



Kaysville City

**KAYSVILLE CITY
STATE OF UTAH**

Settled in 1850

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**YEAR ENDED
JUNE 30, 2021**

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

Annual Comprehensive
Financial Report

Year Ended June 30, 2021

Mayor: Katie Witt

Council Members: Michelle Barber
Mike Blackham
Tamara Tran
John S. Adams
Andre Lortz

City Manager: Shayne Scott

Prepared by:
Kaysville City Administration Department
Dean G. Storey, Finance Director
Levi Ball, Assistant Finance Director

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INTRODUCTORY SECTION



SETTLED IN 1850

December 21, 2021

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

The Annual Comprehensive Financial Report (ACFR) of Kaysville City for the Fiscal Year 2021 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 ACFR 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, HBME, P.C. has completed this year's independent audit. HBME, 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 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, 2021, 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, 2020. This is the twenty fifth 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 ACFR. 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 ACFR 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 and Administrative Services Director

Levi Ball
Assistant Finance Director

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 34,950 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. The current State unemployment rate of 2.7%. 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:

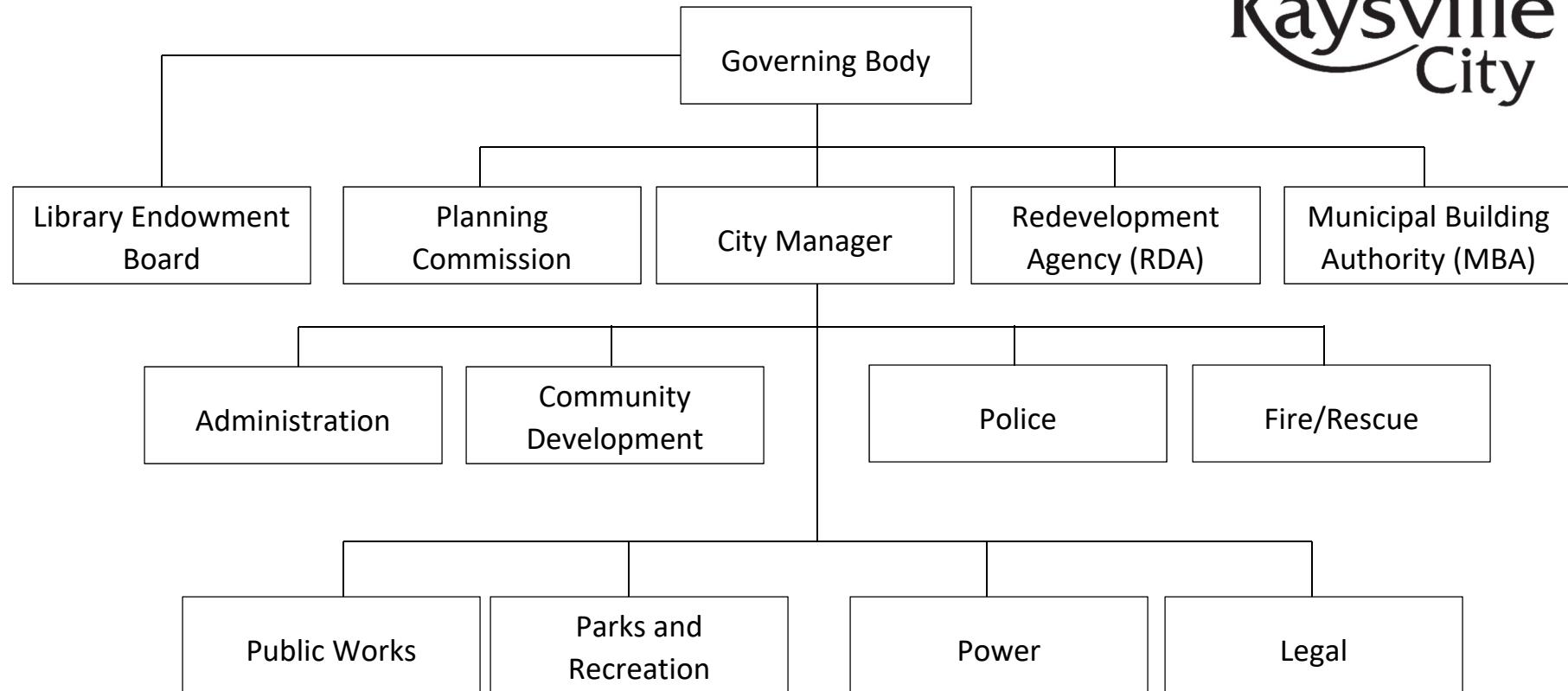
<u>Description</u>	<u>Fund Type</u>
General Fund	General Fund
Capital Projects Fund	Capital Projects Fund
Debt Service Fund	Debt Service Fund
Municipal Building Authority	Special Revenue Fund
Redevelopment Agency	Special Revenue Fund
Water Fund	Enterprise Fund
Sewer Fund	Enterprise Fund
Storm Water Fund	Enterprise Fund
Pressure Irrigation Fund	Enterprise Fund
Electric Fund	Enterprise Fund
Sanitation Fund	Enterprise Fund
Road Utility 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, dstory@kaysville.gov or lball@kaysville.gov or by phone (801) 546-1235.



Architectural Review Committee	Civic Committee	Youth City Council	Youth Court	CERT	Heritage Park Committee



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, 2020

Christopher P. Morill

Executive Director/CEO

Kaysville City GIS

Base Map



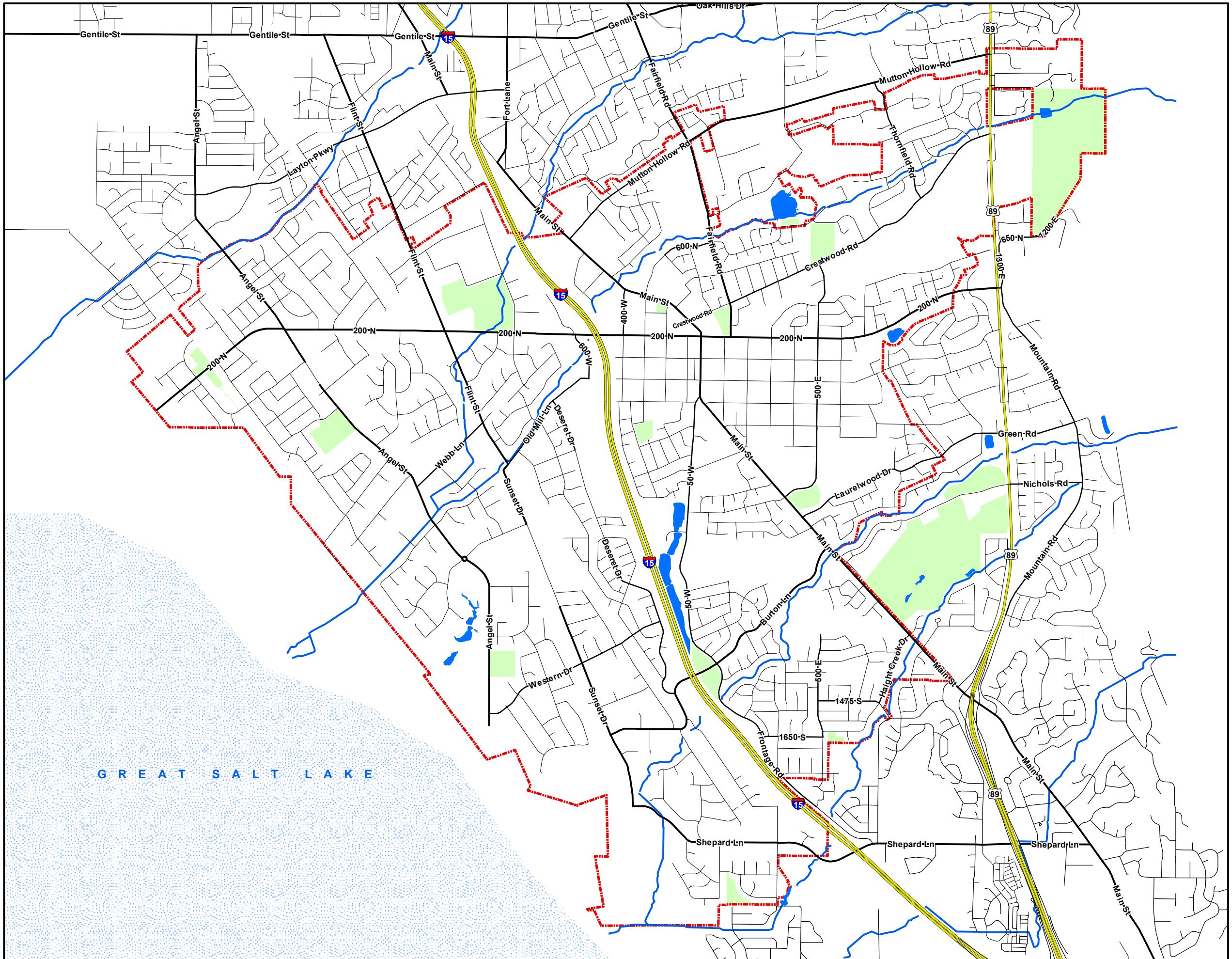
Legend

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



Kaysville
City

1 inch = 2,500 feet



FINANCIAL SECTION



COMMITTED. EXPERIENCED. TRUSTED

**CERTIFIED PUBLIC
ACCOUNTANTS**

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA
MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
SHAWN F. MARTIN, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
Kaysville City Corporation

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kaysville City Corporation (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 the City, as of June 30, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15-24, the budgetary comparisons for the general fund and major special revenue redevelopment agency and municipal building authority funds on pages 73-76, and pension schedules on pages 77-78 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison information are 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 20, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

HBMC, LLC

December 20, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**KAYSVILLE CITY CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year June 30, 2021**

As management of Kaysville City, Utah (the City), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. 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, will greatly assist the reader in understanding the finances of the City.

Financial Highlights

Government Wide

- The City's total net position increased by \$10,219,276 or 6.65% over the prior year. Net position of governmental activities increased by \$2,467,030 or 9.73%. Net position of business-type activities increased by \$7,752,246 or 6.04%.
- 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 \$163,863,896, \$133,691,176 (81.59%) includes investments in capital assets; \$9,598,930 (5.86%) in restricted uses and \$20,573,790 (12.56%) in unrestricted uses and is available to meet City obligations.
 - The City's restricted net position decreased by \$335,596 (3.38%) from last year, due mainly to the completion of the City Hall remodel and spending the remaining CARES Act grant proceeds.
 - The City's unrestricted net position increased by \$2,460,441 (13.58%) from the prior year, due mainly to a significant increase in sales tax revenues, as well as an increase in property taxes, as residential property values continue to increase.

Fund Level

- The fund balances in governmental funds decreased slightly by \$224,856 (1.83%) from \$12,286,255 to \$12,061,399.
- The proprietary funds had an overall net loss before transfers and contributions of \$926,648, which is a large improvement from the net loss in the prior year of \$3,873,319. The improvement is attributed mainly to increases in charges for services in the electric, road, and sanitation funds, as well as a 7.93% decrease in operating expenses.

Long-Term Debt

- Overall, the City's long-term liabilities decreased, excluding net pension liability, by \$874,393 over the prior year, due to scheduled debt payments. As of June 30, 2021, long-term liabilities for governmental and business-type activities, including net pension liabilities, were \$8,612,262 and \$273,089, respectively. At the end of fiscal year 2021, the ambulance fund made a down payment of approximately \$12,000 to acquire a new ambulance under a capital lease.

KAYSVILLE CITY CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year June 30, 2021

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements*, including the Statement of Net Position and the Statement of Activities, provide readers with a broad overview of the City 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 a private-sector business.

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.

Both of these 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*). These government-wide financial statements include not only the City (known as the *primary government*), but also two legally separate component units, the Redevelopment Agency of Kaysville City (RDA) and Municipal Building Authority of Kaysville City (MBA), both of which the City is financially accountable. Financial information for these blended component units is 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. All of the funds of the City are divided into two classes: governmental funds and proprietary funds.

KAYSVILLE CITY CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year June 30, 2021

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*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund statements for the general fund, the RDA fund (blended component unit), and the MBA fund (blended component unit), which are considered to be major funds. The nonmajor funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the *other supplementary information* section of this report. Nonmajor governmental funds include a debt service fund, a capital projects fund, and two permanent funds: the cemetery perpetual care fund and the library endowment fund. These two permanent 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 (water, storm water, electric, road maintenance, sewer, pressure irrigation, and sanitation funds) and for ambulance services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains eight individual proprietary funds. The nonmajor funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements immediately following the Notes to the RSI. Major proprietary funds include the water fund, the electric fund, the storm water fund, the road fund, and the ambulance fund. Nonmajor proprietary funds include the sewer fund, the pressure irrigation fund, and the sanitation fund.

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 CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year June 30, 2021

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* (RSI) concerning budget comparison statements for the general fund, the RDA fund, and the MBA fund, as well as the City's progress in funding its obligation to provide pension benefits to its employees.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also contains *other supplementary information*, in the form of combining statements for nonmajor funds are presented immediately after the notes to the RSI.

Financial Analysis of Government-wide Statements

Net Position

Generally, net position over time may offer a measuring tool of the overall financial condition of a government's financial position. The City's combined net position increased over the prior year by \$10,219,276 (6.65%). This indicates that the City's overall financial condition improved over the prior year. The unrestricted net position, which is available for ongoing obligations, increased by \$2,460,441 (13.58%). Overall, liabilities decreased by \$1,765,768, which is the net of a decrease in net pension liability and noncurrent portion of debt of \$2,765,225 and an increase of current liabilities of \$999,457.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 19,541,586	\$ 19,163,395	\$ 24,413,939	\$ 20,982,176	\$ 43,955,525	\$ 40,145,571
Capital assets, net	26,444,558	25,277,611	\$ 115,864,716	110,440,975	142,309,274	135,718,586
Net pension asset	192,066	64,508	-	28,570	192,066	93,078
 Total assets	 46,178,210	 44,505,514	 140,278,655	 131,451,721	 186,456,865	 175,957,235
Total deferred outflows of resources	991,060	853,024	474,529	408,390	1,465,589	1,261,414
Current liabilities	4,212,202	4,560,244	3,536,429	2,188,930	7,748,631	6,749,174
Noncurrent liabilities	8,612,262	10,710,123	273,089	940,453	8,885,351	11,650,576
 Total liabilities	 12,824,464	 15,270,367	 3,809,518	 3,129,383	 16,633,982	 18,399,750
Total deferred inflows of resources	6,516,313	4,726,708	908,263	447,571	7,424,576	5,174,279
Net investment in capital assets	17,839,025	15,418,558	115,852,151	110,178,187	133,691,176	125,596,745
Restricted	6,608,290	7,623,341	2,990,640	2,311,185	9,598,930	9,934,526
Unrestricted	3,381,178	2,319,564	17,192,612	15,793,785	20,573,790	18,113,349
 Total net position	 \$ 27,828,493	 \$ 25,361,463	 \$ 136,035,403	 \$ 128,283,157	 \$ 163,863,896	 \$ 153,644,620

KAYSVILLE CITY CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year June 30, 2021

Note Position (Continued)

By far, the largest portion of the City's net position (81.59%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (5.86%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$20,573,790 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City's overall net position increased \$10,219,276. The reasons for this increase are discussed in the following sections for governmental activities and business-type activities.

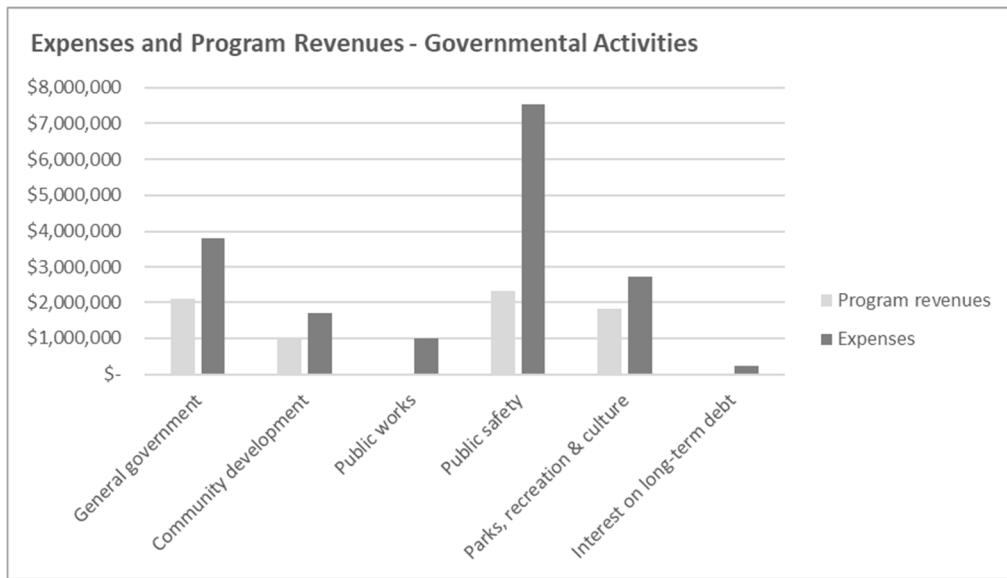
Governmental and Business-Type Activities

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$2,467,030 from the prior fiscal year for an ending balance of \$27,828,493 as of June 30, 2021. The current economic impact of the COVID-19 pandemic certainly had an impact on the City, and management was able to take various actions (e.g., utilizing federal CARES Act grant proceeds, delaying certain nonrecurring expenses, reducing expenses related to non-essential ongoing programs, amending the budget for a larger than expected increase in sales tax revenues, and the positive impact of increased property values and residential development throughout the City) that increased the effect on governmental activities.

Business-type Activities. For the City's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$136,035,403. The total increase in net position for business-type activities (water, electric, storm water, road, ambulance, sewer, pressure irrigation, and sanitation) was \$7,752,246 or 6.04% from the prior fiscal year. The growth, in large part, is attributable to a significant increase in capital grants and contributions of \$5,530,876, from both State grants and residential community developers. As a result, revenues from charges for services increased \$1,317,718, over the previous year's amount.

The table on the following page illustrates the sources of revenues and the expenses for governmental 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 CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year June 30, 2021



Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 4,830,951	\$ 4,217,224	\$ 29,046,469	\$ 27,728,751	\$ 33,877,420	\$ 31,945,975
Operating grants and contributions	1,491,398	1,100,618	-	-	1,491,398	1,100,618
Capital grants and contributions	904,007	513,257	9,375,244	3,844,368	10,279,251	4,357,625
General Revenues:						
Property taxes	4,026,569	3,709,251	-	-	4,026,569	3,709,251
Sales taxes	6,571,051	5,581,445	-	-	6,571,051	5,581,445
Other taxes	2,135,038	1,985,638	-	-	2,135,038	1,985,638
Other Revenues	123,345	392,275	300,085	408,911	423,430	801,186
Total revenues	20,082,359	17,499,708	38,721,798	31,982,030	58,804,157	49,481,738
Expenses						
General government	3,811,104	2,504,558	-	-	3,811,104	2,504,558
Community development	1,698,458	1,035,615	-	-	1,698,458	1,035,615
Public works	992,643	962,291	-	-	992,643	962,291
Public safety	7,615,900	6,307,787	-	-	7,615,900	6,307,787
Parks, recreation and culture	2,742,405	2,610,749	-	-	2,742,405	2,610,749
Nondepartmental	-	1,113,823	-	-	-	1,113,823
Interest on long-term debt	217,269	334,175	-	-	217,269	334,175
Water	-	-	3,178,987	3,520,163	3,178,987	3,520,163
Sewer	-	-	2,686,746	2,674,245	2,686,746	2,674,245
Electric	-	-	15,689,771	15,489,395	15,689,771	15,489,395
Pressure irrigation	-	-	1,314,563	1,284,053	1,314,563	1,284,053
Road utility	-	-	3,682,801	6,538,721	3,682,801	6,538,721
Sanitation	-	-	2,365,716	2,257,050	2,365,716	2,257,050
Storm water	-	-	1,521,681	1,866,836	1,521,681	1,866,836
Ambulance	-	-	1,066,837	874,406	1,066,837	874,406
Total Expenses	17,077,779	14,868,998	31,507,102	34,504,869	48,584,881	49,373,867
Increase in net position before transfers	3,004,580	2,630,710	7,214,696	(2,522,839)	10,219,276	107,871
Transfers, net	(537,550)	(371,000)	537,550	371,000	-	-
Increase in net position	2,467,030	2,259,710	7,752,246	(2,151,839)	10,219,276	107,871
Net position, beginning	25,361,463	23,101,753	128,283,157	130,434,996	153,644,620	153,536,749
Net position, ending	\$ 27,828,493	\$ 25,361,463	\$ 136,035,403	\$ 128,283,157	\$ 163,863,896	\$ 153,644,620

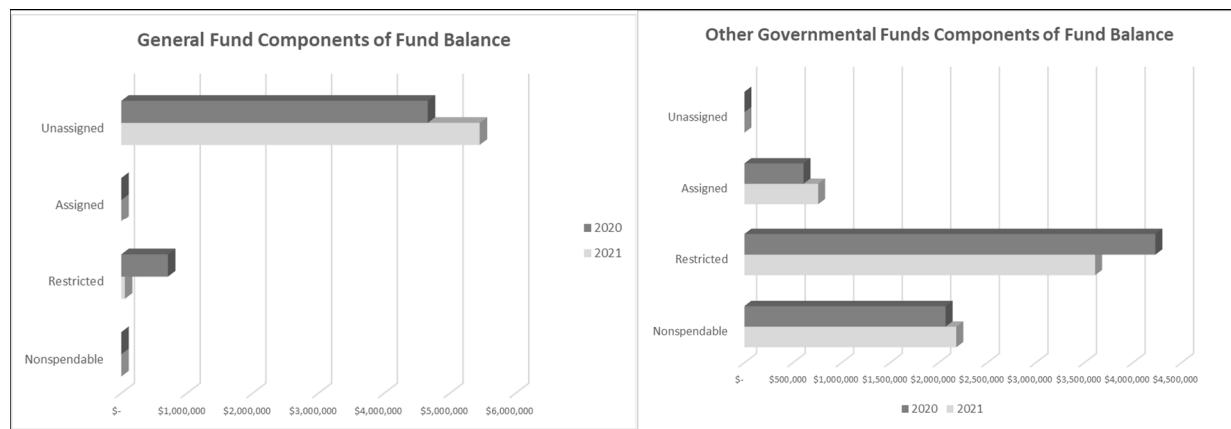
KAYSVILLE CITY CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year June 30, 2021

Financial Analysis of Governmental 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. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

As of June 30, 2021, the City's governmental funds reported combined fund balances of \$12,061,399, a decrease of \$224,856 in comparison with the prior year. Approximately 45% of this amount (\$5,453,109) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is 1) not in spendable form (\$2,182,244), 2) restricted for particular purposes (\$3,666,628), or 3) assigned for particular purposes (\$759,418).



The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,453,109. Total fund balance for the general fund increased \$134,595. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures.

The Redevelopment Agency of Kaysville City (RDA), a major fund, is used to account for economic development activities in the City. The RDA is considered a blended component unit of the City. Fund balance during the current fiscal year increased \$145,061, for a total fund balance of \$681,324, all of which is assigned for redevelopment.

The Municipal Building Authority of Kaysville City (MBA), a major fund, was created to issue bonds (in prior years) to construct and remodel two buildings, which were then leased to the City for its exclusive use. The first project built a police station, with a \$365,000 annual lease payment for the duration of the debt service period. The second project remodeled Kaysville City Hall, with a \$340,000 annual lease payment. The MBA is considered a blended component unit of the City.

KAYSVILLE CITY CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year June 30, 2021

The MBA fund balance decreased \$1,365,204 during the current fiscal year, for a total fund balance of \$475,468, all of which is restricted for MBA purposes. The entire decrease related to payments made to a contractor for the remaining invoice to complete the City Hall remodel.

The Debt Service Fund is used to account for the debt service requirements of two equipment leases (a fire truck and a wide-area mower) and the series 2017 sales tax revenue bonds, issued to for the construction of Pioneer Park. Transfers from the General Fund of \$178,000 and from the Capital Projects fund of \$208,000, are the sources of revenue.

The Capital Projects Fund is used to account for major capital projects of the City during the fiscal year 2021. Each year, the City transfers \$208,000, which is part of the parks impact fees received, to the Debt Service Fund, used for debt service related to Pioneer Park bonds issuance. During the fiscal year 2021, the fund expended \$820,421 for repairs needed to the 200 North bridge. Proceeds from the balance of an insurance settlement (\$850,000), as a transfer in from the General Fund, were used for the project.

The City maintains two permanent funds: Cemetery Perpetual Care and Library Endowment Funds. The permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

- A *perpetual care fee* is charged with the sale of each burial plot. As of June 30, 2021, the fund's balance is \$2,167,704, an increase of \$117,972 over the prior year.
- Private donors, Alan and Kay Blood, in a prior fiscal year, donated property, which was subsequently sold, and the proceeds of the sale were used to establish the corpus. The total fund balance as of June 30, 2021 totaled \$724,981, an increase of \$8,593. 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's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

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 \$30,073,862. This is an increase of 4.04% over the prior year of \$28,906,357. Operating expenses totaled \$31,504,510. This is a decrease of approximately 8%. Continued monitoring of each utility, including the rates charged, is necessary to ensure operating revenues cover operating expenses, especially as residential growth will require additional resources.

KAYSVILLE CITY CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year June 30, 2021

General Fund Budgetary Highlights

Original Budget Compared to Final Budget

During the year, there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. However, there was a need to make an amendment to reallocate appropriations among departments when it became clearer which departments would actually be charged for certain employee benefits such as pensions and other postemployment benefits. Generally, the movement of the appropriations between departments was not significant. The exception is related to intergovernmental revenues. A budget amendment was made to account for the CARES Act grant revenue (\$1,900,000 increase) and related expenses during the current fiscal year.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities and business-type activities as of June 30, 2021, is \$142,309,274 (net of accumulated depreciation). This is a net increase of \$6,590,688.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 5,325,902	\$ 5,325,902	\$ 24,618,531	\$ 22,963,561	\$ 29,944,433	\$ 28,289,463
Construction in Progress	5,236,369	4,046,453	4,637,990	4,637,990	9,874,359	8,684,443
Water Shares	-	-	12,565	-	12,565	-
Buildings and improvements	13,795,628	10,433,513	513,496	533,742	14,309,124	10,967,255
Infrastructure	-	3,424,754	84,821,218	80,976,764	84,821,218	84,401,518
Automobiles, machinery and equipment	2,086,659	2,046,989	1,260,916	1,328,918	3,347,575	3,375,907
Total capital assets	\$ 26,444,558	\$ 25,277,611	\$ 115,864,716	\$ 110,440,975	\$ 142,309,274	\$ 135,718,586

Additional information on the City's capital assets can be found in note 5 on pages 49-50 of this report.

Long-Term Debt: Bonds and Leases Payable

Overall, the City had a net decrease in long term liabilities, excluding compensated absences, in the amount of \$890,237. 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	
	2021	2020	2021	2020	2021	2020
Sales Tax Revenue Bonds	\$ 783,000	\$ 968,000	\$ -	\$ -	\$ 783,000	\$ 968,000
MBA Lease Revenue Bonds	7,263,000	7,816,000	-	-	7,263,000	7,816,000
Equipment Leases	559,533	711,770	12,565	-	572,098	711,770
Total bonds and leases payable	\$ 8,605,533	\$ 9,495,770	\$ 12,565	\$ -	\$ 8,618,098	\$ 9,495,770

Additional information on the City's long-term debt can be found in note 7 on pages 51-55 of this report.

KAYSVILLE CITY CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year June 30, 2021

Conclusion and Economic Factors and Next Year's Budget and Rates

The economic outlook for Kaysville City remains positive. Though the unemployment rate in Utah decreased during 2021 to 2.1%, unemployment remains well below the national average. The City's main sources of income have remained constant. Sales tax revenues have continued to experience significant growth for the coming year. Property taxes have stayed constant, with slight increases. Existing revenues have been able to continue to meet the expenditures anticipated. The challenge, of course, will be to continue to provide the critical services to a growing, primarily residential population. However, the economic outlook of the City is very positive and stable. Additional information is provided in the statistical section.

This financial report is designed to provide a general overview of the 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 the City.

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

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Fund Financial Statements

KAYSVILLE CITY CORPORATION, UTAH
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,283,235	\$ 20,290,838	\$ 24,574,073
Restricted assets - cash and cash equivalents	959,173	-	959,173
Investments	7,553,757	-	7,553,757
Restricted assets - Investments	270,917	-	270,917
Receivables (net of allowance for uncollectibles)	6,401,994	3,055,011	9,457,005
Internal balances	72,510	(72,510)	-
Inventories	-	1,140,600	1,140,600
Total current assets	<u>19,541,586</u>	<u>24,413,939</u>	<u>43,955,525</u>
Noncurrent assets:			
Capital assets not being depreciated::			
Land	5,325,902	24,618,531	29,944,433
Construction in progress	5,236,369	12,565	5,248,934
Water shares	-	4,637,990	4,637,990
Capital assets, net of accumulated depreciation:			
Buildings and improvements	13,795,628	513,496	14,309,124
Infrastructure	-	84,821,218	84,821,218
Automobiles, machinery and equipment	2,086,659	1,260,916	3,347,575
Net pension asset	192,066	-	192,066
Total noncurrent assets	<u>26,636,624</u>	<u>115,864,716</u>	<u>142,501,340</u>
Total assets	<u>46,178,210</u>	<u>140,278,655</u>	<u>186,456,865</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	991,060	474,529	1,465,589
Total deferred outflows of resources	<u>991,060</u>	<u>474,529</u>	<u>1,465,589</u>
LIABILITIES			
Current liabilities:			
Accounts payable	274,402	3,137,383	3,411,785
Accrued liabilities	631,666	-	631,666
Developer and other deposits payable	1,894,532	168,017	2,062,549
Accrued interest payable	29,294	2,592	31,886
Noncurrent liabilities due within one year	1,382,308	228,437	1,610,745
Total current liabilities	<u>4,212,202</u>	<u>3,536,429</u>	<u>7,748,631</u>
Noncurrent liabilities			
Due In more than one year	7,813,872	69,675	7,883,547
Net pension liability	798,390	203,414	1,001,804
Total noncurrent liabilities	<u>8,612,262</u>	<u>273,089</u>	<u>8,885,351</u>
Total liabilities	<u>12,824,464</u>	<u>3,809,518</u>	<u>16,633,982</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	4,679,587	-	4,679,587
Deferred inflows related to pensions	1,836,726	908,263	2,744,989
Total deferred inflows of resources	<u>6,516,313</u>	<u>908,263</u>	<u>7,424,576</u>
NET POSITION			
Net investment in capital assets	17,839,025	115,852,151	133,691,176
Restricted for:			
Power impact fees	-	1,935,930	1,935,930
Water impact fees	-	1,054,710	1,054,710
CARES Act grant	36,333	-	36,333
Perpetual cemetery:			
Expendable	675,348	-	675,348
Nonexpendable	1,492,356	-	1,492,356
Library endowment:			
Expendable	35,093	-	35,093
Nonexpendable	689,888	-	689,888
Capital projects	1,575,636	-	1,575,636
Debt service	78,094	-	78,094
Municipal Building Authority	475,468	-	475,468
Redevelopment Agency	681,324	-	681,324
Park impact fees	603,414	-	603,414
Public safety impact fees	108,407	-	108,407
Fire impact fees	138,748	-	138,748
Beer tax reserves	18,181	-	18,181
Unrestricted	3,381,178	17,192,612	20,573,790
Total net position	<u>\$ 27,828,493</u>	<u>\$ 136,035,403</u>	<u>\$ 163,863,896</u>

The accompanying notes are an integral part of these financial statements.

KAYSVILLE CITY CORPORATION, UTAH
Statement of Activities
For the Year Ended June 30, 2021

	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 3,811,104	\$ 1,855,515	\$ 237,064	\$ -	\$ (1,718,525)	\$ -	\$ (1,718,525)
Public safety:							
Police	5,623,367	741,629	661,916	-	(4,219,822)	-	(4,219,822)
Fire	1,897,410	273,392	468,585	179,018	(976,415)	-	(976,415)
Animal control	95,123	-	-	-	(95,123)	-	(95,123)
Community development	1,698,458	937,490	37,190	-	(723,778)	-	(723,778)
Public works	992,643	3,609	-	-	(989,034)	-	(989,034)
Parks, recreation, and culture	2,742,405	1,019,316	86,643	724,989	(911,457)	-	(911,457)
Interest on long-term debt	217,269	-	-	-	(217,269)	-	(217,269)
Total governmental activities	17,077,779	4,830,951	1,491,398	904,007	(9,851,423)	-	(9,851,423)
Business-type activities							
Water	3,178,987	3,255,067	-	2,726,352	-	2,802,432	2,802,432
Electric	15,689,771	16,435,150	-	529,999	-	1,275,378	1,275,378
Storm Water	1,521,681	1,232,626	-	858,796	-	569,741	569,741
Road Utility	3,682,801	1,155,886	-	5,260,097	-	2,733,182	2,733,182
Ambulance	1,066,837	506,606	-	-	-	(560,231)	(560,231)
Sewer	2,686,746	2,694,301	-	-	-	7,555	7,555
Pressure Irrigation	1,314,563	1,300,429	-	-	-	(14,134)	(14,134)
Sanitation	2,365,716	2,466,404	-	-	-	100,688	100,688
Total business-type activities	31,507,102	29,046,469	-	9,375,244	-	6,914,611	6,914,611
General Revenues:							
Taxes							
Sales				6,571,051	-	6,571,051	
Property				4,026,569	-	4,026,569	
Energy sales and use charge				1,353,682	-	1,353,682	
Franchise				538,149	-	538,149	
Motor vehicle				243,207	-	243,207	
Interest and investment earnings				82,217	95,032	177,249	
Gain on sale of assets				9,376	34,980	44,356	
Miscellaneous				31,752	170,073	201,825	
Transfers - net				(537,550)	537,550	-	
Total general revenue and transfers				12,318,453	837,635	13,156,088	
Change in net position							
Net position - beginning				2,467,030	7,752,246	10,219,276	
Net position - ending				\$ 27,828,493	\$ 136,035,403	\$ 163,863,896	

The accompanying notes are an integral part of these financial statements.

KAYSVILLE CITY CORPORATION, UTAH
Balance Sheet – Governmental Funds
June 30, 2021

	Special Revenue					Total Governmental Funds
	General Fund	Redevelopment Agency	Municipal Building Authority	Nonmajor Governmental Funds		
ASSETS						
Cash and cash equivalents	\$ 102,526	\$ 681,324	\$ -	\$ 3,499,385	\$ 4,283,235	
Cash and cash equivalents, restricted	-	-	479,638	479,535	959,173	
Investments	6,380,839	-	-	1,172,918	7,553,757	
Investments, restricted	-	-	-	270,917	270,917	
Accounts receivable						
Property tax	4,679,587	-	-	-	4,679,587	
Sales and use	1,364,981	-	-	-	1,364,981	
Other	357,426	-	-	-	357,426	
Due from other funds	72,510	-	-	-	72,510	
Total assets	\$ 12,957,869	\$ 681,324	\$ 479,638	\$ 5,422,755	\$ 19,541,586	
LIABILITIES						
Accounts payable	\$ 270,232	\$ -	\$ 4,170	\$ -	\$ 274,402	
Accrued liabilities	631,366	-	-	300	631,666	
Developer and other deposits	1,869,061	-	-	25,471	1,894,532	
Total liabilities	2,770,659	-	4,170	25,771	2,800,600	
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue-property taxes	4,679,587	-	-	-	4,679,587	
Total deferred inflows of resources	4,679,587	-	-	-	4,679,587	
FUND BALANCES						
Non-Spendable:						
Library Endowment	-	-	-	689,888	689,888	
Cemetery Perpetual Care	-	-	-	1,492,356	1,492,356	
Restricted for:						
Capital Projects	-	-	-	1,575,636	1,575,636	
Park Impact Fees	-	-	-	603,414	603,414	
Public Safety Impact Fees	-	-	-	108,407	108,407	
Fire Impact Fees	-	-	-	138,748	138,748	
Library Purposes	-	-	-	35,093	35,093	
Cemetery Perpetual Care	-	-	-	675,348	675,348	
Beer Tax Funds	18,181	-	-	-	18,181	
CARES Act Grant	36,333	-	-	-	36,333	
Municipal Building Authority	-	-	475,468	-	475,468	
Assigned:						
Redevelopment	-	681,324	-	-	681,324	
Debt Service	-	-	-	78,094	78,094	
Unassigned	5,453,109	-	-	-	5,453,109	
Total fund balances	5,507,623	681,324	475,468	5,396,984	12,061,399	
Total liabilities, deferred inflows of resources and fund balances	\$ 12,957,869	\$ 681,324	\$ 479,638	\$ 5,422,755	\$ 19,541,586	

KAYSVILLE CITY CORPORATION, UTAH
Reconciliation to the Balance Sheet – Governmental Funds
To the Statement of Net Position
June 30, 2021

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances for governmental funds	\$ 12,061,399
--------------------------------------------	---------------

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

Land	\$ 5,325,902
Construction in progress	5,236,369
Buildings and improvements, net	13,795,628
Automobiles, machinery and equipment, net	2,086,659

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

Net pension asset	192,066
Deferred pension outflow of resources	991,060
Net pension liability	(798,390)
Deferred pension inflow of resources	(1,836,726)

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	(8,046,000)
Capital leases payable	(559,533)
Accrued interest payable	(29,294)
Compensated absences	(590,647)
Net position of governmental activities	<u>\$ 27,828,493</u>

KAYSVILLE CITY CORPORATION, UTAH
Statement of Revenues, Expenditures, and
Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue				Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Redevelopment Agency	Municipal Building Authority	Governmental Funds		
REVENUES						
Taxes	\$ 12,590,337	\$ 142,321	\$ -	\$ -	\$ 12,732,658	
Licenses and Permits	703,531	-	-	-	703,531	
Impact Fees	-	-	-	900,022	900,022	
Intergovernmental	1,495,383	-	-	-	1,495,383	
Charges for Services	2,864,130	-	-	110,275	2,974,405	
Fines and Forfeitures	124,188	-	-	-	124,188	
Lease and rent revenue	25,312	-	705,000	-	730,312	
Interest Income	43,292	2,740	5,745	30,440	82,217	
Miscellaneous	31,752	-	-	-	31,752	
Total revenues	17,877,925	145,061	710,745	1,040,737	19,774,468	
EXPENDITURES						
Current:						
General Government	3,903,287	-	-	-	3,903,287	
Public Safety	7,492,982	-	-	-	7,492,982	
Community Development	926,411	-	-	820,421	1,746,832	
Public Works	748,608	-	-	-	748,608	
Parks, Recreation and Culture	2,441,251	-	-	-	2,441,251	
Debt Service:						
Principal	-	-	553,000	337,237	890,237	
Interest and Fiscal Charges	-	-	178,145	43,659	221,804	
Capital Outlay	1,051,266	-	1,344,804	6,728	2,402,798	
Total expenditures	16,563,805	-	2,075,949	1,208,045	19,847,799	
Excess (deficiency) of revenues over (under) expenditures	1,314,120	145,061	(1,365,204)	(167,308)	(73,331)	
OTHER FINANCING SOURCES (USES)						
Sale of Capital Assets	87,510	-	-	-	87,510	
Non-reciprocal utility transfers in	298,515	-	-	-	298,515	
Transfers In	-	-	-	1,236,000	1,236,000	
Transfers Out	(1,565,550)	-	-	(208,000)	(1,773,550)	
Total other financing sources (uses)	(1,179,525)	-	-	1,028,000	(151,525)	
Net change in fund balances	134,595	145,061	(1,365,204)	860,692	(224,856)	
Fund balances, beginning	5,373,028	536,263	1,840,672	4,536,292	12,286,255	
Fund balances, ending	\$ 5,507,623	\$ 681,324	\$ 475,468	\$ 5,396,984	\$ 12,061,399	

KAYSVILLE CITY CORPORATION, UTAH

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021**

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

Net change in fund balances for governmental funds \$ 224,856

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets with an initial cost of \$4,000 or more are capitalized and the cost is allocated over the asset estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlay	\$ (2,402,798)
Discontinued construction project expensed during the year	161,617
Depreciation expense	<u>996,100</u>
	<u>(1,245,081)</u>

Governmental assets disposed during the year with the respective gain (loss) on disposal are not shown in governmental funds.

Proceeds	87,510
Loss on disposal of assets	<u>(9,376)</u>
	<u>78,134</u>

The issuance of long-term debt (bonds, and leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither type of transaction, however, has any effect on net position. These amounts are the net effect of these differences in the treatment of long-term debt and related items.

Payments on bond principal	(738,000)
Payments on capital leases principal	<u>(152,237)</u>
	<u>(890,237)</u>
Interest expense on long-term debt	<u>(4,535)</u>

Expenses are recognized in the governmental funds when paid or due; however, the Statement of Activities is presented on the accrual basis and expenses and liabilities are reported when incurred, regardless of when financial resources are available or expenses are paid or due. These adjustments reflect the changes due to compensated absences and pension benefits.

Compensated absences	91,403
Pension benefits	<u>(721,570)</u>
	<u>(630,167)</u>
Change in net position of governmental activities	<u>\$ (2,467,030)</u>

KAYSVILLE CITY CORPORATION, UTAH
Statement of Net Position – Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds						Total Nonmajor Enterprise Funds	Total
	Water	Electric	Storm Water	Road	Ambulance			
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 3,368,537	\$ 10,568,821	\$ 2,347,180	\$ 1,270,410	\$ 179,786	\$ 2,556,104	\$ 20,290,838	
Accounts receivable, net								
Utility customers	264,158	1,162,686	102,319	-	-	556,404	2,085,567	
Taxes	-	72,510	-	407,949	-	-	480,459	
Other	-	171,030	-	242,781	75,174	-	488,985	
Inventories	293,400	847,200	-	-	-	-	1,140,600	
Total current assets	3,926,095	12,822,247	2,449,499	1,921,140	254,960	3,112,508	24,486,449	
Noncurrent assets:								
Capital assets:								
Land	120,094	1,004,307	-	23,477,808	-	16,322	24,618,531	
Water shares	916,140	-	-	-	-	3,721,850	4,637,990	
Construction in progress	-	-	-	-	12,565	-	12,565	
Buildings and improvements	175,417	733,342	70,228	-	-	41,289	1,020,276	
Infrastructure	27,955,372	29,923,181	23,663,615	77,075,136	-	-	158,617,304	
Automobiles, machinery and equipment	805,768	2,100,702	497,732	311,676	577,472	1,664,727	5,958,077	
Less: accumulated depreciation	(11,057,058)	(16,581,953)	(12,268,042)	(37,223,972)	(389,946)	(1,479,056)	(79,000,027)	
Total noncurrent assets	18,915,733	17,179,579	11,963,533	63,640,648	200,091	3,965,132	115,864,716	
Total assets	22,841,828	30,001,826	14,413,032	65,561,788	455,051	7,077,640	140,351,165	
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to pensions	111,608	199,300	55,804	15,944	83,901	7,972	474,529	
LIABILITIES								
Current liabilities:								
Accounts payable	38,531	2,357,149	1,690	144,732	24,722	570,559	3,137,383	
Deposits	48,544	119,473	-	-	-	-	168,017	
Due to other funds	-	72,510	-	-	-	-	72,510	
Accrued interest payable	-	-	-	-	2,592	-	2,592	
Due within one year:								
Compensated absences	51,238	99,071	22,499	4,441	51,188	-	228,437	
Total current liabilities	138,313	2,648,203	24,189	149,173	78,502	570,559	3,608,939	
Noncurrent liabilities:								
Due in more than one year:								
Compensated absences	12,810	24,768	5,625	1,110	12,797	-	57,110	
Capital leases	-	-	-	-	12,565	-	12,565	
Net pension liability	29,831	53,269	14,915	4,262	99,006	2,131	203,414	
Total noncurrent liabilities	42,641	78,037	20,540	5,372	124,368	2,131	273,089	
Total liabilities	180,954	2,726,240	44,729	154,545	202,870	572,690	3,882,028	
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows related to pensions	216,523	386,649	108,262	30,932	150,431	15,466	908,263	
NET POSITION								
Net investment in capital assets	18,915,733	17,179,579	11,963,533	63,640,648	187,526	3,965,132	115,852,151	
Restricted for impact fees	1,054,710	1,935,930	-	-	-	-	2,990,640	
Unrestricted	2,585,516	7,972,728	2,352,312	1,751,607	(1,875)	2,532,324	17,192,612	
Total net position	\$ 22,555,959	\$ 27,088,237	\$ 14,315,845	\$ 65,392,255	\$ 185,651	\$ 6,497,456	\$ 136,035,403	
Total liabilities, deferred inflows of resources, and net position	\$ 22,953,436	\$ 30,201,126	\$ 14,468,836	\$ 65,577,732	\$ 538,952	\$ 7,085,612	\$ 140,825,694	

KAYSVILLE CITY CORPORATION, UTAH
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds						Total Nonmajor Enterprise Funds	Total		
	Water	Electric	Storm Water	Road	Ambulance					
OPERATING REVENUES										
Charges for services	\$ 3,157,315	\$ 15,393,833	\$ 1,205,983	\$ 1,155,886	\$ 506,606	\$ 6,443,476	\$ 27,863,099			
Intergovernmental	-	-	-	1,912,248	-	-	-	1,912,248		
Charges for services (non-reciprocal)	37,136	217,078	26,643	-	-	17,658	298,515			
Total operating revenues	3,194,451	15,610,911	1,232,626	3,068,134	506,606	6,461,134	30,073,862			
OPERATING EXPENSES										
Personnel services	1,028,836	1,402,983	535,447	191,596	741,760	63,043	3,963,665			
Contractual services	794,697	11,062,526	20,010	-	86,940	5,834,482	17,798,655			
Administrative charges from General Fund	183,000	215,000	72,500	67,500	-	257,000	795,000			
Interfund services	115,500	200,500	83,000	-	18,000	5,000	422,000			
Non-reciprocal utility service	37,136	217,078	26,643	-	-	17,658	298,515			
Maintenance and operations	362,299	722,314	96,960	1,352,611	141,411	108,846	2,784,441			
Meter system upgrade	-	72,115	-	-	-	-	72,115			
Energy sales and use tax charge	-	863,730	-	-	-	-	863,730			
Depreciation	657,519	933,525	687,121	2,071,094	76,134	80,996	4,506,389			
Total operating expenses	3,178,987	15,689,771	1,521,681	3,682,801	1,064,245	6,367,025	31,504,510			
Operating income (loss)	15,464	(78,860)	(289,055)	(614,667)	(557,639)	94,109	(1,430,648)			
NONOPERATING REVENUES (EXPENSES)										
Connection fees	60,616	145,891	-	-	-	-	206,507			
Interest income	18,826	48,652	10,823	3,551	123	13,057	95,032			
Interest and fiscal expenses	-	-	-	-	(2,592)	-	(2,592)			
Gain on sale of assets	-	5,415	29,565	-	-	-	34,980			
Miscellaneous	28,658	78,031	-	63,304	-	80	170,073			
Total nonoperating revenues (expenses)	108,100	277,989	40,388	66,855	(2,469)	13,137	504,000			
Income (loss) before contributions and transfers	123,564	199,129	(248,667)	(547,812)	(560,108)	107,246	(926,648)			
Capital contributions	2,586,650	-	858,796	2,987,706	-	-	6,433,152			
Capital contributions - impact fees	139,702	529,999	-	360,143	-	-	1,029,844			
Capital contributions - extension fees	-	678,348	-	-	-	-	678,348			
Transfers in	-	-	-	-	537,550	-	537,550			
Change in net position	2,849,916	1,407,476	610,129	2,800,037	(22,558)	107,246	7,752,246			
Total net position, beginning	19,706,043	25,680,761	13,705,716	62,592,218	208,209	6,390,210	128,283,157			
Total net position, ending	\$ 22,555,959	\$ 27,088,237	\$ 14,315,845	\$ 65,392,255	\$ 185,651	\$ 6,497,456	\$ 136,035,403			

KAYSVILLE CITY CORPORATION, UTAH
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds						Total Nonmajor Enterprise Funds	Total
	Water	Electric	Storm Water	Road	Ambulance			
Cash flows from operating activities								
Receipts from customers and users	\$ 3,233,898	\$ 15,443,850	\$ 1,230,925	\$ 2,914,591	\$ 584,451	\$ 6,440,376	\$ 29,848,091	
Payments to suppliers	(1,083,350)	(11,323,018)	(119,618)	(1,337,959)	(198,073)	(5,900,193)	(19,962,211)	
Payments to employees	(1,082,165)	(1,593,280)	(570,372)	(201,636)	(701,392)	(53,418)	(4,202,263)	
Payments for interfund services	(335,636)	(632,578)	(182,143)	(67,500)	(35,658)	(279,658)	(1,533,173)	
Net cash provided (used) by operating activities	<u>732,747</u>	<u>1,894,974</u>	<u>358,792</u>	<u>1,307,496</u>	<u>(350,672)</u>	<u>207,107</u>	<u>4,150,444</u>	
Cash flows from noncapital financing activities								
Cash received from other funds	-	72,510	-	-	-	-	72,510	
Cash paid to other funds	-	(74,111)	-	-	-	-	(74,111)	
Transfers from other funds	-	-	-	-	537,550	-	537,550	
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(1,601)</u>	<u>-</u>	<u>-</u>	<u>537,550</u>	<u>-</u>	<u>535,949</u>	
Cash flows from capital and related financing activities								
Impact, extension, and other fees	228,976	1,432,269	-	423,447	-	80	2,084,772	
Aquisition of capital assets	(774,994)	(833,346)	(73,740)	(1,827,863)	(13,890)	-	(3,523,833)	
Proceeds from sales of capital assets	-	5,415	68,985	-	-	-	74,400	
Net cash provided (used) by capital and related financing activities	<u>(546,018)</u>	<u>604,338</u>	<u>(4,755)</u>	<u>(1,404,416)</u>	<u>(13,890)</u>	<u>80</u>	<u>(1,364,661)</u>	
Cash flows from investing activities								
Interest received	18,826	48,652	10,823	3,551	123	13,057	95,032	
Net cash provided by investing activities	<u>18,826</u>	<u>48,652</u>	<u>10,823</u>	<u>3,551</u>	<u>123</u>	<u>13,057</u>	<u>95,032</u>	
Net increase (decrease) in cash and cash equivalents	<u>205,555</u>	<u>2,546,363</u>	<u>364,860</u>	<u>(93,369)</u>	<u>173,111</u>	<u>220,244</u>	<u>3,416,764</u>	
Cash and cash equivalents, beginning of year	<u>3,162,982</u>	<u>8,022,458</u>	<u>1,982,320</u>	<u>1,363,779</u>	<u>6,675</u>	<u>2,335,860</u>	<u>16,874,074</u>	
Cash and cash equivalents, end of year	<u><u>\$ 3,368,537</u></u>	<u><u>\$ 10,568,821</u></u>	<u><u>\$ 2,347,180</u></u>	<u><u>\$ 1,270,410</u></u>	<u><u>\$ 179,786</u></u>	<u><u>\$ 2,556,104</u></u>	<u><u>\$ 20,290,838</u></u>	

KAYSVILLE CITY CORPORATION, UTAH
Statement of Cash Flows – Proprietary Funds (Continued)
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds						Total Nonmajor Enterprise Funds	Total
	Water	Electric	Storm Water	Road	Ambulance			
Reconciliation of operating income (loss) to net cash provided (used) by operating activities								
Operating income (loss)	\$ 15,464	\$ (78,860)	\$ (289,055)	\$ (614,667)	\$ (557,639)	\$ 94,109	\$ (1,430,648)	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation	657,519	933,525	687,121	2,071,094	76,134	80,996	4,506,389	
Net pension adjustment	(62,807)	(203,878)	(31,404)	2,787	24,320	9,625	(261,357)	
Changes in assets and liabilities:								
Accounts receivable	11,326	(156,967)	(1,701)	(153,543)	77,845	(20,758)	(243,798)	
Inventory	76,800	153,600	-	-	-	-	230,400	
Accounts payable	(3,154)	1,244,067	(2,648)	14,652	12,620	43,135	1,308,672	
Deposits	28,121	(10,094)	-	-	-	-	18,027	
Compensated absences	9,478	13,581	(3,521)	(12,827)	16,048	-	22,759	
Net cash provided (used) by operating activities	\$ 732,747	\$ 1,894,974	\$ 358,792	\$ 1,307,496	\$ (350,672)	\$ 207,107	\$ 4,150,444	
Noncash investing, capital and financing activities								
Capital contributions - developers	\$ 2,586,650	\$ -	\$ 858,796	\$ 2,987,706	\$ -	\$ -	\$ 6,433,152	
Purchase of ambulance on account	-	-	-	-	-	12,565	-	12,565

**NOTES TO THE
BASIC FINANCIAL STATEMENTS**

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Kaysville City Corporation, Utah (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, animal control, 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 of Kaysville City (MBA) and the Redevelopment Agency of Kaysville City (RDA) are considered blended component units of the City. The MBA and RDA are governed by an independent board, comprised of members of the City Council, and are financially dependent upon the City. In conformity with U.S. GAAP, the financial information of both component units has been included in these financial statements as blended component units. 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 services.

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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 way 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.

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 a total of fifteen funds, including seven governmental funds and eight proprietary funds. Three of the governmental funds and five of the proprietary funds are reported as major funds.

- *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, a major 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.

Redevelopment Agency Fund, a major fund, accounts for the redevelopment of project areas throughout the City.

Municipal Building Authority Fund, a major fund, accounts for the construction and finance of certain City buildings.

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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Perpetual Cemetery Fund, a permanent fund, accounts for the perpetual care of the cemetery, through continued improvement and maintenance.

Library Endowment Fund, a permanent fund, accounts for the endowment, as donated solely for the use of the City's library. Ten percent of the interest earnings from the principal are restricted and added to the 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 (major funds: water, electric, storm water, road, and ambulance; non-major funds: sewer, pressure irrigation, and sanitation) in the City is used for its respective utility or function as indicated by the title of the fund.

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services, and if 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.

Measurement Focus and Basis of Accounting

The accounts of the City are organized and operated based on 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 Basis of Accounting

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

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Modified Accrual Basis of Accounting

The governmental fund financial statements are presented using the current financial resources measurement focus under the modified accrual basis of accounting, wherein 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 City 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

Cash, Cash Equivalents, and Investments

Cash and cash equivalents are generally 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 (PTIF). Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

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 of the same calendar year. 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 and are, therefore, recorded as deferred revenue.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories and Prepaid Items

Inventories are valued at cost using the replacement value method. The costs of business-type fund 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, when applicable.

Capital Assets

Capital assets of the City are reported in the applicable governmental or business-type activities 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 a useful life of more than one year. All purchased capital assets are valued at cost, where historical records are available, or at an estimated historical cost where no historical records exist. Donated capital assets are recorded at the market value at the time of acquisition.

The cost of normal maintenance and repairs that do not add substantially to the value of the asset or substantially extend assets' lives are not capitalized, rather, they are expensed as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Capital outlays for improvements are capitalized as projects are constructed.

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

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	60 years
Infrastructure	35 to 40 years
Improvements other than buildings	30 years
Vehicles, machinery and equipment	5 to 7 years

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. Applicable payroll taxes are included in the calculation.

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 earned 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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

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) including additions to and 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.

Deferred Inflows and Outflows of Resources

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.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) 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 URS.

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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 balance may be classified as follows:

- **Nonspendable** – 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.
- **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.
- **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.
- **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.
- **Unassigned fund balance** – Fund balances in the general fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

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

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Statements

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

- 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.
- 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.
- 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 and 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 CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Net Position

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

- Power 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.
- 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.
- CARES Act Grant – a federal grant provided to help with the additional expenses incurring during the COVID 19 pandemic, beginning during fiscal year 2020. The grant is restricted by federal law. The City spent the majority of these funds, but has restricted the remaining portion of unspent monies.
- Perpetual Cemetery – a part of the fees collected at the time a cemetery lot is sold, which is used for perpetual care.
- Library Endowment - the restriction is imposed by the contributor. The principal portion of the contribution is fully restricted, plus a portion of the interest earned each year. The remaining portion of the interest earned on the principal may be used for other purposes.
- Class C Roads & Active Transportation - all unexpended Class "C" Road and Active Transportation payments at the end of the fiscal year are restricted by state law to be appropriated in the following budget year.
- Capital projects – restricted for use in City projects for capital purposes.
- Debt service – Debt holders require certain funds be held and restricted for use to repay the debts.
- Municipal Building Authority (MBA) – restricted for use by the MBA and its purposes to finance and construct various buildings.
- Redevelopment Agency (RDA) - restricted for use by the RDA and its purposes to finance and construct various projects to beautify, rehabilitate and enhance certain targeted areas of the City.
- Impact Fees – certain fees are charged on all new construction permits. The use of these fees (park development, public safety, fire, and transportation) is limited by state law. Unexpended balances are used for future developments throughout the City. Accordingly, net position has been restricted.
- Beer Tax - all unexpended Beer Tax payments at the end of the fiscal year are restricted by state law to be appropriated in the following budget year.

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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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.

Cash & Cash Equivalents and Investments

Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date, including the PTIF.

Investments

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies and promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The City follows the requirements of the Utah Money Management Act (*Utah Code, Title 51, Chapter 7*) in handling its depository and investment transactions. The Act requires the depositing of Kaysville 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.

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, certified investment advisors, or directly with issuers of the investment securities.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions 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 Money Management Act; and the Utah State Public Treasurers' Investment Fund. Investments in pooled accounts are stated at fair value.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code*, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

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

As of June 30, 2021, the City had the following investments and maturities:

Investment Type	Fair Value	Maturities (in years)				More than 10
		Less than 1	1 to 5	6 to 10	10	
<u>Cash Equivalent</u>						
Utah Public Treasurer's Investment Fund (PTIF)	\$ 18,672,383	\$ 18,672,383	\$ -	\$ -	\$ -	\$ -
<u>Investments</u>						
Money market funds	760,198	760,198	-	-	-	-
Certificates of deposit	5,107,259	112,188	4,988,078	6,993	-	-
Corporate bonds	2,641,301	665,317	1,975,984	-	-	-
	<u>\$ 27,181,141</u>	<u>\$ 20,210,086</u>	<u>\$ 6,964,062</u>	<u>\$ 6,993</u>	<u>\$ -</u>	

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognized a three-tiered fair value hierarchy, as follows:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities that the City can access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail any significant degree of judgement. Securities classified as Level 1 inputs include U.S. Government securities and certain other U.S. Agency and sovereign government obligations,
- Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Securities classified as Level 2 include: corporate and municipal bonds, and “brokered” or securitized certificates of deposit; and,
- Level 3: Valuations based on input that are unobservable and significant to the overall fair value measurement.

As of June 30, 2021, The City had the following quality rating, each with a recurring fair value measurement of Level 2, except for Corporate Bonds, which are Level 1:

Investment Type	Fair Value	Quality Rating				
		AAA	AA	A	BBB	Unrated
Cash Equivalent						
Utah Public Treasurer's Investment Fund (PTIF)	\$ 18,672,383	\$ -	\$ -	\$ -	\$ -	\$ 18,672,383
Investments						
Certificates of deposit	760,198	15,321	-	-	-	744,877
Money market funds	5,107,259	-	1,427,017	1,376,914	739,983	1,563,345
Corporate bonds	2,641,301	-	623,116	1,738,988	279,197	-
	\$ 27,181,141	\$ 15,321	\$ 2,050,133	\$ 3,115,902	\$ 1,019,180	\$ 20,980,605

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

For securities that generally have market prices from multiple sources, it can be difficult to select the best individual price, and the best source one day may not be the best source on the following day. The solution is to report a “consensus price” or a weighted average price for each security.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

2. DEPOSITS AND INVESTMENTS (CONTINUED)

The City receives market prices for these securities from a variety of industry standard data providers (e.g., Bloomberg), security master files from large financial institutions, and other third-party sources. Through the help of an investment advisor, The City uses these multiple prices as input into a distribution curve-based algorithm to determine the daily market value:

- U.S. Treasuries, Money Markets, U.S. Agencies: quoted prices for identical securities in markets that are active.

Debt securities classified in Level 2 are valued using the following approaches:

- Corporate and Municipal Bonds and Commercial Paper: quoted prices for similar securities in active markets,
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices,
- Bond Mutual Funds: Published fair value per share (unit) for each fund,
- Utah Public Treasurers' Investment Fund: application of the June 30, 2021, fair value factor, as calculated by the Utah State Treasurer, the Kaysville City's average daily balance in the fund, and,
- Donated Real Estate: recent appraisals of the real estate's value.

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 fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management 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 on all investments in commercial paper, bankers' acceptance, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days – 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

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.

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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

2. DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2021, the City does not hold more than 10 percent of total investments in any single security concentration other than U.S. Government Treasuries and Agencies.

Custodial credit risk – Custodial credit risk 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 does not have a formal deposit policy for custodial credit risk. All investments other than bank deposits or funds invested in the state treasurer's fund are to be held by a third party with securities delivered on a delivery vs. purchase basis. As of June 30, 2021, the City safe kept all investments with a custodian counterparty and all investments which were held by the counterparty's trust department or agent are registered in the City's name. 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, 2021, \$6,590,479 of the City's bank balances of \$7,262,456 (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 cash investments (including interest earning deposits) as of June 30, 2021, are as follows:

Cash and cash equivalents on hand and on deposit:	
Cash on hand	\$ 250
Cash on deposit	5,917,429
PTIF accounts	<u>18,672,383</u>
	<u>24,590,062</u>
Investments:	
Money market funds	1,019,298
Certificates of deposit	5,107,259
Corporate bonds	<u>2,641,301</u>
	<u>8,767,858</u>
	<u>Total</u> <u>\$ 33,357,920</u>

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

Cash and cash equivalents	\$ 24,574,073
Cash and cash equivalents, restricted	959,173
Investments	7,553,757
Investments, restricted	<u>270,917</u>
	<u>Total</u> <u>\$ 33,357,920</u>

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

3. ACCOUNTS RECEIVABLE

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

Governmental & Business Funds

	General					
Receivables:						
Property tax	\$ 4,679,587					
Sales and use	1,364,981					
Other	357,426					
Gross receivables	6,401,994					
Less: allowance for uncollectibles	-					
Net total receivables	<u>\$ 6,401,994</u>					
	Water	Electric	Storm Water	Road	Ambulance	Nonmajor Enterprise
Receivables:						Total
Utility customers	\$ 272,681	\$ 1,199,651	\$ 105,311	\$ -	\$ -	\$ 572,166
Taxes	-	72,510	-	407,949	-	-
Other	-	171,030	-	245,652	228,013	-
Gross receivables	272,681	1,443,191	105,311	653,601	228,013	572,166
Less: allowance for uncollectibles	(8,523)	(36,965)	(2,992)	(2,871)	(152,839)	(15,762)
Net total receivables	<u>\$ 264,158</u>	<u>\$ 1,406,226</u>	<u>\$ 102,319</u>	<u>\$ 650,730</u>	<u>\$ 75,174</u>	<u>\$ 556,404</u>
	<u>\$ 3,055,011</u>					

4. INTERFUND ACTIVITY

Payables as of the fiscal year end are as follows:

Due to	Due from	Amount
General fund	Electric fund	\$ 72,510

Due To Other Fund in the Electric 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.

Fund Transferring Out	Fund Receiving Transfer	Amount
General fund	Ambulance fund	\$ 537,550
General fund	Nonmajor governmental funds	1,028,000
Nonmajor governmental funds	Nonmajor governmental funds	<u>208,000</u>
		<u><u>\$ 1,773,550</u></u>

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 Nonmajor Governmental Funds was to make the debt service payments.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

5. CAPITAL ASSETS

Capital asset activity in the governmental activities for the year ended June 30, 2021, was as follows:

	07/01/20	Increases	Decreases	06/30/21
<u>Governmental activities</u>				
Capital assets, not depreciated:				
Land	\$ 5,325,902	\$ -	\$ -	\$ 5,325,902
Construction in progress	4,046,453	1,351,533	(161,617)	5,236,369
Total capital assets, not depreciated	<u>9,372,355</u>	<u>1,351,533</u>	<u>(161,617)</u>	<u>10,562,271</u>
Capital assets, depreciated:				
Buildings and improvements	16,901,465	4,378,871	(34,964)	21,245,372
Infrastructure	3,924,152	-	(3,924,152)	-
Automobiles, machinery and equipment	8,425,697	596,546	(388,742)	8,633,501
Total capital assets, depreciated	<u>29,251,314</u>	<u>4,975,417</u>	<u>(4,347,858)</u>	<u>29,878,873</u>
Accumulated depreciation:				
Buildings and improvements	(6,467,952)	(994,612)	12,820	(7,449,744)
Infrastructure	(499,398)	-	499,398	-
Automobiles, machinery and equipment	(6,378,708)	(500,886)	332,752	(6,546,842)
Total accumulated depreciation	<u>(13,346,058)</u>	<u>(1,495,498)</u>	<u>844,970</u>	<u>(13,996,586)</u>
Total capital assets, depreciated (net)	<u>15,905,256</u>	<u>3,479,919</u>	<u>(3,502,888)</u>	<u>15,882,287</u>
Net governmental capital assets	<u>\$ 25,277,611</u>	<u>\$ 4,831,452</u>	<u>\$ (3,664,505)</u>	<u>\$ 26,444,558</u>

Depreciation expense was charged to functions as follows:

Governmental activities:				
General government			\$ 62,057	
Public safety			400,820	
Highways and public improvements			128,882	
Parks, recreation, and public property			<u>404,341</u>	
Total depreciation expense - governmental activities			<u>\$ 996,100</u>	

Although accumulated depreciation increased \$1,495,498 during the year, \$499,398 of the increase represents a transfer of accumulated depreciation from *infrastructure* to *improvements* during the year. The difference (\$996,100) represents depreciation expense taken during the year.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

5. CAPITAL ASSETS (CONTINUED)

Capital asset activity in the business-type activities for the year ended June 30, 2021, was as follows:

<u>Business-type activities</u>	07/01/20	Increases	Decreases	06/30/21
Capital assets, not depreciated:				
Land	\$ 22,963,561	\$ 1,654,970	\$ -	\$ 24,618,531
Water shares	4,637,990	-	-	4,637,990
Construction in progress	-	12,565	-	12,565
Total capital assets, not depreciated	<u>27,601,551</u>	<u>1,667,535</u>	<u>-</u>	<u>29,269,086</u>
Capital assets, depreciated:				
Buildings and improvements	1,020,276	-	-	1,020,276
Infrastructure	150,650,851	7,966,453	-	158,617,304
Automobiles, machinery and equipment	5,702,787	335,563	(80,273)	5,958,077
Total capital assets, depreciated	<u>157,373,914</u>	<u>8,302,016</u>	<u>(80,273)</u>	<u>165,595,657</u>
Accumulated depreciation:				
Buildings and improvements	(486,534)	(20,246)	-	(506,780)
Infrastructure	(69,674,087)	(4,121,999)	-	(73,796,086)
Automobiles, machinery and equipment	(4,373,869)	(364,145)	40,853	(4,697,161)
Total accumulated depreciation	<u>(74,534,490)</u>	<u>(4,506,390)</u>	<u>40,853</u>	<u>(79,000,027)</u>
Total capital assets, depreciated (net)	<u>82,839,424</u>	<u>3,795,626</u>	<u>(39,420)</u>	<u>86,595,630</u>
Net business-type capital assets	<u><u>\$ 110,440,975</u></u>	<u><u>\$ 5,463,161</u></u>	<u><u>\$ (39,420)</u></u>	<u><u>\$ 115,864,716</u></u>

Depreciation expense was charged to functions as follows:

Business-type activities:											
Water										\$ 657,519	
Sewer										688	
Electric										933,525	
Sanitation										80,308	
Storm Water										687,122	
Road utility										2,071,094	
Ambulance										76,134	
Total depreciation expense - business-type activities										<u><u>\$ 4,506,390</u></u>	

Capital assets by proprietary fund are as follows:

	Major Funds					Nonmajor Funds				Total
	Water	Electric	Storm Water	Road	Ambulance	Sewer	Pressure Irrigation	Sanitation	Total	
Land	\$ 120,094	\$ 1,004,307	\$ -	\$ 23,477,808	\$ -	\$ -	\$ 16,322	\$ -	\$ 24,618,531	
Water Stock	916,140	-	-	-	-	-	3,721,850	-	4,637,990	
Construction in progress	-	-	-	-	12,565	-	-	-	12,565	
Building	134,097	660,636	70,228	-	-	41,289	-	-	906,250	
Improvements	41,320	72,706	-	-	-	-	-	-	114,026	
Infrastructure	27,955,372	29,923,181	23,663,615	77,075,136	-	-	-	-	158,617,304	
Vehicles	321,074	1,516,959	393,826	288,701	419,500	-	-	126,935	3,066,995	
Equipment	484,694	583,743	103,906	22,975	157,972	-	-	1,537,792	2,891,082	
Total	<u>29,972,791</u>	<u>33,761,532</u>	<u>24,231,575</u>	<u>100,864,620</u>	<u>590,037</u>	<u>41,289</u>	<u>3,738,172</u>	<u>1,664,727</u>	<u>194,864,743</u>	
Accum Dep	<u>(11,057,058)</u>	<u>(16,581,953)</u>	<u>(12,268,042)</u>	<u>(37,223,972)</u>	<u>(389,946)</u>	<u>(24,085)</u>	<u>-</u>	<u>(1,454,971)</u>	<u>(79,000,027)</u>	
Net	<u><u>\$ 18,915,733</u></u>	<u><u>\$ 17,179,579</u></u>	<u><u>\$ 11,963,533</u></u>	<u><u>\$ 63,640,648</u></u>	<u><u>\$ 200,091</u></u>	<u><u>\$ 17,204</u></u>	<u><u>\$ 3,738,172</u></u>	<u><u>\$ 209,756</u></u>	<u><u>\$ 115,864,716</u></u>	

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

6. DEPOSITS

General Fund - Deposits in the general fund as of June 30, 2021, are as follows:

Business license bonds (refundable)	\$ 1,700
Builders' deposits	382,796
Parks and public properties	14,685
Excavation deposits	150,903
Escrow deposits	<u>1,318,977</u>
	Total <u>\$ 1,869,061</u>

Capital Projects - Deposits in the capital projects fund as of June 30, 2021, are as follows:

Parks and public properties	\$ 25,471
	Total <u>\$ 25,471</u>

Enterprise Funds - All utility and developer deposits are recorded in the electric utility fund. The water meter deposits are recorded in the water utility fund. As of June 30, 2021, deposits are as follows:

Utility customer deposits	\$ 142,327
Water meter deposits	<u>25,690</u>
	Total <u>\$ 168,017</u>

7. LONG-TERM DEBT

Capital Lease Payable

Governmental Activities

As of June 30, 2021, the City had two lease purchase agreements, one for the public safety department to obtain a fire truck and one for the parks and recreation department to obtain a large area mower. These two 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 fire truck lease purchase agreement bears an interest rate of 2.86%. Semi-annual payments are required, with the final payment in July 2024. The remaining payments, for both principal and interest, are as follows:

	Principal	Interest	Totals
2022	\$ 138,650	\$ 13,401	\$ 152,051
2023	142,644	9,408	152,052
2024	146,752	5,299	152,051
2025	<u>74,954</u>	<u>1,072</u>	<u>76,026</u>
	\$ 503,000	\$ 29,180	\$ 532,180

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

7. LONG-TERM DEBT (CONTINUED)

The wide area mower lease purchase agreement bears an interest rate of 3.835%. Annual payments are required, with final payment in September 2026. The remaining payments, for both principal and interest, are as follows:

	Principal	Interest	Totals
2022	\$ 156,790	\$ 15,569	\$ 172,359
2023	161,480	10,881	172,361
2024	166,309	6,049	172,358
2025	<u>74,954</u>	<u>1,072</u>	<u>76,026</u>
	<u><u>\$ 559,533</u></u>	<u><u>\$ 33,571</u></u>	<u><u>\$ 593,104</u></u>

Business-Type Activities

During fiscal year 2021, the City entered into a lease agreement to acquire an Ambulance, that is recorded as a capital lease in the Ambulance Fund. The purchase agreement bears an interest rate of 1.650%. Semi-annual payments are required, with the final payment in July 2024. The remaining payments, for both principal and interest, are as follows:

	Principal	Interest	Totals
2022	\$ -	\$ -	\$ -
2023	-	-	-
2024	-	-	-
2025	<u>12,565</u>	<u>207</u>	<u>12,772</u>
	<u><u>\$ 12,565</u></u>	<u><u>\$ 207</u></u>	<u><u>\$ 12,772</u></u>

The amount above represents the down payment for the ambulance made in June 2021. The remainder portion of the purchase (\$247,115) occurred in August 2021, using proceeds from a lease account.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

7. LONG-TERM DEBT (CONTINUED)

Bonds Payable

Governmental Activities

Sales Tax Revenue Bonds, Series 2017 - Pioneer Park

The City is obligated for the repayment of bonds issued in 2017 in the amount of \$1,330,000, to finance the construction of Pioneer Park on the west side of the City. Interest payments are paid on July 15 and January 15 of each year; principal payments are made on July 15. Interest rate is based on a fixed debt service schedule with an average annual rate of 2.05%. The bonds will mature on July 15, 2024. The amortization of the bond is as follows:

	Principal	Interest	Totals
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
	<hr/>	<hr/>	<hr/>
	<u>\$ 783,000</u>	<u>\$ 44,386</u>	<u>\$ 827,386</u>

MBA Lease Revenue Bonds, Series 2019 - City Hall Remodel

During the year ended June 30, 2020, the MBA of Kaysville City (MBA) issued bonds to finance the remodel and construction of the City Hall. The MBA is obligated for the repayment of these bonds in the amount of \$4,028,000. Interest payments are paid on December 1 and June 1 of each year; principal payments are made on June 1. The Interest rate is based on a fixed debt service schedule, with an annual rate of 2.14%. The bonds mature on June 1, 2034. The amortization of the bond is as follows:

	Principal	Interest	Totals
2022	\$ 255,000	\$ 80,849	\$ 335,849
2023	260,000	75,392	335,392
2024	266,000	69,828	335,828
2025	272,000	64,136	336,136
2026	278,000	58,315	336,315
2027 - 2031	1,481,000	199,769	1,680,769
2032 - 2034	966,000	41,644	1,007,644
	<hr/>	<hr/>	<hr/>
	<u>\$ 3,778,000</u>	<u>\$ 589,933</u>	<u>\$ 4,367,933</u>

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

7. LONG-TERM DEBT (CONTINUED)

MBA Lease Revenue Refunding Bonds, Series 2019B - Police Station

The MBA issued lease revenue refunding bonds in October 2019 to lower the interest rate from 2.857% to 1.620%. The proceeds from this issuance were to decrease the MBA Lease Revenue Bonds, Series 2014. The bonds will mature on June 1, 2031. The amortization of the bonds is as follows:

	Principal	Interest	Totals
2022	\$ 310,000	\$ 56,457	\$ 366,457
2023	318,000	51,435	369,435
2024	326,000	46,283	372,283
2025	335,000	41,002	376,002
2026	343,000	35,575	378,575
2027 - 2031	<u>1,853,000</u>	<u>91,643</u>	<u>1,944,643</u>
	<u><u>\$ 3,485,000</u></u>	<u><u>\$ 322,395</u></u>	<u><u>\$ 3,807,395</u></u>

Changes in Long-term Debt

Activity with long-term liabilities including bonds, capital leases, and compensated absences for the year ended June 30, 2021, is as follows:

Governmental Activities

	07/01/20	Increases	Decreases	06/30/21	Due in One Year
<u>Governmental activities</u>					
Bonds payable:					
Sales Tax Revenue, Series 2017 (Pioneer Park)	\$ 968,000	\$ -	\$ (185,000)	\$ 783,000	\$ 188,000
MBA Lease Revenue, Series 2019 (City Hall Remodel)	4,028,000	- -	(250,000)	3,778,000	255,000
MBA Lease Revenue Refunding, Series 2019B (Police Station)	<u>3,788,000</u>	<u>- -</u>	<u>(303,000)</u>	<u>3,485,000</u>	<u>310,000</u>
Total bonds payable	<u>8,784,000</u>	<u>- -</u>	<u>(738,000)</u>	<u>8,046,000</u>	<u>753,000</u>
Other long-term liabilities:					
Capital leases:					
Fire Truck	637,767	- -	(134,767)	503,000	138,650
Wide-area Mower	74,003	- -	(17,470)	56,533	18,140
Compensated absences	<u>499,244</u>	<u>490,798</u>	<u>(399,395)</u>	<u>590,647</u>	<u>472,518</u>
Governmental activities, long-term liabilities	<u><u>\$ 9,995,014</u></u>	<u><u>\$ 490,798</u></u>	<u><u>\$ (1,289,632)</u></u>	<u><u>\$ 9,196,180</u></u>	<u><u>\$ 1,382,308</u></u>

Business-type Activities

	07/01/20	Increases	Decreases	06/30/21	Due in One Year
<u>Business-type activities</u>					
Other long-term liabilities:					
Capital lease, Ambulance	\$ -	\$ 12,565	\$ -	\$ 12,565	\$ -
Compensated absences	<u>262,788</u>	<u>232,988</u>	<u>(210,229)</u>	<u>285,547</u>	<u>228,437</u>
Business-type activities, long-term liabilities	<u><u>\$ 262,788</u></u>	<u><u>\$ 245,553</u></u>	<u><u>\$ (210,229)</u></u>	<u><u>\$ 298,112</u></u>	<u><u>\$ 228,437</u></u>

For the year ended June 30, 2021, \$217,269 and \$2,592 in interest was charged to expenditures in the Governmental and Proprietary Funds, respectively.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

7. LONG-TERM DEBT (CONTINUED)

The appropriate fund in which the employee typically works is used to liquidate compensated absences: water, sewer, electric, storm water, pressure irrigation, sanitation, road utility, and ambulance funds specifically. City policy provides for an employee to be paid out a maximum of 240 hours of vacation and 80 hours of compensation time.

8. RETIREMENT SYSTEMS

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

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:

Defined Benefit Plans

- Public Employees Noncontributory Retirement Systems (Noncontributory System);
- Firefighters Retirement System (Firefighters System) are multiple employer, cost sharing, retirement systems.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System);
- 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.

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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

8. RETIREMENT SYSTEMS (CONTINUED)

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 publicly 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.

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%
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; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Firefighter 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 Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.50%
Tier 2 Public Safety and Firefighters System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year to June 2020 2.00% per year July 2020 to present	Up to 2.50%

*Actuarial reductions are applied.

**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 CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

8. RETIREMENT SYSTEMS (CONTINUED)

Contribution Rate Summary - 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, 2021, are as follows:

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k)</u>
Contributory System			
11- Local Governmental Division Tier 1	6.00%	14.46%	N/A
111- Local Governmental Division Tier 2	N/A	15.80%	0.89%
Noncontributory System			
15- Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety System			
Contributory			
122- Tier 2 DB Hybrid Public Safety	2.27%	26.99%	N/A
Noncontributory			
43- Other Div A with 4% COLA	N/A	35.71%	N/A
Firefighters Retirement System			
31- Other Division A	15.05%	4.61%	N/A
132- Tier 2 DB Hybrid Firefighters	2.27%	14.08%	N/A
Tier 2 DC Only			
211- Local Government	N/A	6.69%	10.00%
222- Public Safety	N/A	12.99%	14.00%
232- Firefighters	N/A	0.08%	14.00%

***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, 2021, the employer and employee contributions to the System were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 627,435	N/A
Public Safety System	393,546	-
Firefighters System	10,564	34,488
Tier 2 Public Employees System	192,752	-
Tier 2 Public Safety and Firefighter	290,058	28,075
Tier 2 DC Only System	35,746	N/A
Tier 2 DC Public Safety and Firefighter System	17,518	N/A
 Total Contributions	 \$ 1,567,619	 \$ 62,563

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 CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

8. RETIREMENT SYSTEMS (CONTINUED)

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

As of June 30, 2021, we reported a net pension asset of \$192,066 and a net pension liability of \$1,001,804.

	Measurement Date: December 31, 2020			
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2019
Noncontributory System	\$ -	\$ 203,818	0.3973498%	0.3894917%
Public Safety System	\$ -	\$ 740,393	0.8917801%	0.8455728%
Firefighters System	\$ 192,066	\$ -	0.6868830%	0.7505180%
Tier 2 Public Employees System	\$ -	\$ 9,261	0.0643880%	0.0735046%
Tier 2 Public Safety and Firefighter	\$ -	\$ 48,332	0.5388504%	0.4635401%
Total Net Pension Asset / Liability	\$ 192,066	\$ 1,001,804		

The net pension asset and liability were measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020, 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, 2021, the City recognized pension expense of \$580,428.

As of June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 472,793	\$ 12,715
Changes in assumptions	52,740	56,661
Net difference between projected and actual earnings on pension plan investments	-	2,618,685
Changes in proportion and differences between contributions and proportionate share of contributions	153,219	56,928
Contributions subsequent to the measurement date	786,837	-
Total	\$ 1,465,589	\$ 2,744,989

\$786,837 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, 2020.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

8. RETIREMENT SYSTEMS (CONTINUED)

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,	Deferred Outflows (Inflows) of Resources
2021	\$ (551,809)
2022	(237,252)
2023	(903,784)
2024	(423,162)
2025	9,608
Thereafter	40,162

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, we recognized pension expense of \$225,481.

As of June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 273,436	\$ -
Changes in assumptions	-	26,660
Net difference between projected and actual earnings on pension plan investments	-	1,488,289
Changes in proportion and differences between contributions and proportionate share of contributions	63,548	-
Contributions subsequent to the measurement date	<u>302,687</u>	<u>-</u>
 Total	 <u>\$ 639,671</u>	 <u>\$ 1,514,949</u>

\$302,687 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

8. RETIREMENT SYSTEMS (CONTINUED)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2021	\$ (289,703)
2022	(126,671)
2023	(514,853)
2024	(246,738)
2025	-
Thereafter	-

Contributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, we recognized pension expense of (\$24,097).

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, we recognized pension expense of \$195,693.

As of June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 136,277	\$ 716
Changes in assumptions	-	21,058
Net difference between projected and actual earnings on pension plan investments	-	956,746
Changes in proportion and differences between contributions and proportionate share of contributions	61,083	43,927
Contributions subsequent to the measurement date	<u>192,825</u>	-
 Total	 <u>\$ 390,185</u>	 <u>\$1,022,447</u>

\$192,825 reported as deferred outflows of resources related to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

8. RETIREMENT SYSTEMS (CONTINUED)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2021	\$ (224,371)
2022	(97,760)
2023	(344,368)
2024	(158,589)
2025	-
Thereafter	-

Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, we recognized pension expense of (\$54,320).

As of June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,564	\$ 7,743
Changes in assumptions	29,794	3,428
Net difference between projected and actual earnings on pension plan investments	-	115,693
Changes in proportion and differences between contributions and proportionate share of contributions	5,068	10,425
Contributions subsequent to the measurement date	<u>5,283</u>	<u>-</u>
 Total	 <u>\$ 69,709</u>	 <u>\$ 137,289</u>

\$5,283 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

8. RETIREMENT SYSTEMS (CONTINUED)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2021	\$ (27,137)
2022	(6,044)
2023	(30,479)
2024	(13,111)
2025	3,908
Thereafter	-

Tier 2 Public Employee System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, we recognized pension expense of \$90,577.

As of June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,525	\$ 4,241
Changes in assumptions	11,714	337
Net difference between projected and actual earnings on pension plan investments	-	27,069
Changes in proportion and differences between contributions and proportionate share of contributions	12,902	-
Contributions subsequent to the measurement date	<u>124,391</u>	<u>-</u>
 Total	 <u>\$ 157,532</u>	 <u>\$ 31,647</u>

\$124,391 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

8. RETIREMENT SYSTEMS (CONTINUED)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2021	\$ (4,711)
2022	(2,809)
2023	(6,377)
2024	(1,923)
2025	3,068
Thereafter	14,247

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflow of Resources

For the year ended June 30, 2021, we recognized pension expense of \$147,095.

As of June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,991	\$ 15
Changes in assumptions	11,232	5,178
Net difference between projected and actual earnings on pension plan investments	-	30,888
Changes in proportion and differences between contributions and proportionate share of contributions	10,618	2,576
Contributions subsequent to the measurement date	<u>161,651</u>	-
 Total	 <u>\$ 208,492</u>	 <u>\$ 38,657</u>

\$161,651 reported as deferred outflows of resources related to pension's results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

8. RETIREMENT SYSTEMS (CONTINUED)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2021	\$ (5,887)
2022	(3,968)
2023	(7,707)
2024	(2,801)
2025	2,632
Thereafter	25,915

Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.25 – 9.75 percent, average, including inflation
Investment Rate Return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

8. RETIREMENT SYSTEMS (CONTINUED)

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 and is applied consistently to each defined benefit pension plan. 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	37.00%	6.30%	2.33%
Debt securities	20.00%	0.00%	0.00%
Real assets	15.00%	6.19%	0.93%
Private equity	12.00%	9.50%	1.14%
Absolute return	16.00%	2.75%	0.44%
Cash and cash equivalents	0.00%	0.00%	0.00%
Totals	100.00%		4.84%
	Inflation		2.50%
	Expected arithmetic nominal return		7.34%

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

Discount rate – The discount rate used to measure the total pension liability was 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 remained unchanged at 6.95 percent.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

8. RETIREMENT SYSTEMS (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	\$ 3,533,594	\$ 203,818	\$(2,572,052)
Public Safety System	3,125,827	740,393	(1,196,575)
Firefighters System	87,257	(192,066)	(417,981)
Tier 2 Public Employees System	155,831	9,261	(102,862)
Tier 2 Public Safety and Firefighter	227,869	48,332	(94,860)
Total	\$ 7,130,378	\$ 809,738	\$(4,384,330)

***Pension plan fiduciary net position: Detailed information about the fiduciary net position of the pension plans 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), Roth IRA, and Traditional 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:

401(k) Plan	2021	2020	2019
Employer Contributions	\$ 226,404	\$ 221,328	\$ 170,145
Employee Contributions	84,875	62,158	78,006
457 Plan	2021	2020	2019
Employer Contributions	\$ 1,794	\$ -	\$ -
Employee Contributions	40,343	30,635	23,927
Roth IRA Plan	2021	2020	2019
Employer Contributions	N/A	N/A	N/A
Employee Contributions	22,885	19,680	18,437
Traditional IRA	2021	2020	2019
Employer Contributions	N/A	N/A	N/A
Employee Contributions	3,680	-	-

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

9. RISK MANAGEMENT - CLAIMS AND JUDGEMENTS

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

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

10. PROPERTY TAXES

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.

11. INTERFUND ACTIVITY

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

Nonreciprocal interfund activity is the flow of assets (such as cash, goods or services) without equivalent flows of assets in return and without a requirement for repayment. During the year the City received services from electric, 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.

12. 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 unit. Separate financial statements for UAMPS may be obtained directly from UAMPS.

UAMPS' purpose includes planning, financing, developing, acquiring, constructing, improving, operating and maintaining 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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

12. INVESTMENTS IN POWER PROJECTS AND RELATED CONTRACTS (CONTINUED)

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 Iberdrola 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, if 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 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 fire plant is scheduled to be powered by natural gas in 2027. Kaysville City's entitled share is .739% of 1800 MWs. As the plant is re-powered to natural gas, the City's entitled share is .746% of 1200 MW's. This resource is not a take or pay contract and is available as needed.

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 manage member load and resource situations more cooperatively and efficiently. The pool provides an environment that encourages participants to jointly acquire resources as needed, thus taking advantage of economies 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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

13. LIBRARY 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 are to be spent by the Library Endowment Board (LEB) on books for the library. As of June 30, 2021, the non-spendable portion is \$689,888 and the spendable portion is \$35,093. The funds that are spendable can be requested by the Davis County Library. Once funds are requested, they must be approved by the LEB, which is currently the City Council.

14. FEDERAL GRANTS – ECONOMIC RECOVERY

The City was the recipient of Coronavirus Aid, Relief, and Economic Security (CARES) Act federal grant in the amount of \$2,151,173, which was received during the fiscal years ended June 30, 2020 and 2021. Approved expenditures from this grant were (will be) spent in the following departments, as of June 30:

	2020	2021	2022
General government:			
Administration	\$ 2,064	\$ 782,072	\$ 11,012
Public safety:			
Police	175,132	395,293	-
Fire	77,093	468,585	29,851
Community development:			
Planning and zoning	-	37,190	-
Code enforcement	-	586	-
Parks, recreation, and culture:			
Parks	1,152	86,643	-
Public works:			
General projects	-	84,500	-
	<hr/> <u>\$ 255,441</u>	<hr/> <u>\$ 1,854,869</u>	<hr/> <u>\$ 40,863</u>

15. SUBSEQUENT EVENTS

During March 2021, the American Rescue Plan Act of 2021 (ARPA) was signed into law, which provided grant funds to local governments throughout the country, to be used primarily for certain infrastructure projects. It is anticipated that the City will receive \$3,612,847 in ARPA funding during the fiscal year ended June 30, 2022, with the first installment of \$1,916,689 received in August 2021. The performance period is currently March 2021 through December 2026. In addition, the City has applied for a match grant of ARPA funds from the State of Utah for approximately \$1,100,000.

Subsequent events have been evaluated through December 20, 2021, the date that the financial statements were available to be issued.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

16. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Compliance

The City is required to have its governing body adopt a budget every fiscal year. Management is required to monitor this budget and propose any necessary amendments to the budget for approval. During 2020, the City Council approved all departmental budgets for fiscal year ended June 30, 2021. Additional expenditures that were not part of the originally adopted budget were necessary and approved by Council. However, although these expenditures were approved, no budgetary amendment was made. This resulted in one fund (MBA fund) being over budget, as described a separate report Dated December 20, 2021.

Fund Balance Compliance

The City is required to ensure that the accumulation of unassigned fund balance in its General Fund does not exceed 35% of the total revenue of the City's General Fund for the current fiscal period. As of June 30, 2021, the calculated percentage was 29.9%.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund

**Redevelopment Agency of Kaysville City (RDA) -
Special Revenue Fund**

**Municipal Building Authority of Kaysville City
(MBA) - 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 CORPORATION, UTAH
Budgetary Comparison Statement – General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property, current	\$ 3,640,358	\$ 3,640,358	\$ 3,763,296	\$ 122,938
Property, redemptions	75,000	75,000	97,016	22,016
Property, payments in lieu	25,000	25,000	23,936	(1,064)
Sales	4,850,000	5,550,000	6,571,051	1,021,051
Energy sales and use charge	1,250,000	1,250,000	1,353,682	103,682
Franchise	585,000	585,000	538,149	(46,851)
Motor vehicle	200,000	250,000	243,207	(6,793)
Total taxes	<u>10,625,358</u>	<u>11,375,358</u>	<u>12,590,337</u>	<u>1,214,979</u>
Licenses and permits:				
Building permits	480,000	480,000	612,239	132,239
Business licenses	60,000	60,000	71,392	11,392
Forfeited construction bonds	-	-	19,900	19,900
Total licenses and permits	<u>540,000</u>	<u>540,000</u>	<u>703,531</u>	<u>163,531</u>
Intergovernmental:				
Federal CARES Act Grant	-	1,900,000	1,200,941	(699,059)
Federal VOCA Grant	190,000	190,000	112,830	(77,170)
Federal EMS Grant	-	-	3,985	3,985
State Liquor Allotment	18,000	18,000	23,834	5,834
Other State and Local Grants	25,000	25,000	153,793	128,793
Total intergovernmental	<u>233,000</u>	<u>2,133,000</u>	<u>1,495,383</u>	<u>(637,617)</u>
Charges for services:				
Administrative Charges	745,000	795,000	795,000	-
Plan Check and Zoning Fees	165,000	165,000	163,589	(1,411)
Construction Inspection Fees	-	-	48,130	48,130
Excavation Permit Fees	-	-	22,240	22,240
Maps and Publications	500	500	-	(500)
Fire Protection	240,000	240,000	273,392	33,392
Law Enforcement	230,000	239,000	252,441	13,441
Streets	2,500	2,500	3,609	1,109
Parks, Recreation, and Culture	617,000	617,000	533,312	(83,688)
Cemetery Lots	82,000	82,000	128,330	46,330
Burial Fees	95,000	95,000	192,350	97,350
GIS/Information System Services	268,000	310,000	310,000	-
Fleet Mgmt Services	112,000	112,000	112,000	-
Community events	40,100	40,100	22,606	(17,494)
Miscellaneous Charges	25,000	25,000	7,131	(17,869)
Total charges for services	<u>2,622,100</u>	<u>2,723,100</u>	<u>2,864,130</u>	<u>141,030</u>
Fines and forfeitures:				
Court Fines	<u>151,000</u>	<u>151,000</u>	<u>124,188</u>	<u>(26,812)</u>
Leases and rents:				
Cellular Tower	14,313	14,313	20,127	5,814
Building and Equipment Use	3,687	3,687	5,185	1,498
Total leases and rents	<u>18,000</u>	<u>18,000</u>	<u>25,312</u>	<u>7,312</u>
Interest and dividends	<u>80,000</u>	<u>80,000</u>	<u>43,292</u>	<u>(36,708)</u>
Donations:				
Community events	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>(7,500)</u>
Miscellaneous:				
Proceeds from auction sales	25,000	25,000	4,770	(20,230)
Proceeds from scrap metal	-	-	9,439	9,439
Other	38,813	38,813	17,543	(21,270)
Total miscellaneous	<u>63,813</u>	<u>63,813</u>	<u>31,752</u>	<u>(32,061)</u>
Total revenues	<u>14,340,771</u>	<u>17,091,771</u>	<u>17,877,925</u>	<u>786,154</u>

(Continued)

KAYSVILLE CITY CORPORATION, UTAH
Budgetary Comparison Statement – General Fund (Continued)
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Current:				
General government:				
City Council	145,625	145,625	113,581	32,044
City Manager	213,575	222,276	220,815	1,461
Administrative Services	921,300	1,809,023	1,688,930	120,093
Information Services	551,900	659,104	650,685	8,419
Elections	-	-	176	(176)
Legal Services	327,650	337,918	334,893	3,025
Fleet Maintenance	300,150	306,808	255,692	51,116
MBA lease payment (City Hall)	340,000	340,000	340,000	-
Nonreciprocal utility payments	-	-	298,515	(298,515)
Total general government	<u>2,800,200</u>	<u>3,820,754</u>	<u>3,903,287</u>	<u>(82,533)</u>
Public safety:				
Police	4,793,211	5,359,734	5,326,467	33,267
MBA lease payment (Police Station)	365,000	365,000	365,000	-
Fire	1,134,510	1,972,431	1,706,392	266,039
Animal control	77,000	77,000	95,123	(18,123)
Total public safety	<u>6,369,721</u>	<u>7,774,165</u>	<u>7,492,982</u>	<u>281,183</u>
Community development:				
Planning and zoning	419,665	476,602	405,026	71,576
Code enforcement	536,975	551,437	521,385	30,052
Total community development	<u>956,640</u>	<u>1,028,039</u>	<u>926,411</u>	<u>101,628</u>
Public works:				
General projects	<u>1,023,300</u>	<u>1,207,951</u>	<u>748,608</u>	<u>459,343</u>
Parks, recreation, and culture:				
Buildings	201,950	204,088	208,404	(4,316)
Parks	961,980	1,073,859	990,804	83,055
Recreation	958,700	971,887	862,769	109,118
Community events	197,790	199,650	92,783	106,867
Cemetery	262,000	266,757	286,491	(19,734)
Total parks, recreation, and public properties	<u>2,582,420</u>	<u>2,716,241</u>	<u>2,441,251</u>	<u>274,990</u>
Capital outlay:				
Information services	60,910	60,910	66,857	(5,947)
Vehicle and equipment purchases	242,030	297,030	529,687	(232,657)
Park and trail upgrades	-	500,000	454,722	45,278
Total capital outlay	<u>302,940</u>	<u>857,940</u>	<u>1,051,266</u>	<u>(193,326)</u>
Total expenditures	<u>14,035,221</u>	<u>17,405,090</u>	<u>16,563,805</u>	<u>841,285</u>
Excess of revenues over expenditures	<u>305,550</u>	<u>(313,319)</u>	<u>1,314,120</u>	<u>1,627,439</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	87,510	87,510
Nonreciprocal utility transfers in	-	-	298,515	298,515
Transfers out	(575,550)	(715,550)	(1,565,550)	(850,000)
Total other financing sources (uses)	<u>(575,550)</u>	<u>(715,550)</u>	<u>(1,179,525)</u>	<u>(463,975)</u>
Net change in fund balance	(270,000)	(1,028,869)	134,595	1,163,464
Fund balance, beginning of year	<u>5,373,028</u>	<u>5,373,028</u>	<u>5,373,028</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,103,028</u>	<u>\$ 4,344,159</u>	<u>\$ 5,507,623</u>	<u>\$ 1,163,464</u>

KAYSVILLE CITY CORPORATION, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Redevelopment Agency
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 145,000	\$ 145,000	\$ 142,321	\$ (2,679)
Interest	-	-	2,740	2,740
Total revenues	<u>145,000</u>	<u>145,000</u>	<u>145,061</u>	<u>61</u>
EXPENDITURES				
Community Development	75,000	75,000	-	75,000
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Net change in fund balance	70,000	70,000	145,061	75,061
Fund balance, beginning of year	<u>536,263</u>	<u>536,263</u>	<u>536,263</u>	<u>-</u>
Fund balance, end of year	<u>\$ 606,263</u>	<u>\$ 606,263</u>	<u>\$ 681,324</u>	<u>\$ 75,061</u>

KAYSVILLE CITY CORPORATION, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Municipal Building Authority
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Lease revenue	\$ 705,000	\$ 705,000	\$ 705,000	\$ -
Interest	- -	- -	5,745	5,745
Total revenues	<u>705,000</u>	<u>705,000</u>	<u>710,745</u>	<u>5,745</u>
EXPENDITURES				
Debt service:				
Principal	526,855	526,855	553,000	(26,145)
Interest and fiscal charges	178,145	178,145	178,145	-
Capital outlay - city hall remodel	- -	- -	1,344,804	(1,344,804)
Total expenditures	<u>705,000</u>	<u>705,000</u>	<u>2,075,949</u>	<u>(1,370,949)</u>
Net change in fund balance	- -	- -	(1,365,204)	(1,365,204)
Fund balance, beginning of year	<u>1,840,672</u>	<u>1,840,672</u>	<u>1,840,672</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,840,672</u>	<u>\$ 1,840,672</u>	<u>\$ 475,468</u>	<u>\$ (1,365,204)</u>

KAYSVILLE CITY CORPORATION, UTAH
Schedule of the Proportionate Share of the Net Pension Liability
(Provided by Utah Retirement Systems)
Last 10 Fiscal Years*

	Noncontributory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighters Retirement
2021					
Proportion of the net pension liability (asset)	0.3973498%	0.8917801%	0.6868830%	0.0643880%	0.5388504%
Proportionate share of the net pension liability (asset)	\$ 203,818	\$ 740,393	\$ (192,066)	\$ 9,261	\$ 48,332
Covered payroll	\$ 3,413,781	\$ 1,114,673	\$ 308,461	\$ 1,029,240	\$ 1,070,263
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	5.97%	66.42%	-62.27%	0.90%	4.52%
Plan fiduciary net position as a percentage of its covered payroll	99.20%	95.50%	110.50%	98.30%	93.10%
2020					
Proportion of the net pension liability (asset)	0.3894917%	0.8455728%	0.7505180%	0.0735046%	0.4635401%
Proportionate share of the net pension liability (asset)	\$ 1,467,943	\$ 1,357,667	\$ (93,079)	\$ 16,532	\$ 43,603
Covered payroll	\$ 3,276,220	\$ 1,118,008	\$ 319,402	\$ 1,021,651	\$ 763,958
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	44.81%	121.44%	-29.14%	1.62%	5.71%
Plan fiduciary net position as a percentage of its covered payroll	93.70%	90.90%	105.00%	96.50%	89.60%
2019					
Proportion of the net pension liability (asset)	0.3727471%	0.9242781%	0.6664376%	0.0659779%	0.4408629%
Proportionate share of the net pension liability (asset)	\$ 2,744,807	\$ 2,377,784	\$ 86,535	\$ 28,257	\$ 11,046
Covered payroll	\$ 3,121,968	\$ 1,232,867	\$ 280,439	\$ 769,193	\$ 588,935
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	87.92%	192.87%	30.86%	3.67%	1.88%
Plan fiduciary net position as a percentage of its covered payroll	87.00%	84.70%	94.30%	90.80%	95.60%
2018					
Proportion of the net pension liability (asset)	0.3632073%	0.8932410%	0.4995134%	0.0798652%	0.2911591%
Proportionate share of the net pension liability (asset)	\$ 1,591,320	\$ 1,401,190	\$ (31,197)	\$ 7,041	\$ (3,369)
Covered payroll	\$ 3,145,224	\$ 1,222,119	\$ 213,250	\$ 782,125	\$ 307,168
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	50.59%	114.65%	N/A	0.90%	-1.10%
Plan fiduciary net position as a percentage of its covered payroll	91.90%	90.20%	103.00%	97.40%	103.00%
2017					
Proportion of the net pension liability (asset)	0.3782228%	0.9570199%	0.4728736%	0.0695979%	0.3341964%
Proportionate share of the net pension liability (asset)	\$ 2,428,653	\$ 1,942,058	\$ (3,728)	\$ 7,764	\$ (2,901)
Covered payroll	\$ 3,368,213	\$ 1,299,724	\$ 138,720	\$ 570,760	\$ 276,122
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	72.11%	149.42%	N/A	1.36%	-1.05%
Plan fiduciary net position as a percentage of its covered payroll	87.30%	86.50%	100.40%	95.10%	103.60%
2016					
Proportion of the net pension liability (asset)	0.3712689%	0.9028963%	N/A	0.6231040%	0.3267187%
Proportionate share of the net pension liability (asset)	\$ 2,100,820	\$ 1,617,314	N/A	\$ (136)	\$ (4,773)
Covered payroll	\$ 3,142,903	\$ 1,230,772	N/A	\$ 402,584	\$ 194,444
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	66.84%	131.41%	N/A	-0.03%	-2.45%
Plan fiduciary net position as a percentage of its covered payroll	87.80%	87.10%	N/A	100.20%	110.70%
2015					
Proportion of the net pension liability (asset)	0.3498119%	0.8693386%	N/A	0.5576570%	0.1876971%
Proportionate share of the net pension liability (asset)	\$ 1,518,966	\$ 1,093,265	N/A	\$ (1,690)	\$ (2,777)
Covered payroll	\$ 2,975,806	\$ 1,197,771	N/A	\$ 274,011	\$ 77,767
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	51.04%	91.27%	N/A	-0.62%	-3.57%
Plan fiduciary net position as a percentage of its covered payroll	90.20%	90.50%	N/A	103.50%	120.50%

Note:

This schedule usually covers the 10 most recent fiscal years; however, only 7 years have passed since the implementation year of GASB 68. Contributions in Tier 2 include an amortization rate to help fund unfunded liabilities in the Tier 1 systems.

KAYSVILLE CITY CORPORATION, UTAH
Schedule of Pension Contributions
(Provided by Utah Retirement Systems)
Last 10 Fiscal Years*

	As of fiscal year ended June 30,	Contributions In relation to the contractually required contribution			Contributions as a percentage of covered employee payroll	
		Actuarial Determined Contributions		Contribution deficiency (excess)	Covered employee payroll	covered employee payroll
Noncontributory System	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%
	2019	592,483	592,483		3,213,037	18.44%
	2020	613,369	613,369		3,337,600	18.38%
	2021	627,435	627,435		3,399,099	18.46%
Contributory System	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%
	2019	8,918	8,918		61,674	14.46%
	2020	-	-		-	0.00%
	2021	-	-		-	0.00%
Public Safety System	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%
	2019	404,912	404,912		1,165,896	34.73%
	2020	377,148	377,148		1,100,965	34.26%
	2021	393,546	393,546		1,135,872	34.65%
Firefighters System	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%
	2019	10,601	10,601		306,835	3.45%
	2020	10,081	10,081		299,356	3.37%
	2021	10,564	10,564		315,853	3.34%
Tier 2 Public Employees System*	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%
	2019	143,216	143,216		923,194	15.51%
	2020	160,708	160,708		1,028,286	15.63%
	2021	192,752	192,752		1,219,949	15.80%
Tier 2 Public Safety and Firefighter System*	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		266,989	23.65%
	2018	92,454	92,454		427,577	21.62%
	2019	136,806	136,806		667,211	20.50%
	2020	196,835	196,835		933,988	21.07%
	2021	290,058	290,058		1,245,290	23.29%
Tier 2 Public Employees DC Only System*	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	2,239	2,239		148,986	1.50%
	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%
	2019	26,520	26,520		396,407	6.69%
	2020	30,795	30,795		460,297	6.69%
	2021	35,746	35,746		534,297	6.69%
Tier 2 Public Safety and 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%
	2019	6,040	6,040		138,334	4.37%
	2020	8,445	8,445		181,337	4.66%
	2021	17,518	17,518		295,992	5.92%

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

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative practices.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Required Supplementary Information
For the Year Ended June 30, 2021

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 subdepartment 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 2021 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 CORPORATION, UTAH
Notes to the Required Supplementary Information (Continued)
For the Year Ended June 30, 2021

1. BUDGET INFORMATION (CONTINUED)

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. CHANGES IN ASSUMPTIONS FOR INFORMATION PROVIDED BY URS

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability of as December 31, 2019, for all systems combined. The Actuarial Experience Study report as of December 31, 2019, provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the "Retirement Office" column using the "Reports and Stats" tab.

OTHER SUPPLEMENTARY INFORMATION

Combining Balance Sheet - Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance - Nonmajor Governmental Funds**

**Combining Statement of Net Position - Nonmajor
Enterprise Funds**

**Combining Statement of Revenues, Expenditures, and
Changes in Net Position - Nonmajor Enterprise Funds**

**Combining Statement of Cash Flows - Nonmajor
Enterprise Funds**

Debt Service Fund

Capital Projects Fund

Permanent Fund - Perpetual Cemetery

Permanent Fund - Library Endowment

KAYSVILLE CITY CORPORATION, UTAH
Combining Balance Sheet –Nonmajor Governmental Funds
June 30, 2021

	Debt Service Fund	Capital Projects Fund	Permanent Cemetery Fund	Library Endowment Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 78,094	\$ 2,426,505	\$ 994,786	\$ -	\$ 3,499,385
Cash and cash equivalents, restricted	-	25,471	-	454,064	479,535
Investments	-	-	1,172,918	-	1,172,918
Investments, restricted	-	-	-	270,917	270,917
Total assets	\$ 78,094	\$ 2,451,976	\$ 2,167,704	\$ 724,981	\$ 5,422,755
LIABILITIES					
Accrued liabilities	\$ -	\$ 300	\$ -	\$ -	\$ 300
Developer and other deposits	-	25,471	-	-	25,471
Total liabilities	-	25,771	-	-	25,771
FUND BALANCES					
Non-Spendable:					
Library Endowment	-	-	-	689,888	689,888
Cemetery Perpetual Care	-	-	1,492,356	-	1,492,356
Restricted for:					
Capital Projects	-	1,575,636	-	-	1,575,636
Park Impact Fees	-	603,414	-	-	603,414
Public Safety Impact Fees	-	108,407	-	-	108,407
Fire Impact Fees	-	138,748	-	-	138,748
Cemetery Perpetual Care	-	-	675,348	-	675,348
Library Purposes	-	-	-	35,093	35,093
Assigned:					
Debt Service	78,094	-	-	-	78,094
Total fund balances	78,094	2,426,205	2,167,704	724,981	5,396,984
Total liabilities and fund balances	\$ 78,094	\$ 2,451,976	\$ 2,167,704	\$ 724,981	\$ 5,422,755

KAYSVILLE CITY CORPORATION, UTAH
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Debt Service Fund	Capital Projects Fund	Permanent Cemetery Fund	Library Endowment Fund	Total Nonmajor Governmental Funds
REVENUES					
Impact Fees	\$ -	\$ 900,022	\$ -	\$ -	\$ 900,022
Charges for Services	-	-	110,275	-	110,275
Interest Income	535	6,887	14,425	8,593	30,440
Total revenues	535	906,909	124,700	8,593	1,040,737
EXPENDITURES					
Current:					
200 North bridge repair	-	820,421	-	-	820,421
Debt Service:					
Principal	337,237	-	-	-	337,237
Interest and Fiscal Charges	43,659	-	-	-	43,659
Capital Outlay	-	-	6,728	-	6,728
Total expenditures	380,896	820,421	6,728	-	1,208,045
Excess (deficiency) of revenues over (under) expenditures	(380,361)	86,488	117,972	8,593	(167,308)
OTHER FINANCING SOURCES (USES)					
Transfers In	386,000	850,000	-	-	1,236,000
Transfers Out	-	(208,000)	-	-	(208,000)
Total other financing sources (uses)	386,000	642,000	-	-	1,028,000
Net change in fund balances	5,639	728,488	117,972	8,593	860,692
Fund balances, beginning	72,455	1,697,717	2,049,732	716,388	4,536,292
Fund balances, ending	\$ 78,094	\$ 2,426,205	\$ 2,167,704	\$ 724,981	\$ 5,396,984

KAYSVILLE CITY CORPORATION, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Debt Service Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 535	\$ 535
Total revenues	-	-	535	535
EXPENDITURES				
Debt Service:				
Principal, bonds	185,000	185,000	185,000	-
Principal, capital leases	178,000	178,000	152,237	25,763
Interest and fiscal charges	23,000	23,000	43,659	(20,659)
Total expenditures	386,000	386,000	380,896	5,104
Excess (deficiency) of revenues over (under) expenditures	(386,000)	(386,000)	(380,361)	5,639
OTHER FINANCING SOURCES				
Transfers in	386,000	386,000	386,000	-
Net other financing sources	386,000	386,000	386,000	-
Net change in fund balance	-	-	5,639	5,639
Fund balance, beginning of year	72,455	72,455	72,455	-
Fund balance, end of year	\$ 72,455	\$ 72,455	\$ 78,094	\$ 5,639

KAYSVILLE CITY CORPORATION, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Capital Projects Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget		
	Original	Final				
REVENUES						
Impact Fees:						
Parks and recreation	\$ 208,000	\$ 358,000	\$ 724,989	\$ 366,989		
Public safety	-	-	175,033	175,033		
Interest Income	-	-	6,887	6,887		
Total revenues	<u>208,000</u>	<u>358,000</u>	<u>906,909</u>	<u>548,909</u>		
EXPENDITURES						
Current:						
200 North bridge	750,000	900,000	813,756	86,244		
Fiber-to-Home project planning	-	-	6,665	(6,665)		
Total expenditures	<u>750,000</u>	<u>900,000</u>	<u>820,421</u>	<u>79,579</u>		
Deficiency of revenues under expenditures	<u>(542,000)</u>	<u>(542,000)</u>	<u>86,488</u>	<u>628,488</u>		
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	850,000	850,000		
Transfers out	<u>(208,000)</u>	<u>(208,000)</u>	<u>(208,000)</u>	<u>-</u>		
Net other financing sources (uses)	<u>(208,000)</u>	<u>(208,000)</u>	<u>642,000</u>	<u>850,000</u>		
Net change in fund balance	<u>(750,000)</u>	<u>(750,000)</u>	<u>728,488</u>	<u>1,478,488</u>		
Fund balance, beginning of year	<u>1,697,717</u>	<u>1,697,717</u>	<u>1,697,717</u>	<u>-</u>		
Fund balance, end of year	<u>\$ 947,717</u>	<u>\$ 947,717</u>	<u>\$ 2,426,205</u>	<u>\$ 1,478,488</u>		

KAYSVILLE CITY CORPORATION, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Perpetual Cemetery Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 56,500	\$ 56,500	\$ 110,275	\$ 53,775
Interest Income	-	-	14,425	14,425
Total revenues	<u>56,500</u>	<u>56,500</u>	<u>124,700</u>	<u>68,200</u>
EXPENDITURES				
Administrative	6,500	6,500	-	6,500
Capital outlay	50,000	50,000	6,728	43,272
Total expenditures	<u>56,500</u>	<u>56,500</u>	<u>6,728</u>	<u>49,772</u>
Net change in fund balance	-	-	117,972	117,972
Fund balance, beginning of year	<u>2,049,732</u>	<u>2,049,732</u>	<u>2,049,732</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,049,732</u>	<u>\$ 2,049,732</u>	<u>\$ 2,167,704</u>	<u>\$ 117,972</u>

KAYSVILLE CITY CORPORATION, UTAH
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Library Endowment Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 8,593	\$ 8,593
Total revenues	-	-	8,593	8,593
EXPENDITURES				
Noncapital improvements	25,000	25,000	-	25,000
Total expenditures	25,000	25,000	-	25,000
Net change in fund balance	(25,000)	(25,000)	8,593	33,593
Fund balance, beginning of year	716,388	716,388	716,388	-
Fund balance, end of year	\$ 691,388	\$ 691,388	\$ 724,981	\$ 33,593

KAYSVILLE CITY CORPORATION, UTAH
Combining Statement of Net Position –
Nonmajor Enterprise Funds
June 30, 2021

	Business-type Activities - Enterprise Funds				Total
				Nonmajor	Enterprise
	Sewer	Pressure	Sanitation	Funds	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 900,871	\$ 108,417	\$ 1,546,816	\$ 2,556,104	
Accounts receivable, net					
Utility	232,078	110,796	213,530	556,404	
Total current assets	1,132,949	219,213	1,760,346	3,112,508	
Noncurrent assets:					
Capital assets:					
Land	-	16,322	-	16,322	
Water shares	-	3,721,850	-	3,721,850	
Buildings and improvements	41,289	-	-	41,289	
Automobiles, machinery and equipment	-	-	1,664,727	1,664,727	
Less: accumulated depreciation	(24,085)	-	(1,454,971)	(1,479,056)	
Net capital assets	17,204	3,738,172	209,756	3,965,132	
Total noncurrent assets	17,204	3,738,172	209,756	3,965,132	
Total assets	1,150,153	3,957,385	1,970,102	7,077,640	
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions				7,972	7,972
LIABILITIES					
Current liabilities:					
Accounts payable	299,857	103,172	167,530	570,559	
Noncurrent liabilities:					
Net pension liability	-	-	2,131	2,131	
Total liabilities	299,857	103,172	169,661	572,690	
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions			15,466	15,466	
NET POSITION					
Net investment in capital assets	17,204	3,738,172	209,756	3,965,132	
Unrestricted	833,092	116,041	1,583,191	2,532,324	
Total net position	\$ 850,296	\$ 3,854,213	\$ 1,792,947	\$ 6,497,456	
Total liabilities and net position	\$ 1,150,153	\$ 3,957,385	\$ 1,978,074	\$ 7,085,612	

KAYSVILLE CITY CORPORATION, UTAH
Combining Statement of Revenues, Expenses and Changes in Net Position –
Nonmajor Enterprise Funds
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds	
	Sewer	Pressure Irrigation	Sanitation	Total Nonmajor Enterprise Funds		
	Sewer	Pressure Irrigation	Sanitation			
<u>OPERATING REVENUES</u>						
Charges for services	\$ 2,688,823	\$ 1,300,429	\$ 2,454,224	\$ 6,443,476		
Charges for services (non-reciprocal)	5,478	-	12,180	17,658		
Total operating revenues	2,694,301	1,300,429	2,466,404	6,461,134		
<u>OPERATING EXPENSES</u>						
Personnel services	3,645	3,154	56,244	63,043		
Contractual services	2,590,036	1,232,527	2,011,919	5,834,482		
Administrative charges from General Fund	72,500	72,500	112,000	257,000		
Interfund services	-	-	5,000	5,000		
Non-reciprocal utility service	5,478	-	12,180	17,658		
Supplies, maintenance, and miscellaneous operating	14,399	6,382	88,065	108,846		
Depreciation	688	-	80,308	80,996		
Total operating expenses	2,686,746	1,314,563	2,365,716	6,367,025		
Operating income (loss)	7,555	(14,134)	100,688	94,109		
<u>NONOPERATING REVENUES</u>						
Interest income	4,798	672	7,587	13,057		
Miscellaneous	-	-	80	80		
Total nonoperating revenues	4,798	672	7,667	13,137		
Change in net position	12,353	(13,462)	108,355	107,246		
Total net position, beginning	837,943	3,867,675	1,684,592	6,390,210		
Total net position, ending	\$ 850,296	\$ 3,854,213	\$ 1,792,947	\$ 6,497,456		

KAYSVILLE CITY CORPORATION, UTAH
Combining Statement of Cash Flows –
Nonmajor Enterprise Funds
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			
	Total	Nonmajor	Enterprise	Funds
	Sewer	Pressure Irrigation	Sanitation	
Cash flows from operating activities				
Receipts from customers and users	\$ 2,692,454	\$ 1,298,332	\$ 2,449,590	\$ 6,440,376
Payments to suppliers	(2,556,709)	(1,237,277)	(2,106,207)	(5,900,193)
Payments to employees	(3,645)	(3,154)	(46,619)	(53,418)
Payments for interfund services	(77,978)	(72,500)	(129,180)	(279,658)
Net cash provided (used) by operating activities	54,122	(14,599)	167,584	207,107
Net cash provided by noncapital financing activities	-	-	-	-
Cash flows from capital and related financing activities				
Impact, extension, and other fees	-	-	80	80
Net cash provided by capital and related financing activities	-	-	80	80
Cash flows from investing activities				
Interest received	4,798	672	7,587	13,057
Net cash provided by investing activities	4,798	672	7,587	13,057
Net increase (decrease) in cash and cash equivalents	58,920	(13,927)	175,251	220,244
Cash and cash equivalents, beginning of year	841,951	122,344	1,371,565	2,335,860
Cash and cash equivalents, end of year	\$ 900,871	\$ 108,417	\$ 1,546,816	\$ 2,556,104
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 7,555	\$ (14,134)	\$ 100,688	\$ 94,109
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	688	-	80,308	80,996
Net pension adjustment	-	-	9,625	9,625
Changes in assets and liabilities:				
Accounts receivable	(1,847)	(2,097)	(16,814)	(20,758)
Accounts payable	47,726	1,632	(6,223)	43,135
Net cash provided (used) by operating activities	\$ 54,122	\$ (14,599)	\$ 167,584	\$ 207,107

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.

	<u>Page</u>
Financial Trends <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>	93-98
Revenue Capacity <i>These schedules contain information to help the reader assess a primary city revenue source, property tax.</i>	99-106
Debt Capacity <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>	107-109
Demographic and Economic Information <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>	110-111
Operating Information <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>	112-114

KAYSVILLE CITY CORPORATION
Net Position by Component
June 30,

	2012	2013	(*Restated) 2014	2015	(*Restated) 2016	2017	2018	2019	2020	2021
Governmental Activities:										
Net Investment of Capital Assets	\$ 51,804,229	\$ 70,379,749	\$ 68,417,942	\$ 73,170,909	\$ 72,688,598	\$ 74,851,196	\$ 76,597,865	\$ 15,859,194	\$ 15,418,558	\$ 17,839,025
Restricted	4,125,429	5,051,383	5,351,824	5,604,329	5,966,992	5,923,558	7,188,243	4,391,242	7,623,341	6,608,290
Unrestricted	2,402,159	2,074,489	191,422	(1,086,709)	(3,848)	998,674	3,004,914	2,851,317	2,319,564	3,381,178
Total Governmental Activities Net Position	<u>\$ 58,331,817</u>	<u>\$ 77,505,621</u>	<u>\$ 73,961,188</u>	<u>\$ 77,688,529</u>	<u>\$ 78,651,742</u>	<u>\$ 81,773,428</u>	<u>\$ 86,791,022</u>	<u>\$ 23,101,753</u>	<u>\$ 25,361,463</u>	<u>\$ 27,828,493</u>
Business-type Activities:										
Net Investment of Capital Assets	\$ 47,227,210	\$ 50,074,699	\$ 48,131,444	\$ 48,431,735	\$ 49,482,868	\$ 49,544,446	\$ 48,944,148	\$ 110,935,762	\$ 110,178,187	\$ 115,852,151
Restricted	211,341	6,781	-	202,157	668,524	1,029,394	1,543,974	2,777,780	2,311,185	2,990,640
Unrestricted	6,142,927	6,182,553	10,400,263	11,071,837	12,406,511	14,579,974	13,864,038	16,721,454	15,793,785	17,192,612
Total Business-type Activities Net Position	<u>\$ 53,581,478</u>	<u>\$ 56,264,033</u>	<u>\$ 58,531,707</u>	<u>\$ 59,705,729</u>	<u>\$ 62,557,903</u>	<u>\$ 65,153,814</u>	<u>\$ 64,352,160</u>	<u>\$ 130,434,996</u>	<u>\$ 128,283,157</u>	<u>\$ 136,035,403</u>
Primary Government										
Net Investment in Capital Assets	\$ 99,031,439	\$ 120,454,448	\$ 116,549,386	\$ 121,602,644	\$ 122,171,466	\$ 124,395,642	\$ 125,542,013	\$ 126,794,956	\$ 125,596,745	\$ 133,691,176
Restricted	4,336,770	5,058,164	5,351,824	5,806,486	6,635,516	6,952,952	8,732,217	7,169,022	9,934,526	9,598,930
Unrestricted	8,545,086	8,257,042	10,591,685	9,985,128	12,402,663	15,578,648	16,868,952	19,572,771	18,113,349	20,573,790
Total Primary Government Net Position	<u>\$ 111,913,295</u>	<u>\$ 133,769,654</u>	<u>\$ 132,492,895</u>	<u>\$ 137,394,258</u>	<u>\$ 141,209,645</u>	<u>\$ 146,927,242</u>	<u>\$ 151,143,182</u>	<u>\$ 153,536,749</u>	<u>\$ 153,644,620</u>	<u>\$ 163,863,896</u>

(Accrual Basis of Accounting)

* In FY 2019 the Road Utility Fund was formed. During this year the road assets were transferred to the Road Utility Fund from the General Fund.

KAYSVILLE CITY CORPORATION
Changes in Net Position
For the Year Ended June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Government Activities:										
General Government	\$ 1,912,144	\$ 1,933,158	\$ 2,383,664	\$ 2,380,314	\$ 2,490,055	\$ 2,446,401	\$ 2,567,656	\$ 3,132,685	\$ 2,504,558	\$ 3,811,104
Public Safety - Police	2,640,849	2,956,768	3,064,397	3,496,435	3,817,732	3,874,551	3,695,913	4,643,415	4,942,482	5,623,367
Public Safety - Fire	423,978	540,842	863,892	833,769	964,668	913,103	849,282	1,076,170	1,365,305	1,897,410
Public Safety - Animal Control	-	-	-	-	-	-	-	-	-	95,123
Community Development	658,823	647,499	700,293	686,765	722,417	792,510	724,185	875,965	1,035,615	1,698,458
Public Works	2,699,309	3,090,467	3,916,960	2,937,745	4,135,628	3,985,500	5,563,214	1,214,306	962,291	992,643
Parks, Recreation and Culture	2,145,155	2,178,224	2,157,669	2,640,781	2,490,851	2,457,360	2,446,321	3,004,775	2,610,749	2,742,405
Perpetual Cemetery	-	50,867	35,347	23,641	23,654	-	-	-	-	-
Library Endowment	-	-	-	-	-	100,000	-	-	-	-
Nondepartmental	-	-	-	-	-	-	-	-	1,113,823	-
Interest on Long-Term Debt	327,537	7,003	149,543	235,218	199,427	162,298	203,870	239,382	334,175	217,269
Total Governmental Activities Expenses	<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>	<u>14,186,698</u>	<u>14,868,998</u>	<u>17,077,779</u>
Business-type Activities:										
Water	2,227,960	2,261,447	2,599,457	2,443,152	2,371,766	2,256,288	3,515,650	4,169,497	3,520,163	3,178,987
Electric	12,225,173	12,962,870	13,137,151	13,814,577	14,006,885	14,698,768	15,888,033	14,734,493	15,489,395	15,689,771
Storm Water	1,080,937	1,253,443	1,044,438	1,418,881	1,610,691	1,214,987	1,643,631	1,739,308	1,866,836	1,521,681
Road Utility	-	-	-	-	-	-	-	4,106,071	6,538,721	3,682,801
Ambulance	570,158	519,544	422,391	483,772	541,755	776,868	926,154	980,363	874,406	1,066,837
Sewer	1,743,293	1,881,148	1,822,954	1,876,862	2,195,339	2,193,175	2,251,223	2,293,722	2,674,245	2,686,746
Pressure Irrigation	1,105,317	1,022,122	1,121,653	1,143,314	1,211,994	1,205,904	1,237,799	1,262,153	1,284,053	1,314,563
Sanitation	1,535,860	1,646,992	1,765,134	1,751,666	1,859,482	1,739,010	1,857,858	1,958,416	2,257,050	2,365,716
Total Business-Type Activities Expenses	<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>	<u>31,244,023</u>	<u>34,504,869</u>	<u>31,507,102</u>
Total Primary Government Expenses	<u><u>\$ 31,296,493</u></u>	<u><u>\$ 32,952,394</u></u>	<u><u>\$ 35,184,943</u></u>	<u><u>\$ 36,166,892</u></u>	<u><u>\$ 38,642,344</u></u>	<u><u>\$ 38,816,723</u></u>	<u><u>\$ 43,370,789</u></u>	<u><u>\$ 45,430,721</u></u>	<u><u>\$ 49,373,867</u></u>	<u><u>\$ 48,584,881</u></u>

KAYSVILLE CITY CORPORATION
Changes in Net Position (Continued)
For the Year Ended June 30,

Program Revenues	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Government Activities:										
Charges for Services:										
General Government	\$ 760,056	\$ 765,064	\$ 770,059	\$ 827,020	\$ 908,174	\$ 945,100	\$ 1,023,800	\$ 1,391,042	\$ 1,125,000	\$ 1,855,515
Public Safety - Police	237,962	261,885	187,072	254,534	250,985	299,848	372,944	376,901	301,725	741,629
Public Safety - Fire	143,156	150,387	159,931	206,586	223,259	265,991	257,076	256,967	257,149	273,392
Community Development	410,431	656,854	770,321	759,540	750,378	719,877	771,196	748,293	696,268	937,490
Public Works	1,093,151	1,442,438	1,097,082	1,295,257	1,043,907	1,554,383	1,531,636	118,057	23,546	3,609
Parks, Recreation and Culture	889,793	965,001	1,043,769	1,017,174	784,962	848,275	802,896	838,745	641,542	1,019,316
Perpetual Cemetery	56,450	56,665	63,850	58,925	57,125	52,785	75,933	122,775	135,941	-
Nondepartmental	-	-	-	-	-	-	-	-	1,036,053	-
Operating Grants and Contributions	526,635	20,075	19,807	17,363	495,115	19,458	21,528	19,079	1,100,618	1,491,398
Capital Grants and Contributions	599,878	1,753,396	906,199	3,734,313	2,044,012	3,564,061	4,938,082	555,668	513,257	904,007
Total Governmental Activities Program Revenues	4,717,512	6,071,765	5,018,090	8,170,712	6,557,917	8,269,778	9,795,091	4,427,527	5,831,099	7,226,356
Business-type Activities:										
Charges for Services:										
Water	2,310,530	2,405,881	2,566,353	2,789,065	2,813,194	2,893,746	2,932,922	3,049,993	3,057,567	3,255,067
Electric	12,810,922	13,894,122	14,967,518	14,004,518	14,560,483	14,684,800	14,695,678	15,413,704	15,516,030	16,435,150
Storm Water	1,075,823	1,050,462	1,091,871	1,073,364	1,129,187	1,152,990	1,159,769	1,210,737	1,221,139	1,232,626
Road Utility	-	-	-	-	-	-	-	2,909,937	1,150,366	1,155,886
Ambulance	326,368	458,305	434,899	486,656	413,301	483,113	455,685	403,381	554,439	506,606
Sewer	1,821,529	1,843,022	1,880,801	1,875,927	2,177,025	2,219,400	2,234,779	2,329,583	2,678,918	2,694,301
Pressure Irrigation	1,101,257	1,110,690	1,124,747	1,121,755	1,187,426	1,209,698	1,219,522	1,274,415	1,279,859	1,300,429
Sanitation	1,564,996	1,622,292	1,784,714	1,767,879	1,851,658	1,890,425	1,916,031	2,005,253	2,270,433	2,466,404
Grants and Contributions	768,060	1,916,221	940,771	905,801	462,803	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	1,956,069	1,832,732	1,459,122	4,024,933	3,844,368	9,375,244
Total Business-Type Activities Program Revenues	21,779,485	24,300,995	24,791,674	24,024,965	26,551,146	26,366,904	26,073,508	32,621,936	31,573,119	38,421,713
Total Primary Government Program Revenues	\$ 26,496,997	\$ 30,372,760	\$ 29,809,764	\$ 32,195,677	\$ 33,109,063	\$ 34,636,682	\$ 35,868,599	\$ 37,049,463	\$ 37,404,218	\$ 45,648,069
Net (Expense) Revenue										
Governmental Activities	\$ (6,090,283)	\$ (5,333,063)	\$ (8,253,675)	\$ (5,063,956)	\$ (8,286,515)	\$ (6,461,945)	\$ (6,255,350)	\$ (9,759,171)	\$ (9,037,899)	\$ (9,851,423)
Business-type Activities	1,290,787	2,753,429	2,878,496	1,092,741	2,753,234	2,281,904	(1,246,840)	1,377,913	(2,931,750)	6,914,611
Total Primary Government Net Expense	\$ (4,799,496)	\$ (2,579,634)	\$ (5,375,179)	\$ (3,971,215)	\$ (5,533,281)	\$ (4,180,041)	\$ (7,502,190)	\$ (8,381,258)	\$ (11,969,649)	\$ (2,936,812)

KAYSVILLE CITY CORPORATION
Changes in Net Position (Continued)
For the Year Ended June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues										
Governmental activities:										
Taxes										
Sales Taxes	\$ 3,109,348	\$ 3,304,756	\$ 3,471,892	\$ 3,665,634	\$ 4,098,274	\$ 4,483,613	\$ 4,819,011	\$ 4,873,747	\$ 5,581,445	\$ 6,571,051
Property Taxes	1,423,405	1,446,480	1,484,074	3,263,780	2,948,599	3,237,023	3,322,726	3,536,836	3,709,251	4,026,569
Energy Sales and Use Charge	1,220,618	1,178,319	1,227,956	1,156,028	1,240,883	1,247,116	1,274,019	1,134,227	1,140,205	1,353,682
Franchise Taxes	624,491	664,736	592,786	537,744	536,596	551,817	483,614	657,389	579,668	538,149
Motor Vehicle Taxes	-	-	-	-	-	-	-	-	265,765	243,207
Interest on Investments	81,760	74,144	41,085	69,172	137,272	105,279	179,540	226,397	289,555	82,217
Gain on Sale of Assets	-	-	-	-	185,713	-	64,423	33,166	44,655	9,376
Miscellaneous	123,995	113,030	124,467	121,289	148,027	153,379	115,047	52,041	58,065	31,752
Special Item, Net Insurance Proceeds	-	-	-	-	-	-	1,182,870	-	-	-
Transfers In (Out)	(165,000)	100,000	(3,640)	(22,350)	(45,636)	(194,596)	(169,304)	(64,443,901)	(371,000)	(537,550)
Total governmental activities	<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>	<u>(53,930,098)</u>	<u>11,297,609</u>	<u>12,318,453</u>
Business-type Activities:										
Interest on investments	30,015	29,126	27,026	58,931	36,733	68,970	76,103	183,185	300,618	95,032
Gain (loss) on sale of capital assets	-	-	-	-	-	-	7,749	-	13,653	34,980
Miscellaneous	-	-	-	-	16,571	50,441	192,030	77,837	94,640	170,073
Transfers In (Out)	165,000	(100,000)	3,640	22,350	45,636	194,596	169,304	64,443,901	371,000	537,550
Total business-type activities	<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>	<u>64,704,923</u>	<u>779,911</u>	<u>837,635</u>
Total primary government	<u><u>\$ 6,613,632</u></u>	<u><u>\$ 6,810,591</u></u>	<u><u>\$ 6,969,286</u></u>	<u><u>\$ 8,872,578</u></u>	<u><u>\$ 9,348,668</u></u>	<u><u>\$ 9,897,638</u></u>	<u><u>\$ 11,717,132</u></u>	<u><u>\$ 10,774,825</u></u>	<u><u>\$ 12,077,520</u></u>	<u><u>\$ 13,156,088</u></u>
Change in Net Position										
Governmental activities	\$ 328,334	\$ 1,548,402	\$ (1,315,055)	\$ 3,727,341	\$ 963,213	\$ 3,121,686	\$ 5,016,596	\$ (63,689,269)	\$ 2,259,710	\$ 2,467,030
Business-type activities	1,485,802	2,682,555	2,909,162	1,174,022	2,852,174	2,595,911	(801,654)	66,082,836	(2,151,839)	7,752,246
Total primary government	<u><u>\$ 1,814,136</u></u>	<u><u>\$ 4,230,957</u></u>	<u><u>\$ 1,594,107</u></u>	<u><u>\$ 4,901,363</u></u>	<u><u>\$ 3,815,387</u></u>	<u><u>\$ 5,717,597</u></u>	<u><u>\$ 4,214,942</u></u>	<u><u>\$ 2,393,567</u></u>	<u><u>\$ 107,871</u></u>	<u><u>\$ 10,219,276</u></u>
(Accrual Basis of Accounting)										

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

KAYSVILLE CITY CORPORATION
Balance Sheet Fund Balances of Governmental Funds
June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 381,608	\$ 762,561	\$ 538,944	\$ 691,853	\$ 468,737	\$ 878,006	\$ 1,143,522	\$ 7,660	\$ 710,114	\$ 54,514
Unassigned	2,415,907	2,213,902	1,800,497	1,767,732	2,233,349	3,459,744	4,924,356	4,664,867	4,662,914	5,453,109
Total General Fund	<u>\$2,797,515</u>	<u>\$2,976,463</u>	<u>\$2,339,441</u>	<u>\$2,459,585</u>	<u>\$2,702,086</u>	<u>\$4,337,750</u>	<u>\$6,067,878</u>	<u>\$4,672,527</u>	<u>\$5,373,028</u>	<u>\$5,507,623</u>
Redevelopment Agency										
Nonspendable	\$ -	\$ -	\$ 723,956	\$ 723,956	\$ 251,931	\$ 251,931	\$ 251,931	\$ -	\$ -	\$ -
Assigned	-	-	379,189	(665,041)	(81,696)	19,570	134,182	465,238	536,263	681,324
Total Redevelopment Agency Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,103,145</u>	<u>\$ 58,915</u>	<u>\$ 170,235</u>	<u>\$ 271,501</u>	<u>\$ 386,113</u>	<u>\$ 465,238</u>	<u>\$ 536,263</u>	<u>\$ 681,324</u>
Municipal Building Authority										
Restricted	\$ -	\$ -	\$ 4,322,483	\$ 35,877	\$ 19,914	\$ 13,600	\$ 96	\$ 4,677	\$ 1,840,672	\$ 475,468
Total Municipal Building Authority Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,322,483</u>	<u>\$ 35,877</u>	<u>\$ 19,914</u>	<u>\$ 13,600</u>	<u>\$ 96</u>	<u>\$ 4,677</u>	<u>\$ 1,840,672</u>	<u>\$ 475,468</u>
Debt Service Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	202,292	205,233	62,483	65,837	49,279	50,661	39,110	61,706	72,455	78,094
Total Debt Service Fund	<u>\$ 202,292</u>	<u>\$ 205,233</u>	<u>\$ 62,483</u>	<u>\$ 65,837</u>	<u>\$ 49,279</u>	<u>\$ 50,661</u>	<u>\$ 39,110</u>	<u>\$ 61,706</u>	<u>\$ 72,455</u>	<u>\$ 78,094</u>
Capital Projects Fund										
Restricted	\$ 1,033,352	\$ 1,545,251	\$ 1,172,747	\$ 1,518,347	\$ 1,964,659	\$ 1,677,481	\$ 766,758	\$ 53,305	\$ 1,697,717	\$ 2,426,205
Assigned	639,736	542,366	951,857	696,209	680,083	444,954	2,184,485	1,897,031	-	-
Total Capital Projects Fund	<u>\$ 1,673,088</u>	<u>\$ 2,087,617</u>	<u>\$ 2,124,604</u>	<u>\$ 2,214,556</u>	<u>\$ 2,644,742</u>	<u>\$ 2,122,435</u>	<u>\$ 2,951,243</u>	<u>\$ 1,950,336</u>	<u>\$ 1,697,717</u>	<u>\$ 2,426,205</u>
Cemetery Perpetual Care										
Nonspendable	\$ -	\$ 927,126	\$ 990,976	\$ 1,049,901	\$ 1,107,026	\$ 1,159,811	\$ 1,223,021	\$ 1,301,306	\$ 1,382,081	\$ 1,492,356
Restricted	1,564,212	653,103	623,864	618,476	634,363	650,005	662,728	642,206	667,651	675,348
Total Cemetery Perpetual Care Fund	<u>\$ 1,564,212</u>	<u>\$ 1,580,229</u>	<u>\$ 1,614,840</u>	<u>\$ 1,668,377</u>	<u>\$ 1,741,389</u>	<u>\$ 1,809,816</u>	<u>\$ 1,885,749</u>	<u>\$ 1,943,512</u>	<u>\$ 2,049,732</u>	<u>\$ 2,167,704</u>
Library Endowment Fund										
Nonspendable	\$ 684,457	\$ 685,871	\$ 686,483	\$ 686,950	\$ 687,416	\$ 687,812	\$ 688,299	\$ 689,021	\$ 689,888	\$ 689,888
Restricted	259,518	272,238	227,765	181,964	185,280	89,727	94,111	50,608	26,500	35,093
Total Library Endowment Fund	<u>\$ 943,975</u>	<u>\$ 958,109</u>	<u>\$ 914,248</u>	<u>\$ 868,914</u>	<u>\$ 872,696</u>	<u>\$ 777,539</u>	<u>\$ 782,410</u>	<u>\$ 739,629</u>	<u>\$ 716,388</u>	<u>\$ 724,981</u>

KAYSVILLE CITY CORPORATION
Changes in Fund Balance of Governmental Funds
For the Year Ended June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 6,377,862	\$ 6,594,291	\$ 6,776,708	\$ 8,623,186	\$ 8,824,352	\$ 9,519,569	\$ 9,899,370	\$ 10,202,199	\$ 11,276,334	\$ 12,732,658
Licenses and Permits	327,420	520,908	601,533	592,227	577,459	513,410	616,293	570,617	552,403	703,531
Impact Fees	388,108	811,948	520,451	665,904	464,765	358,295	463,404	282,380	375,470	900,022
Intergovernmental	1,364,089	896,161	856,993	903,604	1,004,923	1,542,995	4,045,043	163,929	1,138,263	1,495,383
Charges for Services	1,930,090	1,978,220	2,065,694	2,146,183	2,313,642	2,444,173	2,543,223	2,803,833	2,475,919	2,974,405
Donations	-	150,000	150,850	20,000	13,032	126,214	350	-	100,142	-
Fines and Foreitures	102,500	98,625	58,212	111,532	121,083	146,470	160,234	161,715	127,474	124,188
Leases and Rent Revenue	-	-	-	-	-	-	-	-	775,375	730,312
Community Development Block Grant	-	-	-	7,452	-	-	-	-	-	-
Interest Income	81,760	74,144	41,085	69,172	137,272	105,279	179,540	226,397	289,555	82,217
Miscellaneous	259,422	125,537	133,475	133,707	169,022	216,548	199,390	113,402	58,065	31,752
Total Revenues	10,831,251	11,249,834	11,205,001	13,272,967	13,625,550	14,972,953	18,106,847	14,524,472	17,169,000	19,774,468
Expenditures:										
General Government	1,873,699	1,897,433	2,353,025	2,692,131	2,472,042	2,292,182	2,520,633	2,613,447	2,386,208	3,903,287
Public Safety	3,171,235	4,279,877	3,702,599	4,230,409	4,506,959	4,408,837	4,528,970	5,139,543	6,041,744	7,492,982
Community Development	668,964	671,454	677,278	719,025	738,445	743,733	764,506	834,123	1,010,627	1,746,832
Public Works	1,526,450	1,745,709	2,148,751	1,827,115	2,085,285	1,948,902	2,103,879	973,433	884,481	748,608
Parks, Recreation, and Culture	1,940,756	2,091,440	2,078,976	2,511,420	2,350,488	2,240,657	2,253,277	2,597,636	2,321,302	2,441,251
Nondepartmental	-	-	-	-	-	-	-	-	1,113,823	-
Debt service:										
Principal	1,606,789	387,000	428,035	1,386,188	738,384	744,274	406,032	616,376	4,659,303	890,237
Interest and Fiscal Charges	47,487	32,838	129,156	257,174	224,241	187,168	226,200	231,325	330,771	221,804
Capital Projects	382,270	450,364	1,673,607	4,820,844	75,468	1,029,641	5,014,148	1,919,107	4,166,130	2,402,798
Total Expenditures	11,217,650	11,556,115	13,191,427	18,444,306	13,191,312	13,595,394	17,817,645	14,924,990	22,914,389	19,847,799
Excess (Deficiency) of Revenues Over (Under) Expenditures	(386,399)	(306,281)	(1,986,426)	(5,171,339)	434,238	1,377,559	289,202	(400,518)	(5,745,389)	(73,331)
Other Financing Sources (Uses):										
Sale of Capital Assets	-	-	5,711,753	84,506	439,678	-	1,330,000	-	44,655	87,510
Cash Contributions	-	-	-	-	-	-	96,529	86,613	-	-
Non-reciprocal Utility Transfers	-	-	-	-	-	-	-	297,079	286,053	298,515
Proceeds from debt	-	832,850	-	-	-	-	-	837,865	-	-
Special Item - Insurance Proceeds	-	-	-	-	-	-	1,182,870	48,149	8,234,311	-
Transfers In	1,660,000	687,000	1,437,729	967,650	654,864	1,038,904	924,196	991,000	1,386,000	1,236,000
Transfers Out	(1,825,000)	(587,000)	(489,463)	(990,000)	(700,500)	(1,233,500)	(1,093,500)	(4,135,162)	(1,757,000)	(1,773,550)
Total Other Financing Sources (Uses)	(165,000)	932,850	6,660,019	62,156	394,042	(194,596)	2,440,095	(1,874,456)	8,194,019	(151,525)
Net change in fund balances	\$ (551,399)	\$ 626,569	\$ 4,673,593	\$ (5,109,183)	\$ 828,280	\$ 1,182,963	\$ 2,729,297	\$ (2,274,974)	\$ 2,448,630	\$ (224,856)
Debt service as a percentage of noncapital expenditures	16.41%	4.11%	5.07%	13.63%	7.52%	7.51%	4.48%	6.43%	27.17%	6.37%

(Modified Accrual Basis of Accounting)

KAYSVILLE CITY CORPORATION
Taxable and Estimated Market Value of Property
Last Ten Years

Calendar Year Ended December 31,	Estimated Market Value	Taxable Value	Ratio of Total Taxable Value to Market Value
2020	\$4,017,055,396	\$2,408,680,121	59.96%
2019	\$3,761,209,288	\$1,950,468,715	51.86%
2018	\$3,385,665,809	\$1,784,393,761	52.70%
2017	\$3,088,696,237	\$1,666,973,343	53.97%
2016	\$2,779,008,134	\$1,540,915,428	55.45%
2015	\$2,561,662,045	\$1,477,768,259	57.69%
2014	\$2,459,642,177	\$1,293,450,467	52.59%
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%

Notes:

- (1) Information is based on a calendar year - 2020 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
Property Tax Rates - Direct and Overlapping Governments
Last Ten Years

Calendar Year Ended December 31,	Direct Rate Kaysville City	Overlapping Rates								Total Direct & Overlapping
		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	
2020	0.001589	0.007642	0.001435	0.000132	0.000099	0.000289	0.000012	0.000161	0.000147	0.011506
2019	0.001589	0.007670	0.001707	0.000146	0.000110	0.000319	0.000012	0.000177	0.000161	0.011891
2018	0.001589	0.007701	0.001844	0.000164	0.000119	0.000349	0.000009	0.000193	0.000178	0.012146
2017	0.001589	0.007701	0.001844	0.000174	0.000107	0.000376	0.000010	0.000207	0.000191	0.012199
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	0.000196	0.000122	0.000361	0.000012	0.000236	0.000216	0.013064
2014	0.001826	0.008555	0.002153	0.000199	0.000124	0.000361	0.000013	0.000237	0.000217	0.013685
2013	0.000999	0.008710	0.002331	0.000210	0.000103	0.000389	0.000158	0.000112	0.000237	0.013249
2012	0.001028	0.008941	0.002391	0.000215	0.000105	0.000396	0.000168	0.000115	0.000237	0.013596
2011	0.001035	0.008861	0.002383	0.000217	0.000104	0.000392	0.000172	0.000114	0.000237	0.013515

Notes: (1) Information is based on a calendar year - 2020 is the most recent year

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

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

KAYSVILLE CITY CORPORATION
Property Tax Levies and Collections
Last Ten Years

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
2020	\$2,408,680,121	0.001589	\$3,827,392	\$3,638,993	95.08%	\$411,117	\$4,030,772
2019	\$2,169,066,423	0.001589	\$3,577,482	\$3,419,961	95.60%	\$414,778	\$3,834,739
2018	\$1,950,468,715	0.001589	\$3,225,039	\$3,095,969	96.00%	\$339,748	\$3,435,717
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

Notes: (1) Information is based on a calendar year - 2020 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
Governmental Tax Revenues by Source
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Property Tax	Sales Tax	Utility License & Excise Tax	Energy Sales and Use Tax	Total Tax Revenue
2021	\$4,127,455	\$6,571,051	\$538,149	\$1,353,682	\$12,590,337
2020	\$3,709,251	\$5,581,445	\$845,433	\$1,140,205	\$11,276,334
2019	\$3,536,836	\$4,959,025	\$657,389	\$1,134,227	\$10,287,477
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

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
Sales Tax Revenue Trends
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population Distribution	Point of Sale	Administrative Fees	Total Distribution
2021	\$4,193,199	\$2,507,379	(\$129,532)	\$6,571,046
2020	\$3,570,835	\$2,127,945	(\$117,335)	\$5,581,445
2019	\$3,354,839	\$1,691,143	(\$86,957)	\$4,959,025
2018	\$3,206,689	\$1,667,794	(\$55,472)	\$4,819,011
2017	\$2,971,161	\$1,576,799	(\$64,484)	\$4,483,476
2016	\$2,752,757	\$1,414,314	(\$68,798)	\$4,098,273
2015	\$2,620,126	\$1,119,260	(\$73,752)	\$3,665,634
2014	\$2,471,594	\$1,074,550	(\$74,252)	\$3,471,892
2013	\$2,363,965	\$1,013,725	(\$72,934)	\$3,304,756
2012	\$2,256,304	\$928,145	(\$75,102)	\$3,109,347

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

KAYSVILLE CITY CORPORATION
Sales Tax Rates and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Local Sales & Use	State Sales & Use	Supplemental State Sales & Use	County Option Transit	Mass Transit	Additional Mass Transit	Transportation Infrastructure *	County Option Sales	Total Sales Tax Rate
2021	1.0%	4.85%	0.05%	0.25%	0.25%	0.25%	0.25%	0.25%	7.15%
2020	1.0%	4.85%	0.05%	0.25%	0.25%	0.25%	0.25%	0.25%	7.15%
2019	1.0%	4.85%	0.05%	0.00%	0.25%	0.25%	0.25%	0.25%	6.90%
2018	1.0%	4.70%	0.05%	0.00%	0.25%	0.25%	0.25%	0.25%	6.75%
2017	1.0%	4.70%	0.05%	0.00%	0.25%	0.25%	0.25%	0.25%	6.75%
2016	1.0%	4.70%	0.05%	0.00%	0.25%	0.25%	0.25%	0.25%	6.75%
2015	1.0%	4.70%	0.05%	0.00%	0.25%	0.25%	-	0.25%	6.50%
2014	1.0%	4.70%	0.05%	0.00%	0.25%	0.25%	-	0.25%	6.50%
2013	1.0%	4.70%	0.05%	0.00%	0.25%	0.25%	-	0.25%	6.50%
2012	1.0%	4.70%	0.05%	0.00%	0.25%	0.25%	-	0.25%	6.50%

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
Estimated Market Value of Taxable Property
June 30, 2021

Calendar Year Ended December 31,	Estimated Market Value	Residential	Commercial	Agricultural	State	Personal Property
2020	\$ 4,017,055,396	\$ 3,655,979,766	\$ 264,990,507	\$ 2,291,823	\$ 47,745,542	\$ 46,047,758
2019	\$ 3,761,209,288	\$ 3,424,458,154	\$ 250,872,366	\$ 2,319,582	\$ 39,014,316	\$ 44,544,870
2018	\$ 3,385,665,809	\$ 3,087,865,112	\$ 215,310,270	\$ 2,375,652	\$ 38,687,302	\$ 41,427,473
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

Notes: (1) Information is based on a calendar year - 2020 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
Property Value of Construction in Kaysville
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Commercial Construction Number of Permits	Estimated Value	Residential Construction Number of Permits	Estimated Value	Estimated Increase of Property Value
2020	20	\$ 7,777,003	263	\$43,332,278	\$ 51,109,281
2019	29	\$ 9,010,300	273	\$52,363,299	\$ 61,373,599
2018	25	\$ 22,112,458	333	\$69,353,896	\$ 91,466,354
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

Notes: (1) Number of Permits includes all permits including remodels and additions
Based on Calendar Year - 2020 - 82 Single Family Homes

Source: Davis County Department of Community and Economic Development
2020 Construction Monitor

KAYSVILLE CITY CORPORATION
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

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					
2021	\$ - \$ 8,046,000	\$ - \$ 559,533	\$ - \$ 12,565	\$ 8,618,098	0.7075%	\$ 1,218,137,355	\$ 260					
2020	\$ - \$ 8,784,000	\$ - \$ 711,770	\$ - \$ -	\$ 9,495,770	0.7795%	\$ 1,133,919,201	\$ 279					
2019	\$ - \$ 5,152,000	\$ - \$ 768,762	\$ - \$ 172,733	\$ 6,093,495	0.5374%	\$ 1,110,622,475	\$ 183					
2018	\$ - \$ 5,581,000	\$ - \$ 88,273	\$ - \$ 173,864	\$ 5,843,137	0.5261%	\$ 1,029,344,241	\$ 180					
2017	\$ - \$ 4,557,000	\$ - \$ 246,196	\$ - \$ 325,593	\$ 5,128,789	0.4983%	\$ 975,777,428	\$ 162					
2016	\$ - \$ 4,829,000	\$ 317,302 \$ 401,168	\$ - \$ 501,428	\$ 6,048,898	0.6199%	\$ 919,409,210	\$ 201					
2015	\$ - \$ 5,098,000	\$ 634,604 \$ 553,252	\$ - \$ 297,244	\$ 6,583,100	0.7160%	\$ 874,581,542	\$ 224					
2014	\$ - \$ 5,750,000	\$ 1,216,659 \$ 627,154	\$ - \$ 573,529	\$ 8,167,342	0.9339%	\$ 833,105,779	\$ 285					
2013	\$ - \$ 598,000	\$ - \$ 760,189	\$ - \$ 1,269,207	\$ 371,524	0.3600%	\$ 772,097,859	\$ 107					
2012	\$ - \$ 885,000	\$ 100,000 \$ -	\$ - \$ 1,586,508	\$ 573,689	0.4074%	\$ 770,749,022	\$ 115					

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

KAYSVILLE CITY CORPORATION
Computation of Direct and Overlapping Debt
June 30, 2021

Entity	2020 Taxable Valuation	Kaysville City's Portion of Valuation	Kaysville City's Percentage	Entity's Outstanding Debt	Kaysville City Overlapping Debt
Direct:					
Kaysville City	\$ 2,408,680,121	\$ 2,408,680,121	100.00%	\$ 8,046,000	\$ 8,046,000
Overlapping:					
Davis County	\$ 23,380,142,682	\$ 2,408,680,121	10.30%	\$ 713,883,125	\$ 73,546,005
Davis County School District	\$ 23,380,142,682	\$ 2,408,680,121	10.30%	\$ 523,755,000	\$ 53,958,535
State of Utah	\$ 339,922,399,183	\$ 2,408,680,121	0.71%	\$ 2,452,055,000	\$ 17,375,190
Weber Basin Water District	\$ 73,531,532,382	\$ 2,408,680,121	3.28%	\$ 10,870,000	\$ 356,070
Total - Overlapping Debt					
\$ 145,235,800					
Total - Direct and Overlapping Debt					
<u>\$ 153,281,800</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
Computation of Legal Debt Margin
June 30, 2021

Taxable Value	\$2,408,680,121
Estimated Market Value	\$4,017,055,396
Debt Limit - Four Percent of Market Value	\$160,682,216
Less: Outstanding General Obligation Bonds	\$0
Lease Revenue Bonded Debt	\$7,263,000
Legal Debt Margin - Additional Debt Capacity	\$142,632,372

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 used for water and/or sewer purposes.

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

KAYSVILLE CITY CORPORATION
Demographic & Economic Statistics
Last Ten Fiscal Years

Calendar Year Ended December 31,	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2020	34,095	\$1,218,137,355	35,728.19	2.7%
2019	33,263	\$1,133,919,201	34,089.51	2.8%
2018	32,452	\$1,110,622,475	34,223.86	3.0%
2017	31,660	\$1,029,344,241	32,512.25	3.4%
2016	30,888	\$975,777,428	31,590.83	4.0%
2015	30,135	\$919,409,210	30,510.05	3.6%
2014	29,400	\$874,581,542	29,748.04	3.6%
2013	28,683	\$833,105,779	29,045.71	4.6%
2012	27,983	\$772,097,859	27,591.68	5.3%
2011	27,300	\$770,749,022	28,232.56	5.6%

KAYSVILLE CITY CORPORATION
Principal Property Tax Payers with Comparison
Current Year and Ten Years Ago

Rank	Taxpayer	Type of Business	2020		2010		Percentage of Total City Taxable Assessed Value
			Taxable Assessed Value	Rank	Taxable Assessed Value	Rank	
1	Smiths Food & Drug Center	Grocery Store	\$16,355,609	1	0.68%		
2	Access Park (Columbia Utah Kays LLC)	Investment Properties	\$13,930,000	2	0.58%	\$5,291,700	3 0.39%
3	Amsource VF Kaysville LLC	Shopping Center	\$7,410,000	3	0.31%		
4	GBT Third Avenue	Gymnasium / Sports Training	\$6,460,000	4	0.27%		
5	KBP Office Group & Warehouse	Wholesale Distribution	\$6,040,000	5	0.25%	\$6,213,481	1 0.46%
6	IHC Health Services Inc	Medical Services	\$5,797,991	6	0.24%		
7	JB Journey, LLC and Crosjo LLC	Recreational Sales	\$5,590,000	7	0.23%	\$5,580,009	2 0.41%
8	Perry Homes	Land Development	\$5,139,035	8	0.21%		
9	Manticore Holdings	Land Development	\$5,068,271	9	0.21%		
10	Boondocks Properties LLC	Recreational	\$5,019,585	10	0.21%		
Albertson's, Inc					\$5,288,136	4	0.39%
Danville Land Investment					\$4,999,330	5	0.37%
Woodside Sunset Farms, LLC					\$4,788,892	6	0.35%
M2 Properties Inc					\$4,592,183	7	0.34%
Park Place I, LC					\$4,437,190	9	0.33%
Kaysville Real Estate LC					\$4,434,949	10	0.33%
			<u>\$76,810,491</u>		<u>3.19%</u>	<u>\$45,625,870</u>	<u>3.37%</u>

Source: Davis County Auditor / Kaysville City Finance Department
 (Excludes Public Utilities)

KAYSVILLE CITY CORPORATION
Miscellaneous Statistical Data - Insurance Summary
June 30, 2021

Coverage	Company	Term	Limits	Deductible
Property	The Utah Local Government Trust	10/01/2020 - 9/30/2021	\$ 10,000,000	\$ -
General Liability	The Utah Local Government Trust	10/01/2020 - 9/30/2021	\$ 10,000,000	\$ -
Automobile Physical & Liability	The Utah Local Government Trust	10/01/2020 - 9/30/2021	\$ 10,000,000	\$ 1,000
Treasurer Bond/ Deputy Treasurer Bond	The Utah Local Government Trust	10/01/2020 - 9/30/2021		Included with General Liability Coverage

KAYSVILLE CITY CORPORATION
Population Growth
Since 1970

Fiscal Year	Population	Change	Percentage Increase
**2021	33,104	(991)	
2020	34,095	832	2.50%
2019	33,263	811	2.50%
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%

Notes: ** Census year population 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 C

KAYSVILLE CITY CORPORATION
Miscellaneous Statistical Data
Last Ten Fiscal Years

Date of Incorporation:	March 15, 1868									
Form of Government:	Council - Manager									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Area in Square Miles	11	11	11	11	11	11	11	11	11	11
Miles of Streets	140	137	137	137	135	135	135	118	118	117
Fire Protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of full time	12	11	11	10	5	5	2	2	2	2
Number of PT/Volunteer firefighters	10	25	25	28	33	33	38	32	32	32
Police Protection:										
Number of sworn officers	32	31	28	28	27	26	25	23	23	20
Number of other employees	3	3	3	3	3	3	3	3	3	3
Parks and Recreation:										
Number of Parks	12	12	12	11	11	11	11	11	11	11
Number of Acres Available	373	373	373	370	370	370	370	370	370	370
Number of Acres Developed	159	159	159	137	137	137	137	137	137	137
Education:										
Number of high schools	1	1	1	1	1	1	1	1	1	1
Number of junior high schools	3	3	3	3	3	3	3	3	3	3
Number of elementaries	9	9	9	8	8	8	8	8	8	8
Public Utilities:										
Number of water customers	9,006	8,902	8,858	8,733	8,562	8,433	8,238	8,033	7,875	7,747
Annual water usage (gallons)	849,348,000	853,077,918	791,492,079	780,413,145	753,589,090	687,219,759	756,951,873	861,327,270	731,604,000	744,896,362
Miles of water Lines	164	162	160	157	155	145	124	138	138	143
Number of power customers	10,278	10,032	9,890	9,738	9,522	9,333	9,275	8,945	8,646	8,587
Annual kwh usage	156,122,050	147,174,222	148,487,431	149,581,186	146,859,559	140,574,780	138,681,528	138,670,161	136,008,060	133,466,016
Miles of power lines	163	161	158	157	155	147	147	145	140	232
Number of street lights	1043	1097	947	947	944	944	917	856	856	833
City Employees at June 30, 2021:										
Elected	6	6	6	6	6	6	6	6	6	6
Full-time	115	113	108	108	97	95	90	81	81	78
General Governmental	14	14	14	14	13	13	13	11	11	11
Police	35	34	31	31	30	29	28	26	26	23
Fire/ Ambulance	12	11	11	11	5	5	2	2	2	2
Community Development	8	8	8	8	8	8	8	8	8	8
Public Works	21	21	19	19	16	16	16	15	15	15
Parks & Cemetery	9	9	9	9	9	8	7	4	4	4
Electrical	16	16	16	16	16	16	16	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	30-35

COMPLIANCE SECTION



COMMITTED. EXPERIENCED. TRUSTED

**CERTIFIED PUBLIC
ACCOUNTANTS**

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA
MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
SHAWN F. MARTIN, CPA

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

Independent Auditor's Report

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, each major fund, and the aggregate remaining fund information of Kaysville City Corporation (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. 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 are required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2020-1.

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.

ABMC, LLC

December 20, 2021



COMMITTED. EXPERIENCED. TRUSTED

**CERTIFIED PUBLIC
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**REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE AS REQUIRED BY
THE UTAH STATE COMPLIANCE AUDIT GUIDE**

Independent Auditor's Report

Honorable Mayor and Members of the City Council
Kaysville City Corporation

Report on Compliance

We have audited Kaysville City Corporation's (the City) compliance with the 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, 2021.

State compliance requirements were tested as of and for the year ended June 30, 2021 in the following areas:

Budgetary Compliance
Fund Balance
Justice Courts
Open and Public Meetings Act
Fraud Risk Assessment

Enterprise Fund Transfers,
Reimbursements, Loans, and
Services
Restricted Taxes and Related Revenues

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 listed above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on General State Compliance Requirements

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, 2021.

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 and responses as item 2020-1. Our opinion on compliance is not modified with respect to this matter.

Management's Response to Findings

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.

HBMC, LLC

December 20, 2021

KAYSVILLE CITY CORPORATION, UTAH
Schedule of Findings and Responses
June 30, 2021

2020-1: Budgetary Compliance

Statement of Condition

During testing procedures, the auditors noted that for the year ended June 30, 2021, the following funds had actual expenditures that exceeded final appropriated expenditures:

<u>Fund</u>	<u>Department</u>	<u>Amount</u>
Municipal Building Authority	Capital outlay	\$1,344,804
	Debt Service	\$26,145

Criteria

Utah State Code 10-6-123, stipulates that City officers and employees may not make or incur expenditures in excess of total appropriations for any fund or department, in the budget as adopted or as subsequently amended.

Cause

These overages were a result of the City not amending the adopted budgets during the fiscal year.

Effect

By not amending each fund's adopted budgets during the fiscal year, the City is out of compliance with state law.

Recommendation

The City should monitor the status of expenditures as compared to the budget throughout the year and amend the budget as necessary to ensure compliance with Utah State Code.

Management's Response

The costs for the City Hall renovation project carried over into fiscal year 2021. Management failed to budget the carry over costs. The City will continue to monitor budgets closely and make necessary amendments as needed in accordance with State law.