities, and Fund Balance or Equity

Deposits and investments

The District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents for reporting purposes in the *Statement of Cash Flows*.

Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories are recorded as expenses when consumed rather than when purchased.

Restricted and Unassigned Net position

The District currently has no “restricted net position.” Restricted assets are comprised of cash restricted for future payments of principal and interest on debt services or for pension-related transactions. The District currently carries no outstanding debt. It is the policy of the District to use assets in the following order: Restricted and then unassigned assets.

When both restricted and unassigned resources are available for use for the same purposes, restricted resources are expended first, in order to meet statutory, budgetary, grant or revenue requirements. For instance, if the District receives grants, the District has maintained the policy that those funds for grant expenses will be expended prior to expending District allocated funds, in order to report to the State that all funds distributed for the grant have been properly expended.

Capital Assets

Capital assets, which include property, plant, equipment, are reported in the Statement of Net Position. All current capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.



NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (continued)

Assets having an original cost of \$5,000 or more are capitalized. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and improvements	10-50 years
Improvements other than buildings	20-50 years
Machinery and equipment	5-20 years

Compensated Absences

Compensated absences consist of vacation pay and some sick pay. The District accrues vacation pay when earned. Accrued vacation pay over 320 hours is forfeited on an annual basis.

The District has a policy which allows employees to buy back sick leave upon retirement at a rate of 25% of the earned sick leave.

Because of the management of compensated absences, the majority of vacation and sick pay earned is considered long-term see “Changes in long-term debt” schedule for more information on compensated absences.

Taxes

The District does not hold taxing authority. However, UCA Title 17B Chapter 1, part 9, section 902 Allows Salt Lake County to “certify” outstanding amounts due to the District as of October of the current year.

The certification amount is added to the property taxes assessed to the property owner (customer.) Property taxes attach an enforceable lien on property as of January 1. Taxes are levied and tax notices are sent on November 1. All unpaid taxes are due and become delinquent on November 30.

Certified amounts are billed and collected by Salt Lake County on behalf of the District and remitted to the District monthly. At December 31, 2017, the outstanding portion of certifications total \$278,796.

Deferred Outflows/Inflows of Resources

Beginning in 2013, the District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. These Statements provide financial reporting guidance to standardize the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. They also establish accounting standards and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities, and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities



NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at December 31, 2017 and revenues and expenses during the year then ended. The actual results could differ from those estimates.

Pensions

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

Deferred outflows/inflows of resources. In addition to assets, financial statements 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 will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements 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 will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2 – BUDGET AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with generally accepted accounting principles. The District maintains legally adopted budgets.

The District Board approves by resolution the total budget appropriation. The District Budget Officer is authorized to transfer budget amounts within departments of a fund. Any revisions that alter the total appropriations of any fund must be approved by the District Board.

Unused appropriations for all of the annually budgeted funds lapse at the end of the year.

Budgetary control is maintained primarily at the department level.

NOTE 3 – DEPOSITS AND INVESTMENTS

The District follows the requirements of the Utah Money Management Act (*Utah Code Annotated* 1953, Section 51, Chapter 7) and the rules of the Utah Money Management Board (the Board). Following are discussions of the District's exposure to various risks related to its cash management activities.



NOTE 3 – DEPOSITS AND INVESTMENTS (continued)

The District’s carrying value in the District’s bank accounts was \$294,888. All amounts not covered by federal depository insurance at December 31, 2017 total \$44,888. No deposits are collateralized, nor is that required by State statute.

Custodial Credit risk

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure the District’s deposits may not be recovered. The District’s policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the District to be in a *qualified depository*, defined as any financial institution whose deposits are insured up to a mandatory limit by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Board. As of December 31, 2017, the deposits were as follows:

<u>Depository Account</u>	<u>Custodial Credit Risk</u>	<u>Balance</u> <u>December 31, 2017</u>
Checking Account	Insured	\$ 286,646
Xpress bill Pay	Insured	43,185
Total Deposits		<u>\$ 329,831</u>

Investments. Custodial credit risk for investments is the risk that in the event of failure of the counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. As with Deposits, the District’s policy for managing custodial credit risk of investments is to adhere to the Money Management Act.

Credit Risk

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

The District is authorized to invest in the Utah Public Treasurer’s Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Board requirements.



NOTE 3 – DEPOSITS AND INVESTMENTS (continued)

The PTIF is not registered with the SEC (Securities and Exchange Commission) as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants’ average daily balances.

The fair value of the PTIF balance approximates the cost; the difference is considered immaterial. The fair value of the District’s position in the PTIF is the same as the value of the pool shares.

The District also invests fund in Zions Capital Advisors DBA Contango Capital Advisors account. A certified investment Adviser approved by the Utah Money Management Council.

The following are the District’s investments as of December 31, 2017:

Investments by fair value level	12/31/2017	Fair Value Measurements		
		Level 1	Level 2	Level 3
Zions Bank Investment Fund				
Cash and Cah Equivilents	\$ -	\$ -	\$ -	\$ -
Agency Funds	2,722,091	2,722,091	-	-
Corporate Bonds LT	3,840,533	3,840,533	-	-
Curency	2,370	2,370	-	-
MM Fund	47,585	-	47,585	-
Total Accrual-based investments	6,612,579	6,564,994	47,585	-
Reconciliation to Cash-basis	27,002	27,002	-	-
Total FMV of Investments	6,639,581	6,591,995	47,585	-
Utah Public Treasurer's Investment Fund (PTIF)	2,514,785	-	2,514,785	-
Total investments by fair value	<u>\$ 9,154,365.65</u>	<u>\$ 6,591,995.49</u>	<u>\$ 2,562,370.00</u>	<u>-</u>

Fair Value of Investments

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

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities that the District has the ability access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these does not entail any significant degree of judgement. Securities classified as Level 1 inputs include U.S. Government securities and certain other U.S. Agency and sovereign government obligations.
- Level 2: valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Securities classified as Level 2 include: corporate and municipal bonds, and “brokered” or securitized certificates of deposit.
- Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.



NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

For securities that generally have market prices from multiple sources, it can be difficult to select the best individual price, and the best source one day may not be the best source on the following day. The solution is to report a “consensus price” or a weighted average price for each security. Zions Capital Advisors DBA Contango Capital receives market prices for these securities from a variety of industrial standard data providers (e.g. Bloomberg), security master files from large financial institutions, and other third-party sources. Zions Capital Advisors DBA Contango Capital uses these multiple prices as inputs into a distribution-curve based algorithm to determine the daily market value.

Debt and equity securities classified in Level 1 are valued using the following approaches. Some securities have a structure that implies a standard expected market price. Examples include a floating-rate note with frequent resets that make it reasonable to expect the price to stay at par or an open-ended money market fund expected to maintain a Net Asset Value of \$1 per share. These securities are priced at the expected market price.

- Corporate and Municipal Bonds and Commercial Paper: quoted prices for similar securities in active markets.
- Repurchase Agreements, Negotiable Certificates of Deposit and Collateralized Debt Obligations; matrix pricing based on the securities’ relationship to benchmark quoted prices.
- Money Market, Bond and Equity Mutual Funds: published fair value per share (unit) for each fund.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The District manages its exposure to declines in fair value by investing in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed-rate negotiable deposits and corporate obligations to 365 days or less.

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NOTE 4 – RECEIVABLES

Receivables as of year-end for the government’s individual funds, are as follows:

	Refuse and Recycling
Receivables:	
Accounts	\$ 4,363,654
Tax Certifications	278,795.93
Other	81,644.79
Due from Other Governments	96,953.67
	\$ 4,821,048

Please note, because of the tax certification process described in Note 1, the allowance for uncollectable accounts balance is so small, the District views this as “immaterial” and it is not listed.

The “other receivable” consists of funds due from a commercial recycling processor.

NOTE 5 – Deferred Inflows

Deferred inflows (formerly referred to as deferred revenue) in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of *deferred inflows* and *unearned revenue* reported in the governmental funds consisted of pension-related inflows.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

Primary Government	Beginning Beginning				Ending Ending
Business-type activities:	Balance	Increases	Transfers	Decreases	Balance
Capital assets not being depreciated:					
Land and improvements	\$ 1,904,800	\$ -	\$ -	\$ -	\$ 1,904,800
Total capital assets not being depreciated	1,904,800	-	-	-	1,904,800
Capital assets being depreciated:					
Buildings and improvements	558,830	113,103	-	-	671,933
Equipment	15,994,279	1,545,108	-	(1,285,170)	16,254,217
Total capital assets being depreciated	16,553,109	1,658,211	-	(1,285,170)	16,926,150
Less accumulated depreciation for:					
Buildings and improvements	(437,866)	(15,288)	-	-	(453,154)
Machinery and equipment	(5,686,412)	(1,937,144)	-	861,391	(6,762,165)
Total accumulated depreciation	(6,124,278)	(1,952,432)	-	861,391	(7,215,319)
Total capital assets, being depreciated, net	12,333,631	(294,221)	-	(423,779)	11,615,631
Business-type activities capital assets, net	\$ 12,333,631	\$ (294,221)	\$ -	\$ (423,779)	\$ 11,615,631



NOTE 7 – OPEB Obligations (Other Post-Employment Benefits)

As of December 31, 2017, the most recent actuarial valuate date, \$0 amounts have been funded in the plan. The actuarial accrued liability (AAL) for benefits is \$1,132,397 and, given that no assets are held by the plan, the unfunded actuarial accrued liability (UAAL) is also \$ 1,132,397, and the ratio of the UAAL to covered payroll is 401.9 percent.

There was a significant decrease in AAL and UAAL over the amounts reported for 2016, because the Board approved a new OPEB Obligation philosophy that reduced the number of employees that qualify for OPEB coverage. A new analysis was conducted on OPEB obligations under the new standards approved by the Board.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, shown as required supplementary information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial values of the plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective. consistent with this perspective, actuarial valuations use actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in the actuarial accrued liabilities and the actuarial value of assets.

In the December 31, 2017, actuarial valuation, the entry age normal level percent of pay actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return and an annual healthcare cost trend rate of 6.5 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after five years. Covered payroll includes a 3 percent inflation assumption. The actuarial value of assets was not determined as the District has not advance funded its obligations. The UAAL is being amortized as a level percentage of payroll over an open thirty-year period.

Plan Description.

The District provides a portion of health insurance coverage after retirement, according to their eligibility under the plan guidelines.

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NOTE 7 – OPEB Obligations (Other Post-Employment Benefits)

Employees hired prior to January 1, 2013 are eligible for lifetime retiree health benefits once they meet the Utah Retirement Systems Public Employees and Public Safety Retirement Systems eligibility requirements for pension benefits as outlined below:

1. Tier 1 General Employees (hired prior to 7/1/2011)-earlier of:
 - a. Age 65 with 4 years of service
 - b. Age 62 with 10 years of service
 - c. Age 60 with 20 years of service
 - d. Any age with 25 years of service (with full actuarial age reduction)
 - e. Any age with 30 years of service.

2. Tier 2 General Employees (hired on/after 7/1/2011)-earlier of
 - a. Age 65 with 4 years of service
 - b. Age 62 with 10 years of service
 - c. Age 60 with 20 years of service
 - d. Any age with 35 years of service

Employees hired after January 1, 2013 and not retiring prior to July 1, 2019, are not eligible for retiree health benefits.

Spouse Benefit. Surviving spouse can continue coverage after the death of the retiree until Medicare eligibility as long as they pay the full cost of coverage.

Retiree Cost Sharing. Retirees contribute the portion of premium rates not covered by the District’s explicitly subsidy. Pre-Medicare retirees’ premium rates are 102% of active premium rates during COBRA period (18 months), increasing to 130% of active premium rates at the end of COBRA period.

If retirees elect spousal coverage, they are required to pay the full incremental cost of spousal coverage.

Medical Benefit. The same benefit options are available to retirees as active employees. All pre-Medicare health plans are self-insured while the Medicare plans are all fully insured and community-rated. The monthly active and pre-Medicare retirees’ premiums by plan effective on January 1, 2017 are shown below.

Pre-Medicare Plans	Active Premiums		Retiree Premiums during COBRA period		Retiree Premiums after COBRA period	
	Retiree	Retiree +1	Retiree	Retiree +1	Retiree	Retiree +1
PEHP PPO*	\$533.34	\$1,104.00	\$544.00	\$1,126.08	\$693.34	\$1,435.20
PEHP HDHP*	\$404.01	\$836.48	\$412.18	\$853.22	\$524.34	\$1,087.42

*Applicable to both Advantage and Summit Plans



NOTE 7 – OPEB Obligations (Other Post-Employment Benefits)

The same dental benefit options are available to retirees as active employees. Monthly dental premiums by plan effective January 1, 2017 are shown below:

	Active Premiums		Retiree Premiums during		Retiree Premiums after	
	Retiree	Retiree +1	Retiree	Retiree +1	Retiree	Retiree +1
Dental	\$54.40	\$70.00	\$55.49	\$71.40	\$55.49	\$71.40

District Subsidy

The District subsidizes retiree health benefits for the retiree only according to the following table:

<u>Pre-65 Retirees</u>			<u>65+ Retirees</u>	
YOS @ Retirement	PPO	HDHP	YOS @ Retirement	Subsidy(as % of Premium)
20+	\$ 426.67	\$ 323.28	20+	80%
18-19	\$ 373.30	\$ 282.37	18-19	70%
16-17	\$ 320.00	\$ 242.46	16-17	60%
14-15	\$ 266.67	\$ 202.05	14-15	50%
12-13	\$ 213.36	\$ 161.64	12-13	40%
10-11	\$ 160.00	\$ 121.23	10-11	30%
7-9	\$ 106.67	\$ 80.82	7-9	20%
4-6	\$ 53.33	\$ 40.41	4-6	10%
<4	\$ -	\$ -	<4	0%

***Preferred Provider Organization (PPO)

***High Deductible Health Plan (HDHP)

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NOTE 7 – OPEB Obligations (Other Post-Employment Benefits) (continued)

Funded Status

The unfunded actuarial accrued liability is being amortized as a level dollar of expected payroll on an open basis over thirty years. The funded status and annual required contributions to the plan, and changes in the District’s net OPEB asset to the plan is as follows:

	FY 2014	FY 2015	FY 2016	FY 2017
Actuarial Accrued Liability as of the beginning of the year	\$ 1,820,236	\$ 1,813,787	\$ 1,999,415	\$ 1,132,397
Actuarial Value of Assets as of the beginning of the year	-	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 1,820,236</u>	<u>\$ 1,813,787</u>	<u>\$ 1,999,415</u>	<u>\$ 1,132,397</u>
Covered Payroll	\$ 2,687,318	\$ 2,892,645	\$ 2,053,785	\$ 281,767
UAAL as a % of covered payroll	67.7%	62.7%	97.4%	401.9%

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NOTE 7 – OPEB Obligations (Other Post-Employment Benefits) (continued)

The following table shows the components of the District’s annual OPEB cost, the amount contributed to the plan, and the changes in the District’s net OPEB asset to the plan.

	FY 2014	FY 2015	FY 2016	FY 2017
Annual Required Contribution	\$ 153,365	\$ 149,854	\$ 139,396	\$ 74,343
Interest on net OPEB obligation	24,506	28,829	32,789	35,972
Adjustment to annual required contribution	(21,017)	(24,725)	(29,662)	(46,304)
Annual OPEB Cost	<u>\$ 156,854</u>	<u>\$ 153,958</u>	<u>\$ 142,523</u>	<u>\$ 64,011</u>
Annual employer contribution for pay-go cost	(60,770)	(65,973)	(71,775)	(75,636)
Annual employer contribution for pre-funding	-	-	-	-
Change in net OPEB obligation	\$ 96,084	\$ 87,985	\$ 70,748	\$ (11,625)
Net OPEB obligation-beginning of year	<u>544,570</u>	<u>640,654</u>	<u>728,639</u>	<u>799,387</u>
Net OPEB obligation-end of year	<u><u>\$ 640,654</u></u>	<u><u>\$ 728,639</u></u>	<u><u>\$ 799,387</u></u>	<u><u>\$ 787,762</u></u>

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for the current year is as follows:

As of	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2017	\$64,011	118.2%	\$787,762
December 31, 2016	\$142,523	5.4%	\$799,387
December 31, 2015	\$153,958	42.9%	\$728,639
December 31, 2014	\$156,854	38.7%	\$640,654

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Note 8-PENSION PLANS

State Retirement

Wasatch Front Waste and Recycling District contributes to the Local Governmental Noncontributory Retirement System. This retirement system is a cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). The Systems provide retirement benefits, annual cost of living allowances, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

General Information about the Pension Plan

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

Defined Benefit Plans

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah Retirement System (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 District, Utah 84102 or visiting the website: www.urs.org.

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Note 8-PENSION PLANS (continued)

Summary of Benefits by System

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

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

* with actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the 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 December 31, 2017, are as follows:

Utah Retirement Systems

	Employee Paid	Paid by Employer for Employee	Employer contribution Rates 401(k)
Contributory System			
111-Local Governmental Division Tier 2	N/A	15.11%	1.58%
Noncontributory System			
15-Local Governmental Division Tier 1	N/A	18.47%	N/A
Tier 2 DC Only	N/A	6.69%	10.00%

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

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Note 8-PENSION PLANS (continued)

For fiscal year ended December 31, 2017, the employer and employee contributions to the Systems were as follows:

System	Employee Contributions	Employee Contributions
Tier 2 Public Employees System	\$ 218,652	-
Noncontributory System	401,285	N/A
Tier 2 DC Only System	21,627	N/A
Total Contributions	\$ 641,564	\$ -

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.

Note 8-PENSION PLANS (continued)

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

At December 31, 2017, we reported a net pension asset of \$0 and a net pension liability of \$1,936,009.

*(Measurement Date) December 31, 2016

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2015	Change (Decrease)
Noncontributory System	\$ -	\$ 1,918,365	0.2987538%	0.3037300%	-0.0049762%
Tier 2 DC Public Employee System	\$ -	17,644	0.1581720%	0.1828029%	-0.0246309%
Total Contributions	\$ -	\$ 1,936,009			

The net pension asset and liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2016 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 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 December 31, 2017, we recognized pension expense of \$756,061.

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Note 8-PENSION PLANS (continued)

At December 31, 2017, 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	\$ 41,670	\$ 66,838
Changes in assumptions	270,529	64,046
Net difference between projected and actual earnings on pension plan investments	433,004	128,512
Changes in proportion and differences between contributions and proportionate share of contributions	12,442	42,542
Contributions subsequent to the measurement date	641,564	
Total Contributions	\$ 1,399,209	\$ 301,938

\$641,564 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, 2016.

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Note 8-PENSION PLANS (continued)

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

<u>Year ended December 31</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2017	\$ 136,292
2018	\$ 137,954
2019	\$ 178,691
2020	\$ (2,930)
2021	\$ 477
Thereafter	\$ 5,223

Actuarial assumptions: The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 Percent
Salary Increases	3.35 - 10.35 percent, average, including inflation
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation.

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

The actuarial assumptions used in the January 1, 2016, valuation was based on the results of an actuarial experience study for the five-year period ending December 31, 2013.

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Note 8-PENSION PLANS (continued)

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

Asset Class	Expected Return Arithmetic Basis		
	Target asset allocation	Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	40.00%	7.06%	2.82%
Debt securities	20.00%	0.80%	0.16%
Real assets	13.00%	5.10%	0.66%
Private equity	9.00%	11.30%	1.02%
Absolute Return	18.00%	3.15%	0.57%
Cash and Equivalents	0.00%	0.00%	0.00%
Totals	100.00%		5.23%
Inflation			2.6
Expected Arithmetic nominal return			7.83

The 7.20% assumed investment rate of return is comprised of an inflation rate of 2.60%, a real return of 4.60% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.20 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 7.2 percent from 7.50 percent from the prior measurement period.

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Note 8-PENSION PLANS (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 7.20 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 (6.20 percent) or 1 percentage-point higher (8.20 percent) than the current rate:

System	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Noncontributory System	\$ 3,973,584	\$ 1,918,365	\$ 203,397
Tier 2 Public Employees System	120,097	17,644	(60,297)
Total	\$ 4,093,681	\$ 1,936,009	\$ 143,100

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

Cafeteria/Deferred Compensation Plans

The District offers a cafeteria plan to all full-time employees to fund a variety of employee benefit programs including a, life insurance, disability insurance, health insurance, and other benefits.

The District has established a voluntary deferred compensation program pursuant to Section 457 of the Internal Revenue Code. In accordance with Governmental Accounting Standards Board Statement 32 (GASB No. 32), the assets and income of the 457 Plan are held in trust for the exclusive benefit of the participants or their beneficiaries. 6.2% of employee wages are put into this account for their benefit.

The District also offers employees the opportunity to participate in a Roth IRA, with after-tax employee contributions, managed by the Utah State Retirement System (URS.)

On July 2, 1991, Social Security and Medicare coverage became mandatory for State and Local governments employees who are not members of a public retirement system and who are not covered under a Section 218 Agreement. The Districted chose not to opt into the Federal Social Security program. Instead, the

District and the employee each contributes 6.2% of earned wages to a third-party administrator (ICMA-International City Managers Association) on behalf of the employee, as a deferred compensation plan.

In addition to the District’s contribution to the employee’s deferred compensation plan, the District contributes 1% of earned wages to a Utah State Retirement System 401(k) on behalf of the employee.

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NOTE 8 - RETIREMENT PLANS (Continued)

Defined Contribution Savings Plans

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

Wasatch Front Waste and recycling District participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

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

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended December 31, were as follows:

	2017	2016	2015
401(k) Plan			
Employer Contributions	\$ 96,238	\$ 91,502	\$ 68,095
Employee Contributions	\$ 36,837	\$ 37,555	\$ 46,326
457 Plan			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ 11,875	\$ 11,366	\$ 11,859
Roth IRA plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 9,980	\$ 6,520	\$ 1,040
Traditional IRA			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ -	\$ 600	\$ 780

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NOTE 9– OTHER LONG-TERM OBLIGATIONS

Changes for other long-term obligations during the year ended December 31, 2017 is summarized as follows:

2017	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017	Due Within One Year	Due in More than one Year
Sick Leave	\$ 97,873	\$ 9,238	\$ (6,785)	\$ 100,326	\$ -	\$ 100,326
Vacation	265,612	35,995	\$ (19,489)	282,117	138,442	143,675
Compensated Absences Payable	<u>\$ 363,485</u>	<u>\$ 45,233</u>	<u>\$ (26,274)</u>	<u>\$ 382,443</u>	<u>\$ 138,442</u>	<u>\$ 244,001</u>
Workers Compensation Liability	\$ 319,342	\$ 28,745	\$ -	\$ 348,087	\$ 23,000	\$ 325,087
Net OPEB Obligation	806,528	-	18,766	787,762	-	787,762
Net Pension Liability	1,718,652	217,357	-	1,936,009	-	1,936,009
	<u>\$ 2,844,522</u>	<u>\$ 246,102</u>	<u>\$ 18,766</u>	<u>\$3,071,858</u>	<u>\$ 23,000</u>	<u>\$ 3,048,858</u>
Total Liabilities	<u>\$ 3,208,007</u>	<u>\$ 291,335</u>	<u>\$ (7,508)</u>	<u>\$3,454,301</u>	<u>\$ 161,442</u>	<u>\$ 3,292,859</u>

***Some Additions/Deletions are due to re-allocation of qualifying compensated absences

The District records a liability for worker’s compensation claims when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Structured settlements (contractual obligations to make agreed-upon payments on fixed dates) are based on life expectancies and discounted rates for 20-year-high quality general obligation bonds.

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NOTE 10 – TRANSACTIONS WITH OTHER GOVERNMENTAL ENTITIES

The District has transactions with other governmental entities. Services provided by other governmental entities for the year ended December 31, 2017 are summarized as follows:

	<u>2017</u>
Salt Lake County Fleet	
Fleet-Truck Maintenance	\$2,536,781
Fleet-Diesel/Fuel/CNG	1,041,092
Shared Building Costs	84,969
Other	20,905
Salt Lake Valley Landfill	
Disposal Fees	3,412,523
Salt Lake County Public Works Operations	
Materials	7,783
Training	15,149
Shared Building Costs	324,940
Hooklift Rental	271,956
Other	998
Salt Lake County Mayor's Financial	
Telecommunications	41,988
Postage	2,294
Rent	278,250
Information Systems	178,303
Other	971
Salt Lake County Recorder	
Recorder Website Search	645
Salt Lake County Health	
Permits	1,415
Salt Lake County Printing	
Printing	1,098
Trans Jordan Cities Landfill	<u>452,019</u>
Disposal Fees	<u>\$8,674,079</u>

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NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the District to purchase commercial insurance for these risks. Various policies are purchased through an insurance agency to cover liability, theft, damage, and other losses. A minimal deductible applies to these policies which the District pays in the event of any loss. There have been no significant reductions in the coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The District also has purchased a workers' compensation policy.

NOTE 12 – LEASE ARRANGEMENTS

The District entered into an agreement with the Salt Lake County to lease office space and hook-lift trucks. The lease agreement is effective through December 31, 2019, with renewal options. The annual lease payment is \$278,250. The estimate for the leasing of hook lift trucks is \$271,956.

NOTE 13– SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through April 5, 2017 the date the financial statements were available to be issued.

NOTE 14 – LITIGATION

The District is a defendant in certain legal actions, pending actions, or in the process for miscellaneous claims. The ultimate liability which might result from the final resolution of the above matters is not presently determinable. District management is of the opinion the final outcome of the cases will not have an adverse effect on the District's financial statements.

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Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by GASB, but are not considered part of the basic financial statements. Such information includes:

Pension Disclosures

Schedule of Required Supplementary Information
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 Wasatch Front Waste and Recycling District
 Utah Retirement Systems
 December 31, 2017
 Last 10 Fiscal Year Years

	2017		2016		2015	
	Noncontributory Retirement System	Tier 2 Public Employees Retirement	Noncontributory Retirement System	Tier 2 Public Employees Retirement System	Noncontributory Retirement System	Tier 2 Public Employees Retirement
Proportion of the net pension liability (asset)	0.2987538%	0.1581720%	0.3037300%	0.1828029%	0.3106662%	0.1940461%
Proportionate share of the net pension liability (asset)	\$1,918,365	\$17,644	\$1,718,652	(\$399)	\$1,348,986	(\$5,880)
Covered Payroll	\$221,722	\$1,297,128	\$2,274,528	\$1,180,968	\$2,453,151	\$952,513
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	86.52%	1.36%	75.56%	-0.03%	55.00%	-0.60%
Plan fiduciary net position as a percentage of its covered-employee payroll	87.30%	95.10%	87.80%	100.20%	90.20%	103.50%

* In accordance with paragraph 81.a of GASB 68, 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 to be built prospectively.

Wasatch Front Waste and Recycling District
Utah Retirement Systems

	As of fiscal year ended December 31,	Actuarial Determined Contributions	Contributions in relation to the contractually required	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	\$ 427,924	\$ 427,924	\$ -	\$ 2,464,085	17.37%
	2015	413,061	413,061	-	2,283,240	18.09%
	2016	403,738	403,738	-	2,259,080	17.87%
	2017	401,285	401,285	-	2,182,263	18.39%
Tier 2 Public Employees System	2014	\$ 138,976	\$ 138,976	\$ -	\$ 957,397	14.52%
	2015	178,572	178,572	-	1,176,857	15.17%
	2016	193,732	193,732	-	1,299,343	14.91%
	2017	218,652	218,652	-	1,468,467	14.89%
Tier 2 Public Employees DC On System *	2014	\$ 1,693	\$ 1,693	\$ -	\$ 26,830	6.31%
	2015	7,446	7,446	-	111,181	6.70%
	2016	20,399	20,399	-	305,043	6.69%
	2017	21,627	21,627	-	323,275	6.69%

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

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board-certified rate due to rounding and other administrative issues. The 10-year schedule will to be built prospectively.

Wasatch Front Waste and Recycling District
Schedule of Funding Progress (OPEB)
For Period Ended December 31, 2016

As of	Actuarial Accrued	Actuarial Value	Unfunded AAL	Funded	Covered	UAAAL as
	Liability (AAL)	of Assets (AVA)	(UAAL)	Ratio	Payroll	% of
	A	B	C=A+B	D=B/A	E	F=C/E
January 1, 2017	\$1,132,397	\$0	\$1,132,397	0.0%	\$281,767	401.9%
January 1, 2016	\$1,999,415	\$0	\$1,999,415	0.0%	\$2,053,785	97.4%
January 1, 2015	\$1,813,787	\$0	\$1,813,787	0.0%	\$2,892,645	62.7%
January 1, 2014	\$1,852,697	\$0	\$1,852,697	0.0%	\$2,788,092	66.5%

Notes to the Required Supplementary Information

The notes to the required supplementary information are included to provide information that is essential to the user's understanding of the required supplementary information.

Changes in Assumptions:

The following assumption changes were adopted January 1, 2016. The assumed investment return assumption was decreased from 7.50% to 7.20% and the assumed inflation rate decreased from 2.75% to 2.60%. With the decrease in the assumed rate of inflation, both the payroll growth and wage inflation assumptions were decreased by 0.15% from the prior year's assumption.

Utah Retirement Systems

Wasatch Front Waste and Recycling District
Pension beginning and ending values
December 31, 2017

	Beginning Values			Ending Values		
	NPL/(NPA)	Asset	Liability	NPL/(NPA)	Asset	Liability
GASB 68 Schedule						
Noncontributory	\$ 1,718,652	\$ -	\$ 1,718,652	\$ 1,918,365	\$ -	\$ 1,918,365
Tier 2 public employees	(399)	399	-	17,644	-	17,644
Total	\$ 1,718,253	\$ 399	\$ 1,718,652	\$ 1,936,009	\$ -	\$ 1,936,009

Utah Retirement Systems
Wasatch Front Waste and Recycling District
Pension beginning and ending values
December 31, 2017 (continued)

Retirement System	Net Pension Liability (Asset) at 12/31/2015			Net Pension Liability/(Asset) at 12/31/2016		
	System Total NPL/(NPA)	Proportionate Share	Beginning Values	System Total NPL/(NPA)	Proportion ate share	Ending Values
Noncontributory						
Local Government	\$565,848,640	30.3730000%	\$1,718,652	\$642,122,385	0.2987540%	\$1,918,365
Tier 2 Public Employees	(218,300)	0.1828029%	(399)	11,154,934	0.1581720%	17,644
	565,630,340		1,718,253			1,936,009

Wasatch Front Waste and Recycling District
Schedule of Employer Contributions (OPEB)
For Period Ended December 31, 2017

FYE	Employer	Annual Required	% of ARC
	Contributions	Contribution (ARC)	Contributed
	A	B	C=A/B
December 31, 2017	\$75,636	\$74,343	101.7%
December 31, 2016	\$71,775	\$139,396	51.5%
December 31, 2015	\$65,973	\$149,854	44.0%
December 31, 2014	\$60,770	\$153,365	39.6%

Wasatch Front Waste and Recycling District
Historical Annual OPEB Cost
For Period Ended December 31, 2017

As of	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2017	\$64,011	118.2%	\$787,762
December 31, 2016	\$142,523	5.4%	\$799,387
December 31, 2015	\$153,958	42.9%	\$728,639
December 31, 2014	\$156,854	38.7%	\$640,654

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Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by accounting principles generally accepted in the United States of America, not a part of the financial statements, but are presented for additional analysis.

Such statements and schedules include:

Budgetary Comparison Schedules

Additional Auditor's Reports

Report on Internal Control over Financial Reporting and on Compliance and other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

Utah State Compliance Report based on the requirements, special tests, and provisions required by the State of Utah's Legal Compliance Guide.

WASATCH FRONT WASTE AND RECYCLING DISTRICT
Schedule of Revenues, Expenses and Changes in Fund Balance Budget to Actual
For Year Ended December 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenues			
Collection Services	\$17,531,900	\$17,272,981	\$ (258,919)
Other income	265,600	578,984	313,384
Total revenues	<u>17,797,500</u>	<u>17,851,965</u>	<u>54,465</u>
Operating Expenses			
Salaries, wages and employee benefits	7,224,800	6,771,801	452,999
Utilities, Telephone and Building Expenses	660,400	545,110	115,290
Professional and technical	248,000	270,557	(22,557)
Vehicle Maintenance and Fuel	3,854,400	3,577,873	276,527
Landfill and Disposal Fees	4,267,600	3,950,628	316,972
Cart Purchases	400,000	430,250	(30,250)
Other	1,354,100	1,334,754	19,346
Depreciation	1,714,800	1,952,572	(237,772)
Total operating expenses	<u>19,724,100</u>	<u>18,833,545</u>	<u>890,555</u>
Operating income (Loss)	<u>(1,926,600)</u>	<u>(981,580)</u>	<u>945,020</u>
Non-operating income (expense)			
Interest income	109,500	152,975	43,475
Gain (Loss) on Sale of Assets	545,000	118,561	(426,439)
Total non-operating income (expense)	<u>654,500</u>	<u>271,536</u>	<u>(\$382,964)</u>
Income before contributions and transfers	<u>(1,272,100)</u>	<u>(710,044)</u>	<u>(562,056)</u>
Contributions and transfers			
Contribute to Fund Surplus	<u>1,272,100</u>	<u>-</u>	<u>(1,272,100)</u>
Total contributions and transfers	<u>1,272,100</u>	<u>-</u>	<u>(1,272,100)</u>
Change in net positions	<u>-</u>	<u>(710,044)</u>	<u>(710,044)</u>
Net positions - beginning	<u>\$ 23,746,945</u>	<u>\$ 23,746,945</u>	<u>-</u>
Net positions - ending	<u><u>\$ 23,746,945</u></u>	<u><u>\$ 23,036,901</u></u>	<u><u>\$ -</u></u>



Additional Auditors' Reports

These additional reports are required by *Governmental Auditing Standards* and the Utah State Auditor's Office, respectively.



Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

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

Administrative Control Board
Wasatch Front Waste and Recycling District
Midvale, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Wasatch Front Waste and Recycling District as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 30, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City, Utah
March 30, 2018



Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

**INDEPENDENT AUDITOR'S REPORT AS REQUIRED BY THE
STATE COMPLIANCE AUDIT GUIDE ON COMPLIANCE WITH
GENERAL STATE COMPLIANCE REQUIREMENTS,
AND INTERNAL CONTROL OVER COPMLIANCE**

To the Administrative Control Board
Wasatch Front Waste and Recycling District,

Report on Compliance with General State Compliance Requirements

We have audited Wasatch Front Waste and Recycling District's (the District) compliance with the applicable general state requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the District for the year ended December 31, 2017.

General State compliance requirements were tested for the year ended December 31, 2017 in the following areas:

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems
- Open and Public Meetings Act
- Treasurer's Bond
- Cash Management

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on General State Compliance Requirements

In our opinion, Wasatch Front Waste and Recycling District complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2017.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the state compliance requirements referred to above to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Keddington & Christensen, LLC

Keddington & Christensen, LLC Salt
Lake City, Utah
March 30, 2018



Statistical Section

The statistical section of a government's comprehensive annual financial report (CAFR) is the principal source of information regarding a government's economic condition.

The statistical section of the CAFR is designed to meet these objectives: 1) provide information on financial trends, 2) provide information on revenue, 3) provide demographic and economic information, and 4) provide operating information. The purpose of these objectives is as follows:

Financial Trends. This is intended to help understand and assess how a government's financial position has changed over time.

Revenue Capacity Information. This is intended to help understand and assess the factor's affecting a government's ability to generate its own-source revenues by providing information about a government's most significant own-source revenue.

Debt Capacity Information. This is not applicable to the District as the District carries no debt. The information would be intended to help understand and assess a government's debt burden and its ability to issue additional debt.

Demographic and economic information. This information is intended to help understand the socioeconomic environment within which a government operates and to provide information that enables comparisons of financial statement information over time and among governments.

Operating information. This information is intended to provide information about a government's operations and resources to assist in understanding a government's economic condition.

WASATCH FRONT WASTE AND RECYCLING DISTRICT
Net Assets by Component
Ten Fiscal Years*
(Accrual basis of accounting)

	Fiscal Year				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Business-type activities					
Invested in capital assets, net of related debt	9,677,869	9,585,858	11,418,022	12,333,631	11,615,631
Unrestricted	<u>14,185,673</u>	<u>22,894,456</u>	<u>12,162,840</u>	<u>11,413,314</u>	<u>11,421,270</u>
Total business-type activities net assets	<u><u>23,863,542</u></u>	<u><u>32,480,314</u></u>	<u><u>23,580,862</u></u>	<u><u>23,746,945</u></u>	<u><u>23,036,901</u></u>

*Information prior to 2013 is not available

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WASATCH FRONT WASTE AND RECYCLING DISTRICT
Changes in Net Position

Ten Fiscal Years*
(Accrual basis of accounting)

	Fiscal Year				
Expenses	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Business-type activities:					
Salaries, wages and employee benefits	5,704,405	5,922,530	6,003,479	6,676,503	6,771,801
Utilities, Telephone and Building Expenses	421,848	451,149	511,662	563,573	545,110
Professional and technical	1,535,583	1,688,364	1,271,772	225,333	270,557
Vehicle Maintenance and Fuel	3,642,998	3,703,260	3,564,264	3,501,185	3,577,873
Landfill and Disposal Fees	3,055,934	3,675,716	3,704,541	3,989,683	3,950,628
Cart Purchases	242,655	384,846	385,879	247,241	430,250
Other	-	-	-	960,607	1,334,754
Depreciation	1,981,487	1,933,148	1,606,179	1,810,884	1,952,572
Total business-type activities expense	<u>16,584,910</u>	<u>17,759,013</u>	<u>17,047,776</u>	<u>17,975,009</u>	<u>18,833,545</u>
Total primary government expenses	<u>16,584,910</u>	<u>17,759,013</u>	<u>17,047,776</u>	<u>17,975,009</u>	<u>18,833,545</u>
 Program Revenues					
Revenues					
Charges for Services	15,492,407	17,362,885	17,452,544	17,270,480	17,272,981
Other Revenues	21,666	8,923	20,409	434,588	850,520
Total business-type activities program revenues	<u>15,514,073</u>	<u>17,371,808</u>	<u>17,472,953</u>	<u>17,705,068</u>	<u>18,123,501</u>
Total primary governmental program revenues	<u>\$ 15,514,073</u>	<u>\$ 17,371,808</u>	<u>\$ 17,472,953</u>	<u>\$ 17,705,068</u>	<u>\$ 18,123,501</u>

*Information prior to 2013 is not available.

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WASATCH FRONT WASTE AND RECYCLING DISTRICT
Changes in Net Position (Continued)
Ten Fiscal Years*
(Accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net (Expense) Revenue					
Business-type activities	\$ (1,070,837)	\$ (387,205)	\$ 425,177	\$ (269,941)	\$ (710,044)
Total primary government net expense	<u>(1,070,837)</u>	<u>(387,205)</u>	<u>425,177</u>	<u>(269,941)</u>	<u>(710,044)</u>
General Revenues and Other Changes in Net Assets					
Business-type activities:					
Interest income	98,637	81,640	109,307	112,687	152,975
Gain (loss) on disposal of capital assets	533,345	345,823	135,874	323,517	118,561
Grants	79,000	100,000	15,864	-	-
Total business-type activities	<u>710,982</u>	<u>527,463</u>	<u>261,045</u>	<u>436,204</u>	<u>271,536</u>
Total primary government	<u>710,982</u>	<u>527,463</u>	<u>261,045</u>	<u>436,204</u>	<u>271,536</u>
Change in Net Assets					
Business-type activities	(359,855)	140,258	686,222	166,263	(438,508)
Total primary government	<u>\$ (359,855)</u>	<u>\$ 140,258</u>	<u>\$ 686,222</u>	<u>\$ 166,263</u>	<u>\$ (438,508)</u>

*Information prior to 2013 is not available.

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WASATCH FRONT WASTE AND RECYCLING DISTRICT
Charges for Services
Ten Fiscal Years*

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Neighborhood Trailer	\$ 70,133	\$ 91,173	\$ 119,461	\$ 132,846	\$ 134,917
Nonresidential Collections	543,851	510,533	524,186	483,129	562,082
Residential Collections	14,461,370	15,831,126	15,810,166	16,045,907	15,851,416
Green Collections	3,420	197,570	347,288	497,430	587,494
Recycling Collections	421,586	427,648	110,418	319	-
Glass Collections	-	-	14,040	110,849	137,072
Totals	\$ 15,500,360	\$ 17,058,050	\$ 16,925,559	\$ 17,270,482	\$ 17,272,983

*Information prior to 2013 is not available.

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WASATCH FRONT WASTE AND RECYCLING DISTRICT
Demographic and Economic Statistics-Salt Lake County
Ten Calendar Years

Calendar Year	Personal Income (Federal AGI)	Population	Per Capital	
			Personal Income	Unemployment Rate
2016	28,856,463,106	1,121,354	25,734	2.9
2015	27,942,287,965	1,107,314	25,234	3.9
2014	22,683,116,402	1,091,742	20,777	3.1
2013	24,195,811,652	1,080,866	22,386	3.7
2012	23,790,721,445	1,059,112	22,463	4.6
2011	22,082,819,789	1,045,829	21,115	5.5
2010	21,259,648,269	1,033,299	20,575	7.1
2009	21,488,302,929	1,042,125	20,620	7.2
2008	18,295,772,187	1,030,519	17,754	4.8
2007	22,530,380,986	1,018,904	22,112	2.5
2006	20,488,804,319	996,374	20,563	2.1
2005	18,423,269,326	978,285	18,832	3.2

<https://tax.utah.gov/econstats/income/federal-returns>

<http://jobs.utah.gov/jsp/wi/utalmis/countyhistdata.do.jsessionid=C24439713B04D36115E21D5BBBD0CAA1>

<https://www.census.gov/quickfacts/fact/table/saltlakecountyutah,UT/PST045216>

<https://jobs.utah.gov/jsp/utalmis/#/laborforce>

WASATCH FRONT WASTE AND RECYCLING DISTRICT
Full-Time Equivalent District Employees by Function/Program
Ten Fiscal Years*

<u>Function/Program</u>	Fiscal Year				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government					
Administration	7.48	8.37	8.42	9.28	8.81
Operation and Internal Services	6.68	6.21	5.52	6.18	5.77
Collection					
Curbside Collection	27.65	28.95	37.32	39.74	32.87
Recycling	22.68	24.72	16.44	14.20	25.37
Special Services					
Trailer Program	7.21	8.00	9.93	6.93	4.04
Area Cleanup	16.25	12.46	12.09	11.95	10.62
Special Services	5.00	4.60	4.00	4.85	6.90
Total	<u>92.95</u>	<u>93.31</u>	<u>93.72</u>	<u>93.13</u>	<u>94.38</u>

Source: Wasatch Front Waste and Recycling District

Note: *Changes in FTE may represent movement of employees from one program to another.

*Information prior to the time listed is not available, due to the creation of the District in 2013.

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WASATCH FRONT WASTE AND RECYCLING DISTRICT
Principal Employers of Salt Lake County
Current Year and Ten Years Ago

	2017		2007	
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
University Hospital	7000-9999	1		
Intemountain Medical Center	5000-6999	2		
Salt Lake County	5000-6999	2		
University of Utah	4000-4999	3		
C.R. England Inc.	3000-3999	4		
Discover Products Inc.	3000-3999	4		
L-3 Communications Inc.	3000-3999	4		
Primary Childrens Medical Center	3000-3999	4		
Delta Airlines	2000-2999	5		
Jet Blue Airlines	2000-2999	5		
Skywest Airlines	2000-2999	5		
Granite School District			7000-9999	1
Jordan School District			7000-9999	1
Salt Lake County			5000-6999	2
Wal-Mart			4000-4999	3
Delta Airlines			3000-3999	4
Salt Lake City			3000-3999	4
Zions Bank Management			3000-3999	4
Skywest Airlines			2000-2999	5
Smith's			2000-2999	5
Wells Fargo Bank			2000-2999	5

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WASATCH FRONT WASTE AND RECYCLING DISTRICT
Operating Indicators by Function/Program
Ten Fiscal Years**

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
CNG Fuel					
CNG Cost	\$ 70,050	\$ 276,514	\$471,907	\$770,930	\$878,809
CNG Gallons	38,126	145,114	246,258	389,472	490,816
CNG Miles Driven	74,247	268,463	462,715	706,041	827,672
Diesel Fuel					
Diesel Cost	\$1,311,191	\$1,022,461	\$523,539	\$284,025	\$170,725
Diesel Gallons	371,011	310,326	232,155	129,452	70,470
Diesel Miles Driven	1,292,771	1,021,242	342,710	647,040	469,364
Avg. Dollar per Gallon					
CNG	\$1.84	\$1.91	\$1.92	\$1.90	\$1.79
Diesel	\$3.53	\$3.29	\$2.26	\$2.07	\$2.42
Maintenance					
Vehicle Maintenance Costs	\$2,179,210	\$2,343,094	\$2,536,135	\$2,453,393	\$2,536,781
Safety Ratios					
Safe Days*	88.42%	82.25%	81.73%	84.75%	93.90%
Landfill and Transfer Station					
Tons	141,780	142,443	145,124	117,056	110,026
Costs	\$3,055,934	\$3,646,866	\$3,705,371	\$3,732,977	\$3,412,523
Homes Served	81,319	81,320	81,800	80,161	80,753
Diversions (Tons)	26,567	26,710	28,268	29,922	28,322
Diversions (Percentage)	18.74%	18.75%	19.48%	20.31%	18.90%

*Ratio of accident free days: days worked

**Data prior to information for years listed, is not available.

Sources: Wasatch Front Waste and Recycling

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WASATCH FRONT WASTE AND RECYCLING DISTRICT
Capital Assets by Function/Program
Ten Fiscal Years*

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Administration					
Land	7.01 Acres	7.01 Acres	7.01 Acres	7.01 Acres	7.01 Acres
Equipment	Software	Software	Software	Software	Software
Area Cleanup					
Chipper	1	1	-	-	-
Vehicles	5	2	6	6	9
Carts					
Equipment	-	-	-	1	1
Vehicles	3	3	3	3	3
Curbside					
Enclosures	3	3	3	3	3
Storage Facilities	2	2	2	2	2
Building Improve.	\$136,310	\$136,310	\$136,310	\$136,310	\$671,933
Equipment	Software	Software	Software	Software	Software
Vehicles	33	25	32	41	41
Green					
Vehicles	1	1	1	1	1
Recycle					
Vehicles	23	26	21	13	13
Special Services					
Equipment					
Trailer	1	1	1	1	1
Trash Compactor	1	1	1	1	1
Vehicles	3	3	3	3	3
Trailer					
Trailer	46	46	46	46	46
Vehicles	4	4	4	3	3

Sources: Wasatch Front Waste and Recycling District

*Data prior to information for years listed, is not available.

WASATCH FRONT WASTE AND RECYCLING DISTRICT
Statistical Section

Wasatch Front Waste and Recycling District

Capital Assets Cost by Function/Program

Last Ten Fiscal Years*

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Administration					
Land	1,904,800	1,904,800	1,904,800	1,904,800	1,904,800
Equipment	145,888	145,888	145,888	145,888	145,888
Area Cleanup					
Equipment	34,485	34,485	-	-	-
Vehicles	703,899	703,899	703,899	703,899	216,535
Carts					
Vehicles	128,162	128,162	128,162	181,306	181,306
Curbside					
Building	558,830	558,830	558,830	558,830	671,933
Equipment	7,435	7,435	7,435	7,435	7,435
Vehicles	6,100,186	4,850,681	7,756,479	9,970,781	9,664,939
Green					
Vehicles	282,809	282,809	282,809	282,809	282,809
Recycle					
Vehicles	4,644,613	5,648,178	4,575,758	3,300,894	3,787,110
Special Services					
Equipment	24,524	24,524	24,524	15,835	35,395
Vehicles	555,171	555,171	768,611	643,404	623,844
Trailer					
Equipment	638,294	638,294	638,294	638,294	638,294
Vehicles	135,863	135,863	137,279	103,735	670,662

Sources: Wasatch Front Waste and Recycling District

*Data prior to information for years listed, is not available.

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WASATCH FRONT WASTE AND RECYCLING DISTRICT
Schedule of Insurance
January 2017 through December 2017

Description	Company	Liability Limit	Effective Date
General Liability	Utah Local Governments Trust	\$5,000,000	1/1/2017
Public Officials E&O	Utah Local Governments Trust	\$5,000,000	1/1/2017
Auto Liability	Utah Local Governments Trust	\$5,000,000	1/1/2017
Property	Utah Local Governmets Trust	\$455,098	1/1/2017
Contents	Utah Local Governments Trust	\$32,500	1/1/2017
Contractors equipment	Utah Local Governments Trust	\$15,835	1/1/2017
EDP equipment	Utah Local Governments Trust	\$44,987	1/1/2017
Earthquake	Utah Local Governments Trust	\$220,000,000	Shared 1/1/2017
Flood	Utah Local Governments Trust	\$110,000,000	Shared 1/1/2017
Crime	Utah Local Governments Trust	\$5,000,000	1/1/2017
Auto Physical Damage	Utah Local Governments Trust	Actual cash value	1/1/2017
Public Official Treasurer Bond	CNASurety	\$775,000	1/1/2017

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Acknowledgment for the Picture on the Cover: <http://study.com/academy/subj/science/environment-ecology.html>. June 5, 2017.

Wiley GAAP for Governments 2017: Narrative of five categories of information for statistical tables. <https://books.google.com/books>. April 2, 2017.



Thank you, from the Administration and Staff of Wasatch Front Waste and Recycling,
for your interest in our District.