

Layton City
Annual Comprehensive
Financial Report
Fiscal Year Ended June 30, 2023



Annual Comprehensive Financial Report

Layton City Corporation

Layton, Utah

Fiscal Year Ended June 30, 2023

Prepared by:
Finance Department

LAYTON CITY CORPORATION

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Layton City Corporation

Introductory Section



Community • Prosperity • Choice
December 7, 2023

Mayor • Joy Petro
City Manager • Alex R. Jensen
Asst. City Manager • Steven L. Garside

• Council Members •
Zach Bloxham
Clint Morris
Tyson Roberts
Bettina Smith Edmondson
Dave Thomas

To the Honorable Mayor, City Council and Citizens of Layton City, Utah

State law requires that all cities publish, within six months of the close of the fiscal year, a complete set of basic financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a qualified, licensed certified public accounting firm. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of Layton City, Utah, for the fiscal year ended June 30, 2023.

The financial statements are prepared to comply with reporting requirements promulgated by the Government Accounting Standards Board (GASB). City-wide statements consolidate all funds and component units of the City and use the full accrual basis of accounting with economic resources measurement focus. The City-wide statements make it easier to measure and analyze the changes in financial position over time.

This report consists of management's representations concerning the finances of Layton City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented herein. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse, and to compile reliable information for the preparation of the financial statements in conformity with GAAP. The City's framework of internal controls is designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The cost of internal controls should not outweigh their benefit to the City. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements have been audited by HBME, LLC, a licensed certified public accounting firm qualified to perform audits of municipal governments. The goal of the independent audit was to provide reasonable assurance that the financial statements of Layton City for the fiscal year ended June 30, 2023, are free of material misstatement. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Layton City's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented at the beginning of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.



Brief Demographics and Government Structure

Layton City was incorporated in 1920 and is located in Davis County between the metropolitan areas of Salt Lake City to the south and Ogden City to the north. Layton is currently the largest city in Davis County with an estimated population of 82,601. The City is empowered by state statutes to function as a city of the second-class. Layton City has operated under a council-manager form of government since 1985. The governing body is composed of a mayor and five council members who are elected at large to four-year staggered terms. The governing body is the policy-making and legislative authority of the City. The Mayor is the chair of the governing body but only votes in case of a tie. The Mayor and City Council appoint a City Manager who is delegated all administrative functions. The City Manager appoints department directors with the consent and approval of the governing body.

Reporting Entity and Services Provided

This financial report includes the financial information of three legally separate entities, namely: Layton City Corporation, Redevelopment Agency of Layton City, Utah, and Davis Metro Narcotics Strike Force. They are included in the financial report because of their nature and close relationship. The City created the redevelopment agency to further the purposes of the City. The City voluntarily agreed to be the oversight and lead agency for the Davis Metro Narcotics Strike Force, a multi-entity drug enforcement group. Additional information about how these entities are included in the report can be found in the notes to the financial statements on page 35.

Layton City provides a full range of services, including police, fire, emergency medical, streets, water, sewer, storm sewer, planning, zoning, building inspection, parks, recreation and general administration.

Economic Conditions

The economic outlook for Layton City is positive. Layton City is the commercial retail hub of the northern part of the county with the only indoor mall. The City is bisected by the only north/south interstate highway in Utah and is convenient for both shoppers and businesses. The City continues to thrive. It is believed that inflationary factors have driven sales tax to new highs, however, there has also been a significant amount of wage pressure. Pressure to compete for employees has caused significant adjustments to base wages.

Layton City is adjacent to Hill Air Force Base, which is a major employer in the state and makes a significant contribution to the economics of northern Utah. They employ 20,000 – 25,000 with annual federal payroll of approximately \$1.55 billion and an estimated total annual economic impact of \$7.11 billion. Unemployment in the County is at an annual average of 2.5% for June 2023. That is very favorable compared to the national unemployment rate of 3.6%.

To summarize, price inflation caused sales tax revenues to increase the past few years. This year the increase in sales tax revenue has slowed to more historical levels. Rising interest rates have significantly slowed the amount of development in the City. It is anticipated that development will continue to be slower than it has been the past few years. The effects of the economic multipliers associated with new development over the past decade should have a very positive effect on the sustainability of the City's financial position.

Long-term Financial Planning

Financial policy dictates that 5% to 35% of general fund revenue be kept in spendable categories of fund balance within the general fund. Each year's budget plan targets an amount within that range and may be higher or lower depending on operational and capital needs of that year. The combined assigned and unassigned, and unassigned fund balances, as a percentage of fiscal year 2023 revenues, for the fiscal year ended June 30, 2023, were 38.0% and 16.2%, respectively. These percentages have decreased from previous years for a number of reasons: 1) planned capital projects for streets, parks and public safety; 2) Increase in personnel costs due to inflation and wage pressure. Fund balances were budgeted to be reduced further in the fiscal year 2024 budget.

The Council and management attempt to finance all City operations on a pay as you go basis. Issuing debt is avoided if at all possible. The City has been successful in this philosophy and has very low debt balances compared to cities of similar size and character.

The City uses a five year capital improvement plan to focus on upcoming projects that will require funding. Modification of the plan and reprioritization of projects takes place annually.

Major Initiatives

The fiscal year 2023 budget included over \$18.2 million in capital projects for streets, water, sewer, storm water, parks and street lighting. The budget also includes the additional cost for two police sergeants and cost of living and merit increases for all employees.

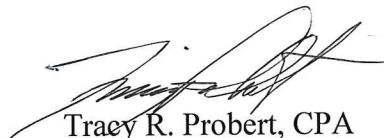
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Layton City for its annual comprehensive financial report for the fiscal year ended June 30, 2022. (see next page)

We would like to thank the finance department staff for their efforts in preparing this report. Due credit for the excellent financial condition of the City should be given to the Mayor and City Council for their support of sound financial planning and management. We believe that the financial operation of the City continues to be responsible, progressive and frugal.

Respectfully submitted,


Alex R. Jensen
City Manager


Tracy R. Probert, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Layton
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

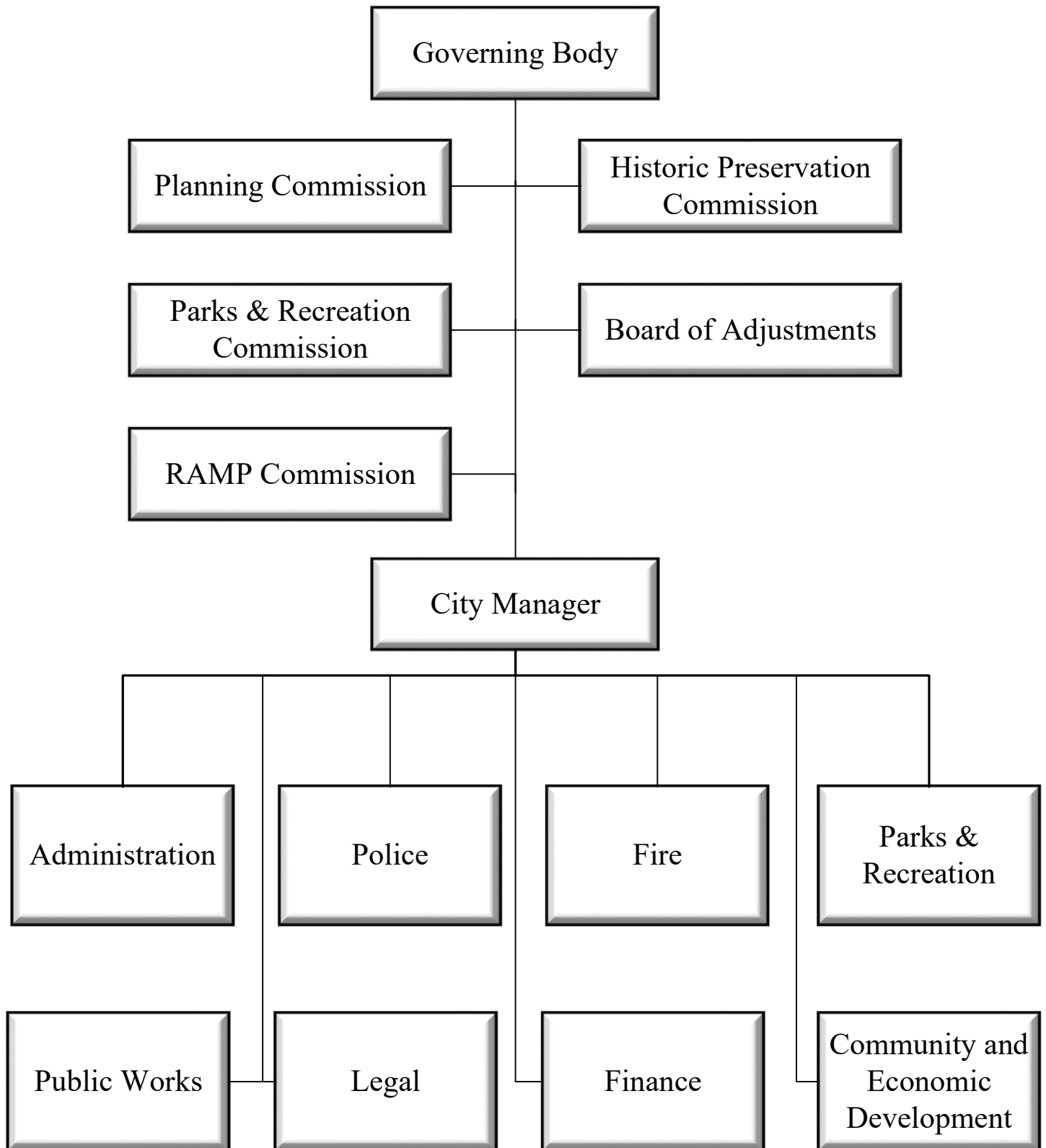
June 30, 2022

Christopher P. Morill

Executive Director/CEO

LAYTON CITY

Organizational Chart



LAYTON CITY CORPORATION

Listing of Principal City Officials

Governing Body

Mayor Joy Petro
Council Member Zach Bloxham
Council Member Bettina Smith Edmondson
Council Member Clint Morris
Council Member Tyson Roberts
Council Member Dave Thomas

City Manager

City Manager Alex R. Jensen

Management Staff

Director of Public Works Terry R. Coburn
Director of Community & Economic Development Chad Wilkinson
City Attorney Clint Drake
Chief of Police Allen Swanson
Chief of Fire Kevin C. Ward
Director of Parks and Recreation David R. Price
Director of Finance Tracy R. Probert

Other Administrative Officials

City Treasurer Kristy Neel
City Recorder Kimberly S. Read
Deputy City Recorder Tori Campbell
City Engineer Steve Jackson

Layton City Corporation

Financial Section



COMMITTED. EXPERIENCED. TRUSTED.

INDEPENDENT AUDITOR'S REPORT

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA

SHAWN F. MARTIN, CPA
MONTANA T. HADLEY, CPA
NATHAN E. ERICKSON, EA

Honorable Mayor and Members of the City Council
Layton City Corporation, Utah

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Layton City Corporation, Utah, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the major special revenue redevelopment agency fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

FOUNDERS

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11-21 and the pension schedules on pages 67-69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HBMC, LLC

December 6, 2023

Management's Discussion and Analysis

The management of Layton City presents the following narrative and analysis of the basic financial statements and financial activities of Layton City as prescribed by the Government Accounting Standards Board (GASB). The information and analysis pertains to the fiscal year ended June 30, 2023.

Financial Highlights

The assets and deferred outflows of resources of Layton City exceeded its liabilities and deferred inflows of resources at June 30, 2023, by \$461,018,299 (net position). Of this amount, \$104,546,484 (unrestricted net position) may be used to meet the City's ongoing obligations.

Layton City's total net position increased during the fiscal year by \$35,324,829. Projects in streets, water, sewer, and storm sewer, as well as developer contributed assets, were part of the increase. New development continues to move forward throughout the City, however, development has slowed due to rising interest rates.

Layton City's governmental funds reported combined ending fund balances of \$72,130,299 at June 30, 2023, an increase of \$8,928,826 in comparison to the previous year. Of the ending fund balances, \$8,725,988 in the general fund was unassigned and available for spending at the City's discretion. This represents 16.2% of fiscal year 2023 total general fund revenue.

Fund balance in the general fund at year end that was classified as assigned and unassigned amounted to \$20,435,948 or 38.0% of fiscal year 2023 total general fund revenue.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to Layton City's basic financial statements. Layton City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. In addition to the basic financial statements, this report contains required supplementary information, other supplementary information for individual funds, ten year historical tables and other statistical tables.

Government-wide financial statements. The government-wide financial statements are designed to provide a broad overview of Layton City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Layton City's assets, liabilities and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as an indicator of changes in the financial condition of the City.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. For example, uncollected taxes that have been levied but not received.

Both of the government-wide financial statements distinguish functions of Layton City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that

are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Layton City include general government, public safety, community and economic development, streets and public improvements, and parks and recreation. The business-type activities of Layton City include services for water, secondary water, sewer (sanitary), storm sewer, refuse, athletic programs, swimming pool, telecom infrastructure (UIA), street lighting and emergency medical services (EMS).

The government-wide financial statements include Layton City (known as the primary government) and two separate legal entities (known as component units). The financial information for the Redevelopment Agency of Layton City, Utah (Agency), and Davis Metro Narcotics Strike Force (Strike Force) are included in the statements. Because the City's governing body is the same as the governing board of the Agency, and can substantially control it, their financial information is blended and reported together with the financial information presented for the primary government. The Strike Force is reported discretely (in separate rows and columns) from the primary government because the governing bodies of each are completely separate and the City cannot impose its will on affairs of the Strike Force. The Strike Force is included in the financial statements for Layton City because of a unique relationship. Grants that fund a substantial portion of the operating expenses can only be obtained from Federal and State governments by Layton City on behalf of the Strike Force. The Strike Force, of itself, cannot obtain the grants.

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

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

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

Layton City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, capital projects fund and redevelopment agency special revenue fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregate presentation and are considered to be nonmajor funds. Individual fund schedules and combining statements are provided elsewhere in the report.

Layton City adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

Proprietary funds. Layton City maintains one type of proprietary fund known as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water, secondary water, storm sewer, sewer, refuse, swimming pool, emergency medical services, UIA, street lighting and athletic programs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, storm sewer, sewer, refuse and emergency medical services funds because they are considered to be major funds. Conversely, the swimming pool, secondary water, UIA, street lighting and athletic programs funds are considered to be nonmajor and are combined into a single aggregated presentation. Individual fund schedules and combining financial statements are provided elsewhere in the report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 67, 68 and 69 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents combining fund statements and individual fund schedules referred to earlier in connection with nonmajor governmental and proprietary funds. They are presented immediately following the notes to the financial statements. Selected statistical information is presented in tabular and chart form. Auditor reports on compliance are included at the end of the document.

Government-wide Financial Analysis

As noted earlier, net position is an indicator of a government's financial condition. In the case of Layton City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$461,018,299 at the close of the fiscal year.

The largest portion of the City's net position (72%) represents investment in capital assets (land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities. A portion of the City's net position, \$24,602,144 represents resources that are subject to external restrictions on how they may be used. Unrestricted net position of \$104,546,484 may be used to pay for the City's obligations and ongoing operations.

At June 30, 2023, the City was able to report positive balances in all three categories of net position; governmental activities, business-type activities, and the government as a whole.

Layton City Net Position

	Governmental activities 2023	Governmental activities 2022	Business- type activities 2023	Business- type activities 2022	Total 2023	Total 2022
Current and other assets	\$ 103,100,335	\$ 100,166,840	\$ 61,371,563	\$ 52,894,662	\$ 164,471,898	\$ 153,061,502
Capital assets	209,127,776	195,047,759	127,079,753	124,900,627	336,207,529	319,948,386
Total assets	312,228,111	295,214,599	188,451,316	177,795,289	500,679,427	473,009,888
Deferred outflows of resources	4,958,194	1,759,354	1,475,404	2,516,502	6,433,598	4,275,856
Long-term liabilities	9,272,570	4,468,740	3,073,066	660,972	12,345,636	5,129,712
Other liabilities	14,707,845	13,515,405	3,692,089	3,087,076	18,399,934	16,602,481
Total liabilities	23,980,415	17,984,145	6,765,155	3,748,048	30,745,570	21,732,193
Deferred inflows of resources	15,324,317	22,600,125	24,839	7,259,956	15,349,156	29,860,081
Net position:						
Net investment in capital assets	206,695,901	193,522,866	125,173,770	124,900,627	331,869,671	318,423,493
Restricted	17,823,252	17,519,765	6,778,892	6,508,006	24,602,144	24,027,771
Unrestricted	53,362,420	45,347,052	51,184,064	37,895,154	104,546,484	83,242,206
Total net position	\$ 277,881,573	\$ 256,389,683	\$ 183,136,726	\$ 169,303,787	\$ 461,018,299	\$ 425,693,470

Governmental activities. As noted in the following table, governmental activities increased the City's net position by \$21,491,890 in the current fiscal year as compared to \$30,404,390 in the prior year. Key elements affecting the increase were as follows:

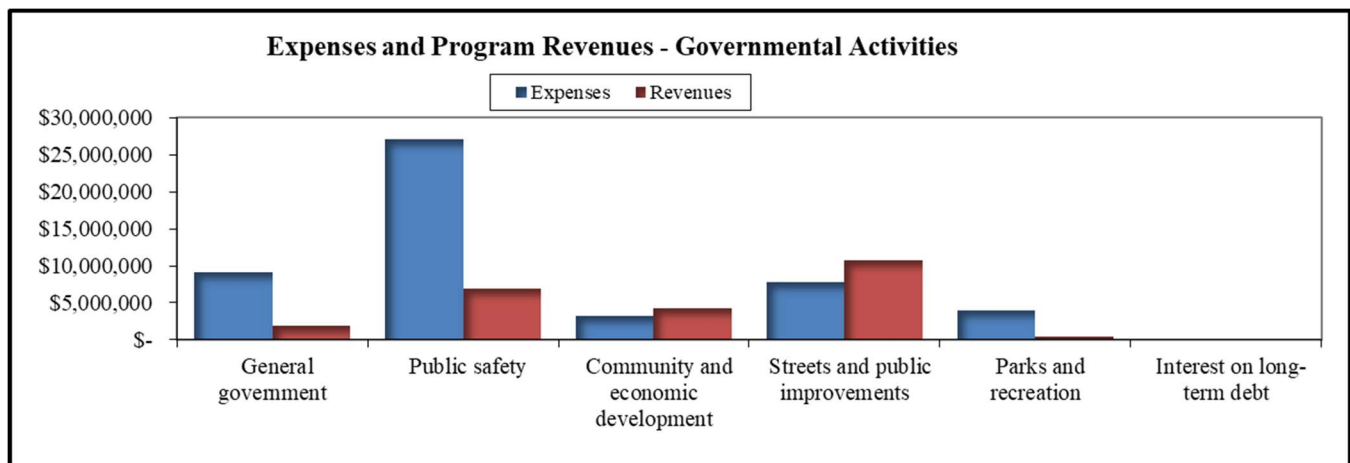
1. Capital contribution of streets and related infrastructure, including the underlying land.
2. Increased sales and other tax revenues due to expansion of the tax base from additional businesses locating in the City, however, price inflation is the major contributing factor.
3. Operations of the governmental activities.
4. Development activity in the City.
5. Interest income due to the significant increase in rates of return.

Traditionally general government, public safety, and parks and recreation activities are funded by general revenue sources such as taxes rather than program revenues. Community and economic development is primarily funded by fees. Streets and public improvements are funded with a combination of general revenue sources, fees, developer contributions and fuel taxes.

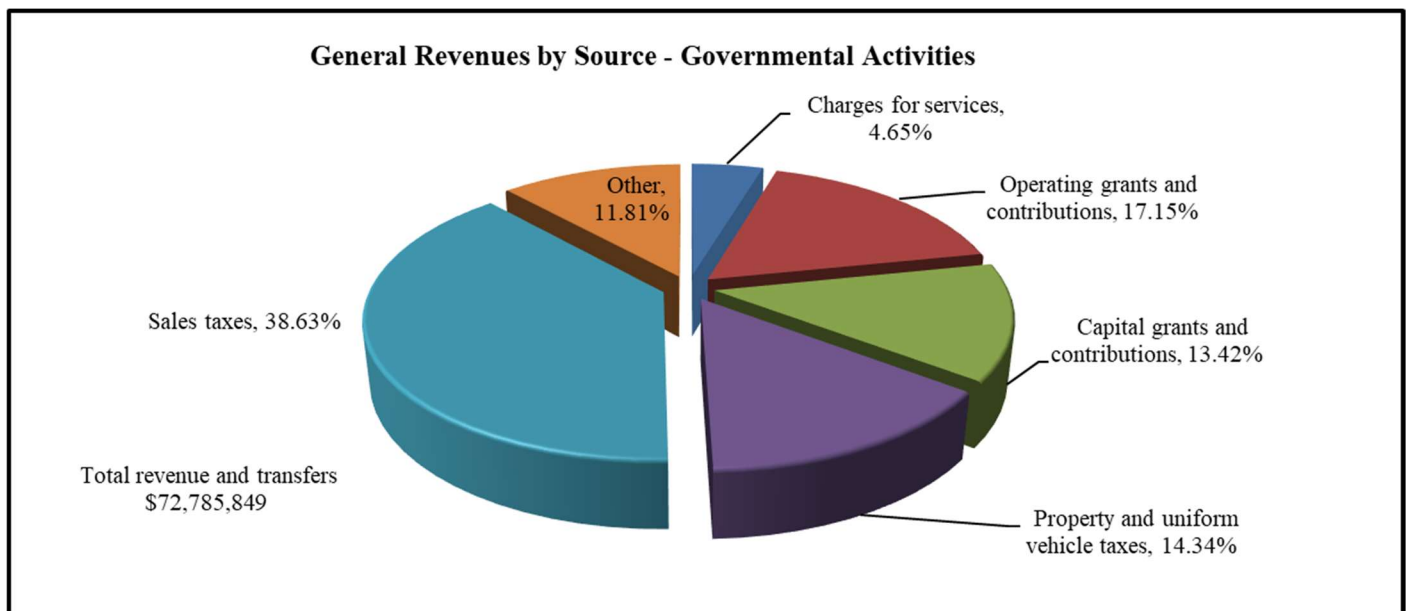
Layton City Changes in Net Position

	Govern- mental activities 2023	Govern- mental activities 2022	Business- type activities 2023	Business- type activities 2022	Total 2023	Total 2022
Revenues:						
Program revenues:						
Charges for services	\$ 3,373,315	\$ 4,091,909	\$ 40,851,480	\$ 37,432,774	\$ 44,224,795	\$ 41,524,683
Operating grants and contributions	12,485,917	12,513,176	9,483	9,024	12,495,400	12,522,200
Capital grants and contributions	9,769,581	12,449,262	2,968,974	11,753,974	12,738,555	24,203,236
General revenues:						
Property taxes	10,440,504	10,376,098			10,440,504	10,376,098
Sales taxes	28,121,355	27,095,249			28,121,355	27,095,249
Other taxes	5,981,144	5,144,468			5,981,144	5,144,468
Other	3,730,578	818,109	1,851,540	264,822	5,582,118	1,082,931
Total revenues	73,902,394	72,488,271	45,681,477	49,460,594	119,583,871	121,948,865
Expenses:						
General government	7,779,382	6,983,985			7,779,382	6,983,985
Public safety	27,179,938	19,315,746			27,179,938	19,315,746
Community and economic development	3,264,154	2,539,765			3,264,154	2,539,765
Streets and public improvements	9,321,082	8,623,641			9,321,082	8,623,641
Parks and recreation	3,588,493	3,344,157			3,588,493	3,344,157
Interest on long-term debt	160,910	58,740			160,910	58,740
Water			9,405,713	6,496,038	9,405,713	6,496,038
Secondary water			278,509	65,667	278,509	65,667
Storm sewer			3,520,206	2,141,487	3,520,206	2,141,487
Sewer			11,179,008	9,887,621	11,179,008	9,887,621
Refuse			4,992,360	4,538,792	4,992,360	4,538,792
Street lighting			858,477	550,600	858,477	550,600
Swimming pool			1,216,719	899,340	1,216,719	899,340
EMS			985,663	7,352,127	985,663	7,352,127
UIA			5,283	5,399	5,283	5,399
Athletic programs			523,145	572,880	523,145	572,880
Total expenses	51,293,959	40,866,034	32,965,083	32,509,951	84,259,042	73,375,985
Increase in net position before transfers	22,608,435	31,622,237	12,716,394	16,950,643	35,324,829	48,572,880
Transfers	(1,116,545)	(1,217,847)	1,116,545	1,217,847	-	-
Increase in net position	21,491,890	30,404,390	13,832,939	18,168,490	35,324,829	48,572,880
Net position, beginning	256,389,683	225,985,293	169,303,787	151,135,297	425,693,470	377,120,590
Net position, ending	\$ 277,881,573	\$ 256,389,683	\$ 183,136,726	\$ 169,303,787	\$ 461,018,299	\$ 425,693,470

The following chart depicts governmental activity expenses compared to program revenues attributed to the activity.



The following chart displays the major sources of general revenues for governmental activities. Taxes accounted for 60.3% of total revenue that funds governmental activities as compared to 59.8% in the prior year. A decrease in capital grant revenue caused the increase in the percentage of tax revenue compared to total revenue.

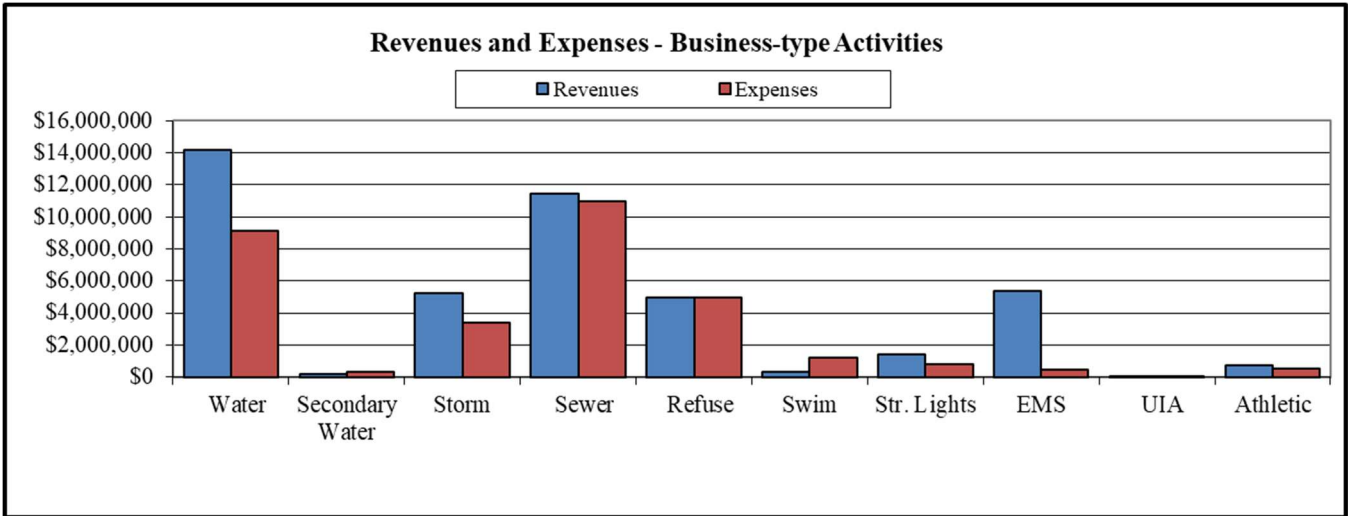


Business-type activities. As noted in the table “Layton City Changes in Net Position,” business-type activities increased the City’s net position by \$13,832,939 as compared to \$18,168,490 in the prior year. Key elements of the increase were as follows:

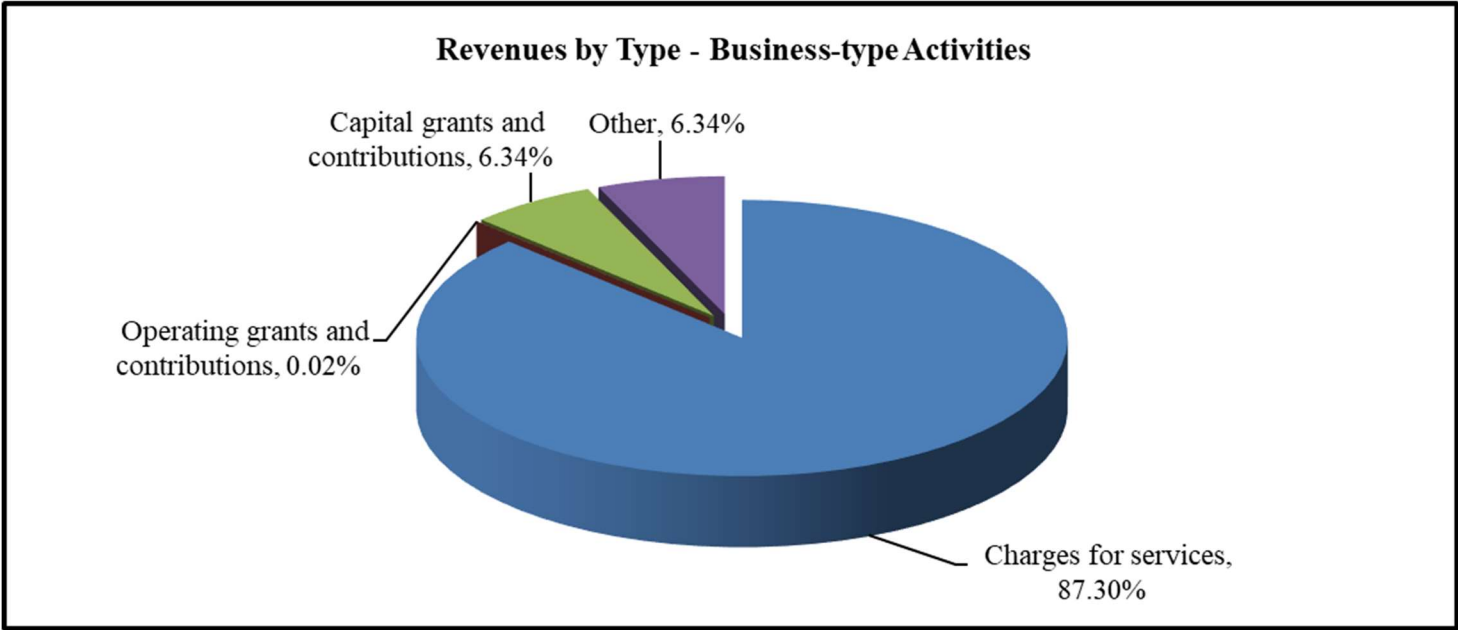
1. Decrease in contributed capital and capital related grants.
2. Rate increases in the emergency medical services fund and management of regular operating expenses.
3. Changes in the Emergency Medical Services net pension asset due to market fluctuations.

Traditionally business-type activities are self-supporting. However, the swimming pool didn’t generate sufficient program revenue and was supported by transfers from general revenue sources of the

governmental activities. The following chart displays the business-type activities revenues compared to program expenses attributed to the activity.



Business-type activities are generally funded by charges for services and 87.3% of total revenue came from charges for services. The following chart displays the major groupings of business-type revenues:



Financial Analysis of the Government’s Funds

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

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

At June 30, 2023, the City's governmental funds reported combined ending fund balances of \$72,130,299, an increase of \$8,928,826 from the prior year. There are four components of fund balance; nonspendable, restricted, assigned, and unassigned. Unassigned fund balance is available for spending at the City's discretion. Unassigned fund balance at June 30, 2023 and 2022 was \$8,725,988 and \$21,110,916, respectively. Assigned fund balance of \$45,209,315 has been assigned to intended uses. Restricted fund balance of \$17,812,539 is funds that must be spent for specific purposes and may not be used for general governmental activities. Nonspendable fund balance of \$387,130 consists of a note receivable and the difference between leases receivable and deferred inflow of resources for leases. The increase in fund balance was not projected at the beginning of the year. The major contributing factors are higher than anticipated collections from sales taxes, interest from investments, and grants. Expenditures were less than budgeted due to supply chain issues and lack of prospective employees available to fill open positions.

The general fund is the main operating fund of the City. A comparison of the unassigned fund balance and total fund balance to total general fund expenditures is a measure of liquidity. Unassigned and total fund balance as a percentage of total general fund expenditures and transfers for fiscal year 2023 and 2022, respectively were 14.7% and 44.2% and 41.6% and 60.2%. This indicates that the City is less liquid at the end of fiscal year 2023 than it was at the end of fiscal year 2022, particularly with respect to unassigned fund balance.

The unassigned fund balance of the general fund decreased (\$12,384,928). The original budget plan for the year was to decrease the fund balance by (\$4,100,300). The decrease in unassigned fund balance was primarily due to transfer of funding to the capital projects fund for streets and parks projects. A portion of this decrease is attributable to projects budgeted in the 2023-2024 fiscal year. Were it not for the additional projects budgeted in the subsequent year, sales tax, investment income and under expenditure of budgets would have led to an increase in unassigned fund balance. Additionally, the amounts reported as restricted as of June 30, 2023 increased from the prior year due to an accumulation of class C road funding. This amount of spending of unassigned fund balance is significant two years in a row. The majority of the spending is scheduled for major parks and recreation maintenance facility construction and improvements and street construction projects.

The fund balance in the redevelopment agency special revenue fund increased \$1,344,379. The increase is due to the collection of tax increment revenue and the intent to accumulate funds for future projects in the project areas.

The fund balance of the capital projects fund increased \$14,312,742. A number of 2023 projects remained uncompleted at year end. Projects include traffic signals, street and intersection improvements, park projects and large equipment.

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

Water fund. Unrestricted net position at June 30, 2022 and 2023, amounted to \$18,006,589 and \$24,792,382, respectively. A respective increase of \$4,815,439 and \$6,785,793 or 36.5% and 37.7% from the previous years. Total net position increased \$5,735,914 in fiscal year 2023. Noteworthy is an increase in charges for services of \$2,189,933 or 20.9% as compared to a decrease in charges for services in the previous year of (\$1,733,275) or (14.2%). The State of Utah received some relief from a historical drought this past winter and water restrictions that were in place during the 2021 and 2022 watering seasons were eased for the 2023 water season. Capital contributions amounted to \$1,439,198. The net pension liability increased significantly in the current year resulting in net pension expenditure which increased operational

expenses reported as salaries, wages and benefits. It is the intention of the City to build reserve balances in anticipation of planned capital projects.

Storm Sewer fund. Unrestricted net position at June 30, 2022 and 2023, amounted to \$11,338,718 and \$13,329,497, respectively. For the years ended June 30, 2022 and 2023, there was an increase of \$3,365,942 or 42.2% and \$1,990,779 or 17.6%, respectively. Total net position increased \$2,444,061. The primary elements of the overall increase and the increase in unrestricted net position were: 1) an increase in the net pension liability, resulting in an increase in reported salaries, wages and benefits and 2) capital contributions from developers. It is the intention of management to increase net position in order to fund a number of large projects in the near future with the development of 2700 west and the North Davis Corridor.

Sewer fund. Unrestricted net position at June 30, 2022 and 2023, amounted to \$3,630,204 and \$3,241,539, a change of \$1,357,674 and (\$388,665) or 59.7% and (10.7%), respectively. Total net position increased \$112,403. The primary elements of the increase were: 1) an increase in the net pension liability, resulting in an increase in reported salaries, wages and benefits; and 2) capitalized projects.

Refuse fund. Unrestricted net position at June 30, 2022 and 2023, amounted to \$1,288,092 and \$1,258,523, respectively, an increase of 20.9% and decrease of (2.3%). Total net position increased \$222,722 and decreased (\$29,569) for fiscal years 2022 and 2023, respectively. These gains (losses) are the result of: 1) an increase in the net pension liability, resulting in an increase in reported salaries, wages and benefits; and 2) increased revenue attributed to development activity in the City; and 3) increase cost of collection services per contract.

Emergency Medical Services fund. Unrestricted net position at June 30, 2022 and 2023, amounted to \$1,224,390 and \$5,649,843, a decrease of (68.7%) and an increase of 361%, respectively. Total net position changed (\$2,393,061) and \$5,054,589, for fiscal years 2022 and 2023, respectively. The increase in net position and operating income in fiscal year 2023 was due to a change in the net pension asset and deferred inflow of resources related to pensions. This caused the recognition of net pension revenue that acts as an offset to the salaries, wages and benefits operating expense. The amount of net pension (expense) revenue recognized in fiscal year 2022 and 2023 was (\$3,278,717) and \$3,687,429, respectively. This additional revenue is largely driven by actuarial and interest rate factors that often reverse in subsequent accounting periods, as seen between fiscal years 2021, 2022 and 2023, and shouldn't be a basis for making operational or capital decisions. Historical financial statements show that the fund normally experiences operational losses, which are made up by a property tax transfer from the General fund of the City. The EMS fund has had significant increases in call volume and more specifically transports of patients. This continues to be reflected in increased charges for services, which net charges increased \$930,717 and \$919,095 or 26.5% and 20.7% for fiscal year 2022 and 2023, respectively. Insurance write-downs and bad debt expense increased \$864,174 in 2022 but decreased (\$346,427) in 2023. The decrease in write-downs and bad debt expense is mostly due to new contractual arrangements with Medicaid through the State of Utah.

General Fund Budgetary Highlights

During the fiscal year, the general fund's original budget for expenditures and transfers was amended from \$54,426,989 to a final budget total of \$62,887,088, an increase of \$8,460,099. Actual expenditures and transfers were \$59,531,693 and were \$3,355,395 less than the final budget. The major elements of the savings were from unanticipated increases in revenues, particularly investment income. Increased turnover also resulted in lower than anticipated personnel costs. Departments were also very careful to control other expenditures.

Capital Assets and Debt Administration

Capital assets. Layton City's investment in capital assets for governmental and business-type activities as of June 30, 2023, was \$336,207,529 (net of accumulated depreciation), an increase of \$16,602,038 or 5.2%. The investment in capital assets includes land, intangible right-to-use lease assets, intangible right-to-use subscription assets, water stock and rights, water contracts, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction and development in progress.

Major capital asset events during the current year included the following:

- 1) Developers contributed new subdivision streets and utility systems amounting to \$10,489,762.
- 2) The City expended approximately \$4,543,034, \$5,212,940 and \$3,367,215 on street, parks, and public safety projects and equipment, respectively, and \$982,768 on water systems, \$1,224,458 on storm sewer systems, \$706,334 on sewer systems and equipment, \$180,468 on street lighting systems.
- 3) The main reductions in capital assets were depreciation and amortization of \$10,066,083.

More information is available in the notes to the financial statements, note IV (F) pages 47-49.

Layton City Capital Assets (net of depreciation)

	Gov- ern- mental Activities 2023	Gov- ern- mental Activities 2022	Busi- ness- type Activities 2023	Busi- ness- type Activities 2022	Total 2023	Total 2022
Land	\$ 111,359,137	\$ 102,811,688	\$ 1,171,095	\$ 1,171,095	\$ 112,530,232	\$ 103,982,783
Intangible	938,086	1,128,203	-	147,067	938,086	1,275,270
Intangible right-to-use lease asset	904,358	-	-	-	904,358	-
Intangible right-to-use subscription asset	415,505	-	147,067	-	562,572	-
Water stock and rights	-	-	14,203,966	13,967,966	14,203,966	13,967,966
Water contracts	-	-	2,163,780	2,163,780	2,163,780	2,163,780
Buildings	27,713,782	21,048,011	2,298,596	2,298,596	30,012,378	23,346,607
Improvements other than buildings	10,496,523	9,095,892	419,930	419,930	10,916,453	9,515,822
Equipment and utility systems	25,715,239	23,430,353	172,256,093	167,519,931	197,971,332	190,950,284
Infrastructure	125,969,268	123,038,847	-	-	125,969,268	123,038,847
Construction in progress	7,425,339	11,721,507	3,520,632	2,385,100	10,945,971	14,106,607
Development in progress	737,131	-	-	-	737,131	-
Less accumulated depreciation	(102,546,592)	(97,569,637)	(69,101,406)	(65,172,838)	(171,647,998)	(162,742,475)
Total	\$ 209,127,776	\$ 194,704,864	\$ 127,079,753	\$ 124,900,627	\$ 336,207,529	\$ 319,605,491

Long-term debt. On June 30, 2023, the City had total bonded debt outstanding of \$2,631,000 that came from an advance refunding of sales tax revenue obligation bonds issued in 2015 and the 2023 issuance of water revenue bonds for the purchase and placement of secondary water meters.

Layton City Outstanding Debt General Obligations and Revenue Bonds

	Gov- ern- mental activities 2023	Gov- ern- mental activities 2022	Busi- ness- type activities 2023	Busi- ness- type activities 2022	Total 2023	Total 2022
Revenue bonds	\$810,000	\$1,202,000	\$1,821,000	\$ -	\$2,631,000	\$1,202,000

The City's total bonded debt increased \$1,429,000 during the year. The City issued \$1,821,000 in series 2023 water revenue bonds and made principal payments on the series 2015 refunding bonds in the amount of \$392,000.

The Utah State Constitution limits the amount of general obligation debt a municipal government may issue at 4% of its total taxable property value. Cities of the first and second class (Layton City is a second class city) may issue debt up to an additional 4% of its total taxable property value for water systems, artificial lighting systems or sewer systems. On June 30, 2023, the City's limitation would be in excess of one hundred million dollars under the 4% limitation and in excess of two hundred million dollars for the combined limitation. Layton City has no outstanding general obligation debt that applies to these limits. Additional information on the City's debt is available in the notes to the financial statements, note IV (H) pages 50-52.

Economic Factors and Next Year's Budgets and Rates

1. The seasonally adjusted unemployment rate for Davis County as reported by the Utah Department of Workforce Services was 2.5% and 1.9% for June 2023 and June 2022, respectively. The rate reported for the State of Utah was 2.4% and 2.0% for June 2023 and June 2022, respectively. These compare favorably to the national seasonally adjusted rate reported by the U.S. Department of Labor, Bureau of Labor and Statistics 3.6% for June 2023 and June 2022.
2. The Governor's Office of Planning and Budget for 2023 predicted an increase in interest rates, inflation, housing costs and wages, while still projecting steady growth in various sectors. The State economy is one of the stronger in the country. Interest rates and inflation are the most concerning issues that are causing changes in the economic landscape.
3. Inflationary trends of the state and region compare similarly to the national indices, home prices being an exception. Home prices in the state and region have increased at a much faster pace than the national average.
4. New residential building permits began to decline through the end of fiscal year 2023 and continue the downward trend in fiscal year 2024. This is a direct effect of increased interest rates. Commercial building permits have remained steady at more historical levels during this same time period. New business and business relocations, expansions, reoccupations and many other positive commercial and manufacturing activities occurred during fiscal year 2023.
4. Sales tax revenues in the fiscal year ended June 30, 2022 and 2023, were 14.5% and 3.7% higher than the previous year, respectively. The increase is significantly less than the prior two years. This is a positive indication that inflation has slowed to a more historical level of growth. Rising interest rates have affected large purchases needing financing.

These and other factors were considered in preparing Layton City's budget for the 2023-2024 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Layton City's activities for those with an interest in the City's operations and position. Questions concerning the information provided in this report or requests for additional financial information should be addressed to: Layton City, Finance Director, 437 N Wasatch Drive, Layton, UT 84041. The report is posted on the City web site www.laytoncity.org.

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Layton City Corporation

Basic Financial Statements

LAYTON CITY CORPORATION

STATEMENT OF NET POSITION

June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Davis Metro Narcotics Strike Force
ASSETS				
Cash and cash equivalents	\$ 56,775,249	\$ 51,905,019	\$ 108,680,268	\$ 439,802
Investments	12,306,453	-	12,306,453	-
Receivables, net	18,080,683	6,397,414	24,478,097	102,265
Inventory	-	140,274	140,274	-
Prepaid expense	-	1,106,836	1,106,836	-
Note receivable	10,713	-	10,713	-
Contracts receivable	-	206,372	206,372	-
Leases receivable	4,042,300	-	4,042,300	-
Restricted assets:				
Restricted cash and cash equivalents	10,664,436	857,285	11,521,721	-
Receivables	144,019	-	144,019	-
Net pension asset	1,076,482	758,363	1,834,845	-
Capital assets not being depreciated				
Water stocks and rights	-	14,203,966	14,203,966	-
Land	111,359,137	1,171,095	112,530,232	-
Water contracts	-	2,163,780	2,163,780	-
Construction in progress	7,425,339	3,520,632	10,945,971	-
Development in progress	737,131	-	737,131	-
Capital assets net of accumulated depreciation				
Buildings	17,749,854	236,469	17,986,323	-
Improvements other than buildings	4,703,387	13,478	4,716,865	-
Infrastructure	59,345,654	-	59,345,654	-
Equipment and utility systems	6,487,411	105,747,257	112,234,668	31,774
Intangible right-to-use subscription assets	415,505	23,076	438,581	-
Intangible right-to-use lease asset	904,358	-	904,358	-
Total assets	312,228,111	188,451,316	500,679,427	573,841
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	24,386	-	24,386	-
Deferred outflows related to pensions	4,933,808	1,475,404	6,409,212	13,785
Total deferred outflows of resources	4,958,194	1,475,404	6,433,598	13,785
LIABILITIES				
Accounts payable	2,831,737	2,637,854	5,469,591	54,705
Accrued liabilities	2,490,137	188,056	2,678,193	1,383
Payable to other governments	-	1,186	1,186	-
Accrued bond interest payable	7,128	7,708	14,836	-
Deposits	9,378,843	857,285	10,236,128	95,876
Noncurrent liabilities:				
Due within one year	3,658,000	477,204	4,135,204	1,342
Due in more than one year	1,698,664	2,030,150	3,728,814	311
Net pension liability	3,915,906	565,712	4,481,618	7,577
Total liabilities	23,980,415	6,765,155	30,745,570	161,194
DEFERRED INFLOWS OF RESOURCES				
Pensions	131,480	24,839	156,319	235
Leases	3,665,883	-	3,665,883	-
Property tax revenue	11,526,954	-	11,526,954	-
Total deferred inflows of resources	15,324,317	24,839	15,349,156	235
NET POSITION				
Net investment in capital assets	206,695,901	125,173,770	331,869,671	31,774
Restricted for:				
Class C roads	3,953,793	-	3,953,793	-
RAMP	2,726,873	-	2,726,873	-
Prop 1	3,108	-	3,108	-
Street construction	701,177	-	701,177	-
Park development	1,064,626	-	1,064,626	-
Public safety	750,595	-	750,595	246,484
Community development	7,337,487	-	7,337,487	-
Debt service	385,634	-	385,634	-
Pensions	-	747,614	747,614	-
Affordable housing	899,959	-	899,959	-
Distribution and collection systems	-	6,031,278	6,031,278	-
Unrestricted	53,362,420	51,184,064	104,546,484	147,939
Total net position	\$ 277,881,573	\$ 183,136,726	\$ 461,018,299	\$ 426,197

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

LAYTON CITY CORPORATION

STATEMENT OF ACTIVITIES
For the year ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	Expenses	Charges for Services	Operating	Capital	Primary Government		Component Unit	
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	Davis Metro Narcotics Strike Force
Primary Government:								
Governmental activities:								
General government	\$ 7,779,382	\$ 1,127,935	\$ 146,004	\$ -	\$ (6,505,443)		\$ (6,505,443)	
Public safety	27,179,938	779,990	5,949,250	214,354	(20,236,344)		(20,236,344)	
Community and economic development	3,381,922	1,396,889	2,900,702	-	915,669		915,669	
Streets and public improvements	9,203,314	40,352	3,489,961	9,225,823	3,552,822		3,552,822	
Parks and recreation	3,588,493	28,149	-	329,404	(3,230,940)		(3,230,940)	
Interest on long-term debt	160,910	-	-	-	(160,910)		(160,910)	
Total governmental activities	51,293,959	3,373,315	12,485,917	9,769,581	(25,665,146)		(25,665,146)	
Business-type activities:								
Water	9,405,713	12,665,042	-	1,482,500		4,741,829	4,741,829	
Secondary water	278,509	195,215	-	-		(83,294)	(83,294)	
Storm sewer	3,520,206	4,166,515	-	1,089,298		1,735,607	1,735,607	
Sewer	11,179,008	11,025,714	-	397,176		243,882	243,882	
Refuse	4,992,360	4,951,098	-	-		(41,262)	(41,262)	
Swimming pool	1,216,719	331,457	-	-		(885,262)	(885,262)	
Emergency medical services	985,663	5,365,999	9,483	-		4,389,819	4,389,819	
Street lighting	858,477	1,425,206	-	-		566,729	566,729	
UIA	5,283	1,930	-	-		(3,353)	(3,353)	
Athletic programs	523,145	723,304	-	-		200,159	200,159	
Total business-type activities	32,965,083	40,851,480	9,483	2,968,974		10,864,854	10,864,854	
Total primary government activities	\$ 84,259,042	\$ 44,224,795	\$ 12,495,400	\$ 12,738,555	(25,665,146)	10,864,854	(14,800,292)	
Component unit:								
Davis metro narcotics strike force	\$ 710,972		\$ 563,097					\$ (147,875)
General revenues:								
Property and uniform vehicle taxes					10,440,504	-	10,440,504	\$ -
Sales and use taxes					28,121,355	-	28,121,355	-
Franchise, telecommunication and energy sales taxes					5,675,089	-	5,675,089	-
Transient room tax					306,055	-	306,055	-
Investment earnings					2,635,935	1,732,187	4,368,122	473
Interest income leases					106,916	-	106,916	-
Miscellaneous					987,727	118,353	1,106,080	3,056
Gain on sale/disposal of capital assets					-	1,000	1,000	-
Transfers					(1,116,545)	1,116,545	-	-
Total general revenues and transfers					47,157,036	2,968,085	50,125,121	3,529
Change in net position					21,491,890	13,832,939	35,324,829	(144,346)
Net position - beginning					256,389,683	169,303,787	425,693,470	570,543
Net position - ending					\$ 277,881,573	\$ 183,136,726	\$ 461,018,299	\$ 426,197

LAYTON CITY CORPORATION

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	Capital Projects	Special Revenue Redevelopment Agency	Total Nonmajor Governmental	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 9,374,763	\$ 31,053,399	\$ 7,694,524	\$ 8,652,563	\$ 56,775,249
Investments	12,306,453	-	-	-	12,306,453
Receivables	15,026,553	-	2,090,736	963,394	18,080,683
Due from other funds	57,753	-	-	-	57,753
Note receivable	-	-	10,713	-	10,713
Leases receivable	4,042,300	-	-	-	4,042,300
Restricted assets:					
Restricted cash and cash equivalents	9,378,843	-	899,959	385,634	10,664,436
Receivables	-	-	144,019	-	144,019
Total assets	50,186,665	31,053,399	10,839,951	10,001,591	102,081,606
<u>Liabilities</u>					
Accounts payable	793,354	1,172,022	367,750	498,611	2,831,737
Accrued liabilities	2,325,667	116,015	-	48,455	2,490,137
Deposits	9,378,843	-	-	-	9,378,843
Due to other funds	-	-	-	57,753	57,753
Total liabilities	12,497,864	1,288,037	367,750	604,819	14,758,470
<u>Deferred inflows of resources</u>					
Property tax revenue	9,292,199	-	2,234,755	-	11,526,954
Leases	3,665,883	-	-	-	3,665,883
Total deferred inflows of resources	12,958,082	-	2,234,755	-	15,192,837
<u>Fund balance</u>					
Nonspendable	376,417	-	10,713	-	387,130
Restricted for:					
Class C roads	3,918,354	35,439	-	-	3,953,793
RAMP	-	-	-	2,726,873	2,726,873
Prop 1	-	3,108	-	-	3,108
Street construction	-	468,729	-	232,448	701,177
Park development	-	-	-	1,064,626	1,064,626
Public safety facilities	-	1,178	-	749,417	750,595
Community development	-	-	7,326,774	-	7,326,774
Debt service	-	-	-	385,634	385,634
Affordable housing	-	-	899,959	-	899,959
Total restricted fund balance	3,918,354	508,454	8,226,733	5,158,998	17,812,539
Assigned to:					
General fund	11,709,960	-	-	-	11,709,960
Capital projects fund	-	29,256,908	-	-	29,256,908
Debt service fund	-	-	-	733,667	733,667
Emergency dispatch fund	-	-	-	263,969	263,969
Community development block grant	-	-	-	11,320	11,320
Building services	-	-	-	108,263	108,263
Proposition 1 transit	-	-	-	3,125,228	3,125,228
Total assigned fund balance	11,709,960	29,256,908	-	4,242,447	45,209,315
Unassigned	8,725,988	-	-	(4,673)	8,721,315
Total fund balances	24,730,719	29,765,362	8,237,446	9,396,772	72,130,299
Total liabilities, deferred inflows of resources and fund balances	\$ 50,186,665	\$ 31,053,399	\$ 10,839,951	\$ 10,001,591	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	209,127,776
Deferred outflows of resources are not current financial resources and, therefore, are not reported in the funds	4,958,194
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	1,076,482
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(9,279,698)
Deferred inflows of resources related to pensions are not current financial resources and, therefore, are not reported in the funds.	(131,480)
Net position of governmental activities	\$ 277,881,573

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

LAYTON CITY CORPORATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2023

	General	Capital Projects	Special Revenue Redevelopment Agency	Total Nonmajor Governmental	Total Governmental Funds
<u>Revenues:</u>					
Taxes and special assessments	\$ 40,274,224	\$ -	\$ -	\$ 4,268,779	\$ 44,543,003
Licenses and permits	324,920	-	-	-	324,920
Intergovernmental	8,595,122	-	2,234,755	1,377,727	12,207,604
Charges for services	1,178,025	-	-	2,222,533	3,400,558
Fines and forfeitures	181,948	-	-	-	181,948
Miscellaneous	3,257,043	533,686	288,782	316,226	4,395,737
Total revenues	53,811,282	533,686	2,523,537	8,185,265	65,053,770
<u>Expenditures:</u>					
Current:					
General government	5,170,839	-	-	236,946	5,407,785
Public safety	24,462,531	-	-	551,315	25,013,846
Community and economic development	569,174	-	1,179,158	1,595,116	3,343,448
Streets and public improvements	4,964,210	-	-	268,725	5,232,935
Parks and recreation	4,214,873	-	-	1,510,104	5,724,977
Debt service:					
Principal	-	-	-	392,000	392,000
Interest and agent fees	77,499	-	-	21,915	99,414
Pledge payments	-	-	-	1,938,782	1,938,782
Capital outlay	-	9,756,716	-	-	9,756,716
Total expenditures	39,459,126	9,756,716	1,179,158	6,514,903	56,909,903
Excess (deficiency) of revenues over (under) expenditures	14,352,156	(9,223,030)	1,344,379	1,670,362	8,143,867
<u>Other financing sources (uses):</u>					
Transfers in	89,243	23,407,116	-	2,600,239	26,096,598
Transfers out	(20,072,567)	(216,393)	-	(6,924,183)	(27,213,143)
Intangible right-to-use lease and subscriptions issued	1,546,834	-	-	-	1,546,834
Sale of capital assets	9,621	345,049	-	-	354,670
Total other financing sources (uses)	(18,426,869)	23,535,772	-	(4,323,944)	784,959
Net change in fund balances	(4,074,713)	14,312,742	1,344,379	(2,653,582)	8,928,826
Fund balances - beginning	28,805,432	15,452,620	6,893,067	12,050,354	63,201,473
Fund balances - ending	\$ 24,730,719	\$ 29,765,362	\$ 8,237,446	\$ 9,396,772	\$ 72,130,299

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

LAYTON CITY CORPORATION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2023

Net change in fund balances - total governmental funds	\$ 8,928,826
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays and capital contributions exceeded depreciation in the current period.	13,409,026
In the statement of activities, only the gain or loss on sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the undepreciated cost of the capital assets sold.	(516,372)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount bond and debt repayments exceed proceeds.	383,258
Lease of right-of-use assets provide current financial resources to governmental funds, but lease contracts increase long-term liabilities in the statement of net position. Payment of the lease is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position. This is the amount of the reduction in lease liability in the statement of net position.	114,784
Subscription- based information technology arrangements generate an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position. This is the amount of the reduction in lease liability in the statement of net position.	93,207
Net pension liabilities and assets do not provide or use current financial resources and therefore current year gains and losses related to these assets and liabilities are not reported in the funds.	(898,600)
Certain nonemployer contributions are made directly to the pension plan and therefore do not generate current financial resources and are not reported in the funds.	278,313
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>(300,552)</u>
Change in net position of governmental activities	<u>\$ 21,491,890</u>

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

LAYTON CITY CORPORATION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>Revenues</u>				
Taxes and special assessments	\$ 37,943,287	\$ 37,943,287	\$ 40,274,224	\$ 2,330,937
Licenses and permits	2,326,500	1,411,500	324,920	(1,086,580)
Intergovernmental	8,078,583	8,217,513	8,595,122	377,609
Charges for services	765,000	1,046,643	1,178,025	131,382
Fines and forfeitures	220,000	220,000	181,948	(38,052)
Miscellaneous	943,000	1,024,639	3,257,043	2,232,404
Total revenues	50,276,370	49,863,582	53,811,282	3,947,700
<u>Expenditures</u>				
Current:				
General government:				
Administration	1,289,472	1,346,088	1,135,436	210,652
Legal	1,908,851	1,962,426	1,705,211	257,215
Finance	2,192,978	2,342,374	2,330,192	12,182
Non-departmental	300,000	122,074	-	122,074
Total general government	5,691,301	5,772,962	5,170,839	602,123
Public safety:				
Police	16,667,128	17,501,828	17,990,525	(488,697)
Fire	6,838,820	6,863,024	6,472,006	391,018
Total public safety	23,505,948	24,364,852	24,462,531	(97,679)
Community and economic development	2,261,694	1,215,834	569,174	646,660
Streets and public improvements	5,534,685	6,625,352	4,964,210	1,661,142
Parks and recreation	4,625,007	4,835,521	4,214,873	620,648
Debt service: interest	-	-	77,499	(77,499)
Total expenditures	41,618,635	42,814,521	39,459,126	3,355,395
Excess of revenues over expenditures	8,657,735	7,049,061	14,352,156	7,303,095
<u>Other financing sources (uses)</u>				
Transfers in	30,319	89,243	89,243	-
Transfers out	(12,808,354)	(20,072,567)	(20,072,567)	-
Intangible right-to-use lease and subscriptions issued	-	-	1,546,834	1,546,834
Sale of capital assets	20,000	20,000	9,621	(10,379)
Total other financing sources (uses)	(12,758,035)	(19,963,324)	(18,426,869)	1,536,455
Net change in fund balance	(4,100,300)	(12,914,263)	(4,074,713)	8,839,550
Fund balance - beginning	28,805,432	28,805,432	28,805,432	-
Fund balance - ending	\$ 24,705,132	\$ 15,891,169	\$ 24,730,719	\$ 8,839,550

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

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LAYTON CITY CORPORATION

REDEVELOPMENT AGENCY FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 2,025,000	\$ 2,025,000	\$ 2,234,755	\$ 209,755
Miscellaneous	-	-	288,782	288,782
Total revenues	2,025,000	2,025,000	2,523,537	498,537
<u>Expenditures</u>				
Current:				
Community and economic development:				
Wages and benefits	67,382	70,500	70,497	3
Materials and supplies	56,600	56,600	500	56,100
Capital outlay - projects	400,000	567,000	142,381	424,619
Payback and purchase agreements	1,263,000	3,630,119	965,780	2,664,339
Total expenditures	1,786,982	4,324,219	1,179,158	3,145,061
Excess (deficiency) of revenue over (under) expenditures	238,018	(2,299,219)	1,344,379	3,643,598
Net change in fund balance	238,018	(2,299,219)	1,344,379	3,643,598
Fund balance - beginning	6,893,067	6,893,067	6,893,067	-
Fund balance - ending	\$ 7,131,085	\$ 4,593,848	\$ 8,237,446	\$ 3,643,598

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

LAYTON CITY CORPORATION

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Water	Storm Sewer	Sewer	Refuse	Emergency Medical Services	Total Nonmajor Proprietary Funds	Total Proprietary Funds
<u>Assets</u>							
Current assets:							
Cash and cash equivalents	\$ 23,822,984	\$ 17,067,316	\$ 3,010,320	\$ 1,006,946	\$ 4,116,958	\$ 2,880,495	\$ 51,905,019
Accounts receivable, net	2,541,928	452,896	1,310,077	639,319	1,293,499	159,695	6,397,414
Contracts receivable	-	-	-	-	-	23,852	23,852
Inventory	133,602	-	-	-	-	6,672	140,274
Prepaid expense	1,106,836	-	-	-	-	-	1,106,836
Total current assets	27,605,350	17,520,212	4,320,397	1,646,265	5,410,457	3,070,714	59,573,395
Noncurrent assets:							
Restricted cash and cash equivalents	364,162	493,123	-	-	-	-	857,285
Contracts receivable	-	-	-	-	-	182,520	182,520
Net pension asset	-	-	-	-	758,363	-	758,363
Capital assets:							
Water stocks and rights	14,203,966	-	-	-	-	-	14,203,966
Land	420,551	718,832	30,712	-	-	1,000	1,171,095
Water contracts	2,163,780	-	-	-	-	-	2,163,780
Buildings	-	-	-	-	-	2,298,596	2,298,596
Improvements other than buildings	397,467	-	-	-	-	22,463	419,930
Distribution and collections systems	64,747,661	64,370,211	25,104,237	-	-	4,146,805	158,368,914
Equipment	5,173,353	3,127,644	1,574,451	-	2,944,814	1,066,917	13,887,179
Construction in progress	304,569	1,864,445	750,618	-	-	601,000	3,520,632
Intangible right-to-use subscription assets	115,382	-	31,685	-	-	-	147,067
Less: accumulated depreciation and amortization	(27,613,487)	(25,774,709)	(10,696,500)	-	(1,611,625)	(3,405,085)	(69,101,406)
Total capital assets (net of accumulated depreciation and amortization)	59,913,242	44,306,423	16,795,203	-	1,333,189	4,731,696	127,079,753
Total noncurrent assets	60,277,404	44,799,546	16,795,203	-	2,091,552	4,914,216	128,877,921
Total assets	87,882,754	62,319,758	21,115,600	1,646,265	7,502,009	7,984,930	188,451,316
<u>Deferred outflows of resources</u>							
Deferred outflows related to pensions	400,364	134,282	205,665	26,250	605,189	103,654	1,475,404
<u>Liabilities</u>							
Current liabilities:							
Accounts payable	184,146	794,395	1,100,726	399,117	36,388	123,082	2,637,854
Accrued liabilities	27,949	26,110	36,225	-	68,028	29,744	188,056
Compensated absences payable	113,368	22,630	45,988	-	245,212	26,154	453,352
Customer deposits	364,162	493,123	-	-	-	-	857,285
Payable to other governments	-	-	-	-	1,186	-	1,186
Accrued bond interest payable	7,708	-	-	-	-	-	7,708
Contracts payable	-	-	-	-	-	23,852	23,852
Total current liabilities	697,333	1,336,258	1,182,939	399,117	350,814	202,832	4,169,293
Noncurrent liabilities:							
Compensated absences payable	6,930	1,383	2,811	-	14,989	1,598	27,711
Bonds payable	1,821,000	-	-	-	-	-	1,821,000
Contracts payable	-	-	-	-	-	181,439	181,439
Net pension liability	263,760	117,509	113,043	14,428	-	56,972	565,712
Total noncurrent liabilities	2,091,690	118,892	115,854	14,428	14,989	240,009	2,595,862
Total liabilities	2,789,023	1,455,150	1,298,793	413,545	365,803	442,841	6,765,155
<u>Deferred inflows of resources</u>							
Deferred inflows related to pensions	6,453	1,918	3,505	447	10,749	1,767	24,839
<u>Net Position</u>							
Net investment in capital assets	58,080,332	44,251,125	16,777,428	-	1,333,189	4,731,696	125,173,770
Restricted for pensions	-	-	-	-	747,614	-	747,614
Restricted for system development	2,614,928	3,416,350	-	-	-	-	6,031,278
Unrestricted	24,792,382	13,329,497	3,241,539	1,258,523	5,649,843	2,912,280	51,184,064
Total net position	\$ 85,487,642	\$ 60,996,972	\$ 20,018,967	\$ 1,258,523	\$ 7,730,646	\$ 7,643,976	\$ 183,136,726

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

LAYTON CITY CORPORATION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 For the year ended June 30, 2023

	Water	Storm Sewer	Sewer	Refuse	Emergency Medical Services	Total Nonmajor Proprietary Funds	Total Proprietary Funds
<u>Operating revenues</u>							
Charges for services	\$ 12,663,542	\$ 4,166,515	\$ 11,025,714	\$ 4,951,098	\$ 5,365,999	\$ 2,677,112	\$ 40,849,980
Miscellaneous	19,566	20,678	3,312	11,634	530	62,633	118,353
Total operating revenues	12,683,108	4,187,193	11,029,026	4,962,732	5,366,529	2,739,745	40,968,333
<u>Operating expenses</u>							
Salaries, wages and benefits	2,701,720	859,370	1,535,239	161,544	3,693,770	1,321,041	10,272,684
Net pension expense (revenue)	488,281	302,819	126,486	20,413	(3,687,429)	57,151	(2,692,279)
Supplies and maintenance	1,164,996	615,054	385,396	60,778	463,100	666,439	3,355,763
Utilities	568,441	10,221	15,170	6,811	12,528	618,442	1,231,613
Professional services and training	13,928	11,748	22,991	-	47,940	10,534	107,141
Contracted services	2,587,635	251	8,326,191	4,733,691	-	4,895	15,652,663
Insurance	27,923	68,503	65,691	1,995	163,973	25,904	353,989
Rent	161,820	125,904	140,148	7,128	-	-	435,000
Depreciation	1,683,261	1,526,336	561,696	-	275,823	177,727	4,224,843
Total operating expenses	9,398,005	3,520,206	11,179,008	4,992,360	969,705	2,882,133	32,941,417
Operating income (loss)	3,285,103	666,987	(149,982)	(29,628)	4,396,824	(142,388)	8,026,916
<u>Nonoperating revenues (expenses)</u>							
Interest revenue	772,334	618,758	113,023	37,559	119,251	71,262	1,732,187
Connection charges	1,500	-	-	-	-	-	1,500
Grants/intergovernmental	43,302	-	-	-	9,483	-	52,785
Gain (loss) on disposal of capital assets	-	1,000	-	-	(15,958)	-	(14,958)
Interest expense	(7,708)	-	-	-	-	-	(7,708)
Total nonoperating revenues	809,428	619,758	113,023	37,559	112,776	71,262	1,763,806
Income (loss) before contributions and transfers	4,094,531	1,286,745	(36,959)	7,931	4,509,600	(71,126)	9,790,722
Capital contributions	1,439,198	1,089,298	397,176	-	-	-	2,925,672
Transfers in	266,666	170,000	-	-	775,989	595,000	1,807,655
Transfers out	(64,481)	(101,982)	(247,814)	(37,500)	(231,000)	(8,333)	(691,110)
Change in net position	5,735,914	2,444,061	112,403	(29,569)	5,054,589	515,541	13,832,939
Total net position - beginning	79,751,728	58,552,911	19,906,564	1,288,092	2,676,057	7,128,435	169,303,787
Total net position - ending	\$ 85,487,642	\$ 60,996,972	\$ 20,018,967	\$ 1,258,523	\$ 7,730,646	\$ 7,643,976	\$ 183,136,726

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

LAYTON CITY CORPORATION

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the year ended June 30, 2023

	Water	Storm Sewer	Sewer
<u>Cash flow from operating activities</u>			
Receipts from customers (including cash deposits)	\$ 11,989,359	\$ 4,198,094	\$ 11,033,136
Payments to suppliers	(2,182,371)	(393,342)	(258,440)
Payments to other governments	(2,587,635)	-	(8,326,191)
Payments for interfund services used	(386,820)	(160,860)	(175,104)
Payments to employees	(2,246,226)	(555,486)	(1,381,534)
Net cash provided (used) by operating activities	4,586,307	3,088,406	891,867
<u>Cash flow from non-capital financing activities</u>			
Transfers from other funds	266,666	170,000	-
Transfers to other funds	(64,481)	(101,982)	(247,814)
County, state and federal grants	-	-	-
Connection fees	1,500	-	-
Net cash provided (used) by non-capital financing activities	203,685	68,018	(247,814)
<u>Cash flow from capital and related financing activities</u>			
Contracts receivable	-	-	-
Proceeds on disposal of capital assets	-	1,000	-
Contracts payable and developer payments	-	-	-
Purchase of capital assets	(285,620)	(701,066)	(11,434)
Construction of capital assets	(974,113)	(1,224,458)	(706,334)
Proceeds from capital debt	1,821,000	-	-
Capital grants	43,302	-	-
Developer payments	-	-	34,405
Impact fees	434,563	296,909	-
Exaction fees	4,345	-	-
Net cash provided (used) by capital and related financing activities	1,043,477	(1,627,615)	(683,363)
<u>Cash flow from investing activities</u>			
Interest earned on investments	772,334	618,758	113,023
Net cash provided by investing activities	772,334	618,758	113,023
Net increase (decrease) in cash and cash equivalents	6,605,803	2,147,567	73,713
Cash and cash equivalents at beginning of year	17,581,343	15,412,872	2,936,607
Cash and cash equivalents at end of year	\$ 24,187,146	\$ 17,560,439	\$ 3,010,320
<u>Reconciliation of operating income to net cash provided (used) by operating activities:</u>			
Operating income (loss)	\$ 3,285,103	\$ 666,987	\$ (149,982)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	1,683,261	1,526,336	561,696
Net pension (revenue) expense	488,281	302,819	126,486
(Increase) decrease in accounts receivable	(693,749)	10,901	4,110
(Increase) decrease in prepaids	(26,645)	-	-
(Increase) decrease in inventories	(12,690)	-	-
Increase (decrease) in accounts payable	(137,422)	670,548	322,338
Increase (decrease) in accrued liabilities	9,885	-	-
Increase (decrease) in compensated absences	(42,672)	1,065	27,219
Increase (decrease) in customer deposits	32,955	(90,250)	-
Total adjustments	1,301,204	2,421,419	1,041,849
Net cash provided (used) by operating activities	\$ 4,586,307	\$ 3,088,406	\$ 891,867
<u>Noncash investing, capital and financing activities:</u>			
Contribution of water, sewer, storm drain and street lights from developers	\$ 764,290	\$ 792,389	\$ 362,771
Water exaction fees received as water stock shares	236,000	-	-

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

Refuse	Emergency Medical Services	Total Nonmajor Proprietary Funds	Totals
\$ 4,940,310	\$ 5,215,114	\$ 2,738,837	\$ 40,114,850
(4,796,171)	3,012,823	(1,423,265)	(6,040,766)
-	-	-	(10,913,826)
(7,128)	-	(4,895)	(734,807)
(141,131)	(7,427,210)	(1,337,638)	(13,089,225)
(4,120)	800,727	(26,961)	9,336,226
-	775,989	595,000	1,807,655
(37,500)	(231,000)	(8,333)	(691,110)
-	9,483	-	9,483
-	-	-	1,500
(37,500)	554,472	586,667	1,127,528
-	-	47,021	47,021
-	-	-	1,000
-	-	(46,948)	(46,948)
-	(173,303)	(188,149)	(1,359,572)
-	-	-	(2,904,905)
-	-	-	1,821,000
-	-	-	43,302
-	-	-	34,405
-	-	-	731,472
-	-	-	4,345
-	(173,303)	(188,076)	(1,628,880)
37,559	119,251	71,262	1,732,187
37,559	119,251	71,262	1,732,187
(4,061)	1,301,147	442,892	10,567,061
1,011,007	2,815,811	2,437,603	42,195,243
\$ 1,006,946	\$ 4,116,958	\$ 2,880,495	\$ 52,762,304
\$ (29,628)	\$ 4,396,824	\$ (142,388)	\$ 8,026,916
-	275,823	177,727	4,224,843
20,413	(3,687,429)	57,151	(2,692,279)
(22,422)	(151,415)	(908)	(853,483)
-	-	-	(26,645)
-	-	(71)	(12,761)
27,517	15,556	(68,744)	829,793
-	(2,621)	(21,961)	(14,697)
-	(46,011)	(27,767)	(88,166)
-	-	-	(57,295)
25,508	(3,596,097)	115,427	1,309,310
\$ (4,120)	\$ 800,727	\$ (26,961)	\$ 9,336,226
\$ -	\$ -	\$ -	\$ 1,919,450
-	-	-	236,000

LAYTON CITY CORPORATION

Notes to Financial Statements

June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

Layton City Corporation is a municipal government that was incorporated in 1920 as a subdivision of the State of Utah. The City is governed by an elected mayor and five-member council. The City is classified as a second class city under state statute and operates under the council-manager form of government. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The accounting policies of Layton City Corporation and component units conform to accounting principles generally accepted in the United States as applicable to governmental entities.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards Board (GASB). The component units discussed below are included in the City's reporting entity because of the significance of the operational or financial relationships with the City.

The Redevelopment Agency of Layton City, Utah (Agency), was established to pursue redevelopment and economic development projects that are allowed within state statutes. The Mayor and the City Council serve as the Board of Directors. Because of the dual role of the governing body, the City has substantial direct control and can impose its will upon the Agency. Separate financial statements for the agency are not prepared but are reported as part of this report as a blended component unit. The Agency is reported as a major special revenue fund. The Agency's primary funding source is property tax increment revenue. The Agency does not publish separate financial statements.

The Davis Metro Narcotics Strike Force (Strike Force) is an inter-local cooperative entity formed by the cities within Davis County and also includes the county government. The Strike Force was formed to jointly enforce drug laws. Some cities, including Layton City, provide manpower and some cities contribute cash in support of the Strike Force. The Strike Force is financed significantly by federal grants. The Strike Force, on its own, cannot qualify to be a grantee for federal grants. The City applies for and administers grants for the benefit of the Strike Force. The City Council does not have substantial direct control, nor can it impose its will upon the Strike Force. However, the Strike Force management, administration, fiscal and accounting affairs are intertwined with the public safety functions of the City. Therefore, the Strike Force has been included as a discretely presented component unit in this report because the Strike Force is deemed to be fiscally dependent upon the City for grant revenue and creates both a financial benefit and burden in providing staff for its fiscal functions and access to its assets. The Strike Force does not issue separate financial statements.

B. Government-wide and fund financial statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, and proprietary funds. Major individual governmental funds and major individual enterprise funds

are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the general, capital projects and redevelopment agency special revenue funds as major governmental funds:

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

The redevelopment agency special revenue fund (RDA) is accounted for as a blended component unit and is used to account for the activities in the redevelopment project areas. The primary funding sources for the RDA are tax increment revenue and intergovernmental revenue from the other taxing entities which collect taxes in the RDA taxing area.

The capital projects fund is used to account for the acquisition or construction of major capital facilities and equipment that are funded with general resources of the City, but excludes equipment and facilities financed by proprietary funds.

The City reports the water, storm sewer, sewer, refuse and emergency medical services funds as major proprietary funds: The water fund accounts for activities of the City's culinary water utility system.

The storm sewer fund accounts for the City's storm water utility system that collects, controls and diverts storm water to avoid flooding.

The sewer fund accounts for the activities of the sanitary sewer collection system which directs sewage to a treatment plant that is operated by another government agency.

The refuse fund accounts for the activities of solid waste collection and the cost of disposal at a facility operated by another government agency.

The emergency medical services fund accounts for the activities of ambulance and paramedic services including calls for service and transports.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are payments-in-lieu of taxes and other charges between the City's enterprise funds and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions involved. Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges; 2) operating grants and contributions; and 3) capital grants and contributions.

Internally designated resources are reported as general revenues rather than as program revenues. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for services and products related to such services. Operating expenses of the enterprise funds include the costs of providing the services and sale of products, administration costs, and depreciation of capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources.

D. Assets, liabilities, deferred outflows/inflows, and net position/fund balance

1. Cash and cash equivalents and investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and are generally considered short-term, highly liquid investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

City and Strike Force cash and investments are kept separate from the Agency. The City and Strike Force use pooled cash and investment accounts. Each fund's share of the pooled accounts is tracked and presented on the individual fund statements as "Cash and cash equivalents."

The City policy allows for the investment of temporarily idle funds in any instrument allowed by the State Money Management Council, including the Utah Public Treasurer's Investment Fund that is managed by the State Treasurer.

2. Receivables and payables

Activity between funds that represent lending/borrowing arrangements outstanding are reported as "due to/from other funds." All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance adjustment is determined annually using the accounts receivable historical method of calculation.

Property taxes attach as an enforceable lien on property January 1. Taxes are levied by June 22 or if there is a property tax increase then by September 1 and are payable by November 30. Davis County bills and collects property taxes for all entities that levy property taxes within the county.

The City records water utility revenues to the date that the meters have been read. Unbilled service has been accrued as an account receivable through June 30, 2023, and has likewise been recorded as revenue.

3. Inventories and prepaid items

Inventories are valued at cost, which approximates market, using the first in/first out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Inventory and prepaid items are accounted for under the consumption method.

4. Restricted assets

Certain assets are classified as restricted assets because bond covenants limit their use, and most are held in separate bank accounts for that purpose. Customer deposits held in governmental funds as sureties are also classified as restricted assets. Some cash and accrued property tax receivable in the special revenue redevelopment agency fund are restricted for use by State statute for affordable housing programs.

5. Leases receivable

The City's leases receivable are measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the leases. The deferred inflow of resources is recorded at the initiation of the leases in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of individual leases.

6. Capital assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, sidewalks, and similar items), and intangibles are reported in the applicable governmental or business-type activities in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost that equals or exceeds a capitalization threshold with an estimated useful life in excess of two years. The City has separated assets into classifications for capitalization and threshold purposes. The threshold for capitalization is: 1) equipment, except vehicles and other rolling stock \$5,000; 2) vehicles and other rolling stock \$10,000; 3) improvements other than buildings \$50,000; 4) buildings \$100,000; 5) infrastructure \$100,000; and 6) intangibles \$25,000.

Property, plant, equipment, and intangibles of the City and component units are depreciated/amortized using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure (utility systems)	50
Infrastructure (other)	40
Intangibles	5 - 10
Intangibles right-to-use leases	3 – 10
Intangibles right-to-use subscriptions	3
Buildings	50
Improvements other than buildings	15
Equipment (except rolling stock)	5
Equipment (passenger cars)	3
Equipment (trucks)	5
Equipment (loaders, graders, etc.)	10

Intangible assets that have an indefinite useful life are not amortized.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items are recorded at acquisition value at the date of donation.

The cost of maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The City has recorded intangible right-to-use lease assets as a result of implementing GASB 87. The intangible right-to-use asset is initially measured at an amount equal to the initial measurement of the related lease liability. The intangible right-to-use asset is amortized on a straight-line basis over the life of the related lease.

8. Compensated absences

For government-wide financial statements, amounts of accumulated vacation and sick leave for governmental funds that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as an expense in the government-wide statement of activities.

For governmental fund financial statements, no liability or expenditure is recorded for accumulated vacation and sick leave. Compensated absences and pensions of governmental activities are generally liquidated by the general fund.

For proprietary fund financial statements, accumulated vacation and sick leave is recorded as a liability and an expense when accrued to the employee and paid by the individual funds as they become due.

9. Long-term obligations and leases

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are expensed when paid or incurred.

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

The City recognizes a lease payable and an intangible right-to-use lease asset in the government-wide financial statements for individual values over \$25,000. At the commencement of a lease, the City measures the lease payable at the present value of payments expected to be made during the lease term. Subsequently, the lease payable is reduced by the principal amount of the lease payments.

10. Fund equity

GASB Statement No. 54 categorizes fund balance in governmental funds into five categories. The categories and descriptions are as follows:

Nonspendable Fund Balance – Prepaid expenditures are nonspendable assets and therefore are classified as a nonspendable fund balance. Leases represent a portion of fund balance that is not an available resource because they represent the year-end balance of the leases receivable in excess of the deferred inflow of resources for the leases receivable, which is not a spendable resource.

Restricted Fund Balance – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, or by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Fund balances are reported as committed when the City Council formally designates the use of resources by ordinance for a specific purpose and cannot be used for any other purpose unless the City Council likewise formally changes the use.

Assigned Fund Balance – Fund balances are reported as assigned when the City Council or City Management intends to use funds for a specific purpose. Normally funds are assigned by the appropriation process of setting the budget. Additionally, funds in special revenue, debt service and capital project funds are by their nature assigned to the purpose of those respective funds.

Unassigned Fund Balance – Fund balances in the general fund are reported as unassigned when they are neither nonspendable, restricted, committed nor assigned. They may be used for any governmental purpose. The general fund is the only fund that may report a positive unassigned fund balance. However, in governmental funds other than the general fund, if expenditures exceed amount that are restricted, committed or assigned for specific purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure of resources for which there is fund balance available in more than one fund balance classification, the general rule is that restricted funds shall be expended first, followed by committed funds, and then assigned funds. The City Council may direct otherwise. The City has not adopted a formal policy on minimum fund balances. However, state statute requires the City to maintain a minimum balance in the general fund equaling 5% of total revenues. As of June 30, 2023, the general unassigned fund balance was 16.2% of revenue.

11. Deferred inflows and outflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that meet the criteria for this category – unamortized loss on a bond refunding and

pension deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has several items that meet the criteria for this category – property taxes receivable, leases and pension deferrals.

12. 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) including additions to and 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. Pension plan investments are reported at fair value.

13. Comparative data

Comparative total data for the prior year have been presented for individual governmental and proprietary funds in the section of the report titled "Combining and Individual Fund Statements and Schedules."

14. Reclassifications

Certain amounts have been reclassified in the 2022 financial statements to conform with the 2023 presentation.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between total governmental fund balances and net position of the governmental activities as reported in the government-wide statement of net position. The elements of that reconciliation are detailed below and primarily result from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

Capital related items – when capital assets (property, plant and equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in the governmental funds. However, the statement of net position includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$312,091,456
Less accumulated depreciation	<u>(102,963,680)</u>
Total difference	<u>\$209,127,776</u>

Long-term obligations – long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financial statements, however all liabilities are reported in the statement of net position. Balances at June 30, 2023, were:

Sales tax and refunding revenue bonds	\$ 810,000
Interest payable on long-term debt	7,128
Intangible right-to-use subscriptions payable	398,543
Intangible right-to-use lease payable	940,300
Net pension liability	3,915,906
Compensated absences payable	<u>3,207,821</u>
Total difference	<u>\$9,279,698</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental

activities as reported in the government-wide statement of activities.

The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. The amount is shown in the reconciliation as the net difference, but the elements of this amount were as follows:

Capital contributions from developers	\$ 8,570,312
Capital outlays	10,663,378
Less depreciation and amortization expense	(5,824,664)
	<u>\$ 13,409,026</u>

Another element of the reconciliation states that bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. The amount is shown in the reconciliation as the net difference, but the elements of this amount were as follows:

Bond repayment	\$ 392,000
Reduction of interest payable and deferred loss on refunding	(8,742)
Net difference as reported	<u>\$ 383,258</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are prepared and adopted in accordance with accounting principles generally accepted in the United States and the "Uniform Fiscal Procedures Act for Utah Cities." The City Council must hold a public hearing and adopt the budget on or before June 22 for the following fiscal year, which begins July 1. Budgets at the fund level may be increased by the City Council's adoption of an amendment following the appropriate public hearing. Increases at the department level may be approved by the City Council by resolution without public hearing. Increases below the department level may be approved by the City Manager who serves as the Budget Officer.

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

1. On or before the first regular council meeting in May, the City Manager submits to the City Council a proposed capital and operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and estimated revenues.
2. Prior to the formal adoption of the budget, the City Council holds budget workshop meetings, which are open to the public.
3. In the first City Council meeting in May, the City Council adopts a tentative budget and sets a date for a public budget hearing. At the end of the hearing or sometime thereafter, the budget as amended, is adopted by passage of a resolution.
4. Budgets are adopted annually for all governmental and enterprise fund types in accordance with accounting principles generally accepted in the United States. According to Utah statute, the term for capital project budgets shall "coincide with the term of the individual project or projects." However, because of other ambiguities in the statute, the Utah State Auditors' Office requires that budget and actual statements for the capital projects fund be included in the financial report.
5. Commitments outstanding for contracts, goods or services, made before the end of the fiscal year, are encumbered and shown as reservations of fund balances in governmental fund types. Unencumbered appropriations lapse at year end, except for capital projects that extend for the term of the project. Subsequent years' appropriations provide the authority to complete all encumbered transactions.
6. In connection with the budget adoption, the City establishes a property tax rate before June 22 if the tax rate is not an increase from the previous year as defined by Utah State Code. The City Recorder certifies the tax rate to the County Auditor on or before June 22. If the City determines the need to increase the property tax rate, a hearing on the tax

Notes to Financial Statements - June 30, 2023

increase and adoption of a final tax rate must be held after August 1 but on or before September 1. A final budget may then be adopted and the City Recorder must certify the increased tax rate to the County Auditor by this later date.

Utah State law prohibits the appropriation of unrestricted general fund balance until it exceeds the sum of 5 percent of the general fund revenues. Until the unreserved fund balance is greater than the above amount, it cannot be budgeted but is used to provide working capital, meet emergency expenditures, and cover unanticipated deficits. When the unreserved fund balance in the general fund is greater than 35 percent of expected revenues, the excess must be appropriated within the first budget following the year then ended.

The City Council adopted several budgetary changes during the year. All of the changes combined amounted to a net increase in expenditures and transfers out of \$8,460,099 in the General fund. The following are the main elements of the changes adopted:

1. Increase of expenditures transfers to the Capital Projects fund for various projects	\$6,000,000
2. Increase of expenditures for police and fire special services and station #4 contract	\$1,540,025
3. Increase of expenditures for a fire engine and consolidated dispatch equipment	\$334,143
4. Increase of expenditures for snow removal (salt, sand, vehicle parts and overtime)	\$433,544
5. Increase of expenditures for various other projects and unanticipated events	\$1,067,387
6. Reduction of general fund expenditures to establish the new building services fund	\$(915,000)

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Deposits

Custodial credit risk - This is the risk that in the event of a bank failure, the City's deposits may not be returned. As of June 30, 2023, \$4,848,534 of the City's \$5,098,534 deposits was exposed to custodial credit risk because it was uninsured and uncollateralized, a practice adopted for operational efficiency.

The Utah Money Management Act does not require deposits to be insured or collateralized and the City has no formal policy regarding custodial credit risk. The Act requires that the City keep deposits in a qualified depository, which the City has done. As of the same date, the Strike Force did not have exposure to custodial credit risk, because Strike Force bank deposits are included in the pooled account of the City.

Investments

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

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

Statutes authorize Layton City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; negotiable brokered certificates of deposit (*Utah Code 51-7-17(4)*); shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund. Securities rated less than "A" met the investment criteria at the time of purchase or are covered by FDIC.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for

investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code*, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Fair Value of Investments

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

- *Level 1:* Valuations based on quoted prices in active markets for identical assets or liabilities that the City has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail any significant degree of judgment. 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; and,
- *Level 3:* Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

At June 30, 2023, Layton City had the following recurring fair value measurements:

Investment Type	Fair Value Measurements Using			
	06/30/2023	Level 1	Level 2	Level 3
PTIF	\$ 116,746,186	\$ -	\$ 116,746,186	\$ -
Agency	189,936	189,936	-	-
Certificates of deposit	5,670,550	-	5,670,550	-
Cash and money market fund	686,765	686,765	-	-
US Treasury	1,974,468	1,974,468	-	-
Municipal	233,018	233,018	-	-
Corporate	3,551,716	-	3,551,716	-
	<u>\$ 129,052,639</u>	<u>\$ 3,084,187</u>	<u>\$ 125,968,452</u>	<u>\$ -</u>

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. Layton City receives market prices for these securities from a variety of industry standard data providers (e.g., Bloomberg), security master files from large financial institutions, and other third-party sources. Through the help of an investment advisor, Layton City uses these multiple prices as inputs into a distribution-curve based algorithm to determine the daily market value.

- U.S. Treasuries, Money Markets, U.S. Agencies: quoted prices for identical securities in markets that are active;

Debt securities classified in Level 2 are valued using the following approaches

- 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;
- Bond Mutual Funds: published fair value per share (unit) for each fund;

Notes to Financial Statements - June 30, 2023

- Utah Public Treasurers' Investment Fund: application of the June 30, 2023 fair value factor, as calculated by the Utah State Treasurer, to Layton City's average daily balance in the Fund; and,
- Donated real Estate: recent appraisals of the real estate's value.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Layton City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management 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 on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of June 30, 2023, the City's investments had the following maturities:

Investment Type	6/30/2023	Investment Maturities (in Years)		
		Less than 1	1 to 3	3 to 5
PTIF	\$ 116,746,186	\$ 116,746,186	\$ -	\$ -
Cash and money market fund	686,765	686,765	-	-
Agency	189,936	-	189,936	-
Corporate	3,551,716	904,251	2,647,465	-
Municipal bond	233,018	-	233,018	-
US Treasury	1,974,468	1,112,188	862,280	-
Certificates of deposit	5,670,550	200,163	5,015,871	454,516
	<u>\$ 129,052,639</u>	<u>\$ 119,649,553</u>	<u>\$ 8,948,570</u>	<u>\$ 454,516</u>

Credit Risk

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

At June 30, 2023, the City's investments had the following quality ratings:

Investment Type	6/30/2023	Quality Ratings			
		AAA	AA	AA-	A+
Agency	189,936	189,936	-	-	-
Corporate	2,798,825	-	689,110	-	2,109,715
US Treasury	1,974,468	1,974,468	-	-	-
Certificates of deposit	1,045,667	-	-	663,910	381,757
Cash and money market fund	686,765	686,765	-	-	-
	<u>\$ 6,695,661</u>	<u>\$ 2,851,169</u>	<u>\$ 689,110</u>	<u>\$ 663,910</u>	<u>\$ 2,491,472</u>

Investment Type	6/30/2023	Quality Ratings				Unrated
		A	A-	BBB+	BBB-	
PTIF	\$ 116,746,186	\$ -	\$ -	\$ -	\$ -	\$ 116,746,186
Municipal bonds	233,018	-	-	-	-	233,018
Corporate	752,891	501,740	251,151	-	-	-
Certificates of deposit	4,624,883	227,712	-	-	212,426	4,184,745
	<u>\$ 122,356,978</u>	<u>\$ 729,452</u>	<u>\$ 251,151</u>	<u>\$ -</u>	<u>\$ 212,426</u>	<u>\$ 121,163,949</u>
Total	<u>\$ 129,052,639</u>					

Notes to Financial Statements - June 30, 2023

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

At June 30, 2023, the City does not hold more than 10 percent of total investments in any single security concentration.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does have a formal policy for custodial credit risk. All investments other than bank deposits or funds invested in the state treasurers fund are to be held by a third party with securities delivered on a delivery vs. purchase basis. As of June 30, 2023, the City safely kept all investments with a custodian counterparty Principal Financial, and all investment(s) which was/were held by the counterparty's trust department or agent are registered in Layton City's name.

The City invests in the Public Treasurer's Investment Fund (PTIF), an external investment pool operated by the Utah State Treasurer. The PTIF is not registered with the SEC as an investment company. State statutes authorize the PTIF which is regulated by the Utah State Money Management Council under the provisions of the Utah Money Management Act. The ACT regulates and limits pool investments to high grade securities that keep credit risk down except in the most unusual circumstances. The PTIF reports to participants on an amortized cost basis. Deposits in the PTIF are not insured or guaranteed and participants investing in the pool share proportionally in any realized gains or losses. The PTIF values investments at fair value at June 30 and December 31 each year in accordance with GASB 31.

However, the PTIF reports to participants on an amortized cost basis, which approximates the fair value at year end.

As of June 30, 2023, the City had investments of \$116,746,186 with the PTIF.

B. Receivables

Receivables as of the year end for the City's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, were as follows:

	General	Special Revenue RDA	Water	Storm	Sewer	Refuse	Emergency Medical Services	Nonmajor Funds	Total
Receivables:									
Taxes and inter- governmental	\$ 14,932,289	\$2,234,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 870,271	\$ 18,037,315
Accounts	94,264	-	2,594,932	452,896	1,310,077	639,319	1,964,045	159,695	7,215,228
Grants	-	-	-	-	-	-	-	93,123	93,123
Loans	31,676,501	-	-	-	-	-	-	-	31,676,501
Total receivables	46,703,054	2,234,755	2,594,932	452,896	1,310,077	639,319	1,964,045	1,123,089	57,022,167
Less: allowance for uncollectible accounts	(31,676,501)	-	(53,004)	-	-	-	(670,546)	-	(32,400,051)
Net receivables	\$ 15,026,553	\$2,234,755	\$ 2,541,928	\$ 452,896	\$ 1,310,077	\$ 639,319	\$ 1,293,499	\$ 1,123,089	\$ 24,622,116

Governmental funds report deferred inflow of resources in connection with receivables for revenues that are unavailable to liquidate liabilities of the current period. Governmental funds also report deferred inflows of resources for revenues that have been received, but not yet earned. At June 30, 2023, deferred inflows of resources reported in the governmental funds consisted of:

Property taxes levied and receivable, but not due	\$ 11,526,954
Pensions	131,480
Leases	3,665,883
	<u>\$ 15,324,317</u>

As of June 30, 2023, the Strike Force had receivables in the amount of \$102,265. The receivables were for state and federal grants and no allowance for uncollectible amounts was made.

Notes to Financial Statements - June 30, 2023

C. Interfund receivables and payables

The composition of interfund balances as of June 30, 2023, is as follows:

<u>Receivable Fund</u>		<u>Payable Fund</u>	
General	\$ 57,753	Nonmajor governmental	\$ 57,753

The victims services and community development block grant funds temporarily borrowed pooled cash of \$21,229 and \$36,524, respectively, from the General Fund.

D. Leases receivable

At various dates the City has entered into lease agreements with cellular phone service providers. Under the leases, the cellular phone service providers pay the City for the use of land on which their various cellular transmission towers and equipment are built and maintained. The leases receivable and deferred inflow of resources from leases are measured at the present value of future minimum lease payments expected to be received during the lease terms at a discount rate of 2.5%. Lease revenue is recognized by amortizing the deferred inflow of resources on a straight-line basis over the term of the leases.

In fiscal year 2023, the City recognized \$232,793 of lease revenue and \$106,916 of interest revenue under the leases.

	Balance			Balance	
	June 30, 2022	Additions	Reductions	June 30, 2023	
Leases receivable	\$ 4,164,677	\$ -	\$ (122,377)	\$ 4,042,300	
Deferred inflow related to leases	\$ 3,898,676	\$ -	\$ (232,793)	\$ 3,665,883	

Future minimum lease payments receivable are as follows:

Year Ending June 30	Principal Reduction	Interest Revenue	Total
2024	\$ 133,375	\$ 101,058	\$ 234,433
2025	128,227	97,723	225,950
2026	139,314	94,517	233,831
2027	131,313	91,035	222,348
2028	141,661	87,752	229,413
2029-2033	829,689	379,649	1,209,338
2034-2038	607,698	287,121	894,819
2039-2043	825,561	203,696	1,029,257
2044-2048	678,424	101,581	780,005
2049-2051	427,038	21,528	448,566
	<u>\$ 4,042,300</u>	<u>\$ 1,465,660</u>	<u>\$ 5,507,960</u>

Notes to Financial Statements - June 30, 2023

E. Interfund transfers

During the course of normal operations, transfers are made between funds. The following table summarizes the transfers made during the year:

Transfers Out	Transfers In							Totals
	General	Capital Projects	Nonmajor Governmental Funds	Storm Sewer	Water	Emergency Medical	Nonmajor Proprietary Funds	
General	\$ 30,319	\$ 16,526,913	\$ 1,974,346	\$ 170,000	\$ -	\$ 775,989	\$ 595,000	\$ 20,072,567
Capital projects	4,500	-	211,893	-	-	-	-	216,393
Nonmajor:								
Governmental funds	12,480	6,497,703	414,000	-	-	-	-	6,924,183
Proprietary funds	-	-	-	-	8,333	-	-	8,333
Water	13,981	50,500	-	-	-	-	-	64,481
Refuse	-	-	-	-	37,500	-	-	37,500
Emergency Medical	-	231,000	-	-	-	-	-	231,000
Storm sewer	13,981	-	-	-	88,001	-	-	101,982
Sewer	13,982	101,000	-	-	132,832	-	-	247,814
Totals	\$ 89,243	\$ 23,407,116	\$ 2,600,239	\$ 170,000	\$ 266,666	\$ 775,989	\$ 595,000	\$ 27,904,253

Transfers from the general fund were: 1) \$16,311,024 to the capital projects fund for various projects listed in the capital improvement plan. 2) Nonmajor governmental funds - \$1,939,730 to the debt services fund to pay other pledges; \$34,616 to the victims services fund to match grant revenue; 3) Nonmajor proprietary funds - \$595,000 to the Swimming Pool fund for operations; 4) Emergency Medical fund - \$775,989 for taxes collected to support emergency medical services.

Transfers from the impact fee fund, a nonmajor governmental fund, were: 1) \$2,914,000 to the capital project fund for street projects; and 2) \$414,000 to the debt service fund to pay park facility bond payments.

Transfers from the RAMP fund, a nonmajor governmental fund, were: \$1,851,018 to the capital projects fund for parks and recreation projects listed in the capital improvement plan and \$12,480 to the general fund.

F. Capital assets

Primary government

Capital asset activity for the year ended June 30, 2023, was as presented on the following page:

Notes to Financial Statements - June 30, 2023

	Balance			Balance
	June 30, 2022	Additions	Reductions	June 30, 2023
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 102,811,688	\$ 9,063,821	\$ 516,372	\$ 111,359,137
Construction in progress	11,721,507	3,934,170	8,230,338	7,425,339
Development in progress	-	737,131	-	737,131
Total capital assets, not being depreciated	114,533,195	13,735,122	8,746,710	119,521,607
Capital assets, being depreciated				
Buildings	21,048,011	6,665,771	-	27,713,782
Improvements other than buildings	9,095,892	1,400,631	-	10,496,523
Equipment	23,430,353	2,732,083	447,197	25,715,239
Infrastructure	123,038,847	2,930,421	-	125,969,268
Intangible right-to-use lease assets	571,491	1,055,084	571,491	1,055,084
Intangible right-to-use subscription assets	190,117	491,750	-	681,867
Intangible	938,086	-	-	938,086
Total capital assets, being depreciated and amortized	178,312,797	15,275,740	1,018,688	192,569,849
Less accumulated depreciation and amortization for:				
Buildings	9,554,038	409,890	-	9,963,928
Improvements other than buildings	5,417,733	375,403	-	5,793,136
Equipment	18,408,352	1,266,673	447,197	19,227,828
Infrastructure	63,151,848	3,471,766	-	66,623,614
Intangible right-to-use lease assets	228,596	150,726	228,596	150,726
Intangible right-to-use subscription assets	114,070	152,292	-	266,362
Intangible	923,596	14,490	-	938,086
Total accumulated depreciation and amortization	97,798,233	5,841,240	675,793	102,963,680
Total capital assets, being depreciated and amortized, net	80,514,564	9,434,500	342,895	89,606,169
Governmental activities capital assets, net	\$ 195,047,759	\$ 23,169,622	\$ 9,089,605	\$ 209,127,776
<u>Business-type activities</u>				
	Balance			Balance
	June 30, 2022	Additions	Reductions	June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 1,171,095	\$ -	\$ -	\$ 1,171,095
Water stock and rights	13,967,966	236,000	-	14,203,966
Water contracts	2,163,780	-	-	2,163,780
Construction in progress	2,385,100	2,334,640	1,199,108	3,520,632
Total capital assets, not being depreciated	19,687,941	2,570,640	1,199,108	21,059,473
Capital assets, being depreciated				
Buildings	2,298,596	-	-	2,298,596
Improvements other than buildings	419,930	-	-	419,930
Equipment and infrastructure systems	167,519,931	5,048,395	312,233	172,256,093
Intangible right-to-use subscription assets	147,067	-	-	147,067
Total capital assets, being depreciated and amortized	170,385,524	5,048,395	312,233	175,121,686
Less accumulated depreciation and amortization for:				
Buildings	2,013,742	48,385	-	2,062,127
Improvements other than buildings	404,955	1,497	-	406,452
Equipment and infrastructure systems	62,653,227	4,151,884	296,275	66,508,836
Intangible right-to-use subscription assets	100,914	23,077	-	123,991
Total accumulated depreciation and amortization	65,172,838	4,224,843	296,275	69,101,406
Total capital assets, being depreciated and amortized, net	105,212,686	823,552	15,958	106,020,280
Business-type activities capital assets, net	\$ 124,900,627	\$ 3,394,192	\$ 1,215,066	\$ 127,079,753

Notes to Financial Statements - June 30, 2023

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

Governmental activities:

General government	\$ 237,357
Public safety	1,019,348
Community and economic development	6,677
Streets and public improvements	3,768,477
Parks and recreation	809,381
Total depreciation and amortization expense - Governmental activities	<u>\$ 5,841,240</u>

Business-type activities:

Water	\$ 1,683,261
Storm sewer	1,526,336
Sewer	561,696
Swimming pool	72,251
Street lighting	105,476
Emergency medical services (EMS)	275,823
Total depreciation and amortization expense - Business-type activities	<u>\$ 4,224,843</u>

Construction and other commitments

The City had active construction projects as of June 30, 2023. At the year end the City's commitments with contractors and vendors were as follows:

<u>Projects:</u>	<u>Spent-to-date</u>	<u>Remaining</u>
Parks and recreation	\$ 7,496,879	\$ 7,083,459
Streets and walkways	5,967,947	5,838,328
Prop 1 - Parks	1,617,060	647,655
Prop 1 - Streets	273,225	905,775
Water	2,083,483	16,843,489
Storm sewer	2,165,012	3,183,736
Sanitary sewer	404,734	1,957,501
Street lighting	863,518	1,320,300
Total	<u>\$ 20,871,858</u>	<u>\$ 37,780,243</u>

Encumbrances (by fund):

General	\$ 441,536
Emergency dispatch	40,700
B&C	1,159,230
RAMP	24,835
Prop 1	1,154,593
Capital projects	9,876,328
Water	10,137,786
Storm sewer	1,446,601
Sanitary sewer	675,431
Street Lighting	1,154,761
Athletic	122,726
Swimming pool	12,466
Emergency medical services	37,496
	<u>\$ 26,284,489</u>

Notes to Financial Statements - June 30, 2023

Discretely presented component unit

Activity for the Strike Force for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023
Capital assets, being depreciated				
Equipment	\$ 213,582	\$ -	\$ -	\$ 213,582
Less accumulated depreciation	(167,762)	(14,046)	-	(181,808)
Strike Force capital assets, net	\$ 45,820	\$ (14,046)	\$ -	\$ 31,774

G. Intangible right-to-use lease and subscription assets and payables

1) Lease asset and payable

The City has recorded an intangible right-to-use lease asset. The asset is the right-to-use the entire lower level and a portion of the upper level of the State of Utah District Court building located at 425 North Wasatch Drive, Layton Utah. The related lease is discussed in the leases subsection of the long term obligations note IV (H).

Right-to-use lease activity for the Primary Government for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023
<u>Governmental Activities:</u>				
Intangible right-to-use lease assets, being amortized	\$ 571,491	\$ 1,055,084	\$ 571,491	\$ 1,055,084
Less accumulated amortization for:				
Intangible right-to-use lease assets	(228,596)	228,596	150,726	(150,726)
Governmental activities intangible right-to-use lease assets, net	\$ 342,895	\$ 1,283,680	\$ 722,217	\$ 904,358

2) Subscription assets and payable

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financing of the right to use an underlying asset. Under this statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

The City has entered into various subscription contracts for software used to accomplish the goals of the respective departments. An initial asset was recorded at \$681,867. The initial subscription payable was recorded in the amount of \$491,750. The City is required to make annual payments ranging from \$129,759 to \$86,007. The subscriptions have an imputed interest rate of 5%, which was based on the estimated federal risk-free rate.

The amount of the intangible right-to-use subscription assets by major classes is as follows as of June, 20, 2023:

Amount of Subscription Assets by Major Classes of Underlying Asset			
Asset Class	As of Fiscal Year-end		
	Subscription Asset Value	Accumulated Amortization	
Software	\$ 681,867	\$ 266,362	

Fiscal Year	Principal and Interest Requirements to Maturity		
	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 110,327	\$ 19,432	\$ 129,759
2025	128,295	13,854	142,149
2026	78,010	7,996	86,006
2027	81,911	4,096	86,007
Total	\$ 398,543	\$ 45,378	\$ 443,921

Notes to Financial Statements - June 30, 2023

H. Long term obligations

Direct purchase long term debt - revenue bonds

In May 2015, the City issued, series 2015 sales tax revenue refunding bonds in the amount of \$3,045,000. The interest rate is 1.92% for all bonds. The City pledged sales tax revenues for the amount outstanding and term of the bonds as security for the bonds. The total outstanding principal and interest on the bonds of \$825,667 represents 2.9% of current year sales tax revenue received.

2015 revenue bonds outstanding at year-end were \$810,000 and debt service requirements to maturity are as follows:

<u>Year ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 399,000	\$ 11,722
2025	411,000	3,945
Total	<u>\$ 810,000</u>	<u>\$ 15,667</u>

In April 2023, the City issued, series 2023 water revenue bonds in the amount of \$1,821,000. The interest rate is 1.00% for all bonds. The City pledged water revenues for the amount outstanding and term of the bonds as security for the bonds. The total outstanding principal and interest on the bonds of \$2,013,400 represents 15.9% of current year water revenue received.

2023 revenue bonds debt service requirements to maturity are as follows:

<u>Year ending June 30</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ -	\$ 18,210
2025	-	18,210
2026	95,000	18,210
2027	96,000	17,260
2028	97,000	16,300
2029-2033	584,000	65,910
2034-2038	672,000	34,140
2039-2040	277,000	4,160
Total	<u>\$ 1,821,000</u>	<u>\$ 192,400</u>

Right-to-use lease payable

The City has entered into an agreement to lease certain office space. The lease agreement qualifies as other than short-term leases under GASB 87 and, therefore, was recorded at the present value of the remaining future minimum lease payments as of June 30, 2023.

The lease was renewed October 19, 2022 for use by the City Police Department. Annual lease payments increase 3% per year and range from \$167,538 to \$200,049 per year. The current lease expires on October 31, 2029. There are no variable payment components to the lease. The lease liability is measured at a discount rate of 5%, which is the imputed rate of the lease agreement. As a result of the lease, the City has recorded an intangible right-to-use lease asset with a net book value of \$904,358 on June 30, 2023. The intangible right-to-use lease asset is discussed in more detail in the lease asset section of note IV (G).

Notes to Financial Statements - June 30, 2023

The future minimum right-to-use lease obligation and the net present value of these minimum right-to-use lease payments as of June 30, 2023, were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2024	\$ 125,639	\$ 47,015	\$ 172,654
2025	137,008	40,733	177,741
2026	149,191	33,883	183,074
2027	162,142	26,423	188,565
2028	175,906	18,316	194,222
2029	190,414	9,635	200,049
Total	<u>\$ 940,300</u>	<u>\$ 176,005</u>	<u>\$ 1,116,305</u>

Contracts payable

On May 1, 2011, the City entered into a contract service agreement with UIA (Utah Infrastructure Agency). Contracts are liquidated by collections within the UIA business-type activity. For more details, see footnote (F) on page 63.

Compensated absences and pensions liabilities for the governmental activities are generally liquidated by the general fund. Long-term liability activity for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Governmental activities:					
2015 Sales tax refunding bonds	\$ 1,202,000	\$ -	\$ 392,000	\$ 810,000	\$ 399,000
Intangible right-to-use lease liability	359,471	1,055,084	474,255	940,300	125,639
Intangible right-to-use subscription liability	-	491,750	93,207	398,543	110,327
Compensated absences	2,907,269	3,222,015	2,921,463	3,207,821	3,023,034
Total governmental activities	<u>\$ 4,468,740</u>	<u>\$ 4,768,849</u>	<u>\$ 3,880,925</u>	<u>\$ 5,356,664</u>	<u>\$ 3,658,000</u>
Business-type activities:					
Water revenue bonds	\$ -	\$ 1,821,000	\$ -	\$ 1,821,000	\$ -
Contracts payable	252,239	-	46,948	205,291	23,852
Compensated absences	408,733	642,429	570,099	481,063	453,352
Total business-type activities	<u>\$ 660,972</u>	<u>\$ 2,463,429</u>	<u>\$ 617,047</u>	<u>\$ 2,507,354</u>	<u>\$ 477,204</u>

V. OTHER INFORMATION

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

The City is a member of the Utah Risk Management Agency (URMA). URMA is an insurance pool that provides coverage for general liability, auto liability, police professional liability, premises liability and public official errors and omissions through a claims-made insurance policy. URMA is made up of 25 member municipalities in the state. Coverage is \$6,000,000 per occurrence with a \$15,000 deductible per occurrence.

The policy includes defense costs, attorney fees, settlements, judgments and all other costs incurred in defending a claim brought against the City. In the event URMA becomes insolvent, the City is fully responsible for all claims. URMA purchases umbrella insurance to protect against large claims. URMA reviews risk management programs and gives recommendations and premium discounts to cities that adopt them. Layton City has implemented various recommendations and receives premium discounts.

The City carries workers compensation insurance for claims related to work injuries and illnesses. Physical damage to buildings and contents are covered by commercial insurance with a deductible of \$10,000. Emergency response vehicles valued at more than \$50,000 have physical damage coverage with a \$2,500 deductible.

Three fire response vehicles valued at less than \$50,000 have physical damage coverage with a \$1,000 deductible. All other vehicles are self-insured for physical damage.

The City has a claims committee and a risk management committee. The claims committee reviews all claims made against the City. The committee reviews the claim and potential liability and makes a recommendation to the City Manager for settlement. All personal injury claims and property damage claims exceeding \$15,000 are handled by URMA.

The risk management committee reviews potential risks that are brought to its attention and makes recommendations to remove or mitigate the risk of loss. It also reviews the implementation and compliance with URMA's risk management programs.

Estimates of claims incurred but not reported, and estimated costs of claims that are reported but not settled, do not represent a material amount and they have not been accrued at year end. Settlements have not exceeded coverages for each of the last three fiscal years.

B. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

C. Jointly governed organization

Utah Risk Management Agency (URMA), a separate legal entity and political subdivision of the State of Utah, was formed by an inter-local agreement effective September 30, 1985, pursuant to the provisions of the Utah Inter-local Cooperation Act. The inter-local agreement has a fifty-year term. Municipalities seek membership in the Association in order to provide more comprehensive and economical risk coverage, to reduce the amount and frequency of losses, and to decrease the cost incurred in handling and litigating claims. URMA financial statements may be obtained at their office, 360 West 920 North, Orem, Utah 84057.

The City paid premiums and loss recovery of \$221,707 to URMA for the year ended June 30, 2023. The City paid URMA \$25,125 for costs and claims within the deductible limit or otherwise not covered.

D. Employee retirement systems and plans

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

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

Notes to Financial Statements - June 30, 2023

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.

All City employees are covered by Social Security in conjunction with these systems. The City Council elected to have all general public employees hired after June 30, 1991, belong to the Local Government Noncontributory Retirement System and police officers hired after December 31, 1994, belong to the Public Safety Retirement System, Noncontributory Division. All contributions were equal to the required contributions.

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 State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

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

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefits	Benefits 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% per year all years	Up to 4%
Contributory system	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Public safety system	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending on employer
Firefighters system	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 public employees system	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 public safety and firefighter system	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year to June 30, 2020 2.00% per year July 1, 2020 to present	Up to 2.5%

* Actuarial reductions are applied

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

Contributions

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

Notes to Financial Statements - June 30, 2023

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

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 1,009,463	\$ -
Contributory System	19,708	8,471
Public Safety System	1,073,096	-
Firefighters System	87,568	365,067
Tier 2 Public Employees System	647,604	-
Tier 2 Public Safety and Firefighter	1,335,666	166,255
Tier 2 DC Only System	41,222	-
Tier 2 DC Public Safety and Firefighter	72,204	-
Total Contributions	<u>\$ 4,286,531</u>	<u>\$ 539,793</u>

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

Contribution rates as of June 30, 2023 are as follows:

<u>Utah Retirement Systems</u>	Paid by Employer for Employee	Employer Contribution Rate	Employer Rate for 401(k) Plan
Contributory System			
11 - Local Governmental Division Tier 1	6.00%	13.96%	N/A
111 - Local Governmental Division Tier 2	N/A	16.01%	0.18%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	17.97%	N/A
Public Safety Retirement System			
23 - Other Division A Contributory Tier 1	12.29%	22.79%	N/A
43 - Other Division A Noncontributory Tier 1	N/A	34.04%	N/A
122 - Tier 2 DB Hybrid Public Safety	2.59%	25.83%	N/A
Firefighter System			
31 - Division A Tier 1	15.05%	3.61%	N/A
132 - Division A Tier 2	2.59%	14.08%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.19%	10.00%
222 - Public Safety	N/A	11.83%	14.00%
223 - Firefighters	N/A	0.08%	14.00%

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

Notes to Financial Statements - June 30, 2023

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

At June 30, 2023, the City reported a net pension asset of \$1,834,845 and a net pension liability of \$4,489,195.

	Measurement Date: December 31, 2022					
	Primary Government		Discretely Presented Component Unit		Proportionate Share	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Net Pension Liability	December 31, 2022		
				December 31, 2021		
Noncontributory System	\$ -	\$ 1,124,730	\$ 7,577	0.6611063%	0.6720013%	-0.0108950%
Contributory System	-	111,280	-	1.0819943%	1.3166638%	-0.2346695%
Public Safety System	-	2,908,303	-	2.2491376%	2.0537728%	0.1953648%
Firefighters System	1,834,845	-	-	7.0651362%	8.5053260%	-1.4401898%
Tier 2 Public Employees System	-	194,236	-	0.1783793%	0.1849086%	-0.0065293%
Tier 2 Public Safety and Firefighter System	-	143,069	-	1.7149524%	1.5208278%	0.1941246%
Total Net Pension Asset / Liability	\$ 1,834,845	\$ 4,481,618	\$ 7,577			

The net pension asset and liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the Systems during the plan year. For the year ended June 30, 2023, the City and Discretely Presented Component Unit recognized pension expense of \$2,212,490 and \$16,434, respectively, per Utah Retirement Systems.

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

	Primary Government		Discretely Presented Component Unit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 852,413	\$ 64,528	\$ 2,909	\$ -
Changes in assumptions	643,767	19,299	1,406	46
Net difference between projected and actual earnings on pension plan investments	2,166,150	-	5,658	-
Changes in proportion and differences between contributions and proportionate share of contributions	568,791	72,492	-	189
Contributions subsequent to the measurement date	2,178,091	-	3,812	-
	<u>\$ 6,409,212</u>	<u>\$ 156,319</u>	<u>\$ 13,785</u>	<u>\$ 235</u>

The \$2,181,903 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (581,497)
2024	163,099
2025	1,088,802
2026	3,258,290
2027	25,588
thereafter	130,259

Notes to Financial Statements - June 30, 2023

Noncontributory system pension expense, and deferred outflows and inflows of resources

For the year ended June 30, 2023, the City recognized pension expense of \$502,141 in this system.

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

	Primary Government		Discretely Presented Component Unit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 381,153	\$ -	\$ 2,909	\$ -
Changes in assumptions	184,164	4,475	1,406	46
Net difference between projected and actual earnings on pension plan investments	741,224	-	5,658	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	18,335	-	189
Contributions subsequent to the measurement date	499,429	-	3,812	-
	<u>\$ 1,805,970</u>	<u>\$ 22,810</u>	<u>\$ 13,785</u>	<u>\$ 235</u>

The City reported \$503,241 as deferred outflows of resources related to pensions resulting from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (184,084)
2024	30,575
2025	299,994
2026	1,146,984

Contributory system pension expense, and deferred outflows and inflows of resources

For the year ended June 30, 2023, the City recognized pension expense of \$272,092 in this system.

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

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	33,175	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	10,267	-
	<u>\$ 43,442</u>	<u>\$ -</u>

The City reported \$10,267 as deferred outflows of resources related to pensions resulting from contributions made by the

Notes to Financial Statements - June 30, 2023

City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2023	\$ (94,178)
2024	(28,140)
2025	25,513
2026	129,980

Public safety system pension expense, and deferred outflows and inflows of resources

For the year ended June 30, 2023, the City recognized pension expense of \$885,843 in this system.

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

	<u>Primary Government</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 12,876	\$ -
Changes in assumptions	78,002	-
Net difference between projected and actual earnings on pension plan investments	674,100	-
Changes in proportion and differences between contributions and proportionate share of contributions	124,028	9,409
Contributions subsequent to the measurement date	538,644	-
	<u>\$ 1,427,650</u>	<u>\$ 9,409</u>

The City reported \$538,644 as deferred outflows of resources related to pensions resulting from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (385,703)
2024	(115,277)
2025	281,010
2026	1,099,567

Notes to Financial Statements - June 30, 2023

Firefighter system pension expense, and deferred outflows and inflows of resources

For the year ended June 30, 2023, the City recognized pension expense of (\$424,586) in this system.

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

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 323,764	\$ 9,378
Changes in assumptions	228,062	-
Net difference between projected and actual earnings on pension plan investments	490,901	-
Changes in proportion and differences between contributions and proportionate share of contributions	378,958	16,630
Contributions subsequent to the measurement date	42,559	-
	<u>\$ 1,464,244</u>	<u>\$ 26,008</u>

The City reported \$42,559 as deferred outflows of resources related to pensions resulting from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ 57,747
2024	223,265
2025	398,491
2026	716,174

Tier 2 public employees system pension expense, and deferred outflows and inflows of resources

For the year ended June 30, 2023, the City recognized pension expense of \$372,673 in this system.

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

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 65,606	\$ 7,706
Changes in assumptions	63,058	494
Net difference between projected and actual earnings on pension plan investments	78,310	-
Changes in proportion and differences between contributions and proportionate share of contributions	35,252	9,884
Contributions subsequent to the measurement date	351,468	-
	<u>\$ 593,694</u>	<u>\$ 18,084</u>

Notes to Financial Statements - June 30, 2023

The City reported \$351,468 as deferred outflows of resources related to pensions resulting from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ 11,449
2024	23,787
2025	37,616
2026	70,971
2027	16,960
thereafter	63,359

Tier 2 public safety and firefighter system pension expense, and deferred outflows and inflows of resources

For the year ended June 30, 2023, the City recognized pension expense of \$620,762 in this system.

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

	<u>Primary Government</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 69,014	\$ 47,444
Changes in assumptions	90,481	14,330
Net difference between projected and actual earnings on pension plan investments	148,440	-
Changes in proportion and differences between contributions and proportionate share of contributions	30,554	18,234
Contributions subsequent to the measurement date	735,724	-
	<u>\$ 1,074,213</u>	<u>\$ 80,008</u>

The City reported \$735,724 as deferred outflows of resources related to pensions resulting from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ 13,272
2024	28,889
2025	46,178
2026	94,614
2027	8,628
thereafter	66,900

Notes to Financial Statements - June 30, 2023

Actuarial assumptions

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

Inflation	2.50 percent
Salary increases	3.25 - 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

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

The actual assumptions used in the January 1, 2022 valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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

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

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

Discount Rate

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

Notes to Financial Statements - June 30, 2023

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

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

System	Primary Government			Discretely Presented Component Unit		
	1.00%	Discount	1.00%	1.00%	Discount	1.00%
	Decrease	Rate	Increase	Decrease	Rate	Increase
	5.85%	6.85%	7.85%	5.85%	6.85%	7.85%
Noncontributory System	\$ 7,134,997	\$ 1,124,730	\$ (3,882,056)	\$ 1,194	\$ 7,577	\$ (2,194)
Contributory System	570,887	111,280	(278,794)	-	-	-
Public Safety System	9,366,206	2,908,303	(2,343,493)	-	-	-
Firefighters System	1,462,407	(1,834,845)	(4,510,664)	-	-	-
Tier 2 Public Employees System	848,705	194,236	(309,949)	-	-	-
Tier 2 Public Employees System	1,145,226	143,069	(653,407)	-	-	-
Total	\$ 20,528,428	\$ 2,646,773	\$ (11,978,363)	\$ 1,194	\$ 7,577	\$ (2,194)

Pension Plan Fiduciary Net Position

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

Alternate retirement plan

The URS regulations allow exemption of up to 10% of the City's employees from participation. The City Manager, department directors and a few other professional positions are given the option to participate in the URS or an alternate retirement plan. In addition, a few employees that have retired in the URS and cannot participate further in that plan participate in this plan. The alternate retirement plan is a single employer defined contribution plan, established under the Internal Revenue Code section 401A and managed by the International City Manager Association Retirement Corporation (ICMA-RC).

Other retirement contributions: 1) Employees hired prior to February 8, 1992, have a minimum of 20% contributed toward all retirement plans. Contributions are first made to the URS plans and any remainder is contributed to the single employer defined contribution plan that is the same as the "Alternate Retirement Plan" described above. Employees hired on or after February 8, 1992, are not eligible for the additional contribution. 2) A few employees were hired after they were previously retired in the URS system. URS allows a retirement contribution to be made in their behalf and sets the rate of contribution. These contributions are also deposited into the "Alternate Retirement Plan."

Contributions made by the City to the "Alternate retirement plan" for the fiscal year ended June 30, 2023, were \$194,462.

Deferred compensation plan

The City offers plans created in accordance with Internal Revenue Code section 457 and Roth IRA's. All contributions are held in trust for the participating employee and no ownership rights are retained by the City. Therefore, plan assets are not reported in these financial statements.

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.

Notes to Financial Statements - June 30, 2023

Layton City participates in the following Defined Contribution Savings Plans for fiscal year ended June 30, 2023. Employer and employee contributions to the URS Defined Contribution Savings Plans for the fiscal year ended June 30, were as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
401(k) plan			
Employer contributions	\$ 248,466	\$ 217,704	\$ 192,995
Employee contributions	221,833	190,482	151,084
457 Plan			
Employer contributions	-	-	-
Employee contributions	336,669	345,856	311,983
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	128,710	114,668	100,481
Traditional IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	7,600	5,195	4,225

E. Inter-local agreements

Davis School District gymnasium construction

In 2001, the City entered into an inter-local agreement with the Davis School District to construct a gymnasium at Central Davis Junior High School. The agreement provided that the school district would own the facility. The City shared in the cost of construction and will share use of the gym for a period of 99 years.

The City capitalized the cost of \$1,572,245 under the buildings category of capital assets and has depreciated it based on a 50 year useful life.

In 2008, the City entered into an inter-local agreement with the Davis School District to construct a gymnasium at Legacy Junior High School. The agreement provided that the school district would own the facility. The City shared in the cost of construction and will share use of the gym for a period of 100 years. The City capitalized the cost of \$2,205,000 under the buildings category of capital assets and depreciated it based on a 50 year useful life.

In 2019, the City entered into an inter-local agreement with the Davis School District to construct a gymnasium and indoor track at Shoreline Junior High School. The agreement provided that the school district would own the facility. The City shared in the cost of construction and will share use of the gym for a period of 100 years. The City capitalized the cost of \$3,446,202 under the buildings category of capital assets and depreciated it based on a 50 year useful life.

Utah Infrastructure Agency (UIA)

On June 7, 2010, the City joined 8 other cities in an inter-local cooperative to purchase, lease, construct or equip facilities that are designed to provide telecommunication services within the respective cities. The inter-local agreement was amended and restated on November 1, 2010. The purpose of the cooperative is to work in concert with the Utah Telecommunications Open Infrastructure Agency (UTOPIA) to complete a fiber optic network for the residences and businesses in each city (See note on UTOPIA pledge and loan agreement).

F. Commitments

UTOPIA pledge and loan agreement

In July 2004, the City entered into a Pledge and Loan Agreement with UTOPIA. UTOPIA is an inter-local cooperative between 11 Utah cities to finance, construct and operate a system of fiber optic communication lines within the cooperative cities. UTOPIA leases use of the fiber optic system to retail vendors of telephony, video, internet and other digital services. The pledge committed the City to set aside and deposit funds as security in a debt service reserve fund for the portion of the project related to the City. The maximum amount committed by the City in any one year, under the 2004 agreement, was \$1,676,968. Sales and use tax revenues were pledged towards

replenishment of the City's share of the debt service reserve fund if withdrawals were made by the Trustee to make bond payments. The pledge was junior to any previously pledged sales and use tax revenue. On July 1, 2007, the City deposited \$1,676,968 into a UTOPIA Debt Service Reserve Fund.

In June 2008, the City entered into an Amended and Restated Pledge and Loan Agreement as part of a restructuring of UTOPIA debt. The City pledged sales and use tax revenue towards its share (initially 16.617%) of any debt service fund shortfall. The City's annual commitment increases each year and ranges from \$2,146,598 in 2013 to \$3,663,999 in 2040.

In January 2010, the Trustee of the UTOPIA bond funds notified the City that part of the UTOPIA Debt Service Reserve Fund was used to make required payments to the bondholders. Each month since then the City has received a similar notice. The City understands that these withdrawals will continue for an undetermined period of time and that replenishment payments will continue for the foreseeable future. The City is required to replenish its share of the amount withdrawn from the debt service reserve fund. Monthly replenishment payments and pledge balance write-off required for fiscal year 2023 totaled \$1,938,782. Payments for 2024 will total \$2,673,473. According to the Amended and Restated Pledge and Loan Agreement, the amounts withdrawn from the City's share of the debt service reserve fund becomes a loan to UTOPIA. The City has recorded and fully reserved the loan receivable for \$31,676,501 in the general fund or in the entity-wide statements (note IV (B)) because it is unclear when UTOPIA will be able to repay the loan.

Utah Infrastructure Agency (UIA)

On May 1, 2011, the City entered into a "Communication Service Contract" with UIA to provide connections to a fiber optic network for the residences and businesses of the City. The agreement obligates the City to financially support UIA if UIA revenues are insufficient to pay operational and debt payments. Layton City has obligated up to \$937,272 of its annual franchise tax revenue. This represents 18.20% of the combined commitment of all the cities in UIA. The service contract also provides that the City will bill and collect connection service fees from the end users located in the City on behalf of UIA. The City may keep 5% of the fees for administrative costs and remit 95% of the fees to UIA. The City becomes a signatory party to the end user agreement, along with UIA and the end user. The City is responsible for collection of the user fees stipulated in the agreement should the end user default. During 2012, the City created the UIA enterprise fund to account for UIA activities.

Utah Infrastructure Agency (UIA) – Fiber Communications Service Contract

Effective July 1, 2018, the City entered into a "Fiber Communications Service Contract with UIA to provide connections to a fiber optic network for the residences and businesses of the City. Under the agreement the City agrees to pledge additional franchise tax revenues in order to expand access to a defined number of maximum end users. In the event that services are insufficient to cover the revenue requirement, the City will be obligated to remit franchise tax revenues to UIA. The agreement provides that UIA will bond for funding to be used specifically on a Layton project and that 20% of the residential and 50% of the commercial service revenue from any connections to the UIA/UTOPIA fiber network subsequent to July 1, 2018 will be used to satisfy the revenue requirement. These funds will be accumulated and used to pay the debt services requirements of the Utah Infrastructure Agency / Layton City Telecommunications and Franchise Tax Revenue Bonds Series 2018.

Utah Infrastructure Agency / Layton City Telecommunications and Franchise Tax Revenue Bonds Series 2018

On August 15, 2018, UIA issued the 2018 Utah Infrastructure Agency / Layton City Telecommunications and Franchise Tax Revenue Bonds. The total amount of the bonds available was \$22,285,000. Proceeds for the bonds are to be used to build out the fiber network in the City so that all businesses and residences have access to the network. The bonding also provides for the cost of connecting 3,860 customers. Funding for additional customers will be provided by either the City or UIA outside of this bond issuance. Revenue from the UIA – Fiber Communications Service Contract will be used to cover debt service. In the event that the revenues generated by the Fiber Communications Service Contract is not sufficient to cover annual debt services, the City will be required to remit franchise tax revenues to UIA.

Development payback agreements

As development occurs in the City and in redevelopment project areas, payback agreements have been entered into for projects where future developments will benefit from the efforts and improvements constructed by a developer or the City. These agreements represent possible future liabilities for the payment of tax increment or impact fee revenue.

G. Redevelopment agency – state report on property tax collection

The Agency collected tax increment revenue of \$2,234,755 for the year ended June 30, 2023. Funds in the amount of \$416,360 were loaned by Layton City to the East Gate project in 2011 to install electric utility conduit and telecommunication lines into a segment of the project area and to extend a portion of 1700 East. The balance owed to the City as of June 30, 2023 is \$10,713. The City will continue to be repaid as tax increment revenues become available.

South Main/South Fort Lane Project - The following is provided as required by State Statute:

a) Tax increment collected	\$ 780,538
b) Tax increment paid to other entities	44,789
c) Project expenditures and administrative costs	35,747

Further information about tax increment funds not required by State Statute:

a) Tax increment revenue restricted by statute for affordable housing, current year	\$ 156,108
b) Total tax increment revenue restricted for affordable housing at June 30, 2023	899,959
c) Tax increment revenue spent on affordable housing during the year	18,000

East Gate Economic Development Project -

a) Tax increment collected	\$ 1,305,903
b) Tax increment paid to other entities	920,991
c) Project expenditures and administrative costs	35,250

Central Business District Development Project -

a) Tax increment collected	148,314
b) Tax increment paid to other entities	142,381
c) Project expenditures and administrative costs	-

H. Tax abatements

As of June 30, 2023, the City provides tax abatements under the Redevelopment Agency of Layton City (the Agency). Pursuant to the provisions of the Utah Community Development and Renewal Agencies Act, Utah State Code Title 17C, the City established the Redevelopment Agency. The City authorizes the rebate of property tax increment through the budget process. The annual budget is adopted by City ordinance. The amount of the tax rebate (abatement) is based on the provisions as stated in the written agreement between the Agency and the outside entity. The abatement recipients property tax bill is not reduced initially. The outside entity is required to pay their property tax bill. Once the taxes have been paid and it has been verified that the provisions of the agreement have been met, then the agreed amount is rebated to the recipient entity. The qualifying provisions of the agreements generally focus on provision of affordable housing and transit oriented housing or business relocation, business development, job creation, sales and property tax generation. The Agency has entered into tax abatement agreements with 5 entities. These entities are in two categories: affordable housing and renewal/business development. The following table provides details:

Notes to Financial Statements - June 30, 2023

Tax Abatement Program	Taxes Abated 2023	Taxes Abated in Prior Years	Total Maximum Tax Abatement	Primary Purpose of Abatement	Abatement Expires
<u>Redevelopment Agency of Layton City</u>					
Affordable housing					
Project area #1 - Kays Crossing	\$ 18,000	\$ 708,000	\$ 780,000	Affordable housing, transit oriented	2029
Urban renewal and business development					
Project area #2 - Young Automotive Kia	26,789	198,160	1,150,000	Urban Renewal	2029
Project area #3 - Young Automotive Headquarters	-	1,000,000	4,000,000	Urban Renewal	2029
Project area #4 - KIHOMAC	130,286	677,884	100%	Business development, job creation	2035
Project area #5 - JL Ventures	790,705	-	2,272,853	Business development, job creation	2035
Project area #6 - RC Willey	142,381	162,073	1,705,500	Business development, job creation	2036

I. Recent accounting pronouncement

In May 2020, the GASB issued Statement No. 96, Subscription-based Information Technology Arrangements (SBITA). The statement is meant to enhance the relevance and reliability of the City's financial statements by requiring the City to report subscription assets and liabilities for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of the City's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The City implemented this statement effective for the year ended June 30, 2023.

Layton City Corporation

Required Supplementary Information

Schedule of Required Supplementary Information

SCHEDULE OF CONTRIBUTIONS

LAYTON CITY

Utah Retirement Systems

Last 10 Fiscal Years

	As of fiscal year ended June 30, 2023	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered Payroll	Contributions as a percentage of covered payroll
Noncontributory System	2014	\$ 1,118,658	\$ 1,118,658	\$ -	\$ 6,481,454	17.26%
	2015	1,141,884	1,141,884	-	6,192,666	18.44%
	2016	1,106,005	1,106,005	-	6,050,378	18.28%
	2017	1,106,204	1,106,204	-	6,009,902	18.41%
	2018	1,016,254	1,016,254	-	5,535,325	18.36%
	2019	1,017,863	1,017,863	-	5,552,155	18.33%
	2020	1,023,233	1,023,233	-	5,622,820	18.20%
	2021	994,608	994,608	-	5,530,239	17.98%
	2022	1,011,997	1,011,997	-	5,643,890	17.93%
	2023	1,009,463	1,009,463	-	5,799,447	17.41%
Contributory System	2014	\$ 71,851	\$ 71,851	\$ -	\$ 541,047	13.28%
	2015	51,859	51,859	-	358,635	14.46%
	2016	44,281	44,281	-	306,233	14.46%
	2017	42,453	42,453	-	293,587	14.46%
	2018	32,623	32,623	-	225,606	14.46%
	2019	28,124	28,124	-	194,495	14.46%
	2020	29,094	29,094	-	201,201	14.46%
	2021	27,524	27,524	-	190,345	14.46%
	2022	26,383	26,383	-	182,457	14.46%
	2023	19,708	19,708	-	141,176	13.96%
Public Safety System	2014	\$ 1,145,677	\$ 1,145,677	\$ -	\$ 3,684,285	31.10%
	2015	1,167,322	1,167,322	-	3,536,594	33.01%
	2016	1,166,820	1,166,820	-	3,622,120	32.21%
	2017	1,190,769	1,190,769	-	3,731,521	31.91%
	2018	1,115,546	1,115,546	-	3,480,498	32.05%
	2019	1,044,100	1,044,100	-	3,259,113	32.04%
	2020	960,913	960,913	-	2,963,389	32.43%
	2021	869,879	869,879	-	2,654,235	32.77%
	2022	878,172	878,172	-	2,674,145	32.84%
	2023	1,073,096	1,073,096	-	3,263,003	32.89%
Firefighters System	2014	\$ 86,515	\$ 86,515	\$ -	\$ 2,922,793	2.96%
	2015	112,564	112,564	-	2,946,679	3.82%
	2016	116,585	116,585	-	2,921,924	3.99%
	2017	113,391	113,391	-	2,941,268	3.86%
	2018	110,062	110,062	-	2,853,250	3.86%
	2019	129,362	129,362	-	2,832,459	4.57%
	2020	125,054	125,054	-	2,712,665	4.61%
	2021	128,721	128,721	-	2,792,215	4.61%
	2022	124,689	124,689	-	2,704,746	4.61%
	2023	87,568	87,568	-	2,425,695	3.61%
Tier 2 Public Employees System*	2014	\$ 84,764	\$ 84,764	\$ -	\$ 605,889	13.99%
	2015	163,606	163,606	-	1,095,081	14.94%
	2016	192,856	192,856	-	1,293,467	14.91%
	2017	264,734	264,734	-	1,775,542	14.91%
	2018	350,879	350,879	-	2,322,170	15.11%
	2019	436,469	436,469	-	2,808,680	15.54%
	2020	505,743	505,743	-	3,229,520	15.66%
	2021	537,298	537,298	-	3,400,622	15.80%
	2022	592,500	592,500	-	3,686,996	16.07%
	2023	647,604	647,604	-	4,044,997	16.01%
Tier 2 Public Safety and Firefighter System*	2014	\$ 74,289	\$ 74,289	\$ -	\$ 356,304	20.85%
	2015	105,643	105,643	-	477,144	22.14%
	2016	130,929	130,929	-	618,827	21.16%
	2017	194,768	194,768	-	937,628	20.77%
	2018	288,911	288,911	-	1,494,585	19.33%
	2019	387,505	387,505	-	1,902,526	20.37%
	2020	527,430	527,430	-	2,811,236	18.76%
	2021	718,892	718,892	-	3,362,842	21.38%
	2022	872,102	872,102	-	4,165,124	20.94%
	2023	1,335,666	1,335,666	-	6,419,119	20.81%
Tier 2 Public Employees DC Only System*	2014	\$ 2,525	\$ 2,525	\$ -	\$ 45,249	5.58%
	2015	9,696	9,696	-	144,290	6.72%
	2016	22,017	22,017	-	329,095	6.69%
	2017	24,056	24,056	-	359,584	6.69%
	2018	26,674	26,674	-	398,709	6.69%
	2019	23,554	23,554	-	352,078	6.69%
	2020	20,425	20,425	-	305,318	6.69%
	2021	32,628	32,628	-	487,708	6.69%
	2022	42,515	42,515	-	635,499	6.69%
	2023	41,222	41,222	-	665,937	6.19%
Tier 2 Public Safety and Firefighter DC Only System*	2014	\$ 10,418	\$ 10,418	\$ -	\$ 104,807	9.94%
	2015	25,854	25,854	-	218,549	11.83%
	2016	26,077	26,077	-	220,432	11.83%
	2017	23,136	23,136	-	195,572	11.83%
	2018	23,234	23,234	-	211,212	11.00%
	2019	29,981	29,981	-	302,677	9.91%
	2020	33,503	33,503	-	462,787	7.24%
	2021	41,962	41,962	-	554,536	7.57%
	2022	47,116	47,116	-	643,895	7.32%
	2023	72,204	72,204	-	867,956	8.32%

Note: Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. However, this is the information available since the implementation year of GASB 68. Contributions as a percentage of covered payroll may be different than the board certified rate due to rounding and other administrative practices.

* Contributions to the 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.

Schedule of Required Supplementary Information

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

LAYTON CITY

Utah Retirement Systems

Last 10 Fiscal Years

Last 10 Fiscal Years			Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll				Plan Fiduciary Net Position as a percentage of its Covered Payroll
	As of December 31, 2022	Proportion of Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll			
Noncontributory System	2014	0.7566359%	\$ 3,285,491	\$ 6,343,282	51.80%	90.20%	
	2015	0.7423685%	4,200,682	6,119,778	68.64%	87.80%	
	2016	0.7324458%	4,703,198	6,151,437	76.46%	87.30%	
	2017	0.7008208%	3,070,506	5,655,889	54.29%	91.90%	
	2018	0.6866822%	5,056,538	5,487,196	92.15%	87.00%	
	2019	0.6936397%	2,614,237	5,626,560	46.46%	93.70%	
	2020	0.6808799%	349,252	5,543,261	6.30%	99.20%	
	2021	0.6720013%	(3,848,623)	5,562,802	-69.18%	108.70%	
	2022	0.6611063%	1,132,309	5,751,503	19.69%	97.50%	
Contributory System	2014	0.8386238%	\$ 241,896	\$ 451,988	53.50%	94.00%	
	2015	0.7578119%	532,631	322,894	164.96%	85.70%	
	2016	1.3315160%	436,885	319,482	136.75%	92.90%	
	2017	1.2462996%	101,417	252,894	40.10%	98.20%	
	2018	1.0520582%	426,928	196,914	216.81%	91.20%	
	2019	1.1399962%	74,711	204,280	36.57%	98.60%	
	2020	1.1643219%	(208,672)	192,059	-108.65%	103.90%	
	2021	1.1316664%	(953,189)	193,393	-492.88%	115.90%	
	2022	1.0819943%	111,280	151,550	73.43%	97.70%	
Public Safety System	2014	2.7434949%	\$ 3,110,625	\$ 3,599,002	86.40%	90.50%	
	2015	2.4537571%	4,395,296	3,599,952	122.09%	87.10%	
	2016	2.4806511%	5,033,926	3,739,721	134.61%	86.50%	
	2017	2.3880074%	3,745,967	3,566,061	105.04%	90.20%	
	2018	2.3511425%	6,048,514	3,356,113	180.22%	84.70%	
	2019	2.2341340%	3,587,165	3,140,055	114.24%	90.90%	
	2020	2.0921422%	1,736,983	2,782,237	62.43%	95.50%	
	2021	2.0537728%	(1,667,957)	2,631,794	-63.38%	104.20%	
	2022	2.2491376%	2,908,303	2,958,187	98.31%	93.60%	
Firefighters System	2014	11.2237097%	\$ (640,468)	\$ 2,946,770	-21.70%	103.50%	
	2015	10.9046373%	(197,504)	2,932,698	-6.73%	101.00%	
	2016	10.5662448%	(83,299)	2,968,541	-2.81%	100.40%	
	2017	9.5822288%	(598,461)	2,856,095	-20.95%	103.00%	
	2018	9.0524398%	1,175,435	2,859,739	41.10%	94.30%	
	2019	8.6074670%	(1,067,497)	2,755,883	-38.74%	105.00%	
	2020	8.3646750%	(2,338,931)	2,728,912	-85.71%	110.50%	
	2021	8.5053260%	(4,960,445)	2,835,643	-174.93%	120.10%	
	2022	7.0651362%	(1,834,845)	2,522,337	-72.74%	108.40%	
Tier 2 Public Employees System*	2014	0.1734042%	\$ (5,255)	\$ 851,867	-0.60%	103.50%	
	2015	0.1883733%	(411)	1,216,958	-0.03%	100.20%	
	2016	0.1848198%	20,617	1,515,667	1.36%	95.10%	
	2017	0.2072770%	18,275	2,027,868	0.90%	97.40%	
	2018	0.2220847%	95,114	2,592,079	3.67%	90.80%	
	2019	0.2169885%	48,802	3,015,481	1.62%	96.50%	
	2020	0.2113464%	30,397	3,378,955	0.90%	98.30%	
	2021	0.1849086%	(78,260)	3,433,014	-2.28%	103.80%	
	2022	0.1783793%	194,236	3,894,299	4.99%	92.30%	

Schedule of Required Supplementary Information

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - Continued

LAYTON CITY

Utah Retirement Systems

Last 10 Fiscal Years

	As of	Proportion of	Proportionate		Proportionate Share	Plan Fiduciary
	December 31, 2022	Net Pension	Share of the	Covered	of the Net Pension	Net Position as
		Liability (Asset)	Liability (Asset)	Payroll	Liability (Asset) as	Net Position as
					a percentage of its	a percentage of its
					Covered Payroll	Covered Payroll
Tier 2 Public Safety and Firefighter System*	2014	1.0098249%	\$ (14,939)	\$ 417,464	-3.60%	120.50%
	2015	0.9108140%	(13,307)	541,997	-2.46%	110.70%
	2016	0.9220961%	(8,004)	761,862	-1.05%	103.60%
	2017	1.1486106%	(13,290)	1,211,985	-1.10%	103.00%
	2018	1.2686344%	31,786	1,696,457	1.87%	95.60%
	2019	1.3569577%	127,641	2,236,324	5.71%	89.60%
	2020	1.6322632%	146,405	3,244,338	4.51%	93.10%
	2021	1.5208278%	-76,866	3,636,885	-2.11%	102.80%
	2022	1.7149524%	143,069	5,276,538	2.71%	96.40%

* 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.

Note: 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.

Notes to Required Supplementary Information

1. Actuarially Determined Pension Contributions

Contribution rates include an amount for normal cost, the estimated amount necessary to finance benefits earned by the members during the current year, and an amount for amortization of the unfunded or excess funded actuarial accrued liability over a closed 20-year amortization period. The rates are determined using the entry age actuarial cost method.

Contributions made were in accordance with actuarially computed funding requirements. For contribution rate purposes the actuary evaluates the assets of the plan based on a 5-year smoothed expected return wherein 20 percent of a year's excess or shortfall of expected return is recognized each year for five years.

2. Changes in Assumptions

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

Layton City Corporation

Combining Fund Statements

Nonmajor Governmental Funds

Special Revenue Funds

Emergency Dispatch Fund — This fund accounts for the public safety emergency dispatching operation. It is funded primarily from fees imposed on telephone services. Telephone companies collect the fees and remit them to the State Tax Commission which then distributes them to the City. This fund only pays for part of the overall dispatch services. The other part is funded through the police department of the general fund.

Victims Services Fund — This fund accounts for services provided to victims of crimes to assist them in the legal process and refer them to human service agencies. This operation is primarily funded by a grant along with some matching funds from the City.

Community Development Block Grant Fund — This fund accounts for grants from the U.S. Department of Housing and Urban Development under the Community Development Block Grants. This operation is primarily funded by the grants and some income generated by some of the programs. Sub-grants are made to various human service agencies that help low and moderate income families. Funds are used to construct housing for low and moderate income families.

Building Services Fund — This fund accounts for building permit and plan review fees and the costs associated with the processing, review and approval of these fees.

Impact Fee Fund — This fund accounts for development impact fees paid by developers and builders. Money is accumulated in this fund and then transferred to the Capital Projects Fund when projects are budgeted and approved. Three impact fees are tracked in this fund: transportation impact fee; park impact fee; and public safety impact fee.

RAMP — This fund accounts for tax revenues that are restricted for promotion and capital projects related to recreation, arts, museum and parks.

Proposition 1 transit tax — This fund accounts for tax revenue generated by the proposition 1 transit tax. Although it is not required to be accounted for separately, the Council felt it would be appropriate in order to be transparent when asked to demonstrate accountability for the funds.

Debt Service Funds

Debt Service Fund — This fund is used to accumulate funds and to make payments on revenue obligation bonds backed by sales and use tax revenues and other notes. Escrow balances for bond payments are also tracked in this fund.

LAYTON CITY CORPORATION

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue							Debt Service	Total Nonmajor Governmental Funds
	Emergency Dispatch Service	Victims Services	Community Development Block Grant	Building Services	Impact Fee	RAMP	Proposition 1 Transit	Debt Service	
<u>Assets</u>									
Cash and cash equivalents	\$ 198,673	\$ -	\$ -	\$ 108,263	\$ 2,046,491	\$ 2,368,050	\$ 3,197,419	\$ 733,667	\$ 8,652,563
Receivables:									
Taxes and intergovernmental	95,762	19,383	73,740	-	-	382,360	392,149	-	963,394
Restricted assets:									
Restricted cash and cash equivalents	-	-	-	-	-	-	-	385,634	385,634
Total assets	<u>\$ 294,435</u>	<u>\$ 19,383</u>	<u>\$ 73,740</u>	<u>\$ 108,263</u>	<u>\$ 2,046,491</u>	<u>\$ 2,750,410</u>	<u>\$ 3,589,568</u>	<u>\$ 1,119,301</u>	<u>\$ 10,001,591</u>
<u>Liabilities</u>									
Accounts payable	\$ 30,466	\$ -	\$ 24,493	\$ -	\$ -	\$ 23,537	\$ 420,115	\$ -	\$ 498,611
Accrued liabilities	-	2,827	1,403	-	-	-	44,225	-	48,455
Due to other funds	-	21,229	36,524	-	-	-	-	-	57,753
Total liabilities	<u>30,466</u>	<u>24,056</u>	<u>62,420</u>	<u>-</u>	<u>-</u>	<u>23,537</u>	<u>464,340</u>	<u>-</u>	<u>604,819</u>
<u>Fund balances</u>									
Restricted for:									
Street construction	-	-	-	-	232,448	-	-	-	232,448
Park development	-	-	-	-	1,064,626	-	-	-	1,064,626
Public safety facilities	-	-	-	-	749,417	-	-	-	749,417
Debt service	-	-	-	-	-	-	-	385,634	385,634
RAMP	-	-	-	-	-	2,726,873	-	-	2,726,873
Assigned	263,969	-	11,320	108,263	-	-	3,125,228	733,667	4,242,447
Unassigned	-	(4,673)	-	-	-	-	-	-	(4,673)
Total fund balances	<u>263,969</u>	<u>(4,673)</u>	<u>11,320</u>	<u>108,263</u>	<u>2,046,491</u>	<u>2,726,873</u>	<u>3,125,228</u>	<u>1,119,301</u>	<u>9,396,772</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 294,435</u>	<u>\$ 19,383</u>	<u>\$ 73,740</u>	<u>\$ 108,263</u>	<u>\$ 2,046,491</u>	<u>\$ 2,750,410</u>	<u>\$ 3,589,568</u>	<u>\$ 1,119,301</u>	<u>\$ 10,001,591</u>

LAYTON CITY CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the year ended June 30, 2023

	Special Revenue							Debt Service	Total Nonmajor Governmental Funds
	Emergency Dispatch Service	Victims Services	Community Development Block Grant	Building Services	Impact Fee	RAMP	Proposition 1 Transit	Debt Service	
Revenues:									
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,092,483	\$ 2,176,296	\$ -	\$ 4,268,779
Intergovernmental	565,776	146,004	665,947	-	-	-	-	-	1,377,727
Charges for services	-	-	-	1,023,263	1,199,270	-	-	-	2,222,533
Miscellaneous	6,291	17,179	-	-	60,031	81,464	143,485	7,776	316,226
Total revenues	572,067	163,183	665,947	1,023,263	1,259,301	2,173,947	2,319,781	7,776	8,185,265
Expenditures:									
Current:									
General government	-	236,458	-	-	488	-	-	-	236,946
Public safety	551,315	-	-	-	-	-	-	-	551,315
Community and economic development	-	-	680,116	915,000	-	-	-	-	1,595,116
Streets and public improvements	-	-	-	-	-	-	268,725	-	268,725
Parks and recreation	-	-	-	-	-	238,296	1,271,808	-	1,510,104
Debt service:									
Principal	-	-	-	-	-	-	-	392,000	392,000
Interest and agent fees	-	-	-	-	-	-	-	21,915	21,915
Pledge payments	-	-	-	-	-	-	-	1,938,782	1,938,782
Total expenditures	551,315	236,458	680,116	915,000	488	238,296	1,540,533	2,352,697	6,514,903
Excess (deficiency) of revenues over (under) expenditures	20,752	(73,275)	(14,169)	108,263	1,258,813	1,935,651	779,248	(2,344,921)	1,670,362
Other financing sources (uses):									
Transfers in	-	34,616	-	-	-	-	211,893	2,353,730	2,600,239
Transfers out	-	-	-	-	(3,328,000)	(1,863,498)	(1,732,685)	-	(6,924,183)
Total other financing sources (uses)	-	34,616	-	-	(3,328,000)	(1,863,498)	(1,520,792)	2,353,730	(4,323,944)
Net change in fund balances	20,752	(38,659)	(14,169)	108,263	(2,069,187)	72,153	(741,544)	8,809	(2,653,582)
Fund balances - beginning	243,217	33,986	25,489	-	4,115,678	2,654,720	3,866,772	1,110,492	12,050,354
Fund balances - ending	\$ 263,969	\$ (4,673)	\$ 11,320	\$ 108,263	\$ 2,046,491	\$ 2,726,873	\$ 3,125,228	\$ 1,119,301	\$ 9,396,772

Nonmajor Proprietary Funds

Swimming Pool Fund — This fund accounts for the operations of a City owned swimming pool. The pool complex includes two pools, racquetball courts, dressing rooms, lockers, and a snack bar. Offices for the Parks and Recreation Department are also housed in the facility and rent is charged to the general fund for their use. A variety of open swimming and swimming classes are provided. Three high school swim teams use the facility for practice and competitions.

Secondary Water Fund — This fund accounts for the maintenance and operation of secondary water services that are contracted with Weber Basin Water. Currently, Weber Basin Water provides the water and the City is under contract with them to maintain and operate the system.

Athletic Programs Fund — This fund accounts for various sports programs offered and supervised by the Parks and Recreation Department. Youth and adult programs are offered. Program costs not pertaining to facilities, oversight and equipment are accounted for in this fund. User fees are charged and used for costs associated with supplies, shirts, officials and other similar direct costs.

UIA (telecom infrastructure) — This fund accounts for the activities related to the communication service contract between the City and Utah Infrastructure Agency. Under the contract the City is responsible for billing and collection of connection services fees from those connected to the UTOPIA telecom network.

Street Lighting Fund — This fund accounts for the activities related to the City street lighting fee, system and program. In FY14 the City instituted a street lighting fee to facilitate the purchase of the street lighting system within the City. The City is also using funds collected to expand the system in areas previously overlooked during development.

LAYTON CITY CORPORATION

COMBINING STATEMENT OF NET POSITION

NONMAJOR PROPRIETARY FUNDS

June 30, 2023

	Swimming Pool	Street Lighting	Secondary Water	Athletic Programs	UIA	Total Nonmajor Proprietary Funds
<u>Assets</u>						
Current assets:						
Cash and cash equivalents	\$ 79,268	\$ 1,998,387	\$ 178,270	\$ 502,987	\$ 121,583	\$ 2,880,495
Accounts receivable, net	-	148,446	-	-	11,249	159,695
Contracts receivable	-	-	-	-	23,852	23,852
Inventory	6,672	-	-	-	-	6,672
Total current assets	85,940	2,146,833	178,270	502,987	156,684	3,070,714
Noncurrent assets:						
Contracts receivable	-	-	-	-	182,520	182,520
Capital assets:						
Land	1,000	-	-	-	-	1,000
Buildings	2,298,596	-	-	-	-	2,298,596
Improvements other than buildings	22,463	-	-	-	-	22,463
Distribution and collection systems	-	4,146,805	-	-	-	4,146,805
Equipment	932,002	134,915	-	-	-	1,066,917
Construction in progress	-	601,000	-	-	-	601,000
Less: accumulated depreciation	(2,848,030)	(557,055)	-	-	-	(3,405,085)
Total capital assets	406,031	4,325,665	-	-	-	4,731,696
Total noncurrent assets	406,031	4,325,665	-	-	182,520	4,914,216
Total assets	491,971	6,472,498	178,270	502,987	339,204	7,984,930
<u>Deferred outflows of resources</u>						
Deferred outflows related to pensions	32,023	40,087	31,544	-	-	103,654
<u>Liabilities</u>						
Current liabilities:						
Accounts payable	13,186	27,492	49,646	29,989	2,769	123,082
Accrued liabilities	16,170	2,624	1,713	9,237	-	29,744
Compensated absences payable	5,040	10,870	10,244	-	-	26,154
Contracts payable	-	-	-	-	23,852	23,852
Total current liabilities	34,396	40,986	61,603	39,226	26,621	202,832
Noncurrent liabilities:						
Contracts payable	-	-	-	-	181,439	181,439
Compensated absences payable	308	664	626	-	-	1,598
Net pension liability	17,601	22,033	17,338	-	-	56,972
Total noncurrent liabilities	17,909	22,697	17,964	-	181,439	240,009
Total liabilities	52,305	63,683	79,567	39,226	208,060	442,841
<u>Deferred inflows of resources</u>						
Deferred inflows related to pensions	546	683	538	-	-	1,767
<u>Net position</u>						
Net investment in capital assets	406,031	4,325,665	-	-	-	4,731,696
Unrestricted	65,112	2,122,554	129,709	463,761	131,144	2,912,280
Total net position	\$ 471,143	\$ 6,448,219	\$ 129,709	\$ 463,761	\$ 131,144	\$ 7,643,976

LAYTON CITY CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

NONMAJOR PROPRIETARY FUNDS

For the year ended June 30, 2023

	Swimming Pool	Street Lighting	Secondary Water	Athletic Programs	UIA	Total Nonmajor Proprietary Funds
<u>Operating revenues</u>						
Charges for services	\$ 331,457	\$ 1,425,206	\$ 195,215	\$ 723,304	\$ 1,930	\$ 2,677,112
Miscellaneous	45,593	17,040	-	-	-	62,633
Total operating revenues	377,050	1,442,246	195,215	723,304	1,930	2,739,745
<u>Operating expenses</u>						
Salaries, wages and benefits	613,126	285,771	207,312	214,832	-	1,321,041
Net pension expense (revenue)	26,945	30,315	(109)	-	-	57,151
Supplies and maintenance	210,297	76,135	71,306	308,313	388	666,439
Utilities	269,627	348,815	-	-	-	618,442
Professional services and training	10,534	-	-	-	-	10,534
Contracted agreements	-	-	-	-	4,895	4,895
Insurance	13,939	11,965	-	-	-	25,904
Depreciation	72,251	105,476	-	-	-	177,727
Total operating expenses	1,216,719	858,477	278,509	523,145	5,283	2,882,133
Operating income (loss)	(839,669)	583,769	(83,294)	200,159	(3,353)	(142,388)
<u>Nonoperating revenues</u>						
Interest	-	61,830	4,959	-	4,473	71,262
Total nonoperating revenues	-	61,830	4,959	-	4,473	71,262
Income (loss) before contributions and transfers	(839,669)	645,599	(78,335)	200,159	1,120	(71,126)
Transfers out	-	(8,333)	-	-	-	(8,333)
Transfers in	595,000	-	-	-	-	595,000
Change in net position	(244,669)	637,266	(78,335)	200,159	1,120	515,541
Total net position - beginning	715,812	5,810,953	208,044	263,602	130,024	7,128,435
Total net position - ending	\$ 471,143	\$ 6,448,219	\$ 129,709	\$ 463,761	\$ 131,144	\$ 7,643,976

LAYTON CITY CORPORATION

COMBINING STATEMENT OF CASH FLOWS NONMAJOR PROPRIETARY FUNDS

For the year ended June 30, 2023

	Swimming Pool	Street Lighting	Secondary Water	Athletic Programs	UIA	Total Nonmajor Proprietary Funds
<u>Cash flow from operating activities</u>						
Receipts from customers	\$ 377,050	\$ 1,442,842	\$ 195,215	\$ 723,304	\$ 426	\$ 2,738,837
Payments to suppliers	(508,565)	(584,972)	(25,295)	(303,113)	(1,320)	(1,423,265)
Payments to other governments	-	-	-	-	(4,895)	(4,895)
Payments to employees	(643,765)	(258,598)	(204,439)	(230,836)	-	(1,337,638)
Net cash provided (used) by operating activities	(775,280)	599,272	(34,519)	189,355	(5,789)	(26,961)
<u>Cash flow from non-capital financing activities</u>						
Transfers from other funds	595,000	-	-	-	-	595,000
Transfers to other funds	-	(8,333)	-	-	-	(8,333)
Net cash provided (used) by non-capital financing activities	595,000	(8,333)	-	-	-	586,667
<u>Cash flow from capital and related financing activities</u>						
Purchase of capital assets	-	(188,149)	-	-	-	(188,149)
Contracts receivable	-	-	-	-	47,021	47,021
Contracts payable	-	-	-	-	(46,948)	(46,948)
Net cash provided (used) by capital and related financing activities	-	(188,149)	-	-	73	(188,076)
<u>Cash flow from investing activities</u>						
Interest earned on investments	-	61,830	4,959	-	4,473	71,262
Net cash provided by investing activities	-	61,830	4,959	-	4,473	71,262
Net increase (decrease) in cash and cash equivalents	(180,280)	464,620	(29,560)	189,355	(1,243)	442,892
Cash and cash equivalents at beginning of year	259,548	1,533,767	207,830	313,632	122,826	2,437,603
Cash and cash equivalents at end of year	\$ 79,268	\$ 1,998,387	\$ 178,270	\$ 502,987	\$ 121,583	\$ 2,880,495

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ (839,669)	\$ 583,769	\$ (83,294)	\$ 200,159	\$ (3,353)	\$ (142,388)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:						
Depreciation expense	72,251	105,476	-	-	-	177,727
Net pension (revenue) expense	26,945	30,315	(109)	-	-	57,151
Decrease (increase) in accounts receivable	-	596	-	-	(1,504)	(908)
Increase (decrease) in inventories	(71)	-	-	-	-	(71)
Increase (decrease) in accounts payable	(4,096)	(117,742)	48,826	5,200	(932)	(68,744)
Increase (decrease) in accrued liabilities	-	(3,142)	(2,815)	(16,004)	-	(21,961)
Increase (decrease) in compensated absences	(30,640)	-	2,873	-	-	(27,767)
Total adjustments	64,389	15,503	48,775	(10,804)	(2,436)	115,427
Net cash provided (used) by operating activities	\$ (775,280)	\$ 599,272	\$ (34,519)	\$ 189,355	\$ (5,789)	\$ (26,961)

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Layton City Corporation

Individual Fund Statements

LAYTON CITY CORPORATION

GENERAL FUND COMPARATIVE BALANCE SHEET

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Cash and cash equivalents	\$ 9,374,763	\$ 14,999,171
Investments	12,306,453	11,018,659
Restricted cash and cash equivalents	9,378,843	8,427,573
Receivables:		
Taxes and intergovernmental	14,932,289	15,095,435
Leases	4,042,300	4,164,677
Accounts	94,264	95,477
Due from other funds	57,753	10,811
Total assets	<u>\$ 50,186,665</u>	<u>\$ 53,811,803</u>
<u>Liabilities</u>		
Accounts payable	\$ 793,354	\$ 794,925
Accrued liabilities	2,325,667	2,375,803
Customer deposits	9,378,843	8,427,573
Total liabilities	<u>12,497,864</u>	<u>11,598,301</u>
<u>Deferred inflows of resources</u>		
Property tax revenue	9,292,199	9,509,394
Leases	3,665,883	3,898,676
Total deferred inflows of resources	<u>12,958,082</u>	<u>13,408,070</u>
<u>Fund balance</u>		
Nonspendable	376,417	266,001
Restricted for class C roads	3,918,354	2,608,797
Assigned	11,709,960	4,819,718
Unassigned	8,725,988	21,110,916
Total fund balance	<u>24,730,719</u>	<u>28,805,432</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 50,186,665</u>	<u>\$ 53,811,803</u>

LAYTON CITY CORPORATION

GENERAL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the years ended June 30, 2023 and 2022

	2023	2022
<u>Revenues</u>		
Taxes and special assessments	\$ 40,274,224	\$ 38,498,143
Licenses and permits	324,920	2,166,839
Intergovernmental	8,595,122	9,006,287
Charges for services	1,178,025	1,079,931
Fines and forfeitures	181,948	166,534
Miscellaneous	3,257,043	965,030
Total revenues	53,811,282	51,882,764
<u>Expenditures</u>		
Current:		
General government	5,170,839	4,925,798
Public safety	24,462,531	19,317,499
Community and economic development	569,174	1,479,634
Streets and public improvements	4,964,210	4,812,147
Parks and recreation	4,214,873	3,638,438
Debt service: interest	77,499	23,403
Total expenditures	39,459,126	34,196,919
Excess of revenues over expenditures	14,352,156	17,685,845
<u>Other financing sources (uses)</u>		
Transfers in:		
Other funds	89,243	20,000
Transfers out:		
Swimming pool fund	(595,000)	(603,247)
Debt service fund	(1,939,730)	(2,378,000)
Capital projects fund	(16,311,024)	(9,374,903)
Other funds	(1,192,197)	(1,203,108)
Victim services fund	(34,616)	(59,000)
Total transfers out	(20,072,567)	(13,618,258)
Intangible right-to-use lease and subscriptions issued	1,546,834	-
Sale of capital assets	9,621	224,472
Total other financing uses	(18,426,869)	(13,373,786)
Net change in fund balance	(4,074,713)	4,312,059
Fund balance - beginning	28,805,432	24,493,373
Fund balance - ending	\$ 24,730,719	\$ 28,805,432

LAYTON CITY CORPORATION

EMERGENCY DISPATCH SERVICE FUND COMPARATIVE BALANCE SHEET

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Cash and cash equivalents	\$ 198,673	\$ 153,637
Receivables - Intergovernmental	95,762	92,407
Total assets	\$ 294,435	\$ 246,044
<u>Liabilities</u>		
Accounts payable	\$ 30,466	\$ 2,827
<u>Fund balance</u>		
Assigned	263,969	246,004
Total liabilities and fund balance	\$ 294,435	\$ 246,044

LAYTON CITY CORPORATION

EMERGENCY DISPATCH SERVICE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2023

(with comparative actual amounts for year ended June 30, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Intergovernmental	\$ 544,860	\$ 547,397	\$ 565,776	\$ 18,379	\$ 614,827
Miscellaneous:					
Interest	1,400	1,400	6,291	4,891	41,374
Total revenues	546,260	548,797	572,067	23,270	656,201
<u>Expenditures</u>					
Current:					
Public safety:					
Salaries, wages and benefits	438,513	437,905	437,904	1	359,582
Materials and supplies	191,052	266,628	113,411	153,217	142,634
Total expenditures	629,565	704,533	551,315	153,218	502,216
Net change in fund balance	(83,305)	(155,736)	20,752	176,488	153,985
Fund balance - beginning	243,217	243,217	243,217	243,217	89,232
Fund balance - ending	\$ 159,912	\$ 87,481	\$ 263,969	\$ 419,705	\$ 243,217

LAYTON CITY CORPORATION

VICTIMS SERVICES FUND COMPARATIVE BALANCE SHEET

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Cash and cash equivalents	\$ -	\$ 3,740
Receivables - grants	19,383	39,639
Total assets	<u>\$ 19,383</u>	<u>\$ 43,379</u>
<u>Liabilities</u>		
Accrued liabilities	\$ 2,827	\$ 9,393
Due to other funds	21,229	-
Total liabilities	<u>24,056</u>	<u>9,393</u>
<u>Fund balance</u>		
Assigned	-	33,986
Unassigned	(4,673)	-
Total fund balance	<u>(4,673)</u>	<u>33,986</u>
Total liabilities and fund balance	<u>\$ 19,383</u>	<u>\$ 43,379</u>

LAYTON CITY CORPORATION

VICTIMS SERVICES FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2023

(with comparative actual amounts for year ended June 30, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Intergovernmental:					
VOCA grant	\$ 186,004	\$ 186,004	\$ 146,004	\$ (40,000)	\$ 170,334
Miscellaneous	-	-	17,179	17,179	-
Total revenues	186,004	186,004	163,183	(22,821)	170,334
<u>Expenditures</u>					
Current:					
General government:					
Salaries, wages and benefits	204,660	205,201	190,841	14,360	179,863
Materials and supplies	40,000	40,000	45,617	(5,617)	39,915
Total expenditures	244,660	245,201	236,458	8,743	219,778
Excess (deficiency) of revenues over (under) expenditures	(58,656)	(59,197)	(73,275)	(14,078)	(49,444)
<u>Other financing sources</u>					
Transfers in	34,616	34,616	34,616	-	59,000
Net change in fund balance	(24,040)	(24,581)	(38,659)	(14,078)	9,556
Fund balance - beginning	33,986	33,986	33,986	-	24,430
Fund balance - ending	\$ 9,946	\$ 9,405	\$ (4,673)	\$ (14,078)	\$ 33,986

LAYTON CITY CORPORATION

COMMUNITY DEVELOPMENT BLOCK GRANT FUND COMPARATIVE BALANCE SHEET

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Receivables - grants	\$ 73,740	\$ 80,134
Total assets	<u>\$ 73,740</u>	<u>\$ 80,134</u>
<u>Liabilities</u>		
Accounts payable	\$ 24,493	\$ 39,986
Accrued liabilities	1,403	3,848
Due to other funds	<u>36,524</u>	<u>10,811</u>
Total liabilities	62,420	54,645
<u>Fund balance</u>		
Assigned	<u>11,320</u>	<u>25,489</u>
Total liabilities and fund balance	<u>\$ 73,740</u>	<u>\$ 80,134</u>

LAYTON CITY CORPORATION

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2023

(with comparative actual amounts for year ended June 30, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Intergovernmental:					
Community development block grants	\$ 438,023	\$ 843,000	\$ 665,947	\$ (177,053)	\$ 383,088
Total revenue	438,023	843,000	665,947	(177,053)	383,088
<u>Expenditures</u>					
Current:					
Community and economic development:					
Salaries, wages and benefits	82,452	80,929	84,427	(3,498)	77,935
Materials, supplies and programs	199,819	210,319	174,463	35,856	200,089
Housing, sidewalk, and other projects	155,752	551,752	421,226	130,526	164,426
Total expenditures	438,023	843,000	680,116	162,884	442,450
Net change in fund balance	-	-	(14,169)	(14,169)	(59,362)
Fund balance - beginning	25,489	25,489	25,489	-	84,851
Fund balance - ending	\$ 25,489	\$ 25,489	\$ 11,320	\$ (14,169)	\$ 25,489

LAYTON CITY CORPORATION

IMPACT FEE FUND COMPARATIVE BALANCE SHEET

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Cash and cash equivalents	\$ 2,046,491	\$ 1,215,678
Grants receivable	-	2,900,000
Total assets	<u>\$ 2,046,491</u>	<u>\$ 4,115,678</u>
<u>Fund balance</u>		
Restricted for street construction	\$ 232,448	\$ 1,469,765
Restricted for park development	1,064,626	1,132,832
Restricted for public safety facilities	749,417	1,513,081
Total fund balance	<u>2,046,491</u>	<u>4,115,678</u>
Total liabilities and fund balance	<u>\$ 2,046,491</u>	<u>\$ 4,115,678</u>

LAYTON CITY CORPORATION

IMPACT FEE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2023

(with comparative actual amounts for year ended June 30, 2022)

	2023			2022	
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Charges for services:					
Transportation impact fees	\$ 1,200,000	\$ 1,200,000	\$ 655,512	\$ (544,488)	\$ 2,198,073
Park impact fees	425,000	425,000	329,404	(95,596)	983,431
Public safety impact fees	150,000	150,000	214,354	64,354	530,486
Other governments	-	-	-	-	2,900,000
Miscellaneous:					
Interest	7,000	7,000	60,031	53,031	9,291
Total revenues	1,782,000	1,782,000	1,259,301	(522,699)	6,621,281
<u>Expenditures</u>					
General government	2,500	2,500	488	2,012	840
Excess (deficiency) of revenue over expenditures	1,779,500	1,779,500	1,258,813	(524,711)	6,620,441
<u>Other financing (uses)</u>					
Transfers out:					
Debt service fund	(414,000)	(414,000)	(414,000)	-	(414,000)
Capital projects fund:					
Street projects	(1,654,000)	(1,914,000)	(1,914,000)	-	(3,830,000)
Park projects	-	-	-	-	(242,485)
Public safety projects	(1,000,000)	(1,000,000)	(1,000,000)	-	(248,715)
Total other financing uses	(3,068,000)	(3,328,000)	(3,328,000)	-	(4,735,200)
Net change in fund balance	(1,288,500)	(1,548,500)	(2,069,187)	(524,711)	1,885,241
Fund balance - beginning	4,115,678	4,115,678	4,115,678	-	2,230,437
Fund balance - ending	\$ 2,827,178	\$ 2,567,178	\$ 2,046,491	\$ (524,711)	\$ 4,115,678

LAYTON CITY CORPORATION

REDEVELOPMENT AGENCY FUND COMPARATIVE BALANCE SHEET

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Cash and cash equivalents	\$ 7,694,524	\$ 6,101,011
Receivables - taxes	2,090,736	2,039,909
Note receivable	10,713	30,206
Restricted assets:		
Restricted cash and cash equivalents - affordable housing	899,959	761,850
Restricted receivables - taxes - affordable housing	144,019	144,019
Total assets	<u>\$ 10,839,951</u>	<u>\$ 9,076,995</u>
<u>Liabilities and fund balance</u>		
Accounts payable	\$ 367,750	\$ -
Total liabilities	<u>367,750</u>	<u>-</u>
<u>Deferred inflows of resources</u>		
Property tax revenue	<u>2,234,755</u>	<u>2,183,928</u>
<u>Fund balance</u>		
Nonspendable	10,713	30,206
Restricted for affordable housing	899,959	761,850
Restricted for community development	<u>7,326,774</u>	<u>6,101,011</u>
Total fund balance	<u>8,237,446</u>	<u>6,893,067</u>
Total deferred inflows of resources and fund balance	<u>\$ 10,839,951</u>	<u>\$ 9,076,995</u>

LAYTON CITY CORPORATION

REDEVELOPMENT AGENCY FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2023

(with comparative actual amounts for year ended June 30, 2022)

	2023			2022	
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Intergovernmental	\$ 2,025,000	\$ 2,025,000	\$ 2,234,755	\$ 209,755	\$ 2,022,360
Miscellaneous	-	-	288,782	288,782	33,003
Total revenues	2,025,000	2,025,000	2,523,537	498,537	2,055,363
<u>Expenditures</u>					
Current:					
Community and economic development:					
Wages and benefits	67,382	70,500	70,497	3	65,580
Materials and supplies	56,600	56,600	500	56,100	-
Capital outlay - projects	400,000	567,000	142,381	424,619	33,000
Payback and purchase agreements	1,263,000	3,630,119	965,780	2,664,339	1,331,471
Total expenditures	1,786,982	4,324,219	1,179,158	3,145,061	1,430,051
Excess (deficiency) of revenue over (under) expenditures	238,018	(2,299,219)	1,344,379	3,643,598	625,312
Net change in fund balance	238,018	(2,299,219)	1,344,379	3,643,598	625,312
Fund balance - beginning	6,893,067	6,893,067	6,893,067	-	6,267,755
Fund balance - ending	\$ 7,131,085	\$ 4,593,848	\$ 8,237,446	\$ 3,643,598	\$ 6,893,067

LAYTON CITY CORPORATION

BUILDING SERVICES - COMMUNITY AND ECONOMIC DEVELOPMENT
COMPARATIVE BALANCE SHEET

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Cash and cash equivalents	\$ 108,263	\$ -
Total assets	<u>\$ 108,263</u>	<u>\$ -</u>
<u>Fund balance</u>		
Assigned	<u>\$ 108,263</u>	<u>\$ -</u>
Total liabilities and fund balance	<u>\$ 108,263</u>	<u>\$ -</u>

LAYTON CITY CORPORATION

BUILDING SERVICES - COMMUNITY AND ECONOMIC DEVELOPMENT COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2023
(with comparative actual amounts for year ended June 30, 2022)

	2023			2022	
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Building permits and plan review	\$ -	\$ 915,000	1,023,263	\$ 108,263	\$ -
Total revenue	-	915,000	1,023,263	108,263	-
<u>Expenditures</u>					
Current:					
Community and economic development:					
Salaries, wages and benefits	-	915,000	915,000	-	-
Total expenditures	-	915,000	915,000	-	-
Excess of revenues over expenditures	-	-	108,263	108,263	-
Net change in fund balance	-	-	108,263	108,263	-
Fund balance - beginning	-	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ 108,263	\$ 108,263	\$ -

LAYTON CITY CORPORATION

RAMP (RECREATION, ARTS, MUSEUMS AND PARKS) COMPARATIVE BALANCE SHEET

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Cash and cash equivalents	\$ 2,368,050	\$ 2,298,396
Receivables - taxes	382,360	362,174
Total assets	<u>\$ 2,750,410</u>	<u>\$ 2,660,570</u>
<u>Liabilities</u>		
Accounts payable	\$ 23,537	\$ 5,850
Total liabilities	<u>23,537</u>	<u>5,850</u>
<u>Fund balance</u>		
Restricted	<u>2,726,873</u>	<u>2,654,720</u>
Total fund balance	<u>2,726,873</u>	<u>2,654,720</u>
Total liabilities and fund balance	<u>\$ 2,750,410</u>	<u>\$ 2,660,570</u>

LAYTON CITY CORPORATION

RAMP (RECREATION, ARTS, MUSEUMS AND PARKS)

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2023

(with comparative actual amounts for year ended June 30, 2022)

	2023			2022	
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Property taxes - development increment	\$ 2,001,396	\$ 2,001,396	\$ 2,092,483	\$ 91,087	\$ 2,024,335
Miscellaneous	4,000	4,000	81,464	77,464	8,081
Total revenues	2,005,396	2,005,396	2,173,947	168,551	2,032,416
<u>Expenditures</u>					
Current:					
Administrative charges	5,000	5,000	5,858	(858)	1,150
Capital outlay - projects	316,160	433,757	232,438	201,319	159,200
Total expenditures	321,160	438,757	238,296	200,461	160,350
Excess of revenue over expenditures	1,684,236	1,566,639	1,935,651	369,012	1,872,066
<u>Other financing uses</u>					
Transfers out:					
Capital projects fund	(1,851,018)	(1,863,498)	(1,863,498)	-	(1,771,196)
Total other financing uses	(1,851,018)	(1,863,498)	(1,863,498)	-	(1,771,196)
Net change in fund balance	(166,782)	(296,859)	72,153	369,012	100,870
Fund balance - beginning	2,654,720	2,654,720	2,654,720	-	2,553,850
Fund balance - ending	\$ 2,487,938	\$ 2,357,861	\$ 2,726,873	\$ 369,012	\$ 2,654,720

LAYTON CITY CORPORATION

PROPOSITION 1 TRANSIT TAX COMPARATIVE BALANCE SHEET

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Cash and cash equivalents	\$ 3,197,419	\$ 3,534,527
Receivables - taxes	392,149	371,533
Total assets	<u>\$ 3,589,568</u>	<u>\$ 3,906,060</u>
<u>Liabilities</u>		
Accounts payable	\$ 420,115	\$ 14,288
Retainage payable	44,225	25,000
Total liabilities	<u>464,340</u>	<u>39,288</u>
<u>Fund balance</u>		
Assigned	<u>3,125,228</u>	<u>3,866,772</u>
Total liabilities and fund balance	<u>\$ 3,589,568</u>	<u>\$ 3,906,060</u>

LAYTON CITY CORPORATION

PROPOSITION 1 TRANSIT TAX

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2023

(with comparative actual amounts for year ended June 30, 2022)

	2023			2022	
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Intergovernmental	\$ 535,677	\$ 535,677	\$ -	\$ (535,677)	\$ -
Proposition 1 transit tax	1,999,316	1,999,316	2,176,296	176,980	2,093,337
Miscellaneous	5,000	5,000	143,485	138,485	15,146
Total revenues	2,539,993	2,539,993	2,319,781	(220,212)	2,108,483
<u>Expenditures</u>					
Current:					
Capital outlay - street improvements	530,000	1,174,500	268,725	905,775	575,126
Capital outlay - park improvements	1,326,519	1,919,835	1,271,808	648,027	341,592
Total expenditures	1,856,519	3,094,335	1,540,533	1,553,802	916,718
Excess (deficiency) of revenue over (under) expenditures	683,474	(554,342)	779,248	1,333,590	1,191,765
<u>Other financing uses</u>					
Transfers in:					
General fund	-	211,893	211,893	-	-
Transfers out:					
General fund	(594,685)	(1,732,685)	(1,732,685)	-	-
Total other financing uses	(594,685)	(1,520,792)	(1,520,792)	-	-
Net change in fund balance	88,789	(2,075,134)	(741,544)	1,333,590	1,191,765
Fund balance - beginning	3,866,772	3,866,772	3,866,772	-	2,675,007
Fund balance - ending	\$ 3,955,561	\$ 1,791,638	\$ 3,125,228	\$ 1,333,590	\$ 3,866,772

LAYTON CITY CORPORATION

DEBT SERVICE FUND COMPARATIVE BALANCE SHEET

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Cash and cash equivalents	\$ 733,667	\$ 707,219
Cash and cash equivalents - restricted	385,634	403,273
Total assets	\$ 1,119,301	\$ 1,110,492
<u>Liabilities and fund balance</u>		
<u>Fund balance</u>		
Restricted	\$ 385,634	\$ 403,273
Assigned	733,667	707,219
Total liabilities and fund balance	\$ 1,119,301	\$ 1,110,492

LAYTON CITY CORPORATION

DEBT SERVICE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2023

(with comparative actual amounts for year ended June 30, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Miscellaneous	\$ 682,270	\$ 682,270	\$ -	\$ (682,270)	\$ 241,837
Interest	-	-	7,776	7,776	1,070
Total revenues	682,270	682,270	7,776	(674,494)	242,907
<u>Expenditures</u>					
Debt service:					
Principal	392,000	392,000	392,000	-	384,000
Interest and agent fees	22,000	22,000	21,915	85	29,365
Pledge payments - UTOPIA debt service reserve	2,622,000	2,622,000	1,938,782	683,218	2,569,659
Total expenditures	3,036,000	3,036,000	2,352,697	683,303	2,983,024
Excess (deficiency) of revenues over (under) expenditures	(2,353,730)	(2,353,730)	(2,344,921)	8,809	(2,740,117)
<u>Other financing sources</u>					
Transfer in - general fund	1,939,730	1,939,730	1,939,730	-	2,378,000
Transfer in - impact fee fund	414,000	414,000	414,000	-	414,000
Total other financing sources	2,353,730	2,353,730	2,353,730	-	2,792,000
Net change in fund balance	-	-	8,809	8,809	51,883
Fund balance - beginning	1,110,492	1,110,492	1,110,492	-	1,058,609
Fund balance - ending	\$ 1,110,492	\$ 1,110,492	\$ 1,119,301	\$ 8,809	\$ 1,110,492

LAYTON CITY CORPORATION

CAPITAL PROJECTS FUND COMPARATIVE BALANCE SHEET

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Cash and cash equivalents	\$ 31,053,399	\$ 17,157,954
Grants receivable	-	100,000
Total assets	<u>\$ 31,053,399</u>	<u>\$ 17,257,954</u>
<u>Liabilities and fund balance</u>		
<u>Liabilities</u>		
Accounts payable	\$ 1,172,022	\$ 1,346,576
Retainage payable	116,015	458,758
Total liabilities	<u>1,288,037</u>	<u>1,805,334</u>
<u>Fund balance</u>		
Restricted for:		
Street construction - class c roads	35,439	35,439
Street construction - transportation impact fees	468,729	554,505
Proposition 1 transportation fees	3,108	253,108
Public safety facilities - public safety impact fees	1,178	1,178
Total restricted	<u>508,454</u>	<u>844,230</u>
Assigned	<u>29,256,908</u>	<u>14,608,390</u>
Total fund balance	<u>29,765,362</u>	<u>15,452,620</u>
Total liabilities and fund balance	<u>\$ 31,053,399</u>	<u>\$ 17,257,954</u>

LAYTON CITY CORPORATION

CAPITAL PROJECTS FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2023

(with comparative actual amounts for year ended June 30, 2022)

	2023			2022	
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Miscellaneous	\$ 3,514,526	\$ 3,651,419	\$ 533,686	\$(3,117,733)	\$ 199,247
Intergovernmental - project participation	-	-	-	-	260,000
Total revenues	3,514,526	3,651,419	533,686	(3,117,733)	459,247
<u>Expenditures</u>					
Capital outlay	18,174,212	41,925,691	9,756,716	32,168,975	14,479,821
Total expenditures	18,174,212	41,925,691	9,756,716	32,168,975	14,479,821
Excess (deficiency) of revenues over (under) expenditures	(14,659,686)	(38,274,272)	(9,223,030)	29,051,242	(14,020,574)
<u>Other financing sources</u>					
Sale of capital assets	-	-	345,049	345,049	-
Transfers out:					
Other funds	-	(216,393)	(216,393)	-	-
Transfers in:					
Impact fee fund	2,654,000	2,654,000	2,654,000	-	4,321,200
RAMP fund	1,851,018	1,508,568	1,508,568	-	1,771,196
General fund - other	10,154,668	19,244,548	19,244,548	-	9,943,411
Total other financing sources	14,659,686	23,190,723	23,535,772	345,049	16,035,807
Net change in fund balance	-	(15,083,549)	14,312,742	29,396,291	2,015,233
Fund balance - beginning	15,452,620	15,452,620	15,452,620	-	13,437,387
Fund balance - ending	\$15,452,620	\$ 369,071	\$29,765,362	\$29,396,291	\$15,452,620

LAYTON CITY CORPORATION

WATER FUND

COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 23,822,984	\$ 17,250,136
Accounts receivable, net	2,541,928	1,848,179
Inventory	133,602	120,912
Prepaid expense	1,106,836	1,080,191
Total current assets	<u>27,605,350</u>	<u>20,299,418</u>
Noncurrent assets:		
Restricted cash and cash equivalents	<u>364,162</u>	<u>331,207</u>
Net pension asset	<u>-</u>	<u>799,631</u>
Capital assets:		
Water stocks and rights	14,203,966	13,967,966
Land	420,551	420,551
Water contracts	2,163,780	2,163,780
Improvements other than buildings	397,467	397,467
Distribution system	64,747,661	62,543,018
Equipment	5,173,353	4,887,732
Intangible right-to-use subscription assets	115,382	115,382
Construction in progress	304,569	770,810
Less: accumulated depreciation and amortization	<u>(27,613,487)</u>	<u>(25,930,226)</u>
Total capital assets (net of accumulated depreciation and amortization)	<u>59,913,242</u>	<u>59,336,480</u>
Total noncurrent assets	<u>60,277,404</u>	<u>60,467,318</u>
Total assets	<u>87,882,754</u>	<u>80,766,736</u>
<u>Deferred outflows of resources</u>		
Deferred outflows related to pensions	<u>400,364</u>	<u>443,771</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	184,146	321,568
Accrued liabilities	27,949	70,621
Compensated absences payable	113,368	92,681
Customer deposits	364,162	331,207
Accrued bond interest payable	7,708	-
Total current liabilities	<u>697,333</u>	<u>816,077</u>
Noncurrent liabilities:		
Compensated absences payable	6,930	17,732
Bonds payable	1,821,000	-
Net pension liability	263,760	-
Total noncurrent liabilities	<u>2,091,690</u>	<u>17,732</u>
Total liabilities	<u>2,789,023</u>	<u>833,809</u>
<u>Deferred inflows of resources</u>		
Deferred inflows related to pensions	<u>6,453</u>	<u>624,970</u>
<u>Net position</u>		
Net investment in capital assets	58,080,332	59,336,480
Restricted for increased system development	2,614,928	2,408,659
Unrestricted	<u>24,792,382</u>	<u>18,006,589</u>
Total net position	<u>\$ 85,487,642</u>	<u>\$ 79,751,728</u>

LAYTON CITY CORPORATION

WATER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the years ended June 30, 2023 and 2022

	2023	2022
<u>Operating revenues</u>		
Charges for services	\$ 12,663,542	\$ 10,473,609
Miscellaneous	19,566	7,459
Total operating revenues	12,683,108	10,481,068
<u>Operating expenses</u>		
Salaries wages and benefits	2,701,720	2,236,958
Net pension expense (revenue)	488,281	(1,484,181)
Supplies and maintenance	1,164,996	1,257,789
Utilities	568,441	642,584
Professional services and training	13,928	15,675
Water purchases	2,587,635	2,262,843
Insurance	27,923	26,333
Rent	161,820	161,820
Collection fees	-	166
Depreciation and amortization	1,683,261	1,398,227
Total operating expenses	9,398,005	6,518,214
Operating income	3,285,103	3,962,854
<u>Nonoperating revenues (expenses)</u>		
Interest revenue	772,334	83,066
Grant revenue	43,302	-
Connection charges	1,500	4,976
Gain on disposal of capital assets	-	22,176
Interest expense and agent fees	(7,708)	-
Total nonoperating revenues	809,428	110,218
Income before contributions and transfers	4,094,531	4,073,072
Capital contributions - infrastructure	764,290	495,098
Capital contributions - water stock	236,000	4,783,137
Capital contributions - secondary water infrastructure	-	3,545,536
Capital contributions - impact fees	434,563	864,459
Capital contributions - exaction fees	4,345	62,916
Capital contributions - developer payments	-	39,050
Transfers in	266,666	291,666
Transfers out	(64,481)	(49,250)
Change in net position	5,735,914	14,105,684
Total net position - beginning	79,751,728	65,646,044
Total net position - ending	\$ 85,487,642	\$ 79,751,728

LAYTON CITY CORPORATION

STORM SEWER FUND COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 17,067,316	\$ 14,829,499
Accounts receivable, net	452,896	463,797
Total current assets	17,520,212	15,293,296
Noncurrent assets:		
Restricted cash and cash equivalents	493,123	583,373
Net pension asset	-	399,755
Capital assets:		
Land	718,832	718,832
Collection system	64,370,211	63,511,460
Equipment	3,127,644	2,452,710
Construction in progress	1,864,445	706,349
Less accumulated depreciation	(25,774,709)	(24,274,505)
Total capital assets (net of accumulated depreciation)	44,306,423	43,114,846
Total noncurrent assets	44,799,546	44,097,974
Total assets	62,319,758	59,391,270
<u>Deferred outflows of resources</u>		
Deferred outflows related to pensions	134,282	161,669
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	794,395	123,847
Accrued liabilities	26,110	27,527
Surety deposits	493,123	583,373
Compensated absences payable	22,630	18,073
Total current liabilities	1,336,258	752,820
Noncurrent liabilities:		
Compensated absences payable	1,383	3,458
Net pension liability	117,509	-
Total noncurrent liabilities	118,892	3,458
Total liabilities	1,455,150	756,278
<u>Deferred inflows of resources</u>		
Deferred inflows related to pensions	1,918	243,750
<u>Net position</u>		
Net investment in capital assets	44,251,125	43,114,846
Restricted for increased system development	3,416,350	4,099,347
Unrestricted	13,329,497	11,338,718
Total net position	\$ 60,996,972	\$ 58,552,911

LAYTON CITY CORPORATION

STORM SEWER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended June 30, 2023 and 2022

	2023	2022
<u>Operating revenues</u>		
Charges for services	\$ 4,166,515	\$ 4,130,910
Miscellaneous	20,678	-
Total operating revenues	4,187,193	4,130,910
<u>Operating expenses</u>		
Salaries, wages and benefits	859,370	716,554
Net pension expense (revenue)	302,819	(601,235)
Supplies and maintenance	615,054	457,315
Utilities	10,221	9,528
Professional services and training	11,999	11,750
Insurance	68,503	18,474
Rent	125,904	125,904
Depreciation	1,526,336	1,403,197
Total operating expenses	3,520,206	2,141,487
Operating income	666,987	1,989,423
<u>Nonoperating revenues</u>		
Interest	618,758	70,969
Gain on sale of capital assets	1,000	-
Total nonoperating revenues	619,758	70,969
Income before contributions and transfers	1,286,745	2,060,392
Capital contributions - infrastructure	792,389	1,066,455
Capital contributions - impact fees	296,909	395,063
Capital contributions - developer payments	-	13,743
Transfers in	170,000	285,000
Transfers out	(101,982)	(250,798)
Change in net position	2,444,061	3,569,855
Total net position - beginning	58,552,911	54,983,056
Total net position - ending	\$ 60,996,972	\$ 58,552,911

LAYTON CITY CORPORATION

SEWER FUND COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 3,010,320	\$ 2,936,607
Accounts receivable, net	1,310,077	1,314,187
Total current assets	4,320,397	4,250,794
Noncurrent assets:		
Net pension asset	-	338,938
Capital assets:		
Intangibles	31,685	31,685
Land	30,712	30,712
Collection system	25,104,237	24,553,178
Equipment	1,574,451	1,563,017
Construction in progress	750,618	232,572
Less accumulated depreciation and amortization	(10,696,500)	(10,134,804)
Total capital assets (net of accumulated depreciation and amortization)	16,795,203	16,276,360
Total noncurrent assets	16,795,203	16,615,298
Total assets	21,115,600	20,866,092
<u>Deferred outflows of resources</u>		
Deferred outflows related to pensions	205,665	275,318
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	1,100,726	778,388
Accrued liabilities	36,225	17,342
Compensated absences payable	45,988	33,965
Total current liabilities	1,182,939	829,695
Noncurrent liabilities:		
Compensated absences payable	2,811	6,498
Net pension liability	113,043	-
Total noncurrent liabilities	115,854	6,498
Total liabilities	1,298,793	836,193
<u>Deferred inflows of resources</u>		
Deferred inflows related to pensions	3,505	398,653
<u>Net position</u>		
Net investment in capital assets	16,777,428	16,276,360
Unrestricted	3,241,539	3,630,204
Total net position	\$ 20,018,967	\$ 19,906,564

LAYTON CITY CORPORATION

SEWER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the years ended June 30, 2023 and 2022

	2023	2022
<u>Operating revenues</u>		
Charges for services	\$ 11,025,714	\$ 10,908,335
Miscellaneous	3,312	9,476
Total operating revenues	11,029,026	10,917,811
<u>Operating expenses</u>		
Salaries, wages and benefits	1,535,239	1,348,945
Net pension expense (revenue)	126,486	(733,151)
Supplies and maintenance	385,396	401,460
Utilities	15,170	23,203
Professional services and training	22,991	12,298
Sewage treatment contract	8,326,191	8,142,680
Insurance	65,691	24,649
Rent	140,148	140,148
Depreciation and amortization	561,696	527,389
Total operating expenses	11,179,008	9,887,621
Operating income (loss)	(149,982)	1,030,190
<u>Nonoperating revenues</u>		
Interest	113,023	13,583
Gain on sale of assets	-	5,300
Connection charges	-	493
Total nonoperating revenues	113,023	19,376
Income (loss) before contributions and transfers	(36,959)	1,049,566
Capital contributions	397,176	488,517
Transfers in	-	150,000
Transfers out	(247,814)	(257,583)
Change in net position	112,403	1,430,500
Total net position - beginning	19,906,564	18,476,064
Total net position - ending	\$ 20,018,967	\$ 19,906,564

LAYTON CITY CORPORATION

REFUSE FUND

COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 1,006,946	\$ 1,011,007
Accounts receivable, net	639,319	616,897
Total current assets	1,646,265	1,627,904
Noncurrent assets:		
Net pension asset	-	41,264
Total assets	1,646,265	1,669,168
<u>Deferred outflows of resources</u>		
Deferred outflows related to pensions	26,250	28,453
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	399,117	371,600
Noncurrent liabilities:		
Net pension liability	14,428	-
Total liabilities	413,545	371,600
<u>Deferred inflows of resources</u>		
Deferred inflows related to pensions	447	37,929
<u>Net position</u>		
Unrestricted	1,258,523	1,288,092
Total net position	\$ 1,258,523	\$ 1,288,092

LAYTON CITY CORPORATION

REFUSE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended June 30, 2023 and 2022

	2023	2022
<u>Operating revenues</u>		
Charges for services	\$ 4,951,098	\$ 4,794,423
Miscellaneous	11,634	-
Total operating revenues	4,962,732	4,794,423
<u>Operating expenses</u>		
Salaries, wages and benefits	161,544	150,984
Net pension expense (revenue)	20,413	(90,748)
Supplies and maintenance	60,778	67,101
Utilities	6,811	6,811
Refuse collection and disposal contracts	4,733,691	4,395,458
Insurance	1,995	2,058
Rent	7,128	7,128
Total operating expenses	4,992,360	4,538,792
Operating income (loss)	(29,628)	255,631
<u>Nonoperating revenues</u>		
Interest revenue	37,559	4,591
Income before contributions and transfers	7,931	260,222
Transfer out	(37,500)	(37,500)
Change in net position	(29,569)	222,722
Total net position - beginning	1,288,092	1,065,370
Total net position - ending	\$ 1,258,523	\$ 1,288,092

LAYTON CITY CORPORATION

STREET LIGHTING FUND COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 1,998,387	\$ 1,533,767
Accounts receivable, net	148,446	149,042
Total current assets	2,146,833	1,682,809
Noncurrent assets:		
Net pension asset	-	62,698
Capital assets:		
Lighting system	4,146,805	3,891,968
Equipment	134,915	127,234
Construction in progress	601,000	675,369
Less accumulated depreciation	(557,055)	(451,579)
Total capital assets	4,325,665	4,242,992
Total noncurrent assets	4,325,665	4,305,690
Total assets	6,472,498	5,988,499
<u>Deferred outflow of resources</u>		
Deferred outflow of resources related to pensions	40,087	43,797
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	27,492	145,234
Accrued liabilities	2,624	6,819
Compensated absences payable	10,870	8,798
Total current liabilities	40,986	160,851
Noncurrent liabilities:		
Compensated absences payable	664	1,683
Net pension liability	22,033	-
Total noncurrent liabilities	22,697	1,683
Total liabilities	63,683	162,534
<u>Deferred inflow of resources</u>		
Deferred inflow of resources related to pensions	683	58,809
<u>Net position</u>		
Net investment in capital assets	4,325,665	4,242,992
Unrestricted	2,122,554	1,567,961
Total net position	\$ 6,448,219	\$ 5,810,953

LAYTON CITY CORPORATION

STREET LIGHTING FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended June 30, 2023 and 2022

	2023	2022
<u>Operating revenues</u>		
Charges for services	\$ 1,425,206	\$ 1,449,054
Miscellaneous	17,040	5,595
Total operating revenues	1,442,246	1,454,649
<u>Operating expenses</u>		
Salaries, wages and benefits	285,771	241,907
Net pension expense (revenue)	30,315	(138,253)
Supplies and maintenance	76,135	43,732
Utilities	348,815	295,962
Insurance	11,965	10,241
Depreciation	105,476	97,011
Total operating expenses	858,477	550,600
Operating income	583,769	904,049
<u>Nonoperating revenues</u>		
Interest	61,830	5,927
Total nonoperating revenues	61,830	5,927
Income before contributions and transfers	645,599	909,976
Transfers out	(8,333)	(8,333)
Change in net position	637,266	901,643
Total net position - beginning	5,810,953	4,909,310
Total net position - ending	\$ 6,448,219	\$ 5,810,953

LAYTON CITY CORPORATION

SECONDARY WATER FUND COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 178,270	\$ 207,830
Total current assets	<u>178,270</u>	<u>207,830</u>
Noncurrent assets:		
Net pension asset	-	22,075
Total noncurrent assets	<u>-</u>	<u>22,075</u>
Total assets	<u>178,270</u>	<u>229,905</u>
<u>Deferred outflow of resources</u>		
Deferred outflows related to pensions	<u>31,544</u>	<u>352</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	49,646	820
Accrued liabilities	1,713	4,528
Compensated absences payable	<u>10,244</u>	<u>6,713</u>
Total current liabilities	<u>61,603</u>	<u>12,061</u>
Noncurrent liabilities:		
Compensated absences payable	626	1,284
Net pension liability	<u>17,338</u>	<u>-</u>
Total noncurrent liabilities	<u>17,964</u>	<u>1,284</u>
Total liabilities	<u>79,567</u>	<u>13,345</u>
<u>Deferred inflow of resources</u>		
Deferred inflows related to pensions	<u>538</u>	<u>8,868</u>
<u>Net position</u>		
Unrestricted	<u>129,709</u>	<u>208,044</u>
Total net position	<u>\$ 129,709</u>	<u>\$ 208,044</u>

LAYTON CITY CORPORATION

SECONDARY WATER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended June 30, 2023 and 2022

	2023	2022
<u>Operating revenues</u>		
Charges for services	\$ 195,215	\$ 189,731
Total operating revenues	195,215	189,731
<u>Operating expenses</u>		
Salaries, wages and benefits	207,312	105,902
Net pension (revenue)	(109)	(52,414)
Supplies and maintenance	71,306	12,179
Total operating expenses	278,509	65,667
Operating income (loss)	(83,294)	124,064
<u>Nonoperating revenues</u>		
Interest	4,959	945
Change in net position	(78,335)	125,009
Total net position - beginning	208,044	83,035
Total net position - ending	\$ 129,709	\$ 208,044

LAYTON CITY CORPORATION

SWIMMING POOL FUND COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 79,268	\$ 259,548
Inventory	6,672	6,601
Total current assets	85,940	266,149
Noncurrent assets:		
Net pension asset	-	43,159
Capital assets:		
Land	1,000	1,000
Buildings	2,298,596	2,298,596
Improvements other than buildings	22,463	22,463
Equipment	932,002	932,002
Less accumulated depreciation	(2,848,030)	(2,775,779)
Total capital assets	406,031	478,282
Total noncurrent assets	406,031	521,441
Total assets	491,971	787,590
<u>Deferred outflows of resources</u>		
Deferred outflows related to pensions	32,023	3,897
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	13,186	17,282
Accrued liabilities	16,170	46,726
Compensated absences payable	5,040	4,560
Total current liabilities	34,396	68,568
Noncurrent liabilities:		
Compensated absences	308	872
Net pension liability	17,601	-
Total liabilities	17,909	872
Total liabilities	52,305	69,440
<u>Deferred inflows of resources</u>		
Deferred inflow related to pensions	546	6,235
<u>Net position</u>		
Net investment in capital assets	406,031	478,282
Unrestricted	65,112	237,530
Total net position	\$ 471,143	\$ 715,812

LAYTON CITY CORPORATION

SWIMMING POOL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the years ended June 30, 2023 and 2022

	2023	2022
<u>Operating revenues</u>		
Charges for services	\$ 331,457	\$ 358,901
Miscellaneous	45,593	45,565
Total operating revenues	377,050	404,466
<u>Operating expenses</u>		
Salaries, wages and benefits	613,126	550,995
Net pension expense (revenue)	26,945	(88,362)
Supplies and maintenance	210,297	152,068
Utilities	269,627	198,713
Professional services and training	10,534	10,179
Insurance	13,939	12,210
Depreciation	72,251	63,537
Total operating expenses	1,216,719	899,340
Operating loss	(839,669)	(494,874)
Transfers in	595,000	603,247
Change in net position	(244,669)	108,373
Total net position - beginning	715,812	607,439
Total net position - ending	\$ 471,143	\$ 715,812

LAYTON CITY CORPORATION

EMERGENCY MEDICAL SERVICES FUND COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 4,116,958	\$ 2,815,811
Accounts receivable, net	1,293,499	1,142,084
Total current assets	5,410,457	3,957,895
Noncurrent assets:		
Net pension asset	758,363	1,986,871
Capital assets:		
Equipment	2,944,814	3,057,612
Less accumulated depreciation	(1,611,625)	(1,605,945)
Total capital assets	1,333,189	1,451,667
Total noncurrent assets	2,091,552	3,438,538
Total assets	7,502,009	7,396,433
<u>Deferred outflows of resources</u>		
Deferred outflows related to pensions	605,189	1,559,245
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	36,388	20,832
Accrued liabilities	68,028	161,824
Compensated absences payable	245,212	178,302
Payable to other governments	1,186	3,807
Total current liabilities	350,814	364,765
Noncurrent liabilities:		
Compensated absences payable	14,989	34,114
Total noncurrent liabilities	14,989	34,114
Total liabilities	365,803	398,879
<u>Deferred inflows of resources</u>		
Deferred inflows related to pensions	10,749	5,880,742
<u>Net position</u>		
Net investment in capital assets	1,333,189	1,451,667
Restricted for pensions	747,614	-
Unrestricted	5,649,843	1,224,390
Total net position	\$ 7,730,646	\$ 2,676,057

LAYTON CITY CORPORATION

EMERGENCY MEDICAL SERVICES FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the years ended June 30, 2023 and 2022

	2023	2022
<u>Operating revenues</u>		
Charges for services	\$ 5,365,999	\$ 4,446,904
Miscellaneous	530	254
Total operating revenues	5,366,529	4,447,158
<u>Operating expenses</u>		
Salaries, wages and benefits	3,693,770	3,128,046
Net pension (revenue) expense	(3,687,429)	3,278,717
Supplies and maintenance	463,100	506,157
Utilities	12,528	12,443
Professional services and training	47,940	46,123
Insurance	163,973	157,935
Depreciation	275,823	222,706
Total operating expenses	969,705	7,352,127
Operating income (loss)	4,396,824	(2,904,969)
<u>Nonoperating revenues</u>		
Interest	119,251	11,486
Loss on sale of capital assets	(15,958)	-
Grants	9,483	9,024
Total nonoperating revenues	112,776	20,510
Income (loss) before transfers	4,509,600	(2,884,459)
Transfer from other funds	775,989	848,898
Change in net position	5,054,589	(2,393,061)
Total net position - beginning	2,676,057	5,069,118
Total net position - ending	\$ 7,730,646	\$ 2,676,057

LAYTON CITY CORPORATION

ATHLETIC PROGRAMS FUND COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 502,987	\$ 313,632
Total assets	<u>502,987</u>	<u>313,632</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	29,989	24,789
Accrued liabilities	<u>9,237</u>	<u>25,241</u>
Total liabilities	<u>39,226</u>	<u>50,030</u>
<u>Net position</u>		
Unrestricted	<u>463,761</u>	<u>263,602</u>
Total net position	<u>\$ 463,761</u>	<u>\$ 263,602</u>

LAYTON CITY CORPORATION

ATHLETIC PROGRAMS FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the years ended June 30, 2023 and 2022

	2023	2022
<u>Operating revenues</u>		
Charges for services	\$ 723,304	\$ 673,189
Total operating revenues	723,304	673,189
<u>Operating expenses</u>		
Salaries, wages and benefits	214,832	186,079
Supplies and maintenance	308,313	386,801
Total operating expenses	523,145	572,880
Change in net position	200,159	100,309
Total net position - beginning	263,602	163,293
Total net position - ending	\$ 463,761	\$ 263,602

LAYTON CITY CORPORATION

UIA TELECOM INFRASTRUCTURE FUND COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 121,583	\$ 122,826
Accounts receivable	11,249	9,745
Contracts receivable	23,852	23,852
Total current assets	156,684	156,423
Noncurrent assets:		
Contracts receivable	182,520	229,541
Total assets	339,204	385,964
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	2,769	3,701
Due to UIA - contracts	23,852	23,852
Noncurrent liabilities:		
Due to UIA - contracts	181,439	228,387
Total liabilities	208,060	255,940
<u>Net position</u>		
Unrestricted	131,144	130,024
Total net position	\$ 131,144	130,024

LAYTON CITY CORPORATION

UIA TELECOM INFRASTRUCTURE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION

For the years ended June 30, 2023 and 2022

	2023	2022
<u>Operating revenues</u>		
Fees	\$ 1,930	\$ 2,249
Total operating revenues	1,930	2,249
<u>Operating expenses</u>		
Contracted agreements	4,895	4,889
Administrative expenses	388	510
Total operating expenses	5,283	5,399
Operating loss	(3,353)	(3,150)
<u>Nonoperating revenues</u>		
Interest	4,473	606
Total nonoperating revenues	4,473	606
Change in net position	1,120	(2,544)
Total net position - beginning	130,024	132,568
Total net position - ending	\$ 131,144	\$ 130,024

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Layton City Corporation

Component Unit Fund Schedules

LAYTON CITY CORPORATION

DAVIS METRO NARCOTICS STRIKE FORCE FUND COMPARATIVE BALANCE SHEET

June 30, 2023 and 2022

	2023	2022
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 439,802	\$ 625,658
Receivables-grants	<u>102,265</u>	<u>102,925</u>
Total assets	<u><u>\$ 542,067</u></u>	<u><u>\$ 728,583</u></u>
<u>Liabilities and fund balance</u>		
Current liabilities:		
Accounts payable	\$ 54,705	\$ 39,125
Accrued liabilities	1,383	3,825
Seizure deposits	<u>95,876</u>	<u>181,381</u>
Total liabilities	<u>151,964</u>	<u>224,331</u>
Fund balance:		
Restricted for federal and state programs	246,484	410,304
Assigned	<u>143,619</u>	<u>93,948</u>
Total fund balance	<u>390,103</u>	<u>504,252</u>
Total liabilities and fund balance	<u><u>\$ 542,067</u></u>	<u><u>\$ 728,583</u></u>

LAYTON CITY CORPORATION

DAVIS METRO NARCOTICS STRIKE FORCE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the years ended June 30, 2023 and 2022

(with comparative actual amounts for year ended June 30, 2022)

	2023			2022	
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Intergovernmental:					
HIDTA grant	\$ 192,120	\$ 281,931	\$ 195,614	\$ (86,317)	\$ 216,582
SAFG grant	107,000	108,273	108,273	-	107,106
STFG grant	100,000	100,000	100,000	-	93,298
Other state grants	22,932	22,932	49,013	26,081	78,454
Participating entity assessments	105,148	105,148	105,148	-	105,149
Restitution and forfeited seizures	-	-	5,049	5,049	40,445
Total Intergovernmental	527,200	618,284	563,097	(55,187)	641,034
Miscellaneous:					
Interest	-	-	473	473	310
Other	-	-	3,056	3,056	111
Total revenues	527,200	618,284	566,626	(51,658)	641,455
<u>Expenditures</u>					
Current:					
Public safety:					
Salaries, wages and benefits	187,706	243,081	245,781	(2,700)	222,479
Materials and supplies	416,818	486,091	434,994	51,097	448,633
Total expenditures	604,524	729,172	680,775	48,397	671,112
Net change in fund balance	(77,324)	(110,888)	(114,149)	(3,261)	(29,657)
Fund balance - beginning	504,252	504,252	504,252	-	533,909
Fund balance - ending	\$ 426,928	\$ 393,364	\$ 390,103	\$ (3,261)	\$ 504,252

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Layton City Corporation

Statistical Section

Statistical Section Description

(Unaudited)

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

Financial Trends—These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity—These schedules contain information to help the reader assess the factors affecting the City's ability to generate its most significant local revenue sources, property and sales tax.

Debt Capacity—These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the ability to issue additional debt in the future.

Demographic and Economic Information—These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating information—These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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LAYTON CITY CORPORATION

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Governmental activities:</u>						(restated)		(restated)		
Net investment in capital assets	\$150,159,678	\$153,482,206	\$156,557,428	\$159,571,163	\$161,364,567	\$165,019,196	\$171,996,617	\$178,232,228	\$193,522,866	\$206,695,901
Restricted	5,435,689	5,237,356	5,748,428	8,892,153	10,343,378	11,461,921	19,809,963	20,791,081	17,519,765	17,823,252
Unrestricted	7,883,220	4,134,740	5,904,908	8,196,625	11,304,495	12,620,492	10,858,540	26,961,984	45,347,052	53,362,420
Total governmental activities net position	\$163,478,587	\$162,854,302	\$168,210,764	\$176,659,941	\$183,012,440	\$189,101,609	\$202,665,120	\$225,985,293	\$256,389,683	\$277,881,573
<u>Business-type activities:</u>										
Net investment in capital assets	\$88,442,593	\$91,986,496	\$95,191,869	\$97,000,421	\$99,674,563	\$102,038,189	\$106,870,959	\$114,455,538	\$124,900,627	\$125,173,770
Restricted	1,812,732	2,561,418	3,781,752	4,453,686	5,408,772	6,343,957	6,898,219	6,776,470	6,508,006	6,778,892
Unrestricted	9,758,752	9,446,308	9,400,470	10,196,170	12,038,447	15,356,340	22,256,063	29,903,289	37,895,154	51,184,064
Total business-type activities net position	\$100,014,077	\$103,994,222	\$108,374,091	\$111,650,277	\$117,121,782	\$123,738,486	\$136,025,241	\$151,135,297	\$169,303,787	\$183,136,726
<u>Primary government:</u>										
Net investment in capital assets	\$238,602,271	\$245,468,702	\$251,749,297	\$256,571,584	\$261,039,130	\$267,057,385	\$278,867,576	\$292,687,766	\$318,423,493	\$331,869,671
Restricted	7,248,421	7,798,774	9,530,180	13,345,839	15,752,150	17,805,878	26,708,182	27,567,551	24,027,771	24,602,144
Unrestricted	17,641,972	13,581,048	15,305,378	18,392,795	23,342,942	27,976,832	33,114,603	56,865,273	83,242,206	104,546,484
Total primary government net position	\$263,492,664	\$266,848,524	\$276,584,855	\$288,310,218	\$300,134,222	\$312,840,095	\$338,690,361	\$377,120,590	\$425,693,470	\$461,018,299

LAYTON CITY CORPORATION

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Expenses						(as restated)		(as restated)			
Government activities:											
General government	\$ 6,671,153	\$ 6,844,664	\$ 7,132,012	\$ 6,343,881	\$ 7,611,347	\$ 7,785,966	\$ 8,511,693	\$ 5,875,992	\$ 6,983,985	\$ 7,779,382	
Public safety	15,261,468	15,024,179	16,390,590	17,753,417	17,060,480	18,740,492	18,156,869	17,609,272	19,315,746	27,179,938	
Community and economic development	1,761,550	4,299,824	2,518,400	2,123,466	2,726,890	2,815,621	2,784,591	3,595,611	2,539,765	3,381,922	
Streets and public improvements	6,770,720	6,431,468	7,599,440	7,854,033	8,457,365	9,524,652	9,550,162	10,814,609	8,623,641	9,203,314	
Parks and recreation	3,403,417	3,223,684	3,096,436	3,609,151	3,820,278	4,541,434	3,866,241	2,345,691	3,344,157	3,588,493	
Interest on long-term debt	149,542	140,265	81,785	70,394	66,835	59,876	53,740	76,959	58,740	160,910	
Total governmental activities expenses	34,017,850	35,964,084	36,818,663	37,754,342	39,743,195	43,468,041	42,923,296	40,318,134	40,866,034	51,293,959	
Business-type activities:											
Water	5,749,044	5,850,251	5,612,049	6,606,495	5,786,516	6,849,278	6,620,703	8,463,043	6,518,214	9,405,713	
Secondary water	-	-	-	-	190,991	150,832	163,091	105,937	65,667	278,509	
Storm sewer	2,062,924	2,737,168	2,311,277	2,622,514	2,512,279	2,825,395	2,606,674	2,821,723	2,141,487	3,520,206	
Sewer	5,112,186	6,545,277	7,923,011	8,813,583	9,461,738	9,961,452	10,017,207	10,882,409	9,887,621	11,179,008	
Refuse	2,760,288	2,777,743	2,898,004	3,050,059	3,144,325	3,316,840	4,186,119	4,547,000	4,538,792	4,992,360	
Swimming pool	993,878	1,030,461	946,993	896,598	1,027,365	871,992	1,023,344	923,916	899,340	1,216,719	
Emergency medical services	2,345,428	2,235,033	2,324,982	2,581,325	3,039,762	3,329,928	2,607,540	3,497,886	7,352,127	985,663	
Street lighting	689,940	413,501	517,439	430,001	448,417	463,685	589,102	753,541	550,600	858,477	
UIA	269,044	252,007	183,700	4,758	4,959	5,243	5,497	5,503	5,399	5,283	
Athletic programs	302,300	367,603	404,971	425,576	543,584	527,430	573,746	405,480	572,880	523,145	
Total business-type activities expenses	20,285,032	22,209,044	23,122,426	25,430,909	26,159,936	28,302,075	28,393,023	32,406,438	32,532,127	32,965,083	
Total primary government expenses	\$ 54,302,882	\$ 58,173,128	\$ 59,941,089	\$ 63,185,251	\$ 65,903,131	\$ 71,770,116	\$ 71,316,319	\$ 72,724,572	\$ 73,398,161	\$ 84,259,042	
Program Revenues											
Governmental activities:											
Charges for services:											
Public safety	\$ 1,369,749	\$ 1,342,900	\$ 1,432,080	\$ 1,318,714	\$ 777,172	\$ 822,047	\$ 711,423	\$ 799,943	\$ 684,934	\$ 779,990	
Community and economic development	1,272,806	1,428,887	1,891,252	1,689,024	1,674,726	2,017,120	2,145,749	2,427,251	2,201,804	1,396,889	
Streets and public improvements	93,831	97,428	110,128	96,191	132,800	111,720	118,360	87,572	45,266	40,352	
Other activities	783,995	787,880	785,649	796,595	798,475	780,594	878,243	1,126,983	1,159,905	1,156,084	
Operating grants and contributions	2,463,746	3,798,267	4,006,923	3,644,776	5,222,439	5,534,256	9,138,121	11,152,786	12,513,176	12,485,917	
Capital grants and contributions	7,842,229	6,395,220	5,959,849	6,698,962	4,715,880	6,838,492	7,079,427	10,148,234	12,449,262	9,769,581	
Total governmental activities program revenues	13,826,356	13,850,582	14,185,881	14,244,262	13,321,492	16,104,229	20,071,323	25,742,769	29,054,347	25,628,813	
Business-type activities:											
Charges for services											
Water	6,152,705	6,025,322	6,106,426	6,405,402	6,742,913	8,486,521	11,467,833	12,208,534	10,478,585	12,665,042	
Secondary water	-	-	-	-	204,651	162,392	162,392	182,365	189,731	195,215	
Storm sewer	2,229,148	2,254,984	2,273,339	2,319,631	2,895,855	3,421,433	4,013,329	4,090,267	4,130,910	4,166,515	
Sewer	5,551,462	6,825,982	7,911,754	9,038,333	10,089,862	10,094,919	10,406,069	10,713,623	10,908,828	11,025,714	
Refuse	2,787,593	2,857,527	3,018,313	3,138,596	3,209,410	3,374,133	4,205,860	4,620,816	4,794,423	4,951,098	
Swimming pool	426,409	388,063	411,852	390,519	375,651	397,344	299,861	334,476	358,901	331,457	
Emergency medical services	1,765,930	1,703,588	2,034,605	2,537,804	2,480,025	2,823,485	3,282,945	3,516,127	4,446,904	5,365,999	
Street Lighting	856,832	798,065	922,761	942,880	1,196,579	802,144	977,652	1,455,487	1,449,054	1,425,206	
UIA	13,741	13,747	19,243	2,756	4,844	3,386	3,849	2,787	2,249	1,930	
Athletic programs	314,086	325,837	379,541	429,569	444,882	506,261	513,684	568,773	673,189	723,304	
Operating grants and contributions	656,685	660,177	665,111	695,369	712,950	736,727	754,623	848,925	9,024	9,483	
Capital grants and contributions	2,337,334	3,573,370	4,053,898	4,175,766	3,003,956	3,354,915	4,580,203	7,178,245	11,753,974	2,968,974	
Total business-type activities program revenues	23,091,925	25,426,662	27,796,843	30,076,625	31,361,578	34,163,660	40,668,300	45,720,425	49,195,772	43,829,937	
Total primary government program revenues	\$ 36,918,281	\$ 39,277,244	\$ 41,982,724	\$ 44,320,887	\$ 44,683,070	\$ 50,267,889	\$ 60,739,623	\$ 71,463,194	\$ 78,250,119	\$ 69,458,750	

LAYTON CITY CORPORATION

CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

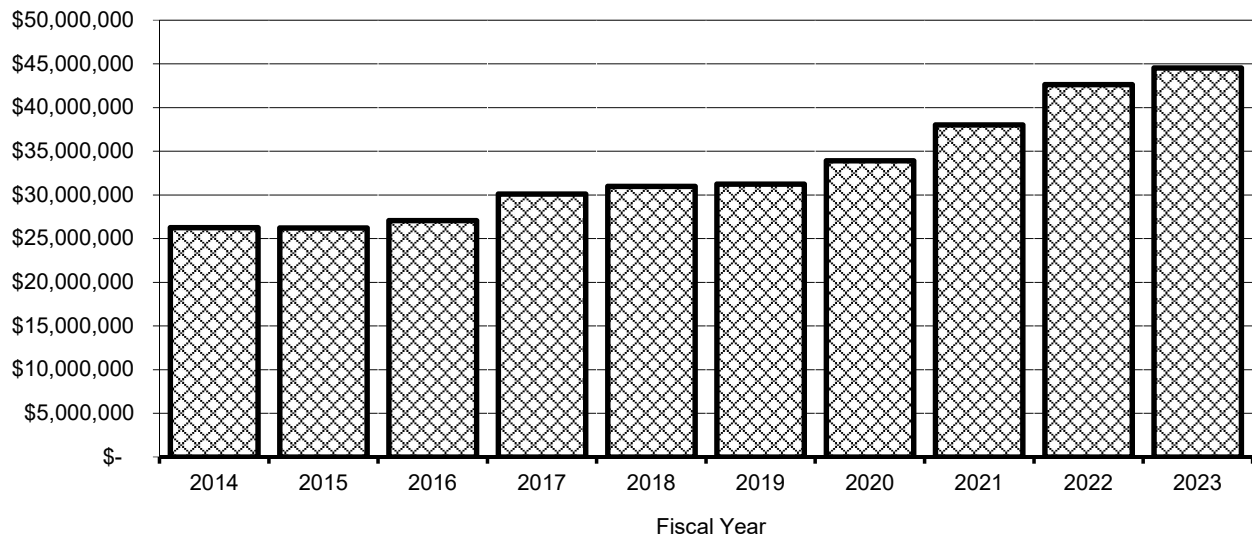
	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	(as restated)									
<u>Net (expense) revenue</u>										
Governmental activities	(\$20,191,494)	(\$22,113,502)	(\$22,632,782)	(\$23,510,080)	(\$26,421,703)	(\$27,363,812)	(\$22,851,973)	(\$14,575,365)	(\$11,811,687)	(\$25,665,146)
Business-type activities	2,806,893	3,217,618	4,674,417	4,645,716	5,201,642	5,861,585	12,621,745	13,313,987	16,663,645	10,864,854
Total primary government net expense	(\$17,384,601)	(\$18,895,884)	(\$17,958,365)	(\$18,864,364)	(\$21,220,061)	(\$21,502,227)	(\$10,230,228)	(\$1,261,378)	\$4,851,958	(\$14,800,292)
<u>General Revenues and Other Changes in Net Position</u>										
Governmental activities:										
Property and uniform vehicle taxes	\$8,030,753	\$7,257,495	\$7,581,810	\$8,644,852	\$7,797,983	\$7,679,698	\$9,283,686	\$9,494,411	\$10,376,098	\$10,440,504
Sales and use taxes	12,194,440	13,049,426	14,217,077	17,116,296	18,053,765	18,663,120	19,779,439	23,665,751	27,095,249	28,121,355
Franchise, telecommunication and energy sales taxes	5,848,189	5,698,201	5,038,994	4,983,497	4,898,908	4,662,991	4,642,859	4,652,459	4,877,838	5,675,089
Transient room tax	179,073	196,879	215,385	226,486	242,731	244,290	195,878	184,766	266,630	306,055
Investment earnings	80,258	85,558	127,307	243,702	454,292	955,460	907,681	300,031	306,900	2,635,935
Interest income leases	-	-	-	-	-	-	-	145,212	106,917	106,916
Miscellaneous	181,454	167,573	160,477	258,574	697,190	179,145	687,652	283,678	179,820	987,727
Gain (loss) on sale of capital assets	35,075	2,361,242	25,514	64,558	65,140	15,989	13,611	36,216	224,472	-
Transfers	(870,634)	(945,307)	622,680	421,292	564,193	1,052,288	904,678	(866,986)	(1,217,847)	(1,116,545)
Total governmental activities	25,678,608	27,871,067	27,989,244	31,959,257	32,774,202	33,452,981	36,415,484	37,895,538	42,216,077	47,157,036
Business-type activities:										
Investment earnings	39,178	48,232	84,435	133,215	231,784	489,631	462,065	490,599	191,173	1,732,187
Miscellaneous	77,954	73,480	34,785	55,463	158,031	67,169	101,630	377,429	68,349	118,353
Gain on sale of capital assets	(8,875)	21,998	6,758	2,000	8,126	-	5,993	61,055	27,476	1,000
Transfers	870,634	945,307	(622,680)	(421,292)	(564,193)	(1,052,288)	(904,678)	866,986	1,217,847	1,116,545
Total business-type activities	978,891	1,089,017	(496,702)	(230,614)	(166,252)	(495,488)	(334,990)	1,796,069	1,504,845	2,968,085
Total primary government	\$26,657,499	\$28,960,084	\$27,492,542	\$31,728,643	\$32,607,950	\$32,957,493	\$36,080,494	\$39,691,607	\$43,720,922	\$50,125,121
<u>Change in Net Position</u>										
Governmental activities - restated	\$5,487,114	\$5,757,565	\$5,356,462	\$8,449,177	\$6,352,499	\$6,089,169	\$13,563,511	\$23,320,173	\$30,404,390	\$21,491,890
Business-type activities	3,785,784	4,306,635	4,177,715	4,415,102	5,035,390	5,366,097	12,286,755	15,110,056	18,168,490	13,832,939
Total primary government	\$9,272,898	\$10,064,200	\$9,534,177	\$12,864,279	\$11,387,889	\$11,455,266	\$25,850,266	\$38,430,229	\$48,572,880	\$35,324,829

LAYTON CITY CORPORATION

GOVERNMENTAL ACTIVITIES TAX AND SPECIAL ASSESSMENT REVENUES BY SOURCE LAST TEN FISCAL YEARS

Year	Property Tax	Uniform Vehicle Tax	Sales Tax	Franchise, Telecommunications and Energy Taxes	Transient Room Tax	Payments in Lieu and Special Assessments	Total Tax Revenues
2014	\$ 7,557,289	\$ 472,776	\$ 12,194,440	\$ 5,848,189	\$ 179,073	\$ 688	\$ 26,252,455
2015	6,760,381	496,375	13,049,426	5,698,201	196,879	739	26,202,001
2016	6,857,794	723,280	14,217,077	5,038,994	215,385	736	27,053,266
2017	7,045,307	736,968	17,116,296	4,983,497	226,486	806	30,109,360
2018	7,117,484	679,698	18,053,765	4,898,908	242,731	801	30,993,387
2019	7,197,706	481,201	18,663,120	4,662,991	244,290	791	31,250,099
2020	8,752,152	530,664	19,779,439	4,642,859	195,878	870	33,901,862
2021	8,932,390	561,115	23,665,751	4,652,459	184,766	906	37,997,387
2022	9,803,316	571,875	27,095,249	4,877,838	266,630	907	42,615,815
2023	9,898,206	541,305	28,121,355	5,675,089	306,055	993	44,543,003

Governmental Activities Tax and Special Assessment Revenues



LAYTON CITY CORPORATION

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	(as restated)									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>General fund:</u>										
Nondisposable	\$ 415,383	\$ 457,546	\$ 435,584	\$ 465,309	\$ 164,414	\$ 52,506	\$ 47,517	\$ 174,792	\$ 266,001	\$ 376,417
Restricted	-	14,434	174,021	1,033,186	1,765,654	1,130,884	1,071,417	1,843,264	2,608,797	3,918,354
Assigned	1,969,311	1,592,699	1,542,182	2,906,990	2,968,408	2,492,126	1,829,928	4,984,332	4,819,718	11,709,960
Unassigned	5,155,535	5,795,064	6,416,565	5,881,660	5,956,163	7,142,126	8,291,882	17,490,985	21,110,916	8,725,988
Total general fund	\$ 7,540,229	\$ 7,859,743	\$ 8,568,352	\$ 10,287,145	\$ 10,854,639	\$ 10,817,642	\$ 11,240,744	\$ 24,493,373	\$ 28,805,432	\$ 24,730,719
<u>All other governmental funds:</u>										
Nondisposable	\$ 95,449	\$ 86,410	\$ 77,274	\$ 68,047	\$ 58,727	\$ 49,315	\$ 39,808	\$ 30,870	\$ 30,206	\$ 10,713
Restricted	5,435,689	5,222,922	5,574,407	7,858,967	8,518,997	10,281,722	16,420,193	18,916,947	14,880,762	13,894,185
Assigned reported in:										
Special revenue funds	258,605	256,350	542,777	1,157,252	2,012,845	2,380,219	2,443,919	2,873,520	4,169,464	3,508,780
Debt service fund	351,197	351,957	490,381	448,908	439,677	531,288	600,180	657,941	707,219	733,667
Capital projects fund	2,189,081	3,479,119	3,599,266	4,924,178	7,506,184	8,699,511	6,230,000	5,942,280	14,608,390	29,256,908
Unassigned	-	-	-	-	-	-	(4,911)	-	-	(4,673)
Total all other governmental funds	\$ 8,330,021	\$ 9,396,758	\$ 10,284,105	\$ 14,457,352	\$ 18,536,430	\$ 21,942,055	\$ 25,729,189	\$ 28,421,558	\$ 34,396,041	\$ 47,399,580

LAYTON CITY CORPORATION

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Revenues:</u>								(as restated)		
Taxes and special assessments	\$26,252,455	\$26,202,001	\$27,053,266	\$30,024,360	\$30,993,387	\$31,250,099	\$33,901,862	\$37,997,387	\$42,615,815	\$44,543,003
Licenses and permits	1,238,610	1,383,273	1,843,074	1,633,254	1,630,148	1,926,270	2,097,218	2,398,823	2,166,839	324,920
Intergovernmental	2,628,996	3,708,702	4,533,770	5,224,077	5,636,306	6,115,003	6,741,590	13,435,536	15,598,733	12,207,604
Charges for services	3,191,137	3,138,530	3,414,641	3,365,021	3,621,753	3,853,834	3,750,313	3,875,422	4,791,921	3,400,558
Fines and forfeitures	297,592	313,975	296,772	275,190	232,957	242,635	273,144	214,059	166,534	181,948
Developer payments	44,334	10,000	-	-	-	-	-	-	-	-
Miscellaneous	854,049	857,392	1,079,878	1,078,707	1,735,137	1,718,116	2,239,959	1,397,548	1,272,242	4,395,737
Total Revenues	34,507,173	35,613,873	38,221,401	41,600,609	43,849,688	45,105,957	49,004,086	59,318,775	66,612,084	65,053,770
<u>Expenditures:</u>										
General government	4,463,882	4,571,465	4,830,412	4,780,748	5,073,588	5,078,102	5,472,344	4,691,695	5,146,416	5,407,785
Public safety	15,165,456	15,464,180	16,170,325	16,420,471	16,775,863	17,199,592	17,917,943	19,026,969	19,819,715	25,013,846
Community and economic development	1,784,329	4,344,474	2,695,829	2,027,488	2,694,988	2,798,355	2,613,931	2,582,431	3,250,063	3,225,680
Streets and public improvements	3,710,956	3,306,604	4,336,966	4,694,318	4,330,131	6,848,666	6,385,693	5,618,399	5,489,345	5,350,703
Parks and recreation	2,944,150	3,006,094	2,918,759	3,307,037	3,917,900	3,997,006	4,197,668	4,039,802	4,140,380	5,724,977
Debt service										
Principal	250,000	270,000	285,000	300,000	349,000	363,000	372,000	375,000	384,000	392,000
Interest	162,538	150,475	63,188	70,314	57,714	50,878	44,822	65,226	52,768	99,414
Bond issuance costs	-	45,975	-	-	-	-	-	-	-	-
Pledge payments	2,193,179	2,237,043	2,281,784	2,327,419	2,373,968	2,421,447	2,469,876	2,519,273	2,569,659	1,938,782
Capital outlay	1,480,697	2,293,857	3,691,376	2,266,624	4,259,297	4,055,199	6,237,862	4,193,707	14,479,821	9,756,716
Total Expenditures	32,155,187	35,690,167	37,273,639	36,194,419	39,832,449	42,812,245	45,712,139	43,112,502	55,332,167	56,909,903
Excess of revenues over (under) expenditures	2,351,986	(76,294)	947,762	5,406,190	4,017,239	2,293,712	3,291,947	16,206,273	11,279,917	8,143,867
<u>Other financing sources (uses):</u>										
Transfers in	4,326,719	11,190,658	7,536,077	7,720,713	10,317,083	10,065,521	10,411,539	10,898,347	18,906,807	26,096,598
Transfers out	(5,197,353)	(12,135,965)	(6,913,397)	(7,299,421)	(9,752,890)	(9,013,233)	(9,506,861)	(11,765,333)	(20,124,654)	(27,213,143)
Sale of capital assets	35,075	2,361,242	25,514	64,558	65,140	22,628	13,611	36,216	224,472	354,670
Bond Proceeds	-	3,045,000	-	-	-	-	-	-	-	-
Right-to-use lease proceeds	-	-	-	-	-	-	-	571,495	-	1,546,834
Payment to refunding bond escrow agent	-	(2,998,390)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(835,559)	1,462,545	648,194	485,850	629,333	1,074,916	918,289	(259,275)	(993,375)	784,959
Net change in fund balances	\$1,516,427	\$1,386,251	\$1,595,956	\$5,892,040	\$4,646,572	\$3,368,628	\$4,210,236	\$15,946,998	\$10,286,542	\$8,928,826
Debt service as a percentage of noncapital expenditures	1.3%	1.3%	1.0%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.0%

LAYTON CITY CORPORATION

PRINCIPAL SALES TAX PAYERS

CURRENT YEAR AND TEN YEARS AGO

Taxpayer	Fiscal Year 2023			Fiscal Year 2014		
	Sales Taxes ¹	Rank	Percentage of Total Sales Taxes ¹	Sales Taxes ¹	Rank	Percentage of Total Sales Taxes ¹
Walmart	N/A	1	N/A	N/A	1	N/A
RC Willey	N/A	2	N/A	N/A	---	N/A
Sams Club	N/A	3	N/A	N/A	2	N/A
Amazon	N/A	4	N/A	N/A	---	N/A
Home Depot	N/A	5	N/A	N/A	5	N/A
Super Target	N/A	6	N/A	N/A	3	N/A
Ed Kenley Ford	N/A	7	N/A	N/A	10	N/A
Young Kia	N/A	8	N/A	N/A	5	N/A
Winco Foods	N/A	9	N/A	N/A	---	N/A
Young Chevrolet	N/A	10	N/A	N/A	7	N/A
Utah Power & Light	N/A	---	N/A	N/A	4	N/A
Walmart Neighborhood Market	N/A	---	N/A	N/A	9	N/A
Smiths	N/A	---	N/A	N/A	6	N/A
Warehouse	N/A	---	N/A	N/A	8	
Total	<u>\$8,929,067</u>		<u>37.43%</u>	<u>\$4,830,546</u>		<u>39.61%</u>

Source: Utah State Tax Commission

¹ Due to confidentiality issues, the amounts and percentages of the ten largest revenue payers cannot be displayed. However, the aggregate total is displayed along with the individual rankings in an effort to provide the reader with information as to where the City's sales tax base originates.

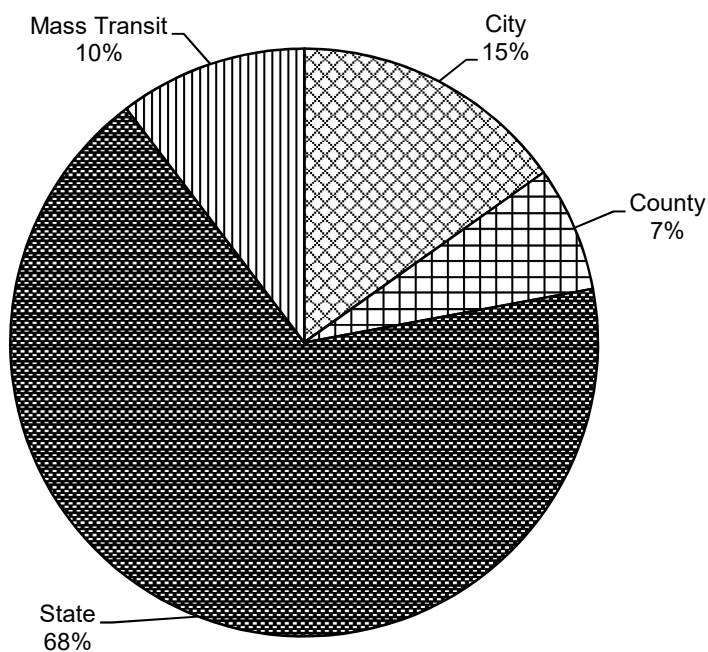
LAYTON CITY CORPORATION

DIRECT AND OVERLAPPING SALES TAX RATES LAST TEN FISCAL YEARS

Year	City	County	State	Mass Transit	Total
2014	1.00%	0.25%	4.75%	0.50%	6.50%
2015	1.00%	0.25%	4.75%	0.50%	6.50%
2016	1.10%	0.50%	4.75%	0.50%	6.85%
2017	1.10%	0.50%	4.75%	0.50%	6.85%
2018	1.10%	0.50%	4.75%	0.50%	6.85%
2019	1.10%	0.50%	4.90%	0.50%	7.00%
2020	1.10%	0.50%	4.90%	0.75%	7.25%
2021	1.10%	0.50%	4.90%	0.75%	7.25%
2022	1.10%	0.50%	4.90%	0.75%	7.25%
2023	1.10%	0.50%	4.90%	0.75%	7.25%

Source: Davis County Clerk/Auditor

2023 Direct and Overlapping Sales Tax Rates

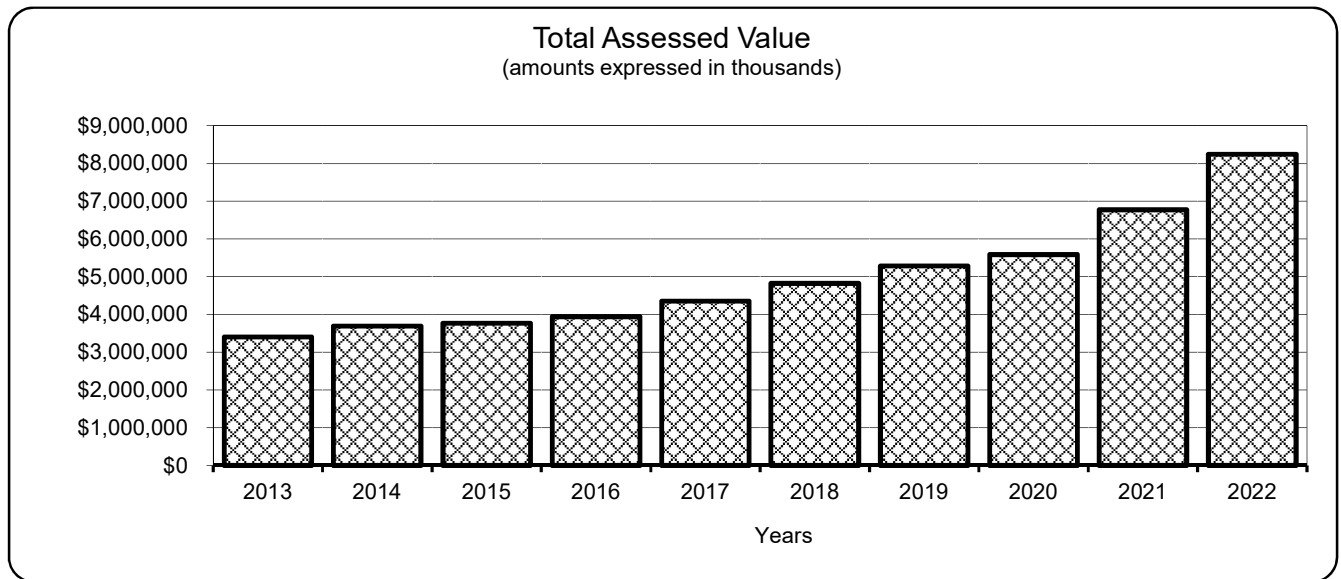


LAYTON CITY CORPORATION

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN CALENDAR YEARS (amounts expressed in thousands)

Year	Real Property		Personal Property		Total		Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2013	\$ 3,208,456	\$ 5,224,853	\$ 194,539	\$ 194,539	\$ 3,402,995	\$ 5,419,392	0.2046%	62.79%
2014	3,496,644	5,538,344	196,304	196,304	3,692,948	5,734,648	0.1896%	64.40%
2015	3,552,407	5,994,732	219,238	219,238	3,771,645	6,213,970	0.1928%	60.70%
2016	3,722,031	5,903,450	220,566	220,566	3,942,597	6,124,016	0.1805%	64.38%
2017	4,127,808	6,552,076	225,698	225,698	4,353,506	6,777,774	0.1635%	64.23%
2018	4,578,598	7,154,059	244,285	381,695	4,822,883	7,535,755	0.1521%	64.00%
2019	5,021,433	7,845,989	259,203	405,005	5,280,636	8,250,994	0.1666%	64.00%
2020	5,316,063	8,306,348	271,612	424,394	5,587,675	8,730,742	0.1645%	64.00%
2021	6,481,862	10,127,909	287,284	448,881	6,769,146	10,576,791	0.1593%	64.00%
2022	7,949,609	12,421,264	298,489	466,389	8,248,098	12,887,653	0.1263%	64.00%

Source: Davis County Clerk/Auditor; estimated actual values were estimated by the City

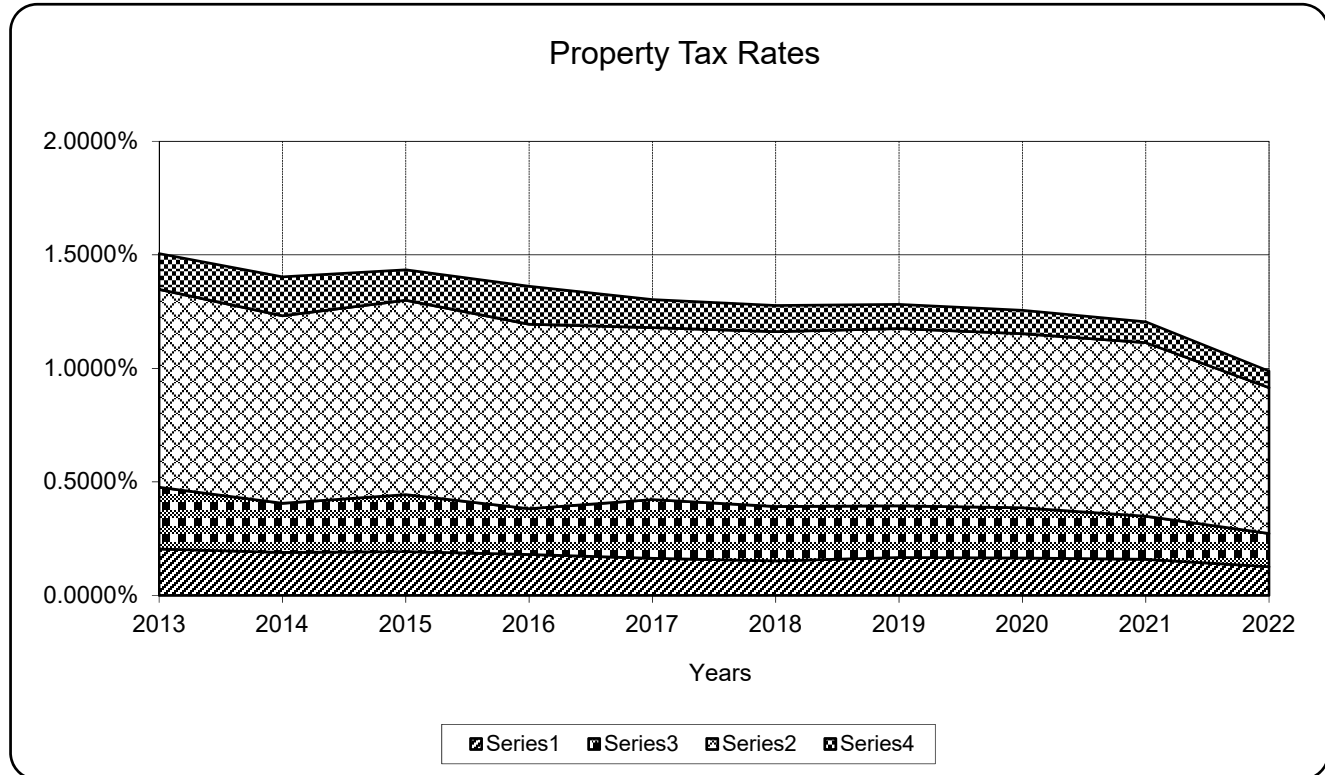


LAYTON CITY CORPORATION

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN CALENDAR YEARS

Year	Direct City	Overlapping Rates			Total Direct & Overlapping Rates
		County	School District	Special Tax Districts	
2013	0.2046%	0.2720%	0.8710%	0.1575%	1.5051%
2014	0.1896%	0.2161%	0.8259%	0.1709%	1.4025%
2015	0.1928%	0.2514%	0.8555%	0.1343%	1.4340%
2016	0.1805%	0.2014%	0.8125%	0.1670%	1.3614%
2017	0.1635%	0.2586%	0.7575%	0.1230%	1.3026%
2018	0.1521%	0.2395%	0.7701%	0.1152%	1.2769%
2019	0.1666%	0.2280%	0.7808%	0.1065%	1.2819%
2020	0.1645%	0.2215%	0.7670%	0.1025%	1.2555%
2021	0.1593%	0.1897%	0.7642%	0.0913%	1.2045%
2022	0.1263%	0.1462%	0.6424%	0.0731%	0.9880%

Source: Davis County Clerk/Auditor - The direct City rate is one rate and does not have components.



LAYTON CITY CORPORATION

PROPERTY TAX LEVIED AND COLLECTIONS LAST TEN YEARS

Fiscal Year	Tax Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2014	2013	\$ 6,930,789	\$ 6,513,701	93.9821%	\$ 100,019	\$ 6,613,720	95.4252%
2015	2014	6,956,508	6,521,907	93.7526%	256,534	6,778,441	97.4403%
2016	2015	7,264,714	6,825,496	93.9541%	290,733	7,116,229	97.9561%
2017	2016	7,297,345	6,881,570	94.3024%	230,231	7,111,801	97.4574%
2018	2017	7,321,962	6,874,733	93.8920%	71,717	6,946,450	94.8714%
2019	2018	7,539,942	7,072,297	93.7978%	54,370	7,126,667	94.5189%
2020	2019	8,957,354	8,347,960	93.1967%	53,731	8,401,691	93.7966%
2021	2020	9,422,947	8,814,272	93.5405%	295,262	9,109,534	96.6739%
2022	2021	10,340,546	9,686,807	93.6779%	271,966	9,958,773	96.3080%
2023	2022	10,690,027	10,036,294	93.8846%	278,068	10,314,362	96.4858%

1) Property tax collections may be higher than the amount levied and budgeted due to new growth and the collection of personal property tax.

2) Property taxes are levied January 1 and due on November 30.

Payments are not considered delinquent until after November 30.

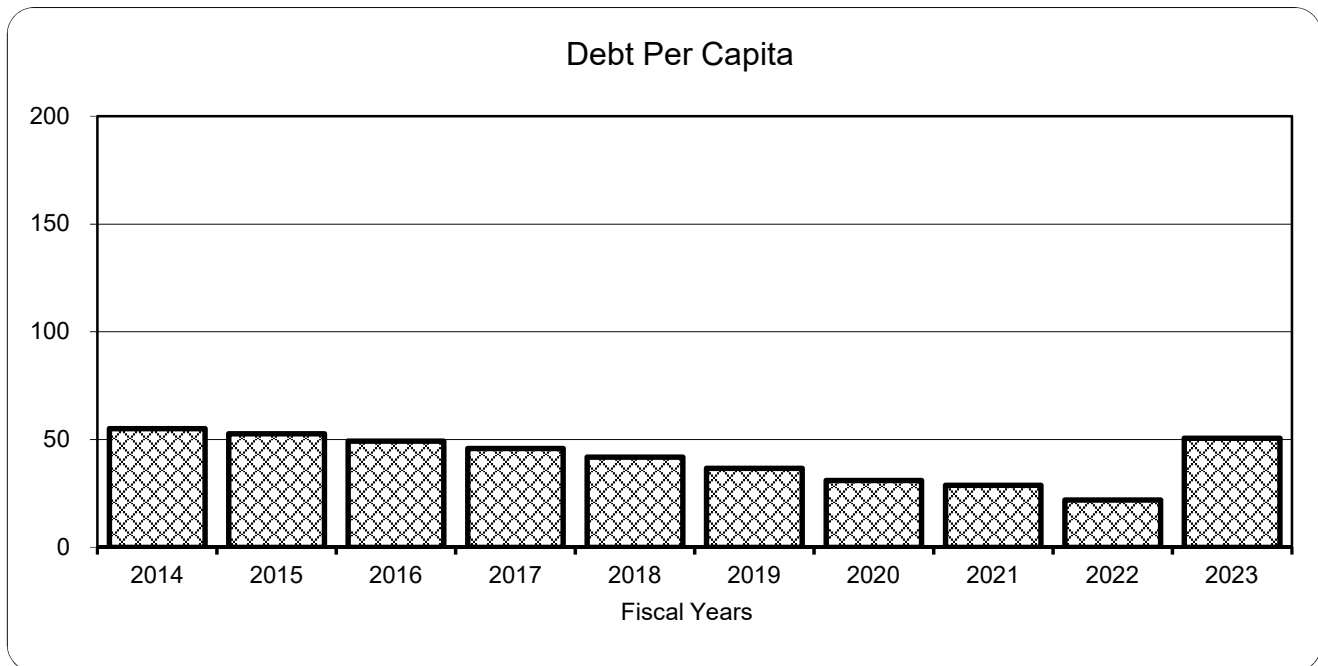
3) Levy includes all real and personal property

LAYTON CITY CORPORATION

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Sales Tax Revenue Bonds	Right-to-Use Lease Liability	Right-to-Use Subscription Liability	Water Revenue Bonds	Contracts Payable			
2014	\$ 3,695,924				\$ 161,475	\$ 3,857,399	0.16%	55
2015	3,641,848				166,830	3,808,678	0.15%	53
2016	3,350,924				306,228	3,657,152	0.13%	49
2017	3,045,000				418,031	3,463,031	0.11%	46
2018	2,696,000				494,432	3,190,432	0.10%	42
2019	2,333,000				503,211	2,836,211	0.08%	37
2020	1,961,000				431,794	2,394,814	0.07%	31
2021	1,586,000	\$ 468,068			323,228	2,379,317	0.07%	29
2022	1,202,000	359,471			252,239	1,815,732	0.05%	22
2023	810,000	940,300	\$ 398,543	\$ 1,821,000	205,291	4,177,157	0.12%	51

Note: See schedule of demographic and economic statistics, page 130, for personal income and population data.



LAYTON CITY CORPORATION

RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Less: Amounts Payable From Enterprise Revenues	Net Bonded Debt	Percentage of Estimated Value of Taxable Property	Per Capita
2014	---	---	---	---	---	---
2015	---	---	---	---	---	---
2016	---	---	---	---	---	---
2017	---	---	---	---	---	---
2018	---	---	---	---	---	---
2019	---	---	---	---	---	---
2020	---	---	---	---	---	---
2021	---	---	---	---	---	---
2022	---	---	---	---	---	---
2023	---	---	---	---	---	---

Note: Population data can be found on the schedule of demographic and economic statistics page 142.

Estimated actual taxable value of property can be found on page 123 assessed and estimated actual value of property table.

LAYTON CITY CORPORATION

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT June 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Davis County	\$ -	20.29%	\$ -
Davis School District	463,417,000	20.29%	94,033,914
Other debt			
Weber basin water conservancy district	9,300,000	20.29%	1,887,103
Davis County:			
Revenue bonds	67,999,434	23.84%	16,214,326
MBA lease revenue bonds	21,190,432	20.29%	4,299,841
Total overlapping debt	561,906,866		116,435,183
Layton City Corporation:			
Intangible right-to-use lease liability	940,300		940,300
Intangible right-to-use subscription liability	398,543		398,543
Sales tax revenue bonds	810,000		810,000
	<u>2,148,843</u>		<u>2,148,843</u>
Total direct and overlapping debt	<u>\$ 564,055,709</u>		<u>\$ 118,584,026</u>

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable to Layton City was estimated using taxable assessed property values. Percentages were estimated by determining the portion of the governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable value. This method was used on all debt except retail sales tax revenue bonds.

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

Sources: Davis County ACFR

LAYTON CITY CORPORATION

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$136,119,863	\$147,717,938	\$150,865,800	\$157,718,280	\$174,140,240	\$197,556,704	\$215,964,903	\$228,087,551	\$259,274,506	\$ 294,358,899
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$136,119,863	\$147,717,938	\$150,865,800	\$157,718,280	\$174,140,240	\$197,556,704	\$215,964,903	\$228,990,717	\$259,274,506	\$ 294,358,899
Total net debt applicable to the limit as a percentage of debt limit	0.00%									

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	\$ 7,358,972,467
Debt limit (4 percent of total assessed value)	294,358,899
Debt applicable to limit:	
Total bonded debt	810,000
Less revenue bonds	810,000
Total debt applicable to limitation	-
Legal debt margin	\$ 294,358,899

LAYTON CITY CORPORATION

PLEDGED REVENUE COVERAGE - SALES TAX REVENUE AND REFUNDING BONDS LAST TEN FISCAL YEARS

Year	Sales and Use Tax		Debt Service			Coverage
	Tax Revenues		Principal	Interest & Agent fees	Total	
2014	\$	12,194,440	\$ 605,000	\$ 171,030	\$ 776,030	15.71
2015		13,049,426	270,000	147,975	298,163	43.77
2016		14,217,077	285,000	63,188	348,188	40.83
2017		14,602,192	300,000	70,314	370,314	39.43
2018		15,432,247	349,000	57,714	406,714	37.94
2019		15,962,041	363,000	50,878	413,878	38.57
2020		16,788,743	372,000	44,822	416,822	40.28
2021		20,028,739	375,000	36,651	411,651	48.65
2022		22,977,577	384,000	29,365	413,365	55.59
2023		23,852,576	392,000	21,915	413,915	57.63

Note: Sales tax revenue bonds were issued in October 2006 with the first principal and interest payments due July 15, 2007.

Sales tax revenue refunding bonds were issued in May 2015 with the first principal and interest payments due July 15, 2015.

LAYTON CITY CORPORATION

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

Year	(1) Population	(2) Per Capita Income	(2) Personal Income	(3) Median Age	(4) School Enrollment	(5) County Unemployment Rate
2013	70,140	\$ 34,755	\$ 2,437,715,700	28.6	14,348	4.2%
2014	72,231	34,755	2,510,388,405	28.6	14,378	3.4%
2015	74,143	38,770	2,874,524,110	29.7	14,485	3.1%
2016	75,655	40,000	3,026,200,000	29.7	15,091	3.0%
2017	76,691	40,925	3,138,579,175	29.7	15,569	3.1%
2018	77,303	43,459	3,359,511,077	29.7	15,082	2.7%
2019	78,014	46,286	3,610,956,004	29.7	15,024	4.8%
2020	81,773	48,939	4,001,888,847	30.7	16,304	2.2%
2021	83,291	51,300	4,272,828,300	31.4	15,696	1.9%
2022	82,601	53,352	4,406,928,552	31.4	15,877	2.5%

(1) Year 2020 is from United States census report, other years are estimates of the Layton City Planning Division

(2) Personal income & per capita income figures were not available at the time this report was published. For 2022, 2021 Per Capita Income was used to calculate Personal Income using 2022 estimated population data.

(3) Year 2020 United States census

(4) Davis School District (school boundaries are not the same as Layton City boundaries)

(5) As reported by the Utah Department of Workforce Services

LAYTON CITY CORPORATION

PRINCIPAL EMPLOYERS CURRENT YEAR AND TEN YEARS AGO

Employer	2023			2013		
	Employees	Rank	Percentage of Total City Labor Force	Employees	Rank	Percentage of Total City Labor Force
Hill Air Force Base (1)	22,000	1	N/A	14,999	1	N/A
Davis School District	9,999	2	46.53%	9,999	2	43.77%
Kroger Group Cooperative	2,999	3	13.95%			
Wal-Mart Associates	1,999	4	9.30%	1,999	4	8.75%
Intermountain Health Care	1,999	5	9.30%			
Tanner Memorial Clinic	999	6	4.65%	499	9	2.18%
Davis Hospital & Medical Center	999	7	4.65%	999	5	4.37%
May Trucking	999	8	4.65%	499	7	2.18%
Layton City	999	9	4.65%	499	10	2.18%
Lowes Home Centers	499	10	2.32%			
SOS Staffing				499	8	2.18%
Citigroup				499	6	2.18%
Smiths Distribution Center				499	3	8.75%
Layton City total labor force	<u>21,491</u>			<u>17,491</u>		

Source: Workforce Services

Note: Workforce services provides a range of employees, the top of the range has been used to calculate the percentage of total City employment.

(1) Layton City is adjacent to Hill Air Force Base, which is a major employer in the state and makes a significant contribution to the economics of northern Utah. The number of employees stated represents the approximate number of civilian employees at the base, but has been excluded from the total and the percentage because the base is not part of Layton City.

LAYTON CITY CORPORATION

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
General Government:										
Administration	7.0	8.0	8.0	9.0	9.0	8.0	8.0	8.0	8.0	8.0
Legal	7.8	8.0	9.3	12.3	12.3	13.3	13.0	9.0	9.0	9.0
Finance	10.0	10.0	10.0	25.5	25.5	25.5	26.0	26.0	27.0	27.0
Management services	20.0	20.5	20.0	0.0	0.0	0.0	0.0	4.5	5.0	5.5
Total general government	44.8	46.5	47.3	46.8	46.8	46.8	47.0	47.5	49.0	49.5
Public Safety:										
Police	118.4	121.0	121.0	122.0	123.0	126.0	126.0	126.0	126.0	128.0
Fire (including EMS)	67.2	68.0	68.0	68.5	74.5	74.5	73.5	73.5	83.0	89.0
Total public safety	185.6	189.0	189.0	190.5	197.5	200.5	199.5	199.5	209.0	217.0
Community development	16.0	16.0	16.0	16.0	17.0	17.0	17.0	17.0	16.0	16.0
Street and public improvements:										
Streets	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Shop	4.0	4.0	4.0	4.0	4.0	4.5	5.0	5.0	5.0	5.0
Engineering	11.5	13.5	13.5	14.3	14.3	14.3	14.5	14.5	14.5	15.5
Total streets and public improvements	29.5	31.5	31.5	32.3	32.3	32.8	33.5	33.5	33.5	34.5
Parks and recreation:										
Parks administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Parks	33.0	33.0	33.8	33.3	33.3	34.3	34.5	34.5	34.5	35.5
Recreation	7.6	8.0	8.0	8.0	8.0	8.0	8.5	8.5	8.5	8.5
Museum	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total parks and recreation	44.6	45.0	45.8	45.3	45.3	46.3	47.0	47.0	47.0	48.0
Water	14.5	15.5	15.5	15.8	15.8	16.3	17.0	17.0	17.0	17.0
Secondary water	-	-	-	-	-	1.5	1.5	1.5	1.5	1.5
Storm sewer	4.0	4.0	4.0	4.3	4.3	4.3	4.0	4.0	4.0	4.0
Sewer	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.5	6.5	6.5
Street Lighting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0	2.0
Swimming pool	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
Total enterprise activities	42.0	43.0	43.0	43.5	43.5	45.5	46.0	48.5	48.5	48.5
Total primary government	362.5	371.0	372.5	374.3	382.3	388.9	390.0	393.0	403.0	413.5

Source: Layton City Corporation

LAYTON CITY CORPORATION

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
Police										
Citations issued	6,569	6,945	6,590	6,257	5,588	5,012	4,649	3,444	2,304	2,636
Arrests made	2,615	2,781	2,559	2,289	2,581	2,488	2,244	2,046	1,921	2,132
Incidents	52,952	52,677	52,938	53,118	52,314	50,589	56,010	54,788	50,711	53,655
Fire										
Calls answered	5,188	5,334	5,342	5,974	6,249	6,606	6,917	7,111	7,941	7,972
Water										
Water users (units)	25,870	25,996	26,335	26,718	26,780	27,280	27,864	28,233	28,651	29,050
Average daily consumption (millions of gallons)	11.5	10.9	9.9	10.5	10.8	11.4	11.5	11.9	9.6	9.1
Sewer										
Users (units)	25,695	24,985	25,490	25,905	26,187	26,559	27,030	27,726	28,134	28,540
Storm sewer										
Users (units)	25,695	24,985	25,490	25,905	26,187	26,559	27,030	27,726	28,134	28,540
Refuse										
Cans in service	23,164	23,402	25,166	26,531	27,549	29,010	30,549	32,206	33,546	34,625

Source: Layton City Corporation

LAYTON CITY CORPORATION

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	54	54	54	54	58	65	65	66	66	66
Fire stations	3	3	3	3	3	3	3	3	3	4
Streets (lineal mileage)	250.3	253.1	254.9	257.6	259	261.5	261.5	268.3	271	275
Parks and Recreation										
Park acreage developed	268.6	268.6	278.6	291.4	291.4	291.4	291.4	299.2	299.2	299.2
Park acreage undeveloped	331.2	331.2	325	251.1	251.1	251.1	251.1	243.4	243.4	243.4
Parks	13	13	13	14	14	14	14	15	15	15
Tennis courts	16	16	16	17	17	17	17	16	16	16
Pickleball courts - outdoor	0	0	0	0	4	4	4	22	22	22
Pickleball courts - indoor	0	0	0	0	6	6	6	6	6	6
Gymnasiums	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	279.7	283.8	285.7	289.9	292.6	295.6	298.5	304.1	307.0	313.1
Maximum daily capacity (million gallons)	33	33	33.3	33.3	33.3	33.3	33.3	33.3	33.3	33.3
Storage capacity (million gallons)	22.5	22.5	22.5	22.5	22.5	22.5	22.5	23.9	23.9	23.9
Wells	5	5	5	5	5	5	5	5	5	5
Sewer										
Sanitary sewer mains (miles)	205	208.7	210.8	213	214.2	217.3	219.4	223.4	226	229.7
Storm Sewer										
Storm sewer mains (miles)	157	160.5	163	165.4	168.2	172.5	174.4	178.9	182	186.5
Swimming pools	2	2	2	2	2	2	2	2	2	1

Source: Layton City Corporation

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Layton City Corporation

Compliance Reports



COMMITTED. EXPERIENCED. TRUSTED.

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

Honorable Mayor and Members of City Council
Layton City Corporation, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Layton City Corporation, Utah (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 6, 2023.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

FOUNDERS

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying Schedule of Findings and Responses as items 2023-1, 2023-2, and 2023-3.

City's Response to Findings

The City's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ABMC, LLC

December 6, 2023



COMMITTED. EXPERIENCED. TRUSTED.

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

Honorable Mayor and Members of the City Council
Layton City Corporation, Utah

Report On Compliance

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

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

Budgetary Compliance
Fund Balance
Restricted Taxes and Related Restricted Revenues
Fraud Risk Assessment
Government Fees
Tax Levy Revenue Recognition
Impact Fees
Open and Public Meetings Act

Opinion on Compliance

In our opinion, Layton City Corporation complied, in all material respects, with the state compliance requirements referred for the year ended June 30, 2023.

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the government program as a whole.

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *Guide* and which are described in the accompanying Schedule of Findings and Responses as item 2023-1, 2023-2, and 2023-3. Our opinion on compliance is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Responses. The City's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report On Internal Control over Compliance

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

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

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

Purpose of This Report

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.

HBME, LLC

December 6, 2023

LAYTON CITY CORPORATION
Schedule of Findings and Responses
For the Year Ended June 30, 2023

State Compliance Findings

2023-1 General Fund Balance

Condition:	At June 30, 2022, the City's aggregate unassigned, assigned, and committed General Fund balance totaled 38%.
Criteria:	State law, <i>Utah Code</i> 10-6-116(2), stipulates that the maximum General Fund aggregate unassigned, assigned, and committed fund balance may not exceed 35% of the total revenues of the General Fund for the current fiscal year.
Cause:	The City did not have enough expenditures over revenues or transfers for appropriated projects in the current year to effectively reduce its required fund balance maximum limit. The tax revenues were also greater than anticipated.
Effect:	The City is not in compliance with <i>Utah Code</i> for General Fund balance limitations.
Recommendation:	The City should monitor and amend the General Fund's budget for fiscal year 2024, as needed, to ensure compliance with State Code.
Management's Response:	Management concurs and has properly amended the General Fund's budget for fiscal year 2024, as needed, to ensure compliance with State Code.

2023-2 Budgetary Compliance

Condition:	For the year ended June 30, 2023, we noted in the police department and debt service interest of the General Fund both had actual expenditures exceeded final appropriated expenditures by \$488,697 and \$74,499, respectively.
Criteria:	State law, <i>Utah Code</i> 10-6-123, stipulates that City officers and employees may not make or incur expenditures in excess of total appropriations for any department or fund.
Cause:	These overages were a result of changes to and a renewal of the police building lease that resulted in significant increases due to more space being leased. The new standard recognition for lease and software subscription accounting regarding intangible right-to-use assets caused these departments to be over their budgets.
Effect:	The City is not in compliance with <i>Utah Code</i> regarding the incurrence of expenditures in excess of total appropriations which could result in improper purchases.
Recommendation:	The City should monitor the status of expenditures compared to the budget throughout the year and amend the budget or limit spending, as necessary, to ensure compliance with State Code.
Management's Response:	Management will monitor the status of expenditures throughout the year and will amend the budget as necessary to ensure compliance with State Code.

LAYTON CITY CORPORATION
Schedule of Findings and Responses
For the Year Ended June 30, 2023

State Compliance Findings (Continued)

2023-3 Deficit Fund Balance

Condition:	We noted a deficit fund balance in the Victims Services Fund of \$4,673 as of June 30, 2023.
Criteria:	<i>Utah Code 10-6-117(2)</i> , stipulates that deficit fund balances/net position in any fund are not permitted.
Cause:	The City's Victims Services Fund incurred some unexpected supply costs related to their grant which were not noticed until after year-end, so a budget amendment could not be done.
Effect:	The City is not in compliance with <i>Utah Code</i> regarding fund balance deficits and needs a corrective action plan to remedy the problem.
Recommendation:	The City should take appropriate action to eliminate this deficit fund balance in accordance with State Code.
Management's Response:	Management will monitor and amend the fiscal year 2024 budget, as needed, to properly eliminate the deficit fund balance.