

# City of Bountiful, Utah



## Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2009

**Mayor**

**Joe L. Johnson**

**City Council**

**Beth Holbrook  
John M. (Marc) Knight  
R. Fred Moss  
Scott C. Myers  
Thomas B. Tolman**

**City Manager**

**Thomas R. Hardy**

# CITY OF BOUNTIFUL, UTAH

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Thomas B. Tolman

City Manager - Thomas R. Hardy

# **CITY OF BOUNTIFUL, UTAH**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2009**



### **Bountiful City Administrative Services**

**Galen D. Rasmussen, MPA, CPA**  
Administrative Services Director

**Treasury Department**  
**Mark O. McRae, CPFA**  
City Treasurer

**Administrative Department**  
**Kim J. Coleman, CPA**  
Finance Director/City Recorder

**Information Systems Dept.**  
**Alan M. West**  
Information Systems Manager

**Ralph Hill, CPA**  
Assistant Finance Director

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## **INTRODUCTORY SECTION**



# BOUNTIFUL

*City of Beautiful Homes and Gardens*

JOE L. JOHNSON  
MAYOR

CITY COUNCIL  
BETH HOLBROOK  
JOHN M. (MARC) KNIGHT  
R. FRED MOSS  
SCOTT C. MYERS  
THOMAS B. TOLMAN

CITY MANAGER  
THOMAS R. HARDY

November 24, 2009

To the Mayor, City Council and Citizens of Bountiful City:

State law requires that all 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 comprehensive annual financial report of the City of Bountiful for the fiscal year ended June 30, 2009.

This report consists of management's representations concerning the finances of the City of Bountiful. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Bountiful 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 the City of Bountiful's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Bountiful's 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.

Jensen & Keddington, P.C., a firm of certified public accountants, has audited the City of Bountiful's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Bountiful, for the fiscal year ended June 30, 2009, 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Bountiful's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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 MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The City of Bountiful was incorporated December 14, 1892, under the laws of the Territory of Utah. The City is governed using a manager form of government. The City Manager is the chief administrative and budget officer of the City. The Mayor is part of a six member elected body (five City Council Members) that develops policy and enacts local laws. The Mayor and Council Members are each elected for a four-year term to serve the citizens at large. The terms of office are staggered every two years (three council seats in one year and two council seats and mayor in the next election). The Council is organized into committees over the functional areas/departments of the City, typically comprised of three elected officials each. The City Manager and department directors comprise the Executive Management Team that operates the City day-to-day and recommends priorities to the Mayor and City Council.



The City Council is required to adopt a final budget for the next fiscal year by no later than June 22<sup>nd</sup> of the current fiscal year. This annual budget serves as the foundation for the City of Bountiful's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Upon approval of the City Manager, department heads may transfer resources within a department. Transfers between departments, however, need special approval from the governing body. Departments are the City's legal level of budgetary control.

The City provides the following services: public safety, public works (engineering, planning, parks and streets), public utilities (electricity, water, sanitation, recycling, landfill and storm water), and general government (legislative, executive, legal, administrative services). In addition, the City provides a cemetery and an 18-hole golf course.

The City limits cover an area of approximately 14 square miles. The City's population for 2009 is 43,903, with a potential for about 45,000 residents at final build-out, which should occur by approximately 2020.

### **Local economy**

Bountiful is located in south Davis County and serves as a center for business activity within the south Davis County area. The City is host to a large regional hospital, major retail providers, car dealerships and professional firms.

### **Long-term financial planning**

Bountiful prides itself in conservative financial management and prudent financial planning. The City maintains a pay-as-you-go financing mechanism for the majority of capital facility needs, but also utilizes the debt markets as market conditions become favorable and need arises. The City prepares and regularly updates its ten-year capital improvement plan to ensure that capital needs are identified and funded. Operating budgets are reviewed extensively and balanced annually with conservatively estimated revenues, expenditures and expenses.

### **Relevant financial policies**

During fiscal year 2009, the City changed its policies related to other postemployment benefits. Current policy allows full-time employees who retire with either (a) thirty years of cumulative service and are 55 years of age or older, or (b) twenty-five years of cumulative service and are 60 years of age or older, to have their medical insurance premium paid until age 65. Effective July 1, 2012, retiring employees meeting the longevity and age requirements will be eligible for an individual health retirement account (HRA) established by the City. The individual HRA will be funded by contributing 50% of the retiree's final accumulated sick leave, up to a maximum of 720 hours, at the retiree's current rate of pay, into the account. The HRA will be established under, and be subject to, applicable federal and state laws and regulations and may be used for any lawful HRA purpose.

### **Major initiatives**

Due to prevailing economic conditions and limited resources, the City's major initiatives are focused on maintaining basic services and infrastructure.

### **Awards and Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bountiful for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR which satisfied both GAAP and applicable legal requirements.

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

We appreciate all who contributed in any way toward the preparation of this comprehensive annual financial report. Their assistance has enabled us to bring together all the data necessary to complete the report. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the departments which comprise Administrative Services. In particular we express appreciation to Ralph Hill, Assistant Finance Director, Mark O. McRae, City Treasurer, and Alan M. West, Information Systems Manager, for their efforts and support during the audit and throughout the year.

Most importantly, we express our sincere thanks and appreciation to Mayor Joe Johnson, members of the City Council and City Manager Tom Hardy for the many hours they spend in helping to run the City organization and to maintain the quality of life enjoyed by citizens of this great community.

Sincerely,



Galen D. Rasmussen, MPA, CPA  
Administrative Services Director



Kim J. Coleman, CPA  
Finance Director & City Recorder

**CITY OF BOUNTIFUL  
PRINCIPAL OFFICIALS  
June 30, 2009**

**ELECTED OFFICIALS**

Joe L. Johnson	Mayor
Beth Holbrook	City Council Member
John M. (Marc) Knight	City Council Member
R. Fred Moss	City Council Member
Scott C. Myers	City Council Member
Thomas B. Tolman	City Council Member

**EXECUTIVE BUDGETARY AND LEGAL OFFICIALS**

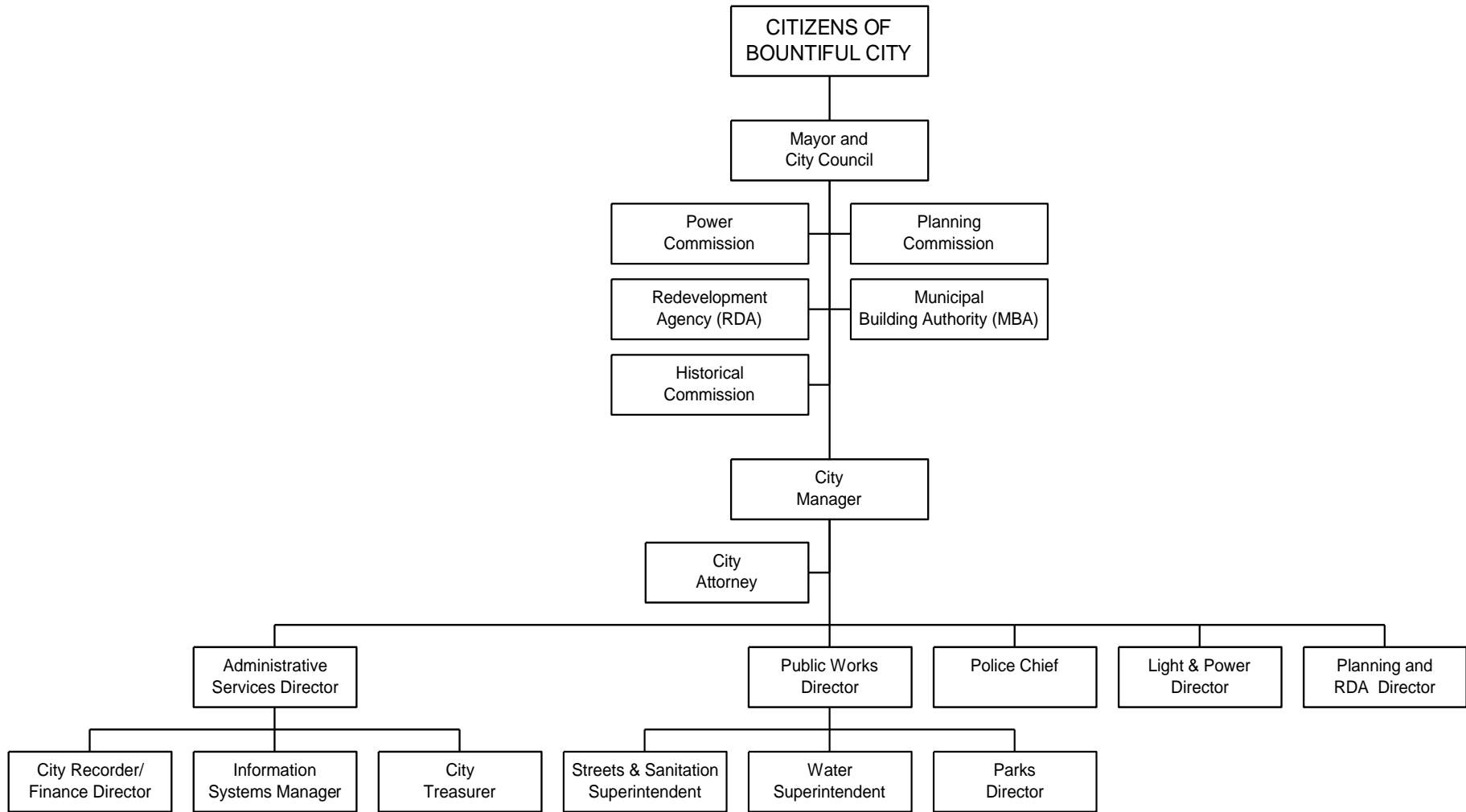
Thomas R. Hardy	City Manager
Russell L. Mahan	City Attorney
Galen D. Rasmussen, CPA	Administrative Services Director

**STATUTORY APPOINTED OFFICIALS**

Kim J. Coleman, CPA	City Recorder & Finance Director
Mark O. McRae, CPFA	City Treasurer

**DEPARTMENT HEADS**

Gary E. Blowers	Streets & Sanitation Superintendent
Aric A. Jensen	Planning & Redevelopment Director
Jerry Wilson	Parks Director
Allen Johnson	Light & Power Director
Tom Ross	Police Chief
Paul C. Rowland, PE/LS	Public Works Director
Alan M. West	Information Systems Manager
David M. Wilding, PE	Water Superintendent



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bountiful  
Utah

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

**Jensen & Keddington, P.C.**

Certified Public Accountants

Jeffrey B. Jensen, CPA  
Gary K. Keddington, CPA  
Brent E. Christensen, CPA  
Jeffrey B. Hill, CPA  
Gregory B. White, CPA

Honorable Mayor and  
Members of City Council  
City of Bountiful  
Bountiful, Utah

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 City of Bountiful as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Bountiful's management. Our responsibility is to express an opinion 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 *Governmental 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 the City of Bountiful as of June 30, 2009, and the respective changes in financial position, and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 24, 2009 on our consideration of the City of Bountiful's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* and important for assessing the results of our audit.

The management's discussion and analysis, as noted on the table of contents, is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Bountiful's basic financial statements. The introductory section, supplementary information, as listed in the table of contents and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and the individual fund budgetary comparison schedules listed as supplemental information in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Jensen & Keddington*

November 24, 2009



CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2009

As management of the City of Bountiful, we offer to readers of the City of Bountiful's financial statements this narrative overview and analysis of the financial activities of the City of Bountiful for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### **Financial Highlights**

- The assets of the City of Bountiful exceeded its liabilities at June 30, 2009 by \$204,769,443. Of this amount, unrestricted net assets of \$78,583,401 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net assets increased by \$7,867,241 from the prior year. Of this amount \$5,419,907 was associated with governmental and \$2,447,334 with business-type activities.
- As of the close of the current fiscal year, the City of Bountiful's governmental funds reported combined ending fund balance of \$40,359,431, an increase of \$3,195,571 over the prior year. Of this amount, \$37,313,070 is unreserved and available for spending. The remaining \$3,046,361 has been reserved due to legal restrictions involving parties outside the financial reporting entity.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$2,206,184 or 14.54% of total General Fund expenditures.
- The City of Bountiful's bonded debt obligations decreased by the net amount of \$696,000. The decrease was attributable to principal payments on the existing Municipal Building Authority Lease Revenue Bonds in the amount of \$530,000 and Special Assessment Bonds in the amount of \$166,000 .

### **Overview of the Financial Statements**

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

**Government-wide financial statements.** These statements are designed to provide readers with a broad overview of the City of Bountiful's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

The governmental activities of the City of Bountiful include general government, public safety, highways and streets, planning and engineering, parks, recreation, and redevelopment. The business-type activities of the City include water, light and power, landfill, storm water, golf, sanitation, recycling, and cemetery.

CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2009

The government-wide financial statements include not only the City of Bountiful itself (known as the primary government), but also a legally separate Redevelopment Agency and a Municipal Building Authority, which are both component units of the City. Financial information for these component units is reported entirely within the primary government report. A separate set of financial statements is also prepared for the Redevelopment Agency.

**Fund financial statements.** A fund is a grouping of related accounts 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 of Bountiful can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 funds 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains eight individual governmental funds. Information is presented separately in the governmental funds balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Redevelopment Agency Fund, and Debt Service Fund which are considered major funds. Data from the other four 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.

The City of Bountiful adopts a one-year budget for its General Fund, Capital Projects Fund, Redevelopment Agency Fund, Debt Service Fund and Municipal Building Authority Fund. All but the latter are major funds. A budgetary comparison statement has been provided for each of the aforementioned funds to demonstrate compliance with the fiscal year 2009 budget.

**Proprietary funds.** The City of Bountiful maintains two different types of proprietary funds, namely enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains nine individual enterprise funds. Information is presented separately in the proprietary funds statement of net assets and the proprietary funds statement of revenues, expenses and changes in fund net assets for the Water Fund, Light and Power Fund and the Landfill Fund, which are considered major funds. Data from the other six funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report. Proprietary fund financial statements reinforce information provided in government-wide financial statements.

Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City of Bountiful uses internal service funds to account for its workers compensation and risk management activities. Because these services benefit both governmental and business-type functions, they have been allocated to both governmental activities and business-type activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

**Fiduciary funds.** These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**CITY OF BOUNTIFUL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2009**

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. The combining statements referred to earlier, in connection with nonmajor funds and internal service funds, are presented immediately after the basic financial statements. Also included are budget comparisons for governmental funds other than the General and Redevelopment Agency Funds.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At June 30, 2009, the City's assets exceeded liabilities by \$204,769,443. By far the largest portion of the City's net assets, \$122,627,385 (59.89%), reflects its investment in capital assets, less any related debt that is still outstanding and which was used to acquire those assets. Capital assets are used to provide services to citizens, and they are not available for future spending. Although the investment in 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.

	<b>City of Bountiful's Net Assets</b>					
	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Current and other assets	\$ 51,676,575	\$ 53,663,171	\$ 37,834,209	\$ 39,419,932	\$ 89,510,784	\$ 93,083,103
Capital assets	79,738,467	80,847,316	47,617,826	47,821,640	127,356,293	128,668,956
<b>Total assets</b>	<b>131,415,042</b>	<b>134,510,487</b>	<b>85,452,035</b>	<b>87,241,572</b>	<b>216,867,077</b>	<b>221,752,059</b>
Long-term liabilities outstanding	7,537,098	6,898,041	575,509	594,993	8,112,607	7,493,034
Other liabilities	7,751,347	7,654,357	4,100,920	3,416,222	11,852,267	11,070,579
<b>Total liabilities</b>	<b>15,288,445</b>	<b>14,552,398</b>	<b>4,676,429</b>	<b>4,011,215</b>	<b>19,964,874</b>	<b>18,563,613</b>
Net assets:						
Invested in capital assets, net of related debt	73,635,745	74,805,745	47,617,826	47,821,640	121,253,571	122,627,385
Restricted	3,430,494	3,558,657	-	-	3,430,494	3,558,657
Unrestricted	39,740,966	43,182,100	33,157,780	35,401,301	72,898,746	78,583,400
<b>Total net assets</b>	<b>\$ 116,807,205</b>	<b>\$ 121,546,502</b>	<b>\$ 80,775,606</b>	<b>\$ 83,222,941</b>	<b>\$ 197,582,811</b>	<b>\$ 204,769,443</b>

An additional portion of the net assets, \$3,558,657 (1.74%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$78,583,401 (38.38%), may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year the City is able to report positive balances in all three categories of net assets (for the government as a whole, as well as for its separate governmental and business-type activities).

**CITY OF BOUNTIFUL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2009**

	<b>City of Bountiful's Changes in Net Assets</b>					
	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Revenues:						
Program revenues:						
Charges for services	\$ 3,584,268	\$ 3,516,116	\$ 30,336,463	\$ 33,917,471	\$ 33,920,731	\$ 37,433,587
Operating grants and contributions	1,619,956	1,295,260	-	-	1,619,956	1,295,260
Capital grants and contributions	-	1,646,784	308,939	505,219	308,939	2,152,004
General revenues:						
Property taxes	3,713,077	3,904,321	-	-	3,713,077	3,904,321
Other taxes	10,004,927	9,601,077	-	-	10,004,927	9,601,077
Other	2,189,500	1,903,233	1,214,638	547,987	3,404,138	2,451,220
<b>Total revenues</b>	<b>21,111,728</b>	<b>21,866,791</b>	<b>31,860,040</b>	<b>34,970,677</b>	<b>52,971,768</b>	<b>56,837,468</b>
Expenses:						
General government	3,065,154	3,417,691	-	-	3,065,154	3,417,691
Public safety	8,057,551	8,463,184	-	-	8,057,551	8,463,184
Highways and streets	3,785,827	4,455,182	-	-	3,785,827	4,455,182
Planning and engineering	1,069,709	1,011,654	-	-	1,069,709	1,011,654
Parks	876,037	1,078,688	-	-	876,037	1,078,688
Redevelopment	791,486	639,800	-	-	791,486	639,800
Interest on long-term debt	306,165	282,736	-	-	306,165	282,736
Water	-	-	4,037,688	3,593,952	4,037,688	3,593,952
Light and Power	-	-	22,425,787	21,282,022	22,425,787	21,282,022
Landfill	-	-	1,100,696	925,116	1,100,696	925,116
Storm Water	-	-	981,119	1,071,562	981,119	1,071,562
Recycling	-	-	-	248,556	-	248,556
Golf Course	-	-	1,221,144	1,267,184	1,221,144	1,267,184
Recreation	-	-	3,438	7,454	3,438	7,454
Sanitation	-	-	896,572	855,234	896,572	855,234
Cemetery	-	-	339,247	370,211	339,247	370,211
<b>Total expenses</b>	<b>17,951,929</b>	<b>19,348,934</b>	<b>31,005,691</b>	<b>29,621,291</b>	<b>48,957,620</b>	<b>48,970,226</b>
Increase in net assets before transfers	3,159,799	2,517,857	854,349	5,349,386	4,014,148	7,867,242
Transfers	2,325,656	2,902,051	(2,325,656)	(2,902,051)	-	-
<b>Increase (Decrease) in net assets</b>	<b>5,485,455</b>	<b>5,419,908</b>	<b>(1,471,307)</b>	<b>2,447,335</b>	<b>4,014,148</b>	<b>7,867,242</b>
Net assets - Beginning of Year	111,321,746	116,807,201	82,246,913	80,775,606	193,568,659	197,582,807
Prior Period Adjustment		(680,607)				
<b>Net assets - End of Year</b>	<b>\$ 116,807,201</b>	<b>\$ 121,546,502</b>	<b>\$ 80,775,606</b>	<b>\$ 83,222,941</b>	<b>\$ 197,582,807</b>	<b>\$ 204,769,443</b>

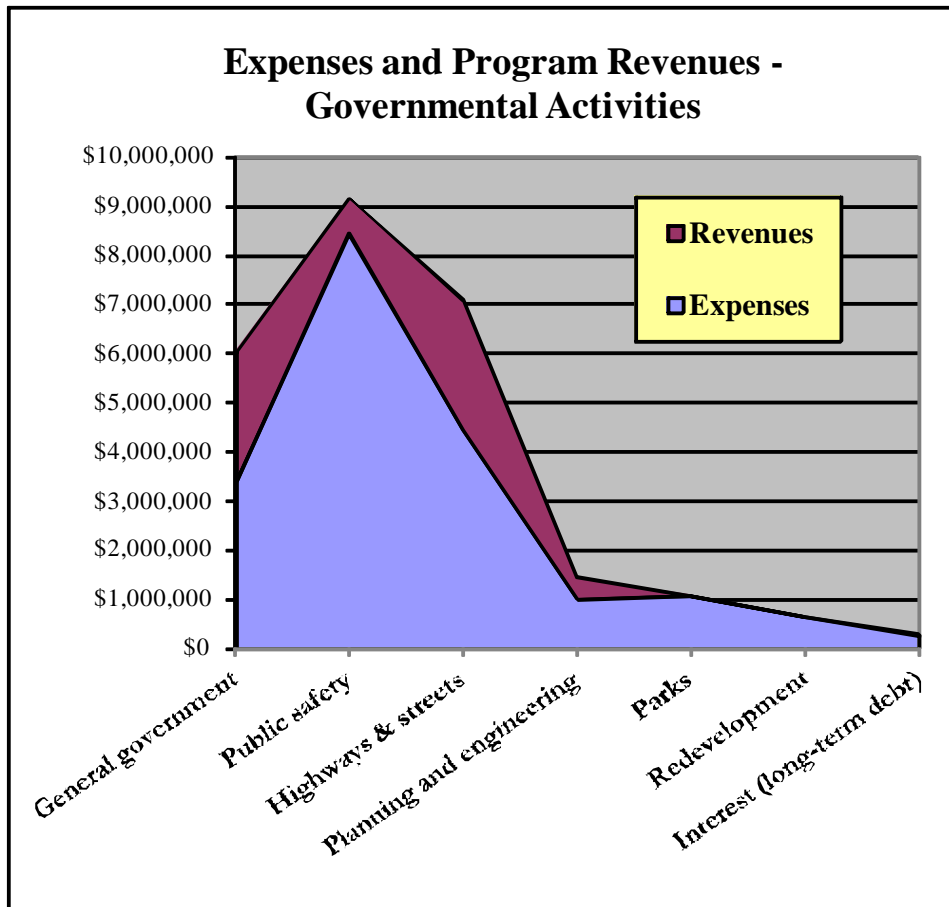
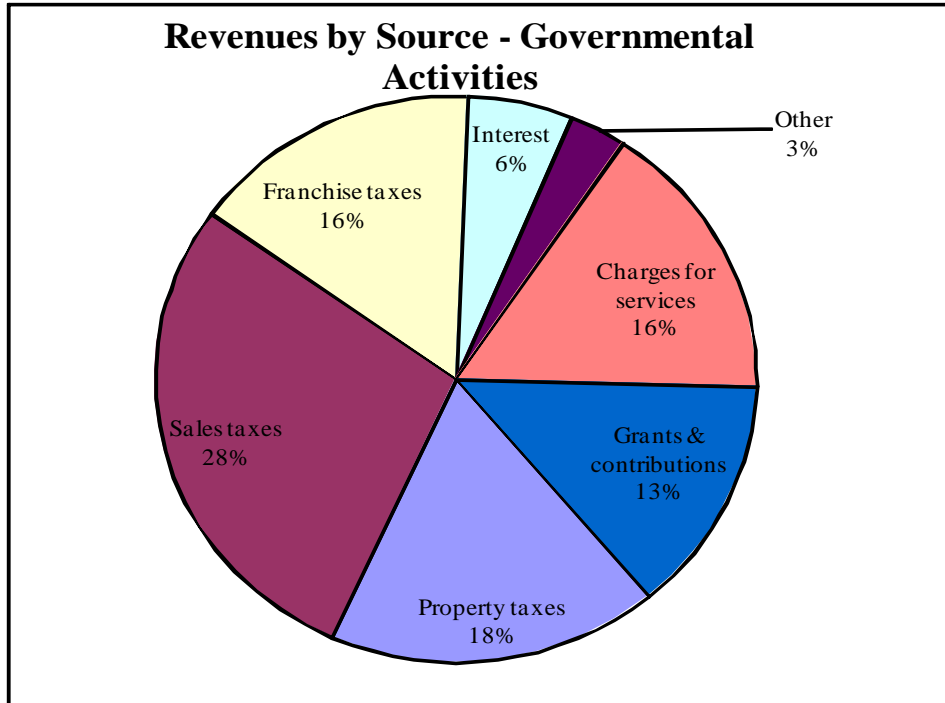
CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2009

**Governmental activities.** Governmental activities increased the City's net assets by \$5,419,907. When combined with the \$2,447,334 increase in net assets from business-type activities, overall net assets increased by \$7,867,241 or 3.64%. As indicated by the data in the table on page 6, the increase in the City's net assets provided this year by governmental activities was \$65,547 less than last year's increase due to the following factors:

- Operating grants and contributions were down \$324,696. Last year, the City received \$121,559 from the Utah Department of Public Safety 911 Committee to upgrade its phone system to a digital platform. This year's State of Utah Class "C" Roads Funds were \$179,238 less than last year's. The City received \$25,318 less this year from the State of Utah Department of Transportation for engineering consultant services. Net increases of \$1,419 from all other operating grants and contributions account for the remaining difference.
- Sales and franchise taxes were down \$403,851 from the prior year due primarily to lower economic activity.
- Property taxes were up \$191,244 from the prior year.
- Capital grants and contributions totaling \$1,646,784, primarily related to streets, curb, gutter and sidewalk infrastructure donated by a local developer were received in the current year. No such grants or contributions were received last year.
- General government expenditures increased \$352,537 over those of the prior year. \$339,645 of this amount was for payments made to the City of Centerville, Utah Redevelopment Agency to assist in the construction of the Davis Cultural Arts Center.
- The City transferred the entire balance of the discontinued Recreation Enterprise Fund into the General Fund in the amount of \$646,885. This transfer was part of the \$1,600,000 used to fully fund the City's other postemployment benefits (OPEB) plan.
- Interest from investments decreased by \$729,653.
- The City sold the old indoor swimming pool land to the Davis School District for \$372,930.
- Highway and streets expenditures increased \$669,355 due to fully funding the City's OPEB plan.
- Public safety expenditures increased \$405,633 due to fully funding the City's OPEB plan.
- The preceding detail documents net decreases totaling \$27,882. This amount is different than the \$65,547 decrease originally presented for this review by \$37,665. This difference was due to transactions too numerous and small to require further explanation.

The graphs presented on the following page reflect only regular operating revenues and expenses from governmental activities and not the effects of special one-time items or transfers.

CITY OF BOUNTIFUL  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
 For The Year Ended June 30, 2009



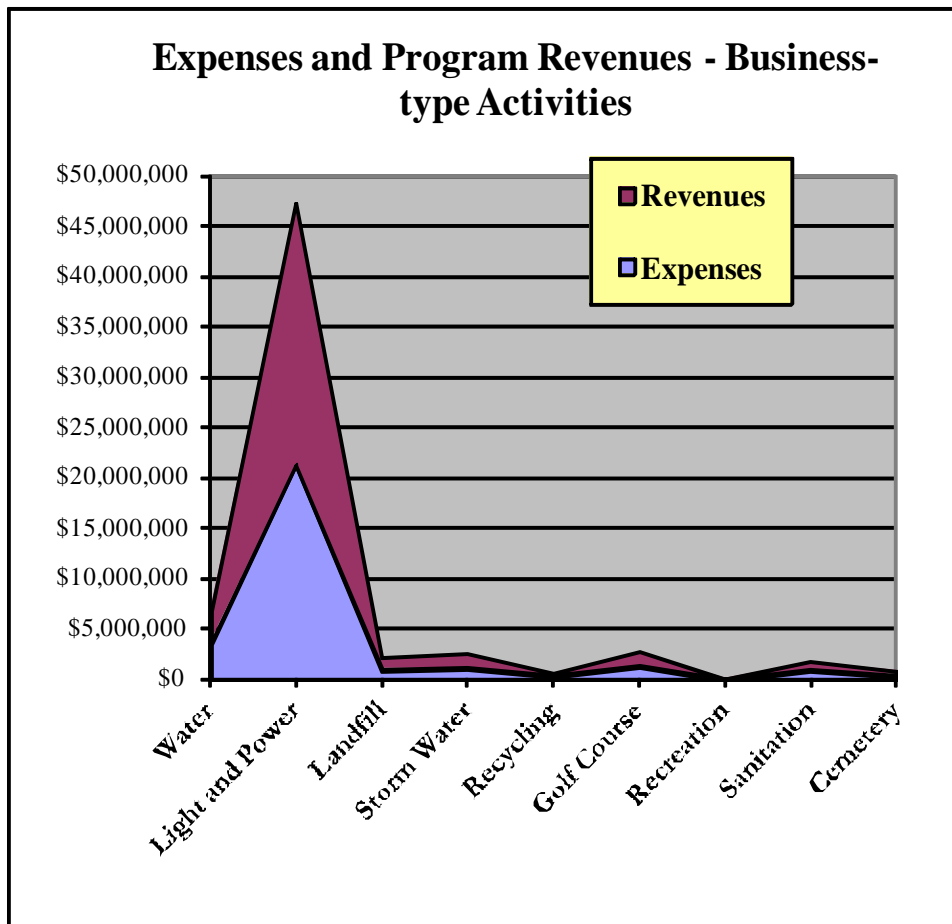
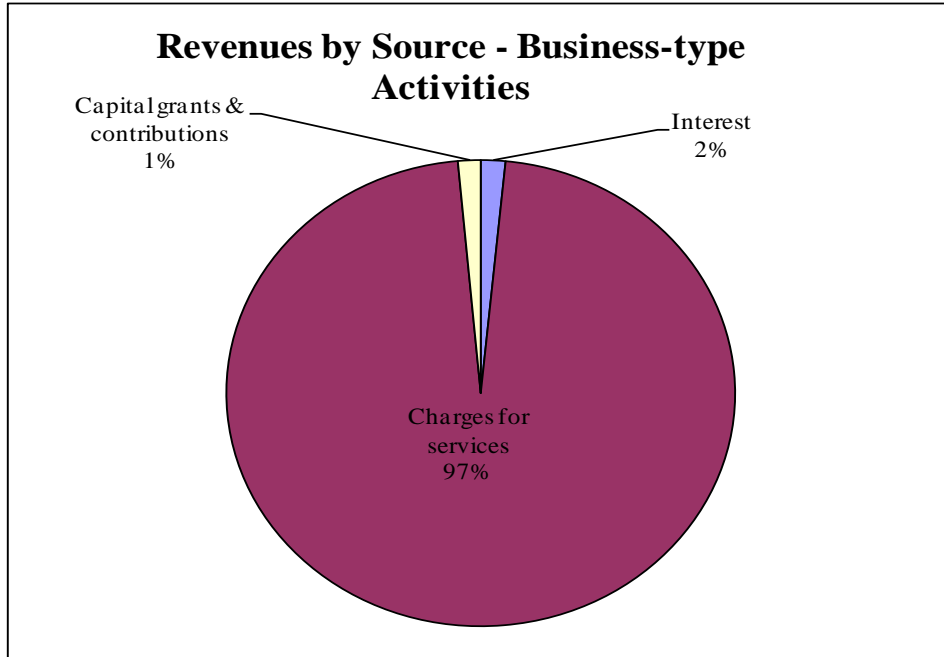
CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2009

**Business-type activities.** Business-type activities increased the City's net assets by \$2,447,334. When combined with the \$5,419,907 that governmental activities added to net assets, overall net assets increased by \$7,867,241. As indicated by the data in the table on page 6, the \$2,447,335 increase in the City's net assets provided this year by business-type activities, when compared to last year's \$1,471,307 decrease, resulted in a total change of \$3,918,642 and can be explained by the following factors:

- Light and Power Fund charges for services increased \$2,434,200. Sales of electricity increased by \$1,944,972 due to a 10% rate increase effective July 1, 2008 and a mix of other factors including the weather, the installation of more accurate and easily-read meters, and a number of large corrections in the utility billing system. Insurance settlement payments of \$308,585 were collected on the Echo hydro facility 2007 flood damage and generator repairs. The remaining difference of \$180,643 is due to transactions too numerous and small to require further explanation.
- Water Fund charges for services increased \$804,573 due to a 40% overall rate increase effective July 1, 2008.
- \$420,079 in storm water infrastructure was donated by developers during the year.
- Interest from investments decreased by \$666,651.
- The Cemetery Perpetual Care Fund transferred \$15,483 to the Cemetery Enterprise Fund.
- The City transferred the entire balance of the discontinued Recreation Enterprise Fund into the General Fund in the amount of \$646,885. This transfer was part of the \$1,600,000 used to fully fund the City's other postemployment benefits (OPEB) plan.
- Water Fund program expenses decreased \$443,736. A major project to install radio-read water meters throughout the system was substantially completed during the prior fiscal year. Approximately \$800,000 of the \$1,200,000 program was expensed at that time.
- Light and Power Fund program expenses decreased \$1,143,765. The cost of purchased power was down \$583,919. \$414,285 in upgrades to the San Juan power unit were expensed during the prior year. No corresponding maintenance occurred during the current year. The cost of transformers replaced throughout the system decreased \$95,936. Transfers to the General Fund were \$55,007 less than those made in the prior year. The residual amount of \$5,382 is due to transactions too numerous and small to require further explanation.
- Landfill Fund program expenses decreased \$175,580. As of September 1, 2008 the City reached an agreement with Wasatch Integrated Waste District (District) to no longer be part of their waste program for certain annexed areas within the City. A substantial portion of this decrease in expenses is related to the discontinuance of fees paid to the District's burn plant.
- The City began a curb-side recycling program in December 2008. Payments made to Waste Management of Utah during the year totaled \$248,556.
- The preceding detail documents net increases totaling \$3,875,324. This amount is less than the \$3,918,642 increase originally presented for this review by \$43,318. This difference was due to transactions too numerous and small to require further explanation.

The graphs presented on the following page reflect only regular operating revenues and expenses from business-type activities and not the effects of special one-time items or transfers.

CITY OF BOUNTIFUL  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
 For The Year Ended June 30, 2009





CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2009

## Financial Analysis of the Government's Funds

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

**Governmental funds.** The purpose of these 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2009, the City's governmental funds reported combined ending fund balance of \$40,359,431 , an increase of \$3,195,571 over the prior year. Of this amount, \$37,313,070 (92.45%) is unreserved fund balance, which is available for spending at the government's discretion. Of the unreserved fund balance, \$34,719,115 has been designated by the City Council for subsequent years' capital expenditures and other uses, leaving an unreserved undesignated amount of \$2,593,955 . The remaining \$3,046,361 of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to 1) future landfill closure costs (\$782,783 ), 2) perpetual care of the City's cemetery (\$1,374,213 ), 3) debt service (\$836,895 ), 4) trails and museum projects (\$48,835 ), and 5) prepaid expenses (\$3,635 ).

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$2,206,184. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 14.54% of total General Fund expenditures. The fund balance of the City's General Fund decreased by \$70,477 during the current fiscal year compared to last year's increase of \$60,025. This represents a 3.03% change in fund balance. This \$130,502 "swing" in the fund balance consisted of 1) a 4.54% decrease in revenues of \$549,326 , 2) a 7.86% increase in expenditures of \$1,130,007 , 3) a decrease in proceeds from the sale of capital assets of \$6,924 , 4) a decrease of \$55,007 in the amount transferred from the Light and Power fund, 5) \$646,885 transferred from the discontinued Recreation Fund, and 6) \$963,877 transferred from the Capital Projects Fund.

The Capital Projects Fund has a total fund balance of \$30,637,462, all of which is unreserved but designated. This fund accounts for the financial resources to be used for the acquisition or construction of the major capital facilities and equipment of the City (other than those financed by proprietary funds and special revenue funds) as listed in the City's 10-year capital improvements plan. During the year ended June 30, 2009, the fund balance in the Capital Projects Fund increased by \$1,869,567 or 6.50% compared to last year's increase of \$3,415,998. The \$1,546,431 smaller increase in the City's Capital Projects Fund balance consisted of 1) a \$372,930 sale to the Davis School District of land once the site of the City's indoor swimming facility, offset by 2) a \$78,318 increase in project expenditures, 3) \$332,896 less interest earned on investments, 4) \$271,820 less received from allocated sales taxes, 5) \$121,559 related to a grant received in the prior year, and 6) transfers to the General and Municipal Building Authority Funds in the amounts of \$963,877 and \$150,891 respectively.

The Redevelopment Agency Fund has a total fund balance of \$3,978,938, all of which is unreserved but designated. The net increase in fund balance during the current year in the Redevelopment Agency Fund was \$1,179,822. This increase was equal to the excess of revenues over expenditures. The excess of revenues over expenditures in the prior year was \$833,340. The difference, \$346,482, is largely due to an increase in property tax revenue of \$407,860. In 2007 and 2008, the Davis County Assessor's Office reassessed property values in the City and several other cities in Davis County that hadn't been updated for a substantial period of time. As a result, the taxable value of property in the City increased from \$1,898,261 in 2006 to \$2,405,253 in 2007 and to \$2,554,694 in 2008. During the same time period, the Davis County Commission passed a 40% property tax increase from .001739 in 2006 to 0.002189 in 2007, primarily to pay for the operation of the newly expanded County Jail. The Weber Basin Water and Mosquito Abatement Districts also increased their tax rates from 0.000178 in 2006 to 0.000200 in 2007 and from 0.000086 in 2006 to 0.000099 in 2007, respectively. The City's tax rate actually decreased during this period from 0.001119 in 2006 to 0.000903 in 2008. However, the cumulative effect was approximately a 30% increase in property tax increment revenue. This was first evident in the 2008 Redevelopment Agency Fund budget because the Assessor's Office primarily reassessed residential properties in 2007 and then commercial properties in 2008. The \$407,860 increase was largely the result of this reassessment activity.

CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2009

The Debt Service Fund has a total fund balance of \$287,290, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the Debt Service Fund was \$961.

**Proprietary funds.** These funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Water, Light and Power, and Landfill Funds (all Major Funds) at the end of the year were \$3,508,532 , \$17,811,881 , and \$9,480,491 respectively. The increase (decrease) in total net assets was (\$435,195), \$2,661,401 , and \$430,135 for those same funds, respectively, after the effect of any special items. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

### General Fund Budgetary Highlights

During the year there was a \$128,000 increase in appropriations between the original and final amended budget. Following are the components of the increase:

- \$19,000 supplemental appropriation to the legislative department to cover the City's annual required contribution for retiree health benefits.
- \$8,000 supplemental appropriation to the treasury department to cover the cost of postage increases.
- \$22,000 supplemental appropriation to the parks department to cover increased utility costs.
- \$79,000 supplemental appropriation to the streets department to cover the cost of a salt shed wall (\$11,000), increased salt usage (\$53,000), and additional patching for utility pavement cuts (\$15,000).

The increase was possible because of additional anticipated revenues from the retiree health program (\$19,000). The remaining \$109,000 was budgeted from unreserved undesignated fund balance.

Each year the City seeks to adopt budgets for revenues and expenditures that will be conservative estimates of what will ultimately transpire. Due to a variety of factors, revenues and expenditures will vary from budget. In the case of the 2009 fiscal year, the following analysis is offered as explanation of significant variances greater than \$150,000.

General Sales and Use Tax was budgeted at \$3,047,999 for the fiscal year, but the actual revenues were only \$1,064,167. This change is due primarily to a \$2,179,054 larger-than-budgeted allocation of sales tax revenue to the Capital Projects Fund to meet capital improvement needs as documented in the City's ten-year capital improvement plan.

The City discontinued its Recreation enterprise fund and transferred the entire fund balance of \$646,885 into the General Fund. This unbudgeted transfer was part of the \$1,600,000 used to fully fund the City's Other Post Employment Benefit Program.

The City amended its Other Postemployment Benefits (OPEB) policy in order to be compliant with GASB Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans" and GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". The City chose to fully fund its amended plan, requiring expenditures in the General Fund of \$624,536. These expenditures had not been budgeted.

### Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities at June 30, 2009 amounts to \$128,668,956 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, service lines, vehicles and equipment, furniture and fixtures, streetlights, sidewalks, curb and gutter, roads, and similar infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$1,312,663 (a 1.39% increase equaling \$1,108,849 for governmental activities and a 0.43% decrease equaling \$203,814 for business-type activities). Major capital asset activity during the current fiscal year has been summarized in the following two tables.

**CITY OF BOUNTIFUL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2009**

**City of Bountiful's Capital Assets (Net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Land	\$ 46,429,312	\$ 47,302,980	\$ 3,145,988	\$ 3,120,088	\$ 49,575,300	\$ 50,423,068
Infrastructure	14,531,936	15,738,201	22,227,103	24,594,584	36,759,039	40,332,785
Buildings and other structures	13,440,507	12,989,451	10,392,970	10,353,591	23,833,477	23,343,042
Improvements other than buildings	2,657,653	3,019,970	1,546,109	1,441,251	4,203,762	4,461,221
Street light and traffic signal systems	-	-	1,161,216	1,072,287	1,161,216	1,072,287
Machinery & Equipment	1,118,768	1,346,799	7,688,162	6,904,432	8,806,930	8,251,231
Furniture & Fixtures	542,395	449,847	14,697	19,993	557,092	469,840
Construction in progress	1,698,502	69	1,441,585	315,414	3,140,087	315,482
<b>Total</b>	<b>\$ 80,419,073</b>	<b>\$ 80,847,316</b>	<b>\$ 47,617,830</b>	<b>\$ 47,821,640</b>	<b>\$ 128,036,903</b>	<b>\$ 128,668,956</b>

**City of Bountiful's Schedule of Capital Asset Additions (Net of Retirements)**

	Governmental	Business-type	Totals
	Activities	Activities	
New Streets, Curb, Gutter and Sidewalk Infrastructure	\$ 2,013,619	\$ -	\$ 2,013,619
Motor Vehicle and Heavy Equipment Purchases	249,254	225,208	474,462
Pavilion and Tennis Courts at Bountiful Ridge Golf Course	308,876	309,450	618,326
Wilson Park Restrooms and Bowery	124,812	-	124,812
Parking Lot at Celebration Park	48,821	-	48,821
Mueller Park Bowery and Tennis Courts	15,203	-	15,203
Point-of-Sale System at the Golf Pro Shop	-	9,995	9,995
New Cart Paths at the Golf Course	-	14,552	14,552
New Transit System for Engineering Department	-	-	-
New Water and Storm Water Infrastructure (water mains and storm drains)	-	1,765,278	1,765,278
Construction on Light and Power Department Transmission and Distribution Systems	-	1,065,774	1,065,774
Expansion of Salt Storage Structure	-	172,055	172,055
3100 South Pumphouse	-	35,322	35,322
Upgrade Upper Williams Booster Station/Prevent Pressure Surges	-	13,046	13,046
Ashdown Water System Upgrade Project	-	13,024	13,024
Other	(39,880)	(33,122)	(73,002)
Less Change in Accumulated Depreciation	(1,611,856)	(3,386,767)	(4,998,623)
<b>Total</b>	<b>\$ 1,108,848</b>	<b>\$ 203,814</b>	<b>\$ 1,312,662</b>

Additional information on the City's capital assets can be found in Note 6 of this report.

**CITY OF BOUNTIFUL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2009**

**Long-term debt.** At the end of the current fiscal year, the City had \$5,970,000 in outstanding bonded debt consisting of lease revenue bonds and special assessment bonds. All of the bonded debt was secured by specific revenue sources.

	<b>City of Bountiful's Outstanding debt</b>					
	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Lease revenue bonds	\$ 4,643,000	\$ 4,113,000	\$ -	\$ -	\$ 4,643,000	\$ 4,113,000
Special assessment bonds	2,023,000	1,857,000	-	-	2,023,000	1,857,000
<b>Total</b>	<b>\$ 6,666,000</b>	<b>\$ 5,970,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,666,000</b>	<b>\$ 5,970,000</b>

The City's total bonded debt decreased by \$696,000 during the current fiscal year, attributable to scheduled repayment of the debt. Additional information on the City's long-term debt can be found in Note 9 of this report.

On October 13, 2008, in the process of routine surveillance, Fitch Ratings upgraded the Bountiful City Municipal Building Authority \$3 million series 2003 lease revenue bonds (LRBs) to 'AA-' from 'A+'. The rating outlook was reported as stable. The upgrade reflected the City's improved assessed valuation (AV) growth, enhanced financial position and flexibility, lower unemployment rates, and the region's resilient housing market.

### **Economic Factors and Next Year's Budgets and Rates**

The City reviews national and regional economic forecasts and also performs its own management analysis as a component in the process of developing the one-year operating and capital budgets of the City. The assumptions in the analysis are reviewed with the City Council as background for decisions about revenue projections and cost allocations. Weekly and monthly reports are transmitted to the City Council and provide both budget and actual information for tracking the financial activities of the City during the year.

Budgets for fiscal year 2010 were developed based upon the following assumptions.

- Economic activity in the region is being affected adversely by the economy overall. Specific areas of concern are housing starts, existing home sales, vehicle sales, retail sales in general, and credit market and interest rate uncertainty.
- Development activity is slowing. Bountiful continues its movement toward a build-out of housing stock and "maintenance mode" of existing services for the City. Existing developments (including those with mixed use) such as the Renaissance Towne Centre, the Village on Main Street property and the traditional main street areas of the city will be focus areas of growth for the future.
- Sales tax, which is shared by the State of Utah with cities, was projected to be lower than in previous years based on overall economic activity and the proportionate share of distribution that the City receives based on population.
- The budget includes increases in operating costs for personnel merit raises, energy and general goods and services. It does not include any cost-of-living increases. Energy costs and health care costs have continued as "watch areas", and are expected to increase at a higher rate than the general level of inflation due to national trends. The City continues to deal with increases in energy and health care costs through aggressive cost containment in all other cost centers.
- Enterprise fund activity reflects no rate increases to customers.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Bountiful's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Director or the Finance Director, City of Bountiful, 790 South 100 East, Bountiful, Utah 84010.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF BOUNTIFUL**  
**STATEMENT OF NET ASSETS**  
**June 30, 2009**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 29,415,490	\$ 20,341,244	\$ 49,756,734
Receivables:			
Taxes	4,861,341	-	4,861,341
Accounts, net	110,443	3,479,454	3,589,897
Interest	63,075	37,451	100,526
Intergovernmental	1,847,666	-	1,847,666
Investments	6,585,159	4,314,918	10,900,077
Internal balances	3,339,880	(3,339,880)	-
Inventories	-	2,439,460	2,439,460
Prepays	3,635	120,778	124,413
Real estate inventory held for resale	788,105	-	788,105
Notes receivable	2,667,517	130,010	2,797,527
Deferred charges	190,316	-	190,316
Restricted assets:			
Cash and cash equivalents and investments	4,415,080	1,520,408	5,935,488
Net OPEB asset	963,877	617,119	1,580,996
<b>Capital assets, net:</b>			
Land, land rights, and water rights	47,302,980	3,120,088	50,423,068
Buildings, wells, and reservoirs	12,989,451	10,353,592	23,343,043
Improvements other than buildings	3,019,970	1,441,252	4,461,222
Transmission, distribution and collection systems	-	24,594,586	24,594,586
Street light and traffic signal system	-	1,072,286	1,072,286
Machinery and equipment	1,346,799	6,904,431	8,251,230
Furniture and fixtures	449,847	19,993	469,840
Infrastructure	15,738,201	-	15,738,201
Construction in progress	69	315,412	315,481
Investment in power projects	-	9,751,554	9,751,554
<b>Total Assets</b>	<b>\$ 136,098,900</b>	<b>\$ 87,234,156</b>	<b>\$ 223,333,056</b>

**CITY OF BOUNTIFUL**  
**STATEMENT OF NET ASSETS**  
**June 30, 2009**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
Accounts payable	\$ 813,396	\$ 1,484,694	\$ 2,298,090
Accrued liabilities	469,866	375,820	845,686
Accrued interest payable	37,896	-	37,896
Unearned revenue	5,513,409	35,300	5,548,709
Developer and customer deposits	810,734	612,648	1,423,382
Liabilities payable from restricted assets	9,056	907,760	916,816
Noncurrent liabilities:			
Due within one year	1,396,815	178,871	1,575,686
Due in more than one year	5,501,226	416,122	5,917,348
<b>Total Liabilities</b>	<b>14,552,398</b>	<b>4,011,215</b>	<b>18,563,613</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	74,805,745	47,821,640	122,627,385
Restricted for:			
Prepaid Expenses	3,635	-	3,635
Trails and museum projects	48,835	-	48,835
Perpetual care - nonexpendable	1,371,890	-	1,371,890
Landfill closure	782,783	-	782,783
Debt Service	836,895	-	836,895
Regulatory required insurance deposit	514,619	-	514,619
Unrestricted	43,182,100	35,401,301	78,583,401
<b>Total Net Assets</b>	<b>121,546,502</b>	<b>83,222,941</b>	<b>204,769,443</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 136,098,900</b>	<b>\$ 87,234,156</b>	<b>\$ 223,333,056</b>

**CITY OF BOUNTIFUL  
STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 2009**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Government Activities:</b>							
General governmental	\$ 3,417,691	\$ 2,347,017	\$ -	\$ 272,111	\$ (798,563)	\$ -	\$ (798,563)
Public safety	8,463,184	662,849	54,345	-	(7,745,990)	-	(7,745,990)
Highways and streets	4,455,182	64,379	1,228,772	1,374,673	(1,787,358)	-	(1,787,358)
Planning and engineering	1,011,654	426,421	12,143	-	(573,090)	-	(573,090)
Parks	1,078,688	15,450	-	-	(1,063,238)	-	(1,063,238)
Redevelopment	639,800	-	-	-	(639,800)	-	(639,800)
Interest on long-term debt	282,736	-	-	-	(282,736)	-	(282,736)
<b>Total Governmental Activities</b>	<b>19,348,934</b>	<b>3,516,116</b>	<b>1,295,260</b>	<b>1,646,784</b>	<b>(12,890,774)</b>	<b>-</b>	<b>(12,890,774)</b>
<b>Business-type Activities:</b>							
Water	3,593,952	2,992,204	-	83,770	-	(517,978)	(517,978)
Light and power	21,282,022	26,089,014	-	-	-	4,806,992	4,806,992
Landfill	925,116	1,130,734	-	-	-	205,618	205,618
Storm water	1,071,562	894,317	-	421,449	-	244,204	244,204
Recycling	248,556	247,740	-	-	-	(816)	(816)
Golf course	1,267,184	1,344,182	-	-	-	76,998	76,998
Recreation	7,454	-	-	-	-	(7,454)	(7,454)
Sanitation	855,234	828,211	-	-	-	(27,023)	(27,023)
Cemetery	370,211	391,069	-	-	-	20,858	20,858
<b>Total Business-type Activities</b>	<b>29,621,291</b>	<b>33,917,471</b>	<b>-</b>	<b>505,219</b>	<b>-</b>	<b>4,801,399</b>	<b>4,801,399</b>
<b>Total Government</b>	<b>\$ 48,970,226</b>	<b>\$ 37,433,587</b>	<b>\$ 1,295,260</b>	<b>\$ 2,152,004</b>	<b>\$ (12,890,774)</b>	<b>\$ 4,801,399</b>	<b>\$ (8,089,376)</b>
			<b>General Revenues:</b>				
			Property taxes	\$ 3,904,321	\$ -	\$ 3,904,321	
			Sales taxes	6,159,989	-	6,159,989	
			Franchise taxes	3,441,087	-	3,441,087	
			Interest on investments	1,241,243	547,987	1,789,230	
			Other	284,854	-	284,854	
			Gain on sale of capital assets	377,136	-	377,136	
			<b>Transfers:</b>	2,902,051	(2,902,051)	-	
			<b>Total General Revenues</b>	<b>18,310,681</b>	<b>(2,354,064)</b>	<b>15,956,617</b>	
			Changes in Net Assets	5,419,907	2,447,335	7,867,241	
			<b>Net Assets, Beginning</b>	<b>116,807,202</b>	<b>80,775,606</b>	<b>197,582,808</b>	
			Prior period adjustment	(680,607)		(680,607)	
			<b>Net Assets, Ending</b>	<b>\$ 121,546,502</b>	<b>\$ 83,222,941</b>	<b>\$ 204,769,443</b>	



**CITY OF BOUNTIFUL**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**June 30, 2009**

	<b>General</b>	<b>Capital Projects</b>	<b>Redevelopment Agency</b>	<b>Debt Service</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>						
Cash and cash equivalents	\$ 479,973	\$ 20,738,727	\$ 3,627,644	\$ 19,384	\$ 281,120	\$ 25,146,848
Receivables:						
Taxes	3,270,006	-	1,528,242	-	63,093	4,861,341
Accounts - net	83,119	-	-	-	-	83,119
Interest	4,809	39,553	6,500	94	3,018	53,974
Other	-	17,023	-	-	-	17,023
Intergovernmental	274,088	1,471,031	-	-	102,547	1,847,666
Investments	292,567	4,507,978	788,609	4,214	61,112	5,654,480
Real estate inventory held for resale	-	-	788,105	-	-	788,105
Notes receivable	-	-	761,006	1,906,510	-	2,667,516
Due from other funds	624,536	3,944,856	-	-	-	4,569,392
Prepays	3,635	-	-	-	-	3,635
Restricted assets:						
Cash and cash equivalents and investments	868,625	-	-	265,248	2,766,588	3,900,461
<b>Total Assets</b>	<b>\$ 5,901,358</b>	<b>\$ 30,719,168</b>	<b>\$ 7,500,106</b>	<b>\$ 2,195,450</b>	<b>\$ 3,277,478</b>	<b>\$ 49,593,560</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 282,590	\$ 81,706	\$ 74	\$ 1,650	\$ 80,391	\$ 446,411
Liabilities payable from restricted assets	9,056	-	-	-	-	9,056
Accrued liabilities	461,667	-	2,335	-	-	464,002
Due to other funds	-	-	1,229,511	-	-	1,229,511
Developer and customer deposits	810,734	-	-	-	-	810,734
Deferred revenue	2,078,657	-	2,289,248	1,906,510	-	6,274,415
<b>Total Liabilities</b>	<b>3,642,704</b>	<b>81,706</b>	<b>3,521,168</b>	<b>1,908,160</b>	<b>80,391</b>	<b>9,234,129</b>
<b>Fund Balances:</b>						
Reserved for:						
Prepaid Expenses	3,635	-	-	-	-	3,635
Construction	-	-	-	-	-	-
Trails and museum projects	48,835	-	-	-	-	48,835
Landfill closure	-	-	-	-	782,783	782,783
Perpetual care	-	-	-	-	1,374,213	1,374,213
Debt Service	-	-	-	287,290	549,605	836,895
Unreserved, designated for, reported in:						
Capital Projects	-	30,637,462	-	-	-	30,637,462
General Fund	102,715	-	-	-	-	102,715
Redevelopment Agency	-	-	3,978,938	-	-	3,978,938
Unreserved, reported in:						
General fund	2,103,469	-	-	-	-	2,103,469
Special revenue funds	-	-	-	-	490,486	490,486
<b>Total Fund Balances</b>	<b>2,258,654</b>	<b>30,637,462</b>	<b>3,978,938</b>	<b>287,290</b>	<b>3,197,087</b>	<b>40,359,431</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,901,358</b>	<b>\$ 30,719,168</b>	<b>\$ 7,500,106</b>	<b>\$ 2,195,450</b>	<b>\$ 3,277,478</b>	<b>\$ 49,593,560</b>

**CITY OF BOUNTIFUL**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF NET ASSETS**  
**June 30, 2009**

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

<b>Total fund balance - governmental funds</b>	\$	40,359,431
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		\$80,847,316
The net OPEB asset resulting from contributions in excess of the annual required contribution in 2009 are not financial resources and therefore are not reported in the funds. (See Note 15)		963,877
Internal service funds are used by management to charge the cost of insurance for workers' compensation and governmental immunity. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		\$5,360,493
Accrued interest expense is not due and payable in the current period and therefore is not recorded in the funds.		(37,896)
Long-term liabilities are not due and payable in the current period and therefore are not recorded in the funds.		(6,898,041)
Costs of issuance are not amortized in the current period and therefore are not recorded in the funds.		\$190,316
Notes receivable related to the RDA are recorded as such in the statement of net assets.		761,006
<b>Total net assets - governmental activities</b>	<b>\$</b>	<b><u>121,546,502</u></b>

**CITY OF BOUNTIFUL**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – GOVERNMENTAL FUNDS**  
**For The Year Ended June 30, 2009**

	General	Capital Projects	Redevelopment Agency	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 7,076,271	\$ 4,549,349	\$ 1,502,394	\$ -	\$ 377,383	\$ 13,505,397
Licenses and permits	534,007	-	-	-	-	534,007
Intergovernmental	1,295,260	-	75,632	-	-	1,370,892
Charges for services	2,161,161	-	-	-	657,547	2,818,708
Fines and forfeitures	161,749	-	-	-	-	161,749
Interest on investments	155,760	778,787	111,445	3,268	62,414	1,111,674
Miscellaneous	167,469	-	353,853	272,111	43,405	836,838
<b>Total Revenues</b>	<b>11,551,677</b>	<b>5,328,136</b>	<b>2,043,324</b>	<b>275,379</b>	<b>1,140,749</b>	<b>20,339,265</b>
<b>Expenditures:</b>						
Current:						
General government	2,905,688	-	-	13,692	5,900	2,925,280
Public safety	7,418,339	422,757	-	-	-	7,841,096
Highways and streets	3,230,307	322,209	-	-	-	3,552,516
Planning and engineering	1,107,182	-	-	-	-	1,107,182
Parks	846,255	-	-	-	-	846,255
Redevelopment	-	-	863,502	-	-	863,502
Intergovernmental:						
Centerville City RDA	-	-	-	-	342,645	342,645
Debt service:						
Principal	-	-	-	166,000	530,000	696,000
Interest	-	-	-	96,648	179,992	276,640
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Capital Projects	-	1,971,765	-	-	-	1,971,765
<b>Total Expenditures</b>	<b>15,507,771</b>	<b>2,716,731</b>	<b>863,502</b>	<b>276,340</b>	<b>1,058,537</b>	<b>20,422,881</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(3,956,094)</b>	<b>2,611,405</b>	<b>1,179,822</b>	<b>(961)</b>	<b>82,212</b>	<b>(83,616)</b>
<b>Other Financing Sources (Uses):</b>						
Issuance of debt	-	-	-	-	-	-
Transfer in	3,881,411	-	-	-	150,891	4,032,302
Transfer out	-	(1,114,768)	-	-	(15,483)	(1,130,251)
Contributions	-	-	-	-	-	-
Sale of capital assets	4,206	372,930	-	-	-	377,136
<b>Total Other Financing Sources (Uses)</b>	<b>3,885,617</b>	<b>(741,838)</b>	<b>-</b>	<b>-</b>	<b>135,408</b>	<b>3,279,187</b>
<b>Net Change in Fund Balances</b>	<b>(70,477)</b>	<b>1,869,567</b>	<b>1,179,822</b>	<b>(961)</b>	<b>217,620</b>	<b>3,195,571</b>
<b>Fund Balance, Beginning</b>	<b>2,329,131</b>	<b>28,767,895</b>	<b>2,799,116</b>	<b>288,251</b>	<b>2,979,467</b>	<b>37,163,860</b>
<b>Fund Balance, Ending</b>	<b>\$ 2,258,654</b>	<b>\$ 30,637,462</b>	<b>\$ 3,978,938</b>	<b>\$ 287,290</b>	<b>\$ 3,197,087</b>	<b>\$ 40,359,431</b>

**CITY OF BOUNTIFUL**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended June 30, 2009**

Amounts reported for governmental activities in the statement of activities are different because:	
<b>Net change in fund balances - total governmental funds</b>	\$ 3,195,571
Governmental funds have reported capital outlays, past and present, 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.	(2,211,498)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net assets.	3,370,107
Governmental funds report OPEB contributions in excess of the annual required contribution as expenditures. However, these expenditures are reported as a net OPEB asset in the statement of net assets.	963,877
Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net assets.	696,000
In the statement of activities, amortization of premiums and costs of issuing of debt is recorded.	(10,380)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expense is reported when due.	4,284
The effect of the sale and disposal of capital assets.	(49,760)
The long term portion of accrued leave does not require the use of current financial resources and therefore is not recorded as an expenditure in the Governmental Funds.	(60,521)
The net revenue of certain activities of internal service funds is reported within the governmental activities.	(358,920)
Proceeds from repayment of RDA notes receivable are recorded as revenue in the Governmental Funds. However, the repayment is recorded as a reduction of the loan in the statement of net assets.	(353,853)
Amounts loaned by the RDA are recorded as expenditures in the Governmental Funds. However, the loan is recorded as an asset for the statement of net assets.	235,000
	<hr/>
<b>Change in net assets of governmental activities</b>	<b>\$ 5,419,907</b>
	<hr/> <hr/>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – GENERAL FUND**  
**For The Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 8,842,130	\$ 8,842,130	\$ 7,076,271	\$ (1,765,859)
Licenses and permits	520,000	520,000	534,007	14,007
Intergovernmental revenues	1,336,000	1,336,000	1,295,260	(40,740)
Charges for services	2,043,611	2,043,611	2,161,161	117,550
Fines and forfeitures	100,000	100,000	161,749	61,749
Interest on investments	145,734	145,734	155,760	10,026
Miscellaneous	90,000	90,000	167,469	77,469
<b>Total Revenues</b>	13,077,475	13,077,475	11,551,677	(1,525,798)
<b>Expenditures:</b>				
Current:				
General government:				
Legislative	570,306	589,306	405,601	183,705
Legal	279,336	279,336	320,892	(41,556)
Executive	272,200	272,200	271,892	308
Information systems	465,371	465,371	499,075	(33,704)
Administrative	632,697	632,697	710,610	(77,913)
Treasury	580,222	588,222	604,664	(16,442)
Government buildings	90,147	90,147	92,954	(2,807)
Public safety:				
Police	5,813,074	5,865,730	5,560,121	305,609
Fire	1,900,000	1,900,000	1,858,218	41,782
Highways and streets	2,852,493	2,931,493	3,230,307	(298,814)
Planning and engineering:				
Planning	287,558	234,902	254,016	(19,114)
Engineering	844,547	844,547	853,166	(8,619)
Parks	690,549	712,549	846,255	(133,706)
Capital outlay:				
Public safety	-	-	-	-
<b>Total Expenditures</b>	15,278,500	15,406,500	15,507,771	(101,271)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(2,201,025)	(2,329,025)	(3,956,094)	(1,627,069)
<b>Other Financing Sources (Uses):</b>				
Transfer in	2,200,000	2,200,000	3,881,411	1,681,411
Transfer out	-	-	-	-
Sale of capital assets	-	-	4,206	4,206
<b>Total Other Financing Sources (Uses)</b>	2,200,000	2,200,000	3,885,617	1,685,617
<b>Net Change in Fund Balance</b>	\$ (1,025)	\$ (129,025)	(70,477)	\$ 58,548
<b>Fund Balance, Beginning</b>			2,329,131	
<b>Fund Balance, Ending</b>			\$ 2,258,654	

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – REDEVELOPMENT AGENCY SPECIAL**  
**REVENUE FUND**  
**For The Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 1,116,425	\$ 1,116,425	\$ 1,502,394	\$ 385,969
Intergovernmental revenues	60,000	60,000	75,632	15,632
Interest on investments	175,641	175,641	111,445	(64,196)
Miscellaneous	198,953	198,953	353,853	154,900
<b>Total Revenues</b>	1,551,019	1,551,019	2,043,324	492,305
<b>Expenditures:</b>				
Current:				
Redevelopment	2,352,943	2,103,349	863,502	1,239,847
Capital outlay	30,000	30,000	-	30,000
<b>Total Expenditures</b>	2,382,943	2,133,349	863,502	1,269,847
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	(831,924)	(582,330)	1,179,822	1,762,152
<b>Other Financing Sources (Uses):</b>				
Loan proceeds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-
<b>Net Change in Fund Balance</b>	\$ (831,924)	\$ (582,330)	1,179,822	\$ 1,762,152
<b>Fund Balance, Beginning</b>			2,799,116	
<b>Fund Balance, Ending</b>			\$ 3,978,938	

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF NET ASSETS – PROPRIETARY FUNDS**  
**June 30, 2009**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Light and Power</b>	<b>Landfill</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise</b>	
<b>Assets:</b>						
<b>Current Assets:</b>						
Cash and cash equivalents	\$ 2,696,860	\$ 5,985,045	\$ 7,957,253	\$ 3,702,086	\$ 20,341,244	\$ 4,268,642
Accounts receivable, net	359,088	2,762,441	90,364	267,561	3,479,454	10,301
Interest receivable	5,854	10,275	13,888	7,434	37,451	9,101
Due from other funds	-	-	-	-	-	-
Investments	587,553	1,418,127	1,488,611	820,627	4,314,918	930,679
Inventories	176,694	2,203,509	-	59,257	2,439,460	-
Prepaid expenses	66,740	54,038	-	-	120,778	-
<b>Total Current Assets</b>	<b>3,892,789</b>	<b>12,433,435</b>	<b>9,550,116</b>	<b>4,856,965</b>	<b>30,733,305</b>	<b>5,218,723</b>
<b>Noncurrent Assets:</b>						
Restricted cash and cash equivalents	6,010	538,908	901,750	73,740	1,520,408	514,619
Net OPEB asset	113,592	360,833	27,651	115,043	617,119	-
Capital assets, net:						
Land, land rights and water rights	339,565	492,016	43,737	2,244,770	3,120,088	-
Buildings, wells and reservoirs	6,225,613	575,279	1,963,717	1,588,983	10,353,592	-
Improvements other than buildings	104,634	1,072,286	286,052	1,050,566	2,513,538	-
Transmission, distribution and collection systems	9,586,682	10,063,455	-	4,944,449	24,594,586	-
Street light and traffic signal systems	-	-	-	-	-	-
Machinery and equipment	676,624	5,296,523	320,600	610,684	6,904,431	-
Furniture and fixtures	10,498	-	-	9,495	19,993	-
Construction in progress	63,325	252,087	-	-	315,412	-
Notes receivable	-	-	-	130,010	130,010	-
Investments in power projects	-	9,751,554	-	-	9,751,554	-
<b>Total Noncurrent Assets</b>	<b>17,126,543</b>	<b>28,402,941</b>	<b>3,543,507</b>	<b>10,767,740</b>	<b>59,840,731</b>	<b>514,619</b>
<b>Total Assets</b>	<b>\$ 21,019,332</b>	<b>\$ 40,836,376</b>	<b>\$ 13,093,623</b>	<b>\$ 15,624,705</b>	<b>\$ 90,574,036</b>	<b>\$ 5,733,342</b>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF NET ASSETS – PROPRIETARY FUNDS**  
**June 30, 2009**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Light and Power</b>	<b>Landfill</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise</b>	
<b>Liabilities:</b>						
<b>Current Liabilities:</b>						
Accounts payable	\$ 225,553	\$ 1,108,019	\$ 16,301	\$ 134,821	\$ 1,484,694	\$ 366,985
Compensated absences	31,156	86,193	10,458	51,064	178,871	-
Accrued liabilities	51,320	214,801	17,135	92,564	375,820	5,864
Due to other funds	114,957	3,080,515	27,984	116,424	3,339,880	-
<b>Total Current Liabilities</b>	422,986	4,489,528	71,878	394,873	5,379,265	372,849
<b>Noncurrent Liabilities:</b>						
Compensated absences	74,863	244,413	25,398	71,448	416,122	-
Liabilities payable from restricted assets	6,010	-	901,750	-	907,760	-
Unearned revenue	-	-	-	35,300	35,300	-
Developer and customer deposits	-	538,908	-	73,740	612,648	-
<b>Total Noncurrent Liabilities</b>	80,873	783,321	927,148	180,488	1,971,830	-
<b>Total Liabilities</b>	503,859	5,272,849	999,026	575,361	7,351,095	372,849
<b>Net Assets:</b>						
Invested in capital assets	17,006,941	17,751,646	2,614,106	10,448,947	47,821,640	-
Restricted for insurance deposit	-	-	-	-	-	514,619
Unrestricted	3,508,532	17,811,881	9,480,491	4,600,397	35,401,301	4,845,874
<b>Total Net Assets</b>	20,515,473	35,563,527	12,094,597	15,049,344	83,222,941	5,360,493
<b>Total Liabilities and Net Assets</b>	\$ 21,019,332	\$ 40,836,376	\$ 13,093,623	\$ 15,624,705	\$ 90,574,036	\$ 5,733,342



**CITY OF BOUNTIFUL**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET**  
**ASSETS – PROPRIETARY FUNDS**  
**For The Year Ended June 30, 2009**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Light and Power</b>	<b>Landfill</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise</b>	
<b>Operating Revenues:</b>						
Charges for services	\$ 2,870,907	\$ 25,397,684	\$ 981,973	\$ 2,117,823	\$ 31,368,387	\$ 500,469
Connection and servicing	116,138	263,484	-	-	379,622	-
Admissions and lesson fees	-	-	-	776,060	776,060	-
Equipment and facility rents	-	22,484	-	364,999	387,483	-
Concession and merchandise sales	-	-	-	206,319	206,319	-
Sale of cemetery burial plots	-	-	-	237,929	237,929	-
Miscellaneous	5,159	405,362	148,761	2,389	561,671	1,057
<b>Total Operating Revenues</b>	<b>2,992,204</b>	<b>26,089,014</b>	<b>1,130,734</b>	<b>3,705,519</b>	<b>33,917,471</b>	<b>501,526</b>
<b>Operating Expenses:</b>						
Production, collection and source of supplies	189,905	14,881,966	-	685,294	15,757,165	-
Transmission, distribution and/or maintenance	1,970,412	2,377,847	554,018	1,450,805	6,353,082	-
Cost of concession and merchandise sales	-	-	-	128,629	128,629	-
Claims	-	-	-	-	-	545,101
General and administrative	626,412	2,105,812	174,580	586,341	3,493,145	444,914
Depreciation and amortization	786,863	1,781,167	199,629	938,321	3,705,980	-
<b>Total Operating Expenses</b>	<b>3,573,592</b>	<b>21,146,792</b>	<b>928,227</b>	<b>3,789,390</b>	<b>29,438,001</b>	<b>990,015</b>
<b>Operating Income (Loss)</b>	<b>\$ (581,388)</b>	<b>\$ 4,942,222</b>	<b>\$ 202,507</b>	<b>\$ (83,871)</b>	<b>\$ 4,479,469</b>	<b>\$ (488,489)</b>

**CITY OF BOUNTIFUL**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET**  
**ASSETS – PROPRIETARY FUNDS**  
**For The Year Ended June 30, 2009**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental</b>
	<b>Water</b>	<b>Light and Power</b>	<b>Landfill</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise</b>	<b>Activities - Internal Service Funds</b>
<b>Nonoperating Income (Expense):</b>						
Interest income	\$ 82,783	\$ 125,058	\$ 224,517	\$ 115,629	\$ 547,987	\$ 129,569
Interest expense	-	(137,746)	-	(895)	(138,641)	-
Taxes	-	-	-	-	-	-
Contributions/Grants	83,770	-	-	421,449	505,219	-
Gain (loss) from sale of capital assets	(20,360)	2,516	3,111	(29,916)	(44,649)	-
<b>Total Nonoperating Income (Expense)</b>	<b>146,193</b>	<b>(10,172)</b>	<b>227,628</b>	<b>506,267</b>	<b>869,916</b>	<b>129,569</b>
Income (loss) before transfers	(435,195)	4,932,050	430,135	422,396	5,349,386	(358,920)
Transfers in	-	-	-	40,483	40,483	-
Transfers out	-	(2,270,649)	-	(671,885)	(2,942,534)	-
<b>Change in Net Assets</b>	<b>(435,195)</b>	<b>2,661,401</b>	<b>430,135</b>	<b>(209,006)</b>	<b>2,447,335</b>	<b>(358,920)</b>
<b>Net Assets, Beginning</b>	<b>20,950,668</b>	<b>32,902,126</b>	<b>11,664,462</b>	<b>15,258,350</b>	<b>80,775,606</b>	<b>5,719,413</b>
<b>Net Assets, Ending</b>	<b>\$ 20,515,473</b>	<b>\$ 35,563,527</b>	<b>\$ 12,094,597</b>	<b>\$ 15,049,344</b>	<b>\$ 83,222,941</b>	<b>\$ 5,360,493</b>

**CITY OF BOUNTIFUL**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**For The Year Ended June 30, 2009**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Light and Power</b>	<b>Landfill</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise</b>	
<b>Cash Flows From Operating Activities:</b>						
Receipts from customers and users	\$ 2,991,945	\$ 26,178,813	\$ 1,151,899	\$ 3,669,513	\$ 33,992,170	\$ 501,038
Payments to suppliers	(2,027,642)	(16,364,090)	(440,467)	(1,400,982)	(20,233,181)	(576,545)
Payments to employees and related benefits	(1,131,364)	(3,130,242)	(323,377)	(1,483,552)	(6,068,535)	(116,699)
<b>Net cash flows from operating activities</b>	<b>(167,061)</b>	<b>6,684,481</b>	<b>388,055</b>	<b>784,979</b>	<b>7,690,453</b>	<b>(192,206)</b>
<b>Cash Flows From Non-Capital Financing Activities:</b>						
Transfers in	-	-	-	40,483	40,483	-
Transfers out	-	(2,270,649)	-	(671,885)	(2,942,534)	-
Interest Paid	-	(137,746)	-	(856)	(138,602)	-
Grants and contributions received	83,770	-	-	1,370	85,140	-
Payment of note receivable	-	(244,898)	-	26,000	(218,898)	-
<b>Net cash flows from non-capital financing activities</b>	<b>83,770</b>	<b>(2,653,293)</b>	<b>-</b>	<b>(604,888)</b>	<b>(3,174,411)</b>	<b>-</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>						
Purchase of capital assets	(1,174,301)	(1,352,000)	(24,865)	(992,736)	(3,543,902)	-
Proceeds from sales of capital assets	3,913	2,516	3,111	-	9,540	-
<b>Net cash flows from capital and related financing activities</b>	<b>\$ (1,170,388)</b>	<b>\$ (1,349,484)</b>	<b>\$ (21,754)</b>	<b>\$ (992,736)</b>	<b>\$ (3,534,362)</b>	<b>\$ -</b>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)**  
**For The Year Ended June 30, 2009**

	<b>Water</b>	<b>Light and Power</b>	<b>Landfill</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise</b>	<b>Activities - Internal Service Funds</b>
<b>Cash Flows From Investing Activities:</b>						
Interest on investments	\$ 78,881	\$ 116,812	\$ 213,434	\$ 110,186	\$ 519,313	\$ 122,501
Purchase of investments	(407,664)	(2,294,908)	(1,850,728)	(787,721)	(5,341,021)	(1,065,531)
Sale of investments	242,089	1,362,825	1,099,054	467,790	3,171,758	632,765
<b>Net cash flows from investing activities</b>	<b>(86,694)</b>	<b>(815,271)</b>	<b>(538,240)</b>	<b>(209,745)</b>	<b>(1,649,950)</b>	<b>(310,265)</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>(1,340,373)</b>	<b>1,866,433</b>	<b>(171,939)</b>	<b>(1,022,390)</b>	<b>(668,269)</b>	<b>(502,471)</b>
<b>Cash and Cash Equivalents, Beginning</b>	<b>4,043,243</b>	<b>4,657,520</b>	<b>9,030,942</b>	<b>4,798,216</b>	<b>22,529,921</b>	<b>5,285,732</b>
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 2,702,870</b>	<b>\$ 6,523,953</b>	<b>\$ 8,859,003</b>	<b>\$ 3,775,826</b>	<b>\$ 21,861,652</b>	<b>\$ 4,783,261</b>

**CITY OF BOUNTIFUL**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**For The Year Ended June 30, 2009**

	Water	Light and Power	Landfill	Other Enterprise Funds	Totals	Activities - Internal Service Funds
<b>Reconciliation of operating income to net cash flows from operating activities:</b>						
Earnings (loss) from operations	\$ (581,388)	\$ 4,942,222	\$ 202,507	\$ (83,871)	\$ 4,479,469	\$ (488,489)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:						
Depreciation	786,863	1,781,167	199,629	938,321	3,705,980	-
Changes in assets and liabilities						
Accounts receivable, net	(2,963)	(24,591)	20,859	(37,251)	(43,946)	(488)
Inventories	222,913	(25,118)	-	3,050	200,845	-
Prepaid expenses	(2,030)	3,543	-	-	1,513	-
Accounts payable	(604,355)	(75,860)	(48,252)	(20,602)	(749,069)	296,780
Compensated absences	11,643	13,053	3,684	(8,896)	19,484	-
Accrued liabilities	890	9,623	9,296	(6,295)	13,514	(9)
Customer deposits	-	67,095	-	(860)	66,235	-
Due to other funds	1,366	4,338	332	1,383	7,419	-
Unearned revenue	-	(10,991)	-	-	(10,991)	-
<b>Net cash flows from operating activities:</b>	<b>\$ (167,061)</b>	<b>\$ 6,684,481</b>	<b>\$ 388,055</b>	<b>\$ 784,979</b>	<b>\$ 7,690,453</b>	<b>\$ (192,206)</b>

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

**CITY OF BOUNTIFUL  
STATEMENT OF OPEB PLAN NET ASSETS  
June 30, 2009**

	<u>Other Postemployment Benefits Trust</u>
<b>Assets:</b>	
ICMA VantageCare RHS Employer Investment Program	\$ 1,580,994
<b>Total Assets</b>	<u>\$ 1,580,994</u>
<b>Net Assets Held in Trust for OPEB:</b>	
Net assets held in trust for other post employment benefits	\$ 1,580,994
<b>Total Net Assets</b>	<u>\$ 1,580,994</u>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF CHANGES IN OPEB PLAN NET ASSETS**  
**June 30, 2009**

	<b>Other Postemployment Benefits Trust</b>
<b>Additions:</b>	
Contributions:	
Employer	\$ 1,723,459
Investment earnings:	
Net appreciation (depreciation) in value of investments	-
Interest	-
<b>Total Additions</b>	<b>1,723,459</b>
 <b>Deductions:</b>	
Benefits	142,465
Administrative expense	-
<b>Total Deductions</b>	<b>142,465</b>
<b>Change in Net Assets</b>	1,580,994
 <b>Net Assets Held in Trust for Benefits:</b>	
Beginning of year	-
End of year	\$ 1,580,994

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

# CITY OF BOUNTIFUL NOTES TO FINANCIAL STATEMENTS

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bountiful (the City) was incorporated under the laws of the Territory of Utah in 1892 and operates under a manager form of government and provides services as authorized by its charter.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The more significant accounting policies established in GAAP and used by the City are discussed below.

### The Reporting Entity

As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body, or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent on the City.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations.

### Blended Component Units

The Bountiful City Redevelopment Agency (RDA) serves all the citizens of the City and is governed by a board comprised of the members of the City Council. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the RDA have been included in the financial reporting entity as a blended component unit. Separate RDA reports can be obtained at 790 South 100 East, Bountiful, Utah 84010.

The Bountiful City Municipal Building Authority (MBA) was created to design, construct and finance the cost of new buildings. A board comprised of the members of the City Council governs the MBA. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the MBA have been included in the financial reporting entity as a blended component unit.

### Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general governmental services, public safety, highways and streets, planning and engineering, parks, and redevelopment are classified as governmental activities. The City's water, light and power, landfill, storm water, recycling, golf course, sanitation, and cemetery services are classified as business-type activities.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the City and its blended component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.



**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The financial resources used to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than expenditures in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (generally within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when the City receives cash.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures or expenses as appropriate.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The City reports the following major governmental funds:

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

The Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of the major capital facilities of the government (other than those financed by Proprietary Funds and Special Revenue Funds).

Special revenue funds account for resources legally restricted to expenditures for specified current operating purposes and for the enforcement of special services and activities. Accounting and financial reporting for General and special revenue funds are identical. The City accounts for the Bountiful City Redevelopment Agency as a special revenue fund.

The Debt Service Fund is used to account for resources that will be used to service general long-term debt.

The City reports the following major proprietary funds:

The Water Fund accounts for the activities of the City's water distribution system.

The Light and Power Fund accounts for the activities of the City's electric power distribution system.

The Landfill Fund accounts for the activities of the City's landfill.

Additionally, the City reports the following fund types:

As mentioned above, special revenue funds account for resources legally restricted to expenditures for specified current operating purposes and for the enforcement of special services and activities. The City accounts for the Municipal Building Authority, RAP Tax, and the Landfill Closure Fund in nonmajor special revenue funds.

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs. The City accounts for the Cemetery Perpetual Care Fund in a permanent fund.

Internal service funds are used to account for the central financing of goods or services provided by an internal service fund to various departments of the City on a cost-reimbursement basis. The City currently has two internal service funds. The Workers' Compensation Fund and the Risk Management Fund account for the City's self-insurance program.

The Other Postemployment Benefits Trust Fund accounts for the activities of the City's OPEB plan, which accumulates resources for benefit payments to qualified employees.

The Storm Water, Recycling, and Sanitation Funds account for the provision of these services to the residents of the City. These funds are accounted for as nonmajor enterprise funds.

The Golf Course Fund accounts for the provision of an 18-hole golf course for the residents of the City and surrounding area. This fund is accounted for as a nonmajor enterprise fund.

The Cemetery Fund accounts for the provision of cemetery services. This fund is accounted for as a nonmajor enterprise fund.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

As a general rule, the effect of interfund 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 and billing services. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

The City records utility revenues billed to its customers when meters are read on a monthly basis. Unbilled service accounts receivable have been estimated at June 30, 2009, and are recorded as revenue.

Inventories of materials used in the construction and repair of the transmission, distribution, and collection systems are valued at the lower of cost or market on a weighted average basis. Supplies inventories, consisting principally of fuel oil, are valued at the lower of cost or market on a first-in, first-out basis. Transformers used by the Light and Power Enterprise Fund are valued by specific identification.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, curb and gutter, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial individual cost of more than \$10,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Buildings, wells and reservoirs	10-40
Improvements other than buildings	10-33
Transmission, distribution, and collection systems	30-50
Street light and traffic signal systems	30-41
Machinery and equipment	3-10
Furniture and fixtures	3-20
Infrastructure	50

Budgets

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and City Council on or before June 22 for the following fiscal year, which begins July 1.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Budgets include activities in several different funds, including the General Fund, special revenue funds, Debt Service Fund, and proprietary funds. Annual budgets are also adopted for capital projects, which may include activities overlapping several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the Mayor and City Council for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of unreserved General Fund balance until it exceeds 5% of the General Fund revenues. Until the unreserved fund balance is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. When an unreserved fund balance is greater than 18% of the next year's budgeted revenues, the excess must be appropriated within the following two years.

By resolution, the City Council can amend the budget to any extent, provided the amended budget does not exceed the original budgeted expenditures/expenses, in which case a public hearing must be held. With the consent of the City Manager, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year.

Budgets for the General Fund, special revenue funds, Debt Service Fund, and Capital Projects Fund are prepared on the modified accrual basis of accounting. Annual budgets are not adopted for the Landfill Closure special revenue fund and the Perpetual Care permanent fund. The City does not use encumbrance accounting.

Expenditures in the Capital Projects Fund are budgeted annually on a project-by-project basis. Although it is the intention of the City that each project be funded by a specific revenue source, the adopted budget reflects only total anticipated revenues by source. Since it is neither practicable, nor appropriate, to separate revenues and fund balance on a project-by-project basis, the Capital Projects Fund is reported as an individual fund in the accompanying financial statements.

Taxes

On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the tax rate of the previous year, state law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget is made subsequent to June 22. All property taxes levied by the City are assessed and collected by Davis County. Taxes are attached as an enforceable lien as of January 1, are levied as of October 1, and are due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly.

Franchise taxes are collected by natural gas, electric utilities, and cable television companies and remitted to the City periodically.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and cash equivalents

The City considers all cash and investments with original maturities of three months or less to be cash and cash equivalents. For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalent accounts and the restricted cash and cash equivalents accounts.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the applicable debt.

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 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.

Compensated absences

Accumulated unpaid vacation is accrued as incurred based on the years of service for each employee. Vacation is accumulated on a bi-weekly basis and is fully vested when earned. Accumulated vacation cannot exceed 240 hours at the end of any calendar year and any vacation in excess of this amount is forfeited. At retirement, death, or termination, all unpaid accrued vacation, up to 240 hours, is paid to the employee or his or her beneficiary. Accumulated sick leave is earned at a rate of eight hours per month. Sick pay amounts are charged to expenditures when incurred. Employees may accumulate sick leave without limitation. Accumulated sick leave paid to employees upon retirement is limited to 20% of accumulated hours or 288 hours, whichever is less. The amount of accumulated leave is accrued when incurred in the government-wide and proprietary fund financial statements. Employees that are terminated for reasons other than retirement are not paid for accumulated sick leave. A liability for these amounts is reported in governmental funds only if they have matured.

Fund equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

Interfund transactions

During the course of normal operations, the City has transactions between funds to subsidize operations in other funds, to construct assets, to distribute grant proceeds, etc. These transactions are generally reflected as operating transfers, which are transfers from a fund authorized to receive certain revenues to the fund through which the resources are to be expended.

Estimates and assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 2 DEPOSITS AND INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits including the portion of the Utah State Treasurer's investment pool that is considered as a demand deposit. Investments are stated at fair value. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" and "investments" which also includes cash accounts that are separately held by several of the City's funds.

Deposits and investments for the City are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council ("the Council"). Following are discussions of the City's exposure to various risks related to its cash management activities.

*Custodial credit risk – deposits* is the risk that in the event of bank failure, the City's deposits may not be recovered. The City's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the City to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Money Management Council. As of June 30, 2009, \$51,392,554 of the City's bank balances of \$51,701,623 was uninsured and uncollateralized.

*Credit risk* is the risk that the counterparty to an investment will not fulfill its obligations. The City policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard & Poor's; banker acceptances; obligations of the U.S. Treasury and U.S. government-sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed-rate corporate obligations and variable-rate securities rated "A" or higher by two nationally recognized statistical rating organizations as defined in the Act. As of June 30, 2009, \$14,286,415 of the City's \$15,036,415 investments was exposed to credit risk because it was uninsured and uncollateralized.

The City is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances. As of June 30, 2009, the fair value per share factor for investments in the PTIF was 1.001386.

*Concentration of credit risk* is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investments are in the Utah Public Treasurer's Investment Fund, U.S. Treasuries, and qualified institutions. The City's investments have no concentration of credit risk.

*Interest rate risk* is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City's formally-adopted investment policy for managing interest rate risk is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 2 DEPOSITS AND INVESTMENTS (Continued)**

Following are the City's cash on hand, on deposit, and investments at June 30, 2009.

	<u>Fair Value</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Maturity (Years) (2)</u>
<b>Cash on hand and on deposit:</b>			
Cash on hand	\$ 4,455	N/A	N/A
Cash on deposit	1,881,406	N/A	N/A
Utah State Treasurer's investment pool accounts	<u>49,732,462</u>	N/A	0.14
<b>Total cash on hand and deposit</b>	<b><u>\$ 51,618,323</u></b>		
<b>Investments</b>			
Certificates of Deposit	\$ 2,879,020	N/A	0.55
Utah State Treasurer's investment pool accounts	2,797,796	N/A	0.14
U.S. Treasuries	8,070,998	A1	0.35
Bond Reserves	<u>1,331,285</u>	N/A	N/A
<b>Total Investments</b>	<b><u>\$ 15,079,099</u></b>		
Portfolio weighted average maturity			0.19

(1) Ratings are provided, where applicable, to indicate associated credit risk. N/A indicates not applicable.

(2) Interest rate risk is estimated using the weighted average years to maturity.

**NOTE 3 ALLOWANCE FOR DOUBTFUL ACCOUNTS**

The allowance for doubtful accounts receivable at June 30, 2009 for all funds is \$56,100.

**NOTE 4 RESTRICTED ASSETS**

Certain assets are restricted to use as follows as of June 30, 2009:

Restricted for regulatory required insurance deposit	\$ 514,619
Restricted for funds received for closure of landfill	901,750
Restricted for landfill closure, post-closure and corrective actions	782,783
Restricted for bond payments	814,853
Restricted for cemetery perpetual care	1,371,890
Restricted for customer utility deposits	538,908
Restricted by grantors for trails and museum projects	48,835
Restricted for refundable performance bond deposits	884,474
Restricted for recreation, arts, and/or parks projects (unspent RAP taxes)	62,310
Restricted for construction retainage	<u>15,066</u>
<b>Total</b>	<b><u>\$ 5,935,488</u></b>

**NOTE 5 REAL ESTATE INVENTORY HELD FOR RESALE**

Real estate inventory in the special revenue fund represents land purchased and held for resale by the Redevelopment Agency.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 6 CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2009, is as follows:

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2008</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2009</b>
<b>Governmental activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 46,429,312	\$ 884,642	\$ 10,974	\$ 47,302,980
Construction in progress	1,017,895	69	1,017,895	69
<b>Total capital assets, not being depreciated</b>	<b>47,447,207</b>	<b>884,710</b>	<b>1,028,869</b>	<b>47,303,048</b>
<b>Capital assets, being depreciated:</b>				
Infrastructure	28,519,125	1,725,953	69,407	30,175,672
Buildings	22,735,344	442,088	2,016	23,175,416
Improvements other than buildings	4,968,500	599,648	30,282	5,537,865
Machinery and equipment	7,211,796	735,603	486,349	7,461,050
Furniture and fixtures	1,446,386	-	50,374	1,396,012
<b>Total capital assets, being depreciated</b>	<b>64,881,151</b>	<b>3,503,292</b>	<b>638,427</b>	<b>67,746,015</b>
<b>Less accumulated depreciation for:</b>				
Infrastructure	13,987,189	509,552	59,270	14,437,471
Buildings	9,294,837	892,640	1,512	10,185,965
Improvements other than buildings	2,310,847	237,331	30,282	2,517,895
Machinery and equipment	6,093,027	479,428	458,204	6,114,251
Furniture and fixtures	903,991	92,548	50,374	946,165
<b>Total accumulated depreciation</b>	<b>32,589,891</b>	<b>2,211,498</b>	<b>599,642</b>	<b>34,201,747</b>
<b>Total capital assets, being depreciated, net</b>	<b>32,291,260</b>	<b>1,291,793</b>	<b>38,785</b>	<b>33,544,268</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 79,738,467</b>	<b>\$ 2,176,504</b>	<b>\$ 1,067,654</b>	<b>\$ 80,847,316</b>

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

<b>Governmental activities:</b>	
General government	\$ 315,683
Public safety	700,183
Highways and public improvements	903,574
Parks	267,405
Redevelopment Agency	9,240
Planning & engineering	15,414
<b>Total depreciation expense - governmental activities</b>	<b>\$ 2,211,498</b>



**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 6 CAPITAL ASSETS (Continued)**

The Enterprise Funds' property, plant and equipment consist of the following June 30, 2009:

	<b>Balance July 1, 2008</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2009</b>
<b>Business-type Activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land, land rights, and water rights	\$ 3,145,988	\$ -	\$ 25,900	\$ 3,120,088
Construction in progress	1,441,586	1,277,579	2,403,751	315,414
<b>Total capital assets, not being depreciated</b>	<b>4,587,574</b>	<b>1,277,579</b>	<b>2,429,651</b>	<b>3,435,502</b>
<b>Capital assets, being depreciated:</b>				
Buildings, wells and reservoirs	15,820,667	570,246	-	16,390,913
Improvements other than buildings	2,653,674	27,154	11,900	2,668,928
Transmission, distribution and collection systems	60,553,589	4,117,973	246,182	64,425,380
Street light and traffic systems	2,860,476	-	-	2,860,476
Machinery and equipment	22,843,824	364,785	89,418	23,119,192
Furniture and fixtures	33,308	9,995	-	43,303
<b>Total capital assets, being depreciated</b>	<b>104,765,539</b>	<b>5,090,152</b>	<b>347,500</b>	<b>109,508,191</b>
<b>Less accumulated depreciation for:</b>				
Buildings, wells and reservoirs	5,427,699	609,623	-	6,037,322
Improvements other than buildings	1,107,564	127,996	7,884	1,227,677
Transmission, distribution and collection systems	38,326,488	1,726,217	221,909	39,830,795
Street light and traffic systems	1,699,260	88,929	-	1,788,189
Machinery and equipment	15,155,661	1,148,517	89,418	16,214,760
Furniture and fixtures	18,612	4,699	-	23,310
<b>Total accumulated depreciation</b>	<b>61,735,283</b>	<b>3,705,981</b>	<b>319,210</b>	<b>65,122,053</b>
<b>Total capital assets, being depreciated, net</b>	<b>43,030,256</b>	<b>1,384,171</b>	<b>28,289</b>	<b>44,386,138</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 47,617,830</b>	<b>\$ 2,661,750</b>	<b>\$ 2,457,940</b>	<b>\$ 47,821,640</b>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

<b>Business-type Activities:</b>	
Water	\$ 786,863
Light and Power	1,781,167
Landfill	199,629
Storm Water	487,337
Golf Course	183,667
Sanitation	238,752
Cemetery	28,565
<b>Total depreciation expense - business-type activities</b>	<b>\$ 3,705,981</b>

**CITY OF BOUNTIFUL  
NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 7 NOTES RECEIVABLE**

The Redevelopment Agency has made low cost building rehabilitation loans to businesses in the City. The Agency holds notes receivable. The terms of those notes are as follows:

<b>Balance</b>	<b>Interest</b>	<b>Monthly Payments</b>		<b>Balloon Payments</b>	
<b>June 30, 2009</b>	<b>Rate</b>	<b>Amount</b>	<b>Due Through</b>	<b>Amount</b>	<b>Due</b>
\$ 155,686	3.50%	\$ 5,500	December 2011		
199,491	3.00%	3,380	August 2010	\$ 150,560	September 2010
22,931	3.00%	394	September 2010	18,142	October 2010
13,805	4.75%	1,756	January 2010		
296	3.00%	2,414	April 2010		
89,426	3.00%	896	December 2013	50,617	January 2014
27,372	3.00%	396	July 2010	22,373	August 2010
66,473	3.00%	869	June 2011	49,111	July 2011
185,526	3.00%	1,931	July 2013	109,135	August 2013
<b>\$ 761,006</b>		<b>\$ 17,536</b>		<b>\$ 399,938</b>	

The City issued special assessment debt to provide funds for the construction of improvements to the area surrounding the Renaissance Towne Center. These bonds will be repaid from amounts levied against the property owners benefited by this construction. The City has established a receivable of \$1,906,510 for the amounts levied.

**NOTE 8 DEVELOPER AND CUSTOMER DEPOSITS**

General Fund deposits are principally deposits from developers that are held by the City until building projects receive the required City inspections and are in compliance with all City ordinances.

Enterprise fund deposits are customer deposits the City requires from some customers with a poor payment history and from businesses before they receive a utility connection. The deposit is returnable when the residence is vacated by the renter or when the business has established a history of meeting its obligations to the City. Also included are deposits from developers that are held by the City until building projects potentially impacting the City's storm water system receive and pass required City inspections.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 9 LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2009:

	<b>Long-term debt payable at July 1, 2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>Long-term debt payable at June 30, 2009</b>	<b>Due within One Year</b>
<b>Governmental activities:</b>					
Lease revenue bonds	\$ 4,643,000	\$ -	\$ 530,000	\$ 4,113,000	\$ 553,000
Special assessment bonds	2,023,000	-	166,000	1,857,000	172,000
Compensated absences	795,949	684,863	624,342	856,470	671,815
Deferred amounts:					
Plus unamortized premium	75,149	-	3,578	71,571	-
<b>Governmental activity long-term liabilities</b>	<b>\$ 7,537,098</b>	<b>\$ 684,863</b>	<b>\$ 1,323,920</b>	<b>\$ 6,898,041</b>	<b>\$ 1,396,815</b>
<b>Business-type activities:</b>					
Compensated absences	\$ 575,509	\$ 412,384	\$ 392,900	\$ 594,993	\$ 178,871
<b>Business-type activity long-term liabilities</b>	<b>\$ 575,509</b>	<b>\$ 412,384</b>	<b>\$ 392,900</b>	<b>\$ 594,993</b>	<b>\$ 178,871</b>

The General Fund and all Enterprise Funds typically liquidate the liability for compensated absences.

Amortization to maturity for each of the bond issues is provided in the following section. The amortization of compensated absences has not been included due to the uncertainty of the amounts and timing of payments.

Municipal Building Authority Lease Revenue Bonds Series 1996

The Municipal Building Authority Lease Revenue Bonds Series 1996 were issued June 1, 1996 by the Municipal Building Authority to construct a Police/Judicial Court Facility next to City Hall. The \$3,685,000 lease revenue bonds are due in semi-annual principal installments of \$120,000 to \$163,000 through March 1, 2015, plus interest at 3.95%, payable semi-annually. The Municipal Building Authority will lease the building to the City, which will in turn sublease portions of the building to the State of Utah. Rental income from the sublease will service the required bond payments. The bonds are subject to an optional redemption in whole or in part after March 1, 2001. In the event the State exercises the redemption option contained in the sublease agreement, the redemption option price will be equivalent to 100% of the principal amount to be redeemed and accrued interest at the date the option is exercised. The sublease was amended on April 16, 2009. Details of this amendment may be found in Note 16 of this report.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 9 LONG-TERM DEBT (Continued)**

Municipal Building Authority Lease Revenue Bonds Series 1996 (Continued)

The annual debt service requirements to maturity, including principal and interest, for the Series 1996 Lease Revenue Bonds, as of June 30, 2009, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 243,000	\$ 64,306	\$ 307,306
2011	258,000	54,569	312,569
2012	272,000	44,240	316,240
2013	288,000	33,338	321,338
2014	305,000	21,804	326,804
2015	322,000	9,579	331,579
Total	<u>\$ 1,688,000</u>	<u>\$ 227,836</u>	<u>\$ 1,915,836</u>

Municipal Building Authority Lease Revenue Bonds Series 2003

The Municipal Building Authority Lease Revenue Bonds Series 2003 were issued June 5, 2003 by the Municipal Building Authority (Authority) to finance the design and construction of a public parking structure. The \$3,790,000 lease revenue bonds, due in annual principal installments of \$310,000 to \$385,000 through June 1, 2016, plus interest at 3.375% to 5.000%, payable semi-annually. The parking structure consists of three stories having approximately 480 parking stalls and will be leased by the Authority to the City under an annually renewable Master Lease Agreement dated May 1, 2003. The City will utilize the parking structure to provide public parking for the Renaissance Towne Centre. The City anticipates making its lease payment from, among other available sources, tax increment generated from the development of the Renaissance Towne Centre pursuant to an agreement between the City and the Redevelopment Agency of Bountiful City dated December 16, 2002.

The annual debt service requirements to maturity, including principal and interest for the Series 2003 Lease Revenue Bonds, as of June 30, 2009, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 310,000	\$ 97,463	\$ 407,463
2011	320,000	87,000	407,000
2012	330,000	75,800	405,800
2013	350,000	64,250	414,250
2014	360,000	52,000	412,000
2015-2016	755,000	57,000	812,000
Total	<u>2,425,000</u>	<u>\$ 433,513</u>	<u>\$ 2,858,513</u>
Plus unamortized premium	<u>71,571</u>		
	<u>\$ 2,496,571</u>		

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 9 LONG-TERM DEBT (Continued)**

Special Assessment Bonds Series 2003

The Special Assessment Bonds, Series 2003, were issued June 5, 2003 by the City to finance the construction of various road, water, wastewater, sewer, lighting, and public parking improvements benefiting several properties connected to the development of the Renaissance Towne Centre. The \$2,710,000 special assessment bonds are due in annual principal installments of \$172,000 to \$249,000 through June 1, 2018, plus interest at 3.88% to 5.65%, payable annually. These bonds will be repaid from special assessments levied against the benefited property owners.

The annual debt service requirements to maturity, including principal and interest for the Special Assessment Bonds Series 2003 as of June 30, 2009, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 172,000	\$ 90,589	\$ 262,589
2011	179,000	83,916	262,916
2012	187,000	76,523	263,523
2013	194,000	68,557	262,557
2014	203,000	60,040	263,040
2015-2018	922,000	129,928	1,051,928
 Total	 <u>\$ 1,857,000</u>	 <u>\$ 509,552</u>	 <u>\$ 2,366,552</u>

On October 13, 2009, the City Council passed Resolution 2009-11 authorizing the issuance and sale of Sales Tax Revenue Refunding Bonds, Series 2009. Specifically, the resolution authorized the City to issue not more than two million dollars (\$2,000,000) aggregate principal amount of its Series 2009 Bonds, to bear interest at a net effective rate of not to exceed four and one-quarter percent (4.25%) per annum, to mature in not more than twelve (12) years from their date or dates, and to be sold at a price not less than ninety-eight and one-half percent (98.5%) of the total principal amount thereof for the purposes of (a) refunding Special Assessment Bonds, Series 2003, (b) funding a debt service reserve fund, if necessary, and (c) paying costs of issuance of the Series 2009 Bonds.

**NOTE 10 UNEARNED PROPERTY TAXES**

In conjunction with the implementation of GASB Statement No. 33, “*Accounting and Financial Reporting for Nonexchange Transactions*” the City has accrued a property tax receivable and an unearned property tax revenue in the General Fund and Redevelopment Agency in the amounts of \$2,031,404 and \$1,528,242 respectively.

Property taxes in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 60 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on October 1, and then are due and payable at November 30. Since the property tax to be levied on October 1, 2009 is not expected to be received within 60 days after the year ended June 30, 2009, the City is required to record a receivable and unearned revenue of the estimated amount of the total property tax to be levied on October 1, 2009.

**CITY OF BOUNTIFUL  
NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 11 DESIGNATED FUND EQUITY**

Unreserved fund balances, which have designated purposes at June 30, 2009, are as follows:

	<b>General Fund</b>	<b>Redevelopment Agency</b>	<b>RAP Tax Fund</b>	<b>Capital Projects</b>	<b>Total</b>
Computer Replacement	\$ 32,738	\$ -	\$ -	\$ -	\$ 32,738
Employee Benefits	69,977	-	-	-	69,977
Redevelopment projects	-	3,978,938	-	-	3,978,938
Construction Projects	-	-	-	30,637,462	30,637,462
	<u>\$ 102,715</u>	<u>\$ 3,978,938</u>	<u>\$ -</u>	<u>\$ 30,637,462</u>	<u>\$ 34,719,115</u>

**NOTE 12 RISK MANAGEMENT**

The City covers the risks of doing business with a system of commercial insurance and self-insurance with commercial excess insurance, as follows:

- (1) For general liability risk the City is self-insured up to \$250,000, with commercial excess insurance from \$250,000 to \$5,000,000. To cover the self-insured portion of the risk, there is established a Risk Management Fund (an internal service fund). This covers municipal liability exposure including general liability, auto, public officials errors and omissions and law enforcement.
- (2) The City has an all-risk property insurance policy that includes: (1) buildings and content to a policy limit (Total Insured Value) of \$107,868,550 with a \$10,000 deductible, (2) contractors equipment to a policy limit of \$320,000 with a \$10,000 deductible, (3) computer equipment to a policy limit of \$367,507 with a \$10,000 deductible, (4) \$10,000,000 in earthquake coverage with a 2% minimum \$100,000 deductible, (5) \$10,000,000 in flood coverage for facilities that are located outside the standard report zone with a \$100,000 deductible, and (6) boiler and machine coverage to a policy limit of \$25,000,000 with a \$10,000 deductible. The City is self-insured for property loss above the limits and below the retentions/deductibles. The operating departments of the General Fund or proprietary funds assume the financial responsibility for risk retained by the City for property damage.
- (3) The Treasurer is covered under a \$1,500,000 bond with no deductible. The City also has public employee dishonesty insurance (an employee blanket bond and commercial crime) with a \$250,000 limit per occurrence and a \$2,500 deductible.
- (4) For workers compensation coverage the City is self-insured up to \$300,000 for general employees and \$400,000 for law enforcement and Power Department employees, with commercial excess insurance up to statutory limits. To cover the self-insured portion there is established a Workers Compensation Fund (an internal service fund).

There has been no significant change in insurance coverage during the year ended June 30, 2009, nor during the past four fiscal years has the amount of settlements exceeded insurance coverage.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 12 RISK MANAGEMENT (Continued)**

During the year ended June 30, 2009, the following insurance recoveries were received.

Date Received	Company	Amount	Covered Event
September 22, 2008	Travelers Indemnity	\$ 60,503	Echo hydro facility flood - February 2007
February 20, 2009	Zurich American	204,312	Echo hydro facility generator #2 failure - July 2008
June 5, 2009	Zurich American	43,770	Echo hydro facility generator #2 failure - July 2008
		\$ 308,585	

A summary of changes in general liability claims for the years ended June 30, 2009 and 2008, are as follows:

	<b>General Liability Claims</b>
<b>Balance June 30, 2007</b>	\$ 25,000
Additions	116,172
Deletions	(141,172)
<b>Balance June 30, 2008</b>	-
Additions	304,175
Deletions	(54,175)
<b>Balance June 30, 2009</b>	\$ 250,000

The City also has a risk management program for workers' compensation. Premiums are paid to the Workers' Compensation Fund (an internal service fund) and are available to pay these claims along with certain administrative expenses.

A summary of changes in workers' compensation claims for the years ended June 30, 2009 and 2008 are as follows:

	<b>Worker's Compensation Claims</b>
<b>Balance June 30, 2007</b>	\$ 61,110
Additions	206,720
Deletions	(202,077)
<b>Balance June 30, 2008</b>	65,753
Additions	240,926
Deletions	(194,336)
<b>Balance June 30, 2009</b>	\$ 112,343

City management believes that possible claims where the loss cannot be reasonably estimated (claims incurred but not reported) are immaterial to the financial statements of the City.

The general liability and workers' compensation claims are included in accounts payable of the internal service funds.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 13 RETIREMENT PLAN**

Cost Sharing Defined Benefits Pension Plans

Plan description: The City contributes to the Local Governmental Contributory Retirement System and the Local Governmental Noncontributory Retirement System, cost-sharing multiple-employer defined benefit pension plans. These plans are administered by the Utah Retirement Systems (the Systems). The Systems provide retirement benefits, annual cost of living adjustments, death benefits and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated, 1953, as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (the Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System and the Local Governmental Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Cost Sharing Defined Benefits Pension Plans (Continued)

Funding policy: Plan members in the Local Governmental Contributory Retirement System are required to contribute 6% of their annual covered salary (all of which is paid by the City), and the City is required to contribute 7.61% of their annual covered salary. In the Local Governmental Noncontributory Retirement System, the City is required to contribute 11.62% of members' annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

The City contributions to the Local Governmental Contributory Retirement System for the years ended June 30, 2009, 2008, and 2007, were \$29,219, \$28,249 and \$28,114 respectively; for the Noncontributory Retirement System, the contributions for the years ended June 30, 2009, 2008, and 2007, were \$854,618, \$842,941 and \$826,956 respectively. The contributions were equal to the required contributions for each year.

Agent Multiple Employer Defined Benefit Pension Plan

Plan description: The City contributes to a Public Safety defined benefit pension plan, for public safety employees, which provides retirement benefits, annual cost of living adjustments, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes. Bountiful City is affiliated with the Utah Retirement Systems Public Safety Retirement System, an agent multiple-employer and cost sharing multiple-employer pension plan administered by the Utah Retirement Systems (Systems). The Utah State Retirement Act in Chapter 49 provides for the benefits and administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Bountiful City Public Safety Retirement System. A copy of the report may be obtained by writing to the Utah Retirement System, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy: The City is required to contribute 22.47% of members' annual covered salary in the Noncontributory Division. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.



**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 13 RETIREMENT PLAN (Continued)**

Annual pension cost: For 2009, the City's Public Safety annual pension cost of \$446,183 was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2007 actuarial valuation using the entry age normal cost method. The actuarial assumptions include (a) 8% investment rate of return (net of administrative expenses), (b) assumed projected salary increases of 4.50% (3.50% from inflation, 1.00% from membership growth), and (c) 2.5% cost of living adjustment. Both (a) and (b) include an inflation component of 3.50%. The actuarial value of the City's Public Safety assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a 5-year period. Bountiful City Public Safety unfunded actuarial accrued liability is being amortized over an open twenty-year amortization period. Amortization payments are designed to remain level as a percent of payroll.

The following illustrates the three-year trend analysis of employer contributions for Bountiful City Public Safety:

<b>Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage APC Contribution</b>	<b>Net Pension Obligation</b>
June 30, 2009	\$ 446,183	100%	-
June 30, 2008	416,185	100%	-
June 30, 2007	347,441	100%	-

The following illustrates the funding progress for Bountiful City Public Safety:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded Actuarial Liability</b>	<b>Funding Ratio</b>	<b>Covered Payroll</b>	<b>Unfunded Liability as % of Covered Payroll</b>
December 31, 2008	\$ 15,302,000	\$ 17,788,000	\$ 2,486,000	86%	\$ 1,945,000	128%
January 1, 2008	16,406,000	16,801,000	395,000	98%	1,756,000	22%
January 1, 2007	14,838,000	14,750,000	(88,000)	101%	1,649,000	-5%

**NOTE 14 DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS**

401(k) defined contribution plans

The City sponsors a defined contribution deferred compensation plan administered by ICMA Retirement Corporation and Western Reserve Life Assurance Company of Ohio under Internal Revenue Code Section 401(k) for City employees covered by the State's contributory and noncontributory retirement plans. The plan, available to all permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 401(k) deferred compensation monies are not available to the City or its general creditors. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. The City's total payroll in the fiscal year ended June 30, 2009 was \$11,276,008. Of that amount, \$7,821,744 was eligible to participate in the plan. The City participates at rates between 1.09% and 3.08%, depending on the state retirement rate. The rate of City participation can be changed by the City Council. During the year ended June 30, 2009, contributions totaling \$271,409 were made to the plan by employees and \$259,705 by the City.

The City also sponsors a defined contribution deferred compensation plan administered by the Utah Retirement Systems (the Systems) under Internal Revenue Code Section 401(k). The plan, available to all permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 14 DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS (Continued)**

The 401(k) deferred compensation monies are not available to the City or its general creditors. Contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. The City's total payroll in the fiscal year ended June 30, 2009 was \$11,276,008. Of that amount, \$9,550,796 was eligible to participate in this plan. During the year ended June 30, 2009, contributions totaling \$119,281 were made to this plan by employees.

457 deferred compensation plans

The City offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457, administered by the Systems and ICMA Retirement Corporation. The plans, available to all permanent full-time City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 457 deferred compensation monies are not available to the City or its general creditors. In the City's opinion, the plan does not meet the fiduciary requirements and therefore has not been included in an agency fund, in accordance with GASB Statement No. 32, and is currently held in trust by the City's administrators, the Utah Retirement Systems and ICMA Retirement Corporation.

**NOTE 15 OTHER POSTEMPLOYMENT BENEFITS**

Effective July 1, 2008 the City implemented GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*" and GASB Statement No. 43, "*Financial Reporting for Postemployment Benefit Plans Other Than Pensions Plans*". These statements establish guidelines for reporting costs associated with "other postemployment benefits" (OPEB). OPEB costs are actuarially calculated based on plan benefits (other than pensions), that current and retired employees have accrued as a result of their respective years of employment service.

Plan Description – In addition to providing pension benefits through the Utah Retirement Systems (the Systems), the City provides other postemployment benefits through a single employer defined benefit OPEB plan (the plan), for retired City employees until the age of 65. All of the City's permanent full-time general and public safety employees may become eligible for the benefits at retirement if they have 30 years of employment and are at least 55 years old or have 25 years of employment and are at least 60 years old and retire before July 1, 2012. As of June 30, 2009, the plan included 50 active public safety and 115 active general employee members. An additional 16 members were retired and receiving benefits. The City pays the cost of the premiums for single coverage. The benefits, benefit levels, employee contributions and employer contributions are governed by City policy, and can be amended at any time.

The plan is accounted for as a trust fund, inasmuch as an irrevocable trust has been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the City funds from which eligible participants have retired or will retire. Employees meeting the above requirements but retiring on or after July 1, 2012 will receive a City contribution for a portion of their unused sick days but will have to pay 100% of their retiree health premium.

Funding Policy – In June 2009, the City contributed to the irrevocable trust discussed in the preceding paragraph an amount actuarially calculated to fully fund its OPEB program.

Annual OPEB Cost and Net OPEB Asset – The City's annual OPEB cost (expense) is calculated based on the employer's annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years. For the fiscal year ended June 30, 2009, the City's OPEB cost (expense) of \$142,465 was equal to the ARC.

**CITY OF BOUNTIFUL  
NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (Continued)**

The following table shows the components of the City's annual OPEB cost the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution	\$ 142,465
Interest on net OPEB obligation	-
Adjustments to annual required contribution	-
Annual OPEB cost (expense)	<u>142,465</u>
Contributions made	<u>(1,723,459)</u>
Increase in net OPEB obligation	(1,580,994)
Net OPEB obligations - beginning of year	-
Net OPEB obligations - end of year	<u><u>\$ (1,580,994)</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2009 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation Fiscal Year Ended
June 30, 2009	\$ 142,465	\$ 1,723,459	1209.7%	\$ (1,580,994)

Funded status and Funding Progress – The funded status of the City's plan as of June 30, 2009 is as follows:

Actuarial valuation date	July 1, 2008
Actuarial accrued liability (AAL)	\$ 1,527,304
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,527,304
Funded ratio (acturaial value of plan assets / AAL)	0.0%
Covered payroll (active plan members)	9,159,758
UAAL as a percentage of covered payroll	16.7%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, shown as required supplementary information following the notes to the financial statements, presents the results of OPEB valuations as of June 30, 2009 and looking forward, the schedule will eventually provide multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (Continued)**

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the fiscal year 2009 actuarial valuation, the projected unit credit method was used with linear proration to decrement. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5% after ten years. Covered payroll included a 3% inflation assumption. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll over thirty years based on an open group.

The City also provides health and dental benefits to terminated employees under the Federal Consolidated Omnibus Budget Reconciliation Act (COBRA). Substantially all employees are eligible for these benefits upon termination of employment with the City. Depending upon the qualifying event, former employees are eligible for either 18 or 36 months of benefits under this act. The premiums for this coverage plus a 2% administrative charge are paid 100% by the former employee.

**NOTE 16 LEASES**

In 1989, the City entered into a 30-year capital lease agreement with a local business whereby the City leased land held by the City Cemetery Fund to the business. The City has accounted for the land lease using the installment method. The lease agreement has a zero percent-implied interest rate. Upon completion of the lease terms ownership of the land may transfer to the business under a bargain purchase option. The note receivable related to the land lease had a balance of \$130,010 as of June 30, 2009.

The future maturities of the note receivable related to the land lease are as follows:

2010	\$	13,000
2011		13,000
2012		13,000
2013		13,000
2014		13,000
2015 - 2019		65,010
<b>Total payments to be received</b>		<b>\$ 130,010</b>

In June 1996, the City entered into an operating lease agreement with the State of Utah whereby the State's Judicial Court (Court) will lease portions of the City's Public Safety building. The rental income from this lease will service the City's Lease Revenue Bond payments. As amended on April 16, 2009, the lease is renewable each year at the option of the City through June 30, 2019. Thereafter, the lease may be renewed on a year-to-year basis should the Court elect and both the Court and City agree. Otherwise, the lease shall continue thereafter on a month-to-month rental basis until terminated by either party by giving ninety (90) days advance written notice to the other party.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 16 LEASES (Continued)**

The future minimum rental payments to be received by the City from this operating lease, as amended on April 16, 2009, are as follows:

2010	\$ -
2011	305,298
2012	305,298
2013	305,298
2014	305,298
2015-2019	932,296
<b>Total future minimum lease payments</b>	<u><u>\$ 2,153,486</u></u>

The City earned \$251,084 in rental income from this operating lease for the year ended June 30, 2009. The City's Public Safety building is included in the capital assets section of the financial statements with a cost of \$7,126,977 and associated accumulated depreciation of \$4,098,012. The State's Judicial Court leases approximately 48% of the building.

**NOTE 17 COMMITMENTS AND CONTINGENCIES**

The City believes that possible contingencies (contingencies incurred but not reported) where the loss cannot be reasonably estimated are immaterial to the financial statements of the City. The City had approximately \$114,170 of outstanding construction commitments at June 30, 2009.

**NOTE 18 INTERGOVERNMENTAL REVENUE**

Intergovernmental revenue for the year ended June 30, 2009 consists of the following:

Utah Class 'C' Road Allotment	\$ 1,228,772	89.63%
City of Woods Cross RDA Tax Increment	75,632	5.52%
Utah Liquor Law Enforcement Grant	43,154	3.15%
UDOT 5-Points Roundabout Project Payments	12,143	0.89%
Davis County Narcotics Strike Force Pass-Through	9,592	0.70%
US Justice Department Bullet Proof Vest Partnership Grant	1,599	0.12%
	<u><u>\$ 1,370,892</u></u>	<u><u>100.00%</u></u>

**NOTE 19 LANDFILL CLOSURE**

During the year ended June 30, 1990, the City and several surrounding municipalities entered into a settlement agreement (the Agreement) regarding the City's Bay Area Refuse Disposal (BARD) landfill, accounted for in the landfill closure expendable trust fund. The Agreement provided, among other things, that the City drop its civil action against the municipalities for their breach of contract and for their estimated liability under the Comprehensive Environmental Response, Compensation, and Liability Act (the Act). In return, the municipalities contributed amounts estimated to be sufficient to close the BARD and settle the remaining estimated liabilities under the Act. As of June 30, 2009, \$782,783 is being held in a trust fund until all claims are settled.

In addition to the funds arising from the settlement, the City has established a specific closure and post-closure reserve in the Landfill Operating Fund, an enterprise fund, in accordance with GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs." State and federal laws and regulations require the City to place a final cover on its BARD landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 19 LANDFILL CLOSURE (Continued)**

Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The estimated liability for these costs is \$1,655,459 as of June 30, 2009. The City has reported and included in accrued liabilities \$901,750 as landfill closure and post-closure care liability at June 30, 2009, which is based on 54% usage (filled) of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care as the remaining estimated capacity of the landfill is used. These amounts are based on what it would cost to perform all closure and post-closure care in 2009. The City estimates it will close the landfill in or after the year 2053. Actual cost at that time may be higher due to inflation, changes in technology, or changes in regulations. The landfill life has increased somewhat due to the fact that we are finding the density of waste deposited there to be higher than what was initially estimated. Inasmuch as the landfill life is based on the “volume” of space available to fill, measured in cubic yards, increasing the weight per cubic yard indicates better compaction and a change in the type of waste that the landfill is accepting. Most municipal landfills do not accept as much construction and demolition waste as does ours, which significantly increases the density and tonnage without a commensurate increase in volume.

The City is required by state and federal laws and regulations to make annual contributions to finance closure and post-closure care. The City is in compliance with these requirements, and, at June 30, 2009, investments of \$2,797,796 (cost and fair value) are held for these purposes. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

**NOTE 20 TRANSFERS RECONCILIATION**

At June 30, 2009, interfund balances due to or from other funds were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects	Redevelopment Agency	\$1,229,511 (A)
Capital Projects	Light and Power	\$2,715,345 (B)

(A) On March 1, 2005, the City entered into an interlocal government agreement with the Davis County School District (the School District) to construct a new gymnasium, parking lot and other improvements. The gymnasium will be for the shared use of the School District and the City. By the terms of the agreement, 1) the interest of the City in the gymnasium may be assigned to the South Davis Recreation District, 2) the School District shall be the sole owner of the main gym, 3) each party will retain ownership of that portion of the other improvements which lies on the respective party’s property, and 4) the School District shall allow the Agency to receive 100% of the tax increment from the 1983 RDA project area for the years 2005 to 2015. This tax increment will enable the Agency to repay amounts borrowed from the City’s Capital Projects fund to finance this project, plus interest at the rate paid by the Public Treasurer’s Investment Fund, as discussed in the following paragraph.

In order to fund the construction, the City and the Agency entered into a loan agreement on June 28, 2005, whereby the City, through its Capital Projects fund, committed \$4,200,000 for initial funding. The Agency entered into contracts for demolition and architectural services, engineering services, and construction of the recreational facilities costing \$4,039,179. The unpaid principal balance on this loan as of June 30, 2009 is \$1,229,511.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 20 TRANSFERS RECONCILIATION (Continued)**

(B) On July 1, 2006, the City, through its Capital Projects Fund, loaned \$3,000,000 to the Light and Power Fund to enable construction on its 138 Substation #2, the Southeast and Southwest Substations, phase VI of the transmission system rebuild project, beginning work on power plant new generation capacity, and AMR saturation of third cycle meters. The loan was to be repaid over a 10-year period at 4.5% simple interest. On April 30, 2008, \$454,139 was added to the loan, restoring the balance to the original \$3,000,000 primarily to finance repairs and upgrades to the San Juan Power Project. The interest rate and payment amount remained unchanged. The maturity date was extended to April 1, 2018.

In addition to the above, transfers were made which will not be repaid. These transfers occurred primarily to finance programs, accounted for in one fund, with resources collected in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2009 are as follows:

	<b>In</b>	<b>Out</b>
<b>Governmental</b>		
General Fund	\$ 3,881,411	\$ -
MBA Fund	150,891	-
Capital Projects Fund	-	1,114,768
Cemetery Perpetual Care	-	15,483
<b>Enterprise</b>		
Recreation Fund		646,885
Sanitation Fund		25,000
Recycling Fund	25,000	
Light and Power Fund	-	2,270,649
Cemetery Fund	15,483	-
	<u>\$ 4,072,785</u>	<u>\$ 4,072,785</u>

**NOTE 21 INVESTMENTS IN POWER PROJECTS AND RELATED CONTRACTS**

On September 26, 1978, the Light and Power Fund (the Fund) entered into a 50-year contract with the Intermountain Power Agency (IPA) for the purchase of power. Under the terms of the agreement, the Fund is liable for an agreed-upon purchase amount of approximately 1.3% of production regardless of whether it is used or not. On December 1, 1980, the Fund entered into an excess power sales agreement whereby all power purchased from IPA in excess of the Fund's scheduled amount will be sold to a group of California cities, thus relieving the Fund's excess power purchase liability. The Fund purchased power via this contract totaling \$4,392,725 during the fiscal year ended June 30, 2009. For fiscal year 2010, the budgeted amount for this contract is \$4,385,699.

The Fund has a contract with Western Area Power Administration to provide a prorated share of the actual hydropower capacity from the Salt Lake City Area Integrated Projects. This contract was revised October 1989 and will be in force until September 30, 2024 and supplies about 35% of the Fund's power. The Fund purchased power via this contract totaling \$3,247,322 during the fiscal year ended June 30, 2009. For fiscal year 2010, the budgeted amount for this contract is \$3,825,771.

On July 1, 1993, the Fund entered into a power sales agreement with Utah Associated Municipal Power Systems (UAMPS) to purchase a five-megawatt interest in the San Juan Unit No. 4 coal-fired power plant from Public Service of New Mexico for the sum of \$6,061,174. Under the terms of this agreement, the Fund is liable for a take-or-pay amount of 1.004% of the plant's production. The Fund purchased power via this contract totaling \$1,878,621 during the fiscal year ended June 30, 2009. For fiscal year 2010, the budgeted amount for this contract is \$1,920,015.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 21 INVESTMENTS IN POWER PROJECTS AND RELATED CONTRACTS (Continued)**

The Fund through UAMPS purchased a \$3,690,380 interest in the Craig-Mona 345 kV transmission line. UAMPS owns 15% of the total line and the Fund has a 22.3% entitlement of UAMPS' share of the first segment which runs west from Craig, Colorado to the Bonanza Power Plant in northeast Utah. There are no take-or-pay obligations for the purchase of power in this agreement. The Fund is responsible for its share of the operations and maintenance costs associated with the line. The Fund paid \$123,763 for operations and maintenance for the fiscal year ended June 30, 2009. For fiscal year 2009, the budgeted amount for operations and maintenance is \$124,212. The Fund through UAMPS has leased approximately half of its entitlement to Pacificorp until November 30, 2009. The Fund's share of the lease income is approximately \$300,000 per year.

Beginning on October 1, 2001, the Fund entered into an agreement with Deseret Power Electric Cooperative to purchase 10 megawatts during peak and 6 megawatts during off-peak. This is a take-or-pay contract, which will continue through September 30, 2011. The Fund purchased power from Deseret Power via this contract totaling \$3,649,953 during the year ended June 30, 2009. For fiscal year 2010, the budgeted amount for this contract is \$3,749,752.

The Fund purchases power from, and sells power to, UAMPS and other members through the UAMPS PX system. The Fund is responsible for its budgeted share of UAMPS' operations and maintenance. The Fund received a net \$240,793 for the fiscal year ended June 30, 2009 for net power sales and purchases. For fiscal year 2010, the budgeted amount for this is a net purchase of \$1,010,342.

**NOTE 22 JOINT VENTURE**

The South Davis Metro Fire Agency (Fire Agency) was organized in October 2004, in accordance with the Interlocal Cooperation Act (the Act), by the cities of Bountiful (the City), West Bountiful, Centerville, North Salt Lake, and Woods Cross and Davis County, with a governing body comprised of officials from those entities. The Fire Agency was created for the purpose of providing fire protection and ambulance and paramedic emergency services, and commenced operations on January 1, 2005. Under the agreement, the Fire Agency has full access to, and use of, the City's fire department assets. As of June 30, 2009, those assets are being reported on the City's government-wide Statement of Net Assets in the amount of \$3,288,020, net of \$2,777,571 accumulated depreciation. Related depreciation expense of \$143,624 is reported in the City's government-wide Statement of Activities. The City retains ownership of those assets. In the event the Fire Agency became a Special District with taxing authority, the joint venture would be dissolved and a separate legal entity created with its own governing body. Ownership of the assets would transfer to the Special District at that time. As of December 31, 2008, the date of the Fire Agency's most recent audited year-end, the Fire Agency reported total assets of \$11,385,119 with net assets of \$6,320,196 comprised of net assets invested in capital assets, net of related debt, in the amount of \$4,292,957, restricted net assets of \$101,470, and unrestricted net assets of \$1,925,769.



**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 22 JOINT VENTURE (Continued)**

The Fire Agency is operated with funding supplied by the six member entities. Each entity shares proportionately in the Fire Agency's operating expenses based on its total property tax-assessed valuation. During the calendar year ended December 31, 2008, these entities provided the following revenues to the Fire Agency for its operations:

Bountiful City	\$ 1,818,358
Centerville City	655,636
Davis County	128,948
North Salt Lake City	967,904
West Bountiful City	273,963
Woods Cross City	425,051
	\$ 4,269,860

During its fiscal year ended June 30, 2009, the City reported a General Fund public safety expenditure in the amount of \$1,858,218 related to the above revenue schedule.

In conjunction with the construction of the Fire Agency's new Station 82, the City has contributed \$1,103,364 through June 30, 2009. \$422,757 of this amount is being reported as an expenditure in the City's Capital Projects Fund during its fiscal year ended June 30, 2009. This contribution has been classified as Member Capital Contributions in the Fire Agency's Statement of Revenues, Expenses, and Changes in Net Assets, and accounted for 55% of the Fire Agency's reported increase in net assets during their year ended December 31, 2008.

The Fire Agency reported total debt of \$4,104,000 at December 31, 2008. This debt represents bonds secured solely by specified revenue sources. Under the terms of the Act, the City is not responsible for any of the Fire Agency's debt. The Fire Agency's debt decreased by \$101,000 during the current fiscal year due to scheduled payments on the Ambulance Service Revenue Bonds, Series 2006. The Fire Agency has no outstanding general obligation debt.

A copy of the Fire Agency's audited financial statements may be obtained by contacting the Finance Officer of the South Davis Metro Fire Agency, P.O. Box 1547, Bountiful, Utah 84011-1547.

**NOTE 23 REDEVELOPMENT AGENCY OF THE CITY OF BOUNTIFUL**

For the year ended June 30, 2009, the following activity occurred in the City's Redevelopment Agency:

Tax increment collected from other taxing agencies for project areas:

<u>Project Area 1</u>	
District #3	\$ 777,492
District #5	221,592
<u>Project Area 2</u>	
District #3	115,749
<u>Project Area 3</u>	
District #3	387,561
	\$ 1,502,394

**CITY OF BOUNTIFUL  
NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 23 REDEVELOPMENT AGENCY OF THE CITY OF BOUNTIFUL (Continued)**

Tax increment paid to other taxing agencies	-
Outstanding loans to finance RDA projects	-
Amounts expended for site improvements and preparation costs	\$ 556,667
Amounts expended for acquisition of property	-
Amounts expended for installation of public utilities and other public improvements	-
Amounts expended for administrative costs	\$ 306,835

**NOTE 24 CONDUIT DEBT OBLIGATIONS**

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are collateralized by the property financed and are payable solely from payments received on the underlying mortgage loans.

Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2009, there were two series of Industrial Revenue Bonds outstanding, having an outstanding principal balance of \$11,183,546.

**NOTE 25 OTHER REQUIRED FUNDS DISCLOSURE**

For the year ended June 30, 2009, the following departments in the General Fund exceeded appropriations for operating expenditures:

Department	Appropriations Exceeded by
Legal	\$ 41,556
Information systems	33,704
Administrative	77,913
Treasury	16,442
Government buildings	2,807
Highways and streets	298,814
Planning	19,114
Engineering	8,619
Parks	133,706
	<u>\$ 632,675</u>

During the City's annual independent audit, after all opportunities to amend the budget had expired, it was discovered amounts paid to fully fund the City's OPEB plan for eligible retirees retired from or currently on the payroll of governmental fund departments must be reported as expenditures in the appropriate budgetary departments.

**CITY OF BOUNTIFUL**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 26 PRIOR PERIOD ADJUSTMENT**

In conjunction with the construction of the South Davis Metro Fire Agency's new Station 82, the City has contributed \$1,103,364 through June 30, 2009 (See Note 22). \$422,757 of this amount is being reported as an expenditure in the City's Capital Projects Fund during its year ending June 30, 2009 but is not being reported as a capital asset. However, the remaining \$680,607, contributed during the City's year ending June 30, 2008, also reported as an expenditure in the City's Capital Projects Fund, was incorrectly reported as a capital asset. This adjustment affects only amounts in the government-wide financial statements.

**NOTE 27 SUBSEQUENT EVENT**

The Redevelopment Agency entered into an agreements to provide a loan in the amount of \$750,000 to an association of local businesses. This note is collateralized by an assignment of various rents and fees associated with the properties owned by the association and bears interest at 3.00%. Monthly payments are due as follows:

October 2009	Interest only in the amount of \$625
November 2009	Interest only in the amount of \$1,250
December 2009 - June 2012	Interest only in the amount of \$1,875
July 2010 - December 2019	Principal and interest in the aggregate amount of \$9,317, with the total balance of the loan being paid in full as of December 2019

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BOUNTIFUL  
OTHER POSTEMPLOYMENT BENEFITS PLAN  
SCHEDULE OF FUNDING PROGRESS  
For The Year Ended June 30, 2009**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Level Dollar (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Accrued Percentage of Covered Payroll (b-a)/c
July 1, 2008	\$ -	\$ 1,527,304	\$ 1,527,304	0.0%	\$ 9,159,758	16.7%

**CITY OF BOUNTIFUL  
OTHER POSTEMPLOYMENT BENEFITS PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
For The Year Ended June 30, 2009**

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
June 30, 2009	\$ 142,465	1209.7%

## **SUPPLEMENTAL INFORMATION**

**CITY OF BOUNTIFUL**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2009**

	Special Revenue Funds			Permanent Fund	Total Nonmajor Governmental Funds
	Landfill Closure	Municipal Building Authority	RAP Tax	Perpetual Care	
<b>Assets:</b>					
Cash and cash equivalents	\$ -	\$ 281,120	\$ -	\$ -	\$ 281,120
Accounts receivable (Taxes)	-	-	63,093	-	63,093
Interest receivable	-	603	92	2,323	3,018
Intergovernmental receivables	-	102,547	-	-	102,547
Investments	-	61,112	-	-	61,112
Notes receivable	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents and investments	782,783	549,605	62,310	1,371,890	2,766,588
<b>Total Assets</b>	<b>\$ 782,783</b>	<b>\$ 994,987</b>	<b>\$ 125,495</b>	<b>\$ 1,374,213</b>	<b>\$ 3,277,478</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 1,650	\$ 78,741	\$ -	\$ 80,391
Unearned revenues	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>1,650</b>	<b>78,741</b>	<b>-</b>	<b>80,391</b>
<b>Fund Balances:</b>					
Reserved for:					
Construction	-	-	-	-	-
Landfill closure	782,783	-	-	-	782,783
Perpetual care	-	-	-	1,374,213	1,374,213
Debt service	-	549,605	-	-	549,605
Unreserved:	-	\$443,732	46,754	-	490,486
<b>Total Fund Balances</b>	<b>782,783</b>	<b>993,337</b>	<b>46,754</b>	<b>1,374,213</b>	<b>3,197,087</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 782,783</b>	<b>\$ 994,987</b>	<b>\$ 125,495</b>	<b>\$ 1,374,213</b>	<b>\$ 3,277,478</b>



**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**For The Year Ended June 30, 2009**

	Special Revenue			Permanent	Total Nonmajor Governmental Funds
	Landfill Closure	Municipal Building Authority	RAP Tax	Fund Perpetual Care	
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ 377,383	\$ -	\$ 377,383
Charges for services	-	657,547	-	-	657,547
Interest on investments	16,012	14,506	1,058	30,838	62,414
Miscellaneous	-	-	-	43,405	43,405
<b>Total Revenues</b>	<b>16,012</b>	<b>672,053</b>	<b>378,441</b>	<b>74,243</b>	<b>1,140,749</b>
<b>Expenditures:</b>					
General government	-	5,900	-	-	5,900
Debt service:					
Principal	-	530,000	-	-	530,000
Interest	-	179,992	-	-	179,992
Capital Projects	-	-	342,645	-	342,645
<b>Total Expenditures</b>	<b>-</b>	<b>715,892</b>	<b>342,645</b>	<b>-</b>	<b>1,058,537</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>16,012</b>	<b>(43,839)</b>	<b>35,796</b>	<b>74,243</b>	<b>82,212</b>
<b>Other Financing Sources (Uses):</b>					
Transfer in	-	150,891	-	-	150,891
Transfer out	-	-	-	(15,483)	(15,483)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>150,891</b>	<b>-</b>	<b>(15,483)</b>	<b>135,408</b>
Net Change in Fund Balances	16,012	107,052	35,796	58,760	217,620
<b>Fund Balance, Beginning</b>	<b>766,771</b>	<b>886,285</b>	<b>10,958</b>	<b>1,315,453</b>	<b>2,979,467</b>
<b>Fund Balance, Ending</b>	<b>\$ 782,783</b>	<b>\$ 993,337</b>	<b>\$ 46,754</b>	<b>\$ 1,374,213</b>	<b>\$ 3,197,087</b>

**CITY OF BOUNTIFUL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – MAJOR DEBT SERVICE FUND**  
**For The Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>Revenues:</b>				
Special Assessments	\$ 268,388	\$ 268,388	\$ 272,111	\$ 3,723
Interest on investments	10,000	10,000	3,268	(6,732)
<b>Total Revenues</b>	278,388	278,388	275,379	(3,009)
<b>Expenditures:</b>				
General government	13,712	13,712	13,692	20
Debt service:				
Principal	166,000	166,000	166,000	-
Interest	96,648	96,648	96,648	-
<b>Total Expenditures</b>	276,360	276,360	276,340	20
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	2,028	2,028	(961)	(2,989)
<b>Other Financing Sources (Uses):</b>				
Transfer in	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-
<b>Net Change in Fund Balance</b>	<u>\$ 2,028</u>	<u>\$ 2,028</u>	(961)	<u>\$ (2,989)</u>
<b>Fund Balance, Beginning</b>			288,251	
<b>Fund Balance, Ending</b>			<u>\$ 287,290</u>	

**CITY OF BOUNTIFUL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR RAP TAX**  
**SPECIAL REVENUE FUND**  
**For The Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 350,000	\$ 350,000	\$ 377,383	\$ 27,383
Interest on investments	-	-	1,058	1,058
<b>Total Revenues</b>	350,000	350,000	378,441	28,441
<b>Expenditures:</b>				
Special Projects	35,000	35,000	3,000	32,000
Centerville City RDA Payments	315,000	315,000	339,645	(24,645)
<b>Total Expenditures</b>	350,000	350,000	342,645	7,355
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	35,796	35,796
<b>Net Change in Fund Balance</b>	\$ -	\$ -	35,796	\$ 35,796
<b>Fund Balance, Beginning</b>			10,958	
<b>Fund Balance, Ending</b>			\$ 46,754	

**CITY OF BOUNTIFUL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR MUNICIPAL BUILDING**  
**AUTHORITY SPECIAL REVENUE FUND**  
**For The Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 695,251	\$ 695,251	\$ 657,547	\$ (37,704)
Interest on investments	35,000	35,000	14,506	(20,494)
<b>Total Revenues</b>	730,251	730,251	672,053	(58,198)
<b>Expenditures:</b>				
General government	5,900	5,900	5,900	-
Debt service:				
Principal	530,000	530,000	530,000	-
Interest	179,992	179,992	179,992	-
<b>Total Expenditures</b>	715,892	715,892	715,892	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	14,359	14,359	(43,839)	(58,198)
<b>Other Financing Sources (Uses):</b>				
Transfer in	-	-	150,891	150,891
<b>Total Other Financing Sources (Uses)</b>	-	-	150,891	150,891
<b>Net Change in Fund Balance</b>	\$ 14,359	\$ 14,359	107,052	\$ 92,693
<b>Fund Balance, Beginning</b>			886,285	
<b>Fund Balance, Ending</b>			\$ 993,337	

**CITY OF BOUNTIFUL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – MAJOR CAPITAL PROJECTS FUND**  
**For The Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 3,100,000	\$ 3,100,000	\$ 4,549,349	\$ 1,449,349
Interest on investments	620,000	620,000	778,787	158,787
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	3,720,000	3,720,000	5,328,136	1,608,136
<b>Expenditures:</b>				
Capital outlay	5,526,639	5,668,639	2,716,731	2,951,908
<b>Total Expenditures</b>	5,526,639	5,668,639	2,716,731	2,951,908
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(1,806,639)	(1,948,639)	2,611,405	4,560,044
<b>Other Financing Sources (Uses):</b>				
Transfer out	-	(1,084,000)	(1,114,768)	(30,768)
Contributions	-	-	-	-
Sale of capital assets	-	-	372,930	372,930
<b>Total Other Financing Sources (Uses)</b>	-	(1,084,000)	(741,838)	342,162
<b>Net Change in Fund Balance</b>	\$ (1,806,639)	\$ (3,032,639)	1,869,567	\$ 4,902,206
<b>Fund Balance, Beginning</b>			28,767,895	
<b>Fund Balance, Ending</b>			\$ 30,637,462	

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2009**

	<b>Storm Water</b>	<b>Recycling</b>	<b>Golf Course</b>	<b>Recreation</b>	<b>Sanitation</b>	<b>Cemetery</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Assets:</b>							
<b>Current Assets:</b>							
Cash and cash equivalents	\$ 629,272	\$ 6,094	\$ 1,213,006	\$ -	\$ 907,864	\$ 945,850	\$ 3,702,086
Accounts receivable, net	105,351	52,424	3,500	-	96,927	\$9,359	267,561
Interest receivable	1,378	\$0	2,510	-	1,679	1,867	7,434
Investments	152,827	1,325	263,498	-	197,360	205,617	820,627
Inventories	-	-	59,257	-	-	-	59,257
Prepaid expenses	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>888,828</b>	<b>59,843</b>	<b>1,541,771</b>	<b>-</b>	<b>1,203,830</b>	<b>1,162,693</b>	<b>4,856,965</b>
<b>Noncurrent Assets:</b>							
Restricted cash and cash equivalents	73,740	-	-	-	-	-	73,740
Net OPEB asset	14,594	-	41,355	-	35,083	24,011	115,043
Capital assets, net:							
Land, land rights and water rights	-	-	1,997,619	-	-	247,151	2,244,770
Buildings, wells and reservoirs	356,698	-	602,457	-	629,828	-	1,588,983
Improvements other than buildings	-	-	905,139	-	2,245	143,182	1,050,566
Transmission, distribution and collection systems	4,944,449	-	-	-	-	-	4,944,449
Machinery and equipment	119,204	-	215,958	-	245,968	29,554	610,684
Furniture and fixtures	-	-	9,495	-	-	-	9,495
Construction in progress	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	130,010	130,010
<b>Total Noncurrent Assets</b>	<b>5,508,685</b>	<b>-</b>	<b>3,772,023</b>	<b>-</b>	<b>913,124</b>	<b>573,908</b>	<b>10,767,740</b>
<b>Total Assets</b>	<b>\$ 6,397,513</b>	<b>\$ 59,843</b>	<b>\$ 5,313,794</b>	<b>\$ -</b>	<b>\$ 2,116,954</b>	<b>\$ 1,736,601</b>	<b>\$ 15,624,705</b>

**CITY OF BOUNTIFUL  
COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
June 30, 2009**

	<b>Storm Water</b>	<b>Recycling</b>	<b>Golf Course</b>	<b>Recreation</b>	<b>Sanitation</b>	<b>Cemetery</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Liabilities:</b>							
<b>Current Liabilities:</b>							
Accounts payable	\$ 63,179	\$ 35,659	\$ 27,835	\$ -	\$ 5,019	\$ 3,129	\$ 134,821
Compensated absences	8,261	-	17,034	-	13,059	12,709	51,064
Accrued liabilities	16,131	-	50,026	-	13,712	12,695	92,564
Due to other funds	14,769	-	41,852	-	35,504	24,299	116,424
<b>Total Current Liabilities</b>	<b>102,340</b>	<b>35,659</b>	<b>136,747</b>	<b>-</b>	<b>67,294</b>	<b>52,832</b>	<b>394,873</b>
<b>Noncurrent Liabilities:</b>							
Compensated absences	10,856	-	25,323	-	19,004	16,266	71,448
Liabilities payable from restricted assets	-	-	-	-	-	-	-
Unearned revenue	-	-	35,300	-	-	-	35,300
Developer and customer deposits	73,740	-	-	-	-	-	73,740
<b>Total Noncurrent Liabilities</b>	<b>84,596</b>	<b>-</b>	<b>60,623</b>	<b>-</b>	<b>19,004</b>	<b>16,266</b>	<b>180,488</b>
<b>Total Liabilities</b>	<b>186,936</b>	<b>35,659</b>	<b>197,370</b>	<b>-</b>	<b>86,298</b>	<b>69,098</b>	<b>575,361</b>
<b>Net Assets:</b>							
Invested in capital assets, net of related debt	5,420,351	-	3,730,668	-	878,041	419,887	10,448,947
Unrestricted	790,226	24,184	1,385,756	-	1,152,615	1,247,616	4,600,397
<b>Total Net Assets</b>	<b>6,210,577</b>	<b>24,184</b>	<b>5,116,424</b>	<b>-</b>	<b>2,030,656</b>	<b>1,667,503</b>	<b>15,049,344</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,397,513</b>	<b>\$ 59,843</b>	<b>\$ 5,313,794</b>	<b>\$ -</b>	<b>\$ 2,116,954</b>	<b>\$ 1,736,601</b>	<b>\$ 15,624,705</b>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For The Year Ended June 30, 2009**

	<b>Storm Water</b>	<b>Recycling</b>	<b>Golf Course</b>	<b>Recreation</b>	<b>Sanitation</b>	<b>Cemetery</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Operating Revenues:</b>							
Charges for services	\$ 894,256	\$ 247,740	\$ -	\$ -	\$ 828,137	\$ 147,690	\$ 2,117,823
Connection and servicing	-	-	-	-	-	-	-
Admissions and lesson fees	-	-	776,060	-	-	-	776,060
Equipment and facility rents	-	-	361,099	-	-	3,900	364,999
Concession and merchandise sales	-	-	206,319	-	-	-	206,319
Sale of cemetery burial plots	-	-	-	-	-	237,929	237,929
Miscellaneous	61	-	704	-	74	1,550	2,389
<b>Total Operating Revenues</b>	<b>894,317</b>	<b>247,740</b>	<b>1,344,182</b>	<b>-</b>	<b>828,211</b>	<b>391,069</b>	<b>3,705,519</b>
<b>Operating Expenses:</b>							
Production, collection and source of supplies	436,777	248,517	-	-	-	-	685,294
Transmission, distribution and/or maintenance	-	-	739,783	-	457,450	253,572	1,450,805
Cost of concession and merchandise sales	-	-	128,629	-	-	-	128,629
General and administrative	146,592	-	185,189	7,454	159,032	88,074	586,341
Depreciation and amortization	487,337	-	183,667	-	238,752	28,565	938,321
<b>Total Operating Expenses</b>	<b>1,070,706</b>	<b>248,517</b>	<b>1,237,268</b>	<b>7,454</b>	<b>855,234</b>	<b>370,211</b>	<b>3,789,390</b>
<b>Operating Income (Loss)</b>	<b>\$ (176,389)</b>	<b>\$ (777)</b>	<b>\$ 106,914</b>	<b>\$ (7,454)</b>	<b>\$ (27,023)</b>	<b>\$ 20,858</b>	<b>\$ (83,871)</b>



**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For The Year Ended June 30, 2009**

	<b>Storm</b>						<b>Total Nonmajor</b>
	<b>Water</b>	<b>Recycling</b>	<b>Golf Course</b>	<b>Recreation</b>	<b>Sanitation</b>	<b>Cemetery</b>	<b>Enterprise Funds</b>
<b>Nonoperating Income (Expense):</b>							
Interest income	\$ 20,203	\$ -	\$ 36,082	\$ 13,787	\$ 21,195	\$ 24,362	\$ 115,629
Interest expense	(856)	(39)	-	-	-	-	(895)
Taxes	-	-	-	-	-	-	-
Contributions	421,449	-	-	-	-	-	421,449
Gain (loss) from sale of capital assets	-	-	(29,916)	-	-	-	(29,916)
<b>Total Nonoperating Income (Expense)</b>	<b>440,796</b>	<b>(39)</b>	<b>6,166</b>	<b>13,787</b>	<b>21,195</b>	<b>24,362</b>	<b>506,267</b>
Income (loss) before transfers	264,407	(816)	113,080	6,333	(5,828)	45,220	422,396
Transfers in	-	25,000	-	-	-	15,483	40,483
Transfers out	-	-	-	(646,885)	(25,000)	-	(671,885)
<b>Changes in Net Assets</b>	<b>264,407</b>	<b>24,184</b>	<b>113,080</b>	<b>(640,552)</b>	<b>(30,828)</b>	<b>60,703</b>	<b>(209,006)</b>
<b>Net Assets, Beginning</b>	<b>5,946,170</b>	<b>-</b>	<b>5,003,344</b>	<b>640,552</b>	<b>2,061,484</b>	<b>1,606,800</b>	<b>15,258,350</b>
<b>Net Assets, Ending</b>	<b>\$ 6,210,577</b>	<b>\$ 24,184</b>	<b>\$ 5,116,424</b>	<b>(0)</b>	<b>\$ 2,030,656</b>	<b>\$ 1,667,503</b>	<b>\$ 15,049,344</b>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For The Year Ended June 30, 2009**

	<b>Storm Water</b>	<b>Recycling</b>	<b>Golf Course</b>	<b>Recreation</b>	<b>Sanitation</b>	<b>Cemetery</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Cash Flows From Operating Activities:</b>							
Receipts from customers and users	\$ 880,538	\$ 195,293	\$ 1,344,337	\$ -	\$ 840,624	\$ 408,721	\$ 3,669,513
Payments to suppliers	(235,508)	(212,858)	(570,982)	(2,119)	(304,569)	(74,946)	(1,400,982)
Payments to employees and related benefits	(324,032)	-	(582,784)	(5,335)	(313,414)	(257,987)	(1,483,552)
Net cash flows from operating activities	320,998	(17,565)	190,571	(7,454)	222,641	75,788	784,979
<b>Cash Flows From Non-Capital Financing Activities:</b>							
Transfers in	-	25,000	-	-	-	15,483	40,483
Transfers out	-	-	-	(646,885)	(25,000)	-	(671,885)
Interest Paid	(856)	-	-	-	-	-	(856)
Grants and contributions received	1,370	-	-	-	-	-	1,370
Payment of note receivable	-	-	-	-	-	26,000	26,000
Net cash flows from non-capital financing activities	514	25,000	-	(646,885)	(25,000)	41,483	(604,888)
<b>Cash Flows From Capital and Related Financing</b>							
Purchase of capital assets	(613,602)	-	(379,134)	-	-	-	(992,736)
Proceeds from sales of capital assets	-	-	-	-	-	-	-
Net cash flows from capital and related financing activities	(613,602)	-	(379,134)	-	-	-	(992,736)
<b>Cash Flows From Investing Activities:</b>							
Interest on investments	19,250	(16)	34,210	14,031	19,818	22,893	110,186
Purchase of investments	(113,652)	(3,262)	(269,501)	148,992	(279,357)	(270,941)	(787,721)
Sale of investments	67,494	1,937	160,045	(88,479)	165,896	160,897	467,790
Net cash flows from investing activities	(26,908)	(1,341)	(75,246)	74,544	(93,643)	(87,151)	(209,745)
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	(318,998)	6,094	(263,809)	(579,795)	103,998	30,120	(1,022,390)
<b>Cash and Cash Equivalents, Beginning</b>	1,022,010	-	1,476,815	579,795	803,866	915,730	4,798,216
<b>Cash and Cash Equivalents, Ending</b>	\$ 703,012	\$ 6,094	\$ 1,213,006	\$ (0)	\$ 907,864	\$ 945,850	\$ 3,775,826

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For The Year Ended June 30, 2009**

	<u>Storm Water</u>	<u>Recycling</u>	<u>Golf Course</u>	<u>Recreation</u>	<u>Sanitation</u>	<u>Cemetery</u>	<u>Total Nonmajor Enterprise Funds Enterprise Funds</u>
<b>Reconciliation of operating income to net cash flows from operating activities:</b>							
Earnings (loss) from operations	\$ (176,389)	\$ (777)	\$ 106,914	\$ (7,454)	\$ (27,023)	\$ 20,858	\$ (83,871)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:							
Depreciation	487,337	-	183,667	-	238,752	28,565	938,321
Changes in assets and liabilities							
Accounts receivable, net	(13,494)	(52,447)	(494)	-	11,532	17,652	(37,251)
Inventories	-	-	3,264	-	-	(214)	3,050
Prepaid expenses	-	-	-	-	-	-	-
Accounts payable	20,614	35,659	(80,684)	-	2,612	1,197	(20,602)
Compensated absences	3,026	-	(18,087)	-	(2,579)	8,744	(8,896)
Accrued liabilities	589	-	(4,506)	-	(1,075)	(1,303)	(6,295)
Customer deposits	(860)	-	-	-	-	-	(860)
Due to other funds	175	-	497	-	422	289	1,383
<b>Net cash flows from operating activities</b>	<u>\$ 320,998</u>	<u>\$ (17,565)</u>	<u>\$ 190,571</u>	<u>\$ (7,454)</u>	<u>\$ 222,641</u>	<u>\$ 75,788</u>	<u>\$ 784,979</u>

**CITY OF BOUNTIFUL  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
June 30, 2009**

	<b>Risk Management</b>	<b>Workers' Compensation</b>	<b>Total Internal Service Funds</b>
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 3,120,913	\$ 1,147,729	\$ 4,268,642
Interest receivable	6,603	2,498	9,101
Investments	678,452	252,227	930,679
Other receivables	-	10,301	10,301
<b>Total Current Assets</b>	<b>3,805,968</b>	<b>1,412,755</b>	<b>5,218,723</b>
<b>Noncurrent Assets:</b>			
Restricted cash and cash equivalents	514,619	-	514,619
<b>Total Noncurrent Assets</b>	<b>514,619</b>	<b>-</b>	<b>514,619</b>
<b>Total Assets</b>	<b>\$ 4,320,587</b>	<b>\$ 1,412,755</b>	<b>\$ 5,733,342</b>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 253,930	\$ 113,055	\$ 366,985
Accrued liabilities	3,883	1,981	5,864
<b>Total Liabilities</b>	<b>257,813</b>	<b>115,036</b>	<b>372,849</b>
<b>Net Assets:</b>			
Restricted for insurance deposit	514,619	-	514,619
Unrestricted	3,548,155	1,297,719	4,845,874
<b>Total Net Assets</b>	<b>4,062,774</b>	<b>1,297,719</b>	<b>5,360,493</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,320,587</b>	<b>\$ 1,412,755</b>	<b>\$ 5,733,342</b>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS**  
**For The Year Ended June 30, 2009**

	<b>Risk Management</b>	<b>Workers' Compensation</b>	<b>Total Internal Service Funds</b>
<b>Operating Revenues:</b>			
Charges for services	\$ 276,687	\$ 223,782	\$ 500,469
Miscellaneous	1,057	-	1,057
<b>Total Operating Revenues</b>	<b>277,744</b>	<b>223,782</b>	<b>501,526</b>
<b>Operating Expenses:</b>			
Claims	304,174	240,927	545,101
General and administrative	356,951	87,963	444,914
<b>Total Operating Expenses</b>	<b>661,125</b>	<b>328,890</b>	<b>990,015</b>
Operating Income (Loss)	(383,381)	(105,108)	(488,489)
<b>Nonoperating Income (Expense):</b>			
Interest income	96,415	33,154	129,569
<b>Total Nonoperating Income (Expense)</b>	<b>96,415</b>	<b>33,154</b>	<b>129,569</b>
<b>Changes in Net Assets</b>	<b>(286,966)</b>	<b>(71,954)</b>	<b>(358,920)</b>
<b>Net Assets, Beginning</b>	<b>4,349,740</b>	<b>1,369,673</b>	<b>5,719,413</b>
<b>Net Assets, Ending</b>	<b>\$ 4,062,774</b>	<b>\$ 1,297,719</b>	<b>\$ 5,360,493</b>

**CITY OF BOUNTIFUL  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For The Year Ended June 30, 2009**

	<b>Risk Management</b>	<b>Workers' Compensation</b>	<b>Total Internal Service Funds</b>
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers and users	\$ 277,809	\$ 223,229	\$ 501,038
Payments to suppliers	(332,396)	(244,149)	(576,545)
Payments to employees and related benefits	(75,618)	(41,081)	(116,699)
<b>Net cash flows from operating activities</b>	<b>(130,205)</b>	<b>(62,001)</b>	<b>(192,206)</b>
<b>Cash Flows From Investing Activities:</b>			
Interest on investments	91,281	31,220	122,501
Purchase of investments	(775,597)	(289,934)	(1,065,531)
Sale of investments	460,588	172,177	632,765
<b>Net cash flows from investing activities</b>	<b>(223,728)</b>	<b>(86,537)</b>	<b>(310,265)</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>(353,933)</b>	<b>(148,538)</b>	<b>(502,471)</b>
<b>Cash and Cash Equivalents, Beginning</b>	<b>3,989,465</b>	<b>1,296,267</b>	<b>5,285,732</b>
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 3,635,532</b>	<b>\$ 1,147,729</b>	<b>\$ 4,783,261</b>
<b>Reconciliation of operating income to net cash flows from operating activities:</b>			
Earnings (loss) from operations	\$ (383,382)	\$ (105,107)	\$ (488,489)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:			
Changes in assets and liabilities			
Accounts receivable, net	65	(553)	(488)
Accounts payable	252,641	44,139	296,780
Accrued liabilities	471	(480)	(9)
<b>Net cash flows from operating activities</b>	<b>\$ (130,205)</b>	<b>\$ (62,001)</b>	<b>\$ (192,206)</b>

## **STATISTICAL SECTION**

## **STATISTICAL SECTION INTRODUCTION**

(unaudited)

This part of the City of Bountiful's Comprehensive Annual Financial Report presents detailed information to aid the reader in understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial picture.

### **Contents**

#### Financial Trend Data (tables 1-4)

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

#### Revenue Capacity Data (tables 5-10)

These schedules contain information to help the reader assess the City's most significant local revenue sources.

#### Debt Capacity Data (tables 11-15)

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

#### Demographic and Economic Information (tables 16-17)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

#### Operating Information (tables 18-20)

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in 2003; schedules presenting government-wide information include information beginning in that year.



**CITY OF BOUNTIFUL**  
**Net Assets by Component**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**  
**Table 1**

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Governmental Activities</b>							
Investment in capital assets, net of related debt	\$ 61,785,831	\$ 70,459,760	\$ 71,268,430	\$ 70,692,139	\$ 72,416,321	\$ 73,635,745	\$ 74,805,745
Restricted	8,282,356	3,953,521	3,284,509	3,101,313	3,282,662	3,430,494	3,558,657
Unrestricted	27,804,721	27,790,705	30,373,608	34,658,388	35,622,767	39,740,965	43,182,100
<b>Total governmental activities net assets</b>	<b>\$ 97,872,908</b>	<b>\$ 102,203,986</b>	<b>\$ 104,926,547</b>	<b>\$ 108,451,840</b>	<b>\$ 111,321,750</b>	<b>\$ 116,807,204</b>	<b>\$ 121,546,502</b>
<b>Business-type Activities</b>							
Invested in capital assets, net of related debt	\$ 49,421,303	\$ 45,308,841	\$ 43,449,928	\$ 43,003,449	\$ 47,670,598	\$ 47,617,828	\$ 47,821,640
Restricted	557,822	557,822	-	-	-	-	-
Unrestricted	33,647,092	33,218,936	34,597,312	36,228,914	34,576,315	33,157,778	35,401,301
<b>Total business-type activities net assets</b>	<b>\$ 83,626,217</b>	<b>\$ 79,085,599</b>	<b>\$ 78,047,240</b>	<b>\$ 79,232,363</b>	<b>\$ 82,246,913</b>	<b>\$ 80,775,606</b>	<b>\$ 83,222,941</b>
<b>Primary Government</b>							
Invested in capital assets, net of related debt	\$ 111,207,134	\$ 115,768,601	\$ 114,718,358	\$ 113,695,588	\$ 120,086,919	\$ 121,253,573	\$ 122,627,385
Restricted	8,840,178	4,511,343	3,284,509	3,101,313	3,282,662	3,430,494	3,558,657
Unrestricted	61,451,813	61,009,641	64,970,920	70,887,302	70,199,082	72,898,743	78,583,401
<b>Total primary government net assets</b>	<b>\$ 181,499,125</b>	<b>\$ 181,289,585</b>	<b>\$ 182,973,787</b>	<b>\$ 187,684,203</b>	<b>\$ 193,568,663</b>	<b>\$ 197,582,810</b>	<b>\$ 204,769,443</b>

**CITY OF BOUNTIFUL**  
**Changes in Net Assets**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**  
**Table 2**

	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>							
<b>Government Activities:</b>							
General governmental	\$ 2,355,754	\$ 2,558,680	\$ 2,728,127	\$ 2,950,798	\$ 2,994,503	\$ 3,065,154	\$ 3,417,691
Public safety (2)	6,739,630	6,996,107	7,233,939	7,348,694	7,689,386	8,057,551	8,463,184
Highways and streets	2,973,489	3,345,738	3,307,057	3,443,672	3,555,738	3,785,827	4,455,182
Planning and engineering	929,609	943,017	959,797	964,072	1,038,121	1,069,709	1,011,654
Parks	621,543	652,659	655,328	686,785	761,014	876,037	1,078,688
Redevelopment	40,586	115,585	368,906	1,431,999	3,595,301	791,486	639,800
Interest on long-term debt	203,374	405,936	386,903	353,735	327,906	306,165	282,736
<b>Total governmental activities expenses</b>	<b>13,863,985</b>	<b>15,017,722</b>	<b>15,640,057</b>	<b>17,179,755</b>	<b>19,961,969</b>	<b>17,951,929</b>	<b>19,348,934</b>
<b>Business-type Activities:</b>							
Water	2,097,791	2,306,064	2,556,365	2,569,321	2,934,761	4,037,688	3,593,952
Light and Power	17,671,515	698,890	19,641,972	19,933,617	20,388,969	22,425,787	21,282,022
Landfill	844,780	19,638,313	1,137,119	897,504	900,325	1,100,696	925,116
Storm Water	755,070	819,334	1,109,633	1,034,785	1,095,165	981,119	1,071,562
Sewer (1)	951,187	798,324	-	-	-	-	-
Golf Course	1,108,974	1,067,225	1,109,632	1,081,306	1,200,691	1,221,144	1,267,184
Recreation (3)	1,411,958	1,441,275	1,450,748	1,447,709	910,196	3,438	7,454
Sanitation	610,181	649,385	672,534	710,080	828,299	896,572	855,234
Cemetery	206,055	261,099	262,639	283,273	326,840	339,247	370,211
<b>Total business-type activities expenses</b>	<b>25,657,511</b>	<b>27,679,909</b>	<b>27,940,642</b>	<b>27,957,595</b>	<b>28,585,246</b>	<b>31,005,691</b>	<b>29,372,735</b>
<b>Total primary government expenses</b>	<b>\$ 39,521,496</b>	<b>\$ 42,697,631</b>	<b>\$ 43,580,699</b>	<b>\$ 45,137,350</b>	<b>\$ 48,547,215</b>	<b>\$ 48,957,620</b>	<b>\$ 48,721,670</b>
<b>Program Revenues</b>							
<b>Government Activities:</b>							
Charges for Services	\$ 3,324,538	\$ 3,127,555	\$ 3,122,542	\$ 3,341,596	\$ 3,702,424	\$ 3,584,268	\$ 3,516,116
Operating Grants and Contributions	1,437,913	1,528,072	1,130,144	1,323,644	1,414,754	1,619,956	1,295,260
Capital Grants and Contributions	-	100,000	533,800	62,362	63,426	-	1,646,784
<b>Total governmental activities program revenues</b>	<b>4,762,451</b>	<b>4,755,627</b>	<b>4,786,486</b>	<b>4,727,602</b>	<b>5,180,604</b>	<b>5,204,224</b>	<b>6,458,160</b>
<b>Business-type Activities:</b>							
<b>Charges for Services:</b>							
Water	1,836,458	1,916,585	2,012,075	2,100,134	2,150,143	2,187,631	2,992,204
Light and Power	18,519,535	19,488,673	20,373,836	22,341,458	22,876,122	23,654,814	26,089,014
Landfill	908,355	1,005,869	1,103,032	1,089,457	1,518,175	1,390,305	1,130,734
Storm Water	674,835	678,596	716,014	689,869	727,274	699,480	894,317
Sewer (1)	758,032	715,330	-	-	-	-	-
Golf Course	1,127,153	1,196,286	1,171,183	1,248,845	1,344,969	1,303,578	1,344,182
Recreation (3)	1,043,849	959,488	951,597	952,557	104,628	6	-
Sanitation	765,774	775,491	771,547	790,320	800,914	811,950	828,211
Cemetery	247,560	219,246	269,967	282,281	359,076	288,699	391,069
Capital grants and contributions	1,192,746	502,610	537,465	673,468	2,728,585	308,939	505,219
<b>Total business-type activities program revenues</b>	<b>27,074,297</b>	<b>27,458,174</b>	<b>27,906,716</b>	<b>30,168,389</b>	<b>32,609,886</b>	<b>30,645,402</b>	<b>34,174,950</b>
<b>Total primary government program revenues</b>	<b>\$ 31,836,748</b>	<b>\$ 32,213,801</b>	<b>\$ 32,693,202</b>	<b>\$ 34,895,991</b>	<b>\$ 37,790,490</b>	<b>\$ 35,849,626</b>	<b>\$ 40,633,110</b>
<b>Net (expense)/revenue</b>							
Governmental activities	\$ (9,101,534)	\$ (10,262,095)	\$ (10,853,571)	\$ (12,452,153)	\$ (14,781,365)	\$ (12,747,705)	\$ (12,890,774)
Business-type activities	1,416,786	(221,735)	(33,926)	2,210,794	4,024,640	(360,289)	4,802,215
<b>Total primary government net expense</b>	<b>\$ (7,684,748)</b>	<b>\$ (10,483,830)</b>	<b>\$ (10,887,497)</b>	<b>\$ (10,241,359)</b>	<b>\$ (10,756,725)</b>	<b>\$ (13,107,994)</b>	<b>\$ (8,088,560)</b>

(1) The City transferred all sewer operations to the South Davis Sewer District in January 2004.

(2) The City transferred all public safety fire operations to the South Davis Metro Fire Agency January 1, 2005 (See Note 22).

(3) Recreation activity was transferred to the South Davis Recreation District in the first quarter of 2007.

**CITY OF BOUNTIFUL**  
**Changes in Net Assets**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**  
**Table 2**

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$ 2,872,344	\$ 3,089,777	\$ 3,118,929	\$ 3,313,916	\$ 3,507,105	\$ 3,713,077	\$ 3,904,321
Sales taxes	4,528,974	4,918,313	5,029,511	5,654,737	6,254,318	6,720,519	6,159,989
Franchise taxes	2,281,391	2,483,870	2,951,450	3,114,632	3,270,918	3,284,408	3,441,087
Interest on investments	761,354	618,754	869,986	1,419,877	1,919,796	1,970,897	1,241,243
Other	528,134	185,431	202,702	383,016	201,809	207,473	284,854
Gain (loss) on sale of capital assets	4,105	52,415	(224,895)	18,401	9,000	11,130	377,136
Special items	(1,702,049)	-	-	-	-	-	-
Transfers	1,578,165	1,582,914	1,628,449	2,072,867	2,488,329	2,325,656	2,902,051
<b>Total governmental activities</b>	<b>10,852,418</b>	<b>12,931,474</b>	<b>13,576,132</b>	<b>15,977,446</b>	<b>17,651,275</b>	<b>18,233,160</b>	<b>18,310,681</b>
Business-type Activities:							
Sales taxes	241,682	-	-	-	-	-	-
Interest on investments	482,858	418,461	624,016	1,037,739	1,478,239	1,214,638	547,987
Gain (loss) on sale of capital assets	(2,818)	(32,794)	-	9,457	-	-	-
Special items	(950,724)	-	-	-	-	-	-
Transfers	(1,578,165)	(1,582,914)	(1,628,449)	(2,072,867)	(2,488,329)	(2,325,656)	(2,902,051)
Loss on disposal of segment of business	-	(3,121,636)	-	-	-	-	-
<b>Total business-type activities</b>	<b>(1,807,167)</b>	<b>(4,318,883)</b>	<b>(1,004,433)</b>	<b>(1,025,671)</b>	<b>(1,010,090)</b>	<b>(1,111,018)</b>	<b>(2,354,064)</b>
<b>Total primary government</b>	<b>\$ 9,045,251</b>	<b>\$ 8,612,591</b>	<b>\$ 12,571,699</b>	<b>\$ 14,951,775</b>	<b>\$ 16,641,185</b>	<b>\$ 17,122,142</b>	<b>\$ 15,956,617</b>
Change in Net Assets							
Governmental activities	\$ 1,750,884	\$ 2,669,379	\$ 2,722,561	\$ 3,525,293	\$ 2,869,910	\$ 5,485,455	\$ 5,419,907
Business-type activities	(390,381)	(4,540,618)	(1,038,359)	1,185,123	3,014,550	(1,471,307)	2,448,151
<b>Total primary government</b>	<b>\$ 1,360,503</b>	<b>\$ (1,871,239)</b>	<b>\$ 1,684,202</b>	<b>\$ 4,710,416</b>	<b>\$ 5,884,460</b>	<b>\$ 4,014,148</b>	<b>\$ 7,868,057</b>

**CITY OF BOUNTIFUL**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**Table 3**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,552,955	1,843,998	1,353,625	2,114,778	2,083,648	2,125,154	2,107,765	2,269,106	2,329,130	2,258,654
<b>Total General Fund</b>	<b>\$ 1,552,955</b>	<b>\$ 1,843,998</b>	<b>\$ 1,353,625</b>	<b>\$ 2,114,778</b>	<b>\$ 2,083,648</b>	<b>\$ 2,125,154</b>	<b>\$ 2,107,765</b>	<b>\$ 2,269,106</b>	<b>\$ 2,329,130</b>	<b>\$ 2,258,654</b>
All other governmental funds										
Reserved	\$ 4,122,908	\$ 324,491	\$ 187,699	\$ 8,219,595	\$ 2,768,576	\$ 3,083,275	\$ 2,925,787	\$ 3,109,233	\$ 2,920,622	\$ 3,042,726
Unreserved, reported in:										
Capital projects funds	12,559,744	13,097,377	13,786,572	16,018,441	16,667,805	18,321,800	22,859,581	25,351,897	28,767,895	30,637,462
Special revenue funds	1,526,395	2,149,621	3,694,789	4,058,611	4,687,677	4,473,103	4,082,921	5,936,165	2,799,117	3,978,938
Debt service funds	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 18,209,047</b>	<b>\$ 15,571,489</b>	<b>\$ 17,669,060</b>	<b>\$ 28,296,647</b>	<b>\$ 24,124,058</b>	<b>\$ 25,878,178</b>	<b>\$ 29,868,289</b>	<b>\$ 34,397,295</b>	<b>\$ 34,487,634</b>	<b>\$ 37,659,126</b>

**CITY OF BOUNTIFUL**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**Table 4**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Revenues:</b>										
Taxes (see Table 5)	\$ 9,018,296	\$ 10,005,500	\$ 10,268,813	\$ 9,682,709	\$ 10,491,960	\$ 11,099,890	\$ 12,083,285	\$ 13,032,340	\$ 13,448,505	\$ 13,505,397
Licenses and permits	690,729	679,710	614,790	899,922	752,419	745,235	966,550	881,988	633,117	534,007
Intergovernmental	1,546,707	1,557,195	1,479,029	1,506,587	1,694,238	1,238,950	1,393,643	1,480,425	1,694,825	1,370,892
Charges for services	1,727,133	1,915,137	2,413,087	2,310,175	2,283,123	2,264,069	2,187,715	2,663,567	2,800,584	2,818,708
Fines and forfeitures	115,200	113,532	113,606	102,338	88,090	85,941	102,177	129,968	149,662	161,749
Interest on investments	1,096,828	1,376,392	611,000	641,133	532,714	741,189	1,214,233	1,628,912	1,716,266	1,111,674
Miscellaneous	365,255	409,131	290,454	260,025	187,287	811,249	844,997	391,408	299,587	564,727
<b>Total Revenues</b>	<b>14,560,148</b>	<b>16,056,597</b>	<b>15,790,779</b>	<b>15,402,889</b>	<b>16,029,831</b>	<b>16,986,523</b>	<b>18,792,600</b>	<b>20,208,608</b>	<b>20,742,546</b>	<b>20,067,154</b>
<b>Expenditures</b>										
General government	2,008,786	2,011,601	2,102,765	2,182,048	2,387,560	2,405,183	2,489,393	2,569,487	2,673,661	2,925,280
Public safety	5,567,989	5,835,933	5,751,425	5,869,759	6,073,026	6,289,379	6,246,997	6,746,188	7,183,092	7,418,339
Highways and streets	1,387,275	1,499,076	1,623,619	2,105,411	2,465,470	2,445,684	2,431,779	2,605,986	2,812,727	3,552,516
Planning and engineering	822,000	925,826	857,448	903,685	916,338	917,673	944,770	1,013,028	1,045,173	1,107,182
Parks	367,709	388,056	430,771	472,386	493,190	491,351	517,981	569,948	653,456	846,255
Redevelopment	23,438	23,573	25,596	28,325	163,774	997,144	1,857,416	3,581,945	776,795	863,502
Capital outlay	2,712,397	2,190,553	3,272,545	1,957,564	8,757,968	2,722,764	1,434,255	3,428,120	2,758,226	2,314,410
Forgiveness of advance - L & P Fund	-	6,708,456	-	-	-	-	-	-	-	-
Debt service:										
Bond issuance costs	-	-	-	274,064	2,242	-	-	-	-	-
Principal	395,000	415,000	806,000	164,000	243,000	521,000	631,000	651,000	678,000	696,000
Interest and fiscal charges	254,934	226,222	188,175	147,374	387,888	376,998	357,555	320,279	299,852	276,640
<b>Total expenditures</b>	<b>13,539,528</b>	<b>20,224,296</b>	<b>15,058,344</b>	<b>14,104,616</b>	<b>21,890,456</b>	<b>17,167,176</b>	<b>16,911,146</b>	<b>21,485,981</b>	<b>18,880,982</b>	<b>20,000,124</b>
Excess of revenues over (under) expenditures	\$ 1,020,620	\$ (4,167,699)	\$ 732,435	\$ 1,298,273	\$ (5,860,625)	\$ (180,653)	\$ 1,881,454	\$ (1,277,373)	\$ 1,861,564	\$ 67,030

**CITY OF BOUNTIFUL**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**Table 4**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Other financing sources (uses):</b>										
Operating transfers in	\$ 2,482,859	\$ 2,713,281	\$ 2,749,854	\$ 2,557,841	\$ 2,324,262	\$ 2,408,392	\$ 2,575,680	\$ 2,488,329	\$ 2,325,656	\$ 4,032,302
Operating transfers out	(875,137)	(892,097)	(3,165,388)	(979,676)	(741,348)	(531,408)	(502,813)	(500,000)	-	(1,130,251)
Bond/Loan proceeds	-	-	-	-	-	-	-	2,947,732	-	-
Contributions	-	-	-	346,706	-	-	-	-	-	-
Sale of bonds	-	-	-	6,593,039	-	-	-	-	-	-
Sale of assets	-	-	-	61,820	73,992	99,295	18,401	9,000	11,130	377,136
Total other financing sources (uses)	1,607,722	1,821,184	(415,534)	8,579,730	1,656,906	1,976,279	2,091,268	4,945,061	2,336,786	3,279,187
Net change in fund balances	\$ 2,628,342	\$ (2,346,515)	\$ 316,901	\$ 9,878,003	\$ (4,203,719)	\$ 1,795,626	\$ 3,972,722	\$ 3,667,688	\$ 4,198,350	\$ 3,346,217
Debt service as a percentage of non-capital expenditures	6.39%	3.69%	9.21%	2.55%	4.80%	6.21%	6.36%	5.36%	6.10%	5.85%

**CITY OF BOUNTIFUL**  
**Governmental Activities Tax Revenue by Source**  
**(modified accrual basis of accounting)**  
**Last Ten Fiscal Years**  
**Table 5**

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales and Use Taxes</b>	<b>Franchise Taxes</b>	<b>Fees in Lieu of Property Tax</b>	<b>Total</b>
2000	\$ 1,821,837	\$ 5,147,313	\$ 1,684,171	\$ 364,975	\$ 9,018,296
2001	2,089,719	5,378,881	2,140,424	396,476	10,005,500
2002	1,863,136	5,727,070	2,337,390	341,217	10,268,813
2003	1,943,382	5,089,576	2,281,391	368,360	9,682,709
2004	2,685,956	4,918,313	2,483,870	403,821	10,491,960
2005	2,786,040	5,029,511	2,951,451	332,888	11,099,890
2006	3,003,132	5,654,737	3,114,632	310,784	12,083,285
2007	3,245,271	6,254,318	3,270,918	261,833	13,032,340
2008	3,408,546	6,720,519	3,284,408	304,531	13,718,004
2009	3,641,990	6,159,989	3,441,087	262,331	13,505,397

**CITY OF BOUNTIFUL**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**  
**Table 6**

Fiscal Year Ended <u>June 30</u>	Real Property		Personal Property		Total Taxable Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property (2)	Mobile Homes	Other				
2000	\$ 1,197,657	\$ 294,055	\$ 328	\$ 54,992	\$ 1,547,032	0.011427	\$ 2,539,961	60.91%
2001	1,230,327	361,711	301	54,252	1,646,590	0.011645	2,665,220	61.78%
2002	1,253,620	343,155	242	48,824	1,645,842	0.011672	2,685,714	61.28%
2003	1,330,942	282,869	237	46,223	1,660,272	0.012148	2,712,016	61.22%
2004	1,345,219	286,241	247	46,027	1,677,734	0.012242	2,760,740	60.77%
2005	1,371,758	313,186	233	48,949	1,734,126	0.012549	2,848,812	60.87%
2006	1,510,761	336,897	214	50,388	1,898,261	0.011751	3,051,402	62.21%
2007	2,044,931	301,273	223	58,825	2,405,253	0.011761	4,094,867	58.74%
2008	2,045,417	442,665	169	66,443	2,554,694	0.010985	4,307,996	59.30%
2009 (3)	1,978,194	437,416	169	66,443	2,482,222	0.011542	4,170,924	59.51%

(1) All taxable property is assessed and taxed on the basis of its fair market value. Utah law requires that the fair market value of property that is assessed by the County Assessor, using a comparable sales or a cost appraisal method, exclude expenses related to property sales transactions. For tax purposes, the fair market value of primary residential property is reduced by 45% under present law. Taxable value is net of Redevelopment Agency value.

(2) Includes centrally assessed property.

(3) 2009 values are preliminary estimates.

Source: Davis County Auditor's Office



**CITY OF BOUNTIFUL**  
**Property Tax Rates Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**Table 7**

**Overlapping Rates**

<b>Fiscal Year</b>	<b>Total Direct</b>	<b>Davis County School District</b>	<b>Davis County</b>	<b>Weber Basin Water</b>	<b>Mosquito Abatement District</b>	<b>Bountiful Water Subconservancy District</b>	<b>South Davis Sewer District</b>	<b>City of Bountiful</b>	<b>Davis County Library</b>	<b>South Davis Recreation District</b>
2000	0.011427	0.007370	0.001769	0.000139	0.000064	0.000122	0.000408	0.001270	0.000285	-
2001	0.011645	0.007600	0.001664	0.000193	0.000061	0.000143	0.000358	0.001195	0.000431	-
2002	0.011672	0.007610	0.001650	0.000193	0.000061	0.000150	0.000361	0.001216	0.000431	-
2003	0.012148	0.007731	0.001954	0.000196	0.000094	0.000152	0.000364	0.001223	0.000434	-
2004	0.012242	0.007821	0.001948	0.000198	0.000093	0.000153	0.000366	0.001231	0.000432	-
2005	0.012549	0.007684	0.001921	0.000193	0.000091	0.000147	0.000357	0.001194	0.000426	0.000536
2006	0.011751	0.007305	0.001739	0.000178	0.000086	0.000139	0.000341	0.001119	0.000403	0.000441
2007	0.011761	0.007176	0.002189	0.000200	0.000099	0.000115	0.000305	0.000912	0.000375	0.000390
2008	0.010985	0.006764	0.001997	0.000181	0.000088	0.000110	0.000270	0.000903	0.000332	0.000340
2009	0.011542	0.007098	0.002108	0.000188	0.000093	0.000113	0.000290	0.000948	0.000348	0.000356

Source: Davis County Clerk Auditor's Office

**CITY OF BOUNTIFUL  
Principal Property Tax Payers  
Prior Year and Nine Years Ago  
Table 8**

<u>Taxpayer</u>	<u>December 31, 2008 taxable valuation</u>				<u>December 31, 2000 taxable valuation</u>			
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	
Hospital Corporation of Utah	\$ 25,868,730	1	1.01 %	\$ 17,864,961	2	1.15 %		
MABEK	13,986,541	2	0.55	15,447,254	3	1.00		
Qwest Corporation	13,048,558	3	0.51	18,504,535	1	1.20		
RTC Mountainwest Medical (Town Center)	12,018,493	4	0.47	5,953,610	7	0.38		
Questar Gas	7,148,139	5	0.28	6,049,531	6	0.39		
Tegra Lakeview Associates, LC	6,183,540	6	0.24	-		-		
New Albertson's Inc (Albertson's 2005)	5,504,063	7	0.22	5,686,825	8	0.37		
Bill Olson Investment, LTD	5,318,880	8	0.21	6,253,934	5	0.40		
IHC Health Services, Inc.	5,102,139	9	0.20	-		-		
Winegar, Richard T. & Karleen A.	5,046,595	10	0.20	5,618,902	9	0.36		
Health Care Property Investors, Inc.	-		-	11,477,831	4	0.74		
SCP Holdings 4 Incorporated	-		-	3,568,386	10	0.23		
	<u>\$ 99,225,678</u>		<u>3.88 %</u>	<u>\$ 96,425,769</u>		<u>6.23 %</u>		
Taxable Value (in thousands)			\$ 2,554,694			\$ 1,547,032		

Source : Davis County Clerk Auditors Office

**CITY OF BOUNTIFUL**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**Table 9**

<b>Fiscal Year Ended June 30,</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>(2)</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collection in Subsequent Years</b>	<b>(1)</b>	<b>Total Collections to Date</b>	
			<b>Amount</b>	<b>Percentage of Levy</b>			<b>Amount</b>	<b>Percentage of Levy</b>
2000	\$ 2,213,173		\$ 2,152,410	97.3 %	\$ 85,394		\$ 2,237,804	101.1 %
2001	2,548,960		2,431,777	95.4	100,266		2,532,043	99.3
2002	2,300,699		2,200,837	95.7	70,938		2,271,775	98.7
2003	2,344,741		2,233,201	95.2	91,306		2,324,507	99.1
2004	2,409,170		2,317,429	96.2	67,741		2,385,170	99.0
2005	2,326,636		2,235,848	96.1	63,764		2,299,612	98.8
2006	2,288,650		2,192,503	95.8	60,874		2,253,377	98.5
2007	2,301,226		2,199,574	95.6	56,350		2,255,924	98.0
2008	2,428,220		2,245,833	92.5	72,675		2,318,508	95.5
2009	2,184,093		2,056,302	94.1	59,441		2,115,743	96.9

(1) Property taxes are levied January 1 and received on November 30.

Payments are not considered delinquent until after November 30.

(2) Levy includes all real and personal property plus fee in lieu of property taxes.

**CITY OF BOUNTIFUL**  
**Light and Power Charges for Services**  
**Last Ten Fiscal Years**  
**Table 10**

Fiscal Year Ended June 30,	Electric Metered Sales	Industrial Customer Sales (1)	Miscellaneous (2)	Total Charges for Services	Charge Per Kilowatt Hour (3)
2000	\$ 12,575,266	\$ 1,634,827	\$ 82,898	\$ 14,292,991	\$ 0.05517
2001	14,127,814	2,118,522	114,069	16,360,405	0.06070
2002	15,857,090	2,303,648	94,202	18,254,940	0.06860
2003	15,960,987	2,128,003	321,581	18,410,571	0.06860
2004	16,828,516	2,058,474	152,312	19,039,302	0.06860
2005	17,920,997	2,049,550	248,414	20,218,961	0.07550
2006	19,357,227	2,236,492	53,388	21,647,107	0.08000
2007	20,241,626	2,238,864	50,812	22,531,302	0.08000
2008	21,142,331	2,317,081	46,277	23,505,689	0.08160
2009	22,706,488	2,697,896	51,586	25,455,970	0.08160

- (1) Industrial customer with separate variable and contractual charge.
- (2) Includes underground system repairs, cable television special projects, surge protector and meter adapter sales, and other miscellaneous revenues.
- (3) Standard residential customer power rate. Does not apply to all classes of customers.

**CITY OF BOUNTIFUL**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**Table 11**

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Household Personal Income	Debt Per Capita
	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	All Outstanding Debt					
2000	\$ -	\$ -	\$ 4,275,000	\$ -	-	\$ 4,275,000	0.46 %	\$ 927,349,446	\$ 104
2001	-	-	3,860,000	-	-	3,860,000	0.43	894,636,017	92
2002	-	-	3,054,000	-	-	3,054,000	0.35	882,007,153	72
2003	-	2,710,000	6,680,000	-	-	9,390,000	1.03	909,767,141	218
2004	-	2,640,000	6,507,000	-	-	9,147,000	1.01	908,765,435	211
2005	-	2,492,000	6,134,000	-	-	8,626,000	0.88	981,834,117	199
2006	-	2,340,000	5,655,000	-	-	7,995,000	0.75	1,065,715,977	184
2007	-	2,184,000	5,160,000	-	-	7,344,000	0.64	1,155,731,198	169
2008	-	2,023,000	4,643,000	-	-	6,666,000	N/A	N/A	153
2009	-	1,857,000	4,113,000	-	-	5,970,000	N/A	N/A	136

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

N/A = Data not available.

Population from Census Bureau, Wasatch Front Regional Council and City estimates.  
Income number from State Tax Commission - federal return data by City (AGI).

**CITY OF BOUNTIFUL**  
**Risk of General Bond Debt Outstanding**  
**Last Ten Fiscal Years**  
**Table 12**

(amounts expressed in thousands except per capita amount)

<b>Fiscal Year Ended June 30,</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available In Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2000	\$ -	\$ -	\$ -	-	\$ -
2001	-	-	-	-	-
2002	-	-	-	-	-
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-

**CITY OF BOUNTIFUL**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2009**  
**Table 13**

	Total Debt	Applicable to City		City Debt Ratios (2)		
		Percentage	Amount	To assessed value of: \$ 2,482,222,475	To fair value of: \$4,170,924,219	To population of: (per capita) 43,903
Direct general obligation debt	\$ -	100.00%	\$ -	0.00%	0.00%	\$ 0.00
Overlapping debt:						
State of Utah (1)	\$ -		\$ -			
Weber Basin Water Conservancy District	30,986,402	5.07%	1,570,810			
Davis County	22,805,000	14.68%	3,348,550			
Davis School District	342,880,000	14.68%	50,346,453			
South Davis Recreation District	16,290,000	37.79%	6,156,563			
Total Overlapping debt	<u>412,961,402</u>		<u>61,422,376</u>			
Total applicable to the City	<u>\$ 412,961,402</u>		<u>\$ 61,422,376</u>	2.47%	1.47%	\$ 1,399

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

- (1) The State of Utah general obligation debt is not included in the debt ratios because the State of Utah currently levies no ad valorem tax for payment of general obligation bonds.  
(2) Percentages and the per capita amount are calculated by dividing the total debt applicable to the City by the fair and assessed values of property within its boundaries and its current population.

Source: Davis County Auditor

**CITY OF BOUNTIFUL**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**  
**Table 14**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Assessed value (1)	\$ 1,547,032	\$ 1,646,590	\$ 1,645,842	\$ 1,660,272	\$ 1,677,734	\$ 1,734,127	\$ 1,904,663	\$ 2,462,479	\$ 2,559,589	\$ 2,559,589
Debt Limit - 12% of total assessed value	185,644	197,591	197,501	199,233	201,328	208,095	228,560	295,497	307,151	307,151
Debt applicable to limit										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less: Amount set aside for repayment of general obligation debt	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 185,644	\$ 197,591	\$ 197,501	\$ 199,233	\$ 201,328	\$ 208,095	\$ 228,560	\$ 295,497	\$ 307,151	\$ 307,151
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

(1) All taxable property is assessed and taxed on the basis of its fair market value. Utah law requires that the fair market value of property that is assessed by County Assessor, using a comparable sales or a cost appraisal method, exclude expenses related to property sales transactions. For tax purposes, the fair market value of primary residential property is reduced by 45% under present law. Taxable value is net of Redevelopment Agency value.



**CITY OF BOUNTIFUL  
Pledged Revenue Coverage  
Last Ten Fiscal Years  
Table 15**

Fiscal Year Ended June 30,	Revenue Bonds							Special Assessment Bonds			
	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage	Special Assessments Collections	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
<b>Revenue Bonds - Governmental Activities</b>											
2000	\$ 339,953	\$ -	\$ 339,953	\$ 395,000	\$ 246,647	0.53 %	\$ -	\$ -	\$ -	-	
2001	343,007	-	343,007	415,000	226,222	0.53	-	-	-	-	
2002	312,643	-	312,643	806,000	188,175	0.31	-	-	-	-	
2003	310,949	-	310,949	164,000	147,374	1.00	-	-	-	-	
2004	323,428	-	323,428	173,000	272,318	0.73	196,616	70,000	115,570	1.06	
2005	551,057	-	551,057	373,000	261,746	0.87	273,390	148,000	115,252	1.04	
2006	590,501	-	590,501	479,000	246,092	0.81	180,510	152,000	111,463	0.69	
2007	741,561	1,651	739,910	495,000	213,148	1.04	269,714	156,000	107,131	1.03	
2008	738,160	1,650	736,510	517,000	197,682	1.03	269,499	161,000	102,170	1.02	
2009	672,053	5,900	666,153	530,000	179,992	0.94	272,111	166,000	96,648	1.04	

**CITY OF BOUNTIFUL**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**Table 16**

<b>Fiscal Year Ended June 30,</b>	<b>Population (1)</b>	<b>Personal Income (amounts expressed in thousands) (2)</b>	<b>Per Capita Personal Income</b>	<b>Number of residents 18 years and older (1)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2000	41,301	\$ 927,349	\$ 22,453	26,842	10,713	3.10 %
2001	41,986	894,636	21,308	27,287	10,715	4.00
2002	42,534	882,007	20,737	27,643	10,710	5.00
2003	43,076	909,767	21,120	27,995	10,457	5.10
2004	43,323	908,765	20,977	28,156	10,151	4.70
2005	43,449	981,834	22,597	28,238	10,281	4.00
2006	43,350	1,065,716	24,584	28,173	10,234	2.90
2007	43,576	1,155,731	26,522	28,320	10,046	2.60
2008	43,685	N/A	N/A	30,667	10,149	3.30
2009	43,903	N/A	N/A	30,820	10,268	5.40

N/A = Data not available.

(1) U.S. Census Bureau, Wasatch Front Regional Council and City estimates.

(2) Utah State Tax Commission.

(3) Davis School District/St. Olaf's School.

(4) Utah Department of Workforce Services -All rates are annual, except for the final year, which rate is as of August 2009.

**CITY OF BOUNTIFUL**  
**Principal Employers**  
**Current Year and Nine Years Ago**  
**Table 17**

Taxpayer (4)	2009			2003 (1)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Hospital Corporation of Utah	500 - 999	1	7.68 - 8.62 %	500 - 999	1	8.45 - 9.48 %
South Davis Community Hospital	500 - 999	2	7.68 - 8.62	250 - 499	2	N/A
Developers Investment Company, Inc.	100 - 249	3	1.72 - 1.91	100 - 249	7	1.89 - 2.10
Dick's Market - Bountiful	100 - 249	4	1.72 - 1.91	100 - 249	8	1.89 - 2.10
Intermountain Temporaries	100 - 249	5	1.72 - 1.91	N/A	N/A	N/A
Lexington Law Firm	100 - 249	6	1.72 - 1.91	N/A	N/A	N/A
Menlove-Johnson, Inc.	100 - 249	7	1.72 - 1.91	100 - 249	10	1.89 - 2.10
Smith's Marketplace (2)	100 - 249	8	1.72 - 1.91	100 - 249	11	1.89 - 2.10
South Davis Recreation Center (3)	100 - 249	9	1.72 - 1.91	100 - 249	6	1.89 - 2.10
Viewmont High School	100 - 249	10	1.72 - 1.91	100 - 249	12	1.89 - 2.10
BCBU Incorporated	N/A	N/A	N/A	250 - 499	3	4.23 - 4.74
JC Penney Company	N/A	N/A	N/A	250 - 499	4	4.23 - 4.74
Bountiful High School	N/A	N/A	N/A	100 - 249	5	1.89 - 2.10
K-Mart Stores	N/A	N/A	N/A	100 - 249	9	1.89 - 2.10
Xcel Spa & Fitness	N/A	N/A	N/A	100 - 249	13	1.89 - 2.10
<b>Total</b>	<b>1,800 - 3,990</b>		<b>29.12 - 32.52 %</b>	<b>2,150 - 4,737</b>		<b>33.92 - 37.86 %</b>

(1) Earliest data available

(2) Formerly Fred Meyer Store #10

(3) Formerly Bountiful Recreation Center

(4) Listed alphabetically within each employee range

Source: Utah Department of Workforce Services

**CITY OF BOUNTIFUL**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**  
**Table 18**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Department</b>										
<b>General Fund</b>										
Legislative	6	7	6	6	6	6	6	6	6	6
Legal	3	3	3	3	3	3	3	3	3	3
Executive	2	3	2	2	2	2	3	4	4	3
Information Systems	4	4	4	4	4	4	4	4	4	4
Administrative	6	6	6	6	6	6	6	6	6	6
Treasurer	7	8	7	8	9	8	8	8	9	7
Government Buildings	0	1	1	2	2	2	3	1	1	1
Police	81	89	86	89	85	84	88	85	94	96
Fire (1)	39	41	41	40	38	0	0	0	0	0
Streets	25	25	22	21	21	20	21	21	23	22
Engineering	10	10	10	10	12	10	12	10	11	8
Parks	16	20	21	20	25	22	21	20	24	24
Planning	2	3	3	3	2	2	4	4	5	5
<b>General Fund Total</b>	<b>201</b>	<b>220</b>	<b>212</b>	<b>214</b>	<b>215</b>	<b>169</b>	<b>179</b>	<b>172</b>	<b>190</b>	<b>185</b>
<b>Enterprise Funds</b>										
Storm Water	3	3	3	2	2	3	3	2	2	2
Water	18	17	20	19	17	17	18	21	24	19
Light and Power	46	46	46	54	48	48	51	43	43	38
Golf	41	41	43	45	45	44	46	41	45	43
Pools (3)	83	83	88	86	86	73	65	0	0	0
Recreation (3)	49	63	55	47	52	45	22	0	0	0
Ice Arena (3)	35	48	31	34	30	33	33	0	0	0
Landfill	9	8	10	10	10	9	9	9	9	9
Sanitation	4	5	5	5	5	5	5	5	6	5
Cemetery	10	9	7	8	9	10	8	11	12	9
<b>Enterprise Fund Total</b>	<b>298</b>	<b>323</b>	<b>308</b>	<b>310</b>	<b>304</b>	<b>287</b>	<b>260</b>	<b>132</b>	<b>141</b>	<b>125</b>
<b>Internal Service Funds</b>										
Risk Management (2)	-	-	-	-	-	-	-	-	-	-
Workers Compensation (2)	-	-	-	-	-	-	-	-	-	-
<b>Internal Service Fund Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Redevelopment Agency</b>										
Redevelopment Agency (2)	-	-	-	-	-	-	-	-	-	-
<b>Total Positions</b>	<b>499</b>	<b>543</b>	<b>520</b>	<b>524</b>	<b>519</b>	<b>456</b>	<b>439</b>	<b>304</b>	<b>331</b>	<b>310</b>

- (1) Fire operations were transferred to South Davis Metro Fire Agency in December 2004.  
(2) These departments have shared staff from the General Fund.  
(3) Recreation activity was transferred to the South Davis Recreation District in the first quarter of 2007.

Source: City of Bountiful Human Resource Office

**CITY OF BOUNTIFUL**  
**Capital Assets Statistics by Function**  
**Last Ten Fiscal Years**  
**Table 19**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Function</b>										
Fire protection:										
Number of stations	2	2	2	2	2	2	2	2	2	2
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	21	21	21	21	22	22	22	22	22	22
Highways and streets:										
Number of streetlights	2,045	2,077	2,099	2,104	2,108	2,112	2,119	2,120	2,145	2,135
Number of traffic signals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	296
Miles of streets	142.20	143.74	143.75	158.35	159.00	158.00	157.99	158.00	158.00	158.98
Public Services:										
Recreation and culture:										
Number of municipal parks	18	18	19	19	19	19	19	16	16	13
Number of municipal picnic areas	14	14	15	15	15	13	13	21	21	19
Number of municipal tennis courts	21	21	21	21	21	21	21	23	24	24
Number of municipal soccer fields	-	-	3	3	3	5	5	5	5	5
Number of municipal ball diamonds	10	10	10	10	10	9	9	10	10	10
Number of municipal golf courses	1	1	1	1	1	1	1	1	1	1
Number of ice arenas (3)	1	1	1	1	1	1	1	1	1	1
Number of swimming pools (3)	1	1	1	1	1	1	1	1	1	1
Municipal power plants:										
Number of distribution substations	5	5	5	5	5	5	5	5	5	5
Miles of distribution and transmission lines	208.19	219.13	237.57	226.14	226.00	226.00	228.00	228.00	228.01	228.37
Municipal water plants:										
Number of fire hydrants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,580
Miles of water mains	158.48	160.11	160.29	168.25	168.00	170.00	170.55	171.00	171.00	172.96
Maximum instantaneous water source capacity (gallons per minute)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9,100
Sanitation utilities:										
Number of Collection Trucks	10	10	10	11	9	10	10	12	13	13
Number of sanitary landfills	1	1	1	1	1	1	1	1	1	1
Storm water utility:										
Miles of storm water lines (encased)	40.25	41.62	42.36	71.66	73.00	73.00	73.23	73.00	74.00	74.74
Miles of storm water lines (concrete lined)	3.15	3.15	3.15	3.88	4.00	4.00	3.87	4.00	4.00	4.21
Public Libraries (2)	1	1	1	1	1	1	1	1	1	1

Note: No capital asset indicators are available for the general government and planning and engineering functions.

(1) Fire operations were transferred to South Davis Metro Fire Agency in December 2004.

(2) Owned and operated by Davis County.

(3) Owned and operated by the South Davis Recreation District beginning in the first quarter of 2007

**Miscellaneous Statistics - Most current information only**

Date of Incorporation: December 14, 1892

Form of government: Manager

Election data

Registered (active voters), November 2008: 25,927

Number of votes cast in 2008 local election: 20,076

Percentage of registered voters voting: 77.43%

Sources: Various City of Bountiful Departments.

**CITY OF BOUNTIFUL**  
**Operating Indicators by Program/Function**  
**Last Ten Fiscal Years**  
**Table 20**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Function/Program</b>										
<b>General Governmental:</b>										
Ordinances passed	17	17	20	19	21	16	11	15	12	10
Resolutions passed	7	5	13	6	11	4	5	3	11	11
<b>Public Safety:</b>										
Hazardous citations written	2,314	2,204	2,236	1,745	1,817	1,765	2,062	2,540	2,839	N/A
Non-hazardous citations written	1,126	1,074	1,186	856	997	1,155	1,826	2,186	2,776	N/A
Arrests	1,516	1,206	1,855	1,843	1,675	1,214	1,855	1,674	1,657	N/A
<b>Highways and Streets:</b>										
Miles of street overlaid	N/A	N/A	8.80	8.60	N/A	8.10	6.60	5.00	8.00	5.00
Miles of street reconstructed	N/A	N/A	1.10	0.70	N/A	0.00	0.50	1.00	0.30	0.68
<b>Planning and Engineering:</b>										
Building Permits Issued	108	96	80	130	103	106	109	60	55	40
<b>Municipal water:</b>										
Average daily gallons consumed	5,020,276	4,879,764	4,199,270	4,531,659	4,576,573	4,136,849	4,114,800	4,198,928	4,147,800	4,178,570
<b>Municipal power:</b>										
Kilowatt hours sold	278,000,577	289,241,881	280,643,742	281,722,447	286,843,005	286,063,769	289,901,723	301,405,855	305,271,698	295,756,259
<b>Storm water:</b>										
Miles of storm drains inspected	N/A	N/A	N/A	7.17	7.30	7.30	7.32	4.00	4.00	5.42
Miles of streets cleaned	N/A	N/A	N/A	316.70	318.00	316.00	315.98	316.00	158.00	158.98
<b>Sanitation utilities:</b>										
Tons of waste collected and landfilled	41,760	45,202	41,842	41,924	79,998	115,880	97,138	118,034	140,881	98,732
Tons of recyclables collected (1)	0	0	0	0	0	0	0	0	0	1,533

N/A = Data not available.

(1) The Sanitation Department implemented a recycling initiative on December 1, 2008.

Sources: Various City of Bountiful departments.