



# Kaysville City

**KAYSVILLE CITY  
STATE OF UTAH**

Settled in 1850

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED  
JUNE 30, 2009**

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

Comprehensive  
Annual Financial Report

Year Ended June 30, 2009

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

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**KAYSVILLE CITY CORPORATION  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2009**

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# INTRODUCTION SECTION



August 24, 2009

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 2009 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. **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.



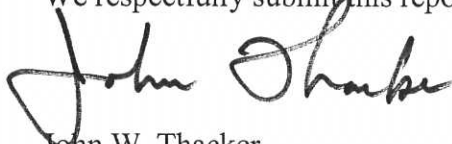
August 24, 2009

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 provide 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, 2009, 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.

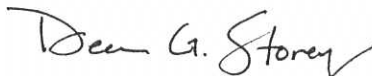
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Kaysville City for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This is the fifteenth consecutive year that Kaysville City has received 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 26,102 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 4.45%. 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.

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
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 2009 was 4.28%. The corpus of the Library Endowment fund is also held at Barnes Bank, Golden West Credit Union, Horizon Credit Union, and Mountain America Credit Union in ladder 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, ambulance and a fire truck. Specific details and debt service schedules may be found in the "Notes to Basic Financial Statements".

## **Risk Management**

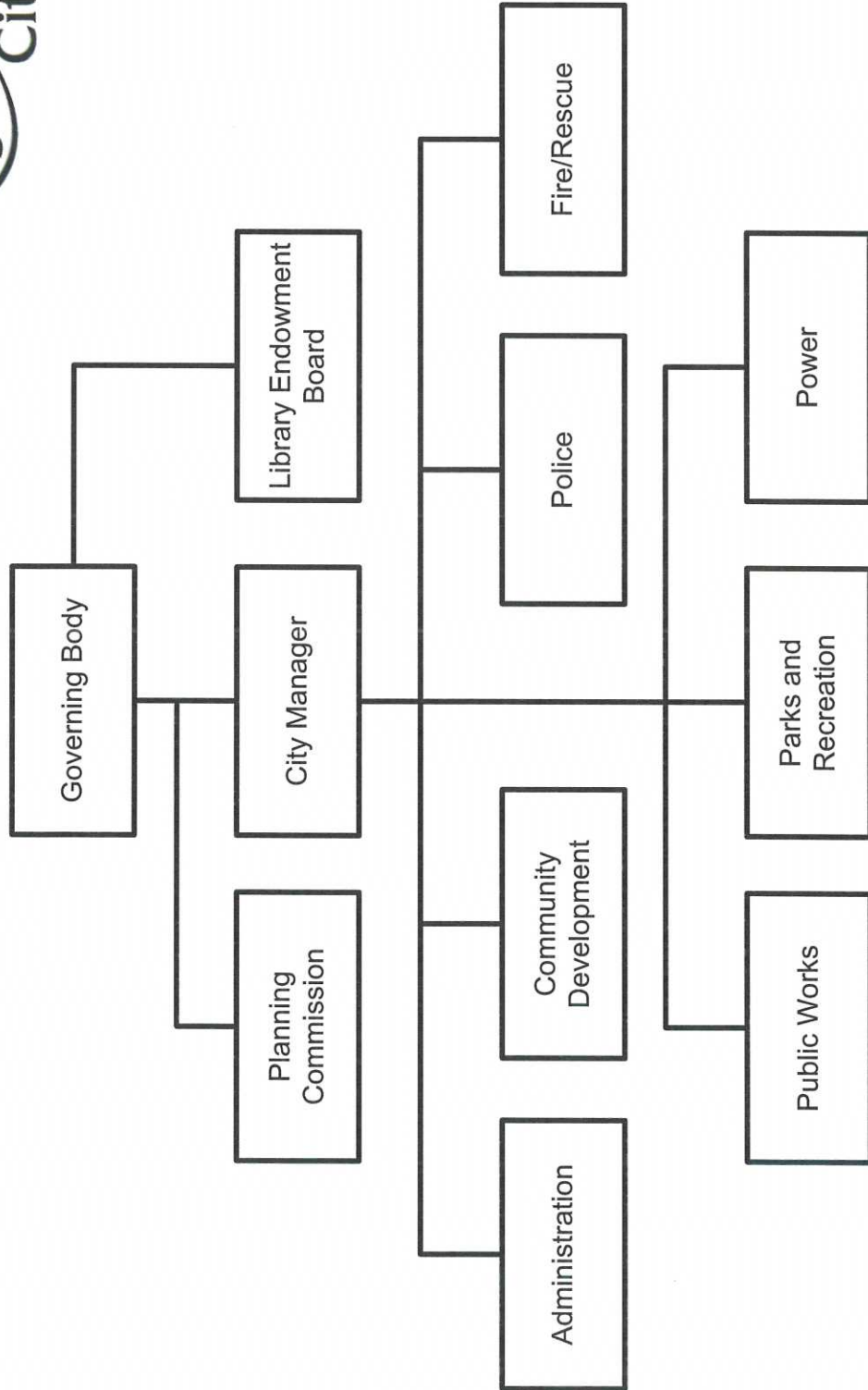
The City maintains complete insurance coverage including worker's compensation general liability, property damage, public official's errors and omissions, automobile liability, and law enforcement liability. Insurance coverage is placed with commercial carriers rated as excellent or superior by recognized 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.



Architectural  
Review  
Committee

Civic  
Committee

Youth City  
Council

Youth Court

CERT

Heritage Park  
Committee

# 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, 2008

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.








President

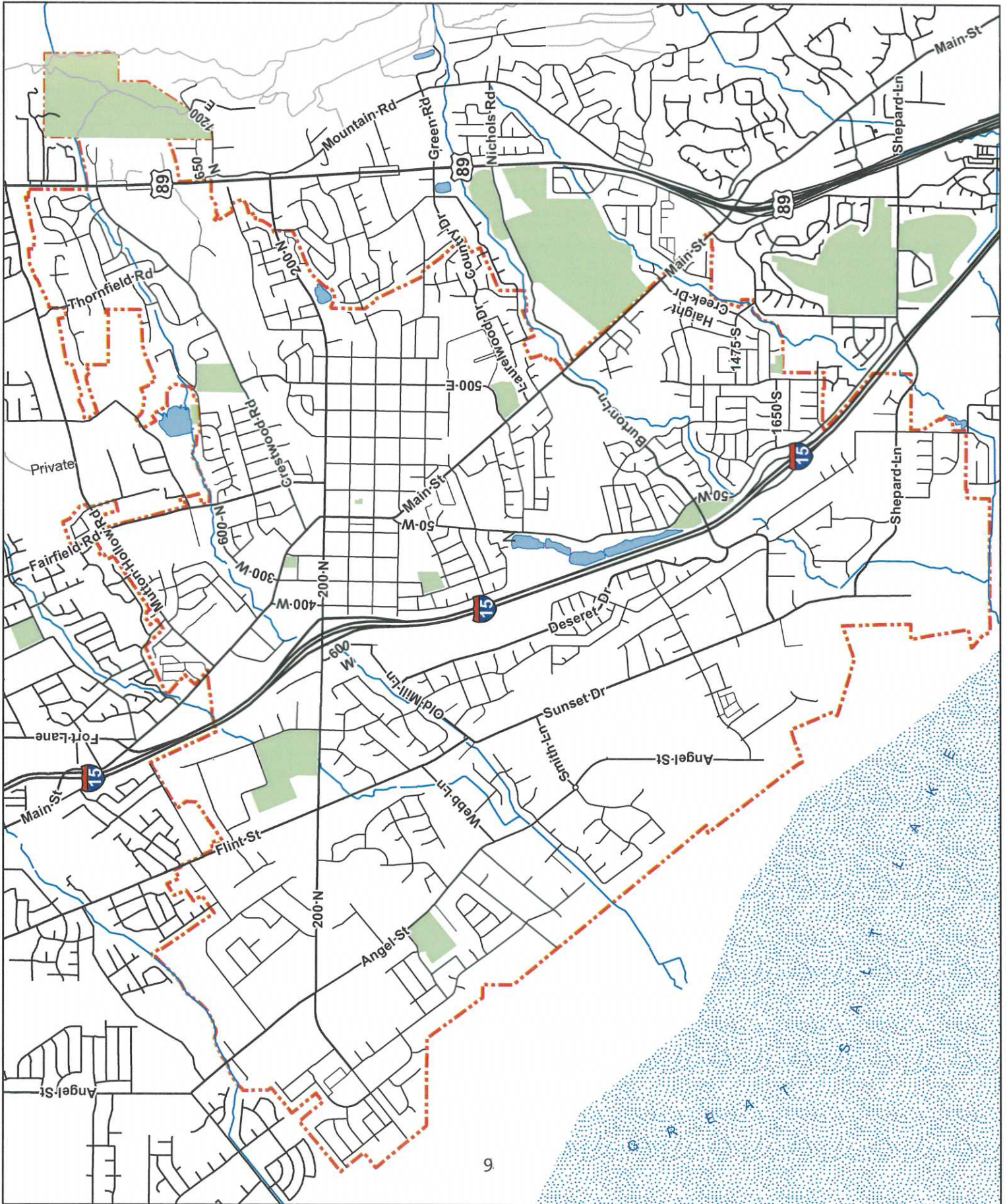
Executive Director



Legend

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

Sept 2009  
1 inch = 3,000 feet



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## FINANCIAL SECTION

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## **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, 2009, 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, 2009, 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 August 24, 2009, 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 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  
August 24, 2009

## **MANAGEMENT DISCUSSION AND ANALYSIS**

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2009**

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The following is a discussion and analysis of Kaysville City's finances for the fiscal year ended June 30, 2009. 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 completed the construction of the 200 N Overpass project. This project was mainly funded by federal funding, transportation impact fees, and an interest free loan from Utah Department of Transportation (UDOT). This project is responsible for the majority of the increase in capital assets, long term liabilities, and net assets.

- The City's total net assets increased by \$18,244,793 or 18.11% over the prior year. Net assets of governmental activities increased by \$17,521,593 or 32.51%. Net assets of business-type activities increased by \$723,200 or 1.54%.

- 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 \$100,728,382, \$92,116,818 (91.45%) includes investments in capital assets; \$4,215,867 (4.2%) in restricted uses and \$4,395,697 (4.35%) in unrestricted uses and available to meet City obligations.

- The City's restricted assets of \$4,215,867 increase by 17.83% from last year. This is due to a increase in the restricted assets used for debt obligations and transportation impact fees. These assets are restricted primarily for capital expenditures from collected development impact fees.

- The City's unrestricted assets of \$4,395,697 include \$1,919,793 available for governmental activities and \$2,475,904 available for business-type activities. Overall this is a decrease of 34.47% from the prior year. During the year unrestricted assets had been used for capital projects, property purchases, and operations.

Fund Level

- The fund balances in governmental funds had an increase of \$1,325,837 from \$5,073,503 to \$6,399,340.

- The proprietary funds had an overall net loss before transfers and contributions of (\$304,754).

Long Term Debt

- Overall the City's long term liabilities increased in the amount of \$1,366,040 over the prior year. This is due to the city entering into a note for the construction of the 200 North overpass with Utah Department of Transportation (UDOT) and a capital lease for the purchase of a new sweeper and ambulance. As of June 30, 2009, the liabilities balance for governmental activities is \$3,787,853 and \$3,310,338 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, 2009**  
**(Continued)**

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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, 2009**  
**(Continued)**

**Financial Analysis of Government-wide Statements**

Net Assets

Kaysville City's Net Assets are as follows:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>
<b>Assets</b>						
Current and Other Assets	\$6,541,843	\$8,968,385	\$7,789,689	\$7,530,259	\$14,331,532	\$16,498,644
Capital Assets	\$33,621,654	\$51,287,608	\$44,045,896	\$44,739,473	\$77,667,550	\$96,027,081
<b>Total Assets</b>	<b>\$40,163,497</b>	<b>\$60,255,983</b>	<b>\$51,835,585</b>	<b>\$52,269,732</b>	<b>\$91,999,082</b>	<b>\$112,525,725</b>
<b>Liabilities</b>						
Current Liabilities	\$1,953,822	\$4,168,747	\$2,987,714	\$2,773,210	\$4,941,536	\$6,941,957
Non-Current Liabilities	\$1,832,173	\$2,188,151	\$2,741,784	\$2,667,235	\$4,573,957	\$4,855,386
<b>Total Liabilities</b>	<b>\$3,785,995</b>	<b>\$6,356,898</b>	<b>\$5,729,498</b>	<b>\$5,440,445</b>	<b>\$9,515,493</b>	<b>\$11,797,343</b>
<b>Net Assets</b>						
Investments in Capital (net)	\$31,559,900	\$47,859,814	\$40,751,249	\$44,257,004	\$72,311,149	\$92,116,818
Restricted	\$3,408,975	\$4,119,488	\$55,149	\$96,379	\$3,464,124	\$4,215,867
Unrestricted	\$1,408,627	\$1,919,793	\$5,299,689	\$2,475,904	\$6,708,316	\$4,395,697
<b>Total Net Assets</b>	<b>\$36,377,502</b>	<b>\$53,899,095</b>	<b>\$46,106,087</b>	<b>\$46,829,287</b>	<b>\$82,483,589</b>	<b>\$100,728,382</b>

**Changes in Net Assets:**

The City's combined net assets increased over the prior year by \$18,244,793 (18.11%). The majority of this is the 200 N overpass. 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 decreased by \$2,312,619. Overall liabilities increased by \$2,281,850.

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, 2009**  
**(Continued)**

**Changes in Net Assets**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>
<b>Revenues</b>						
General Revenues						
Property Tax	\$1,246,815	\$1,308,424	\$0	\$0	\$1,246,815	\$1,308,424
Sales Tax	\$3,249,441	\$2,971,247	\$0	\$0	\$3,249,441	\$2,971,247
Other Taxes	\$1,607,682	\$1,656,881	\$0	\$0	\$1,607,682	\$1,656,881
Interest and Investment	\$278,111	\$173,831	\$209,561	\$62,360	\$487,672	\$236,191
Grants and Contributions	\$1,790,788	\$16,855,782	\$2,215,296	\$827,954	\$4,006,084	\$17,683,736
Charges for Services	\$3,588,668	\$3,681,662	\$19,407,585	\$19,590,895	\$22,996,253	\$23,272,557
Miscellaneous	\$287,969	\$115,332	\$0	\$0	\$287,969	\$115,332
<b>Total Revenues</b>	<b>\$12,049,474</b>	<b>\$26,763,159</b>	<b>\$21,832,442</b>	<b>\$20,481,209</b>	<b>\$33,881,916</b>	<b>\$47,244,368</b>
<b>Expenses</b>						
Governmental:						
General Government	\$1,487,669	\$1,573,836	\$0	\$0	\$1,487,669	\$1,573,836
Police	\$2,193,793	\$2,164,881	\$0	\$0	\$2,193,793	\$2,164,881
Fire	\$527,139	\$531,620	\$0	\$0	\$527,139	\$531,620
Community Development	\$837,804	\$725,078	\$0	\$0	\$837,804	\$725,078
Public Works	\$2,227,389	\$1,746,346	\$0	\$0	\$2,227,389	\$1,746,346
Parks, Recreation and Public Properties	\$1,853,861	\$2,170,919	\$0	\$0	\$1,853,861	\$2,170,919
Library Endowment	\$0	\$0	\$0	\$0	\$0	\$0
Perpetual Cemetery	\$78,348	\$36,000	\$0	\$0	\$78,348	\$36,000
Interest on Long Term Debt	\$62,965	\$92,886	\$0	\$0	\$62,965	\$92,886
Business-Type:						
Water	\$0	\$0	\$2,112,958	\$2,055,930	\$2,112,958	\$2,055,930
Sewer	\$0	\$0	\$1,486,306	\$1,675,055	\$1,486,306	\$1,675,055
Electric	\$0	\$0	\$12,057,762	\$12,558,805	\$12,057,762	\$12,558,805
Pressure Irrigation	\$0	\$0	\$933,041	\$1,001,318	\$933,041	\$1,001,318
Sanitation	\$0	\$0	\$1,157,707	\$1,166,979	\$1,157,707	\$1,166,979
Storm Water	\$0	\$0	\$812,161	\$927,250	\$812,161	\$927,250
Ambulance	\$0	\$0	\$449,019	\$572,672	\$449,019	\$572,672
<b>Total Expenses</b>	<b>\$9,268,968</b>	<b>\$9,041,566</b>	<b>\$19,008,954</b>	<b>\$19,958,009</b>	<b>\$28,277,922</b>	<b>\$28,999,575</b>
Increase in net assets before transfers	\$2,780,506	\$17,721,593	\$2,823,488	\$523,200	\$5,603,994	\$18,244,793
Transfers and special items	(\$200,000)	(\$200,000)	\$200,000	\$200,000	\$0	\$0
Increase (decrease) in net assets	\$2,580,506	\$17,521,593	\$3,023,488	\$723,200	\$5,603,994	\$18,244,793
Net Assets- Beginning of Fiscal Year	\$33,796,996	\$36,377,502	\$43,082,599	\$46,106,087	\$76,879,595	\$ 82,483,589
Net Assets - Ending of Fiscal Year	\$36,377,502	\$53,899,095	\$46,106,087	\$46,829,287	\$82,483,589	\$100,728,382

Some of the reasons for the changes in net assets are: Grants and Contributions increased significantly because of federal funding and contributions to the 200 N overpass project. Sales tax revenues decreased by approximately ten percent due to the slow the economy. Charges for services increased slightly due to an increase in the price charged for utility 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, 2009**  
**(Continued)**

Capital Assets

The City's investment in capital assets for its governmental activities and business-type activities at June 30, 2009 is \$96,027,081 (net of accumulated depreciation). This is a net increase of \$18,360,469. 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.

	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Land	\$5,457,498	\$4,903,983	\$6,401,984	\$5,955,839	\$11,859,482	\$10,859,822
Stock (Water)	\$0	\$0	\$3,245,990	\$3,287,990	\$3,245,990	\$3,287,990
Infrastructure	\$19,095,554	\$37,732,203	\$32,899,520	\$33,782,172	\$51,995,074	\$71,514,375
Building	\$3,459,427	\$3,388,174	\$523,003	\$509,240	\$3,982,430	\$3,897,414
Improvements	\$3,866,854	\$3,747,442	\$39,943	\$38,566	\$3,906,797	\$3,786,008
Vehicles	\$1,116,558	\$935,007	\$556,651	\$759,269	\$1,673,209	\$1,694,276
Equipment	\$624,763	\$580,797	\$378,805	\$406,397	\$1,003,568	\$987,194
Net of Accumulated Depreciation	\$33,621,654	\$51,287,606	\$44,045,896	\$44,739,473	\$77,666,550	\$96,027,079

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 decrease in long term liabilities in the amount of \$1,280,351. 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.

	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Note Payable (Park Land)	\$716,428	\$652,250	\$0	\$0	\$716,428	\$652,250
Note Payable (Kaysville Business Park West)	\$0	\$0	\$2,855,712	\$2,538,411	\$2,855,712	\$2,538,411
Note Payable (Pioneer Park Land)	\$500,000	\$400,000	\$0	\$0	\$500,000	\$400,000
Note Payable (200 N Overpass- UDOT)	\$0	\$1,786,955	\$0	\$0	\$0	\$1,786,955
Capital Lease (Fire Truck)	\$260,326	\$177,202	\$0	\$0	\$260,326	\$177,202
Series 2002 Revenue Bonds	\$585,000	\$398,000	\$0	\$0	\$585,000	\$398,000
Equipment Leases (Vactor Truck)	\$0	\$0	\$229,517	\$188,022	\$229,517	\$188,022
Equipment Lease (Ambulance)	\$0	\$0	\$0	\$138,449	\$0	\$138,449
Equipment Leases (Sweeper)	\$0	\$0	\$0	\$148,045	\$0	\$148,045
	\$2,061,754	\$3,414,407	\$3,085,229	\$3,012,927	\$5,146,983	\$6,427,334

Additional information on the city's long-term debt can be found in notes 7 & 8 on pages 54-57 of this report.



**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2009**  
**(Continued)**

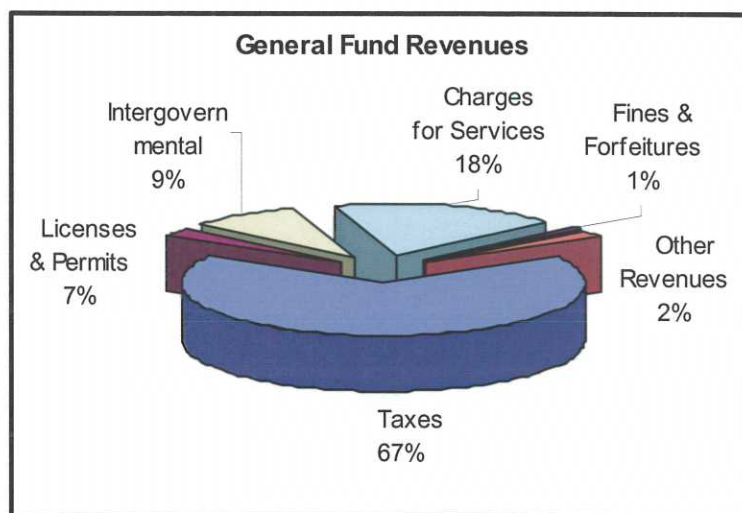
**Analysis of Financial Funds**

Governmental Funds

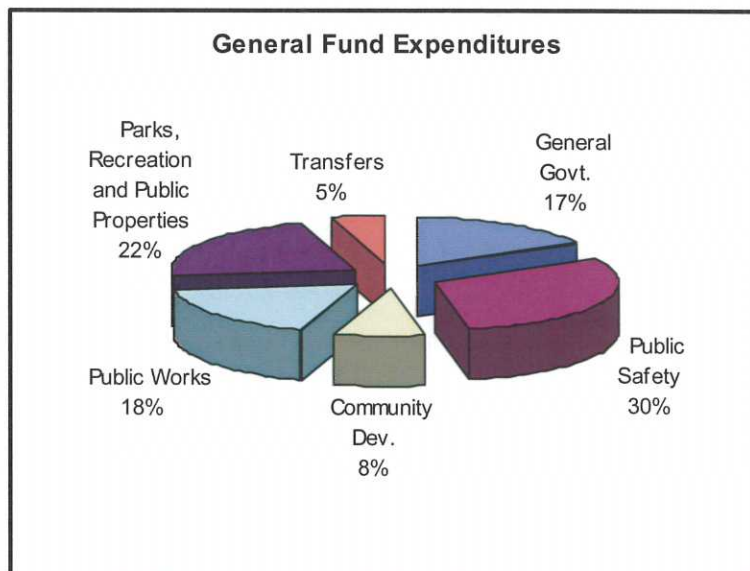
The focus of the City's governmental funds is to account for and provide information on near-term inflows, outflows and spendable resources. The primary governmental fund is the general fund. The City also maintains a capital projects fund, a debt service fund and permanent funds for cemetery perpetual care and library endowment. The table below and accompanying graphs depict the revenues and expenditures during the fiscal year 2009 and a comparison to fiscal year 2008.

**Governmental Funds**

<u>General Fund</u>	
Revenues:	
Taxes	\$5,936,552
Licenses and Permits	\$249,940
Intergovernmental	\$781,285
Charges for Services	\$1,640,591
Fines and Forfeitures	\$102,394
Other Revenues	\$192,831
	<b>\$8,903,593</b>



Expenditures:	
General Govt.	\$1,423,212
Public Safety	\$2,573,660
Community Dev.	\$679,669
Public Works	\$1,555,663
Parks, Recreation, & Public Properties	\$1,904,405
Transfers	\$410,000
	<b>\$8,546,609</b>



**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2009**  
**(Continued)**

<b>General Fund Revenues</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>Increase/ (Decrease)</b>	<b>Percentage Change</b>
Taxes	\$6,103,938	\$5,936,552	(\$167,386)	(6.96%)
Licenses and Permits	\$327,165	\$249,940	(\$77,225)	(23.60%)
Intergovernmental	\$977,385	\$781,285	(\$196,100)	(20.06%)
Service Charges	\$1,602,623	\$1,640,591	\$37,968	2.31%
Fines and Forfeitures	\$92,278	\$102,394	\$10,116	9.88%
Other Revenues	\$522,278	\$192,831	(\$329,447)	(63.08%)
	\$9,625,667	\$8,903,593	(\$722,074)	(7.50%)
<b>General Fund Expenditures</b>				
General Government	\$1,483,191	\$1,453,212	(\$29,979)	(2.02%)
Public Safety	\$2,700,146	\$2,573,660	(\$126,486)	(4.68%)
Community Development	\$867,676	\$679,669	(\$188,007)	(21.67%)
Public Works	\$2,200,177	\$1,555,663	(\$644,514)	(29.29%)
Parks, Recreation and Public Properties	\$1,951,272	\$1,904,405	(\$46,867)	(2.42%)
Transfers	\$698,000	\$410,000	(\$288,000)	(41.26%)
	\$9,900,462	\$8,576,609	(\$1,323,853)	(13.37%)

General fund revenues for fiscal year 2009 totaled \$8,903,593. This represents a decrease of approximately 7.5% from fiscal year 2008. Property tax increased slightly whereas sales tax decreased by approximately ten percent. There was also a decrease in the amount of C Road monies received from the state, money restricted to road improvement projects. Building permit fees and associated revenue continued to decrease due to slow-down in building activity. Fees for services and fines and forfeitures remained fairly stable. While the grants received and other revenue continued to decline as well.

General fund expenditures for fiscal year 2009 total \$8,576,609. This is a decrease of 13.37% over fiscal year 2008 of \$9,900,462. During the fiscal year, because of the slowing economy, departments were directed to limit expenditures under budget amounts.

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2009**  
**(Continued)**

Capital Projects Fund

The capital projects fund was used to account for major capital projects during the fiscal year 2009. The revenues and expenditures compared to the previous year are illustrated as follows:

<b>Capital Projects Fund</b>	<b>FY 2008</b>	<b>FY 2009</b>
Revenue:		
Impact Fees	\$ 621,326	\$ 897,541
Interest	-	19,645
Property Sales	-	436,145
Other Sources- Reimbursements	-	510,100
Transfers from Other Funds	377,405	-
	<u>\$ 998,731</u>	<u>\$ 1,863,431</u>
Expenditures:		
200 North Overpass Project	\$ 233,050	\$ 467,609
Barnes Park Improvements	160,006	-
Rail Trail	8,000	63,142
Cemetery Expansion	78,348	-
Recreation Center Remodel	41,635	-
Pioneer Park	-	135,000
Barnes Park Sportsplex	-	31,107
Main Street Project	2,725	88,558
Heritage Park	54,085	70,988
Transfers	250,260	-
	<u>\$ 828,109</u>	<u>\$ 856,404</u>

Debt Service Fund

During the fiscal year 2009, 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 2008</b>	<b>FY 2009</b>
Revenue:		
Transfers	\$ 458,260	\$ 345,000
Interest	-	10,931
	<u>\$ 458,260</u>	<u>\$ 355,931</u>
Expenditures:		
Angel Street Park Property	\$ 100,000	\$ 100,000
Pioneer Park Property	250,260	135,000
2002 Revenue Bonds	202,827	209,064
	<u>\$ 553,087</u>	<u>\$ 444,064</u>

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2009**  
**(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, 2009, the principal balance is \$1,441,422. 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 \$676,621 with the total fund balance of \$885,185. 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 \$18,884,128. This is an increase of about 2.57% over the prior year of \$18,398,229. Most of this increase is attributable to the population growth of the city. As the City continues to grow, more and more electrical resources are needed. Operating expenses totaled \$19,717,077. This is an increase of approximately 4.77%. Continued monitoring of each utility will be necessary to ensure operating revenues cover operating expenses.

The table below and accompanying charts show the operations for fiscal year 2009.

<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	\$1,873,133	\$1,733,153	\$11,558,560	\$1,054,672	\$1,260,996	\$973,123	\$430,491	\$18,884,128
Operating Expenses	\$2,055,930	\$1,675,055	\$12,353,617	\$1,001,318	\$1,158,592	\$907,747	\$564,818	\$19,717,077
Operating Income	(\$182,797)	\$58,098	(\$795,057)	\$53,354	\$102,404	\$65,376	(\$134,327)	(\$832,949)
Non Operating Revenues/(Expenses)	\$87,744	\$0	\$474,507	\$0	(\$8,387)	(\$17,815)	(\$7,854)	\$528,195
Net Income before Transfers	(\$95,053)	\$58,098	(\$320,550)	\$53,354	\$94,017	\$47,561	(\$142,181)	(\$304,754)
Operating Transfer In/(Out)	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$200,000
Net Income / (loss)	(\$95,053)	\$58,098	(\$320,550)	\$53,354	\$94,017	\$47,561	\$57,819	(\$104,754)

# **BASIC FINANCIAL STATEMENTS**

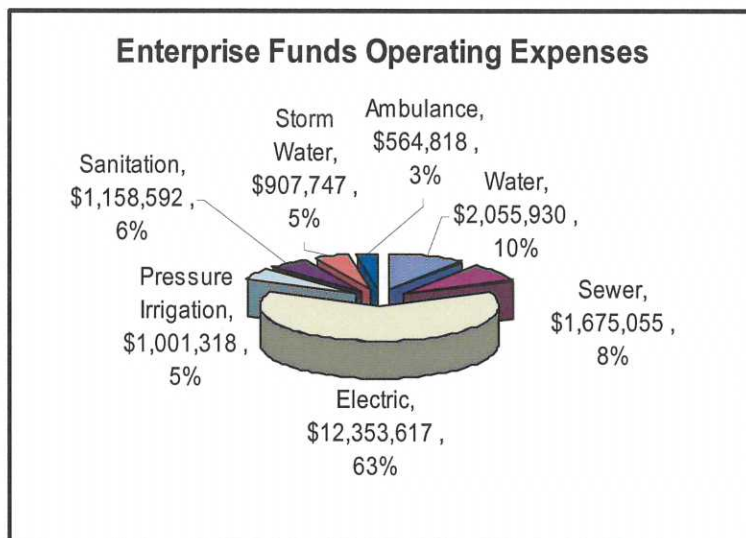
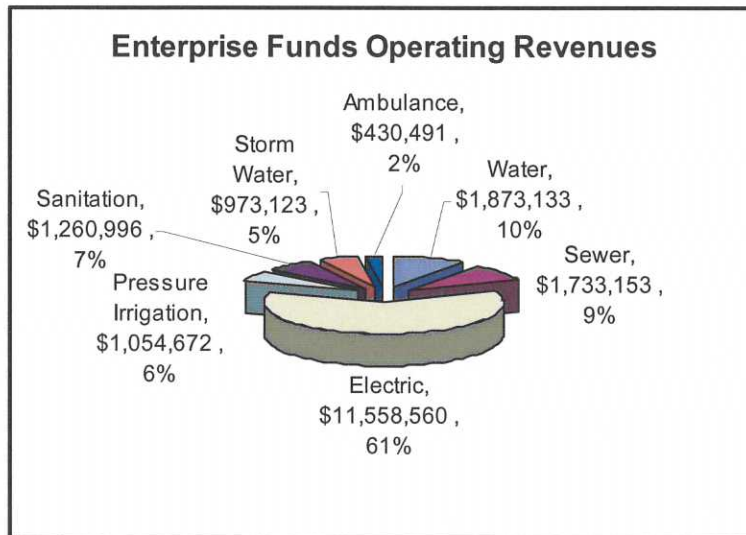
**Government-Wide Financial Statements**

**Fund Financial Statements**

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2009**  
**(Continued)**

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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.

**KAYSVILLE CITY**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 6,075,456	\$ 5,244,569	\$ 11,320,025
Investments	793,913	-	793,913
Accounts Receivable (Net)	2,099,016	1,870,690	3,969,706
Inventory	-	415,000	415,000
Total Current Assets	<u>8,968,385</u>	<u>7,530,259</u>	<u>16,498,644</u>
<b>Noncurrent Assets:</b>			
<b>Capital Assets:</b>			
Land	4,903,983	5,955,839	10,859,822
Net Depreciable Capital Assets	46,383,625	35,495,644	81,879,269
Water Stock	-	3,287,990	3,287,990
Total Noncurrent Assets	<u>51,287,608</u>	<u>44,739,473</u>	<u>96,027,081</u>
Total Assets	<u>\$ 60,255,993</u>	<u>\$ 52,269,732</u>	<u>\$ 112,525,725</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 422,831	\$ 2,046,964	\$ 2,469,795
Accrued Expenses	227,874	-	227,874
Deposits	747,263	83,143	830,406
Deferred Revenue	1,171,077	-	1,171,077
Accrued Interest	104,158	204,751	308,909
Noncurrent Liabilities Due Within One Year	1,495,544	438,352	1,933,896
Total Current Liabilities	<u>4,168,747</u>	<u>2,773,210</u>	<u>6,941,957</u>
<b>Noncurrent Liabilities</b>			
Due in more than one year	<u>2,188,151</u>	<u>2,667,235</u>	<u>4,855,386</u>
Total Noncurrent Liabilities	<u>2,188,151</u>	<u>2,667,235</u>	<u>4,855,386</u>
Total Liabilities	<u>6,356,898</u>	<u>5,440,445</u>	<u>11,797,343</u>
<b>NET ASSETS</b>			
Investments in Capital Assets, Net of Related Debt	47,859,814	44,257,004	92,116,818
<b>Restricted for:</b>			
Park Development Impact Fees	97,392	-	97,392
Transportation Impact Fee	819,868	-	819,868
Public Safety Impact Fee	190,754	-	190,754
Perpetual Cemetery	1,441,422	-	1,441,422
<b>Library Endowment:</b>			
Expendable	208,566	-	208,566
Nonexpendable	676,621	-	676,621
Debt Service	684,865	-	684,865
Water Impact	-	96,379	96,379
Unrestricted	<u>1,919,793</u>	<u>2,475,904</u>	<u>4,395,697</u>
Total Net Assets	<u>53,899,095</u>	<u>46,829,287</u>	<u>100,728,382</u>
Total Liabilities and Net Assets	<u>\$ 60,255,993</u>	<u>\$ 52,269,732</u>	<u>\$ 112,525,725</u>

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

**KAYSVILLE CITY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2009**

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 1,573,836	\$ 647,500	\$ 20,059	\$ -
Public Safety:				
Police	2,164,881	216,799	-	-
Fire	531,620	140,535	530	-
Community Development	725,078	301,483	29,703	-
Public Works	1,746,346	1,520,183	-	16,805,490
Parks, Recreation and Public Properties	2,170,919	790,532	-	-
Perpetual Cemetery	36,000	64,630	-	-
Interest on Long-term Debt	92,886	-	-	-
Total Governmental Activities	<u>9,041,566</u>	<u>3,681,662</u>	<u>50,292</u>	<u>16,805,490</u>
<b>Business-Type Activities:</b>				
Water	2,055,930	1,960,877	-	488,349
Sewer	1,675,055	1,733,153	-	-
Electric	12,558,805	12,177,583	-	-
Pressure Irrigation	1,001,318	1,054,672	-	-
Sanitation	1,166,979	1,260,996	-	-
Storm Water	927,250	973,123	-	339,605
Ambulance	572,672	430,491	-	-
Total Business-Type Activities	<u>19,958,009</u>	<u>19,590,895</u>	<u>-</u>	<u>827,954</u>
<b>Total</b>	<u>\$ 28,999,575</u>	<u>\$ 23,272,557</u>	<u>\$ 50,292</u>	<u>\$ 17,633,444</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>
\$ (906,277)	\$ -	\$ (906,277)
(1,948,082)	-	(1,948,082)
(390,555)	-	(390,555)
(393,892)	-	(393,892)
16,579,327	-	16,579,327
(1,380,387)	-	(1,380,387)
28,630	-	28,630
(92,886)	-	(92,886)
<u>11,495,878</u>	<u>-</u>	<u>11,495,878</u>
-	393,296	393,296
-	58,098	58,098
-	(381,222)	(381,222)
-	53,354	53,354
-	94,017	94,017
-	385,478	385,478
-	(142,181)	(142,181)
<u>-</u>	<u>460,840</u>	<u>460,840</u>
<u>11,495,878</u>	<u>460,840</u>	<u>11,956,718</u>
1,308,424	-	1,308,424
2,971,247	-	2,971,247
610,526	-	610,526
1,046,355	-	1,046,355
173,831	62,360	236,191
115,332	-	115,332
(200,000)	200,000	-
<u>6,025,715</u>	<u>262,360</u>	<u>6,288,075</u>
17,521,593	723,200	18,244,793
<u>36,377,502</u>	<u>46,106,087</u>	<u>82,483,589</u>
<u>\$ 53,899,095</u>	<u>\$ 46,829,287</u>	<u>\$ 100,728,382</u>

**KAYSVILLE CITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,299,159	\$ 870,676	\$ 1,372,925
Investments	-	-	-
Accounts Receivable	<u>1,853,938</u>	<u>-</u>	<u>245,078</u>
Total Assets	<u><u>\$ 4,153,097</u></u>	<u><u>\$ 870,676</u></u>	<u><u>\$ 1,618,003</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts Payable	\$ 364,384	\$ -	\$ 58,447
Accrued Expenses	227,874	-	-
Deferred Revenue- Property Tax	1,171,077	-	-
Deposits	<u>745,875</u>	<u>-</u>	<u>1,388</u>
Total Liabilities	<u>2,509,210</u>	<u>-</u>	<u>59,835</u>
Reserved for:			
Park Development Impact Fees	-	-	97,392
Transportation Impact Fee	-	-	819,868
Public Safety Impact Fee	-	-	190,754
Perpetual Care	-	-	-
Library Endowment	-	-	-
Debt Service	-	684,865	-
Unreserved	<u>1,643,887</u>	<u>185,811</u>	<u>450,154</u>
Total Fund Balances	<u>1,643,887</u>	<u>870,676</u>	<u>1,558,168</u>
Total Liabilities and Fund Balances	<u><u>\$ 4,153,097</u></u>	<u><u>\$ 870,676</u></u>	<u><u>\$ 1,618,003</u></u>

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

<u>Permanent Funds</u>		<u>Total</u>
<u>Perpetual Cemetery</u>	<u>Library Endowment</u>	<u>Governmental Funds</u>
\$ 1,441,422	\$ 91,274	\$ 6,075,456
-	793,913	793,913
-	-	2,099,016
<u>\$ 1,441,422</u>	<u>\$ 885,187</u>	<u>\$ 8,968,385</u>
\$ -	\$ -	\$ 422,831
-	-	227,874
-	-	1,171,077
-	-	747,263
<u>-</u>	<u>-</u>	<u>2,569,045</u>
-	-	97,392
-	-	819,868
-	-	190,754
1,441,422	-	1,441,422
-	885,187	885,187
-	-	684,865
-	-	2,279,852
<u>1,441,422</u>	<u>885,187</u>	<u>6,399,340</u>
<u>\$ 1,441,422</u>	<u>\$ 885,187</u>	<u>\$ 8,968,385</u>

**KAYSVILLE CITY**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

Total fund balance - Governmental Funds	\$ 6,399,340
---	--------------

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

Accounts receivables that pertain to governmental funds, are not received in the current period and therefore are not reported as fund receivables. All receivables - both current and long-term - are reported in the statement of net assets. Funds received against these receivables during the year are:

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

Land	4,903,984	
Buildings, net of 1,161,516 accumulated depreciation	3,388,173	
Improvements, net of 1,865,817 accumulated depreciation	3,747,442	
Infrastructure, net of 15,108,979 accumulated depreciation	37,732,206	
Equipment, net of 967,026 accumulated depreciation	580,796	
Vehicles, net of 2,365,752 accumulated depreciation	935,007	51,287,608

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	(398,000)	
Notes Payable	(2,839,207)	
Lease/Purchase Agreement	(177,202)	
Accrued Interest	(104,158)	
Compensated Absences	(269,286)	(3,787,853)

Total Net Assets - Governmental Activities	\$ 53,899,095
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The notes to the financial statements are an integral part of this statement.

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**KAYSVILLE CITY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2009**

	General	Debt Service	Capital Projects
<b>Revenues:</b>			
Taxes	\$ 5,936,552	\$ -	\$ -
Licenses and Permits	249,940	-	-
Impact Fees	-	-	897,541
Intergovernmental	751,582	-	-
Charges for Services	1,640,591	-	-
Fines and Forfeitures	102,394	-	-
Interest Income	81,926	10,931	19,645
Community Development Block Grant	29,703	-	-
Miscellaneous	110,905	-	-
<b>Total Revenues</b>	<b>8,903,593</b>	<b>10,931</b>	<b>917,186</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government	1,423,509	-	-
Public Safety	2,573,660	-	-
Community Development	709,372	-	-
Public Works	1,555,663	-	-
Parks, Recreation and Public Properties	1,904,405	-	-
<b>Debt Service:</b>			
Principal	-	351,178	-
Interest and Fiscal Charges	-	92,886	-
<b>Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>721,404</b>
<b>Total Expenditures</b>	<b>8,166,609</b>	<b>444,064</b>	<b>721,404</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>736,984</b>	<b>(433,133)</b>	<b>195,782</b>
<b>Other Financing Sources (Uses):</b>			
Property Sales	-	-	436,145
Other Sources- Reimbursements	-	-	510,100
<b>Transfers In</b>			
General Fund	-	210,000	-
<b>Transfers Out</b>			
Debt Service Fund	(210,000)	-	-
Ambulance Fund	(200,000)	-	-
Debt Service	-	-	(135,000)
Capital Projects Fund	-	135,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>(410,000)</b>	<b>345,000</b>	<b>811,245</b>
<b>Net Change in Fund Balances</b>	<b>326,984</b>	<b>(88,133)</b>	<b>1,007,027</b>
<b>Fund balance - July 1</b>	<b>1,316,903</b>	<b>958,809</b>	<b>551,141</b>
<b>Fund Balance - June 30</b>	<b>\$ 1,643,887</b>	<b>\$ 870,676</b>	<b>\$ 1,558,168</b>

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



Permanent Funds		Total
Perpetual Cemetery	Library Endowment	Governmental Funds
\$ -	\$ -	\$ 5,936,552
-	-	249,940
-	-	897,541
-	-	751,582
64,630	-	1,705,221
-	-	102,394
23,991	37,338	173,831
-	-	29,703
-	-	110,905
<u>88,621</u>	<u>37,338</u>	<u>9,957,669</u>
-	10,000	1,433,509
-	-	2,573,660
-	-	709,372
-	-	1,555,663
36,000	-	1,940,405
-	-	351,178
-	-	92,886
-	-	721,404
<u>36,000</u>	<u>10,000</u>	<u>9,378,077</u>
<u>52,621</u>	<u>27,338</u>	<u>579,592</u>
-	-	436,145
-	-	510,100
-	-	210,000
-	-	(210,000)
-	-	(200,000)
-	-	(135,000)
-	-	135,000
-	-	746,245
<u>52,621</u>	<u>27,338</u>	<u>1,325,837</u>
<u>1,388,801</u>	<u>857,849</u>	<u>5,073,503</u>
<u>\$ 1,441,422</u>	<u>\$ 885,187</u>	<u>\$ 6,399,340</u>

**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, 2009**

Net change in fund balances-total governmental funds \$ 1,325,837

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.

Capital outlays	1,663,919	
Depreciation expense	<u>(1,524,182)</u>	139,737

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. 794,068

The effect of contributed capital assets from government participated projects is not recorded in the fund financial statements, but is reported as revenues and capital assets in the government-wide financial statements. 15,501,322

The sale of property is recorded as a revenue in the governmental funds, but the sale reduces capital assets in the statement of net assets.

Proceeds	(436,145)	
Gain (Loss) on sale of asset	<u>(119,985)</u>	(556,130)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Debt proceeds are reported as other financing sources in the fund statements, but are reported as long-term liabilities in the government-wide statements.

Repayment of note payable	164,178	
Repayment of capital lease	83,124	
Repayment of bond principal	187,000	
Compensated absences	<u>153,541</u>	587,843

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These expenses include changes to:

Accrued compensated absences	(166,926)	
Accrued interest	<u>(104,158)</u>	<u>(271,084)</u>

Change in net assets of governmental activities \$ 17,521,593

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

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**KAYSVILLE CITY**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES**  
**JUNE 30, 2009**

	<u>Water</u>	<u>Sewer</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 2,443	\$ 610,666
Accounts Receivable (Net of Allowance for Uncollectibles)	202,650	169,081
Interfund Receivable	-	-
Inventory	-	-
<b>Total Current Assets</b>	<u>205,093</u>	<u>779,747</u>
<b>Noncurrent Assets</b>		
<b>Capital Assets:</b>		
Land	120,094	-
Net Depreciable Capital Assets	13,390,717	25,462
Water Stock	76,140	-
<b>Total Noncurrent Assets</b>	<u>13,586,951</u>	<u>25,462</u>
<b>Total Assets</b>	<u><u>\$ 13,792,044</u></u>	<u><u>\$ 805,209</u></u>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 32,286	\$ 163,465
Interfund Payable	975,000	-
Deposits	3,740	-
Accrued Interest	-	-
Noncurrent Liabilities Due Within One Year	6,947	-
<b>Total Current Liabilities</b>	<u>1,017,973</u>	<u>163,465</u>
<b>Noncurrent Liabilities</b>		
Due In More Than One Year	27,788	-
<b>Total Noncurrent Liabilities</b>	<u>27,788</u>	<u>-</u>
<b>Total Liabilities</b>	<u>1,045,761</u>	<u>163,465</u>
<b>NET ASSETS</b>		
Investments in Capital Assets, Net of Related Debt	13,586,951	25,462
Restricted for:		
Water Impact	96,379	-
Unrestricted	(937,047)	616,282
<b>Total Net Assets</b>	<u>12,746,283</u>	<u>641,744</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 13,792,044</u></u>	<u><u>\$ 805,209</u></u>

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

<u>Electric</u>	<u>Pressure Irrigation</u>	<u>Sanitation</u>	<u>Storm Water</u>	<u>Ambulance</u>	<u>Total</u>
\$ 3,498,364	\$ 65,073	\$ 808,758	\$ 212,430	\$ 46,835	\$ 5,244,569
1,047,142	94,164	122,361	92,865	142,427	1,870,690
975,000	-	-	-	-	975,000
415,000	-	-	-	-	415,000
<u>5,935,506</u>	<u>159,237</u>	<u>931,119</u>	<u>305,295</u>	<u>189,262</u>	<u>8,505,259</u>
5,819,423	16,322	-	-	-	5,955,839
14,484,502	-	385,804	7,034,610	174,549	35,495,644
-	3,211,850	-	-	-	3,287,990
<u>20,303,925</u>	<u>3,228,172</u>	<u>385,804</u>	<u>7,034,610</u>	<u>174,549</u>	<u>44,739,473</u>
<u>\$ 26,239,431</u>	<u>\$ 3,387,409</u>	<u>\$ 1,316,923</u>	<u>\$ 7,339,905</u>	<u>\$ 363,811</u>	<u>\$ 53,244,732</u>
\$ 1,592,050	\$ 81,927	\$ 89,726	\$ 62,486	\$ 25,024	\$ 2,046,964
-	-	-	-	-	975,000
79,403	-	-	-	-	83,143
186,150	-	5,520	7,911	5,170	204,751
325,401	-	30,435	47,068	28,501	438,352
<u>2,183,004</u>	<u>81,927</u>	<u>125,681</u>	<u>117,465</u>	<u>58,695</u>	<u>3,748,210</u>
2,253,512	-	117,611	158,336	109,988	2,667,235
<u>2,253,512</u>	<u>-</u>	<u>117,611</u>	<u>158,336</u>	<u>109,988</u>	<u>2,667,235</u>
4,436,516	81,927	243,292	275,801	168,683	6,415,445
20,303,925	3,228,172	237,758	6,838,676	36,060	44,257,004
-	-	-	-	-	96,379
1,498,990	77,310	835,873	225,428	159,068	2,475,904
<u>21,802,915</u>	<u>3,305,482</u>	<u>1,073,631</u>	<u>7,064,104</u>	<u>195,128</u>	<u>46,829,287</u>
<u>\$ 26,239,431</u>	<u>\$ 3,387,409</u>	<u>\$ 1,316,923</u>	<u>\$ 7,339,905</u>	<u>\$ 363,811</u>	<u>\$ 53,244,732</u>

**KAYSVILLE CITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES**  
**YEAR ENDED JUNE 30, 2009**

	<u>Water</u>	<u>Sewer</u>
<b>Operating Revenues:</b>		
Charges for Services (Net of uncollectibles)	\$ 1,873,133	\$ 1,733,153
<b>Total Operating Revenues</b>	<u>1,873,133</u>	<u>1,733,153</u>
<b>Operating Expenses:</b>		
Personnel Services	544,262	9,579
Contractual Services	109,631	-
Administrative Charges from General Fund	134,000	60,159
Interfund Services	66,500	-
Purchases Water/Treatment/Power/Refuse	400,100	1,604,629
Supplies and Miscellaneous Operating	145,218	-
Equipment and Maintenance	264,975	-
Energy Sales and Use Tax Charge	-	-
Depreciation	391,244	688
<b>Total Operating Expenses</b>	<u>2,055,930</u>	<u>1,675,055</u>
<b>Operating Income (Loss)</b>	<u>(182,797)</u>	<u>58,098</u>
<b>Non-Operating Revenues (Expenses):</b>		
Connection Fees	32,942	-
Extension Fees	14,130	-
Impact Fees	40,672	-
Interest Income	-	-
Miscellaneous	-	-
Interest Expense	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>87,744</u>	<u>-</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>(95,053)</u>	<u>58,098</u>
Contributions From Developers	488,349	-
Transfers In (Out)):		
General Fund	-	-
<b>Change in Net Assets</b>	<u>393,296</u>	<u>58,098</u>
<b>Total Net Assets - Beginning</b>	<u>12,352,987</u>	<u>583,646</u>
<b>Total Net Assets - Ending</b>	<u><u>\$ 12,746,283</u></u>	<u><u>\$ 641,744</u></u>

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



<u>Electric</u>	<u>Pressure Irrigation</u>	<u>Sanitation</u>	<u>Storm Water</u>	<u>Ambulance</u>	<u>Total</u>
<u>\$ 11,558,560</u>	<u>\$ 1,054,672</u>	<u>\$ 1,260,996</u>	<u>\$ 973,123</u>	<u>\$ 430,491</u>	<u>\$ 18,884,128</u>
<u>11,558,560</u>	<u>1,054,672</u>	<u>1,260,996</u>	<u>973,123</u>	<u>430,491</u>	<u>18,884,128</u>
928,041	6,998	33,554	221,158	371,880	2,115,472
299,170	-	12,759	51,123	75,946	548,629
134,000	40,235	39,445	41,500	71,276	520,615
71,500	-	3,500	46,500	5,000	193,000
9,036,585	953,770	1,032,035	-	-	13,027,119
91,022	-	-	17,773	1,157	255,170
528,778	315	8,566	191,349	36,318	1,030,301
666,166	-	-	-	-	666,166
598,355	-	28,733	338,344	3,241	1,360,605
<u>12,353,617</u>	<u>1,001,318</u>	<u>1,158,592</u>	<u>907,747</u>	<u>564,818</u>	<u>19,717,077</u>
<u>(795,057)</u>	<u>53,354</u>	<u>102,404</u>	<u>65,376</u>	<u>(134,327)</u>	<u>(832,949)</u>
3,280	-	-	-	-	36,222
323,116	-	-	-	-	337,246
247,278	-	-	-	-	287,950
60,672	-	-	1,688	-	62,360
45,349	-	-	-	-	45,349
<u>(205,188)</u>	<u>-</u>	<u>(8,387)</u>	<u>(19,503)</u>	<u>(7,854)</u>	<u>(240,932)</u>
<u>474,507</u>	<u>-</u>	<u>(8,387)</u>	<u>(17,815)</u>	<u>(7,854)</u>	<u>528,195</u>
<u>(320,550)</u>	<u>53,354</u>	<u>94,017</u>	<u>47,561</u>	<u>(142,181)</u>	<u>(304,754)</u>
-	-	-	339,605	-	827,954
-	-	-	-	200,000	200,000
<u>(320,550)</u>	<u>53,354</u>	<u>94,017</u>	<u>387,166</u>	<u>57,819</u>	<u>723,200</u>
<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>\$ 21,802,915</u>	<u>\$ 3,305,482</u>	<u>\$ 1,073,631</u>	<u>\$ 7,064,104</u>	<u>\$ 195,128</u>	<u>\$ 46,829,287</u>

**KAYSVILLE CITY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES**  
**YEAR ENDED JUNE 30, 2009**

	<u>Water</u>	<u>Sewer</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 1,881,345	\$ 1,710,993
Cash Payments to Suppliers for Goods and Services	(1,103,640)	(1,584,532)
Cash Payments to Employees for Services	(538,731)	(9,579)
Cash Payments for Interfund Services	(200,500)	(60,159)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>38,474</u>	<u>56,723</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Change In Interfund Borrowings	375,000	-
Transfers In (Out)	-	-
<b>Net Cash Used in Non-Capital Financing Activities</b>	<u>375,000</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Impact, Extension and Connection Fees	87,744	-
Acquisition of Capital Assets	(530,647)	-
Principal Paid on Bonds and Notes	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(442,903)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest Received	-	-
Interest Paid	-	-
<b>Net Cash Provided (Used) from Investing Activities</b>	<u>-</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(29,429)</u>	<u>56,723</u>
<b>Cash/Equivalents at Beginning of Year</b>	<u>31,872</u>	<u>553,943</u>
<b>Cash/Equivalents at End of Year</b>	<u>\$ 2,443</u>	<u>\$ 610,666</u>
<b>CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ (182,797)	\$ 58,098
Reconciliation Adjustments:		
Depreciation	391,247	687
Bad Debt Expense	(1,758)	(1,841)
Changes in Assets and Liabilities:		
Changes in Receivables	8,209	(20,318)
Changes in Inventory	-	-
Changes in Accounts Payable	(181,958)	20,097
Changes in Compensated Absences	5,531	-
<b>Total Adjustments</b>	<u>221,271</u>	<u>(1,375)</u>
<b>Net Cash (Used) Provided by Operating Activities</b>	<u>\$ 38,474</u>	<u>\$ 56,723</u>
<b>Noncash investing and capital activities:</b>		
Contributions from Developers	488,349	-
Acquisition of Capital Assets Financed through Leases	-	-

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

Electric	Pressure Irrigation	Sanitation	Storm Water	Ambulance	Total
\$ 11,441,732	\$ 1,049,217	\$ 1,256,323	\$ 967,516	\$ 405,262	\$ 18,712,388
(10,675,911)	(948,776)	(1,051,956)	(275,745)	(116,559)	(15,757,119)
(925,094)	(6,998)	(33,554)	(213,787)	(371,880)	(2,099,623)
(205,500)	(40,235)	(42,945)	(88,000)	(76,276)	(713,615)
(364,773)	53,208	127,868	389,984	(159,453)	142,031
(375,000)	-	-	-	(50,000)	(50,000)
-	-	-	-	200,000	200,000
(375,000)	-	-	-	150,000	150,000
619,023	-	-	-	-	706,767
(162,913)	(42,000)	(15,651)	(158,476)	-	(909,687)
(317,301)	-	(15,495)	(41,495)	(14,511)	(388,802)
138,809	(42,000)	(31,146)	(199,971)	(14,511)	(591,722)
60,672	-	-	1,688	-	62,360
(228,457)	-	(2,866)	(11,591)	(2,684)	(245,598)
(167,785)	-	(2,866)	(9,903)	(2,684)	(183,238)
(768,749)	11,208	93,856	180,110	(26,648)	(482,929)
4,267,113	53,865	714,902	32,320	73,483	5,727,498
\$ 3,498,364	\$ 65,073	\$ 808,758	\$ 212,430	\$ 46,835	\$ 5,244,569
\$ (795,057)	\$ 53,354	\$ 102,404	\$ 65,376	\$ (134,327)	\$ (832,949)
598,351	-	28,734	338,344	3,243	1,360,606
(1,848)	(1,265)	7,370	4,820	29,507	34,985
(114,976)	(4,190)	(12,044)	(10,427)	(54,738)	(208,484)
-	-	-	-	-	-
(54,190)	5,309	1,404	(15,500)	(3,138)	(227,976)
2,947	-	-	7,371	-	15,849
430,284	(146)	25,464	324,608	(25,126)	974,980
\$ (364,773)	\$ 53,208	\$ 127,868	\$ 389,984	\$ (159,453)	\$ 142,031
-	-	-	339,605	-	827,954
-	-	163,540	-	153,000	316,540

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**NOTES TO  
BASIC FINANCIAL STATEMENTS**

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**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 endowment, 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.



**KAYSVILLE CITY - June 30, 2009**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**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 modified 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.

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 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, 2009**  
**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 twelve funds, including five 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, 2009**  
**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, 2009**  
**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.

**KAYSVILLE CITY - June 30, 2009**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**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, 2009**  
**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, 2009**  
**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, 2009, \$340,172 of the City's bank balances of \$1,336,229 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, 2009, 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	\$ 10,551,395	\$10,551,395	\$ -	\$ -	\$ -	not rated
Money market	158,950	158,950	-	-	-	not rated
Certificate of deposit	793,911	224,820	569,091	-	-	not rated
	<u>\$11,504,256</u>	<u>\$10,935,165</u>	<u>\$ 569,091</u>	<u>\$ -</u>	<u>\$ -</u>	



**KAYSVILLE CITY - June 30, 2009**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**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, 2009, are as follows:

Cash on hand and on deposit:	
Cash on hand	\$ 250
Cash on deposit	609,432
PTIF investment	10,551,395
Money market	158,950
Certificate of deposits	793,911
	<hr/>
Total cash and investments	<u>\$12,113,938</u>

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

Cash and cash equivalents	\$11,320,025
Investments	793,913
	<hr/>
Total cash and investments	<u>\$12,113,938</u>

**KAYSVILLE CITY - June 30, 2009**  
**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
Receivables:									
Intergovernmental	\$2,099,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,099,016
Utility charges	-	200,857	176,363	1,019,279	98,531	127,936	97,138	228,969	1,949,073
Other receivables	-	9,651	-	81,317	-	-	-	7,223	98,191
Gross receivables	2,099,016	210,508	176,363	1,100,596	98,531	127,936	97,138	236,192	4,146,280
Allowance for uncollectibles	-	(7,858)	(7,282)	(53,454)	(4,367)	(5,575)	(4,273)	(93,765)	(176,574)
Net receivables	\$2,099,016	\$ 202,650	\$ 169,081	\$1,047,142	\$ 94,164	\$ 122,361	\$ 92,865	\$ 142,427	\$3,969,706

**4. CAPITAL ASSETS**

Capital asset activity in the governmental activities for the year ended June 30, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 5,457,498	\$ -	\$ (553,515)	\$ 4,903,983
Total capital assets, not being depreciated	5,457,498	-	(553,515)	4,903,983
Capital assets, being depreciated				
Infrastructure	33,292,556	19,548,626 *	-	52,841,182
Buildings	4,549,689	-	-	4,549,689
Improvements	5,547,746	65,513	-	5,613,259
Vehicles	3,294,386	61,969	(55,595)	3,300,760
Equipment	1,477,666	70,157	-	1,547,823
Total capital assets, being depreciated	48,162,043	19,746,265	(55,595)	67,852,713
Accumulated Depreciation for:				
Infrastructure	(14,197,002)	(911,977)	-	(15,108,979)
Buildings	(1,090,262)	(71,253)	-	(1,161,515)
Improvements	(1,680,892)	(184,925)	-	(1,865,817)
Vehicles	(2,176,828)	(241,905)	52,980	(2,365,753)
Equipment	(852,903)	(114,123)	-	(967,026)
Total accumulated depreciation	(19,997,887)	(1,524,183)	52,980	(21,469,090)
Total capital assets being depreciated, net	28,164,156	18,222,082	(2,615)	46,383,623
Governmental activities capital assets, net	\$33,621,654	\$18,222,082	\$ (556,130)	\$51,287,606

\* During FY 2009 the 200 N Overpass project was completed and accepted by the City.

**KAYSVILLE CITY - June 30, 2009**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS (Continued)**

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 48,138
Public Safety	
Police	79,538
Fire	144,864
Community Development	16,461
Public Works	966,163
Parks and Recreation	269,019
	<hr/>
Total Governmental Activities Depreciation Expense	<u>\$ 1,524,183</u>

Capital asset activity in the business-type activities for the year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated				
Land	\$ 6,401,984	\$ 892,021	\$(1,338,166)	\$ 5,955,839
Water Stock	3,245,990	42,000	-	3,287,990
Total capital assets, not being depreciated	<u>9,647,974</u>	<u>934,021</u>	<u>(1,338,166)</u>	<u>9,243,829</u>
Capital assets, being depreciated				
Buildings	825,794	-	-	825,794
Improvements	41,320	-	-	41,320
Infrastructure	47,740,349	2,072,964	-	49,813,313
Vehicles	1,665,465	360,383	(145,110)	1,880,738
Machinery and Equipment	1,033,208	194,479	(21,500)	1,206,187
Total capital assets, being depreciated	<u>51,306,136</u>	<u>2,627,826</u>	<u>(166,610)</u>	<u>53,767,352</u>
Accumulated Depreciation for:				
Buildings	(302,791)	(13,763)	-	(316,554)
Improvements	(1,377)	(1,377)	-	(2,754)
Infrastructure	(14,840,829)	(1,190,312)	-	(16,031,141)
Vehicles	(1,108,814)	(102,765)	90,110	(1,121,469)
Machinery and Equipment	(654,403)	(148,458)	3,071	(799,790)
Total accumulated depreciation	<u>(16,908,214)</u>	<u>(1,456,675)</u>	<u>93,181</u>	<u>(18,271,708)</u>
Total capital assets, being depreciated, net	<u>34,397,922</u>	<u>1,171,151</u>	<u>(73,429)</u>	<u>35,495,644</u>
Business-type activities capital assets, net	<u>\$44,045,896</u>	<u>\$2,105,172</u>	<u>\$(1,411,595)</u>	<u>\$44,739,473</u>

**KAYSVILLE CITY - June 30, 2009**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS (Continued)**

Depreciation expense was charged to functions as follows:

Business-type Activities:	
Water	\$ 391,243
Sewer	688
Electric	598,355
Sanitation	28,733
Storm Water	338,344
Ambulance	<u>3,241</u>
Total Business-type Activities Depreciation Expense	<u>\$ 1,360,604</u>

Capital assets by proprietary fund are as follows:

	Water Utility	Sewer Utility	Electric Utility	Pressure Irrigation	Sanitation Utility	Storm Water	Ambulance	Total
Land	\$ 120,094	\$ -	\$5,819,423	\$ 16,322	\$ -	\$ -	\$ -	\$ 5,955,839
Water Stock	76,140	-	-	3,211,850	-	-	-	3,287,990
Buildings	123,869	41,289	660,636	-	-	-	-	825,794
Improvements	41,320	-	-	-	-	-	-	41,320
Infrastructure	17,461,004	-	20,131,859	-	-	12,220,451	-	49,813,314
Vehicles	374,647	-	618,809	-	207,383	312,129	367,770	1,880,738
Equipment	226,765	-	249,091	-	698,115	1,568	30,648	1,206,187
Total	<u>18,423,839</u>	<u>41,289</u>	<u>27,479,818</u>	<u>3,228,172</u>	<u>905,498</u>	<u>12,534,148</u>	<u>398,418</u>	<u>63,011,182</u>
Accum Depr	<u>(4,836,890)</u>	<u>(15,827)</u>	<u>(7,175,873)</u>	<u>-</u>	<u>(519,694)</u>	<u>(5,499,535)</u>	<u>(223,869)</u>	<u>(18,271,688)</u>
Net	<u>\$13,586,949</u>	<u>\$ 25,462</u>	<u>\$20,303,945</u>	<u>\$3,228,172</u>	<u>\$ 385,804</u>	<u>\$7,034,613</u>	<u>\$ 174,549</u>	<u>\$44,739,494</u>

**5. DEPOSITS**

General Fund - Deposits in the general fund as of June 30, 2009 are as follows:

Business license bonds refundable	\$ 1,600
Builders' deposits	375,650
Excavation deposits	106,000
Escrow deposits	<u>258,709</u>
Total	<u>\$ 741,959</u>

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, 2009 deposits are as follows:

Utility deposits	\$ 79,403
Water meter deposits	<u>3,740</u>
Total deposits	<u>\$ 83,143</u>

**KAYSVILLE CITY - June 30, 2009**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

**6. LEASES**

The City has four 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>Governmental Activities</b>	<b>Business-type Activities</b>		
		<b>Sanitation Fund</b>	<b>Storm Water Fund</b>	<b>Ambulance Fund</b>
Vehicles	\$ 439,551	\$ 207,383	\$ 282,602	\$ 153,000
Less: Accumulated Amortization	(125,586)	(25,978)	(40,372)	-
Total	<u>\$ 313,965</u>	<u>\$ 181,405</u>	<u>\$ 242,230</u>	<u>\$ 153,000</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, 2009, were as follows:

<b>Year Ended June 30,</b>	<b>Capital Lease (Fire Truck) 4.33%</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 86,723	\$ 7,673	\$ 94,396
2011	90,479	3,917	94,396
<b>Totals</b>	<b>\$ 177,202</b>	<b>\$ 11,590</b>	<b>\$ 188,792</b>

**Business-type activities:**

The City has three lease agreements as lessee for the acquisition of a street sweeper, a vactor truck, and an ambulance.

The street sweeper lease purchase agreement bears an interest rate of 4.47%. Annual payments are made with final payment being made in 2014. Payments are made from the Sanitation fund.

<b>Year Ended June 30,</b>	<b>Capital Lease (Street Sweeper) 4.47%</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 30,435	\$ 6,288	\$ 36,723
2011	31,810	4,913	36,723
2012	33,248	3,475	36,723
2013	34,751	1,972	36,723
2014	17,960	401	18,361
<b>Totals</b>	<b>\$ 148,204</b>	<b>\$ 17,049</b>	<b>\$ 165,253</b>

**KAYSVILLE CITY - June 30, 2009****NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)****6. LEASES (Continued)**

The vector 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.

<b>Year Ended June 30,</b>	<b>Capital Lease (Vector Truck)</b>		
	<b>5.05%</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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>\$ 188,022</b>	<b>\$ 24,322</b>	<b>\$ 212,344</b>

The ambulance lease purchase agreement bears an interest rate of 4.47%. Annual payments are made with final payment being made in 2014. Payments are made from the Ambulance fund.

<b>Year Ended June 30,</b>	<b>Capital Lease (Ambulance)</b>		
	<b>4.47%</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 28,501	\$ 5,889	\$ 34,390
2011	29,790	4,600	34,390
2012	31,136	3,254	34,390
2013	32,544	1,846	34,390
2014	16,819	376	17,195
<b>Totals</b>	<b>\$ 138,790</b>	<b>\$ 15,965</b>	<b>\$ 154,755</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:

<b>Year Ended June 30,</b>	<b>Note Payable (Angel Park Land)</b>		
	<b>5.00%</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 652,250	\$ 32,615	\$ 684,865
<b>Totals</b>	<b>\$ 652,250</b>	<b>\$ 32,615</b>	<b>\$ 684,865</b>

**KAYSVILLE CITY - June 30, 2009**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

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

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:

<b>Year Ended June 30,</b>	<b>Note Payable (Pioneer Park Land)</b>		
	<b>7.00%</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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>\$ 400,000</b>	<b>\$ 70,000</b>	<b>\$ 470,000</b>

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>
2010	3.75%	\$ 195,000	\$ 15,230	\$ 210,230
2011	3.90%	203,000	7,917	210,917
<b>Totals</b>		<b>\$ 398,000</b>	<b>\$ 23,147</b>	<b>\$ 421,147</b>

200 N Overpass- UDOT

The City is liable for the repayment of a note payable issued in 2009 in the amount of \$1,786,955 to finance the construction of the 200 N Overpass. Payments are paid on October 15 and April 15 of each year. The note bears no interest. The amortization of the note is as follows:

<b>Year Ended June 30,</b>	<b>Note Payable (200 N Overpass- UDOT)</b>	
	<b>No interest</b>	
	<b>Principal</b>	<b>Total</b>
2010	\$ 300,000	\$ 300,000
2011	300,000	300,000
2012	1,186,955	1,186,955
<b>Totals</b>	<b>\$ 1,786,955</b>	<b>\$ 1,786,955</b>



**KAYSVILLE CITY - June 30, 2009**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

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

**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 8.00%</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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>\$ 2,538,411</b>	<b>\$ 913,830</b>	<b>\$ 3,452,241</b>

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

Activity with long-term liabilities including capital leases and compensated absences for the year ended June 30, 2009 is as follows:

	<b>Balance July 1, 2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2009</b>	<b>Amounts Due Within One Year</b>
<b>Governmental Activities:</b>					
Note Payable - Angel Street Park Land	\$ 716,428	\$ -	\$ (64,178)	\$652,250	\$652,250
Note Payable - Pioneer Park Land	500,000	-	(100,000)	400,000	100,000
Series 2002 Bonds	585,000	-	(187,000)	398,000	195,000
Note Payable- 200 N Overpass UDOT	-	1,786,955	-	1,786,955	300,000
Fire Truck Lease	260,326	-	(83,124)	177,202	86,723
<b>Total Debt</b>	<b>2,061,754</b>	<b>1,786,955</b>	<b>(434,302)</b>	<b>3,414,407</b>	<b>1,333,973</b>
<b>Compensated Absences</b>	<b>255,901</b>	<b>166,926</b>	<b>(153,541)</b>	<b>269,286</b>	<b>161,571</b>
<b>Total Governmental Activities</b>	<b>\$2,317,655</b>	<b>1,953,881</b>	<b>\$ (587,843)</b>	<b>\$3,683,693</b>	<b>\$1,495,544</b>

**KAYSVILLE CITY - June 30, 2009**

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

**8. CHANGES IN CAPITAL LEASES, LONG TERM LIABILITIES, AND COMPENSATED ABSENCES (Continued)**

<b>Business-type Activities:</b>	<b>Balance July 1, 2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2009</b>	<b>Amounts Due Within One Year</b>
Capital Lease (Sweeper)	\$ -	\$ 163,540	\$ (15,495)	\$ 148,045	\$ 30,435
Capital Lease (Vactor Truck)	229,517	-	(41,495)	188,022	43,591
Capital Lease (Ambulance)	-	153,000	(14,551)	138,449	28,501
Note Payable - Land	2,855,712	-	(317,301)	2,538,411	317,301
Total Debt	3,085,229	316,540	(388,842)	3,012,927	419,828
Compensated Absences	76,765	31,208	(15,353)	92,620	18,524
<i>Total Business-type Activities</i>	<u>\$ 3,161,994</u>	<u>\$ 347,748</u>	<u>\$ (404,195)</u>	<u>\$3,105,547</u>	<u>\$438,352</u>

For the year ended June 30, 2009, \$92,886 in interest was charged to expense in the Governmental Activities and \$240,932 was charged to expense in the Business-type Activities. No interest was capitalized for the year ended June 30, 2009, 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.

**9. 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 24.91% 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.

**KAYSVILLE CITY - June 30, 2009**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

**9. RETIREMENT SYSTEMS (continued)**

Defined Benefit Plan – The Kaysville City Contribute to the Local Governmental Contributory Retirement System for the years ending June 30, 2009, 2008 and 2007 were \$5,572, \$5,415, and \$5,167 respectively and for the Noncontributory Retirement System the contributions for June 30, 2009, 2008 and 2007 were \$345,668, \$308,321, and \$241,994 respectively. For the Public Safety Noncontributory Retirement System contributions for June 30, 2009, 2008 and 2007 were \$220,991, \$203,903, and \$171,877 respectively, and for the Public Safety Contributory Retirement System contributions for June 30, 2007 was \$6,223. The contributions were equal to the required contributions for each year.

Defined Contribution Plan – The City also provides a 401-k plan for employees. The plan is adopted and amended by the City Council, administered by the trustees with money management and contract administration provided by The Principal Financial Group. The plan is funded by the City based on employee classification. The Plan covers all City employees and participants who are fully vested. The employer's share of contributions for the year ended June 30, 2009 totaled \$175,628. The 401(k) plan has an elective deferral option. Employee contributions for the year ended June 30, 2009 totaled approximately \$174,016.

**10. 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.

**11. INTERFUND TRANSACTIONS**

Transfers In/Out

Transfers for the year ended June 30, 2009 were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>			
	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Ambulance Fund</u>	<u>Total</u>
<b>General Fund</b>	\$ 210,000	\$ -	\$ 200,000	\$ 410,000
<b>Capital Projects Fund</b>	135,000	-	-	135,000
<b>Totals</b>	<u><u>\$ 345,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 200,000</u></u>	<u><u>\$ 545,000</u></u>

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.

**KAYSVILLE CITY - June 30, 2009**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

**11. INTERFUND TRANSACTIONS (Continued)**

Interfund Receivables/Payables

Interfund receivables and payables as of June 30, 2009 were as follows:

	Due from Other Funds	
	Water	Total
Due to Other Funds		
Electric Fund	975,000	975,000
Total	\$ 975,000	\$ 975,000

The above receivable and payable have resulted from the normal course of the City's operations. 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.

**12. 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.

**13. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Expenditures over budget:

The Capital Project Fund incurred \$16,904 expenditures in excess of budget.

The Cemetery Perpetual Care Fund incurred \$1,000 expenditures in excess of budget.

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## **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, 2009**

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
Property Taxes - Current	\$ 1,080,000	\$ 1,080,000	\$ 1,158,790	\$ 78,790
Property Taxes - Redemptions	35,000	35,000	831	(34,169)
Property Taxes-Payments in Lieu	24,000	39,000	8,012	(30,988)
Motor Vehicle Fee in Lieu	175,000	175,000	140,791	(34,209)
Sales Tax	3,260,000	3,260,000	2,971,247	(288,753)
Utility License Tax	530,000	530,000	610,526	80,526
Energy Sales and Use Charge	1,125,000	1,125,000	1,046,355	(78,645)
	<u>6,229,000</u>	<u>6,244,000</u>	<u>5,936,552</u>	<u>(307,448)</u>
<b>Licenses and Permits:</b>				
Business Licenses	55,000	55,000	54,565	(435)
Building Permits	260,000	260,000	195,375	(64,625)
	<u>315,000</u>	<u>315,000</u>	<u>249,940</u>	<u>(65,060)</u>
<b>Intergovernmental:</b>				
Class "C" Road	810,000	810,000	730,993	(79,007)
State Liquor Allotment	15,000	15,000	16,405	1,405
State Grants	-	-	3,654	3,654
Emergency Medical Services Grant	-	-	530	530
Community Development Block Grant	115,000	115,000	29,703	(85,297)
	<u>940,000</u>	<u>940,000</u>	<u>781,285</u>	<u>(158,715)</u>
<b>Charges for Services:</b>				
Administrative Charges	454,500	454,500	454,500	-
Zoning	90,000	90,000	51,543	(38,457)
Maps and Publications	500	500	-	(500)
Fire Protection	140,000	140,000	140,535	535
Law Enforcement	95,000	95,000	104,584	9,584
Streets	6,000	6,000	290	(5,710)
Parks and Recreation	442,800	442,800	498,300	55,500
Facilities Maintenance	9,000	9,000	12,261	3,261
Cemetery Lots	60,000	60,000	63,300	3,300
Burial Fees	52,500	52,500	100,425	47,925
GIS Services	124,500	124,500	124,500	-
Fleet Mgmt Services	68,500	68,500	68,500	-
Miscellaneous Charges	3,000	3,000	21,853	18,853
	<u>1,546,300</u>	<u>1,546,300</u>	<u>1,640,591</u>	<u>94,291</u>
<b>Fines and Forfeitures</b>	<u>85,800</u>	<u>85,800</u>	<u>102,394</u>	<u>16,594</u>

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, 2009**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Other Revenues:</b>				
Interest Earnings	165,000	165,000	81,926	(83,074)
Rents	16,000	16,000	17,426	1,426
Sale of Materials	-	-	6,660	6,660
Community Theatre	6,000	6,000	23,788	17,788
Civic Committee	6,000	31,000	30,082	(918)
Cert Fees	2,500	2,500	300	(2,200)
Sundry	13,247	13,247	32,649	19,402
Other	-	-	-	-
	<u>208,747</u>	<u>233,747</u>	<u>192,831</u>	<u>(40,916)</u>
<b>Total Revenues</b>	<u>9,324,847</u>	<u>9,364,847</u>	<u>8,903,593</u>	<u>(461,254)</u>
<b>Expenditures:</b>				
<b>General Government:</b>				
City Council	81,300	81,300	69,708	11,592
City Manager	153,550	153,550	150,612	2,938
Administrative Services	709,600	709,600	657,504	52,096
Geographic Information Systems	166,300	166,300	136,771	29,529
Legal Services	145,000	145,000	120,221	24,779
Elections	-	-	-	-
Animal Control	38,000	38,000	36,756	1,244
Fleet Maintenance	238,900	253,900	251,937	1,963
Community Development Block Grant	115,000	115,000	29,703	85,297
	<u>1,647,650</u>	<u>1,662,650</u>	<u>1,453,212</u>	<u>209,438</u>
<b>Public Safety:</b>				
Police Department	2,344,674	2,344,674	2,136,806	207,868
Fire Department	500,288	500,288	436,854	63,434
	<u>2,844,962</u>	<u>2,844,962</u>	<u>2,573,660</u>	<u>271,302</u>
<b>Community Development:</b>				
Planning and Zoning	341,365	341,365	322,408	18,957
Code Enforcement	376,093	376,093	357,261	18,832
	<u>717,458</u>	<u>717,458</u>	<u>679,669</u>	<u>37,789</u>
<b>Public Works:</b>				
Public Works	944,577	944,577	814,366	130,211
Class "C" Roads	810,000	810,000	741,297	68,703
	<u>1,754,577</u>	<u>1,754,577</u>	<u>1,555,663</u>	<u>198,914</u>

(continued)

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Parks, Recreation and Public Properties:</b>				
Buildings	155,000	155,000	144,453	10,547
Parks	881,000	881,000	863,740	17,260
Recreation	707,900	707,900	707,698	202
Community Events	59,550	84,550	83,098	1,452
Cemetery	134,750	134,750	105,416	29,334
	<u>1,938,200</u>	<u>1,963,200</u>	<u>1,904,405</u>	<u>58,795</u>
<b>Total Expenditures</b>	<u>8,902,847</u>	<u>8,942,847</u>	<u>8,166,609</u>	<u>776,238</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>422,000</u>	<u>422,000</u>	<u>736,984</u>	<u>314,984</u>
<b>Other Financing Sources (Uses):</b>				
Appropriation from Fund Balance	(7,000)	(7,000)	-	7,000
Transfers (Out):				
Debt Service Fund	(215,000)	(215,000)	(210,000)	5,000
Ambulance Fund	(200,000)	(200,000)	(200,000)	-
Capital Projects Fund				-
	<u>(422,000)</u>	<u>(422,000)</u>	<u>(410,000)</u>	<u>12,000</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>-</u>	<u>-</u>	<u>326,984</u>	<u>326,984</u>
<b>Fund Balance - July 1</b>	<u>1,316,903</u>	<u>1,316,903</u>	<u>1,316,903</u>	<u>-</u>
<b>Fund Balance - June 30</b>	<u>\$ 1,316,903</u>	<u>\$ 1,316,903</u>	<u>\$ 1,643,887</u>	<u>\$ 326,984</u>

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**KAYSVILLE CITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2009**

**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 2008/2009 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, 2009**

**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, 2009**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Revenues	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<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	215,000	215,000	209,064	5,936
Pioneer Park Payment	135,000	135,000	135,000	-
<b>Total Expenditures</b>	<u>450,000</u>	<u>450,000</u>	<u>444,064</u>	<u>5,936</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(450,000)</u>	<u>(450,000)</u>	<u>(444,064)</u>	<u>(5,936)</u>
<b>Other Financing Sources (Uses):</b>				
Appropriation From Fund Balance	100,000	100,000	-	(100,000)
Interest Income	-	-	10,931	10,931
Transfers In (Out):				
General Fund	215,000	215,000	210,000	(5,000)
Capital Projects Fund	135,000	135,000	135,000	-
	<u>450,000</u>	<u>450,000</u>	<u>355,931</u>	<u>(94,069)</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>-</u>	<u>-</u>	<u>(88,133)</u>	<u>(100,005)</u>
<b>Fund Balance at Beginning of Year</b>	<u>958,809</u>	<u>958,809</u>	<u>958,809</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 958,809</u>	<u>\$ 958,809</u>	<u>\$ 870,676</u>	<u>\$ (100,005)</u>



**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MAJOR CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2009**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES:</b>				
Park Development Impact Fees	\$ 940,000	\$ 166,500	\$ 98,820	\$ (67,680)
Transportation Impact Fees	-	-	788,900	788,900
Public Safety Impact Fees	50,000	-	9,821	9,821
<b>Total Revenues</b>	<b>990,000</b>	<b>166,500</b>	<b>897,541</b>	<b>731,041</b>
<b>EXPENDITURES:</b>				
Capital Outlay:				
200 North Overpass Project	-	468,000	467,609	391
Heritage Park Improvements	840,000	15,000	70,988	(55,988)
Police Station	50,000	-	-	-
Barnes Sportsplex	-	31,500	31,107	393
Main Street Project	90,000	90,000	88,558	1,442
Rail Trail	100,000	100,000	63,142	36,858
<b>Total Expenditures</b>	<b>1,080,000</b>	<b>704,500</b>	<b>721,404</b>	<b>(16,904)</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(90,000)</b>	<b>(538,000)</b>	<b>176,137</b>	<b>714,137</b>
<b>Other Financing Sources (Uses):</b>				
Appropriation From Fund Balance	90,000	190,000	-	(190,000)
Sale of Property	-	-	436,145	436,145
Other Sources- Reimbursements	-	468,000	510,100	42,100
Interest Income	-	-	19,645	19,645
Transfers In (Out):	-	-	-	-
Debt Service	-	(135,000)	(135,000)	-
Grants	-	15,000	-	(15,000)
	<b>90,000</b>	<b>538,000</b>	<b>830,890</b>	<b>292,890</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>1,007,027</b>	<b>1,007,027</b>
<b>Fund Balance at Beginning of Year</b>	<b>551,141</b>	<b>551,141</b>	<b>551,141</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 551,141</b>	<b>\$ 551,141</b>	<b>\$ 1,558,168</b>	<b>\$ 1,007,027</b>

**KAYSVILLE CITY  
IMPACT FEE REPORTING  
JUNE 30, 2009**

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.

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**KAYSVILLE CITY**  
**IMPACT FEE REPORTING**  
**JUNE 30, 2009**

	Transportation	Public Safety	Parks & Recreation	Power	Water
FY-2003					
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
Ending Balance	-	-	328,467	245,724	2,323,143
FY-2004					
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
Ending Balance	-	-	92,850	(323,657)	2,528,066
FY-2005					
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
Ending Balance	545,549	30,586	(212,281)	(177,590)	1,867,342
FY-2006					
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	-	-
Ending Balance	849,225	99,036	133,293	(1,037,273)	706,473
FY-2007					
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
Ending Balance	477,764	149,629	404,669	(1,213,441)	640,345
FY-2008					
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
Ending Balance	33,399	176,382	167,679	(1,233,904)	55,149
FY-2009					
Beginning	33,399	176,382	167,679	(1,233,904)	55,149
Fees Collected	788,900	9,821	98,820	247,278	40,672
Expenditures	-	-	(170,802)	(55,489)	-
Interest	338	1,783	1,695	-	557
Ending Balance	822,636	187,986	97,392	(1,042,115)	96,379

**KAYSVILLE CITY  
IMPACT FEE REPORTING  
JUNE 30, 2009**

<b>TRANSPORATION IMPACT FEES- REVENUES AND EXPENDITURES</b>													
	Historical							Budget	Estimated Revenues and Expenditures				
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>Revenues:</b>													
Impact Fees		\$ 543,334	\$ 1,451,343	\$ -	\$ -	\$ -	\$ 1,994,677	250,000	250,000	250,000	250,000	250,000	250,000
Academica West				-	-	1,218	\$ 1,218						
Advanced Machinery				1,251	-	-	\$ 1,251						
Alta Acres				2,768	-	-	\$ 2,768						
Angel Street Church				-	-	83,908	\$ 83,908						
Aggood				5,536	-	2,768	\$ 8,304						
Ashwood Estates				30,448	52,592	-	\$ 83,040						
Barger Subdivision				-	-	5,232	\$ 5,232						
Boondocks				-	-	67,696	\$ 67,696						
Bridlewalk				-	8,304	-	\$ 8,304						
Buddy's Place				2,768	-	-	\$ 2,768						
Burningham Meadows				-	2,768	-	\$ 2,768						
Comflors				-	-	708	\$ 708						
Coventry Place				2,768	-	2,768	\$ 5,536						
Dancing Horse				8,304	-	2,768	\$ 11,072						
Davis County Schools				-	-	245,078	\$ 245,078						
Edge End Hollis				-	2,768	-	\$ 2,768						
Gages Acres				2,768	-	-	\$ 2,768						
Geer Estates				-	-	2,768	\$ 2,768						
Grove at Sunset				-	5,536	-	\$ 5,536						
Hanlines Hamlet				5,536	-	-	\$ 5,536						
Happy Hollow				-	2,768	2,768	\$ 5,536						
Harvey Estates				-	-	2,768	\$ 2,768						
Higley Webb				-	5,536	-	\$ 5,536						
Hob Hill				-	2,768	-	\$ 2,768						
Jessica Meadows				5,536	2,768	-	\$ 8,304						
Kaysville Business Park				126,280	11,269	32,967	\$ 170,516						
Kaysville Commons				4,655	-	721	\$ 5,376						
Kings Creek				11,072	2,768	-	\$ 13,840						
Laurel Estates				-	9,673	-	\$ 9,673						
Lazy Diamond				2,768	-	2,768	\$ 5,536						
LDS Church				5,110	-	-	\$ 5,110						
Marketboro				-	4,181	607	\$ 4,788						
Meadow Creek				-	2,768	-	\$ 2,768						
Mill Creek Hollow				-	2,768	-	\$ 2,768						
Mill Shadow Estates				-	2,768	-	\$ 2,768						
Montebella				-	-	13,840	\$ 13,840						
Mountain Vistas				41,520	16,609	2,768	\$ 60,897						
NSC Properties				-	-	4,256	\$ 4,256						
Old Mill Village				244,107	52,591	52,592	\$ 349,290						
Paradise Cove				2,768	-	-	\$ 2,768						
Pheasantbrook North				5,536	-	-	\$ 5,536						
Quairrh Mtn Charter School				-	-	84,817	\$ 84,817						
Quail Crossing				150,340	19,376	2,768	\$ 172,484						
Quail Hollow				24,912	-	-	\$ 24,912						
Rayzan/ Larry Ray				2,967	-	-	\$ 2,967						
Richter Farm Sub				2,768	-	-	\$ 2,768						
Rose Cottage				5,536	-	-	\$ 5,536						
Scandia Development				-	-	8,895	\$ 8,895						
Schick Farm				91,359	22,144	8,304	\$ 121,807						
Single Lot Developments				4,594	-	2,768	\$ 7,362						
Sprott Subdivision				2,768	-	-	\$ 2,768						
Stonne Lane				2,768	-	-	\$ 2,768						
Suncrest Meadows				19,376	2,768	-	\$ 22,144						
Sunset Farms				130,096	96,778	125,469	\$ 352,343						
Sunset Pointe				24,912	-	-	\$ 24,912						
Thornfield				5,536	-	-	\$ 5,536						
Torino				5,536	-	-	\$ 5,536						
Tri City Nursery				21,889	-	-	\$ 21,889						
Tyler Estates				-	16,608	8,304	\$ 24,912						
Upland				-	2,768	-	\$ 2,768						
Webster Farms				58,128	16,608	13,840	\$ 88,576						
West Cottonwoods				22,144	19,376	-	\$ 41,520						
Whits Court				16,608	11,072	2,768	\$ 30,448						
Wilcox Const				2,768	-	-	\$ 2,768						
Interest Revenues		\$ 2,215	\$ 52,333	\$ 22,035	\$ 6,934	\$ 338	\$ 83,854	35,164	32,312	31,604	(5,131)	4,663	14,850
Total	\$ -	\$ 545,549	\$ 1,503,676	\$ 1,128,539	\$ 405,635	\$ 789,238	\$ 4,372,636	\$ 285,164	\$ 282,312	\$ 281,604	\$ 244,869	\$ 254,663	\$ 264,850
<b>Expenditures:</b>													
200 North Overcrossing			\$ 1,200,000	\$ 1,500,000	\$ 850,000	\$ -	\$ 3,550,000	300,000	300,000	1,200,000			
Total	\$ -	\$ -	\$ 1,200,000	\$ 1,500,000	\$ 850,000	\$ -	\$ 3,550,000	\$ 300,000	\$ 300,000	\$ 1,200,000	\$ -	\$ -	\$ -
Revenue over Expenses	\$ -	\$ 545,549	\$ 303,676	\$ (371,461)	\$ (444,365)	\$ 789,238		\$ (14,836)	\$ (17,688)	\$ (918,396)	\$ 244,869	\$ 254,663	\$ 264,850
Prior Year Balance	\$ -	\$ -	\$ 545,549	\$ 849,225	\$ 477,764	\$ 33,399		\$ 822,636	\$ 807,800	\$ 790,112	\$ (128,283)	\$ 116,586	\$ 371,249
Balance End of Year	\$ -	\$ 545,549	\$ 849,225	\$ 477,764	\$ 33,399	\$ 822,636		\$ 807,800	\$ 790,112	\$ (128,283)	\$ 116,586	\$ 371,249	\$ 636,099

**KAYSVILLE CITY  
IMPACT FEE REPORTING  
JUNE 30, 2009**

<b>PUBLIC SAFETY IMPACT FEES- REVENUES AND EXPENDITURES</b>													
	Historical							Budget	Estimated Revenues and Expenditures				
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenues:													
Impact Fees		\$ 30,460	\$ 66,010	\$ -	\$ -	\$ -	\$ 96,470	25,000	25,000	25,000	25,000	25,000	25,000
Alta Acres				161	-	-	\$ 161						
Apgood				322	-	161	\$ 483						
Ashwood Estates				1,771	3,059	-	\$ 4,830						
Bridlewalk				-	483	-	\$ 483						
Buddy's Place				161	-	-	\$ 161						
Burningham Meadows				-	161	-	\$ 161						
Coventry Place				161	-	161	\$ 322						
Dancing Horse				483	-	161	\$ 644						
Edge End Hollos				-	161	-	\$ 161						
Fieldstone Home				548	-	-	\$ 548						
Gabes Acres				161	-	-	\$ 161						
Geer Estates				-	-	161	\$ 161						
Grove at Sunset				-	322	-	\$ 322						
Hanlines Hamlet				322	-	-	\$ 322						
Happy Hollow				-	161	161	\$ 322						
Harvey Estates				-	-	161	\$ 161						
Higley Webb				-	322	-	\$ 322						
Hob Hill				-	161	-	\$ 161						
Jessica Meadows				322	161	-	\$ 483						
Kings Creek				644	161	-	\$ 805						
Laurel Estates				-	483	-	\$ 483						
Lazy Diamond				161	-	161	\$ 322						
Meadow Creek				-	161	-	\$ 161						
Mill Creek Hollow				-	161	-	\$ 161						
Mill Shadow Estates				-	161	-	\$ 161						
Montebella				-	-	805	\$ 805						
Mountain Vistas				2,415	966	161	\$ 3,542						
Old Mill Village				9,177	3,381	2,898	\$ 15,456						
Paradise Cove				161	-	-	\$ 161						
Pheasantbrook North				322	-	-	\$ 322						
Quail Crossing				3,864	1,127	161	\$ 5,152						
Quail Hollow				1,449	-	-	\$ 1,449						
Richter Farm Sub				161	-	-	\$ 161						
Rose Cottage				322	-	-	\$ 322						
Schick Farm				5,313	966	483	\$ 6,762						
Single Lot Developments				161	-	161	\$ 322						
Sprott Subdivision				161	-	-	\$ 161						
Stonne Lane				161	-	-	\$ 161						
Suncrest Meadows				1,127	161	-	\$ 1,288						
Sunset Farms				7,567	3,542	2,576	\$ 13,685						
Sunset Pointe				1,449	-	-	\$ 1,449						
Thornfield				322	-	-	\$ 322						
Torino				322	-	-	\$ 322						
Tyler Estates				-	966	483	\$ 1,449						
Upland				-	161	-	\$ 161						
Webster Farms				3,381	966	805	\$ 5,152						
West Cottonwoods				1,288	1,127	-	\$ 2,415						
Whits Court				966	644	161	\$ 1,771						
Wilcox Const				161	-	-	\$ 161						
Interest Revenues		\$ 126	\$ 2,440	\$ 5,126	\$ 6,628	\$ 1,783	\$ 16,103	7,519	8,820	8,173	(50,500)	(51,520)	(52,581)
Total	\$ -	\$ 30,586	\$ 68,450	\$ 50,593	\$ 26,753	\$ 11,604	\$ 187,986	\$ 32,519	\$ 33,820	\$ 33,173	\$ (25,500)	\$ (26,520)	\$ (27,581)
Expenditures:													
Police Station							\$ -	-	50,000	1,500,000	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 1,500,000	\$ -	\$ -	\$ -
Revenue over Expenses	\$ -	\$ 30,586	\$ 68,450	\$ 50,593	\$ 26,753	\$ 11,604		\$ 32,519	\$ (16,180)	\$ (1,466,827)	\$ (25,500)	\$ (26,520)	\$ (27,581)
Prior Year Balance	\$ -	\$ -	\$ 30,586	\$ 99,036	\$ 149,629	\$ 176,382		\$ 187,986	\$ 220,505	\$ 204,325	\$ (1,262,502)	\$ (1,288,002)	\$ (1,314,522)
Balance End of Year	\$ -	\$ 30,586	\$ 99,036	\$ 149,629	\$ 176,382	\$ 187,986		\$ 220,505	\$ 204,325	\$ (1,262,502)	\$ (1,288,002)	\$ (1,314,522)	\$ (1,342,103)

**KAYSVILLE CITY  
IMPACT FEE REPORTING  
JUNE 30, 2009**

<b>PARKS AND RECREATION IMPACT FEES - REVENUES AND EXPENDITURES</b>													
	Historical							Estimated Revenues and Expenditures					
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>Revenues:</b>													
Impact Fees	\$ 241,580	\$ 353,325	\$ 604,260	\$ -	\$ -	\$ -	\$ 1,199,165	175,000	175,000	175,000	175,000	175,000	175,000
Alta Acres				1,620	-	-	\$ 1,620						
Apgood				3,240	-	1,620	\$ 4,860						
Ashwood Estates				17,820	30,780	-	\$ 48,600						
Bridlewalk				-	4,860	-	\$ 4,860						
Buddy's Place				1,620	-	-	\$ 1,620						
Burningham Meadows				-	1,620	-	\$ 1,620						
Coventry Place				1,620	-	1,620	\$ 3,240						
Dancing Horse				4,860	-	1,620	\$ 6,480						
Edge End Hollos				-	1,620	-	\$ 1,620						
Gabes Acres				1,620	-	-	\$ 1,620						
Geer Estates				-	-	1,620	\$ 1,620						
Grove at Sunset				-	3,240	-	\$ 3,240						
Hanlines Hamlet				3,240	-	-	\$ 3,240						
Happy Hollow				-	1,620	1,620	\$ 3,240						
Harvey Estates				-	-	1,620	\$ 1,620						
Higley Webb				-	3,240	-	\$ 3,240						
Hob Hill				-	1,620	-	\$ 1,620						
Jessica Meadows				3,240	1,620	-	\$ 4,860						
Kings Creek				6,480	1,620	-	\$ 8,100						
Laurel Estates				-	4,860	-	\$ 4,860						
Lazy Diamond				1,620	-	1,620	\$ 3,240						
Meadow Creek				-	1,620	-	\$ 1,620						
Mill Creek Hollow				-	3,240	-	\$ 3,240						
Mill Shadow Estates				-	1,620	-	\$ 1,620						
Montebella				-	-	8,100	\$ 8,100						
Mountain Vistas				24,300	9,720	1,620	\$ 35,640						
Old Mill Village				92,340	29,160	29,160	\$ 150,660						
Old Orchard				-	-	1,620	\$ 1,620						
Paradise Cove				1,620	-	-	\$ 1,620						
Pheasantbrook North				1,620	-	-	\$ 1,620						
Quail Crossing				38,880	11,340	1,620	\$ 51,840						
Quail Hollow				14,580	-	-	\$ 14,580						
Richter Farm Sub				1,620	-	-	\$ 1,620						
Rose Cottage				3,240	-	-	\$ 3,240						
Schick Farm				53,460	12,960	4,860	\$ 71,280						
Single Lot Developments				1,620	-	1,620	\$ 3,240						
Sprott Subdivision				1,620	-	-	\$ 1,620						
Stonne Lane				1,620	-	-	\$ 1,620						
Suncrest Meadows				11,340	1,620	-	\$ 12,960						
Sunset Farms				76,140	35,640	24,300	\$ 136,080						
Sunset Pointe				14,580	-	-	\$ 14,580						
Thornfield				3,240	-	-	\$ 3,240						
Torino				3,240	-	-	\$ 3,240						
Tyler Estates				-	9,720	4,860	\$ 14,580						
Upland				-	1,620	-	\$ 1,620						
Webster Farms				34,020	9,720	8,100	\$ 51,840						
West Cottonwoods				12,960	11,340	-	\$ 24,300						
Whits Court				9,720	6,480	1,620	\$ 17,820						
Wilcox Const				1,620	-	-	\$ 1,620						
Interest Revenues	\$ 4,811	\$ 4,959	\$ 6,418	\$ 12,343	\$ 12,410	\$ 1,695	\$ 42,636						
<b>Total</b>	<b>\$ 246,391</b>	<b>\$ 358,284</b>	<b>\$ 610,678</b>	<b>\$ 462,703</b>	<b>\$ 214,910</b>	<b>\$ 100,515</b>	<b>\$ 1,993,481</b>	<b>\$ 175,000</b>	<b>\$ 175,000</b>	<b>\$ 175,000</b>	<b>\$ 175,000</b>	<b>\$ 175,000</b>	<b>\$ 175,000</b>
<b>Expenditures:</b>													
Heritage Park			\$ 29,921	\$ 15,306	\$ -		\$ 45,227						
Recreation Center	\$ 52,803			\$ 48,220	\$ 41,635		\$ 142,658						
Angel Street Park	\$ 429,206	\$ 663,415	\$ 235,123	\$ 112,420	\$ -		\$ 1,440,164						
Barnes Park				\$ 15,380	\$ 160,005	\$ 31,109	\$ 206,494						
Pioneer Park					\$ 250,260	\$ 135,000	\$ 385,260	\$ 128,000	\$ 121,000	\$ 114,000	\$ 107,000		
Rail Trail						\$ 4,693	\$ 4,693	\$ 100,000					
Openshaw Park							\$ -						
Gymnasium							\$ -						
<b>Total</b>	<b>\$ 482,009</b>	<b>\$ 663,415</b>	<b>\$ 265,044</b>	<b>\$ 191,326</b>	<b>\$ 451,900</b>	<b>\$ 170,802</b>	<b>\$ 2,224,496</b>	<b>\$ 228,000</b>	<b>\$ 121,000</b>	<b>\$ 114,000</b>	<b>\$ 107,000</b>	<b>\$ -</b>	<b>\$ -</b>
Revenue over Expenses	\$ (235,618)	\$ (305,131)	\$ 345,634	\$ 271,377	\$ (236,990)	\$ (70,287)		\$ (53,000)	\$ 54,000	\$ 61,000	\$ 68,000	\$ 175,000	\$ 175,000
Prior Year Balance	\$ 328,407	\$ 92,789	\$ (212,342)	\$ 133,292	\$ 404,669	\$ 167,679		\$ 97,392	\$ 44,392	\$ 98,392	\$ 159,392	\$ 227,392	\$ 402,392
Balance End of Year	\$ 92,789	\$ (212,342)	\$ 133,292	\$ 404,669	\$ 167,679	\$ 97,392		\$ 44,392	\$ 98,392	\$ 159,392	\$ 227,392	\$ 402,392	\$ 577,392



**KAYSVILLE CITY  
IMPACT FEE REPORTING  
JUNE 30, 2009**

<b>WATER IMPACT FEES - REVENUES AND EXPENDITURES</b>													
	Historical							Budget	Estimated Revenues and Expenditures				
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>Revenues:</b>													
Impact Fees	\$ 197,710	\$ 162,197	\$ 156,771	\$ -	\$ -	\$ -	\$ 516,678	50,000	50,000	50,000	50,000	50,000	50,000
Alta Acres				321	-	-	\$ 321						
Apgood				642	-	321	\$ 963						
Ashwood Estates				3,531	6,099	-	\$ 9,630						
Barger Subdivision				-	-	1,712	\$ 1,712						
Boondocks				-	-	3,748	\$ 3,748						
Bridlewalk				-	642	-	\$ 642						
Buddy's Place				321	-	-	\$ 321						
Burningham Meadows				-	321	-	\$ 321						
Coventry Place				321	-	321	\$ 642						
Dancing Horse				963	-	321	\$ 1,284						
Davis School District				-	-	5,458	\$ 5,458						
Edge End Hollos				-	535	-	\$ 535						
Gabes Acres				321	-	-	\$ 321						
Geer Estates				-	-	321	\$ 321						
Grove at Sunset				-	642	-	\$ 642						
Hanlines Hamlet				1,070	-	-	\$ 1,070						
Happy Hollow				-	-	535	\$ 535						
Harvey Estates				-	-	535	\$ 535						
Higley Webb				-	642	-	\$ 642						
Hob Hill				-	321	-	\$ 321						
Jessica Meadows				1,391	535	-	\$ 1,926						
Kaysville Business Park				5,136	-	1,934	\$ 7,070						
Kings Creek				1,284	321	-	\$ 1,605						
Laurel Estates				-	963	-	\$ 963						
Lazy Diamond				535	-	321	\$ 856						
LDS Church				-	-	1,712	\$ 1,712						
Meadow Creek				-	321	-	\$ 321						
Mill Creek Hollow				-	1,070	-	\$ 1,070						
Mill Shadow Estates				-	321	-	\$ 321						
Montebella				-	-	2,461	\$ 2,461						
Mountain Vistas				8,025	3,210	535	\$ 11,770						
Old Mill Village				19,795	6,741	5,778	\$ 32,314						
Old Orchard				-	-	642	\$ 642						
Paradise Cove				321	-	-	\$ 321						
Pheasantbrook North				321	-	-	\$ 321						
Quairrh Mtn Charter School				-	-	1,712	\$ 1,712						
Quail Crossing				9,416	2,889	321	\$ 12,626						
Quail Hollow				4,815	-	-	\$ 4,815						
Richter Farm Sub				321	-	-	\$ 321						
Rose Cottage				642	-	-	\$ 642						
Schick Farm				10,272	2,247	963	\$ 13,482						
Single Lot Development				321	-	321	\$ 642						
Sprott Subdivision				321	-	-	\$ 321						
Stonne Lane				321	-	-	\$ 321						
Suncrest Meadows				2,247	321	-	\$ 2,568						
Sunset Farms				15,087	7,918	6,527	\$ 29,532						
Sunset Pointe				2,889	-	-	\$ 2,889						
Thornfield				856	-	-	\$ 856						
Torino				642	-	-	\$ 642						
Tyler Estates				-	1,926	963	\$ 2,889						
Upgrades				-	535	535	\$ 1,070						
Upland				-	321	-	\$ 321						
Webster Farms				6,741	1,926	1,819	\$ 10,486						
West Cottonwoods				2,568	2,247	-	\$ 4,815						
Wetland Discovery				-	-	535	\$ 535						
Whits Court				1,926	1,284	321	\$ 3,531						
Wilcox Const				550	-	-	\$ 550						
Interest Revenues	\$ 60,361	\$ 50,901	\$ -	\$ 26,614	\$ 15,059	\$ 557	\$ 153,492	3,855	6,009	8,250	10,580	(997)	963
Total	\$ 258,071	\$ 213,098	\$ 156,771	\$ 130,847	\$ 59,357	\$ 41,229	\$ 670,170	\$ 53,855	\$ 56,009	\$ 58,250	\$ 60,580	\$ 49,003	\$ 50,963
<b>Expenditures:</b>													
							\$ -						
Water Tank - Mountain Par	\$ 53,148	\$ 873,823	\$ 894,416	\$ 196,976			\$ 2,018,363						
Water Tank - Green Road					\$ 153,248		\$ 153,248				350,000		
Laurelwood Transmission			\$ 423,223				\$ 423,223						
Water Line- Burton Lane					\$ 491,304		\$ 491,304						
							\$ -						
Total	\$ 53,148	\$ 873,823	\$ 1,317,639	\$ 196,976	\$ 644,552	\$ -	\$ 3,086,138	\$ -	\$ -	\$ -	\$ 350,000	\$ -	\$ -
Revenue over Expenses	\$ 204,923	\$ (660,725)	\$ (1,160,868)	\$ (66,129)	\$ (585,195)	\$ 41,229		\$ 53,855	\$ 56,009	\$ 58,250	\$ (289,420)	\$ 49,003	\$ 50,963
Prior Year Balance	\$ 2,323,143	\$ 2,528,066	\$ 1,867,341	\$ 706,473	\$ 640,345	\$ 55,149		\$ 96,379	\$ 150,234	\$ 206,243	\$ 264,493	\$ (24,928)	\$ 24,075
Balance End of Year	\$ 2,528,066	\$ 1,867,341	\$ 706,473	\$ 640,345	\$ 55,149	\$ 96,379		\$ 150,234	\$ 206,243	\$ 264,493	\$ (24,928)	\$ 24,075	\$ 75,038

**KAYSVILLE CITY  
IMPACT FEE REPORTING  
JUNE 30, 2009**

<b>POWER IMPACT FEES- REVENUES AND EXPENDITURES</b>													
	FY 2004	FY 2005	FY 2006	Historical FY 2007	FY 2008	FY 2009	Total	Budget FY 2010	FY 2011	Estimated Revenues and Expenditures			
										FY 2012	FY 2013	FY 2014	FY 2014
<b>Revenues:</b>													
Impact Fees	\$ 232,041	\$ 200,044	\$ 430,115	\$ -	\$ -	\$ -	\$ 862,200	150,000	150,000	150,000	150,000	150,000	150,000
Alta Acres				691	-	-	\$ 691						
Appgood				1,660	-	830	\$ 2,490						
Ashwood Estates				5,393	11,225	-	\$ 16,618						
Barger Subdivision				-	-	7,471	\$ 7,471						
Boondocks				-	-	34,454	\$ 34,454						
Bridlewalk				-	2,073	-	\$ 2,073						
Buddy's Place				830	-	-	\$ 830						
Burningham Meadows				-	830	-	\$ 830						
Coventry Place				1,245	-	830	\$ 2,075						
Dancing Horse				2,490	-	830	\$ 3,320						
Davis School District				-	-	74,531	\$ 74,531						
Edge End Hollos				-	830	-	\$ 830						
Fairfield JR High				850	-	-	\$ 850						
Gabes Acres				1,245	-	-	\$ 1,245						
Geer Estates				-	-	830	\$ 830						
Grove at Sunset				-	1,660	-	\$ 1,660						
Hanlines Hamlet				1,660	-	-	\$ 1,660						
Happy Hollow				-	830	1,660	\$ 2,490						
Harvey Estates				-	-	830	\$ 830						
Higley Webb				-	1,660	-	\$ 1,660						
Hob Hill				-	830	-	\$ 830						
Jessica Meadows				1,660	830	-	\$ 2,490						
Kaysville Plaza				-	-	1,245	\$ 1,245						
Kaysville Business Park				44,829	-	17,433	\$ 62,262						
King Clarion				-	-	830	\$ 830						
Kings Creek				3,320	830	-	\$ 4,150						
Laurel Estates				-	2,490	-	\$ 2,490						
Lazy Diamond				830	-	830	\$ 1,660						
LDS Church				-	-	7,471	\$ 7,471						
Marketboro				-	1,660	-	\$ 1,660						
Meadow Creek				-	830	-	\$ 830						
Mill Creek Hollow				-	1,660	-	\$ 1,660						
Mill Shadow Estates				-	830	-	\$ 830						
Montebella				-	-	4,426	\$ 4,426						
Mountain Vistas				14,010	5,256	830	\$ 20,096						
NSC Properties				-	-	-	\$ -						
Old Mill Village				57,961	16,457	14,104	\$ 88,522						
Old Orchard				-	-	2,351	\$ 2,351						
Paradise Cove				830	-	-	\$ 830						
Pheasantbrook North				1,660	-	-	\$ 1,660						
Quilrh Mtn Charter School				-	-	34,454	\$ 34,454						
Quail Crossing				27,391	5,947	830	\$ 34,168						
Quail Hollow				9,445	-	-	\$ 9,445						
Remodels				16,896	10,633	4,870	\$ 32,399						
Richter Farm Sub				2,490	-	-	\$ 2,490						
Rose Cottage				25,044	-	-	\$ 25,044						
Scandia Development				-	-	2,908	\$ 2,908						
Schick Farm				27,944	5,256	2,490	\$ 35,690						
Single Lot Development				830	-	830	\$ 1,660						
Sprott Subdivision				830	-	-	\$ 830						
Stonne Lane				415	-	-	\$ 415						
Suncrest Meadows				5,810	830	-	\$ 6,640						
Sunset Farms				39,425	21,441	20,060	\$ 80,926						
Sunset Pointe				7,470	-	-	\$ 7,470						
Thornfield				1,660	-	-	\$ 1,660						
Torino				1,382	-	-	\$ 1,382						
Tri City Nursery				1,660	-	-	\$ 1,660						
Tyler Estates				-	5,395	3,635	\$ 9,030						
Upland				-	830	-	\$ 830						
Webster Farms				20,552	4,841	4,585	\$ 29,978						
West Cottonwoods				6,640	5,810	-	\$ 12,450						
Whits Court				4,146	3,320	830	\$ 8,296						
Wilcox Const				1,660	-	-	\$ 1,660						
Interest Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 232,041	\$ 200,044	\$ 430,115	\$ 342,854	\$ 115,084	\$ 247,278	\$ 1,320,138	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
<b>Expenditures:</b>													
200 N Substation							\$ -						
200 N / 650 W Substation							\$ -						
Burton Lane Substation	\$ 801,421	\$ 53,977	\$ 11,236				\$ 866,634						
Shick Lane Substation			\$ 1,278,562	\$ 519,023	\$ 135,547	\$ 55,489	\$ 1,933,132						
							\$ -						
							\$ -						
Total	\$ 801,421	\$ 53,977	\$ 1,289,798	\$ 519,023	\$ 135,547	\$ 55,489	\$ 2,799,766	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue over Expenses	\$ (569,380)	\$ 146,067	\$ (859,683)	\$ (176,169)	\$ (20,463)	\$ 191,789		\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Prior Year Balance	\$ 245,724	\$ (323,656)	\$ (177,590)	\$ (1,037,272)	\$ (1,213,441)	\$ (1,233,904)		\$ (1,042,115)	\$ (892,115)	\$ (742,115)	\$ (592,115)	\$ (442,115)	\$ (292,115)
Balance End of Year	\$ (323,656)	\$ (177,590)	\$ (1,037,272)	\$ (1,213,441)	\$ (1,233,904)	\$ (1,042,115)		\$ (892,115)	\$ (742,115)	\$ (592,115)	\$ (442,115)	\$ (292,115)	\$ (142,115)

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# STATISTICAL SECTION

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# KAYSVILLE CITY CORPORATION

## Statistical Section

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	79-84
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the government's local revenue source, property tax.</i>	85-91
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	92-94
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	95-97
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	98

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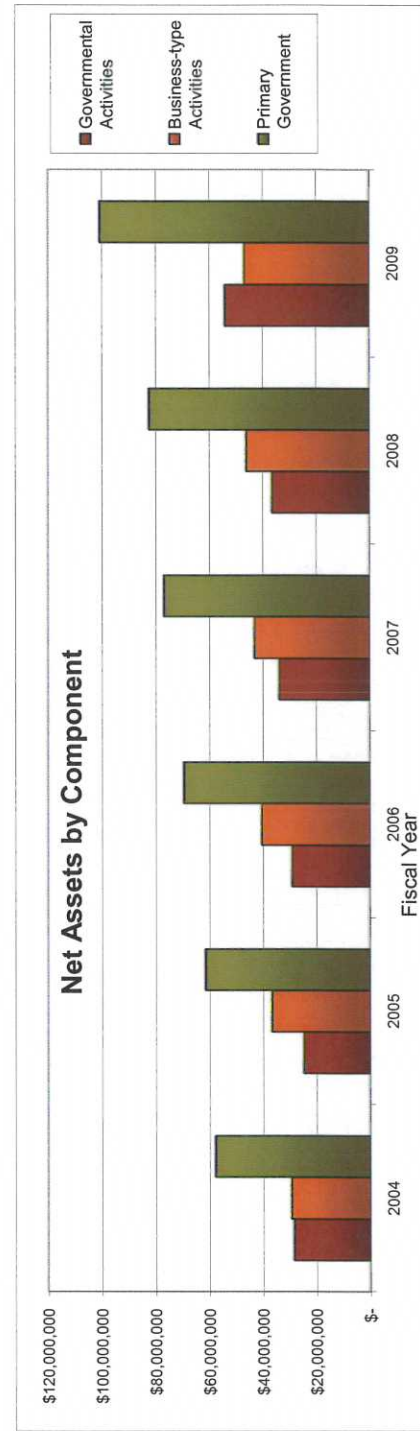


**KAYSVILLE CITY CORPORATION**  
**Table 1 - Net Assets by Component**  
June 30, 2009

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Governmental Activities						
Investment in Capital Assets, Net of Related Debt	\$ 22,396,106	\$ 19,063,908	\$ 21,086,118	\$ 28,864,094	\$ 31,559,900	\$ 47,859,810
Restricted	2,004,450	2,683,646	4,093,648	3,996,861	3,408,975	4,119,486
Unrestricted	4,008,876	3,059,042	3,865,714	936,041	1,408,627	2,023,950
Total Governmental Activities Net Assets	<u>\$ 28,409,432</u>	<u>\$ 24,806,596</u>	<u>\$ 29,045,480</u>	<u>\$ 33,796,996</u>	<u>\$ 36,377,502</u>	<u>\$ 54,003,246</u>
Business-type Activities						
Invested in Capital Assets, Net of Related Debt	\$ 19,666,590	\$ 27,289,164	\$ 32,883,333	\$ 39,784,790	\$ 40,751,249	\$ 44,228,933
Restricted	2,472,805	1,816,441	706,473	640,345	55,149	96,379
Unrestricted	7,292,003	7,606,474	6,928,976	2,657,464	5,299,689	2,504,274
Total Business-type Activities Net Assets	<u>\$ 29,431,398</u>	<u>\$ 36,712,079</u>	<u>\$ 40,518,782</u>	<u>\$ 43,082,599</u>	<u>\$ 46,106,087</u>	<u>\$ 46,829,586</u>
Primary Government						
Invested in Capital Assets, Net of Related Debt	\$ 42,062,696	\$ 46,353,072	\$ 53,969,451	\$ 68,648,884	\$ 72,311,149	\$ 92,088,743
Restricted	4,477,255	4,500,087	4,800,121	4,637,206	3,464,124	4,215,865
Unrestricted	11,300,879	10,665,516	10,794,690	3,593,505	6,708,316	4,528,224
Total Primary Government Net Assets	<u>\$ 57,840,830</u>	<u>\$ 61,518,675</u>	<u>\$ 69,564,262</u>	<u>\$ 76,879,595</u>	<u>\$ 82,483,589</u>	<u>\$ 100,832,832</u>

(Accrual Basis of Accounting)

Note: GASB 34 was implemented in FY 2004



**KAYSVILLE CITY CORPORATION**  
**Table 2 - Changes in Net Assets**  
**June 30, 2009**

	2004	2005	2006	2007	2008	2009
Expenses						
Government Activities:						
General Government	\$ 912,636	\$ 1,149,813	\$ 1,275,261	\$ 1,183,636	\$ 1,487,669	\$ 1,573,836
Public Safety - Police	1,597,383	1,683,710	1,813,474	2,027,634	2,193,793	2,164,881
Public Safety - Fire	320,968	348,039	445,331	450,318	527,139	498,284
Community Development	386,599	418,435	467,474	608,457	837,804	725,078
Public Works	2,415,623	2,245,723	1,615,171	2,119,382	2,227,389	1,746,348
Parks, Recreation and Public Properties	865,527	1,341,495	1,573,015	1,685,013	1,853,861	2,100,097
Perpetual Cemetery	71	-	-	-	78,348	36,000
Library Endowment	17,982	57,909	32,495	10,000	-	-
Special Revenue - Library	296,905	290,769	331,514	36,537	-	-
Interest on Long-Term Debt	149,014	129,459	105,831	83,286	62,965	92,886
Total Governmental Activities Expenses	6,962,708	7,665,352	7,659,566	8,204,263	9,268,968	8,937,410
Business-type Activities:						
Water	1,186,908	1,398,496	1,469,800	1,603,461	2,112,958	2,055,930
Sewer	1,222,847	1,274,505	1,324,522	1,391,445	1,486,306	1,675,055
Electric	8,374,719	8,992,356	10,717,294	10,818,203	12,057,762	12,558,805
Pressure Irrigation	562,112	594,054	777,596	893,148	933,041	1,001,318
Sanitation	1,116,790	1,154,365	1,181,929	1,132,110	1,157,707	1,166,979
Storm Water	-	254,468	727,455	468,750	812,161	927,250
Ambulance	402,705	381,463	453,756	465,678	449,019	572,672
Total Business-Type Activities Expenses	12,866,081	14,049,707	16,652,352	16,772,795	19,008,954	19,958,009
Total Primary Government Expenses	\$ 19,828,789	\$ 21,715,059	\$ 24,311,918	\$ 24,977,058	\$ 28,277,922	\$ 28,895,419

Note: GASB 34 was implemented in FY 2004



**KAYSVILLE CITY CORPORATION**  
**Table 2 - Changes in Net Assets (Continued)**  
**June 30, 2009**

	2004	2005	2006	2007	2008	2009
<b>Program Revenues</b>						
<b>Government Activities:</b>						
Charges for Services						
General Government	\$ 1,053,252	\$ 510,135	\$ 504,503	\$ 519,390	\$ 613,771	\$ 647,500
Public Safety - Police	122,746	177,492	204,550	195,296	229,979	216,799
Public Safety - Fire	91,638	110,664	124,576	121,903	144,344	140,535
Community Development	-	151,202	233,892	194,717	419,546	301,483
Public Works	554,995	113,913	2,281,843	2,531,811	1,287,340	1,520,183
Parks, Recreation and Public Properties	717,687	826,766	1,184,753	1,064,075	837,388	790,532
Perpetual Cemetery	37,478	36,670	43,350	51,500	56,300	64,630
Special Revenue - Library	29,233	16,839	15,736	-	-	-
Operating Grants and Contributions	816,373	692,875	752,413	81,619	154,963	50,292
Capital Grants and Contributions	89,894.00	56,377	132,524	905,276	1,635,825	16,805,490
<b>Total Governmental Activities Program Revenues</b>	<b>3,513,296</b>	<b>2,692,933</b>	<b>5,478,140</b>	<b>5,665,587</b>	<b>5,379,456</b>	<b>20,537,444</b>
<b>Business-type Activities:</b>						
Charges for Services:						
Water	1,378,156	1,382,070	1,676,158	1,702,823	1,770,229	1,960,877
Sewer	1,284,538	1,331,382	1,386,456	1,455,293	1,506,782	1,733,153
Electric	9,625,388	9,809,300	11,069,202	11,257,963	12,574,279	12,177,583
Pressure Irrigation	555,018	585,736	781,165	908,199	969,994	1,054,672
Sanitation	1,195,552	1,252,689.00	1,284,796.00	1,243,106	1,218,953	1,260,996
Storm Water	-	57,788	720,480	740,061	938,853	973,123
Ambulance	252,648	259,723	342,506	327,783	428,495	430,491
Grants and Contributions	-	115,000	2,270,075	980,896	2,215,296	827,954
<b>Total Business-Type Activities Program Revenues</b>	<b>14,291,300</b>	<b>14,793,688</b>	<b>19,530,838</b>	<b>18,616,124</b>	<b>21,622,881</b>	<b>20,418,849</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 17,804,596</b>	<b>\$ 17,486,621</b>	<b>\$ 25,008,978</b>	<b>\$ 24,281,711</b>	<b>\$ 27,002,337</b>	<b>\$ 40,956,293</b>
<b>Net (Expense) Revenue</b>						
Governmental Activities	\$ (3,449,412)	\$ (4,972,419)	\$ (2,181,426)	\$ (2,538,676)	\$ (3,889,512)	\$ 11,600,034
Business-type Activities	1,425,219	743,981	2,878,486	1,843,329	2,613,927	460,840
<b>Total Primary Government Net Expense</b>	<b>\$ (2,024,193)</b>	<b>\$ (4,228,438)</b>	<b>\$ 697,060</b>	<b>\$ (695,347)</b>	<b>\$ (1,275,585)</b>	<b>\$ 12,060,874</b>

Note: GASB 34 was implemented in FY 2004

**Table 2 - Changes in Net Assets (Continued)**  
**June 30, 2009**

	2004	2005	2006	2007	2008	2009
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Property Taxes	\$ 1,389,145	\$ 1,403,854	\$ 1,514,768	\$ 1,059,034	\$ 1,246,815	\$ 1,308,424
Sales Taxes	2,210,436	2,373,991	2,720,052	3,166,266	3,249,441	2,971,247
Franchise Taxes	501,593	735,578	504,791	560,900	547,862	610,526
Energy Sales and Use Charge	-	434,427	861,158	811,194	1,059,820	1,046,355
Interest on Investments	133,957	267,654	433,803	430,623	278,111	173,831
Miscellaneous	52,260	66,523	185,738	85,632	287,969	115,332
Contributions	-	(4,189,921)	-	-	-	-
Transfers	650,214	(90,000)	200,000	470,000	(200,000)	(65,000)
Total governmental activities	<u>4,937,605</u>	<u>1,002,106</u>	<u>6,420,310</u>	<u>6,583,649</u>	<u>6,470,018</u>	<u>6,160,715</u>
Business-type Activities:						
Interest on investments	73,909.00	58,065.00	154,615	196,761	209,561	62,360
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)	200,000	200,000
Total business-type activities	<u>336,738</u>	<u>6,536,700</u>	<u>928,217</u>	<u>720,488</u>	<u>409,561</u>	<u>262,360</u>
Total primary government	<u>\$ 5,274,343</u>	<u>\$ 7,538,806</u>	<u>\$ 7,348,527</u>	<u>\$ 7,304,137</u>	<u>\$ 6,879,579</u>	<u>\$ 6,423,075</u>
Change in Net Assets						
Governmental activities	\$ 1,488,193	\$ (3,970,313)	\$ 4,238,884	\$ 4,044,973	\$ 2,580,506	\$ 17,760,749
Business-type activities	1,761,957	7,280,681	3,806,703	2,563,817	3,023,488	723,200
Total primary government	<u>\$ 3,250,150</u>	<u>\$ 3,310,368</u>	<u>\$ 8,045,587</u>	<u>\$ 6,608,790</u>	<u>\$ 5,603,994</u>	<u>\$ 18,483,949</u>

(Accrual Basis of Accounting)

Information from Basic Financial Statements, Government-wide Financial Statement of Activities  
*Note: GASB 34 was implemented in FY 2004*

KAYSVILLE CITY CORPORATION

Table 3 - Balance Sheet Fund Balances of Governmental Funds

June 30, 2009

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Fund</b>										
Reserved	\$ 579,831	\$ 683,668	\$ 369,046	\$ 328,407	\$ 92,790	\$ 576,135	\$ -	\$ -	\$ -	\$ -
Unreserved	945,393	343,503	370,000	826,073	2,409,711	2,583,763	3,229,021	1,591,699	1,316,904	1,643,886
Total General Fund	\$ 1,525,224	\$ 1,027,171	\$ 739,046	\$ 1,154,480	\$ 2,502,501	\$ 3,159,898	\$ 3,229,021	\$ 1,591,699	\$ 1,316,904	\$ 1,643,886
<b>Debt Service Fund</b>										
Reserved	\$ -	\$ -	\$ 136,376	\$ 92,768	\$ 49,159	\$ 223,293	\$ 1,061,822	\$ 884,865	\$ 784,865	\$ 684,865
Unreserved	-	-	52,088	98,196	145,373	(15,547)	211,732	168,771	173,944	185,812
Total Debt Service Fund	N/A	N/A	\$ 188,464	\$ 190,964	\$ 194,532	\$ 207,746	\$ 1,273,554	\$ 1,053,636	\$ 958,809	\$ 870,677
<b>Capital Projects Fund</b>										
Reserved	\$ 267,870	\$ 179,995	\$ -	\$ -	\$ -	\$ -	\$ 1,081,494	\$ 1,032,002	\$ 377,460	\$ 1,108,014
Unreserved	198,677	(119,358)	-	1,228	1,395,500	574,990	500,342	(651,483)	173,681	450,153
Total Capital Projects Fund	\$ 466,547	\$ 60,637	\$ -	\$ 1,228	\$ 1,395,500	\$ 574,990	\$ 1,581,836	\$ 380,519	\$ 551,141	\$ 1,558,167
<b>Library Special Revenue Fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ 3,074	\$ 11,565	\$ 12,462	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	24,289	58,388	97,915	123,893	87,405	-	-
Total Library Special Revenue Fund	N/A	N/A	N/A	\$ 27,363	\$ 69,953	\$ 110,377	\$ 123,893	\$ 87,405	N/A	N/A
<b>Cemetery Perpetual Care</b>										
Reserved	\$ 832,447	\$ 912,498	\$ 943,988	\$ 967,400	\$ 1,016,758	\$ 1,078,485	\$ 1,166,479	\$ 1,266,593	\$ 1,388,801	\$ 1,441,422
Unreserved	-	-	-	-	-	-	-	-	-	-
Total Cemetery Perpetual Care Fund	\$ 832,447	\$ 912,498	\$ 943,988	\$ 967,400	\$ 1,016,758	\$ 1,078,485	\$ 1,166,479	\$ 1,266,593	\$ 1,388,801	\$ 1,441,422
<b>Blood Library Endowment Fund</b>										
Reserved	\$ 762,993	\$ 788,396	\$ 809,326	\$ 826,876	\$ 834,178	\$ 793,271	\$ 783,853	\$ 813,401	\$ 857,849	\$ 885,185
Unreserved	-	-	-	-	-	-	-	-	-	-
Total Blood Library Endowment Fund	\$ 762,993	\$ 788,396	\$ 809,326	\$ 826,876	\$ 834,178	\$ 793,271	\$ 783,853	\$ 813,401	\$ 857,849	\$ 885,185

**KAYSVILLE CITY CORPORATION**  
**Table 4 - Changes in Fund Balance of Governmental Funds**  
June 30, 2009

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues:</b>										
Taxes	\$ 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	\$ 5,936,552
Licenses and Permits	153,192	156,170	357,699	341,983	479,696	556,267	775,483	593,434	327,165	249,940
Impact Fees	-	-	-	-	-	927,119	2,124,381	1,602,331	621,326	897,541
Intergovernmental	1,451,277	1,211,607	1,090,566	1,184,996	899,610	742,595	874,619	863,141	862,349	751,582
Charges for Services	812,808	776,886	941,372	1,174,836	1,769,506	1,348,819	1,692,005	1,445,793	1,658,923	1,705,221
Fines and Forfeitures	47,589	53,268	50,887	62,081	67,306	82,680	73,455	78,472	92,278	102,394
Interest Income	-	-	-	-	-	-	-	430,623	278,111	173,831
Community Development	-	-	-	-	-	-	-	125,000	115,036	29,703
Block Grant	-	356,183	1,004,208	358,344	1,627,613	1,809,309	557,738	144,764	354,523	110,905
Miscellaneous	372,098	-	-	-	-	-	-	-	-	-
Total Revenues	<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>10,414,639</u>	<u>11,698,450</u>	<u>10,880,952</u>	<u>10,413,649</u>	<u>9,957,669</u>
<b>Expenditures</b>										
General Government	769,886	812,148	945,388	1,033,437	1,108,474	1,108,863	1,273,503	1,273,446	1,483,191	1,433,509
Public Safety	1,636,235	1,590,331	2,109,351	1,773,384	1,798,178	2,011,936	2,104,306	2,428,211	2,700,146	2,573,660
Community Development	325,296	347,977	360,755	328,545	386,599	418,435	450,766	608,457	867,676	709,372
Public Works	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	1,555,663
Parks, Recreation & Properties	894,979	963,686	933,762	409,258	518,149	1,268,367	1,461,882	1,694,934	1,951,272	1,940,405
Library	254,545	278,404	296,269	289,712	296,905	289,325	330,378	36,537	-	-
Debt service:										
Principal	-	-	-	776,689	438,528	460,298	478,858	479,762	490,383	351,178
Interest & Fiscal Charges	-	-	-	120,639	149,014	129,459	105,831	83,286	62,704	92,886
Capital Outlay	1,991,909	681,442	548,256	3,373,951	647,022	729,302	1,625,848	6,008,152	577,849	721,404
Total Expenditures	<u>7,946,525</u>	<u>7,742,964</u>	<u>8,973,281</u>	<u>10,244,359</u>	<u>8,538,631</u>	<u>9,178,858</u>	<u>9,664,581</u>	<u>14,612,854</u>	<u>10,333,398</u>	<u>9,378,077</u>
Excess (Deficiency) of Revenues over Expenditures	<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>	<u>\$ 579,592</u>
<b>Other Financing Sources (Uses):</b>										
Operating Transfers In	\$ 871,672	\$ 723,250	\$ 1,851,423	\$ 1,850,722	\$ 978,964	\$ 265,000	\$ 3,412,173	\$ 3,153,958	\$ 585,405	\$ 345,000
Operating Transfers Out	(300,000)	-	(381,999)	(540,722)	(328,750)	(355,000)	(3,212,173)	(2,565,950)	(785,405)	(545,000)
Capital Leases	-	-	-	-	-	-	-	340,000	-	-
Other Financing Sources	-	-	-	2,435,000	-	-	-	-	-	946,245
Total Other Financing Sources (Uses)	<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>	<u>746,245</u>
Net change in fund balances	<u>\$ (1,145,118)</u>	<u>\$ (903,963)</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>	<u>\$ 1,325,837</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%	5.13%

(Modified Accrual Basis of Accounting)

# KAYSVILLE CITY CORPORATION

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

June 30, 2009

Fiscal Year	General Property Tax	Sales Tax	Utility License Tax	Energy Sales and Use Tax	Total Tax Revenue
2009	\$1,308,424	\$2,971,247	\$610,526	\$1,046,355	\$5,936,552
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

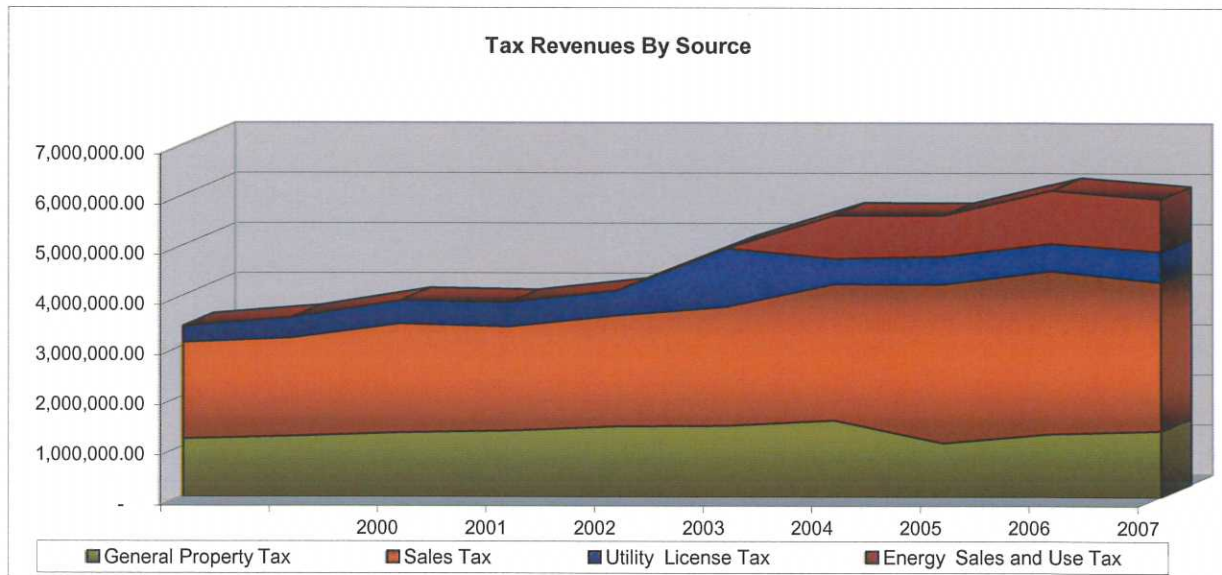
Notes:

(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 (FY 2000-2005)

(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

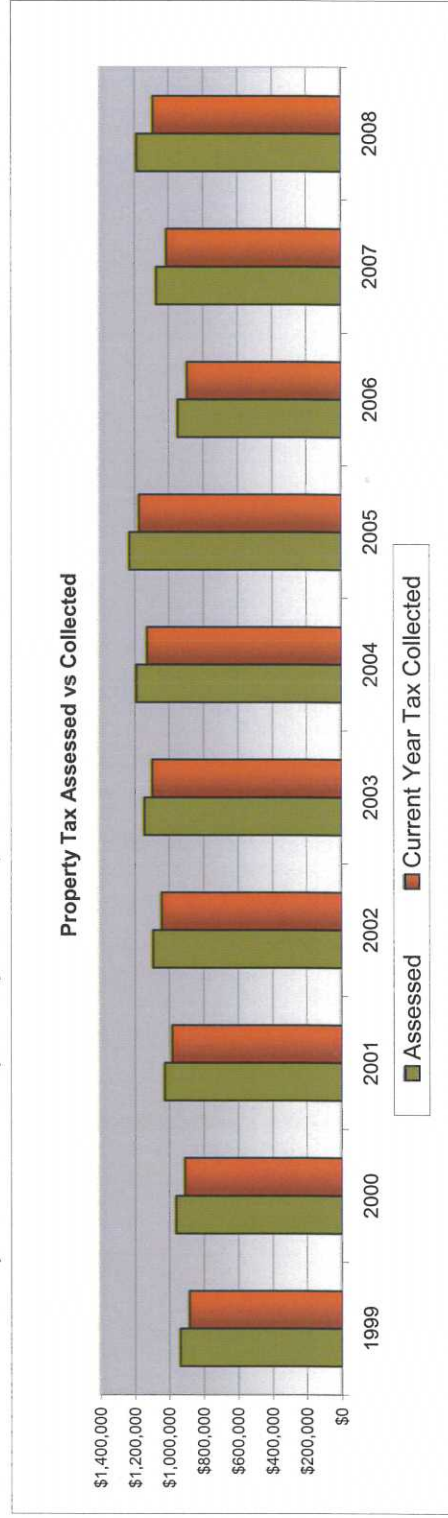
**Table 6 - Property Tax Levies and Collections**

June 30, 2009

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
2008	\$1,384,658,738	0.000829	\$1,189,004	\$1,092,021	91.80%	\$143,157	\$36,121	\$1,283,230
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

Notes: (1) Information is based on a calendar year - 2008 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, 2009**

Fiscal Year	Estimated Market Value	Taxable Value	Ratio of Total Taxable Value to Market Value
2008	\$2,363,474,401	\$1,430,484,173	60.52%
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%

Notes: (1) Information is based on a calendar year - 2008 is the most recent year  
(2) Does not include fee-in-lieu property

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



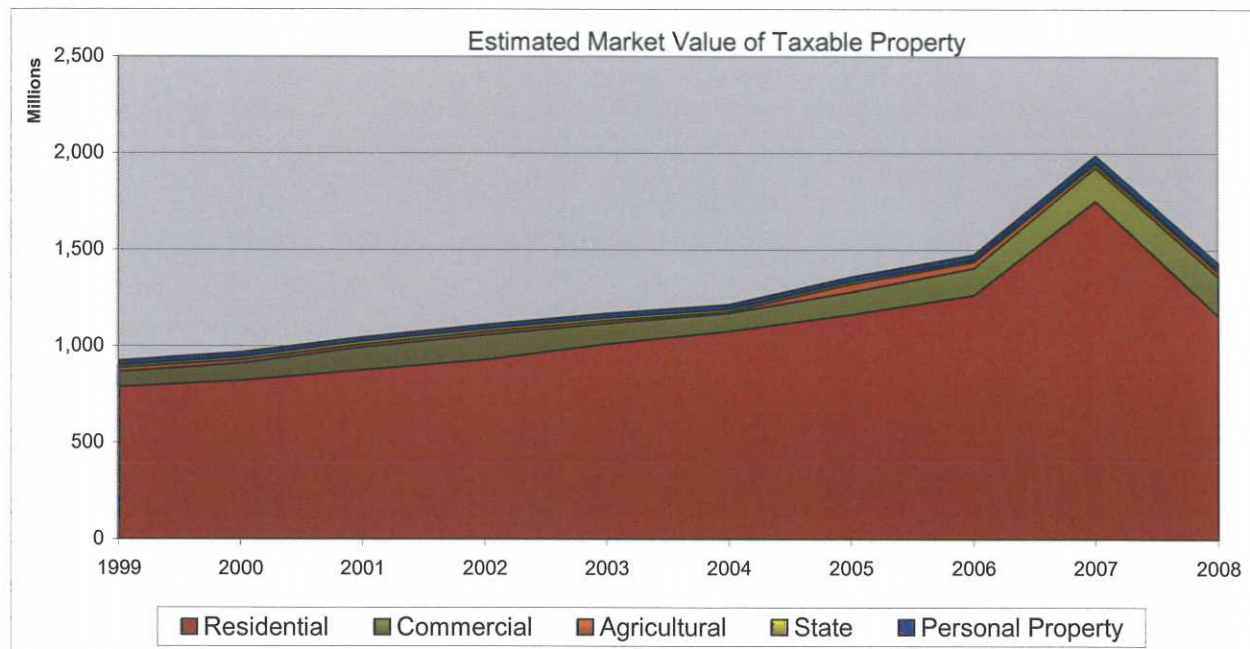
# KAYSVILLE CITY CORPORATION

**Table 8 - Estimated Market Value of Taxable Property**  
June 30, 2009

Fiscal Year	Estimated Market Value	Residential	Commercial	Agricultural	State	Personal Property
2008	\$1,430,484,173	\$1,158,901,404	\$202,649,791	\$23,107,543	\$13,198,603	\$32,626,832
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

Notes: (1) Information is based on a calendar year - 2008 is the most recent year  
(2) Does not include fee-in-lieu property

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



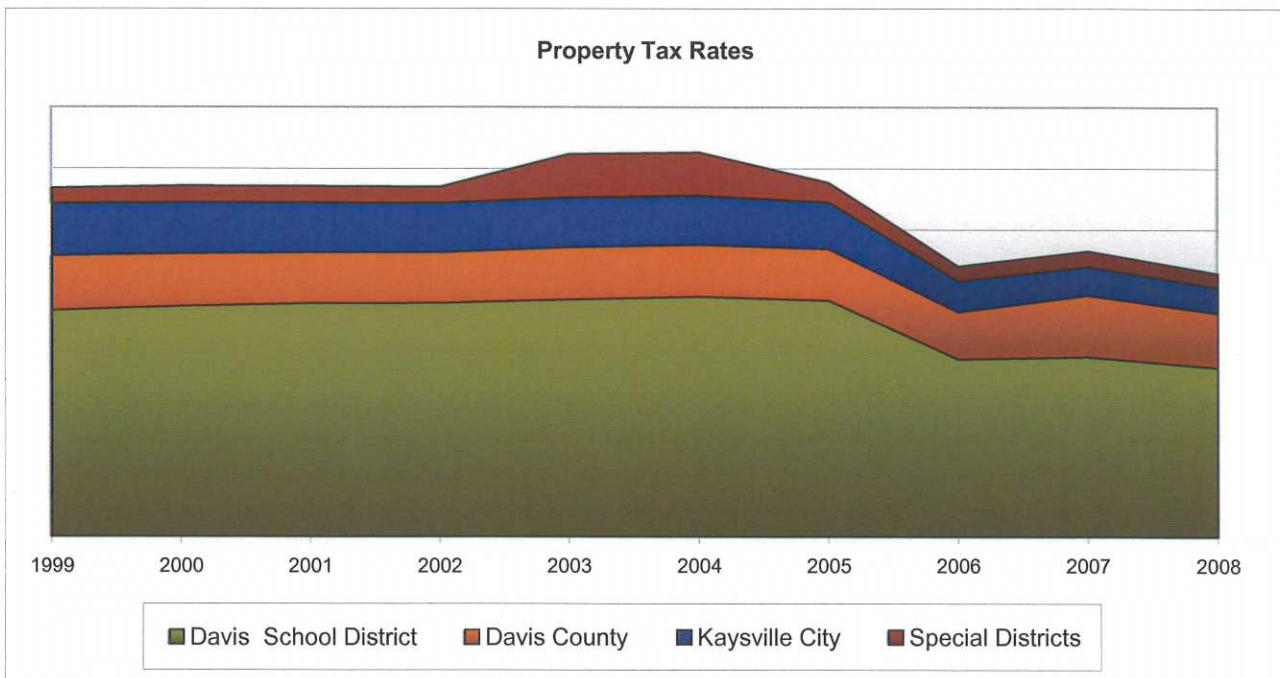
# KAYSVILLE CITY CORPORATION

**Table 9 - Property Tax Rates - Direct and Overlapping Governments**  
June 30, 2009

Fiscal Year	Direct Rate	Overlapping Rates					Total Direct & Overlapping
	Kaysville City	Davis School District	Davis County	Weber Basin Water District	Mosquito Abatement	Central Davis Sewer District	
2008	0.000829	0.005514	0.001776	0.000181	0.000088	0.000200	0.008588
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

Notes: (1) Information is based on a calendar year - 2008 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, 2009

Taxpayer	Type of Business	December 31, 2008 Taxable Valuation			December 31, 1998 Taxable Valuation		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Woodside Sunset Farms, LLC	Real Estate	\$10,559,905	1	0.74%			
First Wonder Company LLC	Wholesale Distribution	\$6,134,848	2	0.43%			
KBP Office Group & Warehouse	Wholesale Distribution	\$6,103,165	3	0.43%			
HCPI Utah LLC	Real Estate	\$5,659,322	4	0.40%			
JB Journey LLC-- Blaine Jensen	Recreational Sales	\$5,622,427	5	0.37%			
Bates Sportsplex LLC	Tax Software Provider	\$5,606,360	6	0.32%			
Access Park LC	Investment Properties	\$5,274,538	7	0.37%			
Mercy Housing Utah II LP	Assisted Living Community	\$4,836,726	8	0.34%			
M2 Properties Inc	Real Estate	\$4,592,183	9	0.32%			
Kaysville Sportsplex LC	Gymnasium / Sports Training	\$4,483,716	10	0.31%			
		\$58,873,190		5.14%	\$ 16,668,146		4.22%
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	Assisted Living Community				\$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%

Source: Davis County Auditor / Kaysville City Finance Department

# KAYSVILLE CITY CORPORATION

**Table 11 - Property Value of Construction in Kaysville**  
**June 30, 2009**

Year	Commercial Construction Number of Permits	Estimated Value	Residential Construction Number of Permits	Estimated Value	Estimated Increase of Property Value
2008	26	\$5,045,536	208	\$21,547,480	\$26,593,016
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

Notes: (1) Number of Permits includes all permits including remodels and additions  
**Based on Calendar Year - 2008 - 88 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, 2009

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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	\$1,111,648
Legal Debt Margin - Additional Debt Capacity	\$78,340,739

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, 2009**

Entity	2008 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	\$16,904,953,492	\$1,145,875,857	6.78%	\$498,579,642	\$33,795,442
Davis County School District	\$16,904,953,492	\$1,145,875,857	6.78%	\$342,880,000	\$23,241,585
State of Utah	\$213,234,293,543	\$1,145,875,857	0.54%	\$993,810,000	\$5,340,524
Weber Basin Water District	\$48,965,264,287	\$1,145,875,857	2.34%	\$30,986,402	\$725,138
Total - Direct and Overlapping General Obligation Debt					\$63,102,689

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

KAYSVILLE CITY CORPORATION  
Table 14 - Ratios of Outstanding Debt by Type  
June 30, 2009

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Personal Income (AGI)	Per Capita
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases					
2009	\$0	\$398,000	\$2,839,205	\$177,202	\$0	\$2,538,411	\$474,516	\$6,427,334	Not Available	Not Available	\$	256
2008	\$0	\$585,000	\$1,216,428	\$260,326	\$0	\$2,855,712	\$229,517	\$5,146,983	0.7669%	\$671,143,224	\$	211
2007	\$0	\$764,000	\$777,552	\$339,999	\$0	\$3,173,010	\$22,392	\$5,076,953	0.8090%	\$627,528,773	\$	206
2006	\$0	\$940,000	\$1,061,820	\$19,494	\$0	\$0	\$89,244	\$2,110,558	0.3941%	\$535,545,017	\$	88
2005	\$0	\$1,108,000	\$1,332,552	\$59,620	\$0	\$0	\$153,308	\$2,653,480	0.5534%	\$479,444,976	\$	114
2004	\$0	\$1,273,000	\$1,590,392	\$97,078	\$0	\$3,200	\$214,700	\$3,178,370	0.7036%	\$451,715,391	\$	141
2003	\$0	\$1,431,000	\$0	\$132,042	\$0	\$13,038	\$170,540	\$1,746,620	0.4088%	\$427,299,462	\$	80
2002	\$0	\$1,575,000	\$0	\$170,448	\$0	\$22,876	\$0	\$1,768,324	0.4286%	\$412,616,255	\$	83
2001	\$0	\$1,715,000	\$0	\$195,158	\$0	\$32,714	\$0	\$1,942,872	0.4786%	\$405,958,186	\$	93
2000	\$0	\$1,850,000	\$0	\$223,604	\$0	\$42,552	\$0	\$2,116,156	0.5592%	\$378,450,691	\$	104

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 2008 - FY 2009

**KAYSVILLE CITY CORPORATION**
**Table 15 - Miscellaneous Statistical Data - Insurance Summary**
**June 30, 2009**

Coverage	Company	Term	Limits	Deductible
Property	Travelers	10/01/2008 - 9/30/2009	Scheduled at Value	\$10,000
General Liability	Travelers	10/01/2008 - 9/30/2009	\$1,000,000 / \$2,000,000	\$10,000
Law Enforcement	Travelers	10/01/2008 - 9/30/2009	\$1,000,000/ \$1,000,000	\$10,000
Public Officials Management	Travelers	10/01/2008 - 9/30/2009	\$1,000,000/ \$2,000,000	\$5,000
Employment Practices	Travelers	10/01/2008 - 9/30/2009	\$5,000,000/ \$5,000,000	\$10,000
Employee Benefits	Travelers	10/01/2008 - 9/30/2009	\$1,000,000 / \$3,000,000	\$1,000
Automobile - Physical Damage	Travelers	10/01/2008 - 9/30/2009	Schedule	\$1,000 - Comp & Coll.
Automobile Liability	Travelers	10/01/2008 - 9/30/2009	\$1,000,000	\$5,000
Inland Marine	Travelers	10/01/2008 - 9/30/2009	Scheduled at Value	\$10,000
Cyber Liability	Travelers	10/01/2008 - 9/30/2009	\$1,000,000	\$5,000
Crime	Travelers	10/01/2008 - 9/30/2009	\$250,000	\$1,000
ID Fraud	Travelers	10/01/2008 - 9/30/2009	\$25,000 per employee	---
Custom Excess Liability	Travelers	10/01/2008 - 9/30/2009	\$10,000,000	\$10,000
Treasurer Bond	Ohio Casualty	10/01/2008 - 9/30/2009	\$1,000,000	\$0
Deputy Treasurer Bond	Ohio Casualty	10/01/2008 - 9/30/2009	\$1,000,000	\$0



**KAYSVILLE CITY CORPORATION****Table 16 - Demographic & Economic Statistics**

June 30, 2009

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>
2009	26,102	Not Available	Not Available
2008	25,342	\$671,143,224	26,483.44
2007	24,604	\$627,528,773	25,505.15
2006	23,888	\$535,545,017	22,419.00
2005	23,193	\$479,444,976	20,671.97
2004	22,463	\$451,715,391	20,109.31
2003	21,915	\$427,299,462	19,498.04
2002	21,380	\$412,616,255	19,299.17
2001	20,859	\$405,958,186	19,462.02
2000	20,351	\$378,450,691	18,596.17

# KAYSVILLE CITY CORPORATION

## Table 17 - Population Growth

June 30, 2009

Fiscal Year	Population	Increase	Percentage Increase
2009	26,102	760	3.00%
2008	25,342	738	3.00%
2007	24,604	716	3.00%
2006	23,888	695	3.00%
2005	23,193	725	3.00%
2004	22,463	548	2.50%
2003	21,915	535	2.50%
2002	21,380	521	2.50%
2001	20,859	508	2.50%
2000	20,351	564	2.85%
1999	19,787	669	3.50%
1998	19,118	239	1.27%
1997	18,879	535	2.92%
1996	18,344	598	3.37%
1995	17,746	665	3.89%
1994	17,081	943	5.84%
1993	16,138	810	5.28%
1992	15,328	640	4.36%
1991	14,688	727	5.21%
1990	13,961	1,047	8.11%
1989	12,914	343	2.73%
1988	12,571	352	2.88%
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

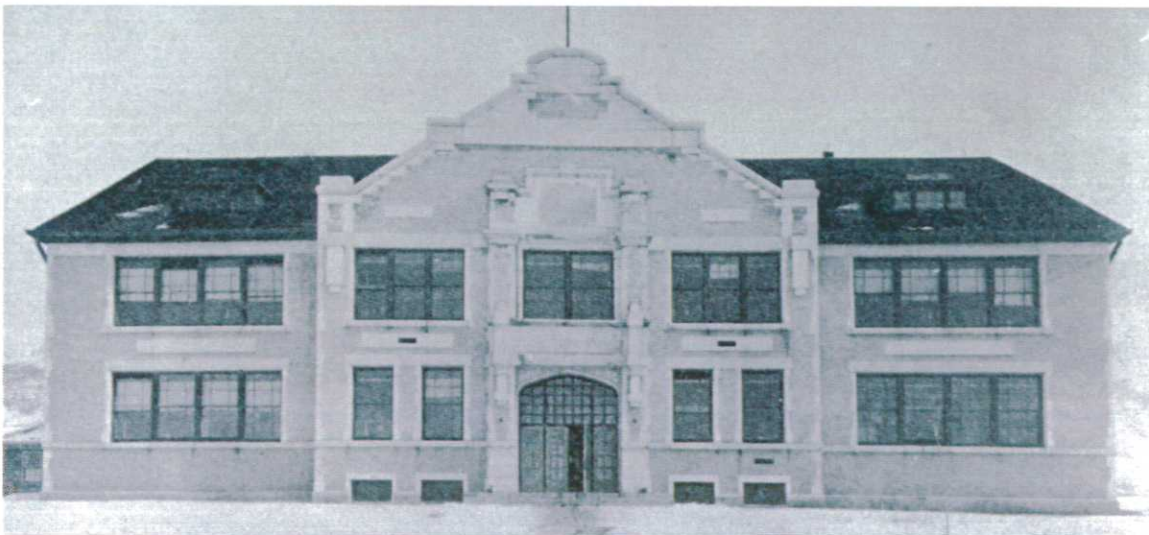
KAYSVILLE CITY CORPORATION  
Table 18 - Miscellaneous Statistical Data  
June 30, 2009

Date of Incorporation	March 15, 1868									
	Council - Manager									
Form of Government	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Area in Square Miles	11	10.48	10.38	9.89	9.89	9.89	9.89	9.89	9.89	9.89
Miles of Streets	114	113	112	103	103	96	96	96	96	96
Fire Protection										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of full time / part time firefighters	2	2	2	2	2	2	2	2	2	1
Number of volunteer firefighters	32	31	32	30	30	30	32	30	30	30
Police Protection										
Number of sworn officers	20	20	19	19	18	18	18	18	18	17
Number of other employees	3	3	3	3	3	3	3	3	3	3
Parks and Recreation										
Number of Parks	11	9	9	9	9	8	8	8	8	8
Number of Acres Available	250	250	245	210	210	210	231.5	214.5	214.5	214.5
Number of Acres Developed	124	121	121	114	114	97	60.5	60.5	60.5	60.5
Education										
Number of high schools	1	1	1	1	1	1	1	1	1	1
Number of junior high schools	2	2	2	2	2	2	2	2	2	2
Number of elementary schools	7	7	7	6	6	6	6	6	6	6
Public Utilities										
Number of water customers	7,365	7,203	7,002	6,675	6,476	6,088	5,864	5,691	5,546	5,403
Annual usage (gallons)	820,468,000	889,276,000	792,672,000	778,249,200	763,909,600	745,360,000	1,733,966	2,175,431	2,399,005	2,077,043
Miles of water lines	138	130	127	112	103	96	98	96	96	96
Number of power customers	8,252	8,099	7,891	7,420	7,057	6,775	6,707	6,402	6,230	6,104
Annual kWh usage	127,513,424	126,415,924	118,508,575	114,729,730	104,256,106	106,307,019	87,928,695	92,960,987	91,635,388	86,572,754
Miles of power lines	136	135	133	115	93	89	92	89	89	87
Number of street lights	928	809	721	N/A	N/A	635	625	611		
City Employees at June 30, 2009										
Elected	6	6	6	6	6	6	6	6	6	6
Full-time	78	78	72	70	68	68	65	62	60	58
General Governmental	11	11								
Police	23	23								
Fire/Ambulance	2	2								
Community Development	8	8								
Public Works	5	5								
Parks & Cemetery	4	4								
Water	6	6								
Sewer	1	1								
Electrical	15	15								
Sanitation	1	1								
Storm Drain	2	2								
Part-time/Temporary/Seasonal	40	40	40	40	40	20	20	20	20	20

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## COMPLIANCE SECTION

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**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 the governmental activities, the business-type activities, and each major fund, for Kaysville City, as of and for the year ended June 30, 2009, which collectively comprise the Kaysville, Utah's basic financial statements and have issued our report thereon dated August 24, 2009. 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 opinions 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.

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. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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 Kaysville City'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 Kaysville City's financial statements that is more than inconsequential will not be prevented or detected by Kaysville City's internal control. We consider the deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

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 Kaysville City's internal control.

August 24, 2009  
Page 2

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

#### 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*.

Kaysville City's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit Kaysville City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wood Richards & Associates

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Ogden, UT  
August 24, 2009



**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, 2009 and have issued our report thereon dated August 24, 2009. 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, 2009. 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, 2009.

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 a immaterial instances of noncompliance with requirements referred to above, which are 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, 2009.

Wood Richards & Associates  
August 24, 2009



**KAYSVILLE CITY  
SUMMARY OF FINDINGS**

**FOR THE YEAR ENDED JUNE 30, 2009**

**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: Additional spending was necessary in the Capital Projects Fund for the Heritage Park improvements due to an accelerated schedule for completion. We are monitoring department 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.

Finding #2: State law requires that quarterly Building Permit Surcharge Reports are calculated and filed with the State. Two of the reports contained errors in the calculations.

Recommendation: We recommend that a review is performed of the Building Permit Surcharge Reports before they are sent to the State.

Response: Additional review process has been implemented prior to submitting the quarterly Building Permit Surcharge Reports.

**Significant Deficiency in Internal Controls:**

Finding #3: Utility account non-cash adjustments are not being reviewed.

Recommendation: We recommend that a review is performed of all the non-cash adjustments to the utility accounts.

Response: Additional review of all non-cash utility adjustments has been implemented.



Dean G Storey  
Finance Director



Cami L Moss  
Accountant