



Kaysville City

**KAYSVILLE CITY
STATE OF UTAH**

Settled in 1850

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**YEAR ENDED
JUNE 30, 2015**

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

Comprehensive
Annual Financial Report

Year Ended June 30, 2015

Mayor: Steve A. Hiatt

Council Members: Mark D. Johnson
Ronald L. Stephens
Brett Garlick
Susan Lee
Chris Snell

City Manager: John W. Thacker

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

KAYSVILLE CITY CORPORATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2015

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INTRODUCTORY SECTION



*Utah's
Hometown*

♥ *Daddy* ♥
Daughter
Dance





October 30, 2015

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

The Comprehensive Annual Financial Report (CAFR) of Kaysville City for the Fiscal Year 2015 is hereby submitted.

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

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

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

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

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



October 30, 2015

basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Kaysville City's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Kaysville City for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This is the twentieth consecutive year that Kaysville City has received this award. In order to receive a certificate of achievement, the government must publish an easily readable efficiently organized CAFR. Qualifying reports must satisfy both GAAP and applicable legal requirements.

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

We respectfully submit this report.

John W. Thacker
City Manager

Dean G. Storey
Finance Director

Cami L. Moss
Accountant

KAYSVILLE CITY FINANCIAL PROFILE

General Information

Kaysville City was settled in 1850 and on March 15, 1868 it was incorporated, becoming the first city to be incorporated in Davis County.

Kaysville is located along the Wasatch Front directly between Ogden City to the north and Salt Lake City to the south. Kaysville is considered primarily a bedroom community with current population estimated at approximately 30,135 residents. Kaysville experiences an average growth rate of 2.5% - 3%, primarily residential, due to the proximity of larger economic centers and the desire of the citizens for the City to remain a residential community. The build-out population is estimated at approximately forty-two thousand within the next twenty years.

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

Organization and Services

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

Economic Factors

The local economy is stable. The majority of the workforce commutes to larger economic centers. The unemployment rate is below the national unemployment rate and below the State unemployment rate of 3.6%. Income levels are above the State average. The area continues to have a good labor and business climate whereas the workforce is young and well educated. The economy of Kaysville is primarily based on service industries to accommodate the residential population including grocery stores, small retail shops, gas stations, etc.

Transportation and Accessibility

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

Major Initiatives

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

Financial Reporting and Accounting Standards

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

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

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

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

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

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

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

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

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

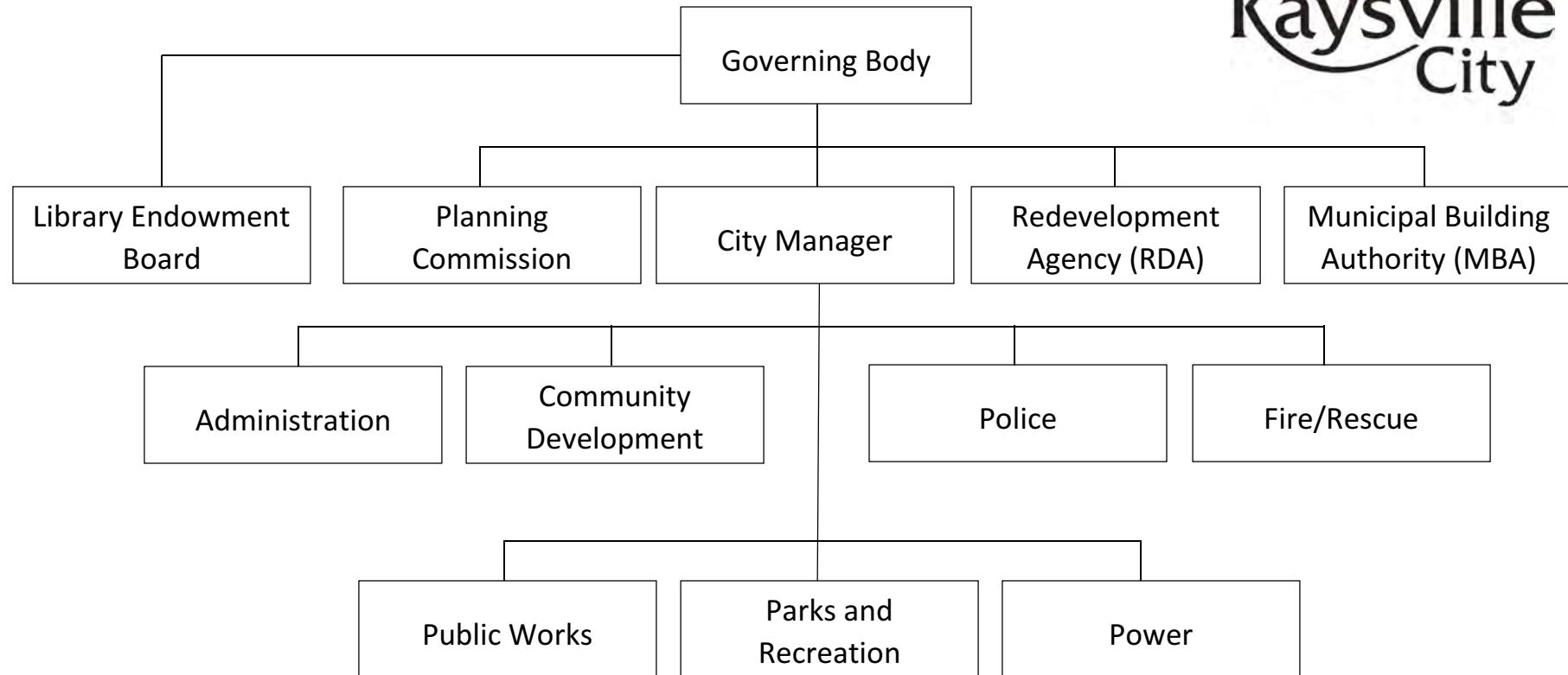
<u>Description</u>	<u>Fund Type</u>
General Fund	General Fund
Capital Projects Fund	Capital Projects Fund
Debt Service Fund	Debt Service Fund
Municipal Building Authority	Special Revenue Fund
Redevelopment Agency	Special Revenue Fund
Water Fund	Enterprise Fund
Sewer Fund	Enterprise Fund
Storm Water Fund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

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

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

Requests for Information

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



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



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

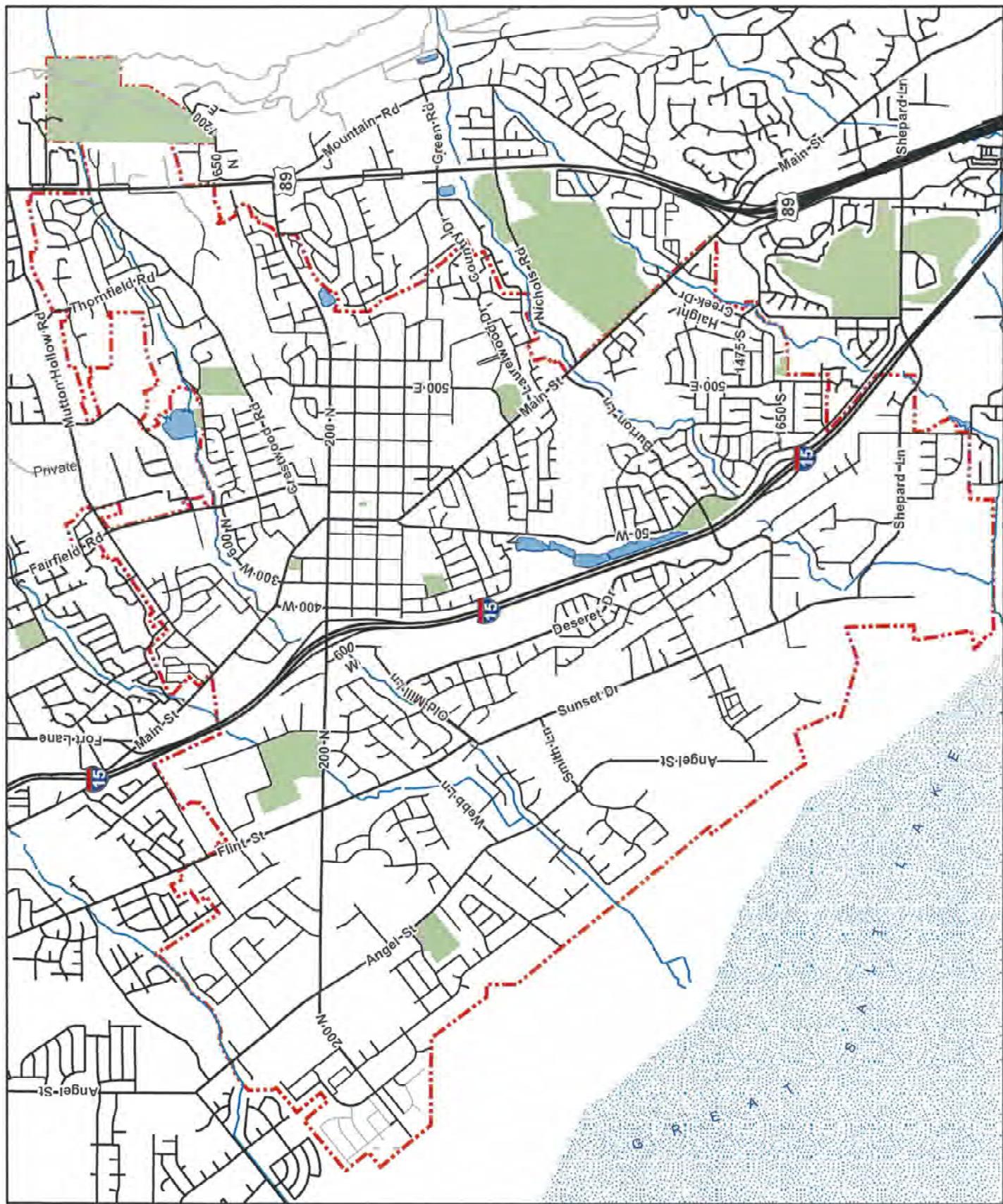
**Kaysville City
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

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

Executive Director/CEO



FINANCIAL SECTION



*Utah's
Hometown*



Easter Egg Hunt



INDEPENDENT AUDITORS' REPORT

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

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Members of the
American Institute
of Certified Public
Accountants

Members of the
Private Company
Practice Section

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Kaysville City Corporation, Utah ("the City"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, of Kaysville City Corporation, Utah, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13-23, budgetary comparison information on pages 69-73, and pension schedules on pages 74-75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

October 30, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

The following is a discussion and analysis of Kaysville City's finances for the fiscal year ended June 30, 2015. We believe that this narrative when read in conjunction with the letter of transmittal, financial profile, the financial statements and particularly the notes to the financial statements should assist the reader in understanding the finances of Kaysville City.

Financial Highlights

Government Wide

- The City's total net position increased by \$4,901,363 or 3.57% over the prior year. Net position of governmental activities increased by \$3,727,341 or 4.80%. Net position of business-type activities increased by \$1,174,022 or 1.97%.
- 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 \$137,394,258, \$121,602,644 (88.51%) includes investments in capital assets; \$5,806,486 (4.23%) in restricted uses and \$9,985,128 (7.26%) in unrestricted uses and available to meet City obligations.
 - The City's restricted assets of \$5,806,486 increased by 7.83% from last year.
 - The City's unrestricted assets of \$9,985,128 include (\$1,086,709) available for governmental activities and \$11,071,837 available for business-type activities. Overall this is an decrease of 6.07% from the prior year.

Fund Level

- The fund balances in governmental funds had a decrease of \$5,109,183 from \$12,481,244 to \$7,372,061, primarily due to the use of the cash received from bonds to complete the construction of the police station.
- The proprietary funds had an overall net income before transfers and contributions of \$245,871.

Long Term Debt

- Overall the City's long term liabilities decreased in the amount of \$1,407,997 over the prior year. As of June 30, 2015, the long term liabilities balance for governmental activities is \$6,620,573 and \$447,943 for business-type activities.

Overview of the Financial Statements

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

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

Notes to Financial Statements

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

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

Financial Analysis of Government-wide Statements

Net Position

Kaysville City's Net Position is as follows:

	Governmental Activities		Business-type Activities		Total	
	2014 (restated)	2015	2014 (restated)	2015	2014 (restated)	2015
Assets						
Current and Other Assets	\$17,265,504	\$12,761,129	\$13,801,600	\$14,447,950	\$ 31,067,104	\$27,209,079
Capital Assets	71,689,272	78,935,864	48,554,648	48,728,979	120,243,920	127,664,843
Deferred Outflow	377,759	482,247	108,699	138,764	486,458	621,011
Total Assets & Deferred Outflow	\$89,332,535	\$92,179,240	\$62,464,947	\$63,315,693	\$151,797,482	\$155,494,933
Liabilities						
Current Liabilities	\$3,854,840	\$3,739,939	\$2,777,425	\$2,631,153	\$6,632,265	\$6,371,092
Noncurrent Liabilities	8,959,584	7,743,392	1,155,815	875,763	10,115,399	8,619,155
Deferred Inflows	2,556,923	3,007,380	-	103,048	2,556,923	3,110,428
Total Liabilities & Deferred Inflow	\$15,371,347	\$14,490,711	\$3,933,240	\$3,609,964	\$19,304,587	\$18,100,675
Net Position						
Investments in Capital (net)	\$68,417,942	\$73,170,909	\$48,131,444	\$48,431,735	\$116,549,386	\$121,602,644
Restricted	5,351,824	5,604,329	-	202,157	5,351,824	5,806,486
Unrestricted	191,422	(1,086,709)	10,400,263	11,071,837	10,591,685	9,985,128
Total Net Position	\$73,961,188	\$77,688,529	\$58,531,707	\$59,705,729	\$132,492,895	\$137,394,258

Changes in Net Position:

The City's combined net position increased over the prior year by \$4,901,363 (3.57%). Generally an increase or decrease in net position offers a measuring tool of the overall financial condition. This indicates that the City's overall financial condition has slightly improved over the prior year. The unrestricted net position and available for ongoing obligations decreased by \$606,557. Overall liabilities decreased by \$1,203,912.

Governmental and Business-Type Activities

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

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Revenues						
General Revenues						
Property Tax	\$1,484,074	\$3,263,780	\$0	\$0	\$1,484,074	\$3,263,780
Sales Tax	\$3,471,892	\$3,665,634	\$0	\$0	\$3,471,892	\$3,665,634
Other Taxes	\$1,820,742	\$1,693,772	\$0	\$0	\$1,820,742	\$1,693,772
Interest and Investment	\$41,085	\$69,172	\$27,026	\$58,931	\$68,111	\$128,103
Grants and Contributions	\$926,006	\$3,751,676	\$940,771	\$905,801	\$1,866,777	\$4,657,477
Charges for Services	\$4,092,084	\$4,419,036	\$23,850,903	\$23,119,164	\$27,942,987	\$27,538,200
Sale of Asset	\$0	\$6,275	\$0	\$0	\$0	\$6,275
Miscellaneous	\$124,467	\$115,014	\$0	\$0	\$124,467	\$115,014
Total Revenues	\$11,960,350	\$16,984,359	\$24,818,700	\$24,083,896	\$36,779,050	\$41,068,255
Expenses						
Governmental:						
General Government	\$2,383,664	\$2,380,314	\$0	\$0	\$2,383,664	\$2,380,314
Police	\$3,064,397	\$3,496,435	\$0	\$0	\$3,064,397	\$3,496,435
Fire	\$863,892	\$833,769	\$0	\$0	\$863,892	\$833,769
Community Development	\$700,293	\$686,765	\$0	\$0	\$700,293	\$686,765
Public Works	\$3,916,960	\$2,937,745	\$0	\$0	\$3,916,960	\$2,937,745
Parks, Recreation & Public Properties	\$2,157,669	\$2,640,781	\$0	\$0	\$2,157,669	\$2,640,781
Perpetual Cemetery	\$35,347	\$23,641	\$0	\$0	\$35,347	\$23,641
Interest on Long Term Debt	\$149,543	\$235,218	\$0	\$0	\$149,543	\$235,218
Business-Type:						
Water	\$0	\$0	\$2,599,457	\$2,443,152	\$2,599,457	\$2,443,152
Sewer	\$0	\$0	\$1,822,954	\$1,876,862	\$1,822,954	\$1,876,862
Electric	\$0	\$0	\$13,137,151	\$13,814,577	\$13,137,151	\$13,814,577
Pressure Irrigation	\$0	\$0	\$1,121,653	\$1,143,314	\$1,121,653	\$1,143,314
Sanitation	\$0	\$0	\$1,765,134	\$1,751,666	\$1,765,134	\$1,751,666
Storm Water	\$0	\$0	\$1,044,438	\$1,418,881	\$1,044,438	\$1,418,881
Ambulance	\$0	\$0	\$422,391	\$483,772	\$422,391	\$483,772
Total Expenses	\$13,271,765	\$13,234,668	\$21,913,178	\$22,932,224	\$35,184,943	\$36,166,892
Increase in net position before transfers	<u>(\$1,311,415)</u>	<u>3,749,691</u>	<u>\$2,905,522</u>	<u>\$1,151,672</u>	<u>\$1,594,107</u>	<u>\$4,901,363</u>
Transfers	<u>(\$3,640)</u>	<u>(\$22,350)</u>	<u>\$3,640</u>	<u>\$22,350</u>	<u>\$0</u>	<u>\$0</u>
Increase (decrease) in net position	<u><u>(\$1,315,055)</u></u>	<u><u>\$3,727,341</u></u>	<u><u>\$2,909,162</u></u>	<u><u>\$1,174,022</u></u>	<u><u>\$1,594,107</u></u>	<u><u>\$4,901,363</u></u>
Net Position- Beginning of Fiscal Year- as previously reported	\$77,505,621	\$76,190,566	\$56,264,033	\$59,173,195	\$133,769,654	\$135,363,761
Prior Period Adjustment (GASB 68)	<u><u>(\$2,229,378)</u></u>	<u><u>(\$2,229,378)</u></u>	<u><u>(\$641,488)</u></u>	<u><u>(\$641,488)</u></u>	<u><u>(\$2,870,866)</u></u>	<u><u>(\$2,870,866)</u></u>
Net Position- Beginning of Fiscal Year- Restated	<u><u>\$75,276,243</u></u>	<u><u>\$73,961,188</u></u>	<u><u>\$55,622,545</u></u>	<u><u>\$58,531,707</u></u>	<u><u>\$130,898,788</u></u>	<u><u>\$132,492,895</u></u>
Net Position - Ending of Fiscal Year	<u><u>\$73,961,188</u></u>	<u><u>\$77,688,529</u></u>	<u><u>\$58,531,707</u></u>	<u><u>\$59,705,729</u></u>	<u><u>\$132,492,895</u></u>	<u><u>\$137,394,258</u></u>

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

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

Capital Assets

The City's investment in capital assets for its governmental activities and business-type activities at June 30, 2015 is \$127,664,843 (net of accumulated depreciation). This is a net increase of \$7,420,923. During the year the City completed the police station for \$5,378,151, purchased a plow truck for \$191,038, replaced the roof on the recreation center for \$55,800, purchased a house and property by the cemetery for future cemetery expansion for \$184,792, updated various technology systems for \$124,243, purchased a mower for \$78,231, and fusion machine for \$42,109 .

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Land	\$23,203,235	\$23,467,255	\$940,403	\$940,403	\$24,143,638	\$24,407,658
Stock (Water)	\$0	\$0	\$3,974,990	\$4,073,990	\$3,974,990	\$4,073,990
Construction in Progress	\$1,122,865	\$0	\$0	\$0	\$1,122,865	\$0
Infrastructure	\$38,442,727	\$40,925,929	\$41,265,324	\$41,350,560	\$79,708,051	\$82,276,489
Building	\$3,171,479	\$8,485,261	\$440,423	\$426,659	\$3,611,902	\$8,911,920
Improvements	\$3,362,140	\$3,463,222	\$31,679	\$30,302	\$3,393,819	\$3,493,524
Vehicles	\$1,815,410	\$1,909,793	\$1,237,363	\$1,200,983	\$3,052,773	\$3,110,776
Equipment	\$571,416	\$684,404	\$664,466	\$706,082	\$1,235,882	\$1,390,486
Net of Accum Depreciation	<u>\$71,689,272</u>	<u>\$78,935,864</u>	<u>\$48,554,648</u>	<u>\$48,728,979</u>	<u>\$120,243,920</u>	<u>\$127,664,843</u>

Additional information on the City's capital assets can be found in note 5 on pages 55-57 of this report.

Long Term Debt / Liabilities

Overall the City had a net decrease in long term liabilities in the amount of \$1,440,440. Kaysville City has no general obligation debt. The table below shows the overall debt position of the City for governmental activities and business-type activities compared to the prior fiscal year. Additional detailed information regarding long term debt may be found in the Notes to the Financial Statements.

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Note Payable (RDA Project Area)	\$951,906	\$634,604	\$0	\$0	\$951,906	\$634,604
Note Payable (RDA Project Area)	\$264,753	\$0	\$0	\$0	\$264,753	\$0
Bond Payable- Police Station	\$5,447,000	\$5,098,000	\$0	\$0	\$5,447,000	\$5,098,000
Series 2010 Revenue Bonds	\$303,000	\$0	\$0	\$0	\$303,000	\$0
Equipment Lease (Mower)	\$0	\$61,390	\$0	\$0	\$0	\$61,390
Equipment Lease (Fire Truck)	\$627,154	\$491,862	\$0	\$0	\$627,154	\$491,862
Equipment Lease (Recycle Cans)	\$0	\$0	\$163,104	\$117,546	\$163,104	\$117,546
Equipment Lease (Vactor Truck)	\$0	\$0	\$179,435	\$135,580	\$179,435	\$135,580
Equipment Lease (Bucket Truck)	\$0	\$0	\$87,188	\$44,118	\$87,188	\$44,118
	<u>\$7,593,813</u>	<u>\$6,285,856</u>	<u>\$429,727</u>	<u>\$297,244</u>	<u>\$8,023,540</u>	<u>\$6,583,100</u>

Additional information on the city's long-term debt can be found in notes 7, 8, & 9 on pages 58-62 of this report.

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

Analysis of Financial Funds

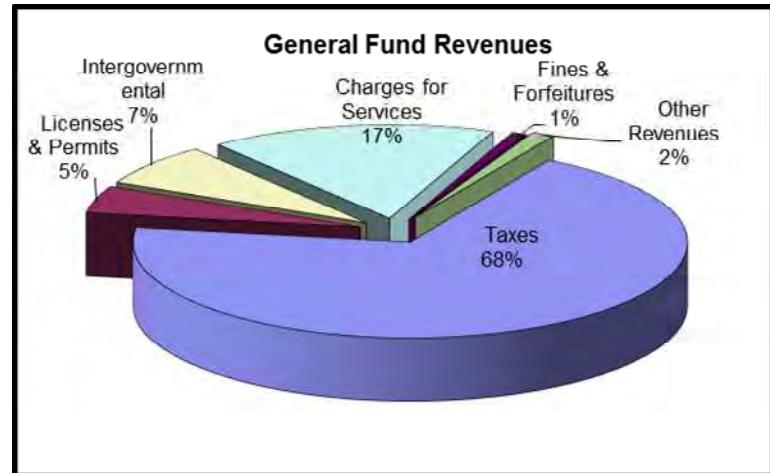
Governmental Funds

The focus of the City's governmental funds is to account for and provide information on near-term inflows, outflows and spendable resources. The primary governmental fund is the general fund. The City also maintains a capital projects fund, a debt service fund, redevelopment agency, municipal building authority and permanent funds for cemetery perpetual care and library endowment. The tables below and accompanying graphs depict the revenues and expenditures during the fiscal year 2015 and a comparison to fiscal year 2014.

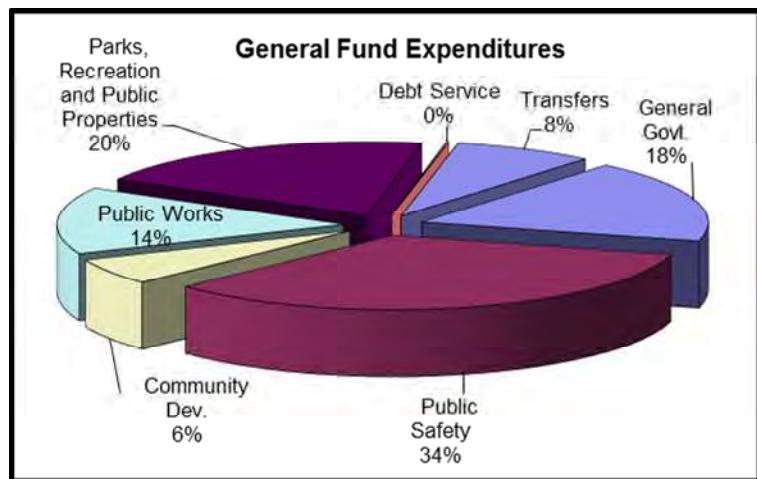
Governmental Funds

General Fund

Revenues:	
Taxes	\$8,623,186
Licenses and Permits	\$592,227
Intergovernmental	\$903,604
Charges for Services	\$2,087,258
Fines and Forfeitures	\$111,532
Other Revenues	\$167,007
	<hr/>
	\$12,484,814



Expenditures:	
General Govt.	\$2,255,657
Public Safety	\$4,230,409
Community Dev.	\$719,025
Public Works,	\$1,827,115
Parks, Recreation, & Public Properties	\$2,487,779
Debt Service	\$16,841
Transfers	\$990,000
	<hr/>
	\$12,526,826



KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

General Fund Revenues	FY 2014	FY 2015	Increase/ (Decrease)	Percentage Change
Taxes	\$6,776,708	\$8,623,186	\$1,846,478	21.41%
Licenses and Permits	\$601,533	\$592,227	(\$9,306)	(1.57%)
Intergovernmental	\$856,993	\$903,604	\$46,611	5.16%
Service Charges	\$2,001,844	\$2,087,258	\$85,414	4.09%
Fines and Forfeitures	\$58,212	\$111,532	\$53,320	47.81%
Other Revenues	\$147,350	\$167,007	\$19,657	11.77%
	\$10,442,640	\$12,484,814	\$2,042,174	16.36%
General Fund Expenditures				
General Government	\$2,188,765	\$2,255,657	\$66,892	2.97%
Public Safety	\$3,702,599	\$4,230,409	\$527,810	12.48%
Community Development	\$677,278	\$719,025	\$41,747	5.81%
Public Works	\$2,148,751	\$1,827,115	(\$321,636)	(17.60%)
Parks, Recreation & Public Properties	\$2,043,629	\$2,487,779	\$444,150	17.85%
Debt Service	\$0	\$16,841	\$16,841	100%
Transfers (net)	\$318,640	\$912,350	\$593,710	65.07%
	\$11,079,662	\$12,449,176	\$1,369,514	12.36%

General fund revenues for fiscal year 2015 totaled \$12,484,814. This represents an increase of approximately 16.36% from fiscal year 2014. Sales tax continued to increase by 5.29% as the economy continues to recover. Property tax revenues increased from the prior year due an increase in property taxes and to additional growth of the tax base during the year.

General fund expenditures for fiscal year 2015 total \$12,449,176. This is an increase of 12.36% over fiscal year 2014 of \$11,079,662.

Variations with Budget:

During fiscal year 2015 it was necessary to amend the original budget that was approved by the council for unforeseen expenditures and revenues. All amendments were done in accordance with state law and approved by the council. It is normal and necessary to amend the original budget throughout the year for unforeseen circumstances.

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

Capital Projects Fund

The capital projects fund was used to account for major capital projects during the fiscal year 2015. The revenues and expenditures compared to the previous year are illustrated as follows:

Capital Projects Fund	FY 2014	FY 2015
Revenue:		
Impact Fees	\$ 520,451	\$ 665,904
Interest	6,592	9,605
Donations	<u>150,850</u>	-
	<u>\$ 677,893</u>	\$ 675,509
Expenditures:		
Municipal Center Block	\$ -	\$ 234,242
Information Systems	-	44,906
Heritage Park	377,240	-
Road Projects	171,703	306,409
Transfers	<u>91,963</u>	-
	<u>\$ 640,906</u>	\$ 585,557

Debt Service Fund

During the fiscal year 2015, the debt service fund was used to account for the payment of the fire truck lease and the 2010 Road Revenue bonds.

Debt Service Fund	FY 2014
Revenue:	
Transfers	\$ 315,000
Interest	<u>667</u>
	<u>\$ 315,667</u>
	\$ 460,000
	1,648
	\$ 461,648
Expenditures:	
Fire Truck Lease	145,322
2010 Road Revenue Bond	<u>313,095</u>
	<u>\$ 458,417</u>
	\$ 145,322
	312,972
	\$ 458,294

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

Kaysville Redevelopment Agency

During the fiscal year 2015, the Kaysville Redevelopment Agency Fund was used to account for economic development activities in the City.

Kaysville Redevelopment Agency	FY 2014	FY 2015
Revenue:		
Interest	\$ 746	\$ 452
Proceeds from Sale of Real Estate Inventory	264,753	-
Assumption of Liability from Electric Fund	<u>951,906</u>	<u>-</u>
	<u>\$ 1,217,405</u>	<u>\$ 452</u>
Expenditures:		
Professional Services	\$ 14,281	\$ 5,920
Improvements	99,979	398,003
Debt Service:		
Flint Property	-	317,302
Smith Property	-	264,753
Interest related to Long Term Debt	<u>-</u>	<u>58,704</u>
	<u>\$ 114,260</u>	<u>\$ 1,044,682</u>

Kaysville Municipal Building Authority

During the fiscal year 2015, the City used the Kaysville Municipal Building Authority for all expenditures for the construction of the police station and bond payments relating to the same.

Kaysville Municipal Building Authority	FY 2014	FY 2015
Revenue:		
Transfers	\$ 91,963	\$430,000
Proceeds from Bond	5,447,000	-
Donations	-	20,000
Grants	-	7,452
Interest	<u>6,958</u>	<u>1,248</u>
	<u>\$ 5,545,921</u>	<u>\$458,700</u>
Expenditures:		
Police Station Construction	\$ 1,124,664	\$4,235,287
Bond Issuance Costs	63,459	-
Debt Service:		
Police Station Bond	-	\$349,000
Interest Expense	<u>35,315</u>	<u>161,019</u>
	<u>\$ 1,223,438</u>	<u>\$4,745,306</u>

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

Permanent Funds

The City maintains two permanent funds. These funds have restrictions on the principal balance and only investment earnings may be spent. The cemetery perpetual care fund is used to account for monies deposited with the City for the perpetual maintenance of the cemetery. A perpetual care fee is charged with the sale of each burial lot. As of June 30, 2015, the fund balance is \$1,668,377. The library endowment fund is used to account for monies provided by a private donor. Alan and Kay Blood, longtime residents of Kaysville City donated property to be sold with the proceeds of the sale to be used to supplement library expenditures. Each year 10% of the interest earned is added to the corpus of this fund. The corpus of this fund is \$686,950 with the total fund balance of \$868,914. This fund will continue to be used to augment the collection held at the Kaysville Branch of the Davis County Library system.

Proprietary Funds

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

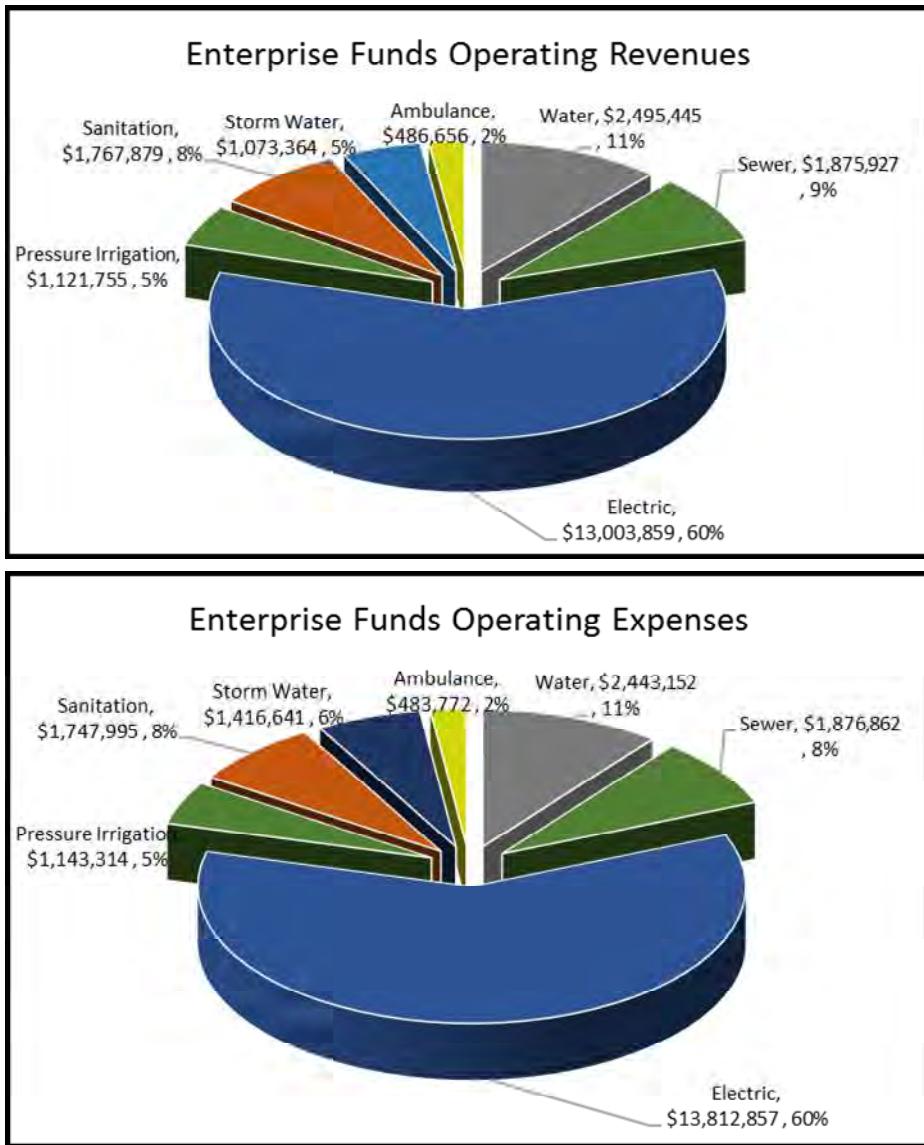
Operating revenues for all proprietary funds totaled \$21,824,885. This is a decrease of about 2.59% over the prior year of \$22,390,252. Most of this decrease is attributable to the increased cost to supply these services. Operating expenses totaled \$22,924,593. This is an increase of approximately 4.57%. As the City continues to grow, more and more electrical resources are needed. Continued monitoring of each utility will be necessary to ensure operating revenues cover operating expenses as the costs to provide these services continue to increase.

The table below and accompanying charts show the operations for fiscal year 2015.

Proprietary Funds		Water	Sewer	Electric	Pressure Irrigation	Sanitation	Storm Water	Ambulance	Total
Operating Revenues		\$2,495,445	\$1,875,927	\$13,003,859	\$1,121,755	\$1,767,879	\$1,073,364	\$486,656	\$21,824,885
Operating Expenses		\$2,443,152	\$1,876,862	\$13,812,857	\$1,143,314	\$1,747,995	\$1,416,641	\$483,772	\$22,924,593
Operating Income		\$52,293	(\$935)	(\$808,998)	(\$21,559)	\$19,884	(\$343,277)	\$2,884	(\$1,099,708)
Non Operating Revenues/(Expenses)		\$298,192	\$4,579	\$1,035,586	\$1,244	\$1,347	\$3,813	\$818	\$1,345,579
Income/ (Loss) Before Transfers		\$350,485	\$3,644	\$226,588	(\$20,315)	\$21,231	(\$339,464)	\$3,702	\$245,871
Operating Transfer In/(Out)		(\$34,531)	(\$4,896)	\$0	\$0	(\$11,580)	(\$26,643)	\$100,000	\$22,350
Income / (Loss) before contributions		\$315,954	(\$1,252)	\$226,588	(\$20,315)	\$9,651	(\$366,107)	\$103,702	\$268,221

KAYSVILLE CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

The Proprietary Funds are segmented and illustrated below:



Conclusion

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

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

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

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BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Fund Financial Statements

KAYSVILLE CITY
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 4,568,256	\$ 11,269,236	\$ 15,837,492
Investments	3,258,129	-	3,258,129
Real Estate Inventory held for Resale	723,956	-	723,956
Accounts Receivable (Net)	3,604,457	1,911,122	5,515,579
Internal Balances	59,312	(59,312)	-
Inventory	-	1,198,000	1,198,000
Total Current Assets	12,214,110	14,319,046	26,533,156
Noncurrent Assets:			
Cash Restricted	543,550	127,906	671,456
Capital Assets:			
Land	23,467,255	940,403	24,407,658
Net Depreciable Capital Assets	55,468,609	43,714,586	99,183,195
Water Stock	-	4,073,990	4,073,990
Net Pension Asset	3,469	998	4,467
Total Noncurrent Assets	79,482,883	48,857,883	128,340,766
Total Assets	91,696,993	63,176,929	154,873,922
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	482,247	138,764	621,011
Total Deferred Outflows of Resources	482,247	138,764	621,011

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

KAYSVILLE CITY
STATEMENT OF NET POSITION (continued)
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 1,185,244	\$ 2,335,514	\$ 3,520,758
Deposits	1,551,098	127,906	1,679,004
Accrued Interest	64,381	2,215	66,596
Noncurrent Liabilities Due Within One Year	<u>939,216</u>	<u>165,518</u>	<u>1,104,734</u>
Total Current Liabilities	<u>3,739,939</u>	<u>2,631,153</u>	<u>6,371,092</u>
Noncurrent Liabilities			
Due In More Than One Year	5,681,357	282,425	5,963,782
Net Pension Liability	<u>2,062,035</u>	<u>593,338</u>	<u>2,655,373</u>
Total Noncurrent Liabilities	<u>7,743,392</u>	<u>875,763</u>	<u>8,619,155</u>
Total Liabilities	<u>11,483,331</u>	<u>3,506,916</u>	<u>14,990,247</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue- Property Taxes	2,649,257	-	2,649,257
Deferred Inflows Related to Pensions	<u>358,123</u>	<u>103,048</u>	<u>461,171</u>
Total Deferred Inflows of Resources	<u>3,007,380</u>	<u>103,048</u>	<u>3,110,428</u>
NET POSITION			
Net Investment in Capital Assets	73,170,909	48,431,735	121,602,644
Restricted for:			
Transportation Impact Fees	1,218,415	-	1,218,415
Park Impact Fees	299,932	-	299,932
Water Impact Fees	-	128,002	128,002
Power Impact Fees	-	74,155	74,155
Class C Roads	657,336	-	657,336
Beer Tax Reserves	34,517	-	34,517
Perpetual Cemetery			
Expendable	618,476	-	618,476
Nonexpendable	1,049,901	-	1,049,901
Library Endowment:			
Expendable	181,964	-	181,964
Nonexpendable	686,950	-	686,950
Debt Service	65,837	-	65,837
Capital Projects	696,209	-	696,209
MBA	35,877	-	35,877
Redevelopment Agency	58,915	-	58,915
Unrestricted	<u>(1,086,709)</u>	<u>11,071,837</u>	<u>9,985,128</u>
Total Net Position	<u>\$ 77,688,529</u>	<u>\$ 59,705,729</u>	<u>\$ 137,394,258</u>

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

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KAYSVILLE CITY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 2,380,314	\$ 827,020	\$ 17,363	\$ -
Public Safety:				
Police	3,496,435	254,534	-	27,452
Fire	833,769	206,586	-	1,744
Community Development				
686,765	759,540	-	-	-
Public Works				
2,937,745	1,295,257	-	-	3,705,117
Parks, Recreation and Public Properties				
2,664,422	1,076,099	-	-	-
Interest on Long-term Debt				
235,218	-	-	-	-
Total Governmental Activities		13,234,668	4,419,036	17,363
				3,734,313
Business-Type Activities:				
Water	2,443,152	2,789,065	-	535,137
Sewer	1,876,862	1,875,927	-	-
Electric	13,814,577	14,004,518	-	-
Pressure Irrigation	1,143,314	1,121,755	-	-
Sanitation	1,751,666	1,767,879	-	-
Storm Water	1,418,881	1,073,364	-	370,664
Ambulance	483,772	486,656	-	-
Total Business-Type Activities		22,932,224	23,119,164	-
				905,801
Total		\$ 36,166,892	\$ 27,538,200	\$ 17,363
				\$ 4,640,114

General Revenues:

Property Taxes
Sales Tax
Franchise Tax
Energy Sales and Use Charge
Interest and Investment Earnings
Sale of Capital Assets
Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning, as previously reported

Prior Period Adjustment

Net Position- Beginning, as restated

Net Position - Ending

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

Governmental Activities	Business-Type Activities	Total
\$ (1,535,931)	\$ -	\$ (1,535,931)
(3,214,449)	-	(3,214,449)
(625,439)	-	(625,439)
72,775	-	72,775
2,062,629	-	2,062,629
(1,588,323)	-	(1,588,323)
(235,218)	-	(235,218)
(5,063,956)	-	(5,063,956)
 - 881,050	 - (935)	 881,050 (935)
- 189,941	- 189,941	189,941 189,941
- (21,559)	- (21,559)	(21,559) (21,559)
- 16,213	- 16,213	16,213 16,213
- 25,147	- 25,147	25,147 25,147
- 2,884	- 2,884	2,884 2,884
- 1,092,741	- 1,092,741	1,092,741 1,092,741
 (5,063,956)	 1,092,741	 (3,971,215)
 3,263,780	 - 3,263,780	 3,263,780 3,263,780
3,665,634	- 3,665,634	3,665,634 3,665,634
537,744	- 537,744	537,744 537,744
1,156,028	- 1,156,028	1,156,028 1,156,028
69,172	58,931 128,103	69,172 58,931 128,103
6,275	- 6,275	6,275 6,275
115,014	- 115,014	115,014 115,014
(22,350)	22,350 -	(22,350) -
8,791,297	81,281	8,872,578
3,727,341	1,174,022	4,901,363
76,190,566	59,173,195	135,363,761
(2,229,378)	(641,488)	(2,870,866)
 73,961,188	 58,531,707	 132,492,895
\$ 77,688,529	\$ 59,705,729	\$ 137,394,258

**KAYSVILLE CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS			
Cash and Cash Equivalents	\$ 683,115	\$ 69,760	\$ 2,348,313
Cash Restricted	-	-	-
Investments	1,938,412	-	-
Real Estate Inventory Held for Resale	-	-	-
Due from Other Funds	971,532	-	-
Accounts Receivable	<u>3,604,107</u>	<u>-</u>	<u>350</u>
Total Assets	<u>\$ 7,197,166</u>	<u>\$ 69,760</u>	<u>\$ 2,348,663</u>
LIABILITIES AND FUND BALANCES			
Accounts Payable	\$ 537,226	\$ 3,923	\$ 134,107
Due to Other Funds	-	-	-
Deposits	<u>1,551,098</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>2,088,324</u>	<u>3,923</u>	<u>134,107</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue- Property Taxes	<u>2,649,257</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>2,649,257</u>	<u>-</u>	<u>-</u>
FUND BALANCES:			
Non-Spendable:			
Library Endowment	-	-	-
Cemetery Perpetual Care	-	-	-
Real Estate Inventory Held for Resale	-	-	-
Restricted for:			
Transportation Impact Fees	-	-	1,218,415
Park Impact Fees	-	-	299,932
Class C Roads	657,336	-	-
Beer Tax Funds	34,517	-	-
Perpetual Care	-	-	-
Library Endowment	-	-	-
Municipal Building Authority	-	-	-
Assigned:			
Debt Service	-	65,837	-
Capital Projects	-	-	696,209
Unassigned	<u>1,767,732</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>2,459,585</u>	<u>65,837</u>	<u>2,214,556</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,197,166</u>	<u>\$ 69,760</u>	<u>\$ 2,348,663</u>

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

Special Revenue Fund		Permanent Funds			Total Governmental Funds	
Redevelopment Agency	Municipal Building Authority	Perpetual Cemetery	Library Endowment			
\$ 249,494	\$ -	\$ 618,476	\$ 599,098	\$ 4,568,256		
-	543,550	-	-	543,550		
-	-	1,049,901	269,816	3,258,129		
723,956	-	-	-	723,956		
-	-	-	-	971,532		
-	-	-	-	3,604,457		
\$ 973,450	\$ 543,550	\$ 1,668,377	\$ 868,914	\$ 13,669,880		
\$ 2,315	\$ 507,673	-	-	\$ 1,185,244		
912,220	-	-	-	912,220		
-	-	-	-	1,551,098		
914,535	507,673	-	-	3,648,562		
-	-	-	-	-	2,649,257	
-	-	-	-	-	2,649,257	
-	-	-	686,950	686,950		
-	-	1,049,901	-	1,049,901		
723,956	-	-	-	723,956		
-	-	-	-	1,218,415		
-	-	-	-	299,932		
-	-	-	-	657,336		
-	-	-	-	34,517		
-	-	618,476	-	618,476		
-	-	-	181,964	181,964		
-	35,877	-	-	35,877		
-	-	-	-	65,837		
-	-	-	-	696,209		
(665,041)	-	-	-	1,102,691		
58,915	35,877	1,668,377	868,914	7,372,061		
\$ 973,450	\$ 543,550	\$ 1,668,377	\$ 868,914	\$ 13,669,880		

KAYSVILLE CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

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

Total Fund Balances- Total Governmental Funds	\$ 7,372,061
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	23,467,255
Buildings, net of \$1,460,628 accumulated depreciation	8,485,261
Improvements, net of \$3,056,717 accumulated depreciation	3,463,222
Infrastructure, net of \$25,455,836 accumulated depreciation	40,925,929
Equipment, net of \$1,514,396 accumulated depreciation	684,404
Vehicles, net of \$3,252,491 accumulated depreciation	<u>1,909,793</u> 78,935,864

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

Net Pension Asset	3,469
Deferred Pension Outflow	482,247
Net Pension Liability	(2,062,035)
Deferred Pension Inflow	<u>(358,123)</u> (1,934,442)

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

Bonds Payable	(5,098,000)
Notes and Capital Leases Payable	(1,187,856)
Accrued Interest	(64,381)
Compensated Absences	<u>(334,717)</u> (6,684,954)
Total Net Position Governmental Activities	<u>\$ 77,688,529</u>

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

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KAYSVILLE CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Taxes	\$ 8,623,186	\$ -	\$ -
Licenses and Permits	592,227	-	-
Impact Fees	-	-	665,904
Intergovernmental	903,604	-	-
Charges for Services	2,087,258	-	-
Fines and Forfeitures	111,532	-	-
Interest Income	33,300	1,648	9,605
Donations	-	-	-
State Grants	-	-	-
Miscellaneous	<u>133,707</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>12,484,814</u>	<u>1,648</u>	<u>675,509</u>
Expenditures:			
Current:			
General Government	2,255,657	-	-
Public Safety	4,230,409	-	-
Community Development	719,025	-	-
Public Works	1,827,115	-	-
Parks, Recreation and Public Properties	2,487,779	-	-
Debt Service:			
Principal	16,841	438,292	-
Interest and Fiscal Charges	-	20,002	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>585,557</u>
Total Expenditures	<u>11,536,826</u>	<u>458,294</u>	<u>585,557</u>
Excess (Deficiency) of Revenues over Expenditures	<u>947,988</u>	<u>(456,646)</u>	<u>89,952</u>
Other Financing Sources (Uses):			
Issuance of Capital Leases	78,231	-	-
Sale of Capital Assets	6,275	-	-
Transfers In			
General Fund	-	460,000	-
Non-Reciprocal Utility Revenue	77,650	-	-
Transfers Out			
MBA Special Revenue Fund	(430,000)	-	-
Debt Service Fund	(460,000)	-	-
Ambulance Fund	<u>(100,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(827,844)</u>	<u>460,000</u>	<u>-</u>
Net Change in Fund Balances	<u>120,144</u>	<u>3,354</u>	<u>89,952</u>
Fund balance - July 1	<u>2,339,441</u>	<u>62,483</u>	<u>2,124,604</u>
Fund Balance - June 30	<u>\$ 2,459,585</u>	<u>\$ 65,837</u>	<u>\$ 2,214,556</u>

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

Special Revenue Fund		Permanent Funds		Total Governmental Funds
Redevelopment Agency	Municipal Building Authority	Perpetual Cemetery	Library Endowment	
\$ -	\$ -	\$ -	\$ -	\$ 8,623,186
-	-	-	-	592,227
-	-	-	-	665,904
-	-	-	-	903,604
-	-	58,925	-	2,146,183
-	-	-	-	111,532
452	1,248	18,253	4,666	69,172
-	20,000	-	-	20,000
-	7,452	-	-	7,452
-	-	-	-	133,707
452	28,700	77,178	4,666	13,272,967
 403,923	 -	 -	 50,000	 2,709,580
-	-	-	-	4,230,409
-	-	-	-	719,025
-	-	-	-	1,827,115
-	-	23,641	-	2,511,420
 582,055	 349,000	 -	 -	 1,386,188
 58,704	 161,019	 -	 -	 239,725
 -	 4,235,287	 -	 -	 4,820,844
1,044,682	4,745,306	23,641	50,000	18,444,306
 (1,044,230)	 (4,716,606)	 53,537	 (45,334)	 (5,171,339)
 -	 -	 -	 -	 78,231
 -	 -	 -	 -	 6,275
 -	 430,000	 -	 -	 890,000
 -	 -	 -	 -	 77,650
 -	 -	 -	 -	 (430,000)
 -	 -	 -	 -	 (460,000)
 -	 -	 -	 -	 (100,000)
 -	 430,000	 -	 -	 62,156
 (1,044,230)	 (4,286,606)	 53,537	 (45,334)	 (5,109,183)
 1,103,145	 4,322,483	 1,614,840	 914,248	 12,481,244
 \$ 58,915	 \$ 35,877	 \$ 1,668,377	 \$ 868,914	 \$ 7,372,061

KAYSVILLE CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

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

Net change in fund balances-total governmental funds \$ (5,109,183)

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

Capital outlays	6,388,278	
Depreciation expense	<u>(2,633,317)</u>	3,754,961

The effect of contributed capital assets from developers is not recorded in the fund financial statements, but is reported as revenues and capital assets in the government-wide financial statements. 3,705,117

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

Proceeds	(213,486)	
Gain (Loss) on sale of assets	<u>(213,486)</u>	(213,486)

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

Lease Proceeds	(78,231)	
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Payment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Debt proceeds are reported as other financing sources in the fund statements, but are reported as long-term liabilities in the government-wide statements.

Payment of note and capital lease payable	734,188	
Payment of bond principal	<u>652,000</u>	652,000
Compensated absences	<u>254,242</u>	1,640,430

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These expenses include changes to:

Accrued compensated absences	(271,156)	
Accrued Pension	<u>294,936</u>	294,936
Accrued interest	<u>3,953</u>	27,733
Change in net position of governmental activities	<u>\$ 3,727,341</u>	\$ 3,727,341

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

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KAYSVILLE CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES
JUNE 30, 2015

	<u>Water</u>	<u>Sewer</u>
ASSETS		
Current Assets:		
Cash	\$ 1,295,062	\$ 778,726
Accounts Receivable (Net of Allowance for Uncollectibles)	209,324	174,613
Inventory	310,000	-
Total Current Assets	<u>1,814,386</u>	<u>953,339</u>
Noncurrent Assets		
Cash Restricted	21,631	-
Capital Assets:		
Land	120,094	-
Net Depreciable Capital Assets	15,047,238	21,332
Water Stock	361,140	-
Net Pension Asset	216	-
Total Noncurrent Assets	<u>15,550,319</u>	<u>21,332</u>
Total Assets	<u>17,364,705</u>	<u>974,671</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pensions	<u>29,735</u>	-
Total Deferred Outflows of Resources	<u>29,735</u>	-
LIABILITIES		
Current Liabilities:		
Accounts Payable	34,748	187,597
Due to Other Fund	-	-
Deposits	21,631	-
Interest Accrued	-	-
Noncurrent Liabilities Due Within One Year	9,497	-
Total Current Liabilities	<u>65,876</u>	<u>187,597</u>
Noncurrent Liabilities		
Due In More Than One Year	37,989	-
Net Pension Liability	127,145	-
Total Noncurrent Liabilities	<u>165,134</u>	-
Total Liabilities	<u>231,010</u>	<u>187,597</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Pensions	<u>22,082</u>	-
Total Deferred Inflows of Resources	<u>22,082</u>	-
NET POSITION		
Net Investment in Capital Assets	15,528,472	21,332
Restricted for:		
Impact Fees	128,002	-
Unrestricted	1,484,874	765,742
Total Net Position	<u>\$ 17,141,348</u>	<u>\$ 787,074</u>

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

Electric	Storm Water	Pressure Irrigation	Sanitation	Ambulance	Total
\$ 6,633,503	\$ 1,281,822	\$ 144,191	\$ 934,874	\$ 201,058	\$ 11,269,236
881,008	96,958	103,475	166,124	279,620	1,911,122
888,000	-	-	-	-	1,198,000
<u>8,402,511</u>	<u>1,378,780</u>	<u>247,666</u>	<u>1,100,998</u>	<u>480,678</u>	<u>14,378,358</u>
 106,275	-	-	-	-	127,906
803,987	-	16,322	-	-	940,403
16,990,742	11,049,932	-	563,111	42,231	43,714,586
-	-	3,712,850	-	-	4,073,990
665	93	-	24	-	998
<u>17,901,669</u>	<u>11,050,025</u>	<u>3,729,172</u>	<u>563,135</u>	<u>42,231</u>	<u>48,857,883</u>
 26,304,180	 12,428,805	 3,976,838	 1,664,133	 522,909	 63,236,241
 92,509	 13,216	 -	 3,304	 -	 138,764
<u>92,509</u>	<u>13,216</u>	<u>-</u>	<u>3,304</u>	<u>-</u>	<u>138,764</u>
 1,819,847	 16,794	 92,760	 125,224	 58,544	 2,335,514
59,312	-	-	-	-	59,312
106,275	-	-	-	-	127,906
133	1,450	-	632	-	2,215
60,250	49,029	-	46,742	-	165,518
<u>2,045,817</u>	<u>67,273</u>	<u>92,760</u>	<u>172,598</u>	<u>58,544</u>	<u>2,690,465</u>
 64,527	 109,105	 -	 70,804	 -	 282,425
395,558	56,508	-	14,127	-	593,338
<u>460,085</u>	<u>165,613</u>	<u>-</u>	<u>84,931</u>	<u>-</u>	<u>875,763</u>
 2,505,902	 232,886	 92,760	 257,529	 58,544	 3,566,228
 68,698	 9,814	 -	 2,454	 -	 103,048
<u>68,698</u>	<u>9,814</u>	<u>-</u>	<u>2,454</u>	<u>-</u>	<u>103,048</u>
 17,750,611	 10,914,352	 3,729,172	 445,565	 42,231	 48,431,735
74,155	-	-	-	-	202,157
5,997,323	1,284,969	154,906	961,889	422,134	11,071,837
<u>\$ 23,822,089</u>	<u>\$ 12,199,321</u>	<u>\$ 3,884,078</u>	<u>\$ 1,407,454</u>	<u>\$ 464,365</u>	<u>\$ 59,705,729</u>

KAYSVILLE CITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES
YEAR ENDED JUNE 30, 2015

	Water	Sewer
Operating Revenues:		
Charges for Services (Net of uncollectibles)	\$ 2,460,914	\$ 1,871,031
Charges for Services (Reciprocal)	-	-
Charges for Services (Non-Reciprocal)	<u>34,531</u>	<u>4,896</u>
Total Operating Revenues	<u>2,495,445</u>	<u>1,875,927</u>
Operating Expenses:		
Personnel Services	532,843	10,261
Contractual Services	60,523	-
Administrative Charges from General Fund	137,000	62,000
Interfund Services	80,000	-
Purchases Water/Treatment/Power/Refuse	457,324	1,803,913
Supplies, Maintenance, and Miscellaneous Operating	621,683	-
Energy Sales and Use Tax Charge	-	-
Depreciation	<u>553,779</u>	<u>688</u>
Total Operating Expenses	<u>2,443,152</u>	<u>1,876,862</u>
Operating Income (Loss)	<u>52,293</u>	<u>(935)</u>
Nonoperating Revenues (Expenses):		
Connection Fees	74,024	-
Extension Fees	-	-
Impact Fees	201,739	-
Gain on Sale of Assets	4,692	-
Interest Income	4,572	4,579
Miscellaneous	13,165	-
Interest Expense	-	-
Total Nonoperating Revenues (Expenses)	<u>298,192</u>	<u>4,579</u>
Income (Loss) Before Contributions and Transfers	<u>350,485</u>	<u>3,644</u>
Contributions From Developers	<u>535,137</u>	<u>-</u>
Transfers In (Out):		
General Fund	-	-
Non-Reciprocal Utility Services	<u>(34,531)</u>	<u>(4,896)</u>
Change in Net Position	<u>851,091</u>	<u>(1,252)</u>
Net Position - Beginning, as previously reported	<u>16,427,719</u>	<u>788,326</u>
Prior Period Adjustment	<u>(137,462)</u>	<u>-</u>
Net Position- Beginning, as restated	<u>16,290,257</u>	<u>788,326</u>
Net Position - Ending	<u>\$ 17,141,348</u>	<u>\$ 787,074</u>

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

Electric	Storm Water	Pressure Irrigation	Sanitation	Ambulance	Total
\$ 12,814,220	\$ 1,046,721	\$ 1,121,755	\$ 1,756,299	\$ 486,656	\$ 21,557,596
189,639	-	-	-	-	189,639
-	26,643	-	11,580	-	77,650
<u>13,003,859</u>	<u>1,073,364</u>	<u>1,121,755</u>	<u>1,767,879</u>	<u>486,656</u>	<u>21,824,885</u>
1,217,746	267,783	2,433	34,310	335,270	2,400,646
532,771	37,804	-	4,443	87,447	722,988
165,000	55,000	55,000	80,000	-	554,000
130,000	52,000	-	5,000	6,000	273,000
9,497,516	-	1,085,881	1,490,557	-	14,335,191
688,260	418,713	-	9,447	51,513	1,789,616
731,233	-	-	-	-	731,233
850,331	585,341	-	124,238	3,542	2,117,919
<u>13,812,857</u>	<u>1,416,641</u>	<u>1,143,314</u>	<u>1,747,995</u>	<u>483,772</u>	<u>22,924,593</u>
(808,998)	(343,277)	(21,559)	19,884	2,884	(1,099,708)
104,273	-	-	-	-	178,297
601,723	-	-	-	-	601,723
285,856	-	-	-	-	487,595
3,036	-	-	-	-	7,728
36,647	6,053	1,244	5,018	818	58,931
5,771	-	-	-	-	18,936
(1,720)	(2,240)	-	(3,671)	-	(7,631)
<u>1,035,586</u>	<u>3,813</u>	<u>1,244</u>	<u>1,347</u>	<u>818</u>	<u>1,345,579</u>
226,588	(339,464)	(20,315)	21,231	3,702	245,871
-	370,664	-	-	-	905,801
-	-	-	-	100,000	100,000
-	(26,643)	-	(11,580)	-	(77,650)
<u>226,588</u>	<u>4,557</u>	<u>(20,315)</u>	<u>9,651</u>	<u>103,702</u>	<u>1,174,022</u>
24,023,160	12,255,858	3,904,393	1,413,076	360,663	59,173,195
(427,659)	(61,094)	-	(15,273)	-	(641,488)
<u>23,595,501</u>	<u>12,194,764</u>	<u>3,904,393</u>	<u>1,397,803</u>	<u>360,663</u>	<u>58,531,707</u>
<u>\$ 23,822,089</u>	<u>\$ 12,199,321</u>	<u>\$ 3,884,078</u>	<u>\$ 1,407,454</u>	<u>\$ 464,365</u>	<u>\$ 59,705,729</u>

KAYSVILLE CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - BUSINESS-TYPE ACTIVITIES
YEAR ENDED JUNE 30, 2015

	Water	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 2,478,245	\$ 1,869,145
Cash Payments to Suppliers for Goods and Services	(1,122,655)	(1,792,971)
Cash Payments to Employees for Services	(552,545)	(10,261)
Cash Payments for Interfund Services	<u>(217,000)</u>	<u>(62,000)</u>
Net Cash Provided (Used) by Operating Activities	<u>586,045</u>	<u>3,913</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Transfers from (to) Other Funds	-	-
Net Cash Provided (Used in) Non-Capital Financing Activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Impact, Extension and Connection Fees	288,928	-
Acquisition of Capital Assets	(79,971)	-
Proceeds from Sale of Capital Assets	4,692	-
Principal Paid on Bonds and Notes	-	-
Interest Paid	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>213,649</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Received	<u>4,572</u>	<u>4,579</u>
Net Cash Provided from Investing Activities	<u>4,572</u>	<u>4,579</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>804,266</u>	<u>8,492</u>
Cash/Equivalents at Beginning of Year	<u>512,427</u>	<u>770,234</u>
Cash/Equivalents at End of Year	<u>\$ 1,316,693</u>	<u>\$ 778,726</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ 52,293	\$ (935)
Reconciling Adjustments:		
Depreciation	553,779	688
Calculated Pension	(18,186)	-
Non-Reciprocal Utility Services	(34,531)	(4,896)
Changes in Assets and Liabilities:		
Changes in Receivables	2,223	(1,886)
Changes in Inventory	5,000	-
Changes in Accounts Payable	11,875	10,942
Changes in Deposits	15,108	-
Changes in Compensated Absences	<u>(1,516)</u>	<u>-</u>
Total Adjustments	<u>533,752</u>	<u>4,848</u>
Net Cash Provided by Operating Activities	<u>\$ 586,045</u>	<u>\$ 3,913</u>
Noncash investing and capital activities:		
Contributions from Developers	\$ 535,137	-

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

Electric	Storm Water	Pressure Irrigation	Sanitation	Ambulance	Total
\$ 13,129,804	\$ 1,051,695	\$ 1,121,211	\$ 1,754,783	\$ 451,655	\$ 21,856,538
(11,628,206)	(467,406)	(1,100,124)	(1,511,743)	(144,253)	(17,767,358)
(1,260,022)	(273,121)	(2,433)	(36,331)	(335,270)	(2,469,983)
(295,000)	(107,000)	(55,000)	(85,000)	(6,000)	(827,000)
<u>(53,424)</u>	<u>204,168</u>	<u>(36,346)</u>	<u>121,709</u>	<u>(33,868)</u>	<u>792,197</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
 997,623	 -	 -	 -	 -	 1,286,551
(1,233,980)	(-	(-	(30,568)	(41,930)	(1,386,449)
3,036	-	-	-	-	7,728
(43,070)	(43,855)	-	(45,558)	-	(132,483)
(20,889)	(2,709)	-	(3,916)	-	(27,514)
<u>(297,280)</u>	<u>(46,564)</u>	<u>-</u>	<u>(80,042)</u>	<u>(41,930)</u>	<u>(252,167)</u>
 36,647	 6,053	 1,244	 5,018	 818	 58,931
<u>36,647</u>	<u>6,053</u>	<u>1,244</u>	<u>5,018</u>	<u>818</u>	<u>58,931</u>
<u>(314,057)</u>	<u>163,657</u>	<u>(35,102)</u>	<u>46,685</u>	<u>25,020</u>	<u>698,961</u>
<u>7,053,835</u>	<u>1,118,165</u>	<u>179,293</u>	<u>888,189</u>	<u>176,038</u>	<u>10,698,181</u>
<u>\$ 6,739,778</u>	<u>\$ 1,281,822</u>	<u>\$ 144,191</u>	<u>\$ 934,874</u>	<u>\$ 201,058</u>	<u>\$ 11,397,142</u>
 \$ (808,998)	 \$ (343,277)	 \$ (21,559)	 \$ 19,884	 \$ 2,884	 \$ (1,099,708)
 850,331	 585,341	 -	 124,238	 3,542	 2,117,919
(56,577)	(8,081)	-	(2,021)	-	(84,865)
-	(26,643)	-	(11,580)	-	(77,650)
 123,145	 4,974	 (544)	 (1,516)	 (35,001)	 91,395
(38,000)	-	-	-	-	(33,000)
(140,426)	(10,889)	(14,243)	(7,296)	(5,293)	(155,330)
2,800	-	-	-	-	17,908
14,301	2,743	-	-	-	15,528
<u>755,574</u>	<u>547,445</u>	<u>(14,787)</u>	<u>101,825</u>	<u>(36,752)</u>	<u>1,891,905</u>
<u>\$ (53,424)</u>	<u>\$ 204,168</u>	<u>\$ (36,346)</u>	<u>\$ 121,709</u>	<u>\$ (33,868)</u>	<u>\$ 792,197</u>
 -	 \$370,664	 -	 -	 -	 \$905,801

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**NOTES TO
BASIC FINANCIAL STATEMENTS**

**KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

Blended Component Units

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

Basic Financial Statements - Government-Wide Statements:

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

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

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

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

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City has the following fund types:

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

Governmental funds include the following fund types:

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

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

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

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

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

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

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

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

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

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Measurement Focus and Basis of Accounting

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

Accrual:

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

Modified Accrual:

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

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

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

Assets, Liabilities and Equity

Deposits and Investments

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

Investments are stated at cost which approximates fair value.

**KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Payables

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

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

Inventories and Prepaid Items

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

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

Capital Assets

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

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

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

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

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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

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

Compensated Absences

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

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

Deferred Inflows and Outflows of Resources

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

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

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

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Liabilities

The City reports long-term liabilities at face value in the applicable governmental activities, business-type activities or proprietary fund type 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 another financial source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. Bonds payable are reported net of the applicable bond premium or discount.

Equity

Fund financial statements

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

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

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

**KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity (Continued)

Government-wide Statements

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

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

Interfund Transactions

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

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

Operating Revenues and Expenses

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

Restricted Net Position

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

Class C Roads - all unexpended Class "C" Road payments at the end of the fiscal year are restricted by state law to be appropriated in the following budget year.

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

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

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Net Position (Continued)

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

Public Safety Impact Fees – The use of these fees is limited by state law. The unexpended balance is to be used for public safety.

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

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

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

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

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

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

2. DEPOSITS AND INVESTMENTS

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

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

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

2. DEPOSITS AND INVESTMENTS (continued)

Deposits

Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2015, \$9,554,357 of the City's bank balances of \$10,303,361 was uninsured and uncollateralized.

Investments

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

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

As of June 30, 2015, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)				Quality Ratings
		Less than 1	1-5	6-10	More than 10	
PTIF Investments	\$ 9,486,438	\$ 9,486,438	\$ -	\$ -	\$ -	not rated
Money Market	1,004,432	1,004,432	-	-	-	not rated
Certificates of Deposit	269,816	124,442	145,374	-	-	not rated
Moreton Asset Management	2,988,313	547,246	2,441,067	-	-	not rated
	<u>\$13,748,999</u>	<u>\$11,162,558</u>	<u>\$2,586,441</u>	<u>\$ -</u>	<u>\$ -</u>	

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

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

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

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

2. DEPOSITS AND INVESTMENTS (Continued)

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

Components of cash and investments (including interest earning deposits) at June 30, 2015, are as follows:

Cash on hand and on deposit:

Cash on hand	\$ 250
Cash on deposit	5,980,373
PTIF investment	9,486,438
Moreton Asset Management	3,025,768
Money market	1,004,432
Certificates of deposit	<u>269,816</u>
Total cash and investments	<u><u>\$19,767,077</u></u>

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

Cash and cash equivalents	\$15,837,492
Restricted cash	671,456
Investments	<u>3,258,129</u>
Total cash and investments	<u><u>\$19,767,077</u></u>

3. ACCOUNTS RECEIVABLE

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

	General	Capital Projects	Water	Sewer	Electric	Pressure Irrigation	Sanitation	Storm Water	Ambulance	Total
Receivables:										
Intergovernmental	\$3,604,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,604,107
Due from Other Fund	971,532	-	-	-	-	-	-	-	-	971,532
Utility charges	-	-	211,313	181,371	902,974	107,459	172,490	99,266	403,405	2,078,278
Other receivables	-	350	6,196	-	26,328	-	-	1,485	-	34,359
Gross receivables	4,575,639	350	217,509	181,371	929,302	107,459	172,490	100,751	403,405	6,688,276
Allowance	-	-	(8,185)	(6,758)	(48,294)	(3,984)	(6,366)	(3,793)	(123,785)	(201,165)
Net receivables	\$4,575,639	\$350	\$209,324	\$174,613	\$881,008	\$103,475	\$166,124	\$96,958	\$279,620	\$6,487,111

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

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

4. ACCOUNTS PAYABLE

Payables as of the fiscal year end are as follows:

	General	Debt Service	Capital Projects	RDA	MBA	Water	Sewer	Electric	Pressure Irrigation	Sanitation	Storm Water	Ambulance	Total
Payables:													
Intergovernmental	\$537,226	\$3,923	\$134,107	\$ 2,315	\$507,673	\$34,748	\$187,597	\$1,819,847	\$92,760	\$125,224	\$16,794	\$58,544	\$3,520,758
Due to Other Fund	-	-	-	912,220	-	-	-	59,312	-	-	-	-	971,532
Gross payables	<u>\$537,226</u>	<u>\$3,923</u>	<u>\$134,107</u>	<u>\$914,535</u>	<u>\$507,673</u>	<u>\$34,748</u>	<u>\$187,597</u>	<u>\$1,879,159</u>	<u>\$92,760</u>	<u>\$125,224</u>	<u>\$16,794</u>	<u>\$58,544</u>	<u>\$4,492,290</u>

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

5. CAPITAL ASSETS

Capital asset activity in the governmental activities for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	\$23,203,235	\$ 264,020	\$ -	\$ -	\$23,467,255
Construction in progress	<u>1,122,865</u>	<u>-</u>	<u>(1,122,865)</u>	<u>-</u>	<u>-</u>
Total capital assets, not being depreciated	<u>24,326,100</u>	<u>264,020</u>	<u>(1,122,865)</u>	<u>-</u>	<u>23,467,255</u>
Capital assets, being depreciated					
Infrastructure	62,047,961	4,333,804	-	-	66,381,765
Buildings	4,716,256	5,562,943	(333,310)	-	9,945,889
Improvements	6,205,947	326,585	(12,593)	-	6,519,939
Vehicles	4,875,794	479,794	(150,772)	(42,532)	5,162,284
Equipment	1,965,363	249,114	(15,677)	-	2,198,800
Total capital assets, being depreciated	<u>79,811,321</u>	<u>10,952,240</u>	<u>(512,352)</u>	<u>(42,532)</u>	<u>90,208,677</u>
Accumulated Depreciation for:					
Infrastructure	(23,605,234)	(1,850,602)	-	-	(25,455,836)
Buildings	(1,544,777)	(71,396)	155,545	-	(1,460,628)
Improvements	(2,843,807)	(214,590)	1,680	-	(3,056,717)
Vehicles	(3,060,384)	(360,603)	125,964	42,532	(3,252,491)
Equipment	(1,393,947)	(136,126)	15,677	-	(1,514,396)
Total accumulated depreciation	<u>(32,448,149)</u>	<u>(2,633,317)</u>	<u>298,866</u>	<u>42,532</u>	<u>(34,740,068)</u>
Total capital assets being depreciated, net	<u>47,363,172</u>	<u>8,318,923</u>	<u>(213,486)</u>	<u>-</u>	<u>55,468,609</u>
Governmental activities capital assets, net	<u>\$71,689,272</u>	<u>\$ 8,582,943</u>	<u>\$(1,336,351)</u>	<u>\$ -</u>	<u>\$78,935,864</u>

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

5. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:

General Government	\$ 63,264
Public Safety	
Police	109,072
Fire	145,321
Community Development	14,316
Public Works	1,977,743
Parks and Recreation	<u>323,601</u>
 Total Governmental Activities Depreciation Expense	 <u>\$ 2,633,317</u>

Capital asset activity in the business-type activities for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 940,403	\$ -	\$ -	\$ -	\$ 940,403
Water Stock	<u>3,974,990</u>	<u>99,000</u>	<u>-</u>	<u>-</u>	<u>4,073,990</u>
Total capital assets, not being depreciated	<u>4,915,393</u>	<u>99,000</u>	<u>-</u>	<u>-</u>	<u>5,014,393</u>
Capital assets, being depreciated					
Buildings	825,794	-	-	-	825,794
Improvements	41,320	-	-	-	41,320
Infrastructure	64,538,915	1,811,694	-	-	66,350,609
Vehicles	2,468,998	201,902	(70,530)	42,532	2,642,902
Machinery and Equipment	<u>1,764,791</u>	<u>179,654</u>	<u>-</u>	<u>-</u>	<u>1,944,445</u>
Total capital assets, being depreciated	<u>69,639,818</u>	<u>2,193,250</u>	<u>(70,530)</u>	<u>42,532</u>	<u>71,805,070</u>
Accumulated Depreciation for:					
Buildings	(385,371)	(13,764)	-	-	(399,135)
Improvements	(9,641)	(1,377)	-	-	(11,018)
Infrastructure	(23,273,591)	(1,726,458)	-	-	(25,000,049)
Vehicles	(1,231,635)	(238,282)	70,530	(42,532)	(1,441,919)
Machinery and Equipment	<u>(1,100,325)</u>	<u>(138,038)</u>	<u>-</u>	<u>-</u>	<u>(1,238,363)</u>
Total accumulated depreciation	<u>(26,000,563)</u>	<u>(2,117,919)</u>	<u>70,530</u>	<u>(42,532)</u>	<u>(28,090,484)</u>
Total capital assets, being depreciated, net	<u>43,639,255</u>	<u>75,331</u>	<u>-</u>	<u>-</u>	<u>43,714,586</u>
Business-type activities capital assets, net	<u>\$48,554,648</u>	<u>\$ 174,331</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$48,728,979</u>

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

5. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Business-type Activities:

Water	\$ 553,779
Sewer	688
Electric	850,331
Sanitation	124,238
Storm Water	585,341
Ambulance	<u>3,542</u>
 Total Business-type Activities Depreciation Expense	 <u>\$ 2,117,919</u>

Capital assets by proprietary fund are as follows:

	Water Utility	Sewer Utility	Electric Utility	Pressure Irrigation	Sanitation Utility	Storm Water	Ambulance	Total
Land	\$ 120,094	\$ -	\$ 803,987	\$ 16,322	\$ -	\$ -	\$ -	\$ 940,403
Water Stock	361,140	-	-	3,712,850	-	-	-	4,073,990
Buildings	123,869	41,289	660,636	-	-	-	-	825,794
Improvements	41,320	-	-	-	-	-	-	41,320
Infrastructure	21,926,213	-	25,586,900	-	-	18,837,496	-	66,350,609
Vehicles	346,256	-	1,445,900	-	126,935	356,041	367,770	2,642,902
Equipment	217,410	-	333,554	-	1,318,244	2,659	72,578	1,944,445
 Total	 23,136,302	 41,289	 28,830,977	 3,729,172	 1,445,179	 19,196,196	 440,348	 76,819,463
Accum Depr	(7,607,830)	(19,957)	(11,036,248)	-	(882,068)	(8,146,264)	(398,117)	(28,090,484)
 Net	 \$15,528,472	 \$ 21,332	 \$17,794,729	 \$3,729,172	 \$ 563,111	 \$11,049,932	 \$ 42,231	 \$48,728,979

6. DEPOSITS

General Fund - Deposits in the general fund as of June 30, 2015 are as follows:

Business license bonds refundable	\$ 1,700
Builders' deposits	339,375
Excavation deposits	93,000
Escrow deposits	<u>1,117,023</u>
 Total	 <u>\$ 1,551,098</u>

Enterprise Funds - All utility and developer's deposits are recorded in the electric utility fund. The water meter deposits are recorded in the water utility fund. As of June 30, 2015 deposits are as follows:

Utility deposits	\$ 106,275
Water meter deposits	<u>21,631</u>
 Total deposits	 <u>\$ 127,906</u>

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

7. LEASES

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

The assets acquired through outstanding capital leases are as follows:

	Business-type Activities			
	Governmental Activities	Electric Utility Fund	Sanitation Fund	Storm Drain Fund
Vehicles	\$ 832,850	\$ -	\$ -	\$ 306,743
Equipment	78,231	212,897	210,234	-
Less: Accumulated Amortization	<u>(166,465)</u>	<u>(91,242)</u>	<u>(42,046)</u>	<u>(61,349)</u>
Total	<u>\$ 744,616</u>	<u>\$ 121,655</u>	<u>\$ 168,188</u>	<u>\$ 245,394</u>

Government-type activities:

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

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

Year Ended June 30,	Capital Lease (Fire Truck)		
	1.69%		
	Principal	Interest	Total
2016	\$ 137,588	\$ 7,734	\$ 145,322
2017	139,923	5,399	145,322
2018	142,298	3,024	145,322
2019	72,053	609	72,662
Totals	<u>\$ 491,862</u>	<u>\$ 16,766</u>	<u>\$ 508,628</u>

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

Year Ended June 30,	Capital Lease (Wide Area Mower)		
	3.755%		
	Principal	Interest	Total
2016	\$ 14,496	\$ 2,345	\$ 16,841
2017	15,049	1,792	16,841
2018	15,624	1,217	16,841
2019	16,221	620	16,841
Totals	<u>\$ 61,390</u>	<u>\$ 5,974</u>	<u>\$ 67,364</u>

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

7. LEASES (continued)

Business-type activities:

At the end of the fiscal year the City has three lease agreements for the acquisition of a bucket truck, recycling cans, and a vactor truck.

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

Year Ended June 30,	Capital Lease (Bucket Truck)		
	2.42%		
	Principal	Interest	Total
2016	\$ 44,118	\$ 803	\$ 44,921
Totals	\$ 44,118	\$ 803	\$ 44,921

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

Year Ended June 30,	Capital Lease (Recycling Cans)		
	2.58%		
	Principal	Interest	Total
2016	\$ 46,742	\$ 2,733	\$ 49,475
2017	47,955	1,520	49,475
2018	22,849	295	23,144
Totals	\$ 117,546	\$ 4,548	\$ 122,094

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

Year Ended June 30,	Capital Lease (Vactor Truck)		
	1.51%		
	Principal	Interest	Total
2016	\$ 44,518	\$ 2,047	\$ 46,565
2017	45,190	1,375	46,565
2018	45,872	693	46,565
Totals	\$ 135,580	\$ 4,115	\$ 139,695

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

8. LONG-TERM LIABILITIES

Governmental activities:

Series 2010 Bonds

The City is obligated for the repayment of bonds issued in 2010 in the amount of \$1,432,000 to finance major repairs and maintenance to various roads throughout the City. The revenue from excise road tax has been pledged for the repayment of the bond. Principal and interest are both paid on June 15 of each year and an additional interest payment is made on December 15 of each year. Interest rate is fixed at 2.75% yearly. The bonds matured on June 15, 2015. There is no further obligation to the City.

Note Payable – Land

The City is obligated for a note payable issued in 2014 in the amount of \$264,753 for the purchase of additional property at the Flint Street Community Development Project Area. The developer paid for the property and the City is disbursing the funds to the seller in the following calendar year. The note payable bears a zero percent interest rate. The full amount was paid on Jan 15, 2015. There is no further obligation to the City.

Note Payable – Land

The City is obligated for a note payable issued in July 2006 in the amount of \$3,923,013 for the purchase of property. Payments are made annually on July 31 with the final payment being made on July 31, 2016. The note payable bears an interest rate of 8.00%. This note was transferred from the Electric Utility fund to the Redevelopment Agency Fund during fiscal year 2014. The amortization of the note is as follows:

Year Ended June 30,	Note Payable – Land		
	8.00%		
	Principal	Interest	Total
2016	\$ 317,302	\$ 50,768	\$ 368,070
2017	317,302	25,385	342,687
Totals	\$ 634,604	\$ 76,153	\$ 710,757

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

8. LONG-TERM LIABILITIES (continued)

Governmental activities: (continued)

Lease Revenue Bond- Police Station

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

Year Ended June 30,	Lease Revenue Bond Police Station		
	Principal	Interest	Total
2016	\$ 269,000	\$ 155,603	\$ 424,603
2017	272,000	152,509	424,509
2018	276,000	149,110	425,110
2019	279,000	145,384	424,384
2020	283,000	141,199	424,199
2021-2025	1,524,000	599,977	2,123,977
2026-2030	1,789,000	334,816	2,123,816
2031	406,000	20,097	426,097
Totals	\$5,098,000	\$1,698,695	\$6,796,695

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

Activity with long-term liabilities including capital leases and compensated absences for the year ended June 30, 2015 is as follows:

Governmental Activities:	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Amounts Due Within One Year
Series 2014 Lease Revenue Bonds (Police Station)	\$5,447,000	\$ -	\$ (349,000)	\$5,098,000	\$ 269,000
Note Payable (Land)	264,753	-	(264,753)	-	-
Note Payable (Land)	951,906	-	(317,302)	634,604	317,302
Series 2010 Bonds	303,000	-	(303,000)	-	-
Capital Lease (Fire Truck)	627,154	-	(135,292)	491,862	137,588
Capital Lease (Wide Area Mower)	-	78,231	(16,841)	61,390	14,496
Total Debt	7,593,813	78,231	(1,386,188)	6,285,856	738,386
Compensated Absences	317,803	207,597	(190,683)	334,717	200,830
Total Governmental Activities	\$7,911,616	\$ 285,828	\$ (1,576,871)	\$6,620,573	\$939,216

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Amounts Due Within One Year
Business-type Activities:					
Capital Lease (Bucket Truck)	\$ 87,188	\$ -	\$ (43,070)	\$ 44,118	\$ 44,118
Capital Lease (Recycling Cans)	163,104	-	(45,558)	117,546	46,742
Capital Lease (Vactor Truck)	179,435	-	(43,855)	135,580	44,518
Total Debt	<u>429,727</u>	<u>-</u>	<u>(132,483)</u>	<u>297,244</u>	<u>135,378</u>
Compensated Absences	135,170	42,563	(27,034)	150,699	30,140
<i>Total Business-type Activities</i>	<u>\$ 564,897</u>	<u>\$ 42,563</u>	<u>\$ (159,517)</u>	<u>\$ 447,943</u>	<u>\$ 165,518</u>

For the year ended June 30, 2015, \$239,725 in interest was charged to expenses in the Governmental Funds and \$7,631 was charged to expenses in the Proprietary Funds. No interest was capitalized for the year ended June 30, 2015, in Governmental or Business-type Activities.

10. RETIREMENT SYSTEMS

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

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

11. RETIREMENT SYSTEMS AND PENSION PLANS

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

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

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

11. RETIREMENT SYSTEMS AND PENSION PLANS (continued)

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

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

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

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

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

* with actuarial reductions

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

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

11. RETIREMENT SYSTEMS AND PENSION PLANS (continued)

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

<u>Utah Retirement Systems</u>	Employee Paid	Paid by Employer for employee	Employer Contribution Rates
Contributory System			
11 – Local Governmental Division Tier 1	N/A	6.000%	14.460%
111 – Local Governmental Division Tier 2	N/A	N/A	14.830%
Noncontributory System			
15 – Local Governmental Division Tier 1	N/A	N/A	18.470%
Public Safety Retirement System			
75 – Other Division A Noncontributory Tier 1	N/A	N/A	35.710%
122 – Other Division A Contributory Tier 2	N/A	N/A	23.710%

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

At December 31, 2014, the City reported a net pension asset of \$4,467 and a net pension liability of \$2,655,373.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.3498119%	\$0	\$1,518,966
Contributory System	0.1495670%	\$0	\$43,142
Public Safety System	0.8693386%	\$0	\$1,093,265
Tier 2 Public Employees System	0.0557657%	\$1,690	\$0
Tier 2 Public Safety and Firefighter System	0.1876971%	\$2,777	\$0
Total Net Pension Asset/Liability		\$4,467	\$2,655,373

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and roll-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contribution to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended December 31, 2014, the City recognized pension expense of \$711,847. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$91	\$163,163
Changes in assumptions	\$0	\$298,008
Net difference between projected and actual earnings on pension plan investments	\$62,684	\$0
Changes in proportion and differences between contributions and proportionate share of contributions	\$0	\$0
Contributions subsequent to the measurement date	\$558,236	\$0
Total	\$621,011	\$461,171

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

11. RETIREMENT SYSTEMS AND PENSION PLANS (continued)

\$558,236 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, 2014. 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 pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflow) of Resources</u>
2015	(\$115,036)
2016	(\$109,760)
2017	(\$107,606)
2018	(\$64,045)
2019	(\$304)
Thereafter	(\$1,647)

Actuarial Assumptions – The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary Increases	3.50 – 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below:

Retired Member Mortality

Class of Member

Educators

Med EDUM (90%)

Women EDUF (100%)

Public Safety and Firefighters

Med RP 2000mWC (100%)

Women EDUF (120%)

Local Government, Public Employees

Men RP 2000mWC (100%)

Women EDUF (120%)

EDUM= Constructed mortality table based on actual experience of male educators multiplied by given percentage

EDUF= Constructed mortality table based on actual experience of female educators multiplied by given percentage

RP 2000mWC= RP 2000 combined mortality table for males with white collar adjustment multiplied by given percentage

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period of January 1, 2009 to December 31, 2013.

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

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

11. RETIREMENT SYSTEMS AND PENSION PLANS (continued)

Asset class	Target Asset Allocation	Expected Return Arithmetic Basis		Long-Term expected portfolio real rate of return
		Real Return Arithmetic Basis		
Equity securities	40%	7.06%		2.82%
Debt securities	20%	0.80%		0.16%
Real assets	13%	5.10%		0.66%
Private equity	9%	11.30%		1.02%
Absolute return	18%	3.15%		0.57%
Cash and cash equivalents	0%	0.00%		0.00%
Totals	100%			5.23%
<u>Inflation</u>				<u>2.75%</u>
<u>Expected arithmetic normal return</u>				<u>7.98%</u>

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount rate – The discount rate used to measure the total pension liability of 7.50 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.

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 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of Net Pension (asset) / liability	\$6,554,194	\$2,650,906	(\$566,922)

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

Defined Contribution System – The Local Government Retirement System administered by URS also offers a 401(k) plan for employees who are included in the noncontributory Tier 2 retirement program. The contributions to this system for the year ended June 30, 2015 were as follows:

	Employee Paid Contributions	Employer Paid Contributions
401 (k) Plan	\$591	\$6,847

**KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

12. RISK MANAGEMENT - CLAIMS AND JUDGEMENTS

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

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

13. INTERFUND TRANSACTIONS

Transfers In/Out

Transfers for the year ended June 30, 2015 were as follows:

	<u>Transfers In</u>			
	Debt Service Fund	Municipal Building Authority	Ambulance Fund	Total
Transfers Out				
General Fund	\$ 460,000	\$ 430,000	\$ 100,000	\$ 990,000
Totals	<u>\$ 460,000</u>	<u>\$ 430,000</u>	<u>\$ 100,000</u>	<u>\$ 990,000</u>

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

14. PROPERTY TAX

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

15. INTERFUND ACTIVITY

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

Nonreciprocal interfund activity is the flow of assets (such as cash, good or services) without equivalent flows of assets in return and without a requirement for repayment. During the year the City received services from water, sewer, sanitation, and storm drain in the normal operation of business. The General Fund does not transfer cash for these services. The City issued a notice to the citizens notifying them of these services as required. The total amount of these services for the general fund were valued at \$34,531 for water, \$4,896 for sewer, \$11,580 for sanitation, and \$26,643 for storm drain.

Reciprocal interfund activity includes repayments from the fund responsible for particular expenditures or expenses to the fund that initially paid for them. The services provided by the electric utility fund to governmental funds are treated as an interfund reimbursement in the amount of \$189,639 for those services.

KAYSVILLE CITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

16. PRIOR PERIOD ADJUSTMENTS

In fiscal year 2015, GASB Statement No. 68 came into effect. GASB Statement No. 68 related to employer pensions. Therefore it was necessary to adjust all the fund balances for the prior period portion of the implementation. The fund balances/net position as of June 30, 2014 were decreased as follows: \$2,229,378 for Governmental Activities, \$137,462 for Water, \$427,659 for Electric, \$61,094 for Storm Water, and \$15,273 for Sanitation. The governmental activities adjustment appears on the Statement of Activities, while the enterprise fund adjustments appear on the Statement of Revenues, Expenses and Changes in Net Position. The pension system is held by the Utah Retirement System, but our proportionate share is now reflected on our financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund

Kaysville Redevelopment Agency- Special Revenue Fund

Municipal Building Authority- Special Revenue Fund

Schedule of the Proportionate Share of the Net Pension Liability

Schedule of Pension Contributions

Notes to Required Supplementary Information

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes:				
Property Taxes - Current	\$ 2,556,923	\$ 2,556,923	\$ 2,871,919	\$ 314,996
Property Taxes - Redemptions	50,000	50,000	130,867	80,867
Property Taxes - Payments in Lieu	20,000	20,000	30,064	10,064
Motor Vehicle Fee in Lieu	145,000	145,000	230,930	85,930
Sales Tax	3,515,000	3,515,000	3,665,634	150,634
Utility License Tax	675,000	675,000	537,744	(137,256)
Energy Sales and Use Charge	1,250,000	1,250,000	1,156,028	(93,972)
	<u>8,211,923</u>	<u>8,211,923</u>	<u>8,623,186</u>	<u>411,263</u>
Licenses and Permits:				
Business Licenses	62,000	62,000	65,320	3,320
Building Permits	400,000	400,000	508,707	108,707
Building Permit Bonds Forfeitures	-	-	18,200	18,200
	<u>462,000</u>	<u>462,000</u>	<u>592,227</u>	<u>130,227</u>
Intergovernmental:				
Class "C" Road	850,000	850,000	884,497	34,497
State Beer Tax	18,000	18,000	17,363	(637)
State Grants	3,500	3,500	1,744	(1,756)
	<u>871,500</u>	<u>871,500</u>	<u>903,604</u>	<u>32,104</u>
Charges for Services:				
Administrative Charges	554,000	554,000	554,000	-
Zoning/ Plan Check	180,000	180,000	167,313	(12,687)
Maps and Publications	500	500	20	(480)
Fire Protection	155,000	155,000	206,586	51,586
Law Enforcement	125,000	125,000	133,494	8,494
Streets	2,500	2,500	38,151	35,651
Parks and Recreation	555,000	555,000	546,109	(8,891)
Facilities Maintenance	6,000	6,000	13,372	7,372
Cemetery Lots	60,000	60,000	62,500	2,500
Burial Fees	80,000	80,000	87,685	7,685
GIS/Information System Services	195,000	195,000	195,000	-
Fleet Mgmt Services	78,000	78,000	78,000	-
Miscellaneous Charges	23,416	23,416	5,028	(18,388)
	<u>2,014,416</u>	<u>2,014,416</u>	<u>2,087,258</u>	<u>72,842</u>
Fines and Forfeitures	81,000	81,000	111,532	30,532

Basis of budgeting is the same as GAAP

(continued)

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Other Revenues:				
Interest and Dividend Earnings	20,000	20,000	33,300	13,300
Rents	16,000	16,000	23,721	7,721
Sale of Materials	-	-	1,754	1,754
Community Events	83,000	83,000	85,720	2,720
Sundry	20,000	20,000	22,512	2,512
	139,000	139,000	167,007	28,007
Total Revenues	11,779,839	11,779,839	12,484,814	704,975
Expenditures:				
General Government:				
City Council	79,850	87,000	86,815	185
City Manager	170,250	170,250	166,788	3,462
Administrative Services	778,800	778,800	731,136	47,664
Information Services	464,681	464,681	450,029	14,652
Legal Services	145,000	145,000	119,428	25,572
Animal Control	50,000	50,000	47,087	2,913
Fleet Maintenance	289,100	289,100	254,951	34,149
Reciprocal Utility Fees	125,000	190,000	189,639	361
Non-Reciprocal Utility Expense	-	85,000	77,650	7,350
Vehicle Replacement Program	125,000	132,000	132,134	(134)
	2,227,681	2,391,831	2,255,657	136,174
Public Safety:				
Police Department	3,565,257	3,565,257	3,503,992	61,265
Fire Department	731,600	731,600	726,417	5,183
	4,296,857	4,296,857	4,230,409	66,448
Community Development:				
Planning and Zoning	325,042	325,042	296,850	28,192
Code Enforcement	422,568	422,568	422,175	393
	747,610	747,610	719,025	28,585
Public Works:				
Public Works	1,080,491	1,080,491	1,075,267	5,224
Class "C" Roads	1,285,000	1,285,000	751,848	533,152
	2,365,491	2,365,491	1,827,115	538,376

(continued)

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Parks, Recreation and Public Properties:				
Buildings	220,100	220,100	183,927	36,173
Parks	907,700	907,700	968,513	(60,813)
Recreation	832,200	832,200	831,976	224
Community Events	133,150	151,500	149,503	1,997
Cemetery	354,050	354,050	353,860	190
	<u>2,447,200</u>	<u>2,465,550</u>	<u>2,487,779</u>	<u>(22,229)</u>
Debt Service				
Principal	-	-	16,841	(16,841)
	<u>-</u>	<u>-</u>	<u>16,841</u>	<u>(16,841)</u>
Total Expenditures	<u>12,084,839</u>	<u>12,267,339</u>	<u>11,536,826</u>	<u>730,513</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(305,000)</u>	<u>(487,500)</u>	<u>947,988</u>	<u>1,435,488</u>
Other Financing Sources (Uses):				
Proceeds from Lease	-	-	78,231	78,231
Sale of Capital Assets	7,000	7,000	6,275	(725)
Transfers In (Out):				
MBA Special Revenue Fund	(430,000)	(430,000)	(430,000)	-
Debt Service Fund	(460,000)	(460,000)	(460,000)	-
Non-Reciprocal Utility Revenue	-	85,000	77,650	(7,350)
Ambulance Fund	(100,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	<u>(983,000)</u>	<u>(898,000)</u>	<u>(827,844)</u>	<u>70,156</u>
Net Change in Fund Balance	<u>(1,288,000)</u>	<u>(1,385,500)</u>	<u>120,144</u>	<u>1,505,644</u>
Fund Balance - July 1	<u>2,339,441</u>	<u>2,339,441</u>	<u>2,339,441</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 1,051,441</u>	<u>\$ 953,941</u>	<u>\$ 2,459,585</u>	<u>\$ 1,505,644</u>

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND- KAYSVILLE REDEVELOPMENT AGENCY
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest Income	\$ -	\$ -	\$ 452	\$ 452
Total Revenues	-	-	452	452
EXPENDITURES:				
Professional Services	20,000	20,000	5,920	14,080
Improvements	-	395,000	398,003	(3,003)
Debt Service:				
Flint Property	395,000	395,000	317,302	77,698
Smith's Property Purchase	265,000	265,000	264,753	247
Interest Expense	-	-	58,704	(58,704)
Total Expenditures	680,000	1,075,000	1,044,682	30,318
Excess (Deficiency) of Revenues over Expenditures	(680,000)	(1,075,000)	(1,044,230)	30,770
Other Financing Sources (Uses):				
Interfund Loan	(415,000)	(810,000)	-	810,000
Total Other Financing Sources (Uses)	(415,000)	(810,000)	-	810,000
Change in Fund Balance	(1,095,000)	(1,885,000)	(1,044,230)	840,770
Fund Balance at Beginning of Year	1,103,145	1,103,145	1,103,145	-
Fund Balance at End of Year	\$ 8,145	\$ (781,855)	\$ 58,915	\$ 840,770

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUND- MUNICIPAL BUILDING AUTHORITY
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Interest Income	\$ -	\$ -	\$ 1,248	\$ 1,248
Donations	-	-	20,000	\$ 20,000
State Grants	-	-	7,452	7,452
Total Revenues	-	-	28,700	8,700
EXPENDITURES:				
Police Station	-	5,447,000	4,235,287	1,211,713
Police Station Debt Service	-	430,000	349,000	81,000
Interest Expense	-	-	161,019	(161,019)
Total Expenditures	-	5,877,000	4,745,306	1,131,694
Excess (Deficiency) of Revenues over Expenditures	-	(5,877,000)	(4,716,606)	1,160,394
Other Financing Sources (Uses):				
Proceeds from Bond	-	5,447,000	-	(5,447,000)
Transfers In (Out):				
General Fund	-	430,000	430,000	-
Total Other Financing Sources (Uses)	-	5,877,000	430,000	(5,447,000)
Change in Fund Balance	-	-	(4,286,606)	(4,286,606)
Fund Balance at Beginning of Year	4,322,483	4,322,483	4,322,483	-
Fund Balance at End of Year	\$ 4,322,483	\$ 4,322,483	\$ 35,877	\$ (4,286,606)

KAYSVILLE CITY CORPORATION

Schedule of the Proportionate Share of the Net Pension Liability

(Provided by Utah Retirement Systems)

Last 10 Fiscal Years *

2015	Non- Contributory System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)	0.3498119%	0.1495670%	0.8693386%	0.0557657%	0.1876971%
Proportionate share of the net pension liability (asset)	\$1,518,966	\$43,142	\$43,142	(\$1,690)	(\$2,777)
Covered employee payroll	\$2,975,806	\$80,034	\$80,034	\$274,011	\$77,767
Proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	51.0%	53.9%	91.3%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	94.0%	90.5%	103.5%	120.5%

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

KAYSVILLE CITY CORPORATION

Schedule of Pension Contributions

(Provided by Utah Retirement Systems)

Last 10 Fiscal Years *

	Non- Contributory System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
2015					
Contractually required contribution	\$ 549,806	\$ 11,098	\$ 428,197.00	\$ 23,007	\$ 8,458.00
Contributions in relation to the contractually required contribution	\$ (549,806)	\$ (11,098)	\$ (428,197)	\$ (23,007)	\$ (8,458)
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered employee payroll	\$ 2,975,806	\$ 80,034	\$ 1,197,771	\$ 274,011	\$ 77,767
Contributions as a percentage of covered-employee payroll	18.48%	13.87%	35.75%	8.40%	10.88%

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

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KAYSVILLE CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

1. Budget Information

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

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

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

1. On or before the first regular scheduled meeting in May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means to finance those expenditures.
2. Prior to the formal adoption of the budget, the City Council will hold budget workshop meetings which are open to the public.
3. Prior to budget adoption the City Council sets a date for a public budget hearing at which time taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection 10 days prior to the budget hearing. At the conclusion of the budget hearing, the budget, as amended, is legally enacted through passage of a resolution or ordinance.
4. Formal budgetary integration is employed as a management control device during the year for all funds.
5. Budgets for the General Fund, Debt Service Fund, the Capital Projects Fund, Redevelopment Agency Fund, and Municipal Building Authority Fund are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Budgets for the proprietary fund types are prepared using the accrual basis of accounting except that depreciation for all proprietary fund types is not budgeted. Budgeted amounts are as originally adopted, or as amended by the City Council during the 2015 fiscal year.
6. Unencumbered budget appropriations lapse at the end of the fiscal year.
7. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded for the applicable appropriation, is utilized in the General Fund. For budgetary purposes appropriations lapse at fiscal year end and except for that portion related to encumbered amounts.

KAYSVILLE CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (continued)
June 30, 2015

Summary of Action Required for Budget Changes

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

2. Actuarially Determined Pension Contributions

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

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

OTHER SUPPLEMENTARY INFORMATION

Debt Service Fund

Capital Projects Fund

Permanent Fund- Perpetual Cemetery

Permanent Fund- Library Endowment

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest Income	\$ -	\$ -	\$ 1,648	\$ 1,648
Total Revenues	-	-	1,648	1,648
EXPENDITURES:				
Debt Service:				
Road Revenue Bond Payment	315,000	315,000	312,972	2,028
Fire Apparatus Payment	145,500	145,500	145,322	178
Police Station Bond Payment	430,000	-	-	-
Total Expenditures	890,500	460,500	458,294	2,206
Excess (Deficiency) of Revenues over Expenditures	(890,500)	(460,500)	(456,646)	3,854
Other Financing Sources (Uses):				
Transfers In (Out):				
General Fund	890,500	460,500	460,000	(500)
Total Other Financing Sources (Uses)	890,500	460,500	460,000	(500)
Change in Fund Balance	-	-	3,354	3,354
Fund Balance at Beginning of Year	62,483	62,483	62,483	-
Fund Balance at End of Year	\$ 62,483	\$ 62,483	\$ 65,837	\$ 3,354

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Park Development Impact Fees	\$ 40,000	\$ 40,000	\$ 283,787	\$ 243,787
Transportation Impact Fees	300,000	505,000	372,609	(132,391)
Public Safety Impact Fees	-	-	9,508	9,508
Interest Income	-	-	9,605	9,605
Total Revenues	340,000	545,000	675,509	130,509
EXPENDITURES:				
Capital Outlay:				
Heritage Park Improvements	40,000	40,000	-	40,000
Information Systems	65,000	65,000	44,906	20,094
Municipal Center Block	125,000	250,000	234,242	15,758
Street Improvements	300,000	505,000	306,409	198,591
Total Expenditures	530,000	860,000	585,557	274,443
Excess (Deficiency) of Revenues over Expenditures	(190,000)	(315,000)	89,952	404,952
Other Financing Sources (Uses):				
Bond Proceeds	5,447,000	-	-	-
Transfers In (Out):				
Municipal Building Authority	(5,447,000)	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Change in Fund Balance	(190,000)	(315,000)	89,952	404,952
Fund Balance at Beginning of Year	2,124,604	2,124,604	2,124,604	-
Fund Balance at End of Year	\$ 1,934,604	\$ 1,809,604	\$ 2,214,556	\$ 404,952

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PERMANENT FUND- PERPETUAL CEMETERY
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Perpetual Care Fee	\$ 50,000	\$ 50,000	\$ 58,925	\$ 8,925
Interest Income	15,000	15,000	18,253	3,253
Total Revenues	65,000	65,000	77,178	12,178
EXPENDITURES:				
Improvements	25,000	25,000	23,641	1,359
Total Expenditures	25,000	25,000	23,641	1,359
Change in Fund Balance	40,000	40,000	53,537	13,537
Fund Balance at Beginning of Year	1,614,840	1,614,840	1,614,840	-
Fund Balance at End of Year	\$ 1,654,840	\$ 1,654,840	\$ 1,668,377	\$ 13,537

KAYSVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PERMANENT FUND- LIBRARY ENDOWMENT
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES:				
Interest Income	\$ 15,000	\$ 15,000	\$ 4,666	\$ (10,334)
Sale Proceeds from Endowment	35,000	35,000	-	(35,000)
Total Revenues	50,000	50,000	4,666	(45,334)
EXPENDITURES:				
Improvements	50,000	50,000	50,000	-
Total Expenditures	50,000	50,000	50,000	-
Change in Fund Balance	-	-	(45,334)	(45,334)
Fund Balance at Beginning of Year	914,248	914,248	914,248	-
Fund Balance at End of Year	\$ 914,248	\$ 914,248	\$ 868,914	\$ (45,334)

STATISTICAL SECTION



*Utah's
Hometown*

4th of July



KAYSVILLE CITY CORPORATION

Statistical Section

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

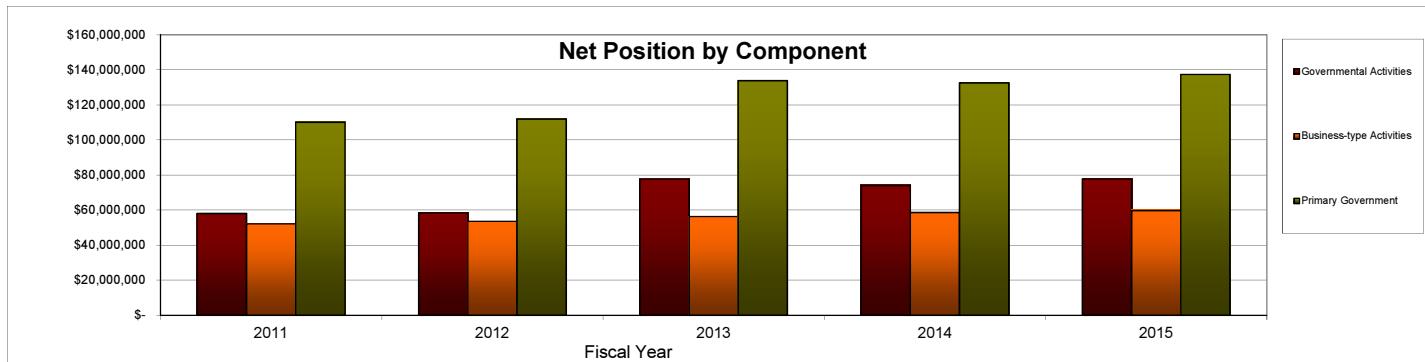
Contents	<u>Page</u>
Financial Trends	85-90
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	91-99
<i>These schedules contain information to help the reader assess a primary city revenue source, property tax.</i>	
Debt Capacity	100-102
<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	103-105
<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	106
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services it provides and the actives it performs.</i>	

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KAYSVILLE CITY CORPORATION
Table 1 - Net Position by Component
June 30, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	(*Restated)	2015
Governmental Activities											
Investment in Capital Assets, Net of Related Debt	\$ 21,086,118	\$ 28,864,094	\$ 31,559,900	\$ 47,859,814	\$ 49,104,550	\$ 50,933,344	\$ 51,804,229	\$ 70,379,749	\$ 68,417,942	\$ 73,170,909	
Restricted	4,093,648	3,996,861	3,408,975	4,119,488	4,234,362	4,650,573	4,125,429	5,051,383	5,351,824	5,604,329	
Unrestricted	3,865,714	936,041	1,408,627	1,919,793	1,411,551	2,419,566	2,402,159	2,074,489	191,422	(1,086,709)	
Total Governmental Activities Net Position	\$ 29,045,480	\$ 33,796,996	\$ 36,377,502	\$ 53,899,095	\$ 54,750,463	\$ 58,003,483	\$ 58,331,817	\$ 77,505,621	\$ 73,961,188	\$ 77,688,529	
Business-type Activities											
Invested in Capital Assets, Net of Related Debt	\$ 32,883,333	\$ 39,784,790	\$ 40,751,249	\$ 44,257,004	\$ 43,555,686	\$ 46,146,335	\$ 47,227,210	\$ 50,074,699	\$ 48,131,444	\$ 48,431,735	
Restricted	706,473	640,345	55,149	96,379	131,574	180,861	211,341	6,781	-	202,157	
Unrestricted	6,928,976	2,657,464	5,299,689	2,475,904	5,447,712	5,768,480	6,142,927	6,182,553	10,400,263	11,071,837	
Total Business-type Activities Net Position	\$ 40,518,782	\$ 43,082,599	\$ 46,106,087	\$ 46,829,287	\$ 49,134,972	\$ 52,095,676	\$ 53,581,478	\$ 56,264,033	\$ 58,531,707	\$ 59,705,729	
Primary Government											
Net Investment in Capital Assets	\$ 53,969,451	\$ 68,648,884	\$ 72,311,149	\$ 92,116,818	\$ 92,660,236	\$ 97,079,679	\$ 99,031,439	\$ 120,454,448	\$ 116,549,386	\$ 121,602,644	
Restricted	4,800,121	4,637,206	3,464,124	4,215,867	4,365,936	4,831,434	4,336,770	5,058,164	5,351,824	5,806,486	
Unrestricted	10,794,690	3,593,505	6,708,316	4,395,697	6,859,263	8,188,046	8,545,086	8,257,042	10,591,685	9,985,128	
Total Primary Government Net Position	\$ 69,564,262	\$ 76,879,595	\$ 82,483,589	\$ 100,728,382	\$ 103,885,435	\$ 110,099,159	\$ 111,913,295	\$ 133,769,654	\$ 132,492,895	\$ 137,394,258	

(Accrual Basis of Accounting)



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

KAYSVILLE CITY CORPORATION
Table 2 - Changes in Net Position
June 30, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Government Activities:										
General Government	\$ 1,275,261	\$ 1,183,636	\$ 1,487,669	\$ 1,573,836	\$ 1,535,455	\$ 1,545,761	\$ 1,912,144	\$ 1,933,158	\$ 2,383,664	\$ 2,380,314
Public Safety - Police	1,813,474	2,027,634	2,193,793	2,164,881	2,235,372	2,213,269	2,640,849	2,956,768	3,064,397	3,496,435
Public Safety - Fire	445,331	450,318	527,139	531,620	446,057	483,156	423,978	540,842	863,892	833,769
Community Development	467,474	608,457	837,804	725,078	856,615	760,562	658,823	647,499	700,293	686,765
Public Works	1,615,171	2,119,382	2,227,389	1,746,346	3,234,262	2,964,516	2,699,309	3,090,467	3,916,960	2,937,745
Parks, Recreation and Public Properties	1,573,015	1,685,013	1,853,861	2,170,919	1,947,498	1,910,131	2,145,155	2,178,224	2,157,669	2,640,781
Perpetual Cemetery	-	-	78,348	36,000	63,770	-	-	50,867	35,347	23,641
Library Endowment	32,495	10,000	-	-	-	-	-	-	-	-
Special Revenue - Library	331,514	36,537	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	105,831	83,286	62,965	92,886	78,069	343,327	327,537	7,003	149,543	235,218
Total Governmental Activities Expenses	7,659,566	8,204,263	9,268,968	9,041,566	10,397,098	10,220,722	10,807,795	11,404,828	13,271,765	13,234,668
Business-type Activities:										
Water	1,469,800	1,603,461	2,112,958	2,055,930	2,001,788	2,035,790	2,227,960	2,261,447	2,599,457	2,443,152
Sewer	1,324,522	1,391,445	1,486,306	1,675,055	1,771,084	1,736,004	1,743,293	1,881,148	1,822,954	1,876,862
Electric	10,717,294	10,818,203	12,057,762	12,558,805	12,357,551	12,665,025	12,225,173	12,962,870	13,137,151	13,814,577
Pressure Irrigation	777,596	893,148	933,041	1,001,318	1,060,124	1,072,481	1,105,317	1,022,122	1,121,653	1,143,314
Sanitation	1,181,929	1,132,110	1,157,707	1,166,979	1,203,823	1,376,902	1,535,860	1,646,992	1,765,134	1,751,666
Storm Water	727,455	468,750	812,161	927,250	1,080,850	1,140,057	1,080,937	1,253,443	1,044,438	1,418,881
Ambulance	453,756	465,678	449,019	572,672	517,513	565,430	570,158	519,544	422,391	483,772
Total Business-Type Activities Expenses	16,652,352	16,772,795	19,008,954	19,958,009	19,992,733	20,591,689	20,488,698	21,547,566	21,913,178	22,932,224
Total Primary Government Expenses	\$24,311,918	\$24,977,058	\$ 28,277,922	\$ 28,999,575	\$ 30,389,831	\$ 30,812,411	\$ 31,296,493	\$ 32,952,394	\$ 35,184,943	\$ 36,166,892

KAYSVILLE CITY CORPORATION

Table 2 - Changes in Net Position (Continued)

June 30, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenues										
Government Activities:										
Charges for Services										
General Government	\$ 504,503	\$ 519,390	\$ 613,771	\$ 647,500	\$ 648,277	\$ 647,686	\$ 760,056	\$ 765,064	\$ 770,059	\$ 827,020
Public Safety - Police	204,550	195,296	229,979	216,799	221,483	233,637	237,962	261,885	187,072	254,534
Public Safety - Fire	124,576	121,903	144,344	140,535	141,818	139,507	143,156	150,387	159,931	206,586
Community Development	233,892	194,717	419,546	301,483	375,149	602,391	410,431	656,854	770,321	759,540
Public Works	2,281,843	2,531,811	1,287,340	1,520,183	1,346,410	1,187,282	1,093,151	1,442,438	1,097,082	1,295,257
Parks, Recreation and Public Properties	1,184,753	1,064,075	837,388	790,532	835,546	930,176	889,793	965,001	1,043,769	1,017,174
Perpetual Cemetery	43,350	51,500	56,300	64,630	47,560	54,175	56,450	56,665	63,850	58,925
Special Revenue - Library	15,736	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	752,413	81,619	154,963	50,292	205,830	94,835	526,635	20,075	19,807	17,363
Capital Grants and Contributions	132,524	905,276	1,635,825	16,805,490	1,670,091	3,691,377	599,878	1,753,396	906,199	3,734,313
Total Governmental Activities Program Revenues	5,478,140	5,665,587	5,379,456	20,537,444	5,492,164	7,581,066	4,717,512	6,071,765	5,018,090	8,170,712
Business-type Activities:										
Charges for Services:										
Water	1,676,158	1,702,823	1,770,229	1,960,877	2,247,425	2,289,022	2,310,530	2,405,881	2,566,353	2,789,065
Sewer	1,386,456	1,455,293	1,506,782	1,733,153	1,763,771	1,794,049	1,821,529	1,843,022	1,880,801	1,875,927
Electric	11,069,202	11,257,963	12,574,279	12,177,583	11,877,444	12,189,118	12,810,922	13,894,122	14,967,518	14,004,518
Pressure Irrigation	781,165	908,199	969,994	1,054,672	1,080,784	1,079,514	1,101,257	1,110,690	1,124,747	1,121,755
Sanitation	1,284,796	1,243,106	1,218,953	1,260,996	1,286,007	1,429,094	1,564,996	1,622,292	1,784,714	1,767,879
Storm Water	720,480	740,061	938,853	973,123	991,059	1,013,729	1,075,823	1,050,462	1,091,871	1,073,364
Ambulance	342,506	327,783	428,495	430,491	414,505	388,818	326,368	458,305	434,899	486,656
Grants and Contributions	2,270,075	980,896	2,215,296	827,954	2,463,765	3,172,636	768,060	1,916,221	940,771	905,801
Total Business-Type Activities Program Revenues	19,530,838	18,616,124	21,622,881	20,418,849	22,124,760	23,355,980	21,779,485	24,300,995	24,791,674	24,024,965
Total Primary Government Program Revenues	\$25,008,978	\$24,281,711	\$ 27,002,337	\$ 40,956,293	\$ 27,616,924	\$ 30,937,046	\$ 26,496,997	\$ 30,372,760	\$ 29,809,764	\$ 32,195,677
Net (Expense) Revenue										
Governmental Activities	\$(2,181,426)	\$(2,538,676)	\$ (3,889,512)	\$ 11,495,878	\$ (4,904,934)	\$ (2,639,656)	\$ (6,090,283)	\$ (5,333,063)	\$ (8,253,675)	\$ (5,063,956)
Business-type Activities	2,878,486	1,843,329	2,613,927	460,840	2,132,027	2,764,291	1,290,787	2,753,429	2,878,496	1,092,741
Total Primary Government Net Expense	\$ 697,060	\$ (695,347)	\$ (1,275,585)	\$ 11,956,718	\$ (2,772,907)	\$ 124,635	\$ (4,799,496)	\$ (2,579,634)	\$ (5,375,179)	\$ (3,971,215)

KAYSVILLE CITY CORPORATION

Table 2 - Changes in Net Position (Continued)

June 30, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property Taxes	\$ 1,514,768	\$ 1,059,034	\$ 1,246,815	\$ 1,308,424	\$ 1,400,530	\$ 1,429,796	\$ 1,423,405	\$ 1,446,480	\$ 1,484,074	\$ 3,263,780
Sales Taxes	2,720,052	3,166,266	3,249,441	2,971,247	2,744,689	2,865,286	3,109,348	3,304,756	3,471,892	3,665,634
Franchise Taxes	504,791	560,900	547,862	610,526	576,731	542,039	624,491	664,736	592,786	537,744
Energy Sales and Use Charge	861,158	811,194	1,059,820	1,046,355	995,454	1,047,797	1,220,618	1,178,319	1,227,956	1,156,028
Interest on Investments	433,803	430,623	278,111	173,831	82,802	86,925	81,760	74,144	41,085	69,172
Miscellaneous	185,738	85,632	287,969	115,332	106,096	95,833	123,995	113,030	124,467	121,289
Transfers	200,000	470,000	(200,000)	(200,000)	(150,000)	(175,000)	(165,000)	100,000	(3,640)	(22,350)
Total governmental activities	6,420,310	6,583,649	6,470,018	6,025,715	5,756,302	5,892,676	6,418,617	6,881,465	6,938,620	8,791,297
Business-type Activities:										
Interest on investments	154,615	196,761	209,561	62,360	23,658	21,413	30,015	29,126	27,026	58,931
Contributions	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	973,602	993,727	-	-	-	-	-	-	-	-
Transfers	(200,000)	(470,000)	200,000	200,000	150,000	175,000	165,000	(100,000)	3,640	22,350
Total business-type activities	928,217	720,488	409,561	262,360	173,658	196,413	195,015	(70,874)	30,666	81,281
Total primary government	\$ 7,348,527	\$ 7,304,137	\$ 6,879,579	\$ 6,288,075	\$ 5,929,960	\$ 6,089,089	\$ 6,613,632	\$ 6,810,591	\$ 6,969,286	\$ 8,872,578
Change in Net Position										
Governmental activities	\$ 4,238,884	\$ 4,044,973	\$ 2,580,506	\$ 17,521,593	\$ 851,368	\$ 3,253,020	\$ 328,334	\$ 1,548,402	\$ (1,315,055)	\$ 3,727,341
Business-type activities	3,806,703	2,563,817	3,023,488	723,200	2,305,685	2,960,704	1,485,802	2,682,555	2,909,162	1,174,022
Total primary government	\$ 8,045,587	\$ 6,608,790	\$ 5,603,994	\$ 18,244,793	\$ 3,157,053	\$ 6,213,724	\$ 1,814,136	\$ 4,230,957	\$ 1,594,107	\$ 4,901,363

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(Accrual Basis of Accounting)

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

KAYSVILLE CITY CORPORATION

Table 3 - Balance Sheet Fund Balances of Governmental Funds

June 30, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Restricted	-	-	-	-	-	254,530	381,608	762,561	538,944	691,853
Unassigned	-	-	-	-	-	1,998,405	2,415,907	2,213,902	1,800,497	1,767,732
Reserved					26,678	-	-	-	-	-
Unreserved	3,229,021	1,591,699	1,316,904	1,643,886	1,459,383	-	-	-	-	-
Total General Fund	3,229,021	1,591,699	1,316,904	1,643,886	1,486,061	2,252,935	2,797,515	2,976,463	2,339,441	2,459,585
Debt Service Fund										
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	196,304	202,292	205,233	62,483	65,837
Reserved	1,061,822	884,865	784,865	684,865	158,200	-	-	-	-	-
Unreserved	211,732	168,771	173,944	185,812	32,872	-	-	-	-	-
Total Debt Service Fund	1,273,554	1,053,636	958,809	870,677	191,072	196,304	202,292	205,233	62,483	65,837
Capital Projects Fund										
Restricted	-	-	-	-	-	2,153,201	1,033,352	1,545,251	1,172,747	1,518,347
Assigned	-	-	-	-	-	710,334	639,736	542,366	951,857	696,209
Reserved	1,081,494	1,032,002	377,460	1,108,014	3,108,254	-	-	-	-	-
Unreserved	500,342	(651,483)	173,681	450,153	272,640	-	-	-	-	-
Total Capital Projects Fund	1,581,836	380,519	551,141	1,558,167	3,380,894	2,863,535	1,673,088	2,087,617	2,124,604	2,214,556
Redevelopment Agency										
Nonspendable	-	-	-	-	-	-	-	-	723,956	723,956
Assigned	-	-	-	-	-	-	-	-	379,189	(665,041)
Total Redevelopment Agency Fund	-	1,103,145	58,915							
Municipal Building Authority										
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	4,322,483	35,877
Total Redevelopment Agency Fund	-	4,322,483	35,877							
Cemetery Perpetual Care										
Nonspendable	-	-	-	-	-	-	-	-	927,126	990,976
Restricted	-	-	-	-	-	1,496,718	1,564,212	653,103	623,864	618,476
Reserved	1,166,479	1,266,593	1,388,801	1,441,422	1,434,783	-	-	-	-	-
Total Cemetery Perpetual Care Fund	1,166,479	1,266,593	1,388,801	1,441,422	1,434,783	1,496,718	1,564,212	1,580,229	1,614,840	1,668,377
Blood Library Endowment Fund										
Nonspendable	-	-	-	-	-	682,359	684,457	685,871	686,483	686,950
Restricted	-	-	-	-	-	240,630	259,518	272,238	227,765	181,964
Reserved	783,853	813,401	857,849	885,185	906,647	-	-	-	-	-
Total Blood Library Endowment Fund	783,853	813,401	857,849	885,185	906,647	922,989	943,975	958,109	914,248	868,914

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

KAYSVILLE CITY CORPORATION

Table 4 - Changes in Fund Balance of Governmental Funds

June 30, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes	\$ 5,600,769	\$ 5,597,394	\$ 6,103,938	\$ 5,936,552	\$ 5,717,404	\$ 5,884,918	\$ 6,377,862	\$ 6,594,291	\$ 6,776,708	\$ 8,623,186
Licenses and Permits	775,483	593,434	327,165	249,940	318,626	518,582	327,420	520,908	601,533	592,227
Impact Fees	2,124,381	1,602,331	621,326	897,541	762,813	627,522	388,108	811,948	520,451	665,904
Intergovernmental	874,619	863,141	862,349	751,582	788,514	862,780	1,364,089	896,161	856,993	903,604
Charges for Services	1,692,005	1,445,793	1,658,923	1,705,221	1,702,069	1,762,697	1,930,090	1,978,220	2,065,694	2,146,183
Donations	-	-	-	-	-	-	-	150,000	150,850	20,000
Fines and Foreitures	73,455	78,472	92,278	102,394	105,932	99,690	102,500	98,625	58,212	111,532
Interest Income	-	430,623	278,111	173,831	82,802	86,925	81,760	74,144	41,085	69,172
Community Development										
Block Grant	-	125,000	115,036	29,703	164,335	78,932	-	-	-	7,452
Miscellaneous	557,738	144,764	354,523	110,905	85,880	102,494	259,422	125,537	133,475	133,707
Total Revenues	<u>11,698,450</u>	<u>10,880,952</u>	<u>10,413,649</u>	<u>9,957,669</u>	<u>9,728,375</u>	<u>10,024,540</u>	<u>10,831,251</u>	<u>11,249,834</u>	<u>11,205,001</u>	<u>13,272,967</u>
Expenditures:										
General Government	1,273,503	1,273,446	1,483,191	1,433,509	1,484,457	1,504,849	1,873,699	1,897,433	2,353,025	2,692,131
Public Safety	2,104,306	2,428,211	2,700,146	2,573,660	2,623,649	2,668,934	3,171,235	4,279,877	3,702,599	4,230,409
Community Development	450,766	608,457	867,676	709,372	837,550	748,334	668,964	671,454	677,278	719,025
Public Works	1,833,209	2,000,069	2,200,177	1,555,663	1,094,628	1,072,039	1,526,450	1,745,709	2,148,751	1,827,115
Parks, Recreation & Properties	1,461,882	1,694,934	1,951,272	1,940,405	1,844,523	1,771,586	1,940,756	2,091,440	2,078,976	2,511,420
Library	330,378	36,537	-	-	-	-	-	-	-	-
Debt service:										
Principal	478,858	479,762	490,383	351,178	1,247,250	870,000	1,606,789	387,000	428,035	1,386,188
Interest & Fiscal Charges	105,831	83,286	62,704	92,886	78,071	76,327	47,487	32,838	129,156	257,174
Capital Projects	1,625,848	6,008,152	577,849	721,404	826,208	844,231	382,270	450,364	1,673,607	4,820,844
Total Expenditures	<u>9,664,581</u>	<u>14,612,854</u>	<u>10,333,398</u>	<u>9,378,077</u>	<u>10,036,336</u>	<u>9,556,300</u>	<u>11,217,650</u>	<u>11,556,115</u>	<u>13,191,427</u>	<u>18,444,306</u>
Excess (Deficiency of Revenues over Expenditures)	<u>\$ 2,033,869</u>	<u>\$ (3,731,902)</u>	<u>\$ 80,251</u>	<u>\$ 579,592</u>	<u>\$ (307,961)</u>	<u>\$ 468,240</u>	<u>\$ (386,399)</u>	<u>\$ (306,281)</u>	<u>\$ (1,986,426)</u>	<u>\$ (5,171,339)</u>
Other Financing Sources (Uses):										
Transfers In	\$ 3,412,173	\$ 3,153,958	\$ 585,405	\$ 345,000	\$ 865,000	\$ 951,000	\$ 1,660,000	\$ 687,000	\$ 1,437,729	\$ 967,650
Transfers Out	(3,212,173)	(2,565,950)	(785,405)	(545,000)	(1,015,000)	(1,126,000)	(1,825,000)	(587,000)	(489,463)	(990,000)
Capital Leases	-	340,000	-	-	-	-	-	832,850	-	-
Other Financing Sources	-	-	-	946,245	1,458,078	39,784	-	-	5,711,753	84,506
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>928,008</u>	<u>(200,000)</u>	<u>746,245</u>	<u>1,308,078</u>	<u>(135,216)</u>	<u>(165,000)</u>	<u>932,850</u>	<u>6,660,019</u>	<u>62,156</u>
Net change in fund balances	<u>\$ 2,233,869</u>	<u>\$ (2,803,894)</u>	<u>\$ (119,749)</u>	<u>\$ 1,325,837</u>	<u>\$ 1,000,117</u>	<u>\$ 333,024</u>	<u>\$ (551,399)</u>	<u>\$ 626,569</u>	<u>\$ 4,673,593</u>	<u>\$ (5,109,183)</u>
Debt service as a percentage of noncapital expenditures	8.30%	7.47%	7.22%	5.76%	14.14%	10.51%	16.41%	4.11%	5.07%	13.63%

(Modified Accrual Basis of Accounting)

KAYSVILLE CITY CORPORATION

Table 5 - Governmental Tax Revenues by Source

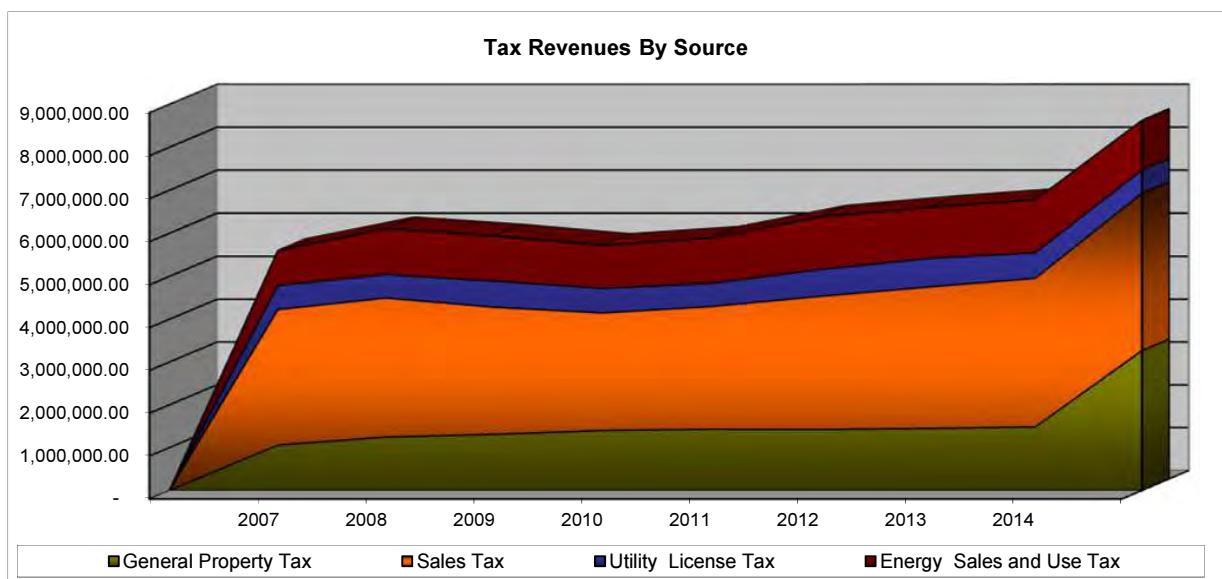
June 30, 2015

Fiscal Year	General Property Tax	Sales Tax	Utility License Tax	Energy Sales and Use Tax	Total Tax Revenue
2015	\$3,263,780	\$3,665,634	\$537,744	\$1,156,028	\$8,623,186
2014	\$1,484,074	\$3,471,892	\$592,786	\$1,227,956	\$6,776,708
2013	\$1,446,480	\$3,304,756	\$664,736	\$1,178,319	\$6,594,291
2012	\$1,423,405	\$3,109,348	\$624,491	\$1,220,618	\$6,377,862
2011	\$1,429,796	\$2,865,286	\$542,039	\$1,047,797	\$5,884,918
2010	\$1,400,530	\$2,744,689	\$576,731	\$995,454	\$5,717,404
2009	\$1,308,424	\$2,971,247	\$610,526	\$1,046,355	\$5,936,552
2008	\$1,246,815	\$3,249,441	\$547,862	\$1,059,820	\$6,103,938
2007	\$1,059,034	\$3,166,266	\$560,900	\$811,194	\$5,597,394
2006	\$1,514,768	\$2,720,052	\$504,791	\$861,158	\$5,600,769

Notes:

(1) General Property tax includes: property taxes current and delinquent, and motor vehicle in-lieu tax
 General property tax also includes the allocation to the library special revenue fund (FY 2004-2005)

Source: Kaysville City Finance Department



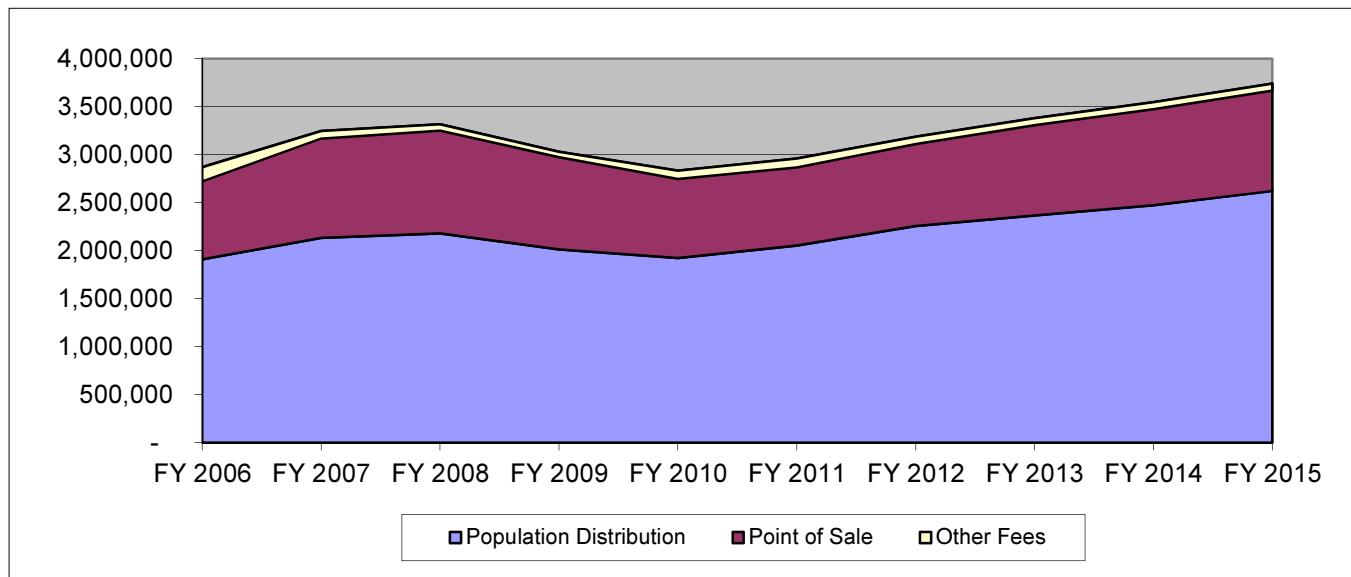
KAYSVILLE CITY CORPORATION

Table 6 - Sales Tax Revenue Trends

June 30, 2015

	Population Distribution	Point of Sale	Administrative Fees	Total Distribution
FY 2015	\$2,620,126	\$1,119,260	(\$73,752)	\$3,665,634
FY 2014	\$2,471,594	\$1,074,550	(\$74,252)	\$3,471,892
FY 2013	\$2,363,965	\$1,013,725	(\$72,934)	\$3,304,756
FY 2012	\$2,256,304	\$928,145	(\$75,102)	\$3,109,347
FY 2011	\$2,052,388	\$905,167	(\$92,269)	\$2,865,286
FY 2010	\$1,921,984	\$910,113	(\$87,406)	\$2,744,691
FY 2009	\$2,012,040	\$1,015,571	(\$56,365)	\$2,971,246
FY 2008	\$2,179,092	\$1,137,279	(\$66,930)	\$3,249,441
FY 2007	\$2,131,039	\$1,114,459	(\$79,232)	\$3,166,266
FY 2006	\$1,907,909	\$959,764	(\$147,620)	\$2,720,053

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



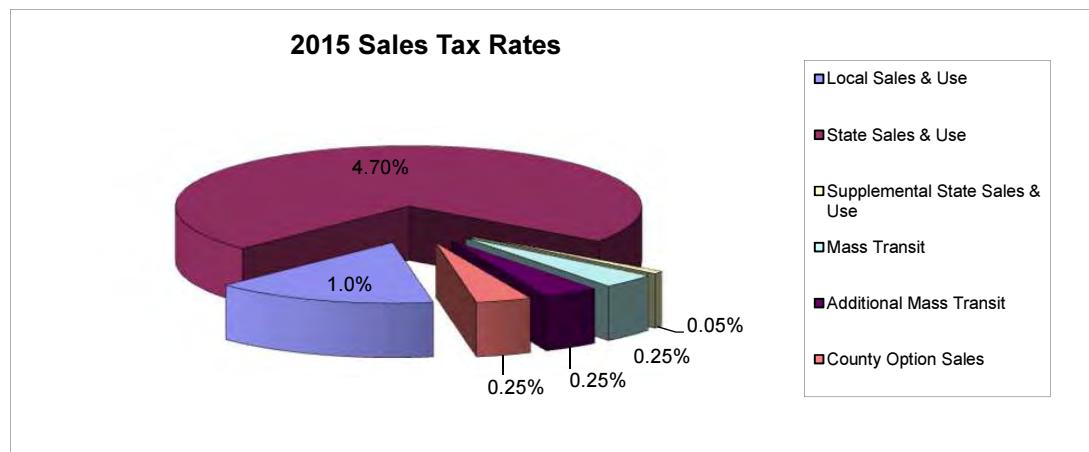
KAYSVILLE CITY CORPORATION

Table 7- Sales Tax Rates and Overlapping Governments
June 30, 2015

	Local Sales & Use	State Sales & Use	Supplemental State Sales & Use	Mass Transit	Additional Mass Transit	County Option Sales	Total Sales Tax Rate
FY 2015	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
FY 2014	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
FY 2013	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
FY 2012	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
FY 2011	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
FY 2010	1.0%	4.70%	0.05%	0.25%	0.25%	0.25%	6.50%
FY 2009	1.0%	4.65%	0.05%	0.25%	0.25%	0.25%	6.45%
FY 2008	1.0%	4.75%	0.05%	0.25%	0.25%	0.25%	6.55%
FY 2007	1.0%	4.75%	-	0.25%	0.25%	0.25%	6.50%
FY 2006	1.0%	4.75%	-	0.50%	-	0.25%	6.50%

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

Source: Utah State Tax Commission- Sales Tax Division



KAYSVILLE CITY CORPORATION

Table 8 - Property Tax Levies and Collections

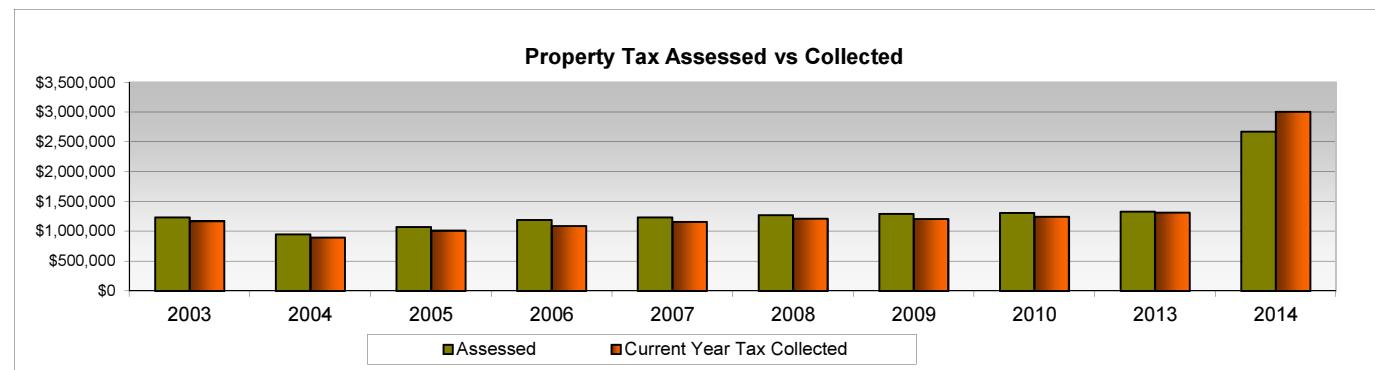
June 30, 2015

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
2014	\$1,477,768,259	0.001826	\$2,672,007	\$3,009,750	112.64%	\$29,390	\$3,039,140
2013	\$1,293,450,467	0.000999	\$1,327,613	\$1,314,904	99.04%	\$37,778	\$1,352,682
2012	\$1,271,684,680	0.001028	\$1,307,523	\$1,244,794	95.20%	\$51,237	\$1,296,031
2011	\$1,249,499,645	0.001035	\$1,291,482	\$1,207,193	93.47%	\$50,949	\$1,258,142
2010	\$1,240,131,710	0.000987	\$1,273,553	\$1,212,592	95.20%	\$82,001	\$1,294,593
2009	\$1,361,717,087	0.000907	\$1,232,460	\$1,161,304	94.20%	\$1,978	\$1,163,282
2008	\$1,384,658,738	0.000829	\$1,189,004	\$1,092,021	91.80%	\$36,121	\$1,128,142
2007	\$1,127,214,832	0.000925	\$1,073,872	\$1,013,619	94.40%	\$34,389	\$1,048,008
2006	\$904,985,329	0.001004	\$948,078	\$895,885	94.50%	\$45,559	\$941,444
2005	\$810,835,328	0.001519	\$1,233,637	\$1,174,690	95.20%	\$104,486	\$1,279,176

Notes:

- (1) Information is based on a calendar year - 2014 is the most recent year
- (2) Library funding was transferred to county during 2006
- (3) All taxable property is assessed and taxed on the basis of its fair market value. Utah law requires that the fair market value of property is assessed by the County Assessor, using a comparable sales or a cost appraisal method, excluding expenses related to property sales transactions. For tax purposes, the fair market value of primary residential property is reduced by 45% under present law. Taxable value is net of Redevelopment Agency value.
- (4) Delinquent taxes & interest collected in current year is not broken out by year collected. This detailed information is not easily accessible from the County.

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



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

June 30, 2015

Calendar Year	Estimated Market Value	Taxable Value	Ratio of Total Taxable Value to Market Value
2014	\$2,459,642,177	\$1,477,768,259	60.08%
2013	\$2,196,793,574	\$1,293,450,467	58.88%
2012	\$2,224,006,528	\$1,271,684,680	57.18%
2011	\$2,350,588,352	\$1,248,987,235	53.14%
2010	\$2,168,753,297	\$1,292,683,505	59.60%
2009	\$2,269,621,881	\$1,361,717,087	60.00%
2008	\$2,396,101,233	\$1,430,484,173	59.70%
2007	\$1,986,309,668	\$1,145,875,857	57.69%
2006	\$1,473,736,930	\$930,971,384	63.17%
2005	\$1,359,777,367	\$810,835,238	59.63%

Notes: (1) Information is based on a calendar year - 2014 is the most recent year
 (2) Does not include fee-in-lieu property

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

KAYSVILLE CITY CORPORATION

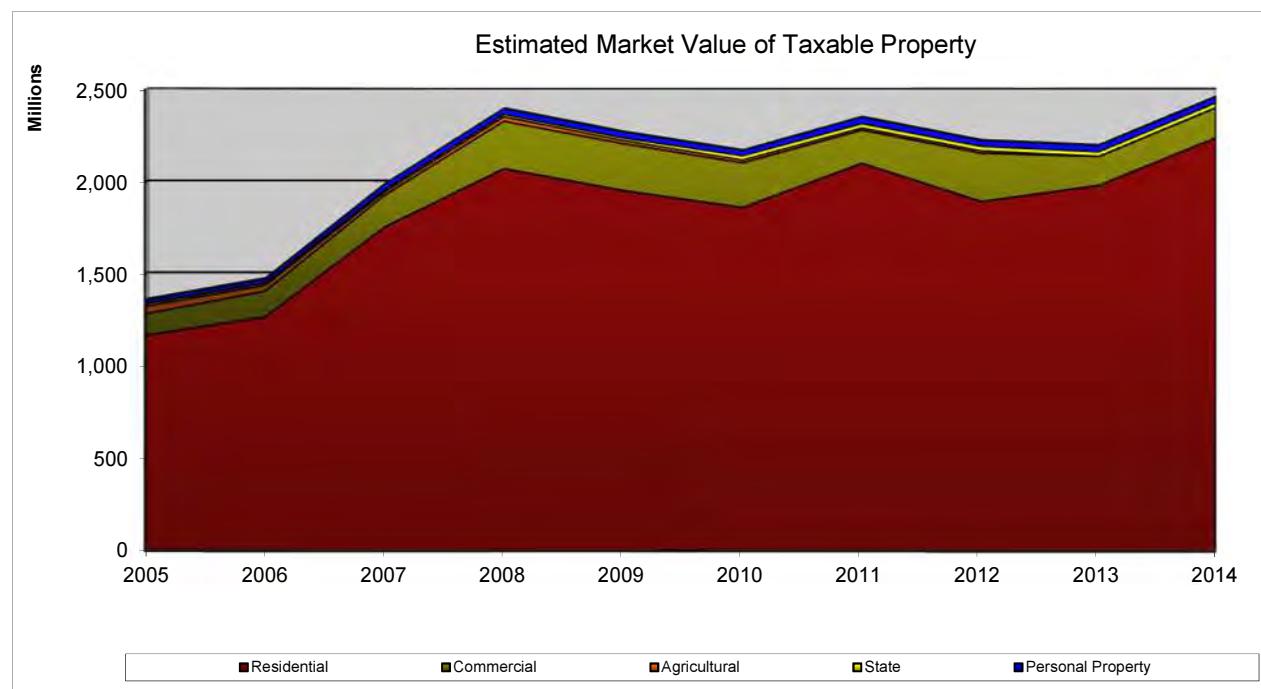
Table 10 - Estimated Market Value of Taxable Property
June 30, 2015

Calendar Year	Estimated Market Value	Residential	Commercial	Agricultural	State	Personal Property
2014	\$2,459,642,176	\$2,237,093,465	\$162,733,524	\$1,136,191	\$25,807,805	\$32,871,191
2013	\$2,196,793,575	\$1,979,360,952	\$156,423,648	\$1,260,221	\$24,360,045	\$35,388,709
2012	\$2,224,006,528	\$1,891,810,286	\$261,864,575	\$12,790,707	\$24,544,460	\$32,996,500
2011	\$2,350,588,352	\$2,099,238,322	\$179,541,186	\$12,029,638	\$23,313,800	\$36,465,406
2010	\$2,168,753,297	\$1,858,916,829	\$242,095,238	\$15,189,436	\$23,478,439	\$29,073,355
2009	\$2,269,621,881	\$1,951,234,237	\$253,964,914	\$16,551,454	\$14,310,374	\$33,560,902
2008	\$2,396,101,233	\$2,069,875,981	\$257,292,274	\$23,107,543	\$13,198,603	\$32,626,832
2007	\$1,986,309,668	\$1,751,609,250	\$173,651,001	\$17,562,378	\$12,413,007	\$31,074,032
2006	\$1,473,736,930	\$1,264,808,373	\$139,995,013	\$31,071,400	\$11,934,850	\$25,927,294
2005	\$1,359,777,367	\$1,164,390,461	\$116,769,248	\$41,290,448	\$12,924,922	\$24,402,288

Notes:

- (1) Information is based on a calendar year - 2014 is the most recent year
- (2) Does not include fee-in-lieu property

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



KAYSVILLE CITY CORPORATION
Table 11 - Property Tax Rates - Direct and Overlapping Governments

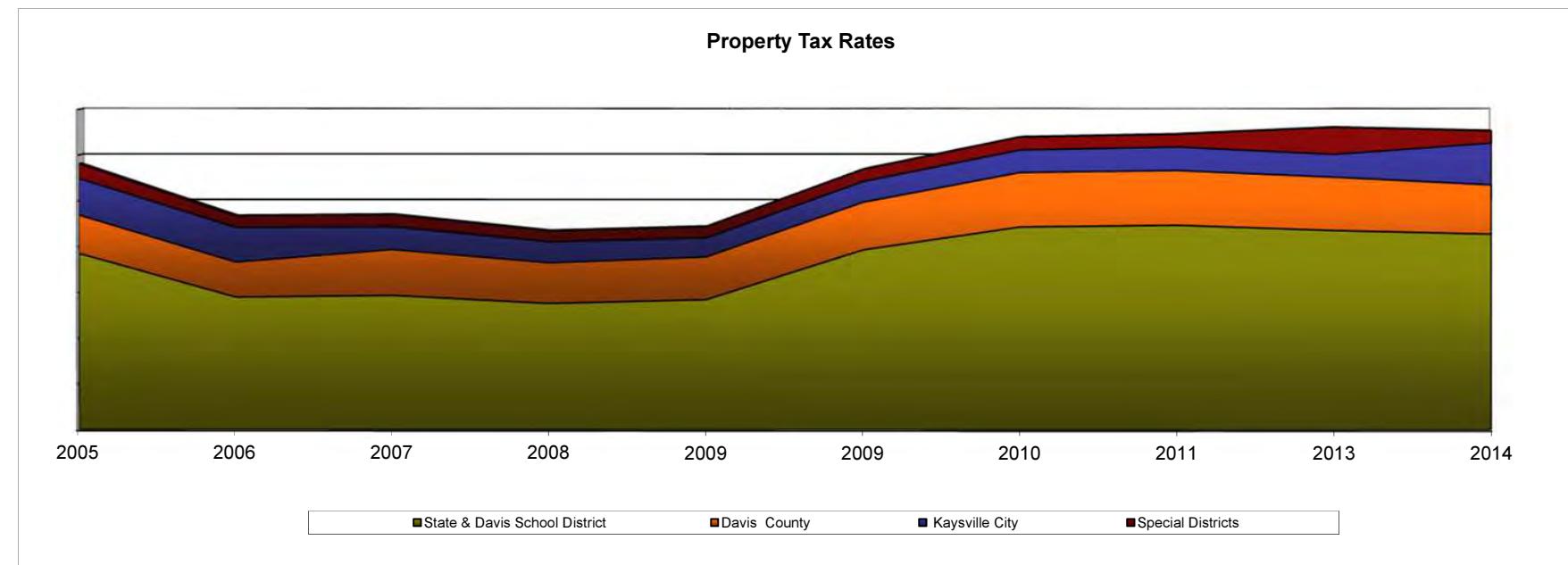
June 30, 2015

Calendar Year	Kaysville City	Overlapping Rates								Total Direct & Overlapping
		State & Davis School District	Davis County	Weber Basin Water District	Mosquito Abatement	Davis County Library	State A&C	County A&C	Central Davis Sewer District	
2014	0.001826	0.008555	0.002153	0.000196	0.000122	0.000361	0.000012	0.000236	0.000216	0.013677
2013	0.000999	0.008710	0.002331	0.000210	0.000103	0.000389	0.000158	0.000112	0.000866	0.013878
2012	0.001028	0.008941	0.002391	0.000215	0.000105	0.000396	0.000168	0.000115	0.000237	0.013596
2011	0.000987	0.008861	0.002383	0.000217	0.000104	0.000392	0.000172	0.000114	0.000237	0.013467
2010	0.000907	0.007860	0.002082	0.000207	0.000097	0.000363	0.000162	0.000106	0.000227	0.012011
2009	0.000829	0.005685	0.001865	0.000188	0.000093	0.000348	0.000142	0.000100	0.000212	0.009462
2008	0.000925	0.005514	0.001776	0.0001810	0.000088	0.000332	0.000121	0.000100	0.000200	0.009237
2007	0.001004	0.005865	0.002005	0.000200	0.000099	0.000375	0.000121	0.000063	0.000220	0.009952
2006	0.001519	0.005790	0.001532	0.000178	0.000086	NA	0.000139	0.000068	0.000234	0.009546
2005	0.001600	0.007700	0.001676	0.000193	0.000091	NA	0.000173	0.000072	0.000357	0.012518

Notes:

(1) Information is based on a calendar year - 2014 is the most recent year
 (2) Overlapping rates are those of local and county governments that apply to property owners within Kaysville City.
 NA- Not Applicable- In 2007 Kaysville City Library became part of the County Library system

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



KAYSVILLE CITY CORPORATION

Table 12 - Principal Property Tax Payers with Comparison
June 30, 2015

<u>Taxpayer</u>	<u>Type of Business</u>	<u>December 31, 2014 Taxable Valuation</u>			<u>December 31, 2004 Taxable Valuation</u>		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Boondocks Properties, LLC	Recreational	\$5,531,200	1	0.37%			
JB Journey, LLC- Blaine Jensen	Recreational Sales	\$4,516,433	2	0.31%	\$4,904,335	2	0.66%
Zions First National Bank	Bank	\$4,200,491	3	0.28%			
M2Properties Inc	Real Estate	\$3,980,000	4	0.27%			
Bates Sportsplex, LLC	Tax Software Provider	\$3,945,000	5	0.27%			
Access Park LC	Investment Properties	\$3,825,000	6	0.26%			
Associated Fresh Markets, Inc	Grocery Store	\$3,793,102	7	0.26%			
Bowman Investment Company LTD	Investment Properties	\$3,638,015	8	0.25%	\$3,525,981	4	0.47%
Park Place I, LC	Investment Properties	\$3,575,621	9	0.24%	\$3,300,120	5	0.44%
HCP Utah LLC	Distribution Warehouse	\$3,500,000	10	0.24%	\$5,012,014	1	0.67%
Albertson's	Grocery				\$3,657,746	3	0.49%
Keith & Julie Romney	Shopping Center				\$3,092,460	6	0.42%
Questar Gas	Natural Gas Distribution				\$3,056,365	7	0.41%
Qwest Communications	Communications				\$3,041,063	8	0.41%
Mercy Housing Utah II LP	Human Services Housing				\$2,970,000	9	0.40%
Kaysville Business Park Properties	Real Estate				\$2,899,960	10	0.39%
		\$40,504,862		2.75%	\$35,460,044		2.24%

KAYSVILLE CITY CORPORATION

Table 13 - Property Value of Construction in Kaysville
June 30, 2015

Year	Commercial Construction Number of Permits	Estimated Value	Residential Construction Number of Permits	Estimated Value	Estimated Increase of Property Value
2014	13	\$15,810,021	296	\$57,098,737	\$72,908,758
2013	17	\$9,165,906	242	\$51,374,918	\$60,540,824
2012	21	\$5,875,497	240	\$43,265,075	\$49,140,572
2011	18	\$2,464,573	205	\$31,978,963	\$34,443,536
2010	14	\$38,843,369	271	\$38,000,978	\$76,844,347
2009	18	\$1,809,004	184	\$17,418,824	\$19,227,828
2008	26	\$5,045,536	208	\$21,547,480	\$26,593,016
2007	23	\$5,719,928	323	\$45,143,142	\$50,863,070
2006	17	\$3,696,661	536	\$93,727,957	\$97,424,618
2005	35	\$6,547,500	465	\$72,956,338	\$79,503,838

Notes: (1) Number of Permits includes all permits including remodels and additions
Based on Calendar Year - 2014 - 170 Single Family Homes

Source: Davis County Department of Community and Economic Development
2014 Construction Monitor

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

June 30, 2015

Taxable Value	\$1,477,768,259
Estimated Market Value	\$2,459,642,177
Debt Limit - Four Percent of Market Value	\$98,385,687
Less: Outstanding General Obligation Bonds	\$0
Lease Revenue Bonded Debt	\$6,583,100
Legal Debt Margin - Additional Debt Capacity	\$91,802,587

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

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

KAYSVILLE CITY CORPORATION

Table 15 - Computation of Direct and Overlapping General Obligation Debt
June 30, 2015

Entity	2014 Taxable Valuation	Kaysville City's Portion of Valuation	Kaysville City's Percentage	Entity's Outstanding G.O. Debt	Kaysville City Overlapping G.O. Debt
Direct:					
Kaysville City	\$1,477,768,259	\$1,477,768,259	100.00%	\$0	\$0
Overlapping:					
Davis County	\$18,004,477,904	\$1,477,768,259	8.21%	\$669,480,665	\$54,949,512
Davis County School District	\$18,010,803,256	\$1,477,768,259	8.20%	\$409,130,000	\$33,568,704
State of Utah	\$210,954,472,304	\$1,477,768,259	0.70%	\$2,830,150,000	\$19,825,632
Weber Basin Water District	\$45,852,419,512	\$1,477,768,259	3.22%	\$22,440,060	\$723,216
Total - Overlapping General Obligation Debt					<u>\$109,067,065</u>
Total - Direct and Overlapping General Obligation Debt					<u>\$109,067,065</u>

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

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

KAYSVILLE CITY CORPORATION

Table 16 - Ratios of Outstanding Debt by Type

June 30, 2015

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Personal Income (AGI)	Per Capita
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases				
2015	\$0	\$5,098,000	\$634,604	\$553,252	\$0	\$0	\$297,244	\$6,583,100	Not Available	Not Available	\$218
2014	\$0	\$5,750,000	\$1,216,659	\$627,154	\$0	\$0	\$573,529	\$8,167,342	Not Available	Not Available	\$278
2013	\$0	\$598,000	\$0	\$760,189	\$0	\$1,269,207	\$371,524	\$2,998,920	0.3600%	\$ 833,105,779	\$105
2012	\$0	\$885,000	\$100,000	\$0	\$0	\$1,586,508	\$573,689	\$3,145,197	0.4074%	\$ 772,097,859	\$112
2011	\$0	\$1,165,000	\$1,386,955	\$0	\$0	\$1,903,809	\$264,636	\$4,720,400	0.6124%	\$770,749,022	\$173
2010	\$0	\$1,635,000	\$1,786,955	\$90,479	\$0	\$2,221,110	\$372,489	\$6,106,033	0.8600%	\$709,966,722	\$227
2009	\$0	\$398,000	\$2,839,205	\$177,202	\$0	\$2,538,411	\$474,516	\$6,427,334	0.9678%	\$664,114,615	\$246
2008	\$0	\$585,000	\$1,216,428	\$260,326	\$0	\$2,855,712	\$229,517	\$5,146,983	0.7669%	\$671,143,224	\$203
2007	\$0	\$764,000	\$777,552	\$339,999	\$0	\$3,173,010	\$22,392	\$5,076,953	0.8090%	\$627,528,773	\$206
2006	\$0	\$940,000	\$1,061,820	\$19,494	\$0	\$0	\$89,244	\$2,110,558	0.3941%	\$535,545,017	\$88

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

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

June 30, 2015

Coverage	Company	Term	Limits	Deductible
Property	Travelers	10/01/2015 - 9/30/2016	Scheduled at Value	\$10,000
General Liability	Travelers	10/01/2015 - 9/30/2016	\$1,000,000 / \$2,000,000	\$10,000
Law Enforcement	Travelers	10/01/2015 - 9/30/2016	\$1,000,000/ \$1,000,000	\$10,000
Public Officials Management	Travelers	10/01/2015 - 9/30/2016	\$1,000,000/ \$2,000,000	\$5,000
Employment Practices	Travelers	10/01/2015 - 9/30/2016	\$5,000,000/ \$5,000,000	\$10,000
Employee Benefits	Travelers	10/01/2015 - 9/30/2016	\$1,000,000 / \$3,000,000	\$1,000
Automobile - Physical Damage	Travelers	10/01/2015 - 9/30/2016	Schedule	\$1,000 - Comp & Coll.
Automobile Liability	Travelers	10/01/2015 - 9/30/2016	\$1,000,000	\$5,000
Inland Marine	Travelers	10/01/2015 - 9/30/2016	Scheduled at Value	\$10,000
Cyber Liability	Travelers	10/01/2015 - 9/30/2016	\$1,000,000	\$5,000
Crime	Travelers	10/01/2015 - 9/30/2016	\$250,000	\$1,000
ID Fraud	Travelers	10/01/2015 - 9/30/2016	\$25,000 per employee	---
Custom Excess Liability	Travelers	10/01/2015 - 9/30/2016	\$10,000,000	\$10,000
Treasurer Bond	Liberty Mutual	10/01/2015 - 9/30/2016	\$1,250,000	\$0
Deputy Treasurer Bond	Liberty Mutual	10/01/2015 - 9/30/2016	\$1,250,000	\$0

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

June 30, 2015

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2015	30,135	Not Available	Not Available	3.6%
2014	29,400	Not Available	Not Available	3.6%
2013	28,683	\$833,105,779	29,045.71	4.6%
2012	27,983	\$772,097,859	27,591.68	5.3%
2011	27,300	\$770,749,022	28,232.56	5.6%
2010	26,885	\$709,966,722	26,407.54	6.2%
2009	26,102	\$664,114,615	25,443.05	5.9%
2008	25,342	\$671,143,224	26,483.44	3.3%
2007	24,604	\$627,528,773	25,505.15	2.6%
2006	23,888	\$535,545,017	22,419.00	2.9%

KAYSVILLE CITY CORPORATION

Table 19 - Population Growth

June 30, 2015

Fiscal Year	Population	Increase	Percentage Increase
2015	30,135	735	2.50%
2014	29,400	700	2.50%
2013	28,683	700	2.50%
2012	27,983	683	2.50%
2011	27,300	415	1.52%
2010	26,885	783	3.00%
2009	26,102	760	3.00%
2008	25,342	738	3.00%
2007	24,604	716	3.00%
2006	23,888	695	3.00%
2005	23,193	725	3.00%
2004	22,463	548	2.50%
2003	21,915	535	2.50%
2002	21,380	521	2.50%
2001	20,859	508	2.50%
2000	20,351	564	2.85%
1999	19,787	669	3.50%
1998	19,118	239	1.27%
1997	18,879	535	2.92%
1996	18,344	598	3.37%
1995	17,746	665	3.89%
1994	17,081	943	5.84%
1993	16,138	810	5.28%
1992	15,328	640	4.36%
1991	14,688	727	5.21%
1990	13,961	1,047	8.11%
1989	12,914	343	2.73%
1988	12,571	352	2.88%
1987	12,219	361	3.04%
1986	11,858	355	3.09%
1985	11,503	73	0.64%
1980	10,331	4,139	66.84%
1970	6,192	2,584	71.62%
1960	3,608	1,710	90.09%

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

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

KAYSVILLE CITY CORPORATION
Table 20 - Miscellaneous Statistical Data
June 30, 2015

Date of Incorporation	March 15, 1868									
Form of Government	Council - Manager									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Area in Square Miles	11	11	11	11	11	11	11	10.48	10.38	9.89
Miles of Streets	135	118	118	117	117	117	114	113	112	103
Fire Protection										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of full time / part time firefighters	2	2	2	2	2	2	2	2	2	2
Number of volunteer firefighters	38	32	32	32	32	32	32	31	32	30
Police Protection										
Number of sworn officers	25	23	23	20	20	20	20	19	19	
Number of other employees	3	3	3	3	3	3	3	3	3	3
Parks and Recreation										
Number of Parks	11	11	11	11	11	11	11	9	9	9
Number of Acres Available	370	370	370	370	370	221	250	250	245	210
Number of Acres Developed	137	137	137	137	137	148	124	121	121	114
Education										
Number of high schools	1	1	1	1	1	1	1	1	1	1
Number of junior high schools	3	3	3	3	3	2	2	2	2	2
Number of elementaries	8	8	8	8	8	8	7	7	7	6
Public Utilities										
Number of water customers	8,238	8,033	7,875	7,747	7,651	7,504	7,365	7,203	7,002	6,675
Annual usage (gallons)	756,951,873	861,327,270	731,604,000	744,896,362	740,760,000	774,608,000	820,468,000	889,276,000	792,672,000	778,249,200
Miles of water Lines	124	138	138	143	140	139	138	130	127	112
Number of power customers	9,275	8,945	8,646	8,587	8,425	8,347	8,252	8,099	7,891	7,420
Annual kwh usage	138,670,161	136,008,060	133,466,016	130,836,555	128,288,144	127,513,424	126,415,924	118,508,575	114,729,730	
Miles of power lines	147	145	140	232	229	137	136	135	133	115
Number of street lights	917	856	856	833	856	817	928	809	721	N/A
City Employees at June 30, 2013										
Elected	6	6	6	6	6	6	6	6	6	6
Full-time	90	81	81	78	78	78	78	78	72	70
General Governmental	13	11	11	11	11	11	11	11		
Police	28	26	26	23	23	23	23	23		
Fire/ Ambulance	2	2	2	2	2	2	2	2		
Community Development	8	8	8	8	8	8	8	8		
Public Works	16	15	15	15	15	15	15	15		
Parks & Cemetery	7	4	4	4	4	4	4	4		
Electrical	16	15	15	15	15	15	15	15		
Part-time/Temporary/Seasonal	30-35	30-35	30-35	30-35	30-35	30-35	40	40	40	

COMPLIANCE SECTION



*Utah's
Hometown*



Monster Mash



Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Kaysville City Corporation ("the City") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 30, 2015.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Responses as item 15-1.

We noted a certain matter that we have reported to management of Kaysville City Corporation in a separate letter dated October 30, 2015.

Management's Response to Findings

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

Purpose of this Report

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

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

October 30, 2015

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

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

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

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

We have audited Kaysville City Corporation's ("the City") compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City or each of its major state programs for the year ended June 30, 2015.

General state compliance requirements were tested for the year ended June 30, 2015 in the following areas:

Budgetary Compliance	Fund Balance
Utah Retirement Systems	Enterprise Fund Transfers,
Cash Management	Reimbursements, Loans, and Services
Tax Levy Revenue Recognition	Government Records Access
Open and Public Meetings Act	Management Act (GRAMA)

The City received state funding from the following program classified as a major program for the year ended June 30, 2015:

B&C Road Funds (Department of Transportation)

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, Kaysville City Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City or on each of its major state programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompanying Schedule of Findings and Responses as item 15-1. Our opinion on compliance is not modified with respect to this matter.

The City's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The City's 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 compliance requirements that could have a direct and material effect on the City or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

Purpose of This Report

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

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

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Kaysville City Corporation as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated October 30, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

October 30, 2015

KAYSVILLE CITY CORPORATION
Schedule of Expenditures of State Awards
June 30, 2015

	<u>Contract #</u>	<u>Year of Last Audit</u>	<u>Amount</u>
<u>Utah Department of Transportation</u>			
B&C Road Fund Allotment	FY 2015	FY 2015	\$ 884,497
<u>Utah Commission on Criminal & Juvenile Justice</u>			
State Liquor Fund Allotment	FY 2015	FY 2014	17,363
Audio Visual Equipment Grant	CCJJ Grant # 14A	NA	7,453
Total Utah Commission on Criminal & Juvenile Justice			<u>24,816</u>
<u>Department of Public Safety</u>			
DUI Wage Grant Reimbursement	FY 2015	FY 2014	<u>1,744</u>
Total Grant, Contracts, and Loan Fund Expenditures			<u>\$ 911,057</u>

KAYSVILLE CITY CORPORATION
Schedule of Findings and Responses
June 30, 2015

State Compliance Finding

<u>Requirement/Program</u>	<u>Current Year Findings</u>
15-1 Open and Public Meeting Act	<p><u>Finding:</u> State law, <i>Utah Code 54-4-203</i>, requires that a specified local public body shall within three business days after approving written minutes of an open meeting shall post to the Utah Public Notice Website a copy of the approved minutes and any public material distributed at the meeting. For the year ended June 30, 2015, the approved minutes of the open meetings were not posted to the Utah Public Notice Website, but were posted to the City's own website.</p> <p><u>Recommendation:</u> The City should also post its approved minutes from open meetings within three business days to the Utah Public Notice Website to ensure compliance with State Code.</p> <p><u>Management's Response:</u> The City is now posting approved minutes to the Utah Public Notice Website and the City's website.</p>