



**Kaysville  
City**

**KAYSVILLE CITY  
STATE OF UTAH**

**Settled in 1850**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**YEAR ENDED  
JUNE 30, 2018**

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

**Comprehensive  
Annual Financial Report**

**Year Ended June 30, 2018**

**Mayor:** Katie Wittt

**Council Members:** Larry Page  
Dave Adams  
Jake Garn  
Stroh DeCaire  
Michelle Barber

**City Manager:** Shayne Scott

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

**KAYSVILLE CITY CORPORATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2018**

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## INTRODUCTORY SECTION

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*Utah's Hometown*





November 9, 2018

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

The Comprehensive Annual Financial Report (CAFR) of Kaysville City for the Fiscal Year 2018 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 November 9, 2018

basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Kaysville City's financial statements for the fiscal year ended June 30, 2018, 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, 2017. This is the twenty second consecutive year that Kaysville City has received this award. In order to receive a certificate of achievement, the government must publish an easily readable efficiently organized CAFR. Qualifying reports must satisfy both GAAP and applicable legal requirements.

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

We respectfully submit this report.

Shayne Scott  
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 32,452 residents. Kaysville experiences an average growth rate of 2.5% - 3%, primarily residential, due to the proximity of larger economic centers and the desire of the citizens for the City to remain a residential community. The build-out population is estimated at approximately forty-two thousand within the next twenty years.

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

### **Organization and Services**

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

### **Economic Factors**

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

### **Transportation and Accessibility**

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

## **Major Initiatives**

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

## **Financial Reporting and Accounting Standards**

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

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

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

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

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

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

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

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

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

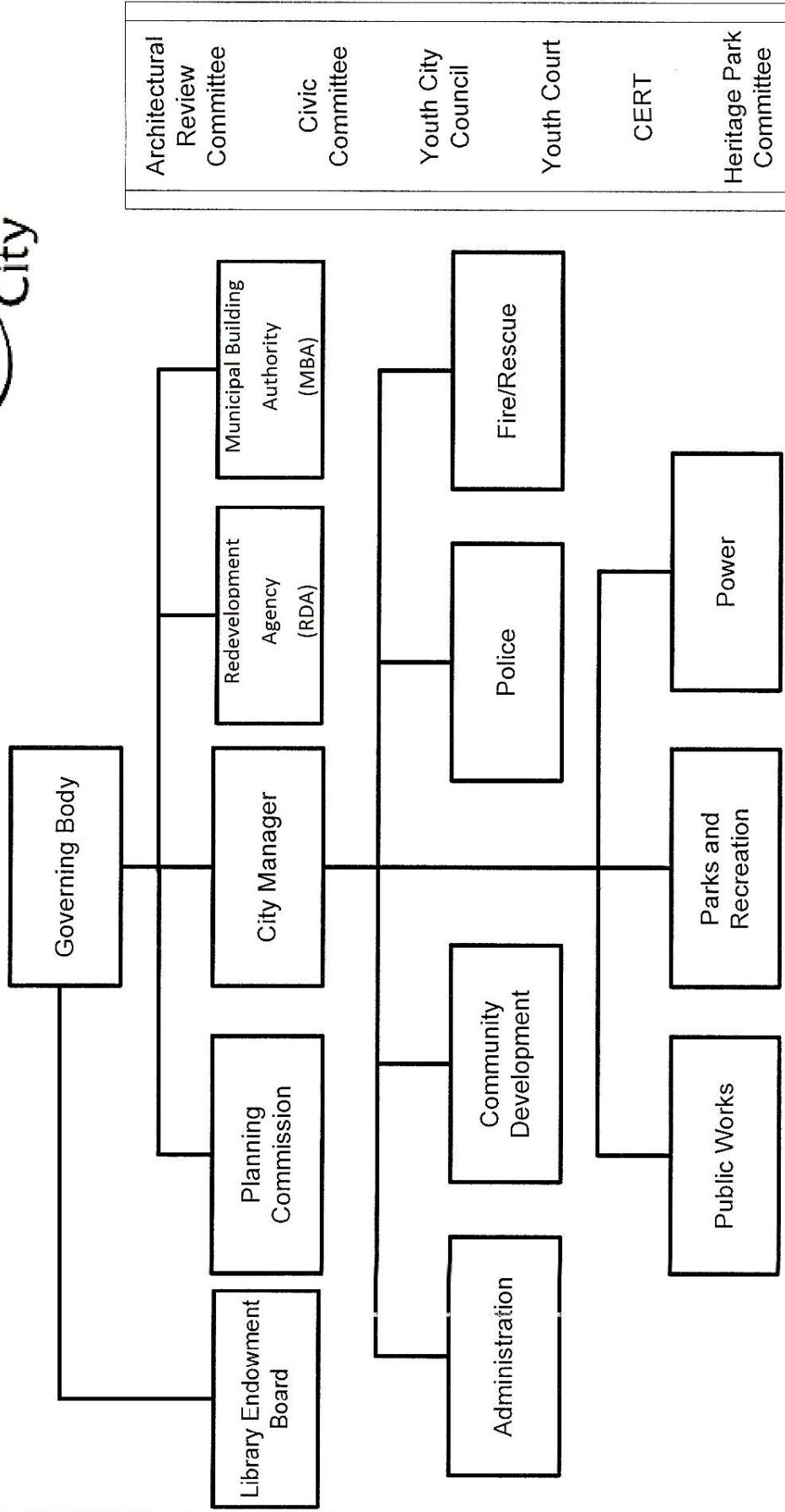
<u>Description</u>	<u>Fund Type</u>
General Fund	General Fund
Capital Projects Fund	Capital Projects Fund
Debt Service Fund	Debt Service Fund
Municipal Building Authority	Special Revenue Fund
Redevelopment Agency	Special Revenue Fund
Water Fund	Enterprise Fund
Sewer Fund	Enterprise Fund
Storm Water Fund	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](mailto:dstorey@kaysvillecity.com) or [cmoss@kaysvillecity.com](mailto: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, 2017**

*Christopher P. Monill*

Executive Director/CEO

1 inch = 3,000 feet

Legend

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



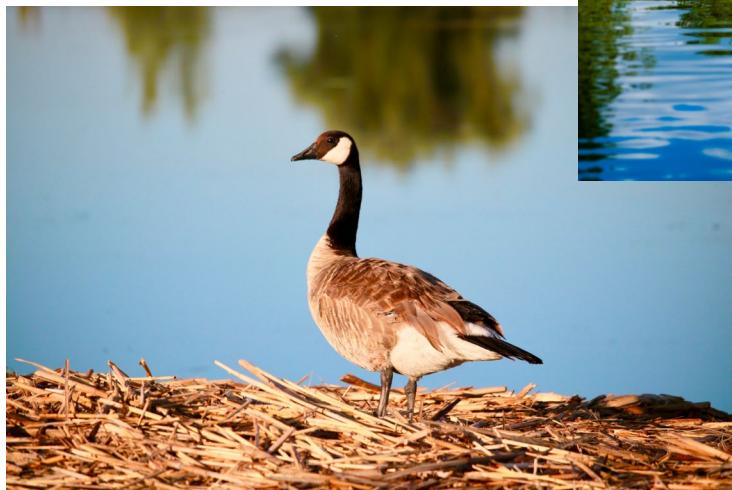
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## FINANCIAL SECTION

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*Utah's  
Hometown*



## **INDEPENDENT AUDITORS' REPORT**

# Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

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Bountiful, Utah 84010  
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Aaron R. Hixson, CPA  
Ted C. Gardiner, CPA

Jeffrey B. Miles, CPA  
Donald M. Jack, 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

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Kaysville City Corporation (the City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kaysville City Corporation, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Other Matters*

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13-23, budgetary comparison information on pages 71-75, and pension schedules on pages 76-84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

##### *Other Information*

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2018 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.

*Hanson, Bradshaw, McNamee & Erickson, P.C.*

November 9, 2018

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**KAYSVILLE CITY, UTAH**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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The following is a discussion and analysis of Kaysville City's (the City) finances for the fiscal year ended June 30, 2018. We believe that this narrative, when read in conjunction with the letter of transmittal, financial profile, the financial statements and particularly the notes to the financial statements should assist the reader in understanding the finances of the City.

### **Financial Highlights**

#### Government Wide

- The City's total net position increased by \$4,215,942 or 2.87% over the prior year. Net position of governmental activities increased by \$5,017,596 or 6.14%. Net position of business-type activities decreased by \$801,654 or 1.23%.
- The City's total net position is made up of primarily capital assets. Generally, capital assets are made up of infrastructure and are not available to meet on-going obligations. Of the total net position of \$151,143,182, \$125,542,013 (83.06%) includes investments in capital assets; \$8,732,217 (5.78%) in restricted uses and \$16,868,952 (11.16%) in unrestricted uses and available to meet City obligations.
  - The City's restricted assets of \$8,732,217 increased by 25.59% from last year.
  - The City's unrestricted assets of \$16,868,952, increased by 8.28% from the prior year.

#### Fund Level

- The fund balances in governmental funds had an increase of \$2,729,297 from \$9,383,302 to \$12,112,599.
- The proprietary funds had an overall net loss before transfers and contributions of (\$1,931,210).

#### Long-Term Debt

- Overall, the City's long-term liabilities increased in the amount of \$825,353 over the prior year. As of June 30, 2018, the long-term liabilities balance for governmental activities is \$6,123,282 and \$363,865 for business-type activities.

### **Overview of the Financial Statements**

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

**KAYSVILLE CITY, UTAH**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**Government-wide Financial Statements**

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

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

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The government-wide financial statements include not only the City (the primary government), but also two legally separate component units, the Redevelopment Agency of Kaysville City and Municipal Building Authority, both of which the City is financially accountable. Financial information for these blended component units are presented with the financial statements of the City.

**Fund Financial Statements**

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

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

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

**Notes to Financial Statements**

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

**KAYSVILLE CITY, UTAH**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**Financial Analysis of Government-wide Statements**

**Net Position**

Kaysville City's Net Position is as follows:

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
<b>Assets</b>						
Current and Other Assets	\$15,437,947	\$18,769,109	\$18,721,218	\$18,987,195	\$34,159,165	\$37,756,304
Capital Assets	79,654,390	82,316,153	50,021,490	49,323,567	129,675,880	131,639,720
<b>Total Assets</b>	<b>\$95,092,337</b>	<b>\$101,085,262</b>	<b>\$68,742,708</b>	<b>\$68,310,762</b>	<b>\$163,835,045</b>	<b>\$169,396,024</b>
Deferred Outflow of Resources	1,987,150	1,419,236	552,139	1,161,196	2,539,289	2,580,432
<b>Liabilities</b>						
Current Liabilities	\$3,887,379	\$4,352,506	\$2,679,493	\$2,497,791	\$6,566,872	\$6,850,297
Noncurrent Liabilities	8,023,210	6,990,249	1,291,425	1,605,278	9,314,635	8,595,527
<b>Total Liabilities</b>	<b>\$11,910,589</b>	<b>\$11,342,755</b>	<b>\$3,970,918</b>	<b>\$4,103,069</b>	<b>\$15,881,507</b>	<b>\$15,484,548</b>
Deferred Inflows of Resources	3,395,472	4,370,721	170,115	1,016,729	3,565,587	5,387,450
<b>Net Position</b>						
Investments in Capital (net)	\$74,851,194	\$76,597,865	\$49,544,446	\$48,944,148	\$124,395,640	\$125,542,013
Restricted	5,923,558	7,188,243	1,029,394	1,543,974	6,952,952	8,732,217
Unrestricted	998,674	3,004,914	14,579,974	13,864,038	15,578,648	16,868,952
<b>Total Net Position</b>	<b>\$81,773,426</b>	<b>\$86,791,022</b>	<b>\$65,153,814</b>	<b>\$64,352,160</b>	<b>\$146,927,240</b>	<b>\$151,143,182</b>

Changes in Net Position:

The City's combined net position increased over the prior year by \$4,215,940 (2.87%). Generally, an increase or decrease in net position offers a measuring tool of the overall financial condition. This indicates that the City's overall financial condition has slightly improved over the prior year. The unrestricted net position, which is available for ongoing obligations, increased by \$1,290,304. Overall, liabilities increased by \$1,386,180.

**Governmental and Business-Type Activities**

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

**KAYSVILLE CITY, UTAH**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
<b>Revenues</b>						
General Revenues						
Property Tax	\$3,237,023	\$3,322,726	\$0	\$0	\$3,237,023	\$3,322,726
Sales Tax	\$4,483,613	\$4,819,011	\$0	\$0	\$4,483,613	\$4,819,011
Other Taxes	\$1,798,933	\$1,757,633	\$0	\$0	\$1,798,933	\$1,757,633
Interest and Investment	\$105,279	\$179,540	\$68,970	\$76,103	\$174,249	\$255,643
Operating Grants	\$508,467	\$591,536	\$0	\$0	\$508,467	\$591,536
Intergovernmental	\$0	\$4,045,043	\$0	\$0	\$0	\$4,045,043
Contributions	\$3,075,052	\$323,031	\$1,832,732	\$1,459,122	\$4,907,784	\$1,782,153
Charges for Services	\$4,686,259	\$4,835,481	\$24,534,172	\$24,614,386	\$29,220,431	\$29,449,867
Disposition of Asset	\$0	\$65,423	\$0	\$7,749	\$0	\$73,172
Special Item, Net Proceeds	\$0	\$1,182,870	\$0	\$0	\$0	\$1,182,870
Miscellaneous	\$153,379	\$115,047	\$50,441	\$192,030	\$203,820	\$307,077
<b>Total Revenues</b>	<b>\$18,048,005</b>	<b>\$21,237,341</b>	<b>\$26,486,315</b>	<b>\$26,349,390</b>	<b>\$44,534,320</b>	<b>\$47,586,731</b>
<b>Expenses</b>						
Governmental:						
General Government	\$2,446,401	\$2,567,656	\$0	\$0	\$2,446,401	\$2,567,656
Police	\$3,874,551	\$3,695,913	\$0	\$0	\$3,874,551	\$3,695,913
Fire	\$913,103	\$849,282	\$0	\$0	\$913,103	\$849,282
Community Development	\$792,510	\$724,185	\$0	\$0	\$792,510	\$724,185
Public Works	\$3,985,500	\$5,563,214	\$0	\$0	\$3,985,500	\$5,563,214
Parks, Recreation & Public Properties	\$2,557,360	\$2,446,321	\$0	\$0	\$2,557,360	\$2,446,321
Perpetual Cemetery	\$0	\$0	\$0	\$0	\$0	\$0
Interest on Long Term Debt	\$162,300	\$203,870	\$0	\$0	\$162,300	\$203,870
Business-Type:						
Water	\$0	\$0	\$2,256,288	\$3,515,650	\$2,256,288	\$3,515,650
Sewer	\$0	\$0	\$2,193,175	\$2,251,223	\$2,193,175	\$2,251,223
Electric	\$0	\$0	\$14,698,768	\$15,888,033	\$14,698,768	\$15,888,033
Pressure Irrigation	\$0	\$0	\$1,205,904	\$1,237,799	\$1,205,904	\$1,237,799
Sanitation	\$0	\$0	\$1,739,010	\$1,857,858	\$1,739,010	\$1,857,858
Storm Water	\$0	\$0	\$1,214,987	\$1,643,631	\$1,214,987	\$1,643,631
Ambulance	\$0	\$0	\$776,868	\$926,154	\$776,868	\$926,154
<b>Total Expenses</b>	<b>\$14,731,725</b>	<b>\$16,050,441</b>	<b>\$24,085,000</b>	<b>\$27,320,348</b>	<b>\$38,816,725</b>	<b>\$43,370,789</b>
Increase in net position before transfers	3,316,280	5,186,900	\$2,401,315	(\$970,958)	\$5,717,595	\$4,215,942
Transfers	(\$194,596)	(\$169,304)	\$194,596	\$169,304	\$0	\$0
Increase in net position	<b>\$3,121,684</b>	<b>\$5,017,596</b>	<b>\$2,595,911</b>	<b>(\$801,654)</b>	<b>\$5,717,595</b>	<b>\$4,215,942</b>
Net Position- Beginning of Fiscal Year- as previously reported	\$78,651,742	\$81,773,426	\$63,299,430	\$65,153,814	\$141,951,172	\$146,927,240
Prior Period Adjustment	\$0	\$0	(\$741,527)	\$0	(\$741,527)	\$0
Net Position- Beginning of Fiscal Year- Restated	\$78,651,742	\$81,773,426	\$62,557,903	\$65,153,814	\$141,209,645	\$146,927,240
Net Position - Ending of Fiscal Year	<b>\$81,773,426</b>	<b>\$86,804,276</b>	<b>\$65,153,814</b>	<b>\$64,352,160</b>	<b>\$146,927,240</b>	<b>\$151,143,182</b>

**KAYSVILLE CITY, UTAH**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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The change in the net position is partially attributed to an increase in sales tax revenue and an increase in charges for services.

**Capital Assets**

The City's investment in capital assets for its governmental activities and business-type activities at June 30, 2018 is \$131,639,720 (net of accumulated depreciation). This is a net increase of \$1,974,272. During the year, the City spent \$1,487,916 for the construction of Pioneer Park and \$1,939,387 for road construction on 200 N and Angel Street.

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Land	\$24,757,041	\$25,543,887	\$1,140,723	\$1,140,723	\$25,897,764	\$26,684,610
Stock (Water)	\$0	\$0	\$4,430,990	\$4,499,990	\$4,430,990	\$4,499,990
Infrastructure	\$41,443,641	\$43,959,094	\$42,268,722	\$41,827,268	\$83,712,363	\$85,786,362
Building	\$8,396,134	\$8,225,178	\$399,134	\$385,371	\$8,795,268	\$8,610,549
Improvements	\$3,064,337	\$2,831,292	\$27,548	\$26,171	\$3,091,885	\$2,857,463
Vehicles	\$1,280,735	\$1,137,630	\$1,035,599	\$766,107	\$2,316,334	\$1,903,737
Equipment	\$712,504	\$600,060	\$718,774	\$662,383	\$1,431,278	\$1,262,443
Net of Accum Depreciation	<u>\$79,654,392</u>	<u>\$82,297,141</u>	<u>\$50,021,490</u>	<u>\$49,308,013</u>	<u>\$129,675,882</u>	<u>\$131,650,154</u>

Additional information on the City's capital assets can be found in note 5 on pages 56-58 of this report.

**Long Term Debt / Liabilities**

Overall, the City had a net increase in long term liabilities in the amount of \$743,217. The City has no general obligation debt. The table below shows the overall debt position of the City for governmental activities and business-type activities compared to the prior fiscal year.

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Bond Payable- Pioneer Park	\$0	\$1,330,000	\$0	\$0	\$0	\$1,330,000
Bond Payable- Police Station	\$4,557,000	\$4,281,000	\$0	\$0	\$4,557,000	\$4,281,000
Equipment Lease (Mower)	\$31,845	\$16,221	\$0	\$0	\$31,845	\$16,221
Equipment Lease (Fire Truck)	\$214,351	\$72,052	\$0	\$0	\$214,351	\$72,052
Equipment Lease (Recycle Cans)	\$0	\$0	\$22,849	\$0	\$22,849	\$0
Equipment Lease (Vactor Truck)	\$0	\$0	\$45,872	\$0	\$45,872	\$0
Equipment Lease (Ambulances)	\$0	\$0	\$256,872	\$172,733	\$256,872	\$172,733
	<u>\$4,803,196</u>	<u>\$5,699,273</u>	<u>\$325,593</u>	<u>\$172,733</u>	<u>\$5,128,789</u>	<u>\$5,872,006</u>

Additional information on the City's long-term debt can be found in notes 7, 8, & 9 on pages 59-62 of this report.

**KAYSVILLE CITY, UTAH**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**Analysis of Financial Funds**

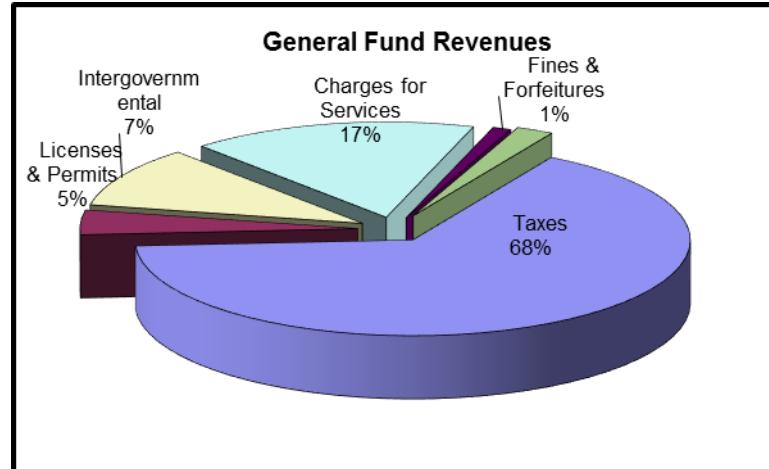
Governmental Funds

The focus of the City's governmental funds is to account for and provide information on near-term inflows, outflows and spendable resources. The primary governmental fund is the general fund. The City also maintains a capital projects fund, a debt service fund, redevelopment agency (component unit), municipal building authority (component unit) and permanent funds for cemetery perpetual care and library endowment. The tables below and accompanying graphs depict the revenues and expenditures during the fiscal year 2018 and a comparison to fiscal year 2017.

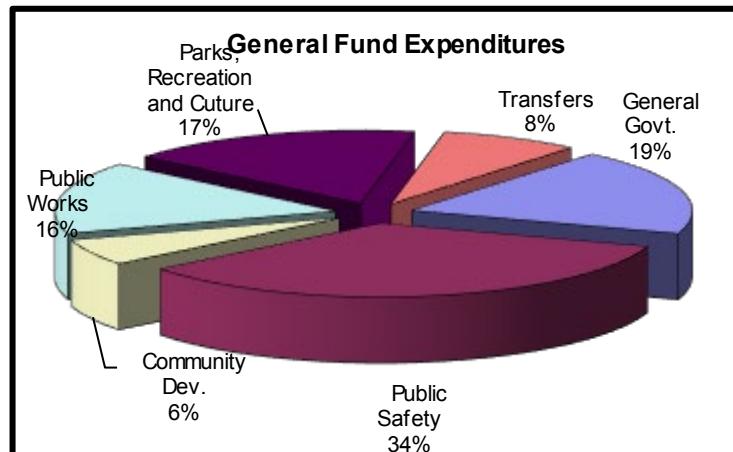
**Governmental Funds**

General Fund

Revenues:	
Taxes	\$9,765,065
Licenses and Permits	\$616,293
Intergovernmental	\$1,528,064
Charges for Services	\$2,481,863
Fines and Forfeitures	\$160,234
Other Revenues	\$322,678
	<hr/>
	<b>\$14,874,197</b>



Expenditures:	
General Govt.	\$2,510,633
Public Safety	\$4,528,970
Community Dev.	\$764,506
Public Works	\$2,103,879
Parks, Recreation, & Culture	\$2,253,277
Transfers	\$1,063,500
	<hr/>
	<b>\$13,224,765</b>



**KAYSVILLE CITY, UTAH**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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<b>General Fund Revenues</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>Increase/ (Decrease)</b>	<b>Percentage Change</b>
Taxes	\$9,431,705	\$9,765,065	\$33,360	3.53%
Licenses and Permits	\$513,410	\$616,293	\$102,883	20.04%
Intergovernmental	\$1,542,995	\$1,528,064	(\$14,931)	(0.97%)
Service Charges	\$2,391,388	\$2,481,863	\$90,475	3.78%
Fines and Forfeitures	\$146,470	\$160,234	\$13,764	9.40%
Other Revenues	\$287,928	\$322,678	\$34,750	12.07%
	<b>\$14,313,896</b>	<b>\$14,874,197</b>	<b>\$560,301</b>	<b>3.91%</b>
<hr/>				
<b>General Fund Expenditures</b>				
General Government	\$2,283,007	\$2,510,633	\$227,626	9.97%
Public Safety	\$4,408,837	\$4,528,970	\$120,133	2.72%
Community Development	\$743,733	\$764,506	\$20,773	2.79%
Public Works	\$1,948,902	\$2,103,879	\$154,977	7.95%
Parks, Recreation & Culture	\$2,140,657	\$2,253,277	\$112,620	5.26%
Transfers (net)	\$1,233,500	\$1,063,500	(\$170,000)	(13.78%)
	<b>\$12,758,636</b>	<b>\$13,224,795</b>	<b>\$466,129</b>	<b>3.65%</b>

General fund revenues for fiscal year 2018 totaled \$14,874,197. This represents an increase of approximately 3.91% from fiscal year 2017. Sales tax increased by 7.48% as the economy continues to be strong.

General fund expenditures for fiscal year 2018 total \$13,224,795. This is a slight increase of 3.65% over fiscal year 2017 of \$12,758,636.

**KAYSVILLE CITY, UTAH**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**Capital Projects Fund**

The Capital Projects Fund is used to account for major capital projects during the fiscal year 2018. The revenues and expenditures compared to the previous year are illustrated as follows:

<b>Capital Projects Fund</b>	<b>FY 2017</b>	<b>FY 2018</b>
Revenue:		
Impact Fees	\$ 358,295	\$ 463,404
Interest	12,825	32,824
Intergovernmental	0	2,516,979
Donations	<u>126,214</u>	350
	<u>\$ 497,334</u>	\$3,013,557
Expenditures:		
Municipal Center Block	\$ 9,749	\$30,657
Document Management Software	50,155	30,867
Pickleball Courts	254,102	0
Heritage Park	159,368	0
Pioneer Park Design	24,044	1,487,916
Rail Trail	0	21,088
City Hall Improvements	0	360
Road Projects	320,700	3,443,260
Barnes Park Restrooms	<u>201,523</u>	0
	<u>\$ 1,019,641</u>	\$5,014,148

**Debt Service Fund**

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

<b>Debt Service Fund</b>	<b>FY 2017</b>	<b>FY 2018</b>
Revenue:		
Transfers	\$ 163,500	\$ 193,500
Interest	<u>45</u>	55
	<u>\$ 163,545</u>	\$193,555
Expenditures:		
Fire Truck Lease	\$ 145,322	\$145,322
Pioneer Park Bond	0	42,943
Parks Wide Area Mower Lease	<u>16,841</u>	16,841
	<u>\$ 162,163</u>	\$205,106

**KAYSVILLE CITY, UTAH**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**Kaysville Redevelopment Agency**

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

<b>Kaysville Redevelopment Agency</b>	<b>FY 2017</b>	<b>FY 2018</b>
Revenue:		
Interest	\$ 257	\$ 3,548
Property Taxes	87,864	134,305
Sundry	1,080	-
	<hr/>	<hr/>
	\$ 88,126	\$ 137,853
Expenditures:		
Professional Services	\$ 9,175	\$ 10,000
Debt Service:		
Flint Property	342,685	-
Interest related to Long Term Debt	-	13,241
	<hr/>	<hr/>
	\$ 351,860	\$ 23,241

**Kaysville Municipal Building Authority**

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

<b>Kaysville Municipal Building Authority</b>	<b>FY 2017</b>	<b>FY 2018</b>
Revenue:		
Transfers	\$430,000	\$400,000
Interest	282	381
	<hr/>	<hr/>
	\$430,282	\$400,381
Expenditures:		
Police Station Construction	\$10,000	\$0
Debt Service:		
Police Station Bond	\$272,000	\$278,110
Interest Expense	154,594	135,775
	<hr/>	<hr/>
	\$436,594	\$413,885

**KAYSVILLE CITY, UTAH**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**Permanent Funds**

The City maintains two permanent funds. These funds have restrictions on the principal balance and only investment earnings may be spent. The cemetery perpetual care fund is used to account for monies deposited with the City for the perpetual maintenance of the cemetery. A perpetual care fee is charged with the sale of each burial lot. As of June 30, 2018, the fund balance is \$1,885,749. 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 \$688,299 with the total fund balance of \$782,410. 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 \$24,286,496. This is an increase of about 1.22% over the prior year of \$23,994,824. During the year, the City started to install electronically read meters throughout the City in the Water and Electric funds. The remaining increases are attributable to the increased cost to supply these services. Operating expenses totaled \$27,328,546. This is an increase of approximately 13.5%. 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.

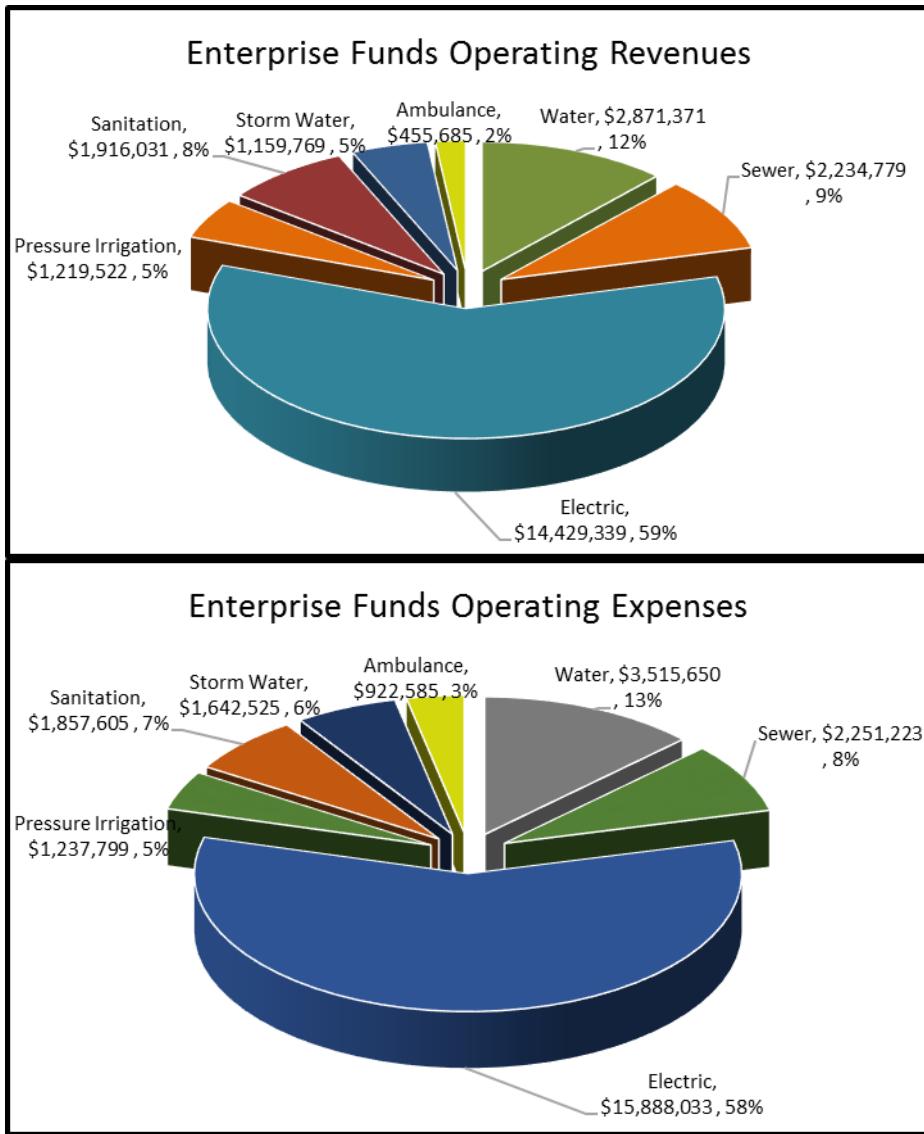
The table below and accompanying charts show the operations for fiscal year 2018.

<b>Proprietary Funds</b>		Water	Sewer	Electric	Pressure Irrigation	Sanitation	Storm Water	Ambulance	Total
Operating Revenues		\$2,871,371	\$2,234,779	\$14,429,339	\$1,219,522	\$1,916,031	\$1,159,769	\$455,685	<b>\$24,286,496</b>
Operating Expenses		\$3,515,650	\$2,251,223	\$15,889,033	\$1,237,799	\$1,857,605	\$1,642,525	\$922,585	<b>\$27,315,420</b>
Operating Income		(\$644,279)	(\$16,444)	(\$1,458,694)	(\$18,277)	\$58,426	(\$482,756)	(\$466,900)	<b>(\$3,028,924)</b>
Non Operating Revenues/(Expenses)		\$273,605	\$4,212	\$762,731	\$915	\$5,568	\$54,098	(\$3,415)	<b>\$1,097,714</b>
Income/ (Loss) Before Transfers		(\$370,674)	(\$12,232)	(\$695,963)	(\$17,362)	\$63,994	(\$428,658)	(\$470,315)	<b>(\$1,931,210)</b>
Transfer In/(Out)		(\$36,989)	(\$4,884)	\$0	\$0	(\$12,180)	(\$26,643)	\$250,000	<b>\$169,304</b>
Income / (Loss) before contributions		(\$407,663)	(\$17,116)	(\$695,963)	(\$17,362)	\$51,814	(\$455,301)	(\$220,315)	<b>(\$1,761,906)</b>

**KAYSVILLE CITY, UTAH**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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The Proprietary Funds are segmented and illustrated below:



Conclusion

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

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

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

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## **BASIC FINANCIAL STATEMENTS**

**Government-Wide Financial Statements**

**Fund Financial Statements**

**KAYSVILLE CITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

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	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 8,087,462	\$ 15,634,314	\$ 23,721,776
Cash Restricted	1,386,468	-	1,386,468
Investments	3,386,676	-	3,386,676
Real Estate Inventory held for Resale	251,931	-	251,931
Accounts Receivable (Net)	5,588,297	2,154,156	7,742,453
Internal Balances	68,275	(68,275)	-
Inventory	-	1,267,000	1,267,000
<b>Total Current Assets</b>	<b>18,769,109</b>	<b>18,987,195</b>	<b>37,756,304</b>
<b>Noncurrent Assets:</b>			
<b>Capital Assets:</b>			
Land	25,543,887	1,140,723	26,684,610
Net Depreciable Capital Assets	56,753,254	43,667,300	100,420,554
Water Stock	-	4,499,990	4,499,990
Net Pension Asset	19,012	15,554	34,566
<b>Total Noncurrent Assets</b>	<b>82,316,153</b>	<b>49,323,567</b>	<b>131,639,720</b>
<b>Total Assets</b>	<b>101,085,262</b>	<b>68,310,762</b>	<b>169,396,024</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	1,419,236	1,161,196	2,580,432
<b>Total Deferred Outflows of Resources</b>	<b>1,419,236</b>	<b>1,161,196</b>	<b>2,580,432</b>

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

**KAYSVILLE CITY**  
**STATEMENT OF NET POSITION (continued)**  
**JUNE 30, 2018**

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	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 775,758	\$ 2,255,455	\$ 3,031,213
Deposits	2,324,816	117,363	2,442,179
Accrued Interest	22,367	1,131	23,498
Accrued Liabilities	427,885	-	427,885
Noncurrent Liabilities Due Within One Year	801,680	123,842	925,522
Total Current Liabilities	<u>4,352,506</u>	<u>2,497,791</u>	<u>6,850,297</u>
<b>Noncurrent Liabilities</b>			
Due In More Than One Year	5,321,602	240,023	5,561,625
Net Pension Liability	1,668,647	1,365,255	3,033,902
Total Noncurrent Liabilities	<u>6,990,249</u>	<u>1,605,278</u>	<u>8,595,527</u>
Total Liabilities	<u>11,342,755</u>	<u>4,103,069</u>	<u>15,445,824</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Revenue- Property Taxes	3,128,051	-	3,128,051
Deferred Inflows Related to Pensions	1,242,670	1,016,729	2,259,399
Total Deferred Inflows of Resources	<u>4,370,721</u>	<u>1,016,729</u>	<u>5,387,450</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	76,597,865	48,944,148	125,542,013
<b>Restricted for:</b>			
Transportation Impact Fees	298,950	-	298,950
Park Impact Fees	467,808	-	467,808
Water Impact Fees	-	656,098	656,098
Power Impact Fees	-	887,876	887,876
Class C Roads	1,139,212	-	1,139,212
Beer Tax Reserves	4,310	-	4,310
Perpetual Cemetery			
Expendable	662,728	-	662,728
Nonexpendable	1,223,021	-	1,223,021
Library Endowment:			
Expendable	94,111	-	94,111
Nonexpendable	688,299	-	688,299
Debt Service	39,110	-	39,110
Capital Projects	2,184,485	-	2,184,485
MBA	96	-	96
Redevelopment Agency	386,113	-	386,113
Unrestricted	<u>3,004,914</u>	<u>13,864,038</u>	<u>16,868,952</u>
Total Net Position	<u>\$ 86,791,022</u>	<u>\$ 64,352,160</u>	<u>\$ 151,143,182</u>

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

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**KAYSVILLE CITY**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2018**

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Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 2,567,656	\$ 1,023,800	\$ 21,528	\$ -
<b>Public Safety:</b>				
Police	3,695,913	372,944	-	-
Fire	849,282	257,076	-	9,725
Community Development	724,185	771,196	-	-
Public Works	5,563,214	1,531,636	-	2,169,903
Parks, Recreation and Public Properties	2,446,321	878,829	-	2,758,454
Interest on Long-term Debt	203,870	-	-	-
<b>Total Governmental Activities</b>	<b>16,050,441</b>	<b>4,835,481</b>	<b>21,528</b>	<b>4,938,082</b>
<b>Business-Type Activities:</b>				
Water	3,515,650	2,932,922	-	594,839
Sewer	2,251,223	2,234,779	-	-
Electric	15,888,033	14,695,678	-	322,147
Pressure Irrigation	1,237,799	1,219,522	-	-
Sanitation	1,857,858	1,916,031	-	-
Storm Water	1,643,631	1,159,769	-	542,136
Ambulance	926,154	455,685	-	-
<b>Total Business-Type Activities</b>	<b>27,320,348</b>	<b>24,614,386</b>	<b>-</b>	<b>1,459,122</b>
<b>Total</b>	<b>\$ 43,370,789</b>	<b>\$ 29,449,867</b>	<b>\$ 21,528</b>	<b>\$ 6,397,204</b>
<b>General Revenues:</b>				
Property Taxes				
Sales Tax				
Franchise Tax				
Energy Sales and Use Charge				
Interest and Investment Earnings				
Special Item, Net Insurance Proceeds				
Disposition of Assets				
Miscellaneous				
<b>Transfers</b>				
<b>Total General Revenues and Transfers</b>				
<b>Change in Net Position</b>				
<b>Net Position- Beginning</b>				
<b>Net Position - Ending</b>				

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

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (1,522,328)	\$ -	\$ (1,522,328)
(3,322,969)	-	(3,322,969)
(582,481)	-	(582,481)
47,011	-	47,011
(1,861,675)	-	(1,861,675)
1,190,962	-	1,190,962
(203,870)	-	(203,870)
<u>(6,255,350)</u>	<u>-</u>	<u>(6,255,350)</u>
 - 12,111	 (16,444)	 12,111 (16,444)
 - (870,208)	 (18,277)	 (870,208) (18,277)
 - 58,173	 58,274	 58,173 58,274
 - (470,469)	 (1,246,840)	 (470,469) (1,246,840)
 <u>(6,255,350)</u>	 <u>(1,246,840)</u>	 <u>(7,502,190)</u>
 3,322,726	 - 4,819,011	 3,322,726 4,819,011
 4,819,011	 - 483,614	 4,819,011 483,614
 483,614	 - 1,274,019	 483,614 1,274,019
 1,274,019	 76,103 179,540	 1,274,019 255,643
 179,540	 - 1,182,870	 255,643 1,182,870
 1,182,870	 7,749 65,423	 1,182,870 73,172
 65,423	 192,030 115,047	 73,172 307,077
 115,047	 169,304	 - 169,304
 <u>11,272,946</u>	 <u>445,186</u>	 <u>11,718,132</u>
 5,017,596	 (801,654)	 4,215,942
 <u>81,773,426</u>	 <u>65,153,814</u>	 <u>146,927,240</u>
 <u>\$ 86,791,022</u>	 <u>\$ 64,352,160</u>	 <u>\$ 151,143,182</u>

**KAYSVILLE CITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

---

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,996,738	\$ 43,033	\$ 933,334
Restricted Cash	-	-	\$ 1,386,468
Investments	2,045,600	-	-
Real Estate Inventory Held for Resale	-	-	-
Due from Other Funds	721,271	-	-
Accounts Receivable	<u>4,371,816</u>	-	<u>1,216,481</u>
<b>Total Assets</b>	<b><u>\$ 12,135,425</u></b>	<b><u>\$ 43,033</u></b>	<b><u>\$ 3,536,283</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts Payable	\$ 243,563	\$ 3,923	\$ 528,272
Accrued Liabilities	427,885	-	-
Due to Other Funds	-	-	-
Deposits	<u>2,268,048</u>	-	<u>56,768</u>
<b>Total Liabilities</b>	<b><u>2,939,496</u></b>	<b><u>3,923</u></b>	<b><u>585,040</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue- Property Taxes	<u>3,128,051</u>	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>3,128,051</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES:</b>			
Non-Spendable:			
Library Endowment	-	-	-
Cemetery Perpetual Care	-	-	-
Real Estate Inventory Held for Resale	-	-	-
Restricted for:			
Transportation Impact Fees	-	-	298,950
Park Impact Fees	-	-	467,808
Class C Roads	<u>1,139,212</u>	-	-
Beer Tax Funds	4,310	-	-
Perpetual Care	-	-	-
Library Endowment	-	-	-
Assigned:			
Redevelopment	-	-	-
Debt Service	-	<u>39,110</u>	-
Capital Projects	-	-	<u>1,001,615</u>
200 North Overpass	-	-	<u>1,182,870</u>
Municipal Building Authority	-	-	-
Unassigned	<u>4,924,356</u>	-	-
<b>Total Fund Balances</b>	<b><u>6,067,878</u></b>	<b><u>39,110</u></b>	<b><u>2,951,243</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 12,135,425</u></b>	<b><u>\$ 43,033</u></b>	<b><u>\$ 3,536,283</u></b>

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			
\$ 787,178	\$ 96	\$ 798,551	\$ 528,532	\$ 8,087,462		
-	-	-	-	1,386,468		
-	-	1,087,198	253,878	3,386,676		
251,931	-	-	-	251,931		
-	-	-	-	721,271		
-	-	-	-	5,588,297		
<b>\$ 1,039,109</b>	<b>\$ 96</b>	<b>\$ 1,885,749</b>	<b>\$ 782,410</b>	<b>\$ 19,422,105</b>		
\$ -	\$ -	\$ -	\$ -	\$ 775,758		
-	-	-	-	427,885		
652,996	-	-	-	652,996		
-	-	-	-	2,324,816		
<b>652,996</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,181,455</b>		
-	-	-	-	<b>3,128,051</b>		
-	-	-	-	<b>3,128,051</b>		
-	-	-	688,299	688,299		
-	-	1,223,021	-	1,223,021		
251,931	-	-	-	251,931		
-	-	-	-	298,950		
-	-	-	-	467,808		
-	-	-	-	1,139,212		
-	-	-	-	4,310		
-	-	662,728	-	662,728		
-	-	-	94,111	94,111		
134,182	-	-	-	134,182		
-	-	-	-	39,110		
-	-	-	-	1,001,615		
-	-	-	-	1,182,870		
-	96	-	-	96		
-	-	-	-	4,924,356		
<b>386,113</b>	<b>96</b>	<b>\$ 1,885,749</b>	<b>\$ 782,410</b>	<b>\$ 12,112,599</b>		
<b>\$ 1,039,109</b>	<b>\$ 96</b>	<b>\$ 1,885,749</b>	<b>\$ 782,410</b>	<b>\$ 19,422,105</b>		

**KAYSVILLE CITY**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

---

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

<b>Total Fund Balances- Total Governmental Funds</b>	<b>\$ 12,112,599</b>
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	25,543,887
Buildings, net of \$1,966,369 accumulated depreciation	8,225,178
Improvements, net of \$3,768,626 accumulated depreciation	2,831,292
Infrastructure, net of \$31,275,437 accumulated depreciation	43,959,094
Equipment, net of \$1,932,103 accumulated depreciation	600,060
Vehicles, net of \$3,928,941 accumulated depreciation	<u>1,137,630</u> 82,297,141

Pension Accruals are not reported as fund liabilities because they are not payable in the current period and therefore are not reported as fund liabilities. All Accruals are reported in the statement of net position. Balances at year end are:

Net Pension Asset	19,012
Deferred Pension Outflow	1,419,236
Net Pension Liability	(1,668,647)
Deferred Pension Inflow	<u>(1,242,670)</u> (1,473,069)

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:

Bonds Payable	(5,611,000)
Notes and Capital Leases Payable	(88,276)
Accrued Interest	(22,367)
Compensated Absences	<u>(424,006)</u> (6,145,649)
<b>Total Net Position Governmental Activities</b>	<b><u>\$ 86,791,022</u></b>

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, 2018**

---

	General	Debt Service	Capital Projects
<b>Revenues:</b>			
Taxes	\$ 9,765,065	\$ -	\$ -
Licenses and Permits	616,293	-	-
Impact Fees	-	-	463,404
Intergovernmental	1,528,064	-	2,516,979
Charges for Services	2,481,863	-	-
Fines and Forfeitures	160,234	-	-
Interest Income	123,288	55	32,824
Donations	-	-	350
Miscellaneous	199,390	-	-
<b>Total Revenues</b>	<b>14,874,197</b>	<b>55</b>	<b>3,013,557</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government	2,510,633	-	-
Public Safety	4,528,970	-	-
Community Development	764,506	-	-
Public Works	2,103,879	-	-
Parks, Recreation and Culture	2,253,277	-	-
<b>Debt Service:</b>			
Principal	-	127,922	-
Interest and Fiscal Charges	-	47,184	-
Cost of Issuance	-	30,000	-
<b>Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>5,014,148</b>
<b>Total Expenditures</b>	<b>12,161,265</b>	<b>205,106</b>	<b>5,014,148</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>2,712,932</b>	<b>(205,051)</b>	<b>(2,000,591)</b>
<b>Other Financing Sources (Uses):</b>			
Bond Proceeds	-	-	1,330,000
Developers Contributions	-	-	96,529
<b>Transfers In</b>			
Capital Projects	-	30,000	-
General Fund	-	163,500	250,000
Non-Reciprocal Utility Revenue	80,696	-	-
<b>Transfers Out</b>			
MBA Special Revenue Fund	(400,000)	-	-
Capital Projects Fund	(250,000)	-	-
Debt Service Fund	(163,500)	-	(30,000)
Ambulance Fund	(250,000)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(982,804)</b>	<b>193,500</b>	<b>1,646,529</b>
<b>Special Item, Net Insurance Proceeds</b>	<b>-</b>	<b>-</b>	<b>1,182,870</b>
<b>Net Change in Fund Balances</b>	<b>1,730,128</b>	<b>(11,551)</b>	<b>828,808</b>
<b>Fund balance - July 1</b>	<b>4,337,750</b>	<b>50,661</b>	<b>2,122,435</b>
<b>Fund Balance - June 30</b>	<b>\$ 6,067,878</b>	<b>\$ 39,110</b>	<b>\$ 2,951,243</b>

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	
\$ 134,305	\$ -	\$ -	\$ -	\$ 9,899,370
-	-	-	-	616,293
-	-	-	-	463,404
-	-	-	-	4,045,043
-	-	61,360	-	2,543,223
-	-	-	-	160,234
3,548	381	14,573	4,871	179,540
-	-	-	-	350
-	-	-	-	199,390
<b>137,853</b>	<b>381</b>	<b>75,933</b>	<b>4,871</b>	<b>18,106,847</b>
 10,000	 -	 -	 -	 2,520,633
-	-	-	-	4,528,970
-	-	-	-	764,506
-	-	-	-	2,103,879
-	-	-	-	2,253,277
 - 278,110	 13,241 135,775	 -	 -	 406,032
 -	 -	 -	 -	 196,200
 -	 -	 -	 -	 30,000
 -	 -	 -	 -	 5,014,148
<b>23,241</b>	<b>413,885</b>	<b>-</b>	<b>-</b>	<b>17,817,645</b>
 114,612	 (413,504)	 75,933	 4,871	 289,202
 -	 -	 -	 -	 1,330,000
 -	 -	 -	 -	 96,529
 -	 -	 -	 -	 30,000
 -	 400,000	 -	 -	 813,500
 -	 -	 -	 -	 80,696
 -	 -	 -	 -	 (400,000)
 -	 -	 -	 -	 (250,000)
 -	 -	 -	 -	 (193,500)
 -	 -	 -	 -	 (250,000)
 -	 400,000	 -	 -	 1,257,225
 -	 -	 -	 -	 1,182,870
<b>114,612</b>	<b>(13,504)</b>	<b>75,933</b>	<b>4,871</b>	<b>2,729,297</b>
 271,501	 13,600	 1,809,816	 777,539	 9,383,302
<b>\$ 386,113</b>	<b>\$ 96</b>	<b>\$ 1,885,749</b>	<b>\$ 782,410</b>	<b>\$ 12,112,599</b>

**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, 2018**

---

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

Net change in fund balances-total governmental funds \$ 2,729,297

Governmental funds report bonds issued throughout the year as income. However, in the statement of activities this is reported as a liability. (1,330,000)

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	3,712,220	
Depreciation expense	<u>(2,920,563)</u>	791,657

The effect of contributed capital assets from developers is not recorded in the fund financial statements, but is reported as revenues and capital assets in the government-wide financial statements. 1,851,094

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

Payment of note and capital lease payable	157,922	
Payment of bond principal	<u>276,000</u>	433,922

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	(42,454)	
Accrued Pension	591,750	
Accrued interest	<u>(7,670)</u>	541,626

Change in net position of governmental activities \$ 5,017,596

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, 2018**

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	<b>Water</b>	<b>Sewer</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 3,637,644	\$ 772,004
Accounts Receivable (Net of Allowance for Uncollectibles)	232,044	190,493
Inventory	541,000	-
Total Current Assets	<u>4,410,688</u>	<u>962,497</u>
<b>Noncurrent Assets</b>		
<b>Capital Assets:</b>		
Land	120,094	-
Net Depreciable Capital Assets	14,971,954	19,268
Water Stock	787,140	-
Net Pension Asset	3,802	-
Total Noncurrent Assets	<u>15,882,990</u>	<u>19,268</u>
Total Assets	<u>20,293,678</u>	<u>981,765</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows Related to Pensions	<u>283,848</u>	-
Total Deferred Outflows of Resources	<u>283,848</u>	-
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	19,909	207,766
Due to Other Fund	-	-
Deposits	10,973	-
Interest Accrued	-	-
Noncurrent Liabilities Due Within One Year	9,452	-
Total Current Liabilities	<u>40,334</u>	<u>207,766</u>
<b>Noncurrent Liabilities</b>		
Due In More Than One Year	37,810	-
Net Pension Liability	333,729	-
Total Noncurrent Liabilities	<u>371,539</u>	-
Total Liabilities	<u>411,873</u>	<u>207,766</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows Related to Pensions	<u>248,534</u>	-
Total Deferred Inflows of Resources	<u>248,534</u>	-
<b>NET POSITION</b>		
Net Investment in Capital Assets	15,831,926	19,268
Restricted for:		
Impact Fees	656,098	-
Unrestricted	3,429,095	754,731
Total Net Position	<u>\$ 19,917,119</u>	<u>\$ 773,999</u>

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

Electric	Storm Water	Pressure Irrigation	Sanitation	Ambulance	Total
\$ 7,820,830	\$ 2,039,471	\$ 119,833	\$ 1,225,087	\$ 19,445	\$ 15,634,314
1,160,551	95,989	103,866	162,291	208,922	2,154,156
726,000	-	-	-	-	1,267,000
<b>9,707,381</b>	<b>2,135,460</b>	<b>223,699</b>	<b>1,387,378</b>	<b>228,367</b>	<b>19,055,470</b>
1,004,307	-	16,322	-	-	1,140,723
16,153,929	11,790,405	-	385,161	346,583	43,667,300
-	-	3,712,850	-	-	4,499,990
8,296	1,728	-	-	1,728	15,554
<b>17,166,532</b>	<b>11,792,133</b>	<b>3,729,172</b>	<b>385,161</b>	<b>348,311</b>	<b>49,323,567</b>
26,873,913	13,927,593	3,952,871	1,772,539	576,678	68,379,037
<b>619,304</b>	<b>129,022</b>	<b>-</b>	<b>-</b>	<b>129,022</b>	<b>1,161,196</b>
<b>619,304</b>	<b>129,022</b>	<b>-</b>	<b>-</b>	<b>129,022</b>	<b>1,161,196</b>
1,699,610	30,828	105,940	185,538	5,864	2,255,455
68,275	-	-	-	-	68,275
106,390	-	-	-	-	117,363
-	-	-	-	1,131	1,131
16,812	4,293	-	-	93,285	123,842
<b>1,891,087</b>	<b>35,121</b>	<b>105,940</b>	<b>185,538</b>	<b>100,280</b>	<b>2,566,066</b>
67,248	17,170	-	-	117,795	240,023
728,136	151,695	-	-	151,695	1,365,255
<b>795,384</b>	<b>168,865</b>	<b>-</b>	<b>-</b>	<b>269,490</b>	<b>1,605,278</b>
<b>2,686,471</b>	<b>203,986</b>	<b>105,940</b>	<b>185,538</b>	<b>369,770</b>	<b>4,171,344</b>
<b>542,255</b>	<b>112,970</b>	<b>-</b>	<b>-</b>	<b>112,970</b>	<b>1,016,729</b>
<b>542,255</b>	<b>112,970</b>	<b>-</b>	<b>-</b>	<b>112,970</b>	<b>1,016,729</b>
17,074,176	11,768,942	3,729,172	385,161	135,503	48,944,148
887,876	-	-	-	-	1,543,974
6,302,439	1,970,717	117,759	1,201,840	87,457	13,864,038
<b>\$ 24,264,491</b>	<b>\$ 13,739,659</b>	<b>\$ 3,846,931</b>	<b>\$ 1,587,001</b>	<b>\$ 222,960</b>	<b>\$ 64,352,160</b>

**KAYSVILLE CITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES**  
**YEAR ENDED JUNE 30, 2018**

---

	<b>Water</b>	<b>Sewer</b>
<b>Operating Revenues:</b>		
Charges for Services (Net of uncollectibles)	\$ 2,834,382	\$ 2,229,895
Charges for Services (Reciprocal)	-	-
Charges for Services (Non-Reciprocal)	<u>36,989</u>	<u>4,884</u>
<b>Total Operating Revenues</b>	<b><u>2,871,371</u></b>	<b><u>2,234,779</u></b>
<b>Operating Expenses:</b>		
Personnel Services	926,664	6,052
Contractual Services	79,204	-
Administrative Charges from General Fund	165,000	65,000
Interfund Services	95,000	-
Purchases Water/Treatment/Power/Refuse	528,672	2,169,258
Supplies, Maintenance, and Miscellaneous Operating	741,064	10,225
Meter System Change out	402,679	-
Energy Sales and Use Tax Charge	-	-
Depreciation	<u>577,367</u>	<u>688</u>
<b>Total Operating Expenses</b>	<b><u>3,515,650</u></b>	<b><u>2,251,223</u></b>
<b>Operating Income (Loss)</b>	<b><u>(644,279)</u></b>	<b><u>(16,444)</u></b>
<b>Nonoperating Revenues (Expenses):</b>		
Connection Fees	61,551	-
Extension Fees	-	-
Impact Fees	176,723	-
Gain on Sale of Equipment	6,615	-
Interest Income	18,716	4,212
Miscellaneous	10,000	-
Interest Expense	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>273,605</u></b>	<b><u>4,212</u></b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b><u>(370,674)</u></b>	<b><u>(12,232)</u></b>
<b>Contributions From Developers</b>	<b><u>418,116</u></b>	<b><u>-</u></b>
<b>Transfers In (Out):</b>		
General Fund	-	-
Non-Reciprocal Utility Services	<u>(36,989)</u>	<u>(4,884)</u>
<b>Change in Net Position</b>	<b><u>10,453</u></b>	<b><u>(17,116)</u></b>
<b>Net Position- Beginning</b>	<b><u>19,906,666</u></b>	<b><u>791,115</u></b>
<b>Net Position - Ending</b>	<b><u>\$ 19,917,119</u></b>	<b><u>\$ 773,999</u></b>

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

Electric	Storm Water	Pressure Irrigation	Sanitation	Ambulance	Total
\$ 14,253,657	\$ 1,133,126	\$ 1,219,522	\$ 1,903,851	\$ 455,685	\$ 24,030,118
175,682	-	-	-	-	175,682
-	26,643	-	12,180	-	80,696
<b>14,429,339</b>	<b>1,159,769</b>	<b>1,219,522</b>	<b>1,916,031</b>	<b>455,685</b>	<b>24,286,496</b>
1,888,277	577,551	6,304	27,787	687,062	4,119,697
376,960	43,238	-	4,672	71,379	575,453
198,000	65,000	65,000	100,000	-	658,000
177,500	76,500	-	5,000	11,800	365,800
10,250,898	-	1,160,673	1,610,132	-	15,719,633
1,216,910	206,194	5,822	8,279	86,425	2,274,919
34,154	-	-	-	-	436,833
807,366	-	-	-	-	807,366
937,968	674,042	-	101,735	65,919	2,357,719
<b>15,888,033</b>	<b>1,642,525</b>	<b>1,237,799</b>	<b>1,857,605</b>	<b>922,585</b>	<b>27,315,420</b>
<b>(1,458,694)</b>	<b>(482,756)</b>	<b>(18,277)</b>	<b>58,426</b>	<b>(466,900)</b>	<b>(3,028,924)</b>
89,432	-	-	-	-	150,983
176,907	-	-	-	-	176,907
322,147	-	-	-	-	498,870
1,134	-	-	-	-	7,749
37,323	8,962	915	5,821	154	76,103
135,788	46,242	-	-	-	192,030
-	(1,106)	-	(253)	(3,569)	(4,928)
<b>762,731</b>	<b>54,098</b>	<b>915</b>	<b>5,568</b>	<b>(3,415)</b>	<b>1,097,714</b>
(695,963)	(428,658)	(17,362)	63,994	(470,315)	(1,931,210)
-	542,136	-	-	-	960,252
-	-	-	-	250,000	250,000
-	(26,643)	-	(12,180)	-	(80,696)
<b>(695,963)</b>	<b>86,835</b>	<b>(17,362)</b>	<b>51,814</b>	<b>(220,315)</b>	<b>(801,654)</b>
<b>24,960,454</b>	<b>13,652,824</b>	<b>3,864,293</b>	<b>1,535,187</b>	<b>443,275</b>	<b>65,153,814</b>
<b>\$ 24,264,491</b>	<b>\$ 13,739,659</b>	<b>\$ 3,846,931</b>	<b>\$ 1,587,001</b>	<b>\$ 222,960</b>	<b>\$ 64,352,160</b>

**KAYSVILLE CITY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES**  
**YEAR ENDED JUNE 30, 2018**

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	<b>Water</b>	<b>Sewer</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 2,838,964	\$ 2,231,670
Cash Payments to Suppliers for Goods and Services	(2,050,144)	(2,164,966)
Cash Payments to Employees for Services	(763,958)	(6,052)
Cash Payments for Interfund Services	(260,000)	(65,000)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(235,138)</b>	<b>(4,348)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Cash received from other funds	-	-
Cash due to other funds	-	-
Transfers from (to) Other Funds	-	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Impact, Extension and Connection Fees	248,274	-
Acquisition of Capital Assets	(32,906)	-
Principal Paid on Bonds and Notes	-	-
Interest Paid	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>215,368</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest Received	18,716	4,212
<b>Net Cash Provided from Investing Activities</b>	<b>18,716</b>	<b>4,212</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,054)	(136)
Cash/Equivalents at Beginning of Year	3,638,698	772,140
<b>Cash/Equivalents at End of Year</b>	<b>\$ 3,637,644</b>	<b>\$ 772,004</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>		
Operating Income (Loss)	\$ (644,279)	\$ (16,444)
Reconciling Adjustments:		
Depreciation	577,367	688
Calculated Pension	162,932	-
Non-Reciprocal Utility Services	(36,989)	(4,884)
Changes in Assets and Liabilities:		
Changes in Receivables	2,332	1,775
Changes in Inventory	(301,000)	-
Changes in Accounts Payable	2,475	14,517
Changes in Deposits	2,250	-
Changes in Compensated Absences	(226)	-
<b>Total Adjustments</b>	<b>409,141</b>	<b>12,096</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (235,138)</b>	<b>\$ (4,348)</b>
<b>Noncash investing and capital activities:</b>		
Contributions from Developers	\$ 349,116	-

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

Electric	Storm Water	Pressure Irrigation	Sanitation	Ambulance	Total
\$ 14,493,223	\$ 1,133,405	\$ 1,220,788	\$ 1,904,960	\$ 526,974	\$ 24,349,984
(12,650,384)	(280,975)	(1,163,479)	(1,571,779)	(165,353)	(20,047,080)
(1,650,945)	(498,474)	(6,304)	(41,040)	(522,023)	(3,488,796)
(375,500)	(141,500)	(65,000)	(105,000)	(11,800)	(1,023,800)
<u>(183,606)</u>	<u>212,456</u>	<u>(13,995)</u>	<u>187,141</u>	<u>(172,202)</u>	<u>(209,692)</u>
 68,275	 -	 -	 -	 -	 68,275
(70,298)	(70,298)				
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
<u>(2,023)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>247,977</u>
 724,274	 46,242	 -	 -	 -	 1,018,790
(542,288)	(32,308)	-	(45,759)	(22,982)	(676,243)
-	(45,872)	-	(22,849)	(84,139)	(152,860)
-	(1,597)	-	(376)	(4,120)	(6,093)
<u>181,986</u>	<u>(33,535)</u>	<u>-</u>	<u>(68,984)</u>	<u>(111,241)</u>	<u>183,594</u>
 37,323	 8,962	 915	 5,821	 154	 76,103
<u>37,323</u>	<u>8,962</u>	<u>915</u>	<u>5,821</u>	<u>154</u>	<u>76,103</u>
 33,680	 187,883	 (13,080)	 123,978	 (33,289)	 297,982
<u>7,787,150</u>	<u>1,851,588</u>	<u>132,913</u>	<u>1,101,109</u>	<u>52,734</u>	<u>15,336,332</u>
<u>\$ 7,820,830</u>	<u>\$ 2,039,471</u>	<u>\$ 119,833</u>	<u>\$ 1,225,087</u>	<u>\$ 19,445</u>	<u>\$ 15,634,314</u>
  \$ (1,458,694)	  \$ (482,756)	  \$ (18,277)	  \$ 58,426	  \$ (466,900)	  \$ (3,028,924)
 937,968	 674,042	 -	 101,735	 65,919	 2,357,719
238,656	76,193	-	(13,253)	126,691	591,219
-	(26,643)	-	(12,180)	-	(80,696)
 64,484	 279	 1,266	 1,109	 71,289	 142,534
191,000	-	-	-	-	(110,000)
(155,096)	(31,543)	3,016	51,304	(7,549)	(122,876)
(600)	-	-	-	-	1,650
(1,324)	2,884	-	-	38,348	39,682
<u>1,275,088</u>	<u>695,212</u>	<u>4,282</u>	<u>128,715</u>	<u>294,698</u>	<u>2,819,232</u>
<u>\$ (183,606)</u>	<u>\$ 212,456</u>	<u>\$ (13,995)</u>	<u>\$ 187,141</u>	<u>\$ (172,202)</u>	<u>\$ (209,692)</u>
 -	 \$ 542,136	 -	 -	 -	 \$ 960,252

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**NOTES TO  
BASIC FINANCIAL STATEMENTS**

**KAYSVILLE CITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

### **Reporting Entity**

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

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

In defining the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the GASB.

### **Blended Component Units**

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

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support.

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

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

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

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

The City has the following fund types:

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

Governmental funds include the following fund types:

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

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

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

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

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

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

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

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

Each proprietary fund in the City is used for its respective utility or function as indicated by the title of the fund, beginning on page 35.

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.

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

**Measurement Focus and Basis of Accounting**

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

**Accrual:**

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

**Modified Accrual:**

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

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

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

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

**Deposits and Investments**

Cash and cash equivalents are 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, 2018**

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

**Receivables and Payables**

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

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

**Inventories and Prepaid Items**

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

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

**Capital Assets**

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

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

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

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

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**Capital Assets (Continued)**

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

<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 Net 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. Deferred outflows of resources represent a consumption of net position that applies to a future period and is therefore deferred until that time.

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the *fiduciary net position* of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

### **Deferred Inflows and Outflows of Resources (continued)**

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

### **Long-term Liabilities**

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

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

### **Equity**

#### *Fund financial statements*

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

- a. Non-spendable – Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted fund balance – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provisions or enabling legislation, or restrictions set by creditors, grantors, or contributors.
- c. Committed fund balance – Fund balances are reported as committed when the Council formally designates the use of resources by ordinance or resolution for a specific purpose and cannot be used for any other purpose unless the City Council likewise formally changes the use through an ordinance or resolution.

**KAYSVILLE CITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**Equity (continued)**

- 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.

*Government-wide Statements*

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

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

**Interfund Transactions**

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

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

**Operating Revenues and Expenses**

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

**KAYSVILLE CITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**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.

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

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

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

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.

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, 2018**

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

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. Investments in pooled accounts are stated at fair value.

As of June 30, 2018, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
PTIF Investments	\$ 7,315,081	\$ 7,315,081	\$ -	\$ -	\$ -
Zions Money Market	1,016,255	1,016,255	-	-	-
Certificates of Deposit	253,878	127,252	126,626	-	-
Moreton Asset Management	3,132,798	646,423	2,486,375	-	-
	<b>\$11,718,012</b>	<b>\$ 9,105,011</b>	<b>\$2,613,001</b>	<b>\$ -</b>	<b>\$ -</b>

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

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

As of June 30, 2018, the City had the following investments and quality ratings:

Investment Type	Fair Value	Quality Ratings				
		AAA	AA	A	Unrated	
PTIF Investments	\$ 7,315,081	\$ -	\$ -	\$ -	\$ -	\$7,315,081
Zions Money Market	1,016,255	-	-	-	-	1,016,255
Certificates of Deposit	253,878	-	-	-	-	253,878
Moreton Asset Management	3,132,798	1,295,274	277,073	479,406		1,081,045
	<b>\$11,718,012</b>	<b>\$ 1,295,274</b>	<b>277,073</b>	<b>\$ 479,406</b>		<b>\$9,666,259</b>

*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* – Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to. The City does not have a formal deposit policy for custodial credit risk. Throughout the year the City's bank balance may fluctuate and there is a credit risk when deposits are above the covered FDIC limits. As of June 30, 2018 \$21,355,868 of the City's bank balances of \$22,060,238 (which excludes outstanding checks and deposits) was uninsured and uncollateralized.

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

Components of cash and investments (including interest earning deposits) at June 30, 2018, are as follows:

Cash on hand and on deposit:

Cash on hand	\$ 250
Cash on deposit	16,731,659
PTIF investment	7,315,081
Moreton Asset Management	3,132,798
Money market	1,016,255
Certificates of deposit	253,878
<b>Total cash and investments</b>	<b>\$28,494,921</b>

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

Cash and cash equivalents	\$23,721,777
Cash restricted	1,386,468
Investments	3,386,676
<b>Total cash and investments</b>	<b>\$28,494,921</b>

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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### 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
<b>Receivables:</b>										
Intergovernmental	\$4,371,816	1,216,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$5,588,297
Due from Other Fund	721,271	-	-	-	-	-	-	-	-	721,271
Utility charges	-	-	240,609	197,357	1,171,337	107,592	168,133	99,477	354,055	2,338,560
Other receivables	-	-	107	-	30,072	-	-	-	-	30,179
<b>Gross receivables</b>	<b>5,093,087</b>	<b>1,216,481</b>	<b>240,716</b>	<b>197,357</b>	<b>1,201,409</b>	<b>107,592</b>	<b>168,133</b>	<b>99,477</b>	<b>354,055</b>	<b>8,678,307</b>
Allowance	-	-	(8,672)	(6,864)	(40,858)	(3,726)	(5,842)	(3,488)	(145,133)	(214,583)
<b>Net receivables</b>	<b>\$5,093,087</b>	<b>1,216,481</b>	<b>\$232,044</b>	<b>\$190,493</b>	<b>\$1,160,551</b>	<b>\$103,866</b>	<b>\$162,291</b>	<b>\$95,989</b>	<b>\$ 208,922</b>	<b>\$8,463,724</b>

"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	MBA	Water	Sewer	Electric	Pressure Irrigation	Sanitation	Storm Water	Ambulance	Total
Accounts Payables:	\$243,563	\$ 3,923	\$528,272	\$ -	\$ -	\$19,909	\$207,766	\$1,699,610	\$105,940	\$185,538	\$30,828	\$5,864	\$3,031,213
Due to Other Fund	-	-	-	-	652,996	-	-	-	68,275	-	-	-	721,271
<b>Gross payables</b>	<b>\$243,563</b>	<b>\$3,923</b>	<b>\$528,272</b>	<b>\$652,996</b>	<b>\$ -</b>	<b>\$19,909</b>	<b>\$207,766</b>	<b>\$1,767,885</b>	<b>\$105,940</b>	<b>\$185,538</b>	<b>\$30,828</b>	<b>\$5,864</b>	<b>\$3,752,484</b>

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

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**5. CAPITAL ASSETS**

Capital asset activity in the governmental activities for the year ended June 30, 2018, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Governmental activities</b>					
Capital assets, not being depreciated					
Land	\$24,757,041	\$ 786,846	\$ -	\$ -	\$25,543,887
Total capital assets, not being depreciated	<u>24,757,041</u>	<u>786,846</u>	<u>-</u>	<u>-</u>	<u>25,543,887</u>
Capital assets, being depreciated					
Infrastructure	70,742,979	4,491,552	-	-	75,234,531
Buildings	10,191,547	-	-	-	10,191,547
Improvements	6,594,935	4,983	-	-	6,599,918
Vehicles	4,951,884	228,360	(113,673)	-	5,066,571
Equipment	<u>2,480,589</u>	<u>51,574</u>	<u>-</u>	<u>-</u>	<u>2,532,163</u>
Total capital assets, being depreciated	<u>94,961,934</u>	<u>4,776,469</u>	<u>(113,673)</u>	<u>-</u>	<u>99,624,730</u>
Accumulated Depreciation for:					
Infrastructure	(29,299,338)	(1,976,099)	-	-	(31,275,437)
Buildings	(1,795,413)	(170,956)	-	-	(1,966,369)
Improvements	(3,530,598)	(238,028)	-	-	(3,768,626)
Vehicles	(3,671,149)	(371,465)	113,673	-	(3,928,941)
Equipment	<u>(1,768,085)</u>	<u>(164,018)</u>	<u>-</u>	<u>-</u>	<u>(1,932,103)</u>
Total accumulated depreciation	<u>(40,064,583)</u>	<u>(2,920,566)</u>	<u>113,673</u>	<u>-</u>	<u>(42,871,476)</u>
Total capital assets being depreciated, net	<u>54,897,351</u>	<u>1,855,903</u>	<u>-</u>	<u>-</u>	<u>56,753,254</u>
Governmental activities capital assets, net	<u>\$79,654,392</u>	<u>\$ 2,642,749</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$82,297,141</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 110,469
Public Safety	
Police	223,630
Fire	145,303
Community Development	13,730
Public Works	2,076,647
Parks and Recreation	<u>350,784</u>
 Total Governmental Activities Depreciation Expense	 <u>\$ 2,920,563</u>

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**5. CAPITAL ASSETS (Continued)**

Capital asset activity in the business-type activities for the year ended June 30, 2018, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type activities</b>				
Capital assets, not being depreciated				
Land	\$ 1,140,723	\$ -	\$ -	\$ 1,140,723
Water Stock	4,430,990	69,000	-	4,499,990
Total capital assets, not being depreciated	<u>5,571,713</u>	<u>69,000</u>	<u>-</u>	<u>5,640,713</u>
Capital assets, being depreciated				
Buildings	825,794	-	-	825,794
Improvements	41,320	-	-	41,320
Infrastructure	71,049,099	1,454,995	-	72,504,094
Vehicles	2,820,442	36,386	(87,013)	2,769,815
Machinery and Equipment	2,215,929	83,861	-	2,299,790
Total capital assets, being depreciated	<u>76,952,584</u>	<u>1,575,242</u>	<u>(87,013)</u>	<u>78,440,813</u>
Accumulated Depreciation for:				
Buildings	(426,660)	(13,763)	-	(440,423)
Improvements	(13,772)	(1,377)	-	(15,149)
Infrastructure	(28,780,377)	(1,896,449)	-	(30,676,826)
Vehicles	(1,784,843)	(305,878)	87,013	(2,003,708)
Machinery and Equipment	(1,497,155)	(140,252)	-	(1,637,407)
Total accumulated depreciation	<u>(32,502,807)</u>	<u>(2,357,719)</u>	<u>87,013</u>	<u>(34,773,513)</u>
Total capital assets, being depreciated, net	<u>44,449,777</u>	<u>(782,477)</u>	<u>-</u>	<u>43,667,300</u>
Business-type activities capital assets, net	<u>\$50,021,490</u>	<u>\$ (713,477)</u>	<u>\$ -</u>	<u>\$49,308,013</u>

Depreciation expense was charged to functions as follows:

**Business-type Activities:**

Water	\$ 577,367
Sewer	688
Electric	937,968
Sanitation	101,735
Storm Water	674,042
Ambulance	<u>65,919</u>

**Total Business-type Activities Depreciation Expense** \$ 2,357,719

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**5. CAPITAL ASSETS (Continued)**

Capital assets by proprietary fund are as follows:

	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Electric Utility</b>	<b>Pressure Irrigation</b>	<b>Sanitation Utility</b>	<b>Storm Water</b>	<b>Ambulance</b>	<b>Total</b>
Land	\$ 120,094	\$ -	\$ 1,004,307	\$ 16,322	\$ -	\$ -	\$ -	\$ 1,140,723
Water Stock	787,140	-	-	3,712,850	-	-	-	4,499,990
Buildings	123,869	41,289	660,636	-	-	-	-	825,794
Improvements	41,320	-	-	-	-	-	-	41,320
Infrastructure	23,490,138	-	27,356,859	-	-	21,657,097	-	72,504,094
Vehicles	288,562	-	1,425,777	-	126,935	356,041	572,500	2,769,815
Equipment	221,974	-	517,044	-	1,447,941	17,272	95,559	2,299,790
<b>Total</b>	<b>25,073,097</b>	<b>41,289</b>	<b>30,964,623</b>	<b>3,729,172</b>	<b>1,574,876</b>	<b>22,030,410</b>	<b>668,059</b>	<b>84,081,526</b>
Accum Depr	(9,193,909)	(22,021)	(13,806,387)	-	(1,189,715)	(10,240,005)	(321,476)	(34,773,513)
<b>Net</b>	<b>\$15,879,188</b>	<b>\$ 19,268</b>	<b>\$17,158,236</b>	<b>\$3,729,172</b>	<b>\$ 385,161</b>	<b>\$11,790,405</b>	<b>\$ 346,583</b>	<b>\$49,308,013</b>

**6. DEPOSITS**

General Fund - Deposits in the general fund as of June 30, 2018 are as follows:

Business license bonds refundable	\$ 2,300
Builders' deposits	452,300
Quail Creek Reserve	10,113
Heritage Park	3,735
Excavation deposits	129,500
Escrow deposits	1,670,100
<b>Total</b>	<b>\$ 2,268,048</b>

Capital Projects - Deposits in the capital projects fund as of June 30, 2018 are as follows:

Reserve from U of U for Rail Trail	\$ 27,845
Skate Park Donations	25,213
Gailey Park Swings	3,410
Pickleball Facility	300
<b>Total</b>	<b>\$ 56,768</b>

Enterprise Funds - All utility and developer's deposits are recorded in the electric utility fund. The water meter deposits are recorded in the water utility fund. As of June 30, 2018 deposits are as follows:

Utility deposits	\$ 106,390
Water meter deposits	10,973
<b>Total deposits</b>	<b>\$ 117,363</b>

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**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.

The assets acquired through outstanding capital leases are as follows:

	<b>Business-type Activities</b>			
	<b>Governmental Activities</b>	<b>Sanitation Fund</b>	<b>Storm Drain Fund</b>	<b>Ambulance Fund</b>
Vehicles	\$ 832,850	\$ -	\$ 306,743	\$ 419,500
Equipment	78,231	210,234	-	-
Less: Accumulated Amortization	<u>(449,848)</u>	<u>(105,117)</u>	<u>(245,396)</u>	<u>(119,858)</u>
Total	<u><u>\$ 461,233</u></u>	<u><u>\$ 105,117</u></u>	<u><u>\$ 61,347</u></u>	<u><u>\$ 299,642</u></u>

**Government-type activities:**

The City has two lease agreements as lessee for the acquisition of a fire truck and wide area mower.

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.

<b>Year Ended June 30,</b>	<b>Capital Lease (Fire Truck)</b>		
	1.69%		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 72,054	\$ 609	\$ 72,663
<b>Totals</b>	<b><u>\$ 72,054</u></b>	<b><u>\$ 609</u></b>	<b><u>\$ 72,663</u></b>

The wide area mower lease purchase agreement bears an interest rate of 3.755%. Annual payments are made with final payment being made in October 2018.

<b>Year Ended June 30,</b>	<b>Capital Lease (Wide Area Mower)</b>		
	3.755%		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 16,222	\$ 620	\$ 16,842
<b>Totals</b>	<b><u>\$ 16,222</u></b>	<b><u>\$ 620</u></b>	<b><u>\$ 16,842</u></b>

**Business-type activities:**

During the fiscal year the City had three lease agreements for the acquisition of recycling cans, a vactor truck, and two ambulances.

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

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**7. LEASES (Continued)**

**Business-type activities (continued):**

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

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

Year Ended June 30,	Capital Lease (Ambulances)		
	1.75%		
	Principal	Interest	Total
2019	85,615	2,645	88,260
2020	87,117	1,143	88,260
<b>Totals</b>	<b>\$ 172,732</b>	<b>\$ 3,788</b>	<b>\$ 176,520</b>

**8. LONG-TERM LIABILITIES**

**Governmental activities:**

Sales Tax Revenue Bond- Pioneer Park

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

Year Ended June 30,	Lease Revenue Bond		
	Pioneer Park		
	Principal	Interest	Total
2019	180,000	26,755	206,755
2020	182,000	24,718	206,718
2021	185,000	22,105	207,105
2022	188,000	18,505	206,505
2023	193,000	13,978	206,978
2024	198,000	8,843	206,843
2025	204,000	3,060	207,060
<b>Totals</b>	<b>\$ 1,330,000</b>	<b>\$ 117,964</b>	<b>\$ 1,447,964</b>

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

Lease Revenue Bond- Police Station

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

<b>Year Ended June 30,</b>	<b>Lease Revenue Bond Police Station</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	279,000	105,568	384,568
2020	283,000	102,220	385,220
2021	290,000	98,541	388,541
2022	296,000	94,336	390,336
2023	304,000	89,600	393,600
2024-2028	1,666,000	348,643	2,014,643
2029-2031	1,163,000	88,148	1,251,148
<b>Totals</b>	<b>\$4,281,000</b>	<b>\$927,056</b>	<b>\$5,208,056</b>

**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, 2018 is as follows:

<b>Governmental Activities:</b>	<b>Balance July 1, 2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2018</b>	<b>Amounts Due Within One Year</b>
Sales Tax Revenue Bonds (Pioneer Park)	\$ -	\$1,330,000	\$ -	\$1,330,000	\$ 180,000
Series 2014 Lease Revenue Bonds (Police Station)	\$4,557,000	\$ -	\$ (276,000)	\$4,281,000	\$ 279,000
Capital Lease (Fire Truck)	214,352	-	(142,298)	72,054	72,054
Capital Lease (Wide Area Mower)	31,846	-	(15,624)	16,222	16,222
<b>Total Bonds and Leases</b>	<b>4,803,198</b>	<b>1,330,000</b>	<b>(433,922)</b>	<b>5,699,276</b>	<b>547,276</b>
Compensated Absences	381,552	271,385	(228,931)	424,006	254,404
<b>Total Governmental Activities</b>	<b>\$5,184,750</b>	<b>\$1,601,385</b>	<b>\$(662,853)</b>	<b>\$6,123,282</b>	<b>\$ 801,680</b>

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

	<b>Balance July 1, 2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2018</b>	<b>Amounts Due Within One Year</b>
<b>Business-type Activities:</b>					
Capital Lease (Recycling Cans)	22,849	-	(22,849)	-	-
Capital Lease (Vactor Truck)	45,872	-	(45,872)	-	-
Capital Lease (Ambulances)	256,872	-	(84,140)	172,732	85,615
Total Leases	325,593	-	(152,861)	172,732	85,615
Compensated Absences	151,451	69,973	(30,291)	191,133	38,227
<b>Total Business-type Activities</b>	<b>\$ 477,044</b>	<b>\$ 69,973</b>	<b>\$ (183,152)</b>	<b>\$ 363,865</b>	<b>\$ 123,842</b>

For the year ended June 30, 2018, \$117,326 in interest was charged to expenditures in the Governmental Funds and \$4,929 was charged to expenses in the Proprietary Funds. No interest was capitalized for the year ended June 30, 2018, in Governmental or Business-type Activities.

The appropriate fund in which the employee typically works is used to liquidate compensated absences. City policy provides for an employee to be paid out a maximum of 240 hours of vacation and 80 hours of compensation time.

**10. RETIREMENT SYSTEMS**

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

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

**11. RETIREMENT SYSTEMS AND PENSION PLANS**

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

- Public Employees Noncontributory Retirement Systems (NonContributory System); Public Employees Contributory Retirement System (Contributory System); are multiple employer, cost sharing, public employee, retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are multiple employer, cost sharing, public employees, retirement systems.

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the System under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publically available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: [www.urs.org](http://www.urs.org).

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

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

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975: Up to 4% 2.00% per year July 1975 to present	
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; Up to 2.5% 2.0% per year over 20 years to 4% depending on the employer	
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years Up to 4%	
Tier 2 Public Employee System	Highest 5 Years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

\* with actuarial reductions

\*\* All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

Contributions – As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2018 are as follows:

<u>Utah Retirement Systems</u>	Employee Paid	Paid by Employer for employee	Employer Contribution Rates	Employer rate for 401(k) Plan
Contributory System				
11 – Local Governmental Division Tier 1	N/A	6.00%	14.46%	N/A
111 – Local Governmental Division Tier 2	N/A	N/A	15.11%	1.58%
Noncontributory System				
15 – Local Governmental Division Tier 1	N/A	N/A	18.47%	N/A
Public Safety Retirement System				
Contributory				
122- Tire 2 DB Hybrid Public Safety	N/A	N/A	23.73%	1.26%
Noncontributory				
75- Other Division A with 4% COLA	N/A	N/A	35.71%	N/A
Firefighters Retirement System				
31- Other Division A	N/A	15.05%	3.89%	N/A
132- Tier 2 DB Hybrid Firefighters	N/A	N/A	10.82%	1.26%
Tier 2 DC Only				
211- Local Government	N/A	N/A	6.69%	10.00%
222- Public Safety	N/A	N/A	12.99%	12.00%
232- Firefighters	N/A	N/A	0.08%	12.00%

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

For fiscal year ended June 30, 2018, the employer and employee contributions to the System were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 564,975	N/A
Contributory System	12,463	-
Public Safety System	439,655	-
Firefighters System	6,910	-
Tier 2 Public Employees System	114,957	-
Tier 2 Public Safety and Firefighter	92,454	-
Tier 2 DC Only System	16,825	N/A
Tier 2 DC Public Safety & Firefighter System	5,483	N/A
Total Contributions	\$ 1,253,722	\$ -

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

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

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

At June 30, 2018, we reported a net pension asset of \$34,566 and a net pension liability of \$3,033,901.

	(Measurement Date): December 31, 2017				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate share Dec 31, 2016	Change (Decrease)
Noncontributory System	\$0	\$1,591,320	0.3632073%	0.3782228%	(0.0150155%)
Contributory System	\$0	\$34,350	0.4221291%	0.3668630%	0.0552661%
Public Safety System	\$0	\$1,401,190	0.8932410%	0.9570199%	(0.0637789%)
Firefighters System	\$31,197	\$0	0.4995134%	0.4728736%	0.0266398%
Tier 2 Public Employees System	\$0	\$7,041	0.0798652%	0.0695979%	0.0102673%
Tier 2 Public Safety and Firefighter System	\$3,369	\$0	0.2911591%	0.3341964%	(0.0430373%)
<b>Total Net Pension Asset/Liability</b>	<b>\$34,566</b>	<b>\$3,033,901</b>			

The net pension asset and liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2017 and roll-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the System during the plan year the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2018, the City recognized pension expense of \$1,249,779. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$37,517	\$324,227
Changes in assumptions	\$1,146,999	\$67,537
Net difference between projected and actual earnings on pension plan investments	\$661,543	\$1,714,585
Changes in proportion and differences between contributions and proportionate share of contributions	\$107,257	\$153,050
Contributions subsequent to the measurement date	\$627,116	\$0
<b>Total</b>	<b>\$2,580,432</b>	<b>\$2,259,399</b>

\$627,116 was reported as deferred outflows of resources related to pension results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2017. These contributions will be recognized as a reduction of the net pension liability in the upcoming year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflow) of Resources
2018	\$163,148
2019	\$202,022
2020	(\$315,197)
2021	(\$373,946)
2022	399
Thereafter	\$17,491

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

Actuarial Assumptions – The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 Percent
Salary Increases	3.25 – 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 1, 2017, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
<b>Totals</b>	<b>100%</b>		<b>4.75%</b>
<u>Inflation</u>			<u>2.50%</u>
<u>Expected arithmetic normal return</u>			<u>7.25%</u>

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

Discount rate – The discount rate used to measure the total pension liability is 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 6.95 percent from 7.20 percent from the prior measurement period.

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**11. RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

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

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$4,303,677	\$1,591,320	(\$663,870)
Contributory System	\$232,899	\$34,350	(\$132,196)
Public Safety System	\$3,530,368	\$1,401,190	(\$324,485)
Firefighters System	\$133,109	(\$31,197)	(\$163,960)
Tier 2 Public Employees System	\$82,910	\$7,041	(\$51,464)
Tier 2 Public Safety and Firefighter	\$29,834	(\$3,369)	(\$28,736)
Total	\$8,312,797	\$2,999,335	(\$1,364,711)

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

Defined Contribution Savings Plans – The Defined Contribution Saving Plans are administered by the Utah Retirement System Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under section 401(k), 457(b) and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

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

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

	2018	2017	2016
401 (k) Plan			
Employer Contributions	\$75,181	\$51,906	\$24,520
Employee Contributions	\$72,429	\$77,571	\$34,739
457 Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$14,805	\$2,508	\$0
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$9,011	\$4,590	\$1,410

**12. RISK MANAGEMENT - CLAIMS AND JUDGEMENTS**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters.

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

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**13. INTERFUND TRANSACTIONS**

Transfers In/Out

Transfers for the year ended June 30, 2018 were as follows:

Transfers Out	Transfers In				Total
	Debt Service Fund	Municipal Building Authority	Capital Projects Fund	Ambulance Fund	
General Fund	\$ 163,500	\$ 400,000	\$ 250,000	\$ 250,000	\$1,063,500
Capital Projects Fund	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
<b>Totals</b>	<b>\$ 193,500</b>	<b>\$ 400,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$1,093,500</b>

The above transfers resulted from the normal course of the City's operations. Often, funds are received in a given fund, but those funds are used for a purpose in which the expenditures are made in another fund. The transfer to the Ambulance Fund was to cover operating expenses in the Ambulance Fund. The transfer from the General Fund to the Debt Service fund was to make the annual revenue bond payment and the fire apparatus payment. The transfer from the general fund to the municipal building authority was made to make the annual bond payment for the construction of the police station.

**14. PROPERTY TAX**

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

**15. INTERFUND ACTIVITY**

During the course of normal operations, the City has nonreciprocal 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 \$36,697 for water, \$4,884 for sewer, \$12,180 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 utility fund to governmental funds are treated as an interfund reimbursement in the amount of \$199,733 for those services.

**KAYSVILLE CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**16. INVESTMENTS IN POWER PROJECTS AND RELATED CONTRACTS**

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

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

Colorado River Storage Project (CRSP)

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

Firm Power Project

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

Payson Project (Nebo Plant)

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

Horse Butte Wind Project

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

Veyo Heat Recovery Project

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

Intermountain Power Project

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

**KAYSVILLE CITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

UAMPS Hunter II Project

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

All-In Cost Pool

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

**17. ENDOWMENT**

In 1993, the Alan Blood family donated property to the City to be sold and the proceeds used to fund an endowment for the Kaysville City Library. The proceeds from this money is to be spent by the library endowment board on books for the library. Each year the non-spendable portion is increased by 10% of the interest earned that year. As of June 30, 2018 the non-spendable portion is \$688,299.

**18. SPECIAL ITEM**

On September 6, 2017 the City received \$1,200,000 in settlement funds for the repair of the bridge on 200 North. During fiscal year 2018 \$17,130 was spent on those repairs. The settlement was to repair any damages the bridge may have incurred due to settlement. These funds are being held in the Capital Projects fund as part of assigned capital.

**19. METER SYSTEM CHANGE OUT**

During fiscal year 2018 the City started to install electronic meters in the Water and Power systems. These meters are going to be installed in all the City within the next four years. As part of this project, there has been some large expenses incurred.

**20. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

During the fiscal year the City engaged in a project with significant funding from the State of Utah to install a signal light and other improvements at Angel Street and 200 North. The City oversaw the project, however the State of Utah contributed a large portion of the expense. Management inadvertently did not increase the budget to include the expense that was incurred on behalf of the State of Utah. This resulted in the Capital Projects fund becoming over budget on this project.

During the fiscal year the City paid the issuance costs as part of the financing for the Pioneer Park Project. This resulted in the Debt Services fund becoming over budget.

During the fiscal year the City paid some additional expenses for the police station debt as part of a refinancing, to save interest costs over the term of the debt repayment. Though the budget was amended to include additional cost, it was not amended enough. This resulted in the Municipal Building Authority becoming over budget.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**General Fund**

**Kaysville Redevelopment Agency- Special Revenue Fund**

**Municipal Building Authority- Special Revenue Fund**

**Schedule of the Proportionate Share of the Net Pension Liability**

**Schedule of Pension Contributions**

**Pension Beginning & Ending Values**

**Notes to Required Supplementary Information**

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2018**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>		
	<b>Original</b>	<b>Final</b>				
<b>Revenues:</b>						
<b>Taxes:</b>						
Property Taxes - Current	\$ 2,840,000	\$ 2,840,000	\$ 3,000,364	\$ 160,364		
Property Taxes - Redemptions	100,000	100,000	16,529	(83,471)		
Property Taxes - Payments in Lieu	-	-	26,434	26,434		
Motor Vehicle Fee in Lieu	250,000	250,000	145,094	(104,906)		
Sales Tax	4,200,000	4,200,000	4,819,011	619,011		
Utility License Tax	600,000	600,000	483,614	(116,386)		
Energy Sales and Use Charge	1,300,000	1,300,000	1,274,019	(25,981)		
	<u>9,290,000</u>	<u>9,290,000</u>	<u>9,765,065</u>	<u>475,065</u>		
<b>Licenses and Permits:</b>						
Business Licenses	65,000	65,000	55,583	(9,417)		
Building Permits	450,000	450,000	560,710	110,710		
	<u>515,000</u>	<u>515,000</u>	<u>616,293</u>	<u>101,293</u>		
<b>Intergovernmental:</b>						
Class "C" Road	995,000	995,000	1,130,655	135,655		
Local Option Active Transportation	250,000	250,000	366,156	116,156		
State Beer Tax	18,000	18,000	21,528	3,528		
State Grants	3,500	3,500	9,725	6,225		
	<u>1,266,500</u>	<u>1,266,500</u>	<u>1,528,064</u>	<u>261,564</u>		
<b>Charges for Services:</b>						
Administrative Charges	658,000	658,000	658,000	-		
Zoning/ Plan Check	155,000	155,000	154,903	(97)		
Maps and Publications	500	500	-	(500)		
Fire Protection	225,000	225,000	257,076	32,076		
Law Enforcement	150,000	150,000	212,710	62,710		
Streets	2,500	2,500	34,825	32,325		
Parks and Recreation	590,000	590,000	592,864	2,864		
Facilities Maintenance	-	-	965	965		
Cemetery Lots	73,000	73,000	94,520	21,520		
Burial Fees	88,000	88,000	104,624	16,624		
GIS/Information System Services	265,000	265,000	265,000	-		
Fleet Mgmt Services	101,000	101,000	100,800	(200)		
Miscellaneous Charges	49,098	49,098	5,576	(43,522)		
	<u>2,357,098</u>	<u>2,357,098</u>	<u>2,481,863</u>	<u>124,765</u>		
<b>Fines and Forfeitures</b>	<b>126,000</b>	<b>126,000</b>	<b>160,234</b>	<b>34,234</b>		

Basis of budgeting is the same as GAAP

(continued)

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2018**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Other Revenues:</b>				
Interest and Dividend Earnings	20,000	20,000	123,288	103,288
Rents	25,000	25,000	24,496	(504)
Sale of Materials	-	-	65,423	65,423
Community Events	74,000	74,000	74,654	654
Sundry	25,000	25,000	34,817	9,817
	<b>144,000</b>	<b>144,000</b>	<b>322,678</b>	<b>178,678</b>
<b>Total Revenues</b>	<b>13,698,598</b>	<b>13,698,598</b>	<b>14,874,197</b>	<b>1,175,599</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
City Council	101,850	101,850	118,117	(16,267)
City Manager	185,600	185,600	194,017	(8,417)
Administrative Services	818,300	818,300	779,621	38,679
Information Services	572,210	572,210	577,351	(5,141)
Legal Services	145,000	145,000	154,866	(9,866)
Elections	50,000	50,000	37,899	12,101
Animal Control	55,000	55,000	59,048	(4,048)
Fleet Maintenance	298,600	298,600	246,902	51,698
Reciprocal Utility Fees	215,000	215,000	175,682	39,318
Non-Reciprocal Utility Expense	95,000	95,000	80,696	14,304
Vehicle Replacement Program	100,000	100,000	86,434	13,566
	<b>2,636,560</b>	<b>2,636,560</b>	<b>2,510,633</b>	<b>125,927</b>
<b>Public Safety:</b>				
Police Department	3,944,816	3,944,816	3,781,089	163,727
Fire Department	947,722	947,722	747,881	199,841
	<b>4,892,538</b>	<b>4,892,538</b>	<b>4,528,970</b>	<b>363,568</b>
<b>Community Development:</b>				
Planning and Zoning	333,800	333,800	298,634	35,166
Code Enforcement	481,200	481,200	465,872	15,328
	<b>815,000</b>	<b>815,000</b>	<b>764,506</b>	<b>50,494</b>
<b>Public Works:</b>				
Public Works	1,101,400	1,101,400	819,299	282,101
Class "C" Roads	1,610,000	1,610,000	1,284,580	325,420
	<b>2,711,400</b>	<b>2,711,400</b>	<b>2,103,879</b>	<b>607,521</b>

(continued)

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2018**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Parks, Recreation and Culture:</b>				
Buildings	145,550	145,550	130,324	15,226
Parks	946,800	946,800	920,512	26,288
Recreation	890,800	890,800	829,146	61,654
Community Events	235,250	235,250	189,312	45,938
Cemetery	196,200	196,200	183,983	12,217
	<b>2,414,600</b>	<b>2,414,600</b>	<b>2,253,277</b>	<b>161,323</b>
<b>Total Expenditures</b>	<b>13,470,098</b>	<b>13,470,098</b>	<b>12,161,265</b>	<b>1,308,833</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>228,500</b>	<b>228,500</b>	<b>2,712,932</b>	<b>2,484,432</b>
<b>Other Financing Sources (Uses):</b>				
<b>Transfers In (Out):</b>				
MBA Special Revenue Fund	(400,000)	(400,000)	(400,000)	-
Debt Service Fund	(163,500)	(163,500)	(163,500)	-
Capital Projects Fund	(250,000)	(250,000)	(250,000)	-
Non-Reciprocal Utility Revenue	80,000	80,000	80,696	696
Ambulance Fund	(250,000)	(250,000)	(250,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(983,500)</b>	<b>(983,500)</b>	<b>(982,804)</b>	<b>696</b>
<b>Net Change in Fund Balance</b>	<b>(755,000)</b>	<b>(755,000)</b>	<b>1,730,128</b>	<b>2,485,128</b>
<b>Fund Balance - July 1</b>	<b>4,337,750</b>	<b>4,337,750</b>	<b>4,337,750</b>	<b>-</b>
<b>Fund Balance - June 30</b>	<b>\$ 3,582,750</b>	<b>\$ 3,582,750</b>	<b>\$ 6,067,878</b>	<b>\$ 2,485,128</b>

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND- KAYSVILLE REDEVELOPMENT AGENCY**  
**YEAR ENDED JUNE 30, 2018**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Interest Income	\$ -	\$ -	\$ 3,548	\$ 3,548
Property Taxes	<u>\$ 100,000</u>	<u>100,000</u>	<u>134,305</u>	<u>34,305</u>
<b>Total Revenues</b>	<b>100,000</b>	<b>100,000</b>	<b>137,853</b>	<b>37,853</b>
<b>EXPENDITURES:</b>				
Professional Services	25,000	25,000	10,000	15,000
Interest Expense	-	-	13,241	(13,241)
Debt Service:				
Flint Property	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
<b>Total Expenditures</b>	<b>100,000</b>	<b>100,000</b>	<b>23,241</b>	<b>76,759</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>-</b>	<b>-</b>	<b>114,612</b>	<b>114,612</b>
<b>Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>114,612</b>	<b>114,612</b>
<b>Fund Balance at Beginning of Year</b>	<b>271,501</b>	<b>271,501</b>	<b>271,501</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 271,501</b>	<b>\$ 271,501</b>	<b>\$ 386,113</b>	<b>\$ 114,612</b>

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND- MUNICIPAL BUILDING AUTHORITY**  
**YEAR ENDED JUNE 30, 2018**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Interest Income	\$ -	\$ -	\$ 381	\$ 381
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>\$ 381</b>	<b>381</b>
<b>EXPENDITURES:</b>				
Police Station Debt Service	400,000	412,000	278,110	133,890
Interest Expense	-	-	135,775	(135,775)
<b>Total Expenditures</b>	<b>400,000</b>	<b>412,000</b>	<b>413,885</b>	<b>(1,885)</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(400,000)</b>	<b>(412,000)</b>	<b>(413,504)</b>	<b>(1,504)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In (Out):				
General Fund	400,000	412,000	400,000	(12,000)
<b>Total Other Financing Sources (Uses)</b>	<b>400,000</b>	<b>412,000</b>	<b>400,000</b>	<b>(12,000)</b>
<b>Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(13,504)</b>	<b>(13,504)</b>
<b>Fund Balance at Beginning of Year</b>	<b>13,600</b>	<b>13,600</b>	<b>13,600</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 13,600</b>	<b>\$ 13,600</b>	<b>\$ 96</b>	<b>\$ (13,504)</b>

## KAYSVILLE CITY CORPORATION

### Schedule of the Proportionate Share of the Net Pension Liability

(Provided by Utah Retirement Systems)

Last 10 Fiscal Years \*

	Non-Contributory System	Contributory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
<b>2018</b>						
Proportion of the net pension liability (asset)	0.3632073%	0.4212910%	0.8932410%	0.4995134%	0.0798652%	0.2911591%
Proportionate share of the net pension liability (asset)	\$1,591,320	\$34,350	\$1,401,190	(\$31,197)	\$7,041	(\$3,369)
Covered employee payroll	\$3,145,224	\$85,656	\$1,222,119	\$213,250	\$782,125	\$307,168
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	50.59%	40.10%	114.65%	-14.63%	0.90%	-1.10%
Plan fiduciary net position as a percentage of the total pension liability	91.9%	98.2%	90.2%	103.0%	97.4%	103.0%
<b>2017</b>						
Proportion of the net pension liability (asset)	0.3782228%	0.3668630%	0.9570199%	0.4728736%	0.0695979%	0.3341964%
Proportionate share of the net pension liability (asset)	\$2,428,653	\$120,372	\$1,942,058	(\$3,728)	\$7,764	(\$2,901)
Covered employee payroll	\$3,368,213	\$88,024	\$1,299,724	\$138,720	\$570,760	\$276,122
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	72.11%	136.75%	149.42%	-2.69%	1.36%	-1.05%
Plan fiduciary net position as a percentage of the total pension liability	87.3%	92.9%	86.5%	100.4%	95.1%	103.6%
<b>2016</b>						
Proportion of the net pension liability (asset)	0.3712689%	0.1931699%	0.9028963%	N/A	0.6231040%	0.3267187%
Proportionate share of the net pension liability (asset)	\$2,100,820	\$135,770	\$1,617,314	N/A	(\$136)	(\$4,773)
Covered employee payroll	\$3,142,903	\$82,307	\$1,230,772	N/A	\$402,584	\$194,444
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	66.84%	164.95%	131.41%	N/A	-0.03%	-2.45%
Plan fiduciary net position as a percentage of the total pension liability	87.8%	85.7%	87.1%	N/A	100.2%	110.7%

## KAYSVILLE CITY CORPORATION

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

(Provided by Utah Retirement Systems)

Last 10 Fiscal Years \*

	Non-Contributory System	Contributory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
<b>2015</b>						
Proportion of the net pension liability (asset)	0.3498119%	0.1495670%	0.8693386%	N/A	0.0557657%	0.1876971%
Proportionate share of the net pension liability (asset)	\$1,518,966	\$43,142	\$1,093,265	N/A	(\$1,690)	(\$2,777)
Covered employee payroll	\$2,975,806	\$80,034	\$1,197,771	N/A	\$274,011	\$77,767
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	51.00%	53.90%	91.30%	N/A	-0.60%	-3.60%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	94.0%	90.5%	N/A	103.5%	120.5%

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

**KAYSVILLE CITY CORPORATION**

**Schedule of Pension Contributions**

(Provided by Utah Retirement Systems)

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
<b>Noncontributory System</b>	2014	\$ 514,845	\$ 514,845	\$ -	\$ 2,978,314	17.29%
	2015	558,516	558,516	-	3,022,674	18.48%
	2016	590,639	590,639	-	3,255,577	18.14%
	2017	582,359	582,359	-	3,252,924	17.90%
	2018	564,975	564,975	-	3,108,701	18.17%
<b>Contributory System</b>	2014	\$ 10,886	\$ 10,886	\$ -	\$ 79,263	13.73%
	2015	11,560	11,560	-	79,946	14.46%
	2016	12,194	12,194	-	84,327	14.46%
	2017	12,794	12,794	-	88,481	14.46%
	2018	12,463	12,463	-	86,189	14.46%
<b>Public Safety System</b>	2014	\$ 401,881	\$ 401,881	\$ -	\$ 1,176,123	34.17%
	2015	435,849	435,849	-	1,220,524	35.71%
	2016	438,678	438,678	-	1,228,445	35.71%
	2017	461,398	461,398	-	1,302,057	35.44%
	2018	439,655	439,655	-	1,231,180	35.71%
<b>Firefighters System</b>	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	-	-	-	-	0.00%
	2016	1,279	1,279	-	4,933	25.93%
	2017	6,506	6,506	-	177,237	3.67%
	2018	6,910	6,910	-	246,693	2.80%
<b>Tier 2 Public Employees System*</b>	2014	\$ 24,454	\$ 24,454	\$ -	\$ 174,798	13.99%
	2015	56,172	56,172	-	373,937	15.02%
	2016	65,140	65,140	-	436,858	14.91%
	2017	110,196	110,196	-	740,427	14.88%
	2018	114,957	114,957	-	759,923	15.13%
<b>Tier 2 Public Safety and Firefighter System *</b>	2014	\$ 10,538	\$ 10,538	\$ -	\$ 47,108	22.37%
	2015	32,028	32,028	-	134,654	23.79%
	2016	56,360	56,360	-	239,685	23.51%
	2017	63,148	63,148	-	266,898	23.66%
	2018	92,454	92,454	-	427,577	21.62%
<b>Tier 2 Public Safety Employees DC Only System *</b>	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	2,239	2,239	-	14,986	14.94%
	2016	5,391	5,391	-	66,098	8.16%
	2017	4,580	4,580	-	79,437	5.77%
	2018	16,825	16,825	-	251,478	6.69%

**KAYSVILLE CITY CORPORATION**

**Schedule of Pension Contributions (continued)**

(Provided by Utah Retirement Systems)

	As of fiscal year ended June 30,	Actuarial Determined Contributions		Contributions in relation to the contractually required contribution		Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Tier 2 Public Safety & Firefighter DC Only System *	2014	\$	-	\$	-	\$	-	0.00%
	2015		-		-		-	0.00%
	2016		-		-		-	0.00%
	2017		-		-		-	0.00%
	2018		5,483		5,483		61,885	8.86%

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

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

## **KAYSVILLE CITY CORPORATION**

**June 30, 2018**

### **Changes in Assumptions**

As a result of an experience study conducted as of December 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).

**KAYSVILLE CITY CORPORATION**  
**Pension Beginning and Ending Values**  
(Provided by Utah Retirement Systems)

<b>GASB 68 Schedule</b>	Beginning Values			Ending Values		
	<b>NPL/ (NPA)</b>	<b>Asset</b>	<b>Liability</b>	<b>NPL/ (NPA)</b>	<b>Asset</b>	<b>Liability</b>
Noncontributory	2,428,653	-	2,428,653	1,591,320	-	1,591,320
Contributory	120,372	-	120,372	34,350	-	34,350
Public Safety	1,942,058	-	1,942,058	1,401,190	-	1,401,190
Firefighters	(3,728)	3,728.00	-	(31,197)	31,197	-
Judges	-	-	-	-	-	-
Governors & Legislators	-	-	-	-	-	-
Tier 2 public employees	7,764	-	7,764.00	7,041	-	7,041
Tier 2 public safety & firefighters	(2,901)	2,901	-	(3,369)	3,369	-
<b>Total</b>	<b>4,492,218</b>	<b>6,629</b>	<b>4,498,847</b>	<b>2,999,335</b>	<b>34,566</b>	<b>3,033,901</b>

Retirement System	Net Pension Liability/ (Asset) at 12/31/2016			Net Pension Liability/ (Asset) at 12/31/2017		
	System Total NPL/ (NPA)	Proportionate Share	Beginning Values	System Total NPL/ (NPA)	Proportionate Share	Ending Values
<b>Noncontributory</b>						
Local Government	642,122,385	0.3782228%	2,428,653	438,129,988	0.3632070%	1,591,319
State School	3,240,916,902	0.0000000%	-	2,445,362,179	0.0000000%	-
<b>Contributory</b>						
Local Government	32,811,102	0.3668630%	120,372	8,137,414	0.4221290%	34,350
State School	54,795,763	0.0000000%	-	6,580,407	0.0000000%	-
<b>Public Safety</b>						
Other DIV A	202,927,613	0.9570200%	1,942,058	156,865,824	0.8932410%	1,401,190
State of Utah	213,808,638	0.0000000%	-	173,886,661	0.0000000%	-
SLC	91,688,895	0.0000000%	-	86,194,634	0.0000000%	-
Ogden	19,179,423	0.0000000%	-	19,938,952	0.0000000%	-
Provo	13,875,843	0.0000000%	-	11,389,861	0.0000000%	-
Logan	7,205,719	0.0000000%	-	5,809,852	0.0000000%	-
Bountiful	7,319,792	0.0000000%	-	6,280,025	0.0000000%	-
Other DIV B	62,329,711	0.0000000%	-	48,320,343	0.0000000%	-
<b>Firefighters</b>						
Other DIV A	(788,348)	0.4728740%	(3,728)	(6,245,527)	0.4995130%	(31,197)
Other DIV B	14,791,745	0.0000000%	-	(22,433,533)	0.0000000%	-
<b>Judges</b>						
Utah Governors & Legislators	35,005,177	0.0000000%	-	32,585,945	0.0000000%	-
Tier 2 Public Employees	2,302,925	0.0000000%	-	1,853,770	0.0000000%	-
Tier 2 PS and Firefighters	11,154,934	0.0695980%	7,764	8,816,731	0.0798650%	7,041
<b>Total</b>	<b>4,650,580,161</b>		<b>4,492,218</b>	<b>3,420,316,456</b>		<b>2,999,334</b>

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**KAYSVILLE CITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2018**

**1. Budget Information**

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

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

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

1. On or before the first regular scheduled meeting in May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means to finance those expenditures.
2. Prior to the formal adoption of the budget, the City Council will hold budget workshop meetings which are open to the public.
3. Prior to budget adoption the City Council sets a date for a public budget hearing at which time taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection 10 days prior to the budget hearing. At the conclusion of the budget hearing, the budget, as amended, is legally enacted through passage of a resolution or ordinance.
4. Formal budgetary integration is employed as a management control device during the year for all funds.
5. Budgets for the General Fund, Debt Service Fund, the Capital Projects Fund, Redevelopment Agency Fund, and Municipal Building Authority Fund are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Budgets for the proprietary fund types are prepared using the accrual basis of accounting except that depreciation for all proprietary fund types is not budgeted. Budgeted amounts are as originally adopted, or as amended by the City Council during the 2018 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, 2018**

**Summary of Action Required for Budget Changes**

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

**2. Actuarially Determined Pension Contributions**

Contribution rates include an amount for normal cost, the estimated amount necessary to finance benefits earned by the members during the current year, and an amount for amortization of the unfunded or excess funded actuarial accrued liability over a closed 20-year amortization period. The rates are determined using the entry age actuarial cost method.

Contributions made were in accordance with actuarially computed funding requirements. For contribution rate purposes the actuary evaluates the assets of the plan based on a 5-year smoothed expected return wherein 20 percent of a year's excess or shortfall of expected return is recognized each year for five years.

**3. Changes in Assumptions for information provided by URS**

The following assumption changes were adopted January 1, 2018. The assumed investment return assumption was decreased from 7.5% to 7.2% and the assumed inflation rate was decreased from 2.75% to 2.60%. With the decrease in the assumed rate of inflation, both the payroll growth and wage inflation assumptions were decreased by 0.15% from the prior year's assumption.

There were additional changes to certain demographic assumptions that generally resulted in: (1) more members are anticipated to terminate employment prior to retirement, (2) slightly fewer members are expected to become disabled, and (3) members are expected to retire at a slightly later age.

## **OTHER SUPPLEMENTARY INFORMATION**

**Debt Service Fund**

**Capital Projects Fund**

**Permanent Fund- Perpetual Cemetery**

**Permanent Fund- Library Endowment**

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2018**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Interest Income	\$ -	\$ -	\$ 55	\$ 55
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>55</b>	<b>55</b>
<b>EXPENDITURES:</b>				
Debt Service:				
Parks Wide Area Mower Lease	18,000	18,000	16,841	1,159
Pioneer Park Debt Service	-	-	42,943	(42,943)
Fire Apparatus Payment	145,500	145,500	145,322	178
<b>Total Expenditures</b>	<b>163,500</b>	<b>163,500</b>	<b>205,106</b>	<b>(41,606)</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(163,500)</b>	<b>(163,500)</b>	<b>(205,051)</b>	<b>(41,551)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In (Out):				
Capital Projects	-	-	30,000	30,000
General Fund	163,500	163,500	163,500	-
<b>Total Other Financing Sources (Uses)</b>	<b>163,500</b>	<b>163,500</b>	<b>193,500</b>	<b>30,000</b>
<b>Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(11,551)</b>	<b>(11,551)</b>
<b>Fund Balance at Beginning of Year</b>	<b>50,661</b>	<b>50,661</b>	<b>50,661</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 50,661</b>	<b>\$ 50,661</b>	<b>\$ 39,110</b>	<b>\$ (11,551)</b>

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2018**

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	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES:</b>				
Park Development Impact Fees	\$ -	\$ -	\$ 241,125	\$ 241,125
Transportation Impact Fees	745,000	745,000	222,279	(522,721)
Intergovernmental	-	-	2,516,979	2,516,979
Donations	-	-	350	350
Interest Income	-	-	32,824	32,824
<b>Total Revenues</b>	<b>745,000</b>	<b>745,000</b>	<b>3,013,557</b>	<b>2,268,557</b>
<b>EXPENDITURES:</b>				
Capital Outlay:				
Library Building Renovation	500,000	500,000	30,657	469,343
Rail Trail	-	-	21,088	(21,088)
Document Management System	-	-	30,867	(30,867)
Pioneer Park	1,550,000	1,550,000	1,487,916	62,084
City Hall Office Building Improvements	45,000	45,000	360	44,640
Burton Lane	485,000	485,000	691,256	(206,256)
Shepherd Lane	-	-	49,700	(49,700)
Angel Street & 200 North	260,000	260,000	2,302,156	(2,042,156)
North Main & 300 West	-	-	24,987	(24,987)
200 N & Fairfield	-	-	375,161	(375,161)
<b>Total Expenditures</b>	<b>2,840,000</b>	<b>2,840,000</b>	<b>5,014,148</b>	<b>(2,174,148)</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(2,095,000)</b>	<b>(2,095,000)</b>	<b>(2,000,591)</b>	<b>94,409</b>
<b>Other Financing Sources (Uses):</b>				
Bond Proceeds	1,300,000	1,300,000	1,330,000	30,000
Developers Contributions	-	-	96,529	96,529
Transfers In (Out):				
Debt Service	-	-	(30,000)	(30,000)
General Fund	250,000	250,000	250,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,550,000</b>	<b>1,550,000</b>	<b>1,646,529</b>	<b>96,529</b>
<b>Speical Item, Net Insurance Proceeds</b>	<b>-</b>	<b>-</b>	<b>1,182,870</b>	<b>1,182,870</b>
<b>Change in Fund Balance</b>	<b>(545,000)</b>	<b>(545,000)</b>	<b>828,808</b>	<b>1,373,808</b>
<b>Fund Balance at Beginning of Year</b>	<b>2,122,435</b>	<b>2,122,435</b>	<b>2,122,435</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,577,435</b>	<b>\$ 1,577,435</b>	<b>\$ 2,951,243</b>	<b>\$ 1,373,808</b>

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PERMANENT FUND- PERPETUAL CEMETERY**  
**YEAR ENDED JUNE 30, 2018**

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	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Perpetual Care Fee	\$ 50,000	\$ 50,000	\$ 61,360	\$ 11,360
Interest Income	<u>15,000</u>	<u>15,000</u>	<u>14,573</u>	<u>(427)</u>
<b>Total Revenues</b>	<b><u>65,000</u></b>	<b><u>65,000</u></b>	<b><u>75,933</u></b>	<b><u>10,933</u></b>
<b>EXPENDITURES:</b>				
Improvements	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
<b>Total Expenditures</b>	<b><u>10,000</u></b>	<b><u>10,000</u></b>	<b><u>-</u></b>	<b><u>10,000</u></b>
<b>Change in Fund Balance</b>	<b>55,000</b>	<b>55,000</b>	<b>75,933</b>	<b>20,933</b>
<b>Fund Balance at Beginning of Year</b>	<b><u>1,809,816</u></b>	<b><u>1,809,816</u></b>	<b><u>1,809,816</u></b>	<b><u>-</u></b>
<b>Fund Balance at End of Year</b>	<b><u>\$ 1,864,816</u></b>	<b><u>\$ 1,864,816</u></b>	<b><u>\$ 1,885,749</u></b>	<b><u>\$ 20,933</u></b>

**KAYSVILLE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PERMANENT FUND- LIBRARY ENDOWMENT**  
**YEAR ENDED JUNE 30, 2018**

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	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Interest Income	\$ 3,500	\$ 3,500	\$ 4,871	\$ 1,371
<b>Total Revenues</b>	<b>3,500</b>	<b>3,500</b>	<b>4,871</b>	<b>1,371</b>
<b>EXPENDITURES:</b>				
Improvements	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>3,500</b>	<b>3,500</b>	<b>4,871</b>	<b>1,371</b>
<b>Fund Balance at Beginning of Year</b>	<b>777,539</b>	<b>777,539</b>	<b>777,539</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 781,039</b>	<b>\$ 781,039</b>	<b>\$ 782,410</b>	<b>\$ 1,371</b>

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## STATISTICAL SECTION

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*Utah's  
Hometown*



# KAYSVILLE CITY CORPORATION

## Statistical Section

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

<b>Contents</b>	<b><u>Page</u></b>
Financial Trends	91-96
<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	97-105
<i>These schedules contain information to help the reader assess a primary city revenue source, property tax.</i>	
Debt Capacity	106-108
<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	109-111
<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	112
<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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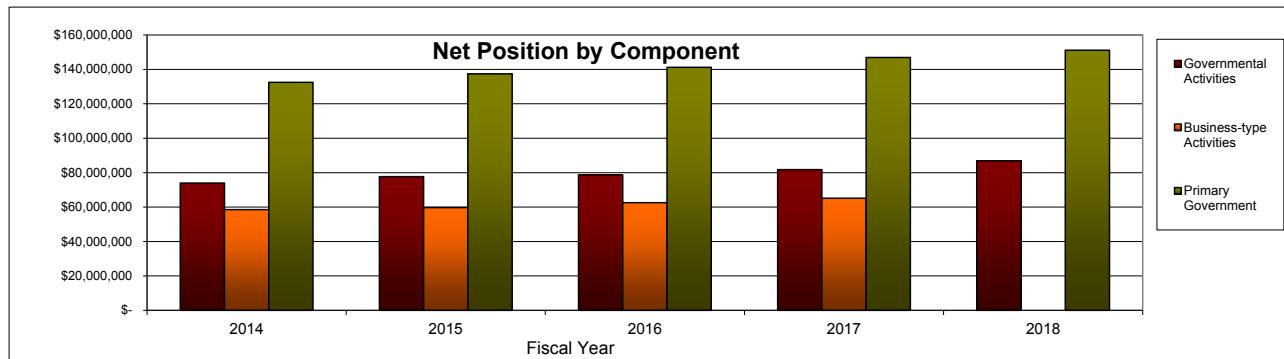
**KAYSVILLE CITY CORPORATION**

**Table 1 - Net Position by Component**

June 30, 2018

	2009	2010	2011	2012	2013	2014 (*Restated)	2015 (*Restated)	2016 (*Restated)	2017	2018
<b>Governmental Activities</b>										
Investment in Capital Assets, Net of Related Debt	\$ 47,859,814	\$ 49,104,550	\$ 50,933,344	\$ 51,804,229	\$ 70,379,749	\$ 68,417,942	\$ 73,170,909	\$ 72,688,598	\$ 74,851,196	\$ 76,597,865
Restricted	4,119,488	4,234,362	4,650,573	4,125,429	5,051,383	5,351,824	5,604,329	5,966,992	5,923,558	7,188,243
Unrestricted	1,919,793	1,411,551	2,419,566	2,402,159	2,074,489	191,422	(1,086,709)	(3,848)	998,674	3,004,914
<b>Total Governmental Activities Net Position</b>	<b>\$ 53,899,095</b>	<b>\$ 54,750,463</b>	<b>\$ 58,003,483</b>	<b>\$ 58,331,817</b>	<b>\$ 77,505,621</b>	<b>\$ 73,961,188</b>	<b>\$ 77,688,529</b>	<b>\$ 78,651,742</b>	<b>\$ 81,773,428</b>	<b>\$ 86,791,022</b>
<b>Business-type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 44,257,004	\$ 43,555,686	\$ 46,146,335	\$ 47,227,210	\$ 50,074,699	\$ 48,131,444	\$ 48,431,735	\$ 49,482,868	\$ 49,544,446	\$ 48,944,148
Restricted	96,379	131,574	180,861	211,341	6,781	-	202,157	668,524	1,029,394	1,543,974
Unrestricted	2,475,904	5,447,712	5,768,480	6,142,927	6,182,553	10,400,263	11,071,837	12,406,511	14,579,974	13,864,038
<b>Total Business-type Activities Net Position</b>	<b>\$ 46,829,287</b>	<b>\$ 49,134,972</b>	<b>\$ 52,095,676</b>	<b>\$ 53,581,478</b>	<b>\$ 56,264,033</b>	<b>\$ 58,531,707</b>	<b>\$ 59,705,729</b>	<b>\$ 62,557,903</b>	<b>\$ 65,153,814</b>	<b>\$ 64,352,160</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 92,116,818	\$ 92,660,236	\$ 97,079,679	\$ 99,031,439	\$ 120,454,448	\$ 116,549,386	\$ 121,602,644	\$ 122,171,466	\$ 124,395,642	\$ 125,542,013
Restricted	4,215,867	4,365,936	4,831,434	4,336,770	5,058,164	5,351,824	5,806,486	6,635,516	6,952,952	8,732,217
Unrestricted	4,395,697	6,859,263	8,188,046	8,545,086	8,257,042	10,591,685	9,985,128	12,402,663	15,578,648	16,868,952
<b>Total Primary Government Net Position</b>	<b>\$ 100,728,382</b>	<b>\$ 103,885,435</b>	<b>\$ 110,099,159</b>	<b>\$ 111,913,295</b>	<b>\$ 133,769,654</b>	<b>\$ 132,492,895</b>	<b>\$ 137,394,258</b>	<b>\$ 141,209,645</b>	<b>\$ 146,927,242</b>	<b>\$ 151,143,182</b>

(Accrual Basis of Accounting)



\* During FY 2015, GASB 68 was released. In accordance with GASB 68, FY 2014 was restated. See Note 16 for more details.

\* In FY 2016 Purchases Power was understated by \$741,527 in the Electric Fund

**KAYSVILLE CITY CORPORATION**  
**Table 2 - Changes in Net Position**  
**June 30, 2018**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Expenses										
Government Activities:										
General Government	\$ 1,573,836	\$ 1,535,455	\$ 1,545,761	\$ 1,912,144	\$ 1,933,158	\$ 2,383,664	\$ 2,380,314	\$ 2,490,055	\$ 2,446,401	\$ 2,567,656
Public Safety - Police	2,164,881	2,235,372	2,213,269	2,640,849	2,956,768	3,064,397	3,496,435	3,817,732	3,874,551	3,695,913
Public Safety - Fire	531,620	446,057	483,156	423,978	540,842	863,892	833,769	964,668	913,103	849,282
Community Development	725,078	856,615	760,562	658,823	647,499	700,293	686,765	722,417	792,510	724,185
Public Works	1,746,346	3,234,262	2,964,516	2,699,309	3,090,467	3,916,960	2,937,745	4,135,628	3,985,500	5,563,214
Parks, Recreation and Public Properties	2,170,919	1,947,498	1,910,131	2,145,155	2,178,224	2,157,669	2,640,781	2,490,851	2,457,360	2,446,321
Perpetual Cemetery	36,000	63,770	-	-	50,867	35,347	23,641	23,654	-	-
Library Endowment	-	-	-	-	-	-	-	-	100,000	-
Interest on Long-Term Debt	92,886	78,069	343,327	327,537	7,003	149,543	235,218	199,427	162,298	203,870
Total Governmental Activities Expenses	<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>	<u>13,234,668</u>	<u>14,844,432</u>	<u>14,731,723</u>	<u>16,050,441</u>
Business-type Activities:										
Water	2,055,930	2,001,788	2,035,790	2,227,960	2,261,447	2,599,457	2,443,152	2,371,766	2,256,288	3,515,650
Sewer	1,675,055	1,771,084	1,736,004	1,743,293	1,881,148	1,822,954	1,876,862	2,195,339	2,193,175	2,251,223
Electric	12,558,805	12,357,551	12,665,025	12,225,173	12,962,870	13,137,151	13,814,577	14,006,885	14,698,768	15,888,033
Pressure Irrigation	1,001,318	1,060,124	1,072,481	1,105,317	1,022,122	1,121,653	1,143,314	1,211,994	1,205,904	1,237,799
Sanitation	1,166,979	1,203,823	1,376,902	1,535,860	1,646,992	1,765,134	1,751,666	1,859,482	1,739,010	1,857,858
Storm Water	927,250	1,080,850	1,140,057	1,080,937	1,253,443	1,044,438	1,418,881	1,610,691	1,214,987	1,643,631
Ambulance	572,672	517,513	565,430	570,158	519,544	422,391	483,772	541,755	776,868	926,154
Total Business-Type Activities Expenses	<u>19,958,009</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>	<u>22,932,224</u>	<u>23,797,912</u>	<u>24,085,000</u>	<u>27,320,348</u>
Total Primary Government Expenses	<u>\$28,999,575</u>	<u>\$ 30,389,831</u>	<u>\$ 30,812,411</u>	<u>\$ 31,296,493</u>	<u>\$ 32,952,394</u>	<u>\$ 35,184,943</u>	<u>\$ 36,166,892</u>	<u>\$ 38,642,344</u>	<u>\$ 38,816,723</u>	<u>\$ 43,370,789</u>

**KAYSVILLE CITY CORPORATION**

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

**June 30, 2018**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Program Revenues</b>										
<b>Government Activities:</b>										
Charges for Services										
General Government	\$ 647,500	\$ 648,277	\$ 647,686	\$ 760,056	\$ 765,064	\$ 770,059	\$ 827,020	\$ 908,174	\$ 945,100	\$ 1,023,800
Public Safety - Police	216,799	221,483	233,637	237,962	261,885	187,072	254,534	250,985	299,848	372,944
Public Safety - Fire	140,535	141,818	139,507	143,156	150,387	159,931	206,586	223,259	265,991	257,076
Community Development	301,483	375,149	602,391	410,431	656,854	770,321	759,540	750,378	719,877	771,196
Public Works	1,520,183	1,346,410	1,187,282	1,093,151	1,442,438	1,097,082	1,295,257	1,043,907	1,554,383	1,531,636
Parks, Recreation and Public Properties	790,532	835,546	930,176	889,793	965,001	1,043,769	1,017,174	784,962	848,275	802,896
Perpetual Cemetery	64,630	47,560	54,175	56,450	56,665	63,850	58,925	57,125	52,785	75,933
Operating Grants and Contributions	50,292	205,830	94,835	526,635	20,075	19,807	17,363	495,115	19,458	21,528
Capital Grants and Contributions	<u>16,805,490</u>	<u>1,670,091</u>	<u>3,691,377</u>	<u>599,878</u>	<u>1,753,396</u>	<u>906,199</u>	<u>3,734,313</u>	<u>2,044,012</u>	<u>3,564,061</u>	<u>4,938,082</u>
<b>Total Governmental Activities Program Revenues</b>	<b><u>20,537,444</u></b>	<b><u>5,492,164</u></b>	<b><u>7,581,066</u></b>	<b><u>4,717,512</u></b>	<b><u>6,071,765</u></b>	<b><u>5,018,090</u></b>	<b><u>8,170,712</u></b>	<b><u>6,557,917</u></b>	<b><u>8,269,778</u></b>	<b><u>9,795,091</u></b>
<b>Business-type Activities:</b>										
Charges for Services:										
Water	1,960,877	2,247,425	2,289,022	2,310,530	2,405,881	2,566,353	2,789,065	2,813,194	2,893,746	2,932,922
Sewer	1,733,153	1,763,771	1,794,049	1,821,529	1,843,022	1,880,801	1,875,927	2,177,025	2,219,400	2,234,779
Electric	12,177,583	11,877,444	12,189,118	12,810,922	13,894,122	14,967,518	14,004,518	14,560,483	14,684,800	14,695,678
Pressure Irrigation	1,054,672	1,080,784	1,079,514	1,101,257	1,110,690	1,124,747	1,121,755	1,187,426	1,209,698	1,219,522
Sanitation	1,260,996	1,286,007	1,429,094	1,564,996	1,622,292	1,784,714	1,767,879	1,851,658	1,890,425	1,916,031
Storm Water	973,123	991,059	1,013,729	1,075,823	1,050,462	1,091,871	1,073,364	1,129,187	1,152,990	1,159,769
Ambulance	430,491	414,505	388,818	326,368	458,305	434,899	486,656	413,301	483,113	455,685
Grants and Contributions	827,954	2,463,765	3,172,636	768,060	1,916,221	940,771	905,801	462,803	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	1,956,069	1,832,732	1,459,122
<b>Total Business-Type Activities Program Revenues</b>	<b><u>20,418,849</u></b>	<b><u>22,124,760</u></b>	<b><u>23,355,980</u></b>	<b><u>21,779,485</u></b>	<b><u>24,300,995</u></b>	<b><u>24,791,674</u></b>	<b><u>24,024,965</u></b>	<b><u>26,551,146</u></b>	<b><u>26,366,904</u></b>	<b><u>26,073,508</u></b>
<b>Total Primary Government Program Revenues</b>	<b><u>\$40,956,293</u></b>	<b><u>\$ 27,616,924</u></b>	<b><u>\$ 30,937,046</u></b>	<b><u>\$ 26,496,997</u></b>	<b><u>\$ 30,372,760</u></b>	<b><u>\$ 29,809,764</u></b>	<b><u>\$ 32,195,677</u></b>	<b><u>\$ 33,109,063</u></b>	<b><u>\$ 34,636,682</u></b>	<b><u>\$ 35,868,599</u></b>
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ 11,495,878	\$ (4,904,934)	\$ (2,639,656)	\$ (6,090,283)	\$ (5,333,063)	\$ (8,253,675)	\$ (5,063,956)	\$ (8,286,515)	\$ (6,461,945)	\$ (6,255,350)
Business-type Activities	460,840	2,132,027	2,764,291	1,290,787	2,753,429	2,878,496	1,092,741	2,753,234	2,281,904	(1,246,840)
<b>Total Primary Government Net Expense</b>	<b><u>\$11,956,718</u></b>	<b><u>\$ (2,772,907)</u></b>	<b><u>\$ 124,635</u></b>	<b><u>\$ (4,799,496)</u></b>	<b><u>\$ (2,579,634)</u></b>	<b><u>\$ (5,375,179)</u></b>	<b><u>\$ (3,971,215)</u></b>	<b><u>\$ (5,533,281)</u></b>	<b><u>\$ (4,180,041)</u></b>	<b><u>\$ (7,502,190)</u></b>

**KAYSVILLE CITY CORPORATION**

**Table 2 - Changes in Net Position (Continued)**  
**June 30, 2018**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property Taxes	\$ 1,308,424	\$ 1,400,530	\$ 1,429,796	\$ 1,423,405	\$ 1,446,480	\$ 1,484,074	\$ 3,263,780	\$ 2,948,599	\$ 3,237,023	\$ 3,322,726
Sales Taxes	2,971,247	2,744,689	2,865,286	3,109,348	3,304,756	3,471,892	3,665,634	4,098,274	4,483,613	4,819,011
Franchise Taxes	610,526	576,731	542,039	624,491	664,736	592,786	537,744	536,596	551,817	483,614
Energy Sales and Use Charge	1,046,355	995,454	1,047,797	1,220,618	1,178,319	1,227,956	1,156,028	1,240,883	1,247,116	1,274,019
Interest on Investments	173,831	82,802	86,925	81,760	74,144	41,085	69,172	137,272	105,279	179,540
Special Item, Net Insurance Proceeds	-	-	-	-	-	-	-	-	-	1,182,870
Disposition of Assets	-	-	-	-	-	-	-	185,713	-	64,423
Miscellaneous	115,332	106,096	95,833	123,995	113,030	124,467	121,289	148,027	153,379	115,047
Transfers	(200,000)	(150,000)	(175,000)	(165,000)	100,000	(3,640)	(22,350)	(45,636)	(194,596)	(169,304)
Total governmental activities	<u>6,025,715</u>	<u>5,756,302</u>	<u>5,892,676</u>	<u>6,418,617</u>	<u>6,881,465</u>	<u>6,938,620</u>	<u>8,791,297</u>	<u>9,249,728</u>	<u>9,583,631</u>	<u>11,271,946</u>
Business-type Activities:										
Interest on investments	62,360	23,658	21,413	30,015	29,126	27,026	58,931	36,733	68,970	76,103
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	7,749
Miscellaneous	-	-	-	-	-	-	-	16,571	50,441	192,030
Transfers	200,000	150,000	175,000	165,000	(100,000)	3,640	22,350	45,636	194,596	169,304
Total business-type activities	<u>262,360</u>	<u>173,658</u>	<u>196,413</u>	<u>195,015</u>	<u>(70,874)</u>	<u>30,666</u>	<u>81,281</u>	<u>98,940</u>	<u>314,007</u>	<u>445,186</u>
Total primary government	<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>	<u>\$ 8,872,578</u>	<u>\$ 9,348,668</u>	<u>\$ 9,897,638</u>	<u>\$ 11,717,132</u>
Change in Net Position										
Governmental activities	\$ 17,521,593	\$ 851,368	\$ 3,253,020	\$ 328,334	\$ 1,548,402	\$ (1,315,055)	\$ 3,727,341	\$ 963,213	\$ 3,121,686	\$ 5,016,596
Business-type activities	723,200	2,305,685	2,960,704	1,485,802	2,682,555	2,909,162	1,174,022	2,852,174	2,595,911	(801,654)
Total primary government	<u>\$ 18,244,793</u>	<u>\$ 3,157,053</u>	<u>\$ 6,213,724</u>	<u>\$ 1,814,136</u>	<u>\$ 4,230,957</u>	<u>\$ 1,594,107</u>	<u>\$ 4,901,363</u>	<u>\$ 3,815,387</u>	<u>\$ 5,717,597</u>	<u>\$ 4,214,942</u>

**KAYSVILLE CITY CORPORATION**

**Table 3 - Balance Sheet Fund Balances of Governmental Funds**

**June 30, 2018**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>General Fund</b>										
Restricted	-	-	254,530	381,608	762,561	538,944	691,853	468,737	878,006	1,143,522
Unassigned	-	-	1,998,405	2,415,907	2,213,902	1,800,497	1,767,732	2,233,349	3,439,744	4,924,356
Reserved		26,678	-	-	-	-	-	-	-	-
Unreserved	1,643,886	1,459,383	-	-	-	-	-	-	-	-
Total General Fund	<b>1,643,886</b>	<b>1,486,061</b>	<b>2,252,935</b>	<b>2,797,515</b>	<b>2,976,463</b>	<b>2,339,441</b>	<b>2,459,585</b>	<b>2,702,086</b>	<b>4,337,750</b>	<b>6,067,878</b>
<b>Debt Service Fund</b>										
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned		-	196,304	202,292	205,233	62,483	65,837	49,279	50,661	39,110
Reserved	684,865	158,200	-	-	-	-	-	-	-	-
Unreserved	185,812	32,872	-	-	-	-	-	-	-	-
Total Debt Service Fund	<b>870,677</b>	<b>191,072</b>	<b>196,304</b>	<b>202,292</b>	<b>205,233</b>	<b>62,483</b>	<b>65,837</b>	<b>49,279</b>	<b>50,661</b>	<b>39,110</b>
<b>Capital Projects Fund</b>										
Restricted	-	-	2,153,201	1,033,352	1,545,251	1,172,747	1,518,347	1,964,659	1,677,481	766,758
Assigned		-	710,334	639,736	542,366	951,857	696,209	680,083	444,954	2,184,485
Reserved	1,108,014	3,108,254	-	-	-	-	-	-	-	-
Unreserved	450,153	272,640	-	-	-	-	-	-	-	-
Total Capital Projects Fund	<b>1,558,167</b>	<b>3,380,894</b>	<b>2,863,535</b>	<b>1,673,088</b>	<b>2,087,617</b>	<b>2,124,604</b>	<b>2,214,556</b>	<b>2,644,742</b>	<b>2,122,435</b>	<b>2,951,243</b>
<b>Redevelopment Agency</b>										
Nonspendable	-	-	-	-	-	723,956	723,956	251,931	251,931	251,931
Assigned	-	-	-	-	-	379,189	(665,041)	(81,696)	19,570	134,182
Total Redevelopment Agency Fund	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,103,145</b>	<b>58,915</b>	<b>170,235</b>	<b>271,501</b>	<b>386,113</b>
<b>Municipal Building Authority</b>										
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	4,322,483	35,877	19,914	13,600	96
Total Municipal Building Authority Fund	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,322,483</b>	<b>35,877</b>	<b>19,914</b>	<b>13,600</b>	<b>96</b>
<b>Cemetery Perpetual Care</b>										
Nonspendable	-	-	-	-	-	927,126	990,976	1,049,901	1,107,026	1,159,811
Restricted	-	-	1,496,718	1,564,212	653,103	623,864	618,476	634,363	650,005	662,728
Reserved	1,441,422	1,434,783	-	-	-	-	-	-	-	-
Total Cemetery Perpetual Care Fund	<b>1,441,422</b>	<b>1,434,783</b>	<b>1,496,718</b>	<b>1,564,212</b>	<b>1,580,229</b>	<b>1,614,840</b>	<b>1,668,377</b>	<b>1,741,389</b>	<b>1,809,816</b>	<b>1,885,749</b>
<b>Blood Library Endowment Fund</b>										
Nonspendable	-	-	682,359	684,457	685,871	686,483	686,950	687,416	687,812	688,299
Restricted	-	-	240,630	259,518	272,238	227,765	181,964	185,280	89,727	94,111
Reserved	885,185	906,647	-	-	-	-	-	-	-	-
Total Blood Library Endowment Fund	<b>885,185</b>	<b>906,647</b>	<b>922,989</b>	<b>943,975</b>	<b>958,109</b>	<b>914,248</b>	<b>868,914</b>	<b>872,696</b>	<b>777,539</b>	<b>782,410</b>

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, 2018

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Revenues:</b>										
Taxes	\$ 5,936,552	\$ 5,717,404	\$ 5,884,918	\$ 6,377,862	\$ 6,594,291	\$ 6,776,708	\$ 8,623,186	\$ 8,824,352	\$ 9,519,569	\$ 9,899,370
Licenses and Permits	249,940	318,626	518,582	327,420	520,908	601,533	592,227	577,459	513,410	616,293
Impact Fees	897,541	762,813	627,522	388,108	811,948	520,451	665,904	464,765	358,295	463,404
Intergovernmental	751,582	788,514	862,780	1,364,089	896,161	856,993	903,604	1,004,923	1,542,995	4,045,043
Charges for Services	1,705,221	1,702,069	1,762,697	1,930,090	1,978,220	2,065,694	2,146,183	2,313,642	2,444,173	2,543,223
Donations	-	-	-	-	150,000	150,850	20,000	13,032	126,214	350
Fines and Foreitures	102,394	105,932	99,690	102,500	98,625	58,212	111,532	121,083	146,470	160,234
Interest Income	173,831	82,802	86,925	81,760	74,144	41,085	69,172	137,272	105,279	179,540
Community Development										
Block Grant	29,703	164,335	78,932	-	-	-	7,452	-	-	-
Miscellaneous	110,905	85,880	102,494	259,422	125,537	133,475	133,707	169,022	216,548	199,390
Total Revenues	<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>	<u>13,272,967</u>	<u>13,625,550</u>	<u>14,972,953</u>	<u>18,106,847</u>
<b>Expenditures:</b>										
General Government	1,433,509	1,484,457	1,504,849	1,873,699	1,897,433	2,353,025	2,692,131	2,472,042	2,292,182	2,520,633
Public Safety	2,573,660	2,623,649	2,668,934	3,171,235	4,279,877	3,702,599	4,230,409	4,506,959	4,408,837	4,528,970
Community Development	709,372	837,550	748,334	668,964	671,454	677,278	719,025	738,445	743,733	764,506
Public Works	1,555,663	1,094,628	1,072,039	1,526,450	1,745,709	2,148,751	1,827,115	2,085,285	1,948,902	2,103,879
Parks, Recreation & Properties	1,940,405	1,844,523	1,771,586	1,940,756	2,091,440	2,078,976	2,511,420	2,350,488	2,240,657	2,253,277
Debt service:										
Principal	351,178	1,247,250	870,000	1,606,789	387,000	428,035	1,386,188	738,384	744,274	406,032
Interest & Fiscal Charges	92,886	78,071	76,327	47,487	32,838	129,156	257,174	224,241	187,168	226,200
Capital Projects	721,404	826,208	844,231	382,270	450,364	1,673,607	4,820,844	75,468	1,029,641	5,014,148
Total Expenditures	<u>9,378,077</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>	<u>18,444,306</u>	<u>13,191,312</u>	<u>13,595,394</u>	<u>17,817,645</u>
Excess (Deficiency of Revenues over Expenditures)	<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>	<u>\$ (5,171,339)</u>	<u>\$ 434,238</u>	<u>\$ 1,377,559</u>	<u>\$ 289,202</u>
<b>Other Financing Sources (Uses):</b>										
Transfers In	\$ 345,000	\$ 865,000	\$ 951,000	\$ 1,660,000	\$ 687,000	\$ 1,437,729	\$ 967,650	\$ 654,864	\$ 1,038,904	\$ 924,196
Transfers Out	(545,000)	(1,015,000)	(1,126,000)	(1,825,000)	(587,000)	(489,463)	(990,000)	(700,500)	(1,233,500)	(1,093,500)
Developers Cash Contributions	-	-	-	-	-	-	-	-	-	96,529
Capital Leases	-	-	-	-	832,850	-	-	-	-	-
Special Item, Net Insurance Proceeds	-	-	-	-	-	-	-	-	-	1,182,870
Other Financing Sources	946,245	1,458,078	39,784	-	-	5,711,753	84,506	439,678	-	1,330,000
Total Other Financing Sources (Uses)	<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>	<u>62,156</u>	<u>394,042</u>	<u>(194,596)</u>	<u>2,440,095</u>
Net change in fund balances	<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>	<u>\$ (5,109,183)</u>	<u>\$ 828,280</u>	<u>\$ 1,182,963</u>	<u>\$ 2,729,297</u>
Debt service as a percentage of noncapital expenditures	5.76%	14.14%	10.51%	16.41%	4.11%	5.07%	13.63%	7.52%	7.51%	4.48%

(Modified Accrual Basis of Accounting)

**KAYSVILLE CITY CORPORATION**

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

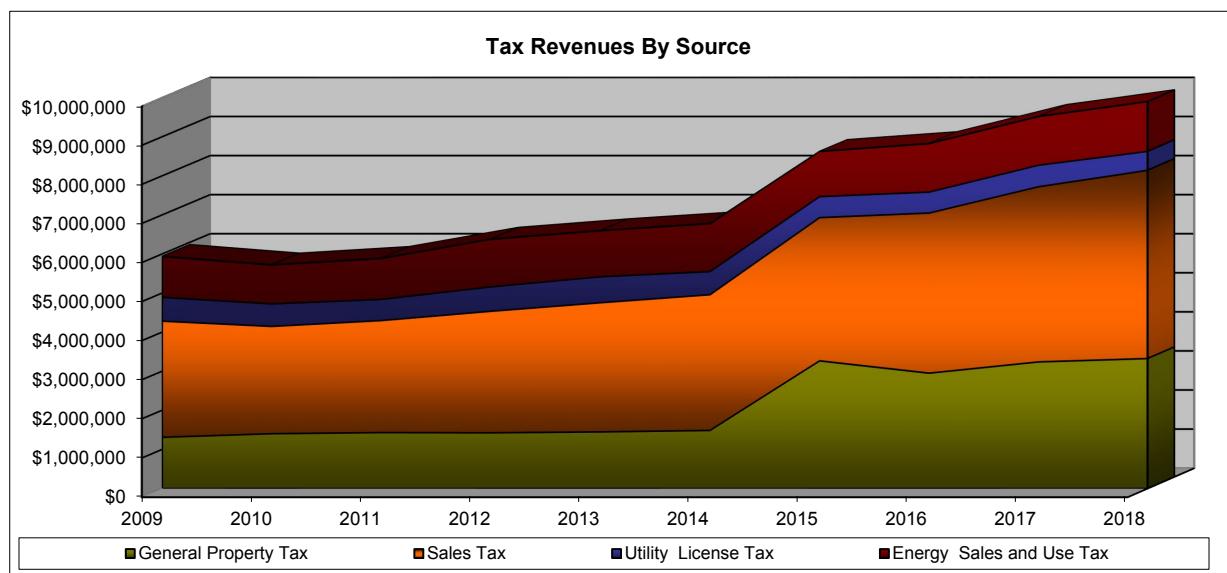
June 30, 2018

Fiscal Year	General Property Tax	Sales Tax	Utility License Tax	Energy Sales and Use Tax	Total Tax Revenue
2018	\$3,322,726	\$4,819,011	\$483,614	\$1,274,019	\$9,899,370
2017	\$3,237,023	\$4,483,613	\$551,817	\$1,247,116	\$9,519,569
2016	\$2,948,599	\$4,098,274	\$536,596	\$1,240,883	\$8,824,352
2015	\$3,263,780	\$3,665,634	\$537,744	\$1,156,028	\$8,623,186
2014	\$1,484,074	\$3,471,892	\$592,786	\$1,227,956	\$6,776,708
2013	\$1,446,480	\$3,304,756	\$664,736	\$1,178,319	\$6,594,291
2012	\$1,423,405	\$3,109,348	\$624,491	\$1,220,618	\$6,377,862
2011	\$1,429,796	\$2,865,286	\$542,039	\$1,047,797	\$5,884,918
2010	\$1,400,530	\$2,744,689	\$576,731	\$995,454	\$5,717,404
2009	\$1,308,424	\$2,971,247	\$610,526	\$1,046,355	\$5,936,552

Notes:

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

Source: Kaysville City Finance Department



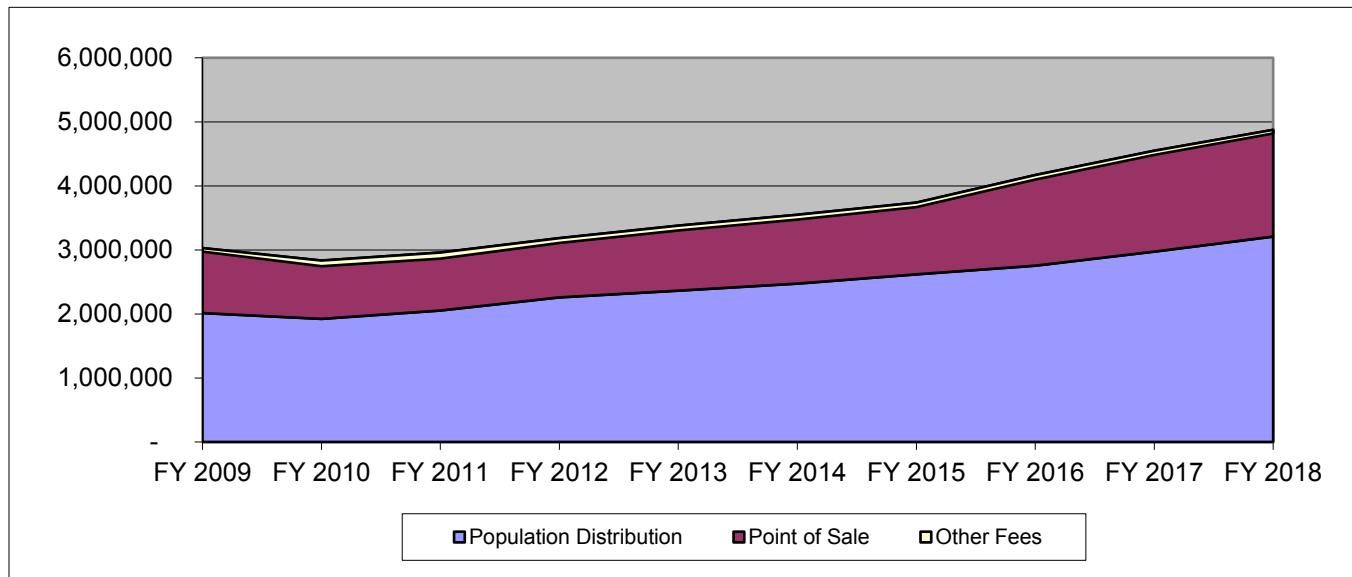
## KAYSVILLE CITY CORPORATION

### Table 6 - Sales Tax Revenue Trends

June 30, 2018

	Population Distribution	Point of Sale	Administrative Fees	Total Distribution
FY 2018	\$3,206,689	\$1,667,794	(\$55,472)	\$4,819,011
FY 2017	\$2,971,161	\$1,576,799	(\$64,484)	\$4,483,476
FY 2016	\$2,752,757	\$1,414,314	(\$68,798)	\$4,098,273
FY 2015	\$2,620,126	\$1,119,260	(\$73,752)	\$3,665,634
FY 2014	\$2,471,594	\$1,074,550	(\$74,252)	\$3,471,892
FY 2013	\$2,363,965	\$1,013,725	(\$72,934)	\$3,304,756
FY 2012	\$2,256,304	\$928,145	(\$75,102)	\$3,109,347
FY 2011	\$2,052,388	\$905,167	(\$92,269)	\$2,865,286
FY 2010	\$1,921,984	\$910,113	(\$87,406)	\$2,744,691
FY 2009	\$2,012,040	\$1,015,571	(\$56,365)	\$2,971,246

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



**KAYSVILLE CITY CORPORATION**

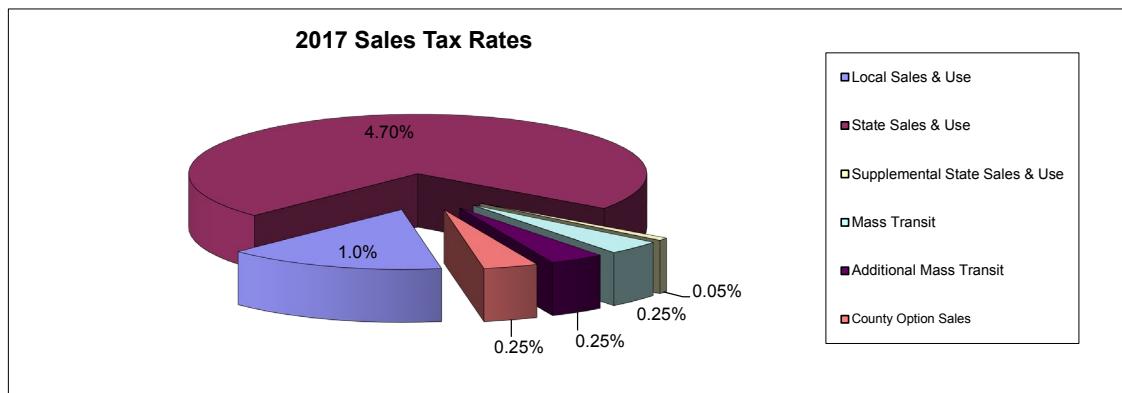
**Table 7- Sales Tax Rates and Overlapping Governments**  
**June 30, 2018**

	<b>Local Sales &amp; Use</b>	<b>State Sales &amp; Use</b>	<b>Supplemental State Sales &amp; Use</b>	<b>Mass Transit</b>	<b>Additional Mass Transit</b>	<b>Transportation Infrastructure *</b>	<b>County Option Sales</b>	<b>Total Sales Tax Rate</b>
FY 2018	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	0.25%	6.75%
FY 2017	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	0.25%	6.75%
FY 2016	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	0.25%	6.75%
FY 2015	1.0%	4.70%	0.05%	0.25%	0.25%	-	0.25%	6.50%
FY 2014	1.0%	4.70%	0.05%	0.25%	0.25%	-	0.25%	6.50%
FY 2013	1.0%	4.70%	0.05%	0.25%	0.25%	-	0.25%	6.50%
FY 2012	1.0%	4.70%	0.05%	0.25%	0.25%	-	0.25%	6.50%
FY 2011	1.0%	4.70%	0.05%	0.25%	0.25%	-	0.25%	6.50%
FY 2010	1.0%	4.70%	0.05%	0.25%	0.25%	-	0.25%	6.50%
FY 2009	1.0%	4.65%	0.05%	0.25%	0.25%	-	0.25%	6.45%

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

Source: Utah State Tax Commission- Sales Tax Division

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



## KAYSVILLE CITY CORPORATION

**Table 8 - Property Tax Levies and Collections**

June 30, 2018

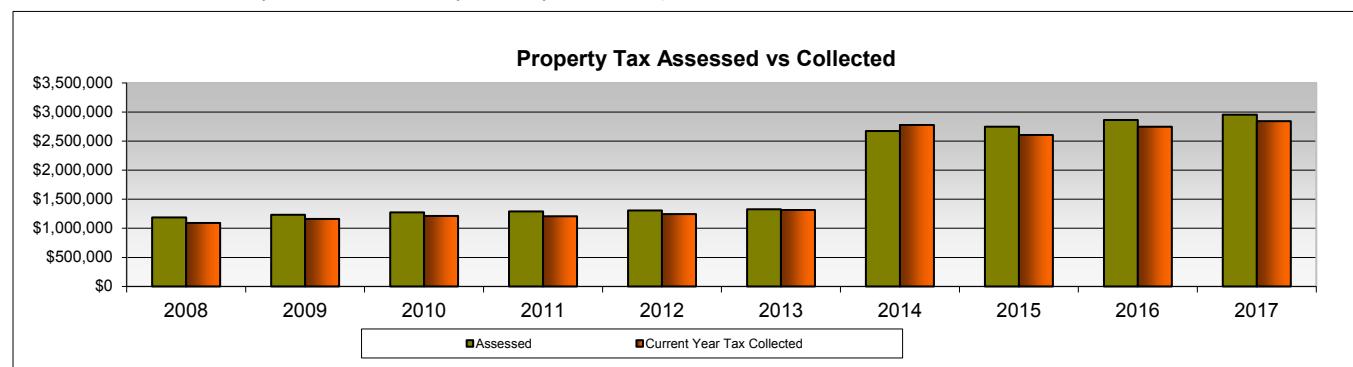
Calendar Year	Total Taxable Value	City Tax Rate	Total Taxes Assessed	Current Year Taxes Collected	Percent of Current Tax Collections to Tax Levy	Delinquent Taxes & Interest Collected in Current Year	Total Tax Collections
2017	\$1,784,393,761	0.001589	\$2,952,493	\$2,842,886	96.29%	\$283,640	\$3,126,526
2016	\$1,666,973,343	0.001717	\$2,864,378	\$2,746,871	95.90%	\$360,072	\$3,106,943
2015	\$1,540,915,428	0.001782	\$2,747,330	\$2,605,079	94.82%	\$330,624	\$2,935,703
2014	\$1,477,768,259	0.001826	\$2,672,007	\$2,777,056	103.93%	\$361,797	\$3,138,853
2013	\$1,293,450,467	0.000999	\$1,327,613	\$1,314,904	99.04%	\$37,778	\$1,352,682
2012	\$1,271,684,680	0.001028	\$1,307,523	\$1,244,794	95.20%	\$51,237	\$1,296,031
2011	\$1,249,499,645	0.001035	\$1,291,482	\$1,207,193	93.47%	\$50,949	\$1,258,142
2010	\$1,240,131,710	0.000987	\$1,273,553	\$1,212,592	95.20%	\$82,001	\$1,294,593
2009	\$1,361,717,087	0.000907	\$1,232,460	\$1,161,304	94.20%	\$1,978	\$1,163,282
2008	\$1,384,658,738	0.000829	\$1,189,004	\$1,092,021	91.80%	\$36,121	\$1,128,142

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Notes:

- (1) Information is based on a calendar year - 2017 is the most recent year
- (2) All taxable property is assessed and taxed on the basis of its fair market value. Utah law requires that the fair market value of property is assessed by the County 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.
- (3) Delinquent taxes & interest collected in current year is not broken out by year collected. This detailed information is not easily accessible from the County.

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



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

June 30, 2018

Calendar Year	Estimated Market Value	Taxable Value	Ratio of Total Taxable Value to Market Value
2017	\$3,088,696,237	\$1,784,393,761	57.77%
2016	\$2,779,008,134	\$1,666,973,343	59.98%
2015	\$2,561,662,045	\$1,540,915,428	60.15%
2014	\$2,459,642,177	\$1,477,768,259	60.08%
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%

Notes: (1) Information is based on a calendar year - 2017 is the most recent year  
(2) Does not include fee-in-lieu property

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

## KAYSVILLE CITY CORPORATION

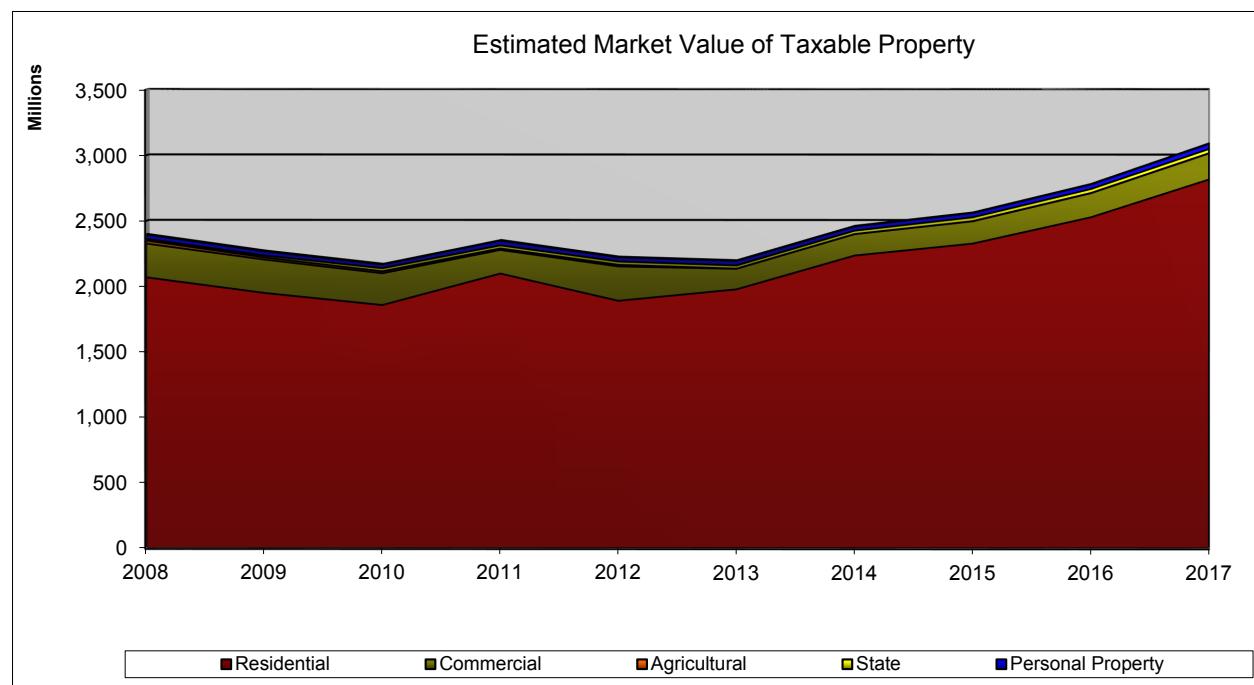
**Table 10 - Estimated Market Value of Taxable Property**  
June 30, 2018

Calendar Year	Estimated Market Value	Residential	Commercial	Agricultural	State	Personal Property
2017	\$3,088,696,236	\$2,817,369,311	\$198,262,778	\$2,109,589	\$32,064,001	\$38,890,557
2016	\$2,779,008,134	\$2,529,123,157	\$183,037,905	\$2,013,734	\$30,211,726	\$34,621,612
2015	\$2,561,662,044	\$2,328,463,676	\$169,462,144	\$2,012,395	\$28,545,295	\$33,178,534
2014	\$2,459,642,176	\$2,237,093,465	\$162,733,524	\$1,136,191	\$25,807,805	\$32,871,191
2013	\$2,196,793,575	\$1,979,360,952	\$156,423,648	\$1,260,221	\$24,360,045	\$35,388,709
2012	\$2,224,006,528	\$1,891,810,286	\$261,864,575	\$12,790,707	\$24,544,460	\$32,996,500
2011	\$2,350,588,352	\$2,099,238,322	\$179,541,186	\$12,029,638	\$23,313,800	\$36,465,406
2010	\$2,168,753,297	\$1,858,916,829	\$242,095,238	\$15,189,436	\$23,478,439	\$29,073,355
2009	\$2,269,621,881	\$1,951,234,237	\$253,964,914	\$16,551,454	\$14,310,374	\$33,560,902
2008	\$2,396,101,233	\$2,069,875,981	\$257,292,274	\$23,107,543	\$13,198,603	\$32,626,832

Notes:

(1) Information is based on a calendar year - 2016 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, 2018

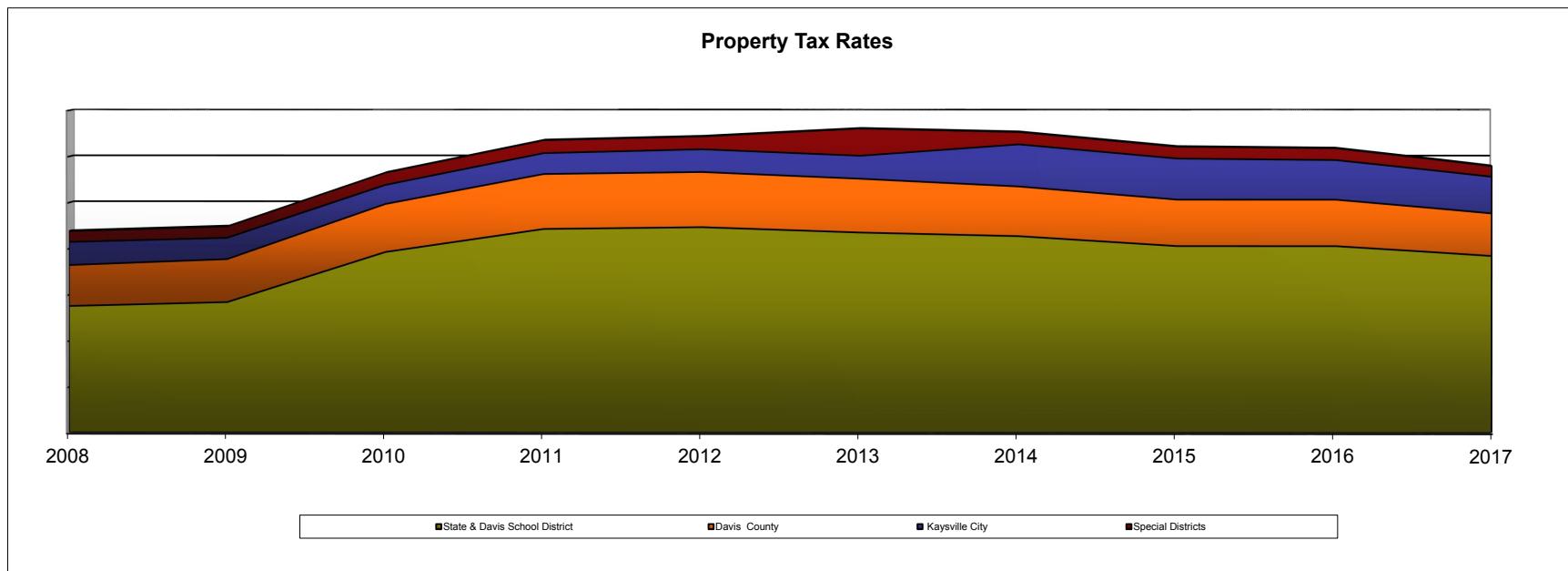
Calendar Year	Direct Rate		Overlapping Rates						Total	
	Kaysville City	State & Davis School District	Davis County	Weber Basin Water District	Mosquito Abatement	Davis County Library	State A&C	County A&C	Central Davis Sewer District	Direct & Overlapping
2017	0.001589	0.007701	0.001844	0.000164	0.000119	0.000349	0.000009	0.000193	0.000178	0.012146
2016	0.001717	0.008125	0.002014	0.000187	0.000116	0.000342	0.000011	0.000224	0.000208	0.012944
2015	0.001782	0.008125	0.002014	0.000187	0.000116	0.000342	0.000011	0.000224	0.000208	0.013009
2014	0.001826	0.008555	0.002153	0.000196	0.000122	0.000361	0.000012	0.000236	0.000216	0.013677
2013	0.000999	0.008710	0.002331	0.000210	0.000103	0.000389	0.000158	0.000112	0.000866	0.013878
2012	0.000987	0.008941	0.002391	0.000215	0.000105	0.000396	0.000168	0.000115	0.000237	0.013555
2011	0.000907	0.008861	0.002383	0.000217	0.000104	0.000392	0.000172	0.000114	0.000237	0.013387
2010	0.000829	0.007860	0.002082	0.000207	0.000097	0.000363	0.000162	0.000106	0.000227	0.011933
2009	0.000925	0.005685	0.001865	0.000188	0.000093	0.000348	0.000142	0.000100	0.000212	0.009558
2008	0.001004	0.005514	0.001776	0.000181	0.000088	0.000332	0.000121	0.000100	0.000200	0.009316

Notes: (1) Information is based on a calendar year - 2017 is the most recent year

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

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



**KAYSVILLE CITY CORPORATION**

**Table 12 - Principal Property Tax Payers with Comparison**  
**June 30, 2018**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>December 31, 2017 Taxable Valuation</u>			<u>December 31, 2007 Taxable Valuation</u>		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Smith's Food & Drug Centers Inc	Grocery	\$17,462,725	1	0.94%			
Kaysville Sportsplex LC	Gymnasium/Sports Training	\$5,320,000	2	0.29%	\$4,483,716	10	0.31%
KBP Office Group & Warehouse	Real Estate	\$5,278,922	3	0.28%	\$6,103,165	3	0.43%
IHC Health Services Inc	Medical Services	\$5,235,424	4	0.28%			
Boondocks Properties, LLC	Recreational	\$4,851,729	5	0.26%			
JB Journey, LLC- Blaine Jensen	Recreational Sales	\$4,486,444	6	0.24%	\$5,622,427	5	0.37%
Zions First National Bank	Bank	\$4,432,708	7	0.24%			
Bowman Investment Company LTD	Investment Properties	\$4,256,857	8	0.23%			
Galadriel LLC	Real Estate	\$3,980,000	9	0.21%	\$5,606,360	6	0.32%
Bates Sportsplex, LLC	Tax Software Provider	\$3,945,000	10	0.21%			
Woodside Sunset Farms, LLC	Real Estate				\$10,559,905	1	0.74%
First Wonder Company, LLC	Wholesale Distribution				\$6,134,848	2	0.43%
HCPI Utah LLC	Real Estate				\$5,659,322	4	0.40%
Access Park LC	Investment Properties				\$5,274,538	7	0.37%
Mercy Housing Utah II LP	Assisted Living Community				\$4,836,726	8	0.34%
M2 Properties Inc	Real Estate				\$4,592,183	9	0.32%
					\$59,249,809	3.18%	\$58,873,190
							4.03%

## KAYSVILLE CITY CORPORATION

**Table 13 - Property Value of Construction in Kaysville**  
**June 30, 2018**

Year	Commercial Construction Number of Permits	Estimated Value	Residential Construction Number of Permits	Estimated Value	Estimated Increase of Property Value
2017	30	\$9,866,065	290	\$53,715,858	\$63,581,923
2016	28	\$9,520,056	346	\$62,867,836	\$72,387,892
2015	14	\$4,776,742	310	\$58,424,952	\$63,201,694
2014	13	\$15,810,021	296	\$57,098,737	\$72,908,758
2013	17	\$9,165,906	242	\$51,374,918	\$60,540,824
2012	21	\$5,875,497	240	\$43,265,075	\$49,140,572
2011	18	\$2,464,573	205	\$31,978,963	\$34,443,536
2010	14	\$38,843,369	271	\$38,000,978	\$76,844,347
2009	18	\$1,809,004	184	\$17,418,824	\$19,227,828
2008	26	\$5,045,536	208	\$21,547,480	\$26,593,016

Notes: (1) Number of Permits includes all permits including remodels and additions  
**Based on Calendar Year - 2017 -135 Single Family Homes**

Source: Davis County Department of Community and Economic Development  
2016 Construction Monitor

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

June 30, 2018

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Taxable Value	\$1,784,393,761
Estimated Market Value	\$3,088,696,237
Debt Limit - Four Percent of Market Value	\$123,547,849
Less: Outstanding General Obligation Bonds	\$0
Lease Revenue Bonded Debt	\$5,843,137
Legal Debt Margin - Additional Debt Capacity	\$117,704,712

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.

4

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, 2018**

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Entity	2017 Taxable Valuation	Kaysville City's Portion of Valuation	Kaysville City's Percentage	Entity's Outstanding G.O. Debt	Kaysville City Overlapping G.O. Debt
<b>Direct:</b>					
Kaysville City	\$1,784,393,761	\$1,784,393,761	100.00%	\$2,470,327	\$2,470,327
<b>Overlapping:</b>					
Davis County	\$22,663,164,649	\$1,784,393,761	7.87%	\$685,307,360	\$53,957,962
Davis County School District	\$22,672,175,135	\$1,784,393,761	7.87%	\$504,580	\$39,713
State of Utah	\$258,702,348,415	\$1,784,393,761	0.69%	\$2,053,720,000	\$14,165,489
Weber Basin Water District	\$56,578,614,675	\$1,784,393,761	3.15%	\$18,618,938	\$587,210
Total - Overlapping General Obligation Debt					<u>\$68,750,373</u>
Total - Direct and Overlapping General Obligation Debt					<u><u>\$71,220,700</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, 2018

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Personal Income (AGI)	Per Capita
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases				
2018	\$0	\$5,581,000	\$0	\$88,273	\$0	\$0	\$173,864	\$5,843,137	Not Available	Not Available	\$180
2017	\$0	\$4,557,000	\$0	\$246,196	\$0	\$0	\$325,593	\$5,128,789	0.4983%	\$ 1,029,344,241	\$162
2016	\$0	\$4,829,000	\$317,302	\$401,168	\$0	\$0	\$501,428	\$6,048,898	0.6199%	\$ 975,777,428	\$201
2015	\$0	\$5,098,000	\$634,604	\$553,252	\$0	\$0	\$297,244	\$6,583,100	0.7160%	\$ 919,409,210	\$224
2014	\$0	\$5,750,000	\$1,216,659	\$627,154	\$0	\$0	\$573,529	\$8,167,342	0.9339%	\$ 874,581,542	\$285
2013	\$0	\$598,000	\$0	\$760,189	\$0	\$1,269,207	\$371,524	\$2,998,920	0.3600%	\$ 833,105,779	\$107
2012	\$0	\$885,000	\$100,000	\$0	\$0	\$1,586,508	\$573,689	\$3,145,197	0.4074%	\$ 772,097,859	\$115
2011	\$0	\$1,165,000	\$1,386,955	\$0	\$0	\$1,903,809	\$264,636	\$4,720,400	0.6124%	\$770,749,022	\$176
2010	\$0	\$1,635,000	\$1,786,955	\$90,479	\$0	\$2,221,110	\$372,489	\$6,106,033	0.8600%	\$709,966,722	\$234
2009	\$0	\$398,000	\$2,839,205	\$177,202	\$0	\$2,538,411	\$474,516	\$6,427,334	0.9678%	\$664,114,615	\$254

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

**KAYSVILLE CITY CORPORATION****Table 17 - Miscellaneous Statistical Data - Insurance Summary**

June 30, 2018

Coverage	Company	Term	Limits	Deductible
Property	Travelers	10/01/2017 - 9/30/2018	Scheduled at Value	\$10,000
General Liability	Travelers	10/01/2017 - 9/30/2018	\$1,000,000 / \$2,000,000	\$10,000
Law Enforcement	Travelers	10/01/2017 - 9/30/2018	\$1,000,000/ \$1,000,000	\$10,000
Public Officials Management	Travelers	10/01/2017 - 9/30/2018	\$1,000,000/ \$2,000,000	\$5,000
Employment Practices	Travelers	10/01/2017 - 9/30/2018	\$5,000,000/ \$5,000,000	\$10,000
Employee Benefits	Travelers	10/01/2017 - 9/30/2018	\$1,000,000 / \$3,000,000	\$1,000
Automobile - Physical Damage	Travelers	10/01/2017 - 9/30/2018	Schedule	\$1,000 - Comp & Coll.
Automobile Liability	Travelers	10/01/2017 - 9/30/2018	\$1,000,000	\$5,000
Inland Marine	Travelers	10/01/2017 - 9/30/2018	Scheduled at Value	\$10,000
Cyber Liability	Travelers	10/01/2017 - 9/30/2018	\$1,000,000	\$5,000
Crime	Travelers	10/01/2017 - 9/30/2018	\$250,000	\$1,000
ID Fraud	Travelers	10/01/2017 - 9/30/2018	\$25,000 per employee	---
Custom Excess Liability	Travelers	10/01/2017 - 9/30/2018	\$10,000,000	\$10,000
Treasurer Bond	Liberty Mutual	10/01/2017 - 9/30/2018	\$1,250,000	\$0
Deputy Treasurer Bond	Liberty Mutual	10/01/2017 - 9/30/2018	\$1,250,000	\$0

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

June 30, 2018

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2018	31,660	Not Available	Not Available	3.0%
2017	30,888	\$1,029,344,241	33,325.06	3.4%
2016	30,135	\$975,777,428	32,380.60	4.0%
2015	29,400	\$919,409,210	31,272.81	3.6%
2014	28,683	\$874,581,542	30,491.74	3.6%
2013	27,983	\$833,105,779	29,771.85	4.6%
2012	27,300	\$772,097,859	28,281.97	5.3%
2011	26,885	\$770,749,022	28,668.37	5.6%
2010	26,102	\$709,966,722	27,199.71	6.2%
2009	25,342	\$664,114,615	26,206.09	5.9%

## KAYSVILLE CITY CORPORATION

### Table 19 - Population Growth

June 30, 2017

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

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

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

**KAYSVILLE CITY CORPORATION**  
**Table 20 - Miscellaneous Statistical Data**  
June 30, 2018

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Date of Incorporation	March 15, 1868										
Form of Government	Council - Manager										
Area in Square Miles	11	11	11	11	11	11	11	11	11	11	10.48
Miles of Streets	137	135	135	135	118	118	117	117	117	114	113
Fire Protection											
Number of stations	1	1	1	1	1	1	1	1	1	1	1
Number of full time / part time firefighters	10	5	5	2	2	2	2	2	2	2	2
Number of volunteer firefighters	28	33	33	38	32	32	32	32	32	32	31
Police Protection											
Number of sworn officers	28	27	26	25	23	23	20	20	20	20	20
Number of other employees	3	3	3	3	3	3	3	3	3	3	3
Parks and Recreation											
Number of Parks	11	11	11	11	11	11	11	11	11	11	9
Number of Acres Available	370	370	370	370	370	370	370	370	221	250	250
Number of Acres Developed	137	137	137	137	137	137	137	137	148	124	121
Education											
Number of high schools	1	1	1	1	1	1	1	1	1	1	1
Number of junior high schools	3	3	3	3	3	3	3	3	2	2	2
Number of elementaries	8	8	8	8	8	8	8	8	8	7	7
Public Utilities											
Number of water customers	8,733	8,562	8,433	8,238	8,033	7,875	7,747	7,651	7,504	7,365	7,203
Annual usage (gallons)	780,413,145	753,589,090	687,219,759	756,951,873	861,327,270	731,604,000	744,896,362	740,760,000	774,608,000	820,468,000	889,276,000
Miles of water Lines	157	155	145	124	138	138	143	140	139	138	130
Number of power customers	9,738	9,522	9,333	9,275	8,945	8,646	8,587	8,425	8,347	8,252	8,099
Annual kwh usage	149,581,186	146,859,559	140,574,780	138,681,528	138,670,161	136,008,060	133,466,016	130,836,555	128,288,144	127,513,424	126,415,924
Miles of power lines	157	155	147	147	145	140	232	229	137	136	135
Number of street lights	947	944	944	917	856	856	833	856	817	928	809
City Employees at June 30, 2017											
Elected	6	6	6	6	6	6	6	6	6	6	6
Full-time	108	97	95	90	81	81	78	78	78	78	78
General Governmental	14	13	13	13	11	11	11	11	11	11	11
Police	31	30	29	28	26	26	23	23	23	23	23
Fire/ Ambulance	11	5	5	2	2	2	2	2	2	2	2
Community Development	8	8	8	8	8	8	8	8	8	8	8
Public Works	19	16	16	16	15	15	15	15	15	15	15
Parks & Cemetery	9	9	8	7	4	4	4	4	4	4	4
Electrical	16	16	16	16	15	15	15	15	15	15	15
Part-time/Temporary/Seasonal	30-35	30-35	30-35	30-35	30-35	30-35	30-35	30-35	30-35	40	40

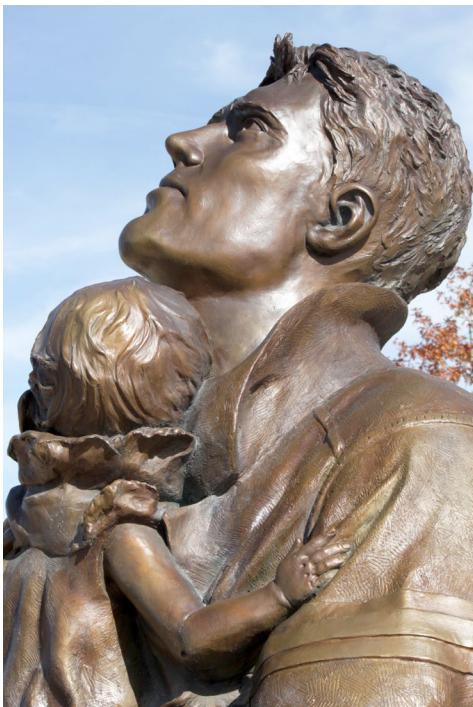
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## COMPLIANCE SECTION

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*Utah's  
Hometown*



# Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

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

Honorable Mayor and Members of the City Council  
Kaysville City Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Kaysville City Corporation (the City) as of and for the year ended June 30, 2018, 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 9, 2018.

### *Internal Control over Financial Reporting*

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

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

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

### *Compliance and Other Matters*

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

### *Kaysville City's Response to Finding*

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

### *Purpose of this Report*

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



November 9, 2018

# Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

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Private Company  
Practice Section

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

Honorable Mayor and Members of the City Council  
Kaysville City Corporation

### *Report on Compliance with General State Compliance Requirements*

We have audited Kaysville City Corporation's (the City) compliance with the following applicable state compliance requirements described in the *Utah State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, as of and for the year ended June 30, 2018.

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

### *Management's Responsibility*

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

### *Auditors' Responsibility*

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

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

*Opinion on Compliance*

In our opinion, Kaysville City Corporation complied, in all material respects, with the compliance requirements referred to above as of and for the year ended June 30, 2018.

*Other Matter*

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *Utah State Compliance Audit Guide* and which is described in the accompanying schedule of findings as item 2018-1. Our opinion on compliance is not modified with respect to this matter.

*Management's Response to Finding*

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

*Report on Internal Control over Compliance*

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

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

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

*Purpose of This Report*

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

*Hanson, Bradshaw, Mahnke & Erickson, P.C.*

November 9, 2018

**KAYSVILLE CITY CORPORATION, UTAH**  
**Schedule of Findings**  
**June 30, 2018**

**2018-1:**

<b><u>Requirement/Program</u></b>	<b><u>Current Year Finding</u></b>								
Budgetary Compliance	<p><b>Finding:</b> State law requires that officers and employees of an entity shall not incur expenditures or encumbrances in excess of the total appropriation for any fund. For the year ended June 30, 2018, expenditures exceeded budgeted amounts in the following fund:</p> <table><thead><tr><th><u>Fund</u></th><th><u>Amount Over Budget</u></th></tr></thead><tbody><tr><td>Municipal Building Authority</td><td>\$1,885</td></tr><tr><td>Debt Service</td><td>\$41,606</td></tr><tr><td>Capital Projects</td><td>\$2,174,148</td></tr></tbody></table>	<u>Fund</u>	<u>Amount Over Budget</u>	Municipal Building Authority	\$1,885	Debt Service	\$41,606	Capital Projects	\$2,174,148
<u>Fund</u>	<u>Amount Over Budget</u>								
Municipal Building Authority	\$1,885								
Debt Service	\$41,606								
Capital Projects	\$2,174,148								
<p><b>Recommendation:</b> The City should monitor the status over expenditures as compared to the budget through the year and amend the budget as necessary.</p>									
<p><b>Management's Response:</b> In the future, the City will monitor the expenditures to ensure that individual fund budgets don't exceed beyond their original budget or amended budgets.</p>									