



Kaysville City

**KAYSVILLE CITY
STATE OF UTAH**

Settled in 1850

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**YEAR ENDED
JUNE 30, 2014**

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

Comprehensive
Annual Financial Report

Year Ended June 30, 2014

Mayor: Steve A. Hiatt

Council Members: Mark D. Johnson
Ronald L. Stephens
Jared R. Taylor
Brett Garlick
Susan Lee

City Manager: John W. Thacker

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

KAYSVILLE CITY CORPORATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2014

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INTRODUCTORY SECTION



*Utah's
Hometown*



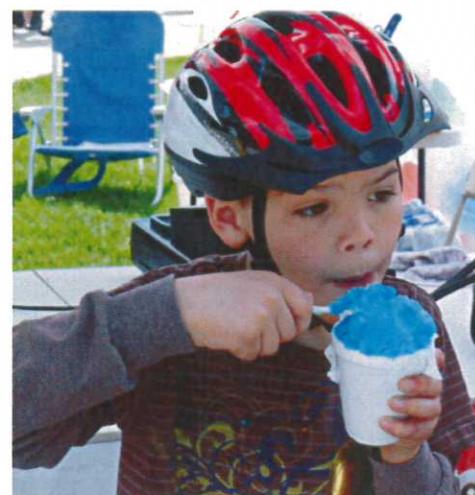
Easter Egg Hunt



National
Trails Day



Safe Kids
Fest





November 10, 2014

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 2014 is hereby submitted.

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

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

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

1. The **Introductory Section** contains general information regarding the organization of the City and overall financial profile of the City including the Management Discussion & Analysis (MD&A). The MD&A is a summary of the changes in the City's financial position throughout the year.
2. The **Financial Section** includes the independent auditors report, management's discussion and analysis, basic financial statements and required supplemental information. Also included are individual fund statements.
3. The **Statistical Section** presents several tables depicting the financial history of the City and demographic and other useful information. This information is presented to assist in obtaining an understanding of the City.
4. The **Compliance Section** includes the additional financial statements, supplemental schedules, independent auditors' report, and supplemental reports as required by the Single Audit Act of 2004 and by the U.S. Office of Management and Budget Circular A-133.

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



SETTLED IN 1850

November 10, 2014

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, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Kaysville City for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This is the nineteenth 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 29,400 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 eleven square miles, bordered by the Wasatch Mountains on the east and the Great Salt Lake on the west.

Organization and Services

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

Economic Factors

The local economy is stable. The majority of the workforce commutes to larger economic centers. The unemployment rate is below the national unemployment rate and below the State unemployment rate of 3.5%. Income levels are above the State average. The area continues to have a good labor and business climate whereas the workforce is young and well educated. The economy of Kaysville is primarily based on service industries to accommodate the residential population including grocery stores, small retail shops, gas stations, etc.

Transportation and Accessibility

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

Major Initiatives

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

Financial Reporting and Accounting Standards

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

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

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

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

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

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

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

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

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

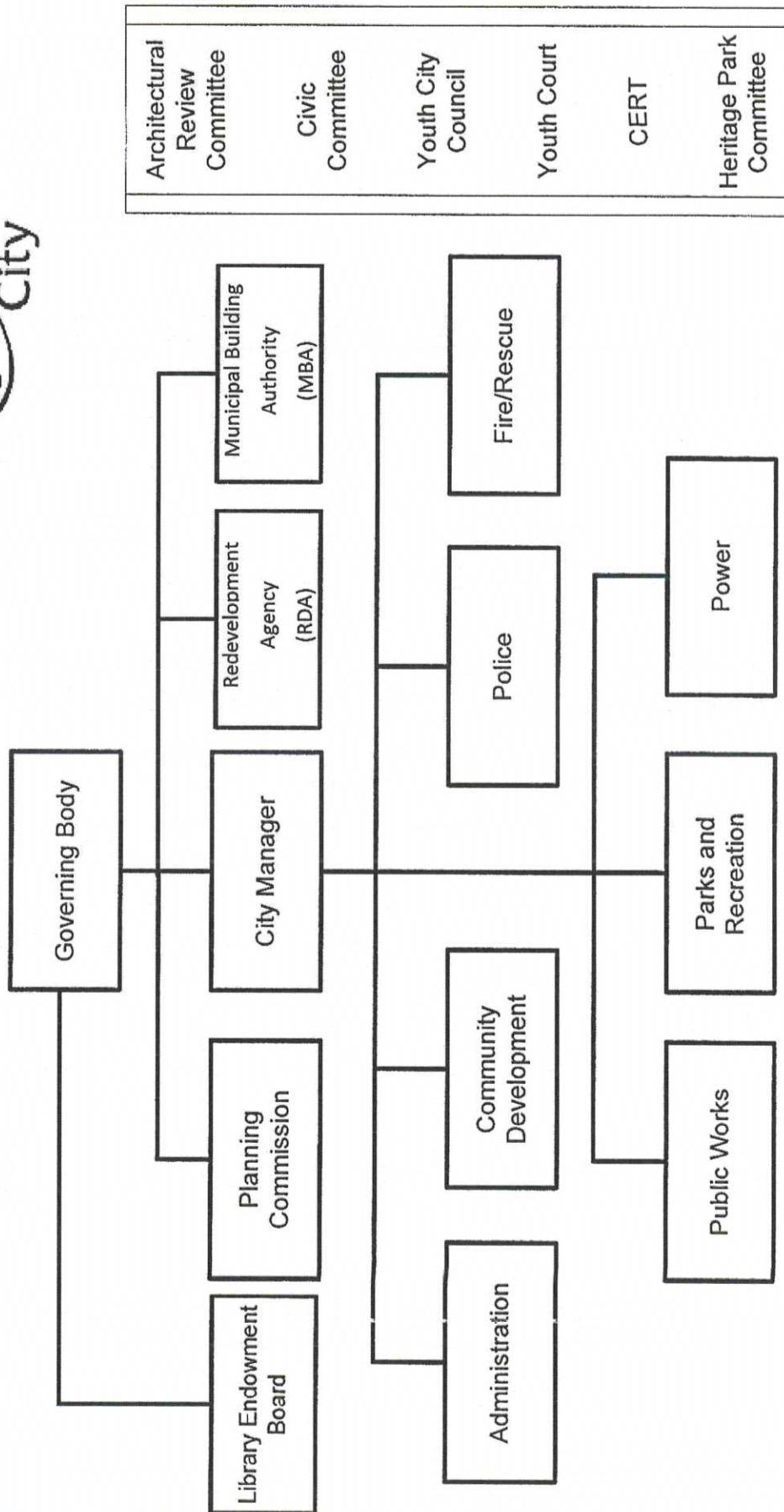
<u>Description</u>	<u>Fund Type</u>
General Fund	General Fund
Capital Projects Fund	Capital Projects Fund
Debt Service Fund	Debt Service Fund
Municipal Building Authority	Special Revenue Fund
Redevelopment Agency	Special Revenue Fund
Water Fund	Enterprise Fund
Sewer Fund	Enterprise Fund
Storm Water Fund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

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

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

Requests for Information

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





Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Kaysville City
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

A handwritten signature in black ink that reads "Jeffrey R. Emmer". The signature is fluid and cursive, with "Jeffrey" on the top line and "R. Emmer" on the bottom line.

Executive Director/CEO



FINANCIAL SECTION



Bowman's
July 24th
Breakfast

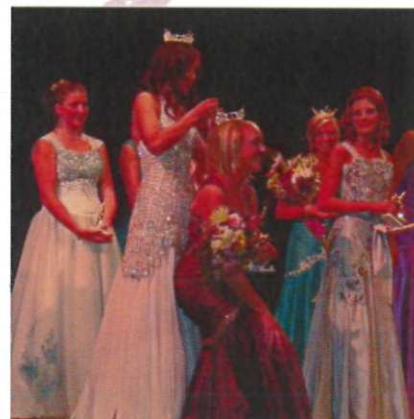


Miss Kaysville
Pageant

*Utah's
Hometown*



Memorial Day
Celebration



INDEPENDENT AUDITORS' REPORT

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

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Robert D. Wood, CPA
Aaron R. Hixson, CPA
Ted C. Gardiner, CPA
Jeffrey B. Miles, CPA

*Members of the
American Institute
of Certified Public
Accountants*

*Members of the
Private Company
Practice Section*

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Kaysville City Corporation, Utah ("the City"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Kaysville City Corporation, Utah, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance

with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11-21 and 63-70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison information and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hansen, Bradshaw, Malmrose & Erickson, P.C.
November 10, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

The following is a discussion and analysis of Kaysville City's finances for the fiscal year ended June 30, 2014. 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 position increased by \$1,594,107 or 1.18% over the prior year. Net position of governmental activities decreased by \$1,315,055 or 1.73%. Net position of business-type activities increased by \$2,909,162 or 4.92%.

• The City's total net position is made up of primarily capital assets. Generally capital assets are made up of infrastructure and are not available to meet on-going obligations. During the year it was necessary to make a prior period adjustment of \$17,625,402 to account for the value of the land under the roads. This increases the City's total net position, however this is an increase to investments in capital assets. Of the total net position of \$135,363,761, \$116,549,386 (86.10%) includes investments in capital assets; \$5,351,824 (3.95%) in restricted uses and \$13,462,551 (9.95%) in unrestricted uses and available to meet City obligations.

- The City's restricted assets of \$5,351,824 increased by 5.81% from last year.
- The City's unrestricted assets of \$13,462,551 include \$2,420,800 available for governmental activities and \$11,041,751 available for business-type activities. Overall this is an increase of 65.17% from the prior year.

Fund Level

- The fund balances in governmental funds had an increase of \$4,673,593 from \$7,807,651 to \$12,481,244, primarily due to the addition of the municipal building authority fund for the construction of the police station.
- The proprietary funds had an overall net income before transfers and contributions of \$1,964,751.

Long Term Debt

- Overall the City's long term liabilities increased in the amount of \$5,043,512 over the prior year. As of June 30, 2014, the long term liabilities balance for governmental activities is \$7,911,616 and \$564,897 for business-type activities. The reason for the governmental activities increase is mainly due to the issue of lease revenue bonds to construct the police station for \$5,447,000.

Overview of the Financial Statements

This report includes the City's Basic Financial Statements. The Basic Financial Statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the Basic Financial Statements, this report also contains the required supplementary information, and data including statements for non-major funds and a statistical section.

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Government-wide Financial Statements

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

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

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving the rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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 capital projects fund, and a debt service fund as governmental funds. During the year the City also created two other funds; a redevelopment agency and municipal building authority. 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'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Financial Analysis of Government-wide Statements

Net Position

Kaysville City's Net Position is as follows:

	Governmental Activities		Business-type Activities		Total	
	2013 (restated)	2014	2013	2014	2013 (restated)	2014
Assets						
Current and Other Assets	\$11,397,874	\$17,264,643	\$ 8,360,389	\$13,801,352	\$ 19,758,263	\$ 31,065,995
Capital Assets	71,364,769	71,689,272	51,715,427	48,554,648	123,080,196	120,243,920
Total Assets	\$82,762,643	\$88,953,915	\$60,075,816	\$62,356,000	\$142,838,459	\$151,309,915
Liabilities						
Current Liabilities	\$2,955,984	\$3,854,840	\$2,504,805	\$2,777,425	\$5,460,789	\$6,632,265
Non-Current Liabilities	1,052,034	6,351,586	1,306,978	405,380	2,359,012	6,756,966
Deferred Inflows	1,249,004	2,556,923	-	-	1,249,004	2,556,923
Total Liabilities & Deferred Inflow	\$5,257,022	\$12,763,349	\$3,811,783	\$3,182,805	\$9,068,805	\$15,946,154
Net Position						
Investments in Capital (net)	\$70,379,749	\$68,417,942	\$50,180,817	\$48,131,444	\$120,560,566	\$116,549,386
Restricted	5,051,383	5,351,824	6,781	-	5,058,164	5,351,824
Unrestricted	2,074,489	2,420,800	6,076,435	11,041,751	8,150,924	13,462,551
Total Net Position	\$77,505,621	\$76,190,566	\$56,264,033	\$59,173,195	\$133,769,654	\$135,363,761

Changes in Net Position:

The City's combined net position increased over the prior year by \$1,594,107 (1.19%). Generally an increase or decrease in net position offers a measuring tool of the overall financial condition. This indicates that the City's overall financial condition has slightly improved over the prior year. The unrestricted net position and available for ongoing obligations increased by \$5,311,627. Overall liabilities increased by \$5,569,430.

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'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Revenues						
General Revenues						
Property Tax	\$1,446,480	\$1,484,074	\$0	\$0	\$1,446,480	\$1,484,074
Sales Tax	\$3,304,756	\$3,471,892	\$0	\$0	\$3,304,756	\$3,471,892
Other Taxes	\$1,843,055	\$1,820,742	\$0	\$0	\$1,843,055	\$1,820,742
Interest and Investment	\$74,144	\$41,085	\$29,126	\$27,026	\$103,270	\$68,111
Grants and Contributions	\$1,773,471	\$926,006	\$1,916,221	\$940,771	\$3,689,692	\$1,866,777
Charges for Services	\$4,298,294	\$4,092,084	\$22,370,974	\$23,850,903	\$26,669,268	\$27,942,987
Sale of Asset	\$0	\$0	\$13,800	\$0	\$13,800	\$0
Miscellaneous	\$113,030	\$124,467	\$0	\$0	\$113,030	\$124,467
Total Revenues	\$12,853,230	\$11,960,350	\$24,330,121	\$24,818,700	\$37,183,351	\$36,779,050
Expenses						
Governmental:						
General Government	\$1,933,158	\$2,383,664	\$0	\$0	\$1,933,158	\$2,383,664
Police	\$2,956,768	\$3,064,397	\$0	\$0	\$2,956,768	\$3,064,397
Fire	\$545,660	\$863,892	\$0	\$0	\$545,660	\$863,892
Community Development	\$647,499	\$700,293	\$0	\$0	\$647,499	\$700,293
Public Works	\$2,779,814	\$3,916,960	\$0	\$0	\$2,779,814	\$3,916,960
Parks, Recreation & Public Properties	\$2,171,224	\$2,157,669	\$0	\$0	\$2,171,224	\$2,157,669
Perpetual Cemetery	\$50,867	\$35,347	\$0	\$0	\$50,867	\$35,347
Interest on Long Term Debt	\$319,838	\$149,543	\$0	\$0	\$319,838	\$149,543
Business-Type:						
Water	\$0	\$0	\$2,261,447	\$2,599,457	\$2,261,447	\$2,599,457
Sewer	\$0	\$0	\$1,881,148	\$1,822,954	\$1,881,148	\$1,822,954
Electric	\$0	\$0	\$12,962,870	\$13,137,151	\$12,962,870	\$13,137,151
Pressure Irrigation	\$0	\$0	\$1,022,122	\$1,121,653	\$1,022,122	\$1,121,653
Sanitation	\$0	\$0	\$1,646,992	\$1,765,134	\$1,646,992	\$1,765,134
Storm Water	\$0	\$0	\$1,253,443	\$1,044,438	\$1,253,443	\$1,044,438
Ambulance	\$0	\$0	\$519,544	\$422,391	\$519,544	\$422,391
Total Expenses	\$11,404,828	\$13,271,765	\$21,547,566	\$21,913,178	\$32,952,394	\$35,184,943
Increase in net position before transfers	\$1,448,402	(\$1,311,415)	\$2,782,555	\$2,905,522	\$4,230,957	\$1,594,107
Transfers	\$100,000	(\$3,640)	(\$100,000)	\$3,640	\$0	\$0
Increase (decrease) in net position	\$1,548,402	(\$1,315,055)	\$2,682,555	\$2,909,162	\$4,230,957	\$1,594,107
Net Position- Beginning of Fiscal Year- Restated	\$75,957,219	\$77,505,621	\$53,581,478	\$56,264,033	\$129,518,697	\$133,769,654
Net Position - Ending of Fiscal Year	\$77,505,621	\$76,190,566	\$56,264,033	\$59,173,195	\$133,749,654	\$135,363,761

The change in the net position is partially attributed to an increase in sales tax revenue collected of approximately five percent and in an increase in building permit activity as the economy continues to slowly improve.

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Capital Assets

The City's investment in capital assets for its governmental activities and business-type activities at June 30, 2014 is \$120,243,920 (net of accumulated depreciation). This is a net decrease of \$2,836,276. During the year the City purchased a sweeper truck valued at \$126,935, a power truck valued at \$262,231, a vactor truck valued at \$306,743 from enterprise funds and additional land for parking at Heritage Park for \$225,997, and various park improvements valued at \$260,154.

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Land (restated)	\$22,977,238	\$23,203,235	\$5,787,774	\$940,403	\$28,765,012	\$24,143,638
Stock (Water)	\$0	\$0	\$3,788,990	\$3,974,990	\$3,788,990	\$3,974,990
Construction in Progress	\$0	\$1,122,865	\$0	\$0	\$0	\$1,122,865
Infrastructure	\$39,350,792	\$38,442,727	\$40,252,295	\$41,265,324	\$79,603,087	\$79,708,051
Building	\$3,248,429	\$3,171,479	\$454,186	\$440,423	\$3,702,615	\$3,611,902
Improvements	\$3,308,742	\$3,362,140	\$33,056	\$31,679	\$3,341,798	\$3,393,819
Vehicles	\$1,943,164	\$1,815,410	\$698,043	\$1,237,363	\$2,641,207	\$3,052,773
Equipment	\$536,404	\$571,416	\$701,083	\$664,466	\$1,237,487	\$1,235,882
Net of Accum Depreciation	<u>\$71,364,769</u>	<u>\$71,689,272</u>	<u>\$51,715,427</u>	<u>\$48,554,648</u>	<u>\$123,080,196</u>	<u>\$120,243,920</u>

Additional information on the City's capital assets can be found in note 5 on pages 52-54 of this report.

Long Term Debt / Liabilities

Overall the City had a net increase in long term liabilities in the amount of \$5,024,620. This was mainly due to lease revenue bonds issued in order to construct the building of the new police station. 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	
	2013	2014	2013	2014	2013	2014
Note Payable (RDA Project Area)	\$0	\$951,906	\$1,269,207	\$0	\$1,269,207	\$951,906
Note Payable (RDA Project Area)	\$0	\$264,753	\$0	\$0	\$0	\$264,753
Bond Payable- Police Station	\$0	\$5,447,000	\$0	\$0	\$0	\$5,447,000
Series 2010 Revenue Bonds	\$598,000	\$303,000	\$0	\$0	\$598,000	\$303,000
Equipment Lease (Fire Truck)	\$760,189	\$627,154	\$0	\$0	\$760,189	\$627,154
Equipment Lease (Recycle Cans)	\$0	\$0	\$207,510	\$163,104	\$207,510	\$163,104
Equipment Lease (Vactor Truck)	\$0	\$0	\$0	\$179,435	\$0	\$179,435
Equipment Lease (Bucket Truck)	\$0	\$0	\$129,234	\$87,188	\$129,234	\$87,188
Equipment Lease (Ambulance)	\$0	\$0	\$16,819	\$0	\$16,819	\$0
Equipment Lease (Sweeper)	\$0	\$0	\$17,961	\$0	\$17,961	\$0
	<u>\$1,358,189</u>	<u>\$7,593,813</u>	<u>\$1,640,731</u>	<u>\$429,727</u>	<u>\$2,998,920</u>	<u>\$8,023,540</u>

Additional information on the city's long-term debt can be found in notes 7, 8, & 9 on pages 54-58 of this report.

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

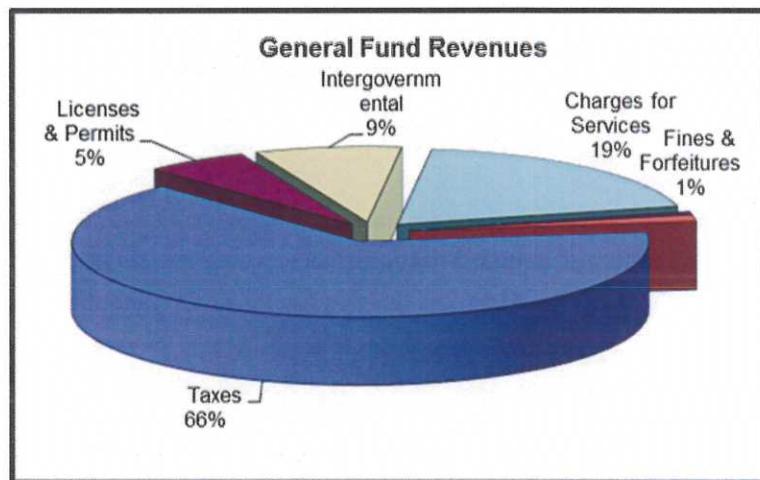
Analysis of Financial Funds

Governmental Funds

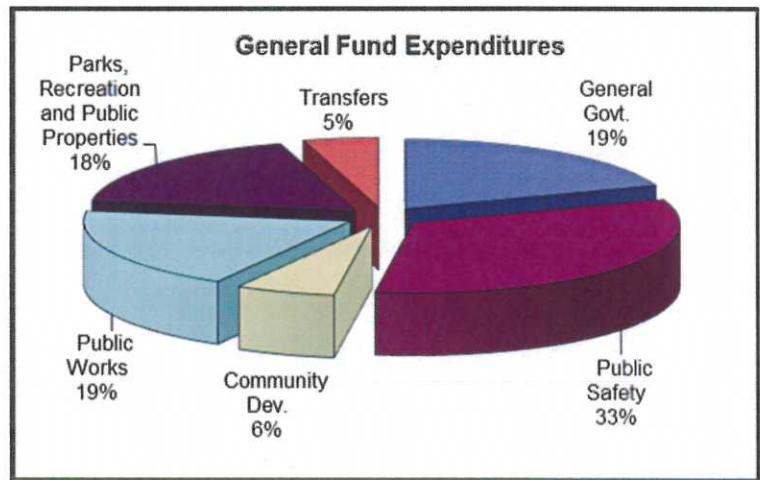
The focus of the City's governmental funds is to account for and provide information on near-term inflows, outflows and spendable resources. The primary governmental fund is the general fund. The City also maintains a capital projects fund, a debt service fund, redevelopment agency, municipal building authority 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 2014 and a comparison to fiscal year 2013.

Governmental Funds

<u>General Fund</u>	
Revenues:	
Taxes	\$6,776,708
Licenses and Permits	\$601,533
Intergovernmental	\$856,993
Charges for Services	\$2,001,844
Fines and Forfeitures	\$58,212
Other Revenues	\$147,350
	<hr/>
	\$10,442,640



Expenditures:	
General Govt.	\$2,188,765
Public Safety	\$3,702,599
Community Dev.	\$677,278
Public Works,	\$2,148,751
Parks, Recreation,	
& Public Properties	\$2,043,629
Transfers	\$318,640
	<hr/>
	\$11,079,662



KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

General Fund Revenues	FY 2013	FY 2014	Increase/ (Decrease)	Percentage Change
Taxes	\$6,594,291	\$6,776,708	\$182,417	2.77%
Licenses and Permits	\$520,908	\$601,533	\$80,625	15.48%
Intergovernmental	\$896,161	\$856,993	(\$39,168)	(4.37%)
Service Charges	\$1,921,555	\$2,001,844	\$80,289	4.18%
Fines and Forfeitures	\$98,625	\$58,212	(\$40,413)	(40.98%)
Other Revenues	\$164,604	\$147,350	(\$17,254)	(10.48%)
	<hr/> \$10,196,144	<hr/> \$10,442,640	<hr/> \$246,496	<hr/> 2.42%
General Fund Expenditures				
General Government	\$1,897,433	\$2,188,765	\$291,332	15.35%
Public Safety	\$3,447,027	\$3,702,599	\$255,572	7.41%
Community Development	\$671,454	\$677,278	\$5,824	0.87%
Public Works	\$1,745,709	\$2,148,751	\$403,042	23.09%
Parks, Recreation & Public Properties	\$2,040,573	\$2,043,629	\$3,056	0.16%
Transfers (net)	\$215,000	\$318,640	\$103,640	48.20%
	<hr/> \$10,017,196	<hr/> \$11,079,662	<hr/> \$1,062,466	<hr/> 10.61%

General fund revenues for fiscal year 2014 totaled \$10,442,640. This represents an increase of approximately 2.42% from fiscal year 2013. Sales tax continued to increase by 5% as the economy continues to recover. Property tax revenues increased at a rate of 2.60% from the prior year due to additional growth of the tax base during the year.

General fund expenditures for fiscal year 2014 total \$11,079,662. This is an increase of 10.61% over fiscal year 2013 of \$10,017,196.

Variations with Budget:

During fiscal year 2014 it was necessary to amend the original budget that was approved by the council for unforeseen expenditures and revenues. All amendments were done in accordance with state law and approved by the council. It is normal and necessary to amend the original budget throughout the year for unforeseen circumstances.

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Capital Projects Fund

The capital projects fund was used to account for major capital projects during the fiscal year 2014. In 2014, the capital projects fund received \$150,000 in donation, all of which was spent for Heritage Park improvements. The revenues and expenditures compared to the previous year are illustrated as follows:

Capital Projects Fund	FY 2013	FY 2014
Revenue:		
Impact Fees	\$ 811,948	\$ 520,451
Interest	9,945	6,592
Donations	<u>150,000</u>	<u>150,850</u>
	\$ 971,893	\$ 677,893
Expenditures:		
Rail Trail	\$ 2,299	\$ -
Police Station	5,150	-
Heritage Park	442,915	377,240
Road Projects	-	171,703
Transfers	<u>107,000</u>	<u>91,963</u>
	\$ 557,364	\$ 640,906

Debt Service Fund

During the fiscal year 2014, the debt service fund was used to account for the payment of the fire truck lease and the 2010 Road Revenue bonds.

Debt Service Fund	FY 2013	FY 2014
Revenue:		
Transfers	\$ 422,000	\$ 315,000
Lease Proceeds	832,850	-
Interest	<u>779</u>	<u>667</u>
	\$ 1,255,629	\$ 315,667
Expenditures:		
Pioneer Park Property	\$ 107,000	\$ -
Fire Truck Lease	832,850	145,322
2010 Road Revenue Bond	<u>312,838</u>	<u>313,095</u>
	\$ 1,252,688	\$ 458,417

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Kaysville Redevelopment Agency

During the fiscal year 2014, the City created the Kaysville Redevelopment Agency Fund. The purpose of this fund is to account for economic development activities in the City.

Kaysville Redevelopment Agency	FY 2013	FY 2014
Revenue:		
Interest	\$ -	\$ 746
Proceeds from Sale of Real Estate Inventory	- -	264,753
Assumption of Liability from Electric Fund	- -	951,906
	<hr/>	<hr/>
	\$ -	\$ 1,217,405
Expenditures:		
Professional Services	\$ -	\$ 14,281
Improvements	- -	99,979
	<hr/>	<hr/>
	\$ -	\$ 114,260

Kaysville Municipal Building Authority

During the fiscal year 2014, the City used the Kaysville Municipal Building Authority to receive the funds from the lease revenue bond issued for the construction of the police station. All expenditures for the construction of the police station will be accounted for through this fund.

Kaysville Municipal Building Authority	FY 2013	FY 2014
Revenue:		
Transfers	\$ -	\$ 91,963
Proceeds from Bond	- -	5,447,000
Interest	- -	6,958
	<hr/>	<hr/>
	\$ -	\$ 5,545,921
Expenditures:		
Police Station Construction	\$ -	\$ 1,124,664
Bond Issuance Costs	- -	63,459
Interest Expense	- -	35,315
	<hr/>	<hr/>
	\$ -	\$ 1,223,438

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

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, 2014, the fund balance is \$1,614,840. The library endowment fund is used to account for monies provided by a private donor. Alan and Kay Blood, longtime residents of Kaysville City donated property to be sold with the proceeds of the sale to be used to supplement library expenditures. Each year 10% of the interest earned is added to the corpus of this fund. The corpus of this fund is \$686,483 with the total fund balance of \$914,248. This fund will continue to be used to augment the collection held at the Kaysville Branch of the Davis County Library system.

Proprietary Funds

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

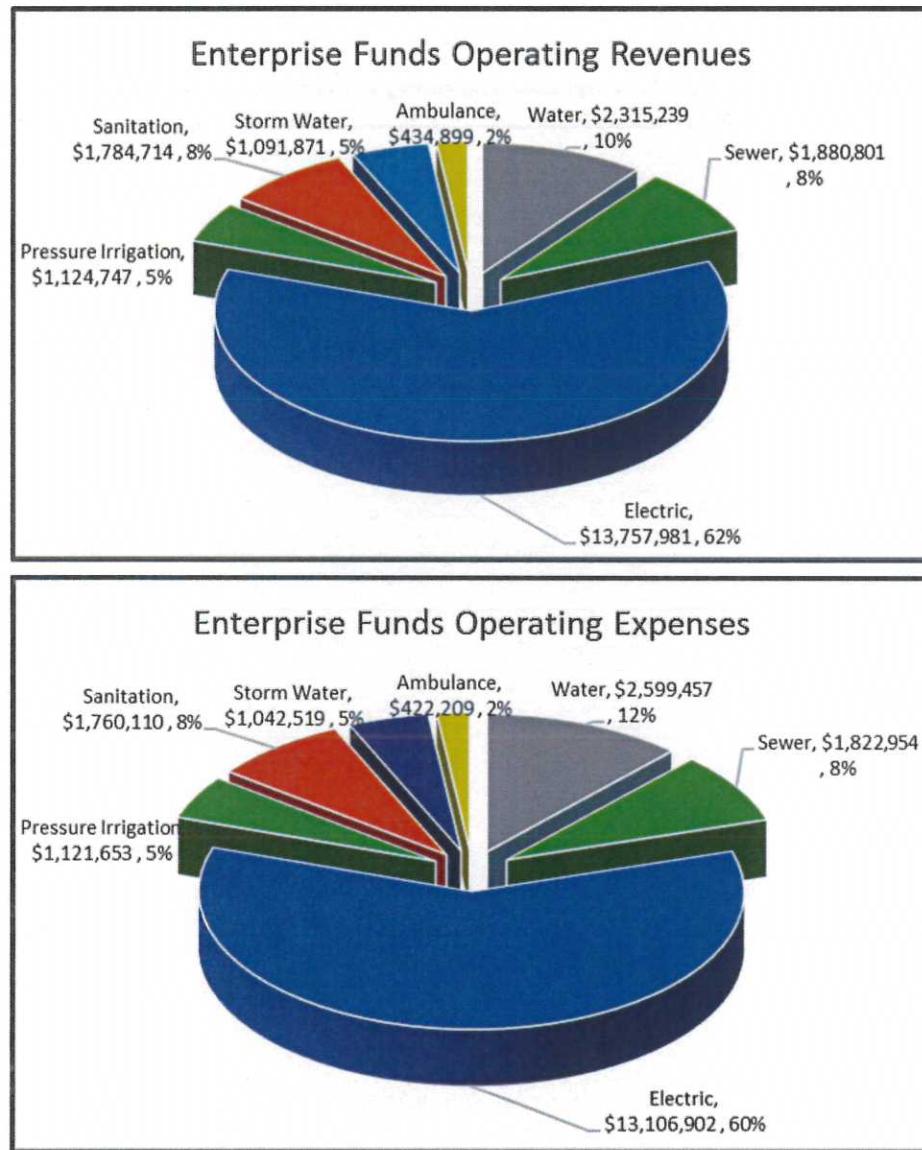
Operating revenues for all proprietary funds totaled \$22,390,252. This is an increase of about 3.64% over the prior year of \$21,604,723. Most of this increase is attributable to the population growth of the city. Operating expenses totaled \$21,875,804. This is an increase of approximately 2.07%. As the City continues to grow, more and more electrical resources are needed. Continued monitoring of each utility will be necessary to ensure operating revenues cover operating expenses as the costs to provide these services continue to increase.

The table below and accompanying charts show the operations for fiscal year 2014.

	Proprietary Funds							
	Water	Sewer	Electric	Pressure Irrigation	Sanitation	Storm Water	Ambulance	Total
Operating Revenues	\$2,315,239	\$1,880,801	\$13,757,981	\$1,124,747	\$1,784,714	\$1,091,871	\$434,899	\$22,390,252
Operating Expenses	\$2,599,457	\$1,822,954	\$13,106,902	\$1,121,653	\$1,760,110	\$1,042,519	\$422,209	\$21,875,804
Operating Income	(\$284,218)	\$57,847	\$651,079	\$3,094	\$24,604	\$49,352	\$12,690	\$514,448
Non Operating Revenues/(Expenses)	\$252,744	\$2,789	\$1,194,007	\$616	(\$1,451)	\$1,604	(\$6)	\$1,450,303
Income Before Transfers	(\$31,474)	\$60,636	\$1,845,086	\$3,710	\$23,153	\$50,956	\$12,684	\$1,964,751
Operating Transfer In/(Out)	(\$35,741)	(\$4,896)	\$0	\$0	(\$11,580)	(\$26,643)	\$82,500	\$3,640
Income / (loss) before contributions	(\$67,215)	\$55,740	\$1,845,086	\$3,710	\$11,573	\$24,313	\$95,184	\$1,968,391

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

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.

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BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Fund Financial Statements

KAYSVILLE CITY
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 7,364,179	\$ 10,588,183	\$ 17,952,362
Investments	267,644	-	267,644
Real Estate Inventory held for Resale	723,956	-	723,956
Accounts Receivable (Net)	3,560,157	2,002,515	5,562,672
Internal Balances	64,344	(64,344)	-
Inventory	-	1,165,000	1,165,000
Total Current Assets	11,980,280	13,691,354	25,671,634
Noncurrent Assets:			
Cash Restricted	\$ 5,284,363	\$ 109,998	\$ 5,394,361
Capital Assets:			
Land	23,203,235	940,403	24,143,638
Construction in Progress	1,122,865	-	1,122,865
Net Depreciable Capital Assets	47,363,172	43,639,255	91,002,427
Water Stock	-	3,974,990	3,974,990
Total Noncurrent Assets	76,973,635	48,664,646	125,638,281
Total Assets	88,953,915	62,356,000	151,309,915
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,264,596	2,485,812	3,750,408
Deposits	961,880	109,998	1,071,878
Accrued Interest	68,334	22,098	90,432
Noncurrent Liabilities Due Within One Year	1,560,030	159,517	1,719,547
Total Current Liabilities	3,854,840	2,777,425	6,632,265
Noncurrent Liabilities			
Due In More Than One Year	6,351,586	405,380	6,756,966
Total Noncurrent Liabilities	6,351,586	405,380	6,756,966
Total Liabilities	10,206,426	3,182,805	13,389,231
DEFERRED INFLOW OF RESOURCES			
Unavailable Revenue- Property Taxes	2,556,923	-	2,556,923
Total Deferred Inflow of Resources	2,556,923	-	2,556,923
NET POSITION			
Net Investment in Capital Assets	68,417,942	48,131,444	116,549,386
Restricted for:			
Transportation Impact Fees	1,157,283	-	1,157,283
Class C Roads	524,686	-	524,686
Beer Tax Reserves	14,258	-	14,258
Perpetual Cemetery	-	-	-
Expendable	623,864	-	623,864
Library Endowment:	-	-	-
Expendable	227,765	-	227,765
Nonexpendable	686,483	-	686,483
Debt Service	62,483	-	62,483
Capital Projects	951,857	-	951,857
Redevelopment Agency	1,103,145	-	1,103,145
Unrestricted	2,420,800	11,041,751	13,462,551
Total Net Position	\$ 76,190,566	\$ 59,173,195	\$ 135,363,761

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

KAYSVILLE CITY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 2,383,664	\$ 770,059	\$ 19,807	\$ -
Public Safety:				
Police	3,064,397	187,072	-	-
Fire	863,892	159,931	-	-
Community Development	700,293	770,321	-	-
Public Works	3,916,960	1,097,082	-	755,349
Parks, Recreation and Public Properties	2,157,669	1,043,769	-	150,850
Perpetual Cemetery	35,347	63,850	-	-
Interest on Long-term Debt	149,543	-	-	-
Total Governmental Activities	13,271,765	4,092,084	19,807	906,199
Business-Type Activities:				
Water	2,599,457	2,566,353	-	523,803
Sewer	1,822,954	1,880,801	-	-
Electric	13,137,151	14,967,518	-	-
Pressure Irrigation	1,121,653	1,124,747	-	-
Sanitation	1,765,134	1,784,714	-	-
Storm Water	1,044,438	1,091,871	-	416,968
Ambulance	422,391	434,899	-	-
Total Business-Type Activities	21,913,178	23,850,903	-	940,771
Total	\$ 35,184,943	\$ 27,942,987	\$ 19,807	\$ 1,846,970

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 Position

Net Position - Beginning, as previously reported

Prior Period Adjustment

Net Position - Beginning, as restated

Net Position - Ending

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

Governmental Activities	Business-Type Activities	Total
\$ (1,593,798)	\$ -	\$ (1,593,798)
(2,877,325)	-	(2,877,325)
(703,961)	-	(703,961)
70,028	-	70,028
(2,064,529)	-	(2,064,529)
(963,050)	-	(963,050)
28,503	-	28,503
(149,543)	-	(149,543)
<u>(8,253,675)</u>	<u>-</u>	<u>(8,253,675)</u>
 -	490,699	490,699
-	57,847	57,847
-	1,830,367	1,830,367
-	3,094	3,094
-	19,580	19,580
-	464,401	464,401
-	12,508	12,508
<u>-</u>	<u>2,878,496</u>	<u>2,878,496</u>
 <u>(8,253,675)</u>	<u>2,878,496</u>	<u>(5,375,179)</u>
 1,484,074	-	1,484,074
3,471,892	-	3,471,892
592,786	-	592,786
1,227,956	-	1,227,956
41,085	27,026	68,111
124,467	-	124,467
(3,640)	3,640	-
<u>6,938,620</u>	<u>30,666</u>	<u>6,969,286</u>
 (1,315,055)	2,909,162	1,594,107
59,880,219	56,264,033	116,144,252
<u>17,625,402</u>	<u>-</u>	<u>17,625,402</u>
77,505,621	56,264,033	133,769,654
<u>\$ 76,190,566</u>	<u>\$ 59,173,195</u>	<u>\$ 135,363,761</u>

**KAYSVILLE CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	General	Debt Service	Capital Projects
ASSETS			
Cash and Cash Equivalents	\$ 2,484,320	\$ 66,406	\$ 2,058,561
Cash Restricted	961,880	-	-
Investments	-	-	-
Real Estate Inventory Held for Resale	-	-	-
Due from Other Funds	178,603	-	-
Accounts Receivable	3,485,157	-	75,000
Total Assets	\$ 7,109,960	\$ 66,406	\$ 2,133,561
LIABILITIES AND FUND BALANCES			
Accounts Payable	\$ 1,251,716	\$ 3,923	\$ 8,957
Due to Other Funds	-	-	-
Deposits	961,880	-	-
Total Liabilities	2,213,596	3,923	8,957
DEFERRED INFLOW OF RESOURCES			
Unavailable Revenue- Property Taxes	2,556,923	-	-
Total Deferred Inflow of Resources	2,556,923	-	-
FUND BALANCES:			
Non-Spendable:			
Library Endowment	-	-	-
Cemetery Perpetual Care	-	-	-
Real Estate Inventory Held for Resale	-	-	-
Restricted for:			
Transportation Impact Fees	-	-	1,157,283
Park Impact Fees	-	-	15,464
Class C Roads	524,686	-	-
Beer Tax Funds	14,258	-	-
Perpetual Care	-	-	-
Library Endowment	-	-	-
Municipal Building Authority	-	-	-
Assigned:			
Debt Service	-	62,483	-
Capital Projects	-	-	951,857
Redevelopment Agency	-	-	-
Unassigned	1,800,497	-	-
Total Fund Balances	2,339,441	62,483	2,124,604
Total Liabilities, Deferred Inflow of Resources, and Fund Balance	\$ 7,109,960	\$ 66,406	\$ 2,133,561

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

KAYSVILLE CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

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

Total Fund Balances- Total Governmental Funds	\$ 12,481,244
---	---------------

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

Land	23,203,235
Construction in Progress	1,122,865
Buildings, net of \$1,544,777 accumulated depreciation	3,171,479
Improvements, net of \$2,843,807 accumulated depreciation	3,362,140
Infrastructure, net of \$23,605,234 accumulated depreciation	38,442,727
Equipment, net of \$1,393,947 accumulated depreciation	571,416
Vehicles, net of \$3,060,384 accumulated depreciation	1,815,410
	71,689,272

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	(5,750,000)
Notes Payable	(1,843,813)
Accrued Interest	(68,334)
Compensated Absences	(317,803)
	(7,979,950)
Total Net Position Governmental Activities	<u>\$ 76,190,566</u>

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, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Taxes	\$ 6,776,708	\$ -	\$ -
Licenses and Permits	601,533	-	-
Impact Fees	-	-	520,451
Intergovernmental	856,993	-	-
Charges for Services	2,001,844	-	-
Donations	-	-	150,850
Fines and Forfeitures	58,212	-	-
Interest Income	13,875	667	6,592
Miscellaneous	133,475	-	-
Total Revenues	10,442,640	667	677,893
Expenditures:			
Current:			
General Government	2,188,765	-	-
Public Safety	3,702,599	-	-
Community Development	677,278	-	-
Public Works	2,148,751	-	-
Parks, Recreation and Public Properties	2,043,629	-	-
Debt Service:			
Principal	-	428,035	-
Interest and Fiscal Charges	-	30,382	-
Capital Outlay	-	-	548,943
Total Expenditures	10,761,022	458,417	548,943
Excess (Deficiency) of Revenues over Expenditures	(318,382)	(457,750)	128,950
Other Financing Sources (Uses):			
Bond Proceeds	-	-	-
Net Proceeds from Sale of Real Estate Inventory	-	-	-
Transfers In			
General Fund	-	315,000	-
Capital Projects Fund	-	-	-
Non-Reciprocal Utility Revenue	78,860	-	-
Assumption of Liability from Electric Fund	-	-	-
Transfers Out			
Municipal Building Authority	-	-	(91,963)
Debt Service Fund	(315,000)	-	-
Ambulance Fund	(82,500)	-	-
Total Other Financing Sources (Uses)	(318,640)	315,000	(91,963)
Net Change in Fund Balances	(637,022)	(142,750)	36,987
Fund balance - July 1	2,976,463	205,233	2,087,617
Fund Balance - June 30	\$ 2,339,441	\$ 62,483	\$ 2,124,604

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

Special Revenue Fund		Permanent Funds		Total Governmental Funds	
Redevelopment Agency	Municipal Building Authority	Perpetual Cemetery	Library Endowment		
\$ -	\$ -	\$ -	\$ -	\$ 6,776,708	
-	-	-	-	601,533	
-	-	-	-	520,451	
-	-	-	-	856,993	
-	-	63,850	-	2,065,694	
-	-	-	-	150,850	
-	-	-	-	58,212	
746	6,958	6,108	6,139	41,085	
		-	-	133,475	
746	6,958	69,958	6,139	11,205,001	
<hr/>					
114,260	-	-	50,000	2,353,025	
-	-	-	-	3,702,599	
-	-	-	-	677,278	
-	-	-	-	2,148,751	
-	-	35,347	-	2,078,976	
-	-	-	-	428,035	
-	98,774	-	-	129,156	
-	1,124,664	-	-	1,673,607	
114,260	1,223,438	35,347	50,000	13,191,427	
(113,514)	(1,216,480)	34,611	(43,861)	(1,986,426)	
<hr/>					
-	5,447,000	-	-	5,447,000	
264,753	-	-	-	264,753	
-	-	-	-	315,000	
-	91,963	-	-	91,963	
-	-	-	-	78,860	
951,906	-	-	-	951,906	
-	-	-	-	(91,963)	
-	-	-	-	(315,000)	
-	-	-	-	(82,500)	
1,216,659	5,538,963	-	-	6,660,019	
1,103,145	4,322,483	34,611	(43,861)	4,673,593	
-	-	1,580,229	958,109	7,807,651	
\$ 1,103,145	\$ 4,322,483	\$ 1,614,840	\$ 914,248	\$ 12,481,244	

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, 2014

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

Net change in fund balances-total governmental funds \$ 4,673,593

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 depreciation expense exceeded capital outlays in the current period.

Capital outlays	2,192,117	
Depreciation expense	<u>(2,616,620)</u>	(424,503)

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. 755,349

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

Proceeds	321,825	
Gain (Loss) on sale of assets	<u>(328,168)</u>	(6,343)

The effect of the various other financing sources is that it is recorded as revenue in the fund financial statements, but is reported as a liability in the government-wide financial statements.

Bond Proceeds	(5,447,000)	
Net Proceeds from Sale of Real Estate	<u>(264,753)</u>	(6,663,659)
Assumption of Liability from Electric Fund	<u>(951,906)</u>	

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

Payment of note payable	133,035	
Payment of bond principal	<u>295,000</u>	670,521
Compensated absences	<u>242,486</u>	

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	(257,182)	
Accrued interest	<u>(62,831)</u>	(320,013)
Change in net position of governmental activities	<u>\$ (1,315,055)</u>	

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

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KAYSVILLE CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES
JUNE 30, 2014

	<u>Water</u>	<u>Sewer</u>
ASSETS		
Current Assets:		
Cash	\$ 505,904	\$ 770,234
Accounts Receivable (Net of Allowance for Uncollectibles)	211,547	172,726
Inventory	315,000	-
Total Current Assets	<u>1,032,451</u>	<u>942,960</u>
Noncurrent Assets		
Cash Restricted	6,523	-
Capital Assets:		
Land	120,094	-
Net Depreciable Capital Assets	15,084,909	22,021
Water Stock	262,140	-
Total Noncurrent Assets	<u>15,473,666</u>	<u>22,021</u>
Total Assets	<u>16,506,117</u>	<u>964,981</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	22,873	176,655
Due to Other Fund	-	-
Deposits	6,523	-
Interest Accured	-	-
Noncurrent Liabilities Due Within One Year	9,800	-
Total Current Liabilities	<u>39,196</u>	<u>176,655</u>
Noncurrent Liabilities		
Due In More Than One Year	39,202	-
Total Noncurrent Liabilities	<u>39,202</u>	<u>-</u>
Total Liabilities	<u>78,398</u>	<u>176,655</u>
NET POSITION		
Net Investment in Capital Assets	15,473,666	22,021
Unrestricted	954,053	766,305
Total Net Position	<u>\$ 16,427,719</u>	<u>\$ 788,326</u>

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

Electric	Storm Water	Pressure Irrigation	Sanitation	Ambulance	Total
\$ 6,950,360	\$ 1,118,165	\$ 179,293	\$ 888,189	\$ 176,038	\$ 10,588,183
1,004,153	101,931	102,931	164,608	244,619	2,002,515
850,000	-	-	-	-	1,165,000
<u>8,804,513</u>	<u>1,220,096</u>	<u>282,224</u>	<u>1,052,797</u>	<u>420,657</u>	<u>13,755,698</u>
103,475	-	-	-	-	109,998
803,987	-	16,322	-	-	940,403
16,607,093	11,264,609	-	656,780	3,843	43,639,255
-	-	3,712,850	-	-	3,974,990
<u>17,514,555</u>	<u>11,264,609</u>	<u>3,729,172</u>	<u>656,780</u>	<u>3,843</u>	<u>48,664,646</u>
<u>26,319,068</u>	<u>12,484,705</u>	<u>4,011,396</u>	<u>1,709,577</u>	<u>424,500</u>	<u>62,420,344</u>
1,955,241	27,683	107,003	132,520	63,837	2,485,812
64,344	-	-	-	-	64,344
103,475	-	-	-	-	109,998
19,302	1,919	-	877	-	22,098
56,342	47,817	-	45,558	-	159,517
<u>2,198,704</u>	<u>77,419</u>	<u>107,003</u>	<u>178,955</u>	<u>63,837</u>	<u>2,841,769</u>
<u>97,204</u>	<u>151,428</u>	<u>-</u>	<u>117,546</u>	<u>-</u>	<u>405,380</u>
<u>97,204</u>	<u>151,428</u>	<u>-</u>	<u>117,546</u>	<u>-</u>	<u>405,380</u>
<u>2,295,908</u>	<u>228,847</u>	<u>107,003</u>	<u>296,501</u>	<u>63,837</u>	<u>3,247,149</u>
17,323,892	11,085,174	3,729,172	493,676	3,843	48,131,444
6,699,268	1,170,684	175,221	919,400	356,820	11,041,751
<u>\$ 24,023,160</u>	<u>\$ 12,255,858</u>	<u>\$ 3,904,393</u>	<u>\$ 1,413,076</u>	<u>\$ 360,663</u>	<u>\$ 59,173,195</u>

KAYSVILLE CITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES
YEAR ENDED JUNE 30, 2014

	Water	Sewer
Operating Revenues:		
Charges for Services (Net of uncollectibles)	\$ 2,279,498	\$ 1,875,905
Charges for Services (Reciprocal)	-	-
Charges for Services (Non-Reciprocal)	<u>35,741</u>	<u>4,896</u>
Total Operating Revenues	<u>2,315,239</u>	<u>1,880,801</u>
Operating Expenses:		
Personnel Services	610,261	7,169
Contractual Services	57,549	-
Administrative Charges from General Fund	137,000	62,000
Interfund Services	70,000	-
Purchases Water/Treatment/Power/Refuse	690,062	1,753,097
Supplies, Maintenance, and Miscellaneous Operating	498,584	-
Energy Sales and Use Tax Charge	-	-
Depreciation	<u>536,001</u>	<u>688</u>
Total Operating Expenses	<u>2,599,457</u>	<u>1,822,954</u>
Operating Income (Loss)	<u>(284,218)</u>	<u>57,847</u>
Non-Operating Revenues (Expenses):		
Connection Fees	72,977	-
Extension Fees	-	-
Impact Fees	175,912	-
Gain on Sale of Assets	(5,699)	-
Interest Income	1,630	2,789
Miscellaneous	7,924	-
Interest Expense	-	-
Total Non-Operating Revenues (Expenses)	<u>252,744</u>	<u>2,789</u>
Income (Loss) Before Contributions and Transfers	<u>(31,474)</u>	<u>60,636</u>
Contributions From Developers	<u>523,803</u>	<u>-</u>
Transfers In (Out):		
General Fund	-	-
Non-Reciprocal Utility Services	<u>(35,741)</u>	<u>(4,896)</u>
Change in Net Position	<u>456,588</u>	<u>55,740</u>
Net Position - Beginning	<u>15,971,131</u>	<u>732,586</u>
Net Position - Ending	<u>\$ 16,427,719</u>	<u>\$ 788,326</u>

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

Electric	Storm Water	Pressure Irrigation	Sanitation	Ambulance	Total
\$ 13,566,821	\$ 1,065,228	\$ 1,124,747	\$ 1,773,134	\$ 434,899	\$ 22,120,232
191,160	-	-	-	-	191,160
-	26,643	-	11,580	-	78,860
<u>13,757,981</u>	<u>1,091,871</u>	<u>1,124,747</u>	<u>1,784,714</u>	<u>434,899</u>	<u>22,390,252</u>
944,457	243,143	1,696	56,511	269,946	2,133,183
533,374	26,362	-	4,578	67,482	689,345
165,000	55,000	55,000	80,000	-	554,000
85,000	50,000	-	5,000	6,000	216,000
9,398,673	-	1,064,957	1,490,264	-	14,397,053
513,745	162,662	-	27,547	44,640	1,247,178
715,389	-	-	-	-	715,389
751,264	505,352	-	96,210	34,141	1,923,656
<u>13,106,902</u>	<u>1,042,519</u>	<u>1,121,653</u>	<u>1,760,110</u>	<u>422,209</u>	<u>21,875,804</u>
<u>651,079</u>	<u>49,352</u>	<u>3,094</u>	<u>24,604</u>	<u>12,690</u>	<u>514,448</u>
44,431	-	-	-	-	117,408
599,417	-	-	-	-	599,417
189,576	-	-	-	-	365,488
364,664	-	-	-	-	358,965
14,719	3,523	616	3,573	176	27,026
11,449	-	-	-	-	19,373
(30,249)	(1,919)	-	(5,024)	(182)	(37,374)
<u>1,194,007</u>	<u>1,604</u>	<u>616</u>	<u>(1,451)</u>	<u>(6)</u>	<u>1,450,303</u>
1,845,086	50,956	3,710	23,153	12,684	1,964,751
-	416,968				940,771
-	-	-	-	82,500	82,500
-	(26,643)	-	(11,580)	-	(78,860)
1,845,086	441,281	3,710	11,573	95,184	2,909,162
<u>22,178,074</u>	<u>11,814,577</u>	<u>3,900,683</u>	<u>1,401,503</u>	<u>265,479</u>	<u>56,264,033</u>
<u>\$ 24,023,160</u>	<u>\$ 12,255,858</u>	<u>\$ 3,904,393</u>	<u>\$ 1,413,076</u>	<u>\$ 360,663</u>	<u>\$ 59,173,195</u>

KAYSVILLE CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES
YEAR ENDED JUNE 30, 2014

	Water	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 2,265,906	\$ 1,869,024
Cash Payments to Suppliers for Goods and Services	(1,331,003)	(1,573,697)
Cash Payments to Employees for Services	(603,352)	(7,169)
Cash Payments for Interfund Services	(207,000)	(62,000)
Net Cash Provided (Used) by Operating Activities	<u>124,551</u>	<u>226,158</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Transfers from (to) Other Funds	-	-
Net Cash Provided (Used in) Non-Capital Financing Activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Impact, Extension and Connection Fees	256,813	-
Acquisition of Capital Assets	(468,608)	-
Proceeds from Sale of Capital Assets	8,357	-
Principal Paid on Bonds and Notes	-	-
Interest Paid	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(203,438)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Received	1,630	2,789
Net Cash Provided from Investing Activities	1,630	2,789
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(77,257)</u>	<u>228,947</u>
Cash/Equivalents at Beginning of Year	589,684	541,287
Cash/Equivalents at End of Year	<u>\$ 512,427</u>	<u>\$ 770,234</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ (284,218)	\$ 57,847
Reconciling Adjustments:		
Depreciation	536,001	688
Bad Debt Expense	4,087	2,745
Non-Reciprocal Utility Services	(35,741)	(4,896)
Changes in Assets and Liabilities:		
Changes in Receivables	(13,592)	(6,881)
Changes in Inventory	(105,000)	-
Changes in Accounts Payable	16,105	176,655
Changes in Compensated Absences	6,909	-
Total Adjustments	<u>408,769</u>	<u>168,311</u>
Net Cash Provided by Operating Activities	<u>\$ 124,551</u>	<u>\$ 226,158</u>
Noncash investing and capital activities:		
Contributions from Developers	\$ 523,803	-

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

Electric	Storm Water	Pressure Irrigation	Sanitation	Ambulance	Total
\$ 13,890,138	\$ 1,054,416	\$ 1,117,825	\$ 1,768,816	\$ 419,861	\$ 22,385,986
(10,784,409)	(176,314)	(956,813)	(1,387,320)	(63,180)	(16,272,736)
(939,204)	(251,109)	(1,696)	(56,511)	(269,946)	(2,128,987)
(250,000)	(105,000)	(55,000)	(85,000)	(6,000)	(770,000)
<u>1,916,525</u>	<u>521,993</u>	<u>104,316</u>	<u>239,985</u>	<u>80,735</u>	<u>3,214,263</u>
-	-	-	-	82,500	82,500
-	-	-	-	82,500	82,500
844,873	-	-	-	-	1,101,686
(1,778,499)	(295,775)	-	(191,934)	-	(2,734,816)
5,198,325	226,000	-	65,000	-	5,497,682
(1,311,254)	(46,565)	-	(62,366)	(16,819)	(1,437,004)
(104,415)	-	-	(5,530)	(433)	(110,378)
<u>2,849,030</u>	<u>(116,340)</u>	<u>-</u>	<u>(194,830)</u>	<u>(17,252)</u>	<u>2,317,170</u>
14,719	3,523	616	3,573	176	27,026
14,719	3,523	616	3,573	176	27,026
4,780,274	409,176	104,932	48,728	146,159	5,640,959
2,273,561	708,989	74,361	839,461	29,879	5,057,222
<u>\$ 7,053,835</u>	<u>\$ 1,118,165</u>	<u>\$ 179,293</u>	<u>\$ 888,189</u>	<u>\$ 176,038</u>	<u>\$ 10,698,181</u>
\$ 651,079	\$ 49,352	\$ 3,094	\$ 24,604	\$ 12,690	\$ 514,448
751,264	505,352	-	96,210	34,141	1,923,656
24,106	829	1,741	2,549	-	36,057
-	(26,643)	-	(11,580)	-	(78,860)
132,157	(10,812)	(6,922)	(4,318)	(15,038)	74,594
130,000	-	-	-	-	25,000
222,666	11,881	106,403	132,520	48,942	715,172
5,253	(7,966)	-	-	-	4,196
<u>1,265,446</u>	<u>472,641</u>	<u>101,222</u>	<u>215,381</u>	<u>68,045</u>	<u>2,699,815</u>
<u>\$ 1,916,525</u>	<u>\$ 521,993</u>	<u>\$ 104,316</u>	<u>\$ 239,985</u>	<u>\$ 80,735</u>	<u>\$ 3,214,263</u>
-	\$416,968	-	-	-	\$940,771

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**NOTES TO
BASIC FINANCIAL STATEMENTS**

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). 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 GASB.

Blended Component Units

The Municipal Building Authority (MBA) and the Redevelopment Agency (RDA) are blended component units of the City. The MBA and RDA are governed by a board comprised of members of the City Council and financially dependent upon City government. In conformity with generally accepted accounting principles, the financial statements have been included in the financial reporting entity as blended component units.

During the year the MBA was used to issue lease revenue bonds for the construction of the police station. The RDA accounts for economic development activities in redevelopment project areas in the City. Real estate inventory in the RDA represents land transferred from the electric utility enterprise fund and held for resale.

Basic Financial Statements - Government-Wide Statements:

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

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

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental 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 overhead are allocated among the programs.

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental funds include the following fund types:

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

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

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

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

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

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

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

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

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

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 water, sewer, electric and storm water funds are considered major funds.

**KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Assets, Liabilities and Equity

Deposits and Investments

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

Investments are stated at cost which approximates fair value.

**KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

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 replacement value method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

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

Capital Assets

Capital assets used in governmental fund types of the City are reported in the applicable governmental or proprietary fund columns in the financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$4,000 (amount not rounded) and an estimated useful life in excess of two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair market value at the date of donation.

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

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

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

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

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

Compensated Absences

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

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

Deferred Inflows and Outflows of Resources

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

Governmental funds report revenue that is unavailable as deferred inflows of resources. The City's Governmental funds report unavailable revenue from property taxes. These amounts are deferred and recognized as revenue in the period that the amounts become available.

Deferred outflows of resources represent a consumption of net position that applies to a future period and is therefore deferred until that time. The City did not have any deferred outflows as of June 30, 2014.

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.

**KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Liabilities (continued)

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. Bonds payable are reported net of the applicable bond premium or discount.

Equity

Fund financial statements

In February 2009, GASB issued Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. The statement applies only to fund financial statements and not to government-wide statements or proprietary fund statements. Proprietary fund equity is classified the same as in the government-wide statements. The fund balances may be classified as follows:

- a. Non-spendable – Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted fund balance – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provisions or enabling legislation, or restrictions set by creditors, grantors, or contributors.
- c. Committed fund balance – Fund balances are reported as committed when the Council formally designates the use of resources by ordinance or resolution for a specific purpose and cannot be used for any other purpose unless the City Council likewise formally changes the use.
- d. Assigned fund balance – Fund balances are reported as assigned when the City Council intends to use funds for a specific purpose. Normally funds are assigned by the appropriation process of setting the budget. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds.
- e. Unassigned fund balance – Fund balances in the general fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

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

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity (Continued)

Government-wide Statements

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

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

Interfund Transactions

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

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

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

Class C Roads - 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.

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

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

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Net Position (Continued)

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

Public Safety Impact Fees – 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 position has been restricted.

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

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 position has been restricted.

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

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

Municipal Building Authority – the municipal building authority holds the funds from the bond issued to construct the police station.

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

2. DEPOSITS AND INVESTMENTS

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

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

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

2. DEPOSITS AND INVESTMENTS (continued)

Deposits

Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2014, \$12,055,370 of the City's bank balances of \$12,980,982 was uninsured and uncollateralized.

Investments

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

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes and other evidence of indebtedness of political subdivision of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurers' Investment Fund (PTIF).

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated*, 1953, as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses – net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF Investment pool is approximately equal to the value of the pool shares.

As of June 30, 2014, the GASB Fair Value Factor for the PTIF was 1.00550620. The amortized cost of the PTIF was \$10,594,918 and the fair value of was \$10,653,256.

As of June 30, 2014, 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	\$ 10,594,918	\$10,594,918	\$ -	\$ -	\$ -	not rated	
Money Market	1,000,874	1,000,874	-	-	-	not rated	
Certificates of Deposit	267,644	23,122	244,522	-	-	not rated	
Moreton Asset Management	2,996,079	1,990,561	1,005,518	-	-	not rated	
	\$14,859,515	\$13,609,475	\$1,250,040	\$ -	\$ -		

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

2. DEPOSITS AND INVESTMENTS (Continued)

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by investing mainly in the Utah Public Treasurers' Investment Fund and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City's investments are noted in the previous table.

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

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar held in the portfolio. The City's investment in the Utah Public Treasurers' Investment Fund has no concentration of credit risk.

Custodial credit risk (investments) – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment in the Utah Public Treasurers' Investment Fund has no custodial credit risk.

Components of cash and investments (including interest earning deposits) at June 30, 2014, are as follows:

Cash on hand and on deposit:	
Cash on hand	\$ 250
Cash on deposit	8,754,602
PTIF investment	10,594,918
Moreton Asset Management	2,996,079
Money market	1,000,874
Certificates of deposit	<u>267,644</u>
Total cash and investments	<u><u>\$23,614,367</u></u>

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

Cash and cash equivalents	\$17,952,362
Restricted cash	5,394,361
Investments	<u>267,644</u>
Total cash and investments	<u><u>\$23,614,367</u></u>

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

3. ACCOUNTS RECEIVABLE

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

	General	Capital Projects	Water	Sewer	Electric	Pressure Irrigation	Sanitation	Storm Water	Ambulance	Total
Receivables:										
Intergovernmental	\$3,485,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,485,157
Due from Other Fund	178,603	-	-	-	-	-	-	-	-	178,603
Utility charges	-	-	219,965	179,606	1,051,960	106,995	170,889	98,198	350,737	2,178,350
Other receivables	-	75,000	-	-	2,999	-	-	7,608	-	85,607
Gross receivables	3,663,760	75,000	219,965	179,606	1,054,959	106,995	170,889	105,806	350,737	5,927,717
Allowance	-	-	(8,418)	(6,880)	(50,806)	(4,064)	(6,281)	(3,875)	(106,118)	(186,442)
Net receivables	<u>\$3,663,760</u>	<u>\$75,000</u>	<u>\$211,547</u>	<u>\$172,726</u>	<u>\$1,004,153</u>	<u>\$102,931</u>	<u>\$164,608</u>	<u>\$101,931</u>	<u>\$244,619</u>	<u>\$5,741,275</u>

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

4. ACCOUNTS PAYABLE

Payables as of the fiscal year end are as follows:

	General	Debt Service	Capital Projects	RDA	Water	Sewer	Electric	Pressure Irrigation	Sanita-tion	Storm Water	Amb-ulance	Total
Payables:												
Intergovernmental	\$1,251,716	\$3,923	\$ 8,957	\$ -	\$22,873	\$176,655	\$1,955,241	\$107,003	\$132,520	\$27,683	\$ 63,837	\$3,750,408
Due to Other Fund	-	-	-	114,259	-	-	64,344	-	-	-	-	178,603
Gross payables	<u>\$1,251,716</u>	<u>\$3,923</u>	<u>\$ 8,957</u>	<u>\$114,259</u>	<u>\$22,873</u>	<u>\$176,655</u>	<u>\$2,019,585</u>	<u>\$107,003</u>	<u>\$132,520</u>	<u>\$27,683</u>	<u>\$ 63,837</u>	<u>\$3,929,011</u>

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

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

5. CAPITAL ASSETS

Capital asset activity in the governmental activities for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land (restated)	\$22,977,238	\$ 225,997	\$ -	\$23,203,235
Construction in progress	- <u> </u>	1,122,865	- <u> </u>	1,122,865
Total capital assets, not being depreciated	<u>22,977,238</u>	<u>1,348,862</u>	- <u> </u>	24,326,100
Capital assets, being depreciated				
Infrastructure	61,155,574	892,387	- <u> </u>	62,047,961
Buildings	4,716,256	- <u> </u>	- <u> </u>	4,716,256
Improvements	5,945,793	260,154	- <u> </u>	6,205,947
Vehicles	4,785,385	262,158	(171,749)	4,875,794
Equipment	1,937,877	183,905	(156,419)	1,965,363
Total capital assets, being depreciated	<u>78,540,885</u>	<u>1,598,604</u>	<u>(328,168)</u>	<u>79,811,321</u>
Accumulated Depreciation for:				
Infrastructure	(21,804,782)	(1,800,452)	- <u> </u>	(23,605,234)
Buildings	(1,467,827)	(76,950)	- <u> </u>	(1,544,777)
Improvements	(2,637,051)	(206,756)	- <u> </u>	(2,843,807)
Vehicles	(2,842,221)	(389,912)	171,749	(3,060,384)
Equipment	(1,401,473)	(142,550)	150,076	(1,393,947)
Total accumulated depreciation	<u>(30,153,354)</u>	<u>(2,616,620)</u>	<u>321,825</u>	<u>(32,448,149)</u>
Total capital assets being depreciated, net	<u>48,387,531</u>	<u>(1,018,016)</u>	<u>(6,343)</u>	<u>47,363,172</u>
Governmental activities capital assets, net	<u>\$71,364,769</u>	<u>\$ 330,846</u>	<u>\$ (6,343)</u>	<u>\$71,689,272</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 66,320
Public Safety	
Police	109,138
Fire	209,982
Community Development	17,700
Public Works	1,892,597
Parks and Recreation	<u>320,883</u>
Total Governmental Activities Depreciation Expense	<u>\$ 2,616,620</u>

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

5. CAPITAL ASSETS (Continued)

Capital asset activity in the business-type activities for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 5,787,774	\$ -	(\$4,847,371)	\$ 940,403
Water Stock	3,788,990	186,000	-	3,974,990
Total capital assets, not being depreciated	<u>9,576,764</u>	<u>186,000</u>	<u>(4,847,371)</u>	<u>4,915,393</u>
Capital assets, being depreciated				
Buildings	825,794	-	-	825,794
Improvements	41,320	-	-	41,320
Infrastructure	61,885,626	2,653,289	-	64,538,915
Vehicles	2,305,174	780,289	(616,465)	2,468,998
Machinery and Equipment	1,839,521	79,770	(154,500)	1,764,791
Total capital assets, being depreciated	<u>66,897,435</u>	<u>3,513,348</u>	<u>(770,965)</u>	<u>69,639,818</u>
Accumulated Depreciation for:				
Buildings	(371,608)	(13,763)	-	(385,371)
Improvements	(8,264)	(1,377)	-	(9,641)
Infrastructure	(21,633,331)	(1,640,260)	-	(23,273,591)
Vehicles	(1,607,131)	(160,226)	535,722	(1,231,635)
Machinery and Equipment	(1,138,438)	(108,030)	146,143	(1,100,325)
Total accumulated depreciation	<u>(24,758,772)</u>	<u>(1,923,656)</u>	<u>681,865</u>	<u>(26,000,563)</u>
Total capital assets, being depreciated, net	<u>42,138,663</u>	<u>1,589,692</u>	<u>(89,100)</u>	<u>43,639,255</u>
Business-type activities capital assets, net	<u><u>\$51,715,427</u></u>	<u><u>\$1,775,692</u></u>	<u><u>(\$4,936,471)</u></u>	<u><u>\$48,554,648</u></u>

Depreciation expense was charged to functions as follows:

Business-type Activities:

Water	\$ 536,001
Sewer	688
Electric	751,264
Sanitation	96,210
Storm Water	505,352
Ambulance	<u>34,141</u>
Total Business-type Activities Depreciation Expense	<u><u>\$ 1,923,656</u></u>

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

5. 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	\$ -	\$ 803,987	\$ 16,322	\$ -	\$ -	\$ -	\$ 940,403
Water Stock	262,140	-	-	3,712,850	-	-	-	3,974,990
Buildings	123,869	41,289	660,636	-	-	-	-	825,794
Improvements	41,320	-	-	-	-	-	-	41,320
Infrastructure	21,476,658	-	24,595,425	-	-	18,466,832	-	64,538,915
Vehicles	393,722	-	1,224,530	-	126,935	356,041	367,770	2,468,998
Equipment	150,857	-	292,951	-	1,287,676	2,659	30,648	1,764,791
Total	22,568,660	41,289	27,577,529	3,729,172	1,414,611	18,825,532	398,418	74,555,211
Accum Depr	(7,101,517)	(19,268)	(10,166,449)	-	(757,831)	(7,560,923)	(394,575)	(26,000,563)
Net	\$15,467,143	\$ 22,021	\$17,411,080	\$3,729,172	\$ 656,780	\$11,264,609	\$ 3,843	\$48,554,648

6. DEPOSITS

General Fund - Deposits in the general fund as of June 30, 2014 are as follows:

Business license bonds refundable	\$ 2,100
Builders' deposits	375,375
Excavation deposits	91,000
Escrow deposits	493,405
Total	\$ 961,880

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, 2014 deposits are as follows:

Utility deposits	\$ 103,475
Water meter deposits	6,523
Total deposits	\$ 109,998

7. LEASES

At the end of the fiscal year the City has five lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments. Two capital leases were finalized in fiscal year 2014.

The assets acquired through outstanding capital leases are as follows:

	Business-type Activities			
	Governmental Activities	Electric Utility Fund	Sanitation Fund	Ambulance Fund
Vehicles	\$ 832,850	\$ -	\$ 126,935	\$ 153,000
Equipment	-	212,897	210,234	-
Less: Accumulated Amortization	(83,285)	(60,828)	(21,023)	(153,000)
Total	\$ 749,565	\$ 152,069	\$ 316,146	\$ -

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

7. LEASES (continued)

Government-type activities:

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

The fire truck lease purchase agreement bears an interest rate of 1.69%. Semi-annual payments are made with final payment being made in August 2018.

Year Ended June 30,	Capital Lease (Fire Truck)		
	Principal	Interest	Total
2015	\$ 135,292	\$ 10,030	\$ 145,322
2016	137,588	7,734	145,322
2017	139,923	5,399	145,322
2018	142,298	3,024	145,322
2019	72,053	609	72,662
Totals	\$ 627,154	\$ 26,796	\$ 653,950

Business-type activities:

At the end of the fiscal year the City has three lease agreements for the acquisition of a bucket truck, recycling cans, and a vactor truck. Two capital leases were finalized in fiscal year 2014.

The bucket truck lease purchase agreement bears an interest rate of 2.42%. Semi-annual payments are made with final payment being made in fiscal year 2016. Payments are made from the Electric Utility fund.

Year Ended June 30,	Capital Lease (Bucket Truck)		
	Principal	Interest	Total
2015	\$ 43,070	\$ 1,851	\$ 44,921
2016	44,118	803	44,921
Totals	\$ 87,188	\$ 2,654	\$ 89,842

The street sweeper lease purchase agreement that had an interest rate of 4.47%. Annual payments were made with final payment being made in fiscal year 2014. Payments were made from the Sanitation fund.

The recycling cans lease purchase agreement bears an interest rate of 2.58%. Semi-annual payments are made with final payment being made in fiscal year 2018. Payments are made from the Sanitation fund.

Year Ended June 30,	Capital Lease (Recycling Cans)		
	Principal	Interest	Total
2015	\$ 45,558	\$ 3,917	\$ 49,475
2016	46,741	2,734	49,475
2017	47,955	1,520	49,475
2018	22,850	293	23,143
Totals	\$ 163,104	\$ 8,464	\$ 171,568

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

7. LEASES (continued)

Business-type activities (continued):

The ambulance lease purchase agreement that had an interest rate of 4.47%. The final payment was made in fiscal year 2014. Payments were made from the Ambulance fund.

The vactor truck lease purchase agreement bears an interest rate of 1.51%. Annual payments are made with final payment made in fiscal year 2018. Payments were made from the Storm Water fund.

Year Ended June 30,	Capital Lease (Vactor Truck)		
	Principal	Interest	Total
2015	\$ 43,855	\$ 2,710	\$ 46,565
2016	44,518	2,047	46,565
2017	45,190	1,375	46,565
2018	45,872	693	46,565
Totals	\$ 179,435	\$ 6,825	\$ 186,260

8. LONG-TERM LIABILITIES

Governmental activities:

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 pledged 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
2015	\$ 303,000	\$ 8,332	\$ 311,332
Totals	\$ 303,000	\$ 8,332	\$ 311,332

Note Payable – Land

The City is liable for a note payable issued in 2014 in the amount of \$264,753 for the purchase of additional property at the Flint Street Community Development Project Area. The developer paid for the property and the City is disbursing the funds to the seller in the following calendar year. The full amount is due on Jan 15, 2015. The note payable bears a zero percent interest rate.

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

8. LONG-TERM LIABILITIES (continued)

Governmental activities (continued):

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%. This note was transferred from the Electric fund to the Redevelopment Agency fund during fiscal year 2014. The amortization of the note is as follows:

Year Ended June 30,	Note Payable – Land		
	8.00%		
	Principal	Interest	Total
2015	\$ 317,302	\$ 76,153	\$ 393,455
2016	317,302	50,768	368,070
2017	317,302	25,385	342,687
Totals	\$ 951,906	\$ 152,306	\$ 1,104,212

Lease Revenue Bond- Police Station

The City is liable for the repayment of bonds issued in 2014 in the amount of \$5,447,000 to finance the construction of a new police station for the City. Principal and interest are both paid on December 1 of each year. Interest rate is variable with an average rate of 3.572% yearly. The bonds will mature on December 1, 2031. The amortization of the bond is as follows:

Year Ended June 30,	Lease Revenue Bond Police Station		
	Principal	Interest	Total
2015	\$ 349,000	\$ 158,919	\$ 507,919
2016	269,000	155,603	424,603
2017	272,000	152,509	424,509
2018	276,000	149,110	425,110
2019	279,000	145,384	424,384
2020-2024	1,485,000	638,155	2,123,155
2025-2029	1,724,000	399,745	2,123,745
2030-2031	793,000	58,189	851,189
Totals	\$ 5,447,000	\$ 1,857,614	\$ 7,304,614

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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

Activity with long-term liabilities including capital leases and compensated absences for the year ended June 30, 2014 is as follows:

	Balance	Additions	Reductions	Balance	Amounts
	July 1, 2013			June 30, 2014	Due Within One Year
Governmental Activities:					
Series 2014 Lease Revenue Bonds (Police Station)	\$ -	\$5,447,000	\$ -	\$5,447,000	\$ 349,000
Note Payable (Land)	-	264,753	-	264,753	264,753
Note Payable (Land)	-	951,906	-	951,906	317,302
Series 2010 Bonds	598,000	-	(295,000)	303,000	303,000
Capital Lease (Fire Truck)	760,189	-	(133,035)	627,154	135,292
Total Debt	1,358,189	6,663,659	(428,035)	7,593,813	1,369,347
Compensated Absences	303,107	205,378	(190,682)	317,803	190,683
<i>Total Governmental Activities</i>	<u>\$1,661,296</u>	<u>\$ 6,869,037</u>	<u>\$(618,717)</u>	<u>\$7,911,616</u>	<u>\$1,560,030</u>

	Balance	Additions	Reductions	Balance	Amounts
	July 1, 2013			June 30, 2014	Due Within One Year
Business-type Activities:					
Note Payable (Land)	\$1,269,207	\$ -	\$(1,269,207)	\$ -	\$ -
Capital Lease (Bucket Truck)	129,234	-	(42,046)	87,188	43,070
Capital Lease (Sweeper)	17,961	-	(17,961)	-	-
Capital Lease (Recycling Cans)	207,510	-	(44,406)	163,104	45,558
Capital Lease (Vactor Truck)	-	226,000	(46,565)	179,435	43,855
Capital Lease (Ambulance)	16,819	-	(16,819)	-	-
Total Debt	1,640,731	226,000	(1,437,004)	429,727	132,483
Compensated Absences	130,974	31,229	(27,031)	135,170	27,034
<i>Total Business-type Activities</i>	<u>\$1,771,705</u>	<u>\$ 257,229</u>	<u>\$(1,464,035)</u>	<u>\$ 564,897</u>	<u>\$159,517</u>

During the year the Note Payable (Land) was transferred from the Business-type Activities to the Governmental Activities due to the Redevelopment Agency taking over the land and note for some land held in the Electric Utility Enterprise Fund.

For the year ended June 30, 2014, \$65,697 in interest was charged to expenses in the Governmental Funds and \$37,374 was charged to expenses in the Proprietary Funds. No interest was capitalized for the year ended June 30, 2014, in Governmental or Business-type Activities.

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

10. RETIREMENT SYSTEMS

Plan Description - Kaysville City contributes to the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System and Public Safety Retirement System for employers with Social Security coverage, which is a cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). 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 13.280% (Tier 1) and 13.990% (Tier 2) of their annual covered salary. In the Local Governmental Noncontributory Retirement System Kaysville City is required to contribute 17.290% of their annual covered salary. In the Public Safety Retirement System, the City is required to contribute 34.170% for Tier 1 employees of covered salary to the noncontributory division and 22.370% for Tier 2 employees covered by a contributory division. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Defined Benefit Plan – The Kaysville City Contributions to the Local Governmental Contributory Retirement System for the years ending June 30, 2014, 2013 and 2012 were \$25,384, \$16,858, and \$10,633 respectively and for the Noncontributory Retirement System the contributions for June 30, 2014, 2013 and 2012 were \$524,281, \$485,241, and \$409,994 respectively. For the Public Safety Noncontributory Retirement System contributions for June 30, 2014, 2013 and 2012 were \$407,228, \$369,694, and \$282,662 respectively. For the Public Safety Contributory Retirement System contributions for June 30, 2014, 2013, and 2012 were \$5,191, \$4,357 and \$888 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, 2014 totaled \$43,087. The 401(k) plan has an elective deferral option. Employee contributions for the year ended June 30, 2014 totaled approximately \$71,916.

The Local Government Retirement System also offers a 401(k) plan for employees who are included in the noncontributory Tier 2 retirement program. The employer's contributions into this plan for the year ended June 30, 2014, 2013, and 2012 totaled approximately \$3,293, \$1,840, and \$1,174 respectively.

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

11. 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.

12. INTERFUND TRANSACTIONS

Transfers In/Out

Transfers for the year ended June 30, 2014 were as follows:

Transfers Out	Transfers In					Total
	General Fund	Debt Service Fund	Redevelopment Agency	Municipal Building Authority	Ambulance Fund	
General Fund	\$ -	\$315,000	\$ -	\$ -	\$ 82,500	\$ 397,500
Capital Projects Fund	-	-	-	91,963	-	\$ 91,963
Enterprise Funds (Non-Reciprocal Utility Fund)	78,860	-	-	-	-	\$ 78,860
Electric Fund (Assumption of Note)	-	-	951,906	-	-	\$ 951,906
Totals	\$ 78,860	\$315,000	\$ 951,906	\$ 91,963	\$ 82,500	\$1,520,229

The above transfers resulted from the normal course of the City's operations. Often, funds are received in a given fund, but those funds are used for a purpose in which the expenditures are made in another fund. The transfer to the Ambulance Fund was to cover operating expenses the Ambulance Fund was unable to cover from its own revenues. The transfer from the general fund to the debt service fund was to make the annual revenue bond payment. The transfer from the capital projects fund to the building authority fund was to transfer the balance of public safety impact fees to be used for the construction of the police station.

13. 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.

**KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

14. INTERFUND ACTIVITY

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

Nonreciprocal interfund activity is the flow of assets (such as cash, good or services) without equivalent flows of assets in return and without a requirement for repayment. During the year the City received services from water, sewer, sanitation, and storm drain in the normal operation of business. The General fund does not transfer cash for these services. The City issued a notice to the citizens notifying them of these services as required. The total amount of these services for the general fund were valued at \$35,741 for water, \$4,896 for sewer, \$11,580 for sanitation, and \$26,643 for storm drain.

Reciprocal interfund activity includes repayments from the fund responsible for particular expenditures or expenses to the fund that initially paid for them. The services provided by the electric fund to governmental funds are treated as an interfund reimbursement in the amount of \$191,160 for those services.

15. PRIOR PERIOD ADJUSTMENTS

In fiscal year 2014, it was noticed that during the GASB Statement No. 34 conversion period, the value of the land under the streets was not capitalized. Therefore, it was necessary to adjust the land value as stated on the Statement of Net Position for the governmental activities. The additional value of the land asset was determined to be \$17,625,402.

16. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures over Budget:

During the fiscal year the City started construction of the police station. The bonds were issued through the Municipal Building Authority. Originally the project and construction costs were accounted for in the capital projects fund. It was determined that it was more appropriate to account for all police station costs in the municipal building authority fund. The fund was over budget due to the recording of financing costs related to the issuance of bonds.

During the fiscal year, the City established a redevelopment agency special revenue fund to account for activities related to community development project areas within the City. Improvement costs related to the Flint Street Project Area exceeded the budget.

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REQUIRED SUPPLEMENTARY INFORMATION

General Fund

Kaysville Redevelopment Agency- Special Revenue Fund

Municipal Building Authority- 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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget		
	Original	Final				
Revenues:						
Taxes:						
Property Taxes - Current	\$ 1,250,000	\$ 1,250,000	\$ 1,314,904	\$ 64,904		
Property Taxes - Redemptions	50,000	50,000	37,778	(12,222)		
Property Taxes - Payments in Lieu	20,000	20,000	15,361	(4,639)		
Motor Vehicle Fee in Lieu	145,000	145,000	116,031	(28,969)		
Sales Tax	3,300,000	3,300,000	3,471,892	171,892		
Utility License Tax	635,000	635,000	592,786	(42,214)		
Energy Sales and Use Charge	<u>1,195,000</u>	<u>1,195,000</u>	<u>1,227,956</u>	<u>32,956</u>		
	<u>6,595,000</u>	<u>6,595,000</u>	<u>6,776,708</u>	<u>181,708</u>		
Licenses and Permits:						
Business Licenses	60,000	60,000	67,665	7,665		
Building Permits	345,000	345,000	507,168	162,168		
Building Permit Bonds Forfeitures	-	-	26,700	26,700		
	<u>405,000</u>	<u>405,000</u>	<u>601,533</u>	<u>196,533</u>		
Intergovernmental:						
Class "C" Road	850,000	850,000	837,186	(12,814)		
State Beer Tax	18,000	18,000	18,974	974		
State Grants	5,000	5,000	833	(4,167)		
	<u>873,000</u>	<u>873,000</u>	<u>856,993</u>	<u>(16,007)</u>		
Charges for Services:						
Administrative Charges	554,000	554,000	554,000	-		
Zoning/ Plan Check	105,000	165,000	168,788	3,788		
Maps and Publications	500	500	59	(441)		
Fire Protection	145,000	145,000	159,931	14,931		
Law Enforcement	120,000	120,000	123,869	3,869		
Streets	2,500	2,500	35,651	33,151		
Parks and Recreation	555,500	555,500	558,910	3,410		
Facilities Maintenance	6,000	6,000	8,357	2,357		
Cemetery Lots	60,000	60,000	65,625	5,625		
Burial Fees	80,000	80,000	104,975	24,975		
GIS/ Information System Services	138,000	138,000	138,000	-		
Fleet Mgmt Services	78,000	78,000	78,000	-		
Miscellaneous Charges	<u>19,579</u>	<u>19,579</u>	<u>5,679</u>	<u>(13,900)</u>		
	<u>1,864,079</u>	<u>1,924,079</u>	<u>2,001,844</u>	<u>77,765</u>		
Fines and Forfeitures	101,000	101,000	58,212	(42,788)		

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Other Revenues:				
Interest and Dividend Earnings	30,000	30,000	13,875	(16,125)
Rents	16,000	16,000	14,687	(1,313)
Sale of Materials	-	-	11,348	11,348
Community Events	60,500	94,000	68,237	(25,763)
Cert Fees	2,500	2,500	290	(2,210)
Sundry	20,000	20,000	38,913	18,913
	129,000	162,500	147,350	(15,150)
Total Revenues	9,967,079	10,060,579	10,442,640	382,061
Expenditures:				
General Government:				
City Council	79,850	79,850	79,071	779
City Manager	163,250	163,250	161,640	1,610
Administrative Services	718,300	718,300	702,731	15,569
Information Services	417,700	417,700	392,032	25,668
Legal Services	145,000	155,000	141,235	13,765
Elections	16,000	18,000	17,974	26
Animal Control	55,000	55,000	49,124	5,876
Fleet Maintenance	269,700	269,700	249,981	19,719
Reciprocal Utility Fees	-	-	191,160	(191,160)
Non-Reciprocal Utility Expense	-	-	78,860	(78,860)
Vehicle Replacement Program	125,000	125,000	124,957	43
	1,989,800	2,001,800	2,188,765	(186,965)
Public Safety:				
Police Department	3,098,566	3,128,566	3,060,056	68,510
Fire Department	695,000	695,000	642,543	52,457
	3,793,566	3,823,566	3,702,599	120,967
Community Development:				
Planning and Zoning	286,700	286,700	264,400	22,300
Code Enforcement	393,090	413,090	412,878	212
	679,790	699,790	677,278	22,512
Public Works:				
Public Works	878,973	918,973	901,580	17,393
Class "C" Roads	1,135,000	1,550,000	1,247,171	302,829
	2,013,973	2,468,973	2,148,751	320,222

(continued)

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Parks, Recreation and Public Properties:				
Buildings	133,100	135,100	128,751	6,349
Parks	868,400	868,400	856,119	12,281
Recreation	766,050	766,050	764,899	1,151
Community Events	110,450	143,950	143,834	116
Cemetery	151,450	151,450	150,026	1,424
	<u>2,029,450</u>	<u>2,064,950</u>	<u>2,043,629</u>	<u>21,321</u>
Total Expenditures	<u>10,506,579</u>	<u>11,059,079</u>	<u>10,761,022</u>	<u>298,057</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(539,500)</u>	<u>(998,500)</u>	<u>(318,382)</u>	<u>680,118</u>
Other Financing Sources (Uses):				
Transfers In (Out):				
Debt Service Fund	(315,000)	(315,000)	(315,000)	-
Non-Reciprocal Utility Revenue	-	-	78,860	78,860
Ambulance Fund	(165,000)	(165,000)	(82,500)	82,500
Total Other Financing Sources (Uses)	<u>(480,000)</u>	<u>(480,000)</u>	<u>(318,640)</u>	<u>161,360</u>
Net Change in Fund Balance	<u>(1,019,500)</u>	<u>(1,478,500)</u>	<u>(637,022)</u>	<u>841,478</u>
Fund Balance - July 1	<u>2,976,463</u>	<u>2,976,463</u>	<u>2,976,463</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 1,956,963</u>	<u>\$ 1,497,963</u>	<u>\$ 2,339,441</u>	<u>\$ 841,478</u>

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND- KAYSVILLE REDEVELOPMENT AGENCY
YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest Income	\$ -	\$ -	\$ 746	\$ 746
Total Revenues	-	-	746	746
EXPENDITURES:				
Professional Services	-	15,000	14,281	719
Improvements	-	45,000	99,979	(54,979)
Total Expenditures	-	60,000	114,260	(54,260)
Excess (Deficiency) of Revenues over Expenditures	-	(60,000)	(113,514)	(53,514)
Other Financing Sources (Uses):				
Interfund Loan	-	60,000	-	(60,000)
Net Proceeds from Sale of Real Estate Inventory	-	-	264,753	264,753
Assumption of Liability from Electric Fund	-	-	951,906	951,906
Total Other Financing Sources (Uses)	-	60,000	1,216,659	1,156,659
Change in Fund Balance	-	-	1,103,145	1,103,145
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ 1,103,145	\$ 1,103,145

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND- MUNICIPAL BUILDING AUTHORITY
YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Interest Income	\$ -	\$ -	\$ 6,958	\$ 6,958
Total Revenues	-	-	6,958	6,958
EXPENDITURES:				
Police Station	-	1,145,000	1,124,664	20,336
Bond Issuance Costs	-	-	63,459	(63,459)
Interest Expense	-	-	35,315	(35,315)
Total Expenditures	-	1,145,000	1,223,438	(78,438)
Excess (Deficiency) of Revenues over Expenditures	-	(1,145,000)	(1,216,480)	(71,480)
Other Financing Sources (Uses):				
Proceeds from Bond	-	1,035,000	5,447,000	4,412,000
Transfers In (Out):				
Capital Project Fund	-	110,000	91,963	(18,037)
Total Other Financing Sources (Uses)	-	1,145,000	5,538,963	4,393,963
Change in Fund Balance	-	-	4,322,483	4,322,483
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ 4,322,483	\$ 4,322,483

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KAYSVILLE CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2014

Budget Information

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

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

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

1. On or before the first regular scheduled meeting in May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means to finance those expenditures.
2. Prior to the formal adoption of the budget, the City Council will hold budget workshop meetings which are open to the public.
3. Prior to budget adoption the City Council sets a date for a public budget hearing at which time taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection 10 days prior to the budget hearing. At the conclusion of the budget hearing, the budget, as amended, is legally enacted through passage of a resolution or ordinance.
4. Formal budgetary integration is employed as a management control device during the year for all funds.
5. Budgets for the General Fund, Debt Service Fund, the Capital Projects Fund, Redevelopment Agency Fund, and Municipal Building Authority Fund are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Budgets for the proprietary fund types are prepared using the accrual basis of accounting except that depreciation for all proprietary fund types is not budgeted. Budgeted amounts are as originally adopted, or as amended by the City Council during the 2014 fiscal year.
6. Unencumbered budget appropriations lapse at the end of the fiscal year.
7. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded for the applicable appropriation, is utilized in the General Fund. For budgetary purposes appropriations lapse at fiscal year end and except for that portion related to encumbered amounts.

KAYSVILLE CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (continued)
June 30, 2014

Summary of Action Required for Budget Changes

1. Transfers of unexpended appropriations from one expenditure account to another in the same department can be made with the consent of the Budget Officer.
2. The Council may, by resolution, transfer unexpended appropriations from one department to another department within the same fund. The budget appropriation for any department may be reduced by resolution.
3. Fund budgets may be increased by resolution after a public hearing. Final amendments to budgets in the current year shall be adopted by the Council by the last day of the fiscal year. Budgets of Enterprise Funds may be increased by resolution of the governing body (public hearing not required).

OTHER SUPPLEMENTARY INFORMATION

Debt Service Fund

Capital Projects Fund

Permanent Fund- Perpetual Cemetery

Permanent Fund- Library Endowment

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Interest Income	\$ -	\$ -	\$ 667	\$ 667
Total Revenues	-	-	667	667
EXPENDITURES:				
Debt Service:				
Road Revenue Bond Payment	315,000	315,000	313,095	1,905
Fire Apparatus Payment	145,500	145,500	145,322	178
Pioneer Park Payment	-	10,506	-	10,506
Total Expenditures	460,500	471,006	458,417	12,589
Excess (Deficiency) of Revenues over Expenditures	(460,500)	(471,006)	(457,750)	13,256
Other Financing Sources (Uses):				
Transfers In (Out):				
General Fund	315,000	315,000	315,000	-
Total Other Financing Sources (Uses)	315,000	315,000	315,000	-
Change in Fund Balance	(145,500)	(156,006)	(142,750)	13,256
Fund Balance at Beginning of Year	205,233	205,233	205,233	-
Fund Balance at End of Year	\$ 59,733	\$ 49,227	\$ 62,483	\$ 13,256

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES:				
Park Development Impact Fees	\$ -	\$ 425,000	\$ 291,215	\$ (133,785)
Transportation Impact Fees	-	720,000	224,245	(495,755)
Public Safety Impact Fees	-	-	4,991	4,991
Donations	150,000	150,000	150,850	850
Interest Income	-	-	6,592	6,592
Total Revenues	150,000	1,295,000	677,893	(617,107)
EXPENDITURES:				
Capital Outlay:				
Heritage Park Improvements	150,000	575,000	377,240	197,760
Street Improvements	-	720,000	171,703	548,297
Total Expenditures	150,000	1,295,000	548,943	746,057
Excess (Deficiency) of Revenues over Expenditures	-	-	128,950	128,950
Other Financing Sources (Uses):				
Transfers In (Out):				
Municipal Building Authority	-	-	(91,963)	(91,963)
Total Other Financing Sources (Uses)	-	-	(91,963)	(91,963)
Change in Fund Balance	-	-	36,987	36,987
Fund Balance at Beginning of Year	2,087,617	2,087,617	2,087,617	-
Fund Balance at End of Year	\$ 2,087,617	\$ 2,087,617	\$ 2,124,604	\$ 36,987

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PERMANENT FUND- PERPETUAL CEMETERY
YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES:				
Perpetual Care Fee	\$ 50,000	50,000	\$ 63,850	\$ 13,850
Interest Income	15,000	15,000	6,108	(8,892)
Total Revenues	65,000	65,000	69,958	4,958
EXPENDITURES:				
Improvements	65,000	65,000	35,347	29,653
Total Expenditures	65,000	65,000	35,347	29,653
Change in Fund Balance	-	-	34,611	34,611
Fund Balance at Beginning of Year	1,580,229	1,580,229	1,580,229	-
Fund Balance at End of Year	\$ 1,580,229	\$ 1,580,229	\$ 1,614,840	\$ 34,611

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PERMANENT FUND- LIBRARY ENDOWMENT
YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES:				
Interest Income	<u>10,000</u>	<u>10,000</u>	<u>6,139</u>	<u>(3,861)</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>6,139</u>	<u>(3,861)</u>
EXPENDITURES:				
Improvements	<u>10,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Expenditures	<u>10,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Change in Fund Balance	-	(40,000)	(43,861)	(3,861)
Fund Balance at Beginning of Year	<u>958,109</u>	<u>958,109</u>	<u>958,109</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 958,109</u>	<u>\$ 918,109</u>	<u>\$ 914,248</u>	<u>\$ (3,861)</u>

STATISTICAL SECTION



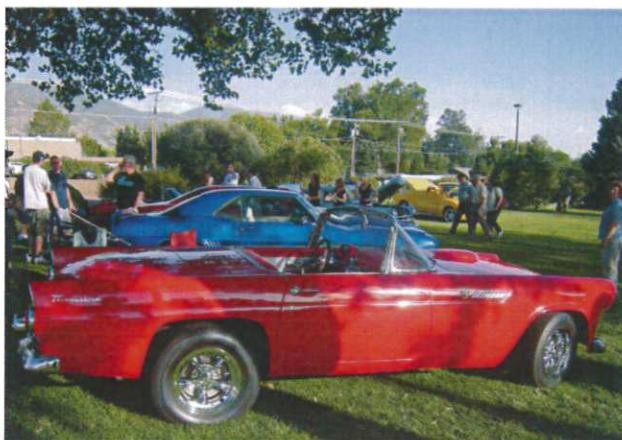
*Utah's
Hometown*



Arts & Music
Festival



Cold Cones, Cool Cars



KAYSVILLE CITY CORPORATION

Statistical Section

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

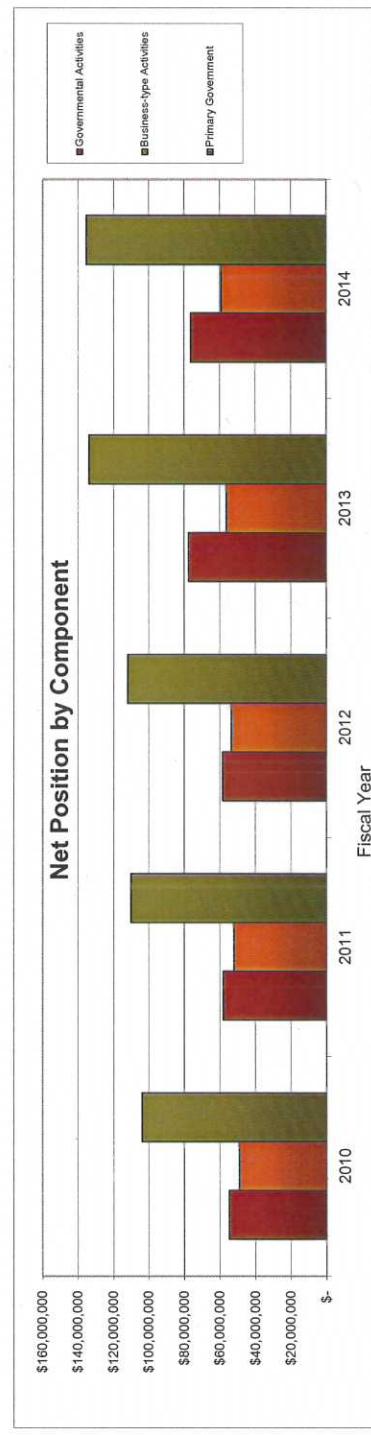
Contents	<u>Page</u>
Financial Trends	77-82
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	83-91
<i>These schedules contain information to help the reader assess a primary city 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 City'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 City'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 City's financial report relates to the services it provides and the actives it performs.</i>	

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KAYSVILLE CITY CORPORATION
Table 1 - Net Position by Component
June 30, 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
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	\$50,933,344	\$51,804,229	\$70,379,749	\$68,417,942
Restricted	2,683,646	4,093,648	3,996,861	3,408,975	4,119,488	4,234,362	4,650,573	4,125,429	5,051,383	5,351,824
Unrestricted	3,059,042	3,865,714	936,041	1,408,627	1,919,733	1,411,551	2,419,566	2,402,159	2,074,489	2,420,800
Total Governmental Activities Net Position	\$24,806,596	\$29,045,480	\$33,796,996	\$36,377,502	\$53,899,095	\$54,750,483	\$58,003,483	\$58,331,817	\$77,505,621	\$76,190,561
Business-type Activities										
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	\$46,146,335	\$47,227,210	\$50,074,699	\$48,131,444
Restricted	1,816,441	706,473	640,345	55,149	96,379	131,574	180,861	211,341	6,781	-
Unrestricted	7,606,474	6,928,976	2,657,464	5,299,689	2,475,904	5,447,712	5,768,480	6,142,927	6,182,553	11,041,751
Total Business-type Activities Net Position	\$36,712,079	\$40,518,782	\$43,082,599	\$46,106,087	\$46,829,287	\$49,134,972	\$52,095,676	\$53,581,478	\$56,264,033	\$59,173,195
Primary Government										
Net Investment in Capital Assets	\$46,353,072	\$53,969,451	\$68,648,884	\$72,311,149	\$92,116,818	\$92,860,236	\$97,079,679	\$99,031,439	\$120,454,448	\$116,549,386
Restricted	4,500,087	4,800,121	4,637,206	3,464,124	4,215,867	4,365,936	4,831,134	4,336,770	5,058,164	5,351,824
Unrestricted	10,665,516	10,754,690	3,593,505	6,708,316	4,395,687	6,859,263	8,188,046	8,545,086	8,257,042	13,462,551
Total Primary Government Net Position	\$61,518,675	\$69,564,262	\$76,879,595	\$82,483,589	\$100,728,382	\$103,885,435	\$110,099,159	\$111,913,295	\$133,769,654	\$135,363,761

(Accrual Basis of Accounting)



KAYSVILLE CITY CORPORATION
Table 2 - Changes in Net Position
June 30, 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Government Activities:										
General Government	\$ 1,149,813	\$ 1,275,261	\$ 1,183,636	\$ 1,487,669	\$ 1,573,836	\$ 1,535,455	\$ 1,545,761	\$ 1,912,144	\$ 1,933,158	\$ 2,383,664
Public Safety - Police	1,813,474	2,027,634	2,193,793	2,164,881	2,235,372	2,213,269	2,640,849	2,956,768	3,064,397	
Public Safety - Fire	445,331	450,318	527,139	531,620	446,057	483,156	423,978	540,842	863,892	
Community Development	418,435	467,474	608,457	837,804	725,078	856,615	760,562	658,823	647,499	700,293
Public Works	2,245,723	1,615,171	2,119,382	2,227,389	1,746,346	3,234,262	2,964,516	2,699,309	3,090,467	3,916,960
Parks, Recreation and Public Properties	1,341,495	1,573,015	1,685,013	1,853,861	2,170,919	1,947,498	1,910,131	2,145,155	2,178,224	2,157,669
Perpetual Cemetery	-	-	-	78,348	36,000	63,770	-	-	50,867	35,347
Library Endowment	57,909	32,495	10,000	-	-	-	-	-	-	-
Special Revenue - Library	290,769	331,514	36,537	-	-	-	-	-	-	-
Interest on Long-Term Debt	129,459	105,831	83,286	62,965	92,886	78,069	343,327	327,537	7,003	149,543
Total Government Activities Expenses	<u>7,665,355</u>	<u>7,659,566</u>	<u>8,204,263</u>	<u>9,268,968</u>	<u>9,041,566</u>	<u>10,397,098</u>	<u>10,220,722</u>	<u>10,807,795</u>	<u>11,404,828</u>	<u>13,271,765</u>
Business-type Activities:										
Water	1,398,496	1,469,800	1,603,461	2,112,958	2,055,930	2,001,788	2,035,790	2,227,960	2,261,447	2,599,457
Sewer	1,274,505	1,324,522	1,391,445	1,486,306	1,675,055	1,771,084	1,736,004	1,743,293	1,881,148	1,822,954
Electric	8,992,356	10,717,294	10,818,203	12,057,752	12,558,805	12,357,551	12,665,025	12,225,173	12,962,870	13,137,151
Pressure Irrigation	594,054	777,596	893,148	933,041	1,001,318	1,060,124	1,072,481	1,105,317	1,022,122	1,121,653
Sanitation	1,154,365	1,181,929	1,132,110	1,157,707	1,166,979	1,203,823	1,376,902	1,535,860	1,646,992	1,765,134
Storm Water	254,468	727,455	468,750	812,161	927,250	1,080,850	1,140,057	1,080,937	1,253,443	1,044,438
Ambulance	381,463	453,756	465,678	449,019	572,672	517,513	565,430	570,158	519,544	422,391
Total Business-Type Activities Expenses	<u>14,049,707</u>	<u>16,652,352</u>	<u>16,772,795</u>	<u>19,008,964</u>	<u>19,998,009</u>	<u>19,992,733</u>	<u>20,591,689</u>	<u>20,488,698</u>	<u>21,547,566</u>	<u>21,913,178</u>
Total Primary Government Expenses	<u>\$21,715,059</u>	<u>\$24,311,918</u>	<u>\$ 24,977,058</u>	<u>\$ 28,277,922</u>	<u>\$ 28,989,575</u>	<u>\$ 30,388,831</u>	<u>\$ 30,812,411</u>	<u>\$ 31,296,493</u>	<u>\$ 32,952,394</u>	<u>\$ 35,184,943</u>

KAYSVILLE CITY CORPORATION
Table 2 - Changes in Net Position (Continued)
June 30, 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Program Revenues										
Government Activities:										
Charges for Services										
General Government	\$ 510,135	\$ 504,503	\$ 519,390	\$ 613,771	\$ 647,500	\$ 648,277	\$ 647,686	\$ 760,056	\$ 765,064	\$ 770,059
Public Safety - Police	177,492	204,550	195,296	229,979	216,799	221,483	233,637	237,962	261,885	187,072
Public Safety - Fire	110,664	124,576	121,903	144,344	140,535	141,818	139,507	143,156	150,387	159,931
Community Development	151,202	233,892	194,717	419,546	301,483	375,149	602,391	410,431	656,854	770,321
Public Works	113,913	2,281,843	2,531,811	1,287,340	1,520,183	1,346,410	1,187,282	1,093,151	1,442,438	1,097,082
Parks, Recreation and Public Properties	826,766	1,184,753	1,064,075	837,388	790,532	835,546	930,176	889,793	965,001	1,043,769
Perpetual Cemetery	36,670	43,350	51,500	56,300	64,630	47,560	54,175	56,450	56,665	63,850
Special Revenue - Library	16,839	15,736	-	-	-	-	-	-	-	-
Operating Grants and Contributions	692,875	792,413	81,619	154,983	50,292	205,830	94,835	528,635	20,075	19,807
Capital Grants and Contributions	56,377	132,524	905,276	1,635,825	16,805,490	1,670,091	3,691,377	599,878	1,753,396	906,199
Total Governmental Activities Program Revenues	2,692,933	5,478,140	5,665,587	5,379,456	20,537,444	5,492,164	7,581,066	4,777,512	6,071,765	5,018,090
Business-type Activities:										
Charges for Services:										
Water	1,382,070	1,676,158	1,702,823	1,770,229	1,960,877	2,247,425	2,289,022	2,310,530	2,405,881	2,566,353
Sewer	1,331,382	1,386,456	1,455,293	1,506,782	1,733,153	1,763,771	1,794,049	1,821,529	1,843,022	1,880,801
Electric	9,809,300	11,069,202	11,257,963	12,574,279	12,177,583	11,877,444	12,189,118	12,810,922	13,894,122	14,967,518
Pressure Irrigation	585,736	781,165	908,199	969,994	1,054,672	1,080,784	1,079,514	1,101,257	1,110,690	1,124,747
Sanitation	1,292,689	1,284,796	1,243,106	1,218,953	1,260,996	1,286,007	1,429,094	1,564,996	1,622,292	1,784,714
Storm Water	57,788	720,480	740,061	938,853	973,123	991,059	1,013,729	1,075,823	1,050,462	1,091,871
Ambulance	259,723	342,506	327,783	428,495	430,491	414,505	388,818	326,368	458,305	434,899
Grants and Contributions	115,000	2,270,075	980,896	2,215,296	827,954	2,463,765	3,172,636	788,060	1,916,221	940,771
Total Business-type Activities Program Revenues	14,793,688	19,530,838	18,616,124	21,622,881	20,418,849	22,124,760	23,355,980	21,779,485	24,300,995	24,791,674
Total Primary Government Program Revenues	\$17,486,621	\$25,008,978	\$ 24,281,711	\$ 27,002,337	\$ 40,956,293	\$ 27,616,924	\$ 30,937,046	\$ 26,496,997	\$ 30,372,760	\$ 29,809,764
Net (Expense) Revenue										
Governmental Activities										
Business-type Activities										
Total Primary Government Net Expense	\$ (4,972,419)	\$ (2,181,426)	\$ (2,538,676)	\$ (3,889,512)	\$ 11,495,878	\$ (4,904,934)	\$ (2,639,656)	\$ (6,090,283)	\$ (5,333,063)	\$ (8,253,675)
	\$ 743,981	\$ 2,878,486	\$ 1,843,329	\$ 2,613,927	\$ 460,840	\$ 2,132,027	\$ 2,764,291	\$ 1,290,787	\$ 2,753,429	\$ 2,878,496
	\$ (4,228,438)	\$ 697,060	\$ (695,347)	\$ (1,275,585)	\$ 11,956,718	\$ (2,772,907)	\$ 124,635	\$ (4,799,496)	\$ (2,579,634)	\$ (5,375,179)

KAYSVILLE CITY CORPORATION
Table 2 - Changes in Net Position (Continued)
June 30, 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property Taxes	\$ 1,493,854	\$ 1,514,768	\$ 1,059,034	\$ 1,246,815	\$ 1,308,424	\$ 1,400,530	\$ 1,429,796	\$ 1,423,405	\$ 1,446,480	\$ 1,484,074
Sales Taxes	2,373,991	2,720,052	3,166,266	3,249,441	2,971,247	2,744,689	2,865,286	3,105,348	3,304,756	3,471,892
Franchise Taxes	735,578	504,791	560,900	547,862	610,526	576,731	542,039	624,491	664,736	592,786
Energy Sales and Use Charge	434,427	861,158	811,194	1,059,820	1,046,355	995,454	1,047,797	1,220,618	1,178,319	1,227,956
Interest on Investments	267,654	433,803	430,623	278,111	173,831	82,802	86,925	81,760	74,144	41,085
Miscellaneous	66,523	185,738	85,632	287,968	115,332	106,096	95,833	123,995	113,030	124,467
Contributions	(4,189,921)	-	-	-	-	-	-	-	-	-
Transfers										
Total governmental activities	<u>1,002,106</u>	<u>200,000</u>	<u>470,000</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(150,000)</u>	<u>(175,000)</u>	<u>(165,000)</u>	<u>100,000</u>	<u>(3,640)</u>
Business-type Activities:										
Interest on investments										
Contributions	58,065	154,615	196,761	209,561	62,360	23,658	21,413	30,015	29,126	27,026
	5,986,984	-	-	-	-	-	-	-	-	-
	401,651	973,602	993,727	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets										
Transfers	90,000	(200,000)	(470,000)	200,000	200,000	150,000	175,000	165,000	(100,000)	3,640
Total business-type activities	<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>	<u>196,413</u>	<u>195,015</u>	<u>(70,874)</u>	<u>30,666</u>
Total primary government	<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>	<u>\$ 6,089,089</u>	<u>\$ 6,613,632</u>	<u>\$ 6,810,591</u>	<u>\$ 6,969,286</u>
Change in Net Position										
Governmental activities	\$ (3,970,313)	\$ 4,238,884	\$ 4,044,973	\$ 2,580,506	\$ 17,521,593	\$ 851,368	\$ 3,253,020	\$ 328,334	\$ 1,548,402	\$ (1,315,055)
Business-type activities	7,280,681	3,806,703	2,563,817	3,023,488	723,200	2,305,685	2,960,704	2,682,555	2,909,162	
Total primary government	<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>	<u>\$ 6,213,724</u>	<u>\$ 1,841,36</u>	<u>\$ 4,230,957</u>	<u>\$ 1,594,107</u>

(Accrual Basis of Accounting)

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

KAYSVILLE CITY CORPORATION
Table 3 - Balance Sheet Fund Balances of Governmental Funds
June 30, 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Restricted	-	-	-	-	-	-	254,530	381,608	762,561	538,944
Unassigned	576,135	-	-	-	-	1,998,405	2,415,907	2,213,902	1,800,497	-
Reserved	2,583,763	3,229,021	1,591,699	1,316,904	1,643,886	26,678	-	-	-	-
Unreserved	3,159,898	3,229,021	1,591,699	1,316,904	1,643,886	1,459,383	1,486,061	2,252,935	2,797,515	2,339,441
Total General Fund										
Debt Service Fund										
Restricted	-	-	-	-	-	-	196,304	202,292	205,233	62,483
Assigned	223,293	1,061,822	884,865	784,865	684,865	158,200	-	-	-	-
Reserved	(15,547)	211,732	168,771	173,944	185,812	32,872	-	-	-	-
Unreserved	207,746	1273,554	1,053,636	958,809	870,677	191,072	196,304	202,292	205,233	62,483
Total Debt Service Fund										
Capital Projects Fund										
Restricted	-	-	-	-	-	-	2,153,201	1,033,352	1,545,251	1,172,747
Assigned	-	1,081,494	1,032,002	377,460	1,108,014	3,108,254	710,334	639,736	542,366	951,857
Reserved	574,990	500,342	(651,483)	173,681	450,153	272,640	-	-	-	-
Unreserved	574,990	1,581,836	380,519	551,141	1,558,167	3,380,894	2,863,535	1,673,088	2,087,617	2,124,804
Total Capital Projects Fund										
Redevelopment Agency										
Nonspendable	-	-	-	-	-	-	-	-	-	723,956
Assigned	-	-	-	-	-	-	-	-	-	379,189
Total Redevelopment Agency Fund	-	-	-	-	-	-	-	-	-	1,103,145
Municipal Building Authority										
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	4,322,483
Total Redevelopment Agency Fund	-	-	-	-	-	-	-	-	-	4,322,483
Cemetery Perpetual Care										
Nonspendable	-	-	-	-	-	-	1,496,718	1,564,212	927,126	990,976
Restricted	1,078,485	1,166,479	1,266,593	1,388,801	1,441,422	1,434,783	-	-	653,103	623,864
Reserved	1,078,485	1,166,479	1,266,593	1,388,801	1,441,422	1,434,783	1,496,718	1,564,212	-	-
Total Cemetery Perpetual Care Fund	1,078,485	1,166,479	1,266,593	1,388,801	1,441,422	1,434,783	1,496,718	1,564,212	1,580,229	1,614,840
Blood Library Endowment Fund										
Nonspendable	-	-	-	-	-	-	682,359	684,457	685,871	686,483
Restricted	793,271	783,853	813,401	857,849	885,185	906,647	240,630	259,518	272,238	227,765
Reserved	793,271	783,853	813,401	857,849	885,185	906,647	922,989	943,975	958,109	914,248

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

KAYSVILLE CITY CORPORATION
Table 4 - Changes in Fund Balance of Governmental Funds
June 30, 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes	\$ 4,947,850	\$ 5,600,769	\$ 5,597,394	\$ 6,103,938	\$ 5,936,552	\$ 5,717,404	\$ 5,884,918	\$ 6,377,862	\$ 6,594,291	\$ 6,776,708
Licenses and Permits	556,367	775,483	593,434	327,165	249,940	318,626	518,582	327,420	520,908	601,533
Impact Fees	927,119	2,124,381	1,602,331	621,326	897,541	762,813	627,522	388,108	811,948	520,451
Intergovernmental	742,595	874,619	863,141	862,349	751,582	788,514	862,780	1,364,089	896,161	856,993
Charges for Services	1,348,819	1,692,005	1,445,793	1,658,923	1,705,221	1,702,069	1,762,697	1,930,090	1,978,220	2,065,694
Donations	-	-	-	-	-	-	-	-	150,000	150,850
Fines and Forfeitures	82,680	73,455	78,472	92,278	102,394	105,932	99,690	102,500	98,625	58,212
Interest Income	-	-	430,623	278,111	173,831	82,802	86,925	81,760	74,144	41,085
Community Development	-	-	-	-	-	-	-	-	-	-
Block Grant	-	-	125,000	115,036	29,703	164,335	78,932	-	-	-
Miscellaneous	1,809,309	557,738	144,764	354,523	110,905	85,880	102,494	259,422	125,537	133,475
Total Revenues	<u>\$ 10,414,639</u>	<u>11,698,450</u>	<u>10,880,952</u>	<u>10,413,649</u>	<u>9,957,669</u>	<u>9,728,375</u>	<u>10,024,540</u>	<u>10,831,251</u>	<u>11,249,834</u>	<u>11,205,001</u>
Expenditures:										
General Government	1,108,863	1,273,503	1,273,446	1,483,191	1,433,509	1,484,457	1,504,849	1,873,699	1,897,433	2,353,025
Public Safety	2,011,936	2,104,306	2,428,211	2,700,146	2,573,660	2,623,649	2,668,934	3,171,235	4,279,877	3,702,599
Community Development	418,435	450,766	608,457	867,676	709,372	837,550	748,334	668,964	671,454	677,278
Public Works	2,762,873	1,833,209	2,000,069	2,200,177	1,555,663	1,094,628	1,072,039	1,526,450	1,745,709	2,148,751
Parks, Recreation & Properties	1,268,367	1,461,882	1,694,934	1,951,272	1,940,405	1,844,523	1,771,586	-	-	-
Library	289,325	330,378	36,537	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal	460,298	478,858	479,762	490,383	351,178	1,247,250	870,000	1,606,789	387,000	428,035
Interest & Fiscal Charges	129,459	105,831	83,286	62,704	92,886	78,071	76,327	47,487	32,838	129,156
Capital Projects	729,302	1,625,848	6,008,152	577,849	721,404	826,308	844,231	382,270	450,364	1,673,607
Total Expenditures	<u>9,178,858</u>	<u>9,664,581</u>	<u>14,612,854</u>	<u>10,333,398</u>	<u>9,378,977</u>	<u>10,036,336</u>	<u>9,556,300</u>	<u>11,217,650</u>	<u>11,556,115</u>	<u>13,191,427</u>
Excess (Deficiency of Revenues over Expenditures)	<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>	<u>\$ 468,240</u>	<u>\$ (386,399)</u>	<u>\$ (306,281)</u>	<u>\$ (1,986,426)</u>
Other Financing Sources (Uses):										
Transfers In	\$ 265,000	\$ 3,412,173	\$ 3,153,958	\$ 585,405	\$ 345,000	\$ 865,000	\$ 951,000	\$ 1,660,000	\$ 687,000	\$ 1,437,729
Transfers Out	(355,000)	(3,212,173)	(2,565,950)	(785,405)	(545,000)	(1,015,000)	(1,126,000)	(1,825,000)	(587,000)	(489,463)
Capital Leases	-	-	340,000	-	-	946,245	1,458,078	39,784	832,850	-
Other Financing Sources	-	-	-	-	-	-	-	-	-	571,753
Total Other Financing Sources (Uses)	<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>	<u>(135,216)</u>	<u>(165,000)</u>	<u>932,850</u>	<u>6,660,019</u>
Net change in fund balances	<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>	<u>\$ 333,024</u>	<u>\$ (551,399)</u>	<u>\$ 626,569</u>	<u>\$ 4,673,593</u>
Debt service as a percentage of noncapital expenditures	6.98%	7.27%	6.54%	5.67%	5.13%	14.39%	10.86%	15.27%	3.78%	4.84%

(Modified Accrual Basis of Accounting)

KAYSVILLE CITY CORPORATION

Table 5 - Governmental Tax Revenues by Source

June 30, 2014

Fiscal Year	General Property Tax	Sales Tax	Utility License Tax	Energy Sales and Use Tax	Total Tax Revenue
2014	\$1,484,074	\$3,471,892	\$592,786	\$1,227,956	\$6,776,708
2013	\$1,446,480	\$3,304,756	\$664,736	\$1,178,319	\$6,594,291
2012	\$1,423,405	\$3,109,348	\$624,491	\$1,220,618	\$6,377,862
2011	\$1,429,796	\$2,865,286	\$542,039	\$1,047,797	\$5,884,918
2010	\$1,400,530	\$2,744,689	\$576,731	\$995,454	\$5,717,404
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

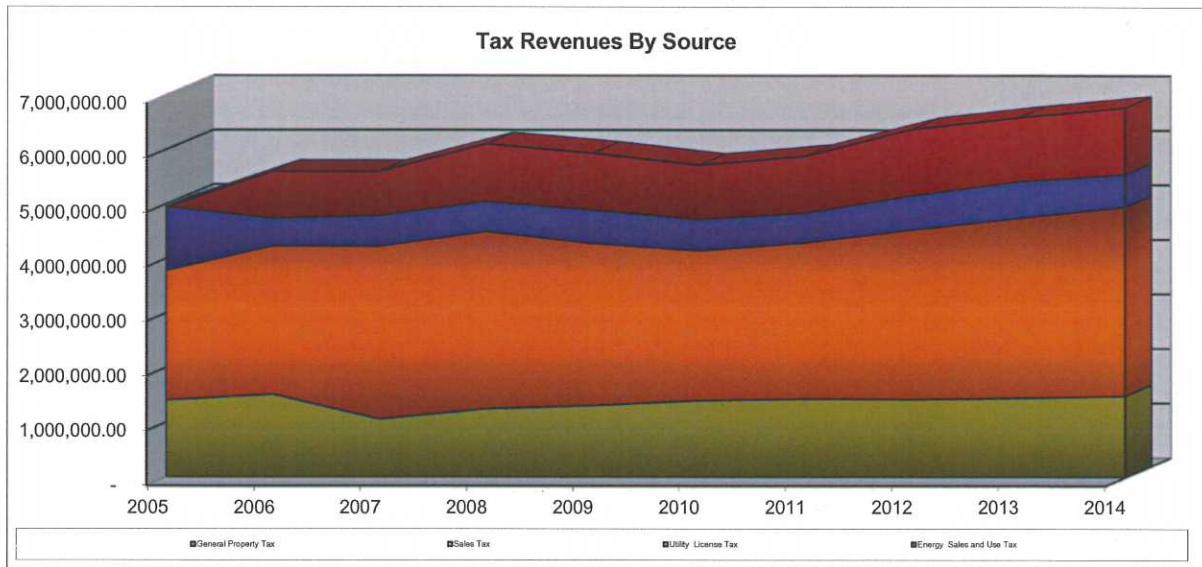
Notes:

(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 2004-2005)

(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

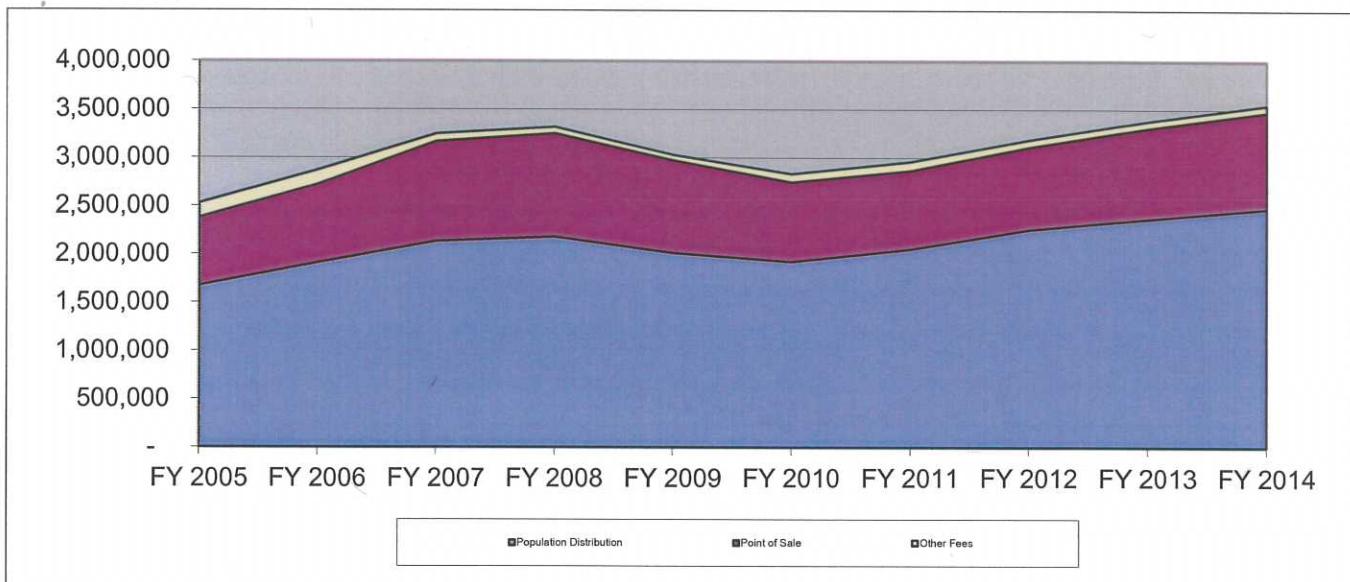


KAYSVILLE CITY CORPORATION

Table 6 - Sales Tax Revenue Trends
June 30, 2014

	Population Distribution	Point of Sale	Administrative Fees	Total Distribution
FY 2014	\$2,471,594	\$1,074,550	(\$74,252)	\$3,471,892
FY 2013	\$2,363,965	\$1,013,725	(\$72,934)	\$3,304,756
FY 2012	\$2,256,304	\$928,145	(\$75,102)	\$3,109,347
FY 2011	\$2,052,388	\$905,167	(\$92,269)	\$2,865,286
FY 2010	\$1,921,984	\$910,113	(\$87,406)	\$2,744,691
FY 2009	\$2,012,040	\$1,015,571	(\$56,365)	\$2,971,246
FY 2008	\$2,179,092	\$1,137,279	(\$66,930)	\$3,249,441
FY 2007	\$2,131,039	\$1,114,459	(\$79,232)	\$3,166,266
FY 2006	\$1,907,909	\$959,764	(\$147,620)	\$2,720,053
FY 2005	\$1,670,655	\$855,248	(\$151,913)	\$2,373,990

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



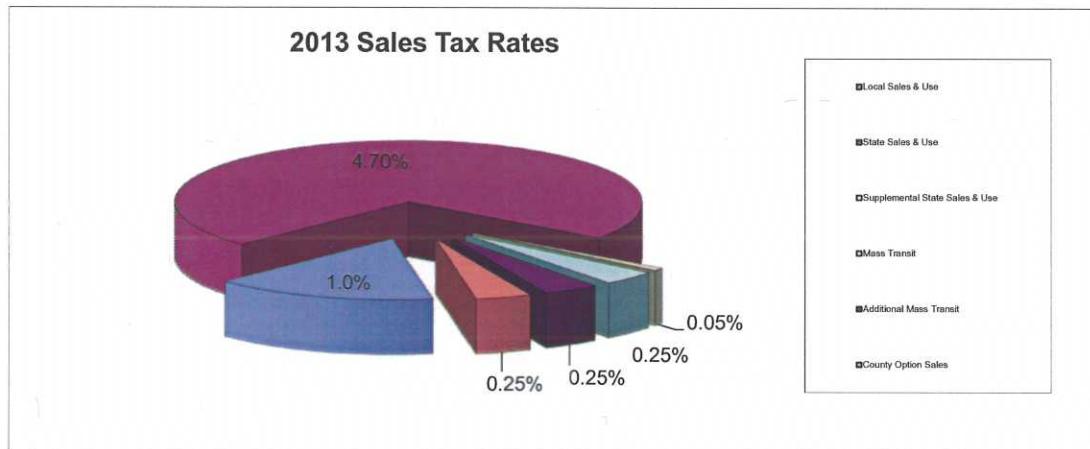
KAYSVILLE CITY CORPORATION

Table 7- Sales Tax Rates and Overlapping Governments
June 30, 2014

	Local Sales & Use	State Sales & Use	Supplemental State Sales & Use	Mass Transit	Additional Mass Transit	County Option Sales	Total Sales Tax Rate
FY 2014	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
FY 2013	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
FY 2012	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
FY 2011	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
FY 2010	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
FY 2009	1.0%	4.65%	0.05%	0.25%	0.25%	0.25%	6.45%
FY 2008	1.0%	4.75%	0.05%	0.25%	0.25%	0.25%	6.55%
FY 2007	1.0%	4.75%	-	0.25%	0.25%	0.25%	6.50%
FY 2006	1.0%	4.75%	-	0.50%	-	0.25%	6.50%
FY 2005	1.0%	4.75%	-	0.50%	-	0.25%	6.50%

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

Source: Utah State Tax Commission- Sales Tax Division



KAYSVILLE CITY CORPORATION

Table 8 - Property Tax Levies and Collections
June 30, 2014

Calendar Year	Total Taxable Value	City Tax Rate	Total Taxes Assessed	Current Year Taxes Collected	Percent of Current Tax Collections to Tax Levy	Delinquent Taxes & Interest Collected in Current Year	Total Tax Collections
2013	\$1,293,450,467	0.000999	\$1,327,613	\$1,314,904	99.04%	\$37,778	\$1,352,682
2012	\$1,271,684,680	0.001028	\$1,307,523	\$1,244,794	95.20%	\$51,237	\$1,296,031
2011	\$1,249,499,645	0.001035	\$1,291,482	\$1,207,193	93.47%	\$50,949	\$1,258,142
2010	\$1,240,131,710	0.000987	\$1,273,553	\$1,212,592	95.20%	\$82,001	\$1,294,593
2009	\$1,361,717,087	0.000907	\$1,232,460	\$1,161,304	94.20%	\$1,978	\$1,163,282
2008	\$1,384,658,738	0.000829	\$1,189,004	\$1,092,021	91.80%	\$36,121	\$1,128,142
2007	\$1,127,214,832	0.000925	\$1,073,872	\$1,013,619	94.40%	\$34,389	\$1,048,008
2006	\$904,985,329	0.001004	\$948,078	\$895,885	94.50%	\$45,559	\$941,444
2005	\$810,835,328	0.001519	\$1,233,637	\$1,174,690	95.20%	\$104,486	\$1,279,176
2004	\$744,075,323	0.001600	\$1,191,121	\$1,129,601	94.84%	\$48,904	\$1,178,505

Notes:

(1) Information is based on a calendar year - 2013 is the most recent year

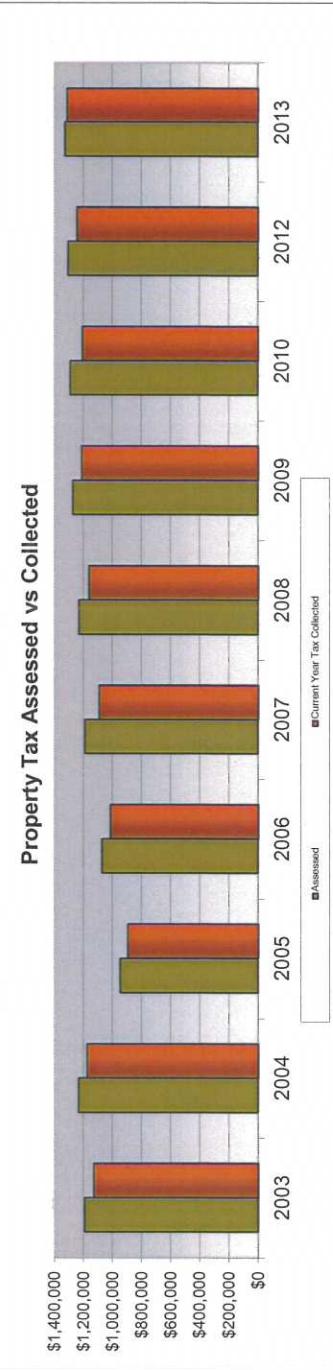
(2) Library funding was transferred to county during 2006

(3) All taxable property is assessed and taxed on the basis of its fair market value. Utah law requires that the fair market value of property is assessed by the County Assessor, using a comparable sales or a cost appraisal method, excluding expenses related to property sales transactions. For tax purposes, the fair market value of primary residential property is reduced by 45% under present law. Taxable value is net of Redevelopment Agency value.

(4) Delinquent taxes & interest collected in current year is not broken out by year collected. This detailed information is not easily accessible from the County.

Source:

Davis County Auditor's Office / Kaysville City Finance Department



KAYSVILLE CITY CORPORATION**Table 9 - Taxable and Estimated Market Value of Property**

June 30, 2014

Calendar Year	Estimated Market Value	Taxable Value	Ratio of Total Taxable Value to Market Value
2013	\$2,196,793,574	\$1,293,450,467	58.88%
2012	\$2,224,006,528	\$1,271,684,680	57.18%
2011	\$2,350,588,352	\$1,248,987,235	53.14%
2010	\$2,168,753,297	\$1,292,683,505	59.60%
2009	\$2,269,621,881	\$1,361,717,087	60.00%
2008	\$2,396,101,233	\$1,430,484,173	59.70%
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	\$1,215,528,281	\$744,075,323	61.21%

Notes: (1) Information is based on a calendar year - 2013 is the most recent year
(2) Does not include fee-in-lieu property

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

KAYSVILLE CITY CORPORATION

Table 10 - Estimated Market Value of Taxable Property

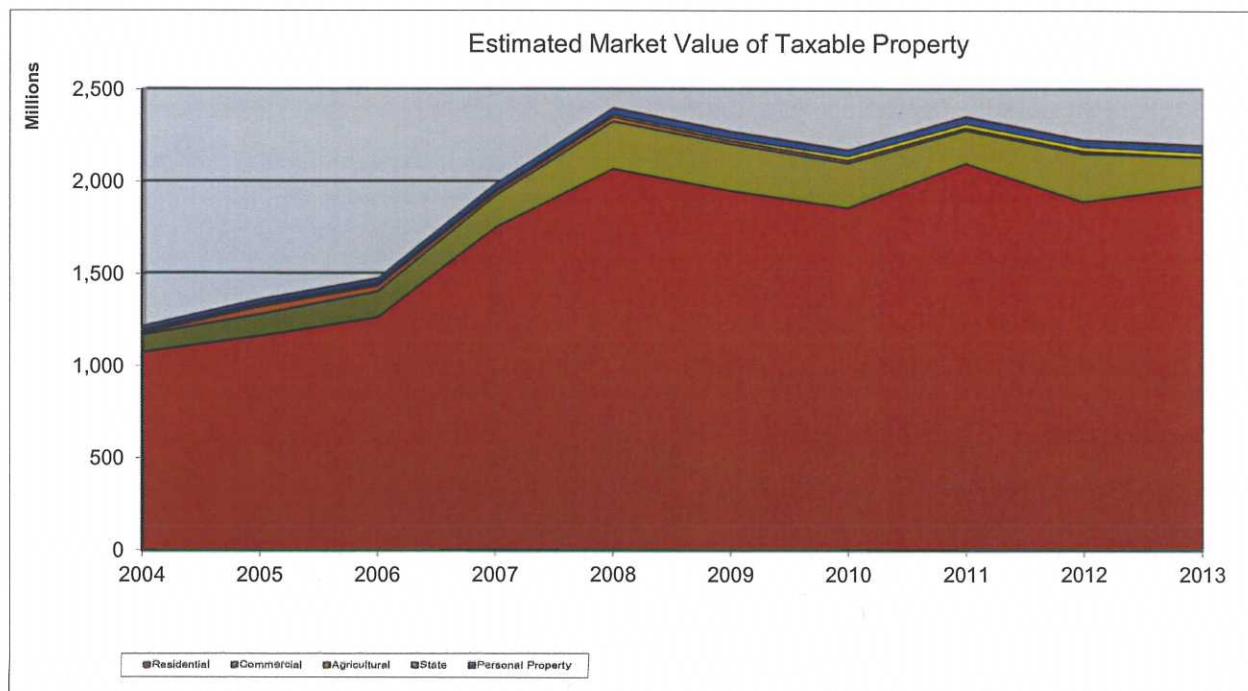
June 30, 2014

Calendar Year	Estimated Market Value	Residential	Commercial	Agricultural	State	Personal Property
2013	\$2,196,793,575	\$1,979,360,952	\$156,423,648	\$1,260,221	\$24,360,045	\$35,388,709
2012	\$2,224,006,528	\$1,891,810,286	\$261,864,575	\$12,790,707	\$24,544,460	\$32,996,500
2011	\$2,350,588,352	\$2,099,238,322	\$179,541,186	\$12,029,638	\$23,313,800	\$36,465,406
2010	\$2,168,753,297	\$1,858,916,829	\$242,095,238	\$15,189,436	\$23,478,439	\$29,073,355
2009	\$2,269,621,881	\$1,951,234,237	\$253,964,914	\$16,551,454	\$14,310,374	\$33,560,902
2008	\$2,396,101,233	\$2,069,875,981	\$257,292,274	\$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

Notes:

- (1) Information is based on a calendar year - 2013 is the most recent year
- (2) Does not include fee-in-lieu property

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



KAYSVILLE CITY CORPORATION
Table 11 - Property Tax Rates - Direct and Overlapping Governments
June 30, 2014

Calendar Year	Kaysville City	Direct Rate		Overlapping Rates				Total			
		State & Davis School District	Davis County	Weber Basin Water District	Mosquito Abatement	Davis County Library	Davis County Jail Bond	State A&C	County A&C	Central Davis Sewer District	Direct & Overlapping
2013	0.000999	0.008710	0.002331	0.000210	0.000103	0.000369	Not Available	0.000158	0.000112	0.000866	0.013878
2012	0.001028	0.008941	0.002391	0.000215	0.000105	0.000396	Not Available	0.000168	0.000115	0.000237	0.013596
2011	0.000987	0.008861	0.002383	0.000217	0.000104	0.000392	Not Available	0.000172	0.000114	0.000237	0.013467
2010	0.000907	0.007860	0.001945	0.000207	0.000097	0.000363	0.000137	0.000162	0.000106	0.000227	0.012011
2009	0.000829	0.005685	0.001865	0.000188	0.000093	0.000348	Not Available	0.000142	0.000100	0.000212	0.009462
2008	0.000825	0.005514	0.001776	0.0001810	0.000088	0.000332	Not Available	0.000121	0.000100	0.000200	0.009237
2007	0.001004	0.005865	0.002005	0.000200	0.000099	0.000375	Not Available	0.000121	0.000063	0.000220	0.009952
2006	0.001519	0.005790	0.001532	0.000178	0.000086	NA	Not Available	0.000139	0.000068	0.000234	0.009546
2005	0.001600	0.007700	0.001676	0.000193	0.000091	NA	Not Available	0.000173	0.000072	0.000357	0.012518
2004	0.001626	0.007820	0.001695	0.000198	0.000930	NA	Not Available	0.000180	0.000073	0.000275	0.012468

Notes:

(1) Information is based on a calendar year - 2013 is the most recent year

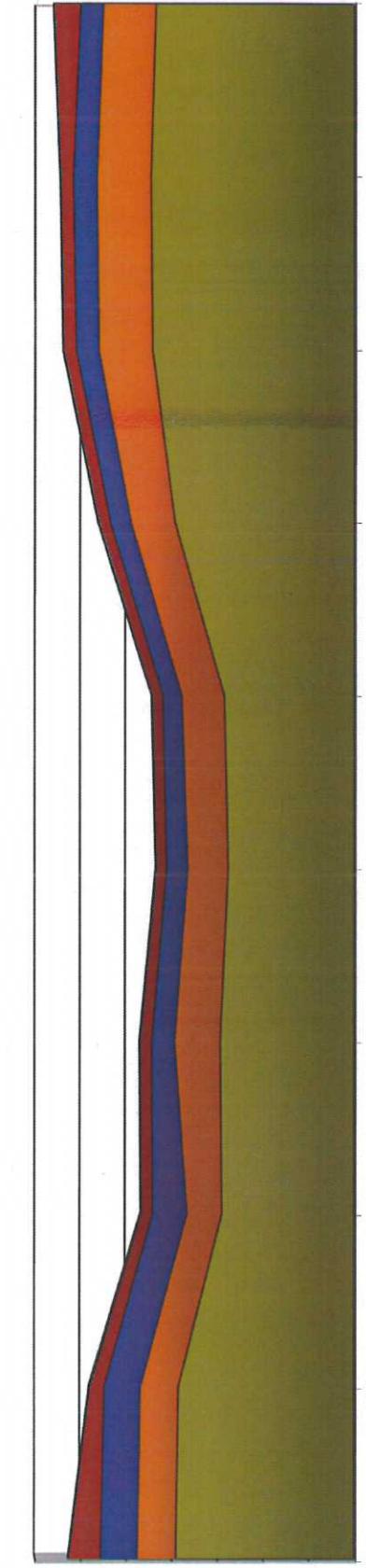
(2) Overlapping rates are those of local and county governments that apply to property owners within Kaysville City.

NA- Not Applicable- In 2007 Kaysville City Library became part of the County Library system

Source:

Davis County Auditor's Office / Kaysville City Finance Department

Property Tax Rates



2004 2005 2006 2007 2008 2009 2010 2011 2012 2013

■ State & Davis School District ■ Davis County ■ Kaysville City ■ Special Districts

KAYSVILLE CITY CORPORATION
Table 12 - Principal Property Tax Payers with Comparison
June 30, 2014

Taxpayer	Type of Business	December 31, 2013 Taxable Valuation		December 31, 2003 Taxable Valuation	
		Taxable Assessed Value	Rank	Taxable Assessed Value	Rank
		Percentage of Total City Taxable Assessed Value		Percentage of Total City Taxable Assessed Value	
Boondocks Properties, LLC	Recreational	\$5,889,146	1	0.44%	
JB Journey, LLC- Blaine Jensen	Recreational Sales	\$4,498,191	2	0.34%	
Zions First National Bank	Bank	\$4,265,707	3	0.32%	
M2Properties Inc	Real Estate	\$3,980,000	4	0.30%	
Bates Sportsplex, LLC	Tax Software Provider	\$3,945,000	5	0.30%	
Associated Fresh Markets, Inc	Grocery Store	\$3,837,659	6	0.29%	
Access Park LC	Investment Properties	\$3,825,000	7	0.29%	
Bowman Investment Company LTD	Investment Properties	\$3,712,361	8	0.28%	
Park Place I, LC	Investment Properties	\$3,575,621	9	0.27%	
HCP Utah LLC	Distribution Warehouse	\$3,500,000	10	0.26%	
KBP Office Group & Warehouse	Wholesale Distribution	\$4,415,330	2	0.63%	
Qwest Communications	Communications	\$4,017,116	4	0.57%	
Keith & Julie Romney	Shopping Center	\$3,301,470	5	0.47%	
Albertson's	Grocery	\$3,206,171	6	0.45%	
Questar Gas	Natural Gas Distribution	\$3,020,052	7	0.43%	
Mercy Housing Utah II LP	Human Services Housing	\$2,970,000	9	0.42%	
Kaysville Business Park Properties	Real Estate	\$2,899,960	10	0.41%	
		\$41,028,685	3.17%	\$ 35,643,079	3.05%

Source: Davis County Auditor / Kaysville City Finance Department

KAYSVILLE CITY CORPORATION

Table 13 - Property Value of Construction in Kaysville
June 30, 2014

Year	Commercial Construction Number of Permits	Estimated Value	Residential Construction Number of Permits	Estimated Value	Estimated Increase of Property Value
2013	17	\$9,165,906	242	\$51,374,918	\$60,540,824
2012	21	\$5,875,497	240	\$43,265,075	\$49,140,572
2011	18	\$2,464,573	205	\$31,978,963	\$34,443,536
2010	14	\$38,843,369	271	\$38,000,978	\$76,844,347
2009	18	\$1,809,004	184	\$17,418,824	\$19,227,828
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

Notes: (1) Number of Permits includes all permits including remodels and additions
Based on Calendar Year - 2013 - 141 Single Family Homes

Source: Davis County Department of Community and Economic Development
2012 Construction Monitor

KAYSVILLE CITY CORPORATION**Table 14 - Computation of Legal Debt Margin**

June 30, 2014

Taxable Value	\$1,293,450,467
Estimated Market Value	\$2,196,793,574
Debt Limit - Four Percent of Market Value	\$87,871,743
Less: Outstanding General Obligation Bonds	\$0
Lease Revenue Bonded Debt	\$8,167,342
Legal Debt Margin - Additional Debt Capacity	\$79,704,401

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

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

KAYSVILLE CITY CORPORATION

Table 15 - Computation of Direct and Overlapping General Obligation Debt
June 30, 2014

Entity	2013 Taxable Valuation	Kaysville City's Portion of Valuation	Kaysville City's Percentage	Entity's Outstanding G.O. Debt	Kaysville City Overlapping G.O. Debt
Direct:					
Kaysville City	\$1,293,450,467	\$1,293,450,467	100.00%	\$0	\$0
Overlapping:					
Davis County	\$16,396,993,607	\$1,293,450,467	7.89%	\$669,480,665	\$52,810,905
Davis County School District	\$16,462,557,306	\$1,293,450,467	7.86%	\$409,130,000	\$32,145,029
State of Utah	\$196,999,051,171	\$1,293,450,467	0.66%	\$3,136,755,000	\$20,595,212
Weber Basin Water District	\$42,461,125,033	\$1,293,450,467	3.05%	\$23,888,492	\$727,691
Total - Overlapping General Obligation Debt					<u>\$106,278,838</u>
Total - Direct and Overlapping General Obligation Debt					<u><u>\$106,278,838</u></u>

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

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

KAYSVILLE CITY CORPORATION
Table 16 - Ratios of Outstanding Debt by Type
June 30, 2014

Fiscal Year Ended June 30,	General Obligation Bonds			Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Personal Income (AGI)	Per Capita
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases						
2014	\$0	\$5,750,000	\$1,216,659	\$627,154	\$0	\$0	\$0	\$573,529	\$8,167,342	Not Available	\$278		
2013	\$0	\$598,000	\$0	\$760,189	\$0	\$1,269,207	\$0	\$371,524	\$2,998,920	Not Available	\$105		
2012	\$0	\$885,000	\$100,000	\$0	\$0	\$1,586,508	\$0	\$573,689	\$3,145,197	0.4074%	\$772,097,859	\$112	
2011	\$0	\$1,165,000	\$1,386,955	\$0	\$0	\$1,903,809	\$0	\$264,636	\$4,720,400	0.6124%	\$770,749,022	\$173	
2010	\$0	\$1,635,000	\$1,786,955	\$90,479	\$0	\$2,221,110	\$0	\$372,489	\$6,106,033	0.8600%	\$709,966,722	\$227	
2009	\$0	\$398,000	\$2,839,205	\$177,202	\$0	\$2,538,411	\$0	\$474,516	\$6,427,334	0.9678%	\$664,114,615	\$246	
2008	\$0	\$585,000	\$1,216,428	\$260,326	\$0	\$2,855,712	\$0	\$229,517	\$5,146,983	0.7669%	\$671,143,224	\$203	
2007	\$0	\$764,000	\$777,552	\$339,999	\$0	\$3,173,010	\$0	\$22,392	\$5,076,953	0.8090%	\$627,528,773	\$206	
2006	\$0	\$640,000	\$1,061,820	\$19,494	\$0	\$0	\$0	\$89,244	\$2,110,558	0.3941%	\$535,545,017	\$88	
2005	\$0	\$1,108,000	\$1,332,552	\$59,620	\$0	\$0	\$0	\$153,308	\$2,653,480	0.5534%	\$479,444,976	\$114	

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

KAYSVILLE CITY CORPORATION

Table 17 - Miscellaneous Statistical Data - Insurance Summary

June 30, 2014

Coverage	Company	Term	Limits	Deductible
Property	Travelers	10/01/2014 - 9/30/2015	Scheduled at Value	\$10,000
General Liability	Travelers	10/01/2014 - 9/30/2015	\$1,000,000 / \$2,000,000	\$10,000
Law Enforcement	Travelers	10/01/2014 - 9/30/2015	\$1,000,000/ \$1,000,000	\$10,000
Public Officials Management	Travelers	10/01/2014 - 9/30/2015	\$1,000,000/ \$2,000,000	\$5,000
Employment Practices	Travelers	10/01/2014 - 9/30/2015	\$5,000,000/ \$5,000,000	\$10,000
Employee Benefits	Travelers	10/01/2014 - 9/30/2015	\$1,000,000 / \$3,000,000	\$1,000
Automobile - Physical Damage	Travelers	10/01/2014 - 9/30/2015	Schedule	\$1,000 - Comp & Coll.
Automobile Liability	Travelers	10/01/2014 - 9/30/2015	\$1,000,000	\$5,000
Inland Marine	Travelers	10/01/2014 - 9/30/2015	Scheduled at Value	\$10,000
Cyber Liability	Travelers	10/01/2014 - 9/30/2015	\$1,000,000	\$5,000
Crime	Travelers	10/01/2014 - 9/30/2015	\$250,000	\$1,000
ID Fraud	Travelers	10/01/2014 - 9/30/2015	\$25,000 per employee	---
Custom Excess Liability	Travelers	10/01/2014 - 9/30/2015	\$10,000,000	\$10,000
Treasurer Bond	Liberty Mutual	10/01/2014 - 9/30/2015	\$1,250,000	\$0
Deputy Treasurer Bond	Liberty Mutual	10/01/2014 - 9/30/2015	\$1,250,000	\$0

KAYSVILLE CITY CORPORATION**Table 18 - Demographic & Economic Statistics**

June 30, 2014

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	29,400	Not Available	Not Available	3.6%
2013	28,683	Not Available	Not Available	4.6%
2012	27,300	\$772,097,859	28,281.97	5.3%
2011	26,885	\$770,749,022	28,668.37	5.6%
2010	26,102	\$709,966,722	27,199.71	6.2%
2009	25,342	\$664,114,615	26,206.09	5.9%
2008	24,604	\$671,143,224	27,277.81	3.3%
2007	23,888	\$627,528,773	26,269.62	2.6%
2006	23,193	\$535,545,017	23,090.80	2.9%
2005	22,463	\$479,444,976	21,343.76	4.0%

KAYSVILLE CITY CORPORATION

Table 19 - Population Growth

June 30, 2014

Fiscal Year	Population	Increase	Percentage Increase
2014	29,400	700	2.50%
2013	28,683	700	2.50%
2012	27,983	683	2.50%
2011	27,300	415	1.52%
2010	26,885	783	3.00%
2009	26,102	760	3.00%
2008	25,342	738	3.00%
2007	24,604	716	3.00%
2006	23,888	695	3.00%
2005	23,193	725	3.00%
2004	22,463	548	2.50%
2003	21,915	535	2.50%
2002	21,380	521	2.50%
2001	20,859	508	2.50%
2000	20,351	564	2.85%
1999	19,787	669	3.50%
1998	19,118	239	1.27%
1997	18,879	535	2.92%
1996	18,344	598	3.37%
1995	17,746	665	3.89%
1994	17,081	943	5.84%
1993	16,138	810	5.28%
1992	15,328	640	4.36%
1991	14,688	727	5.21%
1990	13,961	1,047	8.11%
1989	12,914	343	2.73%
1988	12,571	352	2.88%
1987	12,219	361	3.04%
1986	11,858	355	3.09%
1985	11,503	73	0.64%
1980	10,331	4,139	66.84%
1970	6,192	2,584	71.62%
1960	3,608	1,710	90.09%

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

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

KAYSVILLE CITY CORPORATION
Table 20 - Miscellaneous Statistical Data
June 30, 2014

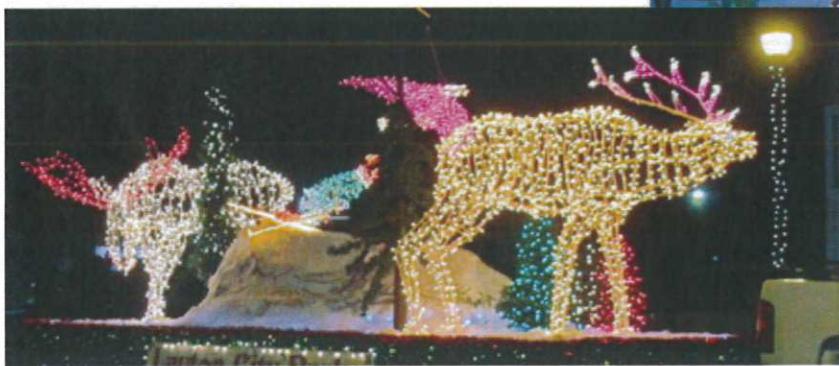
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Date of Incorporation	March 15, 1868										
Form of Government	Council - Manager										
Area in Square Miles	11	11	11	11	11	11	10-48	10-38	9-89	9-89	9-89
Miles of Streets	118	118	117	117	117	114	113	112	103	103	
Fire Protection											
Number of stations	1	1	1	1	1	1	1	1	1	1	
Number of full time / part time firefighters	2	2	2	2	2	2	2	2	2	2	
Number of volunteer firefighters	32	32	32	32	32	32	32	31	30	30	
Police Protection											
Number of sworn officers	23	23	20	20	20	20	20	19	19	18	
Number of other employees	3	3	3	3	3	3	3	3	3	3	
Parks and Recreation											
Number of Parks	11	11	11	11	11	11	9	9	9	9	
Number of Acres Available	370	370	370	370	370	221	250	245	210	210	
Number of Acres Developed	137	137	137	137	148	124	121	121	114	114	
Education											
Number of high schools	1	1	1	1	1	1	1	1	1	1	
Number of junior high schools	3	3	3	3	2	2	2	2	2	2	
Number of elementaries	8	8	8	8	8	8	7	7	7	6	
Public Utilities											
Number of water customers	8,033	7,875	7,747	7,651	7,504	7,365	7,203	7,002	6,675	6,476	
Annual usage (gallons)	861,327,270	731,604,000	744,898,362	740,760,000	774,608,000	820,468,000	889,276,000	792,672,000	778,249,200	763,909,600	
Miles of water Lines	138	138	143	143	140	139	138	130	127	112	103
Number of power customers	8,945	8,646	8,557	8,425	8,347	8,232	8,099	7,891	7,420	7,057	
Annual kwh usage	138,670,161	136,008,060	133,466,016	130,836,555	128,288,144	127,513,424	126,415,924	118,508,575	114,729,730	104,256,106	
Miles of power lines	145	140	232	229	137	136	135	133	115	93	
Number of street lights	856	856	833	856	817	928	809	721	N/A	N/A	
City Employees at June 30, 2013											
Elected	6	6	6	6	6	6	6	6	6	6	
Full-time	81	81	78	78	78	78	78	72	70	68	
General Governmental	11	11	11	11	11	11	11	11	11	11	
Police	26	26	23	23	23	23	23	23	23	23	
Fire/ Ambulance	2	2	2	2	2	2	2	2	2	2	
Community Development	8	8	8	8	8	8	8	8	8	8	
Public Works	15	15	15	15	15	15	15	15	15	15	
Parks & Cemetery	4	4	4	4	4	4	4	4	4	4	
Electrical	15	15	15	15	15	15	15	15	15	15	
Part-time/Temporary/Seasonal	30-35	30-35	30-35	30-35	30-35	40	40	40	40	40	40

COMPLIANCE SECTION



Christmas
Tree Lighting
&
Electric Parade

*Utah's
Hometown*



New Year's Eve
Celebration



Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

559 West 500 South

Bountiful, Utah 84010

801-296-0200

Fax 801-296-1218

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

E. Lynn Hansen, CPA
Clarke R. Bradshaw, CPA
Gary E. Malmrose, CPA
Edwin L. Erickson, CPA
Michael L. Smith, CPA
Jason L. Tanner, CPA

Robert D. Wood, CPA
Aaron R. Hixson, CPA
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Jeffrey B. Miles, CPA

Members of the
American Institute
of Certified Public
Accountants

Members of the
Private Company
Practice Section

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Kaysville City Corporation ("the City") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 10, 2014.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we

consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying Schedule of Findings and Responses as item 14-1.

We noted certain matters that we have reported to management of Kaysville City Corporation in a separate letter dated November 10, 2014.

Management's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

November 10, 2014

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

559 West 500 South

Bountiful, Utah 84010

801-296-0200

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS, COMPLIANCE FOR EACH MAJOR STATE PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF STATE AWARDS IN ACCORDANCE WITH THE *STATE COMPLIANCE AUDIT GUIDE*

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

Report On Compliance with General State Compliance Requirements and for Each Major State Program

We have audited Kaysville City Corporation's ("the City") compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City or each of its major state programs for the year ended June 30, 2014.

General state compliance requirements were tested for the year ended June 30, 2014 in the following areas:

Budgetary Compliance
Utah Retirement Systems
Cash Management
Impact Fees
Nepotism
Utah Public Finance Website
Open and Public Meetings Act

Fund Balance
Transfers from Utility Enterprise Funds
Budget Notices and Format
Conflicts of Interest
Government Records Access
Management Act

The City received state funding from the following program classified as a major program for the year ended June 30, 2014:

B&C Road Funds (Department of Transportation)

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, Kaysville City Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City or on each of its major state programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Utah State Compliance Audit Guide and which are described in the accompanying Schedule of Findings and Responses as item 14-1. Our opinion on compliance is not modified with respect to these matters.

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

Report On Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the State Compliance Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

We noted a matter involving internal control over compliance which we are submitting for your consideration. This matter is described in the accompanying Schedule of Findings and Responses as item 14-1.

The City's responses to the internal control finding identified in our audit are described in the accompanying Schedule of Findings and Responses. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the State Compliance Audit Guide. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Awards as Required by the State Compliance Audit Guide

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kaysville City Corporation as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 10, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the State Compliance Audit Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting

and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Hangen, Bradshaw, Malmrose & Erickson, P.C.

November 10, 2014

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KAYSVILLE CITY CORPORATION
Schedule of Expenditures of State Awards
June 30, 2014

	<u>Contract #</u>	<u>Year of Last Audit</u>	<u>Amount</u>
<u>Utah Department of Transportation</u>			
B&C Road Fund Allotment	FY 2014	FY 2014	\$ 837,185
<u>Utah Commission on Criminal & Juvenile Justice</u>			
State Liquor Fund Allotment	FY 2014	FY 2014	18,974
<u>Department of Public Safety</u>			
DUI Wage Grant Reimbursement	FY 2014		<u>4,252</u>
			<u>Total Grant, Contracts, and Loan Fund Expenditures</u>
			<u>\$ 856,159</u>

KAYSVILLE CITY CORPORATION
Schedule of Findings and Responses
June 30, 2014

State Legal Compliance Finding

<u>Requirement/Program</u>	<u>Current Year Findings</u>										
	<u>Fund</u>	<u>Department/Category</u>									
14-1 Budgetary Compliance		<p><u>Finding:</u> State law, <i>Utah Code 10-6-123</i>, requires that officers and employees of an entity shall not incur expenditures in excess of the total appropriation for any department or fund. For the year ended June 30, 2014, expenditures exceeded budgeted amounts in the following funds:</p> <table><thead><tr><th><u>Fund</u></th><th><u>Department/Category</u></th><th><u>Amount over Budget</u></th></tr></thead><tbody><tr><td>RDA Fund</td><td>Total expenditures</td><td>\$54,260</td></tr><tr><td>MBA Fund</td><td>Total expenditures</td><td>\$78,438</td></tr></tbody></table>	<u>Fund</u>	<u>Department/Category</u>	<u>Amount over Budget</u>	RDA Fund	Total expenditures	\$54,260	MBA Fund	Total expenditures	\$78,438
<u>Fund</u>	<u>Department/Category</u>	<u>Amount over Budget</u>									
RDA Fund	Total expenditures	\$54,260									
MBA Fund	Total expenditures	\$78,438									
		<p><u>Recommendation:</u> The City should monitor the status over expenditures as compared to the budget through the year, and amend the budget as necessary to ensure compliance with State Code.</p>									

Management's Response: During the fiscal year, the City established two special revenue funds, the Municipal Building Authority Fund and the Redevelopment Agency Fund.

Revenue bonds were issued during the year through the Municipal Building Authority for the construction of the police station. Originally, the project and construction costs were accounted for in the capital projects fund. It was determined that it was more appropriate to account for all related police station costs in the Municipal Building Authority Fund. The fund was over budget due to the recording of financing costs related to the issuance of bonds.

The City established the Redevelopment Agency Special Revenue Fund to account for activities related to community development project areas within the City. Improvement costs related to the Flint Street project area exceeded the budget.

The City will monitor department and fund budgets and will limit expenditures to budget amounts or make necessary amendments prior to the end of the fiscal year to ensure compliance with State law.