KAYSVILLE CITY
STATE OF UTAH

Settled in 1850

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2019

KAYSVILLE CITY, UTAH
23 East Center Street
Kaysville, Utah 84037

Comprehensive
Annual Financial Report

Year Ended June 30, 2019

Mayor:	Katie Wittt
Council Members:	Larry Page Dave Adams Jake Garn Stroh DeCaire Michelle Barber
City Manager:	Shayne Scott

Prepared by:
Kaysville City Administration Department
Dean G. Storey, Finance Director
Cami L. Moss, Accountant

KAYSVILLE CITY CORPORATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2019

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INTRODUCTORY SECTION

Kaysville City

Utah's Hometown

Kaysville City

SETTLED IN 1850

November 9, 2019

Mayor Katie Witt
Members of the City Council
and Citizens of Kaysville City:

The Comprehensive Annual Financial Report (CAFR) of Kaysville City for the Fiscal Year 2019 is hereby submitted.

This report consists of management's representations concerning the finances of Kaysville City. Publication of this report provides important financial information. The management of Kaysville City assumes responsibility for the accuracy, completeness and fairness of the presentation.

We believe the information in this CAFR is accurate in all material respects and presents fairly the financial position and the results of the operations of the City in accordance with generally accepted accounting principles (GAAP). We believe that the disclosures necessary have been made to enable the reader to gain a proper understanding of the financial affairs of the City.

This Comprehensive Annual Financial Report is organized into four main sections:

1. The **Introductory Section** contains general information regarding the organization of the City and overall financial profile of the City including the Management Discussion & Analysis (MD&A). The MD&A is a summary of the changes in the City's financial position throughout the year.

2. The **Financial Section** includes the independent auditors' report, management's discussion and analysis, basic financial statements and required supplemental information. Also included are individual fund statements.

3. The **Statistical Section** presents several tables depicting the financial history of the City and demographic and other useful information. This information is presented to assist in obtaining an understanding of the City.

4. **Compliance Section** includes the additional financial statements, supplemental schedules, independent auditors' report, and supplemental reports as required by the Single Audit Act of 2004 and by the U.S. Office of Management and Budget Circular A-133.

In accordance with State law, the financial statements included herein have been audited by an independent auditor. A firm of certified public accountants, HBME, P.C. has completed this year's independent audit. HBME, P.C. has also provided technical assistance in the preparation of this report. We appreciate the assistance they have provided. The aim of the audit involved

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Kaysville City

SETTLED IN 1850

examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Kaysville City's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Kaysville City for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This is the twenty third consecutive year that Kaysville City has received this award. In order to receive a certificate of achievement, the government must publish an easily readable efficiently organized CAFR. Qualifying reports must satisfy both GAAP and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the requirements. We are submitting this report to GFOA to determine its eligibility for another certificate.

We respectfully submit this report.

Shayne Scott

Shayne Scott
City Manager

Dean G. Storey

Dean G. Storey
Finance Director

Cami L. Moss

Cami L. Moss
Accountant

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KAYSVILLE CITY
FINANCIAL PROFILE

General Information

Kaysville City was settled in 1850 and on March 15, 1868 it was incorporated, becoming the first city to be incorporated in Davis County.

Kaysville is located along the Wasatch Front directly between Ogden City to the north and Salt Lake City to the south. Kaysville is considered primarily a bedroom community with current population estimated at approximately 33,263 residents. Kaysville experiences an average growth rate of 2.5% - 3%, primarily residential, due to the proximity of larger economic centers and the desire of the citizens for the City to remain a residential community. The build-out population is estimated at approximately forty-two thousand within the next twenty years.

The City covers an area of approximately eleven square miles, bordered by the Wasatch Mountains on the east and the Great Salt Lake on the west.

Organization and Services

Kaysville City operates under a council form of government with an appointed City Manager. The Mayor and five City Council members are elected at large with staggered terms. The City provides a full range of municipal services including, general administration, public safety, public works and utilities, parks and recreation, and community development. An organization chart is found at the end of this section.

Economic Factors

The local economy is stable. The majority of the workforce commutes to larger economic centers. The unemployment rate is below the national unemployment rate and below the State unemployment rate of 3%. Income levels are above the State average. The area continues to have a good labor and business climate whereas the workforce is young and well educated. The economy of Kaysville is primarily based on service industries to accommodate the residential population including grocery stores, small retail shops, gas stations, etc.

Transportation and Accessibility

Major interstates and highways provide easy access to Kaysville City. Interstate I-15 runs north and south through the City and there is easy access to Interstate 80 and Interstate 84 and many other major roads and highways. Many major western cities are only a day away by commercial carrier. The Salt Lake International Airport is readily accessible within twenty five minutes. The airport is anchored by Delta Airlines and Southwest Airlines, with several air and cargo express carriers.

Major Initiatives

City leaders continue to strive to provide city services in an efficient and effective manner. The on-going plan includes improving facilities and improving the economic base while controlling growth and containing future costs to the City. The demands of keeping up with the residential growth is the primary challenge for City leaders. This includes providing adequate infrastructure to support the growth. Over the past several years, the City has focused on building and maintaining the infrastructure. City resources have been spent on street improvements, utility extensions, electrical substations and park development. Additional resources will be spent in these areas in future years. The City continues to plan to meet future financial obligations as part of our budgeting and long term projections.

Financial Reporting and Accounting Standards

Kaysville City conforms to generally accepted accounting principles established by the Government Accounting Standards Board (GASB). The accounts of the City are organized based on fund, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise of its assets, liabilities, fund equity and revenues and expenses. Resources are allocated to and accounted for based on the purpose of each fund. Further discussion of accounting and budgeting matters may be found in the Financial Section of this report in "Notes to Basic Financial Statements." The following fund types are included in this report.

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. It also includes the financial activities related to Class "C" funds which funds are restricted as to use.

Capital Projects Fund - The capital projects fund is used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by a proprietary fund, special assessment fund or trust fund.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources to be used for principal and interest payments of long term debts.

Municipal Building Authority - The municipal building authority is used to account for the construction and finance of new city buildings.

Redevelopment Agency – The redevelopment agency is used to account for the redevelopment of project areas throughout the City.

Enterprise Funds - The enterprise funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises. The intent is to provide services on a continuing basis to be recovered primarily through user charges.

Permanent Funds - Permanent funds are used to account for and report resources that are legally restricted to the extent that only the earnings and not the principal may be used.

A description of each fund and fund type included in this report are as follows:

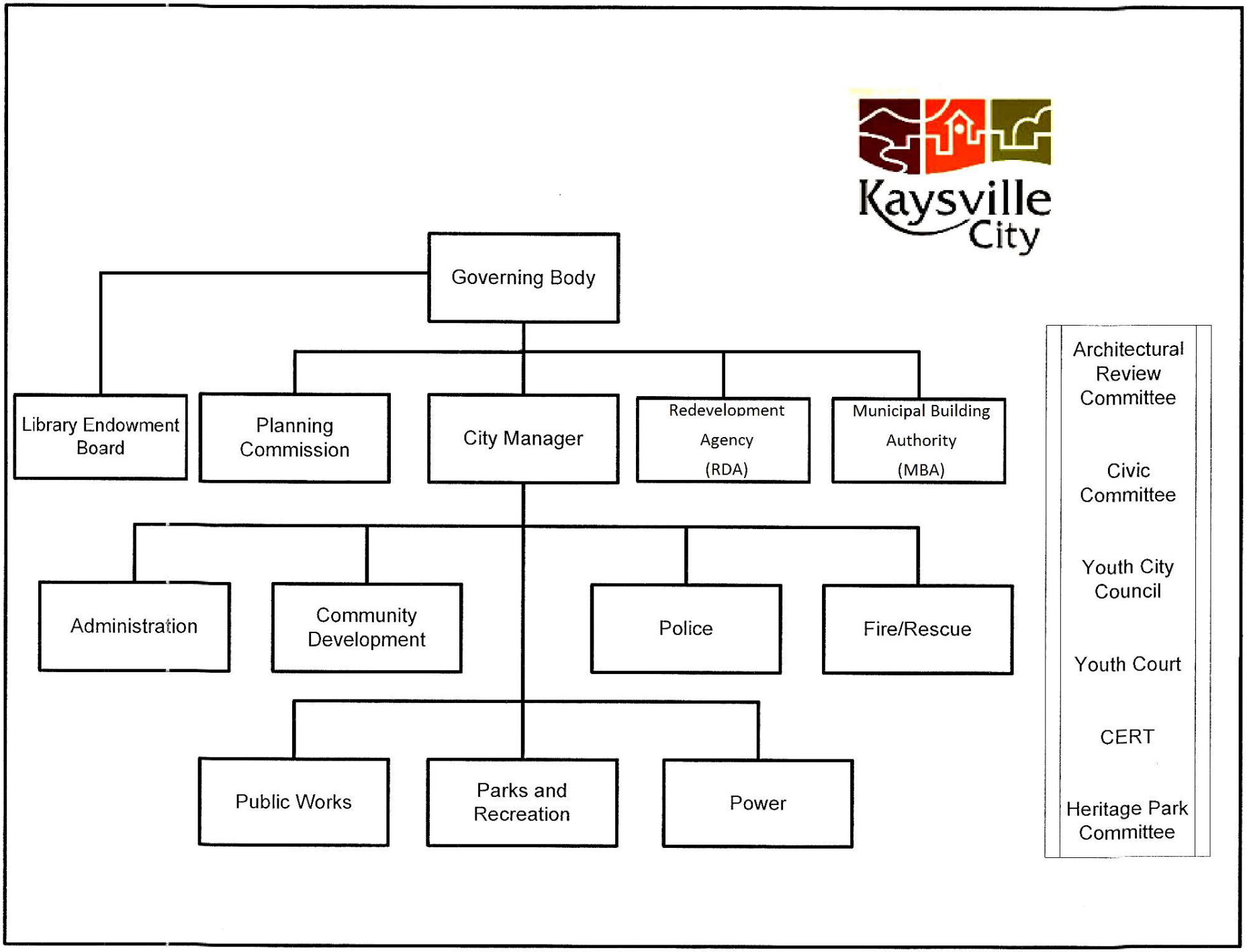
Description	Fund Type
General Fund	General Fund
Capital Projects Fund	Capital Projects Fund
Debt Service Fund	Debt Service Fund
Municipal Building Authority	Special Revenue Fund
Redevelopment Agency	Special Revenue Fund
Water Fund	Enterprise Fund
Sewer Fund	Enterprise Fund
Storm Water Fund	Enterprise Fund
Pressure Irrigation Fund	Enterprise Fund
Electric Fund	Enterprise Fund
Sanitation Fund	Enterprise Fund
Road Utility Fund	Enterprise Fund
Ambulance Fund	Enterprise Fund
Cemetery Perpetual Care Fund	Permanent Fund
Library Endowment Fund	Permanent Fund

The City operates an integrated budgetary and accounting system which incorporates the adoption of a formal budget for each department. The budget is adopted in June of each year for the ensuing year beginning July 1. State statutes define the legal level of budgetary control at the department level. Monthly financial statements are distributed to each department with the charge that obligations are closely monitored. The budget is reopened as required to consider necessary adjustments.

Safeguarding assets and providing reasonable assurance that financial transactions are properly recorded requires implementation of internal controls. The City's internal controls are presently accomplishing the objective in all material respects. Further discussion of accounting matters may be found in the "Notes to Basic Financial Statements".

Requests for Information

This comprehensive annual financial report is designed to provide a general overview of the financial affairs and condition of Kaysville City. Additional information or questions concerning any information provided in this report may be addressed to: Kaysville City Finance, Kaysville City Corporation, 23 East Center Street, Kaysville, Utah 84037 or by electronic mail, dstorey@kaysvillecity.com or cmoss@kaysvillecity.com, or by phone (801) 546-1235.


Kaysville City
Governing Body
Library Endowment Board
Planning Commission
City Manager
Redevelopment Agency (RDA)
Municipal Building Authority (MBA)
Administration
Community Development
Police
Fire/Rescue
Public Works
Parks and Recreation
Power
Architectural Review Committee
Civic Committee
Youth City Council
Youth Court
CERT
Heritage Park Committee

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Kaysville City

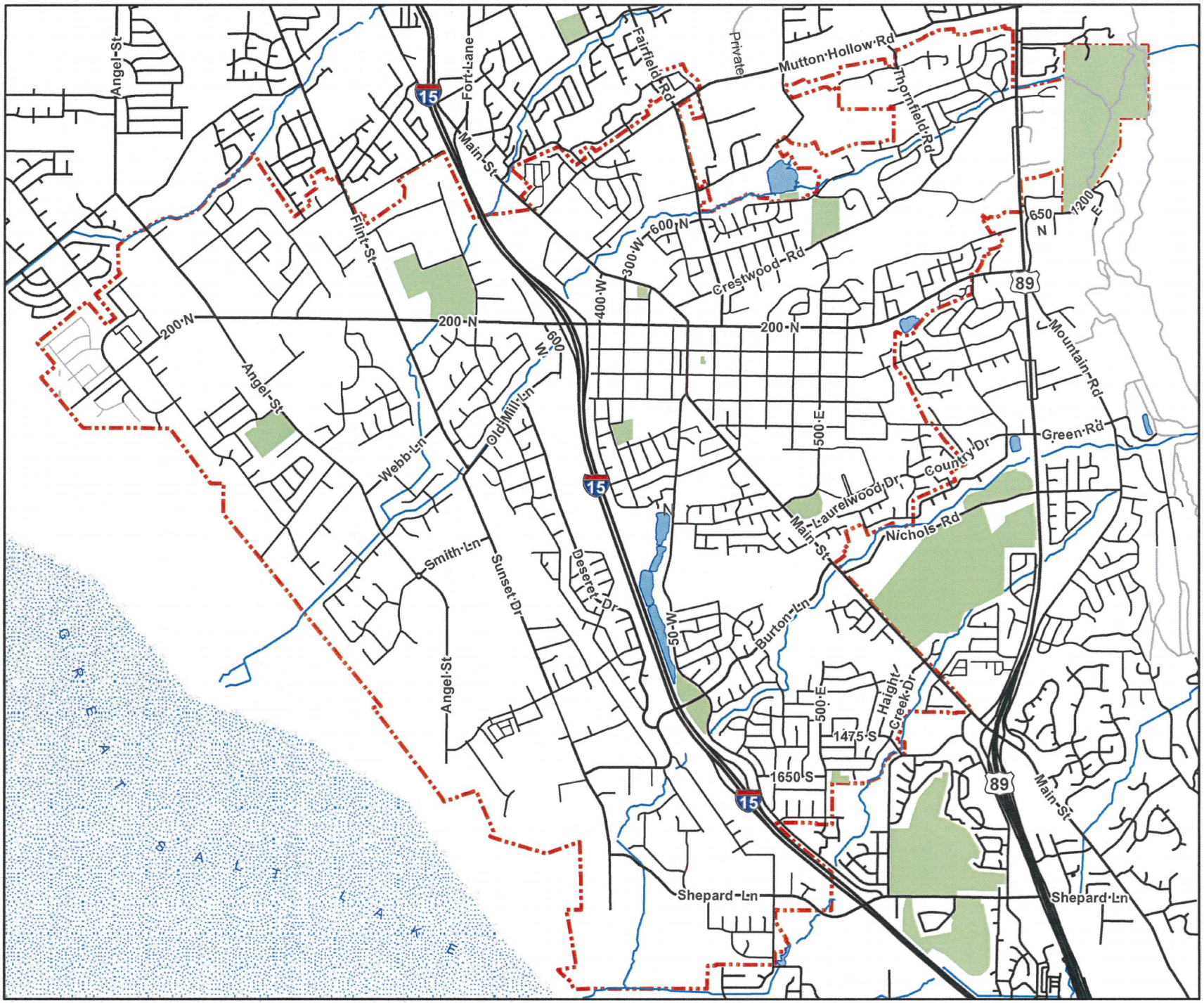
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO



Kaysville City
GIS
Basemap

Legend

- Parks
- Streams
- Ponds
- City Boundary
- Great Salt Lake

1 inch = 3,000 feet

Kaysville City

FINANCIAL SECTION

Kaysville City

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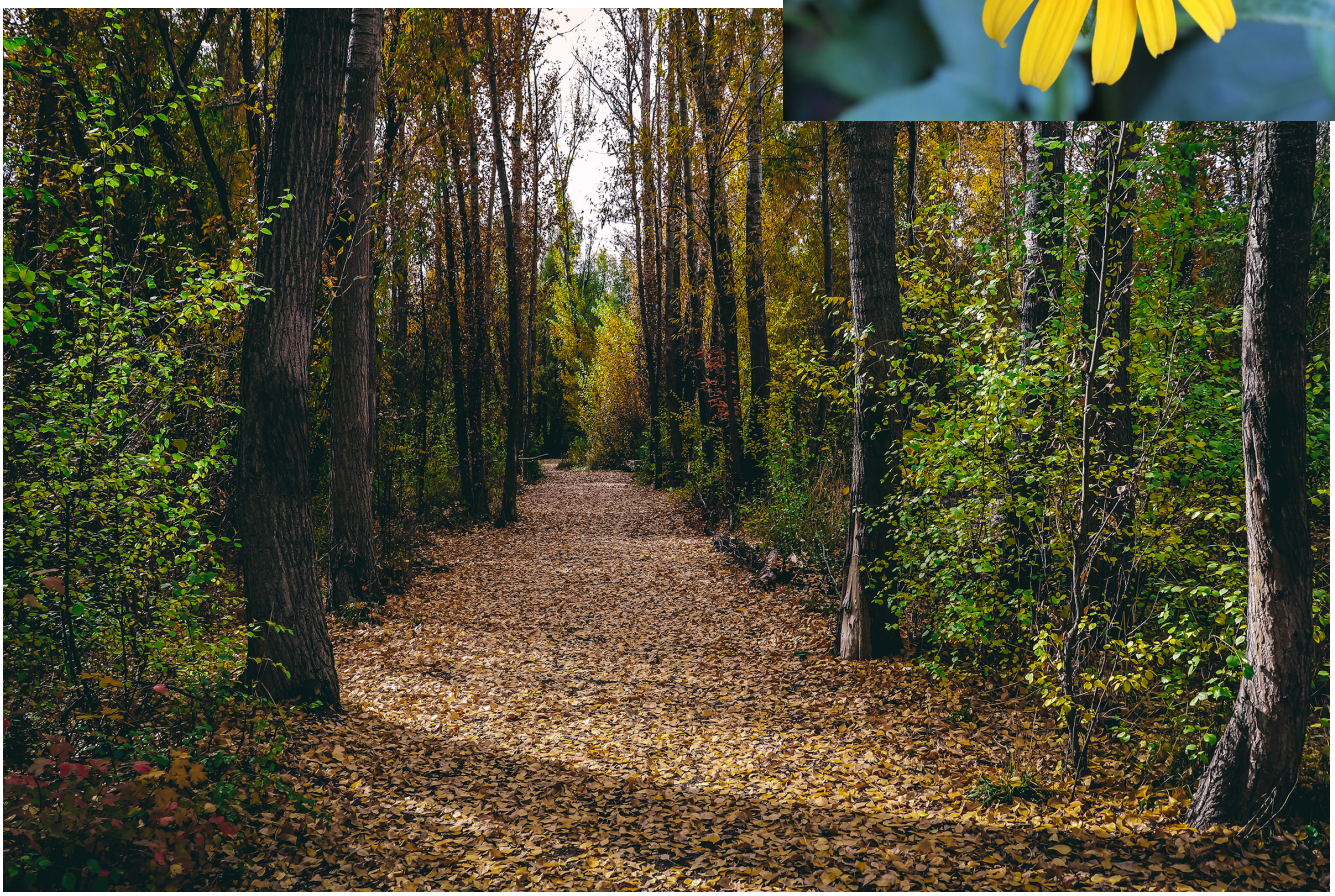

INDEPENDENT AUDITORS' REPORT

CERTIFIED PUBLIC ACCOUNTANTS

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA
MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
DONALD M. JACK, CPA

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
Kaysville City Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Kaysville City Corporation (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kaysville City Corporation, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13-24, budgetary comparison information on pages 83-87, and pension schedules on pages 90-92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 budgetary comparison information, the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

November 15, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of Kaysville City's (the City) finances for the fiscal year ended June 30, 2019. We believe that this narrative, when read in conjunction with the letter of transmittal, financial profile, the financial statements and particularly the notes to the financial statements should assist the reader in understanding the finances of the City.

Financial Highlights

Government Wide

- The City's total net position increased by $2,393,567 or 1.58% over the prior year. Net position of governmental activities decreased by $63,689,269 or 73.38%. The decrease was due to transferring $61,299,739 of assets to the Road Utility Fund, which was created during fiscal year 2019. Net position of business-type activities increased by $66,082,836 or 139.98%.

- The City's total net position is made up of primarily capital assets. Generally, capital assets are made up of infrastructure and are not available to meet on-going obligations. Of the total net position of $153,536,749, $126,794,956 (82.58%) includes investments in capital assets; $7,169,022 (4.67%) in restricted uses and $19,572,771 (12.75%) in unrestricted uses and available to meet City obligations.

- The City's restricted net position of $7,169,022 decreased by 17.90% from last year.

- The City's unrestricted net position of $19,572,771, increased by 13.82% from the prior year.

Fund Level

- The fund balances in governmental funds had a decrease of $2,274,974 from $12,112,599 to $9,837,625. The decrease in fund balances in governmental funds is due to the formation of the Road Utility Fund. When the Road Utility Fund was created $2,339,212 of assets were transferred from the governmental funds.

- The proprietary funds had an overall net loss before transfers and contributions of ($1,754,301).

Long-Term Debt

- Overall, the City's long-term liabilities increased in the amount of $213,308 over the prior year. As of June 30, 2019, the long-term liabilities balance for governmental activities is $6,361,398 and $339,057 for business-type activities.

Overview of the Financial Statements

This report includes the City's Basic Financial Statements. The Basic Financial Statements include 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 also contains the required supplementary information, and data including statements for non-major funds and a statistical section.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities comprise the government-wide financial statements. These statements provide a broad overview with a long-term focus of the City's finances as a whole and are prepared using the *full-accrual* basis of accounting similar to private sector companies.

The Statement of Net Position presents information on all the City's assets, liabilities, and deferred outflows and inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial condition is getting better or worse.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving the rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) and 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 government-wide financial statements include not only the City (the primary government), but also two legally separate component unites, the Redevelopment Agency of Kaysville City and Municipal Building Authority, both of which the City is financially accountable. Financial information for these blended component units are presented with the financial statements of the City.

Fund Financial Statements

The fund financial statements provide detailed information about individual funds. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise of its assets, liabilities, fund equity and revenues and expenses. In this report, all of the funds are divided into two classes: governmental funds and proprietary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources. The City maintains a general fund, a capital projects fund, a debt service fund, a redevelopment agency (component unit) and municipal building authority (component unit) as governmental funds. In addition, the City also maintains two permanent funds for cemetery perpetual care and a library endowment. These two funds restrict the use of the principal and allow the interest earnings to be spent subject to certain restrictions.

Proprietary Funds are used to account for similar functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its utility operations and for ambulance service. These activities are similar to that of a private business enterprise.

Notes to Financial Statements

The notes provide additional schedules, detail and information essential for a complete understanding of the financial information provided in the government-wide statements and the fund financial statements. The notes apply to both statement types.

Financial Analysis of Government-wide Statements

Net Position

Kaysville City's Net Position is as follows:

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Assets						
Current and Other Assets	$18,769,109	$15,868,589	$18,987,195	$23,321,099	$37,756,304	$39,189,688
Capital Assets	82,316,153	21,779,956	49,323,567	111,274,819	131,639,720	133,054,775
Total Assets	$101,085,262	$37,648,545	$68,310,762	134,595,918	$169,396,024	$172,244,463
Deferred Outflow of Resources	1,419,236	1,807,014	1,161,196	832,653	2,580,432	2,639,667
Liabilities						
Current Liabilities	$4,352,506	$3,570,961	$2,497,791	$3,134,542	$6,850,297	$6,705,503
Noncurrent Liabilities	6,990,249	9,101,950	1,605,278	1,788,515	8,595,527	10,890,465
Total Liabilities	$11,342,755	$12,672,911	$4,103,069	4,923,057	$15,484,548	$17,595,968
Deferred Inflows of Resources	4,370,721	3,680,895	1,016,729	70,518	5,387,450	3,751,413
Net Position						
Investments in Capital (net)	$76,597,865	$15,859,194	$48,944,148	$110,935,762	$125,542,013	$126,794,956
Restricted	7,188,243	4,391,242	1,543,974	2,777,780	8,732,217	7,169,022
Unrestricted	3,004,914	2,851,317	13,864,038	16,721,454	16,868,952	19,572,771
Total Net Position	$86,791,022	$23,101,753	$64,352,160	$130,434,996	$151,143,182	$153,536,749

Changes in Net Position:

The City's combined net position increased over the prior year by $2,393,567 (1.58%). Generally, an increase or decrease in net position offers a measuring tool of the overall financial condition. This indicates that the City's overall financial condition has slightly improved over the prior year. The unrestricted net position, which is available for ongoing obligations, increased by $2,636,464. Overall, liabilities increased by $2,111,420.

Governmental and Business-Type Activities

The tables on the following page illustrate the sources of revenues and the expenses for governmental activities and business-type activities compared to the prior year. It shows to what extent the City's governmental activities relied on taxes and other general revenues to cover all their costs and to what extent the service charges of the business-type funds adequately cover their costs. Obviously, the business of government is primarily funded by taxes and other general revenues.

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Revenues						
General Revenues						
Property Tax	$3,322,726	$3,536,836	$0	$0	$3,322,726	$3,536,836
Sales Tax	$4,819,011	$4,873,747	$0	$0	$4,819,011	$4,873,747
Other Taxes	$1,757,633	$1,791,616	$0	$0	$1,757,633	$1,791,616
Interest and Investment	$179,540	$226,397	$76,103	$183,185	$255,643	$409,582
Operating Grants	$591,536	$19,079	$0	$0	$591,536	$19,079
Intergovernmental	$4,045,043	$163,929	$0	$0	$4,045,043	$163,929
Contributions	$323,031	$391,739	$1,459,122	$4,024,933	$1,782,153	$4,416,672
Charges for Services	$4,835,481	$3,852,780	$24,614,386	$28,597,003	$29,449,867	$32,152,704
Disposition of Asset	$65,423	$33,166	$7,749	$0	$73,172	$52,041
Special Item, Net Proceeds	$1,182,870	$0	$0	$0	$1,182,870	$0
Miscellaneous	$115,047	$52,041	$192,030	$77,837	$307,077	$374,916
Total Revenues	$21,237,341	$14,941,330	$26,349,390	$32,882,958	$47,586,731	$47,824,288
Expenses						
Governmental:						
General Government	$2,567,656	$3,132,685	$0	$0	$2,567,656	$3,132,685
Police	$3,695,913	$4,643,415	$0	$0	$3,695,913	$4,643,415
Fire	$849,282	$1,076,170	$0	$0	$849,282	$1,076,170
Community Development	$724,185	$875,965	$0	$0	$724,185	$875,965
Public Works	$5,563,214	$1,214,306	$0	$0	$5,563,214	$1,214,306
Parks, Recreation & Public Properties	$2,446,321	$3,004,775	$0	$0	$2,446,321	$3,004,775
Interest on Long Term Debt	$203,870	$239,382	$0	$0	$203,870	$239,382
Business-Type:						
Water	$0	$0	$3,515,650	$4,169,497	$3,515,650	$4,169,497
Sewer	$0	$0	$2,251,223	$2,293,722	$2,251,223	$2,293,722
Electric	$0	$0	$15,888,033	$14,734,493	$15,888,033	$14,734,493
Pressure Irrigation	$0	$0	$1,237,799	$1,262,153	$1,237,799	$1,262,153
Road Utility Fund	$0	$0	$0	$4,106,071	$0	$4,106,071
Sanitation	$0	$0	$1,857,858	$1,958,416	$1,857,858	$1,958,416
Storm Water	$0	$0	$1,643,631	$1,739,308	$1,643,631	$1,739,308
Ambulance	$0	$0	$926,154	$980,363	$926,154	$980,363
Total Expenses	$16,050,441	$14,186,698	$27,320,348	$31,244,023	$43,370,789	$45,430,721
Increase in net position before transfers	5,186,900	$754,632	($970,958)	$1,638,935	$4,215,942	$2,393,567
Transfers	($169,304)	($64,443,901)	$169,304	$64,443,901	$0	($0)
Increase (decrease) in net position	$5,017,596	($63,689,269)	($801,654)	$66,082,836	$4,215,942	$2,393,567
Net Position- Beginning of Fiscal Year	$81,773,426	$86,791,022	$65,153,814	$64,352,160	$146,927,240	$151,143,182
Net Position - Ending of Fiscal Year	$86,791,022	$23,101,753	$64,352,160	$130,434,996	$151,143,182	$153,536,749

During the year $2,339,212 and capital assets were transferred from the General Fund to the new Road Utility Enterprise Fund.

Capital Assets

The City's investment in capital assets for its governmental activities and business-type activities at June 30, 2019 is $132,255,452 (net of accumulated depreciation). This is a net increase of $605,298.

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Land	$25,543,887	$5,325,902	$1,140,723	$22,543,881	$26,684,610	$27,869,783
Stock (Water)	$0	$0	$4,499,990	$4,628,990	$4,499,990	$4,628,990
Infrastructure	$43,959,094	$3,368,595	$41,827,268	$81,700,579	$85,786,362	$85,069,174
Building	$8,225,178	$8,164,227	$385,371	$392,064	$8,610,549	$8,556,291
Improvements	$2,831,292	$2,637,527	$26,171	$24,794	$2,857,463	$2,662,321
Vehicles	$1,137,630	$1,826,295	$766,107	$458,362	$1,903,737	$2,284,657
Equipment	$600,060	$457,410	$662,383	$726,826	$1,262,443	$1,184,236
Net of Accum Depreciation	$82,297,141	$21,779,956	$49,308,013	$110,475,496	$131,650,154	$132,255,452

Additional information on the City's capital assets can be found in note 5 on pages 60-62 of this report. The decrease in some assets for Government funds and an increase in business type funds is due to the transfer of assets from the general fund to the Road Utility Fund, which originated in this fiscal year.

Long Term Debt / Liabilities

Overall, the City had a net increase in long term liabilities in the amount of $204,976. The City has no general obligation debt. The table below shows the overall debt position of the City for governmental activities and business-type activities compared to the prior fiscal year.

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Bond Payable- Pioneer Park	$1,330,000	$1,150,000	$0	$0	$1,330,000	$1,150,000
Bond Payable- Police Station	$4,281,000	$4,002,000	$0	$0	$4,281,000	$4,002,000
Equipment Lease (Mower)	$16,221	$0	$0	$0	$16,221	$0
Equipment Lease (Fire Truck)	$72,052	$768,762	$0	$0	$72,052	$768,762
Equipment Lease (Ambulances)	$0	$0	$172,733	$87,117	$172,733	$87,117
	$5,699,273	$5,920,762	$172,733	$87,117	$5,872,006	$6,007,879

Additional information on the City's long-term debt can be found in notes 7, 8, & 9 on pages 63-66 of this report.

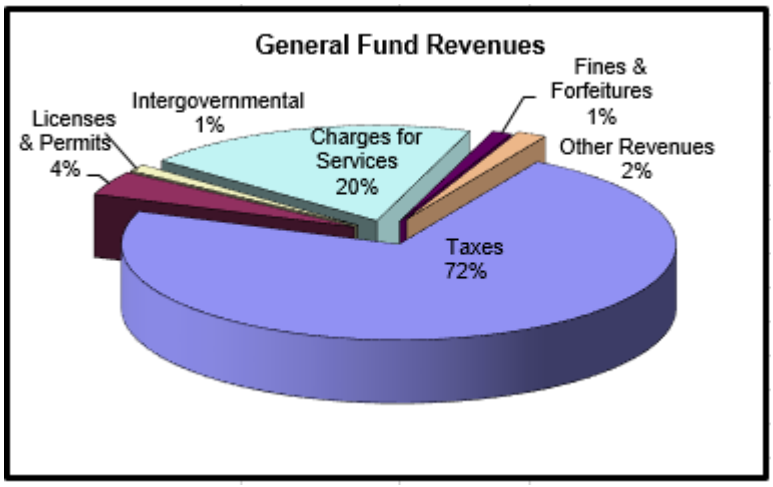
Analysis of Financial Funds

Governmental Funds

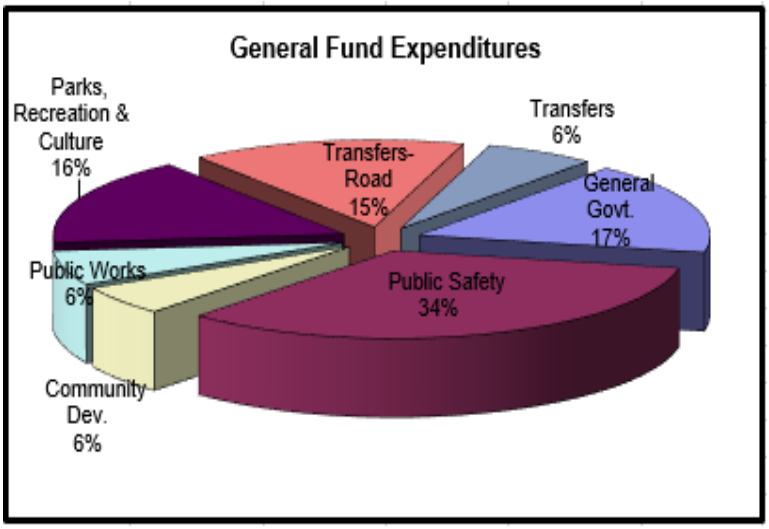
The focus of the City's governmental funds is to account for and provide information on near-term inflows, outflows and spendable resources. The primary governmental fund is the general fund. The City also maintains a capital projects fund, a debt service fund, redevelopment agency (component unit), municipal building authority (component unit) and permanent funds for cemetery perpetual care and library endowment. The tables below and accompanying graphs depict the revenues and expenditures during the fiscal year 2019 and a comparison to fiscal year 2018.

Governmental Funds

General Fund	
Revenues:	
Taxes	$10,067,351
Licenses and Permits	$570,617
Intergovernmental	$163,929
Charges for Services	$2,725,548
Fines and Forfeitures	$161,715
Other Revenues	$240,643
	$13,929,803



Expenditures:	
General Govt.	$2,612,447
Public Safety	$5,139,543
Community Dev.	$834,123
Public Works	$973,433
Parks, Recreation, & Culture	$2,482,624
Transfer of Assets to Road Utility Fund	$2,339,212
Transfers	$943,772
	$15,325,154



General Fund Revenues	FY 2018	FY 2019	Increase/ (Decrease)	Percentage Change
Taxes	$9,765,065	$10,067,351	$302,286	3.10%
Licenses and Permits	$616,293	$570,617	($45,676)	(7.41%)
Intergovernmental	$1,528,064	$163,929	($1,364,135)	(89.27%)
Service Charges	$2,481,863	$2,725,548	$243,685	9.82%
Fines and Forfeitures	$160,234	$161,715	$1,481	0.92%
Other Revenues	$322,678	$240,643	($82,035)	(25.42%)
	$14,874,197	$13,929,803	($944,394)	(6.35%)
General Fund Expenditures				
General Government	$2,510,633	$2,612,447	$101,814	4.06%
Public Safety	$4,528,970	$5,139,543	$610,573	13.48%
Community Development	$764,506	$834,123	$69,617	9.11%
Public Works	$2,103,879	$973,433	($1,130,446)	(53.73%)
Parks, Recreation & Culture	$2,253,277	$2,482,624	$229,347	10.18%
Transfers (net)	$1,063,500	$3,282,984	$2,219,484	208.70%
	$13,224,795	$15,325,154	$2,100,359	15.88%

General fund revenues for fiscal year 2019 totaled $13,929,803. This represents a decrease of approximately 6.35% from fiscal year 2018. This is due to the Class C Roads and Transportation taxes being receipted in the Road Utility Fund that was created in fiscal year 2019.

General fund expenditures for fiscal year 2019 total $15,325,154. This is an increase of 15.88% over fiscal year 2018 of $13,224,795. The increase in transfers was due to the transferring of assets when the Road Utility Fund was created in fiscal year 2019.

Capital Projects Fund

The Capital Projects Fund is used to account for major capital projects during the fiscal year 2019. The revenues and expenditures compared to the previous year are illustrated as follows:

Capital Projects Fund	FY 2018	FY 2019
Revenue:		
Impact Fees	$ 463,404	$215,025
Interest	32,824	13,292
Reimbursement Revenue	0	153,969
Intergovernmental	2,516,979	0
Donations	350	0
	$3,013,557	$382,286
Expenditures:		
Municipal Center Block	$30,657	$0
Document Management Software	30,867	0
Fiber Project	0	40,932
Playground	0	9,065
Fire Truck	0	837,865
200 N Bridge	0	136,099
Pioneer Park Design	1,487,916	438,146
Rail Trail	21,088	157,636
City Hall Improvements	360	260,776
Road Projects	3,443,260	0
Main Street & Sidewalk at Nichols Rd	0	38,588
	$5,014,148	1,919,107

Debt Service Fund

The Debt Service Fund is used to account for the payment of the fire truck lease, the parks wide area mower lease, and the construction of Pioneer Park.

Debt Service Fund	FY 2018	FY 2019
Revenue:		
Transfers	$ 193,500	$396,000
Interest	55	0
	$193,555	$396,000
Expenditures:		
Fire Truck Lease	$145,322	$148,687
Pioneer Park Bond	42,943	207,876
Parks Wide Area Mower Lease	16,841	16,841
	$205,106	$373,404

Kaysville Redevelopment Agency

The Kaysville Redevelopment Agency Fund (RDA) is used to account for economic development activities in the City. The RDA is considered a blended component unit of the City.

Kaysville Redevelopment Agency	FY 2018	FY 2019
Revenue:		
Interest	$ 3,548	$ 8,751
Property Taxes	134,305	134,848
Sundry	-	25,000
	$ 137,853	$ 168,599
Expenditures:		
Professional Services	$ 10,000	$ 1,000
Debt Service:		
Sale of Property	-	70,125
Interest related to Long Term Debt	13,241	18,349
	$ 23,241	$ 89,474

Kaysville Municipal Building Authority

The City used the Kaysville Municipal Building Authority (MBA) for all expenditures for the police station bond payments. The MBA is considered a blended component unit of the City.

Kaysville Municipal Building Authority	FY 2018	FY 2019
Revenue:		
Transfers	$400,000	$390,000
Interest	381	404
	$400,381	$390,404
Debt Service:		
Police Station Bond	$278,110	$385,823
Interest Expense	$135,775	$0
	$413,885	$385,823

Permanent Funds

The City maintains two permanent funds. These funds have restrictions on the principal balance and only investment earnings may be spent. The cemetery perpetual care fund is used to account for monies deposited with the City for the perpetual maintenance of the cemetery. A perpetual care fee is charged with the sale of each burial lot. As of June 30, 2019, the fund balance is $1,943,512. The library endowment fund is used to account for monies provided by a private donor. Alan and Kay Blood, longtime residents of Kaysville City, donated property to be sold, with the proceeds of the sale to be used to supplement library expenditures. Each year, 10% of the interest earned is added to the corpus of this fund. The corpus of this fund is $689,021 with the total fund balance of $739,629. This fund will continue to be used to augment the collection held at the Kaysville Branch of the Davis County Library system.

Proprietary Funds

The City maintains several enterprise funds to account for operations that are operated in a manner similar to a private business. Fees and user charges are collected to operate the enterprise. Most of these funds are public utilities. The City also operates an ambulance service. Since fees are charged for this service, ambulance operations are accounted for in an enterprise fund.

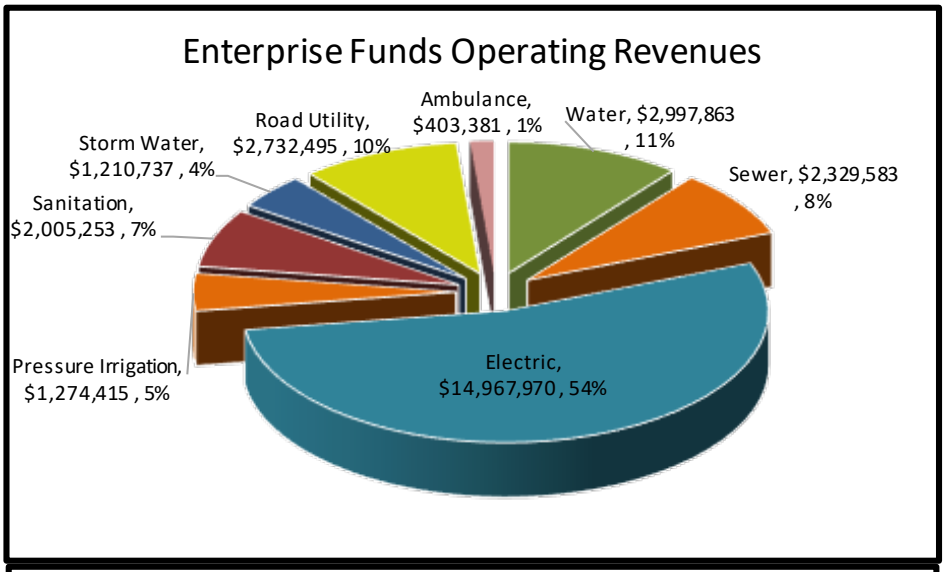
During fiscal year 2019 the City created the Road Utility Fund as a proprietary account. As part of the formation of this fund it was necessary to transfer assets from the General Fund. As a result of the formation, there was a onetime large transfer from the General Fund to the Road Utility Fund. The Class B and Transportation taxes are also being accounted for as revenue in the Road Utility Fund instead of the General Fund.

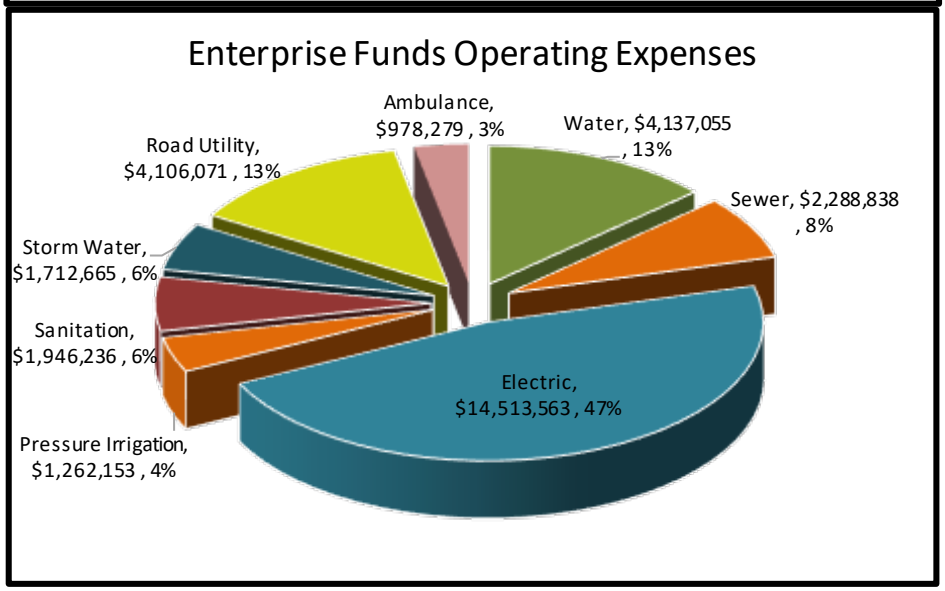
Operating revenues for all proprietary funds totaled $27,921,697. This is an increase of about 14.97% over the prior year of $24,286,496. During the year, the City continued to install electronically read meters throughout the City in the Water and Electric funds. The remaining increases are attributable to the increased cost to supply these services. Operating expenses totaled $30,944,860. This is an increase of approximately 13.29%. As the City continues to grow, more and more electrical resources are needed. Continued monitoring of each utility will be necessary to ensure operating revenues cover operating expenses as the costs to provide these services continue to increase.

The following table and accompanying charts show the operations for fiscal year 2019.

Proprietary Funds	Water	Sewer	Electric	Pressure Irrigation	Sanitation	Storm Water	Road Utility	Ambulance	**Total**
Operating Revenues	$2,997,863	$2,329,583	$14,967,970	$1,274,415	$2,005,253	$1,210,737	$2,732,495	$403,381	**$27,921,697**
Operating Expenses	$4,137,055	$2,288,838	$14,513,563	$1,262,153	$1,946,236	$1,712,665	$4,106,071	$978,279	**$30,944,860**
Operating Income	($1,139,192)	$40,745	$454,407	$12,262	$59,017	($501,928)	($1,373,576)	($574,898)	**($3,023,163)**
Non Operating Revenues/ (Expenses)	$315,071	$9,130	$721,132	$1,745	$13,348	$22,151	188,369	($2,084)	**$1,268,862**
Income/ (Loss) Before Transfers	($824,121)	$49,875	$1,175,539	$14,007	$72,365	($479,777)	(1,185,207)	($576,982)	**($1,754,301)**
Transfer In/(Out)	($32,442)	($4,884)	($220,930)	$0	($12,180)	($26,643)	63,937,901	$506,000	**$64,146,822**
Income / (Loss) before contributions	($856,563)	$44,991	$954,609	$14,007	$60,185	($506,420)	$62,752,694	($70,982)	**$62,392,521**

The Proprietary Funds are segmented and illustrated below:





Conclusion

The outlook for Kaysville City remains positive. The challenge, of course, will be to continue to provide the critical services to a growing, primarily residential population.

This financial report is designed to provide a general overview of Kaysville City's finances. We believe this narrative, read in conjunction with the other financial information included herein, provides a clear understanding of the finances of Kaysville City.

Additional information may be obtained by contacting Kaysville City Finance at 23 East Center, Kaysville, Utah 84037, or by telephone (801)546-1235.

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Fund Financial Statements

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KAYSVILLE CITY
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 6,988,684	$ 16,423,069	$ 23,411,753
Cash Restricted	508,863	1,921,917	2,430,780
Investments	3,237,051	-	3,237,051
Investments, Restricted	257,578	-	257,578
Accounts Receivable (Net)	4,615,761	2,475,359	7,091,120
Prepaid	196,406	-	196,406
Internal Balances	64,246	(64,246)	-
Inventory	-	2,565,000	2,565,000
Total Current Assets	15,868,589	23,321,099	39,189,688
Noncurrent Assets:			
Capital Assets:			
Land	5,325,902	22,543,881	27,869,783
Net Depreciable Capital Assets	16,454,054	84,101,948	100,556,002
Water Stock	-	4,628,990	4,628,990
Total Noncurrent Assets	21,779,956	111,274,819	133,054,775
Total Assets	37,648,545	134,595,918	172,244,463
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	1,807,014	832,653	2,639,667
Total Deferred Outflows of Resources	1,807,014	832,653	2,639,667

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

KAYSVILLE CITY
STATEMENT OF NET POSITION (continued)
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 652,540	$ 2,719,972	$ 3,372,512
Deposits	1,528,120	125,328	1,653,448
Accrued Interest	30,425	571	30,996
Accrued Liabilities	399,997	-	399,997
Noncurrent Liabilities Due Within One Year	902,993	288,671	1,191,664
Total Current Liabilities	3,514,075	3,134,542	6,648,617
Noncurrent Liabilities			
Due In More Than One Year	5,458,405	50,386	5,508,791
Net Pension Liability	3,700,431	1,738,129	5,438,560
Total Noncurrent Liabilities	9,158,836	1,788,515	10,947,351
Total Liabilities	12,672,911	4,923,057	17,595,968
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue- Property Taxes	3,450,307	-	3,450,307
Deferred Inflows Related to Pensions	230,588	70,518	301,106
Total Deferred Inflows of Resources	3,680,895	70,518	3,751,413
NET POSITION			
Net Investment in Capital Assets	15,859,194	110,935,762	126,794,956
Restricted for:			
Transportation Impact Fees	-	855,863	855,863
Park Impact Fees	53,305	-	53,305
Water Impact Fees	-	822,345	822,345
Power Impact Fees	-	1,099,572	1,099,572
Beer Tax Reserves	7,660	-	7,660
Perpetual Cemetery			
Expendable	642,206	-	642,206
Nonexpendable	1,301,306	-	1,301,306
Library Endowment:			
Expendable	50,608	-	50,608
Nonexpendable	689,021	-	689,021
Debt Service	(134,700)	-	(134,700)
Capital Projects	1,897,031	-	1,897,031
MBA	4,677	-	4,677
Redevelopment Agency	465,238	-	465,238
Unrestricted	2,266,207	16,721,454	18,987,661
Total Net Position	$ 23,101,753	$ 130,434,996	$ 153,536,749

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

KAYSVILLE CITY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Government	$ 3,132,685	$ 1,391,042	$ 19,079	$ -
Public Safety:				
Police	4,643,415	376,901	-	-
Fire	1,076,170	256,967	-	144,850
Community Development	875,965	748,293	-	-
Public Works	1,214,306	118,057	-	86,613
Parks, Recreation and Public Properties	3,004,775	961,520	-	324,205
Interest on Long-term Debt	239,382	-	-	-
Total Governmental Activities	14,186,698	3,852,780	19,079	555,668
Business-Type Activities:				
Water	4,169,497	3,049,993	-	679,691
Sewer	2,293,722	2,329,583	-	-
Electric	14,734,493	15,413,704	-	187,037
Pressure Irrigation	1,262,153	1,274,415	-	-
Sanitation	1,958,416	2,005,253	-	-
Storm Water	1,739,308	1,210,737	-	736,893
Road Utility	4,106,071	2,909,937	-	2,421,312
Ambulance	980,363	403,381	-	-
Total Business-Type Activities	31,244,023	28,597,003	-	4,024,933
Total	$ 45,430,721	$ 32,449,783	$ 19,079	$ 4,580,601

General Revenues:
- Property Taxes
- Sales Tax
- Franchise Tax
- Energy Sales and Use Charge
- Interest and Investment Earnings
- Disposition of Assets
- Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position- Beginning

Net Position - Ending

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
$ (1,722,564)	$ -	$ (1,722,564)
(4,266,514)	-	(4,266,514)
(674,353)	-	(674,353)
(127,672)	-	(127,672)
(1,009,636)	-	(1,009,636)
(1,719,050)	-	(1,719,050)
(239,382)	-	(239,382)
(9,759,171)	-	(9,759,171)
-	(439,813)	(439,813)
-	35,861	35,861
-	866,248	866,248
-	12,262	12,262
-	46,837	46,837
-	208,322	208,322
-	1,225,178	1,225,178
-	(576,982)	(576,982)
-	1,377,913	1,377,913
(9,759,171)	1,377,913	(8,381,258)
3,536,836	-	3,536,836
4,873,747	-	4,873,747
657,389	-	657,389
1,134,227	-	1,134,227
226,397	183,185	409,582
33,166	-	33,166
52,041	77,837	129,878
(64,443,901)	64,443,901	-
(53,930,098)	64,704,923	10,774,825
(63,689,269)	66,082,836	2,393,567
86,791,022	64,352,160	151,143,182
$ 23,101,753	$ 130,434,996	$ 153,536,749

KAYSVILLE CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Debt Service	Capital Projects
ASSETS			
Cash and Cash Equivalents	$ 3,035,449	$ 1,723	$ 2,054,184
Restricted Cash	-	-	72,743
Investments	2,113,676	-	-
Investments, Restricted			
Due from Other Funds	195,246	-	-
Interfund Receivable	561,345	-	-
Prepaid	-	196,406	-
Accounts Receivable	4,615,761	-	-
Total Assets	$ 10,521,477	$ 198,129	$ 2,126,927
LIABILITIES AND FUND BALANCES			
Accounts Payable	$ 543,270	$ 5,423	$ 103,847
Accrued Liabilities	399,997	-	-
Due to Other Funds	-	131,000	-
Interfund Payable	-	-	-
Deposits	1,455,376	-	72,744
Total Liabilities	2,398,643	136,423	176,591
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue- Property Taxes	3,450,307	-	-
Total Deferred Inflows of Resources	3,450,307	-	-
FUND BALANCES:			
Non-Spendable:			
Library Endowment	-	-	-
Debt Service	-	196,406	-
Cemetery Perpetual Care	-	-	-
Restricted for:			
Park Impact Fees	-	-	53,305
Beer Tax Funds	7,660	-	-
Perpetual Care	-	-	-
Library Endowment	-	-	-
Assigned:			
Redevelopment	-	-	-
Debt Service	-	(134,700)	-
Capital Projects	-	-	781,516
200 North Overpass	-	-	1,115,515
Municipal Building Authority	-	-	-
Unassigned	4,664,867	-	-
Total Fund Balances	4,672,527	61,706	1,950,336
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 10,521,477	$ 198,129	$ 2,126,927

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

Special Revenue Fund		Permanent Funds		Total
Redevelopment Agency	Municipal Building Authority	Perpetual Cemetery	Library Endowment	Governmental Funds
$ 1,026,583	$ -	$ 820,137	$ 50,608	$ 6,988,684
-	4,677	-	431,443	508,863
-	-	1,123,375	-	3,237,051
			257,578	257,578
-	-	-	-	195,246
-	-	-	-	561,345
-	-	-	-	196,406
-	-	-	-	4,615,761
$ 1,026,583	$ 4,677	$ 1,943,512	$ 739,629	$ 16,560,934
$ -	$ -	$ -	$ -	$ 652,540
-	-	-	-	399,997
-	-	-	-	131,000
561,345	-	-	-	561,345
-	-	-	-	1,528,120
561,345	-	-	-	3,273,002
-	-	-	-	3,450,307
-	-	-	-	3,450,307
-	-	-	689,021	689,021
-	-	-	-	196,406
-	-	1,301,306	-	1,301,306
-	-	-	-	53,305
-	-	-	-	7,660
-	-	642,206	-	642,206
-	-	-	50,608	50,608
465,238	-	-	-	465,238
-	-	-	-	(134,700)
-	-	-	-	781,516
-	-	-	-	1,115,515
-	4,677	-	-	4,677
-	-	-	-	4,664,867
465,238	4,677	1,943,512	739,629	9,837,625
$ 1,026,583	$ 4,677	$ 1,943,512	$ 739,629	$ 16,560,934

KAYSVILLE CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Amounts reported for governmental activities in the statement of net position are different because:		
Total Fund Balances- Total Governmental Funds		**$ 9,837,625**
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	5,325,902	
Buildings, net of $2,137,320 accumulated depreciation	8,164,227	
Improvements, net of $3,962,391 accumulated depreciation	2,637,527	
Infrastructure, net of $375,012 accumulated depreciation	3,368,595	
Equipment, net of $2,045,099 accumulated depreciation	457,410	
Vehicles, net of $4,039,286 accumulated depreciation	1,826,295	21,779,956
Pension Accruals are not reported as fund liabilities because they are not payable in the current period and and therefore are not reported as fund liabilities. All Accruals are reported in the statement of net position. Balances at year end are:		
Deferred Pension Outflow	1,807,014	
Net Pension Liability	(3,700,431)	
Deferred Pension Inflow	(230,588)	(2,124,005)
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:		
Bonds Payable	(5,152,000)	
Notes and Capital Leases Payable	(768,762)	
Accrued Interest	(30,425)	
Compensated Absences	(440,636)	(6,391,823)
Total Net Position Governmental Activities		**$ 23,101,753**

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

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KAYSVILLE CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	General	Debt Service	Capital Projects
Revenues:			
Taxes	$ 10,067,351	$ -	$ -
Licenses and Permits	570,617	-	-
Impact Fees	-	-	282,380
Intergovernmental	163,929	-	-
Charges for Services	2,725,548	-	-
Fines and Forfeitures	161,715	-	-
Interest Income	152,241	-	13,292
Miscellaneous	88,402	-	-
Total Revenues	13,929,803	-	295,672
Expenditures:			
Current:			
General Government	2,612,447	-	-
Public Safety	5,139,543	-	-
Community Development	834,123	-	-
Public Works	973,433	-	-
Parks, Recreation and Culture	2,482,624	-	-
Debt Service:			
Principal	-	337,376	-
Interest and Fiscal Charges	-	36,028	-
Capital Outlay	-	-	1,919,107
Total Expenditures	12,042,170	373,404	1,919,107
Excess (Deficiency) of Revenues over Expenditures	1,887,633	(373,404)	(1,623,435)
Other Financing Sources (Uses):			
Proceeds from Capital Lease	-	-	837,865
Capital Contributions	-	-	86,613
Non-Reciprocal Utility Revenue	297,079	-	-
Gain on Sale of Asset	48,149		
Transfers In			
Capital Projects	-	208,000	-
General Fund	-	188,000	205,000
Transfers Out			
MBA Special Revenue Fund	(390,000)	-	-
Capital Projects Fund	(205,000)	-	-
Roadway Fund	(2,339,212)	-	(298,950)
Debt Service Fund	(188,000)	-	(208,000)
Ambulance Fund	(506,000)	-	-
Total Other Financing Sources (Uses)	(3,282,984)	396,000	622,528
Net Change in Fund Balances	(1,395,351)	22,596	(1,000,907)
Fund balance - July 1	6,067,878	39,110	2,951,243
Fund Balance - June 30	$ 4,672,527	$ 61,706	$ 1,950,336

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

Special Revenue Fund		Permanent Funds		Total
Redevelopment Agency	Municipal Building Authority	Perpetual Cemetery	Library Endowment	Governmental Funds
$ 134,848	$ -	$ -	$ -	$ 10,202,199
-	-	-	-	570,617
-	-	-	-	282,380
-	-	-	-	163,929
-	-	78,285	-	2,803,833
-	-	-	-	161,715
8,751	404	44,490	7,219	226,397
25,000	-	-	-	113,402
168,599	404	122,775	7,219	14,524,472
1,000	-	-	-	2,613,447
-	-	-	-	5,139,543
-	-	-	-	834,123
-	-	-	-	973,433
-	-	65,012	50,000	2,597,636
-	279,000	-	-	616,376
88,474	106,823	-	-	231,325
-	-	-	-	1,919,107
89,474	385,823	65,012	50,000	14,924,990
79,125	(385,419)	57,763	(42,781)	(400,518)
-	-	-	-	837,865
-	-	-	-	86,613
-	-	-	-	297,079
				48,149
-	-	-	-	208,000
-	390,000	-	-	783,000
-	-	-	-	(390,000)
-	-	-	-	(205,000)
-	-	-	-	(2,638,162)
-	-	-	-	(396,000)
-	-	-	-	(506,000)
-	390,000	-	-	(1,874,456)
79,125	4,581	57,763	(42,781)	(2,274,974)
386,113	96	1,885,749	782,410	12,112,599
$ 465,238	$ 4,677	$ 1,943,512	$ 739,629	$ 9,837,625

KAYSVILLE CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances-total governmental funds		$ (2,274,974)
Governmental funds report bonds issued throughout the year as income. However, in the statement of activities there is no effect.		(837,865)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than $4,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlays	1,750,864	
Depreciation expense	(953,327)	797,537
The effect of contributed capital assets from developers is not recorded in the fund financial statements, but is reported as revenues and capital assets in the government-wide financial statements.		(61,299,739)
The sale of assets is recorded as a revenue in the governmental funds, but the sale reduces capital assets in the statement of net position.		
Proceeds	-	
Gain (Loss) on sale of assets	(14,983)	(14,983)
Payment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Debt proceeds are reported as other financing sources in the fund statements, but are reported as long-term liabilities in the government-wide statements.		
Payment of note and capital lease payable	157,377	
Payment of bond principal	459,000	616,377
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. These expenses include changes to:		
Accrued compensated absences	(16,626)	
Accrued Pension	(650,936)	
Accrued interest	(8,060)	(675,622)
Change in net position of governmental activities		$(63,689,269)

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

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KAYSVILLE CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES
JUNE 30, 2019

	Water	Sewer	Electric
ASSETS			
Current Assets:			
Cash	$ 2,713,275	$ 820,037	$ 6,184,060
Cash Restricted	822,345	-	1,099,572
Accounts Receivable (Net of Allowance for Uncollectibles)	267,089	198,099	1,056,153
Inventory	306,000	-	2,259,000
Total Current Assets	4,108,709	1,018,136	10,598,785
Noncurrent Assets			
Capital Assets:			
Land	120,094	-	1,004,307
Net Depreciable Capital Assets	14,884,365	18,580	16,000,018
Water Stock	916,140	-	-
Total Noncurrent Assets	15,920,599	18,580	17,004,325
Total Assets	20,029,308	1,036,716	27,603,110
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	164,803	-	389,535
Total Deferred Outflows of Resources	164,803	-	389,535
LIABILITIES			
Current Liabilities:			
Accounts Payable	176,079	217,726	1,647,496
Due to Other Fund	-	-	64,246
Deposits	15,323	-	110,005
Interest Accrued	-	-	-
Noncurrent Liabilities Due Within One Year	41,839	-	84,977
Total Current Liabilities	233,241	217,726	1,906,724
Noncurrent Liabilities			
Due In More Than One Year	10,460	-	21,244
Net Pension Liability	346,993	-	820,166
Total Noncurrent Liabilities	357,453	-	841,410
Total Liabilities	590,694	217,726	2,748,134
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	10,751	-	25,411
Total Deferred Inflows of Resources	10,751	-	25,411
NET POSITION			
Net Investment in Capital Assets	15,868,300	18,580	16,898,104
Restricted for:			
Impact Fees	822,345	-	1,099,572
Unrestricted	2,902,021	800,410	7,221,424
Total Net Position	$ 19,592,666	$ 818,990	$ 25,219,100

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

Storm Water	Pressure Irrigation	Sanitation	Road Utility	Ambulance	Total
$ 2,233,746	$ 123,658	$ 1,287,972	$ 3,060,296	$ 25	$ 16,423,069
-	-	-	-	-	1,921,917
99,918	107,555	169,764	404,816	171,965	2,475,359
-	-	-	-	-	2,565,000
2,333,664	231,213	1,457,736	3,465,112	171,990	23,385,345
-	16,322	-	21,403,158	-	22,543,881
11,846,975	-	351,263	40,674,843	325,904	84,101,948
-	3,712,850	-	-	-	4,628,990
11,846,975	3,729,172	351,263	62,078,001	325,904	111,274,819
14,180,639	3,960,385	1,808,999	65,543,113	497,894	134,660,164
89,893	-	-	44,964	143,458	832,653
89,893	-	-	44,964	143,458	832,653
78,270	99,447	161,813	299,037	40,104	2,719,972
-	-	-	-	-	64,246
-	-	-	-	-	125,328
-	-	-	-	571	571
21,599	-	-	13,974	126,282	288,671
99,869	99,447	161,813	313,011	166,957	3,198,788
5,398	-	-	3,493	9,791	50,386
189,269	-	-	94,635	287,066	1,738,129
194,667	-	-	98,128	296,857	1,788,515
294,536	99,447	161,813	411,139	463,814	4,987,303
5,864	-	-	2,932	25,560	70,518
5,864	-	-	2,932	25,560	70,518
11,819,978	3,729,172	351,263	62,060,534	189,831	110,935,762
-	-	-	855,863	-	2,777,780
2,150,154	131,766	1,295,923	2,257,609	(37,853)	16,721,454
$ 13,970,132	$ 3,860,938	$ 1,647,186	$ 65,174,006	$ 151,978	$ 130,434,996

KAYSVILLE CITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Water	Sewer	Electric
Operating Revenues:			
Charges for Services (Net of uncollectibles)	$ 2,965,421	$ 2,324,699	$ 14,747,040
Charges for Services (Non-Reciprocal)	32,442	4,884	220,930
Total Operating Revenues	2,997,863	2,329,583	14,967,970
Operating Expenses:			
Personnel Services	712,761	4,951	1,636,634
Contractual Services	87,978	-	232,368
Administrative Charges from General Fund	168,000	65,000	198,000
Interfund Services	100,000	-	177,500
Purchases Water/Treatment/Power/Refuse	577,285	2,206,236	9,852,200
Supplies, Maintenance, and Miscellaneous Operating	837,999	11,963	699,204
Meter System Change out	1,059,105	-	104,274
Energy Sales and Use Tax Charge	-	-	660,131
Depreciation	593,927	688	953,252
Total Operating Expenses	4,137,055	2,288,838	14,513,563
Operating Income (Loss)	(1,139,192)	40,745	454,407
Nonoperating Revenues (Expenses):			
Connection Fees	52,130	-	89,088
Extension Fees	-	-	356,646
Impact Fees	147,581	-	187,037
Interest Income	37,523	9,130	88,361
Miscellaneous	77,837	-	-
Grants & Taxes	-	-	-
Interest Expense	-	-	-
Total Nonoperating Revenues (Expenses)	315,071	9,130	721,132
Income (Loss) Before Contributions and Transfers	(824,121)	49,875	1,175,539
Contributions From Developers	532,110	-	-
Non-Reciprocal Utility Services	(32,442)	(4,884)	(220,930)
Transfers In (Out):			
General Fund	-	-	-
Change in Net Position	(324,453)	44,991	954,609
Net Position- Beginning	19,917,119	773,999	24,264,491
Net Position - Ending	$ 19,592,666	$ 818,990	$ 25,219,100

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

Storm Water	Pressure Irrigation	Sanitation	Road Utility	Ambulance	Total
$ 1,184,094	$ 1,274,415	$ 1,993,073	$ 1,140,874	$ 399,293	$ 26,028,909
26,643	-	12,180	-	-	297,079
1,210,737	1,274,415	2,005,253	2,732,495	403,381	27,921,697
394,644	4,972	35,679	253,895	729,118	3,772,654
103,151	-	2,442	-	43,384	469,323
65,000	65,000	100,000	65,000	-	726,000
71,500	-	5,000	-	11,800	365,800
-	1,184,455	1,689,815	-	-	15,509,991
387,819	7,726	10,250	1,784,424	124,775	3,864,160
-	-	-	-	-	1,163,379
-	-	-	-	-	660,131
690,551	-	103,050	2,002,752	69,202	4,413,422
1,712,665	1,262,153	1,946,236	4,106,071	978,279	30,944,860
(501,928)	12,262	59,017	(1,373,576)	(574,898)	(3,023,163)
-	-	-	-	-	141,218
-	-	-	-	-	356,646
-	-	-	177,442	-	512,060
22,151	1,745	13,348	10,927	-	183,185
-	-	-	-	-	77,837
-	-	-	1,591,621	4,088	1,595,709
-	-	-	-	(2,084)	(2,084)
22,151	1,745	13,348	1,779,990	2,004	2,864,571
(479,777)	14,007	72,365	(1,185,207)	(576,982)	(1,754,301)
736,893	-	-	2,421,312	-	3,690,315
(26,643)	-	(12,180)	-	-	(297,079)
-	-	-	63,937,901	506,000	64,443,901
230,473	14,007	60,185	65,174,006	(70,982)	66,082,836
13,739,659	3,846,931	1,587,001	-	222,960	64,352,160
$ 13,970,132	$ 3,860,938	$ 1,647,186	$ 65,174,006	$ 151,978	$130,434,996

KAYSVILLE CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Water	Sewer	Electric
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	$ 2,934,726	$ 2,317,093	$ 14,855,053
Cash Payments to Suppliers for Goods and Services	(2,171,197)	(2,208,239)	(13,133,291)
Cash Payments to Employees for Services	(809,396)	(4,951)	(1,801,222)
Cash Payments for Interfund Services	(268,000)	(65,000)	(375,500)
Net Cash Provided (Used) by Operating Activities	(313,867)	38,903	(454,960)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Cash received from other funds	-	-	64,246
Cash due to other funds	-	-	(68,275)
Cash Received from Taxes	-	-	-
Transfers from (to) Other Funds	-	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	-	-	(4,029)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Impact, Extension and Connection Fees	277,548	-	632,771
Acquisition of Capital Assets	(103,228)	-	(799,341)
Principal Paid on Bonds and Notes	-	-	-
Interest Paid	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	174,320	-	(166,570)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Received	37,523	9,130	88,361
Net Cash Provided from Investing Activities	37,523	9,130	88,361
Net Increase (Decrease) in Cash and Cash Equivalents	(102,024)	48,033	(537,198)
Cash/Equivalents at Beginning of Year	3,637,644	772,004	7,820,830
Cash/Equivalents at End of Year	$ 3,535,620	$ 820,037	$ 7,283,632
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	$ (1,139,192)	$ 40,745	$ 454,407
Reconciling Adjustments:			
Depreciation	593,927	688	953,252
Calculated Pension	(101,672)	-	(186,749)
Non-Reciprocal Utility Services	(32,442)	(4,884)	(220,930)
Changes in Assets and Liabilities:			
Changes in Receivables	(35,045)	(7,606)	104,398
Changes in Inventory	235,000	-	(1,533,000)
Changes in Accounts Payable	156,170	9,960	(52,114)
Changes in Deposits	4,350	-	3,615
Changes in Compensated Absences	5,037	-	22,161
Total Adjustments	825,325	(1,842)	(909,367)
Net Cash Provided (Used) by Operating Activities	$ (313,867)	$ 38,903	$ (454,960)
Noncash investing and capital activities:			
Contributions from Developers	$403,110	-	-
Contributions of Governmental Activities Capital Assets			

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

Storm Water	Pressure Irrigation	Sanitation	Road Utility	Ambulance	Total
$ 1,180,165	$ 1,270,726	$ 1,985,600	$ 736,058	$ 440,337	$ 25,719,758
(443,528)	(1,198,674)	(1,726,232)	(1,485,369)	(133,919)	(22,500,449)
(417,785)	(4,972)	(35,679)	(183,825)	(683,256)	(3,941,086)
(136,500)	(65,000)	(105,000)	(65,000)	(11,800)	(1,091,800)
182,352	2,080	118,689	(998,136)	(388,638)	(1,813,577)
-	-	-	-	-	64,246
-	-	-	-	-	(68,275)
-	-	-	1,591,621	-	1,591,621
-	-	-	2,638,162	506,000	3,144,162
-	-	-	4,229,783	506,000	4,731,754
-	-	-	177,442	-	1,087,761
(10,228)	-	(69,152)	(359,720)	(48,523)	(1,390,192)
-	-	-	-	(85,615)	(85,615)
-	-	-	-	(2,644)	(2,644)
(10,228)	-	(69,152)	(182,278)	(136,782)	(390,690)
22,151	1,745	13,348	10,927	-	183,185
22,151	1,745	13,348	10,927	-	183,185
194,275	3,825	62,885	3,060,296	(19,420)	2,710,672
2,039,471	119,833	1,225,087	-	19,445	15,634,314
$ 2,233,746	$ 123,658	$ 1,287,972	$ 3,060,296	$ 25	$ 18,344,986
$ (501,928)	$ 12,262	$ 59,017	$ (1,373,576)	$ (574,898)	$ (3,023,163)
690,551	-	103,050	2,002,752	69,202	4,413,422
(28,675)	-	-	52,603	35,253	(229,240)
(26,643)	-	(12,180)	-	-	(297,079)
(3,929)	(3,689)	(7,473)	(404,816)	36,956	(321,204)
-	-	-	-	-	(1,298,000)
47,442	(6,493)	(23,725)	299,055	34,240	464,535
-	-	-	-	-	7,965
5,534	-	-	17,467	10,609	60,808
684,280	(10,182)	59,672	1,967,061	186,260	2,801,207
$ 182,352	$ 2,080	$ 118,689	$ 593,485	$ (388,638)	$ (221,956)
$736,893	-	-	$2,421,312	-	$3,690,315
			$61,299,739		$61,299,739

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NOTES TO
BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Kaysville City (the City) was settled in 1850 and on March 15, 1968 was incorporated. The City operates under a council form of government, with an appointed city manager. The Mayor and the five City Council members are elected at large with staggered terms. The City provides the following services: public safety (police, fire, and ambulance), public utilities (water, sewer, electric, sanitation, pressure irrigation, and storm water), streets, library endowment, parks, recreation, cemetery, public works, planning and zoning, code enforcement and general administrative services.

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

In defining the government, 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 GASB.

Blended Component Units

The Municipal Building Authority (MBA) and the Redevelopment Agency of Kaysville City (RDA) are blended component units of the City. The MBA and RDA are governed by a board comprised of members of the City Council and financially dependent upon City government. In conformity with U.S. GAAP, the financial statements have been included in the financial reporting entity as blended component units. Since the MBA and RDA are included in these financial statements as special revenue funds, separate financial statements are not issued.

Basic Financial Statements - Government-Wide 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. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support.

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental function. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are allocated among the functions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functions and segments using a full cost allocation approach are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each function or business segment is self-financing or draws from the general revenues of the government.

The City has the following fund types:

Governmental funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Governmental funds include the following fund types:

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

Capital Projects Fund accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Debt Service Fund accounts for resources accumulated and payments made of principal and interest in general obligations of the City.

Municipal Building Authority Fund accounts for the construction and finance of new City buildings.

Redevelopment Agency Fund accounts for the redevelopment of project areas throughout the City.

Perpetual Cemetery Fund is used to account for perpetual care fees and the improvement and maintenance of the cemetery.

Library Endowment Fund is used to account for a permanent endowment donated solely for the use of the library. Ten percent of the interest earnings from the principal are restricted and added to the permanent endowment. The remaining interest earnings are expendable for the library.

Proprietary funds are accounted for on the flow of economic resources and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Each proprietary fund in the City is used for its respective utility or function as indicated by the title of the fund, beginning on page 38.

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City has a total of fifteen funds, including seven governmental funds and eight proprietary funds, each reported as major in the fund financial statements.

Measurement Focus and Basis of Accounting

The accounts of Kaysville City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual:

The governmental fund financial statements are presented using the current financial resources measurement focus on the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period.) The government considers all revenues available if they are collected within 60 days after year end.

Property and sales taxes, Class C Road distributions, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the City.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term liabilities which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with expendable and available financial resources.

Assets, Liabilities, Deferred Inflows and Outflows of Resources and Equity

Deposits and Investments

Cash and cash equivalents are generally considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, repurchase agreements and the State Treasurers’ Investment Pool.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Property taxes are recognized when they are measurable and available. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on June 15 and are due on November 30. City property tax revenues are not recognized when levied because they are not expected to be collected within 60 days after the end of the current year. This policy meets the criteria of the Governmental Accounting Standards Board Codification, Section P70.

Inventories and Prepaid Items

Inventories are valued at cost using the replacement value method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets of the City are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are generally defined by the government as assets with an initial, individual cost of more than $4,000 (amount not rounded) and an estimated useful life in excess of two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition value.

Capital assets, plant and equipment in the proprietary funds of the City are recorded at cost. Property, plant and equipment donated to these proprietary fund type operations are recorded at their estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add materially to the value of the asset or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	60
Other Infrastructure	40
Water System	35
Electrical System	35
Improvements	30
Equipment	7
Vehicles	5-7

Compensated Absences

The City accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee.

For reporting purposes, the City's proprietary funds report the amounts accrued for all employees as a liability, while the governmental fund financial statements only report a liability for matured compensated absences for terminated employees. The governmental funds liability balance for all employees is maintained separately and represents a reconciling item between the fund and government-wide presentations.

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. Investments are reported at fair value.

Deferred Inflows and Outflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net positon that applies to a future period, and is therefore deferred until that time. Deferred outflows of resources represent a consumption of net position that applies to a future period and is therefore deferred until that time.

Governmental funds report revenue that is unavailable as deferred inflows of resources. The City's governmental funds report unavailable revenue from property taxes. These amounts are deferred and recognized as revenue in the period that the amounts become available. The City's Governmental Activities and enterprise funds also report deferred outflows and inflows relating to pensions maintained by the Utah Retirement Systems Pension Plan (URS).

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the *fiduciary net position* of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows and Outflows of Resources (continued)

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

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

Long-term Liabilities

The City reports long-term liabilities at face value in the applicable governmental activities, or business-type activities or Statement of Net Position. Certain other governmental activities liabilities not expected to be financed with current available financial resources are also reported in the Statement of Net Position. Long-term liabilities and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as *other financial source* net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. Bonds payable are reported net of the applicable bond premium or discount.

Equity

Fund financial statements

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* provide reporting categories for fund balance in governmental funds. The statement applies only to fund financial statements and not to government-wide statements or proprietary fund statements. Proprietary fund equity is classified the same as in the government-wide statements. The fund balances may be classified as follows:

a. Non-spendable – Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

b. Restricted fund balance – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provisions or enabling legislation, or restrictions set by creditors, grantors, or contributors.

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

d. Assigned fund balance – Fund balances are reported as assigned when the City Council 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity (continued)

e. Unassigned fund balance – Fund balances in the general fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

Government-wide Statements

Equity is classified as net position and displayed in three components:

a. Net Investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as revenues in the fund that is reimbursed.

All other interfund transactions, except interfund services provided and used, are reported as transfers. All other interfund transfers are reported as nonoperating transfers.

Operating Revenues and Expenses

Operating revenues and expenses in the proprietary funds consist of those revenues that result from the ongoing principal operations of the City. Operating revenues consist of charges for services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type activities and result from nonexchange transactions or ancillary activities.

Restricted Net Position

All of the City’s reserved fund balances are also considered restricted net position.

Class C Roads & Active Transportation - all unexpended Class “C” Road and Active Transportation payments at the end of the fiscal year are restricted by state law to be appropriated in the following budget year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Net Position (continued)

Beer Tax - all unexpended Beer Tax payments at the end of the fiscal year are restricted by state law to be appropriated in the following budget year.

Park Development Impact Fees – a park development impact fee is charged on all new construction permits. The use of these fees is limited by state law. The unexpended balance is to be used for new parks to be developed throughout the City. Accordingly, net position has been restricted.

Transportation Impact Fees – a transportation impact fee is charged on all new construction permits. The use of these fees is limited by state law. The unexpended balance is to be used for roadway facilities. Accordingly, net position has been restricted.

Water Impact Fees - a water impact fee is charged on all new construction permits. The use of these fees is limited by state law to be used for capital outlay in the water fund. Accordingly, net position has been restricted.

Power Impact Fees - a capacity impact fee is charged on all new construction permits. The use of these fees is limited by state law to be used for capital outlay in the electric fund. Accordingly, net position has been restricted.

Perpetual Cemetery – the perpetual cemetery fund holds part of the fees collected at the time the cemetery lot is sold. The perpetual cemetery fund has a restriction of part of lot sales which is used for perpetual care. The restriction is set by city ordinance.

Library Endowment - the library endowment restriction is imposed by a contributor. The principal portion of the contribution is fully restricted, plus a portion of the interest earned each year. Thus only part of the interest earned on the principal may be used and is restricted for library expenditures.

When both restricted and unrestricted net position are available for use, the City's policy is to use restricted net position first, then unrestricted as needed.

2. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost or amortized cost, which approximates fair value. Each fund's portion of this pool is displayed as "Cash and Cash Equivalents" which also includes cash accounts that are separately held by some of the City's funds. Deposits are not collateralized nor are they required to be by State statute.

The City follows the requirements of the Utah Money Management Act (*Utah Code,* Section 51, Chapter 7) in handling its depository and investment transactions. This Act requires the depositing of city funds in a "qualified depository". The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

2. DEPOSITS AND INVESTMENTS (Continued)

Cash & Cash Equivalents and Investments

Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments

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.

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, and 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 City follows the requirements of the Utah Money Management Act (*Utah Code,* Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of **Kaysville City** funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management Act defines the types of securities authorized as appropriate investments for the City 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 the 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, one of which must be Moody’s Investors Services or Standard & Poor’s; 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; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers’ Investment Fund. Investments in pooled accounts are stated at fair value.

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.

2. DEPOSITS AND INVESTMENTS (Continued)

As of June 30, 2019, the City had the following investments and maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
PTIF Investments	$ 7,873,294	$ 7,873,294	$ -	$ -	$ -
Zions Money Market	6,023,187	6,023,187	-	-	-
Certificates of Deposit	257,578	128,654	128,924	-	-
Moreton Asset Management	3,237,050	429,985	2,807,065	-	-
	$17,391,109	$14,455,120	$2,935,989	$ -	$ -

Fair Value of Investments – The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognized 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 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 judgement. Securities classified as Level 1 inputs include U.S. Government securities and certain other U.S. Agency and sovereign government obligations.;
- Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Securities classified as Level 2 include: corporate and municipal bonds, and “brokered” or securitized certificates of deposit; and,
- Level 3: Valuations based on input that are unobservable and significant to the overall fair value measurement.

At June 30, 2019, The City had the following recurring fair value measurements.

Security Type Category	Level 1	Level 2	Level 3	Other	Total
Agency	1,320,862	-	-	-	1,320,862
Corporate	-	1,724,736	-	-	1,724,736
Currency	3,080	-	-	-	3,080
PTIF	7,873,294	-	-	-	7,873,294
MM Fund	177,972	-	-	-	177,972
Total	9,375,208	1,724,736	-	-	11,099,944

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, sand 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.

The 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, The City uses these multiple prices as input into a distribution-curve based algorithm to determine the daily market value.

2. DEPOSITS AND INVESTMENTS (Continued)

- 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;

- Utah Public Treasurers' Investment Fund: application of the June 30, 2019 fair value factor, as calculated by the Utah State Treasurer, the Kaysville 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. The City manages 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' acceptance, 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.

2. DEPOSITS AND INVESTMENTS (Continued)

As of June 30, 2019, Kaysville City's investments had the following maturities:

Account	Identifier	Final Maturity	Ending Market Value + Accrued	Ending Book Value	Security Type	Final Maturity Group
0 to 1 Year	**AGCY BOND**					
Moreton-Kaysville City	BBG00D6Q1NK3	12/30/2019	$248,938	$250,004	AGCY BOND	0 to 1 Year
1 to 3 Years	AGCY BOND					
Moreton-Kaysville City	BBG003PQ3CGI	12/24/2020	198,708	200,000	AGCY BOND	1 to 3 Years
Moreton-Kaysville City	BBG00CZNMTD2	6/14/2021	149,300	150,000	AGCY BOND	1 to 3 Years
Moreton-Kaysville City	BBG00DG3YZ75	8/17/2020	250,483	250,000	AGCY BOND	1 to 3 Years
Moreton-Kaysville City	BBG00F8YLFC3	11/23/2021	225,288	225,000	AGCY BOND	1 to 3 Years
Total Agcy Bond 1 to 3 Years			823,779	825,000	AGCY BOND	1 to 3 Years
3 to 5 Years	**AGCY BOND**					
Moreton-Kaysville City	BBG00HRYJ6P7	9/29/2022	251,551	249,830	AGCY BOND	3 to 5 Years
0 to 1 Year	**CASH**					
Moreton-Kaysville City	CCYUSD	6/30/2019	1,245	1,245	CASH	0 to 1 Year
Moreton-Kaysville City	CCYUSD	6/30/2019	1,835	1,835	CASH	0 to 1 Year
Total Cash 0 to 1 Year			3,080	3,080	CASH	0 to 1 Year
1 to 3 Years	**CORP**					
Moreton-Kaysville City	BBG00HC5NNN6	8/07/2020	150,897	150,182	CORP	1 to 3 Years
Moreton-Kaysville City	BBG00J6DXLJ0	2/12/2021	280,816	280,289	CORP	1 to 3 Years
Moreton-Kaysville City	BBG00CBZG4V3	3/04/2021	274,890	273,859	CORP	1 to 3 Years
Moreton-Kaysville City	BBG00KWVQFJ9	5/18/2021	180,797	180,174	CORP	1 to 3 Years
Moreton-Kaysville City	BBG00LPXSM31	8/24/2021	149,628	150,000	CORP	1 to 3 Years
Moreton-Kaysville City	BBG00LSJSPC2	8/30/2021	98,507	100,000	CORP	1 to 3 Years
Moreton-Kaysville City	BBG0014PMB44	8/26/2020	216,959	217,064	CORP	1 to 3 Years
Moreton-Kaysville City	BBG00J5SC8F4	1/15/2021	201,315	199,388	CORP	1 to 3 Years
Moreton-Kaysville City	BBG00G5C3LQ4	3/09/2022	176,798	175,427	CORP	1 to 3 Years
Total Corp 1 to 3 Years			1,730,607	1,726,383	CORP	1 to 3 Years
0 to 1 Year	**MM FUND**					
Moreton-Kaysville City	PISXX	6/30/2019	177,972	177,972	MMFUND	0 to 1 Year
Summary			$3,235,923	$3,232,265		

2. DEPOSITS AND INVESTMENTS (Continued)

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. The PTIF is not registered with the SEC as an investment company and it is also unrated.

As of June 30, 2019, the City had the following investments and quality ratings:

Account	Identifier	Security Type	Ending Book Value	Rating	Moody's Rating	S&P Rating	Fitch Rating	Ending Market Value + Accrued
AAA								
Moreton-Kaysville City	BBG003PQ3CG1	AGCY BOND	$200,000	AAA	Aaa	AA+	---	$198,708
Moreton- Kaysville City	BBG00CZNMTD2	AGCY BOND	150,000	AAA	Aaa	AA+	---	149,300
Moreton- Kaysville City	BBG00D6Q1NK3	AGCY BOND	250,000	AAA	Aaa	AA+	---	248,934
Moreton- Kaysville City	BBG00DG3YZ75	AGCY BOND	250,000	AAA	Aaa	AA+	---	250,483
Moreton- Kaysville City	BBG00F8YLFC3	AGCY BOND	225,000	AAA	Aaa	AA+	---	225,288
Moreton- Kaysville City	BBG00HRYJ6P7	AGCY BOND	249,830	AAA	Aaa	AA+	---	251,551
Moreton- Kaysville City	CCYUSD	CASH	1,245	AAA	Aaa	AAA	---	1,245
Moreton- Kaysville City	CCYUSD	CASH	1,835	AAA	Aaa	AAA	---	1,835
Moreton- Kaysville City	PISXX	MMFUND	177,972	AAA	Aaa	AAm	---	177,972
	---	---	1,505,882	AAA	Aaa	AA+	---	1,505,316
AA-								
Moreton- Kaysville City	BBG00CBZG4V3	Corp	273,859	AA-	A2	A-	---	274,890
	BBG00KWVQFJ9	CORP	180,174	AA-	A2	A-	---	180,797
			454,033	AA-	A2	A-	---	455,687
A+								
Moreton- Kaysville City	BBG00HC5NNN6	CORP	150,182	A+	A2	A	---	150,898
A								
Moreton-Kaysville City	BBG0014PMB44	Corp	217,064	A	A3	BBB+	---	216,960
	BBG00J6DXLJ0	Corp	280,289	A	A2	A	---	280,816
	BBG00LPXSM31		150,000	A	A2	A	---	149,628
	BBG00LSJSPC2		100,000	A	A3	BBB+	---	98,507
	---		747,353	A	A2	A-	---	745,911
A-								
	BBG00J5SC8F4	*Corp*	*199,388*	*A-*	*A3*	*A-*	---	*201,315*
BBB+								
	BBG00G5C3LQ4	*Corp*	*175,427*	*BBB+*	*Baal*	*BBB*	---	*176,798*
Summary			***$3,232,265***					***$3,235,925***

2. DEPOSITS AND INVESTMENTS (Continued)

		Quality Ratings				
Investment Type	Fair Value	AAA	AA	A	B	Unrated
PTIF Investments	$ 7,873,294	$ -	$ -	$ -	$ -	$7,873,294
Zions Money Market	6,023,187	-	-	-	-	6,023,187
Certificates of Deposit	257,578	-	-	-	-	257,578
Moreton Asset Management	3,237,050	1,505,881	454,032	1,096,923	175,427	4,787
	$17,391,109	$ 1,505,881	$ 454,032	$1,096,923	$175,427	$14,158,846

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 held in the portfolio. The City's investment in the Utah Public Treasurers' Investment Fund has no concentration of credit risk.

At June 30, 2019, the City does not hold more than 10 percent of total investments in any single security concentration other than U.S. Government Treasuries and Agencies.

Custodial credit risk – 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 not have a formal deposit 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 2019, the City safe kept all investments with custodian counterparty Wells Fargo Bank, NA and all investments which were held by the counterparty's trust department or agent are registered in the City's name. Throughout the year the City's bank balance may fluctuate and there is a credit risk when deposits are above the covered FDIC limits. As of June 30, 2019 $20,654,057 of the City's bank balances of $26,469,773 (which excludes outstanding checks and deposits) was uninsured and uncollateralized.

For an investment, this 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's investment in the Utah Public Treasurers' Investment Fund and Moreton Asset Management has no custodial credit risk.

Components of cash and investments (including interest earning deposits) at June 30, 2019, are as follows:

Cash on hand and on deposit:	
Cash on hand	$ 250
Cash on deposit	9,766,360
PTIF investment	7,873,242
Moreton Asset Management	3,237,050
Money Market	6,023,187
Certificates of deposit	257,578
Total Cash and Investments	$ 27,157,667

2. DEPOSITS AND INVESTMENTS (Continued)

Cash and investments are included in the accompanying combined statement of net position as follows:

Cash and cash equivalents	$ 23,411,753
Cash restricted	508,863
Investments	3,237,051
Total cash and investments	$ 27,157,667

3. ACCOUNTS RECEIVABLE

Receivables as of the fiscal year end, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt service	Water	Sewer	Electric	Pressure Irrigation	Sanita-tion	Storm Water	Road Utility	Amb-ulance	Total
Receivables:											
Intergovernmental	$4,615,761	196,406	$ -	$ -	$ -	$ -	$ -	$ -	$305,120	$ -	$5,117,287
Due from Other Fund	756,591	-	-	-		-	-	-		-	756,591
Utility charges	-	-	275,644	204,835	1,034,192	111,219	175,523	103,344	101,341	309,199	2,315,297
Other receivables	-	-		-	64,246	-	-	-	-	-	64,246
Gross receivables	5,372,352	196,406	275,644	204,835	1,098,438	111,219	175,523	103,344	406,461	309,199	8,253,421
Allowance	-	-	(8,555)	(6,736)	(42,285)	(3,664)	(5,759)	(3,426)	(1,645)	(137,234)	(209,304)
Net receivables	$5,372,352	$196,406	$267,089	$198,099	$1,056,153	$107,555	$169,764	$99,918	$404,816	$171,965	$8,044,117

"Due from other fund" is the receivable portion as of the end of the fiscal year of the energy use tax that the electric fund collects and pays to the general fund, and also includes an interfund loan from the general fund to the redevelopment special revenue fund.

4. ACCOUNTS PAYABLE

Payables as of the fiscal year end are as follows:

	General	Debt Service	Capital Projects	RDA	Water	Sewer	Electric	Pressure Irrigation	Sanita-tion	Storm Water	Road Utility	Amb-ulance	Total
Accounts Payables:	$543,270	$ 5,423	$103,847	$ -	$176,079	$217,726	$1,647,496	$99,447	$161,813	$78,270	$299,055	$73,192	$3,405,618
Due to Other Fund	-	131,000	-	561,345	-	-	64,246	-	-	-	-	-	756,591
Gross payables	$543,270	$136,423	$103,847	$561,345	$176,079	$217,726	$1,711,742	$99,447	$161,813	$78,270	$299,055	$73,192	$4,162,209

"Due to other fund" in the electric fund is the payable portion as of the end of the fiscal year of the energy use tax that the electric fund collects and pays to the general fund. "Due to other fund" in the Redevelopment Agency consists of a five year loan from general fund in which interest is charged based upon the average PTIF interest rate for the year. "Due to other fund" between the Debt Service fund and the General fund is a short term loan and is intended to be paid back within a year.

5. CAPITAL ASSETS

Capital asset activity in the governmental activities for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	$25,543,887	$ -	$ -	($20,217,985)	$ 5,325,902
Total capital assets, not being depreciated	25,543,887	-	$ -	($20,217,985)	5,325,902
Capital assets, being depreciated					
Infrastructure	75,234,531	595,782	-	(72,086,706)	3,743,607
Buildings	10,191,547	110,000	-	-	10,301,547
Improvements	6,599,918	-	-	-	6,599,918
Vehicles	5,066,571	1,029,370	(164,107)	(66,253)	5,865,581
Equipment	2,532,163	15,712	(12,390)	(32,975)	2,502,510
Total capital assets, being depreciated	99,624,730	1,750,864	(176,497)	(72,185,934)	29,013,163
Accumulated Depreciation for:					
Infrastructure	(31,275,437)	(104,527)	-	31,004,952	(375,012)
Buildings	(1,966,369)	(170,954)	-	-	(2,137,323)
Improvements	(3,768,626)	(193,765)	-	-	(3,962,391)
Vehicles	(3,928,941)	(325,720)	149,124	66,253	(4,039,284)
Equipment	(1,932,103)	(158,361)	12,390	32,975	(2,045,099)
Total accumulated depreciation	(42,871,476)	(953,327)	161,514	31,104,180	(12,559,109)
Total capital assets being depreciated, net	56,753,254	797,537	(14,983)	(41,081,754)	16,454,054
Governmental activities capital assets, net	$82,297,141	$ 797,537	$ (14,983)	$(61,299,739)	$21,779,956

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	$ 106,087
Public Safety	
Police	196,112
Fire	145,307
Community Development	4,603
Public Works	149,610
Parks and Recreation	351,608
Total Governmental Activities Depreciation Expense	$ 953,327

5. CAPITAL ASSETS (Continued)

Capital asset activity in the business-type activities for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated					
Land	$ 1,140,723	$1,185,173	$ -	$20,217,985	$22,543,881
Water Stock	4,499,990	129,000	-	-	4,628,990
Total capital assets, not being depreciated	5,640,713	1,314,173	-	20,217,985	27,172,871
Capital assets, being depreciated					
Buildings	825,794	20,456	-	-	846,250
Improvements	41,320	-	-		41,320
Infrastructure	72,504,094	2,735,862	-	72,086,706	147,326,662
Vehicles	2,769,815	-	-	-	2,769,815
Machinery and Equipment	2,299,790	210,675	-	-	2,510,465
Total capital assets, being depreciated	78,440,813	2,966,993	-	72,086,706	153,494,512
Accumulated Depreciation for:					
Buildings	(440,423)	(13,763)	-	-	(454,186)
Improvements	(15,149)	(1,377)	-	-	(16,526)
Infrastructure	(30,676,826)	(3,944,305)	-	(31,004,952)	(65,626,083)
Vehicles	(2,003,708)	(307,745)	-	-	(2,311,453)
Machinery and Equipment	(1,637,407)	(146,232)	-	-	(1,783,639)
Total accumulated depreciation	(34,773,513)	(4,413,422)	-	(31,004,952)	(70,191,887)
Total capital assets, being depreciated, net	43,667,300	(1,446,429)	-	41,081,754	83,302,625
Business-type activities capital assets, net	$49,308,013	($ 132,256)	$ -	$61,299,739	$110,475,496

Depreciation expense was charged to functions as follows:

Business-type Activities:	
Water	$ 593,927
Sewer	688
Electric	953,252
Sanitation	103,050
Storm Water	690,551
Road Utilities	2,002,752
Ambulance	69,202
Total Business-type Activities Depreciation Expense	$ 4,413,422

5. CAPITAL ASSETS (Continued)

Capital assets by proprietary fund are as follows:

	Water Utility	Sewer Utility	Electric Utility	Pressure Irrigation	Sanitation Utility	Storm Water	Road Utility	Ambulance	Total
Land	$ 120,094	$ -	$1,004,307	$ 16,322	$ -	$ -	$21,403,158	$ -	$22,543,881
Water Stock	916,140	-	-	3,712,850	-	-	-	-	4,628,990
Building	134,097	41,289	660,636	-	-	10,228	-	-	846,250
Improve-ments	41,320	-	-	-	-	-	-	-	41,320
Infrast-ructure	23,893,248	-	27,356,859	-	-	22,393,990	73,682,565	-	147,326,662
Vehicles	288,562	-	1,425,777	-	126,935	356,041	-	572,500	2,769,815
Equipment	314,974	-	517,044	-	1,517,093	17,272	-	144,082	2,510,465
Total	25,708,435	41,289	30,964,623	3,729,172	1,644,028	(22,777,531)	(95,085,723)	(716,582)	(180,667,383)
Accum Dep	(9,787,836)	(22,709)	(14,759,639)	-	(1,292,765)	10,930,556	33,007,704	390,678	70,191,887
Net	$15,920,599	$18,580	$16,204,984	$3,729,172	$351,263	$11,846,975	$62,078,019	$ 325,904	$110,475,496

6. DEPOSITS

General Fund - Deposits in the general fund as of June 30, 2019 are as follows:

Business license bonds refundable	$ 2,200
Builders' deposits	425,200
Quail Creek Reserve	10,112
Heritage Park	3,735
Bleachers Donations	837
Excavation deposits	101,742
Escrow deposits	911,550
Total	$ 1,455,376

Capital Projects- Deposits in the capital projects fund as of June 30, 2019 are as follows:

Pickleball Facility	$ 47,530
Skate Park Donations	25,213
Total	$ 72,743

Enterprise Funds - All utility and developer's deposits are recorded in the electric utility fund. The water meter deposits are recorded in the water utility fund. As of June 30, 2019 deposits are as follows:

Utility deposits	$ 110,005
Water meter deposits	15,323
Total deposits	$ 125,328

7. LEASES

At the end of the fiscal year, the City has two lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments.

The assets acquired through outstanding capital leases are as follows:

	Governmental Activities	**Business- Type Activities** **Ambulance Fund**
Vehicles	$ 837,865	$ 419,500
Less: Accumulated Amortization	-	(179,786)
Total	$ 837,865	$ 239,714

7. LEASES (Continued)

Government-type activities:

The City has one lease agreement as lessee for the acquisition of a fire truck.

The fire truck lease purchase agreement bears an interest rate of 2.86%. Semi-annual payments are made with final payment being made in July 2024.

Year Ended June 30,	Capital Lease (Fire Truck) 2.86%		
	Principal	Interest	Total
2020	$ 130,995	$ 21,056	$ 152,051
2021	134,768	17,283	152,051
2022	138,650	13,401	152,051
2023	142,643	9,408	152,051
2024	146,752	5,299	152,051
2025	74,954	1,072	76,026
Totals	**$ 768,762**	**$ 67,519**	**$ 836,281**

Business-type activities:

During the fiscal year the City had one lease agreement for the acquisition of two ambulances.

The two ambulances lease purchase agreement bears an interest rate of 1.75%. Semi-annual payments are made with final payment made in fiscal year 2020. Payments are made from the Ambulance Fund.

Year Ended June 30,	Capital Lease (Ambulances) 1.75%		
	Principal	Interest	Total
2020	87,117	1,143	88,260
Totals	**$ 87,117**	**$ 1,143**	**$ 88,260**

8. LONG-TERM LIABILITIES

Governmental activities:

Sales Tax Revenue Bond- Pioneer Park

The City is obligated for the repayment of bonds issued in 2018 in the amount of $1,330,000 to finance the construction of a new park. Interest payments are paid on July 15 and January 15 of each year and principal payments are made on July 15. Interest rate is based on a fixed debt service schedule with an average rate of 2.05% yearly. The bonds will mature on July 15, 2024. The amortization of the bond is as follows:

Year Ended June 30,	Lease Revenue Bond Pioneer Park		
	Principal	Interest	Total
2020	$ 182,000	$ 24,718	$ 206,718
2021	185,000	22,105	207,105
2022	188,000	18,505	206,505
2023	193,000	13,978	206,978
2024	198,000	8,843	206,843
2025	204,000	3,060	207,060
Totals	**$ 1,150,000**	**$ 91,209**	**$ 1,241,209**

Lease Revenue Bond- Police Station

The City is obligated for the repayment of bonds issued in 2014 in the amount of $5,447,000 to finance the construction of a new police station. Interest payments are paid on December 1 and June 1 of each year and principal payments are made on June 1. On July 13, 2017 the City re-issued the bonds to lower the rates from 3.572 to 2.857%. Interest rate is based on a fixed debt service schedule with an average rate of 2.857% yearly. The bonds will mature on June 1, 2031. The amortization of the bond is as follows:

Year Ended June 30,	Lease Revenue Bond Police Station		
	Principal	Interest	Total
2020	$ 283,000	$ 102,220	$ 385,220
2021	290,000	98,541	388,541
2022	296,000	94,336	390,336
2023	304,000	89,600	393,600
2024	312,000	84,280	396,280
2025-2029	1,724,000	306,718	2,030,718
2030-2031	793,000	45,794	838,794
Totals	**$4,002,000**	**$821,489**	**$4,823,489**

9. CHANGES IN CAPITAL LEASES, LONG TERM LIABILITIES, AND COMPENSATED ABSENCES

Activity with long-term liabilities including capital leases and compensated absences for the year ended June 30, 2019 is as follows:

Governmental Activities:	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amounts Due Within One Year
Sales Tax Revenue Bonds (Pioneer Park)	$1,330,000	$ -	$ (180,000)	$1,150,000	$ 182,000
Series 2014 Lease Revenue Bonds (Police Station)	4,281,000	-	(279,000)	4,002,000	283,000
Caple Lease (Fire Truck)	-	837,865	(69,103)	768,762	130,995
Capital Lease (Fire Truck)	72,054	-	(72,054)	-	-
Capital Lease (Wide Area Mower)	16,222	-	(16,222)	-	-
Total Bonds and Leases	5,699,276	837,865	(616,379)	5,920,762	595,995
Compensated Absences	424,006	298,947	(339,205)	383,748	306,998
Total Governmental Activities	$6,123,282	$1,136,812	$(955,584)	$6,361,398	$ 902,993

Business-type Activities:	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amounts Due Within One Year
Capital Lease (Ambulances)	$ 172,732	$ -	$ (85,615)	$ 87,117	$ 87,117
Total Leases	172,732	-	(85,615)	87,117	87,117
Compensated Absences	191,133	213,714	(152,907)	251,940	201,554
Total Business-type Activities	$ 363,865	$213,714	$ (238,522)	$ 339,057	$ 288,671

For the year ended June 30, 2019, $140,473 in interest was charged to expenditures in the Governmental Funds and $2,645 was charged to expenses in the Proprietary Funds. No interest was capitalized for the year ended June 30, 2019, in Governmental or Business-type Activities.

The appropriate fund in which the employee typically works is used to liquidate compensated absences; water, sewer, electric, storm water, pressure irrigation, sanitation, road utility, and ambulance funds were used. City policy provides for an employee to be paid out a maximum of 240 hours of vacation and 80 hours of compensation time.

10. RETIREMENT SYSTEMS

Plan Description - Kaysville City contributes to the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System and Public Safety Retirement System for employers with Social Security coverage, which is a cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Additional detail and amounts are outlined in note 11 and in the Schedule of Required Supplementary Information section of this audit.

Defined Contribution Plan – In addition to the Local Government Retirement Systems, the City also provides a 401(k) plan for employees. The plan is adopted and amended by the City Council, administered by the trustees with money management and contract administration provided by The Principal Financial Group.

11. RETIREMENT SYSTEMS AND PENSION PLANS

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

- Public Employees Noncontributory Retirement Systems (NonContributory System); Public Employees Contributory Retirement System (Contributory System); are multiple employer, cost sharing, public employee, retirement systems.
- Firefighters Retirement System (Firefighters System) are multiple employer, cost sharing, retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer 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 employees, retirement systems.

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

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

The following information (General Information about the Pension Plan) regarding the pension plan is provided by the Utah Retirement Systems and includes Kaysville City's proportionate share.

11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

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

* 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.

11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Contribution Rate Summary- As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2019 are as follows:

Utah Retirement Systems	Employee Paid	Paid by Employer for employee	Employer Contribution Rates	Employer rate for 401(k) Plan
Contributory System				
11 – Local Governmental Division Tier 1	N/A	6.00%	14.46%	N/A
111 – Local Governmental Division Tier 2	N/A	N/A	15.54%	1.15%
Noncontributory System				
15 – Local Governmental Division Tier 1	N/A	N/A	18.47%	N/A
Public Safety Retirement System				
Contributory				
122- Tire 2 DB Hybrid Public Safety	N/A	N/A	24.25%	0.74%
Noncontributory				
75- Other Division A with 4% COLA	N/A	N/A	35.71%	N/A
Firefighters Retirement System				
31- Other Division A	N/A	15.05%	4.61%	N/A
132- Tier 2 DB Hybrid Firefighters	N/A	N/A	11.34%	0.74%
Tier 2 DC Only				
211- Local Government	N/A	N/A	6.69%	10.00%
222- Public Safety	N/A	N/A	12.99%	12.00%
232- Firefighters	N/A	N/A	0.08%	12.00%

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

For fiscal year ended June 30, 2019, the employer and employee contributions to the System were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 592,483	N/A
Contributory System	8,918	3,700
Public Safety System	404,912	-
Firefighters System	10,601	34,970
Tier 2 Public Employees System	143,216	-
Tier 2 Public Safety and Firefighter	136,806	-
Tier 2 DC Only System	26,520	N/A
Tier 2 DC Public Safety & Firefighter System	6,040	N/A
Total Contributions	$ 1,329,496	$ 38,670

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

11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

At June 30, 2019, we reported a net pension asset of $0 and a net pension liability of $5,438,560.

	(Measurement Date): December 31, 2018				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate share Dec 31, 2017	Change (Decrease)
Noncontributory System	$0	$2,744,806	0.3727471%	0.3632073%	0.0095398%
Contributory System	$0	$190,132	0.4685318%	0.4221291%	0.0464027%
Public Safety System	$0	$2,377,784	0.9242781%	0.8932410%	0.0310371%
Firefighters System	$0	$86,535	0.6664376%	0.4995134%	0.1669242%
Tier 2 Public Employees System	$0	$28,257	0.0659779%	0.0798652%	(0.0138873%)
Tier 2 Public Safety and Firefighter System	$0	$11,046	0.4408629%	0.2911591%	0.1497038%
Total Net Pension Asset/Liability	$0	$5,438,560			

The net pension asset and liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2018 and roll-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 System during the plan year the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2019, the City recognized pension expense of $1,752,701.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$58,884	$185,811
Changes in assumptions	$704,632	$10,959
Net difference between projected and actual earnings on pension plan investments	$1,106,051	$ -
Changes in proportion and differences between contributions and proportionate share of contributions	$112,263	$104,336
Contributions subsequent to the measurement date	$657,837	$ -
Total	$2,639,667	$301,106

$657,837 was reported as deferred outflows of resources related to pension results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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

Year Ended December 31,	Net Deferred Outflows (Inflow) of Resources
2019	$758,201
2020	$219,526
2021	$148,767
2022	$532,077
2023	$ 6,371
Thereafter	$ 15,766

11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, we recognized pension expense of $775,766.

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 35,302	$ 51,193
Changes in assumptions	$ 367,698	$ -
Net difference between projected and actual earnings on pension plan investments	$ 571,163	$ -
Changes in proportion and differences between contributions and proportionate share of contributions	$ 48,434	$ 40,192
Contributions subsequent to the measurement date	$ 295,606	$ -
	$ 1,318,203	$ 91,385

$295,606 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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
2019	$ 418,111
2020	$ 162,085
2021	$ 80,398
2022	$ 270,618
2023	$ -
Thereafter	$ -

11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

For the year ended June 30, 2019, we recognized pension expense of $50,849.

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes in assumptions	$ -	$ -
Net difference between projected and actual earnings on pension plan investments	$ 62,486	$ -
Changes in proportion and differences between contributions and proportionate share of contributions	$ -	$ -
Contributions subsequent to the measurement date	$ 2,477	$ -
	$ 64,963	$ -

$2,477 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year ended, but subsequent to the measurement date of December 31, 2018.

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
2019	$ 24,751
2020	$ 1,467
2021	$ 6,268
2022	$ 30,000
2023	$ -
Thereafter	$ -

11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

For the year ended June 30, 2019, we recognized pension expense of $761,176.

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 113,159
Changes in assumptions	$ 273,317	$ -
Net difference between projected and actual earnings on pension plan investments	$ 410,324	$ -
Changes in proportion and differences between contributions and proportionate share of contributions	$ 53,125	$ 41,435
Contributions subsequent to the measurement date	$ 188,996	$ -
	$ 925,762	$ 154,594

$188,996 reported as deferred outflows of resources related to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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
2019	$ 291,343
2020	$ 46,652
2021	$ 49,403
2022	$ 194,774
2023	$ -
Thereafter	$ -

11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

For the year ended June 30, 2019, we recognized pension expense of $27,887.

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,290	$ 15,604
Changes in assumptions	$ 46,026	$ 10,046
Net difference between projected and actual earnings on pension plan investments	$ 45,092	$ -
Changes in proportion and differences between contributions and proportionate share of contributions	$ -	$ 19,764
Contributions subsequent to the measurement date	$ 6,046	$ -
	$ 115,454	$ 45,414

$6,046 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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
2019	$ 17,977
2020	$ 4,776
2021	$ 7,755
2022	$ 28,222
2023	$ 4,625
Thereafter	$ 637

11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

For the year ended June 30, 2019, we recognized pension expense of $73,010.

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 198	$ 5,840
Changes in assumptions	$ 7,082	$ 508
Net difference between projected and actual earnings on pension plan investments	$ 9,201	$ -
Changes in proportion and differences between contributions and proportionate share of contributions	$ 8,130	$ -
Contributions subsequent to the measurement date	$ 90,433	$ -
	$ 115,044	$ 6,348

$90,433 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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 (Inflow) of Resources
2019	$ 3,176
2020	$ 2,307
2021	$ 2,529
2022	$ 4,478
2023	$ 822
Thereafter	$ 4,953

11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

For the year ended June 30, 2019, we recognized pension expense of $64,014.

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,076	$ 14
Changes in assumptions	$ 10,509	$ 405
Net difference between projected and actual earnings on pension plan investments	$ 7,785	$ -
Changes in proportion and differences between contributions and proportionate share of contributions	$ 2,574	$ 2,945
Contributions subsequent to the measurement date	$ 74,279	$ -
	$ 100,223	$ 3,364

$74,279 reported as deferred outflows of resources related to pension's results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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 (Inflow) of Resources
2019	$ 2,844
2020	$ 2,239
2021	$ 2,415
2022	$ 3,985
2023	$ 925
Thereafter	$ 10,175

Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.25 – 9.75 percent, average, including inflation
Investment Rate Return	6.95 percent, net of pension plan investment expense, including inflation

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

11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the January 1, 2018, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which 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 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	40.00%	6.15%	2.46%
Debt securities	20.00%	0.40%	0.08%
Real assets	15.00%	5.75%	0.86%
Private equity	9.00%	9.95%	0.89%
Absolute return	16.00%	2.85%	0.46%
Cash and cash equivalents	0.00%	0.00%	0.00%
Totals	100.00%		4.75%
Inflation			2.50%
Expected arithmetic nominal return			7.25%

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

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

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	$5,625,372	$2,744,806	$346,057
Contributory System	$403,618	$190,132	$10,420
Public Safety System	$4,660,876	$2,377,784	$524,415
Firefighters System	$322,919	$86,535	($104,872)
Tier 2 Public Employees System	$113,203	$28,257	($37,300)
Tier 2 Public Safety and Firefighter	$83,316	$11,046	($44,259)
Total	$11,209,304	$5,438,560	$694,461

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

Defined Contribution Savings Plans – The Defined Contribution Saving Plans are administered by the Utah Retirement System 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 section 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.

Kaysville City participates in the 401(k), 457(b) and Roth IRA Defined Contribution Savings Plans with the Utah Retirement Systems.

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

401 (k) Plan	2019	2018	2017
Employer Contributions	$170,145	$75,181	$51,906
Employee Contributions	$78,006	$72,429	$77,571
457 Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	$23,927	$14,805	$2,508
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	$18,437	$9,011	$4,590

12. RISK MANAGEMENT - CLAIMS AND JUDGEMENTS

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 maintains commercial insurance for all major programs. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

13. INTERFUND TRANSACTIONS

Transfers In/Out

Transfers for the year ended June 30, 2019 were as follows:

	Transfers In					
Transfers Out	Debt Service Fund	Municipal Building Authority	Capital Projects Fund	Road Utility	Ambulance Fund	Total
General Fund	$ 188,000	$ 390,000	$ 205,000	$ 2,339,212	$ 506,000	$3,628,212
Capital Projects Fund	208,000	-	-	298,950		506,950
Totals	$ 396,000	$ 390,000	$ 205,000	$ 2,638,162	$ 506,000	$4,135,162

The above transfers resulted from the normal course of the City's operations. Often, funds are received in a given fund, but those funds are used for a purpose in which the expenditures are made in another fund. The transfer to the Ambulance Fund was to cover operating expenses in the Ambulance Fund. The transfer from the General Fund to the Debt Service fund was to make the annual revenue bond payment and the fire apparatus payment. The transfer from the general fund to the municipal building authority was made to make the annual bond payment for the construction of the police station. During the year $63,937,901 of assets were transferred from the General Operating fund to the Road Utility Fund. The transfer of assets is not reported as part of the governmental funds financial statements.

14. PROPERTY TAX

No revenue is recognized for delinquent taxes as corresponding entries are made to taxes receivable and deferred revenue. Due to the collection process, which is a County function, delinquent property taxes are reported as revenue when received. The County handles the accounting for property tax collections and the collection of delinquencies can take up to five years, at which time property is sold at tax auctions to collect on property tax liens.

15. INTERFUND ACTIVITY

During the course of normal operations, the City has nonreciprocal interfund activities.

Nonreciprocal interfund activity is the flow of assets (such as cash, good or services) without equivalent flows of assets in return and without a requirement for repayment. During the year the City received services from electric, water, sewer, sanitation, and storm drain in the normal operation of business. The General Fund does not transfer cash for these services. The City issued a notice to the citizens notifying them of these services as required. The total amount of these services for the general fund were valued at $32,442 for water, $4,884 for sewer, $220,930 for electric, $12,180 for sanitation, and $26,643 for storm drain.

16. INVESTMENTS IN POWER PROJECTS AND RELATED CONTRACTS

The Power Department is a member of Utah Associated Municipal Power Systems (UAMPS). UAMPS, a joint agency and political subdivision of the State of Utah was formed pursuant to the provisions of the Utah Interlocal Cooperation Act. UAMPS is a separate legal entity. No other governmental units exercise significant control over UAMPS and therefore is not considered a component unity. Separate financial statements for UAMPS may be obtained directly from UAMPS.

UAMPS' purpose includes planning, financing, developing, acquiring, constructing, improving, operating and maintain projects. As a member of UAMPS, Kaysville City participates in various projects through power service contracts as discussed below:

Colorado River Storage Project (CRSP)

CRSP is managed by Western Area Power Authority, which is a division of the Department of Energy. Kaysville City is a preference customer of CRSP. Kaysville's entitlement share is 2.036% (2,573 kW) in the winter season and 1.94% (1,661kW) in the summer season. The generation is primarily based on hydroelectric from various sources. Plans are in progress to extend the contracts.

Firm Power Project

The Firm Power Project was established to provide for the acquisition of frim power supplies from third parties. UAMPS currently has one long term transaction with Iberdroal Renewables to purchase power from wind generation from the Pleasant Valley Wind Energy Facility in Uintah County Wyoming plus multiple forward market purchases. The contract terminates in 2028 and Kaysville's entitlement share is 19.1384% or 3,000 kW.

Payson Project (Nebo Plant)

In March 2003, the City entered into a power sales contract with UAMPS that expires on the later of (1) the date the principal of, premium, of any, and interest on all of the UAMPS Payson Revenue Bonds have been paid, or (2) the date of the final payment of all obligations under the Project Agreements, or (3) April 1, 2026. The energy supplied is produced by natural gas and varies based on need up to Kaysville's Entitlement Share of 16.24%.

Horse Butte Wind Project

The Horse Butte Project is energy produced by a wind generation facility in Bonneville County Idaho, Kaysville's entitlement share is 10.52% or 6,062.

Veyo Heat Recovery Project

The Veyo Project is a heat recovery system that uses waste heat from the Kern River gas turbine compressors to heat thermal oil that serves as the heat source for the energy converter. The project is considered to be carbon free, renewable energy. Kaysville's entitlement share is 10.78% or 841 kW.

Intermountain Power Project

The City has entered into a power sales contract that expires in June 2027. The coal fired plant is scheduled to be powered to natural gas in 2027. Kaysville City is currently entitled to .739% of 1800 MW. As the plant is re-powered to natural gas, the City will be entitled to .746% of 1200 MW's. This resource is not a take or pay contract and is available as needed.

16. INVESTMENTS IN POWER PROJECTS AND RELATED CONTRACTS (Continued)

UAMPS Hunter II Project

In June 1985, the City entered into a power sales contract with UAMPS that expires on the later of (1) the date the principal of, premium, if any, and interest on all of the UAMPS Hunter Project Revenue and Refunding Bonds have been paid, or (2) the final shut down date of the Hunter Steam Electric Generating Unit No. 2 (Hunter II), or (3) June 1, 2032. The contract entitles the City to approximately 5.4 percent of the output of the project.

All-In Cost Pool

UAMPS Pool Project Participants formed the "All-In" Pool in a desire to more cooperatively and efficiently manage member load and resource situations. The pool provides an environment that encourages participants to jointly acquire resources as needed, thus taking advantage of economics of scale. Each of the participants in the pool has agreed to sell their excess power to, and purchase additional power needs from, the pool at cost. Any additional power needs for the group may be purchased in one large block at market prices. In addition, any excess power to be sold may be sold in a similar manner.

17. ENDOWMENT

In 1993, the Alan Blood family donated property to the City to be sold and the proceeds used to fund an endowment for the Kaysville City Library. The proceeds from this money is to be spent by the library endowment board on books for the library. Each year the non-spendable portion is increased by 10% of the interest earned that year. As of June 30, 2019 the non-spendable portion is $689,021 and the spendable portion is $50,608. The funds that are spendable can be requested by the Davis County Library. Once funds are requested, they must be approved by the endowment board, which is the City council.

18. METER SYSTEM CHANGE OUT

During fiscal year 2019 the City continued to install electronic meters in the Water and Power systems. These meters are going to be installed in all the City within the next four years. As part of this project, there has been some large expenses incurred.

19. SUBSEQUENT EVENTS

On August 27, 2019 the Municipal Building Authority issued bonds for the renovation and expansion of the Kaysville City Hall. The bonds were issued in the amount of $4,028,000 with a true interest rate of 2.14%. The bonds will mature on June 1, 2034.

In October of 2019, the Municipal Building Authority adopted a Super Parameters Resolution for the refinancing of the lease revenue bonds for the police station to lower the rates from 2.857% to 1.62% true interest cost. The bonds will mature on June 1, 2031.

20. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget Compliance

During the fiscal year the City purchased a new fire truck and apparatus. Though the purchase was approved by the council, the budget in the Capital Projects fund was not amended. This resulted in the Capital Projects fund becoming over budget.

20. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

During the fiscal year the City created an office at the Cemetery, it was necessary to remodel a home that the City owned. While doing the remodel of the home some unforeseen repairs were made, causing the Cemetery Fund to go over budget.

During the fiscal year the Davis County Library system requested funds from the Library Endowment Fund. The Library Endowment committee granted this request.

Fund Balance Compliance

State law states that the accumulation of a fund balance in the city general fund may not exceed 25% of the total revenue of the city's general fund for the current fiscal year. During the fiscal year the City's accumulated fund balance was 33.5% of the total revenue of the City's General Fund. However, the City has budgeted for the next fiscal year to use this fund balance for the remodel of the City Hall offices.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund

Kaysville Redevelopment Agency- Special Revenue Fund

Municipal Building Authority- Special Revenue Fund

Schedule of the Proportionate Share of the Net Pension Liability

Schedule of Pension Contributions

Pension Beginning & Ending Values

Notes to Required Supplementary Information

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes:				
Property Taxes - Current	$ 3,128,051	$ 3,128,051	$ 3,078,489	$ (49,562)
Property Taxes - Redemptions	100,000	100,000	36,289	(63,711)
Property Taxes - Payments in Lieu	-	-	26,392	26,392
Motor Vehicle Fee in Lieu	250,000	250,000	260,818	10,818
Sales Tax	4,611,949	4,611,949	4,873,747	261,798
Utility License Tax	615,000	615,000	657,389	42,389
Energy Sales and Use Charge	1,250,000	1,250,000	1,134,227	(115,773)
	9,955,000	9,955,000	10,067,351	112,351
Licenses and Permits:				
Business Licenses	55,000	55,000	68,914	13,914
Building Permits	450,000	450,000	501,703	51,703
	505,000	505,000	570,617	65,617
Intergovernmental:				
Class "C" Road	1,175,000	1,175,000	-	(1,175,000)
Local Option Active Transportation	325,000	325,000	-	(325,000)
State Beer Tax	18,000	18,000	19,079	1,079
State Grants	3,500	3,500	144,850	141,350
	1,521,500	1,521,500	163,929	(1,357,571)
Charges for Services:				
Administrative Charges	726,000	726,000	726,000	-
Zoning/ Plan Check	155,000	155,000	177,676	22,676
Maps and Publications	500	500	-	(500)
Fire Protection	255,000	255,000	256,967	1,967
Law Enforcement	185,000	185,000	215,186	30,186
Streets	2,500	2,500	118,057	115,557
Parks and Recreation	600,000	600,000	605,349	5,349
Construction Inspection	-	-	20,316	20,316
Cemetery Lots	75,000	75,000	123,200	48,200
Burial Fees	90,000	90,000	110,400	20,400
GIS/Information System Services	260,000	260,000	260,000	-
Fleet Mgmt Services	105,800	105,800	105,800	-
Miscellaneous Charges	40,000	40,000	6,597	(33,403)
	2,494,800	2,494,800	2,725,548	230,748
Fines and Forfeitures	126,000	126,000	161,715	35,715

(continued)

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Other Revenues:				
Interest and Dividend Earnings	40,000	40,000	152,241	112,241
Rents	25,000	25,000	23,970	(1,030)
Sale of Materials	-	-	2,163	2,163
Community Events	62,700	62,700	41,825	(20,875)
Sundry	26,197	26,197	20,444	(5,753)
	153,897	153,897	240,643	86,746
Total Revenues	14,756,197	14,756,197	13,929,803	(826,394)
Expenditures:				
General Government:				
City Council	121,100	121,100	105,049	16,051
City Manager	205,000	205,000	212,413	(7,413)
Administrative Services	896,000	896,000	804,464	91,536
Information Services	598,210	598,210	601,017	(2,807)
Legal Services	173,850	173,850	216,117	(42,267)
Animal Control	60,000	60,000	64,441	(4,441)
Fleet Maintenance	291,600	291,600	233,962	57,638
Non-Reciprocal Utility Expense	-	-	297,079	(297,079)
Vehicle Replacement Program	75,000	75,000	77,905	(2,905)
	2,420,760	2,420,760	2,612,447	(191,687)
Public Safety:				
Police Department	4,356,792	4,356,792	4,239,376	117,416
Fire Department	1,063,495	1,063,495	900,167	163,328
	5,420,287	5,420,287	5,139,543	280,744
Community Development:				
Planning and Zoning	350,900	350,900	353,698	(2,798)
Code Enforcement	532,000	532,000	465,929	66,071
Impact Fee Study	20,000	20,000	14,496	5,504
	902,900	902,900	834,123	68,777
Public Works:				
Public Works	1,120,300	1,120,300	973,433	146,867
	1,120,300	1,120,300	973,433	146,867

(continued)

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Parks, Recreation and Culture:				
Buildings	200,500	200,500	202,382	(1,882)
Parks	896,500	896,500	936,099	(39,599)
Recreation	923,400	923,400	930,969	(7,569)
Community Events	194,750	194,750	183,939	10,811
Cemetery	243,800	243,800	229,235	14,565
	2,458,950	2,458,950	2,482,624	(23,674)
Total Expenditures	12,323,197	12,323,197	12,042,170	281,027
Excess (Deficiency) of Revenues over Expenditures	2,433,000	2,433,000	1,887,633	(545,367)
Other Financing Sources (Uses):				
Non-Reciprocal Utility Revenue	-	-	297,079	297,079
Gain on Sale of Assets	-	-	48,149	48,149
Transfers In (Out):				
MBA Special Revenue Fund	(390,000)	(390,000)	(390,000)	-
Debt Service Fund	(188,000)	(188,000)	(188,000)	-
Capital Projects Fund	(205,000)	(205,000)	(205,000)	-
Roadway Fund	(1,200,000)	(1,200,000)	(2,339,212)	(1,139,212)
Ambulance Fund	(260,000)	(260,000)	(506,000)	(246,000)
Total Other Financing Sources (Uses)	(2,243,000)	(2,243,000)	(3,282,984)	(1,039,984)
Net Change in Fund Balance	190,000	190,000	(1,395,351)	(1,585,351)
Fund Balance - July 1	6,067,878	6,067,878	6,067,878	-
Fund Balance - June 30	$ 6,257,878	$ 6,257,878	$ 4,672,527	$ (1,585,351)

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND- KAYSVILLE REDEVELOPMENT AGENCY
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Interest Income	$ -	$ -	$ 8,751	$ 8,751
Property Taxes	135,000	135,000	134,848	(152)
Miscellaneous Revenue	-	-	25,000	25,000
Total Revenues	135,000	135,000	168,599	33,599
EXPENDITURES:				
Professional Services	25,000	25,000	1,000	24,000
Interest Expense	-	-	18,349	(18,349)
Discount on Sale	-	-	56,931	(56,931)
Closing Costs	-	-	13,194	(13,194)
Debt Service:				
Flint Property	110,000	110,000	-	110,000
Total Expenditures	135,000	135,000	89,474	45,526
Excess (Deficiency) of Revenues over Expenditures	-	-	79,125	79,125
Change in Fund Balance	-	-	79,125	79,125
Fund Balance at Beginning of Year	386,113	386,113	386,113	-
Fund Balance at End of Year	$ 386,113	$ 386,113	$ 465,238	$ 79,125

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND- MUNICIPAL BUILDING AUTHORITY
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Interest Income	$ -	$ -	$ 404	$ 404
Total Revenues	-	-	$ 404	404
EXPENDITURES:				
Police Station Debt Service	390,000	390,000	385,823	4,177
Total Expenditures	390,000	390,000	385,823	4,177
Excess (Deficiency) of Revenues over Expenditures	(390,000)	(390,000)	(385,419)	4,581
Other Financing Sources (Uses):				
Transfers In (Out):				
General Fund	390,000	390,000	390,000	-
Total Other Financing Sources (Uses)	390,000	390,000	390,000	-
Change in Fund Balance	-	-	4,581	4,581
Fund Balance at Beginning of Year	96	96	96	-
Fund Balance at End of Year	$ 96	$ 96	$ 4,677	$ 4,581

KAYSVILLE CITY CORPORATION

Schedule of the Proportionate Share of the Net Pension Liability

(Provided by Utah Retirement Systems)

Last 10 Fiscal Years *

	Non-Contributory System	Contributory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
2019						
Proportion of the net pension liability (asset)	0.3727471%	0.4685318%	0.9242781%	0.6664376%	0.0659779%	0.4408629%
Proportionate share of the net pension liability (asset)	$2,744,807	$190,132	$2,377,784	$86,535	$28,257	$11,046
Covered employee payroll	$3,121,968	$87,695	$1,232,867	$280,439	$769,193	$588,935
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	87.92%	216.81%	192.87%	30.86%	3.67%	1.88%
Plan fiduciary net position as a percentage of the total pension liability	87.0%	91.2%	84.7%	94.3%	90.8%	95.6%
2018						
Proportion of the net pension liability (asset)	0.3632073%	0.4212910%	0.8932410%	0.4995134%	0.0798652%	0.2911591%
Proportionate share of the net pension liability (asset)	$1,591,320	$34,350	$1,401,190	($31,197)	$7,041	($3,369)
Covered employee payroll	$3,145,224	$85,656	$1,222,119	$213,250	$782,125	$307,168
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	50.59%	40.10%	114.65%	-14.63%	0.90%	-1.10%
Plan fiduciary net position as a percentage of the total pension liability	91.9%	98.2%	90.2%	103.0%	97.4%	103.0%
2017						
Proportion of the net pension liability (asset)	0.3782228%	0.3668630%	0.9570199%	0.4728736%	0.0695979%	0.3341964%
Proportionate share of the net pension liability (asset)	$2,428,653	$120,372	$1,942,058	($3,728)	$7,764	($2,901)
Covered employee payroll	$3,368,213	$88,024	$1,299,724	$138,720	$570,760	$276,122
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	72.11%	136.75%	149.42%	-2.69%	1.36%	-1.05%
Plan fiduciary net position as a percentage of the total pension liability	87.3%	92.9%	86.5%	100.4%	95.1%	103.6%

KAYSVILLE CITY CORPORATION

Schedule of the Proportionate Share of the Net Pension Liability (continued)

(Provided by Utah Retirement Systems)

Last 10 Fiscal Years *

	Non-Contributory System	Contributory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
2016						
Proportion of the net pension liability (asset)	0.3712689%	0.1931699%	0.9028963%	N/A	0.6231040%	0.3267187%
Proportionate share of the net pension liability (asset)	$2,100,820	$135,770	$1,617,314	N/A	($136)	($4,773)
Covered employee payroll	$3,142,903	$82,307	$1,230,772	N/A	$402,584	$194,444
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	66.84%	164.95%	131.41%	N/A	-0.03%	-2.45%
Plan fiduciary net position as a percentage of the total pension liability	87.8%	85.7%	87.1%	N/A	100.2%	110.7%
2015						
Proportion of the net pension liability (asset)	0.3498119%	0.1495670%	0.8693386%	N/A	0.0557657%	0.1876971%
Proportionate share of the net pension liability (asset)	$1,518,966	$43,142	$1,093,265	N/A	($1,690)	($2,777)
Covered employee payroll	$2,975,806	$80,034	$1,197,771	N/A	$274,011	$77,767
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	51.00%	53.90%	91.30%	N/A	-0.60%	-3.60%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	94.0%	90.5%	N/A	103.5%	120.5%

* Note- This Schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

KAYSVILLE CITY CORPORATION

Schedule of Pension Contributions

(Provided by Utah Retirement Systems)

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	$ 514,845	$ 514,845	$ -	$ 2,978,314	17.29%
	2015	558,516	558,516	-	3,022,674	18.48%
	2016	590,639	590,639	-	3,255,577	18.14%
	2017	582,359	582,359	-	3,252,924	17.90%
	2018	564,975	564,975	-	3,108,701	18.17%
	2019	592,483	592,483	-	3,213,037	18.44%
Contributory System	2014	$ 10,886	$ 10,886	$ -	$ 79,263	13.73%
	2015	11,560	11,560	-	79,946	14.46%
	2016	12,194	12,194	-	84,327	14.46%
	2017	12,794	12,794	-	88,481	14.46%
	2018	12,463	12,463	-	86,189	14.46%
	2019	8,918	8,918	-	61,674	14.46%
Public Safety System	2014	$ 401,881	$ 401,881	$ -	$ 1,176,123	34.17%
	2015	435,849	435,849	-	1,220,524	35.71%
	2016	438,678	438,678	-	1,228,445	35.71%
	2017	461,398	461,398	-	1,302,057	35.44%
	2018	439,655	439,655	-	1,231,180	35.71%
	2019	404,912	404,912	-	1,165,896	34.73%
Firefighters System	2014	$ -	$ -	$ -	$ -	0.00%
	2015	-	-	-	-	0.00%
	2016	1,279	1,279	-	4,933	25.93%
	2017	6,506	6,506	-	177,237	3.67%
	2018	6,910	6,910	-	246,693	2.80%
	2019	10,601	10,601	-	306,835	3.46%
Tier 2 Public Employees System*	2014	$ 24,454	$ 24,454	$ -	$ 174,798	13.99%
	2015	56,172	56,172	-	373,937	15.02%
	2016	65,140	65,140	-	436,858	14.91%
	2017	110,196	110,196	-	740,427	14.88%
	2018	114,957	114,957	-	759,923	15.13%
	2019	143,216	143,216	-	923,194	15.51%

KAYSVILLE CITY CORPORATION

Schedule of Pension Contributions (continued)

(Provided by Utah Retirement Systems)

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Tier 2 Public Safety and Firefighter System *	2014	$ 10,538	$ 10,538	$ -	$ 47,108	22.37%
	2015	32,028	32,028	-	134,654	23.79%
	2016	56,360	56,360	-	239,685	23.51%
	2017	63,148	63,148	-	266,898	23.66%
	2018	92,454	92,454	-	427,577	21.62%
	2019	136,806	136,806	-	667,211	20.50%
Tier 2 Public Safety Employees DC Only System *	2014	$ -	$ -	$ -	$ -	0.00%
	2015	2,239	2,239	-	14,986	14.94%
	2016	5,391	5,391	-	66,098	8.16%
	2017	4,580	4,580	-	79,437	5.77%
	2018	16,825	16,825	-	251,478	6.69%
	2019	26,520	26,520	-	396,407	6.69%
Tier 2 Public Safet & Firfighter DC Only System *	2014	$ -	$ -	$ -	$ -	0.00%
	2015	-	-	-	-	0.00%
	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	5,483	5,483	-	61,885	8.86%
	2019	6,040	6,040	-	138,334	4.37%

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

* This schedule usually covers the 10 most recent years; however, this is the information available as of the implementation year of GASB 68.

KAYSVILLE CITY CORPORATION
June 30, 2019
Changes in Assumptions

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

KAYSVILLE CITY CORPORATION

Pension Beginning and Ending Values

(Provided by Utah Retirement Systems)

	Beginning Values			Ending Values		
GASB 68 Schedule	NPL/ (NPA)	Asset	Liability	NPL/ (NPA)	Asset	Liability
Noncontributory	1,591,320	-	1,591,320	2,744,807	-	2,744,807
Contributory	34,350	-	34,350	190,132	-	190,132
Public Safety	1,401,190	-	1,401,190	2,377,784	-	2,377,784
Firefighters	(31,197)	31,197	-	86,535	-	86,535
Judges	-	-	-	-	-	-
Governors & Legislators	-	-	-	-	-	-
Tier 2 public employees	7,041	-	7,041.00	28,257	-	28,257
Tier 2 public safety & firefighters	(3,369)	3,369	-	11,046	-	11,046
Total	2,999,335	34,566	3,033,901	5,438,561	-	5,438,561

	Net Pension Liability/ (Asset) at 12/31/2017			Net Pension Liability/ (Asset) at 12/31/2018		
Retirement System	System Total NPL/ (NPA)	Proportionate Share	Beginning Values	System Total NPL/ (NPA)	Proportionate Share	Ending Values
Noncontributory						
Local Government	438,129,988	0.3632070%	1,591,319	736,372,374	0.3727470%	2,744,806
State School	2,445,362,179	0.0000000%	-	3,720,517,145	0.0000000%	-
Contributory						
Local Government	8,137,414	0.4221290%	34,350	40,580,280	0.4685320%	190,132
State School	6,580,407	0.0000000%	-	71,000,395	0.0000000%	-
Public Safety						
Other DIV A	156,865,824	0.8932410%	1,401,190	257,258,503	0.9242780%	2,377,784
State of Utah	173,886,661	0.0000000%	-	239,375,113	0.0000000%	-
SLC	86,194,634	0.0000000%	-	103,028,051	0.0000000%	-
Ogden	19,938,952	0.0000000%	-	22,263,653	0.0000000%	-
Provo	11,389,861	0.0000000%	-	15,111,748	0.0000000%	-
Logan	5,809,852	0.0000000%	-	6,809,836	0.0000000%	-
Bountiful	6,280,025	0.0000000%	-	7,529,711	0.0000000%	-
Other DIV B	48,320,343	0.0000000%	-	78,799,595	0.0000000%	-
Firefighters						
Other DIV A	(6,245,527)	0.4995130%	(31,197)	12,984,728	0.6664380%	86,535
Other DIV B	(22,433,533)	0.0000000%	-	40,415,201	0.0000000%	-
Judges	32,585,945	0.0000000%	-	48,638,543	0.0000000%	-
Utah Governors & Legislators	1,853,770	0.0000000%	-	2,640,357	0.0000000%	-
Tier 2 Public Employees	8,816,731	0.0798650%	7,041	42,827,859	0.0659780%	28,257
Tier 2 PS and Firefighters	(1,157,070)	0.2911590%	(3,369)	2,505,563	0.4408630%	11,046
Total	3,420,316,456		2,999,334	5,448,658,655		5,438,560

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KAYSVILLE CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

1. Budget Information

Annual budgets are prepared and adopted in accordance with the "Uniform Fiscal Procedures Act for Utah Cities" by the Kaysville City Council on or before June 22nd for the following fiscal year which begins on July 1 for all the funds. Budgets may be increased by resolution of the City Council at any time during the year, following a public hearing. Budgets are adopted at sub-department levels; however, budget amendments by resolution are generally required only if the department desires to exceed its total budget appropriation.

Budgets for all funds are legally adopted annually on a basis consistent with generally accepted accounting principles.

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

1. On or before the first regular scheduled meeting in May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means to finance those expenditures.

2. Prior to the formal adoption of the budget, the City Council will hold budget workshop meetings which are open to the public.

3. Prior to budget adoption the City Council sets a date for a public budget hearing at which time taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection 10 days prior to the budget hearing. At the conclusion of the budget hearing, the budget, as amended, is legally enacted through passage of a resolution or ordinance.

4. Formal budgetary integration is employed as a management control device during the year for all funds.

5. Budgets for the General Fund, Debt Service Fund, the Capital Projects Fund, Redevelopment Agency Fund, and Municipal Building Authority Fund are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Budgets for the proprietary fund types are prepared using the accrual basis of accounting except that depreciation for all proprietary fund types is not budgeted. Budgeted amounts are as originally adopted, or as amended by the City Council during the 2019 fiscal year.

6. Unencumbered budget appropriations lapse at the end of the fiscal year.

7. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded for the applicable appropriation, is utilized in the General Fund. For budgetary purposes appropriations lapse at fiscal year end and except for that portion related to encumbered amounts.

Summary of Action Required for Budget Changes

1. Transfers of unexpended appropriations from one expenditure account to another in the same department can be made with the consent of the Budget Officer.

2. The Council may, by resolution, transfer unexpended appropriations from one department to another department within the same fund. The budget appropriation for any department may be reduced by resolution.

3. Fund budgets may be increased by resolution after a public hearing. Final amendments to budgets in the current year shall be adopted by the Council by the last day of the fiscal year. Budgets of Enterprise Funds may be increased by resolution of the governing body (public hearing not required).

2. 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.

3. Changes in Assumptions for information provided by URS

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

OTHER SUPPLEMENTARY INFORMATION

Debt Service Fund

Capital Projects Fund

Permanent Fund- Perpetual Cemetery

Permanent Fund- Library Endowment

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Interest Income	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
EXPENDITURES:				
Debt Service:				
Parks Wide Area Mower Lease	18,000	18,000	16,841	1,159
Pioneer Park Debt Service	208,000	208,000	207,876	124
Fire Apparatus Payment	170,000	170,000	148,687	21,313
Total Expenditures	396,000	396,000	373,404	22,596
Excess (Deficiency) of Revenues over Expenditures	(396,000)	(396,000)	(373,404)	22,596
Other Financing Sources (Uses):				
Transfers In (Out):				
Park Impact	208,000	208,000	208,000	-
General Fund	188,000	188,000	188,000	-
Total Other Financing Sources (Uses)	396,000	396,000	396,000	-
Change in Fund Balance	-	-	22,596	22,596
Fund Balance at Beginning of Year	39,110	39,110	39,110	-
Fund Balance at End of Year	$ 39,110	$ 39,110	$ 61,706	$ 22,596

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Park Development Impact Fees	$ 328,000	$ 328,000	$ 282,380	$ (45,620)
Reimbursement Revenue	900,000	900,000	86,613	(813,387)
Interest Income	-	-	13,292	13,292
Total Revenues	1,228,000	1,228,000	382,285	(845,715)
EXPENDITURES:				
Capital Outlay:				
Rail Trail	-	-	157,636	(157,636)
Fiber to Home Project	-	-	40,932	(40,932)
Main Street Sidewalk Nichols	-	-	38,588	(38,588)
City Hall Office Building Improvements	205,000	205,000	260,776	(55,776)
200 North Bridge	900,000	900,000	136,099	763,901
Playground Equipment	-	-	9,065	(9,065)
Fire Truck	-	-	837,865	(837,865)
Pioneer Park	120,000	120,000	438,146	(318,146)
Total Expenditures	1,225,000	1,225,000	1,919,107	(694,107)
Excess (Deficiency) of Revenues over Expenditures	3,000	3,000	(1,536,822)	(1,539,822)
Other Financing Sources (Uses):				
Proceeds from Capital Lease			837,865	837,865
Transfers In (Out):				
Debt Service	(208,000)	(208,000)	(208,000)	-
Roadway Fund	-	-	(298,950)	(298,950)
General Fund	205,000	205,000	205,000	-
Total Other Financing Sources (Uses)	(3,000)	(3,000)	535,915	538,915
Change in Fund Balance	-	-	(1,000,907)	(1,000,907)
Fund Balance at Beginning of Year	2,951,243	2,951,243	2,951,243	-
Fund Balance at End of Year	$ 2,951,243	$ 2,951,243	$ 1,950,336	$ (1,000,907)

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PERMANENT FUND- PERPETUAL CEMETERY
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES:				
Perpetual Care Fee	$ 50,000	$ 50,000	$ 78,285	$ 28,285
Interest Income	-	-	44,490	44,490
Total Revenues	50,000	50,000	122,775	72,775
EXPENDITURES:				
Improvements	40,000	40,000	65,012	(25,012)
Total Expenditures	40,000	40,000	65,012	(25,012)
Change in Fund Balance	10,000	10,000	57,763	47,763
Fund Balance at Beginning of Year	1,885,749	1,885,749	1,885,749	-
Fund Balance at End of Year	$ 1,895,749	$ 1,895,749	$ 1,943,512	$ 47,763

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PERMANENT FUND- LIBRARY ENDOWMENT
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES:				
Interest Income	$ 3,500	$ 3,500	$ 7,219	$ 3,719
Total Revenues	3,500	3,500	7,219	3,719
EXPENDITURES:				
Improvements	-	-	50,000	(50,000)
Total Expenditures	-	-	50,000	(50,000)
Change in Fund Balance	3,500	3,500	(42,781)	(46,281)
Fund Balance at Beginning of Year	782,410	782,410	782,410	-
Fund Balance at End of Year	$ 785,910	$ 785,910	$ 739,629	$ (46,281)

STATISTICAL SECTION

Kaysville City

Utah's Hometown

KAYSVILLE CITY CORPORATION

Statistical Section

This part of the City's comprehensive annual 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.

Contents **Page**

Financial Trends 103-108

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 109-117

These schedules contain information to help the reader assess a primary city revenue source, property tax.

Debt Capacity 118-120

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

Demographic and Economic Information 121-123

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 124

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 it provides and the actives it performs.

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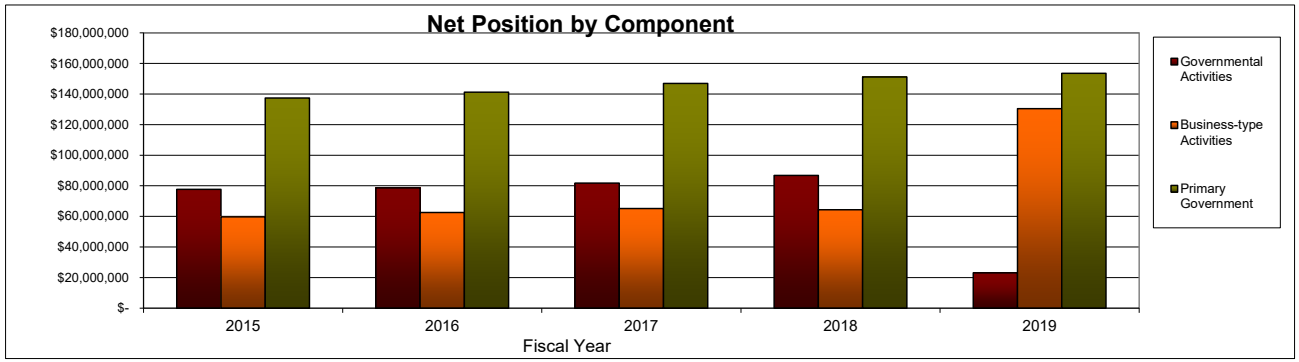
KAYSVILLE CITY CORPORATION
Table 1 - Net Position by Component
June 30, 2019

	2010	2011	2012	2013	2014 (*Restated)	2015	2016 (*Restated)	2017	2018	2019
Governmental Activities										
Investment in Capital Assets, Net of Related Debt	$ 49,104,550	$ 50,933,344	$ 51,804,229	$ 70,379,749	$ 68,417,942	$ 73,170,909	$ 72,688,598	$ 74,851,196	$ 76,597,865	$ 15,859,194
Restricted	4,234,362	4,650,573	4,125,429	5,051,383	5,351,824	5,604,329	5,966,992	5,923,558	7,188,243	4,391,242
Unrestricted	1,411,551	2,419,566	2,402,159	2,074,489	191,422	(1,086,709)	(3,848)	998,674	3,004,914	2,851,317
Total Governmental Activities Net Position	$ 54,750,463	$ 58,003,483	$ 58,331,817	$ 77,505,621	$ 73,961,188	$ 77,688,529	$ 78,651,742	$ 81,773,428	$ 86,791,022	$ 23,101,753
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	$ 43,555,686	$ 46,146,335	$ 47,227,210	$ 50,074,699	$ 48,131,444	$ 48,431,735	$ 49,482,868	$ 49,544,446	$ 48,944,148	$ 110,935,762
Restricted	131,574	180,861	211,341	6,781	-	202,157	668,524	1,029,394	1,543,974	2,777,780
Unrestricted	5,447,712	5,768,480	6,142,927	6,182,553	10,400,263	11,071,837	12,406,511	14,579,974	13,864,038	16,721,454
Total Business-type Activities Net Position	$ 49,134,972	$ 52,095,676	$ 53,581,478	$ 56,264,033	$ 58,531,707	$ 59,705,729	$ 62,557,903	$ 65,153,814	$ 64,352,160	$ 130,434,996
Primary Government										
Net Investment in Capital Assets	$ 92,660,236	$ 97,079,679	$ 99,031,439	$ 120,454,448	$ 116,549,386	$ 121,602,644	$ 122,171,466	$ 124,395,642	$ 125,542,013	$ 126,794,956
Restricted	4,365,936	4,831,434	4,336,770	5,058,164	5,351,824	5,806,486	6,635,516	6,952,952	8,732,217	7,169,022
Unrestricted	6,859,263	8,188,046	8,545,086	8,257,042	10,591,685	9,985,128	12,402,663	15,578,648	16,868,952	19,572,771
Total Primary Government Net Position	$ 103,885,435	$ 110,099,159	$ 111,913,295	$ 133,769,654	$ 132,492,895	$ 137,394,258	$ 141,209,645	$ 146,927,242	$ 151,143,182	$ 153,536,749

(Accrual Basis of Accounting)



* During FY 2015, GASB 68 was released. In accordance with GASB 68, FY 2014 was restated. See Note 16 for more details.
* In FY 2016 Power Purchases was understated by $741,527 in the Electric Fund
* In FY 2019 the Road Utility Fund was formed. During this year the road assets were transferred to the Road Utility Fund from the General Fund.

KAYSVILLE CITY CORPORATION
Table 2 - Changes in Net Position
June 30, 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Government Activities:										
General Government	$ 1,535,455	$ 1,545,761	$ 1,912,144	$ 1,933,158	$ 2,383,664	$ 2,380,314	$ 2,490,055	$ 2,446,401	$ 2,567,656	$ 3,132,685
Public Safety - Police	2,235,372	2,213,269	2,640,849	2,956,768	3,064,397	3,496,435	3,817,732	3,874,551	3,695,913	4,643,415
Public Safety - Fire	446,057	483,156	423,978	540,842	863,892	833,769	964,668	913,103	849,282	1,076,170
Community Development	856,615	760,562	658,823	647,499	700,293	686,765	722,417	792,510	724,185	875,965
Public Works	3,234,262	2,964,516	2,699,309	3,090,467	3,916,960	2,937,745	4,135,628	3,985,500	5,563,214	1,214,306
Parks, Recreation and Public Properties	1,947,498	1,910,131	2,145,155	2,178,224	2,157,669	2,640,781	2,490,851	2,457,360	2,446,321	3,004,775
Perpetual Cemetery	63,770	-	-	50,867	35,347	23,641	23,654	-	-	-
Library Endowment	-	-	-	-	-	-	-	100,000	-	-
Interest on Long-Term Debt	78,069	343,327	327,537	7,003	149,543	235,218	199,427	162,298	203,870	239,382
Total Governmental Activities Expenses	10,397,098	10,220,722	10,807,795	11,404,828	13,271,765	13,234,668	14,844,432	14,731,723	16,050,441	14,186,698
Business-type Activities:										
Water	2,001,788	2,035,790	2,227,960	2,261,447	2,599,457	2,443,152	2,371,766	2,256,288	3,515,650	4,169,497
Sewer	1,771,084	1,736,004	1,743,293	1,881,148	1,822,954	1,876,862	2,195,339	2,193,175	2,251,223	2,293,722
Electric	12,357,551	12,665,025	12,225,173	12,962,870	13,137,151	13,814,577	14,006,885	14,698,768	15,888,033	14,734,493
Pressure Irrigation	1,060,124	1,072,481	1,105,317	1,022,122	1,121,653	1,143,314	1,211,994	1,205,904	1,237,799	1,262,153
Sanitation	1,203,823	1,376,902	1,535,860	1,646,992	1,765,134	1,751,666	1,859,482	1,739,010	1,857,858	1,958,416
Storm Water	1,080,850	1,140,057	1,080,937	1,253,443	1,044,438	1,418,881	1,610,691	1,214,987	1,643,631	1,739,308
Road Utility	-	-	-	-	-	-	-	-	-	4,106,071
Ambulance	517,513	565,430	570,158	519,544	422,391	483,772	541,755	776,868	926,154	980,363
Total Business-Type Activities Expenses	19,992,733	20,591,689	20,488,698	21,547,566	21,913,178	22,932,224	23,797,912	24,085,000	27,320,348	31,244,023
Total Primary Government Expenses	$ 30,389,831	$ 30,812,411	$ 31,296,493	$ 32,952,394	$ 35,184,943	$ 36,166,892	$ 38,642,344	$ 38,816,723	$ 43,370,789	$ 45,430,721

KAYSVILLE CITY CORPORATION
Table 2 - Changes in Net Position (Continued)
June 30, 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program Revenues										
Government Activities:										
Charges for Services										
General Government	$ 648,277	$ 647,686	$ 760,056	$ 765,064	$ 770,059	$ 827,020	$ 908,174	$ 945,100	$ 1,023,800	$ 1,391,042
Public Safety - Police	221,483	233,637	237,962	261,885	187,072	254,534	250,985	299,848	372,944	376,901
Public Safety - Fire	141,818	139,507	143,156	150,387	159,931	206,586	223,259	265,991	257,076	256,967
Community Development	375,149	602,391	410,431	656,854	770,321	759,540	750,378	719,877	771,196	748,293
Public Works	1,346,410	1,187,282	1,093,151	1,442,438	1,097,082	1,295,257	1,043,907	1,554,383	1,531,636	118,057
Parks, Recreation and Public Properties	835,546	930,176	889,793	965,001	1,043,769	1,017,174	784,962	848,275	802,896	838,745
Perpetual Cemetery	47,560	54,175	56,450	56,665	63,850	58,925	57,125	52,785	75,933	122,775
Operating Grants and Contributions	205,830	94,835	526,635	20,075	19,807	17,363	495,115	19,458	21,528	19,079
Capital Grants and Contributions	1,670,091	3,691,377	599,878	1,753,396	906,199	3,734,313	2,044,012	3,564,061	4,938,082	555,668
Total Governmental Activities Program Revenues	5,492,164	7,581,066	4,717,512	6,071,765	5,018,090	8,170,712	6,557,917	8,269,778	9,795,091	4,427,527
Business-type Activities:										
Charges for Services:										
Water	2,247,425	2,289,022	2,310,530	2,405,881	2,566,353	2,789,065	2,813,194	2,893,746	2,932,922	3,049,993
Sewer	1,763,771	1,794,049	1,821,529	1,843,022	1,880,801	1,875,927	2,177,025	2,219,400	2,234,779	2,329,583
Electric	11,877,444	12,189,118	12,810,922	13,894,122	14,967,518	14,004,518	14,560,483	14,684,800	14,695,678	15,413,704
Pressure Irrigation	1,080,784	1,079,514	1,101,257	1,110,690	1,124,747	1,121,755	1,187,426	1,209,698	1,219,522	1,274,415
Sanitation	1,286,007	1,429,094	1,564,996	1,622,292	1,784,714	1,767,879	1,851,658	1,890,425	1,916,031	2,005,253
Storm Water	991,059	1,013,729	1,075,823	1,050,462	1,091,871	1,073,364	1,129,187	1,152,990	1,159,769	1,210,737
Road Utility	-	-	-	-	-	-	-	-	-	2,909,937
Ambulance	414,505	388,818	326,368	458,305	434,899	486,656	413,301	483,113	455,685	403,381
Grants and Contributions	2,463,765	3,172,636	768,060	1,916,221	940,771	905,801	462,803	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	1,956,069	1,832,732	1,459,122	4,024,933
Total Business-Type Activities Program Revenues	22,124,760	23,355,980	21,779,485	24,300,995	24,791,674	24,024,965	26,551,146	26,366,904	26,073,508	32,621,936
Total Primary Government Program Revenues	$ 27,616,924	$ 30,937,046	$ 26,496,997	$ 30,372,760	$ 29,809,764	$ 32,195,677	$ 33,109,063	$ 34,636,682	$ 35,868,599	$ 37,049,463
Net (Expense) Revenue										
Governmental Activities	$ (4,904,934)	$ (2,639,656)	$ (6,090,283)	$ (5,333,063)	$ (8,253,675)	$ (5,063,956)	$ (8,286,515)	$ (6,461,945)	$ (6,255,350)	$ (9,759,171)
Business-type Activities	2,132,027	2,764,291	1,290,787	2,753,429	2,878,496	1,092,741	2,753,234	2,281,904	(1,246,840)	1,377,913
Total Primary Government Net Expense	$ (2,772,907)	$ 124,635	$ (4,799,496)	$ (2,579,634)	$ (5,375,179)	$ (3,971,215)	$ (5,533,281)	$ (4,180,041)	$ (7,502,190)	$ (8,381,258)

KAYSVILLE CITY CORPORATION
Table 2 - Changes in Net Position (Continued)
June 30, 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property Taxes	$ 1,400,530	$ 1,429,796	$ 1,423,405	$ 1,446,480	$ 1,484,074	$ 3,263,780	$ 2,948,599	$ 3,237,023	$ 3,322,726	$ 3,536,836
Sales Taxes	2,744,689	2,865,286	3,109,348	3,304,756	3,471,892	3,665,634	4,098,274	4,483,613	4,819,011	4,873,747
Franchise Taxes	576,731	542,039	624,491	664,736	592,786	537,744	536,596	551,817	483,614	657,389
Energy Sales and Use Charge	995,454	1,047,797	1,220,618	1,178,319	1,227,956	1,156,028	1,240,883	1,247,116	1,274,019	1,134,227
Interest on Investments	82,802	86,925	81,760	74,144	41,085	69,172	137,272	105,279	179,540	226,397
Special Item, Net Insurance Proceeds	-	-	-	-	-	-	-	-	1,182,870	-
Disposition of Assets	-	-	-	-	-	-	185,713	-	64,423	33,166
Miscellaneous	106,096	95,833	123,995	113,030	124,467	121,289	148,027	153,379	115,047	52,041
Transfers	(150,000)	(175,000)	(165,000)	100,000	(3,640)	(22,350)	(45,636)	(194,596)	(169,304)	(64,443,901)
Total governmental activities	5,756,302	5,892,676	6,418,617	6,881,465	6,938,620	8,791,297	9,249,728	9,583,631	11,271,946	(53,930,098)
Business-type Activities:										
Interest on investments	23,658	21,413	30,015	29,126	27,026	58,931	36,733	68,970	76,103	183,185
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	7,749	-
Miscellaneous	-	-	-	-	-	-	16,571	50,441	192,030	77,837
Transfers	150,000	175,000	165,000	(100,000)	3,640	22,350	45,636	194,596	169,304	64,443,901
Total business-type activities	173,658	196,413	195,015	(70,874)	30,666	81,281	98,940	314,007	445,186	64,704,923
Total primary government	$ 5,929,960	$ 6,089,089	$ 6,613,632	$ 6,810,591	$ 6,969,286	$ 8,872,578	$ 9,348,668	$ 9,897,638	$ 11,717,132	$ 10,774,825
Change in Net Position										
Governmental activities	$ 851,368	$ 3,253,020	$ 328,334	$ 1,548,402	$ (1,315,055)	$ 3,727,341	$ 963,213	$ 3,121,686	$ 5,016,596	$ (63,689,269)
Business-type activities	2,305,685	2,960,704	1,485,802	2,682,555	2,909,162	1,174,022	2,852,174	2,595,911	(801,654)	66,082,836
Total primary government	$ 3,157,053	$ 6,213,724	$ 1,814,136	$ 4,230,957	$ 1,594,107	$ 4,901,363	$ 3,815,387	$ 5,717,597	$ 4,214,942	$ 2,393,567

(Accrual Basis of Accounting)

Information from Basic Financial Statements, Government-wide Financial Statement of Activities

KAYSVILLE CITY CORPORATION
Table 3 - Balance Sheet Fund Balances of Governmental Funds
June 30, 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Restricted	-	254,530	381,608	762,561	538,944	691,853	468,737	878,006	1,143,522	7,660
Unassigned	-	1,998,405	2,415,907	2,213,902	1,800,497	1,767,732	2,233,349	3,459,744	4,924,356	4,664,867
Reserved	26,678	-	-	-	-	-	-	-	-	-
Unreserved	1,459,383	-	-	-	-	-	-	-	-	-
Total General Fund	1,486,061	2,252,935	2,797,515	2,976,463	2,339,441	2,459,585	2,702,086	4,337,750	6,067,878	4,672,527
Debt Service Fund										
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	196,304	202,292	205,233	62,483	65,837	49,279	50,661	39,110	61,706
Reserved	158,200	-	-	-	-	-	-	-	-	-
Unreserved	32,872	-	-	-	-	-	-	-	-	-
Total Debt Service Fund	191,072	196,304	202,292	205,233	62,483	65,837	49,279	50,661	39,110	61,706
Capital Projects Fund										
Restricted	-	2,153,201	1,033,352	1,545,251	1,172,747	1,518,347	1,964,659	1,677,481	766,758	53,305
Assigned	-	710,334	639,736	542,366	951,857	696,209	680,083	444,954	2,184,485	1,897,031
Reserved	3,108,254	-	-	-	-	-	-	-	-	-
Unreserved	272,640	-	-	-	-	-	-	-	-	-
Total Capital Projects Fund	3,380,894	2,863,535	1,673,088	2,087,617	2,124,604	2,214,556	2,644,742	2,122,435	2,951,243	1,950,336
Redevelopment Agency										
Nonspendable	-	-	-	-	723,956	723,956	251,931	251,931	251,931	-
Assigned	-	-	-	-	379,189	(665,041)	(81,696)	19,570	134,182	465,238
Total Redevelopment Agency Fund	-	-	-	-	1,103,145	58,915	170,235	271,501	386,113	465,238
Municipal Building Authority										
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	4,322,483	35,877	19,914	13,600	96	4,677
Total Redevelopment Agency Fund	-	-	-	-	4,322,483	35,877	19,914	13,600	96	4,677
Cemetery Perpetual Care										
Nonspendable	-	-	-	927,126	990,976	1,049,901	1,107,026	1,159,811	1,223,021	1,301,306
Restricted	-	1,496,718	1,564,212	653,103	623,864	618,476	634,363	650,005	662,728	642,206
Reserved	1,434,783	-	-	-	-	-	-	-	-	-
Total Cemetery Perpetual Care Fund	1,434,783	1,496,718	1,564,212	1,580,229	1,614,840	1,668,377	1,741,389	1,809,816	1,885,749	1,943,512
Blood Library Endowment Fund										
Nonspendable	-	682,359	684,457	685,871	686,483	686,950	687,416	687,812	688,299	689,021
Restricted	-	240,630	259,518	272,238	227,765	181,964	185,280	89,727	94,111	50,608
Reserved	906,647	-	-	-	-	-	-	-	-	-
Total Blood Library Endowment Fund	906,647	922,989	943,975	958,109	914,248	868,914	872,696	777,539	782,410	739,629

Note: In Fiscal year 2011 the fund balance descriptions and categories changed to comply with GASB 54. They have not been restated to prior years.

KAYSVILLE CITY CORPORATION

Table 4 - Changes in Fund Balance of Governmental Funds

June 30, 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	$ 5,717,404	$ 5,884,918	$ 6,377,862	$ 6,594,291	$ 6,776,708	$ 8,623,186	$ 8,824,352	$ 9,519,569	$ 9,899,370	$ 10,202,199
Licenses and Permits	318,626	518,582	327,420	520,908	601,533	592,227	577,459	513,410	616,293	570,617
Impact Fees	762,813	627,522	388,108	811,948	520,451	665,904	464,765	358,295	463,404	282,380
Intergovernmental	788,514	862,780	1,364,089	896,161	856,993	903,604	1,004,923	1,542,995	4,045,043	163,929
Charges for Services	1,702,069	1,762,697	1,930,090	1,978,220	2,065,694	2,146,183	2,313,642	2,444,173	2,543,223	2,803,833
Donations	-	-	-	150,000	150,850	20,000	13,032	126,214	350	-
Fines and Forefitures	105,932	99,690	102,500	98,625	58,212	111,532	121,083	146,470	160,234	161,715
Interest Income	82,802	86,925	81,760	74,144	41,085	69,172	137,272	105,279	179,540	226,397
Community Development Block Grant	164,335	78,932	-	-	-	7,452	-	-	-	-
Miscellaneous	85,880	102,494	259,422	125,537	133,475	133,707	169,022	216,548	199,390	113,402
Total Revenues	9,728,375	10,024,540	10,831,251	11,249,834	11,205,001	13,272,967	13,625,550	14,972,953	18,106,847	14,524,472
Expenditures										
General Government	1,484,457	1,504,849	1,873,699	1,897,433	2,353,025	2,692,131	2,472,042	2,292,182	2,520,633	2,613,447
Public Safety	2,623,649	2,668,934	3,171,235	4,279,877	3,702,599	4,230,409	4,506,959	4,408,837	4,528,970	5,139,543
Community Development	837,550	748,334	668,964	671,454	677,278	719,025	738,445	743,733	764,506	834,123
Public Works	1,094,628	1,072,039	1,526,450	1,745,709	2,148,751	1,827,115	2,085,285	1,948,902	2,103,879	973,433
Parks, Recreation & Properties	1,844,523	1,771,586	1,940,756	2,091,440	2,078,976	2,511,420	2,350,488	2,240,657	2,253,277	2,597,636
Debt service:										
Principal	1,247,250	870,000	1,606,789	387,000	428,035	1,386,188	738,384	744,274	406,032	616,376
Interest & Fiscal Charges	78,071	76,327	47,487	32,838	129,156	257,174	224,241	187,168	226,200	231,325
Capital Projects	826,208	844,231	382,270	450,364	1,673,607	4,820,844	75,468	1,029,641	5,014,148	1,919,107
Total Expenditures	10,036,336	9,556,300	11,217,650	11,556,115	13,191,427	18,444,306	13,191,312	13,595,394	17,817,645	14,924,990
Excess (Deficiency of Revenues over Expenditures)	$ (307,961)	$ 468,240	$ (386,399)	$ (306,281)	$ (1,986,426)	$ (5,171,339)	$ 434,238	$ 1,377,559	$ 289,202	$ (400,518)
Other Financing Sources (Uses):										
Transfers In	$ 865,000	$ 951,000	$ 1,660,000	$ 687,000	$ 1,437,729	$ 967,650	$ 654,864	$ 1,038,904	$ 924,196	$ 991,000
Transfers Out	(1,015,000)	(1,126,000)	(1,825,000)	(587,000)	(489,463)	(990,000)	(700,500)	(1,233,500)	(1,093,500)	(4,135,162)
Developers Cash Contributions	-	-	-	-	-	-	-	-	96,529	86,613
Capital Leases	-	-	-	832,850	-	-	-	-	-	837,865
Special Item, Net Insurance Proceeds	-	-	-	-	-	-	-	-	1,182,870	48,149
Other Financing Sources	1,458,078	39,784	-	-	5,711,753	84,506	439,678	-	1,330,000	297,079
Total Other Financing Sources (Uses)	1,308,078	(135,216)	(165,000)	932,850	6,660,019	62,156	394,042	(194,596)	2,440,095	(1,874,456)
Net change in fund balances	$ 1,000,117	$ 333,024	$ (551,399)	$ 626,569	$ 4,673,593	$ (5,109,183)	$ 828,280	$ 1,182,963	$ 2,729,297	$ (2,274,974)
Debt service as a percentage of noncapital expenditures	14.14%	10.51%	16.41%	4.11%	5.07%	13.63%	7.52%	7.51%	4.48%	6.43%

(Modified Accrual Basis of Accounting)

KAYSVILLE CITY CORPORATION

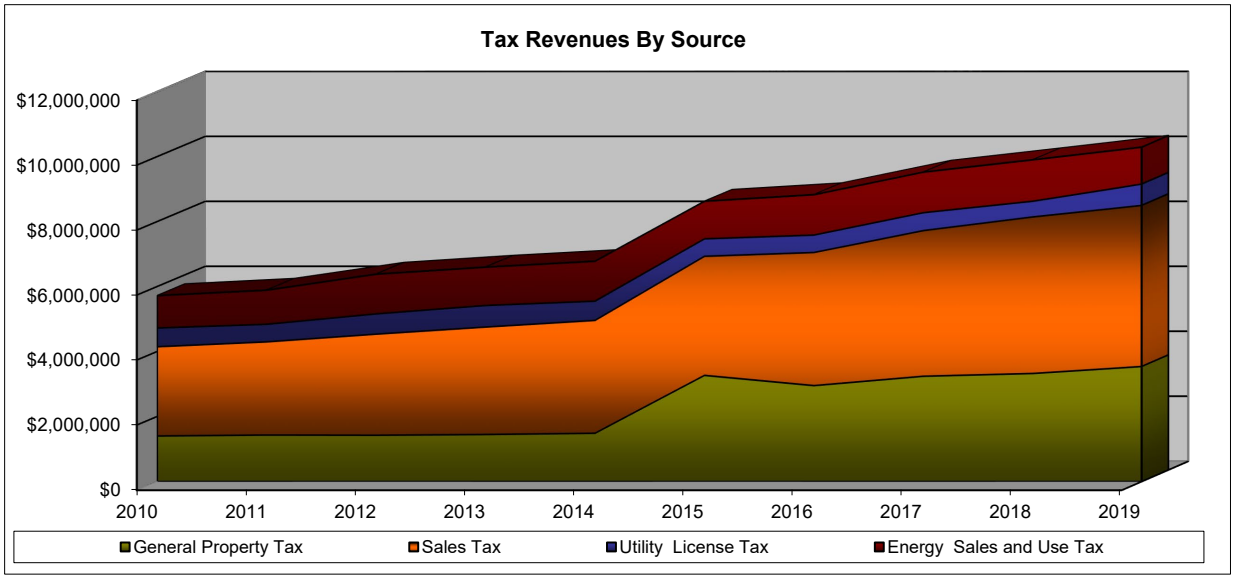
Table 5 - Governmental Tax Revenues by Source

June 30, 2019

Fiscal Year	General Property Tax	Sales Tax	Utility License Tax	Energy Sales and Use Tax	Total Tax Revenue
2019	$3,536,836	$4,959,025	$657,389	$1,134,227	$10,287,477
2018	$3,322,726	$4,819,011	$483,614	$1,274,019	$9,899,370
2017	$3,237,023	$4,483,613	$551,817	$1,247,116	$9,519,569
2016	$2,948,599	$4,098,274	$536,596	$1,240,883	$8,824,352
2015	$3,263,780	$3,665,634	$537,744	$1,156,028	$8,623,186
2014	$1,484,074	$3,471,892	$592,786	$1,227,956	$6,776,708
2013	$1,446,480	$3,304,756	$664,736	$1,178,319	$6,594,291
2012	$1,423,405	$3,109,348	$624,491	$1,220,618	$6,377,862
2011	$1,429,796	$2,865,286	$542,039	$1,047,797	$5,884,918
2010	$1,400,530	$2,744,689	$576,731	$995,454	$5,717,404

Notes: (1) General Property tax includes: property taxes current and delinquent, and motor vehicle in-lieu tax

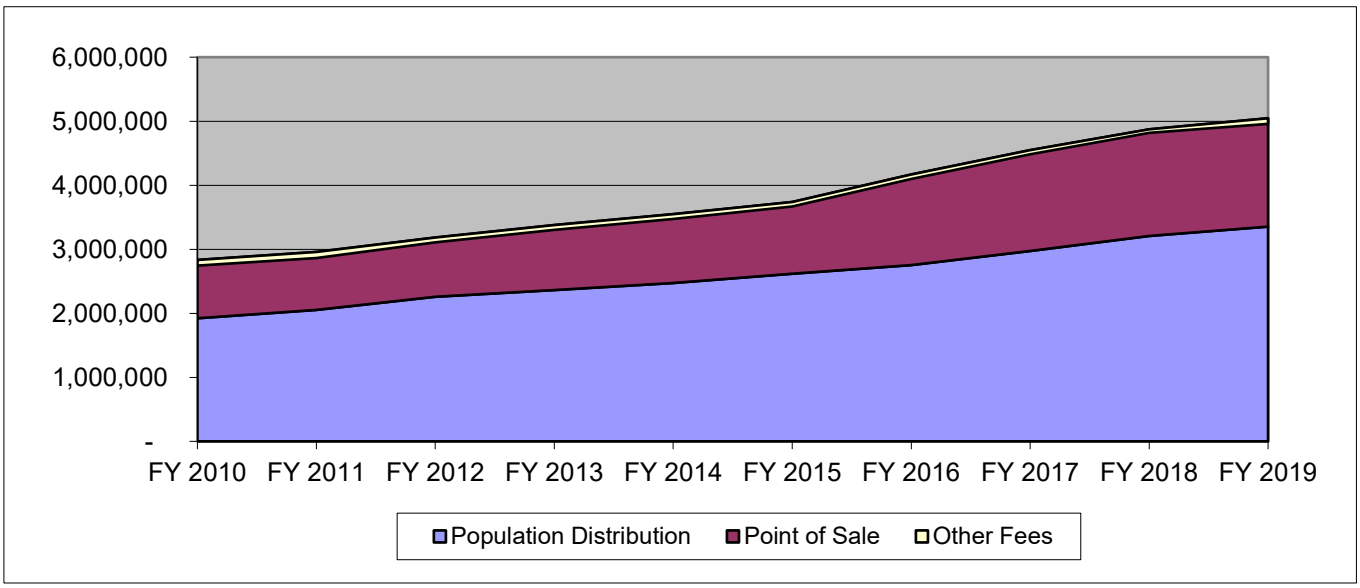
Source: Kaysville City Finance Department



KAYSVILLE CITY CORPORATION
Table 6 - Sales Tax Revenue Trends
June 30, 2019

	Population Distribution	Point of Sale	Administrative Fees	Total Distribution
FY 2019	$3,354,839	$1,691,143	($86,957)	$4,959,025
FY 2018	$3,206,689	$1,667,794	($55,472)	$4,819,011
FY 2017	$2,971,161	$1,576,799	($64,484)	$4,483,476
FY 2016	$2,752,757	$1,414,314	($68,798)	$4,098,273
FY 2015	$2,620,126	$1,119,260	($73,752)	$3,665,634
FY 2014	$2,471,594	$1,074,550	($74,252)	$3,471,892
FY 2013	$2,363,965	$1,013,725	($72,934)	$3,304,756
FY 2012	$2,256,304	$928,145	($75,102)	$3,109,347
FY 2011	$2,052,388	$905,167	($92,269)	$2,865,286
FY 2010	$1,921,984	$910,113	($87,406)	$2,744,691

Note: Administrative Fees are charged by the Utah State Tax Commission for the collection and distribution of Sales Tax.



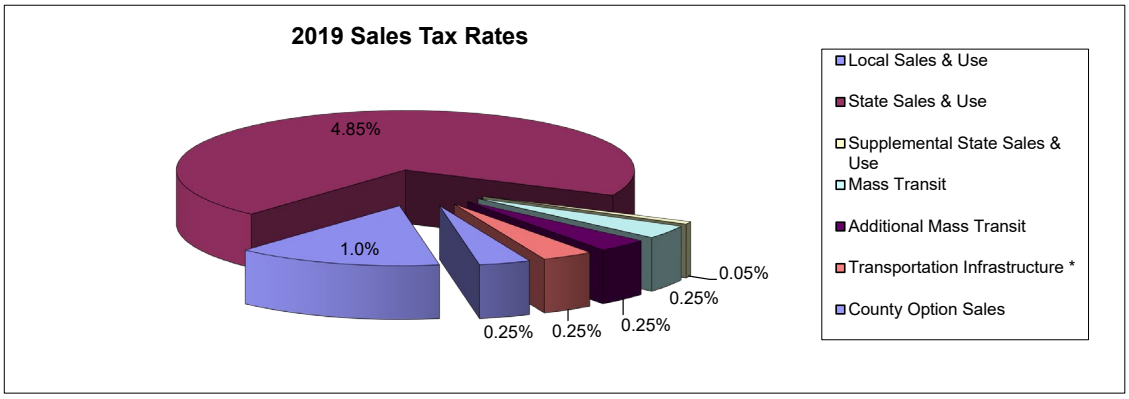
KAYSVILLE CITY CORPORATION
Table 7- Sales Tax Rates and Overlapping Governments
June 30, 2019

	Local Sales & Use	State Sales & Use	Supplemental State Sales & Use	Mass Transit	Additional Mass Transit	Transportation Infrastructure *	County Option Sales	Total Sales Tax Rate
FY 2019	1.0%	4.85%	0.05%	0.25%	0.25%	0.25%	0.25%	6.90%
FY 2018	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	0.25%	6.75%
FY 2017	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	0.25%	6.75%
FY 2016	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	0.25%	6.75%
FY 2015	1.0%	4.70%	0.05%	0.25%	0.25%	-	0.25%	6.50%
FY 2014	1.0%	4.70%	0.05%	0.25%	0.25%	-	0.25%	6.50%
FY 2013	1.0%	4.70%	0.05%	0.25%	0.25%	-	0.25%	6.50%
FY 2012	1.0%	4.70%	0.05%	0.25%	0.25%	-	0.25%	6.50%
FY 2011	1.0%	4.70%	0.05%	0.25%	0.25%	-	0.25%	6.50%
FY 2010	1.0%	4.70%	0.05%	0.25%	0.25%	-	0.25%	6.50%

Note: Rates are given as of the second quarter of each year.

Source: Utah State Tax Commission- Sales Tax Division

* Transportation Infrastructure tax implemented FY 2016 as part of house bill 362



KAYSVILLE CITY CORPORATION

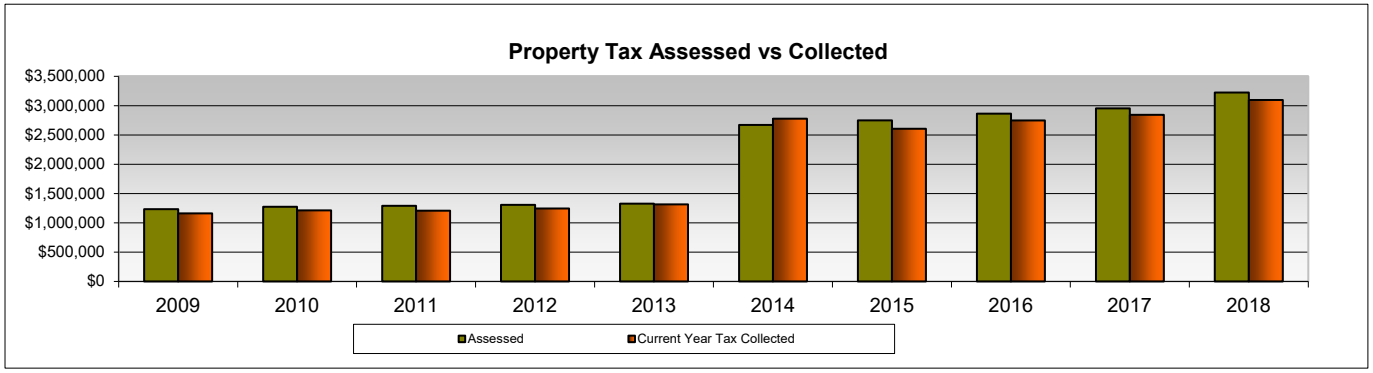
Table 8 - Property Tax Levies and Collections

June 30, 2019

Calendar Year	Total Taxable Value	City Tax Rate	Total Taxes Assessed	Current Year Taxes Collected	Percent of Current Tax Collections to Tax Levy	Delinquent Taxes & Interest Collected in Current Year	Total Tax Collections
2018	$1,950,468,715	0.001589	$3,225,039	$3,095,969	91.80%	$339,748	$3,435,717
2017	$1,784,393,761	0.001589	$2,952,493	$2,842,886	96.29%	$283,640	$3,126,526
2016	$1,666,973,343	0.001717	$2,864,378	$2,746,871	95.90%	$360,072	$3,106,943
2015	$1,540,915,428	0.001782	$2,747,330	$2,605,079	94.82%	$330,624	$2,935,703
2014	$1,477,768,259	0.001826	$2,672,007	$2,777,056	103.93%	$361,797	$3,138,853
2013	$1,293,450,467	0.000999	$1,327,613	$1,314,904	99.04%	$37,778	$1,352,682
2012	$1,271,684,680	0.001028	$1,307,523	$1,244,794	95.20%	$51,237	$1,296,031
2011	$1,249,499,645	0.001035	$1,291,482	$1,207,193	93.47%	$50,949	$1,258,142
2010	$1,240,131,710	0.000987	$1,273,553	$1,212,592	95.20%	$82,001	$1,294,593
2009	$1,361,717,087	0.000907	$1,232,460	$1,161,304	94.20%	$1,978	$1,163,282

Notes: (1) Information is based on a calendar year - 2018 is the most recent year
(2) All taxable property is assessed and taxed on the basis of its fair market value. Utah law requires that the fair market value of property is assessed by the County Assesor, using a comparable sales or a cost appraisal method, exluding expenses related to property sales transactions. For tax purposes, the fair market value of primary residential property is reduced by 45% under present law. Taxable value is net of Redevelopment Agency value.
(3) Delinquent taxes & interest collected in current year is not broken out by year collected. This detailed information is not easily accessible from the County.

Source: Davis County Auditor's Office / Kaysville City Finance Department



KAYSVILLE CITY CORPORATION
Table 9 - Taxable and Estimated Market Value of Property
June 30, 2018

Calendar Year	Estimated Market Value	Taxable Value	Ratio of Total Taxable Value to Market Value
2018	$3,385,665,809	$1,784,393,761	52.70%
2017	$3,088,696,237	$1,666,973,343	53.97%
2016	$2,779,008,134	$1,540,915,428	55.45%
2015	$2,561,662,045	$1,477,768,259	57.69%
2014	$2,459,642,177	$1,293,450,467	52.59%
2013	$2,196,793,574	$1,293,450,467	58.88%
2012	$2,224,006,528	$1,271,684,680	57.18%
2011	$2,350,588,352	$1,248,987,235	53.14%
2010	$2,168,753,297	$1,292,683,505	59.60%
2009	$2,269,621,881	$1,361,717,087	60.00%

Notes: (1) Information is based on a calendar year - 2018 is the most recent year
(2) Does not include fee-in-lieu property

Source: Davis County Auditor's Office / Kaysville City Finance Department

KAYSVILLE CITY CORPORATION

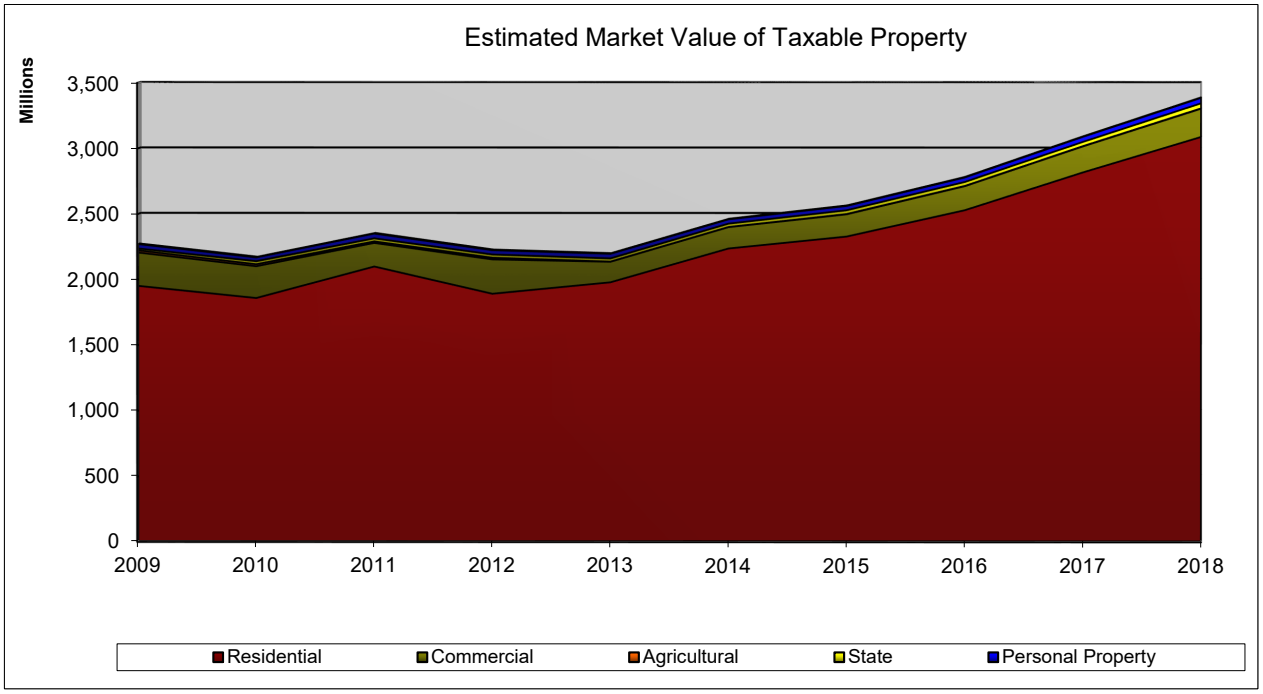
Table 10 - Estimated Market Value of Taxable Property

June 30, 2018

Calendar Year	Estimated Market Value	Residential	Commercial	Agricultural	State	Personal Property
2018	$3,385,665,809	$3,087,865,112	$215,310,270	$2,375,652	$38,687,302	$41,427,473
2017	$3,088,696,236	$2,817,369,311	$198,262,778	$2,109,589	$32,064,001	$38,890,557
2016	$2,779,008,134	$2,529,123,157	$183,037,905	$2,013,734	$30,211,726	$34,621,612
2015	$2,561,662,044	$2,328,463,676	$169,462,144	$2,012,395	$28,545,295	$33,178,534
2014	$2,459,642,176	$2,237,093,465	$162,733,524	$1,136,191	$25,807,805	$32,871,191
2013	$2,196,793,575	$1,979,360,952	$156,423,648	$1,260,221	$24,360,045	$35,388,709
2012	$2,224,006,528	$1,891,810,286	$261,864,575	$12,790,707	$24,544,460	$32,996,500
2011	$2,350,588,352	$2,099,238,322	$179,541,186	$12,029,638	$23,313,800	$36,465,406
2010	$2,168,753,297	$1,858,916,829	$242,095,238	$15,189,436	$23,478,439	$29,073,355
2009	$2,269,621,881	$1,951,234,237	$253,964,914	$16,551,454	$14,310,374	$33,560,902

Notes: (1) Information is based on a calendar year - 2018 is the most recent year
(2) Does not include fee-in-lieu property

Source: Davis County Auditor's Office / Kaysville City Finance Department

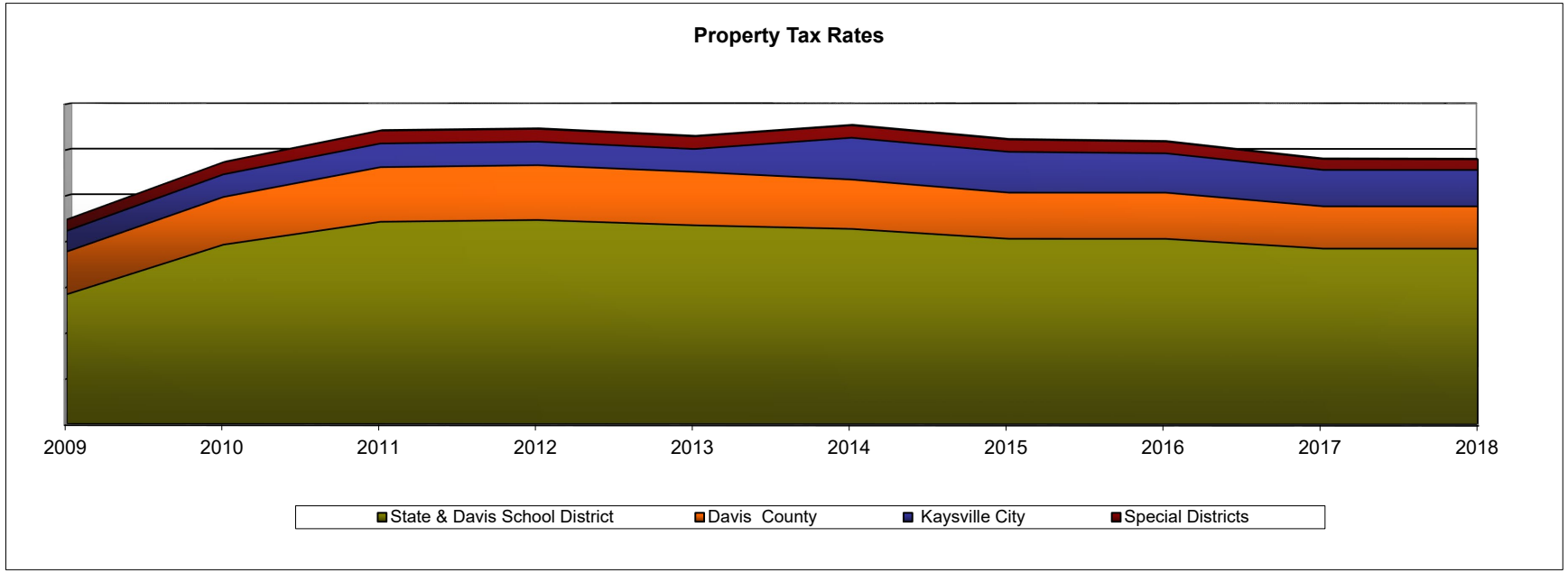


KAYSVILLE CITY CORPORATION
Table 11 - Property Tax Rates - Direct and Overlapping Governments
June 30, 2019

	Direct Rate	Overlapping Rates								Total
Calendar Year	Kaysville City	State & Davis School District	Davis County	Weber Basin Water District	Mosquito Abatement	Davis County Library	State A&C	County A&C	Central Davis Sewer District	Direct & Overlapping
2018	0.001589	0.007701	0.001844	0.000164	0.000119	0.003490	0.000009	0.000193	0.000178	0.015287
2017	0.001589	0.007701	0.001844	0.000174	0.000107	0.000376	0.000010	0.000207	0.000191	0.012199
2016	0.001717	0.008125	0.002014	0.000187	0.000116	0.000342	0.000011	0.000224	0.000208	0.012944
2015	0.001782	0.008125	0.002014	0.000196	0.000122	0.000361	0.000012	0.000236	0.000216	0.013064
2014	0.001826	0.008555	0.002153	0.000199	0.000124	0.000361	0.000013	0.000237	0.000217	0.013685
2013	0.000999	0.008710	0.002331	0.000210	0.000103	0.000389	0.000158	0.000112	0.000237	0.013249
2012	0.001028	0.008941	0.002391	0.000215	0.000105	0.000396	0.000168	0.000115	0.000237	0.013596
2011	0.001035	0.008861	0.002383	0.000217	0.000104	0.000392	0.000172	0.000114	0.000237	0.013515
2010	0.000987	0.007860	0.002082	0.000207	0.000097	0.000363	0.000162	0.000106	0.000227	0.012091
2009	0.000907	0.005685	0.001865	0.000188	0.000093	0.000348	0.000142	0.000101	0.000212	0.009541

Notes: (1) Information is based on a calendar year - 2018 is the most recent year
(2) Overlapping rates are those of local and county governments that apply to property owners within Kaysville City.

Source: Davis County Auditor's Office / Kaysville City Finance Department



KAYSVILLE CITY CORPORATION
Table 12 - Principal Property Tax Payers with Comparison
June 30, 2019

		December 31, 2018 Taxable Valuation			December 31, 2008 Taxable Valuation		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Smiths Food & Drug Center	Grocery Store	$16,739,551	1	0.82%			
Zions First National Bank	Bank	$6,116,265	2	0.30%			
Kaysville Sportsplex LC	Gymnasium / Sports Training	$5,745,600	3	0.28%	$4,483,716	10	0.31%
KBP Office Group & Warehouse	Wholesale Distribution	$5,742,892	4	0.28%	$6,103,165	3	0.43%
Boondocks Properties LLC	Recreational	$5,741,485	5	0.28%			
IHC Health Services Inc	Medical Services	$5,571,424	6	0.27%			
HCPI Utah LLC	Real Estate	$4,905,105	7	0.24%	$5,659,322	4	0.40%
JB Journey, LLC- Blaine Jensen	Recreational Sales	$4,766,210	8	0.23%	$5,622,427	5	0.37%
Bates Sportsplex, LLC	Tax Software Provider	$4,260,600	9	0.21%	$5,606,360	6	0.32%
Access Park LC	Investment Properties	$4,131,000	10	0.20%	$5,274,538	7	0.37%
Woodside Sunset Farms, LLC	Real Estate				$10,559,905	1	0.74%
First Wonder Company LLC	Wholesale Distribution				$6,134,848	2	0.43%
Mercy Housing Utah II LP	Assisted Living Community				$4,836,726	8	0.34%
M2 Properties Inc	Real Estate				$4,592,183	9	0.32%
		$63,720,132		3.14%	$ 58,873,190		4.03%

Source: Davis County Auditor / Kaysville City Finance Department

Taxable Value $ 2,030,409,052

KAYSVILLE CITY CORPORATION

Table 13 - Property Value of Construction in Kaysville

June 30, 2019

Year	Commercial Construction Number of Permits	Estimated Value	Residential Construction Number of Permits	Estimated Value	Estimated Increase of Property Value
2018	25	$22,112,458	333	$69,353,896	$91,466,354
2017	30	$9,866,065	290	$53,715,858	$63,581,923
2016	28	$9,520,056	346	$62,867,836	$72,387,892
2015	14	$4,776,742	310	$58,424,952	$63,201,694
2014	13	$15,810,021	296	$57,098,737	$72,908,758
2013	17	$9,165,906	242	$51,374,918	$60,540,824
2012	21	$5,875,497	240	$43,265,075	$49,140,572
2011	18	$2,464,573	205	$31,978,963	$34,443,536
2010	14	$38,843,369	271	$38,000,978	$76,844,347
2009	18	$1,809,004	184	$17,418,824	$19,227,828

Notes: (1) Number of Permits includes all permits including remodels and additions
Based on Calendar Year - 2018 -167 Single Family Homes

Source: Davis County Department of Community and Economic Development
2018 Construction Monitor

KAYSVILLE CITY CORPORATION

Table 14 - Computation of Legal Debt Margin

June 30, 2019

Taxable Value	$1,784,393,761
Estimated Market Value	$3,385,665,809
Debt Limit - Four Percent of Market Value	$135,426,632
Less: Outstanding General Obligation Bonds	$0
Lease Revenue Bonded Debt	$6,093,495
Legal Debt Margin - Additional Debt Capacity	$129,333,137

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

Source: Davis County Auditor's Office / Kaysville City Finance Department

KAYSVILLE CITY CORPORATION
Table 15 - Computation of Direct and Overlapping General Obligation Debt
June 30, 2019

Entity	2018 Taxable Valuation	Kaysville City's Portion of Valuation	Kaysville City's Percentage	Entity's Outstanding G.O. Debt	Kaysville City Overlapping G.O. Debt
Direct:					
Kaysville City	$1,784,393,761	$1,784,393,761	100.00%	$6,361,398	$6,361,398
Overlapping:					
Davis County	$24,780,750,090	$1,784,393,761	7.20%	$726,088,720	$52,283,655
Davis County School District	$24,516,882,688	$1,784,393,761	7.28%	$539,425,000	$39,260,562
State of Utah	$285,970,117,064	$1,784,393,761	0.62%	$2,145,560,000	$13,387,846
Weber Basin Water District	$62,157,110,376	$1,784,393,761	2.87%	$12,725,000	$365,307
Total - Overlapping General Obligation Debt					$105,297,370
Total - Direct and Overlapping General Obligation Debt					$111,658,768

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by taking Kaysville's taxable property value and dividing by the governmental unit's taxable property value.

Source: Davis County Auditor's Office / Kaysville City Finance Department

KAYSVILLE CITY CORPORATION
Table 16 - Ratios of Outstanding Debt by Type
June 30, 2019

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Personal Income (AGI)	Per Capita
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases				
2019	$0	$5,152,000	$0	$768,762	$0	$0	$172,733	$6,093,495	Not Available	Not Available	$183
2018	$0	$5,581,000	$0	$88,273	$0	$0	$173,864	$5,843,137	Not Available	Not Available	$180
2017	$0	$4,557,000	$0	$246,196	$0	$0	$325,593	$5,128,789	0.4983%	$ 1,029,344,241	$162
2016	$0	$4,829,000	$317,302	$401,168	$0	$0	$501,428	$6,048,898	0.6199%	$ 975,777,428	$201
2015	$0	$5,098,000	$634,604	$553,252	$0	$0	$297,244	$6,583,100	0.7160%	$ 919,409,210	$224
2014	$0	$5,750,000	$1,216,659	$627,154	$0	$0	$573,529	$8,167,342	0.9339%	$ 874,581,542	$285
2013	$0	$598,000	$0	$760,189	$0	$1,269,207	$371,524	$2,998,920	0.3600%	$ 833,105,779	$107
2012	$0	$885,000	$100,000	$0	$0	$1,586,508	$573,689	$3,145,197	0.4074%	$ 772,097,859	$115
2011	$0	$1,165,000	$1,386,955	$0	$0	$1,903,809	$264,636	$4,720,400	0.6124%	$770,749,022	$176
2010	$0	$1,635,000	$1,786,955	$90,479	$0	$2,221,110	$372,489	$6,106,033	0.8600%	$709,966,722	$234

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

KAYSVILLE CITY CORPORATION
Table 17 - Miscellaneous Statistical Data - Insurance Summary
June 30, 2018

Coverage	Company	Term	Limits	Deductible
Property	The Utah Local Government Trust	10/01/2018 - 9/30/2019	10,000,000	$0
General Liability	The Utah Local Government Trust	10/01/2018 - 9/30/2019	10,000,000	$0
Automobile Physical & Liability	The Utah Local Government Trust	10/01/2018 - 9/30/2019	10,000,000	$1,000
Treasurer Bond/ Deputy Treasurer Bond	The Utah Local Government Trust	10/01/2018 - 9/30/2019	Included with General Liability Coverage	

KAYSVILLE CITY CORPORATION
Table 18 - Demographic & Economic Statistics
June 30, 2019

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2019	32,452	Not Available	Not Available	2.8%
2018	31,660	Not Available	Not Available	3.0%
2017	30,888	$1,029,344,241	33,325.06	3.4%
2016	30,135	$975,777,428	32,380.60	4.0%
2015	29,400	$919,409,210	31,272.81	3.6%
2014	28,683	$874,581,542	30,491.74	3.6%
2013	27,983	$833,105,779	29,771.85	4.6%
2012	27,300	$772,097,859	28,281.97	5.3%
2011	26,885	$770,749,022	28,668.37	5.6%
2010	26,102	$709,966,722	27,199.71	6.2%

KAYSVILLE CITY CORPORATION
Table 19 - Population Growth
June 30, 2019

Fiscal Year	Population	Increase	Percentage Increase
2019	33,263	811	2.50%
2018	32,452	792	2.50%
2017	31,660	772	2.50%
2016	30,888	753	2.50%
2015	30,135	735	2.50%
2014	29,400	700	2.50%
2013	28,683	700	2.50%
2012	27,983	683	2.50%
2011	27,300	415	1.52%
2010	26,885	783	3.00%
2009	26,102	760	3.00%
2008	25,342	738	3.00%
2007	24,604	716	3.00%
2006	23,888	695	3.00%
2005	23,193	725	3.00%
2004	22,463	548	2.50%
2003	21,915	535	2.50%
2002	21,380	521	2.50%
2001	20,859	508	2.50%
2000	20,351	564	2.85%
1999	19,787	669	3.50%
1998	19,118	239	1.27%
1997	18,879	535	2.92%
1996	18,344	598	3.37%
1995	17,746	665	3.89%
1994	17,081	943	5.84%
1993	16,138	810	5.28%
1992	15,328	640	4.36%
1991	14,688	727	5.21%
1990	13,961	1,047	8.11%
1989	12,914	343	2.73%
1988	12,571	352	2.88%
1980	10,331	4,139	66.84%
1970	6,192	2,584	71.62%
1960	3,608	1,710	90.09%

Notes: Census year population estimates are from the US Bureau of the Census provided by the Utah State Office of Planning and Budget

Non-Census year population estimates are provided by Kaysville City and Wasatch Front Regional

KAYSVILLE CITY CORPORATION
Table 20 - Miscellaneous Statistical Data
June 30, 2019

Date of Incorporation	March 15, 1868
Form of Government	Council- Manager

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Area in Square Miles	11	11	11	11	11	11	11	11	11	11	11
Miles of Streets	137	137	135	135	135	118	118	117	117	117	114
Fire Protection											
Number of stations	1	1	1	1	1	1	1	1	1	1	1
Number of full time / part time firefighters	11	10	5	5	2	2	2	2	2	2	2
Number of volunteer firefighters	25	28	33	33	38	32	32	32	32	32	32
Police Protection											
Number of sworn officers	28	28	27	26	25	23	23	20	20	20	20
Number of other employees	3	3	3	3	3	3	3	3	3	3	3
Parks and Recreation											
Number of Parks	12	11	11	11	11	11	11	11	11	11	11
Number of Acres Available	373	370	370	370	370	370	370	370	370	221	250
Number of Acres Developed	159	137	137	137	137	137	137	137	137	148	124
Education											
Number of high schools	1	1	1	1	1	1	1	1	1	1	1
Number of junior high schools	3	3	3	3	3	3	3	3	3	2	2
Number of elementaries	8	8	8	8	8	8	8	8	8	8	7
Public Utilities											
Number of water customers	8,858	8,733	8,562	8,433	8,238	8,033	7,875	7,747	7,651	7,504	7,365
Annual water usage (gallons)	791,492,079	780,413,145	753,589,090	687,219,759	756,951,873	861,327,270	731,604,000	744,896,362	740,760,000	774,608,000	820,468,000
Miles of water Lines	160	157	155	145	124	138	138	143	140	139	138
Number of power customers	9,890	9,738	9,522	9,333	9,275	8,945	8,646	8,587	8,425	8,347	8,252
Annual kwh usage	148,487,431	149,581,186	146,859,559	140,574,780	138,681,528	138,670,161	136,008,060	133,466,016	130,836,555	128,288,144	127,513,424
Miles of power lines	158	157	155	147	147	145	140	232	229	137	136
Number of street lights	947	947	944	944	917	856	856	833	856	817	928
City Employees at June 30, 2019											
Elected	6	6	6	6	6	6	6	6	6	6	6
Full-time	108	108	97	95	90	81	81	78	78	78	78
General Governmental	14	14	13	13	13	11	11	11	11	11	11
Police	31	31	30	29	28	26	26	23	23	23	23
Fire/ Ambulance	11	11	5	5	2	2	2	2	2	2	2
Community Development	8	8	8	8	8	8	8	8	8	8	8
Public Works	19	19	16	16	16	15	15	15	15	15	15
Parks & Cemetery	9	9	9	8	7	4	4	4	4	4	4
Electrical	16	16	16	16	16	15	15	15	15	15	15
Part-time/Temporary/Seasonal	30-35	30-35	30-35	30-35	30-35	30-35	30-35	30-35	30-35	30-35	40

COMPLIANCE SECTION

Kaysville City

Utah's Hometown

CERTIFIED PUBLIC ACCOUNTANTS

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA
MICHAEL L. SMITH, CPA
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AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
DONALD M. JACK, CPA

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

Honorable Mayor and Members of the City Council
Kaysville City Corporation

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, and each major fund of Kaysville City Corporation (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 15, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings.

Kaysville City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

November 15, 2019

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Mayor and Members of the City Council
Kaysville City Corporation

Report on Compliance

We have audited Kaysville City Corporation's (the City) compliance with the following applicable state compliance requirements described in the *Utah State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, as of and for the year ended June 30, 2019.

- Cash Management
- Budgetary Compliance
- Fund Balance
- Justice Courts
- Impact Fees
- Utah Retirement Systems
- Enterprise Fund Transfers, Reimbursements, Loans, and Services
- Restricted Taxes and Related Revenues
- Treasurer's Bond
- Open and Public Meetings Act

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Compliance

In our opinion, Kaysville City Corporation complied, in all material respects, with the compliance requirements referred to above as of and for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *Utah State Compliance Audit Guide* and which are described in the accompanying schedule of findings as items 2012-1 and 2019-2. Our opinion on compliance is not modified with respect to these matters.

Management's Response to Findings

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or 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 general state compliance requirement that is less severe than a *material weakness* in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of This Report

The purpose of this report on compliance and 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 Utah State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

November 15, 2019

KAYSVILLE CITY CORPORATION, UTAH
Schedule of Findings
June 30, 2019

2019-1:

Requirement/Program Budgetary Compliance

Finding: Utah Code 10-6123 requires that City officers may not incur expenditures or encumbrances in excess of the total appropriation for any fund. For the year ended June 30, 2019, expenditures exceeded budgeted amounts in the following funds:

Fund	Amount Over Budget
Library Endowment	$50,000
Perpetual Cemetery Care	$25,102
Capital Projects	$694,107

Recommendation: The City should monitor the status over expenditures as compared to the budget through the year and amend the budget as necessary.

Management's Response: During the fiscal year, the City financed a new fire truck and apparatus. Though the purchase was approved by the Council, the budget in the Capital Projects Fund was not amended. This resulted in the Capital Projects Fund becoming over budget.

During the fiscal year, the City created an office at the Cemetery, it was necessary to remodel a home that the City owned. While doing the remodel of the home, some unforeseen repairs were made, causing the Cemetery Fund to go over budget.

During the fiscal year, the Davis County Library system requested funds from the Library Endowment Fund. The Library Endowment committee granted this request.

2019-2:

Requirement/Program Fund Balance Compliance

Finding: Utah Code 10-6-116-(2) requires that the accumulation of unrestricted fund balance in the City's General Fund may not exceed 25% of the total revenue of the City's General Fund for the current fiscal period. For the year ended June 30, 2019, the calculated percentage for the General Fund was:

Unassigned fund balance:	$4,664,867
Total Revenue:	$13,929,803
Percentage of Total Revenue:	**33.5%**

Recommendation: The City should monitor the status of the referenced calculation and amend the budget as necessary, in order to keep the percentage between 5% and 25%.

Management's Response: State law states that the accumulation of a fund balance in the city General Fund may not exceed 25% of the total revenue of the City's General Fund for the current fiscal year. During the fiscal year, the City's accumulated fund balance was 33.5% of the total revenue of the City's General Fund. However, the City has budgeted for the next fiscal year to use this fund balance for the remodel of the City Hall offices.