



# Kaysville City

**KAYSVILLE CITY  
STATE OF UTAH**

Settled in 1850

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED  
JUNE 30, 2008**

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

**Comprehensive  
Annual Financial Report**

**Year Ended June 30, 2008**

**Mayor:** Neka Roundy

**Council Members:** Gil Miller  
Lynn Galbraith  
Mark Johnson  
Steve A Hiatt  
Ron Stephens

**City Manager:** John W. Thacker

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

**KAYSVILLE CITY CORPORATION  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2008**

**TABLE OF CONTENTS**

<b>INTRODUCTORY SECTION</b>	<b>Page(s)</b>
Transmittal Letter.....	1-2
Introduction, Information and Financial Profile .....	3-6
Organizational Chart.....	7
Certificate of Achievement for Excellence in Financial Reporting.....	8
Kaysville City Map .....	9
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report.....	11-12
Management Discussion and Analysis.....	13-22
Basic Financial Statements	
 <u>Government-wide Financial Statements</u>	
Statement of Net Assets .....	23
Statement of Activities.....	24-25
 <u>Fund Financial Statements</u>	
Balance Sheet Governmental Funds.....	26-28
Statement of Revenues, Expenditures and Changes In Fund Balances Governmental Funds.....	30-32
Statement of Net Assets Proprietary Funds Business Type Activities.....	34-35
Statement of Revenues, Expenses and Changes in Net Assets Proprietary Funds Business Type Activities.....	36-37
Statement of Cash Flows Proprietary Funds Business Type Activities.....	38-39
Notes to Basic Financial Statements.....	41-59

## Table of Contents (continued)

<u>Required Supplementary Information</u>		
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual- General Fund .....	61-63	
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual- Major Fund- Library Special Revenue Fund .....	64	
Notes to Required Supplementary Information .....	65-66	
<u>Other Supplementary Information</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual- Major Fund- Debt Service Fund .....	67	
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual- Major Fund- Capital Projects Fund.....	68	
Impact Fee Reporting.....	69-73	
<b>STATISTICAL SECTION</b>		
Table 1	Net Assets by Component.....	75
Table 2	Changes in Net Assets .....	76-78
Table 3	Balance Sheet Fund Balances of Governmental Funds.....	79
Table 4	Changes in Fund Balance of Governmental Funds.....	80
Table 5	Governmental Tax Revenues by Source.....	81
Table 6	Property Tax Levies and Collections.....	82
Table 7	Taxable and Market Value of Property.....	83
Table 8	Estimated and Actual Value of Taxable Property- Breakdown...	84
Table 9	Property Tax Rates- Direct and Overlapping Governments .....	85
Table 10	Principal Property Taxpayers with Comparison .....	86
Table 11	Property Value of Construction in Kaysville.....	87
Table 12	Computation of Legal Debt Margin.....	88
Table 13	Computation of Debt and Overlapping General Obligation Debt.....	89

Table of Contents (continued)

Table 14	Ratios of Outstanding Debt by Type.....	90
Table 15	Miscellaneous Statistical Data- Insurance Summary.....	91
Table 16	Population Growth and Estimates.....	92
Table 17	Miscellaneous Statistical Data .....	93

**COMPLIANCE SECTION**

Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements performed in Accordance with Government Auditing Standards.....	95-96
Independent Auditor's Report- State and Utah Legal Compliance.....	97-98
Auditor's Summary of Findings & Response to Summary of Findings.....	99

**THIS PAGE INTENTIONALLY LEFT BLANK**

# INTRODUCTORY SECTION



November 15, 2008

SETTLED IN 1850

Mayor Neka Roundy  
Members of the City Council  
and Citizens of Kaysville City:

The Comprehensive Annual Financial Report (CAFR) of Kaysville City for the Fiscal Year 2008 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:

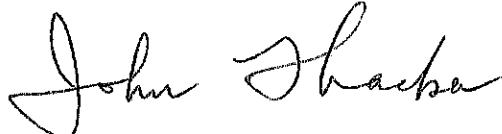
1. The **Introductory Section** contains general information regarding the organization of the City and overall financial profile of the City.
2. The **Financial Section** includes the independent auditor's report, management's discussion and analysis, basic financial statements and required supplemental 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. The **Compliance Section** includes the additional financial statements, supplemental schedules, independent auditor's report, and supplemental reports as required by the Single Audit Act of 1984 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, Wood Richards and Associates has completed this year's independent audit. Wood Richards has also provided technical assistance in the preparation of this report. We appreciate the assistance they have provided. The aim of the audit involved 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 unqualified opinion that Kaysville City's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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, 2007. This is the fourteenth 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.

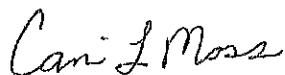
We respectfully submit this report.



John W. Thacker  
City Manager



Dean G. Storey  
Finance Director



Cami L. Moss  
Accountant

## **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 25,342 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 rural residential community. The build-out population is estimated at approximately forty-two thousand within the next twenty to twenty five years.

The City covers an area of approximately ten 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-manager form of government. 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 well below the national unemployment rate and below the State unemployment rate of 3.5%. 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. A major capital project that has been completed is the 200 North overpass, crossing the railroad and providing better and safer access to the area of Kaysville west of I-15.

## **Financial Reporting and Accounting Standards**

Kaysville City conforms to generally accepted accounting principles established by the Government Accounting Standards Board. 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.

Special Revenue Fund - The special revenue fund is used to account for revenue collected and designated and restricted for a specific purpose.

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.

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:

<u>Description</u>	<u>Fund Type</u>
General Fund	General Fund
Library Special Revenue Fund	Special Revenue
Capital Projects Fund	Capital Projects Fund
Debt Service Fund	Debt Service Fund
Water Fund	Enterprise Fund
Sewer Fund	Enterprise Fund
Storm Water Fund	Enterprise Fund
Pressure Irrigation Fund	Enterprise Fund
Power Fund	Enterprise Fund
Sanitation 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 (usually not more than once annually) 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".

### **Cash Management**

All cash balances maintained by the various funds are held in full compliance of the *Utah State Money Management Act*. The *Act* requires the depositing of public funds in a "qualified depository." Operating cash is held at Barnes Bank, a local financial institution and City investments are currently held at the Utah State Treasurer's Investment Pool. The average interest rate of pooled money for fiscal year 2008 was 4.43%. The corpus of the Library Endowment fund is also held at Barnes Bank, Horizon Credit Union and Mountain America Credit Union in laddered certificates of deposit.

## **Debt Management**

Kaysville City has always maintained a conservative policy in regards to debt. The City has no general obligation debt and minor debts in other debt instruments. In 1999, the City established a municipal building authority for the purpose of constructing and leasing a new fire station. The building authority issued revenue bonds and the City is paying the debt service through annual lease payments. The City has purchased park property and property for the expansion of the business park on contract. The City has also entered into capital leases for the purchase of a vactor truck, street sweeper and a fire truck. Specific details and debt service schedules may be found in the "Notes to Basic Financial Statements".

## **Risk Management**

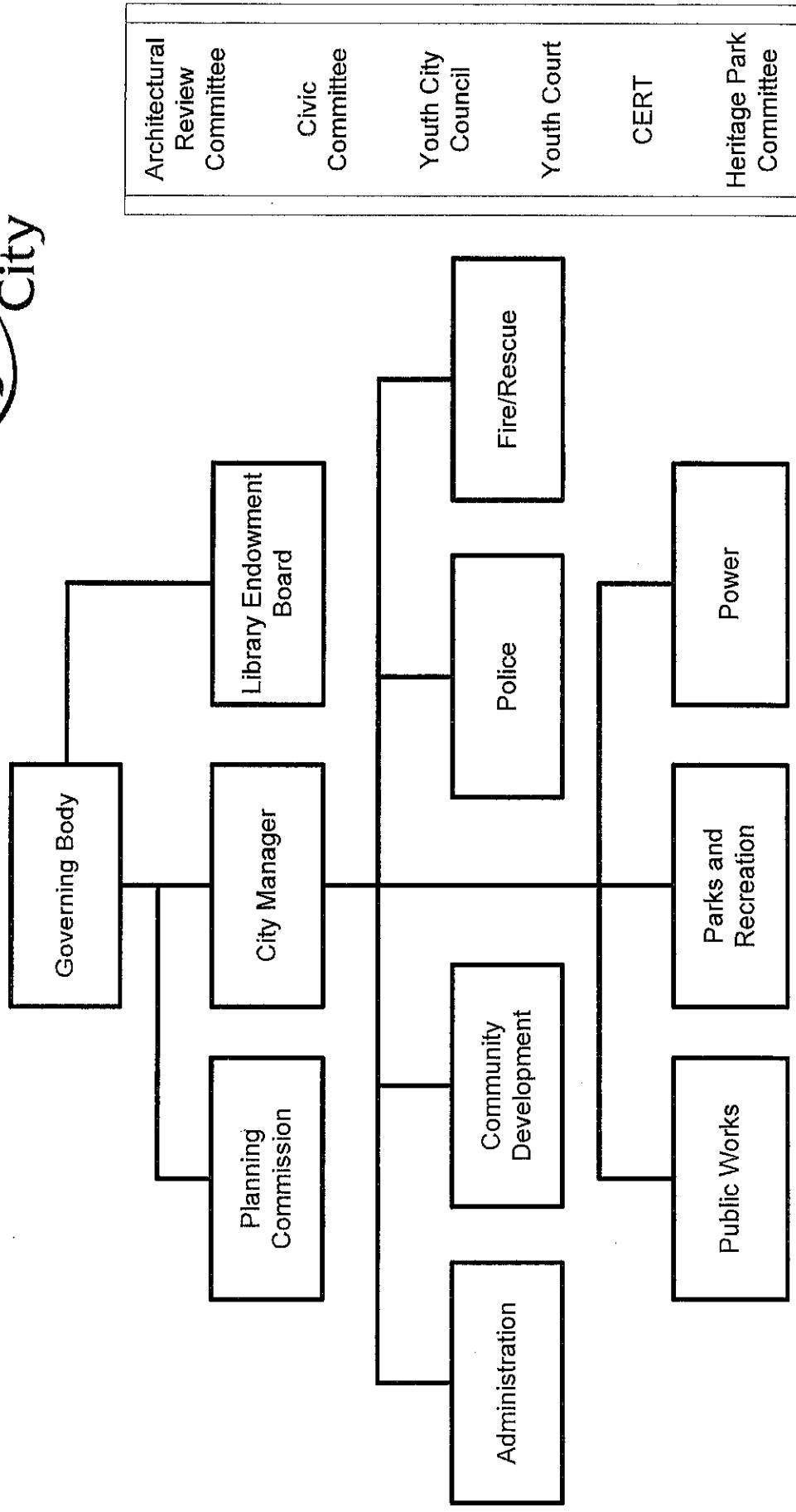
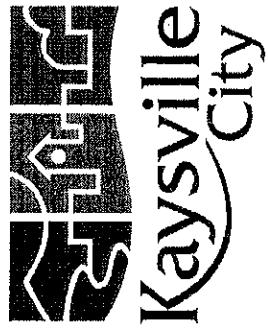
The City maintains complete insurance coverage including worker's compensation general liability, property damage, public official's errors and omissions, automobile liability, and law enforcement liability. Insurance coverage is placed with commercial carriers rated as excellent or superior by recognized rating agencies. Liability is carried at two million dollars with an eight million dollar excess.

## **Pension and Other Post Employment Benefits**

The City participates in the Utah State Retirement Systems for all eligible employees. The City also provides deferred compensation plans under IRS code sections 401(k). These plans are administered by outside managers and administrators on behalf of the City and its employees. These assets are not assets of the City and are held outside of the City's 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](mailto:dstorey@kaysvillecity.com) or [cmoss@kaysvillecity.com](mailto:cmoss@kaysvillecity.com), or by phone (801) 546-1235.



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Kaysville City Corporation  
Utah

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Clue S. Cox*

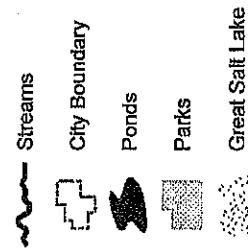
President

*Jeffrey R. Ecker*

Executive Director

Kaysville City  
GIS  
Basemap

Legend



Nov 1, 2008  
1 inch = 3,000 feet



**THIS PAGE INTENTIONALLY LEFT BLANK**

---

## FINANCIAL SECTION

---

## **INDEPENDENT AUDITOR'S REPORT**

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
Kaysville City

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Kaysville City, Utah, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Kaysville City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, and each major fund of Kaysville City, as of June 30, 2008, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2008, on our consideration of Kaysville 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kaysville City's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of revenues, expenditures, and changes in fund balances – budget to actual in the debt service and capital projects funds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections, as well as the impact fee reporting, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Wood Richards & Associates

Ogden, UT  
October 15, 2008

## **MANAGEMENT DISCUSSION AND ANALYSIS**

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2008**

---

The following is a discussion and analysis of Kaysville City's finances for the fiscal year ended June 30, 2008. 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 Kaysville City.

### **Financial Highlights**

#### Government Wide

- The City's total net assets increased by \$5,603,994 or 7.3% over the prior year. Net assets of governmental activities increased by \$2,580,506 or 7.6%. Net assets of business-type activities increased by \$3,023,488 or 7.0%.
- The City's total net assets are 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 assets of \$82,483,589, \$72,055,248 (87.4%) includes investments in capital assets; \$3,464,124 (4.2%) in restricted uses and \$6,964,217 (8.4%) in unrestricted uses and available to meet City obligations.
- The City's restricted assets of \$3,464,124 are reduced by 27.8% from last year. This is due to a decrease in the restricted assets used for debt obligations and the use of transportation impact fees for the construction of the 200 North overpass. These assets are restricted primarily for capital expenditures from collected development impact fees.
- The City's unrestricted assets of \$6,708,316 include \$1,408,627 available for governmental activities and \$5,299,689 available for business-type activities. Overall this is an increase of 1.67% from the prior year. During the year unrestricted assets had been used for capital projects and property purchases.

#### Fund Level

- The fund balances in governmental funds had a minor decrease of \$119,749 from \$5,193,253 to \$5,073,503.
- The proprietary funds had an overall net income before transfers and contributions of \$608,192.

#### Long Term Debt

- Overall the City's long term liabilities increased in the amount of \$64,773 over the prior year. This is due to the city entering into a loan for the purchase of the Pioneer Park property and the purchase of a new vactor truck through the use of a capital lease. As of June 30, 2008, the liabilities balance for governmental activities is \$2,317,655 and \$3,161,994 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 fund data including combining statements for non-major funds and a statistical section.

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2008**  
**(Continued)**

---

**Government-wide Financial Statements**

The Statement of Net Assets 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 assets presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the fiscal year. All changes in net assets 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 only result in cash flows in future fiscal periods.

Both of 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).

**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 can be 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, government fund financial statements focus on near-term inflows and outflows of spendable resources. The city maintains a general fund, a special revenue fund, a capital projects fund and a debt service fund 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.

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2008**  
**(Continued)**

**Financial Analysis of Government-wide Statements**

**Net Assets**

Kaysville City's Net Assets are as follows:

	Governmental Activities		Business-type Activities		Total	
	2007	2008	2007	2008	2007	2008
<b>Assets</b>						
Current and Other Assets	\$6,246,480	\$6,541,843	\$7,772,491	\$7,789,689	\$14,018,971	\$14,331,532
Capital Assets	\$30,745,644	\$33,621,654	\$39,813,946	\$44,045,896	\$70,559,590	\$77,667,550
<b>Total Assets</b>	<b>\$36,992,124</b>	<b>\$40,163,497</b>	<b>\$47,586,437</b>	<b>\$51,835,585</b>	<b>\$84,578,561</b>	<b>\$91,999,082</b>
<b>Liabilities</b>						
Current Liabilities	\$1,529,234	\$1,953,822	\$1,632,612	\$2,987,714	\$3,161,846	\$4,941,536
Non-Current Liabilities	\$1,665,894	\$1,832,173	\$2,871,226	\$2,741,784	\$4,537,120	\$4,573,957
<b>Total Liabilities</b>	<b>\$3,195,128</b>	<b>\$3,785,995</b>	<b>\$4,503,838</b>	<b>\$5,729,498</b>	<b>\$7,698,966</b>	<b>\$9,515,493</b>
<b>Net Assets</b>						
Investments in Capital (net)	\$28,864,094	\$31,559,900	\$36,618,541	\$40,751,249	\$65,482,635	\$72,311,149
Restricted	\$3,996,861	\$3,408,975	\$640,345	\$55,149	\$4,637,206	\$3,464,124
Unrestricted	\$936,041	\$1,408,627	\$5,823,713	\$5,299,689	\$6,759,754	\$6,708,316
<b>Total Net Assets</b>	<b>\$33,796,996</b>	<b>\$36,377,502</b>	<b>\$43,082,599</b>	<b>\$46,106,087</b>	<b>\$76,879,595</b>	<b>\$82,483,589</b>

Changes in Net Assets:

The City's combined net assets increased over the prior year by \$5,603,994 (7.3%). Generally an increase or decrease in net assets offers a measuring tool of the overall financial condition. This indicates that the City's overall financial condition has improved over the prior year. The net assets unrestricted and available for ongoing obligations increased by \$204,463. Overall liabilities increased by \$64,773.

**Governmental and Business-Type Activities**

The tables below 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.

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2008**  
**(Continued)**

**Changes in Net Assets**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>
<b>Revenues</b>						
General Revenues						
Property Tax	\$1,059,034	\$1,246,815	\$0	\$0	\$1,059,034	\$1,246,815
Sales Tax	\$3,166,266	\$3,249,441	\$0	\$0	\$3,166,266	\$3,249,441
Other Taxes	\$1,372,094	\$1,607,682	\$0	\$0	\$1,372,094	\$1,607,682
Interest and Investment	\$430,623	\$278,111	\$196,761	\$209,561	\$627,384	\$487,672
Grants and Contributions	\$986,895	\$1,790,788	\$980,896	\$2,215,296	\$1,967,791	\$4,006,084
Charges for Services	\$4,560,684	\$3,588,668	\$17,635,228	\$19,407,585	\$22,195,912	\$22,996,253
Miscellaneous	\$673,640	\$287,969	\$405,719	\$0	\$1,079,359	\$287,969
<b>Total Revenues</b>	<b>\$12,249,236</b>	<b>\$12,049,474</b>	<b>\$19,218,604</b>	<b>\$21,832,442</b>	<b>\$31,467,840</b>	<b>\$33,881,916</b>
<b>Expenses</b>						
Governmental:						
General Government	\$1,183,636	\$1,487,669	\$0	\$0	\$1,183,636	\$1,487,669
Police	\$2,027,634	\$2,193,793	\$0	\$0	\$2,027,634	\$2,193,793
Fire	\$450,318	\$527,139	\$0	\$0	\$450,318	\$527,139
Community Development	\$608,457	\$837,804	\$0	\$0	\$608,457	\$837,804
Public Works	\$2,119,382	\$2,227,389	\$0	\$0	\$2,119,382	\$2,227,389
Parks, Recreation and Public Properties	\$1,685,013	\$1,853,861	\$0	\$0	\$1,685,013	\$1,853,861
Library - Special Revenue	\$36,537	\$0	\$0	\$0	\$36,537	\$0
Library Endowment	\$10,000	\$0	\$0	\$0	\$10,000	\$0
Perpetual Cemetery	\$0	\$78,348	\$0	\$0	\$0	\$78,348
Interest on Long Term Debt	\$83,286	\$62,965	\$0	\$0	\$83,286	\$62,965
Business-Type:						
Water	\$0	\$0	\$1,544,457	\$2,112,958	\$1,544,457	\$2,112,958
Sewer	\$0	\$0	\$1,391,445	\$1,486,306	\$1,391,445	\$1,486,306
Electric	\$0	\$0	\$10,759,199	\$12,057,762	\$10,759,199	\$12,057,762
Pressure Irrigation	\$0	\$0	\$893,148	\$933,041	\$893,148	\$933,041
Sanitation	\$0	\$0	\$1,132,110	\$1,157,707	\$1,132,110	\$1,157,707
Storm Water	\$0	\$0	\$468,750	\$812,161	\$468,750	\$812,161
Ambulance	\$0	\$0	\$465,678	\$449,019	\$465,678	\$449,019
<b>Total Expenses</b>	<b>\$8,204,263</b>	<b>\$9,268,968</b>	<b>\$16,654,787</b>	<b>\$19,008,954</b>	<b>\$24,859,050</b>	<b>\$28,277,922</b>
Increase in net assets before transfers	\$4,044,973	\$2,780,506	\$2,563,817	\$2,823,488	\$6,608,790	\$5,603,994
Transfers and special items	\$0	(\$200,000)	\$0	\$200,000	\$0	\$0
Increase (decrease) in net assets	\$4,044,973	\$2,580,506	\$2,563,817	\$3,023,488	\$6,608,790	\$5,603,994
Net Assets- Beginning of Fiscal Year	\$29,752,023	\$33,796,996	\$40,518,782	\$43,082,599	\$70,270,805	\$76,879,595
Net Assets - Ending of Fiscal Year	<b>\$33,796,996</b>	<b>\$36,377,502</b>	<b>\$43,082,599</b>	<b>\$46,106,087</b>	<b>\$76,879,595</b>	<b>\$82,483,589</b>

Some of the reasons for the changes in net assets are: Grants and Contributions increased due to additional contributions from developers. Developers contribute the improvements to the City when a development is completed. The City then receives them as capital assets. Interest and Investments decreased due to the national interest rates decreasing. Charges for services increased due to an increase in the price charged for services, due to the additional costs associated with the providing of those services.

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2008**  
**(Continued)**

**Capital Assets**

The City's investment in capital assets for its governmental activities and business-type activities at June 30, 2008 is \$77,667,550 (net of accumulated depreciation). This is a net increase of \$7,107,960. Most of the increase in assets is derived from additions to infrastructure and improvements. Infrastructure improvements are generally contributions from developers for new subdivisions and/or extension fees paid to the City for electrical system improvements. Water stock contributed by development is also included as a capital asset. The table below shows the addition to capital assets from the prior fiscal year.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>
Land	\$4,707,500	\$5,457,498	\$6,401,984	\$6,401,984	\$11,109,484	\$11,859,482
Stock (Water)	\$0	\$0	\$2,870,990	\$3,245,990	\$2,870,990	\$3,245,990
Infrastructure	\$17,311,545	\$19,095,554	\$29,459,711	\$32,899,520	\$46,771,256	\$51,995,074
Building	\$3,417,751	\$3,459,427	\$536,765	\$523,003	\$3,954,516	\$3,982,430
Improvements	\$3,691,361	\$3,866,854	\$41,320	\$39,943	\$3,732,681	\$3,906,797
Vehicles	\$1,090,646	\$1,116,558	\$251,768	\$556,651	\$1,342,414	\$1,673,209
Equipment	\$526,841	\$624,763	\$251,408	\$378,805	\$778,249	\$1,003,568
Net of Accumulated Depreciation	\$30,745,644	\$33,621,654	\$39,813,946	\$44,045,896	\$70,559,590	\$77,666,550

Additional information on the City's capital assets can be found in note 4 on pages 50-52 of this report.

**Long Term Debt / Liabilities**

Overall the City had a net increase in long term liabilities in the amount of \$64,773. Kaysville 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. Additional detailed information regarding long term debt may be found in the Notes to the Financial Statements.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>
Note Payable (Park Land)	\$777,552	\$716,428	\$0	\$0	\$777,552	\$716,428
Note Payable (Kaysville Business Park West)	\$0	\$0	\$3,173,010	\$2,855,712	\$3,173,010	\$2,855,712
Note Payable (Pioneer Park Land)	\$0	\$500,000	\$0	\$0	\$0	\$500,000
Capital Lease (Fire Truck)	\$339,999	\$260,326	\$0	\$0	\$339,999	\$260,326
Series 2002 Revenue Bonds	\$764,000	\$585,000	\$0	\$0	\$764,000	\$585,000
Equipment Leases (Vactor Truck)	\$0	\$0	\$0	\$229,517	\$0	\$229,517
Equipment Leases (Sweeper)	\$0	\$0	\$22,392	\$0	\$22,392	\$0
	<b>\$1,881,551</b>	<b>\$2,061,754</b>	<b>\$3,195,402</b>	<b>\$3,085,229</b>	<b>\$5,076,953</b>	<b>\$5,146,983</b>

Additional information on the city's long-term debt can be found in note 7 on pages 54-56 of this report.

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2008**  
**(Continued)**

---

**Analysis of Financial Funds**

**Governmental Funds**

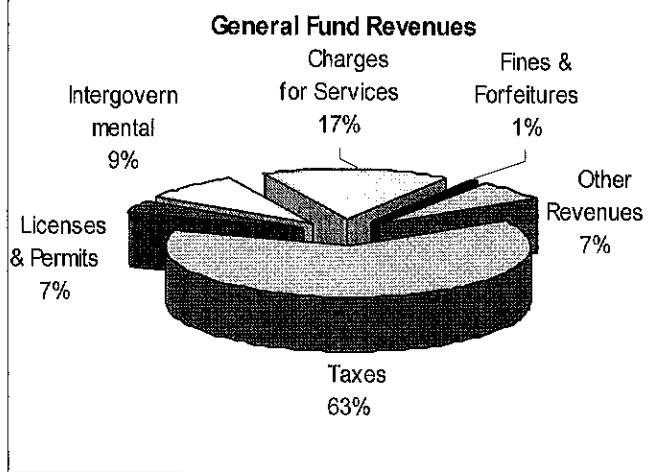
The focus of the City's governmental funds is to account for and provide information on near-term inflows, outflows and spendable resources. The primary governmental fund is the general fund. The City also maintains a capital projects fund, special revenue fund (library), a debt service fund and permanent funds for cemetery perpetual care and library endowment. The table below and accompanying graphs depict the revenues and expenditures during the fiscal year 2008 and a comparison to fiscal year 2007.

**Governmental Funds**

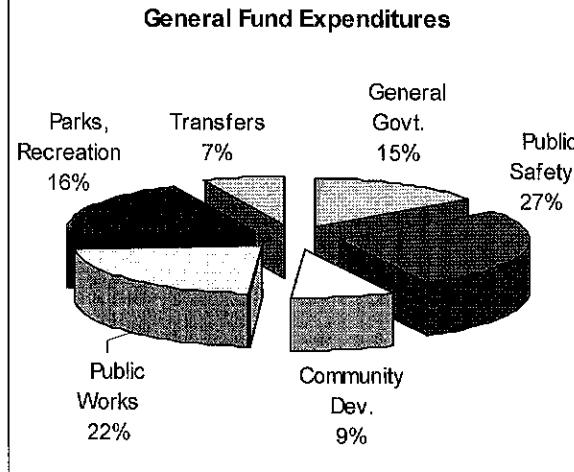
**General Fund**

Revenues:		Expenditures:	
Taxes	\$6,103,938	General Govt.	\$1,483,191
Licenses and Permits	\$327,165	Public Safety	\$2,700,146
Intergovernmental	\$862,349	Community Dev.	\$867,676
Charges for Services	\$1,602,623	Public Works	\$2,200,177
Fines and Forfeitures	\$92,278	Parks, Recreation and Public Properties	\$1,951,272
Other Revenues	\$637,314	Transfers	\$698,000
	<u>\$9,625,667</u>		<u>\$9,900,462</u>

**General Fund Revenues**



**General Fund Expenditures**



**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2008**  
**(Continued)**

For the year ended June 30, 2008, the City of Kaysville experienced a 7.34% increase in General Fund Revenues and a 6.25% decrease in General Fund Expenditures.

General Fund Revenues	FY 2007	FY 2008	Increase/ (Decrease)	Percentage Change
Taxes	\$5,597,394	\$6,103,938	\$506,544	8.30%
Licenses and Permits	\$593,434	\$327,165	(\$266,269)	(44.87%)
Intergovernmental	\$863,141	\$977,385	\$114,244	11.70%
Service Charges	\$1,394,293	\$1,602,623	\$208,330	13.00%
Fines and Forfeitures	\$78,472	\$92,278	\$13,806	14.96%
Other Revenues	\$440,492	\$522,278	\$81,786	15.70%
	<b>\$8,967,226</b>	<b>\$9,625,667</b>	<b>\$658,441</b>	<b>6.84%</b>
<b>General Fund Expenditures</b>				
General Government	\$1,263,446	\$1,483,191	\$219,745	14.82%
Public Safety	\$2,428,211	\$2,700,146	\$271,935	10.07%
Community Development	\$608,457	\$867,676	\$259,219	29.88%
Public Works	\$2,000,069	\$2,200,177	\$200,108	9.10%
Parks, Recreation and Public Properties	\$1,694,934	\$1,951,272	\$256,338	13.14%
Transfers	\$2,565,950	\$698,000	(\$1,867,950)	(72.80%)
	<b>\$10,561,067</b>	<b>\$9,900,462</b>	<b>(\$660,605)</b>	<b>(6.25%)</b>

General fund revenues for fiscal year 2008 totaled \$9,625,667. This represents an increase of approximately 7.34% from fiscal year 2007. Property tax, sales tax, and the utility license tax increased slightly, whereas building permit fees and associated revenues decreased due to slow-down in building activity. Other revenue sources remained fairly stable.

General fund expenditures for fiscal year 2008 total \$9,900,462. This is a decrease of 6.25% over fiscal year 2007 of \$10,561,067.

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2008**  
**(Continued)**

**Capital Projects Fund**

The capital projects fund was used to account for major capital projects during the fiscal year 2008. The revenues and expenditures compared to the previous year are illustrated as follows:

<b>Capital Projects Fund</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Revenue:</b>		
Impact Fees	\$ 1,602,331	\$ 621,326
Transfers from Other Funds	2,700,000	377,405
	<hr/>	<hr/>
	\$ 4,302,331	\$ 998,731
<b>Expenditures:</b>		
200 North Overpass Project	\$ 4,042,182	\$ 233,050
Barnes Park Improvements	15,380	160,006
Rail Trail	-	8,000
Cemetery Expansion	444,726	78,348
Recreation Center Remodel	48,220	41,635
Angel Street Park	112,420	-
North Main Project	398,257	-
Main Street Project	-	2,725
Heritage Park	606,967	54,085
Transfers	-	250,260
	<hr/>	<hr/>
	\$ 5,668,152	\$ 828,109

**Debt Service Fund**

During the fiscal year 2008, the debt service fund was used to account for the payment of property and revenue bond lease payments related to the City's fire station and property payments; the Angel Street Park Property and Pioneer Park Property.

<b>Debt Service Fund</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Revenue:</b>		
Transfers	\$ 335,950	\$ 458,260
Miscellaneous	7,180	-
	<hr/>	<hr/>
	\$ 343,130	\$ 458,260
<b>Expenditures:</b>		
Land Payment - Fire Station	\$ 20,177	\$ -
Angel Street Park Property	337,358	100,000
Pioneer Park Property	-	250,260
2002 Revenue Bonds	205,513	202,827
	<hr/>	<hr/>
	\$ 563,048	\$ 553,087

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2008**  
**(Continued)**

---

**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, 2008, the principal balance is \$1,388,801. The library endowment fund is used to account for monies provided by a private donor. Alan and Kay Blood, long time residents of Kaysville City donated property to be sold with the proceeds of the sale to be used to supplement library expenditures. The corpus of this fund is \$673,046 with the total fund balance of \$857,849. This fund will continue to be used to augment the collection held at the Kaysville Library, now that it is part 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.

Operating revenues for all proprietary funds totaled \$18,398,229. This is an increase of about 13.4% over the prior year of \$16,223,885. The increase is due to increased fees for all the services and increased electricity sales in our power fund. As the City continues to grow, more and more electrical resources are needed. Operating expenses totaled \$18,777,405. This is an increase of approximately 13.55%. Continued monitoring of each utility will be necessary to ensure operating revenues cover operating expenses. Storm water expenses increased over the prior year, much of this is due to the reallocation of expenses from the public works department to the storm water fund and increased management of the storm water system for the city.

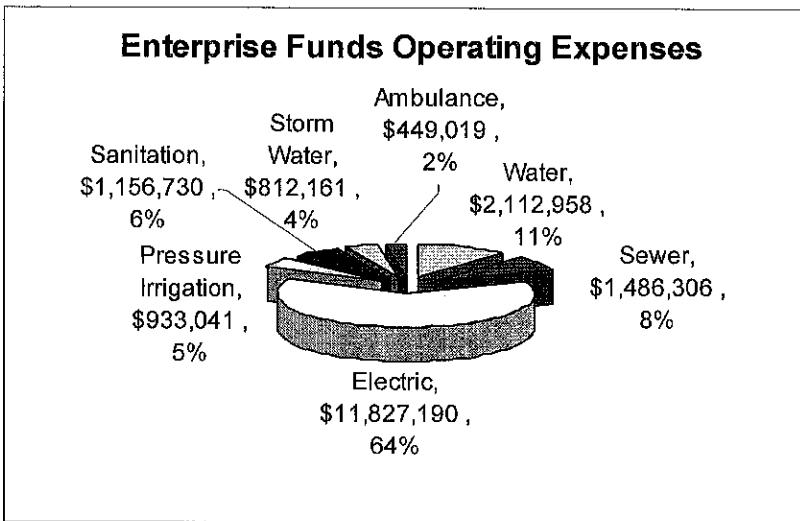
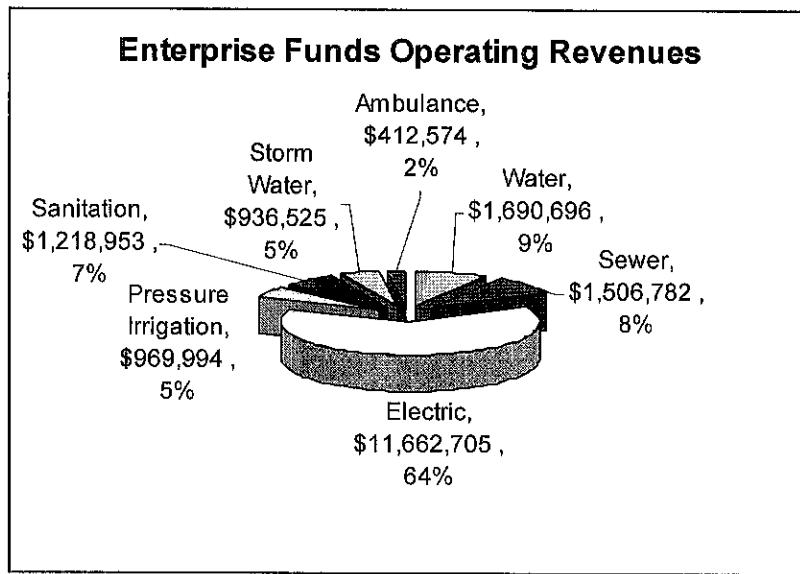
The table below and accompanying charts show the operations for fiscal year 2008.

<b>Proprietary Funds</b>	<b>Water</b>	<b>Sewer</b>	<b>Electric</b>	<b>Pressure Irrigation</b>	<b>Sanitation</b>	<b>Storm Water</b>	<b>Ambulance</b>	<b>Total</b>
Operating Revenues	\$1,690,696	\$1,506,782	\$11,662,705	\$969,994	\$1,218,953	\$936,525	\$412,574	\$18,398,229
Operating Expenses	\$2,112,958	\$1,486,306	\$11,827,190	\$933,041	\$1,156,730	\$812,161	\$449,019	\$18,777,405
Operating Income	(\$422,262)	\$20,476	(\$164,485)	\$36,953	\$62,223	\$124,364	(\$36,445)	(\$379,176)
Non Operating Revenues/(Expenses)	\$89,743	\$0	\$878,420	\$0	(\$977)	\$4,261	\$15,921	\$987,368
Net Income before Transfers	(\$332,519)	\$20,476	\$713,935	\$36,953	\$61,246	\$128,625	(\$20,524)	\$608,192
Operating Transfer In/(Out)	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$200,000
Net Income / (loss)	(\$332,519)	\$20,476	\$713,935	\$36,953	\$61,246	\$128,625	\$179,476	\$808,192

Fees within each fund were increased due to the increase in the cost to provide the services. Storm water expenses increased due to reallocation of expenses from public works to the storm water fund.

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2008**  
**(Continued)**

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**

**KAYSVILLE CITY**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 4,710,263	\$ 5,727,498	\$ 10,437,761
Investments	658,263	-	658,263
Accounts Receivable (Net)	1,123,316	1,697,191	2,820,507
Internal Balance	50,000	(50,000)	-
Inventory	-	415,000	415,000
<b>Total Current Assets</b>	<b>6,541,842</b>	<b>7,789,689</b>	<b>14,331,531</b>
<b>Noncurrent Assets:</b>			
<b>Capital Assets:</b>			
Land	5,457,498	6,401,984	11,859,482
Net Depreciable Capital Assets	28,164,156	34,397,922	62,562,078
Water Stock	-	3,245,990	3,245,990
<b>Total Noncurrent Assets</b>	<b>33,621,654</b>	<b>44,045,896</b>	<b>77,667,550</b>
<b>Total Assets</b>	<b>\$ 40,163,496</b>	<b>\$ 51,835,585</b>	<b>\$ 91,999,081</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 635,230	\$ 2,286,655	\$ 2,921,885
Interest Payable	-	209,419	209,419
Accrued Expenses	249,725	-	249,725
Deposits	583,384	71,430	654,814
Noncurrent Liabilities Due Within One Year	485,482	420,210	905,692
<b>Total Current Liabilities</b>	<b>1,953,821</b>	<b>2,987,714</b>	<b>4,941,535</b>
<b>Noncurrent Liabilities</b>			
Due in more than one year	1,832,173	2,741,784	4,573,957
<b>Total Noncurrent Liabilities</b>	<b>1,832,173</b>	<b>2,741,784</b>	<b>4,573,957</b>
<b>Total Liabilities</b>	<b>3,785,994</b>	<b>5,729,498</b>	<b>9,515,492</b>
<b>NET ASSETS</b>			
Investments in Capital Assets, Net of Related Debt	31,559,900	40,751,249	72,311,149
<b>Restricted for:</b>			
Park Development Impact Fees	167,679	-	167,679
Transportation Impact Fee	33,399	-	33,399
Public Safety Impact Fee	176,382	-	176,382
Perpetual Cemetery	1,388,801	-	1,388,801
<b>Library Endowment:</b>			
Expendable	184,803	-	184,803
Nonexpendable	673,046	-	673,046
Debt Service	784,865	-	784,865
Water Impact	-	55,149	55,149
<b>Unrestricted</b>	<b>1,408,627</b>	<b>5,299,689</b>	<b>6,708,316</b>
<b>Total Net Assets</b>	<b>36,377,502</b>	<b>46,106,087</b>	<b>82,483,589</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 40,163,496</b>	<b>\$ 51,835,585</b>	<b>\$ 91,999,081</b>

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

**KAYSVILLE CITY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2008**

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 1,487,668	\$ 613,771	\$ 15,524	\$ -
Public Safety:				
Police	2,193,793	229,979	14,566	-
Fire	527,139	144,344	9,837	-
Community Development	837,804	419,546	115,036	-
Public Works	2,227,389	1,287,340	-	1,635,825
Parks, Recreation and Public Properties	1,853,862	837,388	-	-
Perpetual Cemetery	78,348	56,300	-	-
Interest on Long-term Debt	62,965	-	-	-
Total Governmental Activities	<u>9,268,968</u>	<u>3,588,668</u>	<u>154,963</u>	<u>1,635,825</u>
<b>Business-Type Activities:</b>				
Water	2,112,958	1,770,229	-	629,117
Sewer	1,486,306	1,506,782	-	-
Electric	12,057,762	12,574,279	-	-
Pressure Irrigation	933,041	969,994	-	351,000
Sanitation	1,157,707	1,218,953	-	-
Storm Water	812,161	938,853	-	1,235,179
Ambulance	449,019	428,495	-	-
Total Business-Type Activities	<u>19,008,954</u>	<u>19,407,585</u>	<u>-</u>	<u>2,215,296</u>
Total	<u>\$ 28,277,922</u>	<u>\$ 22,996,253</u>	<u>\$ 154,963</u>	<u>\$ 3,851,121</u>

**General Revenues:**

Property Taxes  
Sales Tax  
Franchise Tax  
Energy Sales and Use Charge  
Interest and Investment Earnings  
Miscellaneous  
Transfers

**Total General Revenues and Transfers**

**Change in Net Assets**

**Net Assets - Beginning**

**Net Assets - Ending**

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

**Net (Expense) Revenue and  
Changes in Net Assets**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (858,373)	\$ -	\$ (858,373)
(1,949,248)	-	(1,949,248)
(372,958)	-	(372,958)
(303,222)	-	(303,222)
695,776	-	695,776
(1,016,474)	-	(1,016,474)
(22,048)	-	(22,048)
(62,965)	-	(62,965)
<b>(3,889,512)</b>	<b>-</b>	<b>(3,889,512)</b>
 -	 286,388	 286,388
 -	 20,476	 20,476
 -	 516,517	 516,517
 -	 387,953	 387,953
 -	 61,246	 61,246
 -	 1,361,871	 1,361,871
 -	 (20,524)	 (20,524)
 <b>-</b>	 <b>2,613,927</b>	 <b>2,613,927</b>
 <b>(3,889,512)</b>	 <b>2,613,927</b>	 <b>(1,275,585)</b>
 <b>1,246,815</b>	 -	 1,246,815
 3,249,441	 -	 3,249,441
 547,862	 -	 547,862
 1,059,820	 -	 1,059,820
 278,111	 209,561	 487,672
 287,969	 -	 287,969
 <b>(200,000)</b>	 <b>200,000</b>	 <b>-</b>
 <b>6,470,018</b>	 <b>409,561</b>	 <b>6,879,579</b>
 <b>2,580,506</b>	 <b>3,023,488</b>	 <b>5,603,994</b>
 <b>33,796,996</b>	 <b>43,082,599</b>	 <b>76,879,595</b>
 <b>\$ 36,377,502</b>	 <b>\$ 46,106,087</b>	 <b>\$ 82,483,589</b>

**KAYSVILLE CITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2008**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,611,926	\$ 958,809	\$ 551,141
Investments	-	-	-
Accounts Receivable	1,123,316	-	-
Interfund Receivable	50,000	-	-
<b>Total Assets</b>	<b><u>\$ 2,785,242</u></b>	<b><u>\$ 958,809</u></b>	<b><u>\$ 551,141</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts Payable	\$ 635,230	\$ -	\$ -
Accrued Expenses	249,725	-	-
Deposits	583,384	-	-
<b>Total Liabilities</b>	<b><u>1,468,339</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Reserved for:			
Park Development Impact Fees	-	-	167,679
Transportation Impact Fee	-	-	33,399
Public Safety Impact Fee	-	-	176,382
Perpetual Care	-	-	-
Library Endowment	-	-	-
Debt Service	-	784,865	-
Unreserved	<u>1,316,903</u>	<u>173,944</u>	<u>173,681</u>
<b>Total Fund Balances</b>	<b><u>1,316,903</u></b>	<b><u>958,809</u></b>	<b><u>551,141</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,785,242</u></b>	<b><u>\$ 958,809</u></b>	<b><u>\$ 551,141</u></b>

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

Library Special Revenue	Permanent Funds			Total Governmental Funds
	Perpetual Cemetery	Library Endowment		
\$ -	\$ 1,388,801	\$ 199,586	\$ 4,710,263	
		658,263	658,263	
-	-	-	1,123,316	
-	-	-	50,000	
<u>\$ -</u>	<u>\$ 1,388,801</u>	<u>\$ 857,849</u>	<u>\$ 6,541,842</u>	
\$ -	\$ -	\$ -	\$ 635,230	
-	-	-	249,725	
-	-	-	583,384	
				<u>1,468,339</u>
-	-	-	167,679	
-	-	-	33,399	
-	-	-	176,382	
-	1,388,801	-	1,388,801	
-	-	857,849	857,849	
-	-	-	784,865	
-	-	-	1,664,528	
<u>-</u>	<u>1,388,801</u>	<u>857,849</u>	<u>5,073,503</u>	
<u>\$ -</u>	<u>\$ 1,388,801</u>	<u>\$ 857,849</u>	<u>\$ 6,541,842</u>	

**KAYSVILLE CITY**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

**Total fund balance - Governmental Funds** **\$ 5,073,503**

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

**Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:**

Land	5,457,498
Buildings, net of 1,090,262 accumulated depreciation	3,459,427
Improvements, net of 1,680,892 accumulated depreciation	3,866,854
Infrastructure, net of 14,197,002 accumulated depreciation	19,095,555
Equipment, net of 852,903 accumulated depreciation	624,762
Vehicles, net of 2,176,828 accumulated depreciation	<u>1,117,558</u> <span style="float: right;">33,621,654</span>

**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 assets. Balances at year-end are:**

Bonds Payable	(585,000)
Notes Payable	(1,216,430)
Lease/Purchase Agreement	(260,326)
Compensated Absences	<u>(255,899)</u> <span style="float: right;">(2,317,655)</span>

**Total Net Assets - Governmental Activities** **\$ 36,377,502**

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

**KAYSVILLE CITY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2008**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>Revenues:</b>			
Taxes	\$ 6,103,938	\$ -	\$ -
Licenses and Permits	327,165	-	-
Impact Fees	-	-	621,326
Intergovernmental	862,349	-	-
Charges for Services	1,602,623	-	-
Fines and Forfeitures	92,278	-	-
Interest Income	167,755	-	-
Community Development Block Grant	115,036	-	-
Miscellaneous	354,523	-	-
<b>Total Revenues</b>	<b>9,625,667</b>	<b>-</b>	<b>621,326</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government	1,483,191	-	-
Public Safety	2,700,146	-	-
Community Development	867,676	-	-
Public Works	2,200,177	-	-
Parks, Recreation and Public Properties	1,951,273	-	-
<b>Debt Service:</b>			
Principal	-	490,383	-
Interest and Fiscal Charges	-	62,704	-
<b>Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>577,849</b>
<b>Total Expenditures</b>	<b>9,202,463</b>	<b>553,087</b>	<b>577,849</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>423,204</b>	<b>(553,087)</b>	<b>43,477</b>
<b>Other Financing Sources (Uses):</b>			
<b>Transfers In</b>			
General Fund	-	208,000	290,000
Library Special Revenue Fund	-	-	87,405
<b>Transfers Out</b>			
Debt Service Fund	(208,000)	-	(250,260)
Ambulance Fund	(200,000)	-	-
Capital Projects Fund	(290,000)	250,260	-
<b>Total Other Financing Sources (Uses)</b>	<b>(698,000)</b>	<b>458,260</b>	<b>127,145</b>
<b>Net Change in Fund Balances</b>	<b>(274,796)</b>	<b>(94,827)</b>	<b>170,622</b>
<b>Fund balance - July 1</b>	<b>1,591,699</b>	<b>1,053,636</b>	<b>380,519</b>
<b>Fund Balance - June 30</b>	<b>\$ 1,316,903</b>	<b>\$ 958,809</b>	<b>\$ 551,141</b>

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

Library Special Revenue	Permanent Funds		Total Governmental Funds
	Perpetual Cemetery	Library Endowment	
\$ -	\$ -	\$ -	\$ 6,103,938
-	-	-	327,165
-	-	-	621,326
-	-	-	862,349
-	56,300	-	1,658,923
-	-	-	92,278
-	65,908	44,448	278,111
-	-	-	115,036
-	-	-	354,523
<hr/>	<hr/>	<hr/>	<hr/>
-	122,208	44,448	10,413,649
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	1,483,191
-	-	-	2,700,146
-	-	-	867,676
-	-	-	2,200,177
-	-	-	1,951,273
-	-	-	490,383
-	-	-	62,704
-	-	-	577,849
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	10,333,399
<hr/>	<hr/>	<hr/>	<hr/>
-	122,208	44,448	80,250
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	498,000
-	-	-	87,405
-	-	-	(458,260)
-	-	-	(200,000)
(87,405)	-	-	(127,145)
(87,405)	-	-	(200,000)
(87,405)	122,208	44,448	(119,750)
<hr/>	<hr/>	<hr/>	<hr/>
87,405	1,266,593	813,401	5,193,253
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ 1,388,801	\$ 857,849	\$ 5,073,503

**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, 2008**

**Net change in fund balances-total governmental funds** \$ (119,750)

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

**Governmental funds report capital outlays as expenditures. However, in the statement of activities, 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 in the current period.**

<b>Capital outlays</b>	<b>2,672,687</b>
<b>Depreciation expense</b>	<b><u>(1,433,538)</u></b>
	<b>1,239,149</b>

**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.** 1,635,825

**Bond proceeds and capital lease financing provide current financial resources to governmental funds. However, these forms of financing are reported as liabilities in the government-wide financial statements rather than revenues. This is the amount of financing received during the year.** (750,000)

**Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. The amount of debt principal and compensated absences paid are as follows:**

<b>Repayment of note payable</b>	<b>311,122</b>
<b>Repayment of capital lease</b>	<b>79,674</b>
<b>Repayment of bond principal</b>	<b>179,000</b>
<b>Compensated absences</b>	<b><u>208,281</u></b>
	<b>778,077</b>

**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 - changes in long-term compensated absences payable.** (202,795)

**Change in net assets of governmental activities** \$ 2,580,506

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

**KAYSVILLE CITY**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES**  
**JUNE 30, 2008**

	<u>Water</u>	<u>Sewer</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
<b>Cash</b>	\$ 31,872	\$ 553,943
<b>Accounts Receivable (Net of Allowance for Uncollectibles)</b>	209,101	146,922
<b>Interfund Receivable</b>	-	-
<b>Inventory</b>	-	-
<b>Total Current Assets</b>	<u>240,973</u>	<u>700,865</u>
<b>Noncurrent Assets</b>		
<b>Capital Assets:</b>		
<b>Land</b>	120,094	-
<b>Net Depreciable Capital Assets</b>	12,762,964	26,150
<b>Water Stock</b>	76,140	-
<b>Total Noncurrent Assets</b>	<u>12,959,198</u>	<u>26,150</u>
<b>Total Assets</b>	<u><u>\$ 13,200,171</u></u>	<u><u>\$ 727,015</u></u>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Current Liabilities:</b>		
<b>Accounts Payable</b>	\$ 214,984	\$ 143,369
<b>Interest Payable</b>	-	-
<b>Interfund Payable</b>	600,000	-
<b>Deposits</b>	3,000	-
<b>Noncurrent Liabilities Due Within One Year</b>	23,360	-
<b>Total Current Liabilities</b>	<u>841,344</u>	<u>143,369</u>
<b>Noncurrent Liabilities</b>		
<b>Due In More Than One Year</b>	5,840	-
<b>Total Noncurrent Liabilities</b>	<u>5,840</u>	<u>-</u>
<b>Total Liabilities</b>	<u>847,184</u>	<u>143,369</u>
<b>NET ASSETS</b>		
<b>Investments in Capital Assets, Net of Related Debt</b>	12,959,198	26,150
<b>Restricted for:</b>		
<b>Water Impact</b>	55,149	-
<b>Unrestricted</b>	(661,360)	557,496
<b>Total Net Assets</b>	<u>12,352,987</u>	<u>583,646</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 13,200,171</u></u>	<u><u>\$ 727,015</u></u>

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

Electric	Pressure Irrigation	Sanitation	Storm Water	Ambulance	Total
\$ 4,267,113	\$ 53,865	\$ 714,902	\$ 32,320	\$ 73,483	\$ 5,727,498
930,318	88,709	117,687	87,258	117,196	1,697,191
600,000	-	-	-	-	600,000
415,000	-	-	-	-	415,000
<u>6,212,431</u>	<u>142,574</u>	<u>832,589</u>	<u>119,578</u>	<u>190,679</u>	<u>8,439,689</u>
6,265,568	16,322	-	-	-	6,401,984
14,473,799	-	235,347	6,874,872	24,790	34,397,922
3,169,850	-	-	-	-	3,245,990
<u>20,739,367</u>	<u>3,186,172</u>	<u>235,347</u>	<u>6,874,872</u>	<u>24,790</u>	<u>44,045,896</u>
<u>\$ 26,951,798</u>	<u>\$ 3,328,746</u>	<u>\$ 1,067,936</u>	<u>\$ 6,994,450</u>	<u>\$ 215,469</u>	<u>\$ 52,485,585</u>
\$ 1,657,217	\$ 76,618	\$ 88,322	\$ 77,985	\$ 28,160	\$ 2,286,655
209,419	-	-	-	-	209,419
-	-	-	-	50,000	650,000
68,430	-	-	-	-	71,430
347,346	-	-	49,504	-	420,210
<u>2,282,412</u>	<u>76,618</u>	<u>88,322</u>	<u>127,489</u>	<u>78,160</u>	<u>3,637,714</u>
<u>2,545,921</u>	<u>-</u>	<u>-</u>	<u>190,023</u>	<u>-</u>	<u>2,741,784</u>
<u>2,545,921</u>	<u>-</u>	<u>-</u>	<u>190,023</u>	<u>-</u>	<u>2,741,784</u>
<u>4,828,333</u>	<u>76,618</u>	<u>88,322</u>	<u>317,512</u>	<u>78,160</u>	<u>6,379,498</u>
17,674,236	3,186,172	235,347	6,645,356	24,790	40,751,249
4,449,229	65,956	744,267	31,582	112,519	55,149
<u>22,123,465</u>	<u>3,252,128</u>	<u>979,614</u>	<u>6,676,938</u>	<u>137,309</u>	<u>46,106,087</u>
<u>\$ 26,951,798</u>	<u>\$ 3,328,746</u>	<u>\$ 1,067,936</u>	<u>\$ 6,994,450</u>	<u>\$ 215,469</u>	<u>\$ 52,485,585</u>

**KAYSVILLE CITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES**  
**YEAR ENDED JUNE 30, 2008**

	<b>Water</b>	<b>Sewer</b>
<b>Operating Revenues:</b>		
Charges for Services (Net of uncollectibles)	\$ 1,690,696	\$ 1,506,782
<b>Total Operating Revenues</b>	<b>1,690,696</b>	<b>1,506,782</b>
<b>Operating Expenses:</b>		
Personnel Services	630,500	7,501
Contractual Services	43,229	-
Administrative Charges from General Fund	130,000	60,000
Interfund Services	58,750	-
Purchases Water/Treatment/Power/Refuse	377,791	1,417,567
Supplies and Miscellaneous Operating	411,354	550
Equipment and Maintenance	138,073	-
Energy Sales and Use Tax Charge	-	-
Depreciation	323,261	688
<b>Total Operating Expenses</b>	<b>2,112,958</b>	<b>1,486,306</b>
<b>Operating Income (Loss)</b>	<b>(422,262)</b>	<b>20,476</b>
<b>Non-Operating Revenues (Expenses):</b>		
Connection Fees	26,871	-
Extension Fees	-	-
Impact Fees	44,298	-
Interest Income	10,210	-
Miscellaneous	8,364	-
Interest Expense	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>89,743</b>	<b>-</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(332,519)</b>	<b>20,476</b>
<b>Contributions From Developers</b>	<b>629,117</b>	<b>-</b>
<b>Transfers In (Out):</b>		
General Fund	-	-
<b>Change in Net Assets</b>	<b>296,598</b>	<b>20,476</b>
<b>Total Net Assets - Beginning</b>	<b>12,056,389</b>	<b>563,170</b>
<b>Total Net Assets - Ending</b>	<b>\$ 12,352,987</b>	<b>\$ 583,646</b>

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

Electric	Pressure Irrigation	Sanitation	Storm Water	Ambulance	Total
\$ 11,662,705	\$ 969,994	\$ 1,218,953	\$ 936,525	\$ 412,574	\$ 18,398,229
11,662,705	969,994	1,218,953	936,525	412,574	18,398,229
914,015	5,212	32,949	178,629	307,650	2,076,456
145,000	-	633,653	16,312	54,338	892,532
130,000	40,000	40,000	40,000	-	440,000
67,750	-	2,250	40,000	4,500	173,250
8,705,547	886,989	378,766	-	-	11,766,660
244,997	840	4,522	48,305	45,428	755,996
360,898	-	8,198	234,226	35,935	777,330
702,902	-	-	-	-	702,902
556,081	-	56,392	254,689	1,168	1,192,279
11,827,190	933,041	1,156,730	812,161	449,019	18,777,405
(164,485)	36,953	62,223	124,364	(36,445)	(379,176)
11,099	-	-	-	-	37,970
695,821	-	-	-	-	695,821
115,084	-	-	-	-	159,382
197,418	-	-	1,933	-	209,561
89,570	-	-	2,328	15,921	116,183
(230,572)	-	(977)	-	-	(231,549)
878,420	-	(977)	4,261	15,921	987,368
713,935	36,953	61,246	128,625	(20,524)	608,192
-	351,000	-	1,235,179	-	2,215,296
-	-	-	-	200,000	200,000
713,935	387,953	61,246	1,363,804	179,476	3,023,488
21,409,530	2,864,175	918,368	5,313,134	(42,167)	43,082,599
\$ 22,123,465	\$ 3,252,128	\$ 979,614	\$ 6,676,938	\$ 137,309	\$ 46,106,087

**KAYSVILLE CITY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES**  
**YEAR ENDED JUNE 30, 2008**

	<b>Water</b>	<b>Sewer</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 1,481,595	\$ 1,363,258
Cash Payments to Suppliers for Goods and Services	(753,144)	(1,274,746)
Cash Payments to Employees for Services	(626,455)	(7,501)
Cash Payments for Interfund Services	(188,750)	(60,000)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(86,754)</b>	<b>21,011</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Change In Interfund Borrowings	600,000	-
Transfers In (Out)	-	-
<b>Net Cash Used in Non-Capital Financing Activities</b>	<b>600,000</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Impact, Extension and Connection Fees	79,533	-
Acquisition of Capital Assets	(926,739)	-
Principal Paid on Bonds and Notes	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(847,206)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest Received	10,210	-
Interest Paid	-	-
<b>Net Cash Provided (Used) from Investing Activities</b>	<b>10,210</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(323,750)</b>	<b>21,011</b>
<b>Cash/Equivalents at Beginning of Year</b>	<b>355,622</b>	<b>532,932</b>
<b>Cash/Equivalents at End of Year</b>	<b>\$ 31,872</b>	<b>\$ 553,943</b>
<b>CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ (422,262)	\$ 20,476
<b>Reconciliation Adjustments:</b>		
Depreciation	323,261	688
Bad Debt Expense	9,125	8,684
<b>Changes in Assets and Liabilities:</b>		
Changes in Receivables	(218,226)	(152,208)
Changes in Inventory	-	-
Changes in Accounts Payable	217,303	143,371
Changes in Compensated Absences	4,045	-
<b>Total Adjustments</b>	<b>335,508</b>	<b>535</b>
<b>Net Cash (Used) Provided by Operating Activities</b>	<b>\$ (86,754)</b>	<b>\$ 21,011</b>
<b>Noncash investing and capital activities:</b>		
Contributions from Developers	629,117	-

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

Electric	Pressure Irrigation	Sanitation	Storm Water	Ambulance	Total
\$ 12,441,073	\$ 881,585	\$ 1,101,266	\$ 849,267	\$ 401,493	\$ 18,519,537
(9,289,665)	(811,211)	(936,817)	(222,132)	(107,541)	(13,395,256)
(922,106)	(5,212)	(32,949)	(175,382)	(307,650)	(2,077,255)
(197,750)	(40,000)	(42,250)	(80,000)	(4,500)	(613,250)
<u>2,031,552</u>	<u>25,162</u>	<u>89,250</u>	<u>371,753</u>	<u>(18,198)</u>	<u>2,433,776</u>
(600,000)	-	-	-	(100,000)	(100,000)
-	-	-	-	200,000	200,000
<u>(600,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
911,574	-	-	2,328	15,921	1,009,356
(1,472,282)	-	(32,616)	(469,911)	(24,790)	(2,926,338)
(317,301)	-	(22,392)	(53,086)	-	(392,779)
<u>(878,009)</u>	<u>-</u>	<u>(55,008)</u>	<u>(520,669)</u>	<u>(8,869)</u>	<u>(2,309,761)</u>
197,418	-	-	1,933	-	209,561
(253,841)	-	(977)	-	-	(254,818)
(56,423)	-	(977)	1,933	-	(45,257)
497,120	25,162	33,265	(146,983)	72,933	178,758
3,769,993	28,703	681,637	179,303	550	5,548,740
<u>\$ 4,267,113</u>	<u>\$ 53,865</u>	<u>\$ 714,902</u>	<u>\$ 32,320</u>	<u>\$ 73,483</u>	<u>\$ 5,727,498</u>
\$ (164,485)	\$ 36,953	\$ 62,223	\$ 124,364	\$ (36,445)	\$ (379,176)
556,081	-	56,392	254,689	1,168	1,192,279
44,341	5,270	7,370	4,820	29,507	109,117
734,027	(93,679)	(125,057)	(92,078)	(40,588)	12,191
(9,750)	-	-	-	-	(9,750)
879,429	76,618	88,322	76,711	28,160	1,509,914
(8,091)	-	-	3,247	-	(799)
<u>2,196,037</u>	<u>(11,791)</u>	<u>27,027</u>	<u>247,389</u>	<u>18,247</u>	<u>2,812,952</u>
<u>\$ 2,031,552</u>	<u>\$ 25,162</u>	<u>\$ 89,250</u>	<u>\$ 371,753</u>	<u>\$ (18,198)</u>	<u>\$ 2,433,776</u>
-	351,000	-	1,235,179	-	2,215,296

**THIS PAGE INTENTIONALLY LEFT BLANK**

**NOTES TO  
BASIC FINANCIAL STATEMENTS**

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Reporting Entity**

Kaysville City was settled in 1850 and on March 15, 1968 was incorporated. Kaysville operates under a Council-manager form of government. The Mayor and the five City Council members are elected at large with staggered terms. The City provides the following services: Public safety (police and fire), public utilities (water, sewer, electric, sanitation, pressure irrigation, and storm water), streets, library, parks, recreation, 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 (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable that do not conflict with or contradict GASB pronouncements). Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in 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 Governmental Accounting Standards Board (GASB).

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments. Certain of the significant changes in the Statement include the financial statements prepared using full accrual accounting for all of the City's activities, including infrastructure (roads, bridges, etc.) and a change in the fund financial statements focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The City elected to implement the general provisions of the Statement in the year ended June 30, 2003 and has retroactively reported infrastructure (assets acquired prior to June 30, 2002).

### **Blended Component Units**

Municipal Building Authority of Kaysville City, Utah (MBA). The MBA's governing board is financially dependent upon the government. There was no activity during the year.

### **Basic Financial Statements - Government-Wide Statements:**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. Government 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 governmental-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

The 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 reconciliation 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 program. 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 over-head are allocated among the programs.

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 program 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 accrual basis of accounting.

Property taxes, franchise taxes, licenses, and interest are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

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 account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Debt Service Fund account for resources accumulated and payments made for principal and interest in general obligations for the city.

Library Special Revenue Fund accounts for revenue sources that are restricted to expenditures for the specific purpose of the library. Effective July 1, 2006, Davis County Library assumed the operation of the Library. Therefore, the activity that occurred during the fiscal year was due to the transfer and close-out of the fund.

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

Library Endowment Fund is used to account for a permanent endowment donated solely for the use of the library. The principal endowment may not be used for any purpose, including the library. However, the interest earnings from this principal is expendable for the library.

**Proprietary funds** are accounted for on the flow of economic resources measurement focus 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. The City applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**KAYSVILLE CITY - June 30, 2008**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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.

The City has a total of thirteen funds, including six governmental funds and seven proprietary funds.

**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 funds financial statements are presented on the modified accrual basis. 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. 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 available financial resources.

**Assets, Liabilities and Equity**

**Deposits and Investments**

Cash and cash equivalents are 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 stated at cost which approximates fair value.

**KAYSVILLE CITY - June 30, 2008**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**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 non-current 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 first-in/first-out (FIFO) 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 used in governmental fund types of the city are reported in the applicable governmental or proprietary fund columns in the financial statements. Capital assets are 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 their estimated fair market value at the date of donation.

Property, 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 in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

**KAYSVILLE CITY - June 30, 2008****NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Capital Assets (Continued)**

Property, plant and equipment are depreciated in the proprietary and similar trust funds of the government using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Other Infrastructure	40
Water System	35
Electrical System	35
Improvements	30
Vehicles	5
Equipment	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. Typically the general fund liquidates approximately 60% of the liability for compensated absences while the water fund, storm water fund, and the electric fund each liquidate approximately 20% of the liability.

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.

**Long-term Liabilities**

The City reports long-term liabilities of governmental funds at face value in the applicable governmental fund, enterprise fund or proprietary fund type balance sheet. Certain other governmental fund liabilities not expected to be financed with current available financial resources are also reported in the applicable fund type. 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 another 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. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

**Equity***Fund financial statements*

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Equity (Continued)**

*Government-wide Statements*

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

- a. Invested in capital assets, net of related debt – 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 assets – Consists of net assets 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 assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

It is the City's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**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 reductions of expenditures/expenses 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 non-operating 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.

**KAYSVILLE CITY - June 30, 2008**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Restricted Net Assets**

All of the City's reserve fund balances are also considered restricted net assets.

General Fund - all unexpended Class "C" Road payments at the end of the fiscal year are restricted by state law to be appropriated in the following budget year.

Park Development Impact fee - 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 assets have been restricted.

Transportation Impact Fee - 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 assets have been restricted.

Public Safety Impact Fee - a public safety 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 public safety. Accordingly, net assets have 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 assets have been restricted.

Electric 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 assets have been restricted.

Perpetual Cemetery - the perpetual cemetery fund is part of the fees collected at the time the cemetery lot is sold. The 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, thus only the interest earned on the principal may be used and is restricted for library expenditures.

Debt Service - The Municipal Building Authority has investments which are held in reserve for servicing the debt of the 2002 Series Bonds.

**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.

**KAYSVILLE CITY - June 30, 2008**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**2. DEPOSITS AND INVESTMENTS (Continued)**

**Deposits**

*Custodial credit risk* – Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2008, \$1,630,067 of the City's bank balances of \$2,030,067 was uninsured and uncollateralized.

**Investments**

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, 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; bonds, notes and other evidence of indebtedness of political subdivision 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 Act; and the Utah State Public Treasurers' Investment Fund (PTIF).

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. 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 – net of administration fees, of the PTIF 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.

As of June 30, 2008, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)				Quality Ratings
		Less than 1	1-5	6-10	More than 10	
PTIF Investments	\$ 9,013,820	\$ 9,013,820	\$ -	\$ -	\$ -	not rated
Money market	159,086	159,086	-	-	-	not rated
Certificate of deposit	658,263	211,050	447,213	-	-	not rated
	<u>\$ 9,831,169</u>	<u>\$ 9,383,956</u>	<u>\$ 447,213</u>	<u>\$ -</u>	<u>\$ -</u>	

**2. DEPOSITS AND INVESTMENTS (Continued)**

*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 declines in fair value by investing mainly in the Utah Public Treasurers' Investment Fund and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City's investments are noted in the previous table.

*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.

*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.

*Custodial credit risk (investments)* – 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 has no custodial credit risk.

Components of cash and investments (including interest earning deposits) at June 30, 2008, are as follows:

Cash on hand and on deposit:

Cash on hand	\$ 250
Cash on deposit	1,264,605
PTIF investment	9,013,820
Money market	159,086
Certificate of deposits	<hr/> 658,263
 Total cash and investments	 <hr/> \$11,096,024

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

Cash and cash equivalents	\$10,437,761
Investments	<hr/> 658,263
 Total cash and investments	 <hr/> \$11,096,024

KAYSVILLE CITY - June 30, 2008

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

**3. ACCOUNTS RECEIVABLE**

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

	General	Water	Sewer	Electric	Pressure Irrigation	Sanitation	Storm Water	Ambulance	Total
<b>Receivables:</b>									
Intergovernmental	\$ 867,901	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 867,901
Utility charges	-	170,066	154,024	983,762	93,111	123,591	91,273	193,274	1,809,101
Other receivables	255,415	46,557	-	-	-	-	-	-	301,972
Gross receivables	1,123,316	216,623	154,024	983,762	93,111	123,591	91,273	193,274	2,978,974
Allowance for uncollectibles	-	(7,522)	(7,102)	(53,444)	(4,402)	(5,904)	(4,015)	(76,078)	(158,467)
<b>Net receivables</b>	<b>\$1,123,316</b>	<b>\$ 209,101</b>	<b>\$ 146,922</b>	<b>\$ 930,318</b>	<b>\$ 88,709</b>	<b>\$ 117,687</b>	<b>\$ 87,258</b>	<b>\$ 117,196</b>	<b>\$ 2,820,507</b>

**4. CAPTIAL ASSETS**

Capital asset activity in the governmental activities for the year ended June 30, 2008, was as follows:

	Beginning Balance as Restated	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 4,707,500	\$ 749,998	\$ -	\$ 5,457,498
Total capital assets, not being depreciated	4,707,500	749,998	-	5,457,498
Capital assets, being depreciated				
Infrastructure	30,673,116	2,619,440	-	33,292,556
Buildings	4,435,215	114,474	-	4,549,689
Improvements	5,198,954	348,792	-	5,547,746
Vehicles	3,154,588	259,105	(119,307)	3,294,386
Equipment	1,280,128	270,704	(73,166)	1,477,666
Total capital assets, being depreciated	44,742,001	3,612,515	(192,473)	48,162,043
Accumulated Depreciation for:				
Infrastructure	(13,361,571)	(835,431)	-	(14,197,002)
Buildings	(1,017,464)	(72,798)	-	(1,090,262)
Improvements	(1,507,593)	(173,299)	-	(1,680,892)
Vehicles	(2,063,942)	(233,227)	120,341	(2,176,828)
Equipment	(753,287)	(118,784)	19,168	(852,903)
Total accumulated depreciation	(18,703,857)	(1,433,539)	139,509	(19,997,887)
Total capital assets being depreciated, net	26,038,144	2,178,976	(52,964)	28,164,156
Governmental activities capital assets, net	\$30,745,644	\$2,928,974	\$ (52,964)	\$33,621,654

KAYSVILLE CITY - June 30, 2008

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS (Continued)**

Depreciation expense was charged to functions as follows:

**Governmental Activities:**

General Government	\$ 49,843
Public Safety	
Police	76,462
Fire	168,522
Community Development	13,327
Public Works	888,916
Parks and Recreation	236,469
 Total Governmental Activities Depreciation Expense	 <u>\$ 1,433,539</u>

Capital asset activity in the business-type activities for the year ended June 30, 2008, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type activities</b>				
Capital assets, not being depreciated				
Land	\$ 6,401,984	\$ -	\$ -	\$ 6,401,984
Water Stock	2,870,990	375,000	-	3,245,990
Total capital assets, not being depreciated	9,272,974	375,000	-	9,647,974
Capital assets, being depreciated				
Buildings	825,794	-	-	825,794
Improvements	41,320	-	-	41,320
Infrastructure	43,246,163	4,494,186	-	47,740,349
Vehicles	1,257,050	408,415	-	1,665,465
Machinery and Equipment	867,675	165,533	-	1,033,208
Total capital assets, being depreciated	46,238,001	5,068,134	-	51,306,136
Accumulated Depreciation for:				
Buildings	(289,028)	(13,763)	-	(302,791)
Improvements	-	(1,377)	-	(1,377)
Infrastructure	(13,786,452)	(1,054,377)	-	(14,840,829)
Vehicles	(1,005,282)	(103,532)	-	(1,108,814)
Machinery and Equipment	(616,267)	(38,136)	-	(654,403)
Total accumulated depreciation	(15,697,029)	(1,211,185)	-	(16,908,214)
Total capital assets, being depreciated, net	30,540,972	3,856,949	-	34,397,922
Business-type activities capital assets, net	\$39,813,946	\$4,231,949	\$ -	\$44,045,896

**KAYSVILLE CITY - June 30, 2008**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS (Continued)**

Depreciation expense was charged to functions as follows:

**Business-type Activities:**

Water	\$ 323,261
Sewer	688
Electric	556,081
Sanitation	56,392
Storm Water	254,689
Ambulance	1,168
<b>Total Business-type Activities Depreciation Expense</b>	<b>\$ 1,192,279</b>

Capital assets by proprietary fund are as follows:

	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Electric Utility</b>	<b>Pressure Irrigation</b>	<b>Sanitation Utility</b>	<b>Storm Water</b>	<b>Ambulance</b>	<b>Total</b>
Land	\$ 120,094	\$ -	\$6,265,568	\$ 16,322	\$ -	\$ -	\$ -	\$ 6,401,984
Water Stock	76,140	-	-	3,169,850	-	-	-	3,245,990
Buildings	123,869	41,289	660,636	-	-	-	-	825,794
Improvements	41,320	-	-	-	-	-	-	41,320
Infrastructure	16,470,888	-	19,547,091	-	-	11,722,370	-	47,740,349
Vehicles	374,647	-	618,809	-	145,110	312,129	214,770	1,665,465
Equipment	155,385	-	174,300	-	671,307	1,568	30,648	1,033,208
<b>Total</b>	<b>17,362,343</b>	<b>41,289</b>	<b>27,266,404</b>	<b>3,186,172</b>	<b>816,417</b>	<b>12,036,067</b>	<b>245,418</b>	<b>60,954,110</b>
Accum Depr	(4,403,145)	(15,139)	(6,527,037)	-	(581,070)	(5,161,195)	(220,628)	(16,908,214)
<b>Net</b>	<b>\$12,959,198</b>	<b>\$ 26,150</b>	<b>\$20,739,367</b>	<b>\$3,186,172</b>	<b>\$ 235,347</b>	<b>\$6,874,872</b>	<b>\$ 24,790</b>	<b>\$44,045,896</b>

**5. DEPOSITS**

General Fund - Deposits in the general fund as of June 30, 2008 are as follows:

Business license bonds refundable	\$ 1,100
Builders' deposits	461,050
Excavation deposits	78,000
Escrow deposits	43,234
<b>Total</b>	<b>\$ 583,384</b>

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, 2008 deposits are as follows:

Utility deposits	\$ 68,430
Water meter deposits	3,000
<b>Total deposits</b>	<b>\$ 71,430</b>

KAYSVILLE CITY - June 30, 2008

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

**6. LEASES**

The City has three outstanding lease purchase agreements. These lease agreements qualify for capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments. All amortization expense for the capital leases has been included in depreciation expense.

The assets acquired through outstanding capital leases are as follows:

	<b>Business-type Activities</b>		
	<b>Governmental Activities</b>	<b>Sanitation Fund</b>	<b>Storm Water Fund</b>
Vehicles	\$ 439,551	\$ 145,110	\$ 282,602
Less: Accumulated Amortization	(62,793)	(116,088)	-
Total	<u>\$ 376,758</u>	<u>\$ 29,022</u>	<u>\$ 282,602</u>

**Governmental activities:**

**Fire Truck:**

The City has entered into a lease agreement as lessee for financing the acquisition for a fire truck. The lease was issued in November 2006 for the amount of \$340,000. Annual payments are made on November 1 of each year. The lease bears an interest rate of 4.33%. The final payment will be made on November 1, 2010. The Debt Service Fund is used to liquidate this lease. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008, were as follows:

<b>Year Ended June 30,</b>	<b>Capital Lease (Fire Truck)</b>		
	<b>4.33%</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 83,124	\$ 11,272	\$ 94,396
2010	86,723	7,673	94,396
2011	90,479	3,917	94,396
<b>Totals</b>	<b>\$ 260,326</b>	<b>\$ 22,862</b>	<b>\$ 283,188</b>

**Business-type activities:**

The City has two lease agreements as lessee for the acquisition of a street sweeper and a vactor truck.

The sweeper lease purchase agreement bears an interest rate of 4.36%. The final payment was made in 2008. Payments were made from the Sanitation Fund.

In the statement of activities, \$977 in interest expense was charged to the Sanitation Fund as a direct expense for the year ended June 30, 2008.

KAYSVILLE CITY - June 30, 2008

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

**6. LEASES (Continued)**

The vactor truck lease purchase agreement bears an interest rate of 5.05%. Annual payments are made with final payment being made in 2013. Payments are made from the Storm Water fund.

Year Ended June 30,	Capital Lease (Vactor Truck)		
	Principal	Interest	Total
2009	\$ 41,495	\$ 11,591	\$ 53,086
2010	43,591	9,495	53,086
2011	45,792	7,294	53,086
2012	48,105	4,981	53,086
2013	50,534	2,552	53,086
<b>Totals</b>	<b>\$ 229,517</b>	<b>\$ 35,913</b>	<b>\$ 265,430</b>

**7. LONG-TERM LIABILITIES**

**Governmental activities:**

**Note Payable – Angel Park Land**

The City is liable for a note payable issued in December 2002 in the amount of \$2,435,000 for the purchase of Angel Street Park. Payments are made annually on May 10 with the final payment being made on May 10, 2010. The note payable bears an interest rate of 5.00%. The amortization of the note is as follows:

Year Ended June 30,	Note Payable (Angel Park Land)		
	Principal	Interest	Total
2009	\$ 64,178	\$ 35,822	\$ 100,000
2010	652,250	32,615	684,865
<b>Totals</b>	<b>\$ 716,428</b>	<b>\$ 68,437</b>	<b>\$ 784,865</b>

**Pioneer Park- Land**

The City is liable for a note payable issued in September of 2007 for \$500,000 to finance the purchase of land for the future construction of Pioneer Park. Principal and interest are both paid on September 30 of each year with the final payment being made on September 30, 2012. The note payable bears an interest rate of 7%. The amortization of the note is as follows:

Year Ended June 30,	Note Payable (Pioneer Park Land)		
	Principal	Interest	Total
2009	\$ 100,000	\$ 35,000	\$ 135,000
2010	100,000	28,000	128,000
2011	100,000	21,000	121,000
2012	100,000	14,000	114,000
2013	100,000	7,000	107,000
<b>Totals</b>	<b>\$ 500,000</b>	<b>\$ 105,000</b>	<b>\$ 605,000</b>

KAYSVILLE CITY - June 30, 2008

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

**7. LONG-TERM LIABILITIES (Continued)**

**Series 2002 Bonds**

The City is liable for the repayment of bonds issued in 2002 in the amount of \$1,582,000 to finance the construction of the City's fire station. Principal and interest are both paid on March 16 of each year and an additional interest payment is made on September 15 of each year. Interest rate changes from year to year and is displayed in the table below. The bonds will mature on March 16, 2011. The amortization of the note is as follows:

<b>Year Ended June 30,</b>	<b>Series 2002 Bonds</b>			
	<b>Interest Rate</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	3.65%	\$ 187,000	\$ 22,055	\$ 209,055
2010	3.75%	195,000	15,230	210,230
2011	3.90%	203,000	7,917	210,917
<b>Totals</b>		<b>\$ 585,000</b>	<b>\$ 45,202</b>	<b>\$ 630,202</b>

**Business-type activities:**

**Note Payable – Land**

The City is liable for a note payable issued in July 2006 in the amount of \$3,923,013 for the purchase of property. Payments are made annually on July 31 with the final payment being made on July 31, 2016. The note payable bears an interest rate of 8.00%. The amortization of the note is as follows:

<b>Year Ended June 30,</b>	<b>Note Payable - Land</b>		
	<b>8.00%</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 317,301	\$ 228,457	\$ 545,758
2010	317,301	203,073	520,374
2011	317,301	177,689	494,990
2012	317,301	152,305	469,606
2013	317,301	126,921	444,222
2014	317,301	101,536	418,837
2015	317,302	76,153	393,455
2016	317,302	50,768	368,070
2017	317,302	25,385	342,687
<b>Totals</b>	<b>\$ 2,855,712</b>	<b>\$ 1,142,287</b>	<b>\$ 3,997,999</b>

**KAYSVILLE CITY - June 30, 2008**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

**7. LONG-TERM LIABILITIES (Continued)**

Activity with long-term liabilities including capital leases and compensated absences for the year ended June 30, 2008 was as follows:

<b>Governmental Activities:</b>	<b>Balance</b>			<b>Balance</b>	<b>Amounts Due Within One Year</b>
	<b>July 1, 2007</b>	<b>Additions</b>	<b>Reductions</b>		
Note Payable - Angel Street Park Land	\$ 777,550	\$ -	\$ (61,122)	\$ 716,428	\$64,178
Note Payable - Pioneer Park Land	-	500,000	-	500,000	100,000
Series 2002 Bonds	764,000	-	(179,000)	585,000	187,000
Fire Truck Lease	340,000	-	(79,674)	260,326	83,124
<b>Total Debt</b>	<b>1,881,550</b>	<b>500,000</b>	<b>(319,796)</b>	<b>2,061,754</b>	<b>434,302</b>
Compensated Absences	260,351	151,758	(156,208)	255,901	51,180
<b>Total Governmental Activities</b>	<b>\$2,141,901</b>	<b>\$651,758</b>	<b>\$ (476,004)</b>	<b>\$2,317,655</b>	<b>\$485,482</b>

<b>Business-type Activities:</b>	<b>Balance</b>			<b>Balance</b>	<b>Amounts Due Within One Year</b>
	<b>July 1, 2007</b>	<b>Additions</b>	<b>Reductions</b>		
Capital Lease (Sweeper)	\$ 22,392	\$ -	\$ (22,392)	\$ -	\$ -
Capital Lease (Vactor Truck)	-	282,602	(53,085)	229,517	41,495
Note Payable - Land	3,173,013	-	(317,301)	2,855,712	317,301
<b>Total Debt</b>	<b>3,195,405</b>	<b>282,602</b>	<b>(392,778)</b>	<b>3,085,229</b>	<b>358,796</b>
Compensated Absences	77,570	61,257	(62,062)	76,765	61,414
<b>Total Business-type Activities</b>	<b>\$ 3,272,975</b>	<b>\$ 343,859</b>	<b>\$ (454,840)</b>	<b>\$3,161,994</b>	<b>\$420,210</b>

For the year ended June 30, 2008, \$81,920 in interest was charged to expense in the Governmental Activities and \$254,818 was charged to expense in the Business-type Activities. No interest was capitalized for the year ended June 30, 2008, in Governmental or Business-type Activities.

Typically the general fund liquidates approximately 60% of the liability for compensated absences while the water fund, storm water fund, and the electric fund each liquidate approximately 20% of the liability.

**8. 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). The Systems provide retirement benefits, annual cost of living allowances, death benefits and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 (Chapter 49) as amended, which also established the Utah State Retirement Office (Office) for the administration of the Utah Retirement Systems and plans. Chapter 49 places the Systems, the Office and related plans and programs under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement System, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy – Plan members in the Local Governmental Contributory Retirement System are required to contribute 6.00% of their annual covered salary (all or part may be paid by the employer for the employee) and Kaysville City is required to contribute 7.61% of their annual covered salary. In the Local Governmental Noncontributory Retirement System Kaysville City is required to contribute 11.62% of their annual covered salary. In the Public Safety Retirement System, the City is required to contribute 22.61% of covered salary to the noncontributory division. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Defined Benefit Plan – The Kaysville City Contributions to the Local Governmental Contributory Retirement System for the years ending June 30, 2008, 2007 and 2006 were \$5,415, \$5,167, and \$4,796 respectively and for the Noncontributory Retirement System the contributions for June 30, 2008, 2007 and 2006 were \$308,321, \$241,994, and \$223,882 respectively. For the Public Safety Noncontributory Retirement System contributions for June 30, 2008, 2007 and 2006 were \$203,903, \$171,877, and \$142,646 respectively, and for the Public Safety Contributory Retirement System contributions for June 30, 2008, 2007 and 2006 were \$0, \$6,223, and \$6,701 respectively. The contributions were equal to the required contributions for each year.

Defined Contribution Plan – The City also provides a money purchase plan and a 401-k plan for employees. The plans are adopted and amended by the City Council, administered by the trustees with money management and contract administration provided by The Principal Financial Group. The money purchase plan is funded by the City in an amount which brings all retirement benefits paid by the City to an equal basis. The Plan covers all City employees and participants who are fully vested. The required contributions for the year ended June 30, 2008 totaled \$192,002. The 401(k) plan is an elective deferral plan. All participants are fully vested. Contributions for the year ended June 30, 2008 totaled approximately \$188,642.

**9. 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.

KAYSVILLE CITY - June 30, 2008

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

**10. INTERFUND TRANSACTIONS**

**Transfers In/Out**

Transfers for the year ended June 30, 2008 were as follows:

<b>Transfers Out</b>	<b>Transfers In</b>			<b>Total</b>
	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Ambulance Fund</b>	
<b>General Fund</b>	\$ 208,000	\$ 290,000	\$ 200,000	\$ 698,000
<b>Capital Projects Fund</b>	250,260	-	-	250,260
<b>Library Fund</b>	-	87,405	-	87,405
<b>Totals</b>	<b>\$ 458,260</b>	<b>\$ 377,405</b>	<b>\$ 200,000</b>	<b>\$1,035,665</b>

The above transfers resulted from the normal course of the City's operation. 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 the Ambulance Fund was unable to cover from its own revenues.

**Interfund Receivables/Payables**

Interfund receivables and payables as of June 30, 2008 were as follows:

<b>Due to Other Funds</b>	<b>Due from Other Funds</b>		
	<b>Water</b>	<b>Ambulance</b>	<b>Total</b>
<b>General Fund</b>	\$ -	\$ 50,000	\$ 50,000
<b>Electric Fund</b>	600,000	-	600,000
<b>Total</b>	<b>\$ 600,000</b>	<b>\$ 50,000</b>	<b>\$ 650,000</b>

In the Government-wide Statement of Net Assets, the internal balances have been consolidated to governmental activities and business-type activities with a balance of \$50,000 being due to the governmental activities from the business-type activities which is represented above in the balance between the Ambulance Fund and the General Fund.

The above receivable and payable have resulted from the normal course of the City's operations. The Ambulance fund has borrowed money from the General Fund in order to pay for operating costs. The Water Fund has borrowed money from Electric Fund anticipating the collection of additional revenues due to a rate increase. All interfund borrowings are expected to be paid within a year.

**KAYSVILLE CITY - June 30, 2008**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

**11. PROPERTY TAX**

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 September 1 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.

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.

**12. COMMITMENTS**

The City has committed to a construction project on 200 North for the railroad grade separation crossing. The City participates in this project with the Utah Department of Transportation. The City's estimated additional cost for the construction project is \$1,200,000. The final cost is to be determined at the close out of the project.

**13. SUBSEQUENT EVENTS**

The City has committed to a capital lease for the purchase of a sweeper truck from the Sanitation Fund. The purchase price of the truck is \$163,383. The City traded in their old sweeper as a down payment in October, 2008, while the remainder of the purchase price will be paid in ten semiannual installments of \$18,361 plus interest at a rate of 4.7%.

The City has committed to a capital lease for the purchase of an ambulance from the Ambulance Fund. The purchase price of the ambulance is \$153,000. The full purchase price was financed with the capital lease. The purchase price will be paid in ten semiannual installments of \$17,195 plus interest at a rate of 4.7%.

**14. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Expenditures over budget:

The Capital Projects Fund incurred \$170,622 expenditures in excess of budget.

The following departments in the General Fund incurred expenditures in excess of budget:

<b><u>General Fund:</u></b>	<b>Budget</b>	<b>Actual</b>	<b>Actual Over Budget</b>
City Council	\$90,400	\$90,426	\$26
Fleet Maintenance	\$244,400	\$245,524	\$1,124
Code Enforcement	\$398,886	\$409,974	\$11,088
Recreation	\$661,450	\$662,473	\$1,023
Public Works	\$952,400	\$986,667	\$34,267
Class C Roads	\$1,160,000	\$1,213,510	\$53,510

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **REQUIRED SUPPLEMENTARY INFORMATION**

**General Fund**

**Library Special Revenue Fund**

**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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>		
	<b>Original</b>	<b>Final</b>				
<b>Revenues:</b>						
<b>Taxes:</b>						
Property Taxes - Current	\$ 1,020,000	\$ 1,020,000	\$ 1,075,994	\$ 55,994		
Property Taxes - Redemptions	50,000	50,000	5,914	(44,086)		
Property Taxes-Payments in Lieu	24,000	24,000	18,336	(5,664)		
Motor Vehicle Fee in Lieu	160,000	160,000	146,571	(13,429)		
Sales Tax	3,060,000	3,060,000	3,249,441	189,441		
Utility License Tax	510,000	510,000	547,862	37,862		
Energy Sales and Use Charge	1,115,000	1,115,000	1,059,820	(55,180)		
	<u>5,939,000</u>	<u>5,939,000</u>	<u>6,103,938</u>	<u>164,938</u>		
<b>Licenses and Permits:</b>						
Business Licenses	50,000	50,000	53,677	3,677		
Building Permits	550,000	550,000	273,488	(276,512)		
	<u>600,000</u>	<u>600,000</u>	<u>327,165</u>	<u>(272,835)</u>		
<b>Intergovernmental:</b>						
Class "C" Road	785,000	785,000	822,422	37,422		
State Liquor Allotment	12,000	12,000	15,124	3,124		
State Grants	-	-	400	400		
Homeland Security Grant	-	-	14,566	14,566		
Emergency Medical Services Grant	-	-	9,837	9,837		
Community Development Block Grant	100,000	120,000	115,036	(4,964)		
	<u>897,000</u>	<u>917,000</u>	<u>977,385</u>	<u>60,385</u>		
<b>Charges for Services:</b>						
Administrative Charges	440,000	440,000	440,000	-		
Zoning	165,000	165,000	92,381	(72,619)		
Maps and Publications	500	500	521	21		
Fire Protection	125,000	125,000	144,344	19,344		
Law Enforcement	68,850	68,850	117,576	48,726		
Streets	33,500	33,500	6,060	(27,440)		
Parks and Recreation	421,800	421,800	466,827	45,027		
Facilities Maintenance	9,000	9,000	8,280	(720)		
Cemetery Lots	70,000	70,000	71,925	1,925		
Burial Fees	52,500	52,500	73,755	21,255		
GIS Services	120,000	120,000	120,000	-		
Fleet Mgmt Services	53,250	53,250	53,250	-		
Miscellaneous Charges	3,000	3,000	7,704	4,704		
	<u>1,562,400</u>	<u>1,562,400</u>	<u>1,602,623</u>	<u>40,223</u>		
<b>Fines and Forfeitures</b>	<b>75,800</b>	<b>75,800</b>	<b>92,278</b>	<b>16,478</b>		

Basis of budgeting is the same as GAAP

(continued)

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2008**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Other Revenues:</b>				
Interest Earnings	150,000	150,000	167,755	17,755
Rents	24,000	24,000	14,101	(9,899)
Sale of Materials	-	-	2,594	2,594
Community Theatre	6,000	41,000	24,224	(16,776)
Civic Committee	6,000	6,000	23,958	17,958
Cert Fees	3,000	3,000	450	(2,550)
Donations	-	-	2,551	2,551
Sundry	7,500	7,500	205,926	198,426
Street Improvement Fees	-	-	60,157	60,157
Other	-	-	20,562	20,562
	<b>196,500</b>	<b>231,500</b>	<b>522,278</b>	<b>290,778</b>
<b>Total Revenues</b>	<b>9,270,700</b>	<b>9,325,700</b>	<b>9,625,667</b>	<b>299,967</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
City Council	85,400	90,400	90,426	(26)
City Manager	148,800	148,800	143,299	5,501
Administrative Services	694,950	694,950	661,708	33,242
Geographic Information Systems	180,010	180,010	166,550	13,460
Legal Services	145,000	145,000	118,974	26,026
Elections	17,750	27,000	26,236	764
Animal Control	28,000	34,000	30,474	3,526
Fleet Maintenance	229,400	244,400	245,524	(1,124)
Community Development Block Grant	100,000	120,000	115,036	4,964
	<b>1,629,310</b>	<b>1,684,560</b>	<b>1,598,227</b>	<b>86,333</b>
<b>Public Safety:</b>				
Police Department	2,295,244	2,295,244	2,211,807	83,437
Fire Department	510,880	510,880	488,339	22,541
	<b>2,806,124</b>	<b>2,806,124</b>	<b>2,700,146</b>	<b>105,978</b>
<b>Community Development:</b>				
Planning and Zoning	351,600	351,600	342,666	8,934
Code Enforcement	383,886	398,886	409,974	(11,088)
	<b>735,486</b>	<b>750,486</b>	<b>752,640</b>	<b>(2,154)</b>
<b>Public Works:</b>				
Public Works	902,400	952,400	986,667	(34,267)
Class "C" Roads	785,000	1,160,000	1,213,510	(53,510)
	<b>1,687,400</b>	<b>2,112,400</b>	<b>2,200,177</b>	<b>(87,777)</b>

(continued)

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2008**

	<b>Budgeted Amounts</b>		<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	
<b>Parks, Recreation and Public Properties:</b>			
Buildings	131,050	131,050	121,877 9,173
Parks	893,180	928,180	908,487 19,693
Recreation	661,450	661,450	662,473 (1,023)
Community Events	59,550	94,550	91,326 3,224
Cemetery	169,150	169,150	167,110 2,040
	1,914,380	1,984,380	1,951,273 33,107
<b>Total Expenditures</b>	<b>8,772,700</b>	<b>9,337,950</b>	<b>9,202,463 135,487</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>			
	498,000	(12,250)	423,204 435,454
<b>Other Financing Sources (Uses):</b>			
Appropriation from Fund Balance			-
Transfers (Out):			
Debt Service Fund	(208,000)	(208,000)	(208,000) -
Ambulance Fund	(200,000)	(200,000)	(200,000) -
Capital Projects Fund	(290,000)	(290,000)	(290,000) -
	(698,000)	(698,000)	(698,000) -
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>			
	(200,000)	(710,250)	(274,796) 435,454
<b>Fund Balance - July 1</b>	<b>1,591,699</b>	<b>1,591,699</b>	<b>1,591,699</b> -
<b>Fund Balance - June 30</b>	<b>\$ 1,391,699</b>	<b>\$ 881,449</b>	<b>\$ 1,316,903</b> <b>\$ 435,454</b>

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MAJOR SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2008**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Library Grant	-	-	-	-
Library Use Fees	-	-	-	-
Miscellaneous Charges	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Library	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In (Out):				
Fund Balance Appropriation	-	-	(87,405)	(87,405)
	-	-	(87,405)	(87,405)
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>(87,405)</b>	<b>(87,405)</b>
<b>Fund Balance at Beginning of Year</b>	<b>87,405</b>	<b>87,405</b>	<b>87,405</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 87,405</b>	<b>\$ 87,405</b>	<b>\$ -</b>	<b>\$ (87,405)</b>

**KAYSVILLE CITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2008**

**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 are adopted 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 and the Capital Projects 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 2007/2008 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 to reserve that portion of 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. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**KAYSVILLE CITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (continued)**  
**June 30, 2008**

**Summary of Action Required for Budget Changes**

1. Transfers of unexpended appropriations from one division to another and from one expenditure account to another in the same division 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).

## **OTHER SUPPLEMENTARY INFORMATION**

**Debt Service Fund**

**Capital Projects Fund**

**Impact Fee Reporting**

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MAJOR DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenues	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total Revenues	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
<b>EXPENDITURES:</b>				
Debt Service:				
Angel Street Park Payment	100,000	100,000	100,000	-
Fire Station Bond Payment	208,000	208,000	202,827	5,173
Pioneer Park Payment	-	250,260	250,260	-
Total Expenditures	<u>308,000</u>	<u>558,260</u>	<u>553,087</u>	<u>5,173</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(308,000)</u>	<u>(558,260)</u>	<u>(553,087)</u>	<u>(5,173)</u>
<b>Other Financing Sources (Uses):</b>				
Appropriation From Fund Balance	100,000	100,000	-	(100,000)
Transfers In (Out):				
General Fund	208,000	208,000	208,000	-
Capital Projects Fund	-	-	250,260	<u>250,260</u>
	<u>308,000</u>	<u>308,000</u>	<u>458,260</u>	<u>150,260</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>-</u>	<u>(250,260)</u>	<u>(94,827)</u>	<u>145,087</u>
Fund Balance at Beginning of Year	<u>1,053,636</u>	<u>1,053,636</u>	<u>1,053,636</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,053,636</u>	<u>\$ 803,376</u>	<u>\$ 958,809</u>	<u>\$ 145,087</u>

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MAJOR CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Park Development Impact Fees	\$ 195,000	\$ 195,000	\$ 202,500	\$ 7,500
Transportation Impact Fees	-	250,000	398,701	148,701
Public Safety Impact Fees	-	-	20,125	20,125
<b>Total Revenues</b>	<b>195,000</b>	<b>445,000</b>	<b>621,326</b>	<b>176,326</b>
<b>EXPENDITURES:</b>				
Capital Outlay:				
200 North Overpass Project	50,000	300,000	233,050	66,950
Heritage Park Improvements	90,000	90,000	54,085	35,915
Cemetery Expansion	150,000	150,000	78,348	71,652
Recreation Center Remodel	45,000	45,000	41,635	3,365
Barnes Sportsplex	150,000	150,000	160,006	(10,006)
Main Street Project	-	-	2,725	(2,725)
Rail Trail	-	8,000	8,000	-
<b>Total Expenditures</b>	<b>485,000</b>	<b>743,000</b>	<b>577,849</b>	<b>165,151</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(290,000)</b>	<b>(298,000)</b>	<b>43,477</b>	<b>341,477</b>
<b>Other Financing Sources (Uses):</b>				
Appropriation From Fund Balance	-	8,000	-	(8,000)
Transfers In (Out):				
Library Fund	-	-	87,405	87,405
Debt Service	-	-	(250,260)	(250,260)
General Fund	<b>290,000</b>	<b>290,000</b>	<b>290,000</b>	-
	<b>290,000</b>	<b>298,000</b>	<b>127,145</b>	<b>(170,855)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>170,622</b>	<b>170,622</b>
<b>Fund Balance at Beginning of Year</b>	<b>380,519</b>	<b>380,519</b>	<b>380,519</b>	-
<b>Fund Balance at End of Year</b>	<b>\$ 380,519</b>	<b>\$ 380,519</b>	<b>\$ 551,141</b>	<b>\$ 170,622</b>

**KAYSVILLE CITY  
IMPACT FEE REPORTING  
JUNE 30, 2008**

Impact fees are a funding tool used by local governments to place the cost of specific entity improvements to those that are creating the need for the improvements. Kaysville City has established several impact fees that are charged to either the developer or individual property owner.

The following tables show the funds collected by year, the planned expenditures, and the future capital projects for those expenditures.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**KAYSVILLE CITY**  
**IMPACT FEE REPORTING**  
**JUNE 30, 2008**

	Transportation	Public Safety	Parks & Recreation	Power	Water
<b>FY-2003</b>					
Beginning	-	-	369,106	636,049	2,165,186
Fees Collected			112,455	176,025	129,040
Expenditures			(159,097)	(574,638)	-
Interest			6,003	8,288	28,917
<b>Ending Balance</b>	<b>-</b>	<b>-</b>	<b>328,467</b>	<b>245,724</b>	<b>2,323,143</b>
<b>FY-2004</b>					
Beginning	-	-	328,467	245,724	2,323,143
Fees Collected			241,580	232,041	197,710
Expenditures			(482,008)	(801,421)	(53,148)
Interest			4,811	-	60,361
<b>Ending Balance</b>	<b>-</b>	<b>-</b>	<b>92,850</b>	<b>(323,657)</b>	<b>2,528,066</b>
<b>FY-2005</b>					
Beginning	-	-	92,850	(323,657)	2,528,066
Fees Collected	543,334	30,460	353,325	200,044	162,197
Expenditures	-	-	(663,415)	(53,977)	(873,823)
Interest	2,215	126	4,959	-	50,901
<b>Ending Balance</b>	<b>545,549</b>	<b>30,586</b>	<b>(212,281)</b>	<b>(177,590)</b>	<b>1,867,342</b>
<b>FY-2006</b>					
Beginning	545,549	30,586	(212,281)	(177,590)	1,867,342
Fees Collected	1,451,343	66,010	604,260	430,115	156,771
Expenditures	(1,200,000)	-	(265,104)	(1,289,798)	(1,317,639)
Interest	52,333	2,440	6,418	-	-
<b>Ending Balance</b>	<b>849,225</b>	<b>99,036</b>	<b>133,293</b>	<b>(1,037,273)</b>	<b>706,473</b>
<b>FY-2007</b>					
Beginning	849,225	99,036	133,293	(1,037,273)	706,473
Fees Collected	1,106,504	45,467	450,360	342,854	104,233
Expenditures	(1,500,000)	-	(191,327)	(519,023)	(196,976)
Interest	22,035	5,126	12,343	-	26,614
<b>Ending Balance</b>	<b>477,764</b>	<b>149,629</b>	<b>404,669</b>	<b>(1,213,441)</b>	<b>640,345</b>
<b>FY-2008</b>					
Beginning	477,764	149,629	404,669	(1,213,441)	640,345
Fees Collected	398,701	20,125	202,500	115,084	44,298
Expenditures	(850,000)	-	(451,900)	(135,547)	(644,552)
Interest	6,934	6,628	12,410	-	15,059
<b>Ending Balance</b>	<b>33,399</b>	<b>176,382</b>	<b>167,679</b>	<b>(1,233,904)</b>	<b>55,149</b>
<b>FY-2009</b>					
Beginning	33,399	176,382	167,679	(1,233,904)	55,149
Fees Collected	-	-	-	-	-
Expenditures	-	-	-	-	-
Interest	-	-	-	-	-
<b>Ending Balance</b>	<b>33,399</b>	<b>176,382</b>	<b>167,679</b>	<b>(1,233,904)</b>	<b>55,149</b>

**KAYSVILLE CITY**  
**IMPACT FEE REPORTING**  
**JUNE 30, 2008.**

<b>TRANSPORTATION IMPACT FEES- REVENUES AND EXPENDITURES</b>									
		Historical Six Year		Budget		Estimated Revenues and Expenditures			
		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total	FY 2009
Revenues:									
Impact Fees									
Interest, Revenues									
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>543,334</b>	<b>1,451,343</b>	<b>1,106,504</b>	<b>398,701</b>	<b>\$ 3,499,882</b>	<b>400,000</b>
Expenditures:									
200 North Overcrossing									
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>52,333</b>	<b>22,035</b>	<b>\$ 1,128,539</b>	<b>\$ 405,635</b>	<b>\$ 83,517</b>	<b>1,336</b>
Revenue over Expenses									
Prior Year Balance									
<b>Balance End of Year</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>545,549</b>	<b>\$ 1,200,000</b>	<b>\$ 1,500,000</b>	<b>\$ 850,000</b>	<b>\$ 3,550,000</b>	<b>\$ 477,764</b>
Revenues:									
Impact Fees									
Interest, Revenues									
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>545,549</b>	<b>\$ 303,676</b>	<b>\$ (371,481)</b>	<b>\$ (444,365)</b>	<b>\$ 33,398</b>	<b>\$ 434,735</b>
Expenditures:									
Police Station									
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>30,586</b>	<b>\$ 68,450</b>	<b>\$ 50,593</b>	<b>\$ 26,753</b>	<b>\$ 176,382</b>	<b>\$ 39,055</b>
Revenue over Expenses									
Prior Year Balance									
<b>Balance End of Year</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>30,586</b>	<b>\$ 68,450</b>	<b>\$ 50,593</b>	<b>\$ 26,753</b>	<b>\$ 149,629</b>	<b>\$ 176,382</b>

<b>PUBLIC SAFETY IMPACT FEES- REVENUES AND EXPENDITURES</b>									
		Historical Six Year		Budget		Estimated Revenues and Expenditures			
		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total	FY 2009
Revenues:									
Impact Fees									
Interest, Revenues									
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>30,125</b>	<b>66,010</b>	<b>45,487</b>	<b>20,125</b>	<b>\$ 162,062</b>	<b>32,000</b>
Expenditures:									
Police Station									
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>30,125</b>	<b>2,410</b>	<b>5,126</b>	<b>6,623</b>	<b>\$ 14,320</b>	<b>7,056</b>
Revenue over Expenses									
Prior Year Balance									
<b>Balance End of Year</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>30,586</b>	<b>\$ 68,450</b>	<b>\$ 50,593</b>	<b>\$ 26,753</b>	<b>\$ 149,629</b>	<b>\$ 176,382</b>

<b>WATER IMPACT FEES - REVENUES AND EXPENDITURES</b>									
		Historical Six Year		Budget		Estimated Revenues and Expenditures			
		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total	FY 2009
Revenues:									
Impact Fees									
Interest, Revenues									
<b>Total</b>	<b>\$</b>	<b>129,040</b>	<b>197,710</b>	<b>162,197</b>	<b>156,771</b>	<b>104,233</b>	<b>44,298</b>	<b>\$ 794,249</b>	<b>110,000</b>
Expenditures:									
Water Tank - Mountain Park									
Water Tank - Green Road									
Lauralwood Transmission									
Water Line - Burton Lane									
<b>Total</b>	<b>\$</b>	<b>157,957</b>	<b>258,071</b>	<b>50,901</b>	<b>\$ 213,098</b>	<b>\$ 156,771</b>	<b>\$ 130,847</b>	<b>\$ 59,357</b>	<b>\$ 976,101</b>
Revenue over Expenses									
Prior Year Balance									
<b>Balance End of Year</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>53,148</b>	<b>873,823</b>	<b>894,416</b>	<b>196,976</b>	<b>\$ 1,317,539</b>	<b>\$ 640,344</b>
Revenues:									
Impact Fees									
Interest, Revenues									
<b>Total</b>	<b>\$</b>	<b>157,957</b>	<b>204,923</b>	<b>\$ (60,725)</b>	<b>\$ (1,160,868)</b>	<b>\$ (65,129)</b>	<b>\$ (585,195)</b>	<b>\$ 2,528,056</b>	<b>\$ 1,867,341</b>
Expenditures:									
Water Tank - Mountain Park									
Water Tank - Green Road									
Lauralwood Transmission									
Water Line - Burton Lane									
<b>Total</b>	<b>\$</b>	<b>2,165,186</b>	<b>\$ 2,323,143</b>	<b>\$ 2,528,056</b>	<b>\$ 1,867,341</b>	<b>\$ 706,473</b>	<b>\$ 640,344</b>	<b>\$ 55,149</b>	<b>\$ 682,645</b>
Revenue over Expenses									
Prior Year Balance									
<b>Balance End of Year</b>	<b>\$</b>	<b>2,323,143</b>	<b>\$ 2,528,056</b>	<b>\$ 1,867,341</b>	<b>\$ 706,473</b>	<b>\$ 640,344</b>	<b>\$ 55,149</b>	<b>\$ (582,645)</b>	<b>\$ (424,507)</b>

**KAYSVILLE CITY**  
**IMPACT FEE REPORTING**  
**JUNE 30, 2008.**

**PARKS AND RECREATION IMPACT FEES - REVENUES AND EXPENDITURES**

Historical - Six Year							Estimated Revenues and Expenditures						
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total	Budget	FY 2011	FY 2012	FY 2013	FY 2014	
Revenues:													
Impact Fees	112,455	241,580	353,325	604,280	450,380	202,500	\$ 1,964,480	175,000	175,000	175,000	175,000	175,000	
Interest, Revenues	6,003	4,811	4,959	6,418	12,343	12,410	\$ 46,944	6,707	\$ (4,425)	\$ (16,522)	\$ (24,022)	\$ (31,543)	
<b>Total</b>	<b>\$ 118,458</b>	<b>\$ 246,391</b>	<b>\$ 358,284</b>	<b>\$ 610,678</b>	<b>\$ 462,703</b>	<b>\$ 214,910</b>	<b>\$ 2,011,424</b>	<b>\$ 181,707</b>	<b>\$ 170,575</b>	<b>\$ 158,478</b>	<b>\$ 150,978</b>	<b>\$ 143,457</b>	<b>\$ 144,915</b>
Expenditures:													
Heritage Park													
Recreation Center	52,803	52,803	29,921	15,306	48,220	41,635	\$ 45,227	225,000					
Angel Street Park	429,206	663,415	235,123	112,420	15,380	160,005	\$ 142,658						
Barnes Park													
Pioneer Park													
Rail Trail													
Openshaw Park													
Gymnasium													
<b>Total</b>	<b>\$ 159,097</b>	<b>\$ 482,006</b>	<b>\$ 863,415</b>	<b>\$ 285,044</b>	<b>\$ 191,326</b>	<b>\$ 451,900</b>	<b>\$ 2,212,781</b>	<b>\$ 460,000</b>	<b>\$ 473,000</b>	<b>\$ 346,000</b>	<b>\$ 339,000</b>	<b>\$ 107,000</b>	<b>\$ -</b>
Revenue over Expenses	\$ (40,639)	\$ (235,618)	\$ (305,131)	\$ 345,634	\$ 271,377	\$ (236,990)	\$ (278,293)	\$ (302,425)	\$ (187,522)	\$ (188,022)	\$ 36,457	\$ 144,915	
Prior Year Balance	\$ 369,046	\$ 328,407	\$ 92,789	\$ (212,342)	\$ 133,292	\$ 404,669	\$ 157,679	\$ (110,614)	\$ (413,039)	\$ (600,591)	\$ (788,583)	\$ (752,126)	
<b>Balance End of Year</b>	<b>\$ 323,407</b>	<b>\$ 92,789</b>	<b>\$ (212,342)</b>	<b>\$ 133,292</b>	<b>\$ 404,669</b>	<b>\$ 167,679</b>	<b>\$ (110,614)</b>	<b>\$ (413,039)</b>	<b>\$ (600,591)</b>	<b>\$ (788,583)</b>	<b>\$ (752,126)</b>	<b>\$ (607,211)</b>	

**POWER IMPACT FEES- REVENUES AND EXPENDITURES**

Historical - Six Year							Estimated Revenues and Expenditures					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total	Budget	FY 2011	FY 2012	FY 2013	FY 2014
Revenues:												
Impact Fees	176,025	232,041	200,044	430,115	342,854	115,084	\$ 1,496,163	150,000	150,000	150,000	150,000	150,000
Interest, Revenues	8,288						\$ 8,288					
<b>Total</b>	<b>\$ 184,313</b>	<b>\$ 232,041</b>	<b>\$ 200,044</b>	<b>\$ 430,115</b>	<b>\$ 342,854</b>	<b>\$ 115,084</b>	<b>\$ 1,504,451</b>	<b>\$ 150,000</b>				
Expenditures:												
200 N Substation												
Burton Lane Substation	574,638	801,421	53,977	1,278,562	519,023	135,547	\$ 1,933,132	\$ 1,441,272				
Stick Lane Substation												
<b>Total</b>	<b>\$ 574,638</b>	<b>\$ 801,421</b>	<b>\$ 53,977</b>	<b>\$ 1,289,798</b>	<b>\$ 519,023</b>	<b>\$ 135,547</b>	<b>\$ 3,374,404</b>	<b>\$ -</b>				
Revenue over Expenses	\$ (390,325)	\$ (569,380)	\$ 146,067	\$ (859,663)	\$ (176,169)	\$ (20,465)	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Prior Year Balance	\$ 636,049	\$ 245,774	\$ (323,666)	\$ (177,589)	\$ (1,037,272)	\$ (1,213,441)	\$ (1,233,904)	\$ (1,233,904)	\$ (933,904)	\$ (783,904)	\$ (633,904)	\$ (483,904)
<b>Balance End of Year</b>	<b>\$ 245,724</b>	<b>\$ (233,666)</b>	<b>\$ (177,589)</b>	<b>\$ (1,037,272)</b>	<b>\$ (1,213,441)</b>	<b>\$ (1,233,904)</b>	<b>\$ (1,083,904)</b>	<b>\$ (633,904)</b>	<b>\$ (783,904)</b>	<b>\$ (633,904)</b>	<b>\$ (483,904)</b>	<b>\$ (333,904)</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

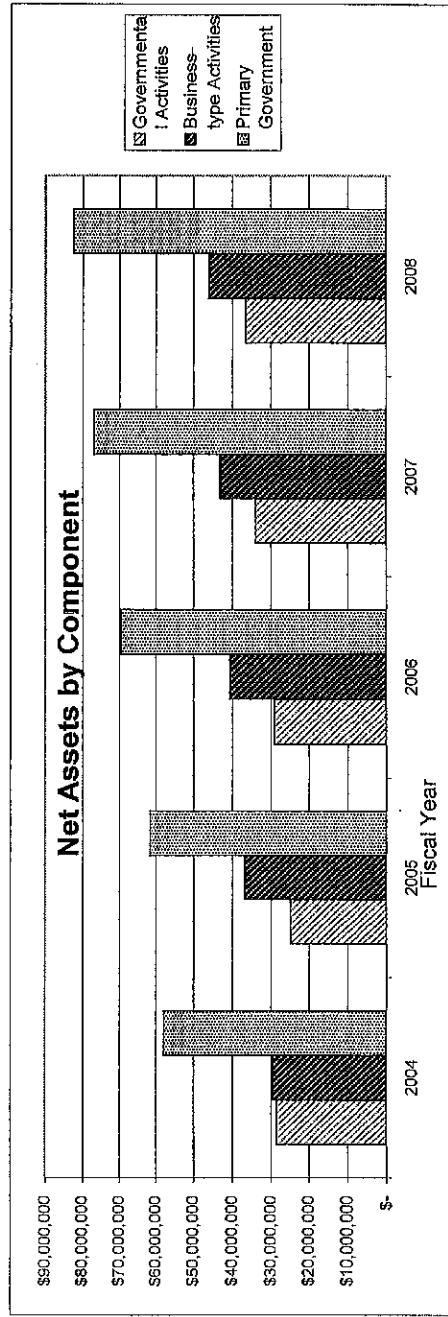


# STATISTICAL SECTION

KAYSVILLE CITY CORPORATION  
 Table 1 - Net Assets by Component  
 June 30, 2008

	Fiscal Year				
	2004	2005	2006	2007	2008
<b>Governmental Activities</b>					
Invested in Capital Assets, Net of Related Debt	\$ 22,396,106	\$ 19,063,908	\$ 21,086,118	\$ 28,864,094	\$ 31,303,999
Restricted	2,004,450	2,683,646	4,093,648	3,986,861	3,408,975
Unrestricted	4,008,876	3,059,042	3,865,714	936,041	1,664,528
<b>Total Governmental Activities Net Assets</b>	<b>\$ 28,409,432</b>	<b>\$ 24,806,596</b>	<b>\$ 29,045,480</b>	<b>\$ 33,798,996</b>	<b>\$ 36,377,502</b>
<b>Business-type Activities</b>					
Invested in Capital Assets, Net of Related Debt	\$ 19,666,590	\$ 27,289,164	\$ 32,883,333	\$ 39,784,790	\$ 40,751,249
Restricted	2,472,805	1,816,441	706,473	640,345	55,149
Unrestricted	7,292,003	7,606,474	6,928,976	2,657,464	5,299,689
<b>Total Business-type Activities Net Assets</b>	<b>\$ 29,431,398</b>	<b>\$ 36,712,079</b>	<b>\$ 40,518,782</b>	<b>\$ 43,082,599</b>	<b>\$ 46,106,087</b>
<b>Primary Government</b>					
Invested in Capital Assets, Net of Related Debt	\$ 42,062,696	\$ 46,353,072	\$ 53,969,451	\$ 68,648,884	\$ 72,055,248
Restricted	4,477,255	4,500,087	4,800,121	4,637,206	3,464,124
Unrestricted	11,300,879	10,665,516	10,794,690	3,593,505	6,964,217
<b>Total Primary Government Net Assets</b>	<b>\$ 57,840,830</b>	<b>\$ 61,518,675</b>	<b>\$ 69,564,262</b>	<b>\$ 76,879,595</b>	<b>\$ 82,483,589</b>

(Accrual Basis of Accounting)



**KAYSVILLE CITY CORPORATION**  
**Table 2 - Changes in Net Assets**  
**June 30, 2008**

	Fiscal Year			
	2004	2005	2006	2007
<b>Expenses</b>				
Government Activities:				
General Government	\$ 912,636	\$ 1,149,813	\$ 1,275,261	\$ 1,183,636
Public Safety - Police	1,597,383	1,683,710	1,813,474	2,027,634
Public Safety - Fire	320,968	348,039	445,331	450,318
Community Development	386,599	418,435	467,474	608,457
Public Works	2,415,623	2,245,723	1,615,171	2,119,382
Parks, Recreation and Public Properties	865,527	1,341,495	1,573,015	1,685,013
Perpetual Cemetery	71	-	-	78,348
Library Endowment	17,982	57,909	32,495	-
Special Revenue - Library	296,905	290,769	331,514	36,537
Interest on Long-Term Debt	149,014	129,459	105,831	83,286
<b>Total Governmental Activities Expenses</b>	<b>6,962,708</b>	<b>7,665,352</b>	<b>7,659,566</b>	<b>8,204,263</b>
Business-type Activities:				
Water	1,186,908	1,398,496	1,469,800	1,603,461
Sewer	1,222,847	1,274,505	1,324,522	1,391,445
Electric	8,374,719	8,992,356	10,717,294	10,818,203
Pressure Irrigation	562,112	594,054	777,596	893,148
Sanitation	1,116,790	1,154,365	1,181,929	1,132,110
Storm Water	-	254,468	727,455	468,750
Ambulance	402,705	381,463	453,756	465,678
<b>Total Business-Type Activities Expenses</b>	<b>\$ 12,866,081</b>	<b>\$ 14,049,707</b>	<b>\$ 16,652,352</b>	<b>\$ 16,772,795</b>
<b>Total Primary Government Expenses</b>	<b>\$ 19,828,789</b>	<b>\$ 21,715,059</b>	<b>\$ 24,311,918</b>	<b>\$ 24,977,058</b>
				<b>\$ 28,277,922</b>

**KAYSVILLE CITY CORPORATION**

**Table 2 - Changes in Net Assets (Continued)**

**June 30, 2008**

	<b>Fiscal Year</b>				
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Program Revenues</b>					
<b>Government Activities:</b>					
Charges for Services	\$ 2,607,029	\$ 2,960,681	\$ 4,593,203	\$ 4,678,692	\$ 3,588,668
Operating Grants and Contributions	816,373	692,875	752,413	81,619	154,963
Capital Grants and Contributions	89,894	56,377	132,524	905,276	1,635,825
<b>Total Governmental Activities Program Revenues</b>	<u><u>\$ 3,513,296</u></u>	<u><u>\$ 3,709,933</u></u>	<u><u>\$ 5,478,140</u></u>	<u><u>\$ 5,665,587</u></u>	<u><u>\$ 5,379,456</u></u>
<b>Business-type Activities:</b>					
Charges for Services:					
Water	1,378,156	1,382,070	1,676,158	1,702,823	1,770,229
Sewer	1,284,538	1,331,382	1,386,456	1,455,293	1,506,782
Electric	9,625,388	9,809,300	11,069,202	11,257,963	12,574,279
Pressure Irrigation	555,018	585,736	781,165	908,199	969,994
Sanitation	1,195,552	1,252,689,00	1,284,796,00	1,243,106	1,218,953
Storm Water	-	57,788	720,480	740,061	938,853
Ambulance	252,648	259,723	342,506	327,783	428,495
Grants and Contributions	-	115,000	2,270,075	980,896	2,215,296
<b>Total Business-type Activities Program Revenues</b>	<u><u>\$ 14,291,300</u></u>	<u><u>\$ 14,793,688</u></u>	<u><u>\$ 19,530,838</u></u>	<u><u>\$ 18,616,124</u></u>	<u><u>\$ 21,622,881</u></u>
<b>Total Primary Government Program Revenues</b>	<u><u>\$ 17,804,596</u></u>	<u><u>\$ 18,503,621</u></u>	<u><u>\$ 25,008,978</u></u>	<u><u>\$ 24,281,711</u></u>	<u><u>\$ 27,002,337</u></u>
<b>Net (Expense) Revenue</b>					
<b>Government Activities</b>					
Charges for Services	\$ (3,449,412)	\$ (3,955,419)	\$ (2,181,426)	\$ (2,538,676)	\$ (3,889,512)
Operating Grants and Contributions	1,425,219	743,981	2,878,486	1,843,329	2,613,927
<b>Total Primary Government Net Expense</b>	<u><u>\$ (2,024,193)</u></u>	<u><u>\$ (3,211,438)</u></u>	<u><u>\$ 697,060</u></u>	<u><u>\$ (695,347)</u></u>	<u><u>\$ (1,275,585)</u></u>

**KAYSVILLE CITY CORPORATION**  
**Table 2 - Changes in Net Assets (Continued)**  
**June 30, 2008**

	Fiscal Year			
	2004	2005	2006	2007
<b>General Revenues and Other Changes in Net Assets</b>				
<b>Governmental activities:</b>				
Taxes				
Property Taxes	\$ 1,389,145	\$ 1,403,854	\$ 1,514,768	\$ 1,059,034
Sales Taxes	2,210,436	2,373,991	2,720,052	3,166,266
Franchise Taxes	501,593	735,578	504,791	560,900
Energy Sales and Use Charge	-	434,427	861,158	811,194
Interest on Investments	133,957	267,654	433,803	430,623
Miscellaneous	52,260	66,523	185,738	85,632
Contributions		(4,189,921)	-	-
Transfers	650,214	(90,000)	200,000	470,000
<b>Total governmental activities</b>	<b>4,937,605</b>	<b>1,002,106</b>	<b>6,420,310</b>	<b>6,583,649</b>
<b>Business-type Activities:</b>				
Interest on investments	73,909	58,065.00	154,615	196,761
Contributions	427,139	5,986,984	-	-
Gain (loss) on sale of capital assets	485,904	401,651	973,602	993,727
Transfers	(650,214)	90,000	(200,000)	(470,000)
<b>Total business-type activities</b>	<b>336,738</b>	<b>6,536,700</b>	<b>928,217</b>	<b>720,488</b>
<b>Total primary government</b>	<b>\$ 5,274,343</b>	<b>\$ 7,538,806</b>	<b>\$ 7,348,527</b>	<b>\$ 7,304,137</b>
<b>Change in Net Assets</b>				
Governmental activities	\$ 1,488,193	\$ (2,953,313)	\$ 4,238,884	\$ 4,044,973
Business-type activities	1,761,957	7,280,681	3,806,703	2,563,817
<b>Total primary government</b>	<b>\$ 3,250,150</b>	<b>\$ 4,327,368</b>	<b>\$ 8,045,587</b>	<b>\$ 6,608,790</b>

(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, 2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Fund</b>										
Reserved	\$ 450,536	\$ 579,831	\$ 683,668	\$ 369,046	\$ 328,407	\$ 92,790	\$ 576,135	\$ 3,229,021	\$ 1,591,699	\$ 1,316,904
Unreserved	633,429	945,393	343,503	370,000	826,073	2,409,711	2,583,763	3,229,021	1,591,699	1,316,904
Total General Fund	<u>\$ 1,083,965</u>	<u>\$ 1,525,224</u>	<u>\$ 1,027,171</u>	<u>\$ 739,046</u>	<u>\$ 1,154,480</u>	<u>\$ 2,502,501</u>	<u>\$ 3,158,998</u>	<u>\$ 3,229,021</u>	<u>\$ 1,591,699</u>	<u>\$ 1,316,904</u>
 <b>Debt Service Fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ 136,376	\$ 92,768	\$ 49,159	\$ 223,293	\$ 1,061,822	\$ 884,865	\$ 784,865
Unreserved				52,088	98,196	145,373	(15,547)	211,732	168,771	173,944
Total Debt Service Fund	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 188,464</u>	<u>\$ 190,964</u>	<u>\$ 194,532</u>	<u>\$ 207,746</u>	<u>\$ 1,273,554</u>	<u>\$ 1,053,636</u>	<u>\$ 938,809</u>
 <b>Capital Projects Fund</b>										
Reserved	\$ 250,158	\$ 267,870	\$ 179,995	\$ -	\$ -	\$ 1,228	\$ 1,395,500	\$ 574,990	\$ 1,081,494	\$ 1,032,002
Unreserved	1,802,766	198,577	(119,558)	60,637	60,637	1,228	1,395,500	574,990	500,342	(651,453)
Total Capital Projects Fund	<u>\$ 2,052,924</u>	<u>\$ 466,547</u>	<u>\$ 60,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,228</u>	<u>\$ 1,395,500</u>	<u>\$ 574,990</u>	<u>\$ 1,581,836</u>	<u>\$ 380,519</u>
 <b>Library Special Revenue Fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,074	\$ 11,565	\$ 12,462	\$ 123,893	\$ 87,405
Unreserved						24,289	58,388	97,915	123,893	87,405
Total Library Special Revenue Fund	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 27,363</u>	<u>\$ 69,953</u>	<u>\$ 110,377</u>	<u>\$ 123,893</u>	<u>\$ 87,405</u>
 <b>Cemetery Perpetual Care</b>										
Reserved	\$ 779,103	\$ 832,447	\$ 912,498	\$ 943,988	\$ 967,400	\$ 1,016,738	\$ 1,078,485	\$ 1,166,479	\$ 1,266,593	\$ 1,388,801
Unreserved										
Total Cemetery Perpetual Care Fund	<u>\$ 779,103</u>	<u>\$ 832,447</u>	<u>\$ 912,498</u>	<u>\$ 943,988</u>	<u>\$ 967,400</u>	<u>\$ 1,016,738</u>	<u>\$ 1,078,485</u>	<u>\$ 1,166,479</u>	<u>\$ 1,266,593</u>	<u>\$ 1,388,801</u>
 <b>Blood Library Endowment Fund</b>										
Reserved	\$ 739,301	\$ 762,993	\$ 788,396	\$ 809,326	\$ 826,876	\$ 834,178	\$ 793,271	\$ 783,853	\$ 813,401	\$ 857,849
Unreserved										
Total Blood Library Endowment Fund	<u>\$ 739,301</u>	<u>\$ 762,993</u>	<u>\$ 788,396</u>	<u>\$ 809,326</u>	<u>\$ 826,876</u>	<u>\$ 834,178</u>	<u>\$ 793,271</u>	<u>\$ 783,853</u>	<u>\$ 813,401</u>	<u>\$ 857,849</u>

KAYSVILLE CITY CORPORATION

Table 4 - Changes in Fund Balance of Governmental Funds  
June 30, 2008

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues:</b>										
Taxes	\$ 3,190,897	\$ 3,392,771	\$ 3,561,637	\$ 3,898,827	\$ 3,864,606	\$ 4,101,174	\$ 4,947,850	\$ 5,600,769	\$ 5,597,394	\$ 6,103,938
Licenses and Permits	159,827	153,192	156,170	357,699	341,983	479,696	556,267	775,483	593,434	327,165
Impact Fees	-	-	-	-	-	-	927,119	2,124,381	1,602,331	621,326
Intergovernmental	1,109,240	1,451,277	1,211,607	1,090,566	11,84,996	899,610	742,595	874,619	862,141	862,349
Charges for Services	759,706	812,808	941,372	1174,836	1,769,506	1,348,819	1,692,005	1,445,793	1,658,923	1,658,923
Fines and Forfeitures	47,89	53,268	50,887	62,081	67,306	82,680	73,455	78,472	92,278	92,278
Interest Income	-	-	-	-	-	-	-	430,623	430,623	278,111
Community Development	-	-	-	-	-	-	-	-	-	-
Block Grant	-	-	-	-	-	-	-	-	-	-
Miscellaneous	365,418	372,098	356,183	1,004,208	358,344	1,627,613	1,809,309	1,557,738	1,447,664	1,15,036
Total Revenues	<u>5,629,962</u>	<u>6,229,735</u>	<u>6,115,751</u>	<u>7,343,559</u>	<u>6,986,846</u>	<u>8,944,905</u>	<u>10,444,639</u>	<u>11,698,450</u>	<u>10,880,952</u>	<u>10,413,649</u>
<b>Expenditures:</b>										
General Government	781,284	769,886	812,148	945,388	1,033,437	1,108,474	1,108,863	1,273,503	1,273,446	1,483,191
Public Safety	1,359,899	1,636,235	1,590,331	2,109,351	1,773,384	1,798,178	2,011,936	2,104,306	2,428,211	2,706,146
Community Development	283,655	322,296	347,977	360,755	328,545	386,599	418,435	450,766	608,457	867,576
Public Works	2,512,593	2,073,675	3,068,976	3,779,500	2,138,744	3,195,762	2,762,873	1,833,209	2,000,069	2,200,177
Parks, Recreation & Properties	785,016	894,979	963,686	933,762	409,258	518,149	1,268,367	1,461,882	1,694,934	1,951,272
Library	224,016	254,545	278,404	296,269	289,712	296,905	289,325	330,378	36,537	-
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest & Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Capital Outlay	177,033	1,991,909	681,442	548,256	120,639	149,014	129,459	105,831	478,858	490,383
Total Expenditures	<u>6,123,496</u>	<u>7,946,525</u>	<u>7,742,964</u>	<u>8,973,281</u>	<u>3,273,951</u>	<u>647,022</u>	<u>729,302</u>	<u>1,625,848</u>	<u>83,286</u>	<u>62,704</u>
Excess (Deficiency of Revenues over Expenditures)	<u>\$ (493,634)</u>	<u>\$ (1,716,790)</u>	<u>\$ (1,627,213)</u>	<u>\$ (1,629,722)</u>	<u>\$ (3,257,513)</u>	<u>\$ 406,274</u>	<u>\$ 1,235,781</u>	<u>\$ 2,033,869</u>	<u>\$ (3,731,902)</u>	<u>\$ 80,251</u>
<b>Other Financing Sources (Uses):</b>										
Operating Transfers In	\$ 733,350	\$ 871,672	\$ 723,250	\$ 1,851,423	\$ 1,850,722	\$ 978,964	\$ 265,000	\$ 3,412,173	\$ 3,153,958	\$ 585,405
Operating Transfers Out	-	(300,000)	-	(381,999)	(540,722)	(328,750)	(355,000)	(3,212,173)	(2,565,950)	(785,405)
Capital Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Sources	1,850,000	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,583,350</u>	<u>571,672</u>	<u>723,250</u>	<u>1,469,424</u>	<u>3,745,000</u>	<u>650,214</u>	<u>(90,000)</u>	<u>200,000</u>	<u>928,008</u>	<u>(200,000)</u>
Net change in fund balances	<u>\$ 2,089,716</u>	<u>\$ (1,145,118)</u>	<u>\$ (903,063)</u>	<u>\$ (160,298)</u>	<u>\$ 487,487</u>	<u>\$ 1,056,488</u>	<u>\$ 1,145,781</u>	<u>\$ 2,233,869</u>	<u>\$ (2,803,894)</u>	<u>\$ (119,749)</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	13.06%	7.45%	6.98%	7.27%	6.54%	5.67%	-

(Modified Accrual Basis of Accounting)

**KAYSVILLE CITY CORPORATION**

**Table 5 - Governmental Tax Revenues by Source**

June 30, 2008

Fiscal Year	General Property Tax	Sales Tax	Utility License Tax	Energy Sales and Use Tax	Total Tax Revenue
2008	\$1,246,815	\$3,249,441	\$547,862	\$1,059,820	\$6,103,938
2007	\$1,059,034	\$3,166,266	\$560,900	\$811,194	\$5,597,394
2006	\$1,514,768	\$2,720,052	\$504,791	\$861,158	\$5,600,769
2005	\$1,403,854	\$2,373,991	\$1,170,005	\$0	\$4,947,850
2004	\$1,389,145	\$2,210,436	\$501,593	\$0	\$4,101,174
2003	\$1,299,536	\$2,078,652	\$486,418	\$0	\$3,864,606
2002	\$1,265,380	\$2,170,716	\$462,731	\$0	\$3,898,827
2001	\$1,194,894	\$1,957,983	\$408,760	\$0	\$3,561,637
2000	\$1,139,613	\$1,921,399	\$331,759	\$0	\$3,392,771
1999	\$1,104,698	\$1,779,220	\$306,979	\$0	\$3,190,897
1998	\$1,029,468	\$1,580,169	\$310,461	\$0	\$2,920,098
1997	\$939,870	\$1,419,948	\$241,827	\$0	\$2,601,645

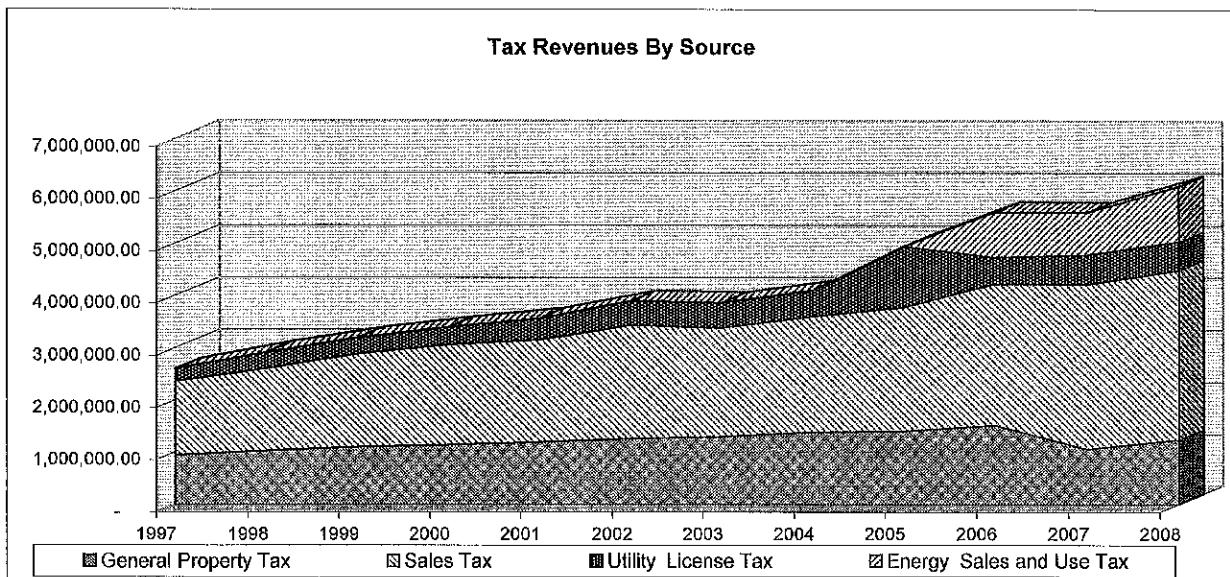
Notes:

(1) General Property tax includes: property taxes current and delinquent, and motor vehicle in-lieu tax. General property tax also includes the allocation to the library special revenue fund.

(2) Utility license tax includes a tax on gross revenues on all public utilities. FY 05 also includes the energy sales and use tax charged to Kaysville City Power. In prior years, it was not classified as taxes. In FY 2006, another column has been created to make a distinction between energy sale and use tax (Questar and Kaysville Power) and taxes on other utilities such as phone service and cable TV.

Source:

Kaysville City Finance Department



## KAYSVILLE CITY CORPORATION

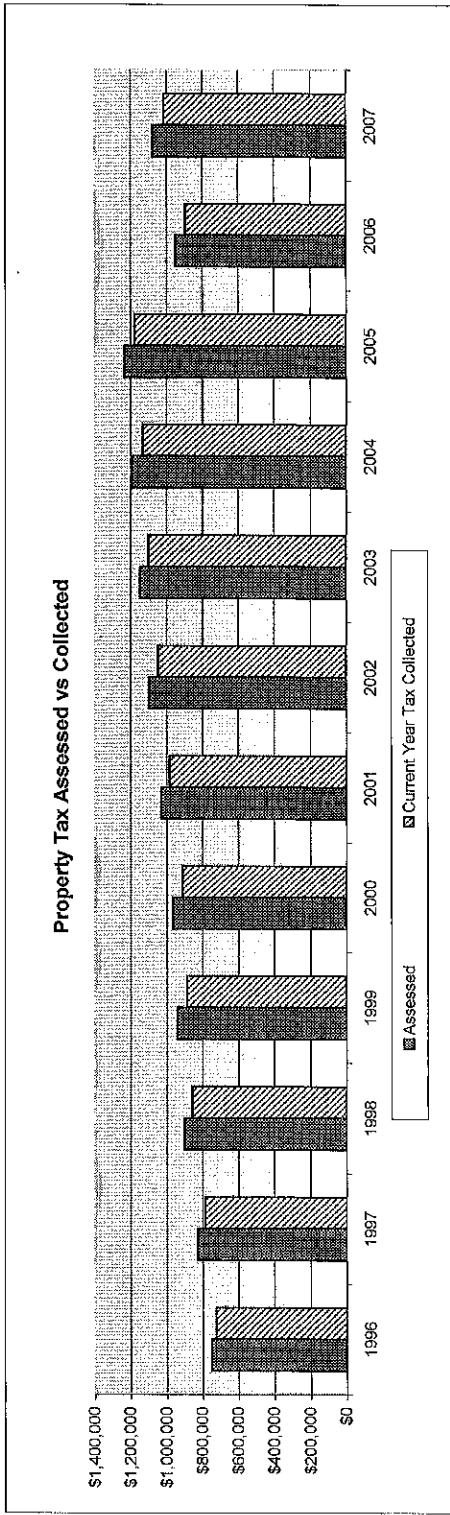
**Table 6 - Property Tax Levies and Collections**  
June 30, 2008

Fiscal Year	Total Taxable Value	City Tax Rate	Total Taxes Assessed	Current Year Taxes Collected	Percentage of Tax Collections to Tax Levy	Fee in Lieu Collected	Delinquent Taxes Collected & Interest	Total Tax & Payment in Lieu Collected
2007	\$1,127,214,832	0.000925	\$1,073,872	\$1,013,619	94.40%	\$163,512	\$34,389	\$1,223,579
2006	\$904,985,329	0.001004	\$948,078	\$895,885	94.50%	\$127,177	\$45,559	\$1,106,764
2005	\$810,835,328	0.001519	\$1,233,637	\$1,174,690	95.20%	\$214,466	\$104,486	\$1,493,641
2004	\$744,075,323	0.001600	\$1,191,121	\$1,129,601	94.84%	\$212,502	\$48,904	\$1,391,007
2003	\$704,941,354	0.001626	\$1,145,936	\$1,099,725	95.97%	\$238,803	\$49,621	\$1,388,149
2002	\$679,921,738	0.001612	\$1,096,203	\$1,045,353	95.36%	\$204,079	\$72,964	\$1,322,396
2001	\$635,492,342	0.001620	\$1,029,498	\$983,685	95.55%	\$207,236	\$54,285	\$1,245,206
2000	\$578,845,389	0.001666	\$964,356	\$911,021	94.47%	\$208,502	\$64,756	\$1,184,279
1999	\$551,024,604	0.001705	\$939,497	\$886,544	94.36%	\$193,901	\$22,334	\$1,102,779
1998	\$510,661,592	0.001762	\$899,786	\$857,541	95.30%	\$199,141	\$31,601	\$1,088,283
1997	\$455,673,400	0.001816	\$827,503	\$784,824	94.84%	\$187,861	\$39,319	\$1,012,004
1996	\$395,173,181	0.001897	\$749,644	\$724,165	96.60%	\$173,953	\$27,824	\$925,942

Notes:

(1) Information is based on a calendar year - 2007 is the most recent year  
(2) Library funding was transferred to county during 2006

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



**KAYSVILLE CITY CORPORATION****Table 7 - Taxable and Estimated Market Value of Property**

June 30, 2008

Fiscal Year	Estimated Market Value	Taxable Value	Ratio of Total Taxable Value to Market Value
2007	\$1,986,309,668	\$1,145,875,857	57.69%
2006	\$1,473,736,930	\$930,971,384	63.17%
2005	\$1,359,777,367	\$810,835,238	59.63%
2004	\$1,215,528,821	\$744,075,323	61.21%
2003	\$1,168,281,453	\$704,941,354	60.34%
2002	\$1,110,543,447	\$679,921,738	61.22%
2001	\$1,046,365,095	\$635,492,342	60.73%
2000	\$966,622,392	\$578,845,389	59.88%
1999	\$923,725,302	\$551,024,604	59.65%
1998	\$859,014,796	\$510,661,592	59.45%
1997	\$799,386,633	\$455,673,400	57.00%

Notes: (1) Information is based on a calendar year - 2007 is the most recent year  
(2) Does not include fee-in-lieu property

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

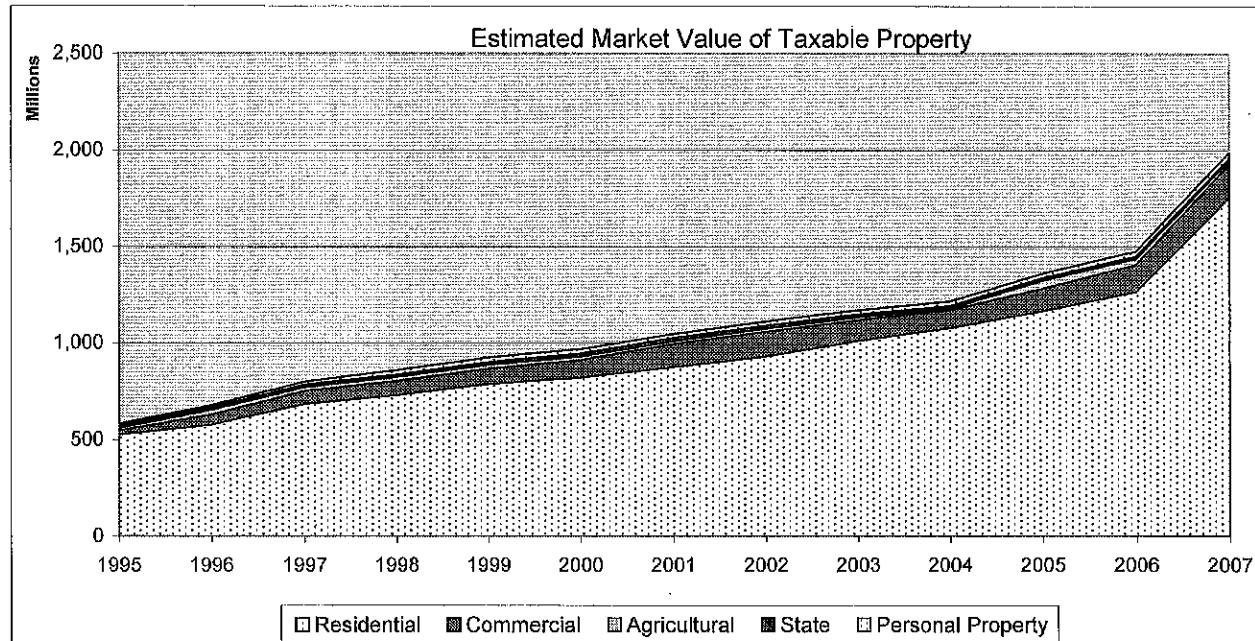
## KAYSVILLE CITY CORPORATION

**Table 8 - Estimated Market Value of Taxable Property**  
June 30, 2008

Fiscal Year	Estimated Market Value	Residential	Commercial	Agricultural	State	Personal Property
2007	\$1,986,309,668	\$1,751,609,250	\$173,651,001	\$17,562,378	\$12,413,007	\$31,074,032
2006	\$1,473,736,930	\$1,264,808,373	\$139,995,013	\$31,071,400	\$11,934,850	\$25,927,294
2005	\$1,359,777,367	\$1,164,390,461	\$116,769,248	\$41,290,448	\$12,924,922	\$24,402,288
2004	\$1,215,528,281	\$1,076,711,927	\$93,533,337	\$9,427,673	\$12,746,778	\$23,108,566
2003	\$1,168,281,453	\$1,011,313,026	\$106,051,937	\$15,208,035	\$14,358,266	\$21,350,189
2002	\$1,110,543,447	\$929,373,681	\$128,765,502	\$16,176,126	\$14,806,410	\$21,421,728
2001	\$1,046,365,095	\$875,836,940	\$117,652,165	\$15,175,916	\$16,557,880	\$21,142,194
2000	\$966,622,392	\$820,197,589	\$90,100,123	\$18,050,522	\$15,141,341	\$23,132,817
1999	\$923,725,302	\$787,128,548	\$78,714,510	\$21,021,270	\$13,108,600	\$23,752,374
1998	\$859,014,749	\$728,680,997	\$72,749,140	\$22,039,140	\$12,396,690	\$23,148,782
1997	\$799,386,633	\$683,619,561	\$67,308,050	\$19,830,495	\$12,829,112	\$15,799,415
1996	\$676,779,964	\$577,483,598	\$51,167,498	\$24,884,027	\$11,742,979	\$11,501,862
1995	\$581,883,573	\$524,755,322	\$21,610,730	\$14,155,270	\$9,873,173	\$11,489,078

Notes: (1) Information is based on a calendar year - 2007 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**

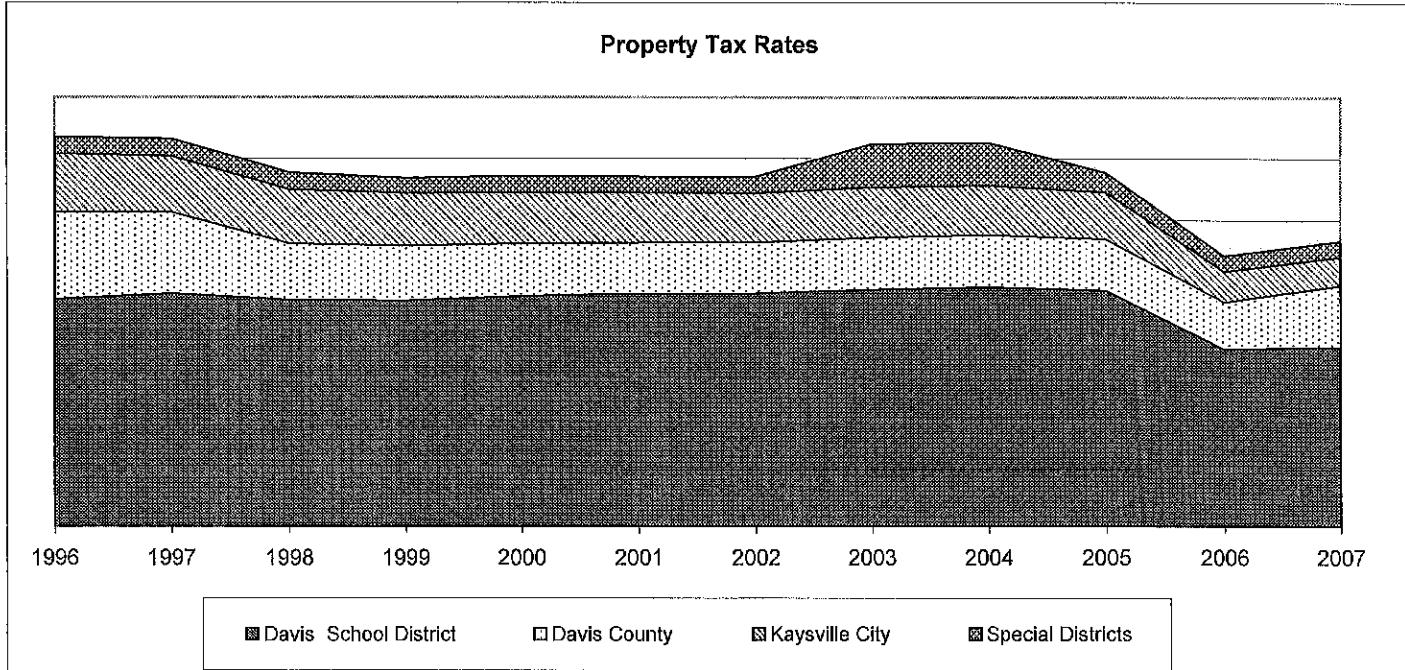
**Table 9 - Property Tax Rates - Direct and Overlapping Governments**

June 30, 2008

Fiscal Year	Kaysville City	Davis School District	Davis County	Weber Basin Water District	Mosquito Abatement	Central Davis Sewer District	Total
2007	0.000925	0.005865	0.002005	0.000200	0.000099	0.000220	0.009314
2006	0.001004	0.005790	0.001532	0.000178	0.000086	0.000234	0.008824
2005	0.001519	0.007700	0.001676	0.000193	0.000091	0.000357	0.011536
2004	0.001600	0.007820	0.001695	0.000198	0.000930	0.000275	0.012518
2003	0.001626	0.007731	0.001700	0.000196	0.000940	0.000275	0.012468
2002	0.001612	0.007610	0.001650	0.000193	0.000061	0.000276	0.011402
2001	0.001620	0.007600	0.001664	0.000193	0.000061	0.000279	0.011417
2000	0.001666	0.007513	0.001710	0.000200	0.000062	0.000283	0.011434
1999	0.001705	0.007370	0.001789	0.000139	0.000064	0.000288	0.011355
1998	0.001762	0.007393	0.001833	0.000139	0.000120	0.000298	0.011545
1997	0.001816	0.007604	0.002648	0.000145	0.000123	0.000301	0.012637
1996	0.001897	0.007408	0.002848	0.000154	0.000066	0.000322	0.012695

Notes: (1) Information is based on a calendar year - 2007 is the most recent year

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



**KAYSVILLE CITY CORPORATION**  
**Table 10 - Principal Property Tax Payers with Comparison**  
June 30 2008

Taxpayer	Type of Business	December 31, 2007 Taxable Valuation			December 31, 1997 Taxable Valuation		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Finn Development	Real Estate	\$12,136,985	1	1.06%			
Burton Lane Storage LC	Storage Units	\$7,179,129	2	0.63%			
JB Journey LLC- Blaine Jensen	Recreational Sales	\$5,422,550	3	0.47%			
KBP Office Group & Warehouse	Wholesale Distribution	\$5,023,837	4	0.44%			
Park Place I LLC	Real Estate	\$4,504,964	5	0.39%			
HCPI Utah LLC	Real Estate	\$4,293,340	6	0.37%			
Kaysville Real Estate LLC	Real Estate	\$4,107,625	7	0.36%			
Danville Land Investment	Assisted Living Community	\$3,871,030	8	0.34%			
Bowmans	Grocery	\$3,846,129	9	0.34%	\$4,107,380	2	1.04%
Albertsons	Grocery	\$3,696,315	10	0.32%	\$4,424,148	1	1.12%
Granny Goose	Snack Foods				\$3,823,272	3	0.97%
Qwest Communications	Communications				\$2,756,580	4	
Barnes Banking	Banking Services				\$2,125,785	5	0.54%
Keith and Julie Romney	Shopping Center				\$1,791,880	6	0.45%
Questar Gas	Natural Gas Distribution				\$1,751,230	7	0.44%
Mercy Housing II LP	Retirement				\$1,706,979	8	0.43%
Union Pacific Railroad	Railroad				\$1,602,830	9	0.41%
Medical Building (Tanner Clinic)	Medical Services				\$1,109,590	10	0.28%
		\$54,081,904		4.72%	\$ 25,199,674		6.38%

Source: Davis County Auditor / Kaysville City Finance Department

**KAYSVILLE CITY CORPORATION**

**Table 11 - Property Value of Construction in Kaysville**  
**June 30, 2008**

Year	Commercial Construction Number of Permits	Estimated Value	Residential Construction Number of Permits	Estimated Value	Estimated Increase of Property Value
2007	23	\$5,719,928	323	\$45,143,142	\$50,863,070
2006	17	\$3,696,661	536	\$93,727,957	\$97,424,618
2005	35	\$6,547,500	465	\$72,956,338	\$79,503,838
2004	24	\$3,387,830	376	\$58,250,176	\$61,638,006
2003	32	\$4,953,789	300	\$35,679,397	\$40,633,186
2002	20	\$2,387,856	241	\$33,580,354	\$35,968,210
2001	29	\$4,857,480	176	\$22,088,492	\$26,945,972
2000	25	\$4,602,506	164	\$15,923,986	\$20,526,492
1999	34	\$6,993,594	207	\$20,123,138	\$27,116,732
1998	15	\$3,321,642	191	\$19,633,042	\$22,954,684
1997	27	\$3,240,798	253	\$23,507,051	\$26,747,849
1996	19	\$2,842,726	322	\$30,625,487	\$33,468,213

Notes: (1) Number of Permits includes all permits including remodels and additions  
**Based on Calendar Year - 2007 - 194 Single Family Homes**

Source: Davis County Department of Community and Economic Development  
2007 Construction Monitor

**KAYSVILLE CITY CORPORATION****Table 12 - Computation of Legal Debt Margin**

June 30, 2008

---

Taxable Value	\$1,145,875,857
Estimated Market Value	\$1,986,309,668
Debt Limit - Four Percent of Market Value	\$79,452,387
Less: Outstanding General Obligation Bonds	\$0
Lease Revenue Bonded Debt	\$1,218,614
Legal Debt Margin - Additional Debt Capacity	\$78,233,773

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 13 - Computation of Direct and Overlapping General Obligation Debt**  
**June 30, 2008**

Entity	2007 Taxable Valuation	Kaysville City's Portion of Valuation	Kaysville City's Percentage	Entity's Outstanding G.O. Debt	Kaysville City Overlapping G.O. Debt
<b>Direct:</b>					
Kaysville City	\$1,145,875,857	\$1,145,875,857	100.00%	0	0
<b>Overlapping:</b>					
Davis County	\$13,959,256,845	\$1,145,875,857	8.21%	\$467,328,002	\$38,361,632
Davis County School District	\$13,959,256,845	\$1,145,875,857	8.21%	\$302,485	\$24,830
State of Utah	\$190,009,782,730	\$1,145,875,857	0.60%	\$1,161,510,000	\$7,004,620
Weber Basin Water District	\$38,688,101,003	\$1,145,875,857	2.96%	\$32,397,383	\$959,555
<b>Total - Direct and Overlapping General Obligation Debt</b>					<b>\$46,350,637</b>

KAYSVILLE CITY CORPORATION  
Table 14 - Ratios of Outstanding Debt by Type  
June 30, 2008

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				
2008	\$0	\$585,000	\$1,216,428	\$260,326	\$0	\$2,855,712	\$229,517	\$5,146,983	Not Available	\$ 211
2007	\$0	\$764,000	\$777,552	\$359,999	\$0	\$3,173,010	\$22,392	\$6,076,953	0.8090%	\$ 206
2006	\$0	\$940,000	\$1,061,820	\$19,494	\$0	\$89,244	\$2,110,558	\$535,545,017	0.3941%	\$ 88
2005	\$0	\$1,108,000	\$1,332,552	\$59,620	\$0	\$153,308	\$2,653,480	\$479,444,976	0.5534%	\$ 114
2004	\$0	\$1,273,000	\$1,590,392	\$97,078	\$0	\$3,200	\$214,700	\$3,178,370	0.7038%	\$ 141
2003	\$0	\$1,431,000	\$1,32,042	\$0	\$0	\$170,540	\$1746,620	\$427,298,462	0.4088%	\$ 80
2002	\$0	\$1,575,000	\$0	\$70,448	\$0	\$22,876	\$0	\$1,768,324	0.4288%	\$ 83
2001	\$0	\$1,715,000	\$0	\$95,158	\$0	\$32,714	\$0	\$405,958,186	0.4788%	\$ 93
2000	\$0	\$1,850,000	\$0	\$223,604	\$0	\$42,552	\$0	\$2,116,156	0.5592%	\$ 104
1999	\$0	\$1,850,000	\$0	\$250,158	\$0	\$140,712	\$0	\$2,240,870	0.6301%	\$ 113
1998	\$0	\$0	\$0	\$0	\$0	\$188,893	\$0	\$328,698,804	0.0575%	\$ 10
1997	\$0	\$0	\$0	\$0	\$0	\$285,419	\$0	\$305,175,527	0.0935%	\$ 15

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

Population from Census Bureau, Wasatch Front Regional Council and City estimates.  
Income number from State Tax Commission - Federal Return Data by City (AGI).  
Adjusted Gross Income not available for 2006 - FY 2007

**KAYSVILLE CITY CORPORATION**

**Table 15 - Miscellaneous Statistical Data - Insurance Summary**

June 30, 2008

Coverage	Company	Term	Limits	Deductible
Property	Travelers	10/01/2007 - 9/30/2008	Scheduled at Value	\$10,000
General Liability	Travelers	10/01/2007 - 9/30/2008	\$1,000,000 / \$2,000,000	\$10,000
Law Enforcement	Travelers	10/01/2007 - 9/30/2008	\$1,000,000/ \$1,000,000	\$10,000
Public Officials Management	Travelers	10/01/2007 - 9/30/2008	\$1,000,000/ \$2,000,000	\$5,000
Employment Practices	Travelers	10/01/2007 - 9/30/2008	\$5,000,000/ \$5,000,000	\$10,000
Employee Benefits	Travelers	10/01/2007 - 9/30/2008	\$1,000,000 / \$3,000,000	\$1,000
Automobile - Physical Damage	Travelers	10/01/2007 - 9/30/2008	Schedule	\$1,000 - Comp & Coll.
Automobile Liability	Travelers	10/01/2007 - 9/30/2008	\$1,000,000	\$5,000
Inland Marine	Travelers	10/01/2007 - 9/30/2008	Scheduled at Value	\$10,000
Cyber Liability	Travelers	10/01/2007 - 9/30/2008	\$1,000,000	\$5,000
Crime	Travelers	10/01/2007 - 9/30/2008	\$250,000	\$1,000
ID Fraud	Travelers	10/01/2007 - 9/30/2008	\$25,000 per employee	---
Custom Excess Liability	Travelers	10/01/2007 - 9/30/2008	\$10,000,000	\$10,000
Treasurer Bond	Ohio Casualty	10/01/2007 - 9/30/2008	\$1,000,000	\$0
Deputy Treasurer Bond	Ohio Casualty	10/01/2007 - 9/30/2008	\$1,000,000	\$0

**KAYSVILLE CITY CORPORATION****Table 16 - Population Growth**

June 30, 2008

Fiscal Year	Population	Increase	Percentage Increase
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%
1987	12,219	361	3.04%
1986	11,858	355	3.09%
1985	11,503	73	0.64%
1984	11,430	315	2.83%
1983	11,115	353	3.28%
1982	10,762	320	3.06%
1981	10,442	111	1.07%
1980	10,331	4,139	66.84%
1970	6,192	2,584	71.62%
1960	3,608	1,710	90.09%
1950	1,898	1,898	

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 Council

**KAYSVILLE CITY CORPORATION**

**Table 17 - Miscellaneous Statistical Data**

June 30, 2008

	2008	2007	2006	2005
Date of Incorporation	March 15, 1868			
Form of Government	Council - Manager			
Area in Square Miles	10.48	10.38	9.89	9.89
Miles of Streets	113	112	103	103
Fire Protection				
Number of stations	1	1	1	1
Number of full time / part time firefighters	2	2	2	2
Number of volunteer firefighters	31	32	30	30
Police Protection				
Number of sworn officers	20	19	19	18
Number of other employees	3	3	3	3
Parks and Recreation				
Number of Parks	9	9	9	9
Number of Acres Available	250	245	210	210
Number of Acres Developed	121	121	114	114
Education				
Number of high schools	1	1	1	1
Number of junior high schools	2	2	2	2
Number of elementaries	7	7	6	6
Public Utilities				
Number of water customers	6,334	7,002	6,675	6,476
Annual usage (gallons)		792,672,000	778,249,200	763,909,600
Miles of water Lines	130	127	112	103
Number of power customers	8,099	7,891	7,420	7,057
Annual kwh usage	126,415,924	118,508,575	114,729,730	104,256,106
Miles of power lines	135	133	115	93
Number of street lights	809	721	N/A	N/A
City Employees at June 30, 2008				
Elected	6	6	6	6
Full-time	78	72	70	68
General Governmental	11			
Police	23			
Fire/ Ambulance	2			
Community Development	8			
Public Works	5			
Parks & Cemetery	4			
Water	6			
Sewer	1			
Electrical	15			
Sanitation	1			
Storm Drain	2			
Part-time/Temporary/Seasonal	40	40	40	40

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

## COMPLIANCE SECTION

---

**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 City Council  
Kaysville City

We have audited the financial statements of Kaysville City of and for the year ended June 30, 2008, and have issued our report thereon dated October 15, 2008. 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.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Kaysville City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kaysville City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Kaysville City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

October 15, 2008  
Page 2

**Compliance and Other Matters**

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

This report is intended solely for the information and use of management and the Mayor and City Council and is not intended to be and should not be used by anyone other than these specified parties.

Wood Richards & Associates  
Ogden, UT  
October 15, 2008

**INDEPENDENT AUDITOR'S REPORT**  
**STATE OF UTAH LEGAL COMPLIANCE**

The Honorable Mayor and City Council  
Kaysville City, Utah

We have audited the accompanying financial statements of the governmental activities, business-type activities and each major fund of Kaysville City, Utah, for the year ended June 30, 2008 and have issued our report thereon dated October 15, 2008. As part of our audit, we have audited Kaysville City's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2008. The City received the following major assistance programs from the State of Utah.

C Road Funds (Department of Transportation)  
Liquor Law Enforcement (State Tax Commission)

The City did not receive any nonmajor State grants during the year ended June 30, 2008.

Our audit also included testwork on the City's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt	Liquor Law Enforcement
Cash Management	Purchasing Requirements
B & C Road Funds	Budgetary Compliance
Other General Compliance Issues	Truth in Taxation
Uniform Building Code Standards	Impact Fees
Retirement	

The management of Kaysville City is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

Independent Auditor's Report on State Legal Compliance  
Page 2

The results of our audit procedures disclosed an immaterial instance of noncompliance with requirements referred to above, which is described in the accompanying schedule of findings. We considered this instance of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Kaysville City, Utah, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended June 30, 2008.

Wood Richards & Associates

October 15, 2008

KAYSVILLE CITY  
SUMMARY OF FINDINGS

FOR THE YEAR ENDED JUNE 30, 2008

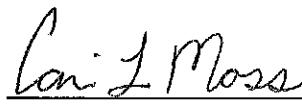
**State Compliance Findings:**

Finding #1: State law requires that expenditures not be incurred in excess of the appropriation for any department or fund. We noted the City did not comply with this requirement.

Recommendation: We recommend you limit expenditures or open the budget late in the year to provide for these variances.

Response: We are monitoring department operations that spent over their budgets and will limit expenditures to budget amounts or make necessary amendments prior to the end of the fiscal year to ensure compliance with state laws.

  
\_\_\_\_\_  
Dean G Storey  
Finance Director

  
\_\_\_\_\_  
Cami L Moss  
Accountant