



**Kaysville
City**

**KAYSVILLE CITY
STATE OF UTAH**

Settled in 1850

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**YEAR ENDED
JUNE 30, 2023**

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

Annual Comprehensive
Financial Report

Year Ended June 30, 2023

Mayor: Tamara Tran
Council Members: John Swan Adams
Mike Blackham
Abbigayle Hunt
Nate Jackson
Perry Oaks

City Manager: Jaysen Christensen

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

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INTRODUCTORY SECTION

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November 20, 2023

Mayor Tamara Tran
Members of the City Council
and Citizens of Kaysville City:

The Annual Comprehensive Financial Report (ACFR) of Kaysville City for the Fiscal Year 2023 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 Annual Comprehensive Financial Report is organized into four main sections:

1. The **Introductory Section** contains general information regarding the organization of the City and overall financial profile of the City including the Management Discussion & Analysis (MD&A). The MD&A is a summary of the changes in the City's financial position throughout the year.
2. The **Financial Section** includes the independent auditor's report, management's discussion and analysis, basic financial statements and required supplemental information. Also included are individual fund statements.
3. The **Statistical Section** presents several tables depicting the financial history of the City and demographic and other useful information. This information is presented to assist in obtaining an understanding of the City.
4. The **Compliance Section** includes additional financial statements if applicable, supplemental schedules, independent auditor's 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, LLC. has completed this year's independent audit. HBME, LLC. has also provided technical assistance in the preparation of this report. We appreciate the assistance they have provided. The aim of the audit involved



SETTLED IN 1850

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, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Kaysville City for its comprehensive annual financial report for the fiscal year ended June 30, 2022. This is the twenty ninth 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.



Jaysen Christensen
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 a current population estimated at approximately 34,279 residents. Kaysville experiences an average growth rate of 1.5% - 2%, 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 2.1%. 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.

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.

Road Fund – The road fund is used to account for the ongoing construction and maintenance of city roadways.

ARPA Fund – The ARPA fund is used to account for the expenditures related to the American Rescue Plan Act (ARPA) grant funding.

RAMP Fund – The RAMP fund is used to account for the revenue and expenditures related to the voter approved sales tax for recreation, arts, museum and parks. This is a new fund created as of July 1, 2022. In the previous year, all activity was reported in the general fund.

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:

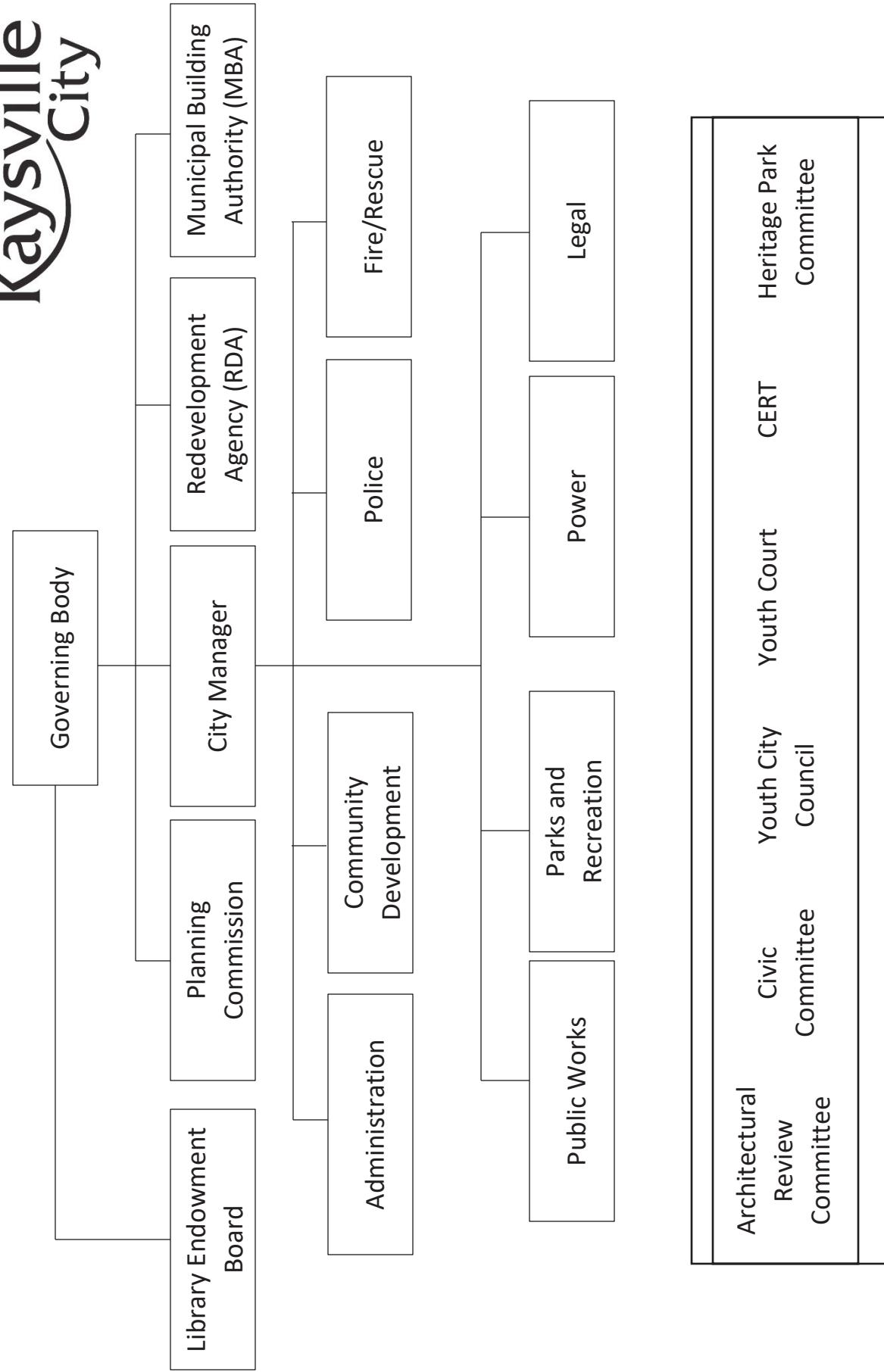
| <u>Description</u> | <u>Fund Type</u> |
|------------------------------|-----------------------|
| General Fund | General Fund |
| Capital Projects Fund | Capital Projects Fund |
| Debt Service Fund | Debt Service Fund |
| Municipal Building Authority | Special Revenue Fund |
| Redevelopment Agency | Special Revenue Fund |
| Road Fund | Special Revenue Fund |
| ARPA | Special Revenue Fund |
| RAMP | 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 |
| 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. Management believes that the City's internal controls are presently accomplishing the objective in all material respects. However, because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable assurance, rather than absolute assurance, that the financial statements are free of any material misstatements. Further discussion of accounting matters may be found in the "Notes to Basic Financial Statements".

Requests for Information

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





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Kaysville City
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

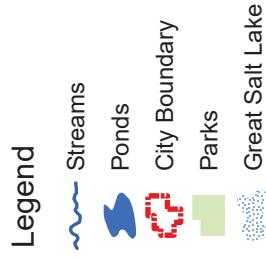
June 30, 2022

Christopher P. Monell

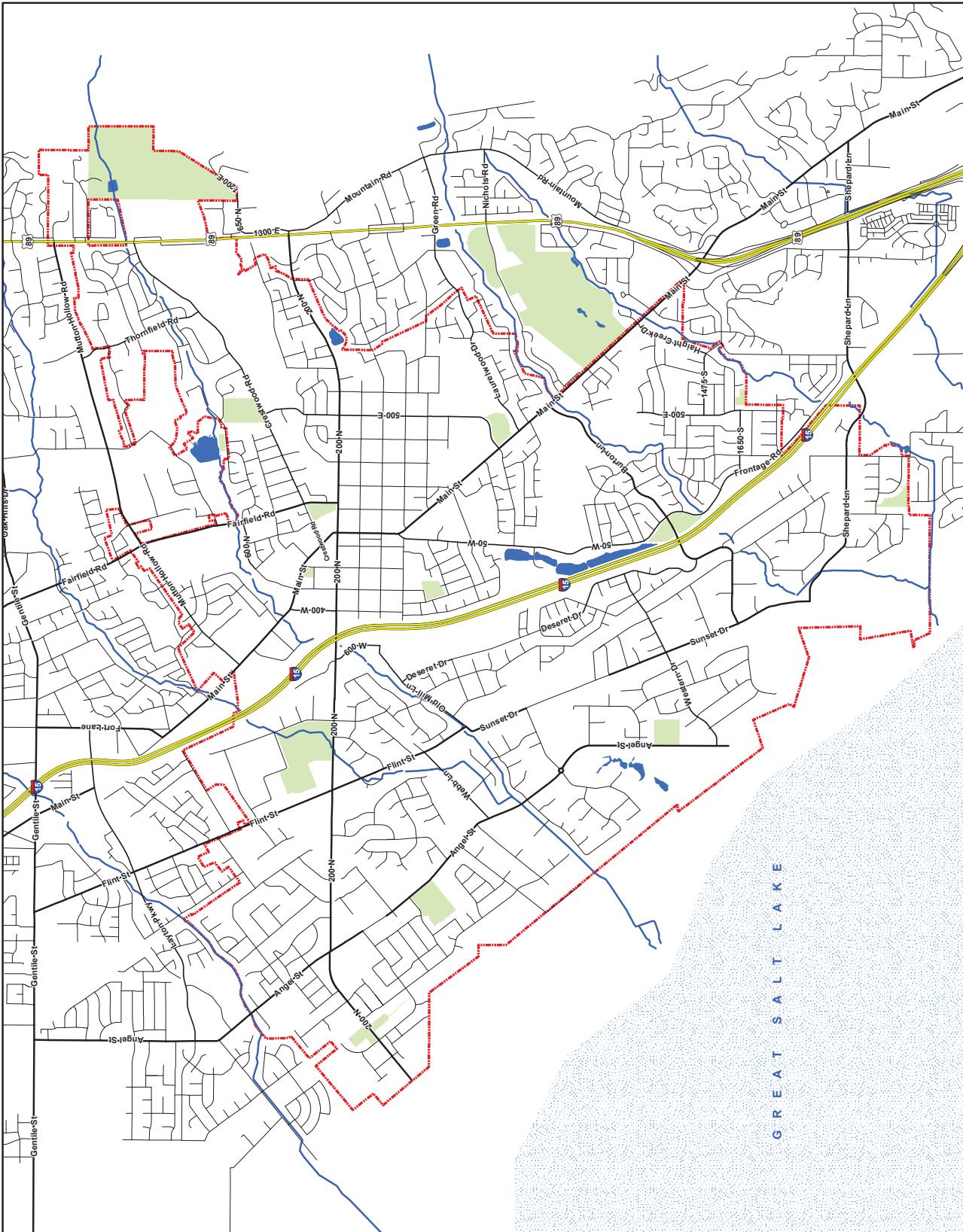
Executive Director/CEO

Kaysville City GIS

Base Map



1 inch = 2,500 feet



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FINANCIAL SECTION

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COMMITTED. EXPERIENCED. TRUSTED.

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA

SHAWN F. MARTIN, CPA
MONTANA T. HADLEY, CPA
NATHAN E. ERICKSON, EA

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 accompanying 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, 2023, 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, 2023, 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.

FOUNDERS

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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, ARPA grant, and road projects 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 Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 20, 2023 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

November 20, 2023

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MANAGEMENT DISCUSSION AND ANALYSIS

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KAYSVILLE CITY CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023

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, 2023. 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 \$13,331,441 or 7.42% over the prior year. Net position of governmental activities increased by \$13,525,762 or 12.9%. Net position of business-type activities decreased by \$194,321 or 0.25%.
 - 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 \$192,780,206, \$144,371,508 (74.88%) includes net investment in capital assets; \$19,594,353 (10.16%) in restricted uses and \$28,814,345 (14.95%) in unrestricted uses and is available to meet City obligations.
 - The City's restricted net position increased by \$6,979,711 from last year, due mainly to an increase in restricted development impact fees and ARPA and road fund restrictions.
 - The City's unrestricted net position decreased by \$3,388,968 from the prior year primarily due to business-type investment in capital assets and power purchases.
 - Overall, the City's long-term liabilities decreased, excluding net pension liability, by \$682,701 over the prior year, due to scheduled debt payments. As of June 30, 2023, long-term liabilities for governmental and business-type activities were \$7,986,847 and \$363,211 respectively.

Fund Level

- The fund balances in governmental funds increased by \$6,557,333 from \$23,259,494 to \$29,816,827 for the fiscal year. Most of this increase is the result of funding provided for city road projects.
- The proprietary funds had a slight decrease of \$194,321 due to an increase in operating expenses during the year.

KAYSVILLE CITY CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2023

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 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 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 the 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 are comprised of its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenses. All 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 Ended June 30, 2023

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 ten individual governmental funds. Information is presented separately in the governmental fund statements for the general fund, the capital projects fund, the RDA fund (blended component unit), and the MBA fund (blended component unit), the RAMP fund, and the road fund, which are considered to be a 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 includes the debt service fund, ARPA 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, sewer, pressure irrigation, and sanitation funds).

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains six 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 Required Supplementary Information (RSI). Major proprietary funds include the water fund, the electric fund, and the storm water 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 Ended June 30, 2023

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, the MBA fund, RAMP fund, and the road projects 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, which are presented immediately after the notes to the RSI. Also included are the budget comparison statements for the nonmajor funds.

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 \$13,331,441 (7.42%). This indicates that the City's overall financial condition improved over the prior year. The unrestricted net position, which is available for ongoing obligations, decreased by \$3,388,968. Overall, liabilities current and non-current increased by \$2,830,154.

| KAYSVILLE CITY CITY NET POSITION | | | | | |
|---|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|
| | Governmental Activities | | Business-type Activities | | Total |
| | 2023 | 2022 | 2023 | 2022 | 2023 |
| Current and other assets | | | | | |
| Capital assets, net | \$ 39,275,189 | \$ 30,901,614 | \$ 22,069,132 | \$ 25,404,005 | \$ 61,344,321 |
| Net pension asset | 95,738,001 | 90,107,116 | 55,945,528 | 52,385,553 | 151,683,529 |
| | 224,731 | 2,546,716 | - | 992,156 | 224,731 |
| Total assets | 135,237,921 | 123,555,446 | 78,014,660 | 78,781,714 | 213,252,581 |
| Total deferred outflows of resources | 1,905,590 | 1,448,116 | 646,215 | 436,578 | 2,551,805 |
| Current liabilities | 4,010,464 | 3,207,601 | 2,949,555 | 2,403,931 | 6,960,019 |
| Noncurrent liabilities | 9,796,243 | 8,762,004 | 718,183 | 270,755 | 10,514,426 |
| Total liabilities | 13,806,707 | 11,969,605 | 3,667,738 | 2,674,686 | 17,474,445 |
| Total deferred inflows of resources | 5,544,380 | 8,767,295 | 5,355 | 1,361,503 | 5,549,735 |
| Net investment in capital assets | 88,425,980 | 82,245,257 | 55,945,528 | 52,385,553 | 144,371,508 |
| Restricted | 15,500,575 | 8,816,743 | 4,093,778 | 3,797,899 | 19,594,353 |
| Unrestricted | 13,865,869 | 13,204,662 | 14,948,476 | 18,998,651 | 28,814,345 |
| Total net position | \$ 117,792,424 | \$ 104,266,662 | \$ 74,987,782 | \$ 75,182,103 | \$ 192,780,206 |
| | | | | | \$ 179,448,765 |

KAYSVILLE CITY CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2023

Net Position (Continued)

By far, the largest portion of the City's net position of \$144,371,508 (74.88%), reflects its net 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 of \$19,594,353 (10.16%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$28,814,345 (14.95%) 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 \$13,331,441. The reasons for this increase are discussed in the following sections for governmental activities and business-type activities.

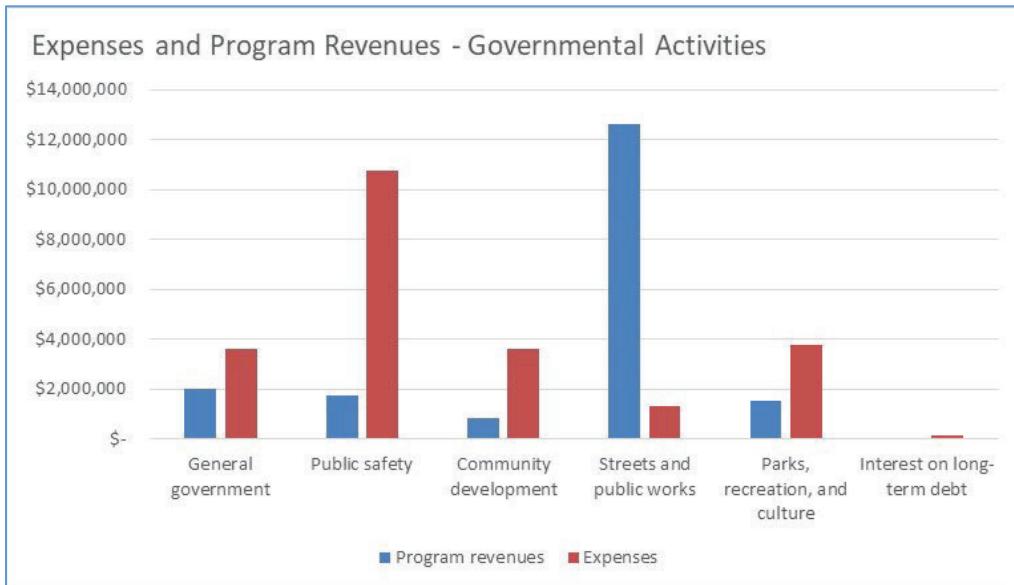
Governmental and Business-Type Activities

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$13,525,762 from the prior fiscal year for an ending balance of \$117,792,424 as of June 30, 2023. The increase is primarily due to funds received for major road projects.

Business-type Activities. For the City's business-type activities, net position decreased from \$75,182,103 to \$74,987,782. This is due to the increase in operating expenses. The City will continue to monitor rates and assess the need for rate adjustments.

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. 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 Ended June 30, 2023



Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|----------------|--------------------------|---------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 6,628,004 | \$ 6,831,786 | \$ 31,247,768 | \$ 29,015,880 | \$ 37,875,772 | \$ 35,847,666 |
| Operating grants and contributions | 225,822 | 430,002 | - | - | 225,822 | 430,002 |
| Capital grants and contributions | 11,897,196 | 71,551,127 | 1,542,116 | 3,156,232 | 13,439,312 | 74,707,359 |
| General Revenues: | | | | | | |
| Property taxes | 4,740,071 | 4,735,065 | - | - | 4,740,071 | 4,735,065 |
| Sales and use taxes | 7,755,116 | 7,555,446 | - | - | 7,755,116 | 7,555,446 |
| Other taxes | 3,919,044 | 3,244,112 | - | - | 3,919,044 | 3,244,112 |
| Other | 1,178,876 | 1,108,193 | 789,208 | 846,493 | 1,968,084 | 1,954,686 |
| Total revenues | 36,344,129 | 95,455,731 | 33,579,092 | 33,018,605 | 69,923,221 | 128,474,336 |
| Expenses | | | | | | |
| General government | 3,614,898 | 3,273,057 | - | - | 3,614,898 | 3,273,057 |
| Public safety | 10,750,585 | 8,898,749 | - | - | 10,750,585 | 8,898,749 |
| Community development | 3,639,288 | 906,871 | - | - | 3,639,288 | 906,871 |
| Streets and public works | 1,319,398 | 4,511,879 | - | - | 1,319,398 | 4,511,879 |
| Parks, recreation, and culture | 3,754,035 | 3,004,995 | - | - | 3,754,035 | 3,004,995 |
| Interest on long-term debt | 152,815 | 174,335 | - | - | - | 174,335 |
| Water | - | - | 3,617,720 | 3,360,773 | 3,617,720 | 3,360,773 |
| Electric | - | - | 20,973,427 | 17,010,050 | 20,973,427 | 17,010,050 |
| Storm water | - | - | 2,004,543 | 1,553,978 | 2,004,543 | 1,553,978 |
| Road | - | - | - | 63,640,648 | - | 63,640,648 |
| Ambulance | - | - | - | 200,091 | - | 200,091 |
| Sewer | - | - | 2,780,000 | 2,690,713 | 2,780,000 | 2,690,713 |
| Pressure irrigation | - | - | 1,517,384 | 1,333,155 | 1,517,384 | 1,333,155 |
| Sanitation | - | - | 2,467,687 | 2,330,173 | 2,467,687 | 2,330,173 |
| Total Expenses | 23,231,019 | 20,769,886 | 33,360,761 | 92,119,581 | 56,438,965 | 112,889,467 |
| Increase (decrease) in net position before transfers | 13,113,110 | 74,685,845 | 218,331 | (59,100,976) | 13,331,441 | 15,584,869 |
| Transfers | 412,652 | 1,752,324 | (412,652) | (1,752,324) | - | - |
| Increase (decrease) in net position | 13,525,762 | 76,438,169 | (194,321) | (60,853,300) | 13,331,441 | 15,584,869 |
| Net position, beginning | 104,266,662 | 27,828,493 | 75,182,103 | 136,035,403 | 179,448,765 | 163,863,896 |
| Net position, ending | \$ 117,792,424 | \$ 104,266,662 | \$ 74,987,782 | \$ 75,182,103 | \$ 192,780,206 | \$ 179,448,765 |

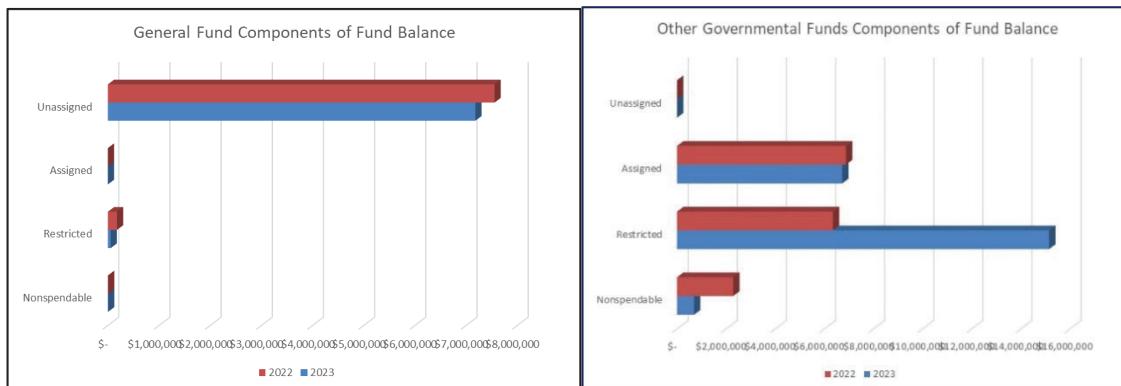
KAYSVILLE CITY CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2023

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, 2023, the City's governmental funds reported combined fund balances of \$29,816,827. Approximately 24% of this amount (\$7,180,872) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, or assigned to indicate that it is 1) not in spendable form (\$2,409,426), 2) restricted for particular purposes (\$13,497,883, or 3) assigned for particular purposes (\$6,728,646).



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 \$7,180,872. The total fund balance for the general fund decreased \$351,919, excluding \$146,440 of fund balance that was transferred to the newly created RAMP fund. 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 \$139,751, for a total fund balance of \$951,557, 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

KAYSVILLE CITY CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2023

City Hall, with a \$340,000 annual lease payment. The MBA is considered a blended component unit of the City.

The MBA fund balance increased \$55,145 during the current fiscal year, for a total fund balance of \$532,917, all of which is restricted for MBA purposes.

The Debt Service Fund is used to account for the debt service payments of three equipment purchase agreements (a fire truck, an ambulance, and a wide-area mower) and the series 2017 sales tax revenue bonds, issued to for the construction of Pioneer Park. During the fiscal year, expenditures totaled \$467,385.

The Capital Projects Fund is used to account for major capital projects of the City. Each year, the City transfers \$210,000, 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 2023, the fund expended \$444,484 for improvements to the Operations Center.

The ARPA Fund is used to account for revenues and expenditures associated with the American Rescue Plan Act. The City has identified eligible projects and the majority of the funds will be used for infrastructure improvements and public safety operations. During the fiscal year, \$289,642 was spent.

The ROAD Fund is used for street improvement projects. The source of revenues includes, active transportation funds, Class C funds and a road utility fee. During the fiscal year, the City also received intergovernmental revenues for a major connector road project, related to the West Davis Corridor. Total expenditures for the year was \$6,742,208.

The RAMP Fund is used to account for revenues and expenditures related to the voter approved recreation and parks sales tax. An advisory board recommends projects each year for the expenditure of these funds. During fiscal year 2023, \$276,558 was expended.

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, 2023, the fund's balance is \$2,309,862, an increase of \$31,930 over the prior year.
- Private donors, 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, 2023, totaled \$727,503, an increase of \$5,170. 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.

KAYSVILLE CITY CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2023

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.

Operating revenues for all proprietary funds totaled \$30,842,096. This is an increase of 8.2% from the prior year of \$28,502,992. Operating expenses totaled \$33,360,761. This is an increase of \$5,081,919 (17.97%) over the prior year. 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.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget

During the year, there were minor amendments to increase either the original estimated revenues or original budgeted appropriations. There was a need to make an amendment to reallocate appropriations among departments, when it became clear which departments would actually be charged for certain expenses. Generally, the movement of the appropriations between departments was not significant.

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, 2023, is \$151,683,529 (net of accumulated depreciation). This is a net increase of \$9,190,860.

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land | \$ 28,803,710 | \$ 28,803,710 | \$ 1,140,723 | \$ 1,140,723 | \$ 29,944,433 | \$ 29,944,433 |
| Construction in Progress | 6,797,043 | 372,935 | 1,194,485 | 84,008 | 7,991,528 | 456,943 |
| Water Shares | - | - | 4,933,490 | 4,792,490 | 4,933,490 | 4,792,490 |
| Buildings and improvements | 18,587,313 | 18,842,835 | 1,379,027 | 999,123 | 19,966,340 | 19,841,958 |
| Infrastructure | 36,607,321 | 38,340,596 | 45,632,397 | 44,650,064 | 82,239,718 | 82,990,660 |
| Automobiles, machinery and equipment | 4,942,614 | 3,747,040 | 1,665,406 | 719,145 | 6,608,020 | 4,466,185 |
| Total capital assets | <u>\$ 95,738,001</u> | <u>\$ 90,107,116</u> | <u>\$ 55,945,528</u> | <u>\$ 52,385,553</u> | <u>\$ 151,683,529</u> | <u>\$ 142,492,669</u> |

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

KAYSVILLE CITY CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2023

Long-Term Debt: Bonds and Notes Payable

Overall, the City had a net decrease in long-term liabilities, excluding compensated absences and net pension liability, in the amount of \$1,016,253. 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 | |
|-------------------------------|-------------------------|--------------|--------------------------|------|--------------|--------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Sales Tax Revenue Bonds | \$ 402,000 | \$ 595,000 | \$ - | \$ - | \$ 402,000 | \$ 595,000 |
| MBA Lease Revenue Bonds | 6,120,000 | 6,698,000 | - | - | 6,120,000 | 6,698,000 |
| Notes payable | 323,606 | 568,859 | - | - | 323,606 | 568,859 |
| Total bonds and notes payable | \$ 6,845,606 | \$ 7,861,859 | \$ - | \$ - | \$ 6,845,606 | \$ 7,861,859 |

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

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 2023 to 2.1%, unemployment remains well below the national average. Sales tax revenues have continued to experience 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

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KAYSVILLE CITY CORPORATION, UTAH
Statement of Net Position
June 30, 2023

| | Governmental Activities | Business-type Activities | Total |
|---|------------------------------------|-------------------------------------|-----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 4,475,457 | \$ 13,710,738 | \$ 18,186,195 |
| Restricted assets - cash and cash equivalents | 15,309,200 | 4,093,778 | 19,402,978 |
| Investments | 10,404,838 | - | 10,404,838 |
| Restricted assets - Investments | 140,741 | - | 140,741 |
| Receivables (net of allowance for uncollectibles) | 8,047,793 | 2,560,204 | 10,607,997 |
| Intergovernmental receivable | 810,772 | - | 810,772 |
| Internal balances | 80,888 | (80,888) | - |
| Inventories | - | 1,785,300 | 1,785,300 |
| Prepays | 5,500 | - | 5,500 |
| Capital assets not being depreciated | 35,600,753 | 7,268,698 | 42,869,451 |
| Capital assets, net of accumulated depreciation | 60,137,248 | 48,676,830 | 108,814,078 |
| Net pension asset | 224,731 | - | 224,731 |
| Total assets | <u>135,237,921</u> | <u>78,014,660</u> | <u>213,252,581</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related | <u>1,905,590</u> | <u>646,215</u> | <u>2,551,805</u> |
| LIABILITIES | | | |
| Accounts payable | 1,788,643 | 2,772,578 | 4,561,221 |
| Accrued liabilities | 564,053 | - | 564,053 |
| Developer and other deposits payable | 1,612,911 | 176,977 | 1,789,888 |
| Accrued interest payable | 19,386 | - | 19,386 |
| Unearned revenues - recreation donation | 25,471 | - | 25,471 |
| Noncurrent liabilities: | | | |
| Due within one year: | | | |
| Bonds, notes, compensated absences | 1,951,645 | 290,569 | 2,242,214 |
| Due In more than one year: | | | |
| Bonds, notes, compensated absences | 6,035,202 | 72,642 | 6,107,844 |
| Net pension liability actuarially funded | <u>1,809,396</u> | <u>354,972</u> | <u>2,164,368</u> |
| Total liabilities | <u>13,806,707</u> | <u>3,667,738</u> | <u>17,474,445</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property tax related | 5,467,284 | - | 5,467,284 |
| Pension related | <u>77,096</u> | <u>5,355</u> | <u>82,451</u> |
| Total deferred inflows of resources | <u>5,544,380</u> | <u>5,355</u> | <u>5,549,735</u> |
| NET POSITION | | | |
| Net investment in capital assets | 88,425,980 | 55,945,528 | 144,371,508 |
| Restricted for: | | | |
| Park impact fees | 1,188,981 | - | 1,188,981 |
| Fire impact fees | 373,982 | - | 373,982 |
| Public safety impact fees | 268,550 | - | 268,550 |
| Road impact fees | 35,449 | - | 35,449 |
| Power impact fees | - | 2,741,268 | 2,741,268 |
| Water impact fees | - | 1,352,510 | 1,352,510 |
| Debt service | 532,917 | - | 532,917 |
| Road projects | 10,008,249 | - | 10,008,249 |
| Beer tax reserves | 55,082 | - | 55,082 |
| Perpetual cemetery: | | | |
| Expendable | 598,077 | - | 598,077 |
| Nonexpendable | 1,711,785 | - | 1,711,785 |
| Library endowment: | | | |
| Expendable | 35,362 | - | 35,362 |
| Nonexpendable | 692,141 | - | 692,141 |
| Unrestricted | <u>13,865,869</u> | <u>14,948,476</u> | <u>28,814,345</u> |
| Total net position | <u>\$ 117,792,424</u> | <u>\$ 74,987,782</u> | <u>\$ 192,780,206</u> |

KAYSVILLE CITY CORPORATION, UTAH
Statement of Activities
For the Year Ended June 30, 2023

| Expenses | Program Revenues | | | | Net (Expense) Revenues and Changes in Net Position | | |
|--|----------------------------|-----------------------------|--|--|---|-----------------------|--------------------|
| | Charges for Services | | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Total |
| | Governmental Activities | Business-type Activities | Governmental Activities | Business-type Activities | | | |
| Governmental activities | | | | | | | |
| General government | \$ 3,614,898 | \$ 1,951,630 | \$ 63,505 | \$ 152,071 | \$ (1,599,763) | \$ (8,999,941) | \$ (1,599,763) |
| Public safety | 10,750,585 | 1,436,256 | 162,317 | - | (2,798,222) | - | (2,798,222) |
| Community development | 3,639,288 | 841,066 | - | 11,395,235 | 11,301,510 | - | 11,301,510 |
| Streets and public works | 1,319,398 | 1,225,673 | - | 349,890 | (2,230,766) | - | (2,230,766) |
| Parks, recreation, and culture | 3,754,035 | 1,173,379 | - | - | (152,815) | - | (152,815) |
| Interest on long-term debt | 152,815 | - | - | - | - | - | - |
| Total governmental activities | 23,231,019 | 6,628,004 | 225,822 | 11,897,196 | (4,479,997) | - | (4,479,997) |
| Business-type activities | | | | | | | |
| Water | 3,617,720 | 3,603,584 | - | 552,186 | - | 538,050 | 538,050 |
| Electric | 20,973,427 | 19,578,721 | - | 491,702 | - | (903,004) | (903,004) |
| Storm water | 2,004,543 | 1,258,207 | - | 498,228 | - | (248,108) | (248,108) |
| Sewer | 2,780,000 | 2,775,909 | - | - | - | (4,091) | (4,091) |
| Pressure irrigation | 1,517,384 | 1,477,720 | - | - | - | (39,664) | (39,664) |
| Sanitation | 2,467,687 | 2,553,627 | - | - | - | 85,940 | 85,940 |
| Total business-type activities | 33,360,761 | 31,247,768 | - | 1,542,116 | - | (570,877) | (570,877) |
| General revenue and transfers | | | | | | | |
| General Revenues: | | | | | | | |
| Property tax | | | | 4,740,071 | - | 4,740,071 | |
| Sales and use tax | | | | 7,755,116 | - | 7,755,116 | |
| Energy tax | | | | 1,872,916 | - | 1,872,916 | |
| Telecommunications tax | | | | 555,862 | - | 555,862 | |
| Parks and recreation (RAMP) tax | | | | 523,811 | - | 523,811 | |
| Vehicle and transportation taxes | | | | 966,455 | - | 966,455 | |
| Interest and investment earnings | | | | 872,359 | 464,934 | 1,337,293 | |
| Payment in lieu of taxes | | | | 22,337 | - | 22,337 | |
| Gain on sale of assets | | | | 139,361 | 278,628 | 417,989 | |
| Miscellaneous | | | | 144,819 | 45,646 | 190,465 | |
| Transfers | | | | 412,652 | (412,652) | - | - |
| Total general revenue and transfers | 18,005,759 | - | - | 376,556 | - | 18,382,315 | - |
| Change in net position | | | | 13,525,762 | (194,321) | 13,331,441 | |
| Net position - beginning | | | | 104,266,662 | 75,182,103 | 179,448,765 | |
| Net position - ending | | | | \$ 117,792,424 | \$ 74,987,782 | \$ 192,780,206 | |

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

KAYSVILLE CITY CORPORATION, UTAH
Balance Sheet – Governmental Funds
June 30, 2023

| | General Fund | Capital Projects | Redevelopment Agency | Special Revenue | | | Total Nonmajor Funds | Total Governmental Funds |
|---|---------------|------------------|----------------------|------------------------------|------------|---------------|----------------------|--------------------------|
| | | | | Municipal Building Authority | RAMP | Road | | |
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ - | \$ 1,589,690 | \$ 951,557 | \$ - | \$ - | \$ - | \$ 1,934,210 | \$ 4,475,457 |
| Cash and cash equivalents, restricted | \$ 55,082 | \$ 1,831,513 | \$ - | \$ 532,917 | \$ 378,892 | \$ 9,610,874 | \$ 2,899,922 | \$ 15,309,200 |
| Investments | 10,404,838 | - | - | - | - | - | - | 10,404,838 |
| Investments, restricted | - | - | - | - | - | - | 140,741 | 140,741 |
| Receivables (net of allowance for uncollectibles): | | | | | | | | |
| Property tax | 5,503,191 | - | - | - | - | - | - | 5,503,191 |
| Sales and use tax | 1,400,595 | - | - | - | - | 473,515 | - | 1,874,110 |
| Energy tax | 31,155 | - | - | - | - | - | - | 31,155 |
| Telecommunications tax | 109,365 | - | - | - | - | - | - | 109,365 |
| Parks and recreation (RAMP tax) | - | - | - | - | 104,956 | - | - | 104,956 |
| Accounts | 257,102 | - | - | - | - | 167,914 | - | 425,016 |
| Intergovernmental receivable | - | - | - | - | - | 810,772 | - | 810,772 |
| Prepaid items | 5,500 | - | - | - | - | - | - | 5,500 |
| Due from other funds | 80,888 | - | - | - | - | - | 2,470,437 | 2,551,325 |
| Total assets | \$ 17,847,716 | \$ 3,421,203 | \$ 951,557 | \$ 532,917 | \$ 483,848 | \$ 11,063,075 | \$ 7,445,310 | \$ 41,745,626 |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ 491,577 | \$ 191,777 | \$ - | \$ - | \$ 82,614 | \$ 1,019,377 | \$ 3,298 | \$ 1,788,643 |
| Developer and other deposits payable | \$ 1,612,911 | - | - | - | - | - | - | 1,612,911 |
| Deferred revenue - restricted donation | - | 25,471 | - | - | - | - | - | 25,471 |
| Accrued liabilities | 564,053 | - | - | - | - | - | - | 564,053 |
| Due to other funds | 2,470,437 | - | - | - | - | - | - | 2,470,437 |
| Total liabilities | 5,138,978 | 217,248 | - | - | 82,614 | 1,019,377 | 3,298 | 6,461,515 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable revenue-property taxes | 5,467,284 | - | - | - | - | - | - | 5,467,284 |
| FUND BALANCES | | | | | | | | |
| Non-Spendable: | | | | | | | | |
| Library Endowment | - | - | - | - | - | - | 692,141 | 692,141 |
| Cemetery perpetual care | - | - | - | - | - | - | 1,711,785 | 1,711,785 |
| Prepaid items | 5,500 | - | - | - | - | - | - | 5,500 |
| Restricted: | | | | | | | | |
| Park impact fees | - | 1,188,981 | - | - | - | - | - | 1,188,981 |
| Police impact fees | - | 268,550 | - | - | - | - | - | 268,550 |
| Fire impact fees | - | 373,982 | - | - | - | - | - | 373,982 |
| Road impact fees | - | - | - | - | - | 35,449 | - | 35,449 |
| Library purposes | - | - | - | - | - | - | 35,362 | 35,362 |
| Cemetery perpetual care | - | - | - | - | - | - | 598,077 | 598,077 |
| Beer tax funds | 55,082 | - | - | - | - | - | - | 55,082 |
| Road projects | - | - | - | - | - | 10,008,249 | - | 10,008,249 |
| RAMP projects | - | - | - | - | 401,234 | - | - | 401,234 |
| Debt service | - | - | - | 532,917 | - | - | - | 532,917 |
| Assigned: | | | | | | | | |
| Capital projects | - | 1,372,442 | - | - | - | - | 4,309,175 | 5,681,617 |
| Redevelopment | - | - | 951,557 | - | - | - | - | 951,557 |
| Debt Service | - | - | - | - | - | - | 95,472 | 95,472 |
| Unassigned | 7,180,872 | - | - | - | - | - | - | 7,180,872 |
| Total fund balances | 7,241,454 | 3,203,955 | 951,557 | 532,917 | 401,234 | 10,043,698 | 7,442,012 | 29,816,827 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 17,847,716 | \$ 3,421,203 | \$ 951,557 | \$ 532,917 | \$ 483,848 | \$ 11,063,075 | \$ 7,445,310 | \$ 41,745,626 |

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

KAYSVILLE CITY CORPORATION, UTAH
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Position
June 30, 2023

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

| | |
|--|---------------|
| Total fund balances - governmental funds | \$ 29,816,827 |
|--|---------------|

Capital assets of \$153,754,806, net of accumulated depreciation of \$58,016,805, used in governmental activities are not financial resources and, therefore, are not reported in the funds.

| | |
|---|---------------|
| Land | \$ 28,803,710 |
| Construction in progress | 6,797,043 |
| Infrastructure, net | 36,607,321 |
| Buildings and improvements, net | 18,587,313 |
| Automobiles, machinery and equipment, net | 4,942,614 |
| | 95,738,001 |

Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (URS pension) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position. In addition, the net pension asset is not available to pay for current period expenditures and, therefore, are not reported in the funds.

| | |
|---|-------------|
| Net pension asset | 224,731 |
| Net pension liability | (1,809,396) |
| Deferred outflows of resources, pension related | 1,905,590 |
| Deferred inflows of resources, pension related | (77,096) |
| | 243,829 |

Long term liabilities that pertain to governmental funds, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities.

| | |
|--|----------------|
| Sales tax revenue bonds payable | (402,000) |
| MBA lease revenue bonds payable | (6,120,000) |
| Notes payable | (323,606) |
| Compensated absences | (1,141,241) |
| Accrued interest payable on long-term debt | (19,386) |
| | (8,006,233) |
| Net position of governmental activities | \$ 117,792,424 |

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

KAYSVILLE CITY CORPORATION, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2023

| | General Fund | Capital Projects | Special Revenue | | | | Total Nonmajor Funds | Total Governmental Funds |
|---|--------------|------------------|----------------------|------------------------------|------------|---------------|----------------------|--------------------------|
| | | | Redevelopment Agency | Municipal Building Authority | RAMP | Road | | |
| REVENUES | | | | | | | | |
| Property tax | \$ 4,612,906 | \$ - | \$ 127,165 | \$ - | \$ - | \$ - | \$ - | \$ 4,740,071 |
| Sales and use tax | 7,755,116 | - | - | - | - | - | - | 7,755,116 |
| Energy tax | 1,872,916 | - | - | - | - | - | - | 1,872,916 |
| Telecommunications tax | 555,862 | - | - | - | - | - | - | 555,862 |
| Parks and recreation (RAMP) tax | - | - | - | - | 523,811 | - | - | 523,811 |
| Other taxes | 256,360 | - | - | - | - | 710,095 | - | 966,455 |
| Licenses and permits | 602,806 | - | - | - | - | - | - | 602,806 |
| Intergovernmental | 223,597 | - | - | - | - | 10,916,934 | - | 11,140,531 |
| Charges for services | 3,775,495 | - | - | - | - | 1,180,885 | 112,430 | 5,068,810 |
| Fines and forfeitures | 218,320 | - | - | - | - | - | - | 218,320 |
| Lease and rent revenue | 30,068 | - | - | 708,000 | - | - | - | 738,068 |
| Investment earnings, net | 427,954 | 66,323 | 21,537 | 24,595 | 7,541 | 138,888 | 185,521 | 872,359 |
| Special assessments - impact fees | - | 501,511 | - | - | - | 478,301 | - | 979,812 |
| Payments in lieu of taxes | 22,337 | - | - | - | - | - | - | 22,337 |
| Donations | 2,675 | - | - | - | - | - | - | 2,675 |
| Miscellaneous | 113,474 | - | - | 30,683 | - | 662 | - | 144,819 |
| Total revenues | 20,469,886 | 567,834 | 148,702 | 763,278 | 531,352 | 13,425,765 | 297,951 | 36,204,768 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | 3,378,788 | - | - | - | - | - | - | 3,378,788 |
| Public safety | 10,075,054 | - | - | - | - | - | 125,374 | 10,200,428 |
| Community development | 1,104,288 | - | 8,951 | 10 | - | - | - | 1,113,249 |
| Streets and public works | 1,069,907 | - | - | - | - | 262,730 | 7,088 | 1,339,725 |
| Parks, recreation and culture | 3,306,237 | - | - | - | 17,488 | - | 20,000 | 3,343,725 |
| Debt Service: | | | | | | | | |
| Principal | - | - | - | 578,000 | - | - | 438,253 | 1,016,253 |
| Interest and fiscal charges | - | - | - | 130,123 | - | - | 29,132 | 159,255 |
| Capital outlay | 2,197,904 | 444,484 | - | - | 259,070 | 6,479,478 | 295,949 | 9,676,885 |
| Total expenditures | 21,132,178 | 444,484 | 8,951 | 708,133 | 276,558 | 6,742,208 | 915,796 | 30,228,308 |
| Excess (deficiency) of revenues over expenditures | (662,292) | 123,350 | 139,751 | 55,145 | 254,794 | 6,683,557 | (617,845) | 5,976,460 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | 412,652 | - | - | - | - | - | 473,850 | 886,502 |
| Transfers out | (263,850) | (210,000) | - | - | - | - | - | (473,850) |
| Sale of general capital assets | 161,571 | - | - | - | - | 6,650 | - | 168,221 |
| Total other financing sources (uses) | 310,373 | (210,000) | - | - | - | 6,650 | 473,850 | 580,873 |
| Net change in fund balances | (351,919) | (86,650) | 139,751 | 55,145 | 254,794 | 6,690,207 | (143,995) | 6,557,333 |
| Fund balances, beginning | 7,593,373 | 3,290,605 | 811,806 | 477,772 | 146,440 | 3,353,491 | 7,586,007 | 23,259,494 |
| Fund balances, ending | \$ 7,241,454 | \$ 3,203,955 | \$ 951,557 | \$ 532,917 | \$ 401,234 | \$ 10,043,698 | \$ 7,442,012 | \$ 29,816,827 |

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

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, 2023**

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

| | |
|--|--------------|
| Net change in fund balances - governmental funds | \$ 6,557,333 |
|--|--------------|

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's estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

| | |
|----------------------|--------------------|
| Capital outlay | \$ 9,676,885 |
| Depreciation expense | <u>(4,017,140)</u> |
| | 5,659,745 |

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

| | |
|----------------------------|----------------|
| Proceeds | (168,221) |
| Gain on disposal of assets | <u>139,361</u> |
| | (28,860) |

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but repayment reduces long term liabilities in the statement of net position. In addition, the change in accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.

| | |
|-------------------------|----------------|
| Principal paid on bonds | 771,000 |
| Principal paid on notes | <u>245,253</u> |
| | 1,016,253 |

| | |
|------------------------------------|-------|
| Accrued interest on long-term debt | 6,440 |
|------------------------------------|-------|

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 | (241,096) |
| Changes in pension liabilities and related deferred outflows and inflows of resources | <u>555,947</u> |
| | 314,851 |
| Change in net position of governmental activities | <u>\$ 13,525,762</u> |

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

KAYSVILLE CITY CORPORATION, UTAH
Statement of Net Position – Proprietary Funds
June 30, 2023

| | Business-type Activities - Enterprise Funds | | | | |
|---|--|----------------------|------------------------|---------------------------|----------------------|
| | | | | | Total |
| | Water | Electric | Storm Water | Nonmajor Funds | Total |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 2,113,164 | \$ 7,071,744 | \$ 1,829,299 | \$ 2,696,531 | \$ 13,710,738 |
| Cash and cash equivalents, restricted | 1,352,510 | 2,741,268 | - | - | 4,093,778 |
| Accounts receivable, net | | | | | |
| Utility customers | 284,210 | 1,343,638 | 108,454 | 624,267 | 2,360,569 |
| Taxes | - | 80,888 | - | - | 80,888 |
| Other | 980 | 117,767 | - | - | 118,747 |
| Inventories | 208,500 | 1,576,800 | - | - | 1,785,300 |
| Total current assets | 3,959,364 | 12,932,105 | 1,937,753 | 3,320,798 | 22,150,020 |
| Noncurrent assets: | | | | | |
| Net pension asset | - | - | - | - | - |
| Capital assets: | | | | | |
| Land | 120,094 | 1,004,307 | - | 16,322 | 1,140,723 |
| Water shares | 1,211,640 | - | - | 3,721,850 | 4,933,490 |
| Construction in progress | 729,982 | 464,503 | - | - | 1,194,485 |
| Buildings and improvements | 1,065,395 | 733,344 | 94,700 | 41,289 | 1,934,728 |
| Infrastructure | 30,519,727 | 30,996,043 | 25,223,934 | - | 86,739,704 |
| Automobiles, machinery and equipment | 803,445 | 2,150,759 | 701,364 | 1,842,834 | 5,498,402 |
| Less: accumulated depreciation | (12,523,272) | (18,196,731) | (13,330,183) | (1,445,818) | (45,496,004) |
| Total capital assets, net | 21,927,011 | 17,152,225 | 12,689,815 | 4,176,477 | 55,945,528 |
| Total noncurrent assets | 21,927,011 | 17,152,225 | 12,689,815 | 4,176,477 | 55,945,528 |
| Total assets | 25,886,375 | 30,084,330 | 14,627,568 | 7,497,275 | 78,095,548 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension related | 182,626 | 337,156 | 126,433 | - | 646,215 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 54,567 | 1,960,384 | 119,268 | 638,359 | 2,772,578 |
| Compensated absences | 104,142 | 144,770 | 41,657 | - | 290,569 |
| Deposits | 43,304 | 133,673 | - | - | 176,977 |
| Due to other funds | - | 80,888 | - | - | 80,888 |
| Total current liabilities | 202,013 | 2,319,715 | 160,925 | 638,359 | 3,321,012 |
| Noncurrent liabilities: | | | | | |
| Compensated absences | 26,036 | 36,192 | 10,414 | - | 72,642 |
| Net pension liability | 100,318 | 185,203 | 69,451 | - | 354,972 |
| Total noncurrent liabilities | 126,354 | 221,395 | 79,865 | - | 427,614 |
| Total liabilities | 328,367 | 2,541,110 | 240,790 | 638,359 | 3,748,626 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension related | 1,513 | 2,794 | 1,048 | - | 5,355 |
| NET POSITION | | | | | |
| Net investment in capital assets | 21,927,011 | 17,152,225 | 12,689,815 | 4,176,477 | 55,945,528 |
| Restricted for impact fees | 1,352,510 | 2,741,268 | - | - | 4,093,778 |
| Unrestricted | 2,459,600 | 7,984,089 | 1,822,348 | 2,682,439 | 14,948,476 |
| Total net position | \$ 25,739,121 | \$ 27,877,582 | \$ 14,512,163 | \$ 6,858,916 | \$ 74,987,782 |
| Total liabilities, deferred inflows of resources, and net position | \$ 26,069,001 | \$ 30,421,486 | \$ 14,754,001 | \$ 7,497,275 | \$ 78,741,763 |

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

KAYSVILLE CITY CORPORATION, UTAH
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
For the Year Ended June 30, 2023

| | Business-type Activities - Enterprise Funds | | | | | Total |
|--|---|---------------|----------------|-------------------|---------------|-------|
| | Water | Electric | Storm Water | Nonmajor Funds | | |
| | | | | Total | | |
| OPERATING REVENUES | | | | | | |
| Charges for services: | | | | | | |
| Metered sales | \$ 3,443,036 | \$ 17,567,205 | \$ 1,235,418 | \$ - | \$ 22,245,659 | |
| Nonreciprocal utility revenue | 113,739 | 263,905 | 21,718 | - | 399,362 | |
| Treatment and service charges | - | - | - | 6,793,966 | 6,793,966 | |
| Energy use tax | - | 1,054,123 | - | - | 1,054,123 | |
| Connection fees | 36,388 | 84,698 | - | - | 121,086 | |
| Other user fees and charges | 10,421 | 203,118 | 1,071 | 13,290 | 227,900 | |
| Total operating revenues | 3,603,584 | 19,173,049 | 1,258,207 | 6,807,256 | 30,842,096 | |
| OPERATING EXPENSES | | | | | | |
| Personnel services | 1,178,994 | 2,113,430 | 797,249 | 31,571 | 4,121,244 | |
| Contractual services | 880,452 | 16,047,764 | 193,423 | 6,236,381 | 23,358,020 | |
| Administrative charges from General Fund | 232,018 | 278,422 | 92,809 | 324,825 | 928,074 | |
| Interfund services | 125,500 | 200,500 | 83,000 | 5,000 | 414,000 | |
| Maintenance and operations | 390,344 | 378,320 | 129,533 | 121,608 | 1,019,805 | |
| Energy sales and use tax charge | - | 1,054,123 | - | - | 1,054,123 | |
| Depreciation | 810,412 | 900,868 | 708,529 | 45,686 | 2,465,495 | |
| Total operating expenses | 3,617,720 | 20,973,427 | 2,004,543 | 6,765,071 | 33,360,761 | |
| Operating income (loss) | (14,136) | (1,800,378) | (746,336) | 42,185 | (2,518,665) | |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Intergovernmental | 29,837 | 12,213 | - | - | 42,050 | |
| Investment earnings | 94,221 | 251,597 | 54,433 | 64,683 | 464,934 | |
| Gain on sale of assets | 24,313 | 4,940 | 177,175 | 72,200 | 278,628 | |
| Miscellaneous | 34,723 | 10,923 | - | - | 45,646 | |
| Total nonoperating revenues (expenses) | 183,094 | 279,673 | 231,608 | 136,883 | 831,258 | |
| Income (loss) before contributions and transfers | 168,958 | (1,520,705) | (514,728) | 179,068 | (1,687,407) | |
| Capital contributions | 438,018 | - | 498,228 | - | 936,246 | |
| Capital contributions - impact fees | 84,331 | 479,489 | - | - | 563,820 | |
| Capital contributions - extension fees | - | 405,672 | - | - | 405,672 | |
| Transfers out | (113,739) | (263,905) | (21,718) | (13,290) | (412,652) | |
| Change in net position | 577,568 | (899,449) | (38,218) | 165,778 | (194,321) | |
| Total net position, beginning | 25,161,553 | 28,777,031 | 14,550,381 | 6,693,138 | 75,182,103 | |
| Total net position, ending | \$ 25,739,121 | \$ 27,877,582 | \$ 14,512,163 | \$ 6,858,916 | \$ 74,987,782 | |

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

KAYSVILLE CITY CORPORATION, UTAH
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2023

| | Business-type Activities - Enterprise Funds | | | | |
|--|--|---------------------|---------------------|---------------------|----------------------|
| | | | Storm | Nonmajor | Total |
| | Water | Electric | Water | Funds | Total |
| Cash flows from operating activities | | | | | |
| Receipts from customers and users | \$ 3,584,591 | \$ 18,862,324 | \$ 1,255,342 | \$ 6,747,712 | \$ 30,449,969 |
| Payments to suppliers | (1,230,545) | (17,435,459) | (206,037) | (6,317,683) | (25,189,724) |
| Payments to employees | (1,198,058) | (2,190,888) | (826,928) | (31,571) | (4,247,445) |
| Payments for interfund services | (357,518) | (478,922) | (175,809) | (329,825) | (1,342,074) |
| Net cash provided (used) by operating activities | 798,470 | (1,242,945) | 46,568 | 68,633 | (329,274) |
| Cash flows from noncapital financing activities | | | | | |
| Interfund receivable (payable) | | 12,750 | | | 12,750 |
| Cash received from other funds | - | - | - | (13,290) | (13,290) |
| Cash paid to other funds | (113,739) | (263,905) | (21,718) | - | (399,362) |
| Net cash used by noncapital financing activities | (113,739) | (251,155) | (21,718) | (13,290) | (399,902) |
| Cash flows from capital and related financing activities | | | | | |
| Impact, extension, and other fees | 119,054 | 896,084 | - | - | 1,015,138 |
| Capital grants | 29,837 | 12,213 | - | - | 42,050 |
| Cash contribution for water tank project | 141,000 | - | - | - | 141,000 |
| Aquisition of capital assets | (2,758,452) | (1,100,286) | (889,269) | (232,842) | (4,980,849) |
| Proceeds from sales of capital assets | 24,313 | 4,940 | - | - | 29,253 |
| Net cash provided by capital and related financing activities | (2,444,248) | (187,049) | (889,269) | (232,842) | (3,753,408) |
| Cash flows from investing activities | | | | | |
| Interest received | 94,221 | 251,597 | 54,433 | 64,683 | 464,934 |
| Net cash provided by investing activities | 94,221 | 251,597 | 54,433 | 64,683 | 464,934 |
| Net increase (decrease) in cash and cash equivalents | (1,665,296) | (1,429,552) | (809,986) | (112,816) | (4,017,650) |
| Cash and cash equivalents, beginning of year | 5,130,970 | 11,242,564 | 2,639,285 | 2,809,347 | 21,822,166 |
| Cash and cash equivalents, end of year | \$ 3,465,674 | \$ 9,813,012 | \$ 1,829,299 | \$ 2,696,531 | \$ 17,804,516 |

(Continued)

KAYSVILLE CITY CORPORATION, UTAH
Statement of Cash Flows – Proprietary Funds (Continued)
For the Year Ended June 30, 2023

| | Business-type Activities - Enterprise Funds | | | | |
|---|--|-----------------------|------------------------|-------------------------------------|---------------------|
| | Water | Electric | Storm Water | Total Nonmajor Funds | Total |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | | | |
| Operating income (loss) | | | | | |
| | \$ (14,136) | \$ (1,800,378) | \$ (746,336) | \$ 42,185 | \$ (2,518,665) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Depreciation | 810,412 | 900,868 | 708,529 | 45,686 | 2,465,495 |
| Net pension adjustment | (57,342) | (116,325) | (44,990) | - | (218,657) |
| Changes in assets and liabilities: | | | | | |
| Accounts receivable | (23,793) | (310,725) | (2,865) | (59,544) | (396,927) |
| Inventory | 3,200 | (301,800) | - | - | (298,600) |
| Accounts payable | 37,051 | 347,298 | 116,919 | 40,306 | 541,574 |
| Deposits | 4,800 | (750) | - | - | 4,050 |
| Compensated absences | 38,278 | 38,867 | 15,311 | - | 92,456 |
| Net cash provided (used) by operating activities | \$ 798,470 | \$ (1,242,945) | \$ 46,568 | \$ 68,633 | \$ (329,274) |
| Noncash investing, capital and financing activities | | | | | |
| Capital contributions - developers | \$ 297,018 | \$ - | \$ 498,228 | \$ - | \$ 795,246 |

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

NOTES TO THE
BASIC FINANCIAL STATEMENTS

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

The basic financial statements of Kaysville City, Utah (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

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, building inspection, and general administrative services.

Blended Component Units

As required by U.S. GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The component units discussed below are included as part of the City's reporting entity as 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.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, including blended component units, and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City has a total of sixteen funds, including ten governmental funds and six proprietary funds.

The City reports the following major governmental funds:

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

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

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

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

RAMP Fund accounts for expenditures related to recreational purposes of the City.

Road Fund accounts for the ongoing construction and maintenance of City's roadways.

The government reports the following major enterprise funds:

Water Fund accounts for the activities of the City's water operations, both culinary and secondary water systems.

Electric Fund accounts for the activities of the City's power operations.

Storm Water Fund accounts for the activities of the City's storm drain operations.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds or advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources or economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including any lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, and post-employment benefits are recognized later, based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, when applicable, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases, when applicable, are reported as other financing sources.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for each of the funds presented.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances technically lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are reappropriated and become part of the subsequent year's budget pursuant to state regulations, and the encumbrances are automatically reestablished in the next year.

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

Cash, Cash Equivalents

The City's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the City's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. The Public Treasurers' Investment Fund (PTIF) is considered a cash equivalent since it is readily accessible by the City.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

Investments

State of Utah statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, and repurchase agreements, as well as the 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.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

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 unavailable revenue.

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 in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

Capital Assets

Capital assets of the City are tangible and intangible assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$4,000 and an estimated useful life in excess of five years.

As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed later in these footnotes). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets, such as developer contributions, are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land, water shares, and construction in progress are not depreciated. The other tangible and intangible property, equipment, the right to use leased equipment (when applicable), and infrastructure of the government 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 | 30 to 50 years |
| Improvements other than buildings | 30 years |
| Vehicles, machinery and equipment | 5 to 7 years |

Compensated Absences

The City accrues accumulated unpaid paid time off, 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.

As of the date of this report, management and the City Council is updating its compensated absences policy.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, the statement of financial position includes a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. It is the deferred amounts related to pension. The deferred amounts related to pension is the difference between estimated and actual investment earnings, changes in actuarial assumptions, and other pension related changes.

In addition to liabilities, the statement of financial position includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the City reports deferred amounts related to pensions.

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, 2023

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

Equity

Fund balance

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, 2023

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

Net Position

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.”

Leases

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which establishes criteria for identifying and properly reporting leases for all state and local governments. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an asset.

The City has adopted this standard for the fiscal year ended June 30, 2023. However, an in-depth analysis of the City's agreements found no lease arrangements which are subject to GASB 87. However, during the fiscal year ended June 30, 2023, the City has incurred approximately \$25,000 in governmental activities and \$15,000 in business-type activities in lease expenses for a total of 3 lease agreements. This obligation is expected to occur for the next 5 and 6 years, respectively.

Lessee: When applicable, the City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities and assets only when the lease term is more than 1 year, and (1) an individual contracted present value calculation exceeds \$75,000, or (2) the total aggregate present value of all leases city-wide exceeds \$300,000.

When applicable, at the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets (as right-to-use assets) and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is not a lessor for any agreements as of June 30, 2023.

Subscription-Based Information Technology Arrangements

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, which establishes criteria for identifying and properly reporting right-to-use subscription assets, primarily software subscriptions, for all state and local governments. The City has adopted this standard for the fiscal year ended June 30, 2023. However, an in-depth analysis found that no material SBITA liabilities exist for the City.

When applicable, the City recognizes a SBITA liability and an intangible right-to-use asset in the government-wide financial statements. The City recognizes subscription liabilities and assets only when the term is more than 1 year, and (1) an individual contracted present value calculation exceeds \$100,000, or (2) the total aggregate present value of all leases city-wide exceeds \$500,000.

Interfund Transactions

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided, and other charges between the City's enterprise functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. 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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

Program Revenues

Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided or fines imposed by a given function or segment, and (2) grants and contributions (including developer impact fees) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Restricted Net Position

The following fund balances or net position are considered restricted:

- 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.
- Other 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.
- 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.
- Redevelopment projects – 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.
- 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, 2023

2. DEPOSITS AND 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.

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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

2. DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2023, the City had the following investments and maturities:

| Investment Type | Fair Value | Maturities (in years) | | | |
|---|----------------------|------------------------------|---------------------|----------------|---------------------|
| | | Less than 1 | 1 to 5 | 6 to 10 | More than 10 |
| Cash Equivalent | | | | | |
| Utah Public Treasurer's Investment Fund (PTIF) | \$ 28,473,198 | \$ 28,473,198 | \$ - | \$ - | \$ - |
| Money market funds | 3,160,387 | 3,160,387 | - | - | - |
| Investments | | | | | |
| Certificates of deposit | 9,092,789 | 972,897 | 8,119,892 | - | - |
| Corporate bonds | 1,002,661 | 275,332 | 727,329 | - | - |
| Government securities | 450,129 | - | 450,129 | - | - |
| | \$ 42,179,164 | \$ 32,881,814 | \$ 9,297,350 | \$ - | \$ - |

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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

As of June 30, 2023, 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:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Quality Rating</u> | | | | | <u>Unrated</u> |
|--|----------------------|-----------------------|---------------------|---------------------|-------------------|----------------------|----------------|
| | | <u>AAA</u> | <u>AA</u> | <u>A</u> | <u>BBB</u> | | |
| <u>Cash Equivalent</u> | | | | | | | |
| Utah Public Treasurer's Investment Fund (PTIF) | \$ 28,473,198 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 28,473,198 |
| Money market funds | 3,160,387 | 114,042 | - | - | - | - | 3,046,345 |
| <u>Investments</u> | | | | | | | |
| Certificates of deposit | 9,092,789 | - | 1,395,453 | 696,512 | 225,222 | 6,775,602 | |
| Corporate bonds | 1,002,661 | - | 246,465 | 756,196 | - | - | |
| Government securities | 450,129 | 217,110 | - | - | - | 233,019 | |
| | <u>\$ 42,179,164</u> | <u>\$ 331,152</u> | <u>\$ 1,641,918</u> | <u>\$ 1,452,708</u> | <u>\$ 225,222</u> | <u>\$ 38,528,164</u> | |

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.

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, 2023, 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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to 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.

As of June 30, 2023, 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, 2023, 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, 2023, \$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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Components of cash, cash equivalents, and investments (including interest earning deposits) as of June 30, 2023, are as follows:

| | |
|---|----------------------------|
| Cash and cash equivalents on hand and on deposit: | |
| Cash on hand | \$ 250 |
| Cash on deposit and money market | 9,115,725 |
| PTIF accounts | <u>28,473,198</u> |
| | <u>37,589,173</u> |
| Investments: | |
| Certificates of deposit | 9,092,789 |
| Government securities | 450,129 |
| Corporate bonds | <u>1,002,661</u> |
| | <u>10,545,579</u> |
| | <u>Total \$ 48,134,752</u> |

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

| | |
|---------------------------------------|----------------------------|
| Cash and cash equivalents | \$ 18,186,195 |
| Cash and cash equivalents, restricted | 19,402,978 |
| Investments | 10,404,838 |
| Investments, restricted | <u>140,741</u> |
| | <u>Total \$ 48,134,752</u> |

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

3. ACCOUNTS RECEIVABLE

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

Governmental Funds

| | General | RAMP | Road | Total |
|------------------------------------|---------------------|-------------------|-------------------|---------------------|
| Receivables: | | | | |
| Property tax | \$ 5,503,191 | \$ - | \$ - | \$ 5,503,191 |
| Sales and use | 1,400,595 | - | 473,515 | 1,874,110 |
| Other taxes | 140,520 | 104,956 | - | 245,476 |
| Accounts | 257,102 | - | 167,914 | 425,016 |
| Gross receivables | 7,301,408 | 104,956 | 641,429 | 8,047,793 |
| Less: allowance for uncollectibles | - | - | - | - |
| Net total governmental receivables | <u>\$ 7,301,408</u> | <u>\$ 104,956</u> | <u>\$ 641,429</u> | <u>\$ 8,047,793</u> |

Business-type Funds

| | Water | Electric | Storm Water | Nonmajor Enterprise | Total |
|-------------------------------------|-------------------|---------------------|-------------------|---------------------|---------------------|
| Receivables: | | | | | |
| Utility customers | \$ 285,951 | \$ 1,353,447 | \$ 109,079 | \$ 627,306 | \$ 2,375,783 |
| Taxes | - | 80,888 | - | - | 80,888 |
| Other | 980 | 117,767 | - | - | 118,747 |
| Gross receivables | 286,931 | 1,552,102 | 109,079 | 627,306 | 2,575,418 |
| Less: allowance for uncollectibles | (1,741) | (9,809) | (625) | (3,039) | (15,214) |
| Net total business-type receivables | <u>\$ 285,190</u> | <u>\$ 1,542,293</u> | <u>\$ 108,454</u> | <u>\$ 624,267</u> | <u>\$ 2,560,204</u> |

4. INTERFUND ACTIVITY

Payables as of the fiscal year end are as follows:

| Advances from/to other funds: | | |
|-------------------------------|--------------|---------------------|
| Receivable fund | Payable fund | Amount |
| General | Electric | \$ 80,888 |
| Nonmajor governmental | General | <u>2,470,437</u> |
| | | <u>\$ 2,551,325</u> |

Advances To Other Funds in the electric fund represents the energy use tax that the electric fund collects and remits to the general fund.

| Transfers out: | Transfers in: | | |
|-----------------------------|--------------------|-----------------------------|-------------------|
| | Governmental funds | | |
| | General Fund | Nonmajor Governmental Funds | Total |
| General fund | \$ - | \$ 263,850 | \$ 263,850 |
| Nonmajor governmental funds | - | 210,000 | 210,000 |
| Water enterprise fund | 113,739 | - | 113,739 |
| Electric enterprise fund | 263,905 | - | 263,905 |
| Storm water enterprise fund | 21,718 | - | 21,718 |
| Nonmajor enterprise funds | 13,290 | - | 13,290 |
| | <u>\$ 412,652</u> | <u>\$ 473,850</u> | <u>\$ 886,502</u> |

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

4. INTERFUND ACTIVITY (CONTINUED)

The transfers on the previous page 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 from the General Fund to the Nonmajor Governmental Funds was to make the debt service payments.

5. CAPITAL ASSETS

Capital asset activity in the governmental activities for the year ended June 30, 2023, was as follows:

| | 07/01/22 | Increases | Decreases | 06/30/23 |
|---|----------------------|---------------------|--------------------|----------------------|
| Capital assets, not depreciated: | | | | |
| Land | \$ 28,803,710 | \$ - | \$ - | \$ 28,803,710 |
| Construction in progress | 372,935 | 6,430,836 | (6,728) | 6,797,043 |
| Total capital assets, not depreciated | <u>29,176,645</u> | <u>6,430,836</u> | <u>(6,728)</u> | <u>35,600,753</u> |
| Capital assets, depreciated: | | | | |
| Buildings and improvements | 26,804,113 | 417,307 | - | 27,221,420 |
| Infrastructure | 77,644,372 | 718,879 | - | 78,363,251 |
| Automobiles, machinery and equipment | 11,115,041 | 2,116,591 | (662,250) | 12,569,382 |
| Total capital assets, depreciated | <u>115,563,526</u> | <u>3,252,777</u> | <u>(662,250)</u> | <u>118,154,053</u> |
| Accumulated depreciation: | | | | |
| Buildings and improvements | (7,961,278) | (672,829) | - | (8,634,107) |
| Infrastructure | (39,303,776) | (2,452,154) | - | (41,755,930) |
| Automobiles, machinery and equipment | (7,368,001) | (892,157) | 633,390 | (7,626,768) |
| Total accumulated depreciation | <u>(54,633,055)</u> | <u>(4,017,140)</u> | <u>633,390</u> | <u>(58,016,805)</u> |
| Total capital assets, depreciated (net) | <u>60,930,471</u> | <u>(764,363)</u> | <u>(28,860)</u> | <u>60,137,248</u> |
| Net governmental capital assets | <u>\$ 90,107,116</u> | <u>\$ 5,666,473</u> | <u>\$ (35,588)</u> | <u>\$ 95,738,001</u> |

Depreciation expense was charged to functions as follows:

| | | | | |
|--|--|--|---------------------|--|
| Governmental activities: | | | | |
| General government | | | \$ 325,539 | |
| Public safety | | | 654,048 | |
| Community development | | | 13,207 | |
| Highways and public improvements | | | 2,565,317 | |
| Parks, recreation, and public property | | | 459,029 | |
| Total depreciation expense - governmental activities | | | <u>\$ 4,017,140</u> | |

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

5. CAPITAL ASSETS (CONTINUED)

Capital asset activity in the business-type activities for the year ended June 30, 2023, was as follows:

| | 07/01/22 | Increases | Decreases | 06/30/23 |
|---|----------------------|---------------------|--------------------|----------------------|
| Capital assets, not depreciated: | | | | |
| Land | \$ 1,140,723 | \$ - | \$ - | \$ 1,140,723 |
| Water shares | 4,792,490 | 141,000 | - | 4,933,490 |
| Construction in progress | 84,008 | 1,136,156 | (25,679) | 1,194,485 |
| Total capital assets, not depreciated | 6,017,221 | 1,277,156 | (25,679) | 7,268,698 |
| Capital assets, depreciated: | | | | |
| Buildings and improvements | 1,526,147 | 408,581 | - | 1,934,728 |
| Automobiles, machinery and equipment | 4,952,896 | 1,130,218 | (584,712) | 5,498,402 |
| Infrastructure | | | | |
| Water system | 28,688,791 | 1,830,936 | - | 30,519,727 |
| Electric | 30,592,084 | 403,959 | - | 30,996,043 |
| Storm water system | 24,223,635 | 1,000,299 | - | 25,223,934 |
| Total capital assets, depreciated | 89,983,553 | 4,773,993 | (584,712) | 94,172,834 |
| Accumulated depreciation: | | | | |
| Buildings and improvements | (527,024) | (28,677) | - | (555,701) |
| Automobiles, machinery and equipment | (4,233,751) | (183,957) | 584,712 | (3,832,996) |
| Infrastructure | | | | |
| Water system | (11,157,314) | (737,230) | - | (11,894,544) |
| Electric | (15,149,259) | (829,706) | - | (15,978,965) |
| Storm water system | (12,547,873) | (685,925) | - | (13,233,798) |
| Total accumulated depreciation | (43,615,221) | (2,465,495) | 584,712 | (45,496,004) |
| Total capital assets, depreciated (net) | 46,368,332 | 2,308,498 | - | 48,676,830 |
| Net business-type capital assets | <u>\$ 52,385,553</u> | <u>\$ 3,585,654</u> | <u>\$ (25,679)</u> | <u>\$ 55,945,528</u> |

Depreciation expense was charged to functions as follows:

| | | | | |
|---|--|--|---------------------|--|
| Business-type activities: | | | | |
| Water | | | \$ 836,582 | |
| Sewer | | | 688 | |
| Electric | | | 880,497 | |
| Sanitation | | | 44,998 | |
| Storm Water | | | 702,730 | |
| Total depreciation expense - business-type activities | | | <u>\$ 2,465,495</u> | |

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

5. CAPITAL ASSETS (CONTINUED)

Capital assets by proprietary fund are as follows:

| | Major Funds | | | | Nonmajor Funds | | | Total |
|----------------------------|----------------------|----------------------|----------------------|------------------|---------------------|-------------------|----------------------|------------|
| | Water | Electric | Storm Water | Sewer | Pressure Irrigation | Sanitation | | |
| Land | \$ 120,094 | \$ 1,004,307 | \$ - | \$ - | \$ 16,322 | \$ - | \$ 1,140,723 | |
| Water shares | 1,211,640 | - | - | - | 3,721,850 | - | 4,933,490 | |
| Construction in progress | 729,982 | 464,503 | - | - | - | - | - | 1,194,485 |
| Buildings and improvements | 1,065,395 | 733,344 | 94,700 | 41,289 | - | - | - | 1,934,728 |
| Infrastructure | 30,519,727 | 30,996,043 | 25,223,934 | - | - | - | - | 86,739,704 |
| Automobiles | 277,971 | 1,545,627 | 592,174 | - | - | 305,042 | 2,720,814 | |
| Machinery and equipment | 525,474 | 605,132 | 109,190 | - | - | 1,537,792 | 2,777,588 | |
| Total | 34,450,283 | 35,348,956 | 26,019,998 | 41,289 | 3,738,172 | 1,842,834 | 101,441,532 | |
| Accumulated depreciation | (12,523,272) | (18,196,731) | (13,330,183) | (25,461) | - | (1,420,357) | (45,496,004) | |
| Capital assets, net | \$ 21,927,011 | \$ 17,152,225 | \$ 12,689,815 | \$ 15,828 | \$ 3,738,172 | \$ 422,477 | \$ 55,945,528 | |

6. DEPOSITS

General Fund - Deposits in the general fund as of June 30, 2023, are as follows:

| | |
|-----------------------------|---------------------|
| Business license bonds | \$ 1,600 |
| Builders' deposits | 296,100 |
| Parks and public properties | 10,113 |
| Excavation deposits | 148,685 |
| Escrow deposits | <u>1,156,413</u> |
| Total | \$ 1,612,911 |

Capital Projects - Deposits in the capital projects fund as of June 30, 2023, are as follows:

| | |
|---|-----------|
| Donations for parks and public properties | \$ 25,471 |
|---|-----------|

Enterprise Funds – Electric utility deposits are recorded in the electric utility fund. Both water utility customer and water meter deposits are recorded in the water utility fund. As of June 30, 2023, deposits are as follows:

| | |
|------------------------------------|-------------------|
| Electric utility customer deposits | \$ 133,673 |
| Water utility customer deposits | 32,854 |
| Water meter deposits | <u>10,450</u> |
| Total | \$ 176,977 |

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

7. LONG-TERM DEBT

Notes Payable

Governmental Activities. As of June 30, 2023, the City had three purchase agreements, two for the fire department to obtain a fire truck and an ambulance, one for the parks and recreation department to obtain a large area mower. These purchase agreements do not qualify as leases for accounting purposes and, therefore, have been recorded as notes payable.

The fire truck 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 |
|------|-------------------|-----------------|-------------------|
| 2024 | \$ 146,752 | \$ 5,299 | \$ 152,051 |
| 2025 | 74,954 | 1,072 | 76,026 |
| | <u>\$ 221,706</u> | <u>\$ 6,371</u> | <u>\$ 228,077</u> |

During fiscal year 2021, the City entered into a lease agreement to acquire an Ambulance, that is recorded as a note payable on the government-wide financial statements. The purchase agreement bears an interest rate of 1.650%. Semi-annual payments are required, with the final payment in November 2023. The remaining payments, for both principal and interest, are as follows:

| | Principal | Interest | Totals |
|------|------------------|-----------------|------------------|
| 2024 | \$ 82,342 | \$ 1,405 | \$ 83,747 |
| | <u>\$ 82,342</u> | <u>\$ 1,405</u> | <u>\$ 83,747</u> |

The wide area mower lease purchase agreement bears an interest rate of 3.835%. Annual payments are required, with final payment in September 2023. The remaining payments, for both principal and interest, are as follows:

| | Principal | Interest | Totals |
|------|------------------|---------------|------------------|
| 2024 | \$ 19,558 | \$ 750 | \$ 20,308 |
| | <u>\$ 19,558</u> | <u>\$ 750</u> | <u>\$ 20,308</u> |

Business-Type Activities. As of June 30, 2023, the business-type activities did not have any bonds or notes payable.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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:

Sales Tax Revenue Bonds, Series 2017

| | Principal | Interest | Totals |
|------|-------------------------|------------------------|-------------------------|
| 2024 | \$ 198,000 | \$ 8,843 | \$ 206,843 |
| 2025 | 204,000 | 3,060 | 207,060 |
| | <hr/> <u>\$ 402,000</u> | <hr/> <u>\$ 11,903</u> | <hr/> <u>\$ 413,903</u> |

MBA Lease Revenue Bonds, Series 2019 - City Hall Remodel

During the year ended June 30, 2020, the 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:

MBA Lease Revenue Bonds, Series 2019

| | Principal | Interest | Totals |
|-------------|---------------------------|-------------------------|---------------------------|
| 2024 | \$ 266,000 | \$ 69,828 | \$ 335,828 |
| 2025 | 272,000 | 64,136 | 336,136 |
| 2026 | 278,000 | 58,315 | 336,315 |
| 2027 | 284,000 | 52,366 | 336,366 |
| 2028 | 290,000 | 46,288 | 336,288 |
| 2029 - 2033 | 1,544,000 | 135,719 | 1,679,719 |
| 2034 - 2035 | 329,000 | 7,041 | 336,041 |
| | <hr/> <u>\$ 3,263,000</u> | <hr/> <u>\$ 433,693</u> | <hr/> <u>\$ 3,696,693</u> |

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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:

MBA Lease Revenue Refunding Bonds, Series 2019B

| | Principal | Interest | Totals |
|-------------|----------------------------|--------------------------|----------------------------|
| 2024 | \$ 326,000 | \$ 46,283 | \$ 372,283 |
| 2025 | 335,000 | 41,002 | 376,002 |
| 2026 | 343,000 | 35,575 | 378,575 |
| 2027 | 352,000 | 30,019 | 382,019 |
| 2028 | 360,000 | 24,316 | 384,316 |
| 2029 - 2032 | <u>1,141,000</u> | <u>37,309</u> | <u>1,178,309</u> |
| | <u><u>\$ 2,857,000</u></u> | <u><u>\$ 214,504</u></u> | <u><u>\$ 3,071,504</u></u> |

Activity with long-term liabilities, including bonds, notes payable, and compensated absences for the year ended June 30, 2023, is as follows:

Governmental Activities

| | 06/30/22 | Increases | Decreases | 06/30/23 | Due in One Year |
|--|---------------------|---------------------|-----------------------|---------------------|---------------------|
| <u>Governmental activities</u> | | | | | |
| Bonds payable: | | | | | |
| Sales Tax Revenue, Series 2017 (Pioneer Park) | \$ 595,000 | \$ - | \$ (193,000) | \$ 402,000 | \$ 198,000 |
| MBA Lease Revenue, Series 2019 (City Hall Remodel) | 3,523,000 | - | (260,000) | 3,263,000 | 266,000 |
| MBA Lease Revenue Refunding, Series 2019B (Police Station) | 3,175,000 | - | (318,000) | 2,857,000 | 326,000 |
| Total bonds payable | <u>7,293,000</u> | <u>-</u> | <u>(771,000)</u> | <u>6,522,000</u> | <u>790,000</u> |
| Other long-term liabilities: | | | | | |
| Notes payable: | | | | | |
| Fire Truck | 364,351 | - | (142,645) | 221,706 | 146,752 |
| Wide-area Mower | 38,393 | - | (18,835) | 19,558 | 19,558 |
| Ambulance | 166,115 | - | (83,773) | 82,342 | 82,342 |
| Compensated absences | 900,145 | 1,004,419 | (763,323) | 1,141,241 | 912,993 |
| Governmental activities, long-term liabilities | <u>\$ 8,762,004</u> | <u>\$ 1,004,419</u> | <u>\$ (1,779,576)</u> | <u>\$ 7,986,847</u> | <u>\$ 1,951,645</u> |

Business-type Activities

| | 06/30/22 | Increases | Decreases | 06/30/23 | Due in One Year |
|---|-------------------|-------------------|---------------------|-------------------|-------------------|
| <u>Business-type activities</u> | | | | | |
| Other long-term liabilities: | | | | | |
| Note payable, Ambulance | \$ 12,565 | \$ - | \$ (12,565) | \$ - | \$ - |
| Compensated absences | 270,755 | 381,068 | (288,613) | 363,210 | 290,569 |
| Business-type activities, long-term liabilities | <u>\$ 283,320</u> | <u>\$ 381,068</u> | <u>\$ (301,178)</u> | <u>\$ 363,210</u> | <u>\$ 290,569</u> |

For the year ended June 30, 2023, \$152,815 in interest was charged to expenditures in governmental activities.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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.

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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

8. **RETIREMENT SYSTEMS (CONTINUED)**

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

| System | Final Average Salary | 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 Syster | 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.

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, 2023, are as follows:

| | Employee | Employer | Employer 401(k) |
|---|----------|----------|--------------------|
| Contributory System | | | |
| 11- Local Governmental Division Tier 1 | 6.00% | 13.96% | N/A |
| 111- Local Governmental Division Tier 2 | N/A | 16.01% | 0.18% |
| Noncontributory System | | | |
| 15- Local Governmental Division Tier 1 | N/A | 17.97% | N/A |
| Public Safety System | | | |
| Contributory | | | |
| 122- Tier 2 DB Hybrid Public Safety | 2.59% | 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% | 3.61% | N/A |
| 132- Tier 2 DB Hybrid Firefighters | 2.59% | 14.08% | N/A |
| Tier 2 DC Only | | | |
| 211- Local Government | N/A | 6.19% | 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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

8. **RETIREMENT SYSTEMS (CONTINUED)**

For fiscal year ended June 30, 2023, the employer and employee contributions to the System were as follows:

| System | Employer Contributions | Employee Contributions |
|--|-------------------------------|-------------------------------|
| Noncontributory System | \$ 599,954 | \$ - |
| Public Safety System | 481,979 | - |
| Firefighters System | 12,560 | 52,363 |
| Tier 2 Public Employees System | 331,516 | - |
| Tier 2 Public Safety and Firefighter | 439,798 | 50,862 |
| Tier 2 DC Only System | 56,583 | - |
| Tier 2 DC Public Safety and Firefighter System | 25,180 | - |
| Total Contributions | \$ 1,947,570 | \$ 103,225 |

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.

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

As of June 30, 2023, we reported a net pension asset of \$224,731 and a net pension liability of \$2,164,368.

| | Measurement Date: December 31, 2022 | | | | |
|---|--|------------------------------|----------------------------|--|--------------------------|
| | Net Pension Asset | Net Pension Liability | Proportionate Share | Proportionate Share December 31, 2021 | Change (Decrease) |
| Noncontributory System | \$ - | \$ 676,913 | 0.3952201% | 0.3968416% | -0.0016215% |
| Public Safety System | \$ - | \$ 1,344,820 | 1.0400172% | 0.9661640% | 0.0738532% |
| Firefighters System | \$ 224,731 | \$ - | 0.8653352% | 0.7162923% | 0.1490429% |
| Tier 2 Public Employees System | \$ - | \$ 94,766 | 0.0870296% | 0.0817099% | 0.0053197% |
| Tier 2 Public Safety and Firefighter | \$ - | \$ 47,869 | 0.5737985% | 0.5761312% | -0.0023327% |
| Total Net Pension Asset / Liability | \$ 224,731 | \$ 2,164,368 | | | |

The net pension asset and liability were measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022, 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, 2023, the City recognized pension expense of \$1,171,119.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

8. **RETIREMENT SYSTEMS (CONTINUED)**

As of June 30, 2023, 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 | \$ 330,306 | \$ 20,783 |
| Changes in assumptions | 235,979 | 7,739 |
| Net difference between projected and actual earnings on pension plan investments | 906,205 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 104,194 | 53,929 |
| Contributions subsequent to the measurement date | 975,120 | - |
| Total | <u>\$ 2,551,804</u> | <u>\$ 82,451</u> |

\$975,120 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, 2022.

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 | |
|--------------------------------|---|-----------|
| 2023 | \$ | (268,537) |
| 2024 | | (6,376) |
| 2025 | | 370,406 |
| 2026 | | 1,330,851 |
| 2027 | | 11,244 |
| Thereafter | | 56,646 |

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, we recognized pension expense of \$339,286.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

8. **RETIREMENT SYSTEMS (CONTINUED)**

As of June 30, 2023, 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 | \$ 229,599 | \$ - |
| Changes in assumptions | 110,937 | 2,703 |
| Net difference between projected and actual earnings on pension plan investments | 446,498 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 4,095 | 745 |
| Contributions subsequent to the measurement date | <u>296,187</u> | <u>-</u> |
| Total | <u>\$ 1,087,316</u> | <u>\$ 3,448</u> |

\$296,187 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, 2022.

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 |
|--------------------------------|---|
| 2023 | \$ (97,451) |
| 2024 | 20,107 |
| 2025 | 179,342 |
| 2026 | 685,686 |
| 2027 | - |
| Thereafter | - |

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

For the year ended June 30, 2023, we recognized pension expense of \$521,743.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

8. **RETIREMENT SYSTEMS (CONTINUED)**

As of June 30, 2023, 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 | \$ 5,954 | \$ - |
| Changes in assumptions | 36,069 | - |
| Net difference between projected and actual earnings on pension plan investments | 311,709 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 65,804 | - |
| Contributions subsequent to the measurement date | <u>238,021</u> | <u>-</u> |
| Total | <u>\$ 657,557</u> | <u>\$ -</u> |

\$238,021 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, 2022.

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 | |
|--------------------------------|---|--|
| 2023 | \$ (165,261) | |
| 2024 | (53,592) | |
| 2025 | 129,941 | |
| 2026 | 508,448 | |
| 2027 | - | |
| Thereafter | - | |

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

For the year ended June 30, 2023, we recognized pension expense of (\$79,409).

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

8. **RETIREMENT SYSTEMS (CONTINUED)**

As of June 30, 2023, 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 | \$ 39,654 | \$ 1,149 |
| Changes in assumptions | 27,933 | - |
| Net difference between projected and actual earnings on pension plan investments | 60,125 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 2,893 | 41,651 |
| Contributions subsequent to the measurement date | <u>6,231</u> | <u>-</u> |
| Total | <u>\$ 136,836</u> | <u>\$ 42,800</u> |

\$6,231 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, 2022.

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 |
|--------------------------------|---|
| 2023 | \$ (15,829) |
| 2024 | 5,860 |
| 2025 | 27,343 |
| 2026 | 70,431 |
| 2027 | - |
| Thereafter | - |

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

For the year ended June 30, 2023, we recognized pension expense of \$181,687.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

8. **RETIREMENT SYSTEMS (CONTINUED)**

As of June 30, 2023, 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 | \$ 32,008 | \$ 3,760 |
| Changes in assumptions | 30,766 | 241 |
| Net difference between projected and actual earnings on pension plan investments | 38,207 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 17,907 | 4,193 |
| Contributions subsequent to the measurement date | <u>198,609</u> | <u>-</u> |
| Total | <u>\$ 317,497</u> | <u>\$ 8,194</u> |

\$198,609 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, 2022.

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 | |
|--------------------------------|---|--------|
| 2023 | \$ | 5,449 |
| 2024 | | 11,469 |
| 2025 | | 18,215 |
| 2026 | | 34,516 |
| 2027 | | 8,243 |
| Thereafter | | 32,803 |

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

For the year ended June 30, 2023, we recognized pension expense of \$207,812.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

8. **RETIREMENT SYSTEMS (CONTINUED)**

As of June 30, 2023, 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 | \$ 23,091 | \$ 15,874 |
| Changes in assumptions | 30,274 | 4,795 |
| Net difference between projected and actual earnings on pension plan investments | 49,666 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 13,495 | 7,340 |
| Contributions subsequent to the measurement date | <u>236,072</u> | <u>-</u> |
| Total | <u>\$ 352,598</u> | <u>\$ 28,009</u> |

\$236,072 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, 2022.

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 | |
|--------------------------------|---|--------|
| 2023 | \$ | 4,555 |
| 2024 | | 9,780 |
| 2025 | | 15,565 |
| 2026 | | 31,770 |
| 2027 | | 3,001 |
| Thereafter | | 23,843 |

Actuarial Assumptions

The total pension liability in the December 31, 2022, 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 – 9.25 percent, average, including inflation |
| Investment Rate Return | 6.85 percent, net of pension plan investment expense, including inflation |

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

8. **RETIREMENT SYSTEMS (CONTINUED)**

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, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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 | 35.00% | 6.58% | 2.30% |
| Debt securities | 20.00% | 1.08% | 0.22% |
| Real assets | 18.00% | 5.72% | 1.03% |
| Private equity | 12.00% | 9.80% | 1.18% |
| Absolute return | 15.00% | 2.91% | 0.44% |
| Cash and cash equivalents | 0.00% | -0.11% | 0.00% |
| Totals | 100.00% | | 5.17% |
| Inflation | | | 2.50% |
| Expected arithmetic nominal return | | | 7.67% |

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, and a real return of 4.35% that is net of investment expense.

Discount rate – The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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 6.85 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.85 percent) or 1 percentage point higher (7.85 percent) than the current rate:

| System | 1% Decrease (5.85%) | Discount Rate (6.85%) | 1% Increase (7.85%) |
|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|
| Noncontributory System | \$ 4,266,131 | \$ 676,913 | \$(2,322,068) |
| Public Safety System | 4,331,000 | 1,344,820 | (1,083,648) |
| Firefighters System | 179,115 | (224,731) | (552,464) |
| Tier 2 Public Employees System | 414,075 | 94,766 | (151,221) |
| Tier 2 Public Safety and Firefighter | 383,176 | 47,869 | (218,621) |
| Total | \$ 9,573,497 | \$ 1,939,637 | \$(4,328,022) |

***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 | 2023 | 2022 | 2021 |
|------------------------|-------------|-------------|-------------|
| Employer Contributions | \$ 315,949 | \$ 261,981 | \$ 226,404 |
| Employee Contributions | 134,555 | 96,713 | 84,875 |
| 457 Plan | 2023 | 2023 | 2022 |
| Employer Contributions | \$ - | \$ - | \$ 1,794 |
| Employee Contributions | 65,786 | 47,281 | 40,343 |
| Roth IRA Plan | 2023 | 2023 | 2022 |
| Employer Contributions | N/A | N/A | N/A |
| Employee Contributions | \$ 38,528 | \$ 27,099 | \$ 22,885 |
| Traditional IRA | 2023 | 2023 | 2022 |
| Employer Contributions | N/A | N/A | N/A |
| Employee Contributions | \$ 3,880 | \$ 6,211 | \$ 3,680 |

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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. 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 U.S. 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% (1,661 kW) in the summer season. The generation is primarily based on hydroelectric from various sources. Plans are in progress to extend the contracts.

Firm Power Project. The Firm Power Project was established to provide for the acquisition of firm power supplies from third parties. UAMPS currently has one long term transaction with 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%.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

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 kW.

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 840 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.

12. 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, 2023, the non-spendable portion is \$692,141 and the spendable portion is \$35,362. 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.

KAYSVILLE CITY CORPORATION, UTAH
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

13. **FEDERAL GRANTS – ECONOMIC RECOVERY**

As of June 30, 2023, the City had received a total of \$4,878,378 related to the American Rescue Plan Act (ARPA) of 2021. The City has designated these funds for the fiber infrastructure, public works, and public safety operations. As of June 30, 2023, \$4,309,175 remains unspent.

ARPA mandates that the State distribute these funds, as received from the U.S. Department of Treasury to non-entitlement local governments in Utah. The City is not a subrecipient of the State; the City is responsible for understanding and adhering to all Treasury guidance and regulations, as well as any other applicable federal, state and local regulations governing the use of these funds.

The period of performance for this award ends on December 31, 2026. As set forth in Treasury's implementing regulations, the City may use award funds to cover eligible costs incurred during the period from March 3, 2021 through December 31, 2026.

14. **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. See *Schedule of Findings in the Utah State Audit Compliance Section*.

15. **TAX ABATEMENT**

The City does not currently offer any Tax Abatements as of June 30, 2023. The City's Redevelopment Agency (RDA), however, collects property tax revenue for the Flint Street Project Area, as approved by executed Interlocal Agreements with other taxing entities. The RDA collected \$127,165 during the fiscal year.

16. **SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 20, 2023, the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Budget to Actual Schedules:

General Fund

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

**Municipal Building Authority of Kaysville City (MBA) -
Special Revenue Fund**

RAMP Fund - Special Revenue Fund

Road Projects Fund - Special Revenue Fund

Pension Related Schedules:

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

Schedule of Contributions

Notes to Required Supplementary Information

KAYSVILLE CITY CORPORATION, UTAH
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – General Fund
For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---------------------------------|-------------------------|--------------|-----------------------|-----------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property, current | \$ 4,460,345 | \$ 4,460,345 | \$ 4,456,376 | \$ (3,969) |
| Property, redemptions | 125,000 | 125,000 | 156,530 | 31,530 |
| Sales and use tax | 7,495,000 | 7,495,000 | 7,755,116 | 260,116 |
| Energy tax | 1,325,000 | 1,325,000 | 1,872,916 | 547,916 |
| Telecommunications tax | 585,000 | 585,000 | 555,862 | (29,138) |
| Other taxes | 315,000 | 315,000 | 256,360 | (58,640) |
| Total taxes | 14,305,345 | 14,305,345 | 15,053,160 | 747,815 |
| Licenses and permits: | | | | |
| Building permits | 600,000 | 600,000 | 443,136 | (156,864) |
| Business licenses | 65,000 | 65,000 | 73,470 | 8,470 |
| Forfeited construction bonds | - | - | 86,200 | 86,200 |
| Total licenses and permits | 665,000 | 665,000 | 602,806 | (62,194) |
| Intergovernmental: | | | | |
| Federal VAWA grant | 53,000 | 53,000 | 88,805 | 35,805 |
| Federal VOCA grant | 90,000 | 90,000 | 81,516 | (8,484) |
| Federal FEMA grant | - | - | 14,039 | 14,039 |
| State liquor allotment | 20,000 | 20,000 | 28,822 | 8,822 |
| Other state and local grants | 25,000 | 25,000 | 10,415 | (14,585) |
| Total intergovernmental | 188,000 | 188,000 | 223,597 | 35,597 |
| Charges for services: | | | | |
| Administrative charges | 1,020,881 | 1,020,881 | 1,020,881 | - |
| Parks, recreation, and culture | 589,000 | 589,000 | 671,199 | 82,199 |
| Ambulance fees | 565,000 | 565,000 | 617,647 | 52,647 |
| Fire protection | 65,000 | 65,000 | 75,032 | 10,032 |
| GIS/Information system services | 310,000 | 310,000 | 310,000 | - |
| Law enforcement | 285,000 | 285,000 | 377,294 | 92,294 |
| Plan check and zoning fees | 165,000 | 165,000 | 169,758 | 4,758 |
| Burial fees | 195,000 | 195,000 | 195,675 | 675 |
| Cemetery lots | 135,000 | 135,000 | 123,750 | (11,250) |
| Fleet mgmt services | 86,000 | 86,000 | 104,000 | 18,000 |
| Construction inspection fees | - | - | 7,000 | 7,000 |
| Community events | 35,000 | 35,000 | 33,912 | (1,088) |
| Excavation permit fees | - | - | 36,902 | 36,902 |
| Transaction service charges | - | - | 24,600 | 24,600 |
| Streets | 2,500 | 2,500 | 1,500 | (1,000) |
| Miscellaneous charges | 5,000 | 5,000 | 6,345 | 1,345 |
| Maps and publications | 500 | 500 | - | (500) |
| Total charges for services | 3,458,881 | 3,458,881 | 3,775,495 | 316,614 |
| Fines and forfeitures: | | | | |
| Court Fines | 136,500 | 136,500 | 218,320 | 81,820 |
| Leases and rents: | | | | |
| Cellular Tower | 14,896 | 14,896 | 24,883 | 9,987 |
| Building and Equipment Use | 3,104 | 3,104 | 5,185 | 2,081 |
| Total leases and rents | 18,000 | 18,000 | 30,068 | 12,068 |
| Interest and dividends | 95,000 | 95,000 | 427,954 | 332,954 |
| Payments in lieu of taxes | 25,000 | 25,000 | 22,337 | (2,663) |
| Donations: | | | | |
| Community events | 2,500 | 2,500 | 2,675 | 175 |
| Miscellaneous: | | | | |
| Proceeds from auction sales | 25,000 | 25,000 | 5,570 | (19,430) |
| Proceeds from scrap metal | - | - | 22,558 | 22,558 |
| Other | 20,000 | 20,000 | 85,346 | 65,346 |
| Total miscellaneous | 45,000 | 45,000 | 113,474 | 68,474 |
| Total revenues | 18,914,226 | 18,914,226 | 20,469,886 | 1,533,323 |

KAYSVILLE CITY CORPORATION, UTAH
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – General Fund
For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|--------------|-----------------------|-----------------------------------|
| | Original | Final | | |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| City Council | 145,625 | 169,625 | 161,720 | 7,905 |
| City Manager | 250,606 | 250,606 | 210,187 | 40,419 |
| Administrative Services | 1,191,465 | 1,191,465 | 1,137,409 | 54,056 |
| Information Services | 784,932 | 784,932 | 804,718 | (19,786) |
| Elections | - | - | 64 | (64) |
| Legal Services | 358,777 | 358,777 | 336,234 | 22,543 |
| Fleet Maintenance | 325,898 | 325,898 | 290,895 | 35,003 |
| MBA lease payment (City Hall) | 337,000 | 337,000 | 337,000 | - |
| Nonreciprocal utility payments | - | - | 100,561 | (100,561) |
| Total general government | 3,394,303 | 3,418,303 | 3,378,788 | 39,515 |
| Public safety: | | | | |
| Police | 6,371,454 | 6,371,454 | 6,122,932 | 248,522 |
| MBA lease payment (Police Station) | 371,000 | 371,000 | 371,000 | - |
| Fire and emergency response | 3,698,634 | 3,698,634 | 3,487,708 | 210,926 |
| Animal control | 95,000 | 95,000 | 45,477 | 49,523 |
| Nonreciprocal utility payments | - | - | 47,937 | (47,937) |
| Total public safety | 10,536,088 | 10,536,088 | 10,075,054 | 461,034 |
| Community development: | | | | |
| Planning and zoning | 486,367 | 486,367 | 440,432 | 45,935 |
| Building inspection | 626,636 | 626,636 | 596,816 | 29,820 |
| Nonreciprocal utility payments | - | - | 67,040 | (67,040) |
| Total community development | 1,113,003 | 1,113,003 | 1,104,288 | 8,715 |
| Streets and public works: | | | | |
| General projects | 984,746 | 1,184,746 | 1,069,907 | 114,839 |
| Nonreciprocal utility payments | - | - | 20,868 | (20,868) |
| Total public works | 984,746 | 1,184,746 | 1,069,907 | 114,839 |
| Parks, recreation, and culture: | | | | |
| Buildings | 244,683 | 244,683 | 246,614 | (1,931) |
| Parks | 1,231,810 | 1,231,810 | 1,223,830 | 7,980 |
| Recreation | 1,048,137 | 1,048,137 | 1,069,335 | (21,198) |
| Community events | 195,618 | 195,618 | 181,047 | 14,571 |
| Cemetery | 416,651 | 416,651 | 409,165 | 7,486 |
| Nonreciprocal utility payments | - | - | 176,246 | (176,246) |
| Total parks, recreation, and culture | 3,136,899 | 3,136,899 | 3,306,237 | (169,338) |
| Capital outlay | | | | |
| General government | 437,100 | 437,100 | 75,848 | 361,252 |
| Public safety | 227,000 | 1,293,000 | 1,387,725 | (94,725) |
| Community development | 6,000 | 6,000 | - | 6,000 |
| Streets and public works | 55,000 | 361,000 | 555,970 | (194,970) |
| Parks, recreation, and culture | 109,500 | 109,500 | 178,361 | (68,861) |
| Total capital outlay | 834,600 | 2,206,600 | 2,197,904 | 8,696 |
| Total expenditures | 19,999,639 | 21,595,639 | 21,132,178 | 463,461 |
| Excess of revenues over expenditures | (1,085,413) | (2,681,413) | (662,292) | 2,019,121 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in (nonreciprocal utility fees) | - | - | 412,652 | 412,652 |
| Transfers out | (263,850) | (263,850) | (263,850) | - |
| Sale of capital assets | - | - | 161,571 | 161,571 |
| Total other financing sources (uses) | (263,850) | (263,850) | 310,373 | 574,223 |
| Net change in fund balance | (1,349,263) | (2,945,263) | (351,919) | 2,593,344 |
| Fund balance, beginning of year | 7,593,373 | 7,593,373 | 7,593,373 | - |
| Fund balance, end of year | \$ 6,244,110 | \$ 4,648,110 | \$ 7,241,454 | \$ 2,593,344 |

KAYSVILLE CITY CORPORATION, UTAH
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Redevelopment Agency
For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---------------------------------|-------------------------|-------------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Property taxes | \$ 135,000 | \$ 135,000 | \$ 127,165 | \$ (7,835) |
| Interest | - | - | 21,537 | 21,537 |
| Total revenues | <u>135,000</u> | <u>135,000</u> | <u>148,702</u> | <u>13,702</u> |
| EXPENDITURES | | | | |
| Community Development | <u>135,000</u> | <u>135,000</u> | <u>8,951</u> | <u>126,049</u> |
| Total expenditures | <u>135,000</u> | <u>135,000</u> | <u>8,951</u> | <u>126,049</u> |
| Net change in fund balance | - | - | 139,751 | 139,751 |
| Fund balance, beginning of year | <u>811,806</u> | <u>811,806</u> | <u>811,806</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 811,806</u> | <u>\$ 811,806</u> | <u>\$ 951,557</u> | <u>\$ 139,751</u> |

KAYSVILLE CITY CORPORATION, UTAH
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Municipal Building Authority
For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|--------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Lease revenue | \$ 708,000 | \$ 708,000 | \$ 708,000 | \$ - |
| Interest | - | - | 24,595 | 24,595 |
| Miscellaneous | - | - | 30,683 | 30,683 |
| Total revenues | 708,000 | 708,000 | 763,278 | 55,278 |
| EXPENDITURES | | | | |
| Community development | - | - | 10 | (10) |
| Debt service: | | | | |
| Principal | 578,000 | 578,000 | 578,000 | - |
| Interest and fiscal charges | 130,000 | 130,000 | 130,123 | (123) |
| Total expenditures | 708,000 | 708,000 | 708,133 | (133) |
| Deficiency of revenues under expenditures | - | - | 55,145 | 55,145 |
| Net change in fund balance | - | - | 55,145 | 55,145 |
| Fund balance, beginning of year | 477,772 | 477,772 | 477,772 | - |
| Fund balance, end of year | \$ 477,772 | \$ 477,772 | \$ 532,917 | \$ 55,145 |

KAYSVILLE CITY CORPORATION, UTAH
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – RAMP Fund
For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--------------------------------------|-------------------------|--------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Parks and recreation (RAMP) tax | \$ 300,000 | \$ 300,000 | \$ 523,811 | \$ 223,811 |
| Investment earnings, net | - | - | 7,541 | 7,541 |
| Total revenues | 300,000 | 300,000 | 531,352 | 231,352 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Parks, recreation and culture | 86,000 | 86,000 | 17,488 | 68,512 |
| Capital outlay: | | | | |
| Parks, recreation and culture | 214,000 | 214,000 | 259,070 | (45,070) |
| Total expenditures | 300,000 | 300,000 | 276,558 | 23,442 |
| Excess of revenues over expenditures | - | - | 254,794 | 254,794 |
| Fund balance, beginning of year | 146,440 | 146,440 | 146,440 | - |
| Fund balance, end of year | \$ 146,440 | \$ 146,440 | \$ 401,234 | \$ 254,794 |

KAYSVILLE CITY CORPORATION, UTAH
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Road Fund
For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---------------------------------------|-------------------------|--------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Sales taxes | \$ 660,000 | \$ 660,000 | \$ 710,095 | \$ 50,095 |
| Intergovernmental | 1,350,000 | 10,050,000 | 10,916,934 | 866,934 |
| Charges for services | 1,175,000 | 1,175,000 | 1,180,885 | 5,885 |
| Investment earnings, net | - | - | 138,888 | 138,888 |
| Special assessments - impact fees | - | - | 478,301 | 478,301 |
| Miscellaneous | 60,000 | 60,000 | 662 | (59,338) |
| Total revenues | 3,245,000 | 11,945,000 | 13,425,765 | 1,480,765 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Streets and public works | 577,807 | 577,807 | 262,730 | 315,077 |
| Capital outlay: | | | | |
| Streets and public works | 2,910,000 | 6,910,000 | 6,479,478 | 430,522 |
| Total expenditures | 3,487,807 | 7,487,807 | 6,742,208 | 745,599 |
| Excess of revenues over expenditures | (242,807) | 4,457,193 | 6,683,557 | 2,226,364 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 242,807 | 242,807 | - | (242,807) |
| Sale of general capital assets | - | - | 6,650 | 6,650 |
| Net other financing sources (uses) | 242,807 | 242,807 | 6,650 | (236,157) |
| Net change in fund balance | - | 4,700,000 | 6,690,207 | 1,990,207 |
| Fund balance, beginning of year | 3,353,491 | 3,353,491 | 3,353,491 | - |
| Fund balance, end of year | \$ 3,353,491 | \$ 8,053,491 | \$ 10,043,698 | \$ 1,990,207 |

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 |
|---|---|-------------------------|--------------------------------------|--|---|
| 2023 | | | | | |
| Proportion of the net pension liability (asset) | 0.3952201% | 1,040,017.2% | 0.865,533.52% | 0.087,029.6% | 0.573,798.5% |
| Proportionate share of the net pension liability (asset) | \$ 676,913 | \$ 1,344,820 | \$ (224,731) | \$ 94,766 | \$ 47,869 |
| Covered payroll | \$ 3,398,727 | \$ 1,335,720 | \$ 419,057 | \$ 1,897,907 | \$ 1,765,452 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 19.92% | 100.68% | -53.63% | 4.99% | 2.71% |
| Plan fiduciary net position as a percentage of its covered payroll | 97.50% | 93.60% | 108.40% | 92.30% | 96.40% |
| 2022 | | | | | |
| Proportion of the net pension liability (asset) | 0.3968416% | 0.966,164.0% | 0.716,292.3% | 0.081,709.9% | 0.576,131.2% |
| Proportionate share of the net pension liability (asset) | \$ (2,272,754) | \$ (784,663) | \$ (417,753) | \$ (34,583) | \$ (29,119) |
| Covered payroll | \$ 3,301,776 | \$ 1,154,304 | \$ 332,305 | \$ 1,515,199 | \$ 1,377,749 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | -68.83% | -67.98% | -125.71% | -2.28% | -2.11% |
| Plan fiduciary net position as a percentage of its covered payroll | 108.70% | 104.20% | 120.10% | 103.80% | 102.80% |
| 2021 | | | | | |
| Proportion of the net pension liability (asset) | 0.3973498% | 0.891,780.1% | 0.686,883.0% | 0.064,388.0% | 0.538,850.4% |
| 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% | 0.845,572.8% | 0.750,518.0% | 0.073,504.6% | 0.463,540.1% |
| 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% | 0.924,278.1% | 0.666,437.6% | 0.065,977.9% | 0.440,862.9% |
| 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% | 0.893,241.0% | 0.499,513.4% | 0.079,865.2% | 0.291,159.1% |
| 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% | 0.957,019.9% | 0.472,873.6% | 0.069,597.9% | 0.334,196.4% |
| 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% | 0.902,896.3% | N/A | 0.623,104.0% | 0.326,718.7% |
| 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% | 0.869,338.6% | N/A | 0.557,657.0% | 0.187,697.1% |
| 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 8 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 Contributions
(Provided by Utah Retirement Systems)
Last 10 Fiscal Years*

| | As of fiscal year ended June 30, | Actuarial Determined Contributions | Contributions In relation to the contractually required contribution | Contribution deficiency (excess) | Covered payroll | Contributions as a percentage of covered employee payroll |
|---|--|--|--|--|--------------------|---|
| Noncontributory System | 2014 | \$ 514,845 | \$ 514,845 | \$ - | \$ 2,978,314 | 17.29% |
| | 2015 | 558,516 | 558,516 | 3,222,674 | 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% | |
| | 2022 | 607,206 | 607,206 | 3,323,348 | 18.27% | |
| | 2023 | 599,954 | 599,954 | 3,407,171 | 17.61% | |
| 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% | |
| | 2022 | - | - | - | 0.00% | |
| | 2023 | - | - | - | 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% | |
| | 2022 | 441,945 | 441,945 | 1,238,687 | 35.68% | |
| | 2023 | 481,979 | 481,979 | 1,377,611 | 34.99% | |
| 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% | |
| | 2022 | 11,979 | 11,979 | 351,008 | 3.41% | |
| | 2023 | 12,560 | 12,560 | 456,835 | 2.75% | |
| 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% | |
| | 2022 | 284,873 | 284,873 | 1,776,910 | 16.03% | |
| | 2023 | 331,516 | 331,516 | 2,070,683 | 16.01% | |
| 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% | |
| | 2022 | 340,376 | 340,376 | 1,501,345 | 22.67% | |
| | 2023 | 439,798 | 439,798 | 1,968,003 | 22.35% | |
| 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% | |
| | 2022 | 43,146 | 43,146 | 644,812 | 6.69% | |
| | 2023 | 56,583 | 56,583 | 914,095 | 6.19% | |
| 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% | |
| | 2022 | 16,848 | 16,848 | 347,506 | 4.85% | |
| | 2023 | 25,180 | 25,180 | 474,832 | 5.30% | |

*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, 2023

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, Municipal Building Authority Fund, RAMP Fund, ARPA Fund, and Road Fund are adopted on a basis consistent with Generally Accepted Accounting Principles in the United States of America (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 2023 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, 2023

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**

No changes were made in actuarial assumptions from the prior year's valuation.

OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds:

Combining Balance Sheet

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance

Budget to Actual Schedules

Nonmajor Enterprise Funds:

Combining Statement of Net Position

Combining Statement of Revenues, Expenditures, and
Changes in Net Position

Combining Statement of Cash Flows

KAYSVILLE CITY CORPORATION, UTAH
Combining Balance Sheet –
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

| | Debt Service Fund | ARPA | Permanent | | Total Nonmajor Governmental Funds |
|--|-------------------------|---------------------|------------------------------|------------------------------|--|
| | | | Cemetery Pepetual Fund | Library Endowment Fund | |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 95,472 | \$ 1,838,738 | \$ - | \$ - | \$ 1,934,210 |
| Cash and cash equivalents, restricted | - | - | 2,313,160 | 586,762 | 2,899,922 |
| Investments, restricted | - | - | - | 140,741 | 140,741 |
| Due from other funds | - | 2,470,437 | - | - | 2,470,437 |
| Total assets | \$ 95,472 | \$ 4,309,175 | \$ 2,313,160 | \$ 727,503 | \$ 7,445,310 |
| LIABILITIES | | | | | |
| Accounts payable | \$ - | \$ - | \$ 3,298 | \$ - | \$ 3,298 |
| FUND BALANCES | | | | | |
| Non-Spendable: | | | | | |
| Library endowment | - | - | - | 692,141 | 692,141 |
| Cemetery perpetual care | - | - | 1,711,785 | - | 1,711,785 |
| Restricted: | | | | | |
| Library endowment | - | - | - | 35,362 | 35,362 |
| Cemetery perpetual care | - | - | 598,077 | - | 598,077 |
| Assigned: | | | | | |
| Debt Service | 95,472 | - | - | - | 95,472 |
| Operational and capital projects | - | 4,309,175 | - | - | 4,309,175 |
| Total fund balances | 95,472 | 4,309,175 | 2,309,862 | 727,503 | 7,442,012 |
| Total liabilities and fund balances | \$ 95,472 | \$ 4,309,175 | \$ 2,313,160 | \$ 727,503 | \$ 7,445,310 |

KAYSVILLE CITY CORPORATION, UTAH
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

| | Debt Service Fund | ARPA | Permanent | | Total Nonmajor Governmental Funds |
|--|-------------------------|--------------|------------------------------|------------------------------|--|
| | | | Cemetery Pepetual Fund | Library Endowment Fund | |
| REVENUES | | | | | |
| Charges for services | \$ - | \$ - | \$ 112,430 | \$ - | \$ 112,430 |
| Investment earnings | 3,692 | 108,730 | 58,269 | 14,830 | 185,521 |
| Total revenues | 3,692 | 108,730 | 170,699 | 14,830 | 297,951 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Public safety | - | 125,374 | - | - | 125,374 |
| Streets and public Works | - | 7,088 | - | - | 7,088 |
| Parks, recreation and culture | - | - | - | 20,000 | 20,000 |
| Debt service: | | | | | |
| Principal | 438,253 | - | - | - | 438,253 |
| Interest and fiscal charges | 29,132 | - | - | - | 29,132 |
| Capital Outlay | - | 157,180 | 138,769 | - | 295,949 |
| Total expenditures | 467,385 | 289,642 | 138,769 | 20,000 | 915,796 |
| Excess (deficiency) of revenues over expenditures | (463,693) | (180,912) | 31,930 | (5,170) | (617,845) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 473,850 | - | - | - | 473,850 |
| Net change in fund balances | 10,157 | (180,912) | 31,930 | (5,170) | (143,995) |
| Fund balances, beginning | 85,315 | 4,490,087 | 2,277,932 | 732,673 | 7,586,007 |
| Fund balances, ending | \$ 95,472 | \$ 4,309,175 | \$ 2,309,862 | \$ 727,503 | \$ 7,442,012 |

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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---------------------------------------|-------------------------|--------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Impact Fees: | | | | |
| Parks, recreation, and culture | \$ 210,000 | \$ 210,000 | \$ 349,440 | \$ 139,440 |
| Public safety | - | - | 152,071 | 152,071 |
| Interest Income | - | - | 66,323 | 66,323 |
| Total revenues | 210,000 | 210,000 | 567,834 | 357,834 |
| EXPENDITURES | | | | |
| Capital outlay: | | | | |
| Streets and public works | 215,000 | 215,000 | 170,198 | 44,802 |
| Parks, recreation, and culture | 320,000 | 320,000 | 274,286 | 45,714 |
| Excess of revenues over expenditures | (325,000) | (325,000) | 123,350 | 448,350 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (210,000) | (210,000) | (210,000) | - |
| Net change in fund balance | (535,000) | (535,000) | (86,650) | 448,350 |
| Fund balance, beginning of year | 3,290,605 | 3,290,605 | 3,290,605 | - |
| Fund balance, end of year | \$ 2,755,605 | \$ 2,755,605 | \$ 3,203,955 | \$ 448,350 |

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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-------------------------|------------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Interest | \$ - | \$ - | \$ 3,692 | \$ 3,692 |
| EXPENDITURES | | | | |
| Debt Service: | | | | |
| Principal, bonds payable | 195,000 | 195,000 | 193,000 | 2,000 |
| Principal, notes payable | 252,850 | 252,850 | 245,253 | 7,597 |
| Interest and fiscal charges | 26,000 | 26,000 | 29,132 | (3,132) |
| Total expenditures | 473,850 | 473,850 | 467,385 | 6,465 |
| Excess (deficiency) of revenues over expenditures | (473,850) | (473,850) | (463,693) | 10,157 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 473,850 | 473,850 | 473,850 | - |
| Net change in fund balance | - | - | 10,157 | 10,157 |
| Fund balance, beginning of year | 85,315 | 85,315 | 85,315 | - |
| Fund balance, end of year | <u>\$ 85,315</u> | <u>\$ 85,315</u> | <u>\$ 95,472</u> | <u>\$ 10,157</u> |

KAYSVILLE CITY CORPORATION, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – ARPA Fund
For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---------------------------------|-------------------------|--------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 3,300,000 | \$ 3,300,000 | \$ - | \$ (3,300,000) |
| Interest Income | - | - | 108,730 | 108,730 |
| Total revenues | 3,300,000 | 3,300,000 | 108,730 | (3,191,270) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 154,577 | 154,577 | 125,374 | 29,203 |
| Streets and public Works | - | - | 7,088 | (7,088) |
| Capital outlay | 3,300,000 | 3,300,000 | 157,180 | 3,142,820 |
| Total expenditures | 3,454,577 | 3,454,577 | 289,642 | 3,164,935 |
| Net change in fund balance | (154,577) | (154,577) | (180,912) | (26,335) |
| Fund balance, beginning of year | 4,490,087 | 4,490,087 | 4,490,087 | - |
| Fund balance, end of year | \$ 4,335,510 | \$ 4,335,510 | \$ 4,309,175 | \$ (26,335) |

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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---------------------------------|-------------------------|---------------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for Services | \$ 90,000 | \$ 90,000 | \$ 112,430 | \$ 22,430 |
| Interest Income | 50,000 | 50,000 | 58,269 | 8,269 |
| Total revenues | <u>140,000</u> | <u>140,000</u> | <u>170,699</u> | <u>30,699</u> |
| EXPENDITURES | | | | |
| Administrative | - | - | - | - |
| Capital outlay | 200,000 | 200,000 | 138,769 | 61,231 |
| Total expenditures | <u>200,000</u> | <u>200,000</u> | <u>138,769</u> | <u>61,231</u> |
| Net change in fund balance | (60,000) | (60,000) | 31,930 | 91,930 |
| Fund balance, beginning of year | 2,277,932 | 2,277,932 | 2,277,932 | - |
| Fund balance, end of year | <u>\$ 2,217,932</u> | <u>\$ 2,217,932</u> | <u>\$ 2,309,862</u> | <u>\$ 91,930</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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---------------------------------|-------------------------|-------------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| <u>REVENUES</u> | | | | |
| Interest | \$ 10,000 | \$ 10,000 | \$ 14,830 | \$ 4,830 |
| <u>EXPENDITURES</u> | | | | |
| Noncapital improvements | 20,000 | 20,000 | 20,000 | - |
| Net change in fund balance | (10,000) | (10,000) | (5,170) | 4,830 |
| Fund balance, beginning of year | 732,673 | 732,673 | 732,673 | - |
| Fund balance, end of year | <u>\$ 722,673</u> | <u>\$ 722,673</u> | <u>\$ 727,503</u> | <u>\$ 4,830</u> |

KAYSVILLE CITY CORPORATION, UTAH
Combining Statement of Net Position –
Nonmajor Enterprise Funds
June 30, 2023

| | Business-type Activities - Enterprise Funds | | | | Total Nonmajor Funds |
|--------------------------------------|--|--------------------------------------|---------------------|---|---|
| | Sewer | Pressure Irrigation | Sanitation | Total Nonmajor Funds | |
| | Sewer | Pressure Irrigation | Sanitation | | |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 959,988 | \$ 50,874 | \$ 1,685,669 | \$ 2,696,531 | |
| Accounts receivable, net | | | | | |
| Utility | 247,645 | 146,667 | 229,955 | 624,267 | |
| Total current assets | <u>1,207,633</u> | <u>197,541</u> | <u>1,915,624</u> | <u>3,320,798</u> | |
| 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 | - | - | 1,842,834 | 1,842,834 | |
| Less: accumulated depreciation | (25,461) | - | (1,420,357) | (1,445,818) | |
| Total noncurrent assets | <u>15,828</u> | <u>3,738,172</u> | <u>422,477</u> | <u>4,176,477</u> | |
| Total assets | <u>1,223,461</u> | <u>3,935,713</u> | <u>2,338,101</u> | <u>7,497,275</u> | |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 328,856 | 131,556 | 177,947 | 638,359 | |
| Total current liabilities | <u>328,856</u> | <u>131,556</u> | <u>177,947</u> | <u>638,359</u> | |
| Noncurrent liabilities: | | | | | |
| | - | - | - | - | |
| Total liabilities | <u>328,856</u> | <u>131,556</u> | <u>177,947</u> | <u>638,359</u> | |
| NET POSITION | | | | | |
| Net investment in capital assets | 15,828 | 3,738,172 | 422,477 | 4,176,477 | |
| Unrestricted | 878,777 | 65,985 | 1,737,677 | 2,682,439 | |
| Total net position | <u>894,605</u> | <u>3,804,157</u> | <u>2,160,154</u> | <u>6,858,916</u> | |
| Total liabilities and net position | <u>\$ 1,223,461</u> | <u>\$ 3,935,713</u> | <u>\$ 2,338,101</u> | <u>\$ 7,497,275</u> | |

KAYSVILLE CITY CORPORATION, UTAH
Combining Statement of Revenues, Expenses and Changes in Net Position –
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

| | Business-type Activities - Enterprise Funds | | | | Total | |
|--|--|----------------------------|---------------------|-----------------------|----------------------------|-------------------|
| | Sewer | Pressure Irrigation | Sanitation | Nonmajor Funds | | |
| | | | | Sewer | Pressure Irrigation | Sanitation |
| OPERATING REVENUES | | | | | | |
| Charges for services: | | | | | | |
| Treatment and service charges | \$ 2,770,886 | \$ 1,477,720 | \$ 2,545,360 | \$ 6,793,966 | | |
| Other user fee and charges | 5,023 | - | 8,267 | 13,290 | | |
| Total operating revenues | <u>2,775,909</u> | <u>1,477,720</u> | <u>2,553,627</u> | <u>6,807,256</u> | | |
| OPERATING EXPENSES | | | | | | |
| Personnel services | 5,800 | 92 | 25,679 | 31,571 | | |
| Contractual services | 2,670,774 | 1,418,886 | 2,146,721 | 6,236,381 | | |
| Administrative charges from General Fund | 92,807 | 92,807 | 139,211 | 324,825 | | |
| Interfund services | - | - | 5,000 | 5,000 | | |
| Supplies, maintenance, and miscellaneous operating | 9,931 | 5,599 | 106,078 | 121,608 | | |
| Depreciation | 688 | - | 44,998 | 45,686 | | |
| Total operating expenses | <u>2,780,000</u> | <u>1,517,384</u> | <u>2,467,687</u> | <u>6,765,071</u> | | |
| Operating income (loss) | <u>(4,091)</u> | <u>(39,664)</u> | <u>85,940</u> | <u>42,185</u> | | |
| NONOPERATING REVENUES | | | | | | |
| Investment earnings | 22,748 | 1,757 | 40,178 | 64,683 | | |
| Gain on sale of assets | - | - | 72,200 | 72,200 | | |
| Total nonoperating revenues | <u>22,748</u> | <u>1,757</u> | <u>112,378</u> | <u>136,883</u> | | |
| Income (loss) | 18,657 | (37,907) | 198,318 | 179,068 | | |
| Transfers out | <u>(5,023)</u> | <u>-</u> | <u>(8,267)</u> | <u>(13,290)</u> | | |
| Change in net position | 13,634 | (37,907) | 190,051 | 165,778 | | |
| Total net position, beginning | 880,971 | 3,842,064 | 1,970,103 | 6,693,138 | | |
| Total net position, ending | <u>\$ 894,605</u> | <u>\$ 3,804,157</u> | <u>\$ 2,160,154</u> | <u>\$ 6,858,916</u> | | |

KAYSVILLE CITY CORPORATION, UTAH
Combining Statement of Cash Flows –
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

| | Business-type Activities - Enterprise Funds | | | |
|---|--|----------------------------|---------------------|--|
| | Sewer | Pressure Irrigation | Sanitation | Total Nonmajor Enterprise Funds |
| Cash flows from operating activities | | | | |
| Receipts from customers and users | \$ 2,762,570 | \$ 1,444,130 | \$ 2,541,012 | \$ 6,747,712 |
| Payments to suppliers | (2,664,545) | (1,398,423) | (2,254,715) | (6,317,683) |
| Payments to employees | (5,800) | (92) | (25,679) | (31,571) |
| Payments for interfund services | (92,807) | (92,807) | (144,211) | (329,825) |
| Net cash provided (used) by operating activities | (582) | (47,192) | 116,407 | 68,633 |
| Cash flows from noncapital financing activities | | | | |
| Cash received from other funds | (5,023) | - | (8,267) | (13,290) |
| Cash flows from capital and related financing activities | | | | |
| Aquisition of capital assets | - | - | (232,842) | (232,842) |
| Cash flows from investing activities | | | | |
| Interest received | 22,748 | 1,757 | 40,178 | 64,683 |
| Net cash provided by investing activities | 22,748 | 1,757 | 40,178 | 64,683 |
| Net increase (decrease) in cash and cash equivalents | 17,143 | (45,435) | (84,524) | (112,816) |
| Cash and cash equivalents, beginning of year | 942,845 | 96,309 | 1,770,193 | 2,809,347 |
| Cash and cash equivalents, end of year | \$ 959,988 | \$ 50,874 | \$ 1,685,669 | \$ 2,696,531 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | | |
| Operating income (loss) | \$ (4,091) | \$ (39,664) | \$ 85,940 | \$ 42,185 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation | 688 | - | 44,998 | 45,686 |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | (13,339) | (33,590) | (12,615) | (59,544) |
| Accounts payable | 16,160 | 26,062 | (1,916) | 40,306 |
| Net cash provided (used) by operating activities | \$ (582) | \$ (47,192) | \$ 116,407 | \$ 68,633 |

STATISTICAL SECTION

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 | 108-113 |
| <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i> | |
| Revenue Capacity | 114-121 |
| <i>These schedules contain information to help the reader assess a primary city revenue source, property tax.</i> | |
| Debt Capacity | 122-124 |
| <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i> | |
| Demographic and Economic Information | 125-126 |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i> | |
| Operating Information | 127-129 |
| <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> | |

KAYSVILLE CITY CORPORATION
Net Position by Component
June 30,

| | (*Restated) 2014 | 2015 | (*Restated) 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Governmental Activities: | | | | | | | | | | |
| Net Investment of Capital Assets | \$ 68,417,942 | \$ 73,170,909 | \$ 72,688,598 | \$ 74,851,196 | \$ 76,597,865 | \$ 15,859,194 | \$ 15,418,558 | \$ 17,839,025 | \$ 82,245,257 | \$ 88,425,980 |
| Restricted | 5,351,824 | 5,604,329 | 5,966,992 | 5,923,558 | 7,188,243 | 4,391,242 | 7,623,341 | 6,608,290 | 8,816,743 | 15,500,575 |
| Unrestricted | 191,422 | (1,086,709) | (3,848) | 998,674 | 3,004,914 | 2,851,317 | 2,319,564 | 3,381,178 | 13,204,662 | 13,865,869 |
| Total Governmental Activities Net Position | <u>\$ 73,961,188</u> | <u>\$ 77,688,599</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> | <u>\$ 104,266,662</u> | <u>\$ 117,792,124</u> |
| Business-type Activities: | | | | | | | | | | |
| Net Investment of Capital Assets | \$ 48,131,444 | \$ 48,431,735 | \$ 49,482,868 | \$ 49,544,446 | \$ 48,944,148 | \$ 110,935,762 | \$ 110,178,187 | \$ 115,852,151 | \$ 52,385,553 | \$ 55,945,528 |
| Restricted | - | 202,157 | 668,524 | 1,029,394 | 1,543,974 | 2,777,780 | 2,311,185 | 2,990,640 | 3,797,899 | 4,093,778 |
| Unrestricted | 10,400,263 | 11,071,837 | 12,406,511 | 14,579,974 | 13,864,038 | 16,721,454 | 15,793,785 | 17,192,612 | 18,998,651 | 14,948,76 |
| Total Business-type Activities Net Position | <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> | <u>\$ 75,182,103</u> | <u>\$ 74,987,782</u> |
| Primary Government | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 116,549,386 | \$ 121,602,644 | \$ 122,171,466 | \$ 124,395,642 | \$ 125,542,013 | \$ 126,794,956 | \$ 125,596,745 | \$ 133,691,176 | \$ 134,630,810 | \$ 144,371,508 |
| Restricted | 5,351,824 | 5,806,486 | 6,635,516 | 6,952,952 | 8,732,217 | 7,169,022 | 9,934,526 | 9,598,930 | 12,614,642 | 19,594,353 |
| Unrestricted | 10,591,685 | 9,985,128 | 12,402,663 | 15,578,648 | 16,868,952 | 19,572,771 | 18,113,349 | 20,573,790 | 32,203,313 | 28,814,345 |
| Total Primary Government Net Position | <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> | <u>\$ 179,448,765</u> | <u>\$ 192,780,206</u> |

(Accrual Basis of Accounting)

* In FY2019, the Road Utility Fund was formed. During this year the road assets were transferred to the Road Utility Fund from the General Fund

** In FY2022, the City determined that the Road Utility Enterprise Fund and the Ambulance Enterprise Fund were best reported as governmental funds

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|
| Expenses | | | | | | | | | | |
| Government Activities: | | | | | | | | | | |
| General Government | \$ 2,383,664 | \$ 2,380,314 | \$ 2,490,055 | \$ 2,446,401 | \$ 2,567,656 | \$ 3,132,685 | \$ 2,504,558 | \$ 3,811,104 | \$ 3,273,057 | \$ 3,614,898 |
| Public Safety - Police | 3,064,435 | 3,496,435 | 3,811,732 | 3,874,551 | 3,695,913 | 4,643,415 | 4,942,482 | 5,623,367 | 5,421,876 | 7,172,053 |
| Public Safety - Fire | 863,892 | 833,769 | 964,668 | 913,103 | 849,282 | 1,076,170 | 1,365,305 | 1,897,410 | 2,557,632 | 3,533,055 |
| Public Safety - Animal Control | - | - | - | - | - | - | - | 95,123 | 919,241 | 45,477 |
| Community Development | 700,293 | 686,765 | 722,417 | 792,510 | 724,185 | 875,965 | 1,035,615 | 1,698,458 | 906,871 | 3,639,288 |
| Public Works | 3,916,960 | 2,937,745 | 4,135,628 | 3,985,500 | 5,563,214 | 1,214,306 | 962,291 | 992,643 | 4,511,879 | 1,319,398 |
| Parks, Recreation and Culture | 2,157,669 | 2,640,781 | 2,490,851 | 2,457,360 | 2,446,321 | 3,004,775 | 2,610,749 | 2,742,405 | 3,004,995 | 3,754,035 |
| Perpetual Cemetery | 35,347 | 23,641 | 23,654 | - | 100,000 | - | - | - | - | - |
| Library Endowment | - | - | - | - | - | - | - | - | - | - |
| Nondepartmental | - | - | - | - | - | - | - | - | - | - |
| Interest on Long-Term Debt | 149,543 | 235,218 | 199,427 | 162,298 | 203,870 | 239,382 | 334,175 | 217,269 | 174,335 | 152,815 |
| Total Governmental Activities Expenses | <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>14,368,998</u> | <u>17,077,779</u> | <u>20,769,886</u> | <u>23,231,019</u> |
| Business-type Activities: | | | | | | | | | | |
| Water | 2,599,457 | 2,443,152 | 2,371,766 | 2,256,288 | 3,515,650 | 4,169,497 | 3,520,163 | 3,178,987 | 3,360,773 | 3,617,720 |
| Electric | 13,137,151 | 13,814,577 | 14,006,885 | 14,698,768 | 15,888,033 | 14,734,493 | 15,489,395 | 15,689,771 | 17,010,050 | 20,973,427 |
| Storm Water | 1,044,438 | 1,418,881 | 1,610,691 | 1,214,987 | 1,643,631 | 1,739,308 | 1,866,836 | 1,521,681 | 1,553,978 | 2,004,543 |
| Road Utility | - | - | - | - | - | 4,106,071 | 6,538,721 | 3,682,801 | 63,640,648 | - |
| Ambulance | 422,391 | 483,772 | 541,755 | 776,868 | 926,154 | 980,363 | 874,406 | 1,066,837 | 200,091 | - |
| Sewer | 1,822,954 | 1,876,862 | 2,195,339 | 2,193,175 | 2,251,223 | 2,293,722 | 2,674,245 | 2,686,746 | 2,690,713 | 2,780,000 |
| Pressure Irrigation | 1,121,653 | 1,143,314 | 1,211,994 | 1,205,904 | 1,237,799 | 1,262,153 | 1,284,053 | 1,314,563 | 1,333,155 | 1,517,384 |
| Sanitation | 1,765,134 | 1,751,666 | 1,859,482 | 1,739,010 | 1,857,858 | 1,958,416 | 2,257,050 | 2,365,716 | 2,330,173 | 2,467,687 |
| Total Business-Type Activities Expenses | <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> | <u>92,119,581</u> | <u>33,380,761</u> |
| Total Primary Government Expenses | <u>\$ 35,184,943</u> | <u>\$ 36,166,892</u> | <u>\$ 38,642,344</u> | <u>\$ 38,816,723</u> | <u>\$ 43,370,789</u> | <u>\$ 45,430,721</u> | <u>\$ 49,373,867</u> | <u>\$ 48,584,881</u> | <u>\$ 112,889,467</u> | <u>\$ 56,591,780</u> |

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|
| Program Revenues | | | | | | | | | | |
| Government Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | \$ 770,059 | \$ 827,020 | \$ 908,174 | \$ 945,100 | \$ 1,023,800 | \$ 1,391,042 | \$ 1,125,000 | \$ 1,855,515 | \$ 1,716,683 | \$ 1,951,630 |
| Public Safety | 461,120 | 474,244 | 565,839 | 630,020 | 633,868 | 558,874 | 1,015,021 | 1,627,832 | 1,436,256 | |
| Community Development | 770,321 | 759,540 | 750,378 | 719,877 | 748,293 | 696,268 | 937,490 | 1,088,738 | 841,066 | |
| Public Works | 1,097,082 | 1,295,257 | 1,043,907 | 1,554,383 | 1,531,636 | 1,18,057 | 23,546 | 3,609 | 1,220,154 | 1,225,673 |
| Parks, Recreation and Culture | 1,043,769 | 1,017,174 | 784,962 | 848,275 | 802,896 | 838,745 | 641,542 | 1,019,316 | 1,178,379 | 1,173,379 |
| Perpetual Cemetery | 63,850 | 58,925 | 57,125 | 52,785 | 75,933 | 122,775 | 135,941 | - | - | - |
| Nondepartmental | - | - | - | - | - | - | - | - | - | - |
| Operating Grants and Contributions | 19,807 | 17,363 | 495,115 | 19,458 | 21,528 | 19,079 | 1,100,618 | 1,491,398 | 430,002 | 225,822 |
| Capital Grants and Contributions | 906,199 | 3,734,313 | 2,044,012 | 3,564,061 | 4,938,082 | 555,668 | 513,257 | 904,007 | 71,551,127 | 11,387,196 |
| Total Governmental Activities Program Revenues | 5,018,090 | 8,170,712 | 6,557,917 | 8,269,778 | 9,795,091 | 4,427,527 | 5,831,099 | 7,226,356 | 78,812,915 | 18,751,022 |
| Business-type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Water | 2,566,353 | 2,789,065 | 2,813,194 | 2,893,746 | 2,932,922 | 3,049,993 | 3,057,567 | 3,255,067 | 3,296,041 | 3,603,584 |
| Electric | 14,967,518 | 14,004,518 | 14,560,483 | 14,684,800 | 14,695,678 | 15,413,704 | 15,516,030 | 16,435,150 | 17,959,400 | 19,578,721 |
| Storm Water | 1,091,871 | 1,073,364 | 1,129,187 | 1,152,990 | 1,159,769 | 1,210,737 | 1,221,139 | 1,232,626 | 1,219,978 | 1,258,207 |
| Road Utility | - | - | - | - | - | 2,909,937 | 1,150,366 | 1,155,886 | - | - |
| Ambulance | 434,899 | 486,656 | 413,301 | 483,113 | 455,685 | 403,381 | 554,439 | 506,606 | - | - |
| Sewer | 1,880,801 | 1,875,927 | 2,177,025 | 2,219,400 | 2,234,779 | 2,329,583 | 2,678,918 | 2,694,301 | 2,718,369 | 2,775,909 |
| Pressure Irrigation | 1,124,747 | 1,121,755 | 1,187,426 | 1,209,698 | 1,219,522 | 1,274,415 | 1,279,859 | 1,300,429 | 1,320,699 | 1,477,720 |
| Sanitation | 1,784,714 | 1,767,879 | 1,851,658 | 1,890,425 | 1,916,031 | 2,005,253 | 2,270,433 | 2,466,404 | 2,501,393 | 2,553,627 |
| Grants and Contributions | 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 | 3,156,232 | 1,542,116 |
| Total Business-type Activities Program Revenues | 24,791,674 | 24,024,965 | 26,551,146 | 26,366,904 | 26,073,508 | 32,621,936 | 31,573,119 | 38,421,713 | 32,172,112 | 32,789,884 |
| Total Primary Government Program Revenues | \$ 29,809,764 | \$ 32,195,677 | \$ 33,109,063 | \$ 34,636,682 | \$ 35,868,599 | \$ 37,049,463 | \$ 37,404,218 | \$ 45,648,069 | \$ 110,985,027 | \$ 51,540,906 |
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental Activities | \$ (8,253,675) | \$ (5,063,956) | \$ (8,286,515) | \$ (6,461,945) | \$ (6,255,350) | \$ (9,759,171) | \$ (9,037,899) | \$ (9,851,423) | \$ 58,043,029 | \$ (4,479,997) |
| Business-type Activities | 2,878,496 | 1,092,741 | 2,753,234 | 2,281,904 | 1,246,840 | 1,377,913 | (2,931,750) | 6,914,611 | (59,947,469) | (570,877) |
| Total Primary Government Net Expense | \$ (5,375,179) | \$ (3,971,215) | \$ (5,533,281) | \$ (4,180,041) | \$ (7,502,190) | \$ (8,381,258) | \$ (11,969,649) | \$ (2,936,812) | \$ (1,904,440) | \$ (5,050,874) |

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------------------|----------------|--------------|--------------|--------------|---------------|-----------------|---------------|---------------|---------------|---------------|
| General Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Sales Taxes | \$ 3,471,892 | \$ 3,665,634 | \$ 4,098,274 | \$ 4,483,613 | \$ 4,819,011 | \$ 4,873,747 | \$ 5,581,445 | \$ 6,571,051 | \$ 7,555,446 | \$ 7,755,116 |
| Property Taxes | 1,484,074 | 3,263,780 | 2,948,599 | 3,237,023 | 3,322,726 | 3,536,836 | 3,709,251 | 4,026,569 | 4,735,065 | 4,740,071 |
| Energy Sales and Use Charge | 1,227,956 | 1,156,028 | 1,240,883 | 1,247,116 | 1,274,019 | 1,134,227 | 1,140,205 | 1,353,682 | 1,546,686 | 1,872,916 |
| Franchise Taxes | 592,786 | 537,744 | 536,596 | 551,817 | 483,614 | 657,389 | 579,668 | 538,149 | 593,121 | 555,862 |
| RAMP Taxes | - | - | - | - | - | - | - | - | - | 523,811 |
| Motor Vehicle and Other Taxes | - | - | - | - | - | - | - | - | - | - |
| Interest on Investments | 41,085 | 69,172 | 137,272 | 105,279 | 179,540 | 226,397 | 289,555 | 82,217 | 97,144 | 872,359 |
| Gain on Sale of Assets | - | - | 185,713 | - | 64,423 | 33,166 | 44,655 | 9,376 | 924,471 | 139,361 |
| Miscellaneous | 124,467 | 121,289 | 148,027 | 153,379 | 115,047 | 52,041 | 58,065 | 31,752 | 86,578 | 144,819 |
| Special Item, Net Insurance Proceeds | - | - | - | - | 1,182,870 | - | - | - | - | - |
| Transfers In (Out) | (3,640) | (22,350) | (45,636) | (194,596) | (169,304) | (64,443,901) | (371,000) | (537,550) | 1,752,324 | 4,126,652 |
| Total governmental activities | 6,938,620 | 8,791,297 | 9,249,728 | 9,583,631 | 11,271,946 | (53,930,098) | 11,297,609 | 12,318,453 | 18,395,140 | 18,005,759 |
| Business-type Activities: | | | | | | | | | | |
| Interest on Investments | 27,026 | 58,931 | 36,733 | 68,970 | 76,103 | 183,185 | 300,618 | 95,032 | 72,149 | 464,934 |
| Gain on sale of capital assets | - | - | - | - | 7,749 | - | 13,653 | 34,980 | 734,575 | 278,628 |
| Miscellaneous | - | - | 16,571 | 50,441 | 192,030 | 77,837 | 94,640 | 170,073 | 39,769 | 45,646 |
| Transfers In (Out) | 3,640 | 22,350 | 45,636 | 194,596 | 169,304 | 64,443,901 | 371,000 | 537,550 | (1,752,324) | (4,126,652) |
| Total business-type activities | 30,666 | 81,281 | 98,940 | 314,007 | 445,186 | 64,704,923 | 779,911 | 837,635 | (905,831) | 376,556 |
| Total primary government | \$ 6,969,286 | \$ 8,872,578 | \$ 9,348,668 | \$ 9,897,638 | \$ 11,717,132 | \$ 10,774,825 | \$ 12,077,520 | \$ 13,156,088 | \$ 17,489,309 | \$ 18,382,315 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ (1,315,055) | \$ 3,727,341 | \$ 963,213 | \$ 3,121,686 | \$ 5,016,596 | \$ (63,089,269) | \$ 2,259,710 | \$ 2,467,030 | \$ 76,438,169 | \$ 13,525,762 |
| Business-type activities | 2,909,162 | 1,174,022 | 2,852,174 | 2,595,911 | (801,654) | 66,082,836 | (2,151,839) | 7,752,246 | (60,853,300) | (194,321) |
| Total primary government | \$ 1,594,107 | \$ 4,901,363 | \$ 3,815,387 | \$ 5,717,597 | \$ 4,214,942 | \$ 2,393,567 | \$ 107,871 | \$ 10,219,276 | \$ 15,584,869 | \$ 13,331,441 |
| (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,

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 538,944 | \$ 691,853 | \$ 468,737 | \$ 878,006 | \$ 1,143,522 | \$ 7,660 | \$ 710,114 | \$ 54,514 | \$ 5,470 | \$ 5,500 |
| Restricted | 1,800,497 | 1,767,732 | 2,233,349 | 3,459,744 | 4,924,356 | 4,664,867 | 4,662,914 | 5,453,109 | 178,170 | 55,082 |
| Unassigned | | | | | | | | | | |
| Total General Fund | \$ 2,339,441 | \$ 2,459,585 | \$ 2,702,086 | \$ 4,337,750 | \$ 6,067,878 | \$ 4,672,527 | \$ 5,373,028 | \$ 5,507,623 | \$ 7,739,813 | \$ 7,180,872 |
| Capital Projects Fund | | | | | | | | | | |
| Restricted | \$ 1,172,747 | \$ 1,518,347 | \$ 1,964,659 | \$ 1,677,481 | \$ 766,758 | \$ 53,305 | \$ 1,697,717 | \$ 2,426,205 | \$ 1,711,390 | \$ 1,831,513 |
| Assigned | 951,857 | 696,209 | 680,083 | 444,954 | 2,184,485 | 1,897,031 | - | - | 1,579,215 | 1,372,442 |
| Total Capital Projects Fund | \$ 2,124,604 | \$ 2,214,556 | \$ 2,644,742 | \$ 2,122,435 | \$ 2,951,243 | \$ 1,950,336 | \$ 1,697,717 | \$ 2,426,205 | \$ 3,290,605 | \$ 3,203,955 |
| Redevelopment Agency | | | | | | | | | | |
| Nonspendable | \$ 723,956 | \$ 723,956 | \$ 251,931 | \$ 251,931 | \$ 251,931 | \$ 251,931 | \$ 536,263 | \$ 681,324 | \$ 811,806 | \$ - |
| Assigned | 379,189 | (665,041) | (81,696) | 19,570 | 134,182 | 465,238 | 536,263 | 681,324 | 811,806 | 951,557 |
| Total Redevelopment Agency Fund | \$ 1,103,145 | \$ 58,915 | \$ 170,235 | \$ 271,501 | \$ 386,113 | \$ 465,238 | \$ 536,263 | \$ 681,324 | \$ 811,806 | \$ 951,557 |
| Municipal Building Authority | | | | | | | | | | |
| Restricted | \$ 4,322,483 | \$ 35,877 | \$ 19,914 | \$ 13,600 | \$ 96 | \$ 4,677 | \$ 1,840,672 | \$ 475,468 | \$ 477,772 | \$ 532,917 |
| Total Municipal Building Authority Fund | \$ 4,322,483 | \$ 35,877 | \$ 19,914 | \$ 13,600 | \$ 96 | \$ 4,677 | \$ 1,840,672 | \$ 475,468 | \$ 477,772 | \$ 532,917 |
| RAMP Fund | | | | | | | | | | |
| Restricted | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 401,234 |
| Assigned | | | | | | | | | | |
| Total ARPA Grant Fund | | | | | | | | | | |
| ARPA Grant Fund | | | | | | | | | | |
| Restricted | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Assigned | | | | | | | | | | |
| Total ARPA Grant Fund | | | | | | | | | | |
| Road Projects Fund | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | | | | | | | | | | |
| Total Road Projects Fund | | | | | | | | | | |
| Debt Service Fund | | | | | | | | | | |
| Restricted | \$ 62,483 | \$ 65,837 | \$ 49,279 | \$ 50,661 | \$ 39,110 | \$ 61,706 | \$ 72,455 | \$ 78,094 | \$ 85,315 | \$ 95,472 |
| Assigned | | | | | | | | | | |
| Total Debt Service Fund | \$ 62,483 | \$ 65,837 | \$ 49,279 | \$ 50,661 | \$ 39,110 | \$ 61,706 | \$ 72,455 | \$ 78,094 | \$ 85,315 | \$ 95,472 |
| Cemetery Perpetual Care | | | | | | | | | | |
| Nonspendable | \$ 990,976 | \$ 1,049,901 | \$ 1,107,026 | \$ 1,159,811 | \$ 1,223,021 | \$ 1,301,306 | \$ 1,382,081 | \$ 1,492,356 | \$ 1,599,355 | \$ 1,711,785 |
| Restricted | 623,864 | 618,476 | 634,363 | 650,005 | 662,728 | 642,206 | 667,651 | 675,348 | 678,577 | 598,077 |
| Total Cemetery Perpetual Care Fund | \$ 1,614,840 | \$ 1,668,377 | \$ 1,741,389 | \$ 1,809,816 | \$ 1,885,749 | \$ 1,943,512 | \$ 2,049,732 | \$ 2,167,704 | \$ 2,277,932 | \$ 2,309,862 |
| Library Endowment Fund | | | | | | | | | | |
| Nonspendable | \$ 686,483 | \$ 686,950 | \$ 687,416 | \$ 687,812 | \$ 688,299 | \$ 689,021 | \$ 689,888 | \$ 689,120 | \$ 692,411 | |
| Restricted | 227,765 | 181,984 | 185,280 | 89,727 | 94,111 | 50,608 | 26,500 | 35,093 | 43,553 | 35,362 |
| Total Library Endowment Fund | \$ 914,248 | \$ 868,914 | \$ 872,696 | \$ 777,539 | \$ 782,410 | \$ 739,629 | \$ 716,388 | \$ 724,981 | \$ 732,673 | \$ 727,503 |

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|--------------|----------------|--------------|--------------|--------------|----------------|---------------|---------------|---------------|---------------|
| Revenues: | | | | | | | | | | |
| Taxes | \$ 6,776,708 | \$ 8,623,186 | \$ 8,824,352 | \$ 9,519,569 | \$ 9,899,370 | \$ 10,202,199 | \$ 11,276,334 | \$ 12,732,658 | \$ 15,534,623 | \$ 16,414,231 |
| Licenses and Permits | 601,533 | 592,227 | 577,459 | 513,410 | 616,293 | 570,617 | 552,403 | 703,531 | 786,158 | 602,806 |
| Impact Fees | 520,451 | 665,904 | 461,765 | 358,295 | 463,404 | 282,380 | 375,470 | 900,022 | 1,529,603 | 979,812 |
| Intergovernmental | 856,993 | 903,604 | 1,004,923 | 1,542,995 | 4,045,043 | 1,138,263 | 1,495,383 | 6,617,808 | 11,140,531 | |
| Charges for Services | 2,065,694 | 2,146,183 | 2,313,642 | 2,444,173 | 2,543,223 | 2,803,833 | 2,475,919 | 2,974,405 | 5,135,342 | 5,068,810 |
| Donations | 150,850 | 20,000 | 13,032 | 126,214 | 350 | 100,142 | - | - | 5,537 | 2,675 |
| Fines and Forfeitures | 58,212 | 111,532 | 121,083 | 146,470 | 160,234 | 161,715 | 127,474 | 124,188 | 175,867 | 218,320 |
| Leases and Rent Revenue | - | - | - | - | - | - | 775,375 | 730,312 | 734,419 | 738,068 |
| Community Development Block Grant | - | 7,452 | 69,172 | 137,272 | 105,279 | 179,540 | 226,397 | 289,555 | 82,217 | - |
| Interest Income | 41,085 | 133,475 | 133,707 | 169,022 | 216,548 | 199,390 | 113,402 | 58,065 | (107,373) | 872,359 |
| Miscellaneous | - | - | - | - | - | - | - | - | 58,008 | - |
| Total Revenues | 11,205,001 | 13,272,967 | 13,625,550 | 14,972,953 | 18,106,847 | 14,524,472 | 17,169,000 | 19,774,468 | 30,498,562 | 36,204,768 |
| Expenditures: | | | | | | | | | | |
| General Government | 2,353,025 | 2,692,131 | 2,472,042 | 2,292,182 | 2,520,633 | 2,613,447 | 2,386,208 | 3,903,287 | 3,208,803 | 3,378,788 |
| Public Safety | 3,702,599 | 4,230,409 | 4,506,959 | 4,408,837 | 4,528,970 | 5,139,543 | 6,041,744 | 7,492,982 | 8,673,252 | 10,200,428 |
| Community Development | 677,278 | 719,025 | 738,445 | 743,733 | 764,506 | 834,123 | 1,010,627 | 1,746,832 | 981,489 | 1,113,249 |
| Public Works | 2,148,751 | 1,827,115 | 2,085,285 | 1,948,902 | 2,103,879 | 973,433 | 884,481 | 748,608 | 2,307,347 | 1,339,725 |
| Parks, Recreation, and Culture | 2,078,976 | 2,511,420 | 2,350,488 | 2,240,657 | 2,253,277 | 2,597,636 | 2,321,302 | 2,441,251 | 2,730,057 | 3,343,725 |
| Nondepartmental | - | - | - | - | - | - | 1,113,823 | - | - | - |
| Debt service: | | | | | | | | | | |
| Principal | 428,035 | 1,386,188 | 738,384 | 744,274 | 406,032 | 616,376 | 4,659,303 | 890,237 | 995,014 | 1,016,253 |
| Interest and Fiscal Charges | 129,156 | 257,174 | 224,241 | 187,168 | 226,200 | 231,325 | 330,771 | 221,804 | 177,803 | 159,255 |
| Capital Projects | 1,673,607 | 4,820,844 | 75,468 | 1,029,641 | 5,014,148 | 1,919,107 | 4,166,130 | 2,402,798 | 3,306,810 | 9,676,885 |
| Total Expenditures | 13,191,427 | 18,444,306 | 13,191,312 | 13,595,394 | 17,817,645 | 14,924,990 | 22,914,389 | 19,847,799 | 22,380,575 | 30,228,308 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,986,426) | (5,171,339) | 434,238 | 1,377,559 | 289,202 | (400,518) | (5,745,389) | (73,331) | 8,117,987 | 5,976,460 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Sale of Capital Assets | 5,711,753 | 84,506 | 439,678 | - | 1,330,000 | 86,613 | 44,655 | 87,510 | 1,089,009 | 168,221 |
| Cash Contributions | - | - | - | - | 96,529 | 297,079 | - | - | - | - |
| Non-reciprocal Utility Transfers | - | - | - | - | - | 837,885 | 286,053 | 298,515 | - | - |
| Proceeds from debt | - | - | - | - | - | - | - | - | 238,775 | - |
| Special Item - Insurance Proceeds | - | - | - | - | - | 48,149 | 8,284,311 | - | - | - |
| Transfers In | 1,437,729 | 967,650 | 654,864 | 1,038,904 | 924,196 | 991,000 | 1,386,000 | 1,236,000 | 2,269,167 | 886,502 |
| Transfers Out | (489,463) | (990,000) | (700,500) | (1,233,500) | (1,093,500) | (4,135,162) | (1,757,000) | (1,773,550) | (516,843) | (473,850) |
| Total Other Financing Sources (Uses) | 6,660,019 | 62,156 | 394,042 | (194,596) | 2,440,095 | (1,874,456) | 8,194,019 | (151,525) | 3,080,108 | 580,873 |
| Net change in fund balances | \$ 4,673,593 | \$ (5,109,183) | \$ 828,280 | \$ 1,182,963 | \$ 2,729,297 | \$ (2,274,974) | \$ 2,448,630 | \$ (224,856) | \$ 11,198,095 | \$ 6,557,333 |
| Debt service as a percentage of noncapital expenditures | 5.07% | 13.63% | 7.52% | 7.51% | 4.48% | 6.43% | 27.17% | 6.37% | 6.15% | 4.07% |

(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 |
|---|-----------------------------------|--------------------------|---|
| 2022 | \$6,184,446,833 | \$3,658,221,127 | 59.15% |
| 2021 | \$4,629,363,355 | \$2,760,533,613 | 59.63% |
| 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% |

Notes:

- (1) Information is based on a calendar year - 2022 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 | | | | | | County A&C | Central Davis Sewer District | Total Direct & Overlapping |
|--|-------------------------------|----------------------------------|-----------------|-------------------------------|-----------------------|-------------------------|--------------|---------------|---------------------------------|----------------------------------|
| | | State & Davis School District | Davis County | Weber Basin Water District | Mosquito Abatement | Davis County Library | State A&C | | | |
| 2022 | 0.001281 | 0.006424 | 0.001089 | 0.00167 | 0.00099 | 0.000229 | 0.00015 | 0.000129 | 0.000147 | 0.009580 |
| 2021 | 0.001663 | 0.007642 | 0.001435 | 0.00132 | 0.00099 | 0.000289 | 0.00012 | 0.000161 | 0.000147 | 0.011580 |
| 2020 | 0.001589 | 0.007642 | 0.001435 | 0.00132 | 0.00099 | 0.000289 | 0.00012 | 0.000161 | 0.000147 | 0.011506 |
| 2019 | 0.001589 | 0.007670 | 0.001707 | 0.00146 | 0.00110 | 0.000319 | 0.00012 | 0.000177 | 0.000161 | 0.011891 |
| 2018 | 0.001589 | 0.007701 | 0.001844 | 0.00164 | 0.00119 | 0.000349 | 0.00009 | 0.000193 | 0.000178 | 0.012146 |
| 2017 | 0.001589 | 0.007701 | 0.001844 | 0.00174 | 0.00107 | 0.000376 | 0.00010 | 0.000207 | 0.000191 | 0.012199 |
| 2016 | 0.001717 | 0.008125 | 0.002014 | 0.00187 | 0.00116 | 0.000342 | 0.00011 | 0.000224 | 0.000208 | 0.012944 |
| 2015 | 0.001782 | 0.008125 | 0.002014 | 0.00196 | 0.00122 | 0.000361 | 0.00012 | 0.000236 | 0.000216 | 0.013064 |
| 2014 | 0.001826 | 0.008555 | 0.002153 | 0.00199 | 0.00124 | 0.000361 | 0.00013 | 0.000237 | 0.000217 | 0.013685 |
| 2013 | 0.000999 | 0.008710 | 0.002331 | 0.00210 | 0.00103 | 0.000389 | 0.000158 | 0.000112 | 0.000237 | 0.013249 |

Notes:

- (1) Information is based on a calendar year - 2022 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 |
|---------------|---------------------|---------------|----------------------|------------------------------|--|---|-----------------------|
| 2022 | \$3,658,221,127 | 0.001281 | \$4,706,742 | \$4,516,688 | 95.96% | \$462,349 | \$4,979,037 |
| 2021 | \$2,760,574,308 | 0.001663 | \$4,587,219 | \$4,369,721 | 95.30% | \$470,582 | \$4,840,303 |
| 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 | 0.0011717 | \$2,864,378 | \$2,746,871 | 95.90% | \$360,072 | \$3,106,943 |
| 2015 | \$1,540,915,428 | 0.0011782 | \$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 |

Notes:

- (1) Information is based on a calendar year - 2022 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, | (1) General Property Tax | Sales Tax | Utility License & Excise Tax | Energy Sales and Use Tax | Parks & Recreation (RAMP) Tax | (2) Total Tax Revenue |
|---|---|----------------------|---|-------------------------------------|--|--------------------------------------|
| 2023 | \$4,740,071 | \$7,755,116 | \$966,455 | \$1,872,916 | \$523,811 | \$15,858,369 |
| 2022 | \$4,735,065 | \$7,555,446 | \$593,121 | \$1,546,686 | \$146,440 | \$14,576,758 |
| 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 |

Notes:

(1) General Property tax includes: property taxes current and delinquent, and motor vehicle in-lieu tax
(2) Recreation, Arts, Museum and Parks Tax approved by voters in FY2022

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 |
|---------------------------------------|------------------------------------|----------------------|----------------------------|---------------------------|
| 2023 | \$4,951,710 | \$3,002,513 | (\$199,107) | \$7,755,116 |
| 2022 | \$4,782,994 | \$2,911,665 | (\$139,213) | \$7,555,446 |
| 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 |

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 * | Recreation, Arts, Museum and Parks** | County Option Sales | Total Sales Tax Rate |
|----------------------------------|----------------------|----------------------|--------------------------------------|-----------------------------|--------------|----------------------------|------------------------------------|--|------------------------|-------------------------|
| 2023 | 1.0% | 4.85% | 0.05% | 0.25% | 0.25% | 0.25% | 0.25% | 0.10% | 0.25% | 7.25% |
| 2022 | 1.0% | 4.85% | 0.05% | 0.25% | 0.25% | 0.25% | 0.25% | 0.10% | 0.25% | 7.25% |
| 2021 | 1.0% | 4.85% | 0.05% | 0.25% | 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% | 0.25% | 7.15% |
| 2019 | 1.0% | 4.85% | 0.05% | 0.00% | 0.25% | 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% | 0.25% | 6.75% |
| 2017 | 1.0% | 4.70% | 0.05% | 0.00% | 0.25% | 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% | 0.25% | 6.75% |
| 2015 | 1.0% | 4.70% | 0.05% | 0.00% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 6.50% |
| 2014 | 1.0% | 4.70% | 0.05% | 0.00% | 0.25% | 0.25% | 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 FY2016, as part of house bill 362

** Kaysville City voters approved a Recreation, Arts, Museum and Parks Tax in FY2021

KAYSVILLE CITY CORPORATION
Estimated Market Value of Taxable Property
June 30, 2022

| Calendar Year Ended December 31, | Estimated Market Value | Residential | Commercial | Agricultural | State | Personal Property |
|--|---------------------------|------------------|----------------|--------------|---------------|----------------------|
| 2022 | \$ 6,184,446,832 | \$ 5,760,337,497 | \$ 318,950,550 | \$ 1,629,288 | \$ 47,444,213 | \$ 56,085,284 |
| 2021 | \$ 4,629,363,355 | \$ 4,246,010,195 | \$ 283,420,059 | \$ 2,072,132 | \$ 47,228,231 | \$ 50,632,738 |
| 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 |

Notes: (1) Information is based on a calendar year - 2022 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 |
|---|--|----------------------------|---|----------------------------|---|
| 2022 | 25 | \$ 24,729,726 | 351 | \$ 71,398,709 | \$ 96,128,435 |
| 2021 | 19 | \$ 5,498,801 | 343 | \$ 70,738,899 | \$ 82,764,511 |
| 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 |

Notes: (1) Number of Permits includes all permits including remodels and additions
Based on Calendar Year - 2022 - 143 Single Family Homes

Source: Davis County Department of Community and Economic Development
2022 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 | | Revenue Bonds | | | | | | | | |
| | | | | | | | | Notes Payable | Capital Leases | | | | | | |
| 2023 | \$ - | \$ 6,552,000 | \$ 323,606 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,875,606 | 0.5704% | \$ 1,205,307,161 | \$ 201 | | |
| 2022 | \$ - | \$ 7,293,000 | \$ 568,859 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,861,859 | 0.6812% | \$ 1,154,113,646 | \$ 237 | | |
| 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 | \$ 288 | | |
| 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 | \$ 6,7160% | \$ 874,581,542 | \$ 224 | | | |
| 2014 | \$ - | \$ 5,750,000 | \$ 1,216,659 | \$ 627,154 | \$ - | \$ - | \$ - | \$ 573,529 | \$ 8,167,342 | 0.9339% | \$ 833,105,779 | \$ 285 | | | |

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, 2023

| Entity | 2022 Taxable Valuation | Kaysville City's Portion of Valuation | Kaysville City's Percentage | Entity's Outstanding Debt | Kaysville City Overlapping Debt |
|-------------------------------------|-----------------------------------|--|--|--------------------------------------|--|
| <hr/> | | | | | |
| Direct: | | | | | |
| Kaysville City | | | | | |
| | \$ 3,658,221,127 | \$ 3,658,221,127 | 100.00% | \$ 6,845,606 | <u>\$ 6,845,606</u> |
| <hr/> | | | | | |
| Overlapping: | | | | | |
| Davis County | \$ 41,327,830,264 | \$ 3,658,221,127 | 8.85% | \$ 89,189,866 | \$ 7,894,831 |
| Davis County School District | \$ 41,327,830,264 | \$ 3,658,221,127 | 8.85% | \$ 463,417,000 | \$ 41,020,345 |
| State of Utah | \$ 489,246,347,582 | \$ 3,658,221,127 | 0.75% | \$ 2,162,715,000 | \$ 16,171,178 |
| Weber Basin Water District | \$ 110,482,114,177 | \$ 3,658,221,127 | 3.31% | \$ 9,300,000 | <u>\$ 307,936</u> |
| <hr/> | | | | | |
| Total - Overlapping Debt | | | | <u>\$ 65,394,291</u> | |
| Total - Direct and Overlapping Debt | | | | <u>\$ 72,239,897</u> | |

Note: The percentage of overlapping debt (bonds payable only) 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, 2023

| | |
|--|-----------------|
| Taxable Value | \$3,658,221,127 |
| Estimated Market Value | \$6,184,446,832 |
| Debt Limit - Four Percent of Market Value | \$247,377,873 |
| Less: Outstanding General Obligation Bonds | \$0 |
| Revenue Bonded Debt | \$6,845,606 |
| Legal Debt Margin - Additional Debt Capacity | \$241,257,873 |

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

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

KAYSVILLE CITY CORPORATION
Demographic & Economic Statistics
Last Ten Fiscal Years

| Calendar Year Ended December 31, | Population | Personal Income | Per Capita Personal Income | | Unemployment Rate |
|---|-------------------|----------------------------|---|--------|------------------------------|
| 2022 | 33,940 | \$1,205,307,161 | \$ | 35,513 | 2.0% |
| 2021 | 33,439 | \$1,154,113,646 | \$ | 34,514 | 2.0% |
| 2020 | 32,945 | \$1,218,137,355 | \$ | 36,975 | 2.7% |
| 2019 | 33,263 | \$1,133,919,201 | \$ | 34,090 | 2.8% |
| 2018 | 32,452 | \$1,110,622,475 | \$ | 34,224 | 3.0% |
| 2017 | 31,660 | \$1,029,344,241 | \$ | 32,512 | 3.4% |
| 2016 | 30,888 | \$975,777,428 | \$ | 31,591 | 4.0% |
| 2015 | 30,135 | \$919,409,210 | \$ | 30,510 | 3.6% |
| 2014 | 29,400 | \$874,581,542 | \$ | 29,748 | 3.6% |
| 2013 | 28,683 | \$833,105,779 | \$ | 29,045 | 4.6% |

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

| Taxpayer | Type of Business | 2022 | | 2012 | | Percentage of Total City Taxable Assessed Value | |
|--------------------------------------|-----------------------------|------------------------|------|---|------------------------|---|--------------|
| | | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | | |
| Access Park (Columbia Utah Kays LLC) | Investment Properties | \$15,145,970 | 1 | 0.62% | \$3,730,028 | 7 | 0.30% |
| Perry Homes | Land Development | \$5,139,035 | 2 | 0.39% | | | |
| Smiths Food & Drug Center | Grocery Store | \$16,108,276 | 3 | 0.37% | | | |
| Symphony Homes | Land Development | \$9,521,250 | 4 | 0.26% | | | |
| Boondocks Properties LLC | Recreational | \$5,393,407 | 5 | 0.21% | \$6,137,255 | 1 | 0.49% |
| Amsource VF Kaysville LLC | Shopping Center | \$7,410,000 | 6 | 0.21% | | | |
| JBT Third Avenue | Gymnasium / Sports Training | \$6,656,017 | 7 | 0.19% | | | |
| Silver Creek Engineering | Land Development | \$5,635,052 | 8 | 0.19% | | | |
| JB Journey, LLC and Crosjo LLC | Recreational Sales | \$5,365,350 | 9 | 0.16% | \$4,318,859 | 3 | 0.35% |
| Lotus Kaysville Plaza | Retail Space | \$5,608,900 | 10 | 0.15% | | | |
| KBP Office Group & Warehouse | Wholesale Distribution | | | | \$4,822,956 | 2 | 0.39% |
| Zions First National Bank | Bank | | | | \$4,243,947 | 4 | 0.34% |
| Park Place I, LLC | Investment Properties | | | | \$4,060,197 | 5 | 0.32% |
| Associated Fresh Markets | Grocery Store | | | | \$3,749,019 | 6 | 0.30% |
| Bates Sportsplex, LLC | Tax Software Provider | | | | \$3,614,283 | 8 | 0.29% |
| M2 Properties Inc | Real Estate | | | | \$3,547,582 | 9 | 0.28% |
| Kaysville Sportsplex II, LLC | Recreation | | | | \$3,450,316 | 10 | 0.28% |
| | | <u>\$81,983,257</u> | | <u>2.75%</u> | <u>\$41,674,442</u> | | <u>3.34%</u> |

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

KAYSVILLE CITY CORPORATION
Miscellaneous Statistical Data - Insurance Summary
June 30, 2022

| Coverage | Company | Term | Limits | Deductible |
|--|---------------------------------|-------------------------|---|-------------------|
| Property | The Utah Local Government Trust | 07/01/2023 - 06/30/2024 | \$ 10,000,000 | \$ 5,000 |
| General Liability | The Utah Local Government Trust | 07/01/2023 - 06/30/2024 | \$ 10,000,000 | \$ - |
| Worker's Compensation | The Utah Local Government Trust | 07/01/2023 - 06/30/2024 | \$ 10,000,000 | \$ - |
| Automobile Physical & Liability | The Utah Local Government Trust | 07/01/2023 - 06/30/2024 | \$ 10,000,000 | \$ 1,000 |
| Treasurer Bond/ Deputy Treasurer Bond | The Utah Local Government Trust | 07/01/2023 - 06/30/2024 | Included with General Liability Coverage | |

KAYSVILLE CITY CORPORATION
Population Growth
Since 1970

| Fiscal Year | Population | Change | Percentage Increase |
|--------------------|-------------------|---------------|----------------------------|
| 2023 | 34,279 | 339 | 1.00% |
| 2022 | 33,940 | 501 | 1.50% |
| 2021 | 33,439 | 494 | 1.50% |
| 2020** | 32,945 | (318) | -0.96% |
| 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 | 717 | 2.50% |
| 2013 | 28,683 | 700 | 2.50% |
| 2012 | 27,983 | 683 | 2.50% |
| 2011 | 27,300 | 415 | 1.54% |
| 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 | 730 | 3.25% |
| 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 | 3.41% |
| 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 (

KAYSVILLE CITY CORPORATION
Miscellaneous Statistical Data
Last Ten Fiscal Years, as of June 30

| Date of Incorporation: | March 15, 1868 | Form of Government: | Council - Manager | 2014 | | | | | | | |
|-------------------------------------|----------------|---------------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------|
| | | | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Area in Square Miles | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Miles of Streets | 142 | 140 | 140 | 137 | 137 | 137 | 135 | 135 | 135 | 135 | 118 |
| Fire Protection: | | | | | | | | | | | |
| Number of stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of full time | 23 | 23 | 12 | 11 | 11 | 10 | 5 | 5 | 2 | 2 | 2 |
| Number of PT/Volunteer firefighters | 16 | 16 | 10 | 25 | 25 | 28 | 33 | 33 | 38 | 38 | 32 |
| Police Protection: | | | | | | | | | | | |
| Number of sworn officers | 32 | 32 | 32 | 31 | 28 | 28 | 27 | 27 | 26 | 25 | 23 |
| Number of other employees | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Parks and Recreation: | | | | | | | | | | | |
| Number of Parks | 12 | 12 | 12 | 12 | 12 | 11 | 11 | 11 | 11 | 11 | 11 |
| Number of Acres Available | 373 | 373 | 373 | 373 | 373 | 370 | 370 | 370 | 370 | 370 | 370 |
| Number of Acres Developed | 159 | 159 | 159 | 159 | 159 | 137 | 137 | 137 | 137 | 137 | 137 |
| Education: | | | | | | | | | | | |
| Number of high schools | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of junior high schools | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Number of elementaries | 9 | 9 | 9 | 9 | 9 | 9 | 8 | 8 | 8 | 8 | 8 |
| Public Utilities: | | | | | | | | | | | |
| Number of water customers | 9,338 | 9,044 | 9,006 | 8,902 | 8,858 | 8,733 | 8,562 | 8,433 | 8,238 | 8,033 | |
| Annual water usage (gallons) | 958,461,000 | 944,699,000 | 849,348,000 | 853,077,918 | 791,492,079 | 780,413,145 | 753,589,090 | 687,219,759 | 756,951,873 | 861,327,270 | |
| Miles of water Lines | 167 | 166 | 164 | 162 | 160 | 157 | 155 | 145 | 124 | 138 | |
| Number of power customers | 10,726 | 10,377 | 10,278 | 10,032 | 9,890 | 9,738 | 9,522 | 9,333 | 9,275 | 8,945 | |
| Annual kwh usage | 170,228,338 | 157,049,006 | 156,122,050 | 147,174,222 | 148,487,431 | 149,581,186 | 146,859,559 | 140,574,780 | 138,681,528 | 138,670,161 | |
| Miles of power lines | 166 | 165 | 163 | 161 | 158 | 157 | 155 | 147 | 147 | 145 | |
| Number of street lights | 1089 | 1075 | 1043 | 1097 | 947 | 947 | 944 | 944 | 917 | 866 | |
| City Employees at June 30: | | | | | | | | | | | |
| Elected | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Full-time | 140 | 136 | 115 | 113 | 108 | 108 | 97 | 95 | 90 | 81 | |
| General Governmental | 18 | 16 | 14 | 14 | 14 | 14 | 13 | 13 | 13 | 11 | |
| Police | 38 | 36 | 35 | 34 | 31 | 31 | 30 | 29 | 28 | 26 | |
| Fire/ Ambulance | 23 | 23 | 12 | 11 | 11 | 11 | 5 | 5 | 2 | 2 | |
| Community Development | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | |
| Public Works | 24 | 24 | 21 | 21 | 19 | 19 | 16 | 16 | 16 | 15 | |
| Parks & Cemetery | 13 | 13 | 9 | 9 | 9 | 9 | 8 | 8 | 7 | 4 | |
| Electrical | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 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.

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA

SHAWN F. MARTIN, CPA
MONTANA T. HADLEY, CPA
NATHAN E. ERICKSON, EA

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, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kaysville City (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 20, 2023.

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.

FOUNDERS

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance with the *State Audit Compliance Guide* that are required to be reported under *Government Auditing Standards*, as items 2022-1 through 2022-3.

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.

HBMC, LLC

November 20, 2023



COMMITTED. EXPERIENCED. TRUSTED.

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE*

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

Report on Compliance

We have audited Kaysville City'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, for the year ended June 30, 2023.

State compliance requirements were tested for the year ended June 30, 2023, in the following areas:

| | |
|--------------------------------|--------------------------------|
| Budgetary Compliance Fund | Government Fees Impact Fees |
| Balance | Utah Retirement Systems Public |
| Justice Courts | Treasurer's Bond |
| Restricted Taxes and Related | |
| Revenues Fraud Risk Assessment | |

Management's Responsibility

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

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

FOUNDERS

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA

Opinion on Compliance

In our opinion, Kaysville City complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2023.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the State Compliance Audit Guide and which are described in the accompanying schedule of findings as items 2022-1 through 2022-3. Our opinion on compliance is not modified with respect to these matters.

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

Purpose of This Report

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

HBMC, LLC

November 20, 2023

KAYSVILLE CITY CORPORATION, UTAH
Schedule of Findings (Continued)
For the Year Ended June 30, 2023

State Compliance Audit Guide Findings

2023-1:

Budgetary Compliance

Statement of Condition

During testing procedures, the auditors noted that for the year ended June 30, 2023, the following funds had actual expenditures that exceeded final appropriated expenditures:

| <u>Fund</u> | <u>Department</u> | <u>Amount</u> |
|--------------|--------------------------------|---------------|
| General Fund | Parks, recreation, and culture | \$169,338 |
| MBA Fund | Debt service – interest | \$123 |

Criteria

Utah State Code 10-6-123, *Expenditures or Encumbrances in Excess of Appropriations Prohibited -- Processing Claims*, 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 sufficiently amending the adopted budgets during the fiscal year in the noted department and fund.

Effect

By not regularly monitoring and 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

During the fiscal year, management made several changes to the accounting system and presentation of financial information. During this process, certain areas exceeded the appropriated expenditures. Management will continue to monitor the budgets and make necessary amendments.

KAYSVILLE CITY CORPORATION, UTAH
Schedule of Findings (Continued)
For the Year Ended June 30, 2023

Prior Year State Compliance Audit Guide Findings

2022-1:

Fund Balance Compliance

Statement of Condition

For the year ended June 30, 2023, the calculated percentage of the General Fund was:

| | |
|------------------------------------|--------------|
| Unrestricted General Fund Balance: | \$7,556,173 |
| Total General Fund Revenue: | \$21,028,330 |
| Percentage of Total Revenue: | 35.93% |

Criteria

Utah Code 10-6-116-(2), as interpreted by the Utah State Auditor's Office, requires that the accumulation of unrestricted fund balance in the City's General Fund may not exceed 35% of the total operating revenue of the City's General Fund for the current fiscal period.

Cause

The overage was due to an unanticipated sale of property at the demand of UDOT, with proceeds of \$1,089,009. Without this transaction, the calculated percentage would be 32.4%.

Effect

By not regularly monitoring and 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 the referenced calculation and amend the budget as necessary, to ensure this percentage stays below 35%, in accordance with state law.

Management's Response

The City considers this issue to be unusual and isolated. During the fiscal year, the City received unexpected revenues affecting total general fund revenues. The City intends to transfer funds in FY2023 to the Capital Projects Fund for ongoing planned projects.

Current Year Status

Condition fully satisfied.

KAYSVILLE CITY CORPORATION, UTAH
Schedule of Findings (Continued)
For the Year Ended June 30, 2023

2022-2:

Budgetary Compliance

Statement of Condition

During testing procedures, the auditors noted that for the year ended June 30, 2022, the following funds had actual expenditures that exceeded final appropriated expenditures:

| <u>Fund</u> | <u>Department</u> | <u>Amount</u> |
|--------------|-------------------------------------|---------------|
| General Fund | Capital outlay (general government) | \$128,768 |
| Road Fund | Streets and public works | \$90,565 |

Criteria

Utah State Code 10-6-123, *Expenditures or Encumbrances in Excess of Appropriations Prohibited -- Processing Claims*, 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 sufficiently amending the adopted budgets during the fiscal year in the noted department and fund.

Effect

By not regularly monitoring and 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

During the fiscal year, management made several changes to the accounting system and presentation of financial information, including the reclassification of enterprise funds to governmental funds. During this process, certain areas exceeded the appropriated expenditures. Management will continue to monitor the budgets and make necessary amendments.

Current Year Status

Similar finding was issued in the current year. See finding 2023-1.