

ROY CITY CORPORATION

Roy, Utah

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

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Prepared by:

*Amber Fowles
Management Services Director*

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INTRODUCTORY SECTION



December 16, 2021

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Roy:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report (ACFR) of Roy City Corporation for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of Roy City Corporation. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of Roy City Corporation has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Roy City Corporation's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Roy City Corporation's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. 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 City's financial statements have been audited by Wiggins & Co., P. C. a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Roy City Corporation for the fiscal year ended June 30, 2021, 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 unmodified opinion that Roy City Corporation's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Roy City Corporation's MD&A can be found immediately following the report of the independent auditors.

Entities receiving funding from the federal government are federally mandated to undergo a "Single Audit" designed to meet the special needs of federal grantor agencies. The Single Audit Act of 1996 and the U. S. Office of Management and Budget's Circular A-133 governing single audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also

on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal control and legal requirements involving the administration of federal awards. Although the City received funds under federal financial assistance programs, the revenue was not sufficient to require a single audit.

The State of Utah requires the City to be audited in accordance with Government Auditing Standards (GAO Yellow Book 2018 Revision) and sets forth general requirements for auditors to follow in its Compliance Manual for Audits of Local Governments. The City is responsible for compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort or earmarking; and other special tests and provisions applicable to each of its major state assistance programs as required by the State of Utah Legal Compliance Audit Guide.

Profile of the City

The City of Roy was incorporated on March 10, 1937 as Roy City Corporation. It is located in the northern part of the state along the Wasatch Front. Hill Air Force Base borders the City on the east and provides employment to many of the City's residents. Roy City Corporation currently occupies a land area of 7.8 square miles and serves a population of approximately 39,000. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

Roy City Corporation operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of a Mayor and five other members, known as the City Council. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the directors of the various departments. The Mayor and City Council are elected on a non-partisan, at-large basis and serve four-year staggered terms.

Roy City Corporation provides a full range of services, including police and fire protection; water, sewer and sanitation; construction and maintenance of highways, streets, and other infrastructure; and recreational activities. The governing council of the City also serves as the Board of Directors for the Redevelopment Agency of Roy, Utah (RDA). The RDA is a separate legal entity, but due to the oversight responsibilities of the City's governing council in the decision making process, is reported within the financial statements of Roy City Corporation. Additional information on the RDA can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for Roy City Corporation's financial planning and control. All departments of the City are required to submit requests for appropriations to the Budget Officer in March of each year. The Budget Officer and City Manager use these requests as the starting point for developing a tentative budget. The Budget Officer then presents the tentative budget to the governing council at their first meeting in May. The council is required to hold public hearings on the tentative budget and to adopt a final budget no later than June 22nd. The appropriated budget is prepared by fund, and department (e.g., police). Department Directors may make transfers of appropriations within a department. Transfers of appropriations between departments require approval of the governing council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the major governmental funds, this comparison is presented on pages 36-38 as part of the basic financial statements for the governmental funds. For governmental funds with appropriated annual budgets, other than the major governmental funds, this comparison is presented in the governmental fund subsection of this report, which starts on page 84.

Local Economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Roy City Corporation operates. The local economy in Roy continues to see growth despite the COVID-19 pandemic. In FY 2021 sales tax revenue increased 19.26% compared to 8.00% in FY 2020. Sales tax revenue continues to exceed prior year's highs. The administration continues to be conservative due to the current pandemic and thus has budgeted a small increase for FY 2022.

Another major revenue source for Roy City is its property taxes. The tax base remains strong. Residents and businesses take pride in their properties, keeping them well maintained and of value to the owners. Property taxes are the City's greatest individual revenue source next to sales taxes and provided 17% of the total general fund revenue. In FY 2021, property tax revenue, including prior year delinquencies, decreased by \$140,832 or 3.5%. A nominal increase is expected for FY2022.

Currently, a few residential subdivisions are under development. A single family home subdivision, Frandsen Farm, is currently under construction at approximately 3100 West and 4475 South. It will have seven lots. James Town Condominiums at approximately 4907 South and 1750 West will have seven units. There are a few more subdivisions including single family homes and townhomes currently in the approval process to begin construction in FY2022.

The City has located within its boundaries or within close proximity major industries that provide employment to local residents. This includes an air force base, school district, and manufacturing facilities. Because of the nature of these employers and the diversity of industries throughout the State of Utah, unemployment in the area has not been as significant as other states. According to the Bureau of Labor Statistics, in June 2021 the local unemployment rate was 4.8%. This is an increase of 2.1% from the same time in 2020. The local unemployment rate is below the national rate of 5.9%.

Long-term Financial Planning

It is the policy of the Roy City Council to maintain a fund balance that ensures adequate reserves that will provide financial stability in the event of an unanticipated economic downturn. The State of Utah limits the amount of assigned and unassigned fund balance the City can have to 35% of budgeted general fund revenues. Normally, these amounts will not be programmed for expenditure and are only available for use within the confines of expenditure limitation imposed by the State of Utah. Unassigned fund balance was \$6,013,343 at June 30, 2021, and \$4,199,045 at June 30, 2020. In the past, Roy City has maintained its general fund balance near maximum levels. The City Council has elected to maintain the fund balance levels around 18%.

The City Council and administration have long strived to finance City operations on a pay as you go basis. The City has been successful at this and has very low debt compared to other cities of similar size. After the completion of a long-term capital improvement plan, the City saw the need for financing alternatives in order to complete necessary projects. Since the completions of the study, the City has secured long-term financing for fire trucks, remodeling of the Municipal Building, and improvements to the water and sewer infrastructure system. The Series 2008 Water & Sewer Bonds were called and reissued to the Series 2017. This is a savings of \$51,810 in the first year and we will continue to see savings for the next several years. For more information on the City's long-term debt, see the Detailed Notes to the Financial Statements pages 64-65.

Major Initiatives

The City's Beautification Committee is comprised of the Mayor, two Council Members, the City Manager, the Management Services Director, the Public Works Director, and the Parks and Recreation Director. In FY 2021, the Beautification Committee focused on entrance signs at various locations throughout the City and a sign to commemorate and identify Memorial Park.

The City's Economic Development Committee continues to look at ways to entice businesses into the City. This committee is comprised of the Mayor, two city council members, and the City Manager. Roy City contracted with a local redevelopment professional to work alongside the Economic Development Committee in their endeavors. It is the intent of the governing council to emphasize economic development within the City. Maintaining economic vitality and promoting the unique dynamics of each economic district within the City is a priority. A Business Advisory Board was also established to further strengthening the economic activities throughout the City.

The City has been working to improve park amenities and facilities. Parks are an important part of our community and a priority for City Council. In FY 2021, security cameras were added to multiple parks throughout the city.

The City is also in the process of updating the General Plan. The General Plan is an official document intended to help the public understand the broad planning goals for the City, and to assist City staff and decision makers as they evaluate future development and growth opportunities. The focus of this update is on land use and related topics. Updating the General Plan provides an opportunity for the citizens of Roy to take a look at the community today and determine what areas requires improvement and to peer into the future and plan for anticipated changes. The General Plan typically has a life of five to ten years, although it establishes a future vision for twenty years or more.

Adoption of the General Plan updates will require associated zoning ordinances, development guidelines and other implementation tools to be revised and adjusted to be in alignment with the general plan. For example, the City Center and Station Area form-based codes were developed concurrently with this planning process, ensuring that the policies and specific codes are fully aligned with the planning vision.

The City Council continues to be aware of the changing dynamics of Roy City. Every year, less land is available for residential development. The lack of residential land and commercial buyers leads developers to request multi-family projects within commercial zones. The City Council is looking to review and possibly amend the general plan to deal with zoning and address the idea of transit oriented development around the Frontrunner station on 4000 South. Any new development adds traffic to already crowded City streets. Traffic concerns negatively impact the idea of multi-family housing or any large residential development within the City. In the future, developers will be required to address traffic flow as part of the development process.

Independent Audit

The State Uniform Fiscal Procedures Act (10-6-151) requires an annual audit of the City's accounts by an independent auditor. The City has complied with this requirement and the auditors' opinion has been included in this report.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the City who assisted and contributed to the preparation of this report, and to our auditors, Wiggins & Co., P. C., for their cooperation. Credit must also be given to the Mayor and City Council for their unfailing

support for maintaining the highest standards of professionalism in the management of Roy City Corporation's finances.

Respectfully submitted,

A handwritten signature in cursive script, reading "Amber Fowles". The signature is written in a dark ink and is positioned above the printed name and title.

Amber Fowles
Management Services Director

ROY CITY CORPORATION
List of Elected and Appointed Officials
June 30, 2021

Elected Officials

Robert Dandoy	Mayor
Jan Burrell	City Councilperson
Bryon Saxton	City Councilperson
Joe Paul	City Councilperson
Ann Jackson	City Councilperson
Diane Wilson	City Councilperson

Executive, Legal and Budgetary Officials

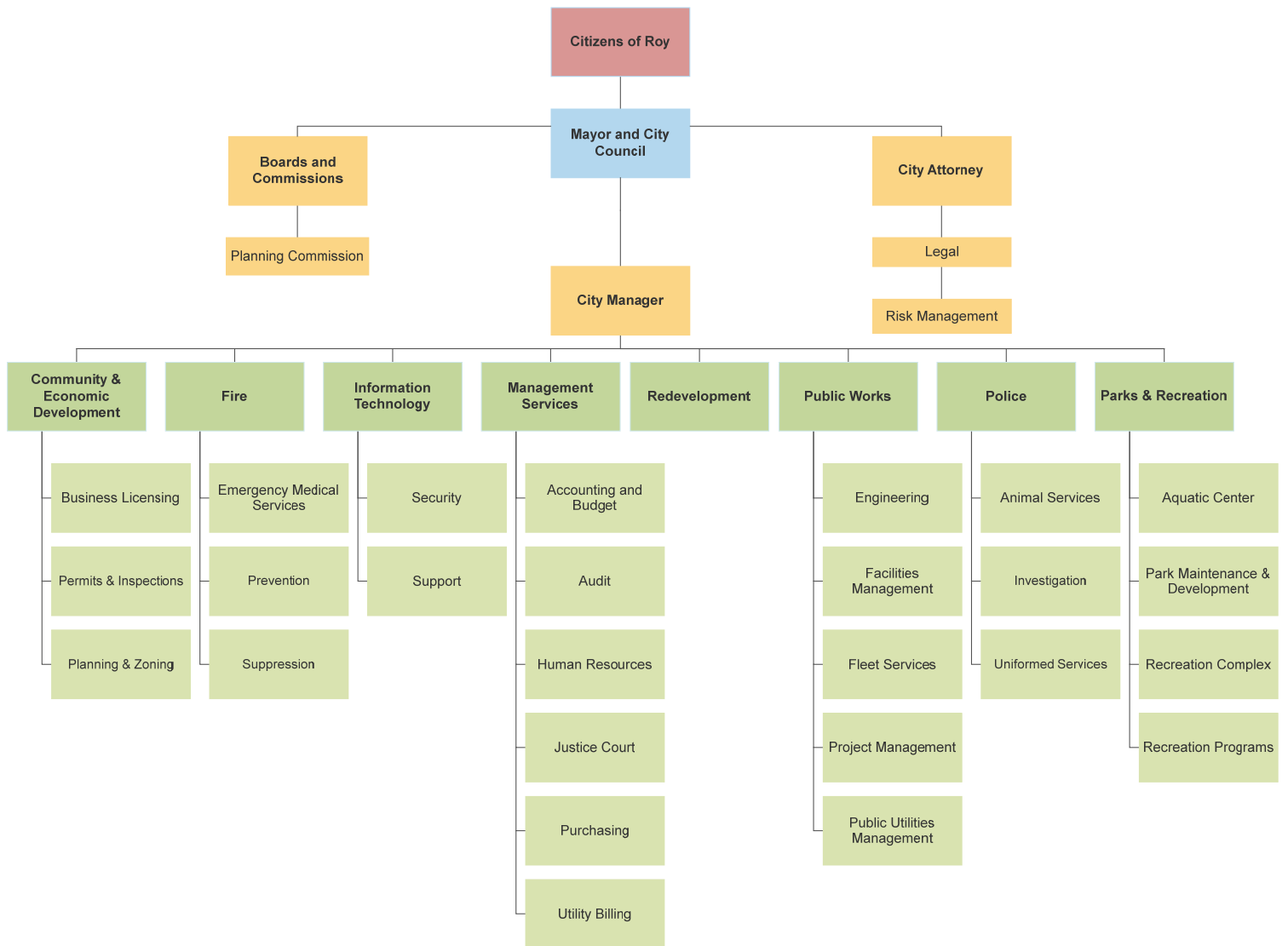
Matthew D. Andrews	City Manager
Andrew H. Blackburn	City Attorney
Amber Fowles	Budget Officer

Statutory Appointed Officials

Matthew H. Gwynn	Chief of Police
Morgan Langholf	City Recorder
Nicole L. Higgs	City Treasurer
Mark T. Miller	City Engineer
Trent D. Nelson	Justice Court Judge

Department Directors

Craig Golden	Fire Chief
Amber Fowles	Management Services Director
S. Ross Oliver	Public Works Director
Travis J. Flint	Parks & Recreation Director



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
Roy City Corporation, Utah

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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.

Auditor's 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 auditor's 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Roy City Corporation, as of June 30, 2021, 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 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 and pension information on pages 15 - 26 and 77 - 78 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 Roy City Corporation's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparisons schedules, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, including the budgetary comparisons schedules, and the capital asset schedules, and the schedule of expenditures of federal awards, 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 and individual nonmajor fund financial statements, other supplemental budgetary schedules, capital asset schedules, and the schedule of expenditures of federal awards 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 a report dated December 16, 2021 on our consideration of Roy City Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Roy City Corporation's internal control over financial reporting and compliance.

Wiggins & Co., P.C.

Brigham City, Utah
December 16, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Roy City Corporation's discussion and analysis is designed to assist the reader in focusing on significant financial issues; provide an overview of the City's financial activity; identify changes in the City's financial position; and identify any material deviations from the budget.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage readers to consider the information presented in conjunction with the letter of transmittal and the City's financial statements.

Financial Highlights

- The City's net position increased by \$5,922,753. Governmental activities incurred an increase of \$5,741,832 from operations, while business-type activities resulted in an increase of \$180,921.
- The assets and deferred outflows of resources of Roy City Corporation exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$82,962,854 (net position). Of this amount, \$22,631,384 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,758,707 an increase of \$5,098,200 from the prior year. Approximately \$6 million of the total amount is available for spending at the City's discretion within the general, capital projects and special revenue funds.
- At the close of the fiscal year, unassigned fund balance for the general fund was \$6,013,343 or 29.79% of the total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which are comprised of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the City's finances in a manner similar to a private-sector business. The governmental and business-type activities are consolidated into columns which add to a total for the primary government.

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, the reader will need to consider other non-financial factors. This statement combines and consolidates governmental fund's current financial resources with capital assets and long-term obligations.

The *statement of activities* presents information showing how the City's net position changed during the fiscal year reported. 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 all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of Roy City Corporation 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 Roy City Corporation include general government, public safety, highways and streets, community and economic development, redevelopment, culture and recreation, storm sewer development, and park development. The business-type activities of Roy City Corporation include the Water and Sewer Utility Fund, Storm Sewer Utility Fund, and Solid Waste Utility Fund.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate entity, the Redevelopment Agency of Roy Utah (RDA) for which Roy City Corporation is financially accountable. Although a legally separate entity, this *blended component unit* is, in substance, part of the City's governmental operations and is included as part of the primary government for financial reporting purposes.

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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into two categories: governmental funds, and proprietary funds.

Governmental funds. These 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 a government's near-term financing requirements.

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

Roy City Corporation maintains seven 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 and the redevelopment fund. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary funds. Roy City Corporation maintains two different types of proprietary funds. *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 its Water and Sewer Utility, its Storm Sewer Utility, and for its Solid Waste Utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. Roy City Corporation uses internal service funds to account for its management information systems and risk management activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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 the Water and Sewer Utility and Solid Waste Utility, which are considered to be major funds of Roy City Corporation and the Storm Sewer Utility, which is considered to be a non-major fund. Conversely, the two internal service

funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of *combining statements* within this report. Some of the City's administrative personnel provide services to both general municipal and utility operations. These individuals are paid through the general fund. Resources are transferred from the various enterprise funds to the general fund to cover a portion of the salaries attributed to utility operations.

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

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Roy City Corporation, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$82,962,854 at the close of the most recent year, June 30, 2021.

Key elements of the City's net position can be found in the table below:

Roy City Corporation's Net Position (Stated in Thousands of Dollars) As of June 30						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Internal balances	\$ (197)	\$ (227)	\$ 197	\$ 227	\$ -	\$ -
Net pension asset	758	379	-	26	758	405
Current and other assets	26,047	22,386	11,298	11,569	37,345	33,955
Capital assets	33,971	34,913	24,862	24,782	58,833	59,695
Total assets	60,579	57,451	36,357	36,604	96,936	94,055
Deferred outflows	1,508	1,441	150	144	1,658	1,585
Total assets and deferred outflows of resources	62,087	58,892	36,507	36,748	98,594	95,640
Long-term debt	120	120	2,888	3,336	3,008	3,456
Other liabilities	3,705	6,462	1,654	1,758	5,359	8,220
Total liabilities	3,825	6,582	4,542	5,094	8,367	11,676
Deferred inflows	6,991	6,780	273	144	7,264	6,924
Total liabilities and deferred inflows of resources	10,816	13,362	4,815	5,238	15,631	18,600
Net position:						
Net investment in capital assets	33,971	34,913	21,506	20,983	55,477	55,896
Restricted	4,854	4,085	-	-	4,854	4,085
Unrestricted	12,446	6,532	10,186	10,527	22,632	17,059
Total net position	\$ 51,271	\$ 45,530	\$ 31,692	\$ 31,510	\$ 82,963	\$ 77,040

The change in net position for the current and prior year is as follows:

Roy City Corporation's Changes in Net Position (Stated in Thousands of Dollars) As of June 30						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues						
Charges for services	\$ 4,690	\$ 3,732	\$ 12,326	\$ 11,983	\$ 17,016	\$ 15,715
Grants and contributions:						
Operating	5,115	1,758	-	-	5,115	1,758
Capital	225	359	-	-	225	359
General revenues						
Property taxes	4,035	4,196	-	-	4,035	4,196
Other taxes	10,537	9,296	-	-	10,537	9,296
Investment earnings	104	265	50	165	154	430
Contributions from other gvts	935	829	-	-	935	829
Other	620	629	128	178	748	807
Total revenues	<u>26,261</u>	<u>21,064</u>	<u>12,504</u>	<u>12,326</u>	<u>38,765</u>	<u>33,390</u>
Expenses:						
General government	3,597	3,948	-	-	3,597	3,948
CARES Act	3,335	-	-	-	3,335	-
Public safety	7,940	9,812	-	-	7,940	9,812
Public works	2,946	3,170	-	-	2,946	3,170
Parks and recreation	2,369	2,354	-	-	2,369	2,354
Interest and fiscal charges/Other	331	326	-	-	331	326
Water and sewer utility	-	-	9,113	8,343	9,113	8,343
Storm sewer utility	-	-	870	762	870	762
Solid waste utility	-	-	2,341	2,160	2,341	2,160
Total expenses	<u>20,518</u>	<u>19,610</u>	<u>12,324</u>	<u>11,265</u>	<u>32,842</u>	<u>30,875</u>
Increase (decrease) in net position	5,743	1,454	180	1,061	5,923	2,515
Net position - beginning	<u>45,529</u>	<u>44,046</u>	<u>31,511</u>	<u>30,449</u>	<u>77,040</u>	<u>74,495</u>
Prior Period Adjustment	<u>-</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>
Net position - ending	<u>\$ 51,272</u>	<u>\$ 45,530</u>	<u>\$ 31,691</u>	<u>\$ 31,510</u>	<u>\$ 82,963</u>	<u>\$ 77,040</u>

By far, the largest portion of the City's net position, 66.87%, reflects its investment in capital assets (e.g., land, buildings, infrastructure, 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 this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (5.85%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$22,631,384, may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year and prior fiscal year, Roy City Corporation is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The City has no individual funds reporting a deficit in unrestricted net position.

The City implemented GASB 68 on Accounting and Financial Reporting for Pensions in FY 2015. The Statement makes changes to the way transactions are recorded for pensions provided to the employees of state and local government employers through pension plans that are administered through trusts.

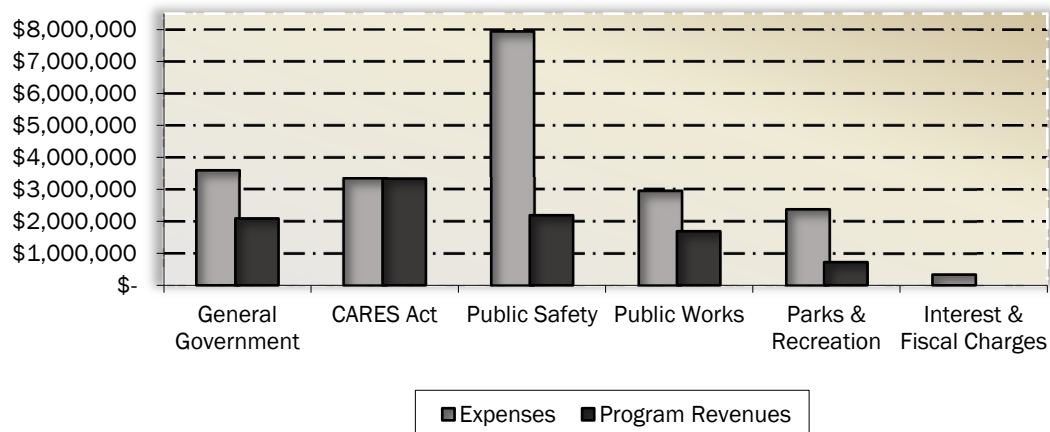
Governmental activities increased Roy City's net position by \$5,741,832 while business-type activities increased net position by \$180,921.

Governmental activities. The governmental activities portion of the change in net position accounted for a 12.6% increase in the growth for the City as a whole.

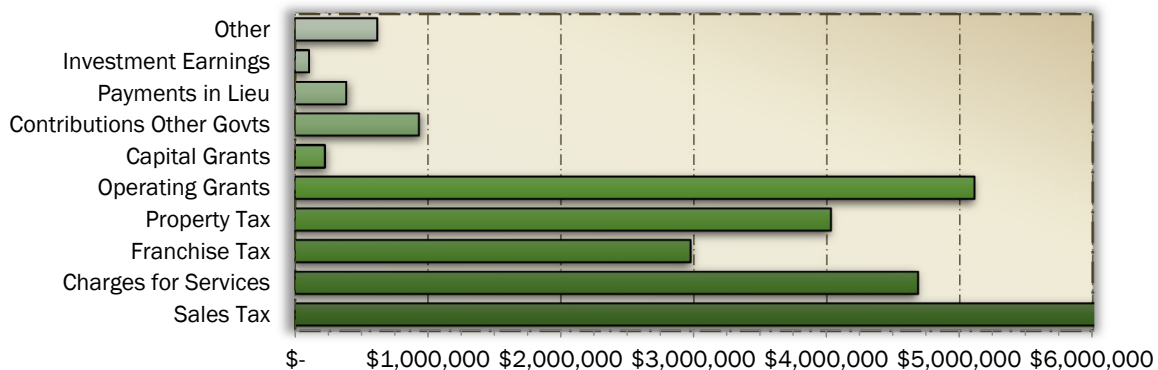
- Overall, property taxes decreased by \$160,855 in the governmental funds. Property taxes in the general fund decreased by \$140,832, and the increment received by the RDA decreased \$20,023. The decrease can be attributed to a change made in FY 2020 in accounting methods used to record property taxes. This resulted in higher than normal property taxes recorded in FY 2020.
- Sales tax increased \$1,158,565 or 19.26%. The economy in the State of Utah continued a strong growth pattern despite the current COVID-19 global pandemic.
- Other taxes were up \$82,923 over the previous fiscal year. Of that amount, \$31,671 represents a loss in telecom gross receipts. Franchise taxes increased by \$42,982 or 1.8%. Payments in lieu of taxes also increased this year by \$34,592 or 9.89%.
- Class C Road funds received were up 9.4%, or \$131,477 from 2020.
- A new local option sales tax was approved by voters in Weber County in 2015. The allocation to cities can be used for transportation infrastructure as well as pedestrian safety. Roy City received \$629,401 from the tax in FY 2021.
- Revenue from charges for services increased \$837,392 in comparison to FY 2020. The largest increase came from Ambulance fees, \$566,417 or 54.45%. Recreation and Complex program charges increased \$146,422 or 60.57%. This is due to the COVID-19 pandemic cancelling programs during FY20. This year's revenue puts these programs to within 6.89% of pre-pandemic revenue amounts. There was a continued increase in plan check fees, \$195,561 or 77.7% due to the MIDA development near Hill Air Force Base.
- Roy City's average yield on investments in the Utah Public Treasurer's Investment Fund was .4919% in FY 2021 compared to 2.05% in FY 2020. Although investment balances were up at the end of the year, revenue from interest decreased by \$75,356.
- Total expenses for wages and benefits decreased \$96,880, or 0.74%, from FY 2020. This is partially due to Roy Days not being held during FY 2021 and the Roy Aquatic Center not opening due to the pandemic. Some employee positions were not able to be filled from turnover and senior employees that retired. A 2% - 2.5% merit was given to eligible public employees and a 3.75% merit for eligible public safety employees. No COLA's were given during FY 2021.
- Operating expenses increased from FY 2020 by \$3,825,207. This is largely due to receiving \$3,334,621 in CARES Act funds that had to be spent prior to Dec. 31, 2020. Highlights of the year changes include a \$41,584 decrease in Election Expenses due to not having a municipal election this year; new turn-out gear for the fire department \$133,000; increase in Community Development professional & technical services of \$156,983 due to outsourcing the building inspector duties; and a decrease in Roy Days expenditures of \$103,482 due to not holding Roy Days celebrations in August 2020. Transfers to the Capital Projects Fund increased by \$1,040,858 to accommodate future capital needs.

The following graphs display a different perspective on governmental activities reflected in the City's statement of activities:

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Business-type activities. The business-type activities portion of the increase in net position was .574% of the total growth for the City. At the end of the current fiscal year, all of the City's business-type funds reported positive net position.

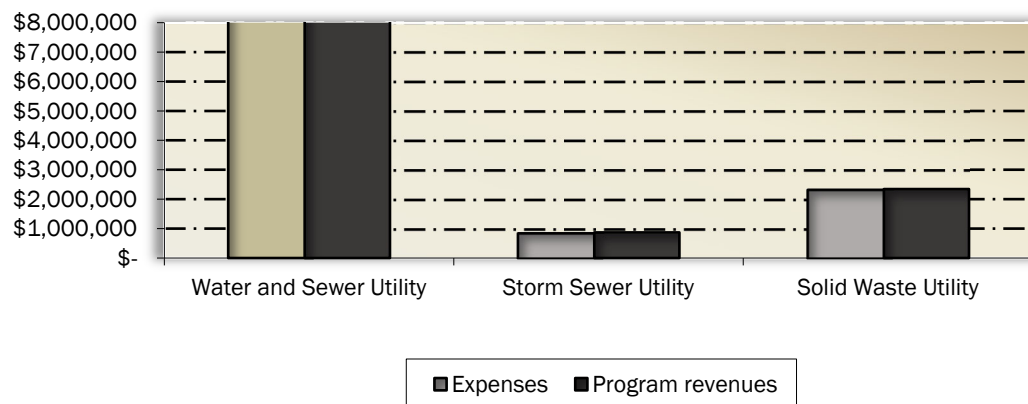
Key elements of the increase to net position of business-type activities include:

- Revenue from water, sewer, capital improvements, storm sewer and garbage services had an increase of \$385,000. Water revenue is up \$263,969 due to a rate increase. Sewer revenue increased \$45,882. One of the City's sewer service contractors raised their rate and it was passed along to the customers. Storm sewer revenue increased \$10,700. The City's garbage collection revenue increased \$50,101 due to increased garbage collection rates.
- Impact and connection fees related to new construction decreased \$30,228.

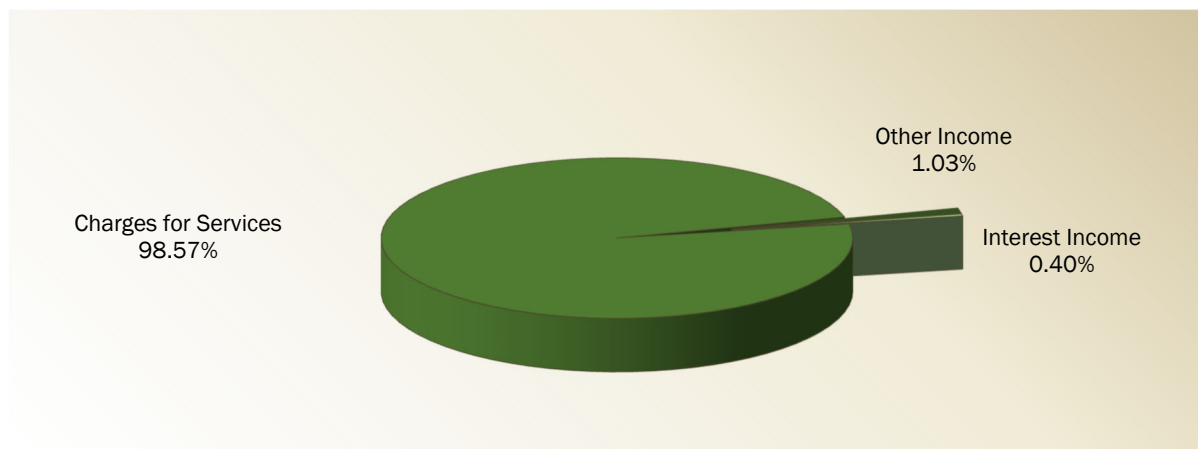
- Total expenses for wages and benefits was up \$66,216 from FY 2020. A 2.5% merit was provided to employees and health insurance rates increased this year. The increased rates affect wages, taxes, and retirement.
- Overall, operating costs increased \$925,174 in FY 2021. Water meter costs increased \$374,258 to upgrade all water meters throughout the city. The city plans to go to monthly water meter reads in FY2022. Utility costs increased \$47,180. Contract rate for sewer increased by \$143,392 as a result of a capital improvement plan implemented by the sewer district. Maintenance of the sewer system was up \$96,091. Culinary water fees increased \$76,405 due to an increase by the provider. Disposal fees for solid waste increased \$170,597 for residential pick-up, \$40,152 for recycling and \$67,094 for landfill costs. Due to the increased rates for water and sewer, franchise fees were up \$18,664.
- Debt service decreased by \$8,950. Interest expense is reduced as the debt is repaid.

The following graphs display a different perspective on business-type activities reflected in the City's statement of activities:

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, Roy City Corporation 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 may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,758,707, an increase of \$5,098,200 from the prior year. Approximately 30.43%, or \$6,013,343, of this amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The fund balance of Capital Projects and Special Revenue Funds are classified as assigned and available for fund operations. At June 30, 2021, \$6,397,621 was available for spending in these funds. The remainder of fund balance is classified to indicate that it is not available for spending because it 1) cannot be spent because of its form, 2) is restricted by external sources, or 3) is committed to specific use.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,013,343, while the total fund balance was \$11,129,198. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 29.79% of total general fund expenditures, while total fund balance represents 55.14% of that same amount. During the fiscal year, the fund balance of Roy City Corporation's general fund (GAAP basis) increased by \$2,576,919 which is \$2,055,732 more than the prior year. When comparing FY 2021 to FY 2020 there was 1) a 27.17% increase in revenue of \$5,294,749, 2) a 14.18% increase in expenditures of \$2,505,967, 3) an increase in the gain on sale of assets of \$131,272, and 4) a 55.77% increase in the amount transferred to capital projects funds of \$1,040,858.

Included in the *governmental funds* is \$5,741,589 which is assigned for specific capital projects. The capital projects fund accounts for financial resources the City has set aside for the acquisition or construction of major capital facilities and equipment, other than those financed by proprietary or special revenue funds. During FY 2021, the fund balance in the capital projects funds increased by \$2,614,236 compared to a \$1,591,938 increase in FY 2020. When comparing FY 2021 to FY 2020, the increase can be attributed to a transfer in from the general fund of \$2,907,292. At June 30, 2021, fund balances available for specific capital projects include Capital Improvements of \$4,823,754, Recreational Facilities Improvements of \$115,743 and Fire & Rescue Facilities and Equipment of \$802,092.

Also included within the *governmental funds* is \$2,887,920 which is assigned for specific purposes. For these special revenue funds, fund balance decreased by \$27,482. At June 30, 2021, available fund balances in these special funds included Redevelopment Agency \$2,231,888; Storm Sewer Development \$288,854; Park Development \$201,837; and Cemetery \$165,341.

Proprietary funds. Roy City Corporation's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the water and sewer utility fund at the end of the fiscal year was \$4,240,137, for the storm sewer utility fund unrestricted net position was \$1,727,474, and for the solid waste utility fund unrestricted net position was \$3,972,007. Unrestricted net position in the water and sewer utility fund decreased by \$491,556. Both the storm sewer utility and solid waste utility funds increased net position by \$81,188 and \$36,100, respectively.

Operating revenues stayed consistent over the prior year for all three proprietary funds. Operating expenses in the water and sewer utility fund increased by \$778,492 or 9.44%. The increase in net position for the storm sewer utility fund was lower than the increase in FY 2020 by \$48,341. Operating expenses increased by \$107,369 or 14.08%. The increase in net position for the solid waste utility fund was lower than the increase in FY 2020 by \$186,735. Operating expenses increased \$181,288 or 8.39%.

General Fund Budgetary Highlights

During the fiscal year, the general fund's original budget for expenditures and other financing uses was amended from an original total of \$17,807,711 to a final budget of \$25,218,348 an increase of \$7,410,637 or 41.61%. Due to the COVID-19 pandemic, the city was very conservative on beginning revenue projections in case the economy declined. Some of the more significant budget changes to individual revenue and expenditure items are as follows:

- \$997,292 increase in budgeted sales tax revenues. The city had an actual increase of \$1,158,565 or 19.26% in sales tax revenues over FY 2020.
- \$812,309 in Building Permits was recognized mostly due to one time building permit revenue from the MIDA Project. Plan Checks were also increased by \$420,000 for the same project revenue.
- \$3,334,621 in CARES Act funds was received from the State of Utah. This was all required to be spent by Dec. 31, 2020 for COVID-19 related expenses. It was used for technology upgrades to allow telework, sanitary improvements, and hazard pay.
- \$100,000 in RAMP Grant revenue was recognized; \$72,000 was used for a West Park walking trail, \$15,000 for restroom improvements at Emma Russell park, \$7,000 for Aquatic Center pool improvements and \$3,200 for improvements at the parks & recreation building.
- \$133,000 was approved for the purchase of new turn-out gear for the fire department.
- \$150,000 was recognized for the sale of fixed assets from various departments.
- \$2,907,292 was approved as a transfer to the Capital Projects fund for future allocation.

The budget adjustment in the General Fund resulted in revenues and other financing sources increasing and expenditures and other financing uses increasing. This required a budgeted draw from fund balance of \$1,021,634 to balance the budget. The City Council's intent was to lower the level of unrestricted fund balance in the General Fund. While actual expenditures were lower than projected and revenues exceeded estimates, total revenues surpassed expenditures by \$1,846,564.

Budget to actual. At the conclusion of the fiscal year, there were some differences between final budgeted revenues and expenditures and actual results. Some of the most noteworthy items include sales tax exceeded expectations by \$1,203,103; Building Permits were over by \$27,691; Ambulance fees were over by \$376,701, Fire & Rescue IASIS Transports were over by \$72,675; and the Utility Enterprise Fund Franchise Fees were over by \$48,418. In total, general fund revenues were over budgeted estimates by \$560,898 or 2.5%.

Expenditures were \$1,285,666 under budget. Generally, departments are cautious with spending which results in the savings. Some of the more significant savings on budget can be found in the Police Department, under budget \$344,445, and the Fire & Rescue Department, under budget \$426,869. These savings resulted from CARES Act funds distributed from the State of Utah being used for wages of police officers and fire & rescue responders.

Capital Assets and Debt Administration

Capital assets. Roy City Corporation's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$55,477,310 (net of related debt). The investment in capital assets includes land, buildings, improvements other than buildings, infrastructure, machinery and equipment, vehicles, and construction in progress. The total change in the City's investment in capital

assets for the current fiscal year was a decrease of .7495% (a 2.696% decrease in governmental activities and a 2.49% increase in business-type activities).

Major capital asset events during the current fiscal year include the following:

Governmental activities:

- Walking Trail Improvements \$46,103
- 2022 Mack Truck \$105,764
- Emma Russell Park Security Cameras \$30,187
- Bearcat Crack Sealer \$53,835
- Ford F-350 \$53,585
- North Park Parking Lot Improvements \$89,805
- Police Bathroom Remodel \$68,191
- 4 new police vehicles \$195,011

Business type activities:

- 2020 Waterline Replacement Project \$646,278
- 6000 S PRV Rebuild \$50,773
- 5650 South Sewer Lining \$58,467
- 2 Ford F-150's \$89,583
- Ford F-600 \$49,255
- Emma Russell Storm Drain \$32,000
- Kubota RTV \$30,194

Roy City Corporation's Capital Assets (State in Thousands of Dollars and Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 4,285	\$ 4,285	\$ 281	\$ 281	\$ 4,566	\$ 3,968
Buildings	12,043	11,811	190	187	12,233	11,946
Improvments other than bldgs	39,038	35,540	39,243	39,187	78,281	73,877
Machinery and equipment	5,733	5,094	1,589	1,594	7,322	6,628
Automobiles and trucks	7,716	7,483	1,406	1,296	9,122	8,900
Construction in progress	2,260	6,269	760	-	3,020	5,759
Accumulated depreciation	(37,104)	(35,569)	(18,606)	(17,763)	(55,710)	(51,040)
Total capital assets	\$ 33,971	\$ 34,913	\$ 24,863	\$ 24,782	\$ 58,834	\$ 60,038

Additional information on Roy City Corporation's capital assets can be found in Note 4 on pages 61-62 of this report.

Long-term debt. Roy City issued \$7,500,000 in water and sewer revenue bonds in March 2008 to finance the acquisition and construction of replacements, improvements and additions to the City's water and sewer system. Principal payments are due annually in March through 2028. In October 2017, the City refinanced these bonds with the same mature date of March 2028. Interest is due semi-annually in

September and March. The City originally received an “Aaa” rating from Moody’s Investors Service on the Series 2008 bonds. In May 2010, the rating was revised to “A1”. The June 30, 2021 bond balances are as follows:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue bonds	\$ -	\$ -	\$ 3,336	\$ 3,776	\$ 3,336	\$ 3,776

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total taxable value. The current limitations for the City are \$79,438,000, which significantly exceeds Roy City Corporation’s outstanding general obligation debt. In addition, state statutes allow for an additional 4% to be used for water, sewer and electrical projects thus resulting in a debt limit of 8% of total taxable value. The City’s water and sewer utility is allowed an additional \$79,438,000 in debt obligation.

Additional information on Roy City Corporation’s long-term debt activity can be found in Note 4 on pages 64-65 of this report.

Economic Factors and Next Year’s Budget and Rates

The City reviews State and regional economic data in developing its annual budget. The assumptions derived from the data are reviewed by the City Council in its approval of the budget. Monthly reports are presented to the City Council to provide both budget and actual information for monitoring the financial activities of the City.

The following assumptions were used to develop the FY 2022 budget:

- Economic conditions are unstable across the county and in Utah and that trend is expected to continue throughout the COVID-19 pandemic. Growth tends to be stronger within the State than nationally and it is anticipated that once the pandemic is over, growth will continue.
- Utah continues to be one of the fastest growing states in the nation, and population is a main driver in any state’s economy.
- The unemployment rate for the State of Utah is currently 2.7%. This compares to the National average unemployment rate of 5.9%.
- Roy City is near “build out” for residential dwellings. With less land available, the City Council is seeing many requests for multi-family housing project. Roy City is one of the most densely populated areas in the State, and the City Council is leaning towards single family dwellings and away from multi-family. The City is interested in the prospects of multi-use of residential and commercial together.
- Revenue from services is near peak and one-time fees from development continue to be low.
- The City is seeking new business in Roy, Some expansion is expected within the central business district and on the west side of the City.
- Sales tax revenue is calculated by the State based on a number of factors including point of sale and population. Sales tax is expected to hold steady for the coming year but we are cautiously optimistic there will be growth in FY2022.
- The budget includes a 2.5% to 3.75% merit for all employees, Health insurance costs has a 2.6% increase. No major changes in expenditures are expected. A capital improvements plan will be shaped to help with the annual budget process.
- Enterprise fund activity reflects rate increases to cover vendor increases.

During the current fiscal year, the fund balance in the general fund increased by \$2,511,446 to \$11,129,198. Fund balance reserves will be allocated to fund a capital improvement plan including but not limited to, fire apparatus, parks, and recreational facilities.

Request for Information

This financial report is designed to provide a general overview of Roy City Corporation's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Management Services Director, 5051 South 1900 West, Roy, Utah 84067.

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BASIC FINANCIAL STATEMENTS

ROY CITY CORPORATION
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash	\$ 14,446,416	\$ 8,236,891	\$ 22,683,307
Restricted cash: Roads and public transit	4,694,360	-	4,694,360
Investment in water stock	-	16,100	16,100
Interactivity receivable	(246,000)	246,000	-
Accounts receivable - net of allowance for doubtful accounts	6,911,223	1,956,276	8,867,499
Inventory	104,783	469,195	573,978
Prepaid items	136,268	373,641	509,909
Total current assets	<u>26,047,050</u>	<u>11,298,103</u>	<u>37,345,153</u>
Noncurrent assets:			
Internal balances	(197,300)	197,300	-
Net pension asset	757,754	-	757,754
Capital assets:			
Land	4,284,842	280,772	4,565,614
Buildings	12,042,905	190,017	12,232,922
Improvements other than buildings	39,038,278	39,242,802	78,281,080
Machinery and equipment	5,733,339	1,588,769	7,322,108
Automobiles and trucks	7,715,772	1,405,854	9,121,626
Construction in progress	2,259,640	759,845	3,019,485
Less accumulated depreciation	<u>(37,103,543)</u>	<u>(18,605,999)</u>	<u>(55,709,542)</u>
Total capital assets net of accumulated depreciation	<u>33,971,233</u>	<u>24,862,060</u>	<u>58,833,293</u>
Total noncurrent assets	<u>34,531,687</u>	<u>25,059,360</u>	<u>59,591,047</u>
Deferred outflows of resources:			
Bond refunding amortizable interest	-	48,526	48,526
Pensions	1,508,111	101,199	1,609,310
Total deferred outflows of resources	<u>1,508,111</u>	<u>149,725</u>	<u>1,657,836</u>
Total assets and deferred outflows of resources	<u>\$ 62,086,848</u>	<u>\$ 36,507,188</u>	<u>\$ 98,594,036</u>

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

ROY CITY CORPORATION
Statement of Net Position, continued
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 779,334	\$ 902,202	\$ 1,681,536
Accrued wages	395,000	25,231	420,231
Compensated absences	224,070	24,837	248,907
Interest payable	-	19,983	19,983
Current portion of long-term debt	-	448,000	448,000
Total current liabilities	<u>1,398,404</u>	<u>1,420,253</u>	<u>2,818,657</u>
Long-term liabilities:			
Compensated absences	1,173,859	96,416	1,270,275
Long-term debt due in more than one year	120,000	2,888,000	3,008,000
Net pension liability	1,056,621	137,976	1,194,597
Guarantee deposits	76,230	-	76,230
Total long-term liabilities	<u>2,426,710</u>	<u>3,122,392</u>	<u>5,549,102</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions	2,972,540	272,848	3,245,388
Unearned revenue	4,018,035	-	4,018,035
Total long-term liabilities	<u>6,990,575</u>	<u>272,848</u>	<u>7,263,423</u>
Total liabilities and deferred inflows of resources	<u>10,815,689</u>	<u>4,815,493</u>	<u>15,631,182</u>
NET POSITION			
Net investment in capital assets	33,971,233	21,506,077	55,477,310
Restricted for:			
Roads and public transit	4,854,160	-	4,854,160
Unrestricted	12,445,766	10,185,618	22,631,384
Total net position	<u>\$ 51,271,159</u>	<u>\$ 31,691,695</u>	<u>\$ 82,962,854</u>

ROY CITY CORPORATION
Statement of Activities
For the Fiscal Year Ended June 30, 2021

			Program Revenues
	Expenses	Charges for Services	Operating Grants and Contributions
FUNCTIONS/PROGRAMS			
Primary government:			
Government activities:			
General government	\$ 3,597,401	\$ 2,041,685	\$ 49,998
CARES Act	3,334,621	-	3,334,621
Public safety	7,939,841	1,988,477	200,267
Public works	2,946,265	-	1,529,889
Parks and recreation	2,369,058	659,701	-
Capital outlays	331,088	-	-
Total governmental activities	20,518,274	4,689,863	5,114,775
Business-type activities:			
Water and sewer utility	9,112,681	9,110,538	-
Storm sewer utility	869,756	870,647	-
Solid waste utility	2,341,433	2,344,461	-
Total business-type activities	12,323,870	12,325,646	-
Total primary government	\$ 32,842,144	\$ 17,015,509	\$ 5,114,775
General revenues:			
Property taxes			
Sales tax			
Franchise taxes			
Payments in lieu of taxes			
Unrestricted investment earnings			
Contributions from other government units			
Gain on sale of assets			
Other revenues not restricted to specific programs			
Total general revenues and transfers			
Changes in net position			
Net position - beginning			
Net position - ending			

ROY CITY CORPORATION
Statement of Activities, continued
For the Fiscal Year Ended June 30, 2021

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (1,505,718)	\$ -	\$ (1,505,718)
-	-	-	-
-	(5,751,097)	-	(5,751,097)
159,984	(1,256,392)	-	(1,256,392)
64,420	(1,644,937)	-	(1,644,937)
-	(331,088)	-	(331,088)
224,404	(10,489,232)	-	(10,489,232)
-	-	(2,143)	(2,143)
-	-	891	891
-	-	3,028	3,028
-	-	1,776	1,776
\$ 224,404	(10,489,232)	1,776	(10,487,456)
	4,034,796	-	4,034,796
	7,173,316	-	7,173,316
	2,979,115	-	2,979,115
	384,295	-	384,295
	104,211	50,400	154,611
	935,325	-	935,325
	161,205	(75,634)	85,571
	458,801	204,379	663,180
	16,231,064	179,145	16,410,209
	5,741,832	180,921	5,922,753
	45,529,327	31,510,774	77,040,101
	\$ 51,271,159	\$ 31,691,695	\$ 82,962,854

ROY CITY CORPORATION
Balance Sheet
Governmental Funds
June 30, 2021

	General	Special Revenue Fund Redevelopment Agency	Capital Project Fund Capital Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 4,669,220	\$ 2,206,554	\$ 4,823,754	\$ 1,662,133	\$ 13,361,661
Restricted cash	4,694,360	-	-	-	4,694,360
Accounts receivable, net	6,843,472	27,584	-	-	6,871,056
Inventory	104,783	-	-	-	104,783
Prepaid items	136,268	-	-	-	136,268
Total Assets	<u>\$ 16,448,103</u>	<u>\$ 2,234,138</u>	<u>\$ 4,823,754</u>	<u>\$ 1,662,133</u>	<u>\$ 25,168,128</u>
LIABILITIES					
Accounts payable	\$ 678,066	\$ 2,250	\$ -	\$ 88,266	\$ 768,582
Accrued wages payable	390,441	-	-	-	390,441
Guarantee deposits	76,230	-	-	-	76,230
Advance from other funds	197,300	-	-	-	197,300
Total liabilities	<u>1,342,037</u>	<u>2,250</u>	<u>-</u>	<u>88,266</u>	<u>1,432,553</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue	<u>3,976,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,976,868</u>
Total liabilities and deferred inflows of resources	<u>5,318,905</u>	<u>2,250</u>	<u>-</u>	<u>88,266</u>	<u>5,409,421</u>
FUND BALANCES					
Nonspendable:					
Inventory	104,783	-	-	-	104,783
Prepaid items	136,268	-	-	-	136,268
Restricted for:					
Roads and public transit	4,854,160	-	-	-	4,854,160

ROY CITY CORPORATION
Balance Sheet
Governmental Funds
June 30, 2021

	General	Special Revenue Fund Redevelopment Agency	Capital Project Fund Capital Improvements	Other Governmental Funds	Total Governmental Funds
FUND BALANCES, continued					
Assigned to:					
Public safety	-	-	-	802,092	802,092
Legislative programs	-	-	-	-	-
Storm sewer improvements	-	-	-	288,854	288,854
Capital improvements	-	-	4,823,754	-	4,823,754
Park improvements	-	-	-	317,580	317,580
Cemetery	-	-	-	165,341	165,341
Redevelopment	-	2,231,888	-	-	2,231,888
Other	20,644	-	-	-	20,644
Unassigned	6,013,343	-	-	-	6,013,343
Total fund balances	11,129,198	2,231,888	4,823,754	1,573,867	19,758,707
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,448,103</u>	<u>\$ 2,234,138</u>	<u>\$ 4,823,754</u>	<u>\$ 1,662,133</u>	

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

Capital assets used in governmental activities are not financial resources and are not reported in the funds. The amount reported is net of accumulated depreciation.	33,971,233
The proportionate share of the net pension asset and/or the proportionate share of the net pension liability and the deferred inflows and outflows of resources related to pensions and pension expenses are not due and payable in the current period and are not reported in the funds.	(1,763,296)
Long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported in the funds.	(1,517,929)
Internal service funds are used by management to charge the costs of information technology and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	823,444
Payments received in the RDA on developer loans are reported as revenues in the governmental funds. The payment reduces the loan receivable in the statement of net position	(1,000)
Delinquent property taxes receivable are not financial resources and are not reported in the funds. The receivable increases the property tax receivable and unearned revenue in the statement of net position. The amount of the receivable is \$41,167.	-

Net Position of governmental activities

\$ 51,271,159

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

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

	General	Special Revenue Fund Redevelopment Agency	Capital Project Fund Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 14,119,707	\$ 67,520	\$ -	\$ -	\$ 14,187,227
Payments in lieu of taxes	384,295	-	-	-	384,295
Licenses and permits	1,026,864	-	-	-	1,026,864
Intergovernmental	5,216,756	305,924	-	-	5,522,680
Charges for services	3,138,406	-	-	-	3,138,406
Impact fees	-	-	-	122,423	122,423
Fines and forfeitures	524,593	-	-	-	524,593
Investment earnings	69,832	12,821	18,139	3,419	104,211
Property rental	47,202	-	-	-	47,202
Management fee	161,886	-	-	-	161,886
Contributions and donations	30,100	-	-	-	30,100
Other income	65,485	1,000	-	220	66,705
Total Revenues	<u>24,785,126</u>	<u>387,265</u>	<u>18,139</u>	<u>126,062</u>	<u>25,316,592</u>
Expenditures:					
Current:					
General government	3,365,379	306,440	-	-	3,671,819
CARES Act	3,334,621	-	-	-	3,334,621
Public safety	8,516,788	-	-	-	8,516,788
Public works	2,725,245	-	-	-	2,725,245
Parks and recreation	2,242,546	-	-	-	2,242,546
Project outlays	-	-	26,400	519,163	545,563
Total expenditures	<u>20,184,579</u>	<u>306,440</u>	<u>26,400</u>	<u>519,163</u>	<u>21,036,582</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,600,547</u>	<u>\$ 80,825</u>	<u>\$ (8,261)</u>	<u>\$ (393,101)</u>	<u>\$ 4,280,010</u>
Proceeds from sale of assets	188,790	-	-	-	188,790
Contributions from other government units	629,401	-	-	-	629,401
Transfers in	-	-	2,907,292	-	2,907,292
Transfers out	<u>(2,907,292)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,907,292)</u>
Total other financing sources (uses)	<u>(2,089,101)</u>	<u>-</u>	<u>2,907,292</u>	<u>-</u>	<u>818,191</u>
Net change in fund balances	<u>2,511,446</u>	<u>80,825</u>	<u>2,899,031</u>	<u>(393,101)</u>	<u>5,098,201</u>
Fund balances - beginning of year	<u>8,617,752</u>	<u>2,151,063</u>	<u>1,924,723</u>	<u>1,966,968</u>	<u>14,660,506</u>
Fund balances - end of year	<u>\$ 11,129,198</u>	<u>\$ 2,231,888</u>	<u>\$ 4,823,754</u>	<u>\$ 1,573,867</u>	<u>\$ 19,758,707</u>

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

ROY CITY CORPORATION
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Government-wide Statement of Activities
For the Fiscal Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities (pages 31-32)
are different because:

Net change in fund balances - total governmental funds (page 36)	\$ 5,098,201
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 and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(894,267)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(27,585)
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.	1,447,074
Internal service funds are used by management to charge the cost of information technology and risk management to individual funds. The net revenue or loss of certain activities of internal service funds is reported with governmental activities.	<u>118,409</u>
Change in net position of governmental activities	<u><u>\$ 5,741,832</u></u>

ROY CITY CORPORATION
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive/(Negative)
Revenues:				
Taxes:				
Property	\$ 3,850,379	\$ 3,850,379	\$ 3,967,276	\$ 116,897
Sales	4,972,921	5,970,213	7,173,316	1,203,103
Telecom gross receipts	150,000	150,000	147,179	(2,821)
Franchise	2,378,700	2,378,700	2,458,936	80,236
Paramedic	336,000	336,000	373,000	37,000
Payments in lieu of taxes	380,000	380,000	384,295	4,295
Licenses and permits	406,400	1,106,400	1,026,864	(79,536)
Intergovernmental	1,304,885	4,769,496	5,216,756	447,260
Charges for services	2,176,500	2,610,600	3,138,406	527,806
Fines and forfeitures	621,000	736,000	524,593	(211,407)
Investment earnings	135,500	135,500	69,832	(65,668)
Property rental	28,500	51,500	47,202	(4,298)
Management fee	161,886	1,183,520	161,886	(1,021,634)
Contributions and donations	352,000	452,000	659,501	207,501
Miscellaneous	20,000	20,000	65,485	45,485
Total revenue	17,274,671	24,130,308	25,414,527	1,284,219
Expenditures:				
General government:				
Legislative	419,762	630,604	589,070	(41,534)
Legal	374,781	382,781	368,304	(14,477)
Community development	392,571	432,571	426,645	(5,926)
Information technology	517,362	517,362	517,362	-
Justice court	389,315	399,315	383,816	(15,499)
Finance	369,556	369,556	338,984	(30,572)
Public buildings	635,984	635,984	571,832	(64,152)
Risk management	169,366	169,366	169,366	-
	3,268,697	3,537,539	3,365,379	(172,160)
Public safety:				
Fire	4,140,404	4,142,793	3,715,924	(426,869)
Police	5,012,166	5,145,309	4,800,864	(344,445)
	9,152,570	9,288,102	8,516,788	(771,314)

ROY CITY CORPORATION
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual, continued
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive/(Negative)
Public works:				
Administration	361,853	408,853	368,808	(40,045)
Class "C" roads	1,529,000	1,959,000	1,489,319	(469,681)
Fleet services	190,060	196,060	191,302	(4,758)
Streets	700,734	700,734	555,151	(145,583)
Transportation infrastructure	400,000	500,000	120,664	(379,336)
	<u>3,181,647</u>	<u>3,764,647</u>	<u>2,725,244</u>	<u>(1,039,403)</u>
Parks and recreation:				
Aquatic center	368,463	368,463	396,915	28,452
Parks and recreation	1,263,779	1,438,779	1,272,652	(166,127)
Recreation complex	572,555	577,055	575,560	(1,495)
Roy Days	-	1,850	(2,580)	(4,430)
	<u>2,204,797</u>	<u>2,386,147</u>	<u>2,242,547</u>	<u>(143,600)</u>
Cares Act				
Cares Act	-	3,334,621	3,334,621	-
	<u>-</u>	<u>3,334,621</u>	<u>3,334,621</u>	<u>-</u>
Total expenditures	<u>17,807,711</u>	<u>22,311,056</u>	<u>20,184,579</u>	<u>(2,126,477)</u>
Excess of revenues over expenditures	<u>(533,040)</u>	<u>1,819,252</u>	<u>5,229,948</u>	<u>3,410,696</u>
Other financing sources (uses):				
Proceeds from sale of assets	25,000	250,000	188,790	(61,210)
Transfer out	-	(2,907,292)	(2,907,292)	-
Total other financing sources (uses)	<u>25,000</u>	<u>(2,657,292)</u>	<u>(2,718,502)</u>	<u>(61,210)</u>
Net change in fund balance	<u>(508,040)</u>	<u>(838,040)</u>	<u>2,511,446</u>	<u>3,349,486</u>
Fund balance - beginning of year	<u>8,617,752</u>	<u>8,617,752</u>	<u>8,617,752</u>	<u>8,617,752</u>
Fund balance - end of year	<u>\$ 8,109,712</u>	<u>\$ 7,779,712</u>	<u>\$ 11,129,198</u>	<u>\$ 11,967,238</u>

ROY CITY CORPORATION
Redevelopment Agency - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive/(Negative)
Revenues:				
Property tax	\$ 62,863	\$ 62,863	\$ 67,520	\$ 4,657
Intergovernmental	1,286,743	1,286,743	305,924	(980,819)
Investment earnings	30,000	30,000	12,821	(17,179)
Other income	-	-	1,000	1,000
Total revenue	1,379,606	1,379,606	387,265	(992,341)
Expenditures:				
General government	1,379,606	1,379,606	306,440	(1,073,166)
Total expenditures	1,379,606	1,379,606	306,440	(1,073,166)
Net change in fund balance	-	-	80,825	80,825
Fund balance - beginning of year	2,151,063	2,151,063	2,151,063	2,151,063
Fund balance - end of year	<u>\$ 2,151,063</u>	<u>\$ 2,151,063</u>	<u>\$ 2,231,888</u>	<u>\$ 2,231,888</u>

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ROY CITY CORPORATION
Statement of Net Position
Proprietary Fund
June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water & Sewer Utility Fund	Storm-Sewer Utility Fund	Solid Waste Utility Fund	Total	
ASSETS					
Current assets:					
Cash	\$ 2,847,171	\$ 1,726,451	\$ 3,663,269	\$ 8,236,891	\$ 1,084,755
Investment in water stock	16,100	-	-	16,100	-
Accounts Receivable - net of allowance for doubtful accounts	1,431,725	134,374	390,177	1,956,276	-
Inventory	466,479	2,203	513	469,195	-
Prepaid items	373,618	-	23	373,641	-
Total current assets	<u>5,135,093</u>	<u>1,863,028</u>	<u>4,053,982</u>	<u>11,052,103</u>	<u>1,084,755</u>
Noncurrent assets:					
Advance to other fund	197,300	-	-	197,300	-
Net pension asset	-	-	-	-	-
Capital assets:					
Land	147,285	-	133,487	280,772	-
Buildings	190,017	-	-	190,017	-
Improvements other than buildings	35,490,754	3,752,048	-	39,242,802	-
Machinery and equipment	831,618	644,671	112,480	1,588,769	614,650
Automobiles and trucks	907,907	-	497,947	1,405,854	45,110
Construction in progress	759,845	-	-	759,845	-
Less accumulated depreciation	<u>(16,623,292)</u>	<u>(1,379,621)</u>	<u>(603,086)</u>	<u>(18,605,999)</u>	<u>(452,900)</u>
Total capital assets net of accumulated depreciation	<u>21,704,134</u>	<u>3,017,098</u>	<u>140,828</u>	<u>24,862,060</u>	<u>206,860</u>
Total noncurrent assets	<u>21,901,434</u>	<u>3,017,098</u>	<u>140,828</u>	<u>25,059,360</u>	<u>206,860</u>
Total assets	<u>27,036,527</u>	<u>4,880,126</u>	<u>4,194,810</u>	<u>36,111,463</u>	<u>1,291,615</u>
DEFERRED OUTFLOWS OF RESOURCES					
Bond refunding amortizable interest	48,526	-	-	48,526	-
Pension	92,272	8,927	-	101,199	24,677
Total deferred outflows of resources	<u>\$ 140,798</u>	<u>\$ 8,927</u>	<u>\$ -</u>	<u>\$ 149,725</u>	<u>\$ 24,677</u>

ROY CITY CORPORATION
Statement of Net Position, continued
Proprietary Fund
June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water & Sewer Utility Fund	Storm-Sewer Utility Fund	Solid Waste Utility Fund	Total	
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 813,451	\$ 6,776	\$ 81,975	\$ 902,202	\$ 10,752
Accrued Wages	17,788	7,443	-	25,231	4,559
Compensated absences	19,859	4,978	-	24,837	4,230
Interest payable	19,983	-	-	19,983	-
Revenue bonds payable	448,000	-	-	448,000	-
Total current liabilities	<u>1,319,081</u>	<u>19,197</u>	<u>81,975</u>	<u>1,420,253</u>	<u>19,541</u>
Long-term liabilities, less current portion:					
Compensated absences	73,700	22,716	-	96,416	30,115
Recaptured losses				-	120,000
Net pension liability	100,227	37,749	-	137,976	24,847
Revenue bonds payable	2,888,000	-	-	2,888,000	-
Total liabilities	<u>4,381,008</u>	<u>79,662</u>	<u>81,975</u>	<u>4,542,645</u>	<u>194,503</u>
DEFERRED INFLOWS OF RESOURCES					
Pension	208,029	64,819	-	272,848	57,142
Total deferred inflows of resources	<u>208,029</u>	<u>64,819</u>	<u>-</u>	<u>272,848</u>	<u>57,142</u>
NET POSITION					
Net investments in capital assets	18,348,151	3,017,098	140,828	21,506,077	206,860
Unrestricted	4,240,137	1,727,474	3,972,007	9,939,618	857,787
Total net position	<u>\$ 22,588,288</u>	<u>\$ 4,744,572</u>	<u>\$ 4,112,835</u>	<u>\$ 31,445,695</u>	<u>\$ 1,064,647</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				246,000	
Net position of business-type activities				<u>\$ 31,691,695</u>	

ROY CITY CORPORATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water & Sewer Utility Fund	Storm-Sewer Utility Fund	Solid Waste Utility Fund	Total	
Operating revenues:					
Charges for services	\$ 8,135,637	\$ 870,647	\$ 2,344,461	\$ 11,350,745	\$ 887,037
Other fees	974,901	-	-	974,901	-
Other income	168,614	-	2,981	171,595	-
Total operating revenue	<u>9,279,152</u>	<u>870,647</u>	<u>2,347,442</u>	<u>12,497,241</u>	<u>887,037</u>
Operating expenses:					
Personnel services	1,583,763	471,567	242,231	2,297,561	203,189
Contractual services	5,352,446	111,481	2,080,972	7,544,899	330,885
Materials and supplies	1,283,029	121,557	9,270	1,413,856	45,933
Other general costs of services	42,064	16,063	1,796	59,923	66,958
Depreciation	767,327	149,088	7,164	923,579	74,887
Total Operating expenses	<u>9,028,629</u>	<u>869,756</u>	<u>2,341,433</u>	<u>12,239,818</u>	<u>721,852</u>
Operating income	<u>250,523</u>	<u>891</u>	<u>6,009</u>	<u>257,423</u>	<u>165,185</u>
Non-operating revenues and (expenses):					
Interest income	17,451	10,021	22,928	50,400	-
Gain/(loss) on sale of assets	(62,994)	-	(12,640)	(75,634)	(13,992)
Interest expenses	(82,552)	-	-	(82,552)	-
Bond fees	(1,500)	-	-	(1,500)	-
Total non-operating revenues/(expenses)	<u>(129,595)</u>	<u>10,021</u>	<u>10,288</u>	<u>(109,286)</u>	<u>(13,992)</u>
Income before contributions	<u>120,928</u>	<u>10,912</u>	<u>16,297</u>	<u>148,137</u>	<u>151,193</u>
Changes in net position	120,928	10,912	16,297	148,137	151,193
Total net position - beginning	<u>22,467,360</u>	<u>4,733,660</u>	<u>4,096,538</u>		<u>913,454</u>
Total net position - ending	<u>\$ 22,588,288</u>	<u>\$ 4,744,572</u>	<u>\$ 4,112,835</u>		<u>\$ 1,064,647</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				32,784	
Change in net position of business-type activities				<u>\$ 180,921</u>	

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

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ROY CITY CORPORATION
Statement of Cash Flows
Proprietary Fund
June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental
	Water & Sewer Utility	Storm-Sewer Utility Fund	Solid Waste Utility Fund	Total	Activities - Internal Service Funds
Cash flows from operating activities:					
Cash received from customers and users	\$ 9,050,924	\$ 858,627	\$ 2,348,653	\$ 12,258,204	\$ -
Cash received from interfund activities	-	-	-	-	887,037
Other income	168,614	-	2,981	171,595	-
Payments to suppliers	(6,807,288)	(252,266)	(2,178,781)	(9,238,335)	(475,073)
Payments to employees	(1,303,546)	(410,413)	(224,620)	(1,938,579)	(172,807)
Payments for interfund services	(182,698)	-	(17,611)	(200,309)	-
Net cash provided by operating activities	926,006	195,948	(69,378)	1,052,576	239,157
Cash flows from non-capital financing activities:					
Payment on interfund advance	30,000	-	-	30,000	-
Net cash provided by non-capital financing activities	30,000	-	-	30,000	-
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(1,000,170)	(78,812)	-	(1,078,982)	(73,551)
Proceeds from sale of assets	-	-	-	-	4,200
Funds placed in escrow on bond refunding	(440,000)	-	-	(440,000)	-
Principal paid on bond	-	-	-	-	-
Interest paid on bond	(78,600)	-	-	(78,600)	-
Fiscal agent fees paid	-	-	-	-	-
Net cash used in capital and related financing activities	(1,518,770)	(78,812)	-	(1,597,582)	(69,351)

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

ROY CITY CORPORATION
Statement of Cash Flows, continued
Proprietary Fund
June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water & Sewer Utility	Storm-Sewer Utility Fund	Solid Waste Utility Fund	Total	
Cash flows from investing activities:					
Purchases of capital assets	-	-	-	-	
Interest received	17,451	10,021	22,928	50,400	-
Net cash provided by investing activities	17,451	10,021	22,928	50,400	-
Net increase (decrease) in cash	(545,313)	127,157	(46,450)	(464,606)	169,806
Cash - beginning of year	3,392,484	1,599,294	3,709,719	8,701,497	914,949
Cash - end of year	<u>\$ 2,847,171</u>	<u>\$ 1,726,451</u>	<u>\$ 3,663,269</u>	<u>\$ 8,236,891</u>	<u>\$ 1,084,755</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 250,523	\$ 891	\$ 6,009	\$ 257,423	\$ 165,185
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	767,327	149,088	7,164	923,579	74,887
(Increase) decrease in accounts receivable	(56,049)	(11,818)	6,144	(61,723)	-
Increase (decrease) in allowance for uncollectible accounts	(3,565)	(203)	(1,953)	(5,721)	-
(Increase) decrease in inventory	(55,214)	558	415	(54,241)	-
(Increase) decrease in prepaids	(39,532)	-	-	(39,532)	-
(Increase) decrease in deferred outflows	(7,311)	(6,056)	-	(13,367)	(1,389)
(Increase) decrease in net pension asset	18,474	6,872	-	25,346	4,527
Increase (decrease) in accounts payable	(35,003)	(3,722)	(87,157)	(125,882)	(31,297)
Increase (decrease) in accrued wages	1,729	1,459	-	3,188	858

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

ROY CITY CORPORATION
Statement of Cash Flows, continued
Proprietary Fund
June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities -
	Water & Sewer Utility Fund	Storm-Sewer Utility Fund	Solid Waste Utility Fund	Total	Internal Service Funds
Increase (decrease) in compensated absences	11,798	(6,565)	-	5,233	5,964
Increase (decrease) in deferred inflows	93,848	35,445	-	129,293	23,227
Increase (decrease) in net pension liability	(21,019)	29,999	-	8,980	(2,805)
Increase (decrease) in recaptured losses	-	-	-	-	-
Total adjustments	675,483	195,057	(75,387)	795,153	73,972
Net cash provided by operating activities	<u>\$ 926,006</u>	<u>\$ 195,948</u>	<u>\$ (69,378)</u>	<u>\$ 1,052,576</u>	<u>\$ 239,157</u>
Non-cash capital and related financing activities:					
Purchase of equipment on account	\$ -	\$ -	\$ -	\$ -	\$ -
Capital contributions from developers	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds refunded	-	-	-	-	-
Total non-cash capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

NOTES TO THE FINANCIAL STATEMENTS

ROY CITY CORPORATION
Notes to the Financial Statements
June 30, 2021

The City of Roy was incorporated March 10, 1937 as Roy City Corporation. The City is a municipal corporation governed by an elected mayor and five-member council and provides the following services as authorized by its charter; public safety, public utilities, highways and streets, sanitation, social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Roy City Corporation (the City) is presented to assist in understanding the City's financial statements. The financial statements and notes are the representation of the City's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles, as applicable to governmental organizations.

The most significant of the City's accounting policies are described below:

Reporting Entity

The reporting entity is comprised of the primary government with component units included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, and agencies that are not legally separate from the City. Roy City includes the Redevelopment Agency of Roy Utah as a component unit.

Component units are legally separate entities and can be either blended or discretely presented with the primary government. Blending is used if the component unit is an integral part of the primary government and a discrete presentation is used if the component unit is not integral. One of four situations must be met for a component unit to be blended; 1) substantively the same governing body with a financial benefit or burden relationship, 2) substantively the same governing body with operational responsibility, 3) almost exclusive service or benefit to the primary government, or 4) total debt of the component unit repayable almost entirely from resources of the primary government.

Based upon the application of the criteria, the City has one component unit.

Blended Component Unit. The Redevelopment Agency of Roy Utah (RDA) was established to prepare and carry out plans to improve, rehabilitate, and redevelop blighted areas within the City. The RDA is governed by a board of directors composed of the City's mayor and all members of the city council. Although it is a legally separate entity from the City, the RDA is reported as if it were a part of the primary government because it is the same governing body and the administrative staff of Roy City manages the activities of the RDA in essentially the same manner as it manages City activities. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund.

The RDA does not prepare separately issued financial statements. Financial information for the RDA may be obtained at the City administrative offices.

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, along with fund financial statements which provide a more detailed level of financial information.

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the City and its component unit. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City's general revenues, from business-type activities, generally financed in whole or part with fees charged to external customers. The operating activities of the internal service funds are eliminated to avoid duplicating revenues and expenditures.

The statement of net position presents the financial position of the governmental and business-type activities at year-end.

The statement of activities presents a comparison between direct expenses and programs revenues for each function of the City's governmental activities and each identifiable activity of the business-type activities. A function is a grouping of similar activities to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those which are clearly identifiable within a specific function or segment. Program revenues include 1) charges to customers or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. The determining factor for identifying which function charges for services pertain to, is which function generates the revenue. For grants and contributions, the determining factor is, to which function is the revenue restricted.

Taxes, fees in lieu, and other revenue sources not properly included among program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City records transactions in separate funds in order to aid financial management and demonstrate legal compliance. Fund financial statements are prepared separately for governmental and proprietary funds and are designed to present financial information at a more detailed level. Major individual governmental and enterprise funds are reported in separate columns with combined columns for nonmajor funds. The internal service funds are presented in a single column of the proprietary fund statements.

The City reports the following major governmental funds:

The *general fund* is the primary operating fund of the City. It accounts for all financial resources of the City not accounted for by a separate specialized fund.

The *redevelopment agency special revenue fund* is used to account for specific revenue sources that are legally restricted for the improvement, rehabilitation, and redevelopment of blighted areas within the City. The Redevelopment Agency receives its funding from property tax increment from the taxing entities it encompasses.

The *capital improvements fund* is used to account for resources that are set aside to future capital projects.

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

The City reports the following major proprietary funds:

The *water and sewer utility enterprise fund* is used to account for the activities of the City's water and sewer distribution operations.

The *storm sewer utility fund* is used to account for the activities of the City's storm sewer system.

The *solid waste utility enterprise fund* is used to account for the activities of the City's solid waste collection and disposal, as well as the recycling program.

Additionally, the City reports the following fund types:

Internal service funds are used to account for information technology and risk management services provided to various departments on a cost reimbursement basis.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included in the statement of net position. The statement of activities reports the revenues and expenditures.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports the source (i.e., revenues and other financing sources) and the uses (i.e., expenditures and other financial uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

All proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and liabilities associated with the operation of these funds are included in the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. The government-wide financial statements are reported using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting, while proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, deferred inflows of resources, and the presentation of expenses versus expenditures.

The use of financial resources to acquire capital assets are shown as assets in the government-wide and proprietary fund financial statements and as expenditures in the governmental fund financial statements. Proceeds of long-term debt are recorded as a liability in the government-wide and proprietary fund financial

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

statements, and as other financing sources on the governmental fund financial statements. Amounts paid to reduce long-term debt are reported as a reduction of the related liability, rather than expenditures in the government-wide financial statements.

For the government-wide and proprietary fund financial statements, revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements recognize revenues as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter (within sixty days) to pay liabilities of the current period. Sales and franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal year. All other revenues are considered to be measurable and available only when cash is received by the government.

Non-exchange transactions in which the City receives value without directly giving equal value in return, may include property taxes, grants, and donations. On an accrual basis, property taxes are recognized in the year for which the taxes are levied (see Note 3 – Tax Revenue). Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions also must be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. See Note 4 - Deferred Inflows/Outflows of Resources.

On the accrual basis of accounting, expenses are recognized at the time they are incurred, if measurable. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the general fund by various enterprise funds for providing administrative services for such funds. Elimination of these charges would distort the total costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities, and Net position or Equity

Cash, Deposits, and Investments

Cash includes cash on hand, demand deposits with banks, deposits in cash management pools that have the general characteristics of demand deposit accounts, and deposits in a receiver's account for on-line bill pay. The City adopted an investment policy by resolution that allows for the investment of funds in time certificates of deposit with federally insured depositories, in the Utah Public Treasurer's Investment Fund (the Fund), in U. S. backed Government Securities, and other funds and obligations.

The Utah Public Treasurer's Investment Fund operates in accordance with state laws and regulations.

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

Restricted Assets

Class C Road and the Local Option Sales Tax funds are classified as restricted assets on the balance sheet because their use is restricted by laws and regulations. These road funds are restricted for use in maintaining roads and for pedestrian safety throughout the City.

Receivables, Payables, and Interfund Balances

Accounts receivable for services related to governmental activities and trade accounts receivable for business-type activities are shown net of allowance for doubtful accounts. The allowance is calculated using a percentage of total accounts receivable in conjunction with an evaluation of items over 180 days.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “inter-activity receivable or inter-activity payable”. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual amounts due between governmental activities and business-type activities, which are reclassified as “inter-activity balances”.

Advances between funds, as reported in fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available resources.

Inventories and Prepaid Items

All inventories are valued at cost and accounted for on the first-in, first-out method (FIFO). Inventories of governmental fund types are recorded as expenditures when consumed. Inventories of the proprietary funds are expensed when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The expenditure/expense of prepaid items is reflected in the fiscal year in which services are consumed.

At the fund reporting level, fund balance is designated as non-spendable for an amount equal to inventories and prepaid items, as this amount is not available for general appropriations.

Investment in Land

Land acquired by the City and the Redevelopment Agency and held for resale is classified as an investment in land.

Capital Assets

General capital assets relate to governmental activities and do not specifically relate to activities of the proprietary funds. These assets generally result from expenditures in the governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position and does not report the assets in the governmental fund financial statements. Capital assets used by proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the proprietary funds statement of net position.

Capital assets are defined by the City as assets with an initial and individual cost of more than \$1,500 and an estimated useful life of more than two years. These assets are recorded at cost (or estimated

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

historical cost) and updated for additions and retirements during the fiscal year. Outlays for major improvements are capitalized. The City's infrastructure, referred to below, consists of roads, storm sewer systems, curb, gutter, sidewalk, and street lights.

All reported capital assets, except land and construction in progress, are depreciated using the straight line method over the following useful lives:

Asset Type	Years
Wells	25
Reservoirs	40 - 50
Water distribution system and sewer collection systems	50
Infrastructure	15 - 30
Vehicles	5 - 8
Machinery and equipment	5 - 30
Furniture and fixtures	5 - 10
Software	3 - 5

Donated assets are recorded at estimated fair market value at the date of donation. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend an asset's useful life are expensed.

Compensated Absences

It is the City's policy to allow employees to accumulate earned but unused vacation, compensatory time, and sick leave benefits. Compensated absences are reported in governmental funds only if an employee has resigned or retired and the accrued leave has not been paid out. The accumulated vacation, sick leave and compensatory time that is not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. Accumulated vacation, sick leave and compensatory time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Year-end liabilities for compensated absences are accrued at the employee's current hourly rate, including social security and Medicare costs, for the maximum possible separation benefit.

Sick leave amounts are charged to expenditures when incurred. Employees may accumulate sick leave without limitation. Regular employees accumulate sick leave benefits at the rate of twelve days per year, while firefighters (24 hour shift) accumulate 6.25 days per year. The City has implemented an unused sick leave incentive to increase productivity and encourage longevity within the City. The incentive allows for converting a portion of unused sick leave to either annual leave or a contribution to a City sponsored retirement plan. The incentive is paid annually in December and requires employees to meet strict criteria to be eligible. Employees who retire or separate under favorable conditions are paid a portion of unused sick leave based on years of service and accumulated sick leave hours. The liability for sick leave is calculated based on percentages that would be paid in the event the employee terminated employment.

Accrued Liabilities and Long-term Obligations

All payables and accrued liabilities are reported in the government-wide financial statements. In the government-wide financial statements and proprietary fund types in the fund financial statements, long-

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

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 discounts and premiums are amortized over the life of the applicable debt. Bond insurance costs are recognized as outflows of resources in the reporting period in which they are incurred and amortized using the effective interest method over the life of the bonds.

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. 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 service expenditures.

Recaptured losses are included in long-term obligations and result from an inter-local cooperative agreement with Utah Risk Management Mutual Association. The City reimburses URMMA over five years for claims and legal fees paid on its behalf.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the City is bound to honor them. The City first determines and reports nonspendable balances, then restricted, then committed, and so forth. Fund balance classifications are summarized as follows:

Non-spendable fund balance includes amounts that cannot be spent due to their form (e.g. inventory and prepaids) or funds that legally or contractually must be maintained intact.

Restricted fund balance includes amounts that are mandated for a specific purpose (e.g. Class C Road funds, Local Option Sales Tax, and grants) by external parties, constitutional provisions, or enabling legislation.

Committed fund balance includes amounts that are set aside for a specific purpose by a formal action of the City’s highest level of decision making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally, which is passage of a resolution by a majority vote.

Assigned fund balance comprises amounts intended to be used by the City for specific purposes that are neither considered restricted or committed. Intent can be expressed by the City Council or the Management Services Director. The Management Services Director has been designated by resolution to assign fund balance.

Unassigned fund balance includes all amounts in the general fund not contained in the previous four classifications. All funds in the category are considered spendable resources. This category provides the resources necessary to meet unexpected expenditures or revenue shortfalls.

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

When both restricted and non-restricted funds are available for expenditure, the City will start with the most restricted category and spend those funds first. Similarly, when an expenditure is incurred for amounts in any of the unrestricted classifications of fund balance, the City will reduce committed amounts first, followed by assigned and then unassigned amounts.

The City has a minimum fund balance policy in the general fund of no less than 8% of budget revenue. In the event that the balance drops below the established minimum level, the City Council will develop a plan to replenish the fund balance to the established minimum level.

See Note 4 for further details of the various fund balance classifications.

Net Position

The net position represents the difference between assets and liabilities. The net position component, “net investment in capital assets”, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used (i.e. the amount the City has not spent) for the acquisition, construction, or improvement of those assets. The net position is reported as restricted when there are limitations imposed on use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining balance of the net position is reported as unrestricted.

Pensions

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.

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

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

2. Reconciliation of Government-wide and Fund Financial Statements

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *total governmental fund balances* and *net position of governmental activities* as reported in the government-wide statement of net position. The difference results 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) are to be used in governmental activities and are purchased or constructed, the costs of those assets are reported as expenditures in 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	\$ 71,074,776
Accumulated depreciation	(37,103,543)
	<u>\$ 33,971,233</u>

Pension related items:

In governmental fund financial statements, a net pension liability is recognized to the extent the liability is expected to be liquidated with expendable available financial resources. However, the statement of net position includes a liability (asset) whenever plan net position is less than (exceeds) the City's total pension liability, even though the City funds the full amount of the actuarially calculated annual contribution each year.

Deferred outflows - pensions	\$ 1,508,111
Net pension asset	757,754
Deferred inflows - pensions	(2,972,540)
Net pension liability	(1,056,621)
	<u>\$ (1,763,296)</u>

Long-term debt transactions:

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 financials. All liabilities (both current and long-term) are reported in the statement of net position.

Balances at June 30, 2021 were:

URMMA recaptured losses	\$ 120,000
Compensated absences	1,397,929
	<u>\$ 1,517,929</u>

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

Internal service funds:

Internal service funds are properly classified as proprietary funds. Nonetheless, the assets and liabilities of internal service funds must be included as part of governmental activities for purposes of government-wide financial reporting whenever they primarily serve governmental funds.

Assets and liabilities of the information technology and risk management internal service funds included in the government-wide statement of net position at June 30, 2021 include:

Cash	\$ 1,084,755
Accounts payable	(10,752)
Accrued wages payable	(4,559)
Interactivity payable	(246,000)
	<u>\$ 823,444</u>

Explanation of Differences between Governmental Fund Operating Statements and the Statement of Net Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between *net changes in fund balance – total governmental funds* and *changes in net position 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. While shown in the reconciliation as the amount capital assets exceeded depreciation, the elements of this difference are as follows:

Capital outlay	\$ 1,256,798
Depreciation expense	(2,151,065)
	<u>\$ (894,267)</u>

Another element of the reconciliation is the net effect of various miscellaneous transactions involving capital assets. The detail of the \$27,585 decrease to net position is as follows:

In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	\$ (27,585)
	<u>\$ (27,585)</u>

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenue in the governmental funds. Contributions to the pension plan from non-employer contributing entities for FY 2021 are \$153,908.

Expenses for compensated absences and pension are reported on the statement of activities but do not require the use of current financial resources. Also, payments received by the RDA are current financial resources but are not revenue in the statement of activities. The detail of these transactions is as follows:

Compensated absences	\$ 65,068
Pension expenditures	1,383,006
Loan payments to the RDA	(1,000)
	<u>\$ 1,447,074</u>

Another element of the reconciliation is the use of internal service funds inherently create redundancy, because their expenses are reported a second time as expenditures/expenses in the funds that are billed for the services they provide. The net revenue of the activities of internal service funds should be reported with governmental activities. The detail of the \$118,409 difference is as follows:

Change in net position of the internal service funds	\$ 151,193
Less: Profit from charges to business-type activities	(32,784)
	<u>\$ 118,409</u>

A final element of the reconciliation is during the consolidation of internal service funds with governmental activities all inter-fund transfers between such funds should be eliminated. During the fiscal year ending June 30, 2021, there was \$887,037 in transfers requiring elimination.

Explanation of Differences between Proprietary Fund Statement of Net Position and the Government-wide Statement of Net Position

The proprietary fund statement of net position includes reconciliation between *net position – total proprietary funds* and *net position of business type activities* as reported in the government-wide statements of net position. The description of the difference is as follows:

Interactivity receivable representing charges in excess of cost to business-type activities - prior years	\$ 213,216
Interactivity receivable representing charges in excess of cost to business-type activities - current year	32,784
	<u>\$ 246,000</u>

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

3. Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted in accordance with the “Uniform Fiscal Procedures Act of Utah Cities”. Budgets are prepared for all governmental and proprietary funds. On or before the first day of April, all agencies of the City submit requests for appropriation to the City Manager and Budget Officer so that a budget can be prepared. On the first Tuesday in May, the proposed budget is presented to the City Council for tentative acceptance. The City Council then reviews, adjusts, and holds a public hearing on the budget. On or before June 22nd, the budget is legally adopted by resolution for the following fiscal year which begins on July 1st. If a property tax increase is proposed, the City shall not adopt its final budget until a public hearing has been held. The latest possible date for adoption of a budget with a property tax increase is August 17th. All annual appropriations lapse at fiscal year-end.

Budgets are prepared by fund, function and department. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget is the department level. Budget control is exercised at the department level. The fund budgets may be increased any time during the fiscal year by resolution of the City Council and following a public hearing. The City Council may, by resolution, transfer unexpended appropriations from one department to another department within the same fund. Transfers of unexpended appropriations from one expenditure account to another within the same department can be made by the department director with the consent of the Budget Officer.

During the fiscal year, the City Council approved several supplemental budgetary appropriations and transfers of appropriations between departments. Included in the appropriations was an increase in the general fund of \$6,880,637; an increase in the capital improvements plan fund of \$3,396,547; an increase in the Class C Road Fund of \$430,000; an increase in the Transportation Infrastructure Fund of \$100,000; an increase in the storm sewer development fund of \$25,000; an increase of \$335,976 in the park development fund; an increase in the water and sewer utility fund of \$307,831; \$220 increase in the Cemetery Fund; an increase in the solid waste utility fund of \$100,000; an increase in the information technology fund of \$9,000; and an increase of \$11,800 in the risk management fund.

The increase in the general fund was attributed to an increase in CARES Act eligible expenditures, capital, projects, personnel, and operations. Adjustments to the budget were made in various categories including: COVID-19 related expenses \$3,334,621, personnel increased \$25,780; operations and maintenance increased \$335,350; purchase and construction of capital assets increased \$277,594; and the transfer to capital projects fund increased \$2,907,292. The expenditure changes were covered by an increase in CARES Act funds received of \$3,334,621; increase in sales tax of \$997,292; increase in building permit revenue of \$700,000; increased plan check fees of \$420,000; Justice Court revenue of \$115,000; sale of fixed assets of \$125,000; grant revenue of \$129,990; and miscellaneous other revenue sources of \$37,100. The contribution from fund balance increased \$1,021,634.

The changes in the capital projects fund were for capital improvements related to parks and recreation of \$264,255, fire equipment of \$165,000, police equipment and improvements of \$362,165, public works equipment of \$34,000, improvements of \$60,000 and a transfer to general capital improvement projects of \$2,511,127 to be appropriated in future years. These expenditure increases were covered by increased contributions from fund balance of \$163,652, and a transfer from the general fund of \$1,680,934.

The increase in the water and sewer utility was due to changes in capital and operations. Adjustments to the budget were made including an increase in operations and maintenance of \$260,831 and an increase in capital of \$47,000. An increase in the use of fund balance reserves was made in the amount of \$307,831.

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

The increase to the solid waste utility fund was to cover operations increases of \$100,000. These expenses were covered by an increased use of fund balance reserves of \$100,000.

The information technology operations budget increased by \$9,000 for capital assets and were offset by a use of fund balance reserves of \$9,000.

The risk management general risk management budget increased by \$11,800 were offset by an increased use of fund balance reserves of \$11,800.

Class C road fund equipment had a budgeted increase of \$430,000. The increased expenses were offset by increased sales in fixed assets of \$100,000 and a use of fund balance reserves of \$330,000.

Transportation Infrastructure Fund had a budgeted increase of \$100,000. The increased revenues received of \$100,000 were added to the fund balance.

The increase in the Storm Sewer Development Fund revenue projections of \$25,000 was added to the fund balance.

The park development fund had a budgeted increase of \$313,976 for capital projects and \$22,000 increase in fund balance. The increased expenses were offset by a use of fund balance reserves of \$313,976 and increased revenues of \$22,000.

The Cemetery Fund had a budgeted increase of \$220. The increased revenues received of \$220 were added to the fund balance.

Tax Revenue

Real property taxes are collected by the County Treasurer and remitted to the City shortly after collection. The tax levy is established by June 15th with a lien date of January 1st. Taxes are due and payable on November 1st and delinquent after 12 o'clock noon on November 30th of each year. An accrual has been made for uncollected current and prior year's property taxes which remains outstanding at June 30th.

Sales taxes and telecom gross receipts taxes are collected by the Utah State Tax Commission and remitted to the City monthly. Franchise taxes are charged to various utility companies doing business within the City including cable television, natural gas, and electric companies. The fees are remitted on a monthly or quarterly basis and an accrual has been made for all fees due and payable to the City at June 30th.

4. Detailed Notes for All Funds

Cash and Cash Equivalents

For purposes of the statement of cash flows for proprietary and internal service funds, cash equivalents are defined as highly liquid investments, with original maturities of less than ninety days that are held for sale in the ordinary course of business.

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in checking accounts as well as time deposits.

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

Investments are recorded at fair value based upon quoted market prices at year-end (Level 1 inputs) and other significant observable inputs (Level 2), except where there is no material difference between cost and fair value. The difference between the purchase price and fair value, when material, is recorded as interest income. Each fund's portion of this pool is displayed on the combined balance sheet which also includes accounts that are separately held by the City's component unit. Income from the investment of pooled cash is allocated based upon each fund's portion of the pool.

Deposits for the City are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, "the Act") and by the rules of the Utah Money Management Council ("the UMMC"). The Act requires that City funds be deposited with a "qualified depository" which has been certified by the Utah State Commissioner of Financial Institutions as having met its Rule 11. Rule 11 established the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

Investments for the City are also governed by the Act and rules of the UMMC. In addition, the City has adopted its own written investment policy which allows for investments in the following: 1) Obligations of the U. S. Treasury including bills, notes, and bonds; 2) U. S. Government Agencies; 3) Banker's Acceptances which are eligible for discounts at a federal reserve bank and which have a remaining term to maturity of 270 days or less; 4) Commercial paper which is rated P-1 by Moody's Investors Services or Standard and Poor's, having a remaining term to maturity of 270 days or less; 5) Negotiable certificates of deposit having a term to maturity of 365 days or less and variable rate certificates maturing in two years or less re-priced semi-annually; 6) Repurchase agreements with qualified depositories or dealers certified by the Utah Money Management Council; 7) Municipal obligations which are of the State, incorporated city, town, school district, or other political subdivision; 8) The Utah State Treasurer's Investment Pool. The policy does not allow for investments in foreign currency.

The investment policy addresses investment-related risks as follows:

Credit risk - The City will minimize credit risk, the risk that an issuer or other counterparty of an investment will not fulfill its obligation to pay interest and/or principal, by: 1) limiting investments to those authorized in the policy, 2) utilizing only those financial institutions, brokers, dealers, intermediaries, and advisers which have been certified by the Act, 3) limiting the amount of money invested in a single institution; and 4) diversifying the investment portfolio.

Interest rate risk - The City will minimize the risk that the market value of securities in the portfolio will diminish due to changes in general interest rates by: 1) structuring the investment portfolio with staggered maturity dates to meet cash requirements, and 2) investing operating funds primarily in the Utah State Treasurer's Investment Pool.

Custodial credit risk - All investment transactions held in safekeeping by a third-party shall be in a separate account in the name of the City and evidenced by a receipt issued within 15 days of the transaction. The third-party bank or trust company must be certified by the UMMC as a depository.

While the City's investment policy allows for a range of investments, at June 30, 2021, the only investment tool utilized was the Utah Public Treasurer's Investment Fund ("PTIF"), an external pooled investment fund managed by the Utah State Treasurer subject to the Act and UMMC requirements. The PTIF is not registered with the SEC as an investment company and is not rated. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah and participants share proportionately in any realized gains or losses on investments. The PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and therefore, there is little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. The

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

PTIF operates and reports to participants on an amortized basis. The income, gains and losses, net of administrative fees, of the PTIF are allocated based upon the participant's average daily balance.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of June 30, 2021, the City and the Redevelopment Agency investments consisted of the following:

	Roy City	RDA
Utah Public Treasurer's Investment Fund	\$ 24,741,825	\$ 2,054,842
Maturity	NA	NA
Rating	Not rated	Not rated
Fair Market Value (FMV)	Level input 1	Level input 1
Recurring FMV measurement	Matrix Pricing Model	Matrix Pricing Model

As of June 30, 2021, all of the City's bank balance of \$842,434 was uninsured. For the Redevelopment Agency, all of the bank balance of \$144,520 was insured within FDIC limits. In the Water and Sewer Utility all of the bank balance of \$3,086 held in a receiver's account for on-line bill pay was insured within FDIC limits.

Receivables

Receivables as of year-end for the City's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental funds:

	General Fund	RDA
Taxes	\$ 5,372,621	\$ -
Ambulance services	3,702,838	-
Special Assessments	18,347	-
Intergovernmental	20,786	-
Other	644,833	27,584
Gross receivables	9,759,425	27,584
Less: Allowance for uncollectible accounts	(2,915,953)	-
Net receivables	<u>\$ 6,843,472</u>	<u>\$ 27,584</u>

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

Enterprise funds:

	Water and Sewer Utility Enterprise	Storm Sewer Utility Enterprise	Solid Waste Utility Enterprise Fund	Total
Utilities	\$ 1,454,461	\$ 138,458	\$ 402,034	\$ 1,994,953
Intergovernmental	20,166	-	-	20,166
Gross receivables	1,474,627	138,458	402,034	2,015,119
Less: Allowance for uncollectible accounts	(42,902)	(4,084)	(11,857)	(58,843)
Net receivables	<u>\$ 1,431,725</u>	<u>\$ 134,374</u>	<u>\$ 390,177</u>	<u>\$ 1,956,276</u>

The only receivables not expected to be collected within one year are the \$18,347 of special assessment receivables reported in the general fund.

Capital Assets

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

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 4,284,842	\$ -	\$ -	\$ 4,284,842
Construction in progress	6,269,437	284,535	(4,294,332)	2,259,640
Total capital assets not being depreciated	<u>10,554,279</u>	<u>284,535</u>	<u>(4,294,332)</u>	<u>6,544,482</u>
Capital assets being depreciated:				
Buildings	11,810,746	278,355	(46,196)	12,042,905
Improvements other than buildings	35,540,309	3,563,703	(65,734)	39,038,278
Machinery and equipment	5,093,470	996,007	(356,138)	5,733,339
Automobiles and trucks	7,482,885	502,099	(269,212)	7,715,772
Total capital assets being depreciated	<u>59,927,410</u>	<u>5,340,164</u>	<u>(737,280)</u>	<u>64,530,294</u>
Less accumulated depreciation for:				
Buildings	(5,864,698)	(255,939)	36,956	(6,083,681)
Improvements other than buildings	(20,070,323)	(1,270,705)	65,734	(21,275,294)
Machinery and equipment	(3,936,002)	(234,101)	327,166	(3,842,937)
Automobiles and trucks	(5,698,071)	(465,206)	261,646	(5,901,631)
Total accumulated depreciation:	<u>(35,569,094)</u>	<u>(2,225,951)</u>	<u>691,502</u>	<u>(37,103,543)</u>
Total capital assets being depreciated, net	<u>24,358,316</u>	<u>3,114,213</u>	<u>(45,778)</u>	<u>27,426,751</u>
Governmental activities capital assets, net	<u>\$ 34,912,595</u>	<u>\$ 3,398,748</u>	<u>\$ (4,340,110)</u>	<u>\$ 33,971,233</u>

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 280,772	\$ -	\$ -	\$ 280,772
Construction in progress	-	759,845	-	759,845
Total capital assets not being depreciated	<u>280,772</u>	<u>759,845</u>	<u>-</u>	<u>1,040,617</u>
Capital assets being depreciated:				
Buildings	186,719	3,298	-	190,017
Improvements other than buildings	39,187,732	55,070	-	39,242,802
Machinery and equipment	1,593,986	151,071	(156,288)	1,588,769
Automobiles and trucks	1,296,385	109,469	-	1,405,854
Total capital assets being depreciated	<u>42,264,822</u>	<u>318,908</u>	<u>(156,288)</u>	<u>42,427,442</u>
Less accumulated depreciation for:				
Buildings	(13,652)	(2,302)	-	(15,954)
Improvements other than buildings	(15,548,823)	(801,732)	-	(16,350,555)
Machinery and equipment	(955,759)	(98,999)	80,882	(973,876)
Automobiles and trucks	(1,245,068)	(20,546)	-	(1,265,614)
Total accumulated depreciation:	<u>(17,763,302)</u>	<u>(923,579)</u>	<u>80,882</u>	<u>(18,605,999)</u>
Total capital assets being depreciated, net	<u>24,501,520</u>	<u>(604,671)</u>	<u>(75,406)</u>	<u>23,821,443</u>
Business-type activities capital assets, net	<u>\$ 24,782,292</u>	<u>\$ 155,174</u>	<u>\$ (75,406)</u>	<u>\$ 24,862,060</u>

Depreciation Expense

Depreciation was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 333,678
Public Safety	464,058
Public works, including depreciation of general infrastructure assets	549,721
Parks and recreation	527,852
Roads	267,035
Transportation	8,720
Information technology	74,887
Total depreciation expense - governmental activities	<u>\$ 2,225,951</u>
Business-type activities:	
Water and sewer utility	\$ 767,327
Storm water utility	149,088
Solid waste utility	7,164
Total depreciation expense - business-type activities	<u>\$ 923,579</u>

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

Inter-fund Receivables, Payables, and Transfers

The composition of internal balances as of June 30, 2021 is as follows:

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
Water and sewer utility enterprise fund	General fund	\$ 197,300

The funds were used for on-sight improvements of a development within Roy City's central business district. The district is within one of the redevelopment project areas. A portion of the advances are expected to be repaid within the next fiscal year.

Inter-fund transfers:

Paid to	Paid from	Amount
Capital improvements - capital projects fund	General fund	\$ 2,907,292
		<u>\$ 2,907,292</u>

Transfers are used to move revenue from the fund that statute or budget requires them to collect, to the fund the budget authorizes them to expend. The transfers to the capital project fund segregate money for anticipated capital projects. All City transfers are authorized by annual budget appropriation.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports 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 therefore will not be recognized as an outflow of resources (expenditure/expense) until then. The City has \$1,508,111 in deferred outflows related to pension plans and \$2,972,540 in deferred inflows related to pensions. See Note 6 for a summary of this amount. In addition, in 2018 the City advance defeased \$4,930,000 of outstanding Water and Sewer Revenue Bonds, Series 2008 (water and sewer utility fund). The difference between the reacquisition price and the net carrying amount of the old debt has been deferred and amortized as a component of interest expense. The amount deferred was \$80,876 of which \$32,350 has been amortized as interest expense (\$8,088 in 2021) resulting in a remaining balance of \$48,526.

In addition to liabilities, the statement of financial position reports 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 therefore will not be recognized as an inflow of resources (revenue) until that time. The City reports three such items; available unearned revenue, unavailable revenue and pension plans. Available unearned revenue refers to resources that are received before the period(s) which they are required to be used. Unavailable revenue refers to resources that are reported as a receivable before the period(s) for which they are levied and for other imposed non-exchange transactions where resources are reported as receivables and use is permitted. See Note 6 for additional information on pension plans.

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

The City reports the following deferred inflows of resources on the governmental funds balance sheet and the government-wide statement of net position:

	Governmental Funds	Governmental Activities	Business Type Activities
Property taxes not yet levied	\$ 3,930,271	\$ 3,930,271	\$ -
Delinquent property taxes	-	41,167	-
Unspent RAMP Funds	35,997	35,997	-
Roy Days sponsor donations	9,800	9,800	-
Pensions	-	2,972,540	272,848
Special assessments levied	800	800	-
	<u>\$ 3,976,868</u>	<u>\$ 6,990,575</u>	<u>\$ 272,848</u>

Long-Term Debt and Liabilities

Water and Sewer Revenue Refunding Bonds

In October 2017 the City issued \$4,599,000 of water and sewer revenue refunding bonds, series 2017 with an average interest rate of 2.057 percent to advance refund \$4,930,000 of outstanding water and sewer revenue bonds, series 2008 with an average interest rate of 4.244 percent. The net proceeds of \$5,010,876, (after payment of \$55,943 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the \$4,930,000 of the outstanding 2008 Series bonds. As a result, the 2008 Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets. The balance of advance defeased bonds is \$3,375,000.

The City completed the advance refunding to reduce its total debt service payments over the next 10 years by \$519,275 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$459,627.

The bonds bear interest at 2.057% and mature in March 2028. Interest is due semi-annually in September and March, while principal payments are due annually in March.

Annual debt service requirements to maturity for the water and sewer revenue bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 448,000	\$ 68,620	\$ 516,620
2023	460,000	59,406	519,406
2024	466,000	49,944	515,944
2025	476,000	40,358	516,358
2026	485,000	30,566	515,566
2026-2028	1,001,000	31,018	1,032,018
	<u>\$ 3,336,000</u>	<u>\$ 279,912</u>	<u>\$ 3,099,292</u>

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

Changes in Long-term Liabilities

During the year ended June 30, 2021, the following activity occurred in liabilities reported as long-term:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Recaptured losses	\$ 120,000	\$ -	\$ -	\$ 120,000	\$ -
Compensated absences	1,457,033	867,584	(926,688)	1,397,929	224,070
Governmental activities - Long-term liabilities	<u>\$ 1,577,033</u>	<u>\$ 867,584</u>	<u>\$ (926,688)</u>	<u>\$ 1,517,929</u>	<u>\$ 224,070</u>
Business-type activities:					
Bonds payable	\$ 3,776,000	\$ -	\$ (440,000)	\$ 3,336,000	\$ 448,000
Compensated absences	116,020	5,233	-	121,253	24,837
Business-type activities - Long-term liabilities	<u>\$ 3,892,020</u>	<u>\$ 5,233</u>	<u>\$ (440,000)</u>	<u>\$ 3,457,253</u>	<u>\$ 472,837</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for of the internal service funds are included as part of the above totals for governmental activities. At year end, \$34,345 of compensated absences is included in the above amounts and will be liquidated with internal service fund assets. All other governmental activities compensated absences are liquidated by the general fund.

Fund Balances

The City is required to restrict part of its fund balance to account for the extent to which it is bound to honor constraints on the specific purpose of funds. Fund balance allocations are presented in the statement of net position and the balance sheet of the governmental funds.

The non-spendable portion of fund balance relates to inventory, prepaid items and investment in land. The restricted balance consists of the remaining Class C Roads and Local Option Sales Tax funds. No portion of fund balance was considered to be committed. At June 30, 2021, assigned fund balance is as follows:

	General Fund	Capital Projects Fund	Park Development Fund	Storm Sewer Development Fund	Cemetery Fund	RDA
Governmental Funds:						
Purchase obligations	\$ 20,644	\$ -	\$ -	\$ -	\$ -	\$ -
Legislative programs	-	-	-	-	-	-
Traffic school	-	-	-	-	-	-
Capital improvements	-	4,823,754	-	-	-	-
Recreational facilities	-	115,743	201,837	-	-	-
Fire apparatus	-	802,092	-	-	-	-
Storm sewer	-	-	-	288,854	-	-
Cemetery	-	-	-	-	165,341	-
Redevelopment	-	-	-	-	-	2,231,888
	<u>\$ 20,644</u>	<u>\$ 5,741,589</u>	<u>\$ 201,837</u>	<u>\$ 288,854</u>	<u>\$ 165,341</u>	<u>\$ 2,231,888</u>

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

- *Purchase obligations* represent resources that will be used to liquidate purchase orders which were not completed by year end.
- *Legislative programs* represents residual funds acquired from donations and set aside for the Roy Days celebration.
- *Traffic school* represents residual funds acquired from traffic school and set aside for police equipment purchases.
- *Capital improvements* are funds set aside to improve or construct City infrastructure. Funding comes from a transfer from the general fund.
- *Recreational facilities* are funds set aside for improvements to or construction of parks and recreational facilities. Assignments under the capital project fund are annual transfers from the general fund. Park development funds are acquired from a fee charged on building permits.
- *Fire apparatus* are funds set aside for the purchase of fire trucks and ambulances and acquired through a transfer from the general fund.
- *Storm sewer* is funds set aside to improve or construct storm sewer infrastructure. Storm sewer development funds are acquired from a fee charged on building permits.
- *Cemetery* is funds set aside to expand the City cemetery and acquired through the sale of cemetery plots.
- *Redevelopment* is property tax assessments acquired by the Redevelopment Agency for redevelopment of specific areas of the City.

The Management Services Director has been delegated the authority to assign amounts, which are neither restricted nor committed, to be used for specific purposes.

5. Employee Retirement Systems and Pension Plans

General Information About the Pension Plan

Plan Description

Eligible plan participants are provided with pensions through the Utah Retirement Systems (URS). The Utah Retirement Systems are comprised of the following pension trust funds:

Defined Benefit Plans

- *Multiple employer cost sharing, public employees retirement systems:* the Public Employees Non-contributory Retirement System (Non-contributory System); and the Firefighters Retirement System (Firefighters System).
- *Cost sharing, multiple-employer public employee retirement system:* the Public Safety Retirement System (Public Safety System).
- *Multiple employer, cost sharing, public employee retirement system:* the 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).

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

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

Summary of Benefits Provided

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

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Non-Contributory	Highest 3 Years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65*	2.0% per year all years	Up to 4%
Public Safety	Highest 3 Years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0 per year over 20 years	Up to 2.5% or 4% depending upon employer
Firefighters	Highest 3 Years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0 per year over 20 years	Up to 4%
Tier 2 Public Employees	Highest 5 Years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65*	1.50% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter	Highest 5 Years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65*	1.50% 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.

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

Contribution Rate Summary

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

Contribution rates as of June 30, 2021 are as follows:

System	Employee	Employer	Employer 401(k)
Contributory System			
11 Local Government Div - Tier1	6.00%	14.46%	N/A
111 Local Government Div - Tier2	N/A	15.80%	0.89%
Noncontributory System			
15 Local Government Div Tier 1	N/A	18.47%	N/A
Public Safety System			
Contributory			
122 Tier 2 DB Hybrid Public Safety	2.27%	26.99%	N/A
Noncontributory			
75 Other Div A with 4% COLA	N/A	35.71%	N/A
Firefighters Retirement System			
31 Other Division A	15.05%	4.61%	N/A
132 Tier 2 DB Hybrid Firefighters	2.27%	14.08%	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.69%	10.00%
222 Public Safety	N/A	12.99%	14.00%
232 Firefighters	N/A	0.08%	14.00%

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

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

For fiscal year ended June 30, 2021, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 503,892	N/A
Public Safety System	512,358	-
Firefighters Retirement System	40,029	130,654
Tier 2 Public Employees System	172,936	-
Tier 2 Public Safety and Firefighter	334,971	38,228
Tier 2 DC Only System	14,726	N/A
Tier 2 DC Public Safety and Firefighter System	13,200	N/A
	<u>\$ 1,592,112</u>	<u>\$ 168,882</u>

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

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

At June 30, 2021, we reported a net pension asset of \$757,752 and a net pension liability of \$1,194,595.

System	Measurement Date: December 31, 2020			December 31, 2019	Increase (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share	
Noncontributory System	\$ -	\$ 166,687	0.3249628%	0.3460926%	-0.0211298%
Public Safety System	-	951,990	1.1466431%	1.1831536%	-0.0365105%
Firefighters Retirement System	757,752	-	2.7099349%	3.2594012%	-0.5494663%
Tier 2 Public Employees System	-	9,133	0.0635023%	0.0670334%	-0.0035311%
Tier 2 Public Safety and Firefighter	-	66,785	0.7445820%	0.8131922%	-0.0686102%
	<u>\$ 757,752</u>	<u>\$ 1,194,595</u>			

The net pension asset and liability were measured as of December 31, 2020 and the total pension liability used to calculate the net pension asset and net pension liability was determined by an actuarial valuation as of January 1, 2020 and rolled forward using general accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2021 we recognized pension expense of \$382,601.

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

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

System	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 558,421	\$ 35,672
Changes in assumptions	144,617	69,892
Net difference between projected and actual earnings on pension plan investments	-	2,973,152
Changes in proportion and differences between contributions and proportionate share of contributions	92,189	166,671
Contributions subsequent to the measurement date	814,080	-
	<u>\$ 1,609,307</u>	<u>\$ 3,245,387</u>

\$814,080 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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

Year Ended December 31,	Net Deferred Outflows / (Inflows) of Resources
2021	\$ (745,578)
2022	(328,523)
2023	(998,103)
2024	(456,631)
2025	25,871
Thereafter	52,803

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

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

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

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

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

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity securities	37%	6.30%	2.33%
Debt securities	20%	0.00%	0.00%
Real assets	15%	6.19%	0.93%
Private equity	12%	9.50%	1.14%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.84%
	Inflation		2.50%
	Expected arithmetic nominal return		7.34%

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

Discount Rate

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

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

Sensitivity of the Proportionate Share of the Net Pension Asset and Net Pension Liability to Changes in the Discount Rate

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

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 2,889,863	\$ 166,687	\$ (2,103,490)
Public Safety System	4,019,161	951,990	(1,538,546)
Firefighters Retirement System	344,253	(757,752)	(1,649,045)
Tier 2 Public Employees System	153,688	9,133	(101,447)
Tier 2 Public Safety and Firefighter	314,869	66,785	(131,078)
	<u>\$ 7,721,834</u>	<u>\$ 436,843</u>	<u>\$ (5,523,606)</u>

Defined Contribution Savings Plans

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

The City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

401(k) Plan

457(b) Plan

Roth IRA Plan

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

	2021	2020	2019
401(k) Plan			
Employer Contributions	45,954	48,050	44,391
Employee Contributions	56,393	21,919	10,447
457 Plan			
Employer Contributions	-	-	-
Employee Contributions	36,901	49,714	23,872
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	16,244	16,179	7,042

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

401A Plan

The City provides a 401a plan for employees, which is administered by ICMA Retirement Corporation. All permanent full-time employees along with elected officials and permanent intermittent employees are eligible to participate in the plan. The City contributes 18.47% of earnings for merit participants, 35.71% for police officers, 19.66% for firefighters, and 24.61% for administrative participants, minus the City's contribution to the Utah State Retirement System on behalf of the participant for the plan year. Participants are not required to contribute to this plan but may make voluntary after tax contributions. Benefits after termination of employment are paid to individuals based on account balances in lump sum, or as periodic benefit payments, at the option of the participant. Authority to establish and amend the provisions and contribution requirements lies with the Roy City Council.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employees are 100% vested and the City owns none of the plan assets. Total payroll for the fiscal year was \$9,412,033 and eligible payroll under this plan was \$8,795,445 for the same period. At June 30, 2021 total plan assets were \$6,468,973. Total contribution requirements were \$46,389, or .5% of covered payroll, and were paid by the due dates.

6. Other Information

Redevelopment Agency

The Redevelopment Agency of Roy Utah (RDA) consists of four project areas and does not pay tax increment to any other taxing agency. The RDA pays the City a management fee, which totaled \$164,041 for FY 2021.

Financial information relating to the project areas for the fiscal year ending June 30, 2021 is as follows:

	Project Area #2	Project Area #3	Project Area #4	General
Tax increment collected	\$ 58,195	\$ 9,325	\$ -	\$ -
Contributions from other government units	263,173	42,751	-	-
Other revenue	-	-	-	13,821
Amount expended for:			-	-
Administrative costs	145,886	11,000	-	5,000
Redevelopment activities	65,158	38,433	-	10,963

Commitments

The City had no open contracts for which work had not begun at June 30, 2021.

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 for which the government carries commercial insurance. The City uses an internal service fund to account for its risk financing activities with the inter-fund premiums being treated as inter-fund services used. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not

ROY CITY CORPORATION
Notes to the Financial Statements, Continued
June 30, 2021

reported (IBNRs). Claim liabilities are calculated considering effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. At June 30, 2021, the city management accrued an estimate of \$120,000 for outstanding claims or judgments.

Premiums are paid into the risk management fund by other funds and are available to pay claims, claim reserves and administrative costs of programs. During the fiscal years ending June 30, 2021, 2020 and 2019, there were no reductions in insurance coverage and no settlements exceeded insurance coverage. Net position of the fund is intended for funding future losses and totaled \$436,185 at June 30, 2021.

Contingent Liabilities

Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, primarily the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial. At June 30, 2021, the City had not been informed by federal or state agencies of any grant violations.

Litigation and Claims

The City is currently named as a defendant in various lawsuits. While the final outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Subsequent Event

Subsequent events have been evaluated through the auditor's report date, which is the date the financial statements were available to be issued. There were no subsequent events to disclose.

REQUIRED SUPPLEMENTARY INFORMATION

Changes in Pension Assumptions

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

Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability in Utah Retirement Systems - Last 10 Fiscal Years
December 31, 2020

	Year Ending December 31	Non- Contributory System	Contributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
Proportion of the net pension liability / (asset)	2020	0.3249628%	0.0000000%	1.1466431%	2.7099349%	0.0635023%	0.7445820%
	2019	0.3460926%	0.2584499%	1.1831536%	3.2594012%	0.0670334%	0.8131922%
	2018	0.3504247%	0.4715379%	1.2363720%	3.2646087%	0.0776142%	0.8665285%
	2017	0.3520598%	0.4247650%	1.2409621%	3.8688262%	0.0838608%	0.9385360%
	2016	0.3358198%	0.3362274%	1.1839327%	4.0952062%	0.0794033%	1.0268670%
	2015	0.3608630%	0.1789819%	1.1519670%	4.4745102%	0.0770444%	1.0019573%
	2014	0.3506427%	0.1367805%	1.2351900%	4.4969546%	0.0727692%	1.0948718%
Proportionate share of the net pension liability / (asset)	2020	\$ 166,687	\$ -	\$ 951,990	\$ (757,752)	\$ 9,133	\$ 66,785
	2019	1,304,378	16,938	1,899,692	(404,231)	15,076	76,492
	2018	2,580,431	191,351	3,180,672	423,901	33,241	21,711
	2017	1,542,480	34,565	1,946,645	(241,629)	7,394	(10,860)
	2016	2,156,374	110,320	2,402,526	(32,284)	8,857	(8,914)
	2015	2,041,938	125,798	2,063,462	(81,042)	(168)	(14,639)
	2014	1,522,573	39,453	1,553,354	(256,614)	(2,205)	(16,197)
Covered employee payroll	2020	\$ 2,814,488	\$ -	\$ 1,624,193	\$ 970,251	\$ 1,015,127	\$ 1,482,528
	2019	2,966,515	46,313	1,666,550	1,043,573	931,692	1,340,232
	2018	2,985,104	88,257	1,723,898	1,015,041	905,682	1,156,719
	2017	3,026,142	86,192	1,730,852	1,131,855	821,370	990,872
	2016	2,944,508	80,674	1,620,081	1,150,834	651,172	848,418
	2015	3,122,071	76,262	1,550,072	1,203,594	497,757	596,172
	2014	3,004,330	73,029	1,667,574	1,180,946	357,223	452,855
Proportionate share of the net pension liability / (asset) as a percentage of its covered employee payroll	2020	5.92%	0.00%	58.61%	-78.10%	0.90%	4.50%
	2019	43.53%	36.57%	113.99%	-38.74%	1.62%	5.71%
	2018	86.44%	216.81%	184.50%	41.76%	3.67%	1.87%
	2017	50.97%	40.10%	112.47%	-21.35%	0.90%	-1.10%
	2016	73.23%	136.75%	148.30%	-2.81%	1.36%	-1.05%
	2015	65.40%	164.96%	133.12%	-6.73%	-0.03%	-2.46%
	2014	50.70%	54.00%	93.20%	-21.70%	-0.06%	-3.60%
Plan fiduciary net position as a percentage of the total net pension	2020	99.2%	0.0%	95.5%	110.5%	98.3%	93.1%
	2019	93.7%	98.6%	90.9%	105.0%	96.5%	89.6%
	2018	87.0%	91.2%	84.7%	94.3%	90.8%	95.6%
	2017	91.9%	98.2%	90.2%	103.0%	97.4%	103.0%
	2016	87.3%	92.9%	86.5%	100.4%	95.1%	103.6%
	2015	87.8%	85.7%	87.1%	101.0%	100.2%	110.7%
	2014	90.2%	94.0%	90.5%	103.5%	103.5%	120.5%

Note: The schedule above is presented for the current year only. In accordance with paragraph 81.a of GASB 68, a 10 year history is required. The 10 year schedule will need to be built prospectively as the information becomes available.

Required Supplementary Information
Schedule of Utah State Retirement Systems Contributions - Last 10 Fiscal Years
June 30, 2021

	As of Fiscal Year Ended June 30,	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
Noncontributory System	2021	\$ 503,892	\$ 503,892	\$ -	\$ 2,753,095	18.30%
	2020	544,332	544,332	-	2,975,053	18.31%
	2019	538,120	538,120	-	2,950,477	18.24%
	2018	556,332	556,332	-	3,088,157	18.02%
	2017	526,565	526,565	-	2,936,523	17.93%
	2016	537,756	537,756	-	3,000,792	17.92%
Contributory System	2021	\$ -	\$ -	\$ -	\$ -	0.00%
	2020	216	216	-	1,494	14.46%
	2019	13,185	13,185	-	91,183	14.46%
	2018	12,736	12,736	-	88,076	14.46%
	2017	11,850	11,850	-	81,953	14.46%
	2016	11,379	11,379	-	78,691	14.46%
Public Safety System	2021	\$ 512,358	\$ 512,358	\$ -	\$ 1,479,160	34.64%
	2020	592,767	592,767	-	1,702,420	34.82%
	2019	579,233	579,233	-	1,664,839	34.91%
	2018	617,925	617,925	-	1,769,295	34.92%
	2017	580,929	580,929	-	1,663,874	34.91%
	2016	555,499	555,499	-	1,564,573	35.50%
Firefighters System	2021	\$ 40,029	\$ 40,029	\$ -	\$ 987,426	4.05%
	2020	46,928	46,928	-	1,045,693	4.49%
	2019	46,215	46,215	-	1,002,858	4.61%
	2018	42,876	42,876	-	1,091,723	3.93%
	2017	45,198	45,198	-	1,167,685	3.87%
	2016	45,897	45,897	-	1,155,267	3.97%
Tier 2 Public Employees System*	2021	\$ 172,936	\$ 172,936	\$ -	\$ 1,095,331	15.79%
	2020	150,990	150,990	-	964,173	15.66%
	2019	146,198	146,198	-	940,781	15.54%
	2018	126,587	126,587	-	840,147	15.07%
	2017	116,161	116,161	-	783,685	14.82%
	2016	82,639	82,639	-	555,939	14.86%
Tier 2 Public Safety and Firefighters System*	2021	\$ 334,971	\$ 334,971	\$ -	\$ 1,734,283	19.31%
	2020	232,262	232,262	-	1,459,902	15.91%
	2019	196,256	196,256	-	1,211,828	16.20%
	2018	164,553	164,553	-	1,051,689	15.65%
	2017	152,448	152,448	-	971,487	15.69%
	2016	113,608	113,608	-	685,924	16.56%
Tier 2 Public Employees DC Only System*	2021	\$ 14,726	\$ 14,726	\$ -	\$ 220,127	6.69%
	2020	14,348	14,348	-	214,475	6.69%
	2019	12,662	12,662	-	189,260	6.69%
	2018	9,718	9,718	-	145,259	6.69%
	2017	3,867	3,867	-	59,555	6.49%
	2016	1,915	1,915	-	28,632	6.69%
Tier 2 Public Safety and Firefighters DC Only System*	2021	\$ 13,200	\$ 13,200	\$ -	\$ 101,615	12.99%
	2020	7,059	7,059	-	51,579	13.69%
	2019	5,324	5,324	-	42,695	12.47%
	2018	5,563	5,563	-	42,828	12.99%
	2017	5,153	5,153	-	39,670	12.99%
	2016	4,739	4,739	-	36,480	12.99%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 System.

Tier 2 Systems were created effective July 1, 2011.

Non-major Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Storm Sewer Development – This fund is used to account for impact fees imposed for the expansion and enlargement of the City's storm sewer system. (Impact fees are a one-time charge imposed by a local government to mitigate the impact on infrastructure caused by new development. Fees must be held in a separate ledger account, retain the interest earned, and may only be expended for system improvements in the specific public facility type for which the fee was collected.)

Park Development – This fund is used to account for the impact fees imposed for the expansion and enlargement of the City's parks. (Impact fees are a one-time charge imposed by a local government to mitigate the impact on infrastructure caused by new development. Fees must be held in a separate ledger account, retain the interest earned, and may only be expended for system improvements in the specific public facility type for which the fee was collected.)

Cemetery – This fund is used to account for monies held to expand and maintain the City cemetery. Funding for the cemetery fund comes from 20% of the sales price of cemetery lots.

Capital Projects Funds

The City has created capital projects funds in order to distinguish operating activities from capital activities. The capital projects funds are not used for routine capital outlay, rather for the acquisition and construction of major capital assets and for capital acquisition or construction financed with borrowed or contributed resources. The funds are financed by transfers from the general fund and are not used for projects financed by proprietary funds.

Capital Improvements (major fund)– This fund is used to account for construction of and improvements to infrastructure throughout the City.

Fire and Rescue Facilities and Equipment – This fund is used to account for the purchase of major fire equipment such as ladder trucks and ambulances.

Recreational Facilities Improvements - This fund is used to account for the construction, expansion, and replacement of recreational facilities throughout the City.

ROY CITY CORPORATION
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2021

	Special Revenue Fund			
	Storm Sewer Development	Park Development	Cemetery	Total Special Revenue Funds
ASSETS				
Cash	\$ 288,854	\$ 233,837	\$ 165,341	\$ 688,032
Total Assets	<u>288,854</u>	<u>233,837</u>	<u>165,341</u>	<u>688,032</u>
LIABILITIES				
Accounts payable	-	32,000	-	32,000
Total liabilities	<u>-</u>	<u>32,000</u>	<u>-</u>	<u>32,000</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>32,000</u>	<u>-</u>	<u>32,000</u>
FUND BALANCES				
Assigned	288,854	201,837	165,341	656,032
Total fund balances	<u>288,854</u>	<u>201,837</u>	<u>165,341</u>	<u>656,032</u>
Total liabilities and fund balances	<u>\$ 288,854</u>	<u>\$ 233,837</u>	<u>\$ 165,341</u>	<u>\$ 688,032</u>

ROY CITY CORPORATION
Combining Balance Sheet, continued
Non-Major Governmental Funds
June 30, 2021

Capital Projects Funds			Total Non-Major Governmental Funds
Fire & Rescue Facilities and Equipment	Recreational Facilities Improvements	Total Capital Projects Funds	
\$ 802,092	\$ 172,009	\$ 974,101	\$ 1,662,133
<u>802,092</u>	<u>172,009</u>	<u>974,101</u>	<u>1,662,133</u>
-	56,266	56,266	88,266
-	56,266	56,266	88,266
-	56,266	56,266	88,266
802,092	115,743	917,835	1,573,867
<u>802,092</u>	<u>115,743</u>	<u>917,835</u>	<u>1,573,867</u>
\$ 802,092	\$ 172,009	\$ 974,101	\$ 1,662,133

ROY CITY CORPORATION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2021

	Special Revenue Fund			
	Storm Sewer Development	Park Development	Cemetery	Total Special Revenue Funds
Revenues:				
Impact fees	\$ 58,003	64,420	\$ -	\$ 122,423
Investment earnings	1,535	1,884	-	3,419
Other income	-	-	220	220
Total revenues	<u>59,538</u>	<u>66,304</u>	<u>220</u>	<u>126,062</u>
Expenditures:				
Project outlays	-	234,368	-	234,368
Total expenditures	<u>-</u>	<u>234,368</u>	<u>-</u>	<u>234,368</u>
Excess (deficiency) of revenues over (under) expenditures	<u>59,538</u>	<u>(168,064)</u>	<u>220</u>	<u>(108,306)</u>
Net change in fund balances	59,538	(168,064)	220	(108,306)
Fund balances - beginning of year	229,316	369,901	165,121	764,338
Fund balances - end of year	<u>\$ 288,854</u>	<u>\$ 201,837</u>	<u>\$ 165,341</u>	<u>\$ 656,032</u>

ROY CITY CORPORATION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2021

Capital Projects Funds			Total
Fire & Rescue Facilities and Equipment	Recreational Facilities Improvements	Total Capital Projects Funds	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ 122,423
-	-	-	3,419
-	-	-	220
-	-	-	126,062
68,191	216,604	284,795	519,163
68,191	216,604	284,795	519,163
(68,191)	(216,604)	(284,795)	(393,101)
(68,191)	(216,604)	(284,795)	(393,101)
870,283	332,347	1,202,630	1,966,968
\$ 802,092	\$ 115,743	\$ 917,835	\$ 1,573,867

ROY CITY CORPORATION
Storm Sewer Development - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive/(Negative)
Revenues:				
Impact Fees	\$ 25,000	\$ 50,000	\$ 58,003	\$ 8,003
Investment earnings	4,500	4,500	1,535	(2,965)
Total revenue	<u>29,500</u>	<u>54,500</u>	<u>59,538</u>	<u>5,038</u>
Expenditures:				
Project Outlays	146,000	171,000	-	(171,000)
Total expenditures	<u>146,000</u>	<u>171,000</u>	<u>-</u>	<u>(171,000)</u>
Net change in fund balance	(116,500)	(116,500)	59,538	176,038
Fund balance - beginning of year	229,316	229,316	229,316	1,586,792
Fund balance - end of year	<u>\$ 112,816</u>	<u>\$ 112,816</u>	<u>\$ 288,854</u>	<u>\$ 1,762,830</u>

ROY CITY CORPORATION
Park Development - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive/(Negative)
Revenues:				
Impact Fees	\$ 30,000	\$ 52,000	\$ 64,420	\$ 12,420
Investment earnings	4,000	4,000	1,884	(2,116)
Total revenue	<u>34,000</u>	<u>56,000</u>	<u>66,304</u>	<u>10,304</u>
Expenditures:				
Project Outlays	<u>135,800</u>	<u>471,776</u>	<u>234,368</u>	<u>(237,408)</u>
Total expenditures	<u>135,800</u>	<u>471,776</u>	<u>234,368</u>	<u>(237,408)</u>
Net change in fund balance	(101,800)	(415,776)	(168,064)	247,712
Fund balance - beginning of year	<u>369,901</u>	<u>369,901</u>	<u>369,901</u>	<u>1,586,792</u>
Fund balance - end of year	<u>\$ 268,101</u>	<u>\$ (45,875)</u>	<u>\$ 201,837</u>	<u>\$ 1,834,504</u>

ROY CITY CORPORATION
Cemetery - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive/(Negative)
Revenues:				
Other Revenue	\$ -	\$ 220	\$ 220	\$ -
Total revenue	-	220	220	-
Net change in fund balance	-	220	220	-
Fund balance - beginning of year	165,121	165,121	165,121	1,586,792
Fund balance - end of year	<u>\$ 165,121</u>	<u>\$ 165,341</u>	<u>\$ 165,341</u>	<u>\$ 1,586,792</u>

ROY CITY CORPORATION
Capital Improvement Plan - Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive/(Negative)
Revenues:				
Investment earnings	\$ 30,000	\$ 30,000	\$ 18,139	\$ (11,861)
Total revenues	30,000	30,000	18,139	(11,861)
Expenditures:				
Project Outlays	-	-	26,400	26,400
Total expenditures	-	-	26,400	26,400
Other Financing Sources:				
Transfers In/(Out)	-	2,907,292	2,907,292	-
Total Other Financing Sources	-	2,907,292	2,907,292	-
Net change in fund balance	30,000	2,937,292	2,899,031	(38,261)
Fund balance - beginning of year	1,924,723	1,924,723	1,924,723	-
Fund balance - end of year	\$ 1,954,723	\$ 4,862,015	\$ 4,823,754	\$ (38,261)

ROY CITY CORPORATION
Fire and Rescue Facilities and Equipment - Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive/(Negative)
Expenditures:				
Project Outlays	\$ 225,000	\$ 390,000	\$ 68,191	\$ (321,809)
Total expenditures	<u>225,000</u>	<u>390,000</u>	<u>68,191</u>	<u>(321,809)</u>
Other Financing Sources:				
Transfers In/(Out)	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(225,000)	(390,000)	(68,191)	321,809
Fund balance - beginning of year	<u>870,283</u>	<u>870,283</u>	<u>870,283</u>	-
Fund balance - end of year	<u>\$ 645,283</u>	<u>\$ 480,283</u>	<u>\$ 802,092</u>	<u>\$ 321,809</u>

ROY CITY CORPORATION
Recreational Facilities Improvements - Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive/(Negative)
Expenditures:				
Project Outlays	\$ -	\$ 264,255	\$ 216,604	\$ (47,651)
Total expenditures	-	264,255	216,604	(47,651)
Other Financing Sources:				
Transfers In/(Out)	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net change in fund balance	-	(264,255)	(216,604)	47,651
Fund balance - beginning of year	332,347	332,347	332,347	-
Fund balance - end of year	<u>\$ 332,347</u>	<u>\$ 68,092</u>	<u>\$ 115,743</u>	<u>\$ 47,651</u>

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Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis.

Information Technology – This fund is used to account for the accumulation and allocation of costs associated with the electronic data processing. It provides service to all governmental and proprietary funds and is financed by charges made to those funds.

Risk Management - This fund is used to account for the costs of insurance premiums and claims made against the City. Monies are accumulated in this fund to pay premiums for liability and property damage insurance and other claims. The City participates in the Utah Risk Management Mutual Association for its liability and property damage insurance. Insurance for facilities, equipment and vehicles is purchased from private insurers. The fund is financed by charges made to the general and proprietary funds.

ROY CITY CORPORATION
Internal Service Funds
Combining Statement of Net Position
June 30, 2021

	Information Technology	Risk Management	Total
ASSETS			
Current assets:			
Cash	\$ 527,939	\$ 556,816	\$ 1,084,755
Total current assets	<u>527,939</u>	<u>556,816</u>	<u>1,084,755</u>
Noncurrent assets:			
Capital assets:			
Furnishings and fixtures	1,998	-	1,998
Computer hardware	593,588	-	593,588
Software	19,064	-	19,064
Automobiles and trucks	45,110	-	45,110
Less accumulated depreciation	<u>(452,900)</u>	<u>-</u>	<u>(452,900)</u>
Total capital assets net of accumulated depreciation	<u>206,860</u>	<u>-</u>	<u>206,860</u>
Total noncurrent assets	<u>206,860</u>	<u>-</u>	<u>206,860</u>
Total assets	<u>734,799</u>	<u>556,816</u>	<u>1,291,615</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	24,677	-	24,677
Total deferred outflows of resources	<u>\$ 24,677</u>	<u>\$ -</u>	<u>\$ 24,677</u>

ROY CITY CORPORATION
Internal Service Funds
Combining Statement of Net Position, continued
June 30, 2021

	Information Technology	Risk Management	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 10,122	\$ 630	\$ 10,752
Accrued Wages	4,559	-	4,559
Compensated absences	4,230	-	4,230
Total current liabilities	<u>18,911</u>	<u>630</u>	<u>19,541</u>
Long-term liabilities, less current portion:			
Compensated absences	30,115	-	30,115
Recaptured losses	-	120,000	120,000
Net pension liability	24,847	-	24,847
Total liabilities	<u>73,873</u>	<u>120,630</u>	<u>194,503</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	57,142	-	57,142
Total deferred inflows of resources	<u>57,142</u>	<u>-</u>	<u>57,142</u>
NET POSITION			
Net investments in capital assets	206,860	-	206,860
Unrestricted	421,601	436,186	857,787
Total net position	<u>\$ 628,461</u>	<u>\$ 436,186</u>	<u>\$ 1,064,647</u>

ROY CITY CORPORATION
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2021

	Information Technology	Risk Management	Total
Operating revenues:			
Charges for services	\$ 645,085	\$ 241,952	\$ 887,037
Total operating revenue	<u>645,085</u>	<u>241,952</u>	<u>887,037</u>
Operating expenses:			
Personnel services	203,189	-	203,189
Contractual services	179,114	151,771	330,885
Materials and supplies	45,933	-	45,933
Other general costs of services	5,055	61,903	66,958
Depreciation	74,887	-	74,887
Total Operating expenses	<u>508,178</u>	<u>213,674</u>	<u>721,852</u>
Operating income (loss)	<u>136,907</u>	<u>28,278</u>	<u>165,185</u>
Non-operating revenues and (expenses):			
Gain/(loss) on sale of assets	<u>(13,992)</u>	<u>-</u>	<u>(13,992)</u>
Total non-operating revenues/(expenses)	<u>(13,992)</u>	<u>-</u>	<u>(13,992)</u>
Changes in net position	122,915	28,278	151,193
Total net position - beginning	505,546	407,908	913,454
Total net position - ending	<u>\$ 628,461</u>	<u>\$ 436,186</u>	<u>\$ 1,064,647</u>

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ROY CITY CORPORATION
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

	Information Technology	Risk Management	Total
Cash flows from operating activities:			
Cash received from interfund services provided	\$ 645,085	\$ 241,952	\$ 887,037
Other income	-	-	-
Payments to suppliers	(249,864)	(225,209)	(475,073)
Payments to employees	(172,807)	-	(172,807)
Net cash provided by operating activities	<u>222,414</u>	<u>16,743</u>	<u>239,157</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(73,551)	-	(73,551)
Proceeds from sale of assets	4,200	-	4,200
Net cash used in capital and related financing activities	<u>(69,351)</u>	<u>-</u>	<u>(69,351)</u>
Net increase (decrease) in cash	153,063	16,743	169,806
Cash - beginning of year	<u>374,876</u>	<u>540,073</u>	<u>914,949</u>
Cash - end of year	<u><u>\$ 527,939</u></u>	<u><u>\$ 556,816</u></u>	<u><u>\$ 1,084,755</u></u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	<u>\$ 136,907</u>	<u>\$ 28,278</u>	<u>\$ 165,185</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	74,887	-	74,887
(Increase) decrease in deferred outflows	(1,389)	-	(1,389)
(Increase) decrease in net pension asset	4,527	-	4,527

ROY CITY CORPORATION
Internal Service Funds
Combining Statement of Cash Flows, continued
For the Fiscal Year Ended June 30, 2021

	Information Technology	Risk Management	Total
Increase (decrease) in accounts payable	(19,762)	(11,535)	(31,297)
Increase (decrease) in accrued wages	858	-	858
Increase (decrease) in compensated absences	5,964	-	5,964
Increase (decrease) in deferred inflows	23,227	-	23,227
Increase (decrease) in net pension liability	(2,805)	-	(2,805)
Increase (decrease) in recaptured losses	-	-	-
Total adjustments	85,507	(11,535)	73,972
Net cash provided by operating activities	<u>\$ 222,414</u>	<u>\$ 16,743</u>	<u>\$ 239,157</u>

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

ROY CITY CORPORATION
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules By Source
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Governmental Funds Capital Assets:		
Land	\$ 4,284,842	\$ 4,284,842
Buildings	12,042,905	11,810,746
Improvements other than Buildings	39,038,278	35,540,309
Machinery and Equipment	5,733,339	5,093,470
Vehicles	7,715,772	7,482,885
Construction in Progress	2,259,640	6,269,437
Total Governmental Funds Capital Assets	<u>\$ 71,074,776</u>	<u>\$ 70,481,689</u>
Investments in Governmental Funds Capital Assets by Source:		
General Fund	\$ 39,236,424	\$ 39,134,884
Capital Projects Fund	18,652,430	18,375,358
Special Revenue Funds	8,921,128	8,706,653
Donations	4,264,794	4,264,794
Total Governmental Funds Capital Assets	<u>\$ 71,074,776</u>	<u>\$ 70,481,689</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

ROY CITY CORPORATION
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2021

Function and Activity	Land	Buildings	Improvmnts other than Buildings	Machinery and Equipment	Vehicles	Construction in Progress	Total
General Government:							
Legislative	\$ 1,209,110	\$ 20,031	\$ -	\$ 857,069	\$ 84,821	\$ -	\$ 2,171,031
Legal	-	-	-	3,920	-	-	3,920
Justice Court	-	-	-	31,219	-	-	31,219
Community Developm	-	-	-	24,842	80,056	-	104,898
Finance	-	-	3,970	17,268	-	-	21,238
Public Buildings	-	9,358,582	716,505	930,154	189,410	34,194	11,228,845
Total	<u>1,209,110</u>	<u>9,378,613</u>	<u>720,475</u>	<u>1,864,472</u>	<u>354,287</u>	<u>34,194</u>	<u>13,561,151</u>
Public Safety:							
Fire	69,417	922,306	35,311	737,055	2,901,691	15,683	4,681,463
Police	-	-	69,959	318,668	1,732,722	-	2,121,349
Total	<u>69,417</u>	<u>922,306</u>	<u>105,270</u>	<u>1,055,723</u>	<u>4,634,413</u>	<u>15,683</u>	<u>6,802,812</u>
Public Works:							
Administration	640,983	-	22,208	31,517	70,497	16,662	781,867
Class "C" Roads	26,273	227,426	8,394,240	584,767	1,835,803	219,390	11,287,899
Fleet Services	-	-	-	127,067	69,390	-	196,457
Streets	327,700	2,275	16,071,422	688,555	227,234	939,706	18,256,892
Trans. Infrastructure	-	-	244,883	10,000	-	452,617	707,500
Total	<u>994,956</u>	<u>229,701</u>	<u>24,732,753</u>	<u>1,441,906</u>	<u>2,202,924</u>	<u>1,628,375</u>	<u>31,230,615</u>
Parks and Recreation:							
Aquatic Center	963,939	-	4,627,797	408,530	-	67,987	6,068,253
Beautification	-	-	-	3,579	-	-	3,579
Parks	1,047,420	128,735	8,344,986	498,926	434,304	513,401	10,967,772
Recreation	-	471,596	185,666	83,152	89,844	-	830,258
Recreation Complex	-	911,955	321,331	377,050	-	-	1,610,336
Total	<u>2,011,359</u>	<u>1,512,286</u>	<u>13,479,780</u>	<u>1,371,237</u>	<u>524,148</u>	<u>581,388</u>	<u>19,480,198</u>
Total Governmental							
Capital Assets	<u>\$ 4,284,842</u>	<u>\$ 12,042,905</u>	<u>\$ 39,038,278</u>	<u>\$ 5,733,339</u>	<u>\$ 7,715,772</u>	<u>\$ 2,259,640</u>	<u>\$ 71,074,776</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

ROY CITY CORPORATION
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the Fiscal Year Ended June 30, 2021

Function and Activity	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
General Government:				
Legislative	\$ 2,055,751	\$ 139,833	\$ (24,554)	\$ 2,171,030
Legal & Risk Management	3,920	-	-	3,920
Justice Court	51,954	-	(20,735)	31,219
Community Development	77,833	27,962	(897)	104,898
Finance	21,238	-	-	21,238
Public Buildings	11,086,716	578,266	(436,136)	11,228,845
Total General Government	13,297,412	746,061	(482,322)	13,561,150
Public Safety:				
Fire	4,705,661	-	(24,198)	4,681,463
Police	2,013,089	313,076	(204,816)	2,121,349
Total Public Safety	6,718,750	313,076	(229,014)	6,802,812
Public Works:				
Administration	298,585	500,555	(17,273)	781,867
Class "C" Roads	11,142,766	247,183	(102,050)	11,287,899
Fleet Services	196,457	-	-	196,457
Streets	18,268,996	-	(12,104)	18,256,892
Transportation Infrastructure	584,980	122,520	-	707,500
Total Public Works	30,491,784	870,258	(131,427)	31,230,615
Parks and Recreation:				
Aquatic Center	6,066,708	1,545	-	6,068,253
Beautification	838,696	-	(835,117)	3,579
Parks	10,610,671	3,693,759	(3,336,658)	10,967,772
Recreation	838,759	-	(8,501)	830,258
Recreation Complex	1,618,909	-	(8,573)	1,610,336
Total Parks and Recreation	19,973,743	3,695,304	(4,188,849)	19,480,198
Total Governmental Funds Capital Assets	<u>\$ 70,481,689</u>	<u>\$ 5,624,699</u>	<u>\$ (5,031,612)</u>	<u>\$ 71,074,776</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position

STATISTICAL SECTION

This part of Roy City Corporation's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
FINANCIAL TRENDS	101
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
REVENUE CAPACITY	114
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources, the sales tax and property tax.</i>	
DEBT CAPACITY	120
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
DEMOGRAPHICS AND ECONOMIC INFORMATION	124
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
OPERATING INFORMATION	126
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

ROY CITY CORPORATION
GOVERNMENT-WIDE REVENUES
Last Ten Fiscal Years

Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Investment Earnings	Contributions from other Gvt Units	Miscellaneous	Total
2020-21	\$ 17,015,509	\$ 5,114,775	\$ 224,404	\$ 14,571,522	\$ 154,611	\$ 935,325	\$ 748,751	\$ 38,764,897
2019-20	15,714,536	1,758,331	359,039	13,490,908	430,686	829,396	808,061	33,390,957
2018-19	15,293,469	1,641,152	233,673	12,580,192	618,215	711,141	245,956	31,323,798
2017-18	14,835,045	1,942,147	541,446	12,478,793	367,027	661,586	1,202,695	32,028,739
2016-17	14,222,446	1,628,543	133,683	12,189,922	212,108	755,046	294,155	29,435,903
2015-16	13,511,142	1,356,020	260,587	10,850,597	127,281	453,589	292,758	26,851,974
2014-15	12,991,240	1,261,884	236,149	10,620,108	818,374	-	1,303,945	27,231,700
2013-14	11,597,798	1,267,654	435,080	10,491,898	80,969	-	622,877	24,496,276
2012-13	11,428,781	1,263,404	1,329,151	10,168,511	593,896	-	731,494	25,515,237
2011-12	10,511,746	1,304,150	511,539	9,829,495	89,863	-	595,368	22,842,161

ROY CITY CORPORATION
GOVERNMENT-WIDE EXPENSES BY FUNCTION
Last Ten Fiscal Years

Fiscal Year	General Government	Cares Act	Public Safety	Highways and Streets	Parks and Recreation	Capital Outlays	Interest and Fiscal Charges	Water and Sewer Utility	Storm Sewer Utility	Solid Waste Utility	Total
2020-21	\$ 3,597,401	\$3,334,621	\$ 7,939,841	\$ 2,946,265	\$ 2,369,058	\$ 331,088	\$ -	\$9,112,681	\$ 869,756	\$ 2,341,433	\$ 32,842,144
2019-20	3,947,985		9,812,380	3,170,352	2,354,288	325,611	-	8,343,139	762,387	2,160,145	30,876,287
2018-19	5,718,370		8,786,682	2,102,800	2,830,061	-	-	8,431,834	726,240	2,133,710	30,729,697
2017-18	3,818,502		8,656,121	2,800,324	3,190,074	-	582	8,157,867	669,714	1,893,385	29,186,569
2016-17	3,357,633		9,060,658	3,364,725	2,998,691	-	4,383	7,275,028	634,642	1,780,606	28,476,366
2015-16	3,538,719		8,190,940	2,619,945	2,768,728	-	6,488	6,826,334	516,205	1,850,687	26,318,046
2014-15	4,330,730		7,747,025	2,514,322	2,591,095	-	8,445	6,075,016	498,700	1,850,632	25,615,965
2013-14	3,328,328		7,760,529	2,558,874	2,536,514	-	10,185	5,526,567	404,465	1,728,775	23,854,237
2012-13	3,329,353		7,612,498	2,999,507	2,623,244	-	8,308	4,589,355	382,653	1,608,499	23,153,417
2011-12	3,620,941		7,260,104	2,668,853	2,530,588	-	64,801	4,315,012	341,969	1,487,770	22,290,038

ROY CITY CORPORATION
GENERAL GOVERNMENTAL REVENUES AND OTHER FINANCING SOURCES
Last Ten Fiscal Years

FISCAL YEAR		TAXES	LICENSES AND PERMITS	INTERGOVERN- MENTAL	CHARGES FOR SERVICES	FINES AND FORFEITURES	INTEREST AND MISC	OTHER FINANCING SOURCES	TOTAL
2020-21	\$	14,504,002	\$ 1,026,864	\$ 5,216,756	\$ 3,138,406	\$ 524,593	\$ 1,003,906	\$ 188,790	\$ 25,603,317
2019-20		13,403,365	808,862	1,921,454	2,300,647	622,326	952,061	57,518	20,066,233
2018-19		12,515,103	508,790	1,671,634	2,713,949	704,209	930,055	79,261	19,123,001
2017-18		12,420,810	370,189	2,314,810	2,588,017	820,148	411,330	1,374,106	20,299,410
2016-17		12,124,040	455,997	1,645,327	2,555,482	679,629	420,367	452,684	18,333,526
2015-16		10,801,204	386,127	1,404,758	2,427,003	780,647	327,638	67,304	16,194,681
2014-15		10,570,367	382,323	1,365,201	2,634,076	774,217	897,476	223,450	16,847,110
2013-14		10,420,699	280,987	1,502,234	2,404,922	700,808	458,139	54,172	15,821,961
2012-13		9,602,554	234,559	1,268,489	3,272,233	730,772	470,957	1,701,928	17,281,492
2011-12		9,348,562	391,361	1,332,855	2,901,616	752,390	458,388	942,911	16,128,083

Note:

General government is limited to the City's General Fund.

ROY CITY CORPORATION
GENERAL GOVERNMENTAL EXPENDITURES (Budget Basis) AND OTHER USES BY FUNCTION
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Highways and Streets	Parks and Recreation	Cares Act	Debt Service	Other Financing Uses	Total
2020-21	\$ 3,365,379	\$ 8,516,788	\$ 2,725,245	\$ 2,242,547	\$ 3,334,621	\$ -	\$ 2,907,292	\$ 23,091,872
2019-20	3,223,187	9,214,881	2,612,644	2,511,549	-	-	1,866,434	19,428,695
2018-19	3,587,311	8,720,933	2,102,800	2,830,061	-	-	410,500	17,651,605
2017-18	3,570,141	9,066,057	2,771,147	2,837,011	-	118,170	2,067,400	20,429,926
2016-17	3,323,182	8,596,891	3,221,211	2,830,370	-	119,933	715,780	18,807,367
2015-16	2,839,461	8,028,590	1,702,043	2,530,734	-	120,014	257,025	15,477,867
2014-15	3,219,745	7,973,281	2,199,257	2,221,230	-	119,891	1,787,031	17,520,435
2013-14	2,925,292	8,199,184	1,815,218	2,209,599	-	119,596	220,025	15,488,914
2012-13	3,936,031	7,329,098	2,417,511	2,204,956	-	275,116	647,050	16,809,762
2011-12	3,190,479	7,359,687	1,819,427	2,050,866	-	311,594	657,142	15,389,195

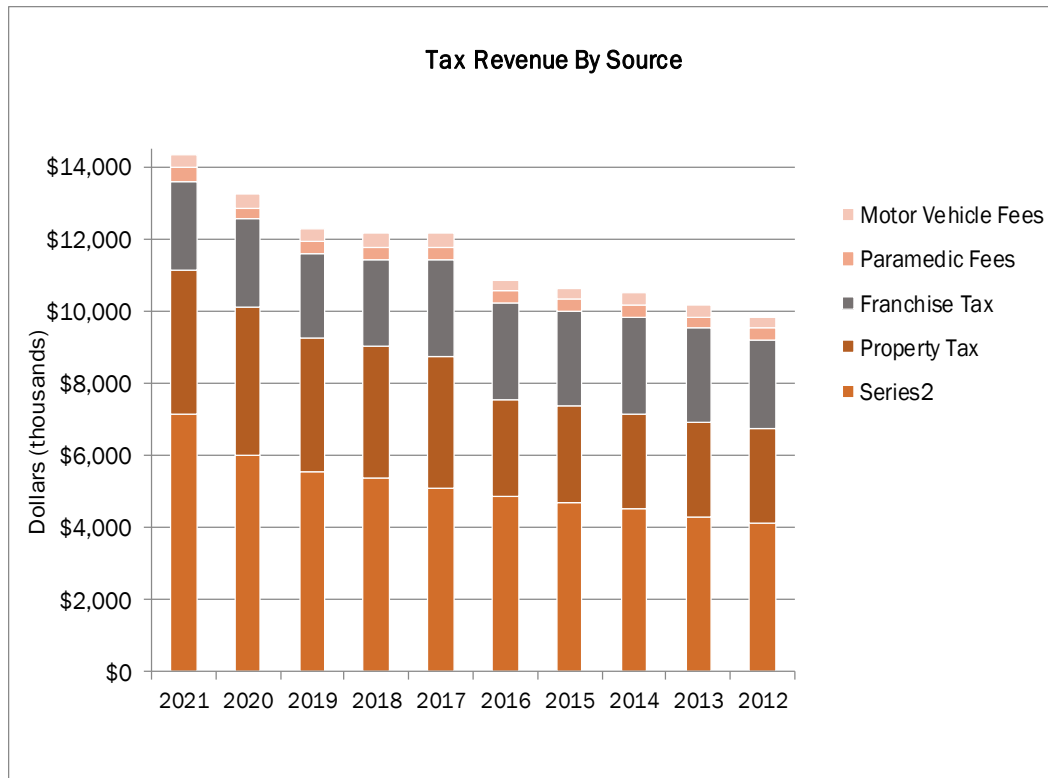
Notes:

General government is limited to the City's General Fund.

Other financing uses included transfers to the Capital Projects Fund for construction of capital assets.

ROY CITY CORPORATION
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	Sales Tax	Property Tax	Franchise Tax	Paramedic Fees	Motor Vehicle Fees	Total
2021	\$ 7,173	\$ 3,967	\$ 2,459	\$ 373	\$ 384	\$ 14,356
2020	6,015	4,108	2,416	336	350	13,225
2019	5,569	3,714	2,323	301	363	12,270
2018	5,399	3,634	2,413	320	378	12,144
2017	5,118	3,641	2,684	320	426	12,189
2016	4,878	2,661	2,685	320	306	10,850
2015	4,690	2,689	2,599	335	309	10,622
2014	4,498	2,658	2,697	308	330	10,491
2013	4,300	2,600	2,634	320	317	10,171
2012	4,142	2,591	2,464	320	312	9,829



ROY CITY CORPORATION
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 33,971	\$ 34,457	\$ 36,063	\$ 35,589	\$ 33,743	\$ 33,326	\$ 33,958	\$ 34,249	\$ 34,469	\$ 34,239
Restricted	4,854	4,085	3,729	2,861	2,434	2,689	2,331	2,301	2,261	2,116
Unrestricted	12,446	6,532	4,254	5,309	5,511	5,686	5,787	8,085	7,958	7,256
Total governmental activities net position	<u>\$ 51,271</u>	<u>\$ 45,074</u>	<u>\$ 44,046</u>	<u>\$ 43,759</u>	<u>\$ 41,688</u>	<u>\$ 41,701</u>	<u>\$ 42,076</u>	<u>\$ 44,635</u>	<u>\$ 44,688</u>	<u>\$ 43,611</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 21,506	\$ 20,984	\$ 20,253	\$ 20,534	\$ 20,075	\$ 19,816	\$ 18,786	\$ 18,806	\$ 18,574	\$ 18,334
Restricted			-	-	-	-	-	-	-	27
Unrestricted	10,186	10,527	10,197	9,355	9,043	8,329	8,453	7,658	7,196	6,121
Total business-type activities net position	<u>\$ 31,692</u>	<u>\$ 31,511</u>	<u>\$ 30,450</u>	<u>\$ 29,889</u>	<u>\$ 29,118</u>	<u>\$ 28,145</u>	<u>\$ 27,239</u>	<u>\$ 26,464</u>	<u>\$ 25,770</u>	<u>\$ 24,482</u>
Primary government										
Net Investment in capital assets	\$ 55,477	\$ 55,441	\$ 56,316	\$ 56,123	\$ 53,818	\$ 53,142	\$ 52,744	\$ 53,055	\$ 53,043	\$ 52,573
Restricted	4,854	4,085	3,729	2,861	2,434	2,689	2,331	2,301	2,261	2,143
Unrestricted	22,631	17,059	14,451	14,664	14,554	14,015	14,240	15,743	15,154	13,377
Total primary government net position	<u>\$ 82,962</u>	<u>\$ 76,585</u>	<u>\$ 74,496</u>	<u>\$ 73,648</u>	<u>\$ 70,806</u>	<u>\$ 69,846</u>	<u>\$ 69,315</u>	<u>\$ 71,099</u>	<u>\$ 70,458</u>	<u>\$ 68,093</u>

ROY CITY CORPORATION
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

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	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities:										
General government	\$ 3,597	\$ 3,948	\$ 5,718	\$ 3,819	\$ 3,358	\$ 3,539	\$ 4,331	\$ 3,328	\$ 2,961	\$ 3,621
Cares Act	3,335	-	-	-	-	-	-	-	-	-
Public safety	7,940	9,812	8,787	8,656	9,061	8,191	7,747	7,761	7,612	7,260
Public works	2,946	3,170	2,103	2,800	3,365	2,620	2,514	2,559	2,677	2,669
Parks and recreation	2,369	2,354	2,830	3,190	2,998	2,769	2,591	2,536	2,604	2,531
Interest and fiscal charges	-	-	-	1	4	6	8	10	8	65
Capital Outlays	331	326	-	-	-	-	-	-	-	-
Total governmental activities expenses	20,518	19,610	19,438	18,466	18,786	17,125	17,191	16,194	15,862	16,146
Business-type activities:										
Water and sewer utility	9,113	8,343	8,432	8,158	7,275	6,826	6,075	5,527	5,141	4,315
Storm sewer utility	870	762	726	670	635	516	499	404	438	342
Solid waste utility	2,341	2,160	2,134	1,893	1,780	1,851	1,850	1,729	1,711	1,488
Total business-type activities expenses	12,324	11,265	11,292	10,721	9,690	9,193	8,424	7,660	7,290	6,145
Total primary government expenses	\$ 32,842	\$ 30,875	\$ 30,730	\$ 29,187	\$ 28,476	\$ 26,318	\$ 25,615	\$ 23,854	\$ 23,152	\$ 22,291
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,042	\$ 1,703	\$ 1,330	\$ 1,246	\$ 1,213	\$ 1,236	\$ 1,191	\$ 966	\$ 987	\$ 1,164
Public safety	1,988	1,446	1,707	1,558	1,534	1,466	1,675	1,454	1,463	1,182
Public works	-	-	-	-	23	51	80	92	114	49
Parks and recreation	660	582	890	974	1,046	965	941	928	1,079	1,066
Operating grants and contributions	5,115	1,758	1,641	1,942	1,638	1,356	1,262	1,268	1,263	1,304
Capital grants and contributions	224	359	234	482	92	160	178	435	734	511
Total governmental activities program revenues	10,029	5,848	5,802	6,202	5,546	5,234	5,327	5,143	5,640	5,276

ROY CITY CORPORATION
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

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	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Program Revenues, continued:										
Business-type activities:										
Charges for services:										
Water and sewer utility	\$ 9,111	\$ 8,823	8,402	8,168	7,433	6,833	6,169	5,704	5,441	4,775
Storm sewer utility	871	860	852	848	849	840	835	371	367	364
Solid waste utility	2,344	2,300	2,113	2,041	2,125	2,119	2,099	2,083	1,976	1,913
Capital grants and contributions	-	-	-	59	42	100	58	-	595	-
Total business-type activities program revenues	12,326	11,983	11,367	11,116	10,449	9,892	9,161	8,158	8,379	7,052
Total primary government program revenues	\$ 22,355	\$ 17,831	\$ 17,169	\$ 17,318	\$ 15,995	\$ 15,126	\$ 14,488	\$ 13,301	\$ 14,019	\$ 12,328
Net (expense)/revenue:										
Governmental activities	\$ (10,489)	\$ (13,761)	\$ (13,636)	\$ (12,264)	\$ (13,240)	\$ (11,891)	\$ (11,864)	\$ (11,051)	\$ (10,222)	\$ (10,870)
Business-type activities	2	717	75	395	759	699	737	498	1,089	907
Total primary government net expense	\$ (10,487)	\$ (13,044)	\$ (13,561)	\$ (11,869)	\$ (12,481)	\$ (11,192)	\$ (11,127)	\$ (10,553)	\$ (9,133)	\$ (9,963)
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 4,035	\$ 4,196	\$ 3,780	\$ 3,692	\$ 3,641	\$ 2,661	\$ 2,687	\$ 2,658	\$ 2,602	\$ 2,591
Sales taxes	7,173	6,015	5,569	5,399	5,118	4,878	4,690	4,497	4,300	4,142
Franchise taxes	2,979	2,931	2,868	3,011	3,005	3,005	2,934	3,006	2,954	2,783
Payments in lieu of taxes	384	350	364	378	426	306	309	330	317	312
Unrestricted investment earnings	104	265	385	221	212	127	818	81	594	88
Contributions from other government units	935	829	711	662	755	454	717	364	479	331
Gain on sale of assets	161	-27	79	779	-	-	-	-	-	-

ROY CITY CORPORATION
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

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	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues and Other										
Changes in Net Position, continued										
Other revenues (uses) not restricted to specific programs	460	656	167	194	80	85	386	62	54	72
Transfers	-	-	-	-	-	-	-	-	-	680
Total governmental activities	16,231	15,215	13,923	14,336	13,237	11,516	12,541	10,998	11,300	10,999
Business-type activities:										
Other revenues (uses) not restricted to specific programs	204	178	253	232	214	208	201	196	199	193
Unrestricted investment earnings	51	165	233	146	-	-	-	-	-	2
Gain on sale of assets	-76	0	-	(3)	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	(680)
Total business-type activities	179	343	486	375	214	208	201	196	199	(485)
Total primary government	<u>\$ 16,410</u>	<u>\$ 15,558</u>	<u>\$ 14,409</u>	<u>\$ 14,711</u>	<u>\$ 13,451</u>	<u>\$ 11,724</u>	<u>\$ 12,742</u>	<u>\$ 11,194</u>	<u>\$ 11,499</u>	<u>\$ 10,514</u>
Change in Net Position										
Governmental activities	\$ 5,742	\$ 1,453	\$ 287	\$ 2,072	\$ (3)	\$ (375)	\$ 677	\$ (53)	\$ 1,078	\$ 129
Business-type activities	181	1,061	561	770	973	907	938	694	1,288	422
Total primary government	<u>\$ 5,923</u>	<u>\$ 2,514</u>	<u>\$ 848</u>	<u>\$ 2,842</u>	<u>\$ 970</u>	<u>\$ 532</u>	<u>\$ 1,615</u>	<u>\$ 641</u>	<u>\$ 2,366</u>	<u>\$ 551</u>

Notes:

Prior to FY 2013, personnel service costs paid to the General Fund by the Utility Funds were considered to be transfers.

ROY CITY CORPORATION
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 1 of 2

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Taxes	\$ 14,187	\$13,141	\$ 12,217	\$ 12,101	\$ 11,764	\$ 10,544	\$ 10,311	\$ 10,162	\$ 9,853	\$ 10,136
Payments in lieu of taxes	384	350	364	378	426	306	309	330	317	312
Licenses and permits	1,027	809	509	370	456	386	382	281	235	391
Intergovernmental	5,523	2,233	1,976	2,586	1,645	1,405	1,365	1,497	1,268	1,541
Charges for services	3,138	2,301	2,714	2,588	2,555	2,427	2,634	2,405	2,562	2,902
Impact fees	122	196	203	110	125	124	97	53	117	95
Fines and forfeitures	525	622	704	820	680	781	774	701	731	752
Investment earnings	104	265	385	221	212	127	818	81	594	88
Property rental	47	19	28	26	29	30	30	34	32	37
Management fee	162	164	165	163	132	130	132	125	120	118
Contributions and donations	30	54	38	46	49	30	628	570	679	531
Miscellaneous	67	68	23	47	21	25	31	28	22	35
Total revenues	25,316	20,222	19,326	19,456	18,094	16,315	17,511	16,267	16,530	16,938
Expenditures										
General government	3,672	3630	3,848	3,835	3,472	3,614	3,522	3,367	3,708	3,527
Cares Act	3,335									
Public safety	8,517	9302	8,951	8,841	8,526	8,009	8,046	8,130	7,324	7,361
Public works	2,725	2613	2,103	2,771	3,221	1,736	2,165	2,040	1,884	1,805
Parks and recreation	2,243	2512	2,830	2,901	2,774	2,525	2,221	2,228	2,172	2,075
Debt service:										
Principal retirement	-	-	-	117	115	113	111	109	260	239
Interest and fiscal charges	-	-	-	1	5	7	9	11	15	73
Intergovernmental	-	-	-	-	-	-	1,164	-	-	-
Capital outlay	546	326	1,784	1,337	901	750	489	287	307	187
Total expenditures	\$ 21,038	\$18,383	\$ 19,516	\$ 19,803	\$ 19,014	\$ 16,754	\$ 17,727	\$ 16,172	\$ 15,670	\$ 15,267

ROY CITY CORPORATION
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 2 of 2

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Excess of revenues over (under) expenditures	4280	\$ 1,839	\$ (190)	\$ (347)	\$ (920)	\$ (439)	\$ (216)	\$ 95	\$ 860	\$ 1,671
Other financing sources (uses)										
Proceeds from sale of assets	189	58	79	984	81	67	224	54	-	35
Contributions from other government units	629	518	407	390	649	267	260	-	-	-
Proceeds from revenue bonds	-	-	-	-	-	-	-	-	-	577
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	-	(560)
Transfers in	2907	1866	411	2,067	716	257	1,787	220	1,870	97
Transfers out	-2907	(1,866)	(411)	(2,067)	(716)	(257)	(1,787)	(220)	(1,870)	(97)
Total other financing sources (uses)	818	576	486	1,374	730	334	484	54	-	52
Net change in fund balances	<u>\$ 5,098</u>	<u>\$ 2,415</u>	<u>\$ 296</u>	<u>\$ 1,027</u>	<u>\$ (190)</u>	<u>\$ (105)</u>	<u>\$ 268</u>	<u>\$ 149</u>	<u>\$ 860</u>	<u>\$ 1,723</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.7%	0.7%	0.8%	0.7%	0.8%	1.8%	2.1%

Notes:

Capital expenditures reported in various functional categories of expenditures have been deducted to arrive at the debt service percentage of noncapital expenditures.

ROY CITY CORPORATION
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

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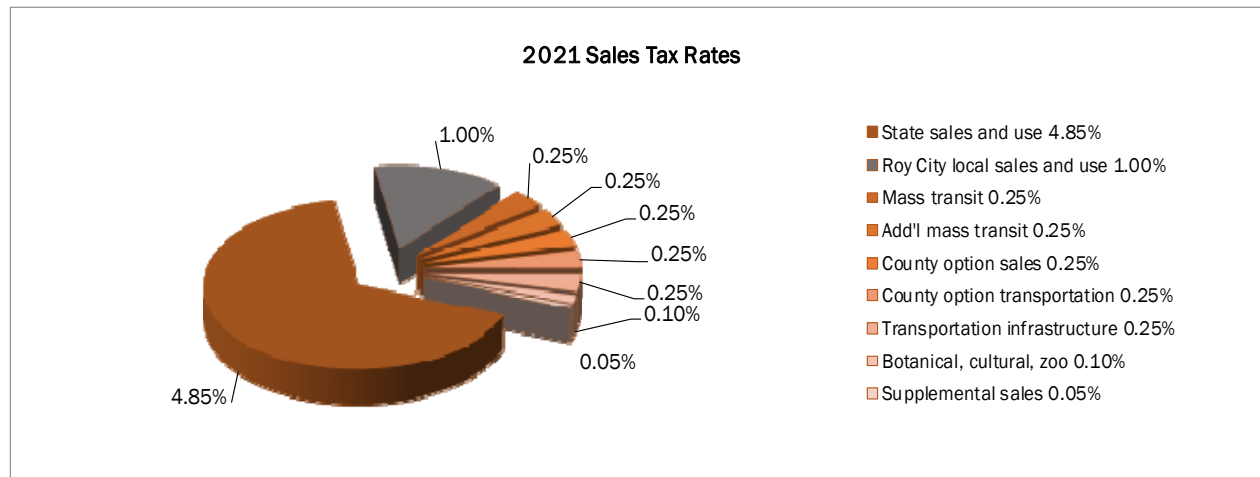
	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General fund										
Non-spendable:										
Inventory	\$ 105	\$ 90	\$ 117	\$ 101	\$ 55	\$ 106	\$ 45	\$ 37	\$ 27	\$ 29
Prepaid items	136	136	1	29	40	80	86	45	52	43
Investment in land	-	87	456	456	456	456	456	-	-	-
Restricted for:										
Roads and public transit	4,854	4,085	3,729	2,861	2,434	2,689	2,273	2,301	2,261	2,115
Debt service	-	-	-	-	117	232	345	456	565	825
Assigned to:										
Recreation	-	-	-	-	-	-	-	-	22	-
Public Safety	-	-	19	16	12	9	12	14	63	8
Legislative	-	-	23	15	14	-	-	-	-	-
Land purchase	-	-	-	-	-	-	-	-	-	-
Other	21	21	116	317	193	26	41	75	229	4
Unassigned	6,013	4,199	4,091	3,486	3,967	3,997	3,635	4,672	3,505	2,922
Total general fund	<u>\$ 11,129</u>	<u>\$ 8,618</u>	<u>\$ 8,552</u>	<u>\$ 7,281</u>	<u>\$ 7,288</u>	<u>\$ 7,595</u>	<u>\$ 6,893</u>	<u>\$ 7,600</u>	<u>\$ 6,724</u>	<u>\$ 5,946</u>

ROY CITY CORPORATION
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Other governmental funds										
Non-spendable:										
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 494	\$ 494	\$ 1,705
Investment in land	-	-	59	60	60	60	\$ 60	-	-	
Restricted for:										
Debt service	-	-	-	-	-	-	-	-	-	-
Assigned to:										
Public safety	802	870	697	699	530	259	73	73	24	111
Capital improvements	4,824	1,925	368	103	207	206	592	-	-	-
Storm sewer improvements	289	229	131	269	191	191	171	160	119	181
Park improvements	318	702	753	1,994	1,241	1,579	1,774	981	1,088	481
Cemetery perpetual	165	165	165	165	165	165	164	164	161	158
Redevelopment	2,232	2,151	1,975	1,834	1,697	1,513	1,712	1,933	1,868	1,021
Other	-	-	-	-	-	1	235	-	-	-
Total other governmental funds	8,630	6,042	4,148	5,124	4,091	3,974	4,781	3,805	3,754	3,657
Total governmental funds	<u>\$ 19,759</u>	<u>\$ 14,660</u>	<u>\$ 12,700</u>	<u>\$ 12,405</u>	<u>\$ 11,379</u>	<u>\$ 11,569</u>	<u>\$ 11,674</u>	<u>\$ 11,405</u>	<u>\$ 10,478</u>	<u>\$ 9,603</u>

ROY CITY CORPORATION
SALES TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Fiscal Year	State Sales & Use	Roy City Local	Mass Transit	Add'l Mass Transit	County Option Sales	County Option Transp'n	Transp'n Infra-structure	Botanical, Cultural & Zoo	Supp'l State Sales & Use	Total for Roy City Residents
2021	4.85%	1.00%	0.25%	0.25%	0.25%	0.25%	0.25%	0.10%	0.05%	7.25%
2020	4.85%	1.00%	0.25%	0.25%	0.25%	0.25%	0.25%	0.10%	0.05%	7.25%
2019	4.85%	1.00%	0.25%	0.25%	0.25%	0.25%	0.25%	0.10%	0.05%	7.25%
2018	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.25%	0.10%	0.05%	7.10%
2017	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.25%	0.10%	0.05%	7.10%
2016	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.00%	0.10%	0.05%	6.85%
2015	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.00%	0.10%	0.05%	6.85%
2014	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.00%	0.10%	0.05%	6.85%
2013	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.00%	0.10%	0.05%	6.85%
2012	4.70%	1.00%	0.25%	0.25%	0.25%	0.25%	0.00%	0.10%	0.05%	6.85%



Note: Rates are given as of the second quarter of each year.
Source: Utah State Tax Commission - Sales Tax Division (web site)

ROY CITY CORPORATION
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	Real Property		Personal Property		Centrally Assessed Property	Roy City Taxable Property Value	RDA Tax Increment Value	Total Taxable Assessed Value	Total Direct City Tax Rate	Estimated Actual Market Value	Assessed Value as a Percentage of Actual Value
	Real Estate	Building	Mobile Homes	Other							
2021	579,759	1,406,190	14,695	35,896	64,315	2,068,033	32,822	2,100,855	1.959	4,103,466	51.20%
2020	385,542	1,407,869	10,866	33,034	57,791	1,863,018	32,084	1,895,102	2.123	3,468,916	54.63%
2019	350,284	1,221,104	7,536	31,932	53,964	1,633,044	31,776	1,664,820	2.358	3,138,279	53.05%
2018	332,189	1,039,624	4,406	28,893	49,228	1,431,616	22,724	1,454,340	2.650	2,744,368	52.99%
2017	308,598	961,851	4,703	28,428	45,489	1,326,579	22,490	1,349,069	2.828	2,213,939	60.94%
2016	306,225	867,855	4,818	28,504	42,304	1,229,554	20,152	1,249,706	2.202	2,208,667	56.58%
2015	294,210	833,044	4,831	30,652	38,246	1,176,928	24,055	1,200,983	2.285	2,026,031	59.28%
2014	297,771	758,694	4,968	28,937	38,514	1,099,633	29,251	1,128,884	2.430	1,972,519	57.23%
2013	309,239	747,351	5,207	29,873	37,382	1,091,552	37,500	1,129,052	2.389	1,848,974	61.06%
2012	307,044	778,886	5,379	28,328	36,249	1,123,097	32,789	1,155,886	2.263	1,855,180	62.31%

Notes:

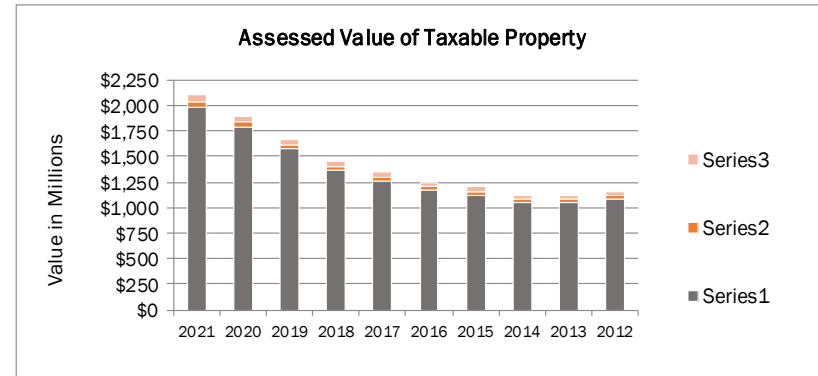
Taxable property value is based on the calendar year ending six months before the fiscal year ends.

Total property value is excluding fee-in-lieu.

Sources:

Weber County Auditor/Clerk, Assessor, and Treasurer Offices

State of Utah/Utah Certified Tax Rates



ROY CITY CORPORATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
Per \$1,000 Assessed Valuation

Fiscal Year	Roy City	Overlapping Rates							Total Direct Rate and Overlapping Rates
		Weber County	Weber School District	Weber Basin Water Conservancy	North Davis Sewer District	Mosquito Abatement District	Roy Water Conservancy Subdistrict	Weber Area Dispatch 911 & Emergency Svcs District	
2021	1.959	2.868	5.806	0.146	0.769	0.094	0.063	0.241	11.946
2020	2.123	3.121	6.038	0.153	0.800	0.101	0.068	0.239	12.643
2019	2.358	3.335	6.237	0.164	0.869	0.108	0.075	0.234	13.380
2018	2.650	3.670	6.298	0.174	0.949	0.119	0.084	0.257	14.201
2017	2.828	3.341	6.693	0.187	1.025	0.127	0.090	0.273	14.564
2016	2.202	3.543	6.643	0.196	1.025	0.134	0.097	0.288	14.128
2015	2.285	3.711	6.526	0.199	1.025	0.141	0.101	0.303	14.291
2014	2.430	3.718	6.920	0.210	1.025	0.146	0.108	0.310	14.867
2013	2.389	3.966	7.071	0.215	0.993	0.148	0.106	0.316	15.204
2012	2.263	3.916	6.833	0.217	0.928	0.141	0.101	0.301	14.700

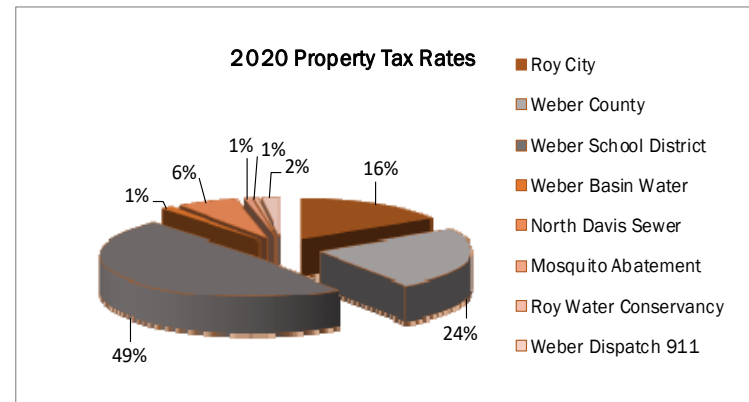
Notes:

Overlapping rates are those of local and county governments that apply to property owners within Roy City.

The total levy for Roy City residents does not include the Central Weber Sewer Improvement District or the Hooper Water Improvement District due to the small number of properties located within those districts.

Source:

Utah State Tax Commission - Property Tax Division Office and web site



ROY CITY CORPORATION
PRINCIPAL PROPERTY TAX PAYERS
Current Year
(Amounts Expressed in Thousands)

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
AMERICA FIRST FEDERAL CREDIT	\$ 21,968,001	1	1159.20%	\$ 13,924	2	1.17%
PACIFICORP	21,165,615	2	1116.86%	17,102	1	1.43%
QUESTAR GAS	16,877,492	4	890.58%	11,300	4	0.95%
ORCHARD COVE LTD	21,078,200	3	1112.25%	10,958	5	0.92%
ORCHARDS AT 19TH LC	7,858,397	8	414.67%			
WINCO FOODS LLC	7,306,000	9	385.52%	12,074	3	1.01%
IHC HEALTH SERVICES INC	8,484,609	6	447.71%			0.00%
AA ALPINE STORAGE ROY LLC	9,546,685	5	503.76%			0.00%
ROY MARKETPLACE LC	-		0.00%	5,508	7	0.46%
UNION PACIFIC RAILROAD COMPANY	7,113,247	10	375.35%			0.00%
HARMON CITY INC	-		0.00%	5,287	8	0.44%
ADERRA LLC	8,002,091	7	422.25%			
KEL KEN ROY LLC	-		0.00%			
K B FAMILY ROY, LLC				4,527	10	0.38%
BOYDEN B REAZIER FAMILY TRUST				5,553	6	0.46%
COMCAST OF UTAH INC II				5,197	9	0.44%
Total taxable value of 10 largest taxpayers	129,400,337		6828.15%	91,430		7.66%
Total taxable value of other taxpayers	(127,505,235)		-6728.14%	1,113,800		92.34%
Total taxable value of all taxpayers	\$ 1,895,102		100.00%	\$ 1,194,520		100.00%

Notes:

Information on the top tax payers is presented based on property tax because it is not available on sales tax.

Source:

Weber County Treasurer's Office

ROY CITY CORPORATION
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Tax Years
(Dollar Values Expressed in Thousands)

Tax Year	Total Tax Levy	Current Tax Collections	Collected from Other Government Units	Percent of Levy Collected	Delinquent Tax Collections (a)	Total Tax Collections	Percent of Total Tax Collected to Total Levy (a)
General Fund							
2020	\$ 4,124	\$ 3,896	\$ -	94.47%	\$ 71	\$ 3,967	96.19%
2019	4,033	4,030	-	99.93%	78	4,108	101.86%
2018	3,937	3,664	-	93.07%	51	3,715	94.36%
2017	3,860	3,589	-	92.98%	44	3,633	94.12%
2016	3,794	3,583	-	94.44%	67	3,650	96.20%
2015	2,755	2,546	-	92.41%	66	2,612	94.81%
2014	2,749	2,554	-	92.91%	83	2,637	95.93%
2013	2,671	2,513	-	94.08%	74	2,587	96.86%
2012	2,604	2,449	-	94.05%	62	2,511	96.43%
2011	2,542	2,399	-	94.37%	42	2,441	96.03%
Redevelopment Agency Special Revenue Fund							
2020	\$ 366	\$ 68	\$ 306	102.19%	\$ -	\$ 374	102.19%
2019	374	88	311	106.68%	-	399	106.68%
2018	369	65	304	100.00%	-	369	100.00%
2017	329	49	267	96.05%	-	316	96.05%
2016	343	66	277	100.00%	-	343	100.00%
2015	316	49	267	100.00%	-	316	100.00%
2014	311	50	261	100.00%	-	311	100.00%
2013	436	72	364	100.00%	-	436	100.00%
2012	569	90	479	15.82%	-	90	15.82%

Notes:

In FY 2014, RDA tax collections were separated between agency tax increment and tax contribution from other governmental units three active districts. Due to the availability of data, adjustments were made retroactive for those districts only.

Property taxes are collected and disbursed to entities by Weber County. The delinquent taxes remittance advice does not include information as to the particular year the tax covers. Delinquent collections cover previous tax year monies received in the current fiscal year. Because the collection cannot be broken down by year, the percentages of total tax collected is skewed.

Source:

Weber County Treasurer's Office

ROY CITY CORPORATION
PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
Last Ten Fiscal Years
(Dollar Values Expressed in Thousands)

Year	Real Property Taxable Value				Residential Construction		Commercial Construction		Other Construction		Bank Deposits
	Commercial	Residential	Other	Total	Units	Value	Units	Value	Units	Value	
2021	\$ 273,713	\$ 1,711,205	\$ 1,031	1,985,949	193	\$ 16,601,217	30	\$ 6,294,649	699	\$ 7,358,541	\$25,816
2020	252,994	1,539,333	1,084	1,793,411	159	16,261,757	34	20,663,060	515	5,255,632	23,544
2019	239,087	1,331,478	823	1,571,388	192	13,267,035	26	3,193,469	398	3,064,515	19,363
2018	222,816	1,148,337	659	1,371,812	95	4,174,971	29	3,404,594	442	3,864,945	18,050
2017	212,387	1,057,391	672	1,270,450	241	14,363,697	22	4,778,201	474	4,501,900	19,302
2016	205,079	968,438	563	1,174,080	74	3,885,374	28	2,944,429	290	1,840,226	17,700
2015	201,671	924,999	584	1,127,254	81	3,273,450	27	16,611,350	288	1,113,649	17,516
2014	194,923	861,171	371	1,056,465	97	5,478,286	22	3,531,856	272	1,040,310	14,936
2013	191,895	864,341	353	1,056,589	95	6,724,364	30	6,064,301	183	800,626	15,995
2012	195,103	890,294	533	1,085,930	125	8,160,255	30	3,476,815	243	749,870	12,590

Notes:

Taxable property value, construction units and construction values are based on the calendar year ending six months before the fiscal year ends.

Sources:

Weber County Auditor/Clerk's Office

Weber County Treasurer's Office

Roy City Community Development Department

ROY CITY CORPORATION
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Governmental Activities				Business-Type	Total Primary Government	Percentage of Personal Income	Per Capita
			General Obligation Bonds	Sales Tax Revenue Bonds	Capital Lease	Notes Payable	Activities			
							Water Revenue Bonds			
2021	41,002	\$1,042,239,110	\$ -	\$ -	\$ -	\$ -	\$ 3,336,000	\$ 3,336,000	0.32%	\$ 81.36
2020	40,111	1,033,454,745	-	-	-	-	3,776,000	3,776,000	0.37%	94.14
2019	39,519	1,027,290,999	-	-	-	-	4,213,000	4,213,000	0.41%	106.61
2018	38,812	1,023,810,045	-	-	-	-	4,599,000	4,599,000	0.45%	118.49
2017	38,201	1,020,340,886	-	117,000	-	-	4,931,711	5,048,711	0.49%	132.16
2016	37,964	977,214,412	-	232,000	-	-	5,281,998	5,513,998	0.56%	145.24
2015	37,877	972,952,878	-	345,000	-	-	5,622,303	5,967,303	0.61%	157.54
2014	37,733	968,999,361	-	456,000	-	-	5,947,626	6,403,626	0.66%	169.71
2013	37,604	966,968,727	-	565,000	-	-	6,331,453	6,896,453	0.71%	183.40
2012	37,395	964,076,497	-	674,000	150,600	-	6,627,201	7,451,801	0.77%	199.27

Notes:

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

See the Schedule of Demographic and Economic Statistics for personal income and population data.

ROY CITY CORPORATION
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt per Capita
2021	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2012	-	-	-	0.00%	-

Notes:

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

See the Schedule of Demographic and Economic Statistics for population data.

See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

Sources:

U S Census Bureau

Weber County Auditor/Clerk's Office

ROY CITY CORPORATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2021

Governmental Unit	General Bonded Debt Outstanding	Estimated Percentage Applicable to Roy City	Estimated Share of Overlapping Debt
North Davis County Sewer District	\$ 10,120,000	13.62%	\$ 1,378,344
Roy Water Conservancy Subdistrict	-	100.00%	-
State of Utah	3,060,792,000	0.53%	16,222,198
Weber Basin Water Conservancy District	10,095,000	2.46%	248,337
Weber County	43,175,000	10.38%	4,481,565
Weber County School District	181,435,000	14.75%	26,761,663
Overlapping debt			\$ 49,092,107
Roy City bonded debt		100.00%	117,000
Total direct and overlapping general bonded obligation debt			<u>\$ 49,209,107</u>

Note:

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

Sources:

Individual governmental units

ROY CITY CORPORATION
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 79,438	\$ 71,736	\$ 62,856	\$ 54,873	\$ 53,063	\$ 49,182	\$ 47,077	\$ 43,985	\$ 43,662	\$ 44,924
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 79,438</u>	<u>\$ 71,736</u>	<u>\$ 62,856</u>	<u>\$ 54,873</u>	<u>\$ 53,063</u>	<u>\$ 49,182</u>	<u>\$ 47,077</u>	<u>\$ 43,985</u>	<u>\$ 43,662</u>	<u>\$ 44,924</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total assessed value									<u>\$ 1,985,950</u>	
Debt limit (4% of total assessed value)									\$ 79,438	
Debt applicable to limit:										
Total bonded debt								\$ 3,336		
Less:										
Revenue bonds								(3,336)		
Other deductions allowed by law								-		
Total net debt applicable to limit								-		-
Legal debt margin									<u>\$ 79,438</u>	

Note: Does not include values for the Redevelopment Agency Special Revenue Fund.

ROY CITY CORPORATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita	Unemployment Rate
			Personal Income	
2021	41,002	\$1,042,239,110	\$ 25,419	4.8%
2020	40,111	1,033,454,745	25,765	3.0%
2019	39,519	1,027,290,999	25,995	3.5%
2018	38,812	1,023,810,045	26,379	3.7%
2017	38,201	1,020,340,886	26,710	3.9%
2016	37,964	977,214,412	25,741	4.0%
2015	37,877	972,952,879	25,687	4.3%
2014	37,733	968,999,361	25,680	5.2%
2013	37,604	966,968,727	25,715	6.6%
2012	37,395	964,076,497	25,781	7.8%
2011	36,884	960,235,555	26,034	8.6%
2010	36,260	957,363,465	26,403	7.6%
2009	35,672	952,600,463	26,704	4.1%
2008	35,048	911,579,390	26,009	3.1%

Notes:

Figures for 2008-2010 are from the 2000 U S Census. Subsequent years are from the 2010 U S Census.

Population figures from 2008-2010 are estimates as of July 1 of the previous year based on the U S Census' population estimates.

Personal income figures are estimates based on annual growth rates for the State of Utah.

Unemployment figures are rates for Weber County. Information on a city level is not available.

Sources:

U S Census Bureau

State of Utah Governor's Office web sites

Utah Department of Workforce Services

ROY CITY CORPORATION
PRINCIPAL EMPLOYERS
Current Year and Ten Years Ago

Employer	Fiscal Year					
	2021			2011		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Hill Air Force Base	10,000 - 14,999	1	11.3%	10,000-14,999	1	12.2%
Internal Revenue Service	5,000 - 6,999	2	5.4%	5,000 - 6,999	2	5.9%
Weber School District	4,000 - 4,999	3	4.1%	3,000 - 3,999	4	3.4%
McKay-Dee Hospital	3,000 - 3,999	4	3.2%	3,000 - 3,999	3	3.4%
Weber State University	3,000 - 3,999	5	3.2%	2,000 - 2,999	5	2.4%
Autoliv ASP	2,000 - 2,999	6	2.3%	2,000 - 2,999	6	2.4%
America First Credit Union	1,000 - 1,999	7	1.4%	1,000 - 1,999		0.0%
Fresenius USA Mfg, Inc	1,000 - 1,999	8	1.4%	1,000 - 1,999	7	1.5%
State of Utah (Courts)	1,000 - 1,999	9	1.4%	1,000 - 1,999	9	1.5%
Ogden School District	1,000 - 1,999	10	1.4%	1,000 - 1,999	8	1.5%
Wal-Mart				1,000 - 1,999	10	1.5%
Total	31,000-45,990		35.1%	29,000 - 43,990		35.7%

Note:

The Utah Department of Workforce Services provides employment information on a county basis. Roy City is the second largest city in Weber County.

Hill Air Force Base is considered to be in Davis County, which is contiguous to Weber County.

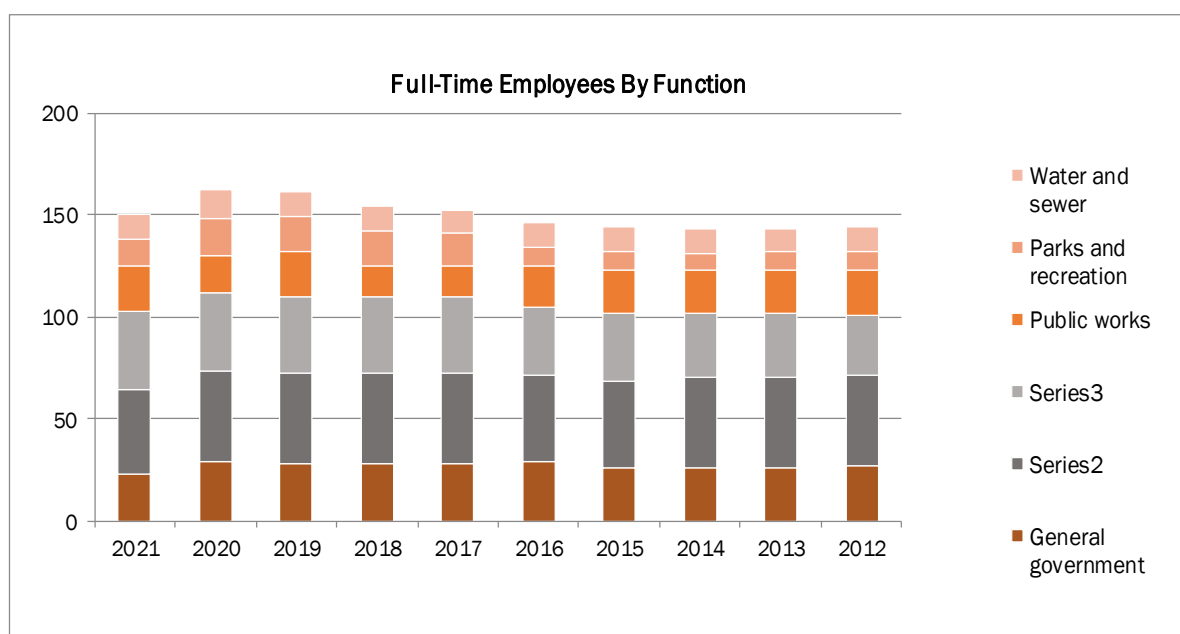
Actual employment numbers are not available to calculate the percentage of total employment by employer.

Sources:

Weber County Comprehensive Annual Financial Report 2017

ROY CITY CORPORATION
FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function	Full-time Employees as of June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government	23	29	28	28	28	29	26	26	26	27
Public safety										
Police										
Officers	37	39	39	39	39	39	38	40	40	40
Civilians	5	6	6	6	6	4	5	5	5	5
Fire										
Firefighters and officers	37	37	36	36	36	32	32	30	30	28
Civilians	1	1	1	1	1	1	1	1	1	1
Public works	22	18	22	15	15	20	21	21	21	22
Parks and recreation	13	18	17	17	16	9	9	8	9	9
Water and sewer	12	14	12	12	11	12	12	12	11	12
Total	150	162	161	154	152	146	144	143	143	144



Notes:

In 2017, staffing was reclassified between public works and parks and recreation to better reflect actual duties.
In 2016, two employees were reclassified from public works to general government.

ROY CITY CORPORATION
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Court filings										
Moving violations	2,929	3,116	3,126	4,757	4,016	3,596	3,805	3,459	4,663	4,623
Non-moving violations	1,023	1,979	1,955	2,309	3,164	2,946	2,719	2,226	3,098	2,870
DUI violations	163	116	110	126	192	151	164	171	179	132
Parking violations	6	201	356	330	464	189	114	546	435	598
Fire										
Fire calls dispatched	740	591	524	504	1,249	1,187	1,196	1,063	641	955
Medical calls dispatched	4,987	4,747	4,879	4,793	4,092	3,963	4,283	3,850	4,283	3,702
		5,338	5,403	5,297	5,341	5,150	5,479	4,913	4,924	4,657
Streets										
Snow removal and sanding:										
Miles	4,026	6,562	8,595	10,024	22,004	13,390	2,373	7,720	13,802	3,987
Hours	366	666	825	1,231	2,156	1,742	314	886	1,543	506
Asphalt resurfacing (tons)	892	1,324	1,642	983	1,251	1,598	1,793	857	660	581
Water										
Service connections	10,975	11,252	10,823	11,035	10,852	10,786	10,754	10,718	10,698	10,657
Water main breaks	32	33	14	24	15	15	16	23	25	16
Avg daily consumption										
in gallons	2,828,000	2,667,120	2,729,008	2,713,054	2,632,164	2,768,581	2,578,359	2,826,756	2,885,636	2,737,570
Aquatic Center										
Admissions	46,843	71,053	101,891	111,153	111,066	100,408	97,127	100,023	118,475	120,702
Complex										
Admissions	87,982	74,264	99,959	17,431	17,317	16,325	16,859	20,575	25,070	32,384

Sources:
Various City departmental data

ROY CITY CORPORATION
CAPITAL STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	24	24	24	24	24	22	22	24	24	24
Motorcycle units	0	0	0	0	0	0	0	0	2	2
Animal control units	2	2	2	2	2	2	2	2	2	2
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Streets (miles/units)										
Streets	117.9	117.9	117.9	115.1	115.1	115.1	114.8	114.8	114.2	114.2
Curb and gutter	208.4	208.4	208.4	208.4	208.0	208.0	207.4	207.4	207.4	207.4
Sidewalk	197.4	197.4	197.4	197.4	197.0	197.0	196.4	196.4	196.4	196.4
Streetlights	983	983	983	983	973	860	855	849	817	812
Traffic signals	3	3	3	3	3	3	3	3	2	2
Parks and recreation										
Community centers	1	1	1	1	1	1	1	1	1	1
Parks	10	10	10	10	10	10	10	10	10	10
Park acreage	123	123	123	120	120	113	113	113	113	113
Covered picnic areas	17	17	17	17	17	18	18	18	18	18
Baseball diamonds	14	14	14	14	14	13	13	13	13	13
Soccer fields	17	17	17	17	17	17	17	17	17	17
Tennis courts	2	2	2	2	2	3	3	3	3	3
Pickleball courts	1	1	1	1	1	0	0	0	0	0
Swimming pools	2	2	2	2	2	2	2	2	2	2
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Sewer (miles)										
Sanitary sewers	115.5	114.8	114.8	114.8	114.6	114.6	114.2	114.0	116.9	116.9
Storm sewers	83.9	83.8	83.8	83.8	83.7	83.7	83.2	83.0	83.0	83.0
Water (miles/units)										
Water lines	157.1	157.1	157.1	156.9	156.9	156.9	156.5	156.4	153.4	153.4
Fire hydrants	1390	1,390	1,390	1,390	1,390	1,390	1,390	1,381	1,363	1,363

Sources:

Various City departmental data

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

INDEPENDENT AUDITOR'S 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 City Council
Roy City Corporation, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Roy City Corporation, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Roy City Corporation's basic financial statements, and have issued our report thereon dated December 16, 2021.

Internal Control over Financial Reporting

In connection with our engagement to audit the financial statements of Roy City Corporation, we considered Roy City Corporation'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 Roy City Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Roy City Corporation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and recommendation as item 2021-01 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-02 to be a significant deficiency.

Compliance and Other Matters

In connection with our engagement to audit the financial statements of Roy City Corporation, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Roy City Corporation's Response to Findings

Roy City Corporation's response to the findings identified in our engagement is attached to the accompanying schedule of findings and questioned costs. Roy City Corporation's response was not subjected to the auditing procedures applied in the engagement to audit 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wiggins & Co., P.C.

Brigham City, Utah
December 16, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE*

Honorable Mayor and City Council
Roy City Corporation, Utah

Report on Compliance

We have audited Roy City Corporation's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor for the year ended June 30, 2021.

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

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Restricted Taxes and Related Revenues
- Fraud Risk Assessment
- Government Fees
- Enterprise Fund Transfers, Reimbursements, Loans, and Services
- Tax Levy Revenue Recognition

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on Roy City Corporation'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 Roy City Corporation occurred. An audit includes examining, on a test basis, evidence about Roy City Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Compliance

In our opinion, Roy City Corporation complied, in all material respects, with the general compliance requirements referred to above for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Roy City Corporation is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered Roy City Corporation's internal control over compliance with the state compliance requirements referred to above to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *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 Roy City Corporation'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 compliance requirement on a timely basis. *A material weaknesses 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 compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over 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. We did not identify any deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that may have not been identified.

Purpose of 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.

Wiggins & Co., P.C.

Brigham City, Utah
December 16, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and City Council
Roy City Corporation, Utah

Report on Compliance for Each Major Federal Program

We have audited Roy City Corporation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Roy City Corporation's major federal programs for the year ended June 30, 2021. Roy City Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Roy City Corporation's major federal programs based on our audit of the types of 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Roy City Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Roy City Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, Roy City Corporation, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Roy City Corporation, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Roy City Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Roy City Corporation'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 type of compliance requirement of a federal program 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 type of compliance requirement of a federal program 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 type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wiggins & Co., P.C.

Brigham City, Utah
December 16, 2021

ROY CITY CORPORATION
Schedule of Expenditures of Federal Awards
June 30, 2021

Federal CFDA Agency Name	Number	Name of Program	Total Awards Expended
DIRECT PROGRAMS:			
US DEPARTMENT OF HOMELAND SECURITY			
	96.037	Federal Emergency Management Agency	\$ 26,072
TOTAL US DEPARTMENT OF HOMELAND SECURITY			<u>26,072</u>
US DEPARTMENT OF JUSTICE			
Passed through Utah State Office for Victims of Crime			
	16.575	Victim of Crime Advocates	23,925
Passed through Utah Commission of Criminal and Juvenile Justice			
	16.738	The Edward Byrne Memorial Justice Assistance Grant (JAG)	6,642
TOTAL US DEPARTMENT OF JUSTICE			<u>30,567</u>
US DEPARTMENT OF TREASURY			
Passed through Utah Governor's Office of Planning and Budget			
	21.019	State of Utah Coronavirus Relief Fund for Municipal Governments	
		Public Safety	1,298,657
		Legislative	93,660
		Public Works	7,155
		Parks & Recreation	281,324
		Intergovernmental for Small Businesses	1,038,463
		Non-Departmental	615,362
TOTAL US DEPARTMENT OF THE TREASURY			<u>3,334,621</u> *
TOTAL FEDERAL EXPENDITURES			<u>\$ 3,391,260</u>

* Audited as a major program

ROY CITY CORPORATION
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Roy City Corporation's under programs of the federal government for the year ended June 30, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Roy City Corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Roy City Corporation.

Major and Nonmajor Programs – Uniform Guidance establishes the levels of expenditures or expenses to be used in defining major and nonmajor federal awards programs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE 3 - INDIRECT COSTS

Roy City Corporation has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. Roy City Corporation does not allocate administrative overhead or indirect costs to the federal programs.

NOTE 4 – SUBRECIPIENTS

Roy City Corporation received grant funding from the Utah Governor's Office of Planning and Budgeting under the State of Utah Coronavirus Relief Fund for Municipal Governments (CFDA 21.019). Roy City Corporation had the following subrecipients under this grant:

Weber County	<u>\$1,038,463</u>
Total paid to subrecipients	<u>\$1,038,463</u>

ROY CITY CORPORATION
Schedule of Findings and Recommendations
June 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? X yes no

 Significant deficiencies identified
 not considered to be material weakness? X yes no

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal Control over major programs

 Material weakness(es) identified? yes X no

 Significant deficiencies
 not considered to be material weakness? yes X none reported

Type of auditor's report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with
2CFR 200.516(a)? X yes no

Identification of programs tested as major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	State of Utah Coronavirus Relief Fund for Municipal Governments

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

ROY CITY CORPORATION
Schedule of Findings and Recommendations
June 30, 2021

MATERIAL WEAKNESS:

Finding 2021-01. Property and equipment reconciliation

CONDITION: The City's system for tracking property, plant and equipment was not reconciled in a timely manner. Although the City has procedures for entering assets that are acquired into the system, there are no procedures for timely review of the entries to verify accuracy and completeness. As a result, in order to reconcile the property, plant and equipment accounts for the financial statements, the City accounting staff incurred significant time and resources. We found that the accounting system requires several dates and general ledger accounts to be manually entered when a new asset is added. In our testing of the new assets that were acquired, we found instances in which the input date of the asset was incorrect or the general ledger accounts entered were incorrect. These errors were discovered through consultation with the software vendor and City accounting staff investigating the system further.

CRITERIA: Generally Accepted Accounting Principles require accurate reporting of property, plant and equipment. Such accounts should include sufficient and accurate documentation of the assets put in service or are in the process of construction.

CAUSE OF CONDITION: The City accounting procedures do not include timely review of assets entered into the fixed asset system.

POTENTIAL EFFECT OF CONDITION: Lack of review procedures creates an opportunity for error in the reporting of property, plant, and equipment. Errors could be small or large and create inaccuracies in financial reporting. Such reports could influence the decision-making process in budgeting, planning or other reasons by interested parties. Further, the process of fixing errors is time consuming and consumes resources that could be used for other purposes.

RECOMMENDATION: We recommend the City consult the software vendor on proper procedures for recording transactions in the system. Such procedures should include: adding assets, disposing of assets, and monitoring construction in process. The system should also include procedures for transferring completed projects to the correct accounts. The City should adopt a policy in which such accounts are reconciled monthly including review procedures to be completed in a timely manner. Documentation of all entries included in the general ledger should be compared to the fixed asset system including: additions, disposals, journal entries and transfers.

SIGNIFICANT DEFICIENCY:

Finding 2021-02. Bank reconciliations not posted timely

CONDITION: During our testing of the bank reconciliations, we noted that the bank reconciliations were not signed off in a timely manner. Upon further review, we were informed that the accountant over the bank reconciliations did complete the reconciliations timely, but did not sign them off when they were completed.

CRITERIA: Sign off dates should agree to the date the procedure was performed.

ROY CITY CORPORATION
Schedule of Findings and Recommendations
June 30, 2021

CAUSE OF CONDITION: The accountant did not sign off because he wanted to make sure nothing changed before finalizing the bank reconciliation.

POTENTIAL EFFECT OF CONDITION: It is difficult to determine the actual date the bank reconciliations were completed if they are not signed off on that date. Further, the bank reconciliations should be signed off prior to the books being closed.

RECOMMENDATION: As part of the month end close, the accounting system should include a formal procedure for completing the bank reconciliations. Procedures should be adopted in which such reconciliations are reviewed and approved.

ROY CITY CORPORATION
Schedule of Prior Year Findings
June 30, 2020

Finding 2020-01. Sales tax receivable posted to cash

CONDITION: An adjusting entry of \$1,113,768 was required to increase the receivable for sales taxes.

CRITERIA: Generally Accepted Accounting Principles (GAAP) requires receivables to be recorded if recognition criteria are met.

CAUSE OF CONDITION: In the monthly process to record the revenue, the accountant over posting sales tax revenue posts the proceeds to cash. This same procedure was completed to record the July and August revenues, resulting in cash being overstated and receivables being understated.

POTENTIAL EFFECT OF CONDITION: Accounts receivable was understated by \$1,113,768 and cash was overstated by the same amount.

RECOMMENDATION: As part of the month end close, the accounting system should adopt formal procedures in order to record receivables in the correct account. Procedures should be adopted in which such entries are reviewed and approved.

STATUS: This was corrected in FY 2021.

Finding 2020-02. Property tax receivables not posted

CONDITION: An adjusting entry of \$3,823,927 was required to accrue the receivable and deferral of the 2020 property tax levy.

CRITERIA: GAAP requires receivables to be recorded if recognition criteria are met. Further, deferred inflows of resources are required to be recorded for taxes that are due but not yet collected.

CAUSE OF CONDITION: The closing process does not have formal procedures for recording the property taxes receivable and offsetting deferred inflows of resources related to the 2020 property tax levy. As a result, the entry was missed.

POTENTIAL EFFECT OF CONDITION: Accounts receivable was understated by \$3,823,927 and cash was overstated by the same amount.

RECOMMENDATION: As part of the month end close, the accounting system should include a formal procedure for accruing the deferred property tax levy and related receivable. Procedures should be adopted in which such entries are reviewed and approved.

STATUS: This was corrected in FY 2021

ROY CITY CORPORATION
Schedule of Prior Year Findings
June 30, 2020

Finding 2020-03. Property and equipment reconciliation

CONDITION: During FY 2020, the City converted the property and equipment accounting to a new system. During our auditing procedures, we noted that there were several accounts that were not reconciled.

CRITERIA: The property and equipment accounts should be reconciled.

CAUSE OF CONDITION: The new property and equipment accounting system was implemented near year end which created difficulty for staff in reconciling prior to the year end audit.

POTENTIAL EFFECT OF CONDITION: Significant time and resources were needed in order to reconcile the accounts to the year end balances.

RECOMMENDATION: As part of the month end close, the accounting system should include a formal procedure for completing the property and equipment account reconciliations. Procedures should be adopted in which such entries are reviewed and approved.

STATUS: This was not corrected in FY 2021

Finding 2020-04. Bank reconciliations not posted timely

CONDITION: During our testing of the bank reconciliations, we noted that the bank reconciliations were not signed off in a timely manner. Upon further review, we were informed that the accountant over the bank reconciliations did complete the reconciliations timely, but did not sign them off when they were completed.

CRITERIA: Sign off dates should agree to the date the procedure was performed.

CAUSE OF CONDITION: The accountant did not sign off because he wanted to make sure nothing changed before finalizing the bank reconciliation.

POTENTIAL EFFECT OF CONDITION: It is difficult to determine the actual date the bank reconciliations were completed if they are not signed off on that date. Further, the bank reconciliations should be signed off prior to the books being closed.

RECOMMENDATION: As part of the month end close, the accounting system should include a formal procedure for completing the bank reconciliations. Procedures should be adopted in which such reconciliations are reviewed and approved.

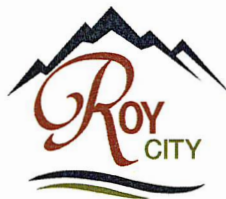
STATUS: This was not corrected in FY 2021

Mayor

- Robert Dandoy

City Manager

- Matt Andrews

**Council Members**

- Jan Burrell
- Joe Paul
- Bryon Saxton
- Ann Jackson
- Diane Wilson

December 16, 2021

Wiggins & Co., PC
PO Box 577
Brigham City, Utah 84302

In response to the Schedule of Findings and Recommendations for the financials ending June 30, 2021, we agree with the auditors' comments, and the following action will be taken to improve the situation.

Finding 2021-01: The City's system for tracking property, plant and equipment was not reconciled in a timely manner. The City currently has procedures for entering acquired assets into the system but the City does not currently have a process to review for accuracy and completeness in a timely manner. Moving forward the City will work with our software vendor to create and adopt policies that encompass not only the initial entry but timely review and accuracy of those entries.

Finding 2021-02: Bank reconciliations were not posted timely. The City's accountant was completing the reconciliations timely, however, they were not signed on the date the work was completed. The City will now include a procedure where reconciliations are reviewed and approved at month end.

Thank you,

Brody E. Flint
Roy City Assistant Attorney
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(801) 774-1006