



# Kaysville City

**KAYSVILLE CITY  
STATE OF UTAH**

Settled in 1850

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED  
JUNE 30, 2010**

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

Comprehensive  
Annual Financial Report

Year Ended June 30, 2010

Mayor: Steve A. Hiatt

Council Members: Gil Miller  
Mark Johnson  
Ron Stephens  
Jared R. Taylor  
Ally Isom

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, 2010**

**TABLE OF CONTENTS**

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

## Table of Contents (continued)

### Required Supplementary Information

Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual- General Fund .....	61-63
Notes to Required Supplementary Information .....	65-66

### Other Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual- Major Fund- Debt Service Fund .....	67
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual- Major Fund- Capital Projects Fund.....	68
Impact Fee Reporting.....	69-76

## **STATISTICAL SECTION**

Index.....	77
Table 1      Net Assets by Component.....	79
Table 2      Changes in Net Assets .....	80-82
Table 3      Balance Sheet Fund Balances of Governmental Funds.....	83
Table 4      Changes in Fund Balance of Governmental Funds.....	84
Table 5      Governmental Tax Revenues by Source.....	85
Table 6      Property Tax Levies and Collections.....	86
Table 7      Taxable and Market Value of Property.....	87
Table 8      Estimated and Actual Value of Taxable Property- Breakdown...	88
Table 9      Property Tax Rates- Direct and Overlapping Governments .....	89
Table 10      Principal Property Taxpayers with Comparison .....	90
Table 11      Property Value of Construction in Kaysville.....	91
Table 12      Computation of Legal Debt Margin.....	92
Table 13      Computation of Debt and Overlapping General Obligation Debt.....	93

## Table of Contents (continued)

Table 14	Ratios of Outstanding Debt by Type.....	94
Table 15	Miscellaneous Statistical Data- Insurance Summary.....	95
Table 16	Demographic & Economic Statistics.....	96
Table 17	Population Growth and Estimates.....	97
Table 18	Miscellaneous Statistical Data .....	98

## **COMPLIANCE SECTION**

Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements performed in Accordance with Government Auditing Standards.....	99-100
Independent Auditor's Report- State and Utah Legal Compliance.....	101-102
Auditor's Summary of Findings & Response to Summary of Findings.....	103

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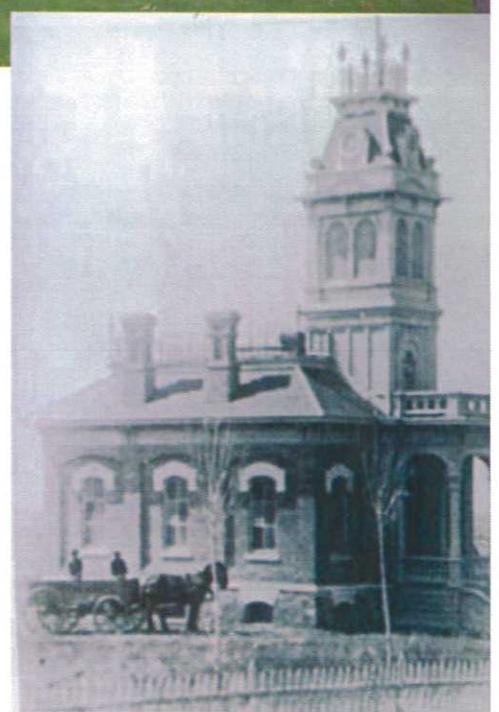
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## INTRODUCTION SECTION

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### Utah's Home Town





September 22, 2010

SETTLED IN 1850

Mayor Steve A Hiatt  
Members of the City Council  
and Citizens of Kaysville City:

The Comprehensive Annual Financial Report (CAFR) of Kaysville City for the Fiscal Year 2010 is hereby submitted.

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

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

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

1. The **Introductory Section** contains general information regarding the organization of the City and overall financial profile of the City including the Management Discussion & Analysis (MD&A). The MD&A is a summary of the changes in the City's financial position throughout the year.
2. The **Financial Section** includes the independent auditor's report, management's discussion and analysis, basic financial statements and required supplemental information. Also included are individual fund statements.
3. The **Statistical Section** presents several tables depicting the financial history of the City and demographic and other useful information. This information is presented to assist in obtaining an understanding of the City.
4. The **Compliance Section** includes the additional financial statements, supplemental schedules, independent auditor's report, and supplemental reports as required by the Single Audit Act of 1984 and by the U.S. Office of Management and Budget Circular A-133.

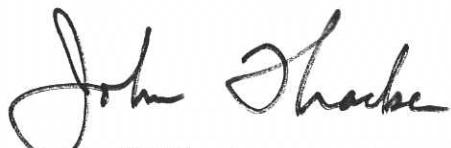
September 22, 2010

In accordance with State law, the financial statements included herein have been audited by an independent auditor. A firm of certified public accountants, Wood Richards and Associates has completed this year's independent audit. Wood Richards has also provided technical assistance in the preparation of this report. We appreciate the assistance they have provided. The aim of the audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Kaysville City's financial statements for the fiscal year ended June 30, 2010, 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.

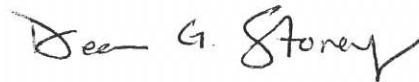
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Kaysville City for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This is the sixteenth consecutive year that Kaysville City has received 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.

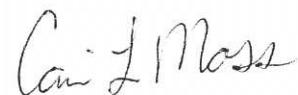
We respectfully submit this report.



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 26,885 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 are below the national unemployment rate and below the State unemployment rate of 7.2%. 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

## **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 Zions Bank, a local financial institution and City investments are currently held at the Utah State Treasurer's Investment Pool. During the year it was necessary for the City to change banks due to Barnes Banks Closing. No monies were lost during this transition. The average interest rate of pooled money for fiscal year 2010 was 0.66%. The corpus of the Library Endowment fund is also held at Golden West Credit Union, Horizon Credit Union, Wells Fargo, and Mountain America Credit Union in laddered certificates of deposit.

## **Debt Management**

Kaysville City has always maintained a conservative policy in regards to debt. The City has no general obligation debt and minor debts in other debt instruments. In 1999, the City established a municipal building authority for the purpose of constructing and leasing a new fire station. The building authority issued revenue bonds and the City is paying the debt service through annual lease payments. The City has purchased park property and property for the expansion of the business park on contract. In the end of fiscal year 2010, bonds were issued for the major street repairs throughout the City. The bonds were issued against future Class C Road Money. 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**

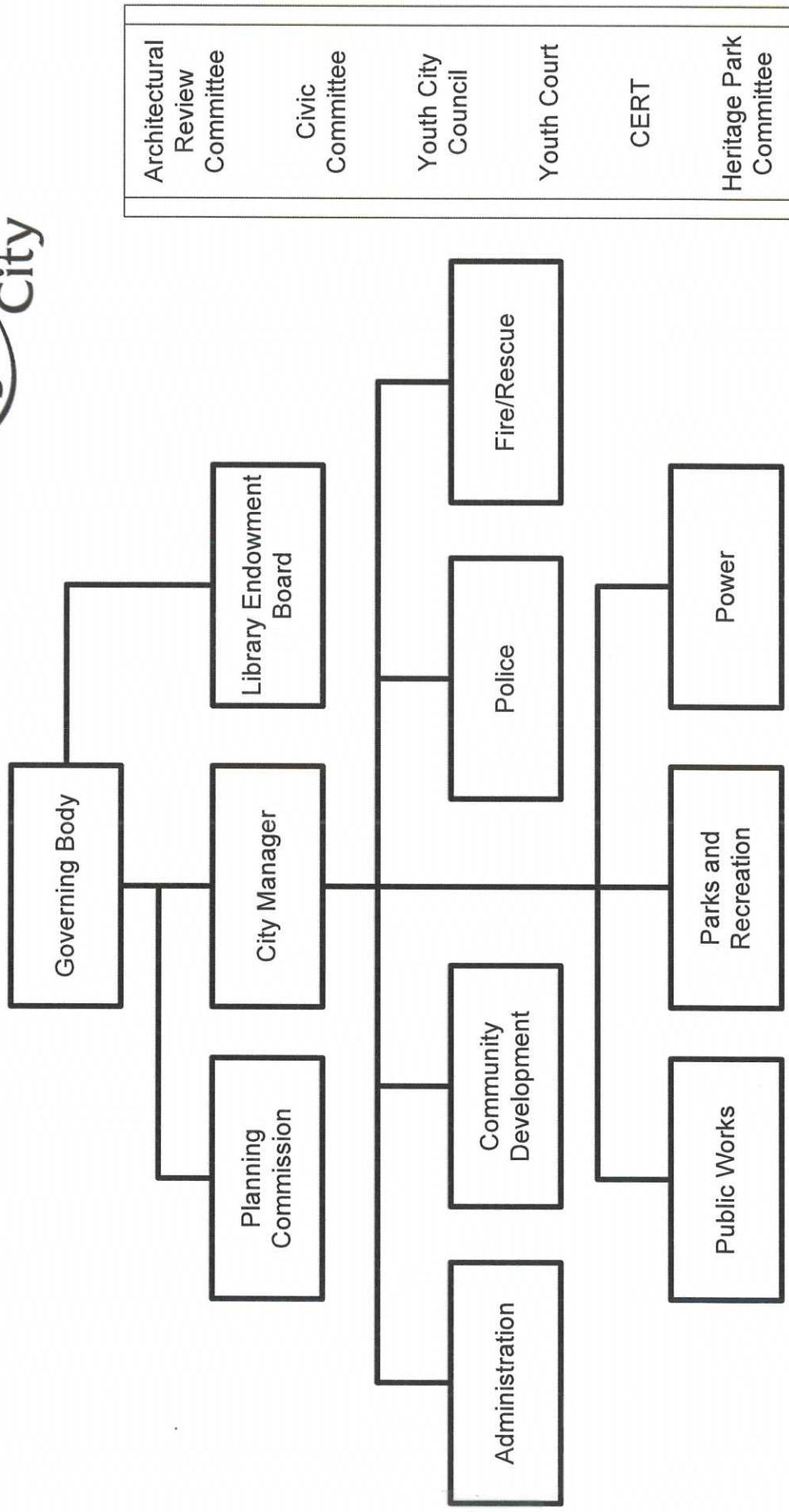
The City maintains complete insurance coverage including worker’s compensation general liability, property damage, public official’s errors and omissions, automobile liability, and law enforcement liability. Insurance coverage is placed with commercial carriers rated as excellent or superior by recognized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



# 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, 2009

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

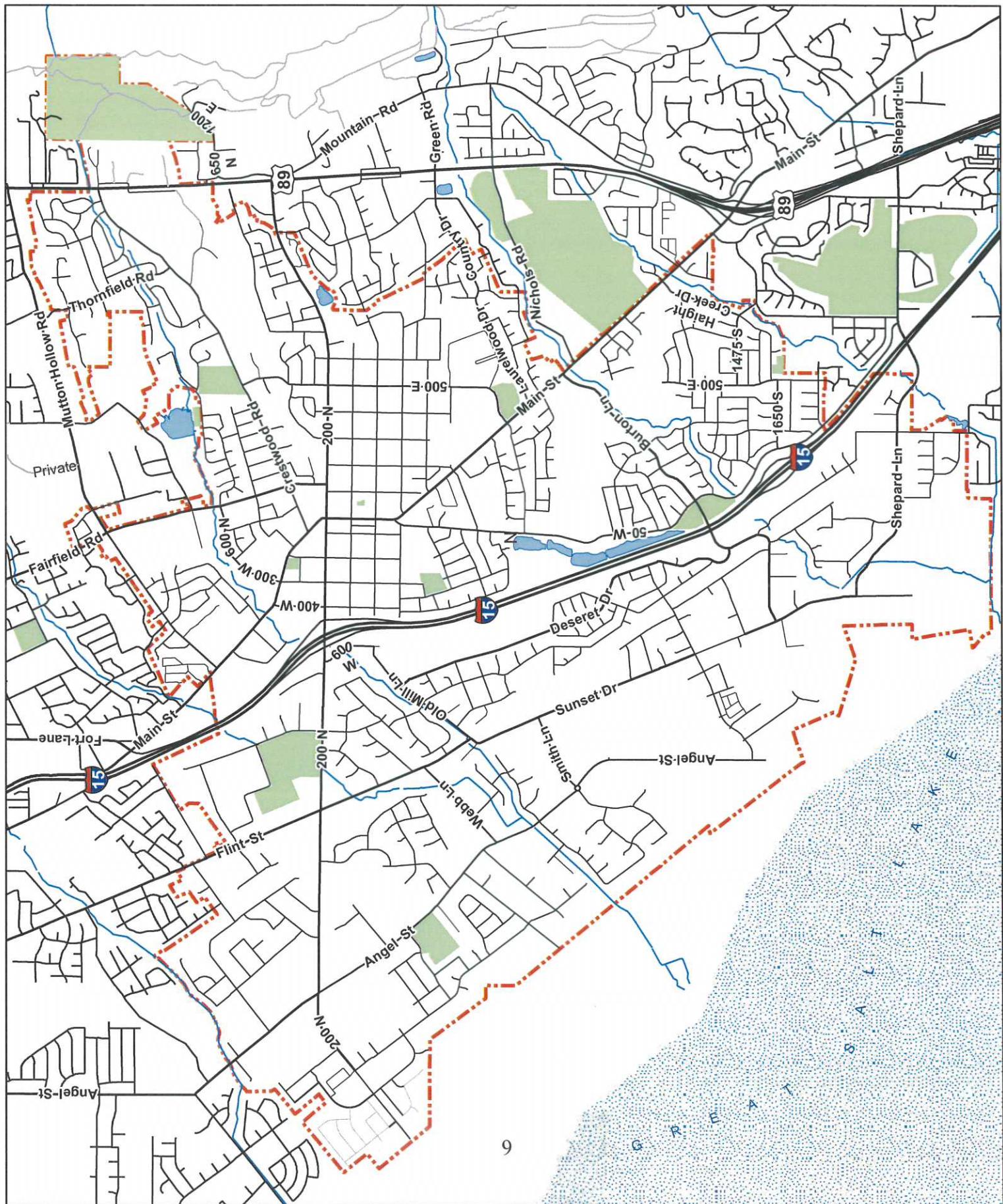


Executive Director

Kaysville City  
GIS  
Basemap

Legend  
Parks  
Streams  
Ponds  
City Boundary  
Great Salt Lake

1 inch = 3,000 feet  
N

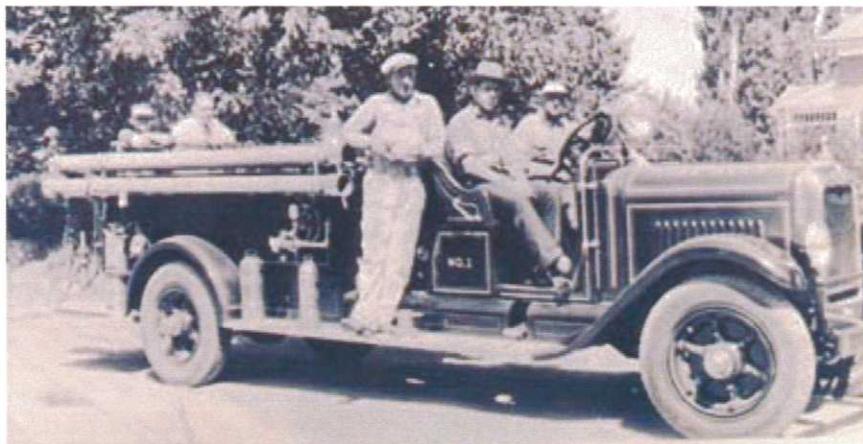


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## FINANCIAL SECTION

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Kaysville City  
Fire Engines

## **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, each major fund of Kaysville City, Utah, as of and for the year ended June 30, 2010, 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. 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 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, 2010, 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.

Accounting principles generally accepted in the United State of America require that the management's discussion and analysis and budgetary comparison information on pages 13 through 22 and pages 67 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kaysville City's financial statements as a whole. The introductory section, and statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Wood Richards & Associates*

Ogden, UT  
September 22, 2010

## **MANAGEMENT DISCUSSION AND ANALYSIS**

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2010**

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The following is a discussion and analysis of Kaysville City's finances for the fiscal year ended June 30, 2010. We believe that this narrative when read in conjunction with the letter of transmittal, financial profile, the financial statements and particularly the notes to the financial statements should assist the reader in understanding the finances of Kaysville City.

### **Financial Highlights**

#### Government Wide

- The City's total net assets increased by \$3,157,053 or 3.04% over the prior year. Net assets of governmental activities increased by \$851,368 or 1.55%. Net assets of business-type activities increased by \$2,305,685 or 4.69%.
- 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 \$103,885,435, \$92,660,236 (89.19%) includes investments in capital assets; \$4,365,936 (4.20%) in restricted uses and \$6,859,263 (6.61%) in unrestricted uses and available to meet City obligations.
- The City's restricted assets of \$4,365,936 increased by 3.44% 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 \$6,859,263 include \$1,411,551 available for governmental activities and \$5,447,712 available for business-type activities. Overall this is a increase of 30.66% 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 \$1,000,117 from \$6,399,340 to \$7,399,457.
- The proprietary funds had an overall net loss before transfers and contributions of (\$308,080).

#### Long Term Debt

- Overall the City's long term liabilities increased in the amount of \$1,432,000 over the prior year. This is due to the city entering into a bond for the major repair and maintenance of various street throughout the City. As of June 30, 2010, the liabilities balance for governmental activities is \$3,788,532 and \$2,684,118 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, 2010**  
**(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, 2010**  
**(Continued)**

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**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>2009</b>	<b>2010</b>	<b>Total</b>
	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>			
<b>Assets</b>							
Current and Other Assets	\$8,968,385	\$11,549,802	\$7,530,259	\$8,046,331	\$16,498,644	\$19,596,133	
Capital Assets	\$51,287,608	\$51,216,784	\$44,739,473	\$46,148,825	\$96,027,081	\$97,365,609	
<b>Total Assets</b>	<b>\$60,255,993</b>	<b>\$62,766,586</b>	<b>\$52,269,732</b>	<b>\$54,195,156</b>	<b>\$112,525,725</b>	<b>\$116,961,742</b>	
<b>Liabilities</b>							
Current Liabilities	\$4,168,747	\$5,353,729	\$2,773,210	\$2,818,955	\$6,941,957	\$8,172,684	
Non-Current Liabilities	\$2,188,151	\$2,662,394	\$2,667,235	\$2,241,229	\$4,855,386	\$4,903,623	
<b>Total Liabilities</b>	<b>\$6,356,898</b>	<b>\$8,016,123</b>	<b>\$5,440,445</b>	<b>\$5,060,184</b>	<b>\$11,797,343</b>	<b>\$13,076,307</b>	
<b>Net Assets</b>							
Investments in Capital (net)	\$47,859,814	\$49,104,550	\$44,257,004	\$43,555,686	\$92,116,818	\$92,660,236	
Restricted	\$4,119,488	\$4,234,362	\$96,379	\$131,574	\$4,215,867	\$4,365,936	
Unrestricted	\$1,919,793	\$1,411,551	\$2,475,904	\$5,447,712	\$4,395,697	\$6,859,263	
<b>Total Net Assets</b>	<b>\$53,899,095</b>	<b>\$54,750,463</b>	<b>\$46,829,287</b>	<b>\$49,134,972</b>	<b>\$100,728,382</b>	<b>\$103,885,435</b>	

**Changes in Net Assets:**

The City's combined net assets increased over the prior year by \$3,157,053 (3.04%). 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 slightly improved over the prior year. The net assets unrestricted and available for ongoing obligations increased by \$2,463,566. Overall liabilities increased by \$1,278,964.

**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, 2010**  
**(Continued)**

**Changes in Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
<b>Revenues</b>						
General Revenues						
Property Tax	\$1,308,424	\$1,400,530	\$0	\$0	\$1,308,424	\$1,400,530
Sales Tax	\$2,971,247	\$2,744,689	\$0	\$0	\$2,971,247	\$2,744,689
Other Taxes	\$1,656,881	\$1,572,185	\$0	\$0	\$1,656,881	\$1,572,185
Interest and Investment	\$173,831	\$82,802	\$62,360	\$23,658	\$236,191	\$106,460
Grants and Contributions	\$16,855,782	\$1,875,921	\$827,954	\$2,463,765	\$17,683,736	\$4,339,686
Charges for Services	\$3,681,662	\$3,616,243	\$19,590,895	\$19,660,995	\$23,272,557	\$23,277,238
Miscellaneous	\$115,332	\$106,096	\$0	\$0	\$115,332	\$106,096
<b>Total Revenues</b>	<b>\$26,763,159</b>	<b>\$11,398,466</b>	<b>\$20,481,209</b>	<b>\$22,148,418</b>	<b>\$47,244,368</b>	<b>\$33,546,884</b>
<b>Expenses</b>						
Governmental:						
General Government	\$1,573,836	\$1,535,455	\$0	\$0	\$1,573,836	\$1,535,455
Police	\$2,164,881	\$2,235,372	\$0	\$0	\$2,164,881	\$2,235,372
Fire	\$531,620	\$446,057	\$0	\$0	\$531,620	\$446,057
Community Development	\$725,078	\$856,615	\$0	\$0	\$725,078	\$856,615
Public Works	\$1,746,346	\$3,234,262	\$0	\$0	\$1,746,346	\$3,234,262
Parks, Recreation and Public Properties	\$2,170,919	\$1,947,498	\$0	\$0	\$2,170,919	\$1,947,498
Library Endowment	\$0	\$0	\$0	\$0	\$0	\$0
Perpetual Cemetery	\$36,000	\$63,770	\$0	\$0	\$36,000	\$63,770
Interest on Long Term Debt	\$92,886	\$78,069	\$0	\$0	\$92,886	\$78,069
Business-Type:						
Water	\$0	\$0	\$2,055,930	\$2,001,788	\$2,055,930	\$2,001,788
Sewer	\$0	\$0	\$1,675,055	\$1,771,084	\$1,675,055	\$1,771,084
Electric	\$0	\$0	\$12,558,805	\$12,357,551	\$12,558,805	\$12,357,551
Pressure Irrigation	\$0	\$0	\$1,001,318	\$1,060,124	\$1,001,318	\$1,060,124
Sanitation	\$0	\$0	\$1,166,979	\$1,203,823	\$1,166,979	\$1,203,823
Storm Water	\$0	\$0	\$927,250	\$1,080,850	\$927,250	\$1,080,850
Ambulance	\$0	\$0	\$572,672	\$517,513	\$572,672	\$517,513
<b>Total Expenses</b>	<b>\$9,041,566</b>	<b>\$10,397,098</b>	<b>\$19,958,009</b>	<b>\$19,992,733</b>	<b>\$28,999,575</b>	<b>\$30,389,831</b>
Increase in net assets before transfers	\$17,721,593	\$1,001,368	\$523,200	\$2,155,685	\$18,244,793	\$3,157,053
Transfers and special items	(\$200,000)	(\$150,000)	\$200,000	\$150,000	\$0	\$0
Increase (decrease) in net assets	\$17,521,593	\$851,368	\$723,200	\$2,305,685	\$18,244,793	\$3,157,053
Net Assets- Beginning of Fiscal Year	\$36,377,502	\$53,899,095	\$46,106,087	\$46,829,287	\$82,483,589	\$100,728,382
Net Assets - Ending of Fiscal Year	<b>\$53,899,095</b>	<b>\$54,750,463</b>	<b>\$46,829,287</b>	<b>\$49,134,972</b>	<b>\$100,728,382</b>	<b>\$103,885,435</b>

Some of the reasons for the changes in net assets are: Sales tax revenues decreased by approximately eight 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. Interest decreased substantially due to the decline in interest rates throughout the year. Grants and contributions decreased due to the completion of federal funding and contributions to the 200 N Overpass project.

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2010**  
**(Continued)**

**Capital Assets**

The City's investment in capital assets for its governmental activities and business-type activities at June 30, 2010 is \$97,365,609 (net of accumulated depreciation). This is a net increase of \$1,338,528. 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	
	2009	2010	2009	2010	2009	2010
Land	\$4,903,983	\$5,099,907	\$5,955,839	\$5,955,839	\$10,859,822	\$11,055,746
Stock (Water)	\$0	\$0	\$3,287,990	\$3,305,990	\$3,287,990	\$3,305,990
Infrastructure	\$37,732,203	\$37,871,184	\$33,782,172	\$35,387,674	\$71,514,375	\$73,258,858
Building	\$3,388,174	\$3,339,833	\$509,240	\$495,475	\$3,897,414	\$3,835,308
Improvements	\$3,747,442	\$3,645,367	\$38,566	\$37,189	\$3,786,008	\$3,682,556
Vehicles	\$935,007	\$771,269	\$759,269	\$609,791	\$1,694,276	\$1,381,060
Equipment	\$580,797	\$489,224	\$406,397	\$356,867	\$987,194	\$846,091
Net of Accumulated Depreciation	\$51,287,606	\$51,216,784	\$44,739,473	\$46,148,825	\$96,027,079	\$97,365,609

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 \$321,765. 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	
	2009	2010	2009	2010	2009	2010
Note Payable (Park Land)	\$652,250	\$0	\$0	\$0	\$652,250	\$0
Note Payable (Kaysville Business Park West)	\$0	\$0	\$2,538,411	\$2,221,110	\$2,538,411	\$2,221,110
Note Payable (Pioneer Park Land)	\$400,000	\$300,000	\$0	\$0	\$400,000	\$300,000
Note Payable (200 N Overpass- UDOT)	\$1,786,955	\$1,486,955	\$0	\$0	\$1,786,955	\$1,486,955
Capital Lease (Fire Truck)	\$177,202	\$90,479	\$0	\$0	\$177,202	\$90,479
Series 2002 Revenue Bonds	\$398,000	\$203,000	\$0	\$0	\$398,000	\$203,000
Series 2010 Revenue Bonds	\$0	\$1,432,000	\$0	\$0	\$0	\$1,432,000
Equipment Leases (Vactor Truck)	\$0	\$0	\$188,022	\$144,431	\$188,022	\$144,431
Equipment Lease (Ambulance	\$0	\$0	\$138,449	\$109,987	\$138,449	\$109,987
Equipment Leases (Sweeper)	\$0	\$0	\$148,045	\$117,610	\$148,045	\$117,610
	\$3,414,407	\$3,512,434	\$3,012,927	\$2,593,138	\$6,427,334	\$6,105,572

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, 2010**  
**(Continued)**

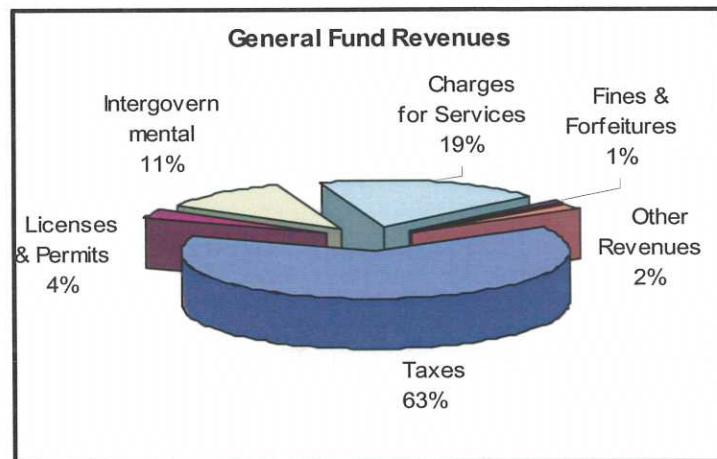
**Analysis of Financial Funds**

**Governmental Funds**

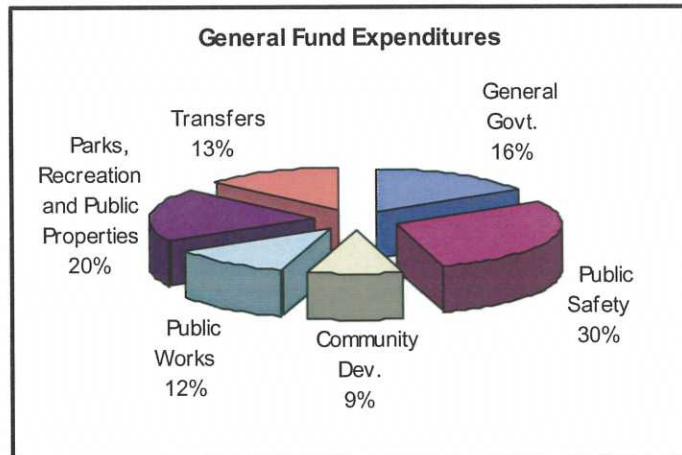
The focus of the City's governmental funds is to account for and provide information on near-term inflows, outflows and spendable resources. The primary governmental fund is the general fund. The City also maintains a capital projects fund, a debt service fund and permanent funds for cemetery perpetual care and library endowment. The table below and accompanying graphs depict the revenues and expenditures during the fiscal year 2010 and a comparison to fiscal year 2009.

**Governmental Funds**

<u>General Fund</u>	
Revenues:	
Taxes	\$5,717,404
Licenses and Permits	\$318,626
Intergovernmental	\$952,849
Charges for Services	\$1,702,069
Fines and Forfeitures	\$105,932
Other Revenues	\$168,682
	<hr/>
	<b>\$8,864,133</b>



Expenditures:	
General Govt.	\$1,474,457
Public Safety	\$2,623,649
Community Dev.	\$837,550
Pubic Works	\$1,094,628
Parks, Recreation, & Public Properties	\$1,780,753
Transfers	\$1,210,922
	<hr/>
	<b>\$9,021,959</b>



**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2010**  
**(Continued)**

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General Fund Revenues	FY 2009	FY 2010	Increase/ (Decrease)	Percentage Change
Taxes	\$5,936,552	\$5,717,404	(\$219,148)	(3.69%)
Licenses and Permits	\$249,940	\$318,626	\$68,686	27.48%
Intergovernmental	\$781,285	\$952,849	\$171,564	21.96%
Service Charges	\$1,640,591	\$1,654,509	\$13,918	0.85%
Fines and Forfeitures	\$102,394	\$105,932	\$3,538	3.46%
Other Revenues	\$192,831	\$114,813	(\$78,018)	(40.46%)
	\$8,903,593	\$8,864,133	(\$39,460)	(0.44%)
<b>General Fund Expenditures</b>				
General Government	\$1,453,212	\$1,474,457	\$21,245	1.46%
Public Safety	\$2,573,660	\$2,623,649	\$49,989	1.94%
Community Development	\$679,669	\$837,550	\$157,881	22.35%
Public Works	\$1,555,663	\$1,094,628	(\$461,035)	(29.64%)
Parks, Recreation and Public Properties	\$1,904,405	\$1,780,753	(\$123,652)	(6.49%)
Property Transfers	\$0	\$195,922	\$195,922	100%
	\$410,000	\$1,015,000	\$605,000	147.56%
	\$8,576,609	\$9,021,959	\$445,350	5.12%

General fund revenues for fiscal year 2010 totaled \$8,864,133. This represents a decrease of approximately 0.44% from fiscal year 2009. Property tax increased slightly whereas sales tax decreased by approximately eight percent. Building permit fees and associated revenue increased slightly due to the forfeitures of building permit bonds. When a builder is issued a permit they are required to pay a small bond to the City. If the building is completed and final inspection passes within one year, the bond is refunded. If this is not completed within the year, the bond becomes revenue to the City. Fees for services, fines and forfeitures, and grants remained fairly stable. Interest declined substantially due to the decrease in interest rates. At the end of the fiscal year, the remaining portion of the City block became available for sale. The City felt it was a necessary property to purchase due to the ownership of the remaining block. So, the City purchased the remaining portion of the block for \$195,922.

General fund expenditures for fiscal year 2010 total \$9,021,959. This is a increase of 4.94% over fiscal year 2009 of \$8,576,609. 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, 2010**  
**(Continued)**

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Capital Projects Fund

The capital projects fund was used to account for major capital projects during the fiscal year 2010. The revenues and expenditures compared to the previous year are illustrated as follows:

<b>Capital Projects Fund</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Revenue:</b>		
Impact Fees	\$ 897,541	\$ 762,813
Interest	19,645	10,121
Property Sales	436,145	-
Other Sources- Reimbursements	510,100	75,000
Bond Proceeds	-	1,432,000
Federal Grants	-	147,000
Transfers from Other Funds	-	350,000
	<hr/> \$ 1,863,431	\$2,776,934
<b>Expenditures:</b>		
200 North Overpass Project	\$ 467,609	\$10,113
Bond Issuance Expense	-	31,800
Rail Trail	63,142	117,054
Police Station	-	31,989
Public Works Road Projects	-	500,944
Pioneer Park	135,000	6,987
Barnes Park Sportsplex	31,107	-
Main Street Project	88,558	-
Heritage Park	70,988	127,321
Transfers	-	128,000
	<hr/> \$ 856,404	\$954,208

Debt Service Fund

During the fiscal year 2010, 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; the UDOT Payment related to the construction of the 200 N Overpass.

<b>Debt Service Fund</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Revenue:</b>		
Transfers	\$ 345,000	\$ 643,000
Interest	10,931	2,717
	<hr/> \$ 355,931	\$ 645,717
<b>Expenditures:</b>		
Angel Street Park Property	\$ 100,000	\$ 684,867
Pioneer Park Property	135,000	128,000
UDOT Payment	-	300,000
2002 Revenue Bonds	209,064	212,454
	<hr/> \$ 444,064	\$ 1,325,321

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2010**  
**(Continued)**

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**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, 2010, the principal balance is \$1,434,783. 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. Each year 10% of the interest earned is added to the corpus of this fund. The corpus of this fund is \$679,725 with the total fund balance of \$906,647. 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 \$19,238,747. This is an increase of about 1.85% over the prior year of \$18,884,128. 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 \$19,795,740. This is an increase of approximately 0.4%. Continued monitoring of each utility will be necessary to ensure operating revenues cover operating expenses.

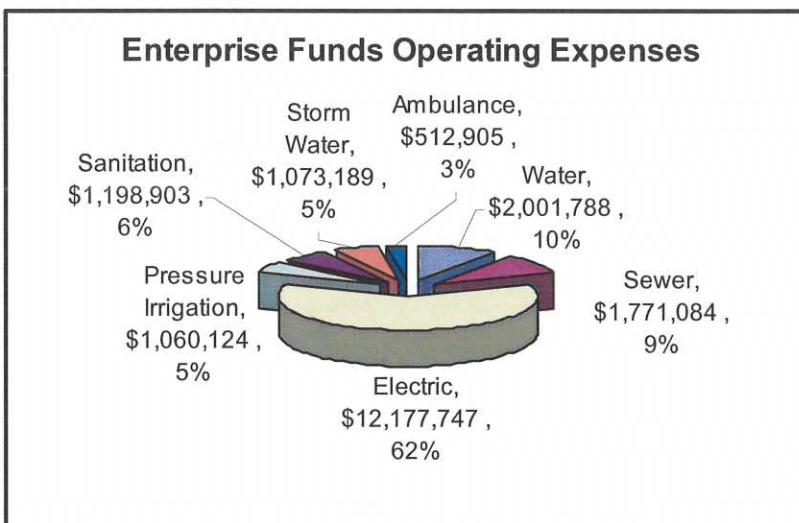
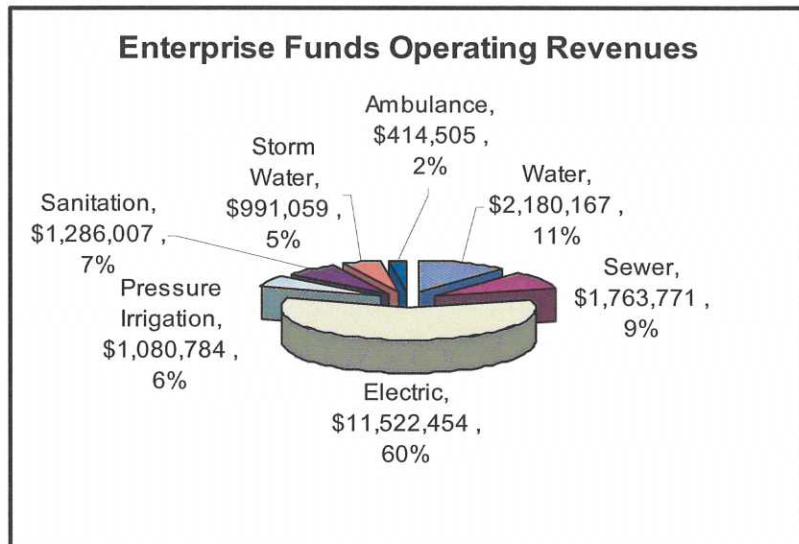
The table below and accompanying charts show the operations for fiscal year 2010.

<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	\$2,180,167	\$1,763,771	\$11,522,454	\$1,080,784	\$1,286,007	\$991,059	\$414,505	\$19,238,747
Operating Expenses	\$2,001,788	\$1,771,084	\$12,177,747	\$1,060,124	\$1,198,903	\$1,073,189	\$512,905	\$19,795,740
Operating Income	\$178,379	(\$7,313)	(\$655,293)	\$20,660	\$87,104	(\$82,130)	(\$98,400)	(\$556,993)
Non Operating Revenues/(Expenses)	\$69,055	\$0	\$195,411	\$0	(\$4,920)	(\$6,025)	(\$4,608)	\$248,913
Net Income before Transfers	\$247,434	(\$7,313)	(\$459,882)	\$20,660	\$82,184	(\$88,155)	(\$103,008)	(\$308,080)
Operating Transfer In/(Out)	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000	\$150,000
Net Income / (loss)	\$247,434	(\$7,313)	(\$459,882)	\$20,660	\$82,184	(\$88,155)	\$46,992	(\$158,080)

**Kaysville City, Utah**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2010**  
**(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.

## **BASIC FINANCIAL STATEMENTS**

**Government-Wide Financial Statements**

**Fund Financial Statements**

**KAYSVILLE CITY**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 8,757,488	\$ 5,868,441	\$ 14,625,929
Investments	859,476	-	859,476
Accounts Receivable (Net)	1,932,838	1,707,890	3,640,728
Inventory	-	470,000	470,000
<b>Total Current Assets</b>	<b>11,549,802</b>	<b>8,046,331</b>	<b>19,596,133</b>
<b>Noncurrent Assets:</b>			
Capital Assets:			
Land	5,099,907	5,955,839	11,055,746
Net Depreciable Capital Assets	46,116,877	36,886,996	83,003,873
Water Stock	-	3,305,990	3,305,990
<b>Total Noncurrent Assets</b>	<b>51,216,784</b>	<b>46,148,825</b>	<b>97,365,609</b>
<b>Total Assets</b>	<b>\$ 62,766,586</b>	<b>\$ 54,195,156</b>	<b>\$ 116,961,742</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 734,248	\$ 2,109,495	\$ 2,843,743
Accrued Expenses	228,752	-	228,752
Deposits	1,990,140	89,570	2,079,710
Deferred Revenue	1,197,205	-	1,197,205
Accrued Interest	77,246	177,001	254,247
Noncurrent Liabilities Due Within One Year	1,126,138	442,889	1,569,027
<b>Total Current Liabilities</b>	<b>5,353,729</b>	<b>2,818,955</b>	<b>8,172,684</b>
<b>Noncurrent Liabilities</b>			
Due in more than one year	2,662,394	2,241,229	4,903,623
<b>Total Noncurrent Liabilities</b>	<b>2,662,394</b>	<b>2,241,229</b>	<b>4,903,623</b>
<b>Total Liabilities</b>	<b>8,016,123</b>	<b>5,060,184</b>	<b>13,076,307</b>
<b>NET ASSETS</b>			
Investments in Capital Assets, Net of Related Debt	49,104,550	43,555,686	92,660,236
Restricted for:			
Park Development Impact Fees	121,838	-	121,838
Transportation Impact Fee	1,410,041	-	1,410,041
Public Safety Impact Fee	176,175	-	176,175
Class C Roads	26,678	-	26,678
Perpetual Cemetery	1,434,783	-	1,434,783
Library Endowment:			
Expendable	226,922	-	226,922
Nonexpendable	679,725	-	679,725
Debt Service	158,200	-	158,200
Water Impact	-	131,574	131,574
<b>Unrestricted</b>	<b>1,411,551</b>	<b>5,447,712</b>	<b>6,859,263</b>
<b>Total Net Assets</b>	<b>54,750,463</b>	<b>49,134,972</b>	<b>103,885,435</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 62,766,586</b>	<b>\$ 54,195,156</b>	<b>\$ 116,961,742</b>

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

**KAYSVILLE CITY**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2010**

Functions	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 1,535,455	\$ 648,277	\$ 41,495	\$ -
Public Safety:				
Police	2,235,372	221,483	-	-
Fire	446,057	141,818	-	-
Community Development	856,615	375,149	164,335	-
Public Works	3,234,262	1,346,410	-	1,448,091
Parks, Recreation and Public Properties	1,947,498	835,546	-	222,000
Perpetual Cemetery	63,770	47,560	-	-
Interest on Long-term Debt	78,069	-	-	-
Total Governmental Activities	<u>10,397,098</u>	<u>3,616,243</u>	<u>205,830</u>	<u>1,670,091</u>
<b>Business-Type Activities:</b>				
Water	2,001,788	2,247,425	-	727,850
Sewer	1,771,084	1,763,771	-	-
Electric	12,357,551	11,877,444	-	-
Pressure Irrigation	1,060,124	1,080,784	-	-
Sanitation	1,203,823	1,286,007	-	-
Storm Water	1,080,850	991,059	-	1,735,915
Ambulance	517,513	414,505	-	-
Total Business-Type Activities	<u>19,992,733</u>	<u>19,660,995</u>	<u>-</u>	<u>2,463,765</u>
<b>Total</b>	<b><u>\$ 30,389,831</u></b>	<b><u>\$ 23,277,238</u></b>	<b><u>\$ 205,830</u></b>	<b><u>\$ 4,133,856</u></b>

**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>
\$ (845,683)	\$ -	\$ (845,683)
(2,013,889)	-	(2,013,889)
(304,239)	-	(304,239)
(317,131)	-	(317,131)
(439,761)	-	(439,761)
(889,952)	-	(889,952)
(16,210)	-	(16,210)
(78,069)	-	(78,069)
<u>(4,904,934)</u>	<u>-</u>	<u>(4,904,934)</u>
 -	 973,487	 973,487
-	(7,313)	(7,313)
-	(480,107)	(480,107)
-	20,660	20,660
-	82,184	82,184
-	1,646,124	1,646,124
-	(103,008)	(103,008)
<u>-</u>	<u>2,132,027</u>	<u>2,132,027</u>
 <u>(4,904,934)</u>	 <u>2,132,027</u>	 <u>(2,772,907)</u>
 1,400,530	 -	 1,400,530
2,744,689	-	2,744,689
576,731	-	576,731
995,454	-	995,454
82,802	23,658	106,460
106,096	-	106,096
<u>(150,000)</u>	<u>150,000</u>	<u>-</u>
 <u>5,756,302</u>	 <u>173,658</u>	 <u>5,929,960</u>
 851,368	 2,305,685	 3,157,053
 <u>53,899,095</u>	 <u>46,829,287</u>	 <u>100,728,382</u>
 <u>\$ 54,750,463</u>	 <u>\$ 49,134,972</u>	 <u>\$ 103,885,435</u>

**KAYSVILLE CITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,161,558	\$ 191,072	\$ 3,922,904
Investments	-	-	-
Accounts Receivable	<u>1,932,838</u>	-	-
<b>Total Assets</b>	<b><u>\$ 5,094,396</u></b>	<b><u>\$ 191,072</u></b>	<b><u>\$ 3,922,904</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts Payable	\$ 279,212	\$ -	\$ 455,036
Accrued Expenses	228,752	-	-
Deferred Revenue- Property Tax	1,197,205	-	-
Deposits	<u>1,903,166</u>	-	<u>86,974</u>
<b>Total Liabilities</b>	<b><u>3,608,335</u></b>	<b>-</b>	<b><u>542,010</u></b>
Reserved for:			
Park Development Impact Fees	-	-	121,838
Transportation Impact Fee	-	-	1,410,041
Public Safety Impact Fee	-	-	176,175
Class C Road Fund	<u>26,678</u>	-	-
Street Projects	-	-	1,400,200
Perpetual Care	-	-	-
Library Endowment	-	-	-
Debt Service	-	<u>158,200</u>	-
Unreserved	<u>1,459,383</u>	<u>32,872</u>	<u>272,640</u>
<b>Total Fund Balances</b>	<b><u>1,486,061</u></b>	<b><u>191,072</u></b>	<b><u>3,380,894</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 5,094,396</u></b>	<b><u>\$ 191,072</u></b>	<b><u>\$ 3,922,904</u></b>

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

Permanent Funds		Total Governmental Funds
Perpetual Cemetery	Library Endowment	
\$ 1,434,783	\$ 47,171	\$ 8,757,488
-	859,476	859,476
-	-	<u>1,932,838</u>
<u>\$ 1,434,783</u>	<u>\$ 906,647</u>	<u>\$ 11,549,802</u>
 \$ -	 \$ -	 \$ 734,248
-	-	228,752
-	-	1,197,205
-	-	<u>1,990,140</u>
 - -	 - -	 <u>4,150,345</u>
 - -	 - -	 121,838
- -	- -	1,410,041
- -	- -	176,175
- -	- -	26,678
- -	- -	1,400,200
1,434,783	- -	1,434,783
-	906,647	906,647
-	- -	158,200
-	- -	1,764,895
<u>1,434,783</u>	<u>906,647</u>	<u>7,399,457</u>
 <u>\$ 1,434,783</u>	 <u>\$ 906,647</u>	 <u>\$ 11,549,802</u>

**KAYSVILLE CITY**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

**Total fund balance - Governmental Funds** \$ 7,399,457

**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	5,099,907
Buildings, net of 1,232,470 accumulated depreciation	3,339,832
Improvements, net of 2,052,926 accumulated depreciation	3,645,367
Infrastructure, net of 16,672,577 accumulated depreciation	37,871,184
Equipment, net of 1,075,101 accumulated depreciation	489,224
Vehicles, net of 2,514,895 accumulated depreciation	<u>771,270</u>
	<u>51,216,784</u>

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	(1,635,000)
Notes Payable	(1,786,955)
Lease/Purchase Agreement	(90,479)
Accrued Interest	(77,246)
Compensated Absences	<u>(276,098)</u>
	<u>(3,865,778)</u>

**Total Net Assets - Governmental Activities** \$ 54,750,463

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, 2010**

	General	Debt Service	Capital Projects
<b>Revenues:</b>			
Taxes	\$ 5,717,404	\$ -	\$ -
Licenses and Permits	318,626	-	-
Impact Fees	-	-	762,813
Intergovernmental	788,514	-	-
Charges for Services	1,654,509	-	-
Fines and Forfeitures	105,932	-	-
Interest Income	28,933	2,717	10,121
Federal Grant	-	-	147,000
Community Development Block Grant	164,335	-	-
Miscellaneous	85,880	-	-
<b>Total Revenues</b>	<b>8,864,133</b>	<b>2,717</b>	<b>919,934</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government	1,474,457	-	-
Public Safety	2,623,649	-	-
Community Development	837,550	-	-
Public Works	1,094,628	-	-
Parks, Recreation and Public Properties	1,780,753	-	-
<b>Debt Service:</b>			
Principal	-	1,247,250	-
Interest and Fiscal Charges	-	78,071	-
Capital Outlay	-	-	826,208
<b>Total Expenditures</b>	<b>7,811,037</b>	<b>1,325,321</b>	<b>826,208</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>1,053,096</b>	<b>(1,322,604)</b>	<b>93,726</b>
<b>Other Financing Sources (Uses):</b>			
Bond Proceeds	-	-	1,432,000
Property Purchase	(195,922)	-	-
Other Sources- Reimbursements	-	-	75,000
Transfers In			
General Fund	-	515,000	350,000
Transfers Out			
Debt Service Fund	(515,000)	-	(128,000)
Ambulance Fund	(150,000)	-	-
Capital Projects Fund	(350,000)	128,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,210,922)</b>	<b>643,000</b>	<b>1,729,000</b>
<b>Net Change in Fund Balances</b>	<b>(157,826)</b>	<b>(679,604)</b>	<b>1,822,726</b>
<b>Fund balance - July 1</b>	<b>1,643,887</b>	<b>870,676</b>	<b>1,558,168</b>
<b>Fund Balance - June 30</b>	<b>\$ 1,486,061</b>	<b>\$ 191,072</b>	<b>\$ 3,380,894</b>

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

Permanent Funds		Total Governmental Funds
Perpetual Cemetery	Library Endowment	
\$ -	\$ -	\$ 5,717,404
-	-	318,626
-	-	762,813
-	-	788,514
47,560	-	1,702,069
-	-	105,932
9,571	31,460	82,802
-	-	147,000
-	-	164,335
-	-	85,880
<u>57,131</u>	<u>31,460</u>	<u>9,875,375</u>
 - 10,000	 - 2,623,649	 1,484,457
-	-	837,550
-	-	1,094,628
63,770	-	1,844,523
 - -	 - -	 1,247,250
-	-	78,071
-	-	826,208
<u>63,770</u>	<u>10,000</u>	<u>10,036,336</u>
 <u>(6,639)</u>	 <u>21,460</u>	 <u>(160,961)</u>
 - -	 - -	 1,432,000
-	-	(195,922)
-	-	75,000
 - -	 - -	 865,000
-	-	(643,000)
-	-	(150,000)
-	-	(222,000)
 - -	 - -	 1,161,078
 <u>(6,639)</u>	 <u>21,460</u>	 <u>1,000,117</u>
 <u>1,441,422</u>	 <u>885,187</u>	 <u>6,399,340</u>
 <u>\$ 1,434,783</u>	 <u>\$ 906,647</u>	 <u>\$ 7,399,457</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, 2010**

Net change in fund balances-total governmental funds	\$ 1,000,117
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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	661,115
Depreciation expense	<u>(2,177,369)</u>
	(1,516,254)

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

1,448,091

The effect of a bond being issued is that it is recorded as revenue in the fund financial statements, but is reported as a liability in the government-wide financial statements.

(1,432,000)

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	-
Gain (Loss) on sale of asset	<u>(2,661)</u>
	(2,661)

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	1,052,252
Repayment of capital lease	86,723
Repayment of bond principal	195,000
Compensated absences	<u>215,429</u>
	1,549,404

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	(222,241)
Accrued interest	<u>26,912</u>
	(195,329)

Change in net assets of governmental activities	<u>\$ 851,368</u>
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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 NET ASSETS**  
**PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES**  
**JUNE 30, 2010**

	<b>Water</b>	<b>Sewer</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 162,330	\$ 605,367
Accounts Receivable (Net of Allowance for Uncollectibles)	200,810	161,901
Interfund Receivable	-	-
Inventory	55,000	-
Total Current Assets	<u>418,140</u>	<u>767,268</u>
<b>Noncurrent Assets</b>		
<b>Capital Assets:</b>		
Land	120,094	-
Net Depreciable Capital Assets	13,710,323	24,774
Water Stock	76,140	-
Total Noncurrent Assets	<u>13,906,557</u>	<u>24,774</u>
<b>Total Assets</b>	<u><u>\$ 14,324,697</u></u>	<u><u>\$ 792,042</u></u>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 93,061	\$ 157,611
Interfund Payable	475,000	-
Deposits	3,740	-
Accured Interest	-	-
Noncurrent Liabilities Due Within One Year	6,266	-
Total Current Liabilities	<u>578,067</u>	<u>157,611</u>
<b>Noncurrent Liabilities</b>		
Due In More Than One Year	25,063	-
Total Noncurrent Liabilities	<u>25,063</u>	<u>-</u>
<b>Total Liabilities</b>	<u>603,130</u>	<u>157,611</u>
<b>NET ASSETS</b>		
Investments in Capital Assets, Net of Related Debt	13,906,557	24,774
Restricted for:		
Water Impact	131,574	-
Unrestricted	(316,564)	609,657
Total Net Assets	<u>13,721,567</u>	<u>634,431</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 14,324,697</u></u>	<u><u>\$ 792,042</u></u>

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

Electric	Pressure Irrigation	Sanitation	Storm Water	Ambulance	Total
\$ 3,666,366	\$ 70,055	\$ 907,057	\$ 417,957	\$ 39,309	\$ 5,868,441
855,675	92,795	117,338	88,753	190,618	1,707,890
475,000	-	-	-	-	475,000
415,000	-	-	-	-	470,000
<u>5,412,041</u>	<u>162,850</u>	<u>1,024,395</u>	<u>506,710</u>	<u>229,927</u>	<u>8,521,331</u>
 5,819,423	 16,322	 - 341,583	 - 8,424,782	 - 140,408	 5,955,839 36,886,996
14,245,126	-	341,583	8,424,782	140,408	3,305,990
<u>-</u>	<u>3,229,850</u>	<u>-</u>	<u>8,424,782</u>	<u>140,408</u>	<u>46,148,825</u>
<u>\$ 25,476,590</u>	<u>\$ 3,409,022</u>	<u>\$ 1,365,978</u>	<u>\$ 8,931,492</u>	<u>\$ 370,335</u>	<u>\$ 54,670,156</u>
 \$ 1,626,153	 \$ 82,880	 \$ 88,400	 \$ 47,052	 \$ 14,338	 \$ 2,109,495
-	-	-	-	-	475,000
85,830	-	-	-	-	89,570
162,881	-	4,153	6,078	3,889	177,001
324,817	-	31,810	50,206	29,790	442,889
<u>2,199,681</u>	<u>82,880</u>	<u>124,363</u>	<u>103,336</u>	<u>48,017</u>	<u>3,293,955</u>
 1,933,876	 - 85,800	 85,800	 116,292	 80,198	 2,241,229
<u>1,933,876</u>	<u>- 85,800</u>	<u>85,800</u>	<u>116,292</u>	<u>80,198</u>	<u>2,241,229</u>
 4,133,557	 82,880	 210,163	 219,628	 128,215	 5,535,184
 17,843,439	 3,246,172	 223,973	 8,280,351	 30,420	 43,555,686
 - 3,499,594	 79,970 3,326,142	 931,842 1,155,815	 431,513 8,711,864	 211,700 242,120	 131,574 5,447,712 49,134,972
<u>\$ 25,476,590</u>	<u>\$ 3,409,022</u>	<u>\$ 1,365,978</u>	<u>\$ 8,931,492</u>	<u>\$ 370,335</u>	<u>\$ 54,670,156</u>

**KAYSVILLE CITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES**  
**YEAR ENDED JUNE 30, 2010**

	<b>Water</b>	<b>Sewer</b>
<b>Operating Revenues:</b>		
Charges for Services (Net of uncollectibles)	\$ 2,180,167	\$ 1,763,771
<b>Total Operating Revenues</b>	<b>2,180,167</b>	<b>1,763,771</b>
<b>Operating Expenses:</b>		
Personnel Services	489,379	8,979
Contractual Services	39,670	-
Administrative Charges from General Fund	134,000	62,000
Interfund Services	66,500	-
Purchases Water/Treatment/Power/Refuse	399,989	1,699,417
Supplies and Miscellaneous Operating	136,426	-
Equipment and Maintenance	304,800	-
Energy Sales and Use Tax Charge	-	-
Depreciation	431,024	688
<b>Total Operating Expenses</b>	<b>2,001,788</b>	<b>1,771,084</b>
<b>Operating Income (Loss)</b>	<b>178,379</b>	<b>(7,313)</b>
<b>Non-Operating Revenues (Expenses):</b>		
Connection Fees	33,012	-
Extension Fees	-	-
Impact Fees	34,026	-
Interest Income	1,797	-
Miscellaneous	220	-
Interest Expense	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>69,055</b>	<b>-</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>247,434</b>	<b>(7,313)</b>
<b>Contributions From Developers</b>	<b>727,850</b>	<b>-</b>
<b>Transfers In (Out):</b>		
General Fund	-	-
<b>Change in Net Assets</b>	<b>975,284</b>	<b>(7,313)</b>
<b>Total Net Assets - Beginning</b>	<b>12,746,283</b>	<b>641,744</b>
<b>Total Net Assets - Ending</b>	<b>\$ 13,721,567</b>	<b>\$ 634,431</b>

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

Electric	Pressure Irrigation	Sanitation	Storm Water	Ambulance	Total
\$ 11,522,454	\$ 1,080,784	\$ 1,286,007	\$ 991,059	\$ 414,505	\$ 19,238,747
<u>11,522,454</u>	<u>1,080,784</u>	<u>1,286,007</u>	<u>991,059</u>	<u>414,505</u>	<u>19,238,747</u>
946,534	6,352	27,540	290,780	360,078	2,129,642
273,420	-	9,437	39,882	57,371	419,780
134,000	41,500	41,500	41,500	22,529	477,029
71,500	-	3,500	46,500	5,000	193,000
8,949,689	1,009,145	1,037,633	-	-	13,095,873
189,915	-	-	21,140	110	347,591
416,287	3,127	8,839	282,591	33,676	1,049,320
589,186	-	-	-	-	589,186
607,216	-	70,454	350,796	34,141	1,494,319
<u>12,177,747</u>	<u>1,060,124</u>	<u>1,198,903</u>	<u>1,073,189</u>	<u>512,905</u>	<u>19,795,740</u>
(655,293)	20,660	87,104	(82,130)	(98,400)	(556,993)
43,950	-	-	-	-	76,962
115,902	-	-	-	-	115,902
195,138	-	-	-	-	229,164
20,225	-	-	1,636	-	23,658
-	-	-	-	-	220
(179,804)	-	(4,920)	(7,661)	(4,608)	(196,993)
<u>195,411</u>	<u>-</u>	<u>(4,920)</u>	<u>(6,025)</u>	<u>(4,608)</u>	<u>248,913</u>
(459,882)	20,660	82,184	(88,155)	(103,008)	(308,080)
-	-	-	1,735,915	-	2,463,765
-	-	-	-	150,000	150,000
(459,882)	20,660	82,184	1,647,760	46,992	2,305,685
<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>\$ 21,343,033</u>	<u>\$ 3,326,142</u>	<u>\$ 1,155,815</u>	<u>\$ 8,711,864</u>	<u>\$ 242,120</u>	<u>\$ 49,134,972</u>

**KAYSVILLE CITY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES**  
**YEAR ENDED JUNE 30, 2010**

	<b>Water</b>	<b>Sewer</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 2,176,102	\$ 1,770,952
Cash Payments to Suppliers for Goods and Services	(869,206)	(1,705,272)
Cash Payments to Employees for Services	(492,785)	(8,979)
Cash Payments for Interfund Services	(200,500)	(62,000)
Net Cash Provided (Used) by Operating Activities	<u>613,611</u>	<u>(5,299)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Change In Interfund Borrowings	(500,000)	-
Transfers In (Out)	-	-
Net Cash Used in Non-Capital Financing Activities	<u>(500,000)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Impact, Extension and Connection Fees	67,259	-
Acquisition of Capital Assets	(22,780)	-
Principal Paid on Bonds and Notes	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>44,479</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest Received	1,797	-
Interest Paid	-	-
Net Cash Provided (Used) from Investing Activities	<u>1,797</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>159,887</u>	<u>(5,299)</u>
Cash/Equivalents at Beginning of Year	<u>2,443</u>	<u>610,666</u>
Cash/Equivalents at End of Year	<u>\$ 162,330</u>	<u>\$ 605,367</u>
<b>CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ 178,379	\$ (7,313)
<b>Reconciliation Adjustments:</b>		
Depreciation	431,024	688
Bad Debt Expense	5,905	-
<b>Changes in Assets and Liabilities:</b>		
Changes in Receivables	(4,065)	7,181
Changes in Inventory	(55,000)	-
Changes in Accounts Payable	60,774	(5,855)
Changes in Compensated Absences	(3,406)	-
Total Adjustments	<u>435,232</u>	<u>2,014</u>
Net Cash (Used) Provided by Operating Activities	<u>\$ 613,611</u>	<u>\$ (5,299)</u>
<b>Noncash investing and capital activities:</b>		
Contributions from Developers	727,850	-
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
\$ 11,713,926	\$ 1,082,152	\$ 1,291,030	\$ 995,171	\$ 366,314	\$ 19,395,647
(10,377,971)	(1,011,318)	(1,057,234)	(359,046)	(101,843)	(15,481,890)
(949,454)	(6,352)	(27,540)	(286,094)	(360,078)	(2,131,282)
(205,500)	(41,500)	(45,000)	(88,000)	(27,529)	(670,029)
<u>181,001</u>	<u>22,982</u>	<u>161,256</u>	<u>262,031</u>	<u>(123,136)</u>	<u>1,112,446</u>
 500,000	-	-	-	-	-
-	-	-	-	150,000	150,000
 500,000	-	-	-	150,000	150,000
 354,990	-	-	-	-	422,249
(367,840)	(18,000)	(26,234)	(5,054)	-	(439,908)
(317,301)	-	(30,435)	(43,591)	(28,501)	(419,828)
(330,151)	(18,000)	(56,669)	(48,645)	(28,501)	(437,487)
 20,225	-	-	1,636	-	23,658
(203,073)	-	(6,288)	(9,495)	(5,889)	(224,745)
(182,848)	-	(6,288)	(7,859)	(5,889)	(201,087)
 168,002	<u>4,982</u>	<u>98,299</u>	<u>205,527</u>	<u>(7,526)</u>	<u>623,872</u>
 3,498,364	<u>65,073</u>	<u>808,758</u>	<u>212,430</u>	<u>46,835</u>	<u>5,244,569</u>
 <u>\$ 3,666,366</u>	<u>\$ 70,055</u>	<u>\$ 907,057</u>	<u>\$ 417,957</u>	<u>\$ 39,309</u>	<u>\$ 5,868,441</u>
  \$ (655,293)	<u>\$ 20,660</u>	<u>\$ 87,104</u>	<u>\$ (82,130)</u>	<u>\$ (98,400)</u>	<u>\$ (556,993)</u>
 607,216	-	70,454	350,796	34,141	1,494,319
41,431	3,027	3,537	1,380	22,529	77,809
 150,041	(1,659)	1,486	2,732	(70,720)	84,996
-	-	-	-	-	(55,000)
40,526	954	(1,325)	(15,433)	(10,686)	68,955
(2,920)	-	-	4,686	-	(1,640)
 836,294	<u>2,322</u>	<u>74,152</u>	<u>344,161</u>	<u>(24,736)</u>	<u>1,669,439</u>
 <u>\$ 181,001</u>	<u>\$ 22,982</u>	<u>\$ 161,256</u>	<u>\$ 262,031</u>	<u>\$ (123,136)</u>	<u>\$ 1,112,446</u>
 -	-	-	1,735,915	-	2,463,765
-	-	-	-	-	-

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**NOTES TO  
BASIC FINANCIAL STATEMENTS**

**KAYSVILLE CITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010**

**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.

**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 10% is restricted and added to the permanent endowment. The remaining interest earnings 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, 2010**

**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.

**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.

**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
Equipment	7
Vehicles	5

**Compensated Absences**

The City accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. Typically the general fund liquidates approximately 60% of the liability for compensated absences while the water fund, storm water fund, and the electric fund each liquidate approximately 20% of the liability.

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

**Long-term Liabilities**

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

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as another financial source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

**Equity**

*Fund financial statements*

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

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

**Equity (Continued)**

*Government-wide Statements*

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

- a. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

**Interfund Transactions**

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

All other interfund transactions, except interfund services provided and used, are reported as transfers. All other interfund transfers are reported as non-operating transfers.

**Operating Revenues and Expenses**

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

**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.

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

**Restricted Net Assets (Continued)**

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.

**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, 2010, \$1,775,282 of the City's bank balances of \$2,069,988 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.

**KAYSVILLE CITY - June 30, 2010**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

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

**Investments (Continued)**

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, 2010, 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	\$ 10,957,940	\$10,957,940	\$ -	\$ -	\$ -	not rated
Money market	1,558,400	1,558,400	-	-	-	not rated
Certificate of deposit	859,476	231,794	627,682	-	-	not rated
	<u>\$13,375,816</u>	<u>\$12,748,134</u>	<u>\$ 627,682</u>	<u>\$ -</u>	<u>\$ -</u>	

*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.

**KAYSVILLE CITY - June 30, 2010**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

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

*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, 2010, are as follows:

Cash on hand and on deposit:

Cash on hand	\$ 250
Cash on deposit	2,109,159
PTIF investment	10,957,940
Money market	1,558,400
Certificate of deposits	<u>859,476</u>
 Total cash and investments	<u>\$15,485,405</u>

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

Cash and cash equivalents	\$14,625,929
Investments	<u>859,476</u>
 Total cash and investments	<u>\$15,485,405</u>

**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	\$ 1,932,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,932,838
Utility charges	-	209,398	169,562	907,749	97,256	122,918	93,038	276,908	1,876,829
Other receivables	-	270	-	-	-	-	-	-	270
Gross receivables	1,932,838	209,668	169,562	907,749	97,256	122,918	93,038	276,908	3,809,937
Allowance for uncollectibles	-	(8,858)	(7,661)	(52,074)	(4,461)	(5,580)	(4,285)	(86,290)	(169,209)
Net receivables	\$ 1,932,838	\$ 200,810	\$ 161,901	\$ 855,675	\$ 92,795	\$ 117,338	\$ 88,753	\$ 190,618	\$ 3,640,728

KAYSVILLE CITY - June 30, 2010

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

**4. CAPTIAL ASSETS**

Capital asset activity in the governmental activities for the year ended June 30, 2010, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 4,903,983	\$ 195,924	\$ -	\$ 5,099,907
Total capital assets, not being depreciated	4,903,983	195,924	-	5,099,907
Capital assets, being depreciated				
Infrastructure	52,841,182	1,702,579	-	54,543,761
Buildings	4,549,689	22,613	-	4,572,302
Improvements	5,613,259	85,034	-	5,698,293
Vehicles	3,300,760	65,037	(79,632)	3,286,165
Equipment	1,547,823	38,021	(21,518)	1,564,326
Total capital assets, being depreciated	67,852,713	1,913,284	(101,150)	69,664,847
Accumulated Depreciation for:				
Infrastructure	(15,108,979)	(1,563,598)	-	(16,672,577)
Buildings	(1,161,515)	(70,954)	-	(1,232,469)
Improvements	(1,865,817)	(187,109)	-	(2,052,926)
Vehicles	(2,365,753)	(226,132)	76,989	(2,514,896)
Equipment	(967,026)	(129,576)	21,500	(1,075,102)
Total accumulated depreciation	(21,469,090)	(2,177,369)	98,489	(23,547,970)
Total capital assets being depreciated, net	46,383,623	(264,085)	(2,661)	46,116,877
Governmental activities capital assets, net	<u>\$51,287,606</u>	<u>\$ (68,161)</u>	<u>\$ (2,661)</u>	<u>\$51,216,784</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 61,830
Public Safety	
Police	74,642
Fire	144,864
Community Development	16,461
Public Works	1,609,492
Parks and Recreation	270,080
Total Governmental Activities Depreciation Expense	<u>\$ 2,177,369</u>

**4. CAPITAL ASSETS (Continued)**

Capital asset activity in the business-type activities for the year ended June 30, 2010, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type activities</b>				
Capital assets, not being depreciated				
Land	\$ 5,955,839	\$ -	\$ -	\$ 5,955,839
Water Stock	3,287,990	18,000	-	3,305,990
Total capital assets, not being depreciated	9,243,829	18,000	-	9,261,829
Capital assets, being depreciated				
Buildings	825,794	-	-	825,794
Improvements	41,320	-	-	41,320
Infrastructure	49,813,313	2,859,439	-	52,672,752
Vehicles	1,880,738	-	-	1,880,738
Machinery and Equipment	1,206,187	26,234	-	1,232,421
Total capital assets, being depreciated	53,767,352	2,885,673	-	56,653,025
Accumulated Depreciation for:				
Buildings	(316,554)	(13,765)	-	(330,319)
Improvements	(2,754)	(1,377)	-	(4,131)
Infrastructure	(16,031,141)	(1,253,937)	-	(17,285,078)
Vehicles	(1,121,469)	(149,478)	-	(1,270,947)
Machinery and Equipment	(799,790)	(75,764)	-	(875,554)
Total accumulated depreciation	(18,271,708)	(1,494,321)	-	(19,766,029)
Total capital assets, being depreciated, net	35,495,644	1,391,352	-	36,886,996
Business-type activities capital assets, net	<u>\$44,739,473</u>	<u>\$1,409,352</u>	<u>\$ -</u>	<u>\$46,148,825</u>

Depreciation expense was charged to functions as follows:

## Business-type Activities:

Water	\$ 431,024
Sewer	688
Electric	607,216
Sanitation	70,454
Storm Water	350,796
Ambulance	34,141
 Total Business-type Activities Depreciation Expense	 <u>\$ 1,494,319</u>

**KAYSVILLE CITY - June 30, 2010**

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

**4. CAPITAL ASSETS (Continued)**

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	-	-	3,229,850	-	-	-	3,305,990
Buildings	123,869	41,289	660,636	-	-	-	-	825,794
Improvements	41,320	-	-	-	-	-	-	41,320
Infrastructure	18,211,634	-	20,499,699	-	-	13,961,420	-	52,672,753
Vehicles	374,647	-	618,809	-	207,383	312,129	367,770	1,880,738
Equipment	226,767	-	249,071	-	724,348	1,564	30,648	1,232,398
<b>Total</b>	<b>19,174,471</b>	<b>41,289</b>	<b>27,847,638</b>	<b>3,246,172</b>	<b>931,731</b>	<b>14,275,113</b>	<b>398,418</b>	<b>65,914,832</b>
Accum Depr	(5,267,914)	(16,515)	(7,783,089)	-	(590,148)	(5,850,331)	(258,010)	(19,766,007)
<b>Net</b>	<b>\$13,906,557</b>	<b>\$ 24,774</b>	<b>\$20,064,549</b>	<b>\$3,246,172</b>	<b>\$ 341,583</b>	<b>\$8,424,782</b>	<b>\$ 140,408</b>	<b>\$46,148,825</b>

**5. DEPOSITS**

Governmental Fund - Deposits in the governmental fund as of June 30, 2010 are as follows:

Business license bonds refundable	\$ 2,100
Builders' deposits	309,750
Excavation deposits	147,500
Public Projects	4,700
Heritage Park	86,461
Escrow deposits	1,439,629
<b>Total</b>	<b>\$ 1,990,140</b>

Enterprise Funds - All utility and developer's deposits are recorded in the electric utility fund. The water meter deposits are recorded in the water utility fund. As of June 30, 2010 deposits are as follows:

Utility deposits	\$ 85,830
Water meter deposits	3,740
<b>Total deposits</b>	<b>\$ 89,570</b>

**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.

**KAYSVILLE CITY - June 30, 2010**

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

**6. LEASES (Continued)**

The assets acquired through outstanding capital leases are as follows:

	<b>Business-type Activities</b>			
	<b>Governmental Activities</b>	<b>Sanitation Fund</b>	<b>Storm Water Fund</b>	<b>Ambulance Fund</b>
Vehicles	\$ 439,551	\$ 207,383	\$ 282,602	\$ 153,000
Less: Accumulated Amortization	(188,379)	(67,455)	(80,743)	(30,600)
Total	<u>\$ 251,172</u>	<u>\$ 139,928</u>	<u>\$ 201,859</u>	<u>\$ 122,400</u>

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, 2010, were as follows:

<b>Year Ended June 30,</b>	<b>Capital Lease (Fire Truck)</b>		
	4.33%		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 90,479	\$ 3,917	\$ 94,396
<b>Totals</b>	<b>\$ 90,479</b>	<b>\$ 3,917</b>	<b>\$ 94,396</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)</b>		
	4.47%		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 31,810	\$ 4,913	\$ 36,723
2012	33,248	3,475	36,723
2013	34,751	1,972	36,723
2014	17,801	401	18,202
<b>Totals</b>	<b>\$ 117,610</b>	<b>\$ 10,761</b>	<b>\$ 128,371</b>

KAYSVILLE CITY - June 30, 2010

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

**6. LEASES (Continued)**

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

Year Ended June 30,	Capital Lease (Vactor Truck)		
	5.05%		
	Principal	Interest	Total
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>\$ 144,431</b>	<b>\$ 14,827</b>	<b>\$ 159,258</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.

Year Ended June 30,	Capital Lease (Ambulance)		
	4.47%		
	Principal	Interest	Total
2011	\$ 29,790	\$ 4,600	\$ 34,390
2012	31,136	3,254	34,390
2013	32,544	1,846	34,390
2014	16,517	376	16,893
<b>Totals</b>	<b>\$ 109,987</b>	<b>\$ 10,076</b>	<b>\$ 120,063</b>

**7. LONG-TERM LIABILITIES**

**Governmental activities:**

Pioneer Park- Land

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

Year Ended June 30,	Note Payable (Pioneer Park Land)		
	7.00%		
	Principal	Interest	Total
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>\$ 300,000</b>	<b>\$ 42,000</b>	<b>\$ 342,000</b>

**KAYSVILLE CITY - June 30, 2010**

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

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

Series 2002 Bonds

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

Year Ended June 30, 2011	Series 2002 Bonds			
	Interest Rate	Principal	Interest	Total
	3.90%	\$ 203,000	\$ 7,917	\$ 210,917
<b>Totals</b>		<b>\$ 203,000</b>	<b>\$ 7,917</b>	<b>\$ 210,917</b>

Series 2010 Bonds

The City is liable for the repayment of bonds issued in 2010 in the amount of \$1,432,000 to finance major repairs and maintenance to various roads throughout the city. The revenue from excise road tax has been appropriated for the repayment of the bond. Principal and interest are both paid on June 15 of each year and an additional interest payment is made on December 15 of each year. Interest rate is fixed at 2.75% yearly. The bonds will mature on June 15, 2015. The amortization of the note is as follows:

Year Ended June 30,	Series 2010 Bonds		
	Principal	Interest	Total
2011	\$ 267,000	\$ 44,412	\$ 311,412
2012	280,000	32,038	312,038
2013	287,000	24,338	311,338
2014	295,000	16,445	311,445
2015	303,000	8,332	311,332
<b>Totals</b>	<b>\$ 1,432,000</b>	<b>\$ 125,565</b>	<b>\$ 1,557,565</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:

Year Ended June 30,	Note Payable (200 N Overpass- UDOT)	
	No interest	
	Principal	Total
2011	\$ 300,000	\$ 300,000
2012	1,186,955	1,186,955
<b>Totals</b>	<b>\$ 1,486,955</b>	<b>\$ 1,486,955</b>

**KAYSVILLE CITY - June 30, 2010**

**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:

Year Ended June 30,	Note Payable - Land 8.00%		
	Principal	Interest	Total
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>\$ 2,221,110</b>	<b>\$ 710,757</b>	<b>\$ 2,931,867</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, 2010 is as follows:

Governmental Activities:	Balance July 1, 2009			Balance June 30, 2010	Amounts Due Within One Year
		Additions	Reductions		
Note Payable - Angel Street Park Land	\$ 652,250	\$ -	\$ (652,250)	\$ -	\$ -
Note Payable - Pioneer Park Land	400,000	-	(100,000)	300,000	100,000
Series 2002 Bonds	398,000	-	(195,000)	203,000	203,000
Series 2010 Bonds	-	1,432,000	-	1,432,000	267,000
Note Payable- 200 N Overpass UDOT	1,786,955	-	(300,000)	1,486,955	300,000
Fire Truck Lease	177,202	-	(86,723)	90,479	90,479
<b>Total Debt</b>	<b>3,414,407</b>	<b>1,432,000</b>	<b>(1,333,973)</b>	<b>3,512,434</b>	<b>960,479</b>
Compensated Absences	269,286	222,241	(215,429)	276,098	165,659
<b>Total Governmental Activities</b>	<b>\$3,683,693</b>	<b>\$1,600,383</b>	<b>\$ (1,495,544)</b>	<b>\$3,788,532</b>	<b>\$1,126,138</b>

**KAYSVILLE CITY - June 30, 2010**

**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</b>			<b>Balance</b>	<b>Amounts Due Within One Year</b>
	<b>July 1, 2009</b>	<b>Additions</b>	<b>Reductions</b>		
Capital Lease (Sweeper)	\$ 148,045	\$ -	\$ (30,435)	\$117,610	\$ 31,810
Capital Lease (Vactor Truck)	188,022	-	(43,591)	144,431	45,792
Capital Lease (Ambulance)	138,488	-	(28,501)	109,987	29,790
Note Payable - Land	2,538,411	-	(317,301)	2,221,110	317,301
Total Debt	3,012,966	-	(419,828)	2,593,138	424,693
Compensated Absences	92,620	16,884	(18,524)	90,980	18,196
<i>Total Business-type Activities</i>	<u>\$ 3,105,586</u>	<u>\$ 16,884</u>	<u>\$ (438,352)</u>	<u>\$2,684,118</u>	<u>\$442,889</u>

For the year ended June 30, 2010, \$78,069 in interest was charged to expense in the Governmental Activities and \$196,993 was charged to expense in the Business-type Activities. No interest was capitalized for the year ended June 30, 2010, 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 7.65% of their annual covered salary. In the Local Governmental Noncontributory Retirement System Kaysville City is required to contribute 11.66% of their annual covered salary. In the Public Safety Retirement System, the City is required to contribute 25.90% 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.

**9. RETIREMENT SYSTEMS (continued)**

Defined Benefit Plan – The Kaysville City Contributions to the Local Governmental Contributory Retirement System for the years ending June 30, 2010, 2009 and 2008 were \$5,601, \$5,572, and \$5,415 respectively and for the Noncontributory Retirement System the contributions for June 30, 2010, 2009 and 2008 were \$344,343, \$345,668, and \$308,321 respectively. For the Public Safety Noncontributory Retirement System contributions for June 30, 2010, 2009 and 2008 were \$247,282, \$220,911, and \$203,903 respectively. 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, 2010 totaled \$207,439. The 401(k) plan has an elective deferral option. Employee contributions for the year ended June 30, 2010 totaled approximately \$166,021.

**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, 2010 were as follows:

Transfers Out	Transfers In			
	Debt Service Fund	Capital Projects Fund	Ambulance Fund	Total
General Fund	\$ 515,000	\$ 350,000	\$ 150,000	\$ 1,015,000
Capital Projects Fund	128,000	-	-	128,000
<b>Totals</b>	<b>\$ 643,000</b>	<b>\$ 350,000</b>	<b>\$ 150,000</b>	<b>\$ 1,143,000</b>

The above transfers resulted from the normal course of the City's operation. Often, funds are received in a given fund, but those funds are used for a purpose in which the expenditures are made in another fund. The transfer to the Ambulance Fund was to cover operating expenses the Ambulance Fund was unable to cover from its own revenues.

**11. INTERFUND TRANSACTIONS (Continued)**

Interfund Receivables/Payables

Interfund receivables and payables as of June 30, 2010 were as follows:

<b>Due from Other Funds</b>		
<b>Due to Other Funds</b>	<b>Water</b>	<b>Total</b>
Electric Fund	\$ 475,000	\$ 475,000
<b>Total</b>	<b>\$ 475,000</b>	<b>\$ 475,000</b>

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 \$414,208 in expenditures in excess of budget.

The Cemetery Perpetual Care Fund incurred \$48,770 in expenditures in excess of budget.

The Community Events Department in the General Fund incurred \$8,411 in expenditures in excess of the budget.

The Cemetery Department in the General Fund incurred \$6,614 in expenditures in excess of the budget.

The Transfers within the General Fund were made \$300,000 in excess of the 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, 2010**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>		
	<b>Original</b>	<b>Final</b>				
<b>Revenues:</b>						
<b>Taxes:</b>						
Property Taxes - Current	\$ 1,125,000	\$ 1,125,000	\$ 1,234,725	\$ 109,725		
Property Taxes - Redemptions	35,000	35,000	2,627	(32,373)		
Property Taxes-Payments in Lieu	24,000	24,000	19,017	(4,983)		
Motor Vehicle Fee in Lieu	155,000	155,000	144,161	(10,839)		
Sales Tax	3,250,000	3,250,000	2,744,689	(505,311)		
Utility License Tax	575,000	575,000	576,731	1,731		
Energy Sales and Use Charge	1,125,000	1,125,000	995,454	(129,546)		
	<u>6,289,000</u>	<u>6,289,000</u>	<u>5,717,404</u>	<u>(571,596)</u>		
<b>Licenses and Permits:</b>						
Business Licenses	55,000	55,000	54,825	(175)		
Building Permits	150,000	150,000	185,505	35,505		
Building Permit Bonds Forfeitures	-	-	78,296	78,296		
	<u>205,000</u>	<u>205,000</u>	<u>318,626</u>	<u>113,626</u>		
<b>Intergovernmental:</b>						
Class "C" Road	800,000	800,000	747,019	(52,981)		
State Liquor Allotment	16,000	16,000	17,312	1,312		
State Grants	80,000	80,000	24,183	(55,817)		
Community Development Block Grant	125,000	165,000	164,335	(665)		
	<u>1,021,000</u>	<u>1,061,000</u>	<u>952,849</u>	<u>(108,151)</u>		
<b>Charges for Services:</b>						
Administrative Charges	454,500	454,500	455,100	600		
Zoning	60,000	60,000	56,523	(3,477)		
Maps and Publications	500	500	177	(323)		
Fire Protection	145,000	145,000	141,818	(3,182)		
Law Enforcement	105,000	105,000	99,773	(5,227)		
Streets	3,000	3,000	11,116	8,116		
Parks and Recreation	452,300	452,300	523,548	71,248		
Facilities Maintenance	9,000	9,000	7,530	(1,470)		
Cemetery Lots	60,000	60,000	41,700	(18,300)		
Burial Fees	84,000	84,000	89,340	5,340		
GIS Services	124,500	124,500	124,500	-		
Fleet Mgmt Services	68,500	68,500	68,500	-		
Miscellaneous Charges	12,500	12,500	34,884	22,384		
	<u>1,578,800</u>	<u>1,578,800</u>	<u>1,654,509</u>	<u>75,709</u>		
<b>Fines and Forfeitures</b>	<b>91,000</b>	<b>91,000</b>	<b>105,932</b>	<b>14,932</b>		

Basis of budgeting is the same as GAAP

(continued)

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2010**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Other Revenues:</b>				
Interest Earnings	150,000	150,000	28,933	(121,067)
Rents	16,000	16,000	14,668	(1,332)
Sale of Materials	-	-	6,947	6,947
Community Theatre	6,000	6,000	11,835	5,835
Civic Committee	6,000	40,000	31,708	(8,292)
Cert Fees	2,500	2,500	2,089	(411)
Sundry	15,472	15,472	18,633	3,161
Other	-	-	-	-
	<b>195,972</b>	<b>229,972</b>	<b>114,813</b>	<b>(115,159)</b>
<b>Total Revenues</b>	<b>9,380,772</b>	<b>9,454,772</b>	<b>8,864,133</b>	<b>(590,639)</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
City Council	81,300	81,300	76,075	5,225
City Manager	154,300	154,300	151,655	2,645
Administrative Services	699,600	699,600	669,737	29,863
Geographic Information Systems	164,300	164,300	154,837	9,463
Legal Services	145,000	145,000	116,896	28,104
Elections	18,250	18,250	18,152	98
Animal Control	55,000	55,000	54,406	594
Fleet Maintenance	243,150	243,150	232,699	10,451
Community Development Block Grant	125,000	165,000	164,335	665
	<b>1,685,900</b>	<b>1,725,900</b>	<b>1,638,792</b>	<b>87,108</b>
<b>Public Safety:</b>				
Police Department	2,433,121	2,433,121	2,208,664	224,457
Fire Department	487,530	487,530	414,985	72,545
	<b>2,920,651</b>	<b>2,920,651</b>	<b>2,623,649</b>	<b>297,002</b>
<b>Community Development:</b>				
Planning and Zoning	346,525	346,525	335,902	10,623
Code Enforcement	376,088	376,088	337,313	38,775
	<b>722,613</b>	<b>722,613</b>	<b>673,215</b>	<b>49,398</b>
<b>Public Works:</b>				
Public Works	879,408	879,408	729,249	150,159
Class "C" Roads	500,000	500,000	365,379	134,621
	<b>1,379,408</b>	<b>1,379,408</b>	<b>1,094,628</b>	<b>284,780</b>

(continued)

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2010**

	<b>Budgeted Amounts</b>		<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	
<b>Parks, Recreation and Public Properties:</b>			
Buildings	150,500	150,500	128,624 21,876
Parks	894,800	894,800	725,791 169,009
Recreation	710,400	710,400	675,813 34,587
Community Events	64,550	98,550	106,961 (8,411)
Cemetery	136,950	136,950	143,564 (6,614)
	<b>1,957,200</b>	<b>1,991,200</b>	<b>1,780,753 210,447</b>
<b>Total Expenditures</b>	<b>8,665,772</b>	<b>8,739,772</b>	<b>7,811,037 928,735</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>			
	<b>715,000</b>	<b>715,000</b>	<b>1,053,096 338,096</b>
<b>Other Financing Sources (Uses):</b>			
Appropriation from Fund Balance	-	195,000	- (195,000)
Property Purchase	-	(195,000)	(195,922) (922)
<b>Transfers (Out):</b>			
Debt Service Fund	(215,000)	(215,000)	(515,000) (300,000)
Ambulance Fund	(200,000)	(200,000)	(150,000) 50,000
Capital Projects Fund	(300,000)	(300,000)	(350,000) (50,000)
	<b>(715,000)</b>	<b>(715,000)</b>	<b>(1,210,922) (495,922)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>			
	<b>-</b>	<b>-</b>	<b>(157,826) (157,826)</b>
<b>Fund Balance - July 1</b>	<b>1,643,887</b>	<b>1,643,887</b>	<b>1,643,887 -</b>
<b>Fund Balance - June 30</b>	<b>\$ 1,643,887</b>	<b>\$ 1,643,887</b>	<b>\$ 1,486,061 \$ (157,826)</b>

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**KAYSVILLE CITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2010**

**Budget Information**

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

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

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

1. On or before the first regular scheduled meeting in May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means to finance those expenditures.
2. Prior to the formal adoption of the budget, the City Council will hold budget workshop meetings which are open to the public.
3. Prior to budget adoption the City Council sets a date for a public budget hearing at which time taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection 10 days prior to the budget hearing. At the conclusion of the budget hearing, the budget, as amended, is legally enacted through passage of a resolution or ordinance.
4. Formal budgetary integration is employed as a management control device during the year for all funds.
5. Budgets for the General Fund 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 2009/2010 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, 2010**

**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, 2010**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenues	\$ -	\$ -	\$ -	\$ -
Interest Income	-	-	2,717	2,717
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>2,717</b>	<b>2,717</b>
<b>EXPENDITURES:</b>				
Debt Service:				
Angel Street Park Payment	685,000	685,000	684,867	133
Fire Station Bond Payment	215,000	215,000	212,454	2,546
Public Works UDOT Payment	300,000	300,000	300,000	-
Pioneer Park Payment	128,000	135,000	128,000	7,000
<b>Total Expenditures</b>	<b>1,328,000</b>	<b>1,335,000</b>	<b>1,325,321</b>	<b>9,679</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(1,328,000)</b>	<b>(1,335,000)</b>	<b>(1,322,604)</b>	<b>(6,962)</b>
<b>Other Financing Sources (Uses):</b>				
Appropriation From Fund Balance	685,000	685,000	-	(685,000)
Transfers In (Out):				
General Fund	515,000	515,000	515,000	-
Capital Projects Fund	128,000	135,000	128,000	(7,000)
	<b>1,328,000</b>	<b>1,335,000</b>	<b>643,000</b>	<b>(692,000)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>(679,604)</b>	<b>(698,962)</b>
<b>Fund Balance at Beginning of Year</b>	<b>870,676</b>	<b>870,676</b>	<b>870,676</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 870,676</b>	<b>\$ 870,676</b>	<b>\$ 191,072</b>	<b>\$ (698,962)</b>

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MAJOR CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2010**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Park Development Impact Fees	\$ -	\$ -	\$ 158,760	\$ 158,760
Transportation Impact Fees	-	-	588,275	588,275
Public Safety Impact Fees	-	25,000	15,778	(9,222)
Federal Grant	-	-	147,000	147,000
Interest Income	-	-	10,121	10,121
<b>Total Revenues</b>	<b>-</b>	<b>25,000</b>	<b>919,934</b>	<b>894,934</b>
<b>EXPENDITURES:</b>				
Capital Outlay:				
200 North Overpass Project	-	12,000	10,113	1,887
Pioneer Park	-	-	6,987	(6,987)
Heritage Park Improvements	150,000	150,000	127,321	22,679
Police Station	-	25,000	31,989	(6,989)
Public Works Projects	100,000	100,000	500,944	(400,944)
Bond Issuance Costs	-	-	31,800	(31,800)
Rail Trail	100,000	125,000	117,054	7,946
<b>Total Expenditures</b>	<b>350,000</b>	<b>412,000</b>	<b>826,208</b>	<b>(414,208)</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(350,000)</b>	<b>(387,000)</b>	<b>93,726</b>	<b>480,726</b>
<b>Other Financing Sources (Uses):</b>				
Bond Proceeds	-	-	1,432,000	1,432,000
Other Sources- Reimbursements	-	75,000	75,000	-
Transfers In (Out):				
Debt Service	-	-	(128,000)	(128,000)
General Fund	350,000	312,000	350,000	38,000
	<b>350,000</b>	<b>387,000</b>	<b>1,729,000</b>	<b>1,342,000</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>1,822,726</b>	<b>1,822,726</b>
<b>Fund Balance at Beginning of Year</b>	<b>1,558,168</b>	<b>1,558,168</b>	<b>1,558,168</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,558,168</b>	<b>\$ 1,558,168</b>	<b>\$ 3,380,894</b>	<b>\$ 1,822,726</b>

**KAYSVILLE CITY  
IMPACT FEE REPORTING  
JUNE 30, 2010**

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, 2010**

	Transportation	Public Safety	Parks & Recreation	Power	Water
<b>FY-2004</b>					
Beginning	-	-	328,467	245,724	2,323,143
Fees Collected			241,580	232,041	197,710
Expenditures			(482,008)	(801,421)	(53,148)
Interest			4,811	-	60,361
<b>Ending Balance</b>	<b>-</b>	<b>-</b>	<b>92,850</b>	<b>(323,656)</b>	<b>2,528,066</b>
<b>FY-2005</b>					
Beginning	-	-	92,850	(323,656)	2,528,066
Fees Collected	543,334	30,460	353,325	200,044	162,197
Expenditures	-	-	(663,415)	(53,977)	(873,823)
Interest	2,215	126	4,959	-	50,901
<b>Ending Balance</b>	<b>545,549</b>	<b>30,586</b>	<b>(212,281)</b>	<b>(177,589)</b>	<b>1,867,341</b>
<b>FY-2006</b>					
Beginning	545,549	30,586	(212,281)	(177,589)	1,867,341
Fees Collected	1,451,343	66,010	604,260	430,115	156,771
Expenditures	(1,200,000)	-	(265,104)	(1,289,798)	(1,317,639)
Interest	52,333	2,440	6,418	-	-
<b>Ending Balance</b>	<b>849,225</b>	<b>99,036</b>	<b>133,293</b>	<b>(1,037,272)</b>	<b>706,473</b>
<b>FY-2007</b>					
Beginning	849,225	99,036	133,293	(1,037,272)	706,473
Fees Collected	1,106,504	45,467	450,360	342,854	104,233
Expenditures	(1,500,000)	-	(191,327)	(519,023)	(196,976)
Interest	22,035	5,126	12,343	-	26,614
<b>Ending Balance</b>	<b>477,764</b>	<b>149,629</b>	<b>404,669</b>	<b>(1,213,441)</b>	<b>640,344</b>
<b>FY-2008</b>					
Beginning	477,764	149,629	404,669	(1,213,441)	640,344
Fees Collected	398,701	20,125	202,500	115,084	44,298
Expenditures	(850,000)	-	(451,900)	(135,547)	(644,552)
Interest	6,934	6,628	12,410	-	15,059
<b>Ending Balance</b>	<b>33,399</b>	<b>176,382</b>	<b>167,679</b>	<b>(1,233,904)</b>	<b>55,149</b>
<b>FY-2009</b>					
Beginning	33,399	176,382	167,679	(1,233,904)	55,149
Fees Collected	788,900	9,821	98,820	247,278	40,672
Expenditures	-	-	(170,802)	(55,489)	-
Interest	338	1,783	1,695	-	557
<b>Ending Balance</b>	<b>822,637</b>	<b>187,986</b>	<b>97,392</b>	<b>(1,042,115)</b>	<b>96,378</b>
<b>FY-2010</b>					
Beginning	822,637	187,986	97,392	(1,042,115)	96,378
Fees Collected	588,275	15,778	158,760	195,138	34,026
Expenditures	(10,112)	(31,989)	(134,987)	-	-
Interest	9,242	4,400	673	-	1,169
<b>Ending Balance</b>	<b>1,410,042</b>	<b>176,175</b>	<b>121,838</b>	<b>(846,977)</b>	<b>131,573</b>

**KAYSVILLE CITY  
IMPACT FEE REPORTING  
JUNE 30, 2010**

TRANSPORTATION IMPACT FEES- REVENUES AND EXPENDITURES							Budget		Estimated Revenues and Expenditures				
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Revenues:													
Impact Fees	\$ 543,334	\$ 1,451,343	\$ -	\$ -	\$ -	\$ -	\$ 1,994,677	250,000	250,000	250,000	250,000	250,000	250,000
Academics West													
Advanced Machinery													
Alta Acres													
Alta Vista Homes													
Angel Street Church													
Appgood													
Barker Subdivision													
Bishop Homes													
Boondocks													
Branch, Shane & Heather													
Bridlewalk													
Brighton Homes													
Buddy's Place													
Burningham Meadows													
Butler General													
Chris Thurgood Const													
Cobbley, Ron													
Comfors													
Country West Construction													
Coventry Place													
Dalton Construction													
Dancing Horse													
Davis County Schools													
Destination Homes													
Edge End Homes													
Gabbitas, Donald													
Gabes Acres													
Geer Estates													
Gerald McKenzie													
Grove at Sunset													
Hall, Karl													
Hanlines Hamlet													
Happy Hollow													
Harmon Homes													
Harvey Estates													
Haskell Homes													
Henry Walker Homes													
Higley Webb													
Hob Hill													
Ivory Homes													
Jared Adams Construction													
Jensen, Michael													
Jessica Meadows													
Kaysville Business Park													
Kaysville Commons													
Kings Creek													
Laurel Estates													
Lazy Diamond													
LDS Church													
Lodder Homes													
Major's Development													
Marketboro													
Martineau Homes													
Meadow Creek													
Mill Creek Hollow													
Mill Shadow Estates													
Montebello													
Mountain Vista													
Nakaya Construction													
Nelson & Nelson													
NSC Properties													
Old Mill Village													
Paradise Cove													
Pheasantbrook North													
Pineview Builders													
Quinn Mtn Charter School													
Quail Crossing													
Quail Hollow													
Rayzari Larry Ray													
Richter Farm Sub													
Richmond American Homes													
Rockwell Construction													
Ron Nelson & Sons													
Rose Cottage													
Scandia Development													
Schick Farm													
Single Lot Developments													
Sprott Subdivision													
Steve Flint Construction													
Storm Lane													
Stout Building Contractors													
Suncrest Meadows													
Sunset Farms													
Sunset Pointe													
Symphony Homes													
Thornfield													
Torino													
Tran Family Development													
Tri City Nursery													
Tyler Estates													
Upland													
Wadman Corporation													
Webster Farms													
West Cottonwoods													
Whits Court													
Wilcox Const													
Winder Construction													
Windrift Construction													
Woodside Homes													
Interest Revenues	\$ 2,215	\$ 52,333	\$ 22,035	\$ 6,934	\$ 338	\$ 9,242	\$ 93,096	\$ 56,402	\$ 56,658	\$ 20,924	\$ 31,761	\$ 43,031	\$ 54,753
Total	\$ 545,549	\$ 1,503,676	\$ 1,128,539	\$ 405,635	\$ 789,238	\$ 597,517	\$ 4,372,638	\$ 306,402	\$ 306,658	\$ 270,924	\$ 281,761	\$ 293,031	\$ 304,753
Expenditures:													
200 North Overcrossing	\$ 1,200,000	\$ 1,500,000	\$ 850,000	\$ -	\$ 10,112	\$ 3,560,112		\$ 300,000	\$ 1,200,000				
Total	\$ -	\$ 1,200,000	\$ 1,500,000	\$ 850,000	\$ -	\$ 10,112	\$ 3,560,112	\$ 300,000	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -
Revenue over Expenses	\$ 545,549	\$ 303,676	\$ (371,461)	\$ (44,365)	\$ 789,238	\$ 587,405	\$ 6,402	\$ (893,342)	\$ 270,924	\$ 281,761	\$ 293,031	\$ 304,753	
Prior Year Balance	\$ -	\$ 545,549	\$ 849,225	\$ 477,764	\$ 33,399	\$ 822,636	\$ 1,410,041	\$ 1,416,443	\$ 523,101	\$ 794,025	\$ 1,075,786	\$ 1,368,817	
Balance End of Year	\$ 545,549	\$ 849,225	\$ 477,764	\$ 33,399	\$ 822,636	\$ 1,410,041	\$ 1,416,443	\$ 523,101	\$ 794,025	\$ 1,075,786	\$ 1,368,817	\$ 1,673,570	

**KAYSVILLE CITY**  
**IMPACT FEE REPORTING**  
**JUNE 30, 2010**

PUBLIC SAFETY IMPACT FEES- REVENUES AND EXPENDITURES													
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total	Budget	Estimated Revenues and Expenditures				
								FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
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						
Alta Vista Homes			-	-	-	-	\$ 161						
Appgood			322	-	-	161	-	\$ 483					
Ashwood Estates			1,771	3,059	-	-	-	\$ 4,830					
Bishop Homes							161						
Branch, Shane & Heather							161						
Bridlewalk			-	483	-	-	\$ 483						
Brighton Homes			-	-	-	-	\$ 161						
Buddy's Place			-	161	-	-	-	\$ 161					
Burningham Meadows			-	-	161	-	-	\$ 161					
Butler General			-	-	-	-	\$ 161						
Chris Thurgood Const			-	-	-	-	\$ 161						
Cobbley, Ron							161						
Country West Construction			-	-	-	-	322	\$ 322					
Coventry Place			-	161	-	161	-	\$ 322					
Dalton Construction			-	-	-	-	\$ 161						
Dancing Horse			483	-	161	-	-	\$ 644					
Destination Homes			-	-	-	-	\$ 161						
Edge End Hollow			-	-	161	-	-	\$ 161					
Fieldstone Home			548	-	-	-	-	\$ 548					
Gabbiitas							161						
Gabes Acres			161	-	-	-	-	\$ 161					
Geer Estates			-	-	161	-	-	\$ 161					
Gerald McKenzie			-	-	-	-	161	\$ 161					
Grove at Sunset			-	322	-	-	-	\$ 322					
Hanlines Hamlet			322	-	-	-	-	\$ 322					
Hall, Karl							161						
Happy Hollow			-	161	161	-	-	\$ 322					
Harmon Homes							161						
Harvey Estates			-	-	161	-	-	\$ 161					
Haskell Homes			-	-	-	-	483	\$ 483					
Henry Walker Homes			-	-	-	-	-	2,576	\$ 2,576				
Higley Webb			-	322	-	-	-	\$ 322					
Hob Hill			-	161	-	-	-	\$ 161					
Island Construction			-	-	-	-	161	\$ 161					
Ivory Homes			-	-	-	-	483	\$ 483					
Jared Adams Construction			-	-	-	-	161	\$ 161					
Jensen, Michael							161						
Jessica Meadows			322	161	-	-	-	\$ 483					
Kings Creek			644	161	-	-	-	\$ 805					
Laurel Estates			-	483	-	-	-	\$ 483					
Lazy Diamond			161	-	161	-	-	\$ 322					
Lodder Homes			-	-	-	-	644	\$ 644					
Major Family Development			-	-	-	-	161	\$ 161					
Martineau Homes			-	-	-	-	322	\$ 322					
Meadow Creek			-	161	-	-	-	\$ 161					
Mill Creek Hollow			-	161	-	-	-	\$ 161					
Mill Shadow Estates			-	161	-	-	-	\$ 161					
Montebella			-	-	805	-	-	\$ 805					
Mountain Vista			2,415	966	161	-	-	\$ 3,542					
Nelson & Nelson			-	-	-	-	161	\$ 161					
Old Mill Village			9,177	3,381	2,898	-	-	\$ 15,456					
Paradise Cove			-	161	-	-	-	\$ 161					
Pheasantbrook North			322	-	-	-	-	\$ 322					
Pineview Builders			-	-	-	-	161	\$ 161					
Quail Crossing			3,864	1,127	161	-	-	\$ 5,152					
Quail Hollow			1,449	-	-	-	-	\$ 1,449					
Richmond American Homes			-	-	-	-	2,576	\$ 2,576					
Richter Farm Sub			-	161	-	-	-	\$ 161					
Rockwell Construction			-	-	-	-	161	\$ 161					
Ron Nelson & Sons			-	-	-	-	161	\$ 161					
Rose Cottage			322	-	-	-	-	\$ 322					
Schick Farm			5,313	966	483	-	-	\$ 6,762					
Single Lot Developments			-	161	-	161	-	\$ 322					
Sprott Subdivision			-	161	-	-	-	\$ 161					
Steve Flint Construction							161						
Stone 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					
Symphony Homes			-	-	-	-	966	\$ 966					
Thornfield			322	-	-	-	-	\$ 322					
Torino			322	-	-	-	-	\$ 322					
Tran Family Development			-	-	-	-	161	\$ 161					
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					
Windruff Construction			-	-	-	-	805	\$ 805					
Woodside Homes			-	-	-	-	-	2,898	\$ 2,898				
Interest Revenues	\$ 126	\$ 2,440	\$ 5,126	\$ 6,628	\$ 1,783	\$ 4,400	\$ 20,503	7,047	6,329	(52,418)	(53,515)	(54,655)	(55,841)
Total	\$ 30,586	\$ 68,450	\$ 50,593	\$ 26,753	\$ 11,604	\$ 20,178	\$ 187,986	\$ 32,047	\$ 31,329	\$ (27,418)	\$ (28,515)	\$ (29,655)	\$ (30,841)
Expenditures:													
Police Station							\$ 31,989	\$ -	50,000	1,500,000	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,989	\$ -	\$ 50,000	\$ 1,500,000	\$ -	\$ -	\$ -
Revenue over Expenses	\$ 30,586	\$ 68,450	\$ 50,593	\$ 26,753	\$ 11,604	\$ (11,811)		\$ (17,953)	\$ (1,468,671)	\$ (27,418)	\$ (28,515)	\$ (29,655)	\$ (30,841)
Prior Year Balance	\$ -	\$ 30,586	\$ 99,036	\$ 149,629	\$ 176,382	\$ 187,986		\$ 176,175	\$ 158,222	\$ (1,310,449)	\$ (1,337,867)	\$ (1,366,382)	\$ (1,396,037)
Balance End of Year	\$ 30,586	\$ 99,036	\$ 149,629	\$ 176,382	\$ 187,986	\$ 176,175		\$ 158,222	\$ (1,310,449)	\$ (1,337,867)	\$ (1,366,382)	\$ (1,426,879)	

**KAYSVILLE CITY**  
**IMPACT FEE REPORTING**  
**JUNE 30, 2010**

PARKS AND RECREATION IMPACT FEES - REVENUES AND EXPENDITURES												
	Historical						Total	Estimated Revenues and Expenditures				
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenues:												
Impact Fees	\$ 353,325	\$ 604,260	\$ -	\$ -	\$ -	\$ -	\$ 1,199,155	175,000	175,000	175,000	175,000	175,000
Alta Acres			1,620				\$ -	\$ 1,620				
Alta Vista Homes			-	-			1,620	\$ 1,620				
Appgood			3,240			1,620	\$ -		\$ 4,860			
Ashwood Estates			17,620	30,780		-	\$ -	\$ 48,600				
Bishop Homes							1,620					
Branch, Shane & Heather							1,620					
Bridewalk			-	4,860		-	\$ -	\$ 4,860				
Brighton Homes			-	-		1,620	\$ 1,620					
Buddy's Place			1,620			-	\$ -	\$ 1,620				
Burningham Meadows			-	1,620		-	\$ -	\$ 1,620				
Butler General			-	-		1,620	\$ 1,620					
Chris Thurgood Const			-	-		1,620	\$ 1,620					
Cobbley, Ron							1,620					
Country West Construction			-	-		3,240	\$ 3,240					
Coventry Place			1,620			1,620	\$ -	\$ 3,240				
Dalton Construction			-	-		1,620	\$ 1,620					
Dancing Horse			4,860			1,620	\$ -	\$ 6,480				
Destination Homes			-	-		1,620	\$ -	\$ 1,620				
Edge End Homes			-	1,620		-	\$ -	\$ 1,620				
Gabbitas, Donald							1,620					
Gabes Acres			1,620			-	\$ -	\$ 1,620				
Geer Estates			-	-		1,620	\$ -	\$ 1,620				
Gerald McKenzie			-	-		-	1,620	\$ 1,620				
Grove at Sunset			-	3,240		-	\$ -	\$ 3,240				
Hall, Karl							1,620					
Hanlines Hamlet			3,240			-	\$ -	\$ 3,240				
Happy Hollow			-	1,620	1,620	-	\$ -	\$ 3,240				
Harmon Homes							1,620					
Harvey Estates			-	-		1,620	\$ -	\$ 1,620				
Haskell Homes			-	-		-	4,860	\$ 4,860				
Henry Walker Homes			-	-		-	25,920	\$ 25,920				
Higley Webb			-	3,240		-	\$ -	\$ 3,240				
Hob Hill			-	1,620		-	\$ -	\$ 1,620				
Ivory Homes			-	-		-	4,860	\$ 4,860				
Jared Adams Construction			-	-		-	1,620	\$ 1,620				
Jensen, Michael							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				
Lodder Homes			-	-		-	6,480	\$ 6,480				
Major Family Development			-	-		-	1,620	\$ 1,620				
Martineau Homes			-	-		-	3,240	\$ 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 Vista			24,300	9,720	1,620	-	\$ -	\$ 35,640				
Nelson & Nelson			-	-		-	1,620	\$ 1,620				
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				
Pineview Builders			-	-		-	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				
Richmond American Homes			-	-		-	25,920	\$ 25,920				
Rockwell Construction			-	-		-	1,620	\$ 1,620				
Ron Nelson & Sons			-	-		-	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				
Sprout Subdivision			1,620			-	\$ -	\$ 1,620				
Steve Flint Construction							1,620					
Stone Lane			1,620			-	\$ -	\$ 1,620				
Suncrest Meadows			11,340	1,620		-	\$ -	\$ 12,960				
Sunset Farms			76,140	35,640	24,300	-	\$ -	\$ 136,680				
Sunset Pointe			14,580			-	\$ -	\$ 14,580				
Symphony			-	-		-	9,720	\$ 9,720				
Thornfield			3,240			-	\$ -	\$ 3,240				
Torino			3,240			-	\$ -	\$ 3,240				
Tran Family Development			-	-		-	1,620	\$ 1,620				
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				
Winder Construction			-	-		-	1,620	\$ 1,620				
Windruff Construction			-	-		-	8,100	\$ 8,100				
Woodside Homes			-	-		-	29,160	\$ 29,160				
Interest Revenues	\$ 4,959	\$ 6,418	\$ 12,343	\$ 12,410	\$ 1,695	\$ 673	\$ 43,309					
Total	\$ 358,284	\$ 610,678	\$ 462,703	\$ 214,910	\$ 100,515	\$ 159,433	\$ 1,993,481	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000
Expenditures:												
Heritage Park	\$ -	\$ 29,921	\$ 15,306	\$ -	\$ -			\$ 45,227				
Recreation Center	-	-	48,220	41,635	-			\$ 142,658				
Angel Street Park	663,415	235,123	112,420	-	-			\$ 1,440,164				
Barnes Park	-	-	15,390	160,005	31,109			\$ 206,494				
Pioneer Park	-	-	-	250,260	135,000	\$ 134,987	\$ 520,247	\$ 121,000	\$ 114,000	\$ 107,000	\$ -	\$ -
Rail Trail	-	-	-	-	4,693		\$ 4,693					
Openshaw Park	-	-	-	-	-		\$ -					
Gymnasium	-	-	-	-	-		\$ -					
Total	\$ 663,415	\$ 265,044	\$ 191,326	\$ 451,900	\$ 170,802	\$ 134,987	\$ 2,359,483	\$ 121,000	\$ 114,000	\$ 107,000	\$ -	\$ -
Revenue over Expenses	\$ (305,131)	\$ 345,634	\$ 271,377	\$ (236,990)	\$ (70,287)	\$ 24,446		\$ 54,000	\$ 61,000	\$ 68,000	\$ 175,000	\$ 175,000
Prior Year Balance	\$ 92,789	\$ (212,342)	\$ 133,292	\$ 404,669	\$ 167,679	\$ 97,392		\$ 97,392	\$ 151,392	\$ 212,392	\$ 280,392	\$ 455,392
Balance End of Year	\$ (212,342)	\$ 133,292	\$ 404,669	\$ 167,679	\$ 97,392	\$ 121,838		\$ 151,392	\$ 212,392	\$ 280,392	\$ 455,392	\$ 630,392

**KAYSVILLE CITY  
IMPACT FEE REPORTING  
JUNE 30, 2010**

POWER IMPACT FEES- REVENUES AND EXPENDITURES													
Category	Historical					Budget		Estimated Revenues and Expenditures					
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Revenues													
Impact Fees	\$ 200,044	\$ 430,115	\$ 342,854	\$ 115,084	\$ 247,278	\$ 195,138	\$ 1,320,138	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Alta Acres													
Alta Vista Homes													
Appgood													
Ashwood Estates													
Banger Subdivision													
Bishop Homes													
Branch, Shane & Heather													
Boondocks													
Bridgewalk													
Brighton Homes													
Buddy's Place													
Burningham Meadows													
Butler General													
Chris Throop Construction													
Crosby Family													
Cobbly, Ron													
Country West Construction													
Coventry Place													
D&A Johnson													
Dalon Construction													
Dancing Horse													
Davis School District													
Destination Homes													
Edge End Homes													
Fairfield Jr High													
Gabbiolas, Donald													
Gabes Acres													
Geer Estates													
Gerald McKenzie													
Grove at Sunset													
Hall, Karl													
Hannines Hamlet													
Happy Hollow													
Harmon Homes													
Harvey Estates													
Haskell Homes													
Henry Walker Homes													
Higley Webb													
Hop Hill													
Ivory Homes													
Jared Adams Construction													
Jensen, Michael													
Jessica Meadows													
Laurel Estates													
Lazy Diamond													
LDS Church													
Lodder Homes													
Major Family Development													
Markelberg													
Martineau Homes													
Meadow Creek													
Mill Creek Hollow													
Mill Shadow Estates													
Montebella													
Mountain Vista													
Nelson & Nelson													
NSC Properties													
Old Mill Village													
Old Orchard													
Paradise Cove													
Phasenbrook North													
Pineview Builders													
Quartr Mtn Charter School													
Quail Crossing													
Quail Hollow													
Remodels													
Richmond American Homes													
Richter Farm Sub													
RJ Electric													
Rockwell Construction													
Ron Nelson & Sons													
Rose Cottage													
Scanda Development													
Schick Farm													
Single Lot Development													
Spratt Subdivision													
Steve Flint Construction													
Storme Lane													
Suncrest Meadows													
Sunset Farms													
Sunset Pointe													
Symphony Homes													
Thomfied													
Torino													
Tren Family													
Tri City Nursery													
Two Estates													
Two Cap Development													
Upjohn													
Wadman Corporation													
Webster Farms													
West Cottonwoods													
Wells Court													
Wilcox Conat													
Winder Construction													
Windstuff Construction													
Woodside Homes													
Interest Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 200,044	\$ 430,115	\$ 342,854	\$ 115,084	\$ 247,278	\$ 195,138	\$ 1,320,138	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Expenditures													
200 N 7650 W Substation													
Button Lane Substation	\$ 53,977	\$ 11,236											
Shick Lane Substation	\$ 1,278,662	\$ 519,023	\$ 135,547	\$ 65,489	\$ -		\$ 1,899,621						
Total	\$ 53,977	\$ 1,289,798	\$ 519,023	\$ 135,547	\$ 65,489	\$ -	\$ 2,053,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue over Expenses	\$ 146,067	\$ (859,633)	\$ (176,169)	\$ (20,463)	\$ 191,789	\$ 195,138		\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Prior Year Balance	\$ (323,656)	\$ (177,593)	\$ (1,037,272)	\$ (1,213,441)	\$ (1,233,904)	\$ (1,042,115)		\$ (1,042,115)	\$ (892,115)	\$ (742,115)	\$ (592,115)	\$ (442,115)	\$ (292,115)
Balance End of Year	\$ (177,560)	\$ (1,037,272)	\$ (1,213,441)	\$ (1,233,904)	\$ (1,042,115)	\$ (846,977)		\$ (892,115)	\$ (742,115)	\$ (592,115)	\$ (442,115)	\$ (292,115)	\$ (142,115)

**KAYSVILLE CITY  
IMPACT FEE REPORTING  
JUNE 30, 2010**

WATER IMPACT FEES - REVENUES AND EXPENDITURES														
	Historical						Estimated Revenues and Expenditures							
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total	Budget	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>Revenues:</b>														
Impact Fees	\$ 162,197	\$ 156,771	\$ -	\$ -	\$ -	\$ -	\$ 516,678	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Alta Acres			321					\$ 321						
Alta Vista Homes			-					\$ 321	\$ 321					
Appgood			642			321				\$ 963				
Ashwood Estates		3,531		6,099		-				\$ 9,630				
Barger Subdivision		-				1,712				\$ 1,712				
Bishop Homes								321						
Boondocks			-			3,748				\$ 3,748				
Branch, Shane & Heather								321						
Bridlewalk			-		642					\$ 642				
Brighton Homes			-		-			321	\$ 321					
Buddy's Place			321							\$ 321				
Burningham Meadows			-		321					\$ 321				
Butler General			-		-			321		\$ 321				
Chris Thurgood Construction			-		-			321		\$ 321				
Cobbley, Ron								321						
Country West Construction			-		-			642	\$ 642					
Coventry Place			321			321				\$ 321				
Dalton Construction			-		-			321		\$ 321				
Dancing Horse		963			321					\$ 1,284				
Davis School District		-			5,458					\$ 5,458				
Destination Homes		-		-				321		\$ 321				
Edge End Homes			-											
Gabbitts, Donald			-		535					\$ 535				
Gabes Acres		321		-	-					\$ 321				
Geer Estates		-		-	321					\$ 321				
Gerall McKenzie		-		-				321		\$ 321				
Grove at Sunset		-			642					\$ 642				
Hall, Karl								321						
Hanlines Hamlet		1,070		-	-					\$ 1,070				
Happy Hollow		-		-	535					\$ 535				
Harmon Homes								321						
Harvey Estates		-		-	535					\$ 535				
Haskell Homes		-		-						\$ 963				
Henry Walker Homes		-		-						\$ 5,136				
Higley Webb		-		642						\$ 642				
Hob Hill		-		321						\$ 321				
Ivory Homes		-		-						\$ 1,605				
Jared Adams Construction		-		-				321		\$ 321				
Jansen, Michael										535				
Jessica Meadows		1,391		535		-				\$ 1,926				
Kaysville Business Park		5,136			1,934					\$ 7,070				
Kings Creek		1,284		321		-				\$ 1,695				
Laurel Estates		-		963		-				\$ 963				
Lazy Diamond		535		-	321					\$ 856				
LDS Church		-		-	1,712					\$ 1,712				
Lodder Homes		-		-	-					1,284				
Major Family Development		-		-	-			321		\$ 321				
Martineau Homes		-		-	-					642				
Meadow Creek		-		321		-				\$ 321				
Mt Creek Hollow		-	1,070					321		\$ 1,391				
Mt Shadow Estates		-	321		-					\$ 321				
Montebello		-	-		2,461					\$ 2,461				
Mountain Vista		8,025		3,210	535					\$ 11,770				
Nelson & Nelson		-	-	-				321		\$ 321				
Northern Utah Electric		-	-	-	-			321		\$ 321				
Old Mill Village		19,795		6,741	5,778					\$ 32,314				
Old Orchard		-	-	-	642					\$ 642				
Paradise Cove		321		-	-					\$ 321				
Pheasantbrook North		321		-	-					\$ 321				
Pineview Builders		-	-	-	-			535		\$ 535				
Quinlith Mtn Charter School		-	-	-	1,712					\$ 1,712				
Quail Crossing		9,416		2,889	321					\$ 12,626				
Quail Hollow		4,815		-	-					\$ 4,815				
Richmond American Homes		-	-	-	-			5,136		\$ 5,136				
Richter Farm Sub		321		-	-					\$ 321				
Rockwell Construction		-	-	-	-			321		\$ 321				
Ron Nelson & Sons		-	-	-	-			321		\$ 321				
Rose Cottage		642		-	-					\$ 642				
Schick Farm		10,272		2,247	963					\$ 13,482				
Single Lot Development		321		-	321					\$ 642				
Spratt Subdivision		321		-	-					\$ 321				
Steve Flint Construction								321						
Stone Lane		321		-	-					\$ 321				
Suncrest Meadows		2,247		321	-					\$ 2,668				
Sunset Farms		15,087		7,918	6,527					\$ 29,532				
Sunset Pointe		2,889		-	-					\$ 2,889				
Symphony		-	-	-	-			1,926		\$ 1,926				
Thornfield		856		-	-					\$ 856				
Torino		642		-	-					\$ 642				
Trot Family Development		-	-	-	-			321		\$ 321				
Tyler Estates		-	1,926		963					\$ 2,889				
Upgrades		-	-	535	535					\$ 1,070				
Upland		-	-	321	-					\$ 321				
Wadman Corporation		-	-	-	-			535		\$ 535				
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					\$ 3,631				
Wilcox Const		550		-	-					\$ 550				
Winder Construction		-	-	-	-			321		\$ 321				
Windruff Construction		-	-	-	-					1,605		\$ 1,605		
Woodside Homes		-	-	-	-			6,099		\$ 6,099				
Interest Revenues	\$ 50,901	\$ -	\$ 26,614	\$ 15,059	\$ 557	\$ 1,169	\$ 154,661	5,263	\$ 7,473	9,772	(1,837)	\$ 90	\$ 2,093	
Total	\$ 213,098	\$ 156,771	\$ 130,847	\$ 59,357	\$ 41,229	\$ 35,195	\$ 671,329	\$ 55,263	\$ 57,473	\$ 59,772	\$ 48,163	\$ 50,090	\$ 52,093	
<b>Expenditures:</b>														
Water Tank - Mountain Pt	\$ 873,823	\$ 894,416	\$ 196,976	\$ 644,552	\$ -	\$ -	\$ 3,086,138	\$ -	\$ -	\$ 350,000	\$ -	\$ -	\$ -	
Water Tank - Green Road	-	-	-	153,248	-	-				2,018,363				
Laurelwood Transmission	-	423,223	-	-	-	-				153,248		350,000		
Water Line - Burton Lane	-	-	-	491,304	-	-				423,223				
Total	\$ 873,823	\$ 1,317,639	\$ 196,976	\$ 644,552	\$ -	\$ -	\$ 3,086,138	\$ -	\$ -	\$ 350,000	\$ -	\$ -	\$ -	
Revenue over Expenses	\$ (660,725)	\$ (1,160,868)	\$ (66,129)	\$ (585,195)	\$ 41,229	\$ 35,195	\$ 55,263	\$ 57,473	\$ (290,228)	\$ 48,163	\$ 50,090	\$ 52,093		
Prior Year Balance	\$ 2,526,066	\$ 1,867,341	\$ 706,473	\$ 640,345	\$ 55,149	\$ 96,379	\$ 131,574	\$ 131,574	\$ 186,836	\$ 244,310	\$ (45,918)	\$ 2,246	\$ 52,335	
Balance End of Year	\$ 1,867,341	\$ 706,473	\$ 640,345	\$ 55,149	\$ 96,379	\$ 131,574	\$ 186,836	\$ 244,310	\$ (45,918)	\$ 2,246	\$ 52,335	\$ 104,429		

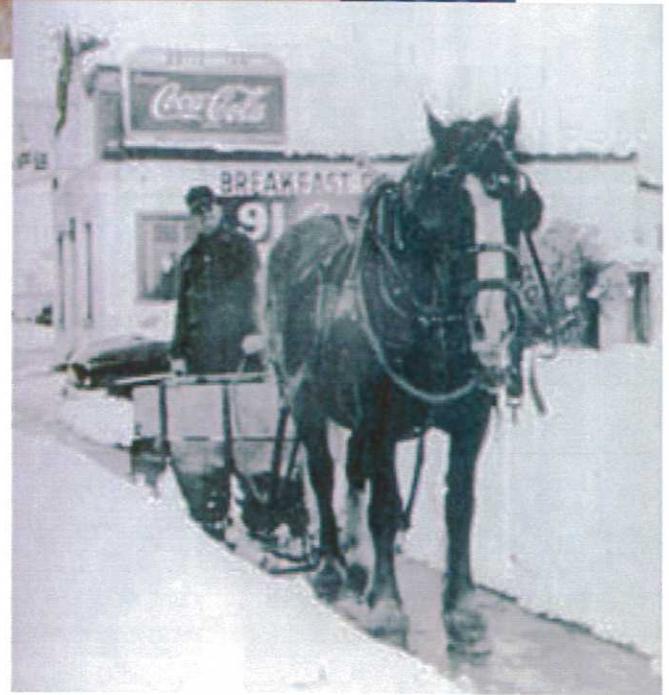
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## STATISTICAL SECTION

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Kaysville City  
Snow Plows



## 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.

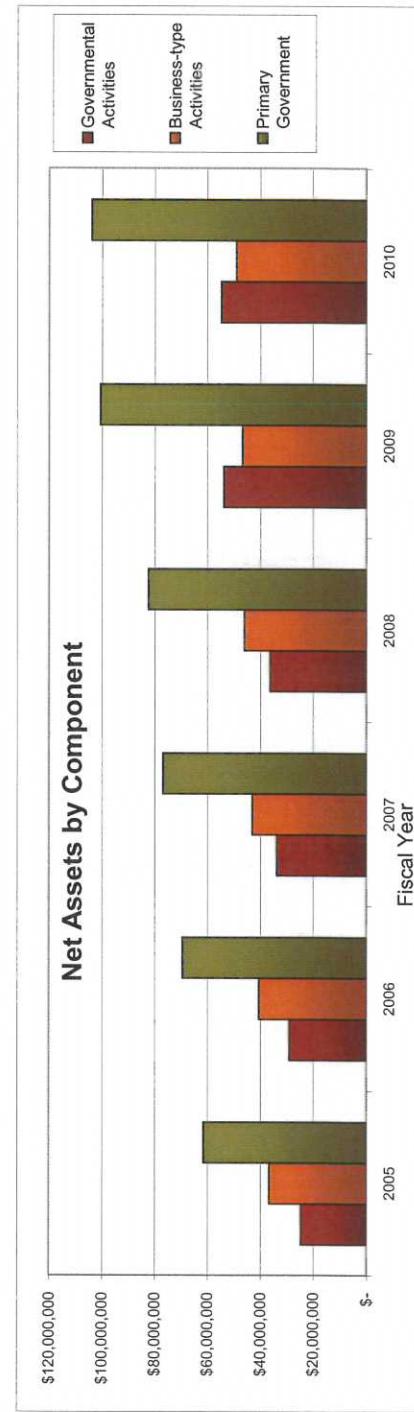
<b>Contents</b>	<b>Page</b>
Financial Trends	79-84
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	85-91
<i>These schedules contain information to help the reader assess the government's local revenue source, property tax.</i>	
Debt Capacity	92-94
<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>	
Demographic and Economic Information	95-97
<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>	
Operating Information	98
<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 actives it performs.</i>	

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**KAYSVILLE CITY CORPORATION**  
**Table 1 - Net Assets by Component**  
June 30, 2010

	2005	2006	2007	2008	2009	2010
<b>Governmental Activities</b>						
Investment in Capital Assets, Net of Related Debt	\$ 19,063,908	\$ 21,086,118	\$ 28,864,094	\$ 31,559,900	\$ 47,859,814	\$ 49,104,550
Restricted	2,683,646	4,093,648	3,996,861	3,408,975	4,119,488	4,234,362
Unrestricted	3,059,042	3,865,714	936,041	1,408,627	1,919,793	1,411,551
<b>Total Governmental Activities Net Assets</b>	<b>\$ 24,806,596</b>	<b>\$ 29,045,480</b>	<b>\$ 33,796,996</b>	<b>\$ 36,377,502</b>	<b>\$ 53,899,095</b>	<b>\$ 54,750,463</b>
<b>Business-type Activities</b>						
Invested in Capital Assets, Net of Related Debt	\$ 27,289,164	\$ 32,883,333	\$ 39,784,790	\$ 40,751,249	\$ 44,257,004	\$ 43,555,686
Restricted	1,816,441	706,473	640,345	55,149	96,379	131,574
Unrestricted	7,606,474	6,928,976	2,657,464	5,299,689	2,475,904	5,447,712
<b>Total Business-type Activities Net Assets</b>	<b>\$ 36,712,079</b>	<b>\$ 40,518,782</b>	<b>\$ 43,082,599</b>	<b>\$ 46,106,087</b>	<b>\$ 46,829,287</b>	<b>\$ 49,134,972</b>
<b>Primary Government</b>						
Invested in Capital Assets, Net of Related Debt	\$ 46,353,072	\$ 53,969,451	\$ 68,648,884	\$ 72,311,149	\$ 92,116,818	\$ 92,660,236
Restricted	4,500,087	4,800,121	4,637,206	3,464,124	4,215,867	4,365,936
Unrestricted	10,665,516	10,794,690	3,593,505	6,708,316	4,395,697	6,859,263
<b>Total Primary Government Net Assets</b>	<b>\$ 61,518,675</b>	<b>\$ 69,564,262</b>	<b>\$ 76,879,555</b>	<b>\$ 82,483,589</b>	<b>\$ 100,728,382</b>	<b>\$ 103,885,435</b>

(Accrual Basis of Accounting)



**KAYSVILLE CITY CORPORATION**  
**Table 2 - Changes in Net Assets**  
**June 30, 2010**

	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>							
Government Activities:							
General Government	\$ 912,636	\$ 1,149,813	\$ 1,275,261	\$ 1,183,636	\$ 1,487,669	\$ 1,573,836	\$ 1,535,455
Public Safety - Police	1,597,383	1,683,710	1,813,474	2,027,634	2,193,793	2,164,881	2,235,372
Public Safety - Fire	320,968	348,039	445,331	450,318	527,139	531,620	446,057
Community Development	386,599	418,435	467,474	608,457	837,804	725,078	856,615
Public Works	2,415,623	2,245,723	1,615,171	2,119,382	2,227,389	1,746,346	3,234,262
Parks, Recreation and Public Properties	865,527	1,341,495	1,573,015	1,685,013	1,853,861	2,170,919	1,547,498
Perpetual Cemetery	71	-	-	-	78,348	36,000	63,770
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	78,069
Total Governmental Activities Expenses	6,962,708	7,665,352	7,659,566	8,204,263	9,268,968	9,041,566	10,397,098
<b>Business-type Activities:</b>							
Water	1,186,908	1,398,496	1,469,800	1,603,461	2,112,958	2,055,930	2,001,788
Sewer	1,222,847	1,274,505	1,324,522	1,391,445	1,486,306	1,675,056	1,771,084
Electric	8,374,719	8,992,356	10,717,294	10,818,203	12,057,762	12,558,805	12,357,551
Pressure Irrigation	562,112	594,054	777,596	893,148	933,041	1,001,318	1,060,124
Sanitation	1,116,790	1,154,365	1,181,929	1,132,110	1,157,707	1,166,979	1,203,823
Storm Water	-	254,468	727,455	468,750	812,161	927,250	1,080,850
Ambulance	402,705	381,463	453,756	465,678	449,019	572,672	517,513
Total Business-Type Activities Expenses	\$ 12,866,081	\$ 14,049,707	\$ 16,652,352	\$ 16,772,795	\$ 19,008,954	\$ 19,998,009	\$ 19,992,733
Total Primary Government Expenses	\$ 19,828,789	\$ 21,715,059	\$ 24,311,918	\$ 24,977,058	\$ 28,277,922	\$ 28,999,575	\$ 30,389,831

*Note: GASB 34 was implemented in FY 2004*

**KAYSVILLE CITY CORPORATION**  
**Table 2 - Changes in Net Assets (Continued)**  
**June 30, 2010**

	2004	2005	2006	2007	2008	2009	2010
<b>Program Revenues</b>							
<b>Government Activities:</b>							
Charges for Services	\$ 1,063,252	\$ 510,135	\$ 504,503	\$ 519,390	\$ 613,771	\$ 647,500	\$ 648,277
General Government	122,746	177,492	204,550	195,296	229,979	216,799	221,483
Public Safety - Police	91,638	110,664	124,576	121,903	144,344	140,535	141,818
Public Safety - Fire	-	151,202	233,892	194,717	419,546	301,483	375,149
Community Development	554,995	113,913	2,281,843	2,531,811	1,064,075	1,287,340	1,346,410
Public Works	717,687	826,766	1,184,753	51,500	-	837,388	835,546
Parks, Recreation and Public Properties	37,478	36,670	43,350	56,300	-	64,630	47,560
Perpetual Cemetery	29,233	16,839	15,736	-	-	-	-
Special Revenue - Library	816,373	692,875	752,413	81,619	154,963	50,292	205,830
Operating Grants and Contributions	89,894.00	56,377	132,524	905,276	1,635,825	16,805,490	1,670,091
Capital Grants and Contributions					5,665,587	5,379,456	5,492,164
<b>Total Governmental Activities Program Revenues</b>	<b>3,513,296</b>	<b>2,692,933</b>	<b>5,478,140</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	2,247,425
Sewer	1,284,538	1,331,382	1,386,456	1,455,293	1,506,782	1,733,153	1,763,771
Electric	9,625,388	9,809,300	11,069,202	11,257,963	12,574,279	12,177,583	11,877,444
Pressure Irrigation	555,018	585,736	781,165	908,199	966,994	1,054,672	1,080,784
Sanitation	1,195,552	1,252,689.00	1,284,796.00	1,243,106	1,218,953	1,260,996	1,286,007
Storm Water	-	57,788	720,480	740,061	938,853	973,123	991,059
Ambulance	252,648	259,723	342,506	327,783	428,495	430,491	414,505
Grants and Contributions	-	115,000	2,270,075	980,896	2,215,296	827,954	2,463,765
<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>22,124,760</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>\$ 27,616,924</b>
<b>Net (Expense) Revenue</b>							
Governmental Activities	\$ (3,449,412)	\$ (4,972,419)	\$ (2,181,426)	\$ (2,538,676)	\$ (3,889,512)	\$ 11,495,878	\$ (4,904,934)
Business-type Activities	1,425,219	743,981	2,878,486	1,843,329	2,613,927	460,840	2,132,027
<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>\$ 11,956,718</b>	<b>\$ (2,772,907)</b>

Note: GASB 34 was implemented in FY 2004

**Table 2 - Changes in Net Assets (Continued)**  
June 30, 2010

	2004	2005	2006	2007	2008	2009	2010
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	\$ 1,400,530
Sales Taxes	2,210,436	2,373,991	2,720,052	3,166,266	3,249,441	2,971,247	2,744,689
Franchise Taxes	501,593	735,578	504,791	560,900	547,862	610,526	576,731
Energy Sales and Use Charge	-	434,427	861,158	811,194	1,059,820	1,046,355	995,454
Interest on Investments	133,957	267,654	433,803	430,623	278,111	173,831	82,802
Miscellaneous	52,260	66,523	185,738	85,632	287,969	115,332	106,096
Contributions	-	(4,189,921)	-	-	-	-	-
Transfers	650,214	(90,000)	200,000	470,000	(200,000)	(200,000)	(150,000)
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>6,025,715</u>	<u>5,756,302</u>
Business-type Activities:							
Interest on investments	73,909,00	58,065,00	154,615	196,761	209,561	62,360	23,658
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	150,000
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>	<u>173,658</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>\$ 6,288,075</u>	<u>\$ 5,929,960</u>
Change in Net Assets							
Governmental activities	\$ 1,488,193	\$ (3,970,313)	\$ 4,238,884	\$ 4,044,973	\$ 2,580,506	\$ 17,521,593	\$ 851,368
Business-type activities	1,761,957	7,280,681	3,806,703	2,563,817	3,023,488	723,200	2,305,685
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>\$ 18,244,793</u>	<u>\$ 3,157,053</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, 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>										
Reserved	\$ 683,668	\$ 369,046	\$ 328,407	\$ 92,790	\$ 576,135	\$ 3,229,-	\$ 1,591,699	\$ 1,316,904	\$ 1,643,886	\$ 26,678
Unreserved	\$ 343,503	\$ 370,000	\$ 826,073	\$ 2,409,711	\$ 2,583,763	\$ 3,229,021	\$ 1,591,699	\$ 1,316,904	\$ 1,643,886	\$ 1,459,383
Total General Fund	<u>\$ 1,027,171</u>	<u>\$ 739,046</u>	<u>\$ 1,154,480</u>	<u>\$ 2,502,501</u>	<u>\$ 3,159,398</u>	<u>\$ 3,229,021</u>	<u>\$ 1,591,699</u>	<u>\$ 1,316,904</u>	<u>\$ 1,643,886</u>	<u>\$ 1,496,061</u>
<b>Debt Service Fund</b>										
Reserved	\$ -	\$ 136,376	\$ 92,768	\$ 49,159	\$ 223,293	\$ 1,061,822	\$ 884,865	\$ 784,865	\$ 684,865	\$ 158,200
Unreserved		\$ 52,088	\$ 98,196	\$ 145,373	\$ (15,547)	\$ 211,732	\$ 168,771	\$ 173,944	\$ 185,812	32,872
Total Debt Service Fund	<u>N/A</u>	<u>\$ 188,464</u>	<u>\$ 190,964</u>	<u>\$ 194,532</u>	<u>\$ 207,746</u>	<u>\$ 1,273,554</u>	<u>\$ 1,053,636</u>	<u>\$ 958,809</u>	<u>\$ 870,677</u>	<u>191,072</u>
<b>Capital Projects Fund</b>										
Reserved	\$ 179,995	\$ -	\$ -	\$ -	\$ -	\$ 1,081,494	\$ 1,032,002	\$ 377,460	\$ 1,108,014	\$ 3,108,254
Unreserved	\$ (119,358)	\$ -	\$ 1,228	\$ 1,395,500	\$ 574,990	\$ 500,342	\$ (651,483)	\$ 173,681	\$ 450,153	272,640
Total Capital Projects Fund	<u>\$ 60,637</u>	<u>\$ -</u>	<u>\$ 1,228</u>	<u>\$ 1,395,500</u>	<u>\$ 574,990</u>	<u>\$ 1,581,836</u>	<u>\$ 380,519</u>	<u>\$ 551,141</u>	<u>\$ 1,558,167</u>	<u>3,380,894</u>
<b>Library Special Revenue Fund</b>										
Reserved	\$ -	\$ -	\$ 3,074	\$ 11,565	\$ 12,462	\$ 123,-	\$ 87,405	\$ -	\$ -	\$ -
Unreserved			\$ 24,289	\$ 58,388	\$ 97,915	\$ 123,893	\$ 87,405	\$ -	\$ -	\$ -
Total Library Special Revenue Fund	<u>N/A</u>	<u>N/A</u>	<u>\$ 27,363</u>	<u>\$ 69,953</u>	<u>\$ 110,377</u>	<u>\$ 123,893</u>	<u>\$ 87,405</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Cemetery Perpetual Care</b>										
Reserved	\$ 912,498	\$ 943,988	\$ 967,400	\$ 1,016,758	\$ 1,078,485	\$ 1,166,479	\$ 1,266,593	\$ 1,388,801	\$ 1,441,422	\$ 1,434,783
Unreserved			\$ 943,988	\$ 967,400	\$ 1,016,758	\$ 1,078,485	\$ 1,166,479	\$ 1,266,593	\$ 1,388,801	\$ 1,441,422
Total Cemetery Perpetual Care Fund	<u>\$ 912,498</u>	<u>\$ 943,988</u>	<u>\$ 967,400</u>	<u>\$ 1,016,758</u>	<u>\$ 1,078,485</u>	<u>\$ 1,166,479</u>	<u>\$ 1,266,593</u>	<u>\$ 1,388,801</u>	<u>\$ 1,441,422</u>	<u>\$ 1,434,783</u>
<b>Blood Library Endowment Fund</b>										
Reserved	\$ 788,396	\$ 809,326	\$ 826,876	\$ 834,178	\$ 793,271	\$ 783,853	\$ 813,401	\$ 857,849	\$ 885,185	\$ 906,647
Unreserved			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Blood Library Endowment Fund	<u>\$ 788,396</u>	<u>\$ 809,326</u>	<u>\$ 826,876</u>	<u>\$ 834,178</u>	<u>\$ 793,271</u>	<u>\$ 783,853</u>	<u>\$ 813,401</u>	<u>\$ 857,849</u>	<u>\$ 885,185</u>	<u>\$ 906,647</u>

**KAYSVILLE CITY CORPORATION**

**Table 4 - Changes in Fund Balance of Governmental Funds**

June 30, 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues:</b>										
Taxes	\$ 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	\$ 5,717,404
Licenses and Permits	156,170	357,699	341,983	479,696	556,267	775,483	593,334	327,165	249,940	318,626
Impact Fees	-	-	-	927,119	2,124,381	1,602,331	621,326	897,541	762,813	788,514
Intergovernmental	1,211,607	1,090,566	1,184,996	899,610	742,595	874,619	863,141	862,349	751,582	1,702,069
Charges for Services	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	105,932
Fines and Forfeitures	53,268	50,887	62,081	67,306	82,680	73,455	78,472	92,278	102,394	82,802
Interest Income	-	-	-	-	-	-	430,623	278,111	173,331	-
Community Development	-	-	-	-	-	-	125,000	115,036	29,703	164,335
Block Grant	-	-	-	-	-	-	144,764	354,523	110,905	85,880
Miscellaneous	356,183	1,004,208	358,344	1,627,613	1,809,309	557,738	-	-	9,957,669	9,728,375
Total Revenues	<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>10,880,552</u>	<u>10,413,649</u>		
<b>Expenditures:</b>										
General Government	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	1,484,457
Public Safety	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	2,623,649
Community Development	347,977	360,755	328,545	386,599	418,435	450,766	608,457	867,676	709,372	837,550
Public Works	3,068,976	3,779,500	2,138,744	3,195,762	2,762,873	1,833,209	2,000,969	2,200,177	1,555,563	1,094,628
Parks, Recreation & Properties	963,686	933,762	409,258	518,149	1,268,367	1,461,882	1,694,934	1,951,272	1,940,405	1,844,523
Library	278,404	296,269	289,712	296,905	289,325	330,378	36,337	-	-	-
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest & Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Capital Outlay	681,442	548,256	3,373,951	647,022	729,202	1,625,848	6,008,152	577,849	721,404	826,208
Total Expenditures	<u>7,742,964</u>	<u>8,973,281</u>	<u>10,244,559</u>	<u>8,538,631</u>	<u>9,178,858</u>	<u>9,664,581</u>	<u>14,612,554</u>	<u>10,333,398</u>	<u>9,378,077</u>	<u>10,036,336</u>
Excess (Deficiency of Revenues over Expenditures)	<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>	<u>\$ (307,961)</u>
<b>Other Financing Sources (Uses):</b>										
Operating Transfers In	\$ 723,250	\$ 1,851,423	\$ 1,850,722	\$ 978,964	\$ 265,000	\$ 3,412,173	\$ 3,153,958	\$ 585,405	\$ 345,000	\$ 865,000
Operating Transfers Out	-	(381,999)	(540,722)	(328,750)	(355,000)	(3,212,173)	(2,565,950)	(785,405)	(545,000)	(1,015,000)
Capital Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-	-	-	946,245	1,458,078
Total Other Financing Sources (Uses)	<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>	<u>1,308,078</u>
Net change in fund balances	<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>	<u>\$ 1,000,117</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	13.06%	7.45%	6.98%	7.27%	6.54%	5.67%	5.13%	14.39%

(Modified Accrual Basis of Accounting)

**KAYSVILLE CITY CORPORATION**

**Table 5 - Governmental Tax Revenues by Source**  
June 30, 2010

Fiscal Year	General Property Tax	Sales Tax	Utility License Tax	Energy Sales and Use Tax	Total Tax Revenue
2010	\$1,400,530	\$2,744,689	\$576,731	\$995,454	\$5,717,404
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

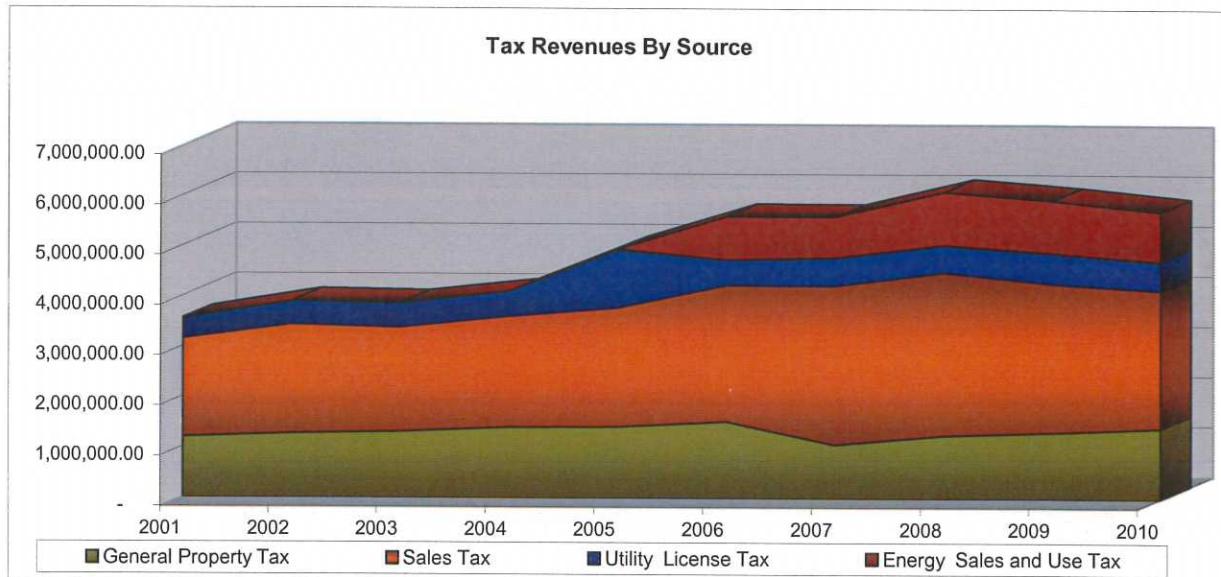
Notes:

(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, 2010

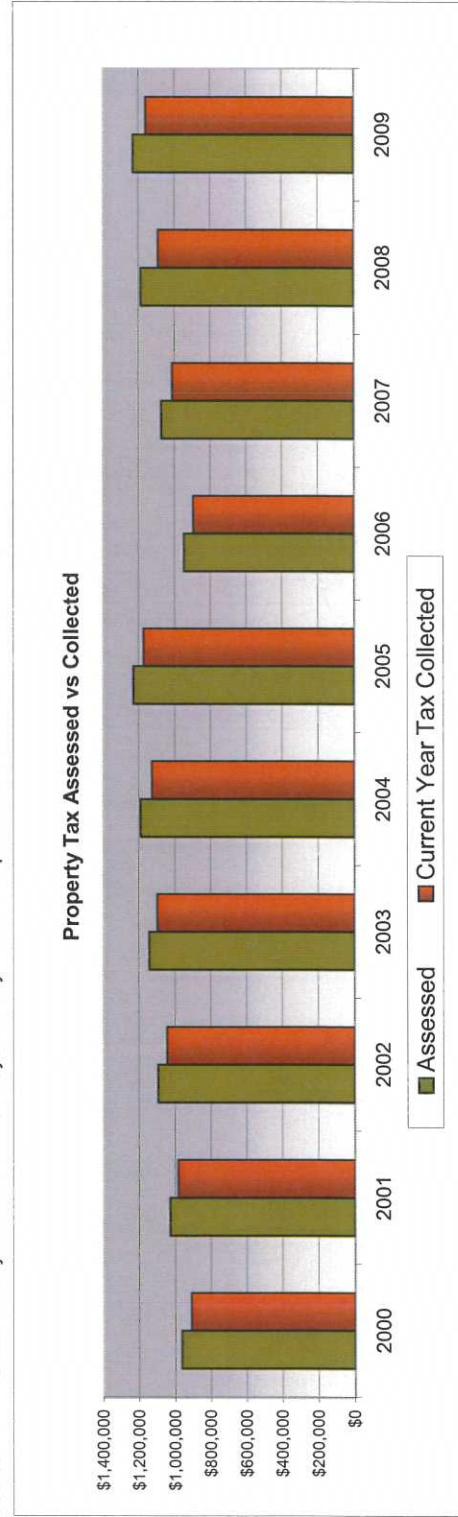
Fiscal Year	Total Taxable Value	City Tax Rate	Total Taxes Assessed	Current Year Taxes Collected	Percentage of Tax Collections to Tax Levy	Fee in Lieu Collected	Delinquent Taxes Collected & Interest	Total Tax & Payment in Lieu Collected
2009	\$1,361,717,087	0.000907	\$1,232,460	\$1,161,304	94.20%	\$147,708	\$1,978	\$1,384,267
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

Notes:

- (1) Information is based on a calendar year - 2009 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, 2010

Fiscal Year	Estimated Market Value	Taxable Value	Ratio of Total Taxable Value to Market Value
2009	\$2,237,060,979	\$1,361,717,087	60.87%
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%

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

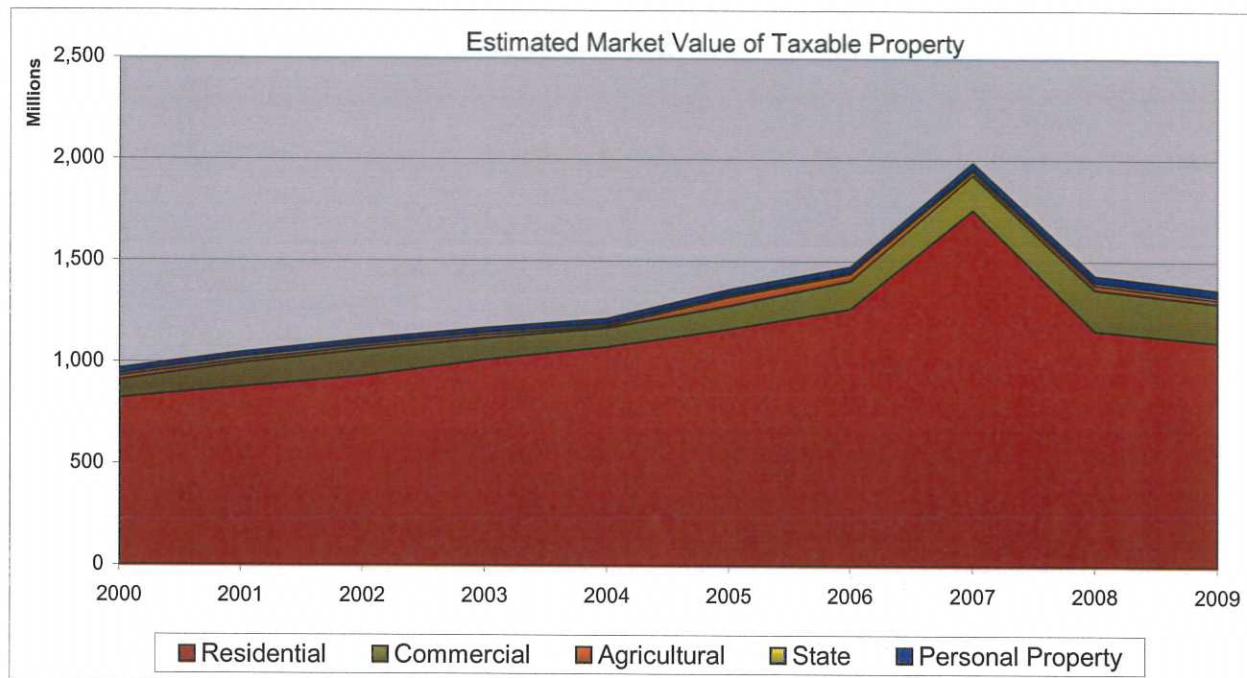
**Table 8 - Estimated Market Value of Taxable Property**  
June 30, 2010

Fiscal Year	Estimated Market Value	Residential	Commercial	Agricultural	State	Personal Property
2009	\$1,361,717,087	\$1,103,271,289	\$194,023,068	\$16,551,454	\$14,310,374	\$33,560,902
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

Notes:

(1) Information is based on a calendar year - 2009 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**

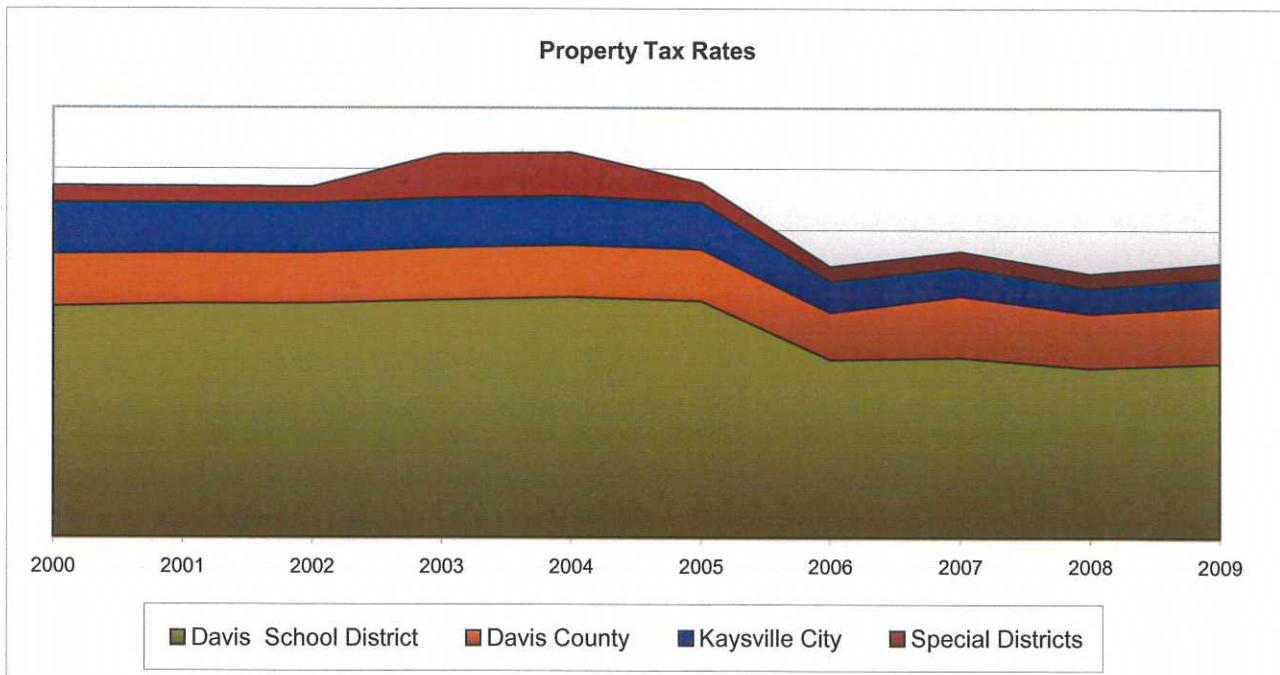
**Table 9 - Property Tax Rates - Direct and Overlapping Governments**

June 30, 2010

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	
2009	0.000907	0.005685	0.001865	0.000188	0.000093	0.000212	0.008950
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

Notes: (1) Information is based on a calendar year - 2009 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, 2010

Taxpayer	Type of Business	December 31, 2009 Taxable Valuation			December 31, 1998 Taxable Valuation		
		Taxable Value	Assessed Value	Rank	Taxable Value	Assessed Value	Rank
KBP Office Group & Warehouse	Wholesale Distribution	\$6,213,481		1	0.46%		
JB Journey LLC- Blaine Jensen	Recreational Sales	\$5,580,009		2	0.41%		
Access Park LC	Investment Properties	\$5,291,700		3	0.39%		
New Albertson's Inc	Grocery Store	\$5,288,136		4	0.39%		
Danville Land Investment	Investment Properties	\$4,999,330		5	0.37%		
Woodside Sunset Farms, LLC	Real Estate	\$4,788,892		6	0.35%		
M2 Properties Inc	Real Estate	\$4,592,183		7	0.34%		
Bates Sportsplex LLC	Tax Software Provider	\$4,524,098		8	0.33%		
Park Place I, LC	Investment Properties	\$4,437,190		9	0.33%		
Kaysville Real Estate LC	Investment Properties	\$4,434,949		10	0.33%		
Granny Goose	Snack Foods				\$3,823,272		3
Qwest Communications	Communications				\$2,756,580		4
Barnes Banking	Banking Services				\$2,125,785		5
Keith and Julie Romney	Shopping Center				\$1,791,880		6
Questar Gas	Natural Gas Distribution				\$1,751,230		7
Mercy Housing II LP	Assisted Living Community				\$1,706,979		8
Union Pacific Railroad	Railroad				\$1,602,830		9
Medical Building (Tanner Clinic)	Medical Services				\$1,109,590		10
		\$50,149,968					
		4.38%			\$ 16,668,146		
							4.22%

Source: Davis County Auditor / Kaysville City Finance Department

## KAYSVILLE CITY CORPORATION

**Table 11 - Property Value of Construction in Kaysville**  
**June 30, 2010**

Year	Commercial Construction Number of Permits	Estimated Value	Residential Construction Number of Permits	Estimated Value	Estimated Increase of Property Value
2009	18	\$1,809,004	184	\$17,418,824	\$19,227,828
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

Notes: (1) Number of Permits includes all permits including remodels and additions  
**Based on Calendar Year - 2009 - 72 Single Family Homes**

Source: Davis County Department of Community and Economic Development  
2009 Construction Monitor

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

June 30, 2010

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Taxable Value	\$1,430,484,173
Estimated Market Value	\$2,363,474,401
Debt Limit - Four Percent of Market Value	\$94,538,976
Less: Outstanding General Obligation Bonds	\$0
Lease Revenue Bonded Debt	\$2,724,388
Legal Debt Margin - Additional Debt Capacity	\$91,814,588

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, 2010**

Entity	2009 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	\$1,430,484,173	\$1,430,484,173	100.00%	0	0
<b>Overlapping:</b>					
Davis County	\$16,532,563,369	\$1,430,484,173	8.65%	\$545,092,735	\$47,164,285
Davis County School District	\$16,532,563,369	\$1,430,484,173	8.65%	\$358,500,000	\$31,019,302
State of Utah	\$203,723,488,560	\$1,430,484,173	0.70%	\$2,299,300,000	\$16,144,983
Weber Basin Water District	\$45,411,072,811	\$1,430,484,173	3.15%	\$29,577,164	\$931,704
<b>Total - Direct and Overlapping General Obligation Debt</b>					<b>\$95,260,274</b>

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

KAYSVILLE CITY CORPORATION  
 Table 14 - Ratios of Outstanding Debt by Type  
 June 30, 2010

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income Income	Personal Income (AGI) Per Capita
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases		
2010	\$0	\$1,635,000	\$1,786,955	\$90,479	\$0	\$2,221,110	\$372,489	\$6,106,033	\$ 227
2009	\$0	\$398,000	\$2,839,205	\$177,202	\$0	\$2,538,411	\$474,516	\$6,427,334	Not Available
2008	\$0	\$585,000	\$1,216,428	\$260,326	\$0	\$2,855,712	\$229,517	\$671,143,224	Not Available
2007	\$0	\$764,000	\$777,552	\$539,999	\$0	\$3,173,010	\$22,392	\$627,528,773	0.768%
2006	\$0	\$940,000	\$1,061,820	\$19,494	\$0	\$89,244	\$2,110,558	\$8090%	0.8090%
2005	\$0	\$1,108,000	\$1,332,552	\$59,620	\$0	\$153,308	\$2,653,480	\$535,545,017	0.3941%
2004	\$0	\$1,273,000	\$1,590,392	\$97,078	\$0	\$214,700	\$3,178,370	\$479,444,976	0.5534%
2003	\$0	\$1,431,000	\$0	\$132,042	\$0	\$13,038	\$170,540	\$451,715,391	0.7036%
2002	\$0	\$1,575,000	\$0	\$170,448	\$0	\$22,876	\$0	\$427,299,462	0.4088%
2001	\$0	\$1,715,000	\$0	\$195,158	\$0	\$32,714	\$0	\$412,616,255	0.4286%
								\$405,958,186	0.4786%
									93

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 2009 and 2010 - FY 2011

**KAYSVILLE CITY CORPORATION**

**Table 15 - Miscellaneous Statistical Data - Insurance Summary**  
**June 30, 2010**

Coverage	Company	Term	Limits	Deductible
Property	Travelers	10/01/2009 - 9/30/2010	Scheduled at Value	\$10,000
General Liability	Travelers	10/01/2009 - 9/30/2010	\$1,000,000 / \$2,000,000	\$10,000
Law Enforcement	Travelers	10/01/2009 - 9/30/2010	\$1,000,000 / \$1,000,000	\$10,000
Public Officials Management	Travelers	10/01/2009 - 9/30/2010	\$1,000,000 / \$2,000,000	\$5,000
Employment Practices	Travelers	10/01/2009 - 9/30/2010	\$5,000,000 / \$5,000,000	\$10,000
Employee Benefits	Travelers	10/01/2009 - 9/30/2010	\$1,000,000 / \$3,000,000	\$1,000
Automobile - Physical Damage	Travelers	10/01/2009 - 9/30/2010	Schedule	\$1,000 - Comp & Coll.
Automobile Liability	Travelers	10/01/2009 - 9/30/2010	\$1,000,000	\$5,000
Inland Marine	Travelers	10/01/2009 - 9/30/2010	Scheduled at Value	\$10,000
Cyber Liability	Travelers	10/01/2009 - 9/30/2010	\$1,000,000	\$5,000
Crime	Travelers	10/01/2009 - 9/30/2010	\$250,000	\$1,000
ID Fraud	Travelers	10/01/2009 - 9/30/2010	\$25,000 per employee	---
Custom Excess Liability	Travelers	10/01/2009 - 9/30/2010	\$10,000,000	\$10,000
Treasurer Bond	Ohio Casualty	10/01/2009 - 9/30/2010	\$1,250,000	\$0
Deputy Treasurer Bond	Ohio Casualty	10/01/2009 - 9/30/2010	\$1,250,000	\$0

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

June 30, 2010

Fiscal Year	Population	Personal Income	Per Capita Personal Income
2010	26,885	Not Available	Not Available
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
2010	26,885	783	3.00%
2009	26,102	760	3.00%
2008	25,342	738	3.00%
2007	24,604	716	3.00%
2006	23,888	695	3.00%
2005	23,193	725	3.00%
2004	22,463	548	2.50%
2003	21,915	535	2.50%
2002	21,380	521	2.50%
2001	20,859	508	2.50%
2000	20,351	564	2.85%
1999	19,787	669	3.50%
1998	19,118	239	1.27%
1997	18,879	535	2.92%
1996	18,344	598	3.37%
1995	17,746	665	3.89%
1994	17,081	943	5.84%
1993	16,138	810	5.28%
1992	15,328	640	4.36%
1991	14,688	727	5.21%
1990	13,961	1,047	8.11%
1989	12,914	343	2.73%
1988	12,571	352	2.88%
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, 2010

	Date of Incorporation	March 15, 1868	Form of Government	Council - Manager	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Area in Square Miles		11	11	10.48	10.38	9.89	9.89	9.89	9.89	9.89	9.89	9.89	9.89	9.89
Miles of Streets		117	114	113	112	103	103	96	96	96	96	96	96	96
Fire Protection	Number of stations	1	1	1	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	2	2	2	2	2
Number of volunteer firefighters	32	32	31	32	30	30	30	30	30	32	32	30	30	30
Police Protection	Number of sworn officers	20	20	20	19	19	18	18	18	18	18	18	18	18
Number of other employees	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Parks and Recreation	Number of Parks	11	11	9	9	9	9	8	8	8	8	8	8	8
Number of Acres Available	221	250	250	245	210	210	210	210	210	210	210	210	210	210
Number of Acres Developed	148	124	121	121	114	114	114	97	97	60.5	60.5	60.5	60.5	60.5
Education	Number of high schools	1	1	1	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	2	2	2	2
Number of elementaries	8	7	7	7	7	6	6	6	6	6	6	6	6	6
Public Utilities	Number of water customers	7,504	7,365	7,293	7,002	6,675	6,476	6,088	5,864	5,691	5,546	5,546	5,546	5,546
Annual usage (gallons)	774,608,000	820,468,000	889,276,000	792,672,000	778,249,200	763,909,600	745,360,000	1,733,066	2,175,431	2,399,005	2,399,005	2,399,005	2,399,005	2,399,005
Miles of water lines	139	138	130	127	112	103	96	98	96	96	96	96	96	96
Number of power customers	8,347	8,252	8,089	7,891	7,420	7,057	6,775	6,707	6,402	6,402	6,230	6,230	6,230	6,230
Annual kWh usage	128,268,144	127,513,424	126,415,924	118,508,575	114,729,730	104,256,106	106,307,019	87,928,695	92,960,1987	91,635,388	91,635,388	91,635,388	91,635,388	91,635,388
Miles of power lines	137	136	135	133	115	93	89	92	89	89	89	89	89	89
Number of street lights	817	928	809	721	N/A	N/A	635	625	611	611	611	611	611	611
City Employees at June 30, 2010														
Elected	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Full-time	78	78	78	72	70	68	68	68	68	68	68	68	68	68
General Governmental	11	11	11	11	11	11	11	11	11	11	11	11	11	11
Police	23	23	23	23	23	23	23	23	23	23	23	23	23	23
Fire/ Ambulance	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Community Development	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Public Works	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Parks & Cemetery	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Water	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Sewer	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Electrical	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Sanitation	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Storm Drain	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Part-time/Temporary/Seasonal	30-35	40	40	40	40	40	40	40	40	40	40	40	40	40

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## COMPLIANCE SECTION

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Main Street, Kaysville UT



Royce J. Richards, J.D., CPA

Lynn J. Wood, CPA

**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 of Kaysville City as of and for the year ended June 30, 2010, which collectively comprise Kaysville City's basic financial statements and have issued our report thereon dated September 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

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

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

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

**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*.

September 22, 2010  
Page 2

We noted certain other matters that we reported to management of Kaysville City, in a separate letter dated September 22, 2010.

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

Wood Richards & Associates

Ogden, UT  
September 22, 2010

**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, 2010 and have issued our report thereon dated September 22, 2010. 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 as 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, 2010. The City received the following major assistance programs from the State of Utah.

B&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, 2010.

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

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

Our audit does not provide a legal determination on the City's compliance with these requirements.

The results of our audit procedures disclosed immaterial instances of noncompliance with requirements referred to above, which are described in the accompanying schedule of findings. We considered these instances 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, 2010.

The City's written responses to the findings identified in our audit are described in the schedule of findings. We did not audit the City's responses and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management of the city, the city council and the mayor and is not intended to be and should not be used by anyone other than these specified parties. However, the report is a matter of public record and its distribution is not limited.

Wood Richards & Associates  
September 22, 2010

KAYSVILLE CITY  
SUMMARY OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010

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.

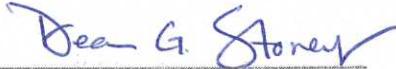
Recommendation: We recommend the City limit expenditures or open the budget late in the year to provide for these variances.

Response: We are monitoring department and fund budgets and will limit expenditure to budget amounts or make necessary amendments prior to the end of the fiscal year to ensure compliance with state law.

Finding #2: Utah Code Section 51-7-15 and Rule 4 of the Utah Money Management Act require every public treasurer to obtain a fidelity bond based upon the previous year's budget gross revenues. We noted that the City's fidelity bond no longer provides the required level of coverage.

Recommendation: We recommend that the City increase their treasurer's fidelity bond.

Response: We have increased our fidelity bond to once again be in compliance with state law.



Dean G Storey  
Finance Director



Cami L Moss  
Accountant

KAYSVILLE CITY  
SUMMARY OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010

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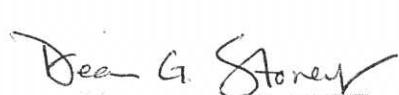
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