

Layton City Corporation



Community • Prosperity • Choice

**Comprehensive Annual
Financial Report**

**Layton, Utah
Fiscal Year Ended June 30, 2015**

Comprehensive Annual Financial Report

Layton City Corporation

Layton, Utah

Fiscal Year Ended June 30, 2015

Prepared by:
Finance Department

LAYTON CITY CORPORATION

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Layton City Corporation

Introductory Section



Community • Prosperity • Choice

Mayor • Bob J Stevenson
City Manager • Alex R. Jensen

• Finance Department •
Tracy R. Probert, CPA • Director
Telephone: (801) 336-3880
Fax: (801) 336-3889

December 17, 2015

To the Honorable Mayor, City Council and Citizens of Layton City, Utah

State law requires that all cities publish, within six months of the close of the fiscal year, a complete set of basic financial statements presented in conformance to generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a qualified, licensed certified public accounting firm. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Layton City, Utah, for the fiscal year ended June 30, 2015.

The financial statements are prepared to comply with reporting requirements promulgated by the Government Accounting Standards Board (GASB). City-wide statements consolidate all funds and component units of the City and use the full accrual basis of accounting with a flow of financial resources measurement focus. The city-wide statements make it easier to measure and analyze the changes in financial position over time.

This report consists of management's representations concerning the finances of Layton City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented herein. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse, and to compile reliable information for the preparation of the financial statements in conformity with GAAP. The City's framework of internal controls is designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The cost of internal controls should not outweigh their benefit to the City. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements have been audited by Hansen, Bradshaw, Malmrose & Erickson, PC, a licensed certified public accounting firm qualified to perform audits of municipal governments. The goal of the independent audit was to provide reasonable assurance that the financial statements of Layton City for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Layton 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 at the beginning of the financial section of this report.

Brief Demographics and Government Structure

Layton City was incorporated in 1920 and is located in Davis County between the metropolitan areas of Salt Lake City to the south and Ogden City to the north. Layton is currently the largest city in Davis County with a 2010 census population of 67,311. The City is empowered by state statutes to function as a city of the second-class. Layton City has operated under a council-manager form of government since 1985. The governing body is composed of a mayor and five council members who are elected at large to four-year staggered terms. The governing body is the policy-making and legislative authority of the City. The Mayor is the chair of the governing body but only votes in case of a tie. The Mayor and City Council appoint a city manager who is delegated all administrative functions. The City Manager appoints department directors with the consent and approval of the governing body.

Reporting Entity and Services Provided

This financial report includes the financial information of three legally separate entities, namely: Layton City Corporation, Redevelopment Agency of Layton City, Utah, and Davis Metro Narcotics Strike Force. They are included in the financial report because of their nature and close relationship. The City created the redevelopment agency to further the purposes of the City. The City voluntarily agreed to be the oversight and lead agency for the Davis Metro Narcotics Strike Force, a multi-entity drug enforcement group. Additional information about how these entities are included in the report can be found in the notes to the financial statements on page 30.

Layton City provides a full range of services, including police, fire, emergency medical, streets, water, sewer, storm sewer, planning, zoning, building inspection, parks, recreation and general administration.

Economic Conditions

The economic outlook for Layton City is positive. Layton City is the commercial retail hub of the northern part of the county with the only indoor mall. The City is bisected by the only north/south interstate highway in Utah and is convenient for both shoppers and businesses.

Layton City is adjacent to Hill Air Force Base, which is a major employer in the state and makes a significant contribution to the economics of northern Utah. They employ 10,000 – 15,000 with annual payroll of approximately \$750 million. Unemployment in the County is at an annual average of 3.5% for June 2014. That is very favorable compared to the national unemployment rate of 5.9%. It is anticipated that sequestration and the recent government shutdown will have some effect on the revenues of the City, the extent of which has not been determined.

To summarize, economic activity in the City continues growing at what is considered to be a sustainable pace. The effects of the economic multipliers associated with new development should have a very positive effect on the sustainability of the City's financial position.



Long-term Financial Planning

Financial policy dictates that 5% to 25% of general fund revenue be kept in spendable or unrestricted categories of fund balance of the general fund. Each year's budget plan targets an amount within that range and may be higher or lower depending on operational and capital needs of that year. The unassigned fund balance for fiscal year ended June 30, 2015, was 18.2% of fiscal year 2015 revenue.

The Council and management attempt to finance all City operations on a pay as you go basis. Issuing debt is avoided if at all possible. The City has been reasonably successful and has very low debt balances compared to cities of similar size and character.

The City uses a five year capital improvement plan to focus on upcoming projects that will require funding. Modification of the plan and reprioritization of projects takes place annually.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Layton City for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the Twentieth consecutive year the City received the award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements.

We would like to thank the finance department staff for their efforts in preparing this report. Due credit for the excellent financial condition of the City should be given to the Mayor and City Council for their support of sound financial planning and management. We believe that the financial operation of the City continues to be responsible, progressive and frugal.

Respectfully submitted,

Alex R. Jensen
City Manager

Tracy R. Probert, CPA
Finance Director



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Government Finance Officers Association

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Achievement
for Excellence
in Financial
Reporting**

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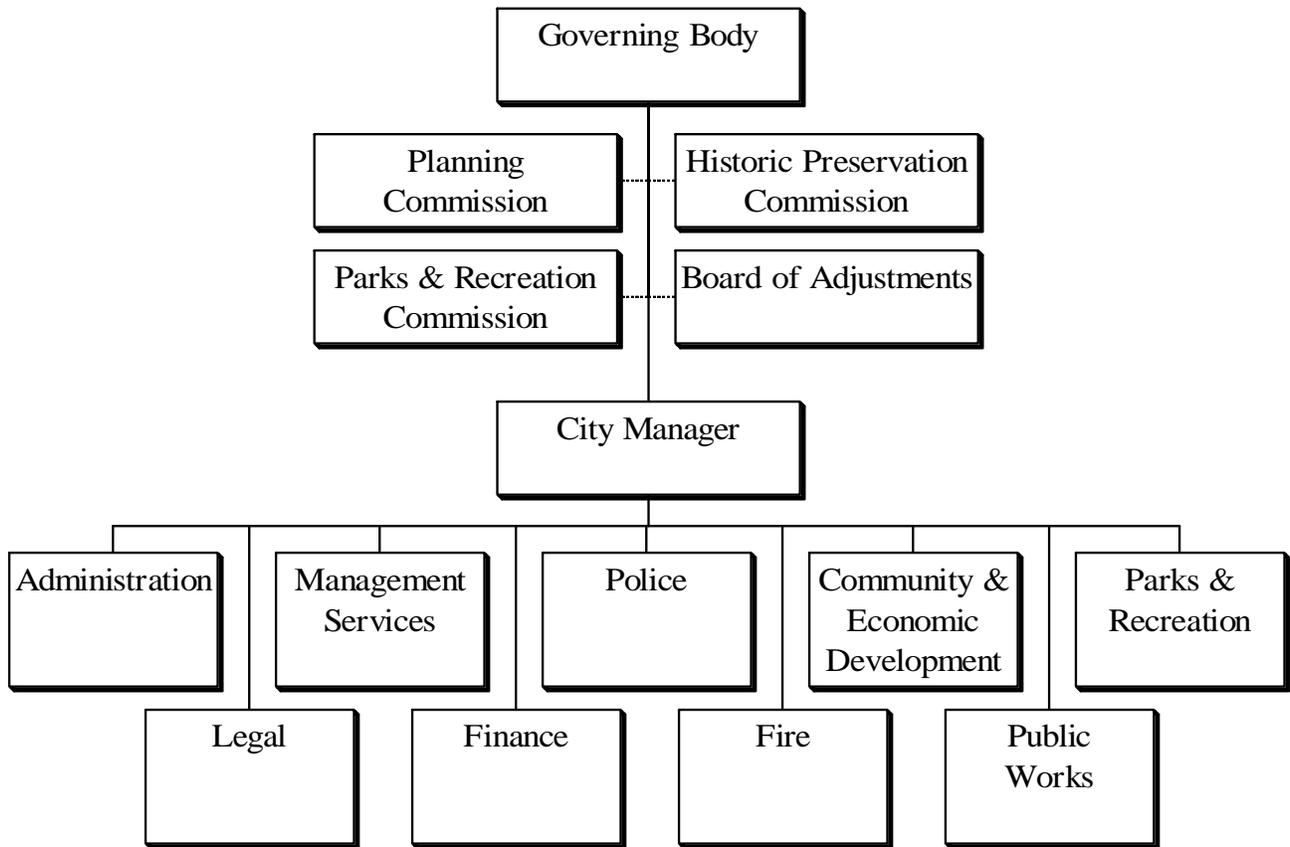
**Layton City Corporation
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Layton City Corporation Organization Chart



LAYTON CITY CORPORATION

Listing of Principal City Officials

Governing Body

Mayor	Robert J Stevenson
Council Member	Joyce F. Brown
Council Member	Tom Day
Council Member	Jory Francis
Council Member	Scott Freitag
Council Member	Joy Petro

City Manager

City Manager	Alex R. Jensen
Assistant City Manager.....	James S. Mason

Management Staff

Director of Management Services	James S. Mason
Director of Public Works.....	Terry R. Coburn
Director of Community & Economic Development.....	William T. Wright
City Attorney	Gary R. Crane
Chief of Police	Terry M. Keefe
Chief of Fire.....	Kevin C. Ward
Director of Parks and Recreation.....	David R. Price
Director of Finance	Tracy R. Probert

Other Administrative Officials

City Treasurer	Vicki Wetzel
City Recorder.....	Thieda R. Wellman
Deputy City Recorder	Tori Campbell
City Engineer	James F. Woodruff

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Layton City Corporation

Financial Section

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

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of Certified Public
Accountants*

*Members of the
Private Company
Practice Section*

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Layton 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Layton City Corporation, Utah, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the major special revenue redevelopment agency fund 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 and the pension schedules on page 61-62 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 combining nonmajor fund financial statements, the comparative individual fund schedules, budgetary comparison information, component unit fund schedules, 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 combining nonmajor fund financial statements, the comparative individual fund schedules, budgetary comparison information, and the component unit fund schedules are the responsibility of management and were derived from and relate 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 combining fund financial statements, the comparative individual fund schedules, budgetary comparison information, and component unit fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 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.

November 19, 2015

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Management's Discussion and Analysis

The management of Layton City presents the following narrative and analysis of the basic financial statements and financial activities of Layton City as prescribed by the Government Accounting Standards Board (GASB). The information and analysis pertains to the fiscal year ended June 30, 2015.

Financial Highlights

The assets of Layton City exceeded its liabilities at June 30, 2015, by \$266,848,524 (net position). Of this amount, \$13,581,048 (unrestricted net position) may be used to meet the City's ongoing obligations. Due to the implementation of a new accounting standard (GASB 68) related to pensions, beginning net position was restated and reduced \$7,247,506. The standard required the City to record a net pension liability of \$6,620,157 in addition to other entries as part of the implementation of the standard. Further discussion of the implementation of the standard is found in the notes to the financial statements.

Layton City's total net position increased during the fiscal year by \$10,603,366. Projects in streets, water, sewer, and storm sewer as well as developer contributed assets were part of the increase. New development continues to move forward throughout the City.

Layton City's governmental funds reported combined ending fund balances of \$17,256,501 at June 30, 2015, an increase of \$1,386,251 in comparison to the previous year. Of the ending fund balances, \$5,795,064 was unassigned and available for spending at the City's discretion. This represents 18.2% of FY15 total general fund revenue.

Fund balance at year end that was classified as spendable and unrestricted amounted to \$7,387,763 or 23.1% of FY15 total general fund revenue.

Layton City's total long-term debt decreased \$107,392 from principal payments and due to the City issuing refunding debt to refinance a portion of the previously outstanding bonds.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to Layton City's basic financial statements. Layton City's basic financial statements comprise 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 contains other supplementary information for individual funds, ten year historical tables and other statistical tables.

Government-wide financial statements. The government-wide financial statements are designed to provide a broad overview of Layton City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Layton City's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as an indicator of changes in the financial condition of the City.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the 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. For example, uncollected taxes that have been levied but not received.

Both of the government-wide financial statements distinguish functions of Layton City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Layton City include general government, public safety, community and economic development, streets and public improvements, and parks and recreation. The business-type activities of Layton City include services for water, sewer (sanitary), storm sewer, refuse, athletic programs, swimming pool, telecom infrastructure (UIA), street lighting and emergency medical services (EMS).

The government-wide financial statements include Layton City (known as the primary government) and two separate legal entities (known as component units). The financial information for the Redevelopment Agency of Layton City, Utah (Agency), and Davis Metro Narcotics Strike Force (Strike Force) are included in the statements. Because the City's governing body is the same as the governing board of the Agency, and can substantially control it, their financial information is blended and reported together with the financial information presented for the primary government. The Strike Force is reported discretely (in separate rows and columns) from the primary government because the governing bodies of each are completely separate and the City cannot impose its will on affairs of the Strike Force. The Strike Force is included in the financial statements for Layton City because of a unique relationship. Grants that fund a substantial portion of the operating expenses can only be obtained from Federal and State governments by Layton City on behalf of the Strike Force. The Strike Force, of itself, cannot obtain the grants.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Layton City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. All funds of Layton City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the near-term financing requirements.

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

Layton City maintains eight (8) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, capital projects fund and redevelopment agency special revenue fund, which are considered to be major funds. Data from the

other five (5) governmental funds are combined into a single, aggregate presentation and are considered to be nonmajor funds. Individual fund schedules and combining statements are provided elsewhere in the report.

Layton City adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

Proprietary funds. Layton City maintains one type of proprietary fund known as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water, storm sewer, sewer, refuse, swimming pool, emergency medical services, UIA, street lighting and athletic programs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, storm sewer, sewer, refuse and emergency medical services funds because they are considered to be major funds. Conversely, the swimming pool, UIA, street lighting and athletic programs funds are considered to be nonmajor and are combined into a single aggregated presentation. Individual fund schedules and combining financial statements are provided elsewhere in the report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents combining fund statements and individual fund schedules referred to earlier in connection with nonmajor governmental funds. They are presented immediately following the notes to the financial statements. Selected statistical information is presented in tabular and chart form. Auditor reports on compliance are included at the end of the document.

Government-wide Financial Analysis

As noted earlier, net position is an indicator of a government's financial condition. In the case of Layton City, assets exceeded liabilities by \$266,848,524 at the close of the fiscal year.

The largest portion of the City's net position (91.9%) represents investment in capital assets (land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities. A portion of the City's net position, \$7,798,774 represents resources that are subject to external restrictions on how they may be used. Unrestricted net position of \$13,581,048 may be used to pay for the City's obligations and ongoing operations.

At June 30, 2015, the City was able to report positive balances in all three categories of net position; governmental activities, business-type activities, and the government as a whole.

Layton City Net Position

	Govern- mental activities 2015	Govern- mental activities 2014	Business- type activities 2015	Business- type activities 2014	Total 2015	Total 2014
Current and other assets	\$ 29,041,709	\$ 26,620,809	\$ 15,411,599	\$ 13,877,916	\$ 44,453,308	\$ 40,498,725
Capital assets	156,653,831	153,555,508	91,986,496	88,442,593	248,640,327	241,998,101
Total assets	<u>185,695,540</u>	<u>180,176,317</u>	<u>107,398,095</u>	<u>102,320,509</u>	<u>293,093,635</u>	<u>282,496,826</u>
Deferred outflows of resources	1,425,482	1,051,155	294,814	238,396	1,720,296	1,289,551
Long-term liabilities	11,534,270	13,313,244	1,400,419	1,672,032	12,934,689	14,985,276
Other liabilities	3,854,998	3,613,930	1,948,172	1,738,452	5,803,170	5,352,382
Total liabilities	<u>15,389,268</u>	<u>16,927,174</u>	<u>3,348,591</u>	<u>3,410,484</u>	<u>18,737,859</u>	<u>20,337,658</u>
Deferred inflows of resources	8,877,452	7,203,561	350,096	-	9,227,548	7,203,561
Net position:						
Net investment in capital assets	153,482,206	150,159,678	91,986,496	88,442,593	245,468,702	238,602,271
Restricted	5,237,356	5,435,689	2,561,418	1,812,732	7,798,774	7,248,421
Unrestricted	4,134,740	1,501,370	9,446,308	8,893,096	13,581,048	10,394,466
Total net position	<u>\$162,854,302</u>	<u>\$157,096,737</u>	<u>\$103,994,222</u>	<u>\$ 99,148,421</u>	<u>\$ 266,848,524</u>	<u>\$ 256,245,158</u>

Governmental activities. As noted in the following table, governmental activities increased the City's net position by \$5,757,565 in the current fiscal year. Key elements affecting the increase were as follows:

1. Capital contribution of streets and related infrastructure, including the underlying land.
2. Operations of the governmental activities.
3. Development activity in the City.

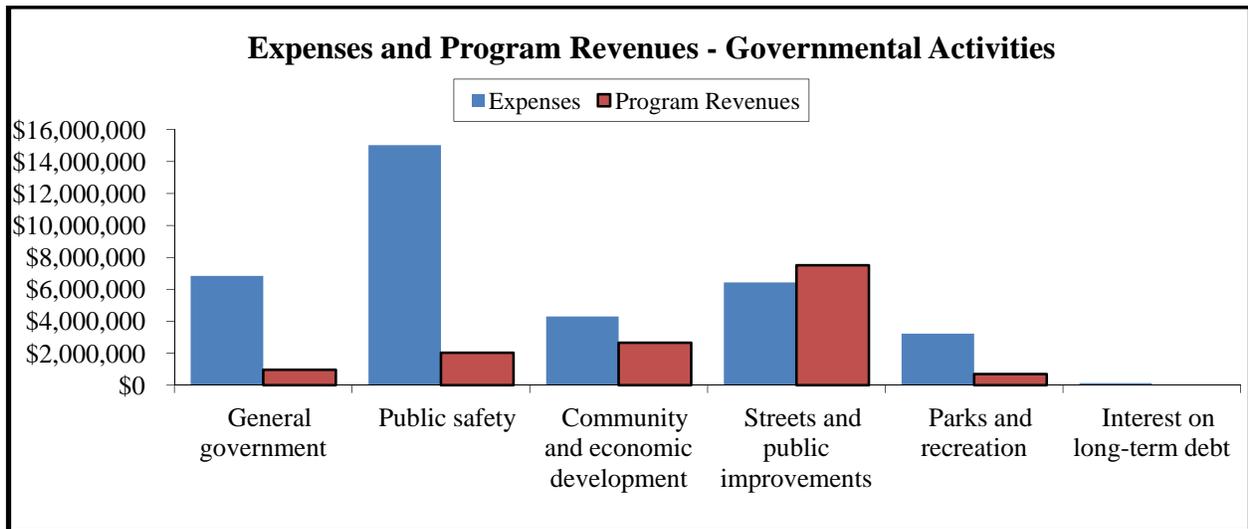
Despite positive activity adding to governmental net position, Overall, governmental net position decreased in the current year due to a restatement of beginning net position. The restatement was caused by the required implementation of GASB statement 68 – Accounting and Financial Reporting for Pensions. Implementation of the standard caused a reduction of \$6,381,850 in beginning governmental net position.

Traditionally general government, public safety, and parks and recreation activities are funded by general revenue sources such as taxes rather than program revenues. Community and economic development is primarily funded by fees. Streets and public improvements are funded with a combination of general revenue sources, fees, developer contributions and fuel taxes.

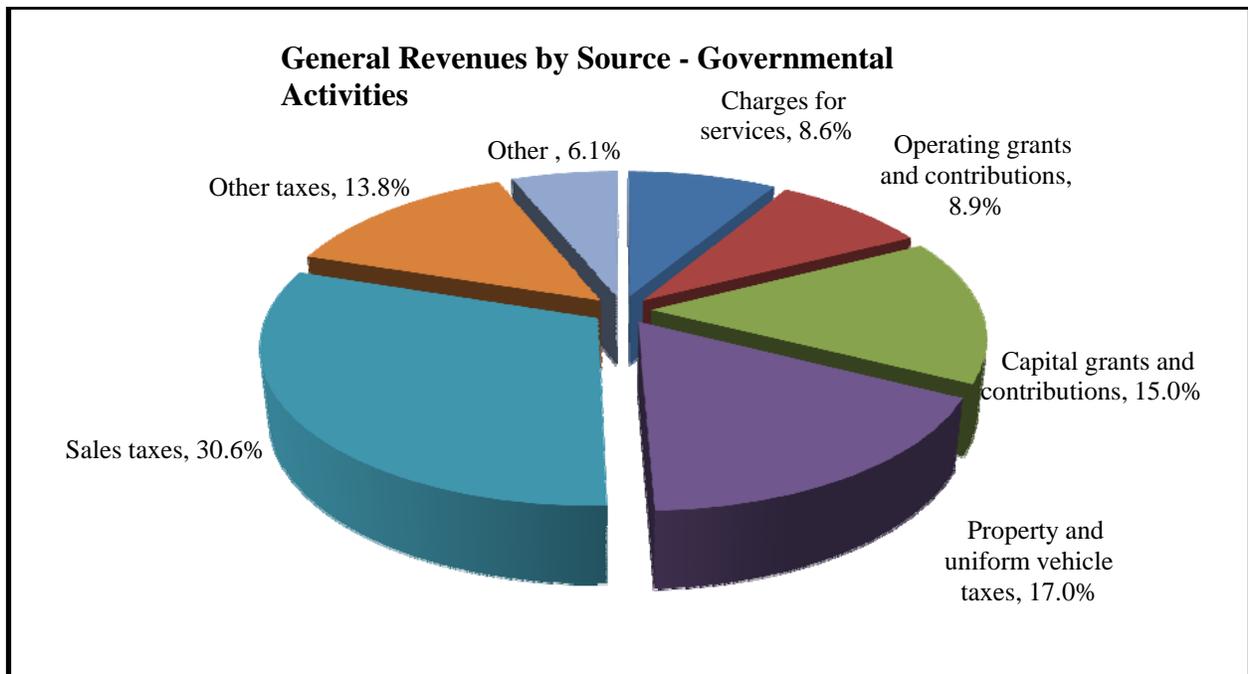
Layton City Changes in Net Position

	Govern- mental activities 2015	Govern- mental activities 2014	Business- type activities 2015	Business- type activities 2014	Total 2015	Total 2014
Revenues:						
Program revenues:						
Charges for services	\$ 3,657,095	\$ 3,520,381	\$ 21,246,819	\$ 20,109,657	\$ 24,903,914	\$ 23,630,038
Operating grants and Contributions	3,798,267	2,463,746	665,111	660,177	4,463,378	3,123,923
Capital grants and contributions	6,395,220	7,842,229	4,053,898	3,573,370	10,449,118	11,415,599
General revenues:						
Property taxes	7,257,495	8,030,753			7,257,495	8,030,753
Sales taxes	13,049,426	12,194,440			13,049,426	12,194,440
Other taxes	5,895,080	6,027,262			5,895,080	6,027,262
Other	2,614,373	296,787	143,710	108,257	2,758,083	405,044
Total revenues	\$ 42,666,956	\$ 40,375,598	\$ 26,109,538	\$ 24,451,461	\$ 68,776,494	\$ 64,827,059
Expenses:						
General government	\$ 6,844,664	\$ 6,671,153			\$ 6,844,664	\$ 6,671,153
Public safety	15,024,179	15,261,468			15,024,179	15,261,468
Community and economic Development	4,299,824	1,761,550			4,299,824	1,761,550
Streets and public improvements	6,431,468	6,770,720			6,431,468	6,770,720
Parks and recreation	3,223,684	3,403,417			3,223,684	3,403,417
Interest on long-term debt	140,265	149,542			140,265	149,542
Water			\$ 5,850,251	\$ 5,749,044	5,850,251	5,749,044
Storm sewer			2,737,168	2,062,924	2,737,168	2,062,924
Sewer			6,545,277	5,112,186	6,545,277	5,112,186
Refuse			2,777,743	2,760,288	2,777,743	2,760,288
Street lighting			413,501	689,940	413,501	689,940
Swimming pool			1,030,461	993,878	1,030,461	993,878
EMS			2,235,033	2,345,428	2,235,033	2,345,428
UIA			252,007	269,044	252,007	269,044
Athletic programs			367,603	302,300	367,603	302,300
Total expenses	\$ 35,964,084	\$ 34,017,850	\$ 22,209,044	\$ 20,285,032	\$ 58,173,128	\$ 54,302,882
Increase in net position before transfers	6,702,872	6,357,748	3,900,494	4,166,429	10,603,366	10,524,177
Transfers	(945,307)	(870,634)	945,307	870,634	-	-
Increase in net position	\$ 5,757,565	\$ 5,487,114	\$ 4,845,801	\$ 5,037,063	\$ 10,603,366	\$ 10,524,177
Net position, beginning	157,096,737	157,991,473	99,148,421	94,977,014	256,245,158	252,968,487
Prior period adjustment - GASB 68	-	(6,381,850)	-	(865,656)	-	(7,247,506)
Net position, ending	\$ 162,854,302	\$ 157,096,737	\$ 103,994,222	\$ 99,148,421	\$ 266,848,524	\$ 256,245,158

The following chart depicts governmental activity expenses compared to program revenues attributed to the activity.



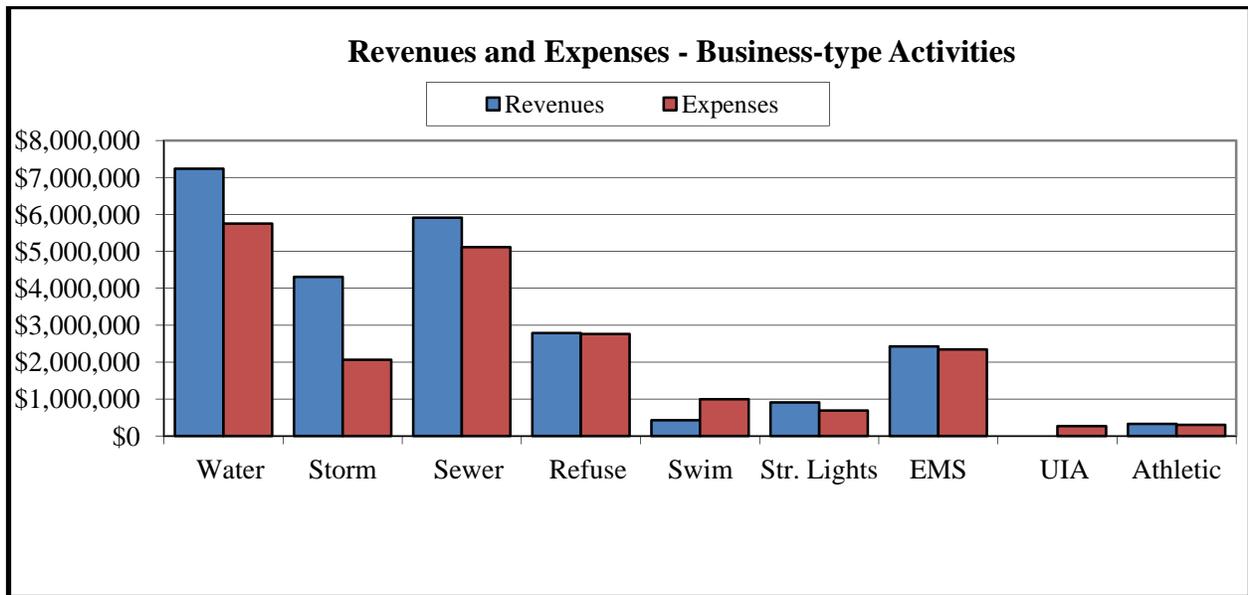
The following chart displays the major sources of general revenues for governmental activities. Taxes accounted for 61.4% of total revenue that funds governmental activities.



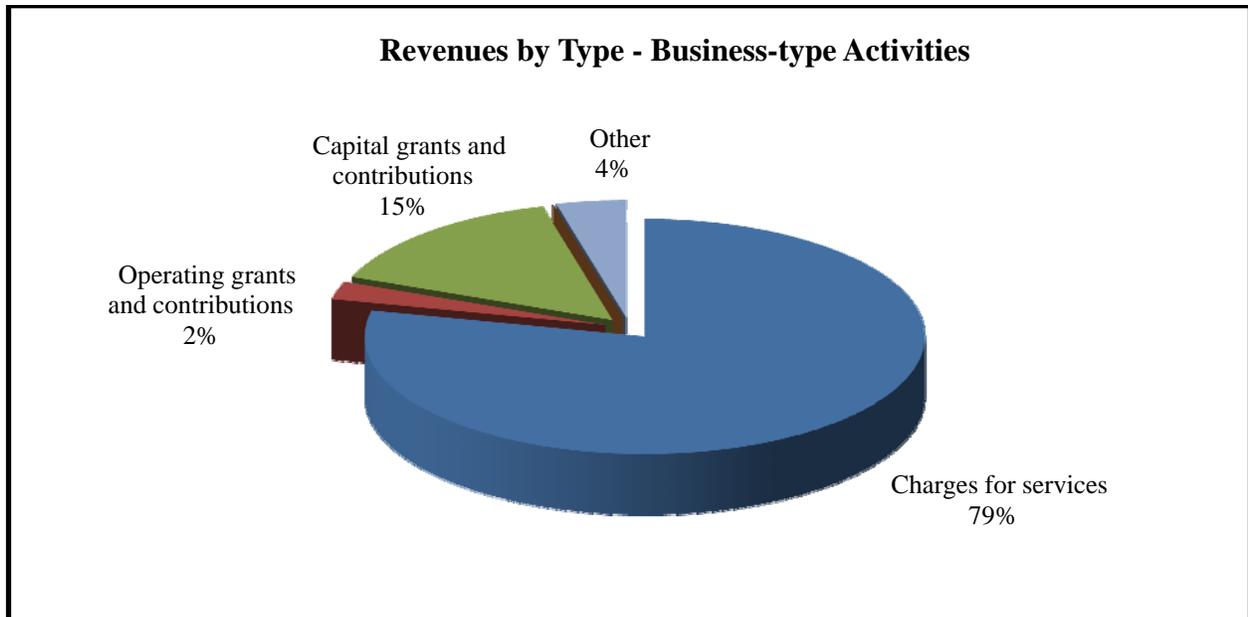
Business-type activities. As noted in the table “Layton City Changes in Net Position,” business-type activities increased the City’s net position by \$4,845,801. Key elements of the increase were as follows:

1. Capital contributions of \$4,053,898 were from developers in the form of utility lines and related systems and land.
2. Rate increases in the sewer fund and management of regular operating expenses.
3. Increased property development activities.

Traditionally business-type activities are self supporting. The swimming pool didn't generate enough program revenue and was supported by transfers from general revenue sources of the governmental activities. The following chart displays the business-type activities revenues compared to program expenses attributed to the activity.



Business-type activities are generally funded by charges for services and 79% of total revenue came from charges for services. The following chart displays the major groupings of business-type revenues:



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance is a useful measure of the government's net resources available for spending at the end of the fiscal year.

At June 30, 2015, the City's governmental funds reported combined ending fund balances of \$17,256,501, an increase of \$1,386,251. There are four components of fund balance; nonspendable, restricted, assigned, and unassigned. Unassigned fund balance of \$5,795,064 is available for spending at the City's discretion. Assigned fund balance of \$5,680,125 has been assigned to intended uses. Restricted fund balance of \$5,237,356 is funds that must be spent for specific purposes and may not be used for general governmental activities. Nonspendable fund balance of \$543,956 consists of prepaid expenses and a note receivable. The increase in fund balance was not projected at the beginning of the year. Revenues were higher than anticipated and expenditures were less than budgeted.

The general fund is the main operating fund of the City. A comparison of the unassigned fund balance and total fund balance to total general fund expenditures is a measure of liquidity. Unassigned and total fund balance represented 16.9% and 22.9% of total general fund expenditures and transfers, respectively. The City has good liquidity.

The unassigned fund balance of the general fund increased \$640,208. The original budget plan for the year was to decrease the fund balance by \$1,777,347. Revenues were higher than anticipated and good management of expenditures made it possible to limit the use of unassigned fund balance. A decrease in budgeted use of fund balance (assigned) for fiscal year 2016 also allowed an increase in unassigned fund balance.

The fund balance in the redevelopment agency special revenue fund increased \$592,322. The increase is due to the collection of tax increment revenue and the intent to accumulate funds for future projects in the project areas.

The fund balance of the capital projects fund increased \$1,202,393. The fund experienced an increase because a number of budgeted projects were not completed during the year. Those projects, the most significant of which is a neighborhood park, are scheduled to be completed in fiscal year 2016. Upon completion of the projects fund balance will be reduced by an amount similar to the current year increase. The majority of the current year projects were street projects due to the City's participation with UDOT on a number of major roadways. The extension of Antelope drive to Highway 89 and other improvements along Antelope drive comprised the majority of the expenditures. Other projects included the implementation of a new financial software system, traffic signals and large equipment. Funding of general projects was limited due to the need to retain revenue in the general fund.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail and separated by fund.

Water fund. Unrestricted net position at June 30, 2015, amounted to \$2,025,721, a decrease of 10.8% from the previous year. Total net position increased \$1,382,245. The primary elements of the increase were: 1) constructed and contributed assets of \$1,018,348; and 2) income from operations of \$180,399.

Income from operations experienced a significant decline from the prior year. Revenue decreased \$127,843 and operating expenditures increased \$104,207 in water purchases and depreciation.

Storm sewer fund. Unrestricted net position at June 30, 2015, amounted to \$2,832,345, an increase of 14.6% from the previous year. Total net position increased \$1,901,752. The primary elements of the increase were: 1) development impact fees of \$718,985, capital contributions from developers of \$1,870,005 and 2) loss from operations of (\$481,832). The loss from operations resulted from an increase in system maintenance of \$567,309. The current year level of expenditure on maintenance is not expected to continue in future years.

Sewer fund. Unrestricted net position at June 30, 2015, amounted to \$2,500,546, an increase of less than 1% from the previous year. Total net position increased \$585,553. The primary elements of the increase were: 1) contributed assets by developers of \$446,560; and 2) operating income of \$298,159.

Refuse fund. Unrestricted net position at June 30, 2015, amounted to \$603,679, an increase of 14%. Total net position increased \$81,374 and resulted from a gain in operations. This gain is the result of increased revenue attributed to development activity in the City.

Emergency medical services fund. Unrestricted net position at June 30, 2015, amounted to \$576,751, an increase of 12%. Total net position increased \$158,655 and resulted from a gains in operations over previous years.

General Fund Budgetary Highlights

During the fiscal year, the general fund's original budget for expenditures and transfers was amended from \$32,395,239 to a final budget total of \$35,483,247, an increase of \$3,088,008. Of this amount, \$2,358,300 was transferred to the Redevelopment Agency as part of a property transaction. Upon completion of the property transaction this same amount was transferred back to the general fund.

Actual expenditures and transfers were \$34,208,939 and were \$1,274,308 less than the final budget. The major element of the savings was from controlled expenditures by departments.

Capital Assets and Debt Administration

Capital assets. Layton City's investment in capital assets for governmental and business-type activities as of June 30, 2015, was \$248,640,327 (net of accumulated depreciation). The investment in capital assets includes land, intangibles, water stock and rights, water contracts, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress. The total increase in the City's investment in capital assets for the current year was \$6,642,226 or 2.7%.

Major capital asset events during the current year included the following:

- 1) Developers contributed new subdivision streets and utility systems amounting to \$8,490,899.
- 2) The City expended \$1,732,501 on street projects, \$1,679,975 on water systems, \$150,964 on storm sewer systems, \$558,353 on sewer systems, \$240,247 on fire and emergency medical services equipment, and \$511,927 on police vehicles and equipment.
- 3) The main reductions in capital assets were depreciation of \$6,453,208 and disposals of \$283,191.

Layton City Capital Assets (net of depreciation)

	Govern- mental Activities 2015	Govern- mental Activities 2014	Business- type Activities 2015	Business- type Activities 2014	Total 2015	Total 2014
Land	\$ 83,394,667	\$ 80,812,092	\$ 1,174,040	\$ 1,174,040	\$ 84,568,707	\$ 81,986,132
Intangible	577,870	577,870	-	-	577,870	577,870
Water stock and rights	-	-	3,673,117	3,425,567	3,673,117	3,425,567
Water contracts	-	-	2,163,780	2,163,780	2,163,780	2,163,780
Buildings	17,020,272	17,020,272	2,293,084	2,293,084	19,313,356	19,313,356
Improvements other than buildings	4,897,238	4,591,748	417,579	417,579	5,314,817	5,009,327
Equipment and utility systems	18,864,382	17,753,240	124,815,985	118,856,222	143,680,367	136,609,462
Infrastructure	99,456,955	96,738,517	-	-	99,456,955	96,738,517
Construction in progress	416,765	283,191	1,104,297	1,377,179	1,521,062	1,660,370
Less accumulated depreciation	(67,974,318)	(64,221,422)	(43,655,386)	(41,264,858)	(111,629,704)	(105,486,280)
Total	\$ 156,653,831	\$ 153,555,508	\$ 91,986,496	\$ 88,442,593	\$ 248,640,327	\$ 241,998,101

More information is available in the notes to the financial statements, note IV (G) pages 48 and 49.

Long-term debt. On June 30, 2015, the City had total bonded debt outstanding of \$3,630,000 that came from a sales tax revenue obligation issued in 2006 and advance refunding bonds issued in 2015.

Layton City Outstanding Debt General Obligations and Revenue Bonds

	Govern- mental activities 2015	Govern- mental activities 2014	Business- type activities 2015	Business- type activities 2014	Total 2015	Total 2014
Revenue bonds	\$3,630,000	\$3,690,000	\$ -	\$ -	\$3,630,000	\$3,690,000

The City's total bonded debt decreased \$60,000 during the year from principal payments and refunding transactions. During the year the City advance refunded \$2,835,000 of the series 2006 sales tax revenue bonds.

The City received and has maintained an 'AAA' rating from Standard and Poor's on the 2006 sales tax revenue debt issue (\$585,000 outstanding). The underlying rating was 'AA' and credit insurance that guaranteed the payment of principal and interest increased the rating to 'AAA'. The series 2015 refunding bonds were placed with a private party and did not require rating.

The Utah State Constitution limits the amount of general obligation debt a municipal government may issue at 4% of its total taxable property value. Cities of the first and second class (Layton City is a second class city) may issue debt up to an additional 4% of its total taxable property value for water systems, artificial lighting systems or sewer systems. On June 30, 2015, the City's limitation would be in excess of one hundred million dollars under the 4% limitation and in excess of two hundred million dollars for the combined limitation. Layton City has no outstanding general obligation debt that applies to these limits. Additional information on the City's debt is available in the notes to the financial statements, note IV (H) pages 50 and 51.

Economic Factors and Next Year's Budgets and Rates

1. The seasonally adjusted unemployment rate for Davis County as reported by the Utah Department of Workforce Services for June 2015 was 3.6%. This is 0.1% higher than the 3.5% for June 2014. The rate reported for the State of Utah for June 2015 was 3.5%. These compare favorably to the national seasonally adjusted rate reported by the U.S. Department of Labor, Bureau of Labor and Statistics for June 2015 of 5.3%. County and state unemployment rates have increased slightly in 2015.
2. The Governor's Office of Planning and Budget for 2015 predicted a slight increase in housing, with slow but steady growth in various sectors. The State economy is one of the stronger in the country. Employment is projected to remain stable in FY 2016.
3. Inflationary trends of the state and region compare similarly to the national indices.
4. New residential building permits remain steady but have returned to more historical levels through the end of fiscal year 2015. Commercial building permits have also remained steady at more historical levels during this same time period. New business and business relocations, expansions, reoccupations and many other positive commercial and manufacturing activities occurred during FY15.
5. Sales tax revenues in the fiscal year ended June 30, 2015 and 2014, were 7.01% and 4.18% higher than the previous year, respectively. The increase in the year over year change shows that the economy has leveled off and the City may be experiencing some gains from increased population due to new construction. Purchases of large ticket items have increased the past few years but have not reached levels of a decade ago.

These and other factors were considered in preparing Layton City's budget for the 2015-2016 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Layton City's activities for those with an interest in the City's operations and position. Questions concerning the information provided in this report or requests for additional financial information should be addressed to: Layton City, Finance Director, 437 N Wasatch Drive, Layton, UT 84041. The report is posted on the City web site www.laytoncity.org.

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Layton City Corporation

Basic Financial Statements

LAYTON CITY CORPORATION

STATEMENT OF NET POSITION
June 30, 2015

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Davis Metro Narcotics Strike Force	
ASSETS					
Cash and cash equivalents	\$ 15,462,317	\$ 10,464,562	\$ 25,926,879	\$	445,364
Restricted cash and cash equivalents	2,044,401	288,642	2,333,043		21,349
Receivables, net	10,985,023	3,437,107	14,422,130		76,272
Inventory	-	192,641	192,641		-
Prepaid expense	21,653	640,652	662,305		-
Note receivable	86,410	7,998	94,408		-
Contracts receivable	-	161,239	161,239		-
Net pension asset	441,905	218,758	660,663		-
Capital assets not being depreciated					
Water stocks and rights	-	3,673,117	3,673,117		-
Land	83,394,667	1,174,040	84,568,707		-
Water contracts	-	2,163,780	2,163,780		-
Construction in progress	416,765	1,104,297	1,521,062		-
Capital assets net of accumulated depreciation					
Buildings	9,885,387	568,458	10,453,845		-
Improvements other than buildings	1,724,845	4,022	1,728,867		-
Infrastructure	57,796,695	-	57,796,695		-
Equipment and utility systems	3,426,236	83,298,782	86,725,018		6,829
Intangible	9,236	-	9,236		-
Total assets	185,695,540	107,398,095	293,093,635		549,814
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	121,922	-	121,922		-
Deferred outflows related to pensions	1,303,560	294,814	1,598,374		3,947
Total deferred outflows of resources	1,425,482	294,814	1,720,296		3,947
LIABILITIES					
Accounts payable	630,744	1,384,890	2,015,634		25,619
Accrued liabilities	1,457,732	271,747	1,729,479		1,866
Payable to other governments	-	2,893	2,893		-
Accrued bond interest payable	20,655	-	20,655		-
Deposits	1,725,767	288,642	2,014,409		21,349
Due to developers	20,100	-	20,100		-
Noncurrent liabilities:					
Net pension liability	5,767,880	852,277	6,620,157		17,856
Due within one year	1,892,092	298,795	2,190,887		266
Due in more than one year	3,874,298	249,347	4,123,645		817
Total liabilities	15,389,268	3,348,591	18,737,859		67,773
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	1,368,492	350,096	1,718,588		3,689
Property tax revenue	7,508,960	-	7,508,960		-
Total deferred inflows of resources	8,877,452	350,096	9,227,548		3,689
NET POSITION					
Net investment in capital assets	153,482,206	91,986,496	245,468,702		6,829
Restricted for:					
Class C roads	35,226	-	35,226		-
Street construction	1,935,465	-	1,935,465		-
Park development	909,885	-	909,885		-
Public safety	660,405	-	660,405		252,565
Community development	1,348,074	-	1,348,074		-
Debt service	348,301	-	348,301		-
Distribution and collection systems	-	2,561,418	2,561,418		-
Unrestricted	4,134,740	9,446,308	13,581,048		222,905
Total net position	\$162,854,302	\$103,994,222	\$ 266,848,524	\$	482,299

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

LAYTON CITY CORPORATION

STATEMENT OF ACTIVITIES
For the year ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Davis Metro Narcotics Strike Force
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental activities:								
General government	\$ 6,844,664	\$ 748,898	\$ 48,719	\$ 165,272	\$ (5,881,775)		\$ (5,881,775)	
Public safety	15,024,179	1,342,900	445,593	241,962	(12,993,724)		(12,993,724)	
Community and economic development	4,299,824	1,428,887	1,225,557	-	(1,645,380)		(1,645,380)	
Streets and public improvements	6,431,468	97,428	2,078,398	5,328,670	1,073,028		1,073,028	
Parks and recreation	3,223,684	38,982	-	659,316	(2,525,386)		(2,525,386)	
Interest on long-term debt	140,265	-	-	-	(140,265)		(140,265)	
Total governmental activities	35,964,084	3,657,095	3,798,267	6,395,220	(22,113,502)		(22,113,502)	
Business-type activities:								
Water	5,850,251	6,025,322	-	1,018,348		\$ 1,193,419	1,193,419	
Storm sewer	2,737,168	2,254,984	-	2,588,990		2,106,806	2,106,806	
Sewer	6,545,277	6,825,982	-	446,560		727,265	727,265	
Refuse	2,777,743	2,857,527	-	-		79,784	79,784	
Swimming pool	1,030,461	388,063	-	-		(642,398)	(642,398)	
Emergency medical services	2,235,033	1,703,588	665,111	-		133,666	133,666	
Street lighting	413,501	798,065	-	-		384,564	384,564	
UIA	252,007	13,747	-	-		(238,260)	(238,260)	
Athletic programs	367,603	379,541	-	-		11,938	11,938	
Total business-type activities	22,209,044	21,246,819	665,111	4,053,898		3,756,784	3,756,784	
Total primary government activities	\$ 58,173,128	\$ 24,903,914	\$ 4,463,378	\$ 10,449,118	(22,113,502)	3,756,784	(18,356,718)	
Component unit:								
Davis metro narcotics strike force	\$ 495,750		\$ 586,353					\$ 90,603
General revenues:								
Property and uniform vehicle taxes					7,257,495		7,257,495	
Sales and use taxes					13,049,426		13,049,426	
Franchise, telecommunication and energy sales taxes					5,698,201		5,698,201	
Transient room tax					196,879		196,879	
Investment earnings					85,558	48,232	133,790	2,118
Miscellaneous					167,573	73,480	241,053	20,411
Gain on sale of capital assets					2,361,242	21,998	2,383,240	-
Transfers					(945,307)	945,307	-	
Total general revenues and transfers					27,871,067	1,089,017	28,960,084	22,529
Change in net position					5,757,565	4,845,801	10,603,366	113,132
Net position - beginning as reported					163,478,587	100,014,077	263,492,664	387,998
Prior period adjustment					(6,381,850)	(865,656)	(7,247,506)	(18,831)
Net position - beginning, as restated					157,096,737	99,148,421	256,245,158	369,167
Net position - ending					\$ 162,854,302	\$ 103,994,222	\$ 266,848,524	\$ 482,299

LAYTON CITY CORPORATION

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General	Capital Projects	Special Revenue Redevelopment Agency	Other Governmental	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 5,835,301	\$ 3,935,186	\$ 1,724,434	\$ 3,967,396	\$ 15,462,317
Restricted cash and cash equivalents	1,696,100	-	-	348,301	2,044,401
Receivables	9,841,279	-	988,960	154,784	10,985,023
Due from other funds	435,893	-	-	-	435,893
Prepaid	21,653	-	-	-	21,653
Note receivable	-	-	86,410	-	86,410
Total assets	\$ 17,830,226	\$ 3,935,186	\$ 2,799,804	\$ 4,470,481	\$ 29,035,697
<u>Liabilities</u>					
Accounts payable	\$ 279,918	\$ 325,548	\$ -	\$ 25,278	\$ 630,744
Accrued liabilities	1,454,365	-	-	3,367	1,457,732
Deposits	1,696,100	29,667	-	-	1,725,767
Due to developers	20,100	-	-	-	20,100
Due to other funds	-	-	376,360	59,533	435,893
Total liabilities	3,450,483	355,215	376,360	88,178	4,270,236
<u>Deferred inflows of resources</u>					
Property tax revenue	6,520,000	-	988,960	-	7,508,960
<u>Fund balance</u>					
Nonspendable	457,546	-	86,410	-	543,956
Restricted for:					
Class C roads	14,434	20,792	-	-	35,226
Street construction	-	78,882	-	1,856,583	1,935,465
Park development	-	-	-	909,885	909,885
Public safety facilities	-	1,178	-	659,227	660,405
Community development	-	-	1,348,074	-	1,348,074
Debt service	-	-	-	348,301	348,301
Total restricted fund balance	14,434	100,852	1,348,074	3,773,996	5,237,356
Assigned to:					
General fund	1,592,699	-	-	-	1,592,699
Capital projects fund	-	3,479,119	-	-	3,479,119
Debt service fund	-	-	-	351,957	351,957
Emergency dispatch fund	-	-	-	249,040	249,040
Community development block grant	-	-	-	279	279
Victims services fund	-	-	-	7,031	7,031
Total assigned fund balance	1,592,699	3,479,119	-	608,307	5,680,125
Unassigned	5,795,064	-	-	-	5,795,064
Total fund balances	7,859,743	3,579,971	1,434,484	4,382,303	17,256,501
Total liabilities, deferred inflow of resources and fund balances	\$ 17,830,226	\$ 3,935,186	\$ 2,799,804	\$ 4,470,481	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	156,653,831
Deferred outflows of resources are not current financial resources and, therefore, are not reported in the funds	1,425,482
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	441,905
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(11,554,925)
Deferred inflows of resources related to pensions are not current financial resources and, therefore, are not reported in the funds.	(1,368,492)
Net position of governmental activities	\$ 162,854,302

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

LAYTON CITY CORPORATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the year ended June 30, 2015

	General	Capital Projects	Special Revenue Redevelopment Agency	Other Governmental	Total Governmental Funds
Revenues:					
Taxes and special assessments	\$ 26,063,547	\$ -	\$ 138,454	\$ -	\$ 26,202,001
Licenses and permits	1,383,273	-	-	-	1,383,273
Intergovernmental	2,416,858	-	850,506	441,338	3,708,702
Charges for services	855,127	-	-	2,283,403	3,138,530
Fines and forfeitures	313,975	-	-	-	313,975
Developer payments	-	10,000	-	-	10,000
Miscellaneous	823,383	-	7,695	26,314	857,392
Total revenues	31,856,163	10,000	996,655	2,751,055	35,613,873
Expenditures:					
Current:					
General government	4,491,422	-	-	80,043	4,571,465
Public safety	14,940,732	-	-	523,448	15,464,180
Community and economic development	1,216,827	-	2,748,875	378,772	4,344,474
Streets and public improvements	3,306,604	-	-	-	3,306,604
Parks and recreation	3,006,094	-	-	-	3,006,094
Debt service:					
Principal	-	-	-	270,000	270,000
Interest and agent fees	-	-	-	150,475	150,475
Refunding bond issuance costs	-	-	-	45,975	45,975
Pledge payments	-	-	-	2,237,043	2,237,043
Capital outlay	-	2,293,857	-	-	2,293,857
Total expenditures	26,961,679	2,293,857	2,748,875	3,685,756	35,690,167
Excess (deficiency) of revenues over (under) expenditures	4,894,484	(2,283,857)	(1,752,220)	(934,701)	(76,294)
Other financing sources (uses):					
Refunding bonds issued	-	-	-	3,045,000	3,045,000
Payment to refunding bond escrow agent	-	-	-	(2,998,390)	(2,998,390)
Transfers in	2,655,590	3,486,250	2,358,300	2,690,518	11,190,658
Transfers out	(7,247,260)	-	(2,358,300)	(2,530,405)	(12,135,965)
Sale of capital assets	16,700	-	2,344,542	-	2,361,242
Total other financing sources (uses)	(4,574,970)	3,486,250	2,344,542	206,723	1,462,545
Net change in fund balances	319,514	1,202,393	592,322	(727,978)	1,386,251
Fund balances - beginning	7,540,229	2,377,578	842,162	5,110,281	15,870,250
Fund balances - ending	\$ 7,859,743	\$ 3,579,971	\$ 1,434,484	\$ 4,382,303	\$ 17,256,501

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

LAYTON CITY CORPORATION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2015

Net change in fund balances - total governmental funds	\$ 1,386,251
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays and capital contributions exceeded depreciation in the current period.	3,098,323
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount bond and debt repayments exceeds proceeds.	279,575
Net pension liabilities and assets do not provide or use current financial resources and therefore current year gains and losses related to these assets and liabilities are not reported in the funds.	736,106
Certain nonemployer contributions are made directly to the pension plan and therefore do not generate current financial resources and are not reported in the funds.	254,838
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.	<u>2,472</u>
Change in net position of governmental activities	<u>\$ 5,757,565</u>

LAYTON CITY CORPORATION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the year ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>Revenues</u>				
Taxes and special assessments	\$ 24,988,041	\$ 24,988,041	\$ 26,063,547	\$ 1,075,506
Licenses and permits	1,050,000	1,050,000	1,383,273	333,273
Intergovernmental	2,474,500	2,560,312	2,416,858	(143,454)
Charges for services	544,084	839,096	855,127	16,031
Fines and forfeitures	275,000	275,000	313,975	38,975
Miscellaneous	991,729	1,008,059	823,383	(184,676)
Total revenues	30,323,354	30,720,508	31,856,163	1,135,655
<u>Expenditures</u>				
Current:				
General government:				
Administration	1,039,953	1,144,561	1,087,770	56,791
Legal	782,929	784,585	765,054	19,531
Management services	2,106,115	2,187,502	2,086,969	100,533
Finance	584,111	587,363	551,629	35,734
Non-departmental	62,612	55,715	-	55,715
Total general government	4,575,720	4,704,011	4,491,422	212,589
Public safety:				
Police	11,054,095	11,332,970	10,809,952	523,018
Fire	4,130,462	4,302,790	4,130,780	172,010
Total public safety	15,184,557	15,635,760	14,940,732	695,028
Community and economic development				
Streets and public improvements	1,256,321	1,262,778	1,216,827	45,951
Parks and recreation	3,393,604	3,435,528	3,306,604	128,924
Total expenditures	27,587,763	28,235,930	26,961,679	1,274,251
Excess of revenues over expenditures	2,735,591	2,484,578	4,894,484	2,409,906
<u>Other financing sources (uses)</u>				
Transfers in	244,538	2,655,590	2,655,590	-
Transfers out	(4,807,476)	(7,247,317)	(7,247,260)	57
Sale of capital assets	50,000	50,000	16,700	(33,300)
Total other financing sources (uses)	(4,512,938)	(4,541,727)	(4,574,970)	(33,243)
Net change in fund balance	(1,777,347)	(2,057,149)	319,514	2,376,663
Fund balance - beginning	7,540,229	7,540,229	7,540,229	-
Fund balance - ending	\$ 5,762,882	\$ 5,483,080	\$ 7,859,743	\$ 2,376,663

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

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LAYTON CITY CORPORATION

REDEVELOPMENT AGENCY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the year ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 722,400	\$ 754,687	\$ 850,506	\$ 95,819
Property taxes - development increment	117,600	122,855	138,454	15,599
Miscellaneous	-	-	7,695	7,695
Total revenues	840,000	877,542	996,655	119,113
<u>Expenditures</u>				
Current:				
Community and economic development:				
Wages and benefits	49,178	49,277	35,702	13,575
Materials and supplies	21,000	41,000	23,495	17,505
Capital outlay - projects	429,920	1,342,263	14,592	1,327,671
Payback and purchase agreements	339,902	2,715,744	2,675,086	40,658
Total expenditures	840,000	4,148,284	2,748,875	1,399,409
Excess (deficiency) of revenue over (under) expenditures	-	(3,270,742)	(1,752,220)	1,518,522
<u>Other financing sources (uses)</u>				
Sale of capital assets	-	2,358,300	2,344,542	(13,758)
Transfers in:				
General fund	-	2,358,300	2,358,300	-
Transfers out:				
Capital projects fund	-	(2,358,300)	(2,358,300)	-
Total other financing sources (uses)	-	2,358,300	2,344,542	(13,758)
Net change in fund balance	-	(912,442)	592,322	1,504,764
Fund balance - beginning	842,162	842,162	842,162	-
Fund balance - ending	\$ 842,162	\$ (70,280)	\$ 1,434,484	\$ 1,504,764

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

LAYTON CITY CORPORATION

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 June 30, 2015

	Water	Storm Sewer	Sewer	Refuse	Emergency Medical Services	Other Proprietary Funds	Total Proprietary Funds
<u>Assets</u>							
Current assets:							
Cash and cash equivalents	\$ 1,319,416	\$ 4,930,985	\$ 2,364,480	\$ 331,017	\$ 448,895	\$ 1,069,769	\$ 10,464,562
Accounts receivable, net	1,146,898	252,857	1,194,401	526,391	246,880	69,680	3,437,107
Contracts receivable	-	-	-	-	-	4,639	4,639
Inventory	188,016	-	-	-	-	4,625	192,641
Note receivable	7,998	-	-	-	-	-	7,998
Prepaid expense	640,652	-	-	-	-	-	640,652
Total current assets	3,302,980	5,183,842	3,558,881	857,408	695,775	1,148,713	14,747,599
Noncurrent assets:							
Restricted cash and cash equivalents	146,762	141,880	-	-	-	-	288,642
Contracts receivable	-	-	-	-	-	156,600	156,600
Net pension asset	563	252	346	30	217,487	80	218,758
Capital assets:							
Water stocks and rights	3,673,117	-	-	-	-	-	3,673,117
Land	420,551	721,777	30,712	-	-	1,000	1,174,040
Water contracts	2,163,780	-	-	-	-	-	2,163,780
Buildings	-	-	-	-	-	2,293,084	2,293,084
Improvements other than buildings	397,467	-	-	-	-	20,112	417,579
Distribution and collections systems	48,647,495	50,376,493	19,571,697	-	-	497,266	119,092,951
Equipment	2,163,528	546,300	856,407	-	1,363,980	792,819	5,723,034
Construction in progress	359,651	334,820	188,907	22,877	-	198,042	1,104,297
Less: accumulated depreciation	(17,650,827)	(15,891,976)	(6,948,928)	-	(842,312)	(2,321,343)	(43,655,386)
Total capital assets (net of accumulated depreciation)	40,174,762	36,087,414	13,698,795	22,877	521,668	1,480,980	91,986,496
Total noncurrent assets	40,322,087	36,229,546	13,699,141	22,907	739,155	1,637,660	92,650,496
Total assets	43,625,067	41,413,388	17,258,022	880,315	1,434,930	2,786,373	107,398,095
<u>Deferred outflows of resources</u>							
Deferred outflows related to pensions	83,492	37,352	51,296	4,430	106,420	11,824	294,814
<u>Liabilities</u>							
Current liabilities:							
Accounts payable	199,202	133,115	676,335	234,009	10,451	131,778	1,384,890
Accrued liabilities	40,812	31,875	119,682	-	45,377	34,001	271,747
Compensated absences payable	71,639	22,085	25,590	-	158,416	9,647	287,377
Customer deposits	146,762	141,880	-	-	-	-	288,642
Payable to other governments	-	-	-	-	2,893	-	2,893
Contracts payable	-	-	-	-	-	11,418	11,418
Total current liabilities	458,415	328,955	821,607	234,009	217,137	186,844	2,246,967
Noncurrent liabilities:							
Compensated absences payable	23,416	7,219	8,364	-	51,782	3,154	93,935
Contracts payable	-	-	-	-	-	155,412	155,412
Net pension liability	377,713	168,973	232,061	20,040	-	53,490	852,277
Total noncurrent liabilities	401,129	176,192	240,425	20,040	51,782	212,056	1,101,624
Total liabilities	859,544	505,147	1,062,032	254,049	268,919	398,900	3,348,591
<u>Deferred inflows of resources</u>							
Deferred inflows related to pensions	78,037	34,911	47,945	4,140	174,012	11,051	350,096
<u>Net Position</u>							
Net investment in capital assets	40,174,762	36,087,414	13,698,795	22,877	521,668	1,480,980	91,986,496
Restricted for system development	570,495	1,990,923	-	-	-	-	2,561,418
Unrestricted	2,025,721	2,832,345	2,500,546	603,679	576,751	907,266	9,446,308
Total net position	\$ 42,770,978	\$ 40,910,682	\$ 16,199,341	\$ 626,556	\$ 1,098,419	\$ 2,388,246	\$ 103,994,222

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

LAYTON CITY CORPORATION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the year ended June 30, 2015

	Water	Storm Sewer	Sewer	Refuse	Emergency Medical Services	Other Proprietary Funds	Total Proprietary Funds
<u>Operating revenues</u>							
Charges for services	\$ 6,023,462	\$ 2,254,984	\$ 6,825,982	\$ 2,857,527	\$ 1,703,588	\$ 1,579,416	\$ 21,244,959
Miscellaneous	7,188	352	17,454	-	1,424	47,062	73,480
Total operating revenues	6,030,650	2,255,336	6,843,436	2,857,527	1,705,012	1,626,478	21,318,439
<u>Operating expenses</u>							
Salaries, wages and benefits	1,227,173	576,344	773,492	72,327	1,859,237	690,538	5,199,111
Supplies and maintenance	1,062,720	888,563	549,706	29,362	169,384	459,207	3,158,942
Utilities	713,165	5,749	8,999	2,738	6,534	564,148	1,301,333
Professional services and training	10,726	10,775	7,675	-	47,737	1,845	78,758
Contracted services	1,318,460	-	4,340,095	2,663,395	-	251,850	8,573,800
Insurance	25,865	11,174	21,064	2,793	14,652	7,583	83,131
Rent	161,520	125,904	140,148	7,128	-	-	434,700
Franchise tax	374,520	132,648	283,584	-	-	-	790,752
Bad debt collection fees	2,292	-	-	-	26,085	112	28,489
Depreciation	953,810	986,011	420,514	-	111,404	88,289	2,560,028
Total operating expenses	5,850,251	2,737,168	6,545,277	2,777,743	2,235,033	2,063,572	22,209,044
Operating income (loss)	180,399	(481,832)	298,159	79,784	(530,021)	(437,094)	(890,605)
<u>Nonoperating revenues (expenses)</u>							
Interest revenue	8,151	23,852	12,225	1,590	1,567	847	48,232
Connection charges	1,860	-	-	-	-	-	1,860
Grants/intergovernmental	-	-	-	-	665,111	-	665,111
Gain on sale of capital assets	-	-	-	-	21,998	-	21,998
Total nonoperating revenues (expenses)	10,011	23,852	12,225	1,590	688,676	847	737,201
Income (loss) before contributions and transfers	190,410	(457,980)	310,384	81,374	158,655	(436,247)	(153,404)
Capital contributions	1,018,348	2,588,990	446,560	-	-	-	4,053,898
Transfers in	266,867	-	-	-	-	1,172,469	1,439,336
Transfers out	(93,380)	(229,258)	(171,391)	-	-	-	(494,029)
Change in net position	1,382,245	1,901,752	585,553	81,374	158,655	736,222	4,845,801
Total net position - beginning - restated	41,388,733	39,008,930	15,613,788	545,182	939,764	1,652,024	99,148,421
Total net position - ending	\$ 42,770,978	\$ 40,910,682	\$ 16,199,341	\$ 626,556	\$ 1,098,419	\$ 2,388,246	\$ 103,994,222

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

LAYTON CITY CORPORATION

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the year ended June 30, 2015

	Water	Storm Sewer	Sewer
<u>Cash flow from operating activities</u>			
Receipts from customers (including cash deposits)	\$ 6,256,731	\$ 2,250,956	\$ 6,617,101
Payments to suppliers	(2,156,217)	(1,292,557)	(503,168)
Payments to other governments	(1,318,460)	-	(4,340,095)
Payments for interfund services used	(199,176)	(163,548)	(177,792)
Payments to employees	(1,287,610)	(581,132)	(741,186)
Net cash provided (used) by operating activities	<u>1,295,268</u>	<u>213,719</u>	<u>854,860</u>
<u>Cash flow from non-capital financing activities</u>			
Transfers from other funds	-	-	-
Transfers to other funds	(93,380)	(229,258)	(171,391)
County, state and federal grants	-	-	-
Connection fees	1,860	-	-
Net cash provided (used) by non-capital financing activities	<u>(91,520)</u>	<u>(229,258)</u>	<u>(171,391)</u>
<u>Cash flow from capital and related financing activities</u>			
Notes receivable from developers	31,834	-	-
Contracts receivable	-	-	-
Proceeds from sale of capital assets	-	-	-
Contracts payable and developer payments	-	-	-
Purchase of capital assets	(627,933)	(27,982)	(38,573)
Construction of capital assets	(1,052,042)	(122,982)	(519,780)
Transfer in - capital equipment	266,867	-	-
Impact fees	267,150	718,985	-
Exaction fees	92,740	-	-
Net cash provided (used) by capital and related financing activities	<u>(1,021,384)</u>	<u>568,021</u>	<u>(558,353)</u>
<u>Cash flow from investing activities</u>			
Interest earned on investments	8,151	23,852	12,225
Net cash provided by investing activities	<u>8,151</u>	<u>23,852</u>	<u>12,225</u>
Net increase (decrease) in cash and cash equivalents	190,515	576,334	137,341
Cash and cash equivalents at beginning of year	1,275,663	4,496,531	2,227,139
Cash and cash equivalents at end of year	<u>\$ 1,466,178</u>	<u>\$ 5,072,865</u>	<u>\$ 2,364,480</u>
<u>Reconciliation of operating income to net cash provided (used) by operating activities:</u>			
Operating income (loss)	\$ 180,399	\$ (481,832)	\$ 298,159
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	953,810	986,011	420,514
Net pension (revenue)expense	(26,632)	(11,913)	(16,361)
(Increase) decrease in accounts receivable	226,081	(4,380)	(226,335)
(Increase) decrease in prepaids	(18,787)	-	-
Increase in inventories	(26,359)	-	-
Increase (decrease) in accounts payable	(4,826)	(274,291)	330,216
Increase (decrease) in accrued liabilities	(29,809)	-	-
Increase (decrease) in compensated absences	(3,996)	7,125	48,667
Increase (decrease) in customer deposits	45,387	(7,001)	-
Total adjustments	<u>1,114,869</u>	<u>695,551</u>	<u>556,701</u>
Net cash provided (used) by operating activities	<u>\$ 1,295,268</u>	<u>\$ 213,719</u>	<u>\$ 854,860</u>
<u>Noncash investing, capital and financing activities:</u>			
Contribution of water, sewer, storm drain and street lights from developers	\$ 410,908	\$ 1,870,005	\$ 446,560
Water exaction fees received as water stock shares	247,550	-	-

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

Refuse	Emergency Medical Services	Other Proprietary Funds	Totals
\$ 2,820,510	\$ 1,785,741	\$ 1,643,681	\$ 21,374,720
(2,685,884)	(262,020)	(960,579)	(7,860,425)
-	(12,277)	(10,328)	(5,681,160)
(7,128)	(2,112)	(253,095)	(802,851)
(73,741)	(1,976,561)	(683,900)	(5,344,130)
53,757	(467,229)	(264,221)	1,686,154
-	-	1,172,469	1,172,469
-	-	-	(494,029)
-	665,111	-	665,111
-	-	-	1,860
-	665,111	1,172,469	1,345,411
-	-	-	31,834
-	-	236	236
-	21,998	-	21,998
-	-	5,355	5,355
(22,877)	(240,247)	(473,389)	(1,431,001)
-	-	-	(1,694,804)
-	-	-	266,867
-	-	-	986,135
-	-	-	92,740
(22,877)	(218,249)	(467,798)	(1,720,640)
1,590	1,567	847	48,232
1,590	1,567	847	48,232
32,470	(18,800)	441,297	1,359,157
298,547	467,695	628,472	9,394,047
\$ 331,017	\$ 448,895	\$ 1,069,769	\$ 10,753,204
\$ 79,784	\$ (530,021)	\$ (437,094)	\$ (890,605)
-	111,404	88,289	2,560,028
(1,414)	(116,762)	(3,772)	(176,854)
(37,017)	80,729	17,203	56,281
-	-	-	(18,787)
-	-	(952)	(27,311)
12,404	(9,768)	61,695	115,430
-	(2,249)	2,084	(29,974)
-	(562)	8,326	59,560
-	-	-	38,386
(26,027)	62,792	172,873	2,576,759
\$ 53,757	\$ (467,229)	\$ (264,221)	\$ 1,686,154
\$ -	\$ -	\$ -	\$ 2,727,473
-	-	-	247,550

LAYTON CITY CORPORATION
Notes to Financial Statements for year ended June 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

Layton City Corporation is a municipal government that was incorporated in 1920 as a subdivision of the State of Utah. The City is governed by an elected mayor and five-member council. The City is classified as a second class city under state statute and operates under the council-manager form of government. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The accounting policies of Layton City Corporation and component units conform to accounting principles generally accepted in the United States as applicable to governmental entities.

In evaluating how to define the City, 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 Governmental Accounting Standards Board (GASB). The component units discussed below are included in the City's reporting entity because of the significance of the operational or financial relationships with the City.

The Redevelopment Agency of Layton City, Utah (Agency) was established to pursue redevelopment and economic development projects that are allowed within state statutes. The Mayor and the City Council serve as the Board of Directors. Because of the dual role of the governing body, the City has substantial direct control and can impose its will upon the Agency. Separate financial statements for the agency are not prepared but are reported as part of this report as a blended component unit. The Agency is reported as a major special revenue fund. The Agency's primary funding source is property tax increment revenue. The Agency does not publish separate financial statements.

The Davis Metro Narcotics Strike Force (Strike Force) is an inter-local cooperative entity formed by the cities within Davis County and also includes the county government. The Strike Force was formed to jointly enforce drug laws. Some cities, including Layton City, provide manpower and some cities contribute cash in support of the Strike Force. The Strike Force is financed significantly by federal grants. The Strike Force, on its own, cannot qualify to be a grantee for federal grants. The City applies for and administers grants for the benefit of the Strike Force. The City Council does not have substantial direct control, nor can it impose its will upon the Strike Force. However, the Strike Force management, administration, fiscal and accounting affairs are intertwined with the public safety functions of the City. Therefore, the Strike Force has been included as a discretely presented component unit in this report because the Strike Force is deemed to be financially dependent upon the City for grant revenue and its fiscal functions. The Strike Force does not issue separate financial statements.

B. Government-wide and fund financial statements

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

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

Notes to Financial Statements for year ended June 30, 2015

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

C. Measurement focus, basis of accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes, use taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal year are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal year. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when the City receives the cash.

The City reports the general, capital projects and redevelopment agency special revenue funds as major governmental funds:

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

The redevelopment agency special revenue fund (RDA) is accounted for as a blended component unit and is used to account for the activities in the redevelopment project areas. The primary funding sources for the RDA are tax increment revenue and intergovernmental revenue from the other taxing entities which collect taxes in the RDA taxing area.

The capital projects fund is used to account for the acquisition or construction of major capital facilities and equipment that are funded with general resources of the City, but excludes equipment and facilities financed by proprietary funds.

The City reports the water, storm sewer, sewer, refuse and emergency medical services funds as major proprietary funds:

The water fund accounts for activities of the City's culinary water utility system.

The storm sewer fund accounts for the City's storm water utility system that collects, controls and diverts storm water to avoid flooding.

The sewer fund accounts for the activities of the sanitary sewer collection system which directs sewage to a treatment plant that is operated by another government agency.

The refuse fund accounts for the activities of solid waste collection and the cost of disposing it at a facility operated by another government agency.

The emergency medical services fund accounts for the activities of ambulance and paramedic services including calls for service and transports.

Notes to Financial Statements for year ended June 30, 2015

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are payments-in-lieu of taxes and other charges between the City's enterprise funds and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions involved. Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges; 2) operating grants and contributions; and 3) capital grants and contributions. Internally designated resources are reported as general revenues rather than as program revenues. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for services and products related to such services. Operating expenses of the enterprise funds include the costs of providing the services and sale of products, administration costs, and depreciation of capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources.

D. Assets, liabilities, deferred outflows/inflows, and net position/fund balance

1. Cash and cash equivalents, 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.

City and Strike Force cash and investments are kept separate from the Agency. The City and Strike Force use pooled cash and investment accounts. Each fund's share of the pooled accounts is tracked and presented on the individual fund statements as "Cash and cash equivalents."

The State of Utah established an independent State Money Management Council to set investment regulations for state and local governments and to monitor the credit worthiness of the financial institutions in which state and local governmental funds are deposited. Governmental units are allowed to keep deposits only in institutions approved by the Council and only to an established aggregate limit for government deposits. The City invested only with approved financial institutions during the fiscal year ended June 30, 2015.

Statutes authorize the City to invest in a variety of instruments including; obligations of the U.S. Treasury, commercial paper classified as "first tier" by two national rating organizations one of which must be Moody's Investors Services or Standard and Poor's, repurchase and reverse repurchase agreements with qualified depositories, negotiable and nonnegotiable deposits, bankers acceptances, tax anticipation notes or general obligations of the state and political subdivisions, and the Utah Public Treasurer's Investment Fund.

The City policy allows for the investment of temporarily idle funds in any instrument allowed by the State Money Management Council, including the Utah Public Treasurer's Investment Fund that is managed by the State Treasurer.

2. Receivables and payables

Activity between funds that represent lending/borrowing arrangements outstanding are reported as "due to/from other funds." All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance adjustment is determined annually using the accounts receivable historical method of calculation.

Property taxes attach as an enforceable lien on property January 1. Taxes are levied by June 22 or if there is a property tax increase then by August 17 and are payable by November 30. Davis County bills and collects property taxes for all entities that levy property taxes within the county.

The City records water and sewer utility revenues to the date that the meters have been read. Unbilled service has been accrued as an account receivable through June 30, 2015, and has likewise been recorded as revenue.

3. Inventories and prepaid items

Inventories are valued at cost, which approximates market, using the first in/first out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted assets

Certain assets are classified as restricted assets because bond covenants limit their use, and most are held in separate bank accounts for that purpose. Customer deposits held in governmental funds as sureties are also classified as restricted assets. Some cash and accrued property tax receivable in the special revenue redevelopment agency fund are restricted for use by State statute for affordable housing programs.

5. Capital assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, sidewalks, and similar items), and intangibles are reported in the applicable governmental or business-type activities in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost that equals or exceeds a capitalization threshold with an estimated useful life in excess of two years. The City has separated assets into classifications for capitalization and threshold purposes. The threshold for capitalization is: 1) equipment, except vehicles and other rolling stock \$5,000; 2) vehicles and other rolling stock \$10,000; 3) improvements other than buildings \$50,000; 4) buildings \$100,000; 5) infrastructure \$100,000; and 6) intangibles \$25,000.

Property, plant, equipment, and intangibles of the City and component units are depreciated/amortized using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure (utility systems)	50
Infrastructure (other)	40
Intangibles	5 - 10
Buildings	50
Improvements other than buildings	15
Equipment (except rolling stock)	5
Equipment (passenger cars)	3
Equipment (trucks)	5
Equipment (loaders, graders, etc.)	10

Intangible assets that have an indefinite useful life are not amortized.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

6. Compensated absences

Government-wide financial statements - amounts of accumulated vacation and sick leave for governmental funds that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as an expense in the government-wide statement of activities.

Governmental fund financial statements - no liability or expenditure is recorded for accumulated vacation and sick leave for governmental funds.

Proprietary fund financial statements - accumulated vacation and sick leave is recorded as a liability and an expense when accrued to the employee.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are expensed when paid.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt expenditures.

8. Fund equity

GASB Statement No. 54 categorizes fund balance in governmental funds into five categories. The categories and descriptions are as follows:

Nonspendable Fund Balance – Prepaid expenditures are nonspendable assets and therefore are classified as a nonspendable fund balance.

Restricted Fund Balance – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, or by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Fund balances are reported as committed when the City Council formally designates the use of resources by ordinance for a specific purpose and cannot be used for any other purpose unless the City Council likewise formally changes the use.

Assigned Fund Balance – Fund balances are reported as assigned when the City Council or City Management intends to use funds for a specific purpose. Normally funds are assigned by the appropriation process of setting the budget. Additionally, funds in special revenue, debt service and capital project funds are by their nature assigned to the purpose of those respective funds.

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

When an expenditure of resources for which there is fund balance available in more than one fund balance classification, the general rule is that restricted funds shall be expended first, followed by committed funds, and then assigned funds. The City Council may direct otherwise.

The City has not adopted a formal policy on minimum fund balances. However, state statute requires the City to maintain a minimum balance in the general fund equaling 5% of total revenues.

9. Deferred inflows and outflows of resources

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

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

Notes to Financial Statements for year ended June 30, 2015

that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) 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.

11. Comparative data

Comparative total data for the prior year have been presented for individual governmental and proprietary funds in the section of the report titled "Combining and Individual Fund Statements and Schedules."

12. Reclassifications

Certain amounts have been reclassified in the 2014 financial statements to conform with the 2015 presentation.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between total governmental fund balances and net position of the governmental activities as reported in the government-wide statement of net position. The elements of that reconciliation are detailed below and primarily result from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets.

Capital related items – when capital assets (property, plant and equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in the governmental funds. However, the statement of net position includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$224,628,149
Less accumulated depreciation	<u>(67,974,318)</u>
Total difference	<u>\$156,653,831</u>

Long-term obligations – long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financial statements, however all liabilities are reported in the statement of net position. Balances at June 30, 2015, were:

Sales tax and refunding revenue bonds	\$ 3,630,000
Sales tax and refunding revenue bond premium	11,848
Interest payable on long-term debt	20,655
Net pension liability	5,767,880
Compensated absences payable	<u>2,124,542</u>
Total difference	<u>\$11,554,925</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities.

The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. The amount is shown in the reconciliation as the net difference, but the elements of this amount were as follows:

Capital outlays	\$2,554,501
Capital contributions from developers	4,437,002
Less depreciation expense	<u>(3,893,180)</u>
Net difference as reported	<u>\$3,098,323</u>

The second element of the reconciliation states that bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. The amount is shown in the reconciliation as the net difference, but the elements of this amount were as follows:

Bond proceeds from refunding bond issuance	(\$3,045,000)
Payment to refunding bond escrow agent	2,998,390
Bond repayment	270,000
Amortization of bond premium	5,924
Reduction of interest payable	<u>50,261</u>
Net difference as reported	<u>\$ 279,575</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are prepared and adopted in accordance with accounting principles generally accepted in the United States and the "Uniform Fiscal Procedures Act for Utah Cities." The City Council must hold a public hearing and adopt the budget on or before June 22 for the following fiscal year, which begins July 1. Budgets at the fund level may be increased by the City Council's adoption of an amendment following the appropriate public hearing. Increases at the department level may be approved by the City Council by resolution without public hearing. Increases below the department level may be approved by the Budget Officer.

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

1. On or before the first regular council meeting in May, the City Manager submits to the City Council a proposed capital and operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and estimated revenues.
2. Prior to the formal adoption of the budget, the City Council holds budget workshop meetings, which are open to the public.
3. In the first City Council meeting in May, the City Council adopts a tentative budget and sets a date for a public budget hearing. At the end of the hearing or sometime thereafter, the budget as amended, is adopted by passage of a resolution.
4. Budgets are adopted annually for all governmental and enterprise fund types in accordance with accounting principles generally accepted in the United States. According to Utah statute, the term for capital project budgets shall

"coincide with the term of the individual project or projects." However, because of other ambiguities in the statute, the Utah State Auditors' Office requires that budget and actual statements for the capital projects fund be included in the financial report.

5. Commitments outstanding for contracts, goods or services, made before the end of the fiscal year, are encumbered and shown as reservations of fund balances in governmental fund types. Unencumbered appropriations lapse at year end, except for capital projects that extend for the term of the project. Subsequent years' appropriations provide the authority to complete all encumbered transactions.

6. In connection with the budget adoption, the City establishes a property tax rate before June 22 if the tax rate is not an increase from the previous year as defined by Utah State Code. The City Recorder certifies the tax rate to the County Auditor on or before June 22. If the City determines the need to increase the property tax rate, a hearing on the tax increase and adoption of a final tax rate must be held after August 1 but on or before August 17. A final budget may then be adopted and the City Recorder must certify the increased tax rate to the County Auditor by this later date.

Utah State law prohibits the appropriation of unrestricted general fund balance until it exceeds the sum of 5 percent of the general fund revenues. Until the unreserved fund balance is greater than the above amount, it cannot be budgeted but is used to provide working capital, meet emergency expenditures, and cover unanticipated deficits. When the unreserved fund balance in the general fund is greater than 25 percent of expected revenues, the excess must be appropriated within the first budget following the year then ended.

The City Council adopted several budgetary changes during the year. All of the changes combined amounted to a net increase of \$1,296,302. The following are the main elements of the changes adopted:

1. Increase of expenditures related to federal and state grants awarded during the year	\$ 94,880
2. Increase of expenditures for police and fire special services and recreation special events	302,925
3. Increase of expenditures in the water fund for water meter replacement	162,013
4. Increase of revenue and expenditures from developers for street lighting development	267,000
5. Increase of expenditures for various other projects and unanticipated events	469,484

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

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

Investment Type	Fair Value	Weighted Average Maturity
Utah state public treasurer's investment pool	\$26,660,648	Less than 1 year

Utah State law establishes the rules and regulations for deposits and investments and is known as the Utah Money Management Act. The Act established the Money Management Council that promulgates additional rules and determines which financial institutions may qualify to hold deposits and investments for state and local entities. Layton City has complied with Utah Money Management Act and rules of the Money Management Council with regard to deposits and investments.

Credit risk. Investment in the Utah State Public Treasurer's Investment Pool was unrated and not categorized as to credit risk. Investments in three corporate notes were each rated A2 by Moody's Investor Service and A by Standard and Poor's. City policy and the Money Management Council require corporate notes to be rated A or higher by one of the two rating agencies.

Custodial credit risk – deposits. This is the risk that in the event of a bank failure, the City's deposits may not be returned. As of June 30, 2015, \$1,721,170 of the City's \$1,971,170 deposits was exposed to custodial credit risk because it was uninsured and uncollateralized. The Utah Money Management Act does not require deposits to be insured or collateralized and the City has no formal policy regarding deposit credit risk. The Act requires that the City

Notes to Financial Statements for year ended June 30, 2015

keep deposits in a qualified depository, which the City has done. As of the same date, the Strike Force did not had exposure to custodial credit risk, because Strike Force bank deposits are included in the pooled account of the City.

Custodial credit risk – investments. 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 that are in the possession of an outside party. The \$26,660,648 invested in the Utah Public Treasurer’s Investment Fund is pooled with many other state and local entities, and is managed by the Utah State Treasurer. The Fund is not categorized as to custodial credit risk.

Interest rate credit risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s policy for managing its exposure to fair value loss from changes in interest rates is to invest in instruments that mature in two years or less.

Concentration of credit risk - City policy requires diversification and limits the amount that may be invested in the same company. First, the City may not invest more that 20% of its idle funds outside of the Utah Public Treasurer’s Investment Fund. Second, not more than 10% of the total portfolio may be invested in a single company’s credit instruments. The Utah Public Treasurer’s Investment Fund is highly diversified and must comply with various rules of the Utah State Money Management Act and Money Management Council.

B. External Investment Pools

The City invests in the Public Treasurer’s Investment Fund (PTIF), an external investment pool operated by the Utah State Treasurer. The PTIF is not registered with the SEC as an investment company. State statutes authorize the PTIF which is regulated by the Utah State Money Management Council under the provisions of the Utah Money Management Act. The ACT regulates and limits pool investments to high grade securities that keep credit risk down except in the most unusual circumstances. The PTIF reports to participants on an amortized cost basis. Deposits in the PTIF are not insured or guaranteed and participants investing in the pool share proportionally in any realized gains or losses. The PTIF values investments at fair market value at June 30 and December 30 each year in accordance with GASB 31.

As of June 30, 2015, the City had \$26,660,648 invested in the PTIF. The PTIF values investments at fair value at June 30 and December 31 each year in accordance with GASB 31. However, the PTIF reports to participants on an amortized cost basis, which approximates the fair value at year end.

B. Receivables

Receivables as of the year end for the City’s individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, were as follows:

Receivables:	Special Revenue		Water	Storm	Sewer	Refuse	Emergency	Nonmajor Funds	Total
	General	RDA					Medical Services		
Taxes and inter-governmental Accounts	\$ 9,838,206	\$ 988,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,827,166
Grants	3,073	-	1,181,472	252,857	1,194,401	526,391	652,910	152,223	3,963,327
Loans	-	-	-	-	-	-	-	72,241	72,241
Total receivables	11,614,931	-	-	-	-	-	-	-	11,614,931
	21,456,210	988,960	1,181,472	252,857	1,194,401	526,391	652,910	224,464	26,477,665
Less: allowance for uncollectible accounts	(11,614,931)	-	(34,574)	-	-	-	(406,030)	-	(12,055,535)
Net receivables	\$ 9,841,279	\$ 988,960	\$ 1,146,898	\$ 252,857	\$ 1,194,401	\$ 526,391	\$ 246,880	\$ 224,464	\$ 14,422,130

Governmental funds report deferred inflow of resources in connection with receivables for revenues that are unavailable to liquidate liabilities of the current period. Governmental funds also report deferred inflows of resources for revenues that have been received, but not yet earned. At June 30, 2015, deferred inflows of resources reported in the governmental funds consisted of:

Property taxes levied and receivable, but not due	Unavailable
	\$ 7,508,960

Notes to Financial Statements for year ended June 30, 2015

As of June 30, 2015, the Strike Force had receivables in the amount of \$76,272. The receivables were for state and federal grants and no allowance for uncollectible amounts was made.

D. Interfund receivables and payables

The composition of interfund balances as of June 30, 2015, is as follows:

<u>Receivable Fund</u>		<u>Payable Fund</u>	
General	\$435,893	Non major governmental	\$ 59,533
		Redevelopment Agency	376,360

The victims services fund, community development block grant fund and redevelopment agency fund temporarily borrowed pooled cash of \$14,351, \$45,182, and \$376,360, respectively.

E. Leases

The City entered into a twenty year lease/purchase arrangement in 1989 with the Division of Facilities Construction and Management on behalf of the State Judicial Council of the State of Utah. The lease was for a building that houses two courtrooms, offices and the City police department. The State has occupied the upper floor of the facility since September 1990 and paid the City under a lease purchase contract. The lease period was completed in July 2010 and the State exercised the option to purchase the building. The State is now leasing the basement floor to the City for use by the police department. Annual lease payments are \$132,000 per year on a year to year basis.

F. Interfund transfers

During the course of normal operations, transfers are made between funds. The following table summarizes the transfers made during the year:

Transfers Out	Transfers In						Totals
	General	Capital Projects	Special Revenue Redevelopment Agency	Water	Nonmajor Governmental Funds	Nonmajor Proprietary Funds	
General	\$ 17,928	\$ 1,428,520	\$ 2,358,300	\$ -	\$ 2,270,043	\$ 1,172,469	\$ 7,247,260
Special revenue - RDA	2,358,300	-	-	-	-	-	2,358,300
Nonmajor governmental funds	52,200	2,057,730	-	-	420,475	-	2,530,405
Water	93,380	-	-	-	-	-	93,380
Storm sewer	96,258	-	-	133,000	-	-	229,258
Sewer	37,524	-	-	133,867	-	-	171,391
Totals	\$ 2,655,590	\$ 3,486,250	\$ 2,358,300	\$ 266,867	\$ 2,690,518	\$ 1,172,469	\$ 12,629,994

Transfers from the general fund were: 1) \$1,428,520 to the capital projects fund for various projects listed in the capital improvement plan. 2) Nonmajor governmental funds - \$2,657,518 to the debt services fund to pay bond payments and other pledges and \$33,000 to the victims services fund to match grant revenue; and 3) Nonmajor proprietary funds - \$482,469 to the swimming pool fund for operations; \$465,000 to the street lighting fund for operations, \$225,000 to the telecom infrastructure fund for operations.

Transfers from the impact fee fund, a nonmajor governmental fund, were: 1) \$1,382,730 to the capital project fund for street projects; and 2) \$420,475 to the debt service fund to pay park facility bond payments; and 3) \$675,000 to the capital projects fund to pay for neighborhood park development.

Notes to Financial Statements for year ended June 30, 2015

G. Capital assets

Primary government

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

	Balance			Balance
	June 30, 2014	Additions	Reductions	
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 80,812,092	\$ 2,582,575	\$ -	\$ 83,394,667
Construction in progress	283,191	416,765	283,191	416,765
Total capital assets, not being depreciated	81,095,283	2,999,340	283,191	83,811,432
Capital assets, being depreciated				
Buildings	17,020,272	-	-	17,020,272
Improvements other than buildings	4,591,748	305,490	-	4,897,238
Equipment	17,753,240	1,251,426	140,284	18,864,382
Infrastructure	96,738,517	2,718,438	-	99,456,955
Intangible	577,870	-	-	577,870
Total capital assets, being depreciated	136,681,647	4,275,354	140,284	140,816,717
Less accumulated depreciation for:				
Buildings	6,861,701	273,185	-	7,134,886
Improvements other than buildings	2,997,074	175,319	-	3,172,393
Equipment	14,702,762	875,668	140,284	15,438,146
Infrastructure	39,098,970	2,561,289	-	41,660,259
Intangible	560,915	7,719	-	568,634
Total accumulated depreciation	64,221,422	3,893,180	140,284	67,974,318
Total capital assets, being depreciated, net	72,460,225	382,174	-	72,842,399
Governmental activities capital assets, net	\$ 153,555,508	\$ 3,381,514	\$ 283,191	\$ 156,653,831
<u>Business-type activities</u>				
	Balance			Balance
	June 30, 2014	Additions	Reductions	June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 1,174,040	\$ -	\$ -	\$ 1,174,040
Water stock and rights	3,425,567	247,550	-	3,673,117
Water contracts	2,163,780	-	-	2,163,780
Construction in progress	1,377,179	1,104,297	1,377,179	1,104,297
Total capital assets, not being depreciated	8,140,566	1,351,847	1,377,179	8,115,234
Capital assets, being depreciated				
Buildings	2,293,084	-	-	2,293,084
Improvements other than buildings	417,579	-	-	417,579
Equipment and infrastructure systems	118,856,222	6,129,263	169,500	124,815,985
Total capital assets, being depreciated	121,566,885	6,129,263	169,500	127,526,648
Less accumulated depreciation for:				
Buildings	1,699,652	24,974	-	1,724,626
Improvements other than buildings	412,217	1,340	-	413,557
Equipment and infrastructure systems	39,152,989	2,533,714	169,500	41,517,203
Total accumulated depreciation	41,264,858	2,560,028	169,500	43,655,386
Total capital assets, being depreciated, net	80,302,027	3,569,235	-	83,871,262
Business-type activities capital assets, net	\$ 88,442,593	\$ 4,921,082	\$ 1,377,179	\$ 91,986,496

Notes to Financial Statements for year ended June 30, 2015

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 111,653
Public safety	668,394
Community and economic development	5,309
Streets and public improvements	2,814,013
Parks and recreation	293,811
Total depreciation expense – governmental activities	<u>\$ 3,893,180</u>
Business-type activities:	
Water	\$ 953,810
Storm sewer	986,011
Sewer	420,514
Swimming pool	70,095
Street lighting	18,194
Emergency medical services (EMS)	111,404
Total depreciation expense – business-type activities	<u>\$ 2,560,028</u>

Construction and other commitments

The City had active construction projects as of June 30, 2015. They included projects for street widening and storm sewer lines. At the year end the City’s commitments with contractors and vendors were as follows:

<u>Projects:</u>	<u>Spent-to-date</u>	<u>Remaining</u>
Parks and recreation	\$ 79,373	\$ 745,627
Streets, Street lighting and walkways	984,588	611,613
Water	1,115,610	661,465
Storm sewer	291,566	539,219
Sanitary sewer	369,075	710,832
Total	<u>\$ 2,840,212</u>	<u>\$ 3,268,756</u>

Encumbrances (by fund):

General	\$ 165,067
CDBG	154,482
Water	60,378
Storm sewer	10,242
Sanitary sewer	25,968
Refuse	7,872
Emergency medical services	6,839
Swimming pool	10,815
Athletic programs	16,064
	<u>\$ 457,727</u>

Discretely presented component unit

Activity for the Strike Force for the year ended June 30, 2015, was as follows:

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
	<u>July 1, 2014</u>			<u>June 30, 2015</u>
Capital assets, being depreciated:				
Equipment	\$ 237,804	\$ -	\$ -	\$ 237,804
Less accumulated depreciation	(225,646)	(5,329)	-	(230,975)
Strike Force capital assets, net	<u>\$ 12,158</u>	<u>\$(5,329)</u>	<u>-</u>	<u>\$ 6,829</u>

H. Long term debt - Revenue bonds

In October 2006, the City issued sales tax revenue bonds in the amount of \$5,210,000. Interest rates ranged from 4.0% to 5.0%. The City pledged sales tax revenues for the amount outstanding and term of the bonds as security for the bonds. During the fiscal year ended June 30, 2015, the City issued 2015 Sales Tax Revenue Refunding bonds to advance refund a portion of the 2006 Revenue bonds. The total outstanding principal and interest on the bonds of \$611,663 represents 4.6% of current year sales tax revenue received. Principal and interest payments made during fiscal 2015 of \$417,975 represent 3.2% of current year sales tax revenue received. Proceeds were used to purchase 43.6 acres of land for a future park development. The land became available and needed to be bought before it was used for other purposes.

2006 revenue bonds outstanding at year-end were \$585,000 and debt service requirements to maturity are as follows:

<u>Year ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 285,000	\$ 13,163
2017	300,000	13,500
Total	<u>\$ 585,000</u>	<u>\$ 26,663</u>

Advance Refunding

In May 2015, the City issued series 2015 sales tax revenue refunding bonds in the amount of \$3,045,000. The interest rate is 1.92% for all bonds. The bonds were used to defease \$2,835,000 of series 2006 sales tax revenue bonds. Proceeds of \$2,998,390 were placed in escrow and used to purchase noncallable United States Government Obligations. The escrow securities, together with the interest thereon will be used applied to pay the interest on the refunded bonds through July 15, 2016 and the redemption price on July 15, 2016 of all refunded bonds then outstanding. As a result, the refunded bonds are considered defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$121,922. This amount is being netted against the new debt and being amortized over the remaining life of the new debt, which is the same as the life of the old debt. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$160,098 and resulted in an economic gain of \$151,100.

The City pledged sales tax revenues for the amount outstanding and term of the bonds as security for the bonds. The total outstanding principal and interest on the bonds of \$3,384,151 represents 25.9% of current year sales tax revenue received. Proceeds were deposited with an escrow agent to fund payments on refunded bonds.

2015 revenue bonds outstanding at year-end were \$3,045,000 and debt service requirements to maturity are as follows:

<u>Year ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ -	\$ 40,275
2017	-	58,464
2018	349,000	55,114
2019	363,000	48,278
2020	372,000	41,222
2021 – 2025	1,961,000	95,797
Total	<u>\$ 3,045,000</u>	<u>\$ 339,151</u>

Notes to Financial Statements for year ended June 30, 2015

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2015, was as follows:

	Balance			Balance	Due Within
	June 30, 2014	Additions	Reductions	June 30, 2015	One Year
Governmental activities:					
2006 Sales tax revenue bonds	\$ 3,690,000	\$ -	\$ 3,105,000	\$ 585,000	\$ 285,000
2015 Sales tax refunding bonds	-	3,045,000	-	3,045,000	-
Issuance premium	59,240	-	47,392	11,848	5,924
Total bonds payable	3,749,240	3,045,000	3,152,392	3,641,848	290,924
Compensated absences	2,127,015	1,592,847	1,595,320	2,124,542	1,601,168
Total governmental activities	\$ 5,876,255	\$ 4,637,847	\$ 4,747,712	\$ 5,766,390	\$1,892,092
Business-type activities:					
Contracts payable	\$ 161,475	\$ 13,800	\$ 8,445	\$ 166,830	\$ 11,418
Compensated absences	404,526	277,935	301,149	381,312	287,377
Total business-type activities	\$ 566,001	\$ 291,735	\$ 309,594	\$ 548,142	\$ 298,795

Compensated absences for the governmental activities are generally liquidated by the general fund.

V. OTHER INFORMATION

A. Risk management

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 is a member of the Utah Risk Management Mutual Association (URMMA). URMMA is an insurance pool that provides coverage for general liability, auto liability, police professional liability, premises liability and public official errors and omissions through a claims-made insurance policy. URMMA is made up of 25 member municipalities in the state. Coverage is \$6,000,000 per occurrence with a \$15,000 deductible per occurrence.

The policy includes defense costs, attorney fees, settlements, judgments and all other costs incurred in defending a claim brought against the City. In the event URMMA becomes insolvent, the City is fully responsible for all claims. URMMA purchases umbrella insurance to protect against large claims. URMMA reviews risk management programs and gives recommendations and premium discounts to cities that adopt them. Layton City has implemented various recommendations and receives premium discounts.

The City carries workers compensation insurance for claims related to work injuries and illnesses.

Physical damage to buildings and contents are covered by commercial insurance with a deductible of \$10,000. Emergency response vehicles valued at more than \$50,000 have physical damage coverage with a \$2,500 deductible. Three fire response vehicles valued at less than \$50,000 have physical damage coverage with a \$1,000 deductible. All other vehicles are self insured for physical damage.

The City has a claims committee and a risk management committee. The claims committee reviews all claims made against the City. The committee reviews the claim and potential liability and makes a recommendation to the City Manager for settlement. All personal injury claims and property damage claims exceeding \$15,000 are handled by URMMA.

The risk management committee reviews potential risks that are brought to its attention and makes recommendations to remove or mitigate the risk of loss. It also reviews the implementation and compliance with URMMA's risk management programs.

Notes to Financial Statements for year ended June 30, 2015

Estimates of claims incurred but not reported, and estimated costs of claims that are reported but not settled, do not represent a material amount and they have not been accrued at year end. Settlements have not exceeded coverages for each of the last three fiscal years.

B. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

C. Jointly governed organization

Utah Risk Management Mutual Association (URMMA), a separate legal entity and political subdivision of the State of Utah, was formed by an inter-local agreement effective September 30, 1985, pursuant to the provisions of the Utah Inter-local Co-operation Act. The inter-local agreement has a fifty-year term. Municipalities seek membership in the Association in order to provide more comprehensive and economical risk coverage, to reduce the amount and frequency of losses, and to decrease the cost incurred in handling and litigating claims. URMMA financial statements may be obtained at their office, 360 West 920 North, Orem, Utah 84057.

The City paid premiums and loss recovery of \$158,654 to URMMA for the year ended June 30, 2015. The City paid URMMA \$21,389 for costs and claims within the deductible limit or otherwise not covered.

D. Employee retirement systems and plans

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 System (Noncontributory System); Public Employees Contributory Retirement System (Contributory System); Firefighters Retirement System (Firefighters 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.

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.

All City employees are covered by Social Security in conjunction with these systems. The City Council elected to have all general public employees hired after June 30, 1991, belong to the Local Government Noncontributory Retirement System and police officers hired after December 31, 1994, belong to the Public Safety Retirement System, Noncontributory Division. All contributions were equal to the required contributions.

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 Systems 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.

Notes to Financial Statements for year ended June 30, 2015

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefits	Benefits 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% 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; 2.00% per year July 1975 to present	Up to 4%
Public safety system	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5%
Firefighters system	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5%
Tier 2 public employees system	Highest 5 years	30 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.

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 Rate
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			
23 - Other Division A Contributory Tier 1	N/A	14.460%	22.750%
43 - Other Division A Noncontributory Tier 1	N/A	N/A	34.040%
122 - Other Division A Contributory Tier 2	N/A	N/A	22.550%
Firefighter System			
31 - Division A Tier 1	N/A	14.460%	3.820%
132 - Division A Tier 2	N/A	15.050%	10.800%

Notes to Financial Statements for year ended June 30, 2015

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 \$660,663 and a net pension liability of \$6,620,157. The

	Proportionate Share	Primary Government		Discretely Presented Component Unit	
		Net Pension Asset	Net Pension Liability	Net Pension Asset	Net Pension Liability
Noncontributory System	0.7566359%	\$ -	\$ 3,267,636	\$ -	\$ 17,856
Contributory System	0.8386238%	-	241,896	-	-
Public Safety System	2.4734949%	-	3,110,625	-	-
Firefighters System	11.2237097%	640,469	-	-	-
Tier 2 Public Employees System	0.1734042%	5,255	-	-	-
Tier 2 Public Safety and Firefighter System	1.0098249%	14,939	-	-	-
Total Net Pension Asset / Liability		<u>\$ 660,663</u>	<u>\$ 6,620,157</u>	<u>\$ -</u>	<u>\$ 17,856</u>

Discretely Presented Component Unit reported a net pension liability of \$17,856.

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 rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions 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 and Discretely Presented Component Unit recognized combined pension expense of \$1,984,784, per Utah Retirement Systems. At June 30, 2015, the reported deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

	Primary Government		Discretely Presented Component Unit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 488	\$ 572,101	\$ -	\$ 1,228
Changes in assumptions	-	1,146,487	-	2,461
Net difference between projected and actual earnings on pension plan investments	218,150	-	539	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-
Contributions subsequent to the measurement date	1,379,736	-	3,408	-
	<u>\$ 1,598,374</u>	<u>\$ 1,718,588</u>	<u>\$ 3,947</u>	<u>\$ 3,689</u>

There was \$1,379,736 and \$3,408 reported as deferred outflows of resources related to pensions results from contributions made by the City and the Discretely Presented Component Unit, respectively, 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 pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (inflows) of Resources</u>
2015	\$ (378,272)
2016	(348,695)
2017	(336,613)
2018	(213,999)
2019	(74,460)
thereafter	(151,601)

Actuarial assumptions

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	3.5 - 10.5 percent, average, including inflation
Investment rate of return	7.5 percent, net of pension plan investment expense, including inflation

Active members 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 following table.

Retired Member Mortality

Class of Member

Public Safety and Firefighters

Men RP 2000mWC (100%)

Women EDUF (120%)

Local Government, Public Employees

Men RP 2000mWC (100%)

Women EDUF (120%)

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 adjustments 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 - 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:

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term expected portfolio real rate of return
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%
Inflation			2.75%
Expected arithmetic nominal return			7.98%

Notes to Financial Statements for year ended June 30, 2015

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

Discount Rate

The discount rate used to measure the total pension liability was 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 table 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 one percentage-point lower (6.50 percent) or one percentage-point higher (8.50 percent) than the current rate:

	1.00% Decrease (6.5%)	Discount Rate (7.5%)	1.00% Increase (8.5%)
Proportionate share of			
Net pension (asset) / liability	\$ 18,681,202	\$ 5,977,350	\$ (4,446,783)

Pension Plan Fiduciary Net Position

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

Alternate retirement plan

The URS regulations allow exemption of up to 10% of the City's employees from participation. The City Manager, department directors and a few other professional positions are given the option to participate in the URS or an alternate retirement plan. In addition, a few employees that have retired in the URS and cannot participate further in that plan participate in this plan. The alternate retirement plan is a single employer defined contribution plan, established under the Internal Revenue Code section 401A and managed by the International City Manager Association Retirement Corporation (ICMA-RC).

Other retirement contributions: 1) Employees hired prior to February 8, 1992, have a minimum of 20% contributed toward all retirement plans. Contributions are first made to the URS plans and any remainder is contributed to the single employer defined contribution plan that is the same as the "Alternate Retirement Plan" described above. Employees hired on or after February 8, 1992, are not eligible for the additional contribution. 2) A few employees were hired after they were previously retired in the URS system. URS allows a retirement contribution to be made in their behalf and sets the rate of contribution. These contributions are also deposited into the “Alternate Retirement Plan.”

Contributions made by the City to the “Alternate retirement plan” for the fiscal year ended June 30, 2015, were \$370,166.

Deferred compensation plan

The City offers plans created in accordance with Internal Revenue Code section 457 and Roth IRA’s. All contributions are held in trust for the participating employee and no ownership rights are retained by the City. Therefore, plan assets are not reported in these financial statements.

Defined Contribution System

Employer and employee contributions to the Defined Contribution System were as follows:

	Employee Paid <u>Contributions</u>	Employer Paid <u>Contributions</u>
401(k) plan	\$ 17,420	\$ 47,473
457 Plan	279,262	-
Roth IRA Plan	26,011	-

E. Inter-local agreements

Davis School District gymnasium construction

In 2001 the City entered into an inter-local agreement with the Davis School District to construct a gymnasium at Central Davis Junior High School. The agreement provided for a sharing of the construction cost. It further provided that the school district would own the facility and the City would have a shared use of the facility for a period of 99 years. The City capitalized the cost of \$1,572,245 under the buildings category of capital assets and has depreciated it based on the same useful life as other buildings, which is 50 years.

In 2008 the City entered into an inter-local agreement with the Davis School District to construct a gymnasium at Legacy Junior High School. The agreement provided that the school district would own the facility. The City shared in the cost of construction and will share use of the gym for a period of 100 years. The City capitalized the cost of \$2,205,000 under the buildings category of capital assets and depreciated it based on a 50 year useful life.

Utah Infrastructure Agency (UIA)

On June 7, 2010, the City joined 8 other cities in an interlocal cooperative to purchase, lease, construct or equip facilities that are designed to provide telecommunication services within the respective cities. The interlocal agreement was amended and restated on November 1, 2010. The purpose of the cooperative is to work in concert with the Utah Telecommunications Open Infrastructure Agency (UTOPIA) to complete a wholesale fiber optic network for the residences and business in each city (See note on UTOPIA pledge and loan agreement).

F. Commitments

UTOPIA pledge and loan agreement

In July 2004 the City entered into a Pledge and Loan Agreement with UTOPIA. UTOPIA is an interlocal cooperative between 11 Utah cities to finance, construct and operate a system of fiber optic communication lines within the cooperative cities. UTOPIA leases use of the fiber optic system to retail vendors of telephony, video, internet and other digital services. The pledge committed the City to set aside and deposit funds as security in a debt service reserve fund for the portion of the project related to the City. The maximum amount committed by the City in any one year, under the 2004 agreement, was \$1,676,968. Sales and use tax revenues were pledged towards replenishment of the City's share of the debt service reserve fund if withdrawals were made by the Trustee to make bond payments. The pledge was junior to any previously pledged sales and use tax revenue. On July 1, 2007, the City deposited \$1,676,968 into a UTOPIA Debt Service Reserve Fund.

In June 2008 the City entered into an Amended and Restated Pledge and Loan Agreement as part of a restructuring of UTOPIA debt. The City pledged sales and use tax revenue towards its share (initially 16.617%) of any debt service fund shortfall. The City's annual commitment increases each year and ranges from \$2,146,598 in 2013 to \$3,663,999 in 2040.

In January 2010 the Trustee of the UTOPIA bond funds notified the City that part of the UTOPIA Debt Service Reserve Fund was used to make required payments to the bondholders. Each month since then the City has received a similar notice. The City understands that these withdrawals will continue for an undetermined period of time and that replenishment payments will continue for the foreseeable future. The City is required to replenish

its share of the amount withdrawn from the debt service reserve fund. Monthly replenishment payments and pledge balance write-off required for calendar year 2015 total \$2,237,043. Payments for 2016 will total \$2,281,785. According to the Amended and Restated Pledge and Loan Agreement, the amounts withdrawn from the City's share of the debt service reserve fund becomes a loan to UTOPIA. The City has not reported the loan receivable for \$11,614,931 in the general fund or in the entity-wide statements because it is unclear when UTOPIA will be able to repay the loan.

Utah Infrastructure Agency (UIA)

On May 1, 2011, the City entered into a "Communication Service Contract" with UIA to provide connections to a fiber optic network for the residences and businesses of the City. The agreement obligates the City to financially support UIA if UIA revenues are insufficient to pay operational and debt payments. Layton City has obligated up to \$937,272 of its annual franchise tax revenue. This represents 18.20% of the combined commitment of all the cities in UIA.

The service contract also provides that the City will bill and collect connection service fees from the end users located in the City on behalf of UIA. The City may keep 5% of the fees for administrative costs and remit 95% of the fees to UIA. The City becomes a signatory party to the end user agreement, along with UIA and the end user. The City is responsible for collection of the user fees stipulated in the agreement should the end user default. During 2012, the City created the UIA enterprise fund to account for UIA activities.

In February 2013, the City agreed to pay a monthly assessment of \$28,453 to UIA. Total assessments paid for fiscal year 2015 were \$234,474. Total assessments anticipated for fiscal year 2016 are \$221,000.

Development payback agreements

As development occurs in the City and in redevelopment project areas, payback agreements have been entered into for projects where future developments will benefit from the efforts and improvements constructed by a developer or the City. These agreements represent possible future liabilities for the payment of tax increment or impact fee revenue.

G. Redevelopment agency – state report on property tax collection

South Main/South Fort Lane Project - The following is provided as required by State Statute:

a) Tax increment collected	\$	397,344
b) Tax increment paid to other entities		-
c) Outstanding principal amount of bonds issued		-
d) Project expenditures and administrative costs		36,610

The following further information about tax increment funds but not required by State Statute:

a) Tax increment revenue restricted by statute for affordable housing, current year	\$	-
b) Total tax increment revenue restricted for affordable housing at June 30, 2015		-
c) Tax increment revenue spent on affordable housing during the year		-

East Gate Economic Development Project -

a) Tax increment collected	\$	591,616
b) Tax increment paid to other entities		330,544
c) Outstanding principal amount of bonds issued		-
d) Project expenditures and administrative costs		37,179

Notes to Financial Statements for year ended June 30, 2015

The Agency collected tax increment revenue of \$591,616 at June 30, 2015. Funds in the amount of \$416,360 were loaned by Layton City to the East Gate project to install electric utility conduit and telecommunication lines into a segment of the project area and to extend a portion of 1700 East.

The City will be repaid as tax increment revenues become available. In addition, the RDA signed a development agreement with the East Gate property developer that in the event tax increment becomes available the developer would be paid 50% of available tax increment up to \$780,146. During the year the developer was paid \$165,272. The City was repaid \$165,272.

H. Prior Period Adjustment

The Governmental Accounting Standards Board issued Statement No. 68, "Accounting and Financial Reporting for Pensions" resulting in the recognition of assets, liabilities, expenses, and deferred inflows and outflows related to pensions. Prior to this statement, most of this information was either disclosed in the notes to the financial statements or was available in a separate report issued by Utah Retirement Systems. The implementation of this statement resulted in the restatement of net position as of June 30, 2014 as follows:

	<u>Water Fund</u>	<u>Storm Water Fund</u>	<u>Sewer Fund</u>	<u>Refuse Fund</u>
Net position, as previously reported	\$ 41,787,060	\$ 39,187,124	\$ 15,858,514	\$ 566,316
Net pension asset	-	-	-	-
Deferred outflows of resources related to pensions	67,168	30,048	41,267	3,564
Net pension liability	(465,495)	(208,242)	(285,993)	(24,698)
Net position, as restated	<u>\$ 41,388,733</u>	<u>\$ 39,008,930</u>	<u>\$ 15,613,788</u>	<u>\$ 545,182</u>

	<u>Swimming Pool Fund</u>	<u>Emergency Medical Fund</u>	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
Net position, as previously reported	\$ 982,022	\$ 906,630	\$ 100,014,077	\$ 163,478,587
Net pension asset	-	1,979	1,979	3,984
Deferred outflows of resources related to pensions	9,512	86,838	238,397	1,051,155
Net pension liability	(65,921)	(55,683)	(1,106,032)	(7,436,989)
Net position, as restated	<u>\$ 925,613</u>	<u>\$ 939,764</u>	<u>\$ 99,148,421</u>	<u>\$ 157,096,737</u>

Layton City Corporation

Required Supplementary Information

Schedule of Required Supplementary Information
SCHEDULE OF PENSION CONTRIBUTIONS
LAYTON CITY
Utah Retirement Systems
December 31, 2014
Last 10 Fiscal Years

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
	2015					
Contractually required contributions	\$ 1,189,220	\$ 62,227	\$ 1,218,332	\$ 100,057	\$ 71,542	\$ 45,502
Contributions in relation to the contractually required contributions	<u>(1,189,220)</u>	<u>(62,227)</u>	<u>(1,218,332)</u>	<u>(100,057)</u>	<u>(71,542)</u>	<u>(45,502)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 6,343,282	\$ 451,988	\$ 3,599,002	\$ 2,946,770	\$ 851,867	\$ 417,494
Contributions as a percentage of covered-employee payroll	18.75%	13.77%	33.85%	3.40%	8.40%	10.90%

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.
This information was provided by Utah Retirement Systems and represents amounts for both the Primary Government and its Discretely Presented Component Unit

Schedule of Required Supplementary Information
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAYTON CITY
Utah Retirement Systems
#

Last 10 Fiscal Years

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
	2015					
Proportion of the net pension liability (asset)	0.7566359%	0.8386238%	2.7434949%	11.2237097%	0.1734042%	1.0098249%
Proportionate share of the net pension liability (asset)	\$ 3,285,491	\$ 241,896	\$ 3,110,625	\$ (640,468)	\$ (5,255)	\$ (14,939)
Covered employee payroll	\$ 6,343,282	\$ 451,988	\$ 3,599,002	\$ 2,946,770	\$ 851,867	\$ 417,464
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	51.8%	53.5%	86.4%	-21.7%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	90.20%	94.00%	90.50%	103.50%	103.50%	120.50%

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.

This information was provided by Utah Retirement Systems and represents amounts for both the Primary Government and its Discretely Presented Component Unit

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

1) 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 calendar 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.

Layton City Corporation

Combining Fund Statements

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Non-major Governmental Funds

Special Revenue Funds

Emergency Dispatch Fund — This fund accounts for the public safety emergency dispatching operation. It is funded primarily from fees imposed on telephone services. Telephone companies collect the fees and remit them to the State Tax Commission which then distributes them to the City. This fund only pays for part of the overall dispatch services. The other part is funded through the police department of the general fund.

Victims Services Fund — This fund accounts for services provided to victims of crimes to assist them in the legal process and refer them to human service agencies. This operation is primarily funded by a grant along with some matching funds from the City.

Community Development Block Grant Fund — This fund accounts for grants from the U.S. Department of Housing and Urban Development under the Community Development Block Grants. This operation is primarily funded by the grants and some income generated by some of the programs. Sub-grants are made to various human service agencies that help low and moderate income families. Funds are used to construct housing for low and moderate income families.

Impact Fee Fund — This fund accounts for development impact fees paid by developers and builders. Money is accumulated in this fund and then transferred to the Capital Projects Fund when projects are budgeted and approved. Three impact fees are tracked in this fund: transportation impact fee; park impact fee; and public safety impact fee.

Debt Service Funds

Debt Service Fund — This fund is used to accumulate funds and to make payments on revenue obligation bonds backed by sales and use tax revenues and other notes. Escrow balances for bond payments are also tracked in this fund.

LAYTON CITY CORPORATION

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2015

	Special Revenue				Debt Service	Total Nonmajor Governmental Funds
	Emergency Dispatch Service	Victims Services	Community Development Block Grant	Impact Fee	Debt Service	
<u>Assets</u>						
Cash and cash equivalents	\$ 189,744	\$ -	\$ -	\$ 3,425,695	\$ 351,957	\$ 3,967,396
Receivables:						
Taxes and intergovernmental	-	24,449	47,792	-	-	72,241
Accounts	82,543	-	-	-	-	82,543
Restricted assets:						
Restricted cash and cash equivalents	-	-	-	-	348,301	348,301
 Total assets	<u>\$ 272,287</u>	<u>\$ 24,449</u>	<u>\$ 47,792</u>	<u>\$ 3,425,695</u>	<u>\$ 700,258</u>	<u>\$ 4,470,481</u>
<u>Liabilities</u>						
Accounts payable	\$ 23,247	\$ 981	\$ 1,050	\$ -	\$ -	\$ 25,278
Accrued liabilities	-	2,086	1,281	-	-	3,367
Due to other funds	-	14,351	45,182	-	-	59,533
Total liabilities	<u>23,247</u>	<u>17,418</u>	<u>47,513</u>	<u>-</u>	<u>-</u>	<u>88,178</u>
<u>Fund balances</u>						
Restricted for:						
Street construction	-	-	-	1,856,583	-	1,856,583
Park development	-	-	-	909,885	-	909,885
Public safety facilities	-	-	-	659,227	-	659,227
Debt service	-	-	-	-	348,301	348,301
Assigned	249,040	7,031	279	-	351,957	608,307
 Total fund balances	<u>249,040</u>	<u>7,031</u>	<u>279</u>	<u>3,425,695</u>	<u>700,258</u>	<u>4,382,303</u>
 Total liabilities and fund balances	<u>\$ 272,287</u>	<u>\$ 24,449</u>	<u>\$ 47,792</u>	<u>\$ 3,425,695</u>	<u>\$ 700,258</u>	<u>\$ 4,470,481</u>

LAYTON CITY CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

For the year ended June 30, 2015

	Special Revenue				Debt Service	Total Nonmajor Governmental Funds
	Emergency Dispatch Service	Victims Services	Community Development Block Grant	Impact Fee	Debt Service	
Revenues:						
Intergovernmental	\$ 17,568	\$ 48,719	\$ 375,051	\$ -	\$ -	\$ 441,338
Charges for services	500,456	-	-	1,782,947	-	2,283,403
Miscellaneous	844	-	4,000	20,530	940	26,314
Total revenues	518,868	48,719	379,051	1,803,477	940	2,751,055
Expenditures:						
Current:						
General government	-	79,673	-	370	-	80,043
Public safety	523,448	-	-	-	-	523,448
Community and economic development	-	-	378,772	-	-	378,772
Debt service:						
Principal	-	-	-	-	270,000	270,000
Interest and agent fees	-	-	-	-	150,475	150,475
Refunding bond issuance costs	-	-	-	-	45,975	45,975
Pledge payments	-	-	-	-	2,237,043	2,237,043
Total expenditures	523,448	79,673	378,772	370	2,703,493	3,685,756
Excess (deficiency) of revenues over (under) expenditures	(4,580)	(30,954)	279	1,803,107	(2,702,553)	(934,701)
Other financing sources (uses):						
Refunding bonds issued	-	-	-	-	3,045,000	3,045,000
Payment to refunding bond escrow agent	-	-	-	-	(2,998,390)	(2,998,390)
Transfers in	-	33,000	-	-	2,657,518	2,690,518
Transfers out	-	-	-	(2,530,405)	-	(2,530,405)
Total other financing sources (uses)	-	33,000	-	(2,530,405)	2,704,128	206,723
Net change in fund balances	(4,580)	2,046	279	(727,298)	1,575	(727,978)
Fund balances - beginning	253,620	4,985	-	4,152,993	698,683	5,110,281
Fund balances - ending	\$ 249,040	\$ 7,031	\$ 279	\$ 3,425,695	\$ 700,258	\$ 4,382,303

Non-major Proprietary Funds

Swimming Pool Fund — This fund accounts for the operations of a City owned swimming pool. The pool complex includes two pools, racquetball courts, dressing rooms, lockers, and a snack bar. Offices for the Parks and Recreation Department are also housed in the facility and rent is charged to the general fund for their use. A variety of open swimming and swimming classes are provided. Three high school swim teams use the facility for practice and competitions.

Athletic Programs Fund — This fund accounts for various sports programs offered and supervised by the Parks and Recreation Department. Youth and adult programs are offered. Program costs not pertaining to facilities, oversight and equipment are accounted for in this fund. User fees are charged and used for costs associated with supplies, shirts, officials and other similar direct costs.

UIA (telecom infrastructure) — This fund accounts for the activities related to the communication service contract between the City and Utah Infrastructure Agency. Under the contract the City is responsible for billing and collection of connection services fees from those connected to the UTOPIA telecom network.

Street Lighting Fund — This fund accounts for the activities related to the City street lighting fee, system and program. In FY14 the City instituted a street lighting fee to facilitate the purchase of the street lighting system within the City. The City is also using funds collected to expand the system in areas previously overlooked during development.

LAYTON CITY CORPORATION

COMBINING STATEMENT OF NET POSITION

NONMAJOR PROPRIETARY FUNDS

June 30, 2015

	Swimming Pool	Street Lighting	Athletic Programs	UIA	Total Nonmajor Proprietary Funds
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 248,665	\$ 553,252	\$ 147,831	\$ 120,021	\$ 1,069,769
Accounts receivable, net	-	67,865	-	1,815	69,680
Contracts receivable	-	-	-	4,639	4,639
Inventory	4,625	-	-	-	4,625
Total current assets	253,290	621,117	147,831	126,475	1,148,713
Noncurrent assets:					
Contracts receivable	-	-	-	156,600	156,600
Net pension asset	80	-	-	-	80
Capital assets:					
Land	1,000	-	-	-	1,000
Buildings	2,293,084	-	-	-	2,293,084
Improvements other than buildings	20,112	-	-	-	20,112
Distribution and collection systems	-	497,266	-	-	497,266
Equipment	665,585	127,234	-	-	792,819
Construction in progress	-	198,042	-	-	198,042
Less: accumulated depreciation	(2,303,150)	(18,193)	-	-	(2,321,343)
Total capital assets	676,631	804,349	-	-	1,480,980
Total noncurrent assets	676,711	804,349	-	156,600	1,637,660
Total assets	930,001	1,425,466	147,831	283,075	2,786,373
<u>Deferred outflows of resources</u>					
Deferred outflows related to pensions	11,824	-	-	-	11,824
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	28,352	38,143	22,010	43,273	131,778
Accrued liabilities	25,085	3,104	5,812	-	34,001
Compensated absences payable	9,647	-	-	-	9,647
Contracts payable	-	-	-	11,418	11,418
Total current liabilities	63,084	41,247	27,822	54,691	186,844
Noncurrent liabilities:					
Contracts payable	-	-	-	155,412	155,412
Compensated absences payable	3,154	-	-	-	3,154
Net pension liability	53,490	-	-	-	53,490
Total noncurrent liabilities	56,644	-	-	155,412	212,056
Total liabilities	119,728	41,247	27,822	210,103	398,900
<u>Deferred inflows of resources</u>					
Deferred inflows related to pensions	11,051	-	-	-	11,051
<u>Net position</u>					
Net investment in capital assets	676,631	804,349	-	-	1,480,980
Unrestricted	134,415	579,870	120,009	72,972	907,266
Total net position	\$ 811,046	\$ 1,384,219	\$ 120,009	\$ 72,972	\$ 2,388,246

LAYTON CITY CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 For the year ended June 30, 2015

	Swimming Pool	Street Lighting	Athletic Programs	UIA	Total Nonmajor Proprietary Funds
<u>Operating revenues</u>					
Charges for services	\$ 388,063	\$ 798,065	\$ 379,541	\$ 13,747	\$ 1,579,416
Miscellaneous	45,362	1,700	-	-	47,062
Total operating revenues	433,425	799,765	379,541	13,747	1,626,478
<u>Operating expenses</u>					
Salaries, wages and benefits	575,522	-	115,016	-	690,538
Supplies and maintenance	160,431	46,144	252,587	45	459,207
Utilities	214,985	349,163	-	-	564,148
Professional services and training	1,845	-	-	-	1,845
Contracted agreements	-	-	-	251,850	251,850
Insurance	7,583	-	-	-	7,583
Bad debt collection fees	-	-	-	112	112
Depreciation	70,095	18,194	-	-	88,289
Total operating expenses	1,030,461	413,501	367,603	252,007	2,063,572
Operating income (loss)	(597,036)	386,264	11,938	(238,260)	(437,094)
<u>Nonoperating revenues</u>					
Interest	-	753	-	94	847
Total nonoperating revenues	-	753	-	94	847
Income (loss) before transfers	(597,036)	387,017	11,938	(238,166)	(436,247)
Transfers in	482,469	465,000	-	225,000	1,172,469
Change in net position	(114,567)	852,017	11,938	(13,166)	736,222
Total net position - beginning - restated	925,613	532,202	108,071	86,138	1,652,024
Total net position - ending	\$ 811,046	\$ 1,384,219	\$ 120,009	\$ 72,972	\$ 2,388,246

LAYTON CITY CORPORATION

COMBINING STATEMENT OF CASH FLOWS NONMAJOR PROPRIETARY FUNDS

For the year ended June 30, 2015

	Swimming Pool	Street Lighting	Athletic Programs	UIA	Total Nonmajor Proprietary Funds
<u>Cash flow from operating activities</u>					
Receipts from customers	\$ 433,425	\$ 817,930	\$ 379,541	\$ 12,785	\$ 1,643,681
Payments to suppliers	(371,937)	(389,346)	(242,412)	43,116	(960,579)
Payments for interfund services used	(10,328)	-	-	-	(10,328)
Payments to other governments	(1,245)	-	-	(251,850)	(253,095)
Payments to employees	(570,968)	-	(112,932)	-	(683,900)
Net cash used by operating activities	(521,053)	428,584	24,197	(195,949)	(264,221)
<u>Cash flow from non-capital financing activities</u>					
Transfers (to) from other funds	482,469	465,000	-	225,000	1,172,469
Net cash provided by non-capital financing activities	482,469	465,000	-	225,000	1,172,469
<u>Cash flow from capital and related financing activities</u>					
Purchase of capital assets	-	(476,492)	-	-	(476,492)
Contracts receivable	-	-	-	236	236
Retainage payable	-	3,103	-	-	3,103
Contracts payable	-	-	-	5,355	5,355
Net cash used by capital and related financing activities	-	(473,389)	-	5,591	(467,798)
<u>Cash flow from investing activities</u>					
Interest earned on investments	-	753	-	94	847
Net cash provided by investing activities	-	753	-	94	847
Net increase (decrease) in cash and cash equivalents	(38,584)	420,948	24,197	34,736	441,297
Cash and cash equivalents at beginning of year	287,249	132,304	123,634	85,285	628,472
Cash and cash equivalents at end of year	\$ 248,665	\$ 553,252	\$ 147,831	\$ 120,021	\$ 1,069,769

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ (597,036)	\$ 386,264	\$ 11,938	\$ (238,260)	\$ (437,094)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:					
Depreciation expense	70,095	18,194	-	-	88,289
Net pension (revenue)expense	(3,772)	-	-	-	(3,772)
Decrease (increase) in accounts receivable	-	18,165	-	(962)	17,203
Increase (decrease) in inventories	(952)	-	-	-	(952)
Increase (decrease) in accounts payable	2,286	5,961	10,175	43,273	61,695
Increase (decrease) in accrued liabilities	-	-	2,084	-	2,084
Increase (decrease) in compensated absences	8,326	-	-	-	8,326
Total adjustments	75,983	42,320	12,259	42,311	172,873
Net cash provided (used) by operating activities	\$ (521,053)	\$ 428,584	\$ 24,197	\$ (195,949)	\$ (264,221)

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Layton City Corporation

Individual Fund Statements

LAYTON CITY CORPORATION

GENERAL FUND
COMPARATIVE BALANCE SHEET

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Cash and cash equivalents	\$ 5,835,301	\$ 5,568,423
Investments	-	250,764
Restricted cash and cash equivalents	1,696,100	1,447,142
Receivables:		
Taxes and intergovernmental	9,838,206	9,633,328
Accounts	3,073	3,495
Due from other funds	435,893	398,894
Prepaid	21,653	16,489
	<u> </u>	<u> </u>
Total assets	<u>\$ 17,830,226</u>	<u>\$ 17,318,535</u>
<u>Liabilities</u>		
Accounts payable	\$ 279,918	\$ 382,255
Accrued liabilities	1,454,365	1,560,857
Customer deposits	1,696,100	1,447,142
Due to developers	20,100	20,100
	<u> </u>	<u> </u>
Total liabilities	<u>3,450,483</u>	<u>3,410,354</u>
<u>Deferred inflows of resources</u>		
Property tax revenue	6,520,000	6,367,952
	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>6,520,000</u>	<u>6,367,952</u>
<u>Fund balance:</u>		
Nonspendable	457,546	415,383
Restricted for class C roads	14,434	-
Assigned	1,592,699	1,969,311
Unassigned	5,795,064	5,155,535
	<u> </u>	<u> </u>
Total fund balance	<u>7,859,743</u>	<u>7,540,229</u>
	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 17,830,226</u>	<u>\$ 17,318,535</u>

LAYTON CITY CORPORATION

GENERAL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the years ended June 30, 2015 and 2014

	2015	2014
<u>Revenues</u>		
Taxes and special assessments	\$ 26,063,547	\$ 25,403,904
Licenses and permits	1,383,273	1,238,610
Intergovernmental	2,416,858	2,318,440
Charges for services	855,127	888,864
Fines and forfeitures	313,975	297,592
Miscellaneous	823,383	825,668
Total revenues	<u>31,856,163</u>	<u>30,973,078</u>
<u>Expenditures</u>		
Current:		
General government	4,491,422	4,387,678
Public safety	14,940,732	14,493,464
Community and economic development	1,216,827	1,190,038
Streets and public improvements	3,306,604	3,710,956
Parks and recreation	3,006,094	2,944,150
Total expenditures	<u>26,961,679</u>	<u>26,726,286</u>
Excess of revenues over expenditures	<u>4,894,484</u>	<u>4,246,792</u>
<u>Other financing sources (uses)</u>		
Transfers in:		
Impact fee fund	52,200	-
Redevelopment agency	2,358,300	-
Alcohol enforcement fund	17,928	-
Water fund	93,380	91,484
Storm sewer fund	96,258	92,103
Sewer fund	37,524	36,250
Total transfers in	<u>2,655,590</u>	<u>219,837</u>
Transfers out:		
Redevelopment agency	(2,358,300)	-
Swimming pool fund	(482,469)	(435,000)
Debt service fund	(2,237,043)	(2,198,179)
Capital projects fund	(1,428,520)	(969,527)
UIA infrastructure fund	(225,000)	(342,000)
Athletic fund	-	(684)
Street lighting fund	(465,000)	(284,571)
Alcohol enforcement fund	(17,928)	-
Victim services fund	(33,000)	(31,638)
Total transfers out	<u>(7,247,260)</u>	<u>(4,261,599)</u>
Sale of capital assets	<u>16,700</u>	<u>35,075</u>
Total other financing sources and (uses)	<u>(4,574,970)</u>	<u>(4,006,687)</u>
Net change in fund balance	319,514	240,105
Fund balance - beginning	<u>7,540,229</u>	<u>7,300,124</u>
Fund balance - ending	<u>\$ 7,859,743</u>	<u>\$ 7,540,229</u>

LAYTON CITY CORPORATION

EMERGENCY DISPATCH SERVICE FUND
COMPARATIVE BALANCE SHEET

June 30, 2015 and 2014

	2015	2014
<hr/>		
<u>Assets</u>		
Cash and cash equivalents	\$ 189,744	\$ 268,027
Receivables - accounts	82,543	85,810
	<hr/>	<hr/>
Total assets	\$ 272,287	\$ 353,837
	<hr/>	<hr/>
<u>Liabilities and fund balance</u>		
Liabilities:		
Accounts payable	\$ 23,247	\$ 100,217
	<hr/>	<hr/>
Total liabilities	23,247	100,217
	<hr/>	<hr/>
Fund balance:		
Assigned	249,040	253,620
	<hr/>	<hr/>
Total fund balance	249,040	253,620
	<hr/>	<hr/>
Total liabilities and fund balance	\$ 272,287	\$ 353,837
	<hr/>	<hr/>

LAYTON CITY CORPORATION

EMERGENCY DISPATCH SERVICE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the year ended June 30, 2015

(with comparative actual amounts for year ended June 30, 2014)

	2015			Variance With Final Budget - Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
<u>Revenues</u>					
Intergovernmental:					
State and federal grants	\$ -	\$ -	\$ 17,568	\$ 17,568	\$ 660
Charges for services:					
Telephone fees	500,000	500,000	500,456	456	503,001
Miscellaneous:					
Interest	1,500	1,500	844	(656)	1,346
Total revenues	501,500	501,500	518,868	17,368	505,007
<u>Expenditures</u>					
Current:					
Public safety:					
Salaries, wages and benefits	364,857	366,402	367,948	(1,546)	350,883
Materials and supplies	187,274	187,274	155,500	31,774	225,820
Equipment	75,000	-	-	-	95,289
Total expenditures	627,131	553,676	523,448	30,228	671,992
Net change in fund balance	(125,631)	(52,176)	(4,580)	47,596	(166,985)
Fund balance - beginning	253,620	253,620	253,620	-	420,605
Fund balance - ending	\$ 127,989	\$ 201,444	\$ 249,040	\$ 47,596	\$ 253,620

LAYTON CITY CORPORATION

VICTIMS SERVICES FUND
COMPARATIVE BALANCE SHEET

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Receivables - grants	\$ 24,449	\$ 11,384
Total assets	<u>\$ 24,449</u>	<u>\$ 11,384</u>
<u>Liabilities and fund balance</u>		
Liabilities:		
Accounts payable	\$ 981	\$ 429
Accrued liabilities	2,086	1,836
Due to other funds	14,351	4,134
Total liabilities	<u>17,418</u>	<u>6,399</u>
Fund balance		
Assigned	<u>7,031</u>	<u>4,985</u>
Total fund balance	<u>7,031</u>	<u>4,985</u>
Total liabilities and fund balance	<u>\$ 24,449</u>	<u>\$ 11,384</u>

LAYTON CITY CORPORATION

VICTIMS SERVICES FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the year ended June 30, 2015

(with comparative actual amounts for year ended June 30, 2014)

	2015			2014	
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Intergovernmental:					
VOCA grant	\$ 47,070	\$ 47,047	\$ 48,719	\$ 1,672	\$ 44,442
Miscellaneous	-	-	-	-	23
Total revenues	47,070	47,047	48,719	1,672	44,465
<u>Expenditures</u>					
Current:					
General government:					
Salaries, wages and benefits	75,730	75,983	76,602	(619)	73,038
Materials and supplies	4,340	4,340	3,071	1,269	2,757
Total expenditures	80,070	80,323	79,673	650	75,795
Deficiency of revenues under expenditures	(33,000)	(33,276)	(30,954)	2,322	(31,330)
<u>Other financing sources:</u>					
Transfers in	33,000	33,000	33,000	-	31,638
Net change in fund balance	-	(276)	2,046	2,322	308
Fund balance - beginning	4,985	4,985	4,985	-	4,677
Fund balance - ending	\$ 4,985	\$ 4,709	\$ 7,031	\$ 2,322	\$ 4,985

LAYTON CITY CORPORATION

COMMUNITY DEVELOPMENT BLOCK GRANT FUND
COMPARATIVE BALANCE SHEET

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Receivables - grants	\$ 47,792	\$ 8,970
Total assets	<u>\$ 47,792</u>	<u>\$ 8,970</u>
<u>Liabilities</u>		
Liabilities:		
Accounts payable	\$ 1,050	\$ -
Accrued liabilities	1,281	570
Due to other funds	<u>45,182</u>	<u>8,400</u>
Total liabilities	47,513	8,970
Fund balance:		
Assigned	<u>279</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 47,792</u>	<u>\$ 8,970</u>

LAYTON CITY CORPORATION

COMMUNITY DEVELOPMENT BLOCK GRANT FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL

For the year ended June 30, 2015
 (with comparative actual amounts for year ended June 30, 2014)

	2015			2014	
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Intergovernmental:					
Community development block grants	\$ 307,476	\$ 412,670	\$ 375,051	\$ (37,619)	\$ 265,454
Miscellaneous:					
Sundry	-	4,000	4,000	-	2,000
Total revenue	307,476	416,670	379,051	(37,619)	267,454
<u>Expenditures</u>					
Current:					
Community and economic development:					
Salaries, wages and benefits	51,112	51,316	48,631	2,685	21,996
Materials, supplies and programs	64,838	345,838	191,513	154,325	59,788
Housing, sidewalk, and other projects	191,026	302,463	138,628	163,835	157,454
Total expenditures	306,976	699,617	378,772	320,845	239,238
Excess of revenues over expenditures	500	(282,947)	279	283,226	28,216
<u>Other financing uses</u>					
Transfers out	-	-	-	-	(28,216)
Total other financing uses	-	-	-	-	(28,216)
Net change in fund balance	500	(282,947)	279	283,226	-
Fund balance - beginning	-	-	-	-	-
Fund balance - ending	\$ 500	\$ (282,947)	\$ 279	\$ 283,226	\$ -

LAYTON CITY CORPORATION

IMPACT FEE FUND
COMPARATIVE BALANCE SHEET

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Cash and cash equivalents	\$ 3,425,695	\$ 4,152,993
Total assets	<u>\$ 3,425,695</u>	<u>\$ 4,152,993</u>
<u>Liabilities and fund balance</u>		
Fund balance:		
Restricted for street construction	\$ 1,856,583	\$ 2,345,927
Restricted for park development	909,885	1,391,721
Restricted for public safety facilities	659,227	415,345
Total fund balance	<u>3,425,695</u>	<u>4,152,993</u>
Total liabilities and fund balance	<u>\$ 3,425,695</u>	<u>\$ 4,152,993</u>

LAYTON CITY CORPORATION

IMPACT FEE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the year ended June 30, 2015

(with comparative actual amounts for year ended June 30, 2014)

	2015			2014	
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Charges for services:					
Transportation impact fees	\$ 750,000	\$ 750,000	\$ 881,669	\$ 131,669	\$ 998,978
Park impact fees	425,000	477,200	659,316	182,116	601,153
Public safety impact fees	150,000	150,000	241,962	91,962	199,141
Miscellaneous:					
Interest	7,000	7,000	20,530	13,530	18,672
Total revenues	1,332,000	1,384,200	1,803,477	419,277	1,817,944
<u>Expenditures</u>					
General government	7,000	7,000	370	6,630	409
Excess of revenue over expenditures	1,325,000	1,377,200	1,803,107	412,647	1,817,535
<u>Other financing uses</u>					
Transfers out:					
Debt service fund	420,475	420,475	420,475	-	412,538
Capital projects fund:					
Street projects	2,057,730	1,382,730	1,382,730	-	495,000
Park projects	-	727,200	727,200	-	-
Total other financing uses	2,478,205	2,530,405	2,530,405	-	907,538
Net change in fund balance	(1,153,205)	(1,153,205)	(727,298)	412,647	909,997
Fund balance - beginning	4,152,993	4,152,993	4,152,993	-	3,242,996
Fund balance - ending	\$ 2,999,788	\$ 2,999,788	\$ 3,425,695	\$ 412,647	\$ 4,152,993

LAYTON CITY CORPORATION

REDEVELOPMENT AGENCY FUND
COMPARATIVE BALANCE SHEET

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Cash and cash equivalents	\$ 1,724,434	\$ 1,134,573
Receivables - taxes	988,960	765,061
Note receivable	86,410	95,449
Restricted assets:		
Restricted receivables - taxes - affordable housing	-	70,548
Total assets	<u>\$ 2,799,804</u>	<u>\$ 2,065,631</u>
<u>Liabilities and fund balance</u>		
Due to other funds	\$ 376,360	\$ 386,360
Accounts payable	-	1,500
Total liabilities	<u>376,360</u>	<u>387,860</u>
<u>Deferred inflows of resources</u>		
Property tax revenue	<u>988,960</u>	<u>835,609</u>
Fund balance:		
Nonspendable	86,410	95,449
Restricted	<u>1,348,074</u>	<u>746,713</u>
Total fund balance	<u>1,434,484</u>	<u>842,162</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 2,799,804</u>	<u>\$ 2,065,631</u>

LAYTON CITY CORPORATION

REDEVELOPMENT AGENCY FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the year ended June 30, 2015

(with comparative actual amounts for year ended June 30, 2014)

	2015			Variance With Final Budget - Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
<u>Revenues</u>					
Intergovernmental	\$ 722,400	\$ 754,687	\$ 850,506	95,819	\$ 725,696
Property taxes - development increment	117,600	122,855	138,454	15,599	122,855
Miscellaneous	-	-	7,695	7,695	5,380
Total revenues	840,000	877,542	996,655	119,113	853,931
<u>Expenditures</u>					
Current:					
Community and economic development:					
Wages and benefits	49,178	49,277	35,702	13,575	-
Materials and supplies	21,000	41,000	23,495	17,505	3,704
Capital outlay - projects	429,920	1,342,263	14,592	1,327,671	20,490
Payback and purchase agreements	339,902	2,715,744	2,675,086	40,658	330,859
Total expenditures	840,000	4,148,284	2,748,875	1,399,409	355,053
Excess (deficiency) of revenue over (under) expenditures	-	(3,270,742)	(1,752,220)	1,518,522	498,878
<u>Other financing uses</u>					
Sale of capital assets	-	2,358,300	2,344,542	(13,758)	-
Transfers in:					
General fund	-	2,358,300	2,358,300	-	-
Transfers out:					
General fund	-	(2,358,300)	(2,358,300)	-	-
Total other financing uses	-	2,358,300	2,344,542	(13,758)	-
Net change in fund balance	-	(912,442)	592,322	1,504,764	498,878
Fund balance - beginning	842,162	842,162	842,162	-	343,284
Fund balance - ending	\$ 842,162	\$ (70,280)	\$ 1,434,484	\$ 1,504,764	\$ 842,162

LAYTON CITY CORPORATION

DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET

June 30, 2015 and 2014

	2015	2014
<hr/>		
<u>Assets</u>		
Cash and cash equivalents	\$ 351,957	\$ 351,197
Cash and cash equivalents - restricted	348,301	347,486
	<hr/>	<hr/>
Total assets	\$ 700,258	\$ 698,683
	<hr/>	<hr/>
<u>Liabilities and fund balance</u>		
Fund balance:		
Restricted	\$ 348,301	\$ 347,486
Assigned	351,957	351,197
	<hr/>	<hr/>
Total liabilities and fund balance	\$ 700,258	\$ 698,683
	<hr/>	<hr/>

LAYTON CITY CORPORATION

DEBT SERVICE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL

For the year ended June 30, 2015
 (with comparative actual amounts for year ended June 30, 2014)

	2015			2014	
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Miscellaneous:					
Interest	\$ -	\$ -	\$ 940	\$ 940	\$ 960
Total revenues	-	-	940	940	960
<u>Expenditures</u>					
Debt service:					
Principal	420,475	270,000	270,000	-	250,000
Interest and agent fees	-	150,475	150,475	-	162,538
Refunding bond issuance costs	-	-	45,975	(45,975)	-
Pledge payments - UTOPIA debt service reserve	2,237,100	2,237,100	2,237,043	57	2,193,179
Total expenditures	2,657,575	2,657,575	2,703,493	(45,918)	2,605,717
Deficiency of revenues under expenditures	(2,657,575)	(2,657,575)	(2,702,553)	(44,978)	(2,604,757)
<u>Other financing sources (uses)</u>					
Refunding bonds issued	-	-	3,045,000	3,045,000	-
Payment to refunding bond escrow agent	-	-	(2,998,390)	(2,998,390)	-
Transfer in - general fund	2,237,100	2,237,100	2,237,043	(57)	2,198,179
Transfer in - impact fee fund	420,475	420,475	420,475	-	412,538
Total other financing sources (uses)	2,657,575	2,657,575	2,704,128	46,553	2,610,717
Net change in fund balance	-	-	1,575	1,575	5,960
Fund balance - beginning	698,683	698,683	698,683	-	692,723
Fund balance - ending	\$ 698,683	\$ 698,683	\$ 700,258	\$ 1,575	\$ 698,683

LAYTON CITY CORPORATION

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Cash and cash equivalents	\$ 3,935,186	\$ 2,405,686
Total assets	<u>\$ 3,935,186</u>	<u>\$ 2,405,686</u>
<u>Liabilities and fund balance</u>		
Liabilities:		
Accounts payable	\$ 325,548	\$ 28,108
Retainage payable	29,667	-
Total liabilities	<u>355,215</u>	<u>28,108</u>
Fund balance:		
Restricted for:		
Street construction - class c roads	20,792	46,433
Street construction - transportation impact fees	78,882	140,886
Public safety facilities - public safety impact fees	<u>1,178</u>	<u>1,178</u>
Total restricted	100,852	188,497
Assigned	<u>3,479,119</u>	<u>2,189,081</u>
Total fund balance	<u>3,579,971</u>	<u>2,377,578</u>
Total liabilities and fund balance	<u>\$ 3,935,186</u>	<u>\$ 2,405,686</u>

LAYTON CITY CORPORATION

CAPITAL PROJECTS FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL

For the year ended June 30, 2015
 (with comparative actual amounts for year ended June 30, 2014)

	2015			2014	
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Developer payments	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 44,334
Total revenues	-	-	10,000	10,000	44,334
<u>Expenditures</u>					
Capital outlay	\$ 3,412,730	\$ 5,706,390	\$ 2,293,857	\$ 3,412,533	\$ 1,480,697
Total expenditures	3,412,730	5,706,390	2,293,857	3,412,533	1,480,697
Deficiency of revenues under expenditures	(3,412,730)	(5,706,390)	(2,283,857)	3,422,533	(1,436,363)
<u>Other financing sources</u>					
Transfers in:					
Impact fee fund	2,057,730	2,057,730	2,057,730	-	495,000
General fund - class c roads	1,025,000	1,048,520	1,048,520	-	614,806
General fund - other	330,000	380,000	380,000	-	354,721
Total other financing sources	3,412,730	3,486,250	3,486,250	-	1,464,527
Net change in fund balance	-	(2,220,140)	1,202,393	3,422,533	28,164
Fund balance - beginning	2,377,578	2,377,578	2,377,578	-	2,349,414
Fund balance - ending	\$ 2,377,578	\$ 157,438	\$ 3,579,971	\$ 3,422,533	\$ 2,377,578

LAYTON CITY CORPORATION

WATER FUND COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 1,319,416	\$ 1,174,288
Accounts receivable, net	1,146,898	1,372,979
Note receivable	7,998	39,832
Inventory	188,016	161,657
Prepaid expense	640,652	621,865
Total current assets	<u>3,302,980</u>	<u>3,370,621</u>
Noncurrent assets:		
Restricted cash and cash equivalents	146,762	101,375
Net pension asset	563	-
Capital assets:		
Water stocks and rights	3,673,117	3,425,567
Land	420,551	420,551
Water contracts	2,163,780	2,163,780
Improvements other than buildings	397,467	397,467
Distribution system	48,647,495	47,667,875
Equipment	2,163,528	1,298,331
Construction in progress	359,651	113,585
Less: accumulated depreciation	<u>(17,650,827)</u>	<u>(16,697,017)</u>
Total capital assets (net of accumulated depreciation)	<u>40,174,762</u>	<u>38,790,139</u>
Total noncurrent assets	<u>40,322,087</u>	<u>38,891,514</u>
Total assets	<u>43,625,067</u>	<u>42,262,135</u>
Deferred outflows of resources		
Deferred outflows related to pensions	83,492	67,168
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	199,202	204,028
Accrued liabilities	40,812	44,808
Compensated absences payable	71,639	50,583
Customer deposits	146,762	101,375
Total current liabilities	<u>458,415</u>	<u>400,794</u>
Noncurrent liabilities:		
Compensated absences payable	23,416	74,281
Net pension liability	377,713	465,495
Total noncurrent liabilities	<u>401,129</u>	<u>539,776</u>
Total liabilities	<u>859,544</u>	<u>940,570</u>
Deferred inflows of resources		
Deferred inflows related to pensions	78,037	-
<u>Net position</u>		
Net investment in capital assets	40,174,762	38,790,139
Restricted for increased system development	570,495	327,542
Unrestricted	2,025,721	2,271,052
Total net position	<u>\$ 42,770,978</u>	<u>\$ 41,388,733</u>

LAYTON CITY CORPORATION

WATER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the years ended June 30, 2015 and 2014

	2015	2014
<u>Operating revenues</u>		
Charges for services	\$ 6,023,462	\$ 6,151,305
Miscellaneous	7,188	1,787
Total operating revenues	<u>6,030,650</u>	<u>6,153,092</u>
<u>Operating expenses</u>		
Salaries wages and benefits	1,227,173	1,264,771
Supplies and maintenance	1,062,720	1,039,613
Utilities	713,165	728,662
Professional services and training	10,726	13,512
Water purchases	1,318,460	1,275,164
Insurance	25,865	37,973
Rent	161,520	161,522
Franchise tax	374,520	337,431
Bad debt collection fees	2,292	1,082
Depreciation	953,810	886,314
Total operating expenses	<u>5,850,251</u>	<u>5,746,044</u>
Operating income	<u>180,399</u>	<u>407,048</u>
<u>Nonoperating revenues (expenses)</u>		
Interest revenue	8,151	5,894
Connection charges	1,860	1,400
Gain (loss) on sale of capital assets	-	(8,875)
Interest expense	-	(3,000)
Total nonoperating revenues (expenses)	<u>10,011</u>	<u>(4,581)</u>
Income before contributions and transfers	190,410	402,467
Capital contributions - infrastructure	410,908	408,793
Capital contributions - water stock	247,550	369,000
Capital contributions - impact fees	267,150	208,660
Capital contributions - exaction fees	92,740	92,297
Capital contributions - developer payments	-	6,800
Transfers in	266,867	-
Transfers out	(93,380)	(91,484)
Change in net position	1,382,245	1,396,533
Total net position - beginning - restated	<u>41,388,733</u>	<u>39,992,200</u>
Total net position - ending	<u>\$ 42,770,978</u>	<u>\$ 41,388,733</u>

LAYTON CITY CORPORATION

STORM SEWER FUND COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 4,930,985	\$ 4,347,650
Accounts receivable, net	252,857	248,477
Total current assets	<u>5,183,842</u>	<u>4,596,127</u>
Noncurrent assets:		
Restricted cash and cash equivalents	141,880	148,881
Net pension asset	252	-
Capital assets:		
Land	721,777	721,777
Collection system	50,376,493	47,431,854
Equipment	546,300	541,197
Construction in progress	334,820	1,263,594
Less accumulated depreciation	<u>(15,891,976)</u>	<u>(14,905,965)</u>
Total capital assets	<u>36,087,414</u>	<u>35,052,457</u>
Total noncurrent assets	<u>36,229,546</u>	<u>35,201,338</u>
Total assets	<u>41,413,388</u>	<u>39,797,465</u>
<u>Deferred outflows of resources</u>		
Deferred outflows related to pensions	<u>37,352</u>	<u>30,048</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	133,115	407,406
Accrued liabilities	31,875	28,150
Surety deposits	141,880	148,881
Compensated absences payable	22,085	10,494
Total current liabilities	<u>328,955</u>	<u>594,931</u>
Noncurrent liabilities:		
Compensated absences payable	7,219	15,410
Net pension liability	168,973	208,242
Total noncurrent liabilities	<u>176,192</u>	<u>223,652</u>
Total liabilities	<u>505,147</u>	<u>818,583</u>
<u>Deferred inflows of resources</u>		
Deferred inflows related to pensions	<u>34,911</u>	<u>-</u>
<u>Net position</u>		
Net investment in capital assets	36,087,414	35,052,457
Restricted for increased system development	1,990,923	1,485,190
Unrestricted	2,832,345	2,471,283
Total net position	<u>\$ 40,910,682</u>	<u>\$ 39,008,930</u>

LAYTON CITY CORPORATION

STORM SEWER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the years ended June 30, 2015 and 2014

	2015	2014
<u>Operating revenues</u>		
Charges for services	\$ 2,254,984	\$ 2,229,148
Miscellaneous	352	-
Total operating revenues	<u>2,255,336</u>	<u>2,229,148</u>
<u>Operating expenses</u>		
Salaries, wages and benefits	576,344	527,839
Supplies and maintenance	888,563	321,254
Utilities	5,749	7,509
Professional services and training	10,775	7,625
Insurance	11,174	6,944
Rent	125,904	125,899
Franchise tax	132,648	130,303
Bad debt collection fees	-	112
Depreciation	986,011	935,439
Total operating expenses	<u>2,737,168</u>	<u>2,062,924</u>
Operating income	<u>(481,832)</u>	<u>166,224</u>
<u>Nonoperating revenues</u>		
Interest	23,852	19,621
Income before contributions and transfers	(457,980)	185,845
Capital contributions - infrastructure	1,870,005	1,168,412
Capital contributions - impact fees	718,985	908,383
Transfers out	<u>(229,258)</u>	<u>(92,103)</u>
Change in net position	1,901,752	2,170,537
Total net position - beginning - restated	<u>39,008,930</u>	<u>36,838,393</u>
Total net position - ending	<u><u>\$ 40,910,682</u></u>	<u><u>\$ 39,008,930</u></u>

LAYTON CITY CORPORATION

SEWER FUND COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 2,364,480	\$ 2,227,139
Accounts receivable, net	1,194,401	968,066
Total current assets	<u>3,558,881</u>	<u>3,195,205</u>
Noncurrent assets:		
Net pension asset	346	-
Capital assets:		
Land	30,712	30,712
Collection system	19,571,697	18,778,513
Equipment	856,407	833,585
Construction in progress	188,907	-
Less accumulated depreciation	<u>(6,948,928)</u>	<u>(6,528,413)</u>
Total capital assets (net of accumulated depreciation)	<u>13,698,795</u>	<u>13,114,397</u>
Total noncurrent assets	<u>13,699,141</u>	<u>13,114,397</u>
Total assets	<u>17,258,022</u>	<u>16,309,602</u>
<u>Deferred outflows of resources</u>		
Deferred outflows related to pensions	<u>51,296</u>	<u>41,267</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	676,335	346,119
Accrued liabilities	119,682	75,895
Compensated absences payable	<u>25,590</u>	<u>11,778</u>
Total current liabilities	<u>821,607</u>	<u>433,792</u>
Noncurrent liabilities:		
Compensated absences payable	8,364	17,296
Net pension liability	<u>232,061</u>	<u>285,993</u>
Total noncurrent liabilities	<u>240,425</u>	<u>303,289</u>
Total liabilities	<u>1,062,032</u>	<u>737,081</u>
Deferred inflows of resources		
Deferred inflows related to pensions	<u>47,945</u>	-
<u>Net position</u>		
Net investment in capital assets	13,698,795	13,114,397
Unrestricted	<u>2,500,546</u>	<u>2,499,391</u>
Total net position	<u>\$ 16,199,341</u>	<u>\$ 15,613,788</u>

LAYTON CITY CORPORATION

SEWER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the years ended June 30, 2015 and 2014

	2015	2014
<u>Operating revenues</u>		
Charges for services	\$ 6,825,982	\$ 5,549,486
Miscellaneous	17,454	10,539
Total operating revenues	<u>6,843,436</u>	<u>5,560,025</u>
<u>Operating expenses</u>		
Salaries, wages and benefits	773,492	742,802
Supplies and maintenance	549,706	250,420
Utilities	8,999	8,425
Professional services and training	7,675	9,225
Sewage treatment contract	4,340,095	3,238,024
Insurance	21,064	12,152
Rent	140,148	140,149
Franchise tax	283,584	294,000
Bad debt collection fees	-	112
Depreciation	420,514	416,877
Total operating expenses	<u>6,545,277</u>	<u>5,112,186</u>
Operating income (loss)	<u>298,159</u>	<u>447,839</u>
<u>Nonoperating revenues</u>		
Interest	12,225	10,133
Connection charges	-	1,976
Total nonoperating revenues	<u>12,225</u>	<u>12,109</u>
Income (loss) before contributions and transfers	310,384	459,948
Capital contributions	446,560	360,425
Transfers out	<u>(171,391)</u>	<u>(36,250)</u>
Change in net position	585,553	784,123
Total net position - beginning - restated	<u>15,613,788</u>	<u>14,829,665</u>
Total net position - ending	<u>\$ 16,199,341</u>	<u>\$ 15,613,788</u>

LAYTON CITY CORPORATION

REFUSE FUND
COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 331,017	\$ 298,547
Accounts receivable, net	526,391	489,374
Total current assets	<u>857,408</u>	<u>787,921</u>
Noncurrent assets:		
Net pension asset	<u>30</u>	<u>-</u>
Capital assets:		
Construction in progress	<u>22,877</u>	<u>-</u>
Total assets	<u>880,315</u>	<u>787,921</u>
<u>Deferred outflows of resources</u>		
Deferred outflows related to pensions	<u>4,430</u>	<u>3,564</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	234,009	221,605
Noncurrent liabilities:		
Net pension liability	<u>20,040</u>	<u>24,698</u>
Total liabilities	<u>254,049</u>	<u>246,303</u>
<u>Deferred inflows of resources</u>		
Deferred inflows related to pensions	<u>4,140</u>	<u>-</u>
<u>Net position</u>		
Unrestricted	<u>626,556</u>	<u>545,182</u>
Total net position	<u>\$ 626,556</u>	<u>\$ 545,182</u>

LAYTON CITY CORPORATION

REFUSE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the years ended June 30, 2015 and 2014

	2015	2014
<u>Operating revenues</u>		
Charges for services	\$ 2,857,527	\$ 2,787,593
Total operating revenues	<u>2,857,527</u>	<u>2,787,593</u>
<u>Operating expenses</u>		
Salaries, wages and benefits	72,327	70,985
Supplies and maintenance	29,362	36,404
Utilities	2,738	5,139
Refuse collection and disposal contracts	2,663,395	2,638,787
Insurance	2,793	1,736
Rent	7,128	7,125
Bad debt collection fees	-	112
Total operating expenses	<u>2,777,743</u>	<u>2,760,288</u>
Operating income (loss)	79,784	27,305
<u>Nonoperating revenues</u>		
Interest revenue	<u>1,590</u>	<u>1,369</u>
Change in net position	81,374	28,674
Total net position - beginning - restated	<u>545,182</u>	<u>516,508</u>
Total net position - ending	<u>\$ 626,556</u>	<u>\$ 545,182</u>

LAYTON CITY CORPORATION

STREET LIGHTING FUND
COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 553,252	\$ 132,304
Accounts receivable, net	67,865	86,030
Total current assets	<u>621,117</u>	<u>218,334</u>
Noncurrent assets:		
Capital assets:		
Lighting system	497,266	218,816
Equipment	127,234	127,234
Construction in progress	198,042	-
Less accumulated depreciation	<u>(18,193)</u>	<u>-</u>
Total capital assets	<u>804,349</u>	<u>346,050</u>
Total assets	<u>1,425,466</u>	<u>564,384</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	38,143	32,182
Accrued liabilities	3,104	-
Total liabilities	<u>41,247</u>	<u>32,182</u>
<u>Net position</u>		
Net investment in capital assets	804,349	346,050
Unrestricted	<u>579,870</u>	<u>186,152</u>
Total net position	<u>\$ 1,384,219</u>	<u>\$ 532,202</u>

LAYTON CITY CORPORATION

STREET LIGHTING FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the years ended June 30, 2015 and 2014

	2015	2014
<u>Operating revenues</u>		
Charges for services	\$ 798,065	\$ 856,832
Miscellaneous	1,700	1,775
Total operating revenues	<u>799,765</u>	<u>858,607</u>
<u>Operating expenses</u>		
Supplies and maintenance	46,144	341,380
Utilities	349,163	347,670
Miscellaneous	-	890
Depreciation	18,194	-
Total operating expenses	<u>413,501</u>	<u>689,940</u>
Operating income	<u>386,264</u>	<u>168,667</u>
<u>Nonoperating revenues</u>		
Interest	753	148
Total nonoperating revenues	<u>753</u>	<u>148</u>
Income before contributions and transfers	387,017	168,815
Capital contributions	-	50,600
Transfers in	465,000	312,787
Change in net position	852,017	532,202
Total net position - beginning	<u>532,202</u>	<u>-</u>
Total net position - ending	<u>\$ 1,384,219</u>	<u>\$ 532,202</u>

LAYTON CITY CORPORATION

SWIMMING POOL FUND
COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 248,665	\$ 287,249
Inventory	4,625	3,673
Total current assets	<u>253,290</u>	<u>290,922</u>
Noncurrent assets:		
Net pension asset	80	-
Capital assets:		
Land	1,000	1,000
Buildings	2,293,084	2,293,084
Improvements other than buildings	20,112	20,112
Equipment	665,585	665,585
Less accumulated depreciation	(2,303,150)	(2,233,055)
Total capital assets	<u>676,631</u>	<u>746,726</u>
Total noncurrent assets	<u>676,711</u>	<u>746,726</u>
Total assets	<u>930,001</u>	<u>1,037,648</u>
<u>Deferred outflows of resources</u>		
Deferred outflows related to pensions	<u>11,824</u>	<u>9,512</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	28,352	26,066
Accrued liabilities	25,085	19,927
Compensated absences payable	9,647	9,633
Total current liabilities	<u>63,084</u>	<u>55,626</u>
Noncurrent liabilities:		
Compensated absences	3,154	-
Net pension liability	53,490	65,921
	<u>56,644</u>	<u>65,921</u>
Total liabilities	<u>119,728</u>	<u>121,547</u>
<u>Deferred inflows of resources</u>		
Deferred inflow related to pensions	<u>11,051</u>	-
<u>Net position</u>		
Net investment in capital assets	676,631	746,726
Unrestricted	134,415	178,887
Total net position	<u>\$ 811,046</u>	<u>\$ 925,613</u>

LAYTON CITY CORPORATION

SWIMMING POOL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the years ended June 30, 2015 and 2014

	2015	2014
<u>Operating revenues</u>		
Charges for services	\$ 388,063	\$ 426,409
Miscellaneous	45,362	45,424
Total operating revenues	<u>433,425</u>	<u>471,833</u>
<u>Operating expenses</u>		
Salaries, wages and benefits	575,522	576,364
Supplies and maintenance	160,431	120,359
Utilities	214,985	215,999
Professional services and training	1,845	2,032
Insurance	7,583	7,674
Depreciation	70,095	71,450
Total operating expenses	<u>1,030,461</u>	<u>993,878</u>
Operating loss	(597,036)	(522,045)
Transfers in	<u>482,469</u>	<u>435,000</u>
Change in net position	(114,567)	(87,045)
Total net position - beginning - restated	<u>925,613</u>	<u>1,012,658</u>
Total net position - ending	<u>\$ 811,046</u>	<u>\$ 925,613</u>

LAYTON CITY CORPORATION

EMERGENCY MEDICAL SERVICES FUND
COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 448,895	\$ 467,695
Accounts receivable, net	246,880	327,609
Total current assets	<u>695,775</u>	<u>795,304</u>
Noncurrent assets:		
Net pension asset	<u>217,487</u>	<u>1,979</u>
Capital assets:		
Equipment	1,363,980	1,293,232
Less accumulated depreciation	<u>(842,312)</u>	<u>(900,408)</u>
Total capital assets	<u>521,668</u>	<u>392,824</u>
Total noncurrent assets	<u>739,155</u>	<u>394,803</u>
Total assets	<u>1,434,930</u>	<u>1,190,107</u>
<u>Deferred outflows of resources</u>		
Deferred outflows related to pensions	<u>106,420</u>	<u>86,838</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	10,451	20,219
Accrued liabilities	45,377	41,086
Compensated absences payable	158,416	87,117
Payable to other governments	<u>2,893</u>	<u>5,142</u>
Total current liabilities	<u>217,137</u>	<u>153,564</u>
Noncurrent liabilities:		
Compensated absences payable	51,782	127,934
Net pension liability	<u>-</u>	<u>55,683</u>
Total noncurrent liabilities	<u>51,782</u>	<u>183,617</u>
Total liabilities	<u>268,919</u>	<u>337,181</u>
<u>Deferred inflows of resources</u>		
Deferred inflows related to pensions	<u>174,012</u>	<u>-</u>
<u>Net position</u>		
Net investment in capital assets	521,668	392,824
Unrestricted	<u>576,751</u>	<u>546,940</u>
Total net position	<u>\$ 1,098,419</u>	<u>\$ 939,764</u>

LAYTON CITY CORPORATION

EMERGENCY MEDICAL SERVICES FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the years ended June 30, 2015 and 2014

	2015	2014
<u>Operating revenues</u>		
Charges for services	\$ 1,703,588	\$ 1,765,930
Miscellaneous	1,424	18,419
Total operating revenues	<u>1,705,012</u>	<u>1,784,349</u>
<u>Operating expenses</u>		
Salaries, wages and benefits	1,859,237	1,907,050
Supplies and maintenance	169,384	246,648
Utilities	6,534	6,345
Professional services and training	47,737	49,361
Insurance	14,652	15,915
Bad debt collection fees	26,085	21,846
Depreciation	<u>111,404</u>	<u>98,263</u>
Total operating expenses	<u>2,235,033</u>	<u>2,345,428</u>
Operating loss	<u>(530,021)</u>	<u>(561,079)</u>
<u>Nonoperating revenues (expenses)</u>		
Interest	1,567	1,981
Gain (loss) from sale of capital assets	21,998	-
Grants	<u>665,111</u>	<u>660,177</u>
Total nonoperating revenues (expenses)	<u>688,676</u>	<u>662,158</u>
Change in net position	158,655	101,079
Total net position - beginning - restated	<u>939,764</u>	<u>838,685</u>
Total net position - ending	<u>\$ 1,098,419</u>	<u>\$ 939,764</u>

LAYTON CITY CORPORATION

ATHLETIC PROGRAMS FUND
COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 147,831	\$ 123,634
Total assets	<u>147,831</u>	<u>123,634</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	22,010	11,835
Accrued liabilities	<u>5,812</u>	<u>3,728</u>
Total liabilities	<u>27,822</u>	<u>15,563</u>
<u>Net position</u>		
Unrestricted	<u>120,009</u>	<u>108,071</u>
Total net position	<u>\$ 120,009</u>	<u>\$ 108,071</u>

LAYTON CITY CORPORATION

ATHLETIC PROGRAMS FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the years ended June 30, 2015 and 2014

	2015	2014
<u>Operating revenues</u>		
Charges for services	\$ 379,541	\$ 325,837
Total operating revenues	<u>379,541</u>	<u>325,837</u>
<u>Operating expenses</u>		
Salaries, wages and benefits	115,016	96,273
Supplies and maintenance	<u>252,587</u>	<u>206,027</u>
Total operating expenses	<u>367,603</u>	<u>302,300</u>
Transfer in	<u>-</u>	<u>684</u>
Change in net position	11,938	24,221
Total net position - beginning	<u>108,071</u>	<u>83,850</u>
Total net position - ending	<u><u>\$ 120,009</u></u>	<u><u>\$ 108,071</u></u>

LAYTON CITY CORPORATION

UIA - UTAH INFRASTRUCTURE AGENCY
COMPARATIVE SCHEDULE OF NET POSITION

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 120,021	\$ 85,285
Accounts receivable	1,815	853
Contracts receivable	4,639	4,875
Total current assets	<u>126,475</u>	<u>91,013</u>
Noncurrent assets:		
Contracts receivable	<u>156,600</u>	<u>156,600</u>
Total assets	<u>283,075</u>	<u>247,613</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	43,273	-
Due to UIA - contracts	10,230	4,875
Noncurrent liabilities:		
Due to UIA - contracts	<u>156,600</u>	<u>156,600</u>
Total liabilities	<u>210,103</u>	<u>161,475</u>
<u>Net position</u>		
Unrestricted	<u>72,972</u>	<u>86,138</u>
Total net position	<u>\$ 72,972</u>	<u>86,138</u>

LAYTON CITY CORPORATION

UIA - UTAH INFRASTRUCTURE AGENCY

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION

For the years ended June 30, 2015 and 2014

	2015	2014
<u>Operating revenues</u>		
Fees	\$ 13,747	\$ 13,741
Miscellaneous	-	10
Total operating revenues	<u>13,747</u>	<u>13,751</u>
<u>Operating expenses</u>		
Contracted agreements	251,850	268,961
Administrative expenses	<u>157</u>	<u>83</u>
Total operating expenses	<u>252,007</u>	<u>269,044</u>
Operating income	(238,260)	(255,293)
<u>Nonoperating revenues (expenses)</u>		
Interest	94	32
Transfer in	<u>225,000</u>	<u>342,000</u>
Total nonoperating revenues (expenses)	<u>225,094</u>	<u>342,032</u>
Change in net position	(13,166)	86,739
Total net position - beginning	<u>86,138</u>	<u>(601)</u>
Total net position - ending	<u>\$ 72,972</u>	<u>\$ 86,138</u>

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Layton City Corporation

Component Unit Fund Schedules

LAYTON CITY CORPORATION

DAVIS METRO NARCOTICS STRIKE FORCE FUND
COMPARATIVE BALANCE SHEET

June 30, 2015 and 2014

	2015	2014
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 445,364	\$ 351,138
Receivables-grants	76,272	63,096
Restricted cash and cash equivalents	<u>21,349</u>	<u>48,397</u>
Total assets	<u>\$ 542,985</u>	<u>\$ 462,631</u>
<u>Liabilities and fund balance</u>		
Current liabilities:		
Accounts payable	\$ 25,619	\$ 37,345
Accrued liabilities	1,866	833
Seizure deposits	<u>21,349</u>	<u>48,397</u>
Total liabilities	<u>48,834</u>	<u>86,575</u>
Fund balance:		
Restricted for federal and state programs	252,565	233,676
Assigned	<u>241,586</u>	<u>142,380</u>
Total fund balance	<u>494,151</u>	<u>376,056</u>
Total liabilities and fund balance	<u>\$ 542,985</u>	<u>\$ 462,631</u>

LAYTON CITY CORPORATION

DAVIS METRO NARCOTICS STRIKE FORCE FUND
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL

For the years ended June 30, 2015 and 2014
 (with comparative actual amounts for year ended June 30, 2014)

	2015			2014	
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Intergovernmental:					
HIDTA grant	\$ 135,434	\$ 173,223	\$ 130,330	\$ (42,893)	\$ 133,627
SAFG grant	75,000	75,000	112,301	37,301	75,000
STFG grant	124,686	124,686	83,000	(41,686)	111,948
NADDI grant	-	-	5,000	5,000	5,000
Participating entity assessments	83,291	83,291	83,291	-	83,291
Restitution and forfeited seizures	-	-	172,431	172,431	54,974
Total Intergovernmental	418,411	456,200	586,353	130,153	463,840
Miscellaneous:					
Interest	-	-	2,118	2,118	1,739
Other	-	-	20,411	20,411	265
Total revenues	418,411	456,200	608,882	152,682	465,844
<u>Expenditures</u>					
Current:					
Public safety:					
Salaries, wages and benefits	142,901	171,242	153,919	17,323	140,108
Materials and supplies	331,105	373,765	336,868	36,897	311,162
Total expenditures	474,006	545,007	490,787	54,220	451,270
Revenues over (under) expenditures	(55,595)	(88,807)	118,095	206,902	14,574
<u>Other financing sources</u>					
Sale of capital assets	-	-	-	-	4,000
Net change in fund balance	(55,595)	(88,807)	118,095	206,902	18,574
Fund balance - beginning - restated	376,056	376,056	376,056	-	357,482
Fund balance - ending	\$ 320,461	\$ 287,249	\$ 494,151	\$ 206,902	\$ 376,056

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Layton City Corporation

Statistical Section

Statistical Section Description

(Unaudited)

This section of Layton 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.

Financial Trends—These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity—These schedules contain information to help the reader assess the factors affecting the city's ability to generate its most significant local revenue sources, property and sales tax.

Debt Capacity—These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the ability to issue additional debt in the future.

Demographic and Economic Information—These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

Operating information—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 the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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LAYTON CITY CORPORATION

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Governmental activities:</u>										
Net investment in capital assets	\$93,375,384	\$106,027,068	\$115,451,749	\$129,643,127	\$139,435,395	\$145,405,569	\$144,556,214	\$146,237,235	\$150,159,678	\$153,482,206
Restricted	2,856,374	3,528,761	4,889,042	4,519,475	3,375,468	3,012,781	2,703,393	3,980,692	5,435,689	5,237,356
Unrestricted	5,475,793	4,734,368	6,842,828	6,386,307	7,047,809	7,087,649	8,015,003	7,773,546	7,883,220	4,134,740
Total governmental activities net position	<u>\$101,707,551</u>	<u>\$114,290,197</u>	<u>\$127,183,619</u>	<u>\$140,548,909</u>	<u>\$149,858,672</u>	<u>\$155,505,999</u>	<u>\$155,274,610</u>	<u>\$157,991,473</u>	<u>\$163,478,587</u>	<u>\$162,854,302</u>
<u>Business-type activities:</u>										
Net investment in capital assets	\$56,171,250	\$60,567,875	\$65,216,413	\$68,478,755	\$72,131,324	\$78,613,596	\$80,843,430	\$80,940,448	\$88,442,593	\$91,986,496
Restricted	817,187	570,768	538,657	802,518	733,707	925,231	1,006,543	735,475	1,812,732	2,561,418
Unrestricted	6,005,005	5,634,112	6,821,933	6,720,147	8,268,396	6,458,173	7,519,072	9,094,905	9,758,752	9,446,308
Total business-type activities net position	<u>\$62,993,442</u>	<u>\$66,772,755</u>	<u>\$72,577,003</u>	<u>\$76,001,420</u>	<u>\$81,133,427</u>	<u>\$85,997,000</u>	<u>\$89,369,045</u>	<u>\$90,770,828</u>	<u>\$100,014,077</u>	<u>\$103,994,222</u>
<u>Primary government:</u>										
Net investment in capital assets	\$149,546,634	\$166,594,943	\$180,668,162	\$198,121,882	\$211,566,719	\$224,019,165	\$225,399,644	\$227,177,683	\$238,602,271	\$245,468,702
Restricted	3,673,561	4,099,529	5,427,699	5,321,993	4,109,175	3,938,012	3,709,936	4,716,167	7,248,421	7,798,774
Unrestricted	11,480,798	10,368,480	13,664,761	13,106,454	15,316,205	13,545,822	15,534,075	16,868,451	17,641,972	13,581,048
Total primary government net position	<u>\$164,700,993</u>	<u>\$181,062,952</u>	<u>\$199,760,622</u>	<u>\$216,550,329</u>	<u>\$230,992,099</u>	<u>\$241,502,999</u>	<u>\$244,643,655</u>	<u>\$248,762,301</u>	<u>\$263,492,664</u>	<u>\$266,848,524</u>

LAYTON CITY CORPORATION

CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Expenses</u>										
Government activities:										
General government	\$4,033,135	\$4,053,171	\$3,773,912	\$4,019,258	\$5,337,533	\$5,813,624	\$7,433,854	\$7,141,328	\$6,671,153	\$6,844,664
Public safety	11,942,124	12,531,814	13,490,770	14,102,762	13,794,109	14,513,104	14,838,923	14,765,863	15,261,468	15,024,179
Community and economic development	1,586,358	1,619,300	1,924,866	1,942,838	1,834,800	2,098,524	1,570,675	2,393,966	1,761,550	4,299,824
Streets and public improvements	4,838,064	4,629,615	4,846,094	5,630,673	5,580,922	5,850,053	6,493,396	7,022,012	6,770,720	6,431,468
Parks and recreation	2,998,905	2,940,553	2,773,370	2,894,802	2,961,845	3,162,662	3,201,068	3,161,815	3,403,417	3,223,684
Interest on long-term debt	69,351	193,111	237,852	159,885	180,341	186,051	174,655	164,462	149,542	140,265
Total governmental activities expenses	25,467,937	25,967,564	27,046,864	28,750,218	29,689,550	31,624,018	33,712,571	34,649,446	34,017,850	35,964,084
Business-type activities:										
Water	4,274,120	4,336,627	4,791,328	5,335,071	4,897,505	4,690,066	5,153,375	4,990,010	5,749,044	5,850,251
Storm sewer	2,314,247	1,387,041	1,922,729	1,723,280	1,861,741	1,857,744	1,933,852	2,357,989	2,062,924	2,737,168
Sewer	3,266,205	3,871,573	3,734,078	3,625,909	3,855,432	4,241,115	4,507,113	4,917,068	5,112,186	6,545,277
Refuse	2,762,220	2,554,814	2,462,239	2,499,669	2,597,094	2,622,967	2,668,136	2,710,026	2,760,288	2,777,743
Swimming pool	1,041,813	788,014	819,964	988,375	912,377	908,394	970,385	993,543	993,878	1,030,461
Emergency medical services	1,571,580	1,644,010	1,811,187	1,896,268	2,193,974	2,148,668	2,317,493	2,297,717	2,345,428	2,235,033
Street lighting	-	-	-	-	-	-	-	-	689,940	413,501
UIA	-	-	-	-	-	-	8,252	160,255	269,044	252,007
Athletic programs	258,362	253,482	276,848	283,242	316,227	323,522	299,928	298,712	302,300	367,603
Total business-type activities expenses	15,488,547	14,835,561	15,818,373	16,351,814	16,634,350	16,792,476	17,858,534	18,727,320	20,285,032	22,209,044
Total primary government expenses	\$40,956,484	\$40,803,125	\$42,865,237	\$45,102,032	\$46,323,900	\$48,416,494	\$51,571,105	\$53,376,766	\$54,302,882	\$58,173,128
<u>Program Revenues</u>										
Governmental activities:										
Charges for services:										
Public safety	\$881,805	\$1,004,443	\$1,351,349	\$1,210,549	\$1,156,772	\$636,059	\$1,325,789	\$1,367,903	\$1,369,749	\$1,342,900
Community and economic development	1,675,733	1,443,285	1,037,134	790,083	1,031,040	1,049,837	1,271,740	1,569,973	1,272,806	1,428,887
Streets and public improvements	98,839	153,910	166,881	171,455	70,452	550,764	132,107	254,053	93,831	97,428
Other activities	323,247	331,280	332,353	690,222	754,937	760,769	781,814	822,961	783,995	787,880
Operating grants and contributions	2,541,413	2,824,317	2,802,050	2,818,491	3,344,725	3,235,978	2,574,612	2,669,991	2,463,746	3,798,267
Capital grants and contributions	4,439,061	9,218,895	7,392,036	11,844,497	8,797,796	7,922,119	2,443,291	5,130,225	7,842,229	6,395,220
Total governmental activities program revenues	9,960,098	14,976,130	13,081,803	17,525,297	15,155,722	14,155,526	8,529,353	11,815,106	13,826,356	13,850,582
Business-type activities:										
Charges for services										
Water	4,665,817	4,972,585	5,227,401	5,508,477	4,994,089	5,398,597	6,074,551	6,499,294	6,152,705	6,025,322
Storm sewer	1,630,262	1,634,117	2,067,837	2,133,741	2,156,315	2,171,713	2,345,427	2,210,843	2,229,148	2,254,984
Sewer	3,293,179	3,403,917	3,387,563	3,420,462	4,069,045	4,222,035	4,592,187	5,039,995	5,551,462	6,825,982
Refuse	2,976,571	2,673,949	2,562,728	2,603,285	2,508,811	2,530,248	2,563,867	2,741,668	2,787,593	2,857,527
Swimming pool	463,282	474,820	424,149	375,163	383,653	383,597	431,763	435,743	426,409	388,063
Emergency medical services	1,110,846	1,187,205	1,378,005	1,524,340	1,427,924	1,544,700	1,616,118	1,665,294	1,765,930	1,703,588
Street Lighting	-	-	-	-	-	-	-	-	856,832	798,065
UIA	-	-	-	-	-	-	8,740	16,776	13,741	13,747
Athletic programs	259,810	269,175	268,399	300,128	314,792	317,845	327,528	314,086	325,837	379,541
Operating grants and contributions	1,822,250	1,424,217	1,148,556	596,760	601,950	630,701	632,024	656,685	660,177	665,111
Capital grants and contributions	943,749	3,445,120	2,972,314	5,180,963	4,485,419	2,889,352	625,272	2,337,334	3,573,370	4,053,898
Total business-type activities program revenues	17,165,766	19,485,105	19,436,952	21,643,319	20,941,998	20,088,788	19,217,477	21,917,718	24,343,204	25,965,828
Total primary government program revenues	\$27,125,864	\$34,461,235	\$32,518,755	\$39,168,616	\$36,097,720	\$34,244,314	\$27,746,830	\$33,732,824	\$38,169,560	\$39,816,410

LAYTON CITY CORPORATION

CHANGE IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

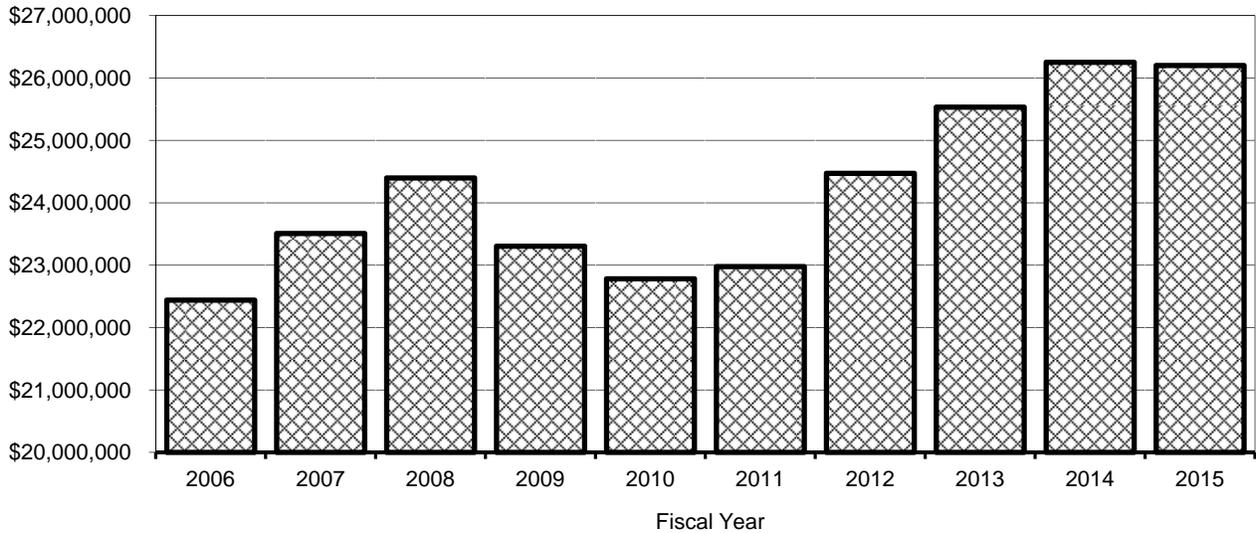
	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Net (expense) revenue</u>										
Governmental activities	(\$15,507,839)	(\$10,991,434)	(\$13,965,061)	(\$11,224,921)	(\$14,533,828)	(\$17,468,492)	(\$25,183,218)	(\$22,834,340)	(\$20,191,494)	(\$22,113,502)
Business-type activities	1,677,219	4,649,544	3,618,579	5,291,505	4,307,648	3,296,312	1,358,943	3,190,398	4,058,172	3,756,784
Total primary government net expense	(\$13,830,620)	(\$6,341,890)	(\$10,346,482)	(\$5,933,416)	(\$10,226,180)	(\$14,172,180)	(\$23,824,275)	(\$19,643,942)	(\$16,133,322)	(\$18,356,718)
<u>General Revenues and Other Changes in Net Position</u>										
Governmental activities:										
Property and uniform vehicle taxes	\$6,438,364	\$6,285,781	\$6,817,380	\$6,938,162	\$7,102,388	\$7,025,590	\$7,676,248	\$7,968,919	\$8,030,753	\$7,257,495
Sales and use taxes	11,293,832	12,301,883	12,401,374	11,020,116	10,275,924	10,518,822	11,283,192	11,705,575	12,194,440	13,049,426
Franchise, telecommunication and energy sales taxes	4,768,830	4,796,881	5,013,316	5,201,776	5,253,104	5,284,627	5,354,173	5,706,022	5,848,189	5,698,201
Transient room tax	143,669	125,773	166,759	146,027	150,790	150,535	159,336	154,075	179,073	196,879
Investment earnings	311,432	403,494	342,583	198,324	64,907	81,072	70,502	117,906	80,258	85,558
Miscellaneous	462,606	474,940	791,075	459,707	530,355	189,792	346,454	168,810	181,454	167,573
Gain (loss) on sale of capital assets	169,491	126,421	935,246	284,158	527,247	154,616	37,287	129,035	35,075	2,361,242
Transfers	(1,899,331)	(941,093)	390,750	341,941	(319,818)	(289,235)	24,637	(399,139)	(870,634)	(945,307)
Total governmental activities	21,688,893	23,574,080	26,858,483	24,590,211	23,584,897	23,115,819	24,951,829	25,551,203	25,678,608	27,871,067
Business-type activities:										
Investment earnings	202,763	205,611	196,588	109,288	43,139	29,938	43,081	52,528	39,178	48,232
Miscellaneous				69,743	192,338	77,794	59,943	525,647	77,954	73,480
Gain (loss) on sale of capital assets		8,000		3,412	630	10,000	(35,550)	38,474	(8,875)	21,998
Transfers	1,899,331	941,093	(390,750)	(341,941)	319,818	289,235	(24,637)	399,139	870,634	945,307
Total business-type activities	2,102,094	1,154,704	(194,162)	(159,498)	555,925	406,967	42,837	1,015,788	978,891	1,089,017
Total primary government	\$23,790,987	\$24,728,784	\$26,664,321	\$24,430,713	\$24,140,822	\$23,522,786	\$24,994,666	\$26,566,991	\$26,657,499	\$28,960,084
<u>Change in Net Position</u>										
Governmental activities	\$6,181,054	\$12,582,646	\$12,893,422	\$13,365,290	\$9,051,069	\$5,647,327	(\$231,389)	\$2,716,863	\$5,487,114	\$5,757,565
Business-type activities	3,779,313	5,804,248	3,424,417	5,132,007	4,863,573	3,703,279	1,401,780	4,206,186	5,037,063	4,845,801
Total primary government	\$9,960,367	\$18,386,894	\$16,317,839	\$18,497,297	\$13,914,642	\$9,350,606	\$1,170,391	\$6,923,049	\$10,524,177	\$10,603,366

LAYTON CITY CORPORATION

GOVERNMENTAL ACTIVITIES TAX AND SPECIAL ASSESSMENT REVENUES BY SOURCE
 LAST TEN FISCAL YEARS

Year	Property Tax	Uniform Vehicle Tax	Sales Tax	Franchise, Telecommunications and Energy Taxes	Transient Room Tax	Payments in Lieu and Special Assessments	Total Tax Revenues
2006	\$ 5,541,424	\$ 693,127	\$ 11,293,832	\$ 4,768,830	\$ 143,669	\$ 434	\$ 22,441,316
2007	5,618,851	666,428	12,301,883	4,796,881	125,773	502	23,510,318
2008	6,121,773	695,085	12,401,374	5,013,316	166,759	522	24,398,829
2009	6,294,258	643,252	11,020,116	5,201,777	146,026	652	23,306,081
2010	6,475,158	626,676	10,275,924	5,253,104	150,790	554	22,782,206
2011	6,475,459	549,484	10,518,822	5,284,627	150,535	647	22,979,574
2012	7,165,349	510,270	11,283,192	5,354,173	159,336	629	24,472,949
2013	7,470,039	498,246	11,705,575	5,706,022	154,075	634	25,534,591
2014	7,557,289	472,776	12,194,440	5,848,189	179,073	688	26,252,455
2015	6,760,381	496,375	13,049,426	5,698,201	196,879	739	26,202,001

Governmental Activities Tax and Special Assessment Revenues



LAYTON CITY CORPORATION

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015
<u>General fund:</u>							
Nonspendable	\$ 17,757	\$ 18,514	\$ 16,005	\$ 435,156	\$ 425,088	\$ 415,383	\$ 457,546
Restricted	30,745	21,671	221,767	96,104	6,343	-	14,434
Assigned	-	58,087	92,883	90,611	1,437,512	1,969,311	1,592,699
Unassigned	2,126,421	4,635,703	4,906,723	5,348,811	5,431,181	5,155,535	5,795,064
Total general fund	\$ 2,174,923	\$ 4,733,975	\$ 5,237,378	\$ 5,970,682	\$ 7,300,124	\$ 7,540,229	\$ 7,859,743
<u>All other governmental funds:</u>							
Nonspendable	-	-	-	\$113,273	\$104,405	\$95,449	\$86,410
Restricted	\$4,488,730	\$3,838,988	\$3,184,737	2,607,289	3,974,349	5,435,689	5,222,922
Assigned reported in:							
Special revenue funds	552,088	234	807	697,754	425,282	258,605	256,350
Debt service fund	138,833	855	338,142	636,091	359,204	351,197	351,957
Capital projects fund	5,277,348	3,587,792	3,194,596	2,615,473	2,190,459	2,189,081	3,479,119
Unassigned	(433)	-	-	-	-	-	-
Total all other governmental funds	\$ 10,456,566	\$ 7,427,869	\$ 6,718,282	\$ 6,669,880	\$ 7,053,699	\$ 8,330,021	\$ 9,396,758

Note: Implementation of GASB 54 changed fund balance category presentation. The years from 2006 to 2008 are displayed below under the former GAAP categories. The presentations are not comparable and are therefore displayed separately.

	2006	2007	2008
<u>General fund:</u>			
Reserved	\$ 773,049	\$ 661,609	\$ 395,104
Unreserved	4,510,141	4,240,061	6,426,377
Total general fund	5,283,190	4,901,670	6,821,481
<u>All other governmental funds:</u>			
Reserved	2,834,616	3,343,422	4,661,908
Unreserved, reported in:			
Special revenue funds	179,302	-	373,218
Debt Service Fund	647,083	1,202,165	169,464
Capital project fund	1,237,707	343,860	1,204,207
Total all other governmental funds	\$ 4,898,708	\$ 4,889,447	\$ 6,408,797

LAYTON CITY CORPORATION

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes and special assessments	\$22,441,316	\$23,510,318	\$24,398,829	\$23,306,081	\$22,782,206	\$22,979,574	\$24,472,949	\$25,534,591	\$26,252,455	\$26,202,001
Licenses and permits	1,426,020	1,215,755	997,063	732,442	1,003,550	1,023,155	1,240,476	1,499,432	1,238,610	1,383,273
Intergovernmental	2,710,579	2,801,233	2,802,050	2,812,340	3,340,725	3,148,405	2,739,521	2,960,088	2,628,996	3,708,702
Charges for services	1,888,439	2,581,936	3,353,390	2,019,336	2,601,186	2,259,290	3,220,317	5,025,379	3,191,137	3,138,530
Fines and forfeitures	306,685	261,751	359,321	269,871	317,319	239,567	317,959	298,146	297,592	313,975
Developer payments	-	-	208,917	-	506,747	-	-	141,000	44,334	10,000
Miscellaneous	1,253,264	1,216,860	1,214,668	1,268,231	1,209,649	978,287	1,031,008	906,139	854,049	857,392
Total Revenues	30,026,303	31,587,853	33,334,238	30,408,301	31,761,382	30,628,278	33,022,230	36,364,775	34,507,173	35,613,873
Expenditures:										
General government	3,829,696	3,795,547	4,226,029	4,463,235	4,317,450	4,110,296	4,289,756	4,195,531	4,463,882	4,571,465
Public safety	11,090,141	12,496,333	13,122,744	13,430,194	13,589,632	13,830,539	14,321,491	14,600,255	15,165,456	15,464,180
Community and economic development	1,566,242	1,621,240	1,345,118	1,960,556	1,799,716	2,079,139	1,561,297	2,379,439	1,784,329	4,344,474
Streets and public improvements	3,079,014	3,163,514	3,565,279	3,599,763	3,360,945	3,316,435	3,710,490	4,507,494	3,710,956	3,306,604
Parks and recreation	2,596,696	2,622,692	2,531,846	2,656,564	2,646,027	2,724,591	2,851,476	2,825,095	2,944,150	3,006,094
Debt service										
Principal	937,821	956,294	1,160,123	1,231,906	671,787	225,000	230,000	245,000	250,000	270,000
Interest	94,228	75,414	320,812	245,755	211,630	196,100	185,850	173,975	162,538	150,475
Bond issuance costs	-	129,841	-	-	-	-	-	-	-	45,975
Pledge payments	-	-	-	-	-	1,559,250	2,078,889	2,326,540	2,193,179	2,237,043
Capital outlay	2,192,161	11,641,828	5,092,507	4,701,647	4,997,882	2,662,808	3,169,991	3,128,081	1,480,697	2,293,857
Total Expenditures	25,385,999	36,502,703	31,364,458	32,289,620	31,595,069	30,704,158	32,399,240	34,381,410	32,155,187	35,690,167
Excess of revenues over (under) expenditures	4,640,304	(4,914,850)	1,969,780	(1,881,319)	166,313	(75,880)	622,990	1,983,365	2,351,986	(76,294)
Other financing sources (uses):										
Transfers in	5,268,343	7,130,436	7,732,293	10,693,299	2,166,959	4,559,312	4,842,922	4,514,330	4,326,719	11,190,658
Transfers out	(7,167,674)	(8,071,529)	(7,341,543)	(10,351,358)	(2,486,777)	(4,848,547)	(4,818,285)	(4,913,469)	(5,197,353)	(12,135,965)
Sale of capital assets	199,571	171,545	25,061	306,712	528,036	158,931	37,287	129,035	35,075	2,361,242
Health benefit plan dividend	-	-	658,700	633,877	278,076	-	-	-	-	-
Pledge payment - interlocal guarantee agreement	-	-	-	-	(1,114,252)	-	-	-	-	-
Returned grant funds	-	-	-	-	(8,000)	-	-	-	-	-
Bond Proceeds	-	5,210,000	-	-	-	-	-	-	-	3,045,000
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	-	(2,998,390)
Bond issuance discount	-	(23,715)	-	-	-	-	-	-	-	-
Bond issuance premium	-	106,632	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,699,760)	4,523,369	1,074,511	1,282,530	(635,958)	(130,304)	61,924	(270,104)	(835,559)	1,462,545
Special items:										
Sale of surplus land	-	-	977,947	-	-	-	-	-	-	-
Reimbursement of CDBG funds	-	-	(583,077)	-	-	-	-	-	-	-
Total Special items	-	-	394,870	-	-	-	-	-	-	-
Net change in fund balances	\$2,940,544	(\$391,481)	\$3,439,161	(\$598,789)	(\$469,645)	(\$206,184)	\$684,914	\$1,713,261	\$1,516,427	\$1,386,251
Debt service as a percentage of noncapital expenditures	4.4%	4.1%	5.6%	5.4%	3.3%	1.5%	1.4%	1.3%	1.3%	1.3%

LAYTON CITY CORPORATION

PRINCIPAL SALES TAX PAYERS

CURRENT YEAR AND TEN YEARS AGO

Taxpayer	Fiscal Year 2015			Fiscal Year 2005		
	Sales Taxes ¹	Rank	Percentage of Total Sales Taxes ¹	Sales Taxes ¹	Rank	Percentage of Total Sales Taxes ¹
Wal Mart Superstore	N/A	1	N/A	N/A	1	N/A
Sams Club	N/A	2	N/A	N/A	2	N/A
Target	N/A	3	N/A	N/A	3	N/A
Utah Power and Light	N/A	4	N/A	N/A	8	N/A
Home Depot	N/A	5	N/A	---	---	---
Smith's Food Stores	N/A	6	N/A	N/A		N/A
Young Chevrolet	N/A	7	N/A	N/A	6	N/A
Warehouse	N/A	8	N/A	N/A		N/A
Walmart Neighborhood Market	N/A	9	N/A	---	---	---
Ed Kenley Ford	N/A	10	N/A	N/A	7	N/A
Lowe's	---		---	N/A	4	N/A
Stock Building Supply West	---		---	N/A	5	N/A
Young Pontiac Cadillac GMC	---		---	N/A	9	N/A
Burton Lumber and Hardware	---		---	N/A	10	N/A
Total	<u>\$4,195,847</u>		<u>32.15%</u>	<u>\$3,522,485</u>		<u>33.97%</u>

Source: Utah State Tax Commission

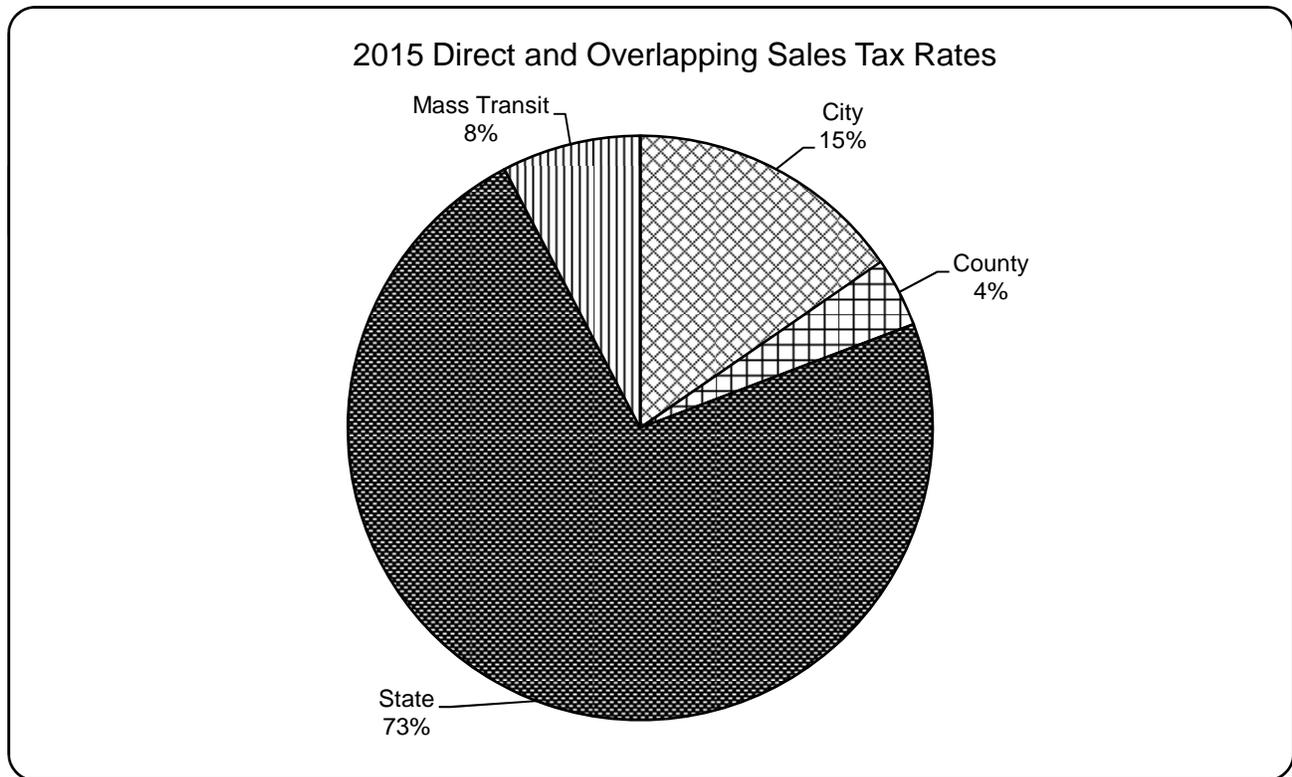
¹ Due to confidentiality issues, the amounts and percentages of the ten largest revenue payers cannot be displayed. However, the aggregate total is displayed along with the individual rankings in an effort to provide the reader with information as to where the City's sales tax base originates.

LAYTON CITY CORPORATION

DIRECT AND OVERLAPPING SALES TAX RATES LAST TEN FISCAL YEARS

Year	City	County	State	Mass Transit	Total
2006	1.00%	0.25%	4.75%	0.50%	6.50%
2007	1.00%	0.25%	4.75%	0.50%	6.50%
2008	1.00%	0.25%	4.65%	0.50%	6.40%
2009	1.00%	0.25%	4.70%	0.50%	6.45%
2010	1.00%	0.25%	4.75%	0.50%	6.50%
2011	1.00%	0.25%	4.75%	0.50%	6.50%
2012	1.00%	0.25%	4.75%	0.50%	6.50%
2013	1.00%	0.25%	4.75%	0.50%	6.50%
2014	1.00%	0.25%	4.75%	0.50%	6.50%
2015	1.00%	0.25%	4.75%	0.50%	6.50%

Source: Davis County Clerk/Auditor

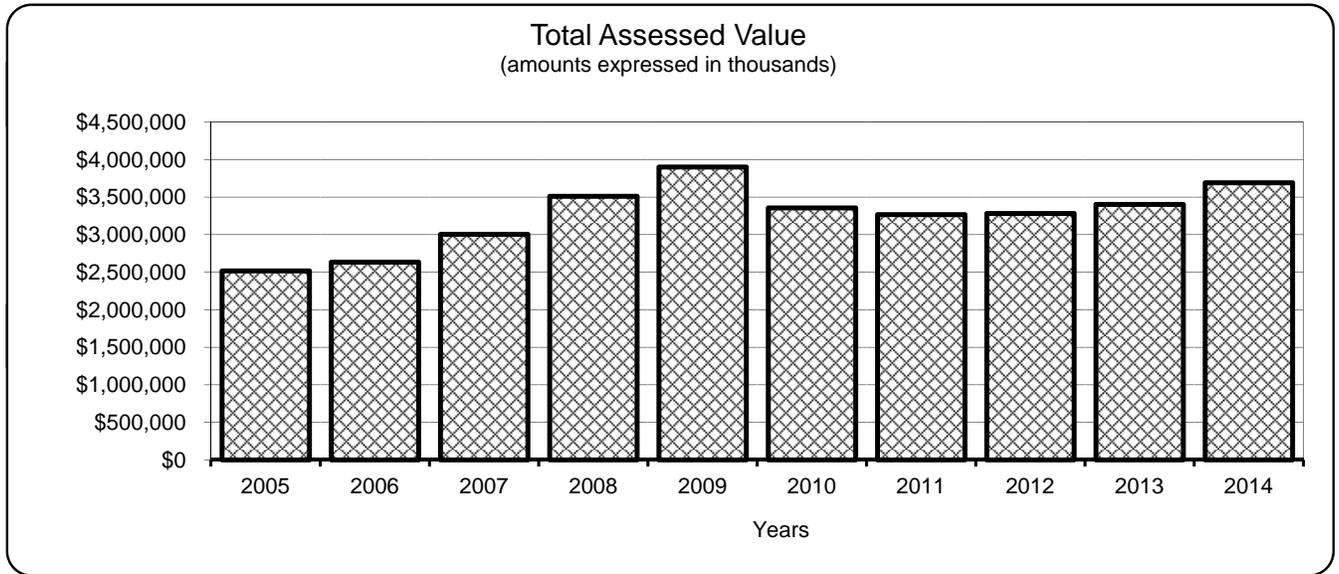


LAYTON CITY CORPORATION

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN CALENDAR YEARS
 (amounts expressed in thousands)

Year	Real Property		Personal Property		Total		Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2005	\$ 2,375,536	\$ 3,708,619	\$ 142,877	\$ 142,877	\$ 2,518,413	\$ 3,851,496	0.2134%	65.39%
2006	2,491,714	3,807,134	143,058	143,058	2,634,772	3,950,192	0.2092%	66.70%
2007	2,834,149	4,693,045	172,287	172,287	3,006,436	4,865,332	0.2047%	61.79%
2008	3,337,997	5,526,430	173,815	173,815	3,511,812	5,700,245	0.1771%	61.61%
2009	3,725,821	5,346,025	175,836	175,836	3,901,657	5,521,861	0.1876%	70.66%
2010	3,195,927	5,255,930	162,060	162,060	3,357,987	5,417,990	0.1933%	61.98%
2011	3,076,886	5,240,528	191,747	191,747	3,268,633	5,432,275	0.2068%	60.17%
2012	3,097,967	4,987,728	185,670	185,670	3,283,637	5,173,398	0.2084%	63.47%
2013	3,208,456	5,224,853	194,539	194,539	3,402,995	5,419,392	0.2046%	62.79%
2014	3,496,644	5,538,344	196,304	196,304	3,692,948	5,734,648	0.1896%	64.40%

Source: Davis County Clerk/Auditor; except 2014 estimated actual values were estimated by the City

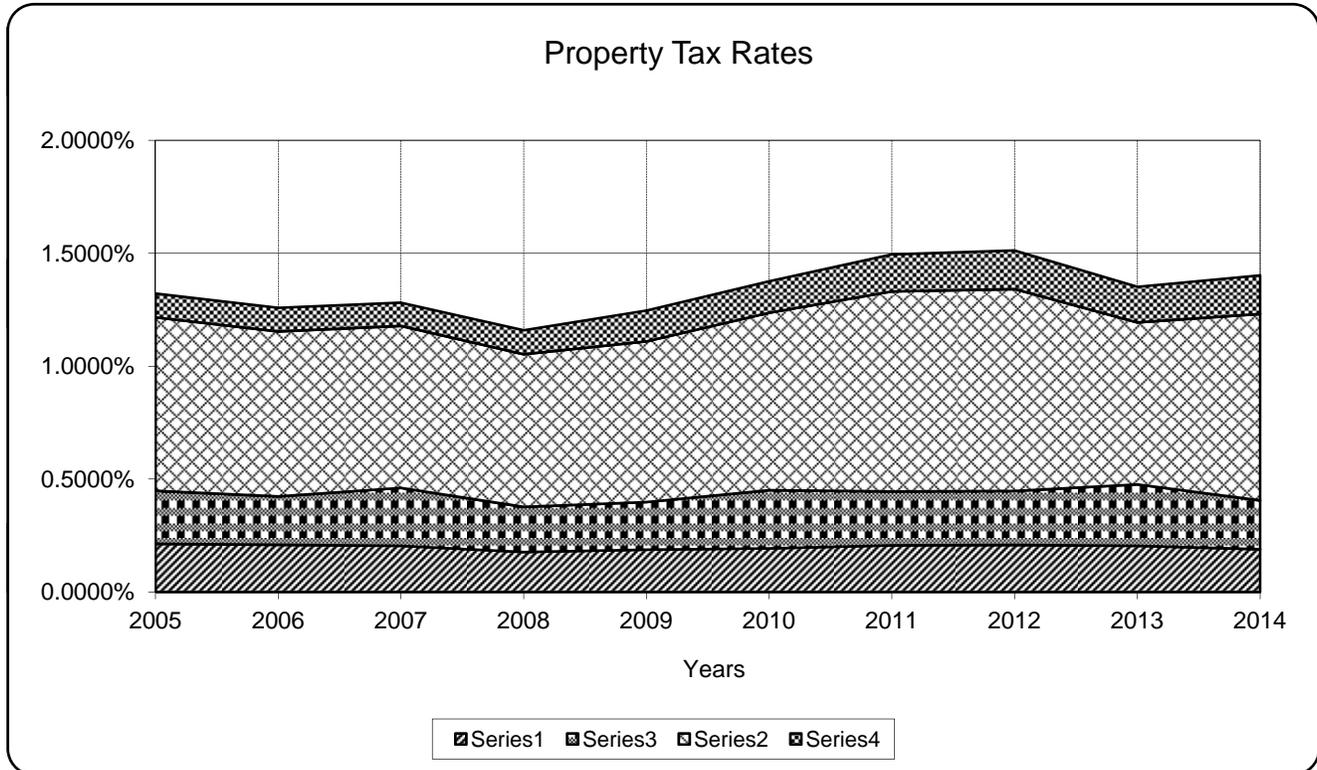


LAYTON CITY CORPORATION

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN CALENDAR YEARS

Year	Total City	Overlapping Rates			Total Direct & Overlapping Rates
		County	School District	Special Tax Districts	
2005	0.2134%	0.2347%	0.7684%	0.1054%	1.3219%
2006	0.2092%	0.2142%	0.7305%	0.1047%	1.2586%
2007	0.2047%	0.2564%	0.7176%	0.1027%	1.2814%
2008	0.1771%	0.1997%	0.6764%	0.1062%	1.1594%
2009	0.1876%	0.2108%	0.7118%	0.1364%	1.2466%
2010	0.1933%	0.2576%	0.7860%	0.1392%	1.3761%
2011	0.2068%	0.2383%	0.8861%	0.1641%	1.4953%
2012	0.2084%	0.2391%	0.8941%	0.1709%	1.5125%
2013	0.2046%	0.2720%	0.7175%	0.1575%	1.3516%
2014	0.1896%	0.2161%	0.8259%	0.1709%	1.4025%

Source: Davis County Clerk/Auditor

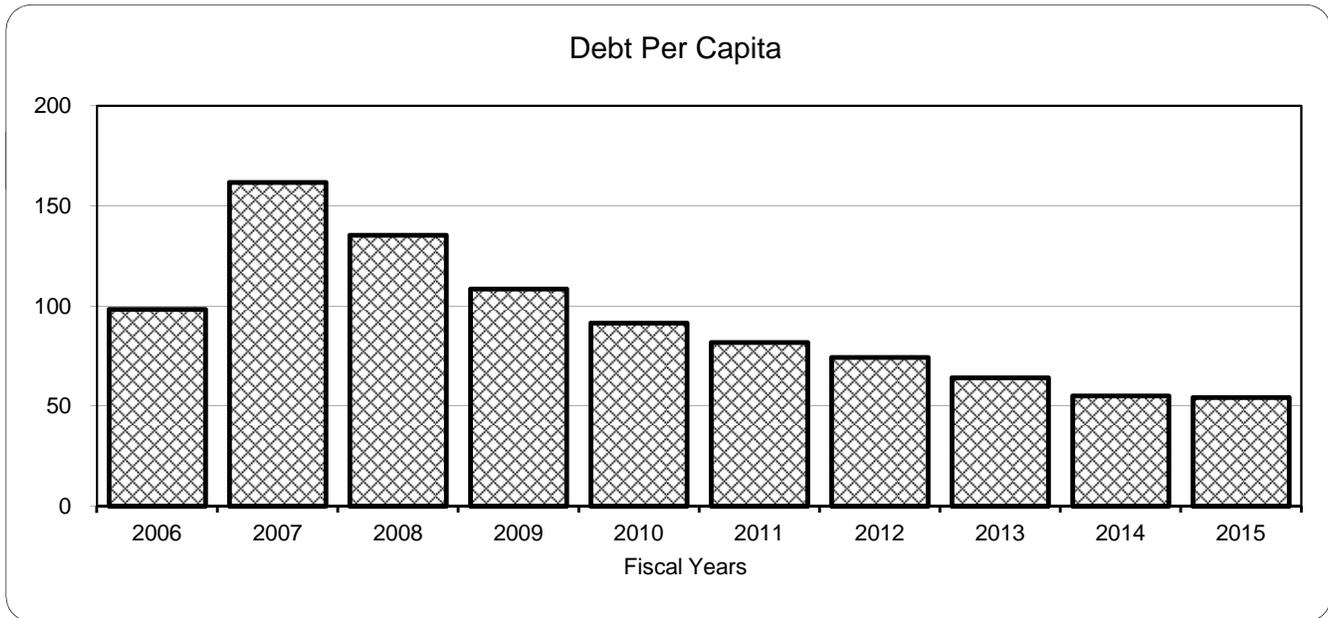


LAYTON CITY CORPORATION

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Sales Tax Revenue Bonds	Note Payable	Sales Tax Revenue Bonds	Contracts Payable			
2006	\$ 2,990,000	\$ 460,110	\$ 2,570,000		\$ 6,020,110	0.34%	98
2007	7,375,924	333,816	2,275,000		9,984,740	0.54%	162
2008	6,375,924	173,693	1,975,000		8,524,617	0.41%	135
2009	5,290,924	26,787	1,670,000		6,987,711	0.32%	108
2010	4,645,924		1,360,000		6,005,924	0.26%	91
2011	4,420,924		1,035,000		5,455,924	0.24%	82
2012	4,190,924		700,000	\$ 110,643	5,001,567	0.22%	74
2013	3,945,924		355,000	134,975	4,435,899	0.19%	64
2014	3,695,924			161,475	3,857,399	0.16%	55
2015	3,641,848			166,830	3,808,678	0.16%	54

Note: See schedule of demographic and economic statistics, page 130, for personal income and population data.



LAYTON CITY CORPORATION

RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Less: Amounts Payable From Enterprise Revenues	Net Bonded Debt	Percentage of Estimated Value of Taxable Property	Per Capita
2006	---	---	---	---	---	---
2007	---	---	---	---	---	---
2008	---	---	---	---	---	---
2009	---	---	---	---	---	---
2010	---	---	---	---	---	---
2011	---	---	---	---	---	---
2012	---	---	---	---	---	---
2013	---	---	---	---	---	---
2014	---	---	---	---	---	---
2015	---	---	---	---	---	---

Note: Population data can be found on the schedule of demographic and economic statistics page 130.
Estimated actual taxable value of property can be found on page 123 assessed and estimated actual value of property table.

LAYTON CITY CORPORATION

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT DECEMBER 31, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Davis County	\$17,724,000	21.54%	\$3,817,750
Davis School District	407,635,000	21.54%	87,804,579
Other debt			
Weber basin water conservancy district	8,818,944	21.50%	1,896,073
Davis County:			
Sales tax revenue bonds	35,140,985	32.06%	11,266,200
MBA lease revenue bonds	20,044,000	21.54%	4,317,478
Total overlapping debt	489,362,929		109,102,079
Layton City Corporation sales tax revenue bonds	3,635,924		3,635,924
Total direct and overlapping debt	\$492,998,853		\$112,738,003

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable to Layton City was estimated using taxable assessed property values. Percentages were estimated by determining the portion of the governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable value. This method was used on all debt except retail sales tax revenue bonds.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Layton City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

Sources: Davis County CAFR

LAYTON CITY CORPORATION

LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$100,736,548	\$105,390,905	\$120,257,431	\$140,472,479	\$138,066,291	\$134,319,493	\$130,745,328	\$131,345,482	\$136,119,863	\$147,717,938
Total net debt applicable to limit	<hr/>									
Legal debt margin	\$100,736,548	\$105,390,905	\$120,257,431	\$140,472,479	\$138,066,291	\$134,319,493	\$130,745,328	\$131,345,482	\$136,119,863	\$147,717,938
Total net debt applicable to the limit as a percentage of debt limit	0.00%									

<u>Legal Debt Margin Calculation for Fiscal Year 2015</u>	
Assessed value	\$3,692,948,451
Debt limit (4 percent of total assessed value)	147,717,938
Debt applicable to limit:	
Total bonded debt	3,630,000
Less revenue bonds	<u>3,630,000</u>
Total debt applicable to limitation	<u>0</u>
Legal debt margin	<u><u>\$147,717,938</u></u>

LAYTON CITY CORPORATION

PLEDGED REVENUE COVERAGE - SALES TAX REVENUE AND REFUNDING BONDS LAST TEN FISCAL YEARS

Year	Sales and Use Tax		Debt Service			Coverage			
	Tax Revenues		Principal	Interest & Agent fees	Total				
2006	\$	11,293,832	\$	1,100,000	\$	193,190	\$	1,293,190	8.73
2007		12,301,883		1,125,000		166,668		1,291,668	9.52
2008		12,401,374		1,300,000		394,959		1,694,959	7.32
2009		11,020,116		1,390,000		298,795		1,688,795	6.53
2010		10,275,924		955,000		257,195		1,212,195	8.48
2011		10,518,822		550,000		236,440		786,440	13.38
2012		11,283,192		565,000		216,665		781,665	14.43
2013		11,705,575		590,000		183,942		773,942	15.12
2014		12,194,440		605,000		171,030		776,030	15.71
2015		13,049,426		285,000		13,163		298,163	43.77

Note: Sales tax revenue bonds were issued in October 2006 with the first principal and interest payments due July 15, 2007.

Sales tax revenue refunding bonds were issued in May 2015 with the first principal and interest payments due July 15, 2015.

LAYTON CITY CORPORATION

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

Year	(1) Population	(2) Per Capita Income	(2) Personal Income	(3) Median Age	(4) School Enrollment	(5) County Unemployment Rate
2005	61,753	\$ 28,081	\$ 1,734,085,993	26.8	13,319	4.1%
2006	62,952	30,577	1,924,883,304	26.8	13,355	2.9%
2007	64,413	31,483	2,027,914,479	26.8	13,396	2.6%
2008	65,645	32,175	2,112,127,875	26.8	13,225	3.4%
2009	66,747	32,115	2,143,579,905	26.8	14,023	5.9%
2010	67,311	33,104	2,228,263,344	29.2	13,159	7.1%
2011	68,229	33,817	2,307,300,093	29.2	13,332	5.8%
2012	69,194	34,755	2,404,837,470	29.2	14,546	5.3%
2013	70,140	34,755	2,437,715,700	28.6	14,348	4.2%
2014	70,184	34,755	2,439,244,920	28.6	14,378	3.4%

(1) Year 2010 is from United States census report, other years are estimates of the Layton City Planning Division

(2) Personal income & percapita income figures were not available at the time this report was published. We have used the same percapita income as the prior calendar year and calculated the personal income using estimated population.

(3) Year 2010 United States census

(4) Davis School District (school boundaries are not the same as Layton City boundaries)

(5) Utah Department of Workforce Services

LAYTON CITY CORPORATION

PRINCIPAL EMPLOYERS CURRENT YEAR AND EIGHT YEARS AGO

Employer	2015			2007		
	Employees	Rank	Percentage of Total City Labor Force	Employees	Rank	Percentage of Total City Labor Force
Hill Air Force Base (1)	14,999	1	N/A	14,999	1	N/A
Davis School District	9,999	2	28.90%	9,999	2	26.77%
Wal-Mart	1,999	3	5.78%	1,999	3	5.35%
Kroger Group Cooperative, Inc. (Smiths)	1,999	4	5.78%	1,999	4	5.35%
Davis Hospital and Medical Center	999	5	2.89%	999	5	2.67%
May Trucking	499	6	1.44%	499	7	1.34%
Tanner Memorial Clinic	499	7	1.44%	499	9	1.34%
Lowes	499	8	1.44%			
Target	499	9	1.44%	499		1.34%
Layton City	499	10	1.44%	499	10	1.34%
SOS Staffing				499	8	1.34%
Citigroup				999	6	2.67%
Layton City total labor force	34,597			37,347		

Source: Workforce Services

Note: Information is not available prior to 2006 when the City began tracking this statistical information.

Workforce services provides a range of employees, the top of the range has been used to calculate the percentage of total city employment.

(1) Layton City is adjacent to Hill Air Force Base, which is a major employer in the state and makes a significant contribution to the economics of northern Utah. The number of employees stated represents the approximate number of civilian employees at the base, but has been excluded from the total and the percentage because the base is not part of Layton City.

LAYTON CITY CORPORATION

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government:										
Administration	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Legal	7.5	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.0
Finance	12.0	12.0	12.0	12.0	12.0	12.0	12.0	10.5	10.0	10.0
Management services	19.0	19.6	19.6	21.6	21.6	21.6	21.6	21.6	20.0	20.0
Total general government	41.5	42.4	42.4	45.4	45.4	45.4	45.4	43.9	41.8	41.0
Public Safety:										
Police	110.5	112.0	114.4	115.4	115.4	115.4	117.4	117.4	118.4	118.4
Fire (including EMS)	64.5	67.2	67.2	67.2	67.2	67.2	67.2	67.2	67.2	67.2
Total public safety	175.0	179.2	181.6	182.6	182.6	182.6	184.6	184.6	185.6	185.6
Community development	16.0	16.0	17.0	15.0						
Street and public improvements:										
Streets	17.6	17.6	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
Shop	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.5	4.5
Engineering	8.8	11.0	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
Total streets and public improvements	30.4	32.6	33.0	33.0	33.0	33.0	33.0	33.0	33.5	33.5
Parks and recreation:										
Parks administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Parks	32.0	32.0	32.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0
Recreation	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6
Museum	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0
Total parks and recreation	44.1	44.1	44.1	45.1	44.6	44.6	44.6	44.6	44.6	44.6
Water	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	14.5	14.5
Storm sewer	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Sewer	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0
Swimming pool	16.4	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
Total enterprise activities	40.9	42.0	43.0							
Total primary government	347.9	356.3	361.1	364.1	363.6	363.6	365.6	364.1	363.5	362.7

LAYTON CITY CORPORATION

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Citations issued	8,052	8,669	9,875	8,419	6,921	5,537	7,243	7,078	6,569	6,945
Arrests made	2,855	2,978	3,124	3,088	3,091	3,080	3,057	3,140	2,615	2,781
Incidents	57,970	53,853	58,406	57,496	56,718	58,816	57,510	57,186	52,952	52,677
Fire										
Calls answered	4,141	4,309	4,451	4,574	4,548	4,701	4,895	4,887	5,188	5,334
Water										
Water users (units)	22,329	23,038	23,320	23,463	23,647	24,203	24,284	25,097	25,870	25,996
Average daily consumption (millions of gallons)	11.2	10.5	10.2	10.2	9.8	10.0	10.6	11.5	11.5	10.9
Sewer										
Users (units)	22,254	22,963	23,245	23,388	23,572	24,128	24,346	25,135	25,695	24,985
Storm sewer										
Users (units)	22,254	22,963	23,245	23,388	23,572	24,128	24,346	25,135	25,695	24,985
Refuse										
Residential cans in service	19,949	20,925	21,383	21,611	22,033	22,186	22,186	22,734	23,164	23,402

LAYTON CITY CORPORATION

CAPITAL ASSET STATISTICS BY FUNCTION
 LAST TEN FISCAL YEARS

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	53	53	53	53	54	54	54	54	54	54
Fire Stations	3	3	3	3	3	3	3	3	3	3
Streets (lineal mileage)	223	227	231	238	242	245	246	247	250.3	253.1
Parks and Recreation										
Park acreage developed	171	171	171	203	206	206	225.5	259.8	268.6	268.6
Park acreage undeveloped	343	387	387	355	355	358.5	359	347.5	331.2	331.2
Parks	12	12	12	12	12	13	13	13	13	13
Tennis Courts	13	13	14	14	16	16	16	16	16	16
Gymnasiums	2	2	2	2	3	3	3	3	3	3
Water										
Water mains (miles)	243	248	253	261	267	271	274	276	279.7	283.8
Maximum daily capacity (million gallons)	21	21	21	21	21	21	33	33	33	33
Storage capacity (million gallons)	23	23	23	23	23	23	22	22	22.5	22.5
Wells	5	5	5	5	5	5	5	5	5	5
Sewer										
Sanitary sewer mains (miles)	175	178	183	191	195	199	200	202	205	208.7
Storm Sewer										
Storm sewer mains (miles)	120	124	131	136	142	146	149	150	157	160.5
Swimming pools	2	2	2	2	2	2	2	2	2	2

Layton City Corporation

Compliance Reports

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

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Bountiful, Utah 84010
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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
Layton 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Layton 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, and have issued our report thereon dated November 19, 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.

Management's Response to Finding

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.

November 19, 2015

Hansen, Bradshaw, Malmrose & Erickson

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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
Layton City Corporation, Utah

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

We have audited Layton City Corporation, Utah'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	Enterprise Fund Transfers,
Fund Balance	Reimbursements, Loans, and Services
Utah Retirement Systems	Government Records Access
Cash Management	Management Act (GRAMA)
Tax Levy Revenue Recognition	Nepotism
Open and Public Meetings Act	Conflicts of Interest
Impact Fees	

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

B&C Road Funds (UDOT)

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, Layton City Corporation, Utah 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 response to the noncompliance 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 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.

We noted a matter involving internal control over compliance which we are submitting for your consideration. This matter is described in the accompanying Schedule of Findings and Responses as item 15-1.

The City's response to the internal control 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 compliance and, accordingly, we express no opinion on the response.

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Layton 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 November 19, 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.

November 19, 2015

LAYTON CITY CORPORATION
Schedule of Expenditures of State Awards
For the Year Ended June 30, 2015

Grant Name	Award/Contract# if applicable	Year of Last Audit	Expenditures
<u>Utah Department of Transportation</u>			
Class "C" Road Funds		2015	\$ 2,078,398
<u>Utah Commission on Criminal and Juvenile Justice (UCCJJ)</u>			
State Task Force Grant	15F14	2014	82,999
State Asset Forfeiture Grant	15N14		112,301
State Asset Forfeiture Grant	15N33		12,198
Alcohol Allotment		2014	71,995
Subtotal - UCCJJ			279,493
<u>Department of Highway Safety</u>			
DUI Overtime			12,414
Easy & Arive at 25 Programs			3,169
Seatbelt Compliance Checks			2,796
Subtotal - Department of Highway Safety			18,379
<u>Utah Communication Authority</u>			
E911 Committee			17,568
<u>Department of Health</u>			
Tabacco Compliance			2,000
<u>State of Utah, Bureau of Emergency Medical Services</u>			
EMS Supplies Grant			3,026
<u>Office of the Attorney General</u>			
Internet Crimes Against Children	ICAC15		23,403
<u>State of Utah Division of Forestry</u>			
Wild Land Fires			151,557
Total Grant, Contract, and Loan Fund Expenditures			\$ 2,573,824

LAYTON CITY CORPORATION
Schedule of Findings and Responses
For the Year Ended June 30, 2015

State Compliance Finding

Requirement/Program

Current Year Findings

15-1 Budgetary Compliance

Finding: State law, *Utah Code 10-6-123*, requires that officers and employees of an entity shall not incur expenditures in excess of the total appropriation for any department or fund. For the year ended June 30, 2015, expenditures exceeded budgeted amounts in the following fund:

<u>Fund</u>	<u>Department/Category</u>	<u>Amount over Budget</u>
Debt Service Fund	Total expenditures	\$3,044,308

Recommendation: The City should monitor the status over expenditures as compared to the budget through the year, and amend the budget as necessary to ensure compliance with State Code.

Management's Response: Management will monitor expenditures throughout the year and amend the budget as needed to ensure compliance with State Code. This overage was related to the refunding of bonds and the special accounting recognition that is required per the GASB standards.