

# Bountiful, Utah

*City of Beautiful Homes and Gardens*



## Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2010

**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**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010**



**Prepared by:**

### **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

Ralph T. Hill, Jr., CPA  
Assistant Finance Director/  
Deputy City Recorder

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

**CITY OF BOUNTIFUL  
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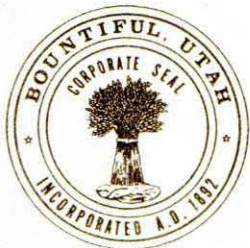
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## **INTRODUCTORY SECTION**

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# 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 9, 2010

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, 2010.

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, 2010, 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, 2010, 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 2010 is 44,477, 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**

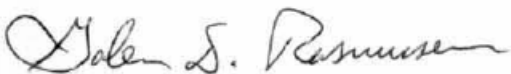
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bountiful for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. In order to be awarded a Certificate of Achievement, the 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, 2010**

**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

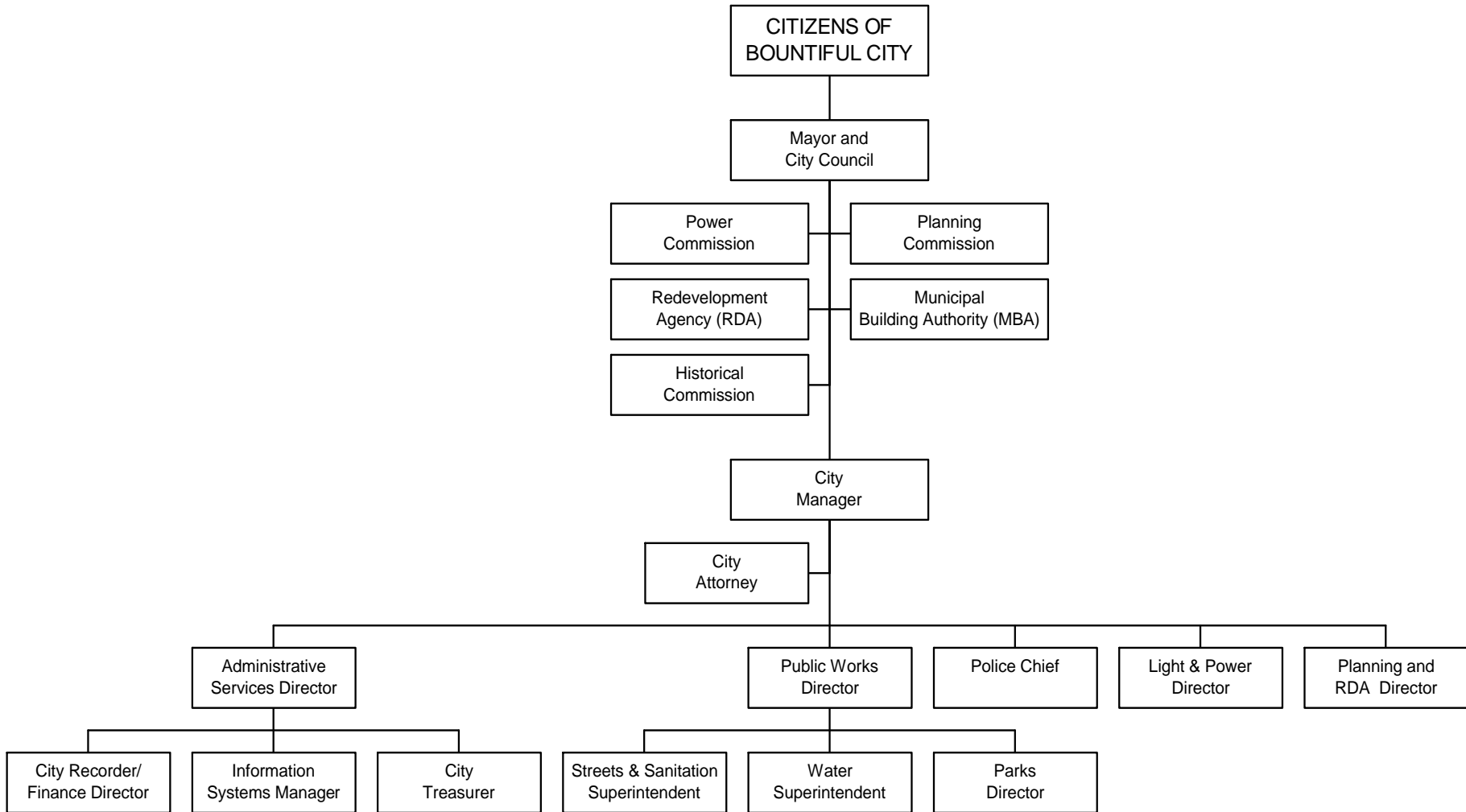
**STATUTORY APPOINTED OFFICIALS**

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

**CITY OF BOUNTIFUL  
ORGANIZATIONAL CHART  
June 30, 2010**



# 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, 2009

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.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emery".

Executive Director

## **FINANCIAL SECTION**

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**Jensen & Keddington, P.C.**  
Certified Public Accountants

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

## INDEPENDENT AUDITOR'S REPORT

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, 2010, 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, 2010, and the respective changes in financial position and, where applicable, the cash flows 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 3, 2010 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as noted on the table of contents, are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our



inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 do not express an opinion or provide any assurance on it.

*Jensen & Keddington*

November 3, 2010

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2010**

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, 2010. 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, 2010 by \$209,017,603. Of this amount, unrestricted net assets of \$83,906,103 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net assets increased by \$4,248,152 from the prior year. Of this amount \$2,550,126 was associated with governmental and \$1,698,025 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 \$42,650,742, an increase of \$2,291,311 over the prior year. Of this amount, \$39,839,131 is unreserved and available for spending. The remaining \$2,811,611 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 \$2,224,136, or 15.77% of total General Fund expenditures.
- The City of Bountiful's bonded debt obligations decreased by the net amount of \$1,022,000. The decrease was attributable to principal payments on the existing Municipal Building Authority Lease Revenue Bonds in the amount of \$553,000 and the \$469,000 net effect of principal payments and refunding of Special Assessment Bonds which were replaced by Sales Tax Revenue Bonds.

**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).

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2010**

**Overview of the Financial Statements (Continued)**

**Government-wide financial statements (continued)**

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.

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 2010 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.

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2010**

**Overview of the Financial Statements (Continued)**

**Proprietary funds (continued)**

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.

**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.

**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 non-major 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, 2010, the City's assets exceeded liabilities by \$209,017,603. By far the largest portion of the City's net assets \$120,322,826 (57.57%) 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.

City of Bountiful's Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Current and other assets	\$ 53,663,171	58,075,581	39,419,932	44,427,605	\$ 93,083,103	\$ 102,503,186
Capital assets	80,847,316	79,737,190	47,821,640	45,629,028	128,668,956	125,366,218
Total assets	<u>134,510,487</u>	<u>137,812,771</u>	<u>87,241,572</u>	<u>90,056,633</u>	<u>221,752,059</u>	<u>227,869,404</u>
Long-term liabilities outstanding	6,898,041	5,912,683	594,993	595,502	7,493,034	6,508,185
Other liabilities	7,654,357	7,803,452	3,416,222	4,540,164	11,070,579	12,343,616
Total liabilities	<u>14,552,398</u>	<u>13,716,135</u>	<u>4,011,215</u>	<u>5,135,666</u>	<u>18,563,613</u>	<u>18,851,801</u>
Net assets:						
Invested in capital assets, net of related debt	74,805,745	74,693,798	47,821,640	45,629,028	122,627,385	120,322,826
Restricted	3,558,657	4,227,165	-	561,509	3,558,657	4,788,674
Unrestricted	43,182,100	45,175,673	35,401,301	38,730,430	78,583,401	83,906,103
Total net assets	<u>\$ 121,546,502</u>	<u>\$ 124,096,636</u>	<u>\$ 83,222,941</u>	<u>\$ 84,920,967</u>	<u>\$ 204,769,443</u>	<u>\$ 209,017,603</u>

**CITY OF BOUNTIFUL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2010**

**Government-wide Financial Analysis (Continued)**

An additional portion of the net assets, \$4,788,674 (2.29%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$83,906,103 (40.14%), 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).

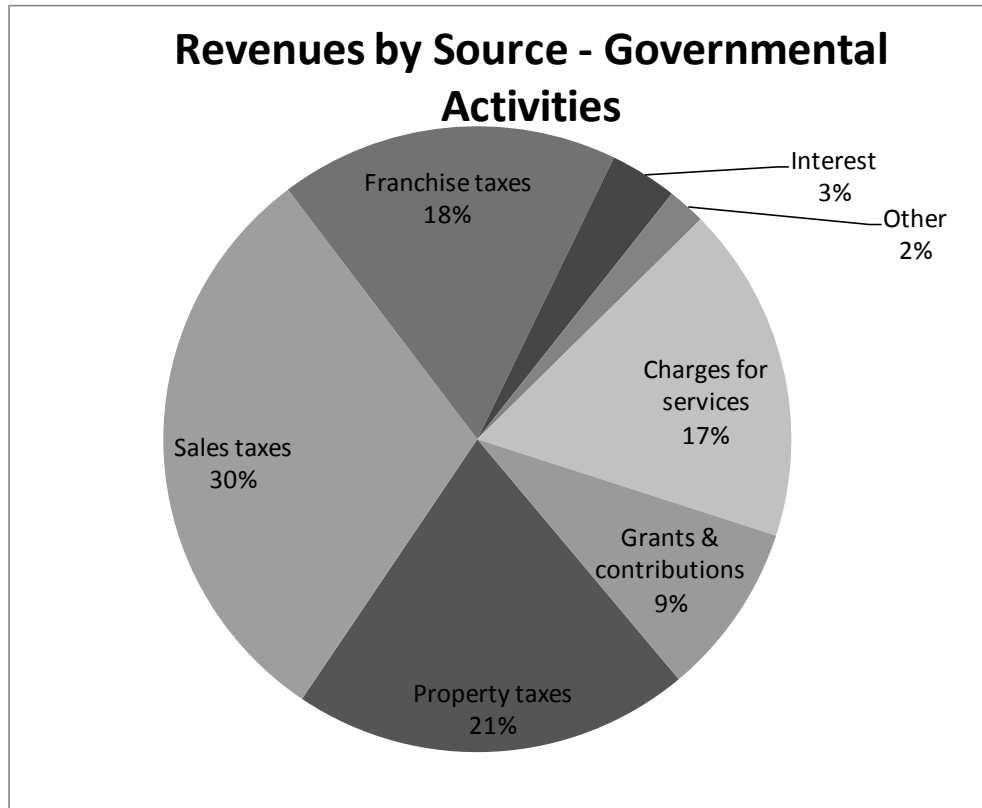
City of Bountiful's Changes in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Revenues:						
Program revenues:						
Charges for services	\$ 3,516,116	\$ 3,308,666	\$ 33,917,471	\$ 32,426,057	\$ 37,433,587	\$ 35,734,723
Operating grants and contributions	1,295,260	1,427,842	-	-	1,295,260	1,427,842
Capital grants and contributions	1,646,784	271,222	505,219	27,605	2,152,003	298,827
General revenues:						
Property taxes	3,904,321	3,917,254	-	-	3,904,321	3,917,254
Other taxes	9,601,077	9,097,934	-	-	9,601,077	9,097,934
Other	1,903,233	1,035,601	547,987	229,612	2,451,220	1,265,213
<b>Total revenues</b>	<b>21,866,791</b>	<b>19,058,519</b>	<b>34,970,677</b>	<b>32,683,274</b>	<b>56,837,468</b>	<b>51,741,793</b>
Expenses:						
General government	3,417,690	3,388,685	-	-	3,417,690	3,388,685
Public safety	8,463,184	8,506,721	-	-	8,463,184	8,506,721
Highways and streets	4,455,182	3,999,039	-	-	4,455,182	3,999,039
Planning and engineering	1,011,654	943,285	-	-	1,011,654	943,285
Parks	1,078,688	933,052	-	-	1,078,688	933,052
Redevelopment	639,800	685,492	-	-	639,800	685,492
Interest on long-term debt	282,736	241,190	-	-	282,736	241,190
Water	-	-	3,593,952	3,131,777	3,593,952	3,131,777
Light and Power	-	-	21,282,022	20,557,495	21,282,022	20,557,495
Landfill	-	-	925,116	1,064,299	925,116	1,064,299
Storm Water	-	-	1,071,562	1,104,270	1,071,562	1,104,270
Recycling	-	-	248,556	432,863	248,556	432,863
Golf Course	-	-	1,267,184	1,311,614	1,267,184	1,311,614
Recreation	-	-	7,454	-	7,454	-
Sanitation	-	-	855,234	841,277	855,234	841,277
Cemetery	-	-	370,211	352,574	370,211	352,574
<b>Total expenses</b>	<b>19,348,934</b>	<b>18,697,464</b>	<b>29,621,291</b>	<b>28,796,169</b>	<b>48,970,225</b>	<b>47,493,633</b>
Increase in net assets before transfers	2,517,857	361,055	5,349,386	3,887,105	7,867,243	4,248,160
Transfers	2,902,051	2,189,079	(2,902,051)	(2,189,079)	-	-
<b>Increase (Decrease) in net assets</b>	<b>5,419,908</b>	<b>2,550,134</b>	<b>2,447,335</b>	<b>1,698,026</b>	<b>7,867,243</b>	<b>4,248,160</b>
Net assets - beginning of year	116,807,201	121,546,502	80,775,606	83,222,941	197,582,807	204,769,443
Prior Period Adjustment	(680,607)					
<b>Net assets - end of year</b>	<b>\$ 121,546,502</b>	<b>\$ 124,096,636</b>	<b>\$ 83,222,941</b>	<b>\$ 84,920,967</b>	<b>\$ 204,769,443</b>	<b>\$ 209,017,603</b>

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2010**

**Governmental activities.** Governmental activities increased the City's net assets by \$2,550,126. When combined with the \$1,698,025 increase in net assets from business-type activities, overall net assets increased by \$4,248,152 or 2.07%. 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 \$2,869,774 less than last year's increase due to the following factors:

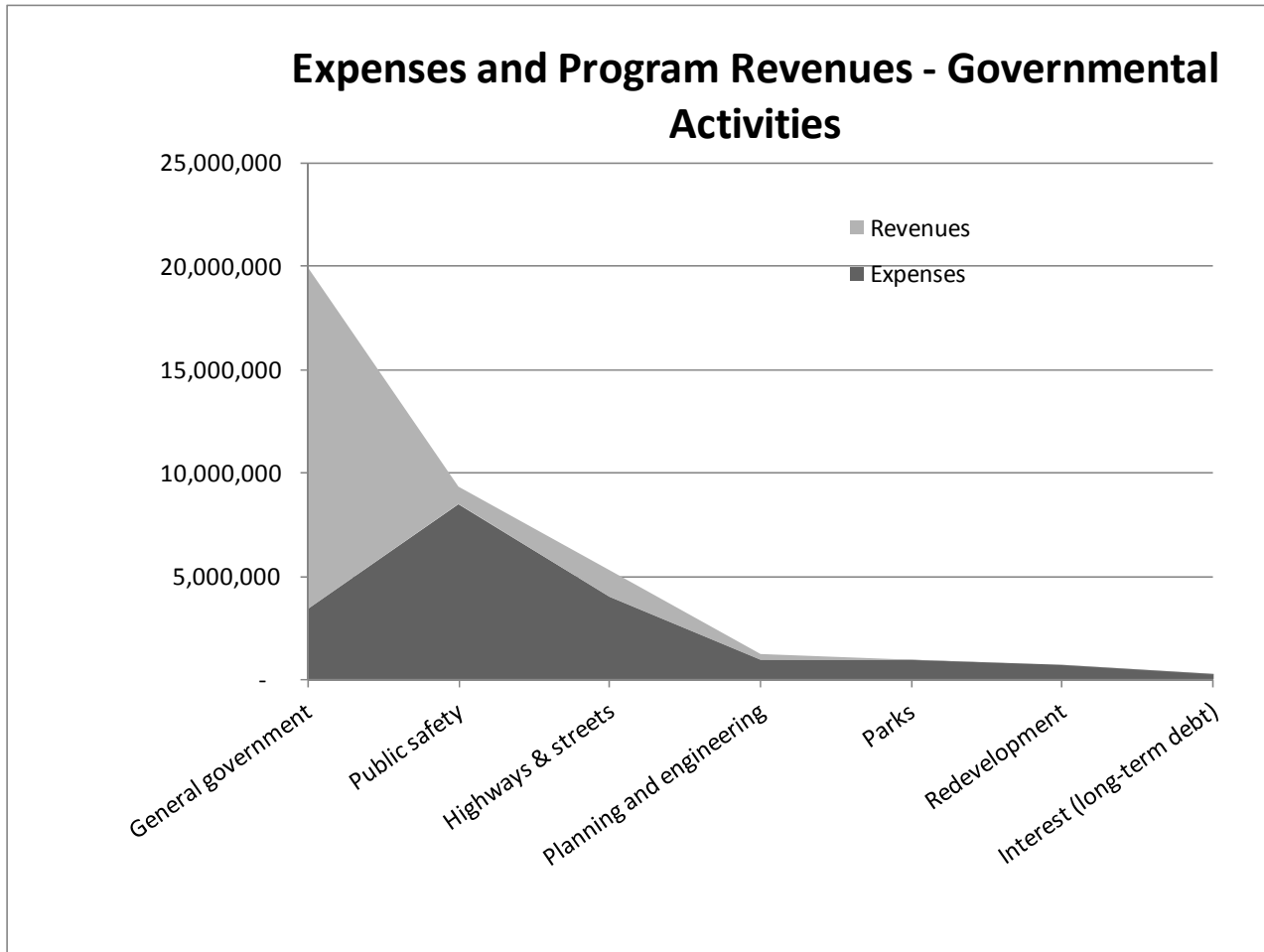
- Charges for services decreased \$207,450 due primarily to lower economic activity.
- Sales and franchise taxes were down \$503,143 from the prior year due primarily to lower economic activity.
- Capital grants and contributions totaling \$1,646,784, primarily related to streets, curb, gutter and sidewalk infrastructure donated by a local developer were received last year. No such grants or contributions were received in the current year.
- Interest from investments decreased by \$578,268.
- Last year, the City sold the old indoor swimming pool land to the Davis School District for \$372,930.
- Highway and streets expenses decreased \$477,716 due to fewer resurfacing projects.
- The Light and Power Fund transfer to the General Fund was \$59,109 less than that transferred last year.
- The preceding detail documents net decreases totaling \$2,889,968. This amount is different than the \$2,869,781 decrease originally presented for this review by \$20,187. This difference was due to transactions too numerous and small to require further explanation.

The graphs presented below and 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, 2010**

**Governmental Activities (Continued)**



**Business-type activities.** Business-type activities increased the City's net assets by \$1,698,026. When combined with the \$2,550,134 that governmental activities added to net assets, overall net assets increased by \$4,248,152. As indicated by the data in the table on page 6, the increase in the City's net assets provided this year by business-type activities was \$749,309 less than last year's increase due to the following factors:

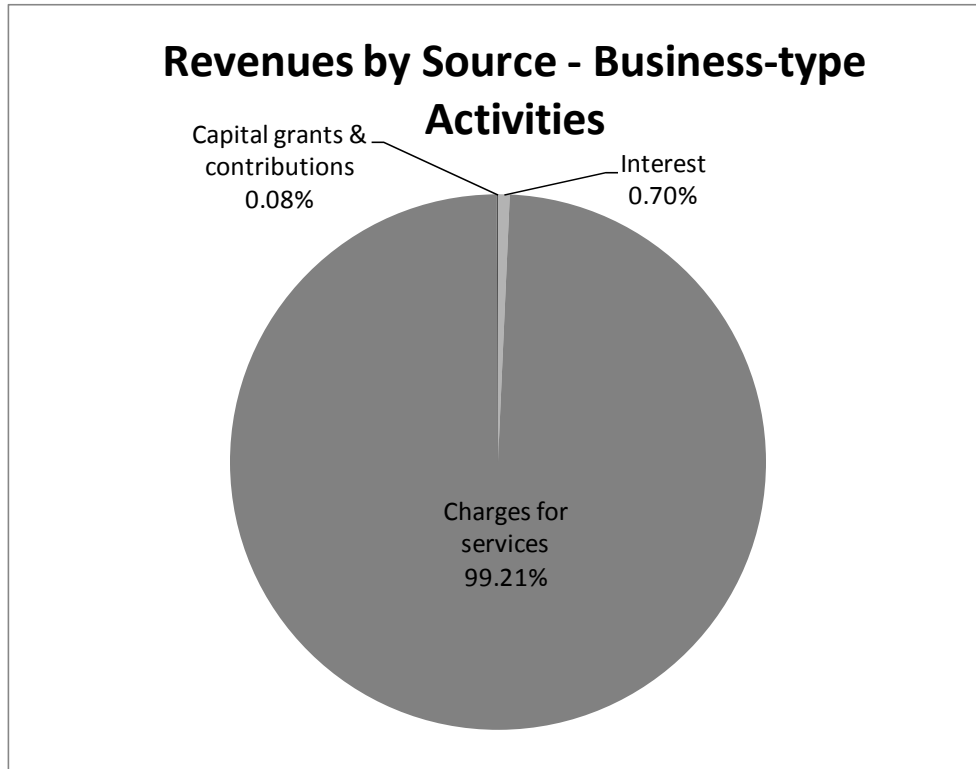
- Light and Power Fund charges for services decreased \$925,142 and program expenses decreased \$747,264 due to decreases in the sale of electricity.
- Landfill charges for services decreased \$140,745. We started a recycling program late in FY2009 which decreased municipality collection fees. The economy affected commercial collections. Construction materials were down 5,000 tons. The economy also affected compost sales and gate receipts.
- \$420,079 in storm water infrastructure was donated by developers during the prior year.
- Interest from investments decreased by \$326,862.
- Water Fund program expenses decreased \$463,655. A major project to install radio-read water meters throughout the system was completed during the prior fiscal year. Approximately \$400,000 of the \$1,200,000 program was expensed at that time.

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2010**

**Business-type Activities (Continued)**

- Landfill program expenses increased \$134,587. We allowed green waste from other South Davis County Cities to be processed at our landfill. This increased the contract equipment costs for green waste grinding. We increased the liability for post-closure costs. We paved the compost pad which was a one-time cost. Some additional professional tech services were used.
- The preceding detail documents net increases totaling \$736,496. This amount is different than the \$749,309 decrease originally presented for this review by \$12,813. This difference was due to transactions too numerous and small to require further explanation.

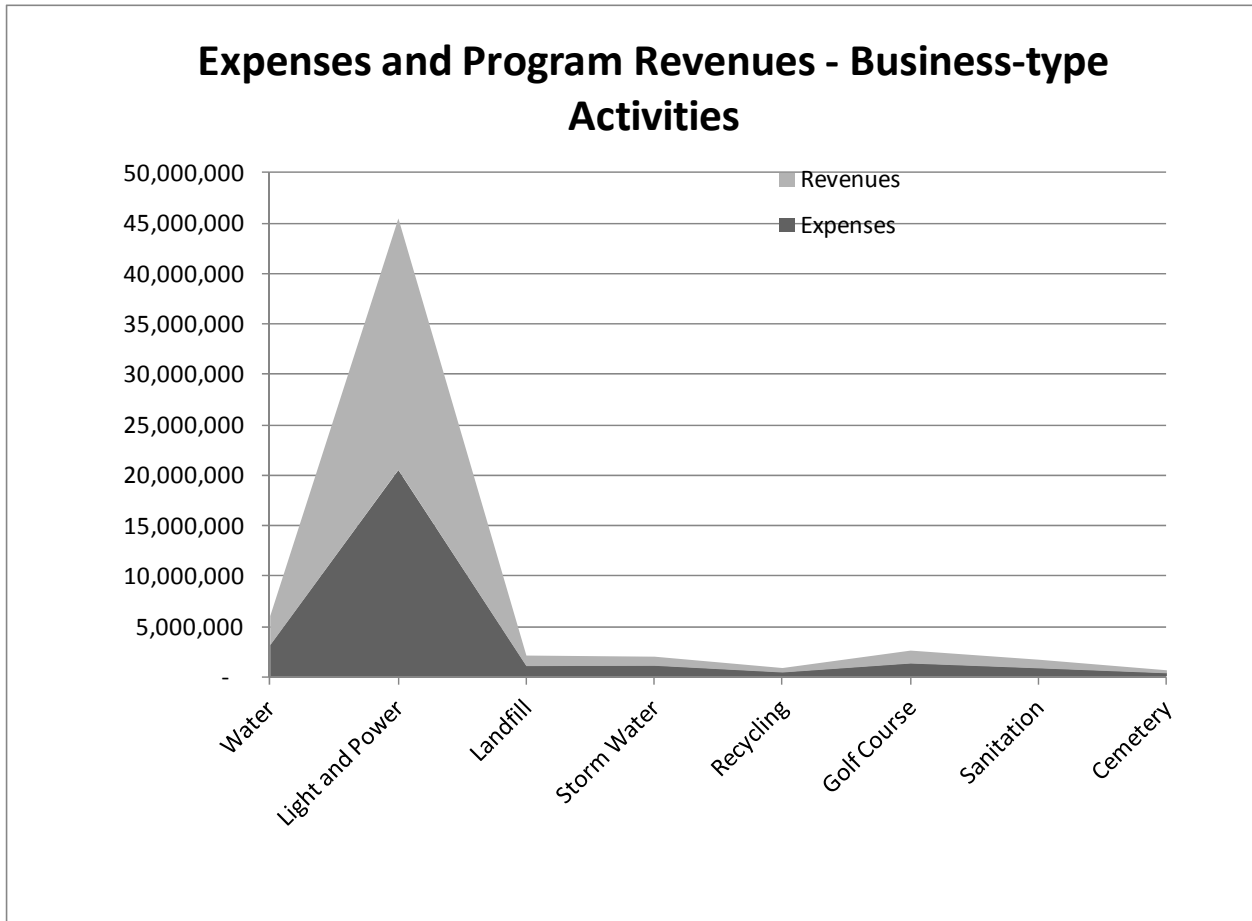
The graphs presented below and on the following page reflect only regular operating revenues and expenses from business-type activities and not the effects of special one-time items or transfers.





**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2010**

**Business-type Activities (Continued)**



**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, 2010, the City's governmental funds reported combined ending fund balance of \$42,650,742 , an increase of \$2,291,311 over the prior year. Of this amount, \$39,839,131 (93.41%) is unreserved fund balance, which is available for spending at the government's discretion. Of the unreserved fund balance, \$37,001,769 has been designated by the City Council for subsequent years' capital expenditures and other uses, leaving an unreserved undesignated amount of \$2,837,362. The remaining \$2,811,611 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 (\$787,996), 2) perpetual care of the City's cemetery (\$1,391,669), 3) debt service (\$609,946), and 4) trails and museum projects (\$22,000).

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2010**

**Financial Analysis of the Government's Funds (Continued)**

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 \$2,224,136. 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 15.77% of total General Fund expenditures. The fund balance of the City's General Fund decreased by \$12,518 during the current fiscal year. This represents a 0.55% change in fund balance. The decrease in the City's General Fund balance consisted of 1) a 4.07% increase in revenues of \$470,245, 2) a 8.13% decrease in expenditures of \$1,261,199, 3) a decrease in proceeds from the sale capital assets of \$3,614, 4) a decrease of \$59,109 in the amount transferred from the Light and Power fund, 5) a \$1,610,762 decrease in transfers from other funds (last year the discontinued Recreation Fund contributed \$646,885 and the City's Capital Projects Fund contributed \$963,877 to fully fund the City's OPEB plan), and 6) the \$70,477 decrease in last year's fund balance.

The Capital Projects Fund has a total fund balance of \$32,917,208, 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, 2010, the fund balance in the Capital Projects Fund increased by \$2,279,746 or 7.44% compared to last year's increase of \$1,869,567. The \$410,179 greater increase in the City's Capital Projects Fund balance consisted of 1) \$372,930 less proceeds from the sale of capital assets (last year's sale to the Davis School District of land once the site of the City's indoor swimming facility), 2) a \$1,265,332 decrease in project expenditures, 3) \$361,282 less interest earned on investments, 4) \$928,861 less received from allocated sales taxes, 5) \$963,877 less transferred to the General Fund (the amount transferred last year to fully fund the City's OPEB plan) and 6) \$155,957 more in transfers to the Municipal Building Authority Fund.

The Redevelopment Agency Fund has a total fund balance of \$3,979,669, all of which is unreserved but designated. The net increase in fund balance during the current year in the Redevelopment Agency Fund was only \$731, an amount too small to require further discussion.

The Debt Service Fund has a total fund balance of \$59,691, 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 \$227,599. During FY 2010, the City refunded a 2003 special improvement district bond issue. \$265,245 held in reserve in the Debt Service Fund was used to retire the 2003 bonds.

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 \$3,512,838, \$20,639,776, and \$9,635,244 respectively. The increase (decrease) in total net assets was (\$230,799), \$2,177,766, and (\$14,834) 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 \$98,000 increase in appropriations between the original and final amended budgets. Following are the components of the increase:

- \$7,000 supplemental appropriation to the executive department to cover increases in hours of work granted to part-time staff.
- \$26,000 supplemental appropriation to the police department to cover increases in personnel costs related to the performance of services required by various state and local law enforcement grants.
- \$65,000 supplemental appropriation to the police department to purchase equipment made available from various state and local law enforcement grants.

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2010**

**General Fund Budgetary Highlights (Continued)**

The increase was possible because of additional sundry revenues \$7,000 and \$91,000 from various state and local law enforcement grants.

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 2010 fiscal year, the following analysis is offered as explanation of significant variances greater than \$150,000.

General Sales and Use Tax was budgeted at \$2,789,037 for the fiscal year, but the actual revenues were only \$1,626,976. This change is due primarily to a \$1,639,475 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 difference between the over and under-budgeted amounts, i.e. \$477,414, was due to improved sales tax collections over those anticipated in the original budgets.

Actual Sundry Revenues exceeded the budget by \$222,184. Of particular mention are the following: 1) \$121,536 related to the write off of interest liability on concrete work performance bonds because, after the budget was prepared, the City learned it was not liable for such interest payments, 2) \$34,958 collected from Kern River Gas Company for the sale of pipeline rights of way, 3) \$14,045 received from the sale of tickets to a local City-sponsored musical performance, 4) \$8,609 received from Selecthealth Insurance Company as premium rebates.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities at June 30, 2010 amounts to \$125,366,218 (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. A total decrease in the City's investment in capital assets for the current fiscal year was \$3,302,739 (a 1.37% decrease equaling \$1,110,199 for governmental activities and a 4.58% decrease equaling \$2,192,610 for business-type activities). Major capital asset activity during the current fiscal year has been summarized in the following two tables.

	City of Bountiful's Capital Assets (Net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Land	\$ 47,302,980	\$ 47,302,980	3,120,088	\$ 3,120,088	\$ 50,423,068	\$ 50,423,068
Infrastructure	15,738,201	15,413,292	24,594,584	23,718,365	40,332,785	39,131,657
Buildings and other structures	12,989,451	12,139,893	10,353,591	9,745,594	23,343,042	21,885,487
Improvements other than buildings	3,019,970	2,766,988	1,441,251	1,432,047	4,461,221	4,199,035
Street light and traffic signal system	-	-	1,072,287	983,358	1,072,287	983,358
Machinery & equipment	1,346,799	1,156,126	6,904,432	6,091,666	8,251,231	7,247,792
Furniture & fixtures	449,847	957,911	19,993	14,795	469,840	972,706
Construction in progress	69	-	315,414	523,115	315,483	523,115
<b>Total</b>	<b>\$ 80,847,317</b>	<b>\$ 79,737,190</b>	<b>\$ 47,821,640</b>	<b>\$ 45,629,028</b>	<b>\$ 128,668,957</b>	<b>\$ 125,366,218</b>

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2010**

**Capital Asset and Debt Administration (Continued)**

City of Bountiful's Schedule of Capital Asset Additions (Net of Retirements)			
	Governmental Activities	Business-type Activities	Totals
New Streets, Curb, Gutter and Sidewalk Infrastructure	\$ 162,950	\$ -	\$ 162,950
Motor Vehicle and Heavy Equipment Purchases	(182,752)	(185,704)	(368,456)
Washington Park Project	54,920	-	54,920
Fatpot Software for the Police Department	677,000	-	677,000
New Cemetery Street	-	11,941	11,941
Retain-It Plus Invoice / Reconstructed Retaining Wall	-	3,400	3,400
New Practice Green / Keystone Wall on #10	-	70,882	70,882
Ashdown Upgrade Project	-	38,708	38,708
New Water and Storm Water Infrastructure (water mains and storm drains)	-	349,987	349,987
Construction on Light and Power Department Transmission and Distribution Systems	-	644,287	644,287
Cement Cart Path to 1st Tee	-	15,911	15,911
Other	(11,323)	-	(11,323)
Less Change in Accumulated Depreciation	(1,810,994)	(3,142,022)	(4,953,016)
Total	<u>\$ (1,110,199)</u>	<u>\$ (2,192,610)</u>	<u>\$ (3,302,809)</u>

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

**Long-term debt.** At the end of the current fiscal year, the City had \$4,948,000 in outstanding bonded debt consisting of lease revenue bonds and special assessment bonds. All of the bonded debt was secured by specific revenue sources.

City of Bountiful's Outstanding debt						
	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Lease revenue bonds	\$ 4,113,000	\$ 3,560,000	\$ -	\$ -	\$ 4,113,000	\$ 3,560,000
Sales Tax revenue bonds	-	1,388,000	-	-	-	1,388,000
Special assessment bonds	1,857,000	-	-	-	1,857,000	-
Total	<u>\$ 5,970,000</u>	<u>\$ 4,948,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,970,000</u>	<u>\$ 4,948,000</u>

The City's total bonded debt decreased by \$1,022,000 during the current fiscal year, which included the refunding of the City's Special Improvement District Series 2003 bonds with the issuance of Sales Tax revenue Series 2009 bonds. Additional information on the City's long-term debt can be found in Note 9 of this report.

On May 5, 2010, in the process of routine surveillance, Fitch Ratings recalibrated its ratings of the City's MBA Lease Revenue Bond Series 2003, and upgraded the rating from "AA-" to "AA".

**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 and the long-term capital plans 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.

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2010**

**Economic Factors and Next Year's Budgets and Rates (Continued)**

Budgets for fiscal year 2011 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, commercial construction, vehicle sales, retail sales in general, and credit market and interest rate uncertainty.
- Development activity is very minimal. 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 with cities by the State of Utah, was projected conservatively with a near zero growth level 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. Health care costs have also been proactively managed through implementation of a City Wellness Program, and adoption of benefit program changes to increase employee awareness of costs and to reduce utilization of high cost areas.
- Enterprise fund activity reflects no rate increases to customers other than a five percent increase in electric rates effective for usage from December 2010 forward.

**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, 2010**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 31,349,046	\$ 23,160,849	\$ 54,509,895
Receivables:			
Taxes	5,020,967	-	5,020,967
Accounts, net	156,594	3,452,910	3,609,504
Interest	66,071	48,257	114,328
Intergovernmental	1,852,334	-	1,852,334
Investments	7,892,073	5,637,650	13,529,723
Internal balances	2,459,197	(2,459,197)	-
Inventories	-	2,305,484	2,305,484
Prepays	-	117,234	117,234
Real estate inventory held for resale	788,105	-	788,105
Notes receivable	3,470,889	117,010	3,587,899
Deferred charges	149,582	-	149,582
Restricted assets:			
Cash and cash equivalents and investments	3,993,703	1,734,345	5,728,048
Other post employment employee asset	877,020	561,509	1,438,529
<b>Capital assets, net:</b>			
Land, land rights, and water rights	47,302,980	3,120,088	50,423,068
Buildings, wells, and reservoirs	12,139,893	9,745,594	21,885,487
Improvements other than buildings	2,766,988	1,432,047	4,199,035
Transmission, distribution and collection systems	-	23,718,365	23,718,365
Street light and traffic signal system	-	983,358	983,358
Machinery and equipment	1,156,126	6,091,666	7,247,792
Furniture and fixtures	957,911	14,795	972,706
Infrastructure	15,413,292	-	15,413,292
Construction in progress	-	523,115	523,115
Investment in power projects	-	9,751,554	9,751,554
<b>Total Assets</b>	<b>\$ 137,812,771</b>	<b>\$ 90,056,633</b>	<b>\$ 227,869,404</b>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF NET ASSETS (Continued)**  
**June 30, 2010**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
Accounts payable	\$ 1,256,053	\$ 2,374,366	\$ 3,630,419
Accrued liabilities	492,198	394,511	886,709
Accrued interest payable	29,000	-	29,000
Unearned revenue	5,382,643	36,942	5,419,585
Developer and customer deposits	640,741	656,287	1,297,028
Liabilities payable from restricted assets	2,817	1,078,058	1,080,875
Noncurrent liabilities:			
Due within one year	1,438,872	183,226	1,622,098
Due in more than one year	4,473,811	412,276	4,886,087
<b>Total Liabilities</b>	<b>13,716,135</b>	<b>5,135,666</b>	<b>18,851,801</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	74,693,798	45,629,028	120,322,826
Restricted for:			
Trails, Arts and Museum projects	105,801	-	105,801
Other postemployment benefits asset	877,020	561,509	1,438,529
Perpetual care - nonexpendable	1,389,106	-	1,389,106
Landfill closure	787,996	-	787,996
Debt Service	550,255	-	550,255
Regulatory required insurance deposit	516,987	-	516,987
Unrestricted	45,175,673	38,730,430	83,906,103
<b>Total Net Assets</b>	<b>124,096,636</b>	<b>84,920,967</b>	<b>209,017,603</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 137,812,771</b>	<b>\$ 90,056,633</b>	<b>\$ 227,869,404</b>

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



**CITY OF BOUNTIFUL**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended June 30, 2010**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Government Activities</b>							
General governmental	\$ 3,388,685	\$ 2,298,911	\$ -	\$ 271,222	\$ (818,552)	\$ -	\$ (818,552)
Public safety	8,506,721	655,384	182,052	-	(7,669,285)	-	(7,669,285)
Highways and streets	3,999,039	52,641	1,245,790	-	(2,700,608)	-	(2,700,608)
Planning and engineering	943,285	285,630	-	-	(657,655)	-	(657,655)
Parks	933,052	16,100	-	-	(916,952)	-	(916,952)
Redevelopment	685,492	-	-	-	(685,492)	-	(685,492)
Interest on long-term debt	241,190	-	-	-	(241,190)	-	(241,190)
<b>Total Governmental Activities</b>	<b>18,697,464</b>	<b>3,308,666</b>	<b>1,427,842</b>	<b>271,222</b>	<b>(13,689,734)</b>	<b>-</b>	<b>(13,689,734)</b>
<b>Business-type Activities</b>							
Water	3,131,777	2,846,366	-	27,522	-	(257,889)	(257,889)
Light and power	20,557,495	24,871,593	-	-	-	4,314,098	4,314,098
Landfill	1,064,299	963,000	-	-	-	(101,299)	(101,299)
Storm water	1,104,270	893,876	-	83	-	(210,311)	(210,311)
Golf course	1,311,614	1,274,847	-	-	-	(36,767)	(36,767)
Recycling	432,863	442,336	-	-	-	9,473	9,473
Sanitation	841,277	845,858	-	-	-	4,581	4,581
Cemetery	352,574	288,181	-	-	-	(64,393)	(64,393)
<b>Total Business-type Activities</b>	<b>28,796,169</b>	<b>32,426,057</b>	<b>-</b>	<b>27,605</b>	<b>-</b>	<b>3,657,493</b>	<b>3,657,493</b>
<b>Total Government</b>	<b>\$ 47,493,633</b>	<b>\$ 35,734,723</b>	<b>\$ 1,427,842</b>	<b>\$ 298,827</b>	<b>\$ (13,689,734)</b>	<b>\$ 3,657,493</b>	<b>\$ (10,032,241)</b>
			<b>General Revenues</b>				
			Property taxes		\$ 3,917,254	\$ -	\$ 3,917,254
			Sales taxes		5,761,400	-	5,761,400
			Franchise taxes		3,336,534	-	3,336,534
			Interest on investments		662,978	221,148	884,126
			Other		372,031	-	372,031
			Gain on sale of capital assets		592	8,464	9,056
			Transfers		2,189,079	(2,189,079)	-
			<b>Total General Revenues</b>		<b>16,239,868</b>	<b>(1,959,467)</b>	<b>14,280,401</b>
			Changes in Net Assets		2,550,134	1,698,026	4,248,160
			<b>Net Assets, Beginning</b>		<b>121,546,502</b>	<b>83,222,941</b>	<b>204,769,443</b>
			<b>Net Assets, Ending</b>		<b>\$ 124,096,636</b>	<b>\$ 84,920,967</b>	<b>\$ 209,017,603</b>

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

**CITY OF BOUNTIFUL**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**June 30, 2010**

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 940,228	\$ 22,843,772	\$ 3,218,474	\$ 47,811	\$ 278,274	\$ 27,328,559
Receivables:						
Taxes	3,394,862	-	1,558,482	-	67,623	5,020,967
Accounts - net	145,740	-	-	-	-	145,740
Interest	4,612	41,100	7,478	94	3,321	56,605
Intergovernmental	262,579	1,282,114	-	-	307,641	1,852,334
Investments	395,180	5,631,433	793,416	11,786	68,600	6,900,415
Real estate inventory held for resale	-	-	788,105	-	-	788,105
Notes receivable	-	-	1,745,689	1,725,200	-	3,470,889
Due from other funds	-	3,229,236	-	-	-	3,229,236
Restricted assets:						
Cash and cash equivalents and investments	665,558	-	-	-	2,811,158	3,476,716
<b>Total Assets</b>	<b>\$ 5,808,759</b>	<b>\$ 33,027,655</b>	<b>\$ 8,111,644</b>	<b>\$ 1,784,891</b>	<b>\$ 3,536,617</b>	<b>\$ 52,269,566</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 338,182	\$ 110,447	\$ 53,383	\$ -	\$ 88,580	\$ 590,592
Liabilities payable from restricted assets	2,817	-	-	-	-	2,817
Accrued liabilities	481,922	-	4,383	-	-	486,305
Due to other funds	-	-	770,039	-	-	770,039
Developer and customer deposits	640,741	-	-	-	-	640,741
Unearned revenues	2,098,961	-	3,304,171	1,725,200	-	7,128,332
<b>Total Liabilities</b>	<b>3,562,623</b>	<b>110,447</b>	<b>4,131,976</b>	<b>1,725,200</b>	<b>88,580</b>	<b>9,618,826</b>
<b>Fund Balances</b>						
Reserved for:						
Trails and museum projects	22,000	-	-	-	-	22,000
Landfill Closure	-	-	-	-	787,996	787,996
Perpetual Care	-	-	-	-	1,391,669	1,391,669
Debt Service	-	-	-	59,691	550,255	609,946
Unreserved, designated for, reported in:						
Capital Projects	-	32,917,208	-	-	-	32,917,208
General Fund	104,892	-	-	-	-	104,892
Redevelopment Agency	-	-	3,979,668	-	-	3,979,668
Unreserved, undesignated reported in:						
General Fund	2,119,244	-	-	-	-	2,119,244
MBA Fund	-	-	-	-	653,503	653,503
RAP Tax Fund	-	-	-	-	64,614	64,614
<b>Total Fund Balances</b>	<b>2,246,136</b>	<b>32,917,208</b>	<b>3,979,668</b>	<b>59,691</b>	<b>3,448,037</b>	<b>42,650,740</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,808,759</b>	<b>\$ 33,027,655</b>	<b>\$ 8,111,644</b>	<b>\$ 1,784,891</b>	<b>\$ 3,536,617</b>	<b>\$ 52,269,566</b>

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

**CITY OF BOUNTIFUL**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF NET ASSETS**  
**June 30, 2010**

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

<b>Total fund balance - governmental funds</b>	\$ 42,650,740
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	79,737,190
The net OPEB asset resulting from contribution in excess of the annual required contribution is not a financial resource and therefore is not reported in the funds.	877,020
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.	4,878,098
Accrued interest expense is not due and payable in the current period and therefore is not recorded in the funds.	(29,000)
Long-term liabilities are not due and payable in the current period and therefore are not recorded in the funds.	(5,912,683)
Costs of issuance are not amortized in the current period and therefore are not recorded in the funds.	149,582
Deferred revenue related to the RDA's notes receivable is removed in the statement of net assets.	1,745,689
<b>Total net assets - governmental activities</b>	<u><u>\$ 124,096,636</u></u>

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 – GOVERNMENTAL FUNDS**  
**For The Year Ended June 30, 2010**

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>						
Taxes	\$ 7,513,184	\$ 3,620,488	\$ 1,527,924	\$ -	\$ 353,592	\$ 13,015,188
Licenses and permits	403,274	-	-	-	-	403,274
Intergovernmental	1,427,842	-	64,119	-	-	1,491,961
Charges for services	2,114,739	-	-	-	612,557	2,727,296
Fines and forfeitures	172,085	-	-	-	-	172,085
Interest on investments	105,603	417,505	70,030	1,369	24,265	618,772
Miscellaneous	285,195	-	165,317	271,222	28,727	750,461
<b>Total Revenues</b>	<b>12,021,922</b>	<b>4,037,993</b>	<b>1,827,390</b>	<b>272,591</b>	<b>1,019,141</b>	<b>19,179,037</b>
<b>Expenditures</b>						
Current:						
General government	2,708,061	-	-	7,428	337,809	3,053,298
Public safety	7,277,227	35,313	-	-	-	7,312,540
Highways and streets	2,659,032	211,922	-	-	-	2,870,954
Planning and engineering	924,783	-	-	-	-	924,783
Parks	641,699	-	-	-	-	641,699
Redevelopment	-	-	1,826,660	-	-	1,826,660
Debt service:						
Principal	-	-	-	203,000	553,000	756,000
Interest	-	-	-	76,412	161,769	238,181
Bond issuance costs	-	-	-	52,500	-	52,500
Capital outlay:						
Public safety	35,770	-	-	-	-	35,770
Capital Projects	-	1,204,164	-	-	-	1,204,164
<b>Total Expenditures</b>	<b>14,246,572</b>	<b>1,451,399</b>	<b>1,826,660</b>	<b>339,340</b>	<b>1,052,578</b>	<b>18,916,549</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,224,650)</b>	<b>2,586,594</b>	<b>730</b>	<b>(66,749)</b>	<b>(33,437)</b>	<b>262,488</b>
<b>Other Financing Sources (Uses)</b>						
Transfer in	2,211,540	-	-	-	306,848	2,518,388
Transfer out	-	(306,848)	-	-	(22,461)	(329,309)
Refunding bonds issued	-	-	-	1,696,150	-	1,696,150
Bond refunding payment	-	-	-	(1,857,000)	-	(1,857,000)
Sale of capital assets	592	-	-	-	-	592
<b>Total Other Financing Sources (Uses)</b>	<b>2,212,132</b>	<b>(306,848)</b>	<b>-</b>	<b>(160,850)</b>	<b>284,387</b>	<b>2,028,821</b>
<b>Net Change in Fund Balances</b>	<b>(12,518)</b>	<b>2,279,746</b>	<b>730</b>	<b>(227,599)</b>	<b>250,950</b>	<b>2,291,309</b>
<b>Fund Balance, Beginning</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>Fund Balance, Ending</b>	<b>\$ 2,246,136</b>	<b>\$ 32,917,208</b>	<b>\$ 3,979,668</b>	<b>\$ 59,691</b>	<b>\$ 3,448,037</b>	<b>\$ 42,650,740</b>

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

**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, 2010**

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

<b>Net change in fund balances - total governmental funds</b>	\$ 2,291,309
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.	(2,350,066)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net assets.	1,239,935
In the statement of activities, the annual required contribution (ARC) of OPEB liabilities is recorded.	(86,857)
Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,613,000
Governmental funds report issuance of long-term debt and bond premiums as other financing sources.	(1,696,150)
Governmental funds report costs of long-term debt issuance as expenditures. However, these expenditures are reported as deferred charges in the statement on net assets.	52,500
In the statement of activities, amortization of premiums and costs of issuing of debt is recorded.	(11,905)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expense is reported when due.	8,901
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.	(12,821)
The net revenue of certain activities of internal service funds is reported within the governmental activities.	(482,395)
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.	(165,317)
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.	<u>1,150,000</u>
<b>Change in net assets of governmental activities</b>	<u><u>\$ 2,550,134</u></u>

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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 8,647,694	\$ 8,647,694	\$ 7,513,184	\$ (1,134,510)
Licenses and permits	255,000	255,000	403,274	148,274
Intergovernmental revenues	1,249,500	1,340,500	1,427,842	87,342
Charges for services	2,078,761	2,078,761	2,114,739	35,978
Fines and forfeitures	130,000	130,000	172,085	42,085
Interest on investments	126,012	126,012	105,603	(20,409)
Miscellaneous	50,000	57,000	285,195	228,195
<b>Total Revenues</b>	<u>12,536,967</u>	<u>12,634,967</u>	<u>12,021,922</u>	<u>(613,045)</u>
<b>Expenditures</b>				
Current:				
General government:				
Legislative	775,863	775,863	485,316	290,547
Legal	276,137	276,137	272,024	4,113
Executive	254,132	261,132	253,000	8,132
Information systems	451,189	451,189	440,384	10,805
Administrative	630,348	630,348	626,074	4,274
Treasury	569,199	569,199	549,555	19,644
Government buildings	83,823	83,823	81,708	2,115
Public safety:				
Police	5,448,981	5,539,981	5,485,927	54,054
Fire	1,894,000	1,894,000	1,827,070	66,930
Highways and streets	2,855,758	2,855,758	2,659,032	196,726
Planning and engineering:				
Planning	200,365	200,365	197,687	2,678
Engineering	786,824	786,824	727,096	59,728
Parks	660,348	660,348	641,699	18,649
	<u>14,886,967</u>	<u>14,984,967</u>	<u>14,246,572</u>	<u>738,395</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>(2,350,000)</u>	<u>(2,350,000)</u>	<u>(2,224,650)</u>	<u>125,350</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	2,350,000	2,350,000	2,211,540	(138,460)
Sale of capital assets	-	-	592	592
<b>Total Other Financing Sources (Uses)</b>	<u>2,350,000</u>	<u>2,350,000</u>	<u>2,212,132</u>	<u>(137,868)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(12,518)</u>	<u>\$ (12,518)</u>
<b>Fund Balance, Beginning</b>			<u>2,258,654</u>	
<b>Fund Balance, Ending</b>			<u>\$ 2,246,136</u>	

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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,528,242	\$ 1,528,242	\$ 1,527,924	\$ (318)
Intergovernmental revenues	75,000	75,000	64,119	(10,881)
Interest on investments	112,274	112,274	70,030	(42,244)
Miscellaneous	314,251	314,251	165,317	(148,934)
<b>Total Revenues</b>	<u>2,029,767</u>	<u>2,029,767</u>	<u>1,827,390</u>	<u>(202,377)</u>
<b>Expenditures</b>				
Current:				
Redevelopment	2,524,950	2,524,950	1,826,660	698,290
Capital Outlay	118,292	118,292	-	118,292
<b>Total Expenditures</b>	<u>2,643,242</u>	<u>2,643,242</u>	<u>1,826,660</u>	<u>816,582</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(613,475)</u>	<u>(613,475)</u>	<u>730</u>	<u>614,205</u>
<b>Net Change in Fund Balance</b>	<u>\$ (613,475)</u>	<u>\$ (613,475)</u>	<u>730</u>	<u>\$ 614,205</u>
<b>Fund Balance, Beginning</b>			<u>3,978,938</u>	
<b>Fund Balance, Ending</b>			<u>\$ 3,979,668</u>	

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

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**CITY OF BOUNTIFUL**  
**STATEMENT OF NET ASSETS – PROPRIETARY FUNDS**  
**June 30, 2010**

	<u>Business-type Activities - Enterprise Funds</u>					<b>Governmental Activities - Internal Service Funds</b>
	<u>Water</u>	<u>Light and Power</u>	<u>Landfill</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise</u>	
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 2,531,766	\$ 8,838,076	\$ 7,904,577	\$ 3,886,430	\$ 23,160,849	\$ 4,020,487
Accounts receivable, net	339,902	2,748,101	85,479	279,428	3,452,910	10,854
Interest receivable	5,883	17,777	15,790	8,807	48,257	9,462
Investments	625,981	2,323,268	1,713,190	975,211	5,637,650	991,658
Inventories	176,628	2,066,132	-	62,724	2,305,484	-
Prepaid expenses	66,740	50,494	-	-	117,234	-
<b>Total Current Assets</b>	<u>3,746,900</u>	<u>16,043,848</u>	<u>9,719,036</u>	<u>5,212,600</u>	<u>34,722,384</u>	<u>5,032,461</u>
<b>Noncurrent Assets</b>						
Notes receivable	-	-	-	117,010	117,010	-
Restricted assets:						
Cash and cash equivalents and investments	7,610	586,707	1,069,652	70,376	1,734,345	516,987
Other postemployment benefits asset	103,356	328,318	25,159	104,676	561,509	-
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	5,909,777	500,828	1,851,605	1,483,384	9,745,594	-
Improvements other than buildings	98,787	-	265,824	1,067,436	1,432,047	-
Transmission, distribution and collection systems	9,704,246	9,460,321	-	4,553,798	23,718,365	-
Street light and traffic signal systems	-	983,358	-	-	983,358	-
Machinery and equipment	609,806	4,813,561	258,194	410,105	6,091,666	-
Furniture and fixtures	6,299	-	-	8,496	14,795	-
Construction in progress	-	523,115	-	-	523,115	-
Investments in power projects	-	9,751,554	-	-	9,751,554	-
<b>Total Noncurrent Assets</b>	<u>16,779,446</u>	<u>27,439,778</u>	<u>3,514,171</u>	<u>10,060,051</u>	<u>57,793,446</u>	<u>516,987</u>
<b>Total Assets</b>	<u>\$ 20,526,346</u>	<u>\$ 43,483,626</u>	<u>\$ 13,233,207</u>	<u>\$ 15,272,651</u>	<u>\$ 92,515,830</u>	<u>\$ 5,549,448</u>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF NET ASSETS – PROPRIETARY FUNDS (Continued)**  
**June 30, 2010**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill	Other Enterprise Funds	Total Enterprise	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable	\$ 72,430	\$ 2,145,739	\$ 30,343	\$ 125,854	\$ 2,374,366	\$ 665,457
Compensated absences	30,534	88,720	9,299	54,673	183,226	-
Accrued liabilities	56,750	220,894	17,933	98,934	394,511	5,893
Due to other funds	-	2,459,197	-	-	2,459,197	-
<b>Total Current Liabilities</b>	<b>159,714</b>	<b>4,914,550</b>	<b>57,575</b>	<b>279,461</b>	<b>5,411,300</b>	<b>671,350</b>
<b>Noncurrent Liabilities</b>						
Compensated absences	74,348	241,076	26,217	70,635	412,276	-
Liabilities payable from restricted assets	7,610	-	1,069,652	796	1,078,058	-
Unearned revenue	-	-	-	36,942	36,942	-
Developer and customer deposits	-	586,707	-	69,580	656,287	-
<b>Total Noncurrent Liabilities</b>	<b>81,958</b>	<b>827,783</b>	<b>1,095,869</b>	<b>177,953</b>	<b>2,183,563</b>	<b>-</b>
<b>Total Liabilities</b>	<b>241,672</b>	<b>5,742,333</b>	<b>1,153,444</b>	<b>457,414</b>	<b>7,594,863</b>	<b>671,350</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	16,668,480	16,773,199	2,419,360	9,767,989	45,629,028	-
Restricted for:						
Other postemployment benefits asset	103,356	328,318	25,159	104,676	561,509	-
Regulatory required insurance deposit	-	-	-	-	-	516,987
Unrestricted	3,512,838	20,639,776	9,635,244	4,942,572	38,730,430	4,361,111
<b>Total Net Assets</b>	<b>20,284,674</b>	<b>37,741,293</b>	<b>12,079,763</b>	<b>14,815,237</b>	<b>84,920,967</b>	<b>4,878,098</b>
<b>Total Liabilities and Net Assets</b>	<b>\$20,526,346</b>	<b>\$43,483,626</b>	<b>\$13,233,207</b>	<b>\$15,272,651</b>	<b>\$92,515,830</b>	<b>\$ 5,549,448</b>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET**  
**ASSETS – PROPRIETARY FUNDS**  
**For The Year Ended June 30, 2010**

	<u>Business-type Activities - Enterprise Funds</u>					<b>Governmental Activities - Internal Service Funds</b>
	<u>Water</u>	<u>Light and Power</u>	<u>Landfill</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise</u>	
<b>Operating Revenues</b>						
Charges for services	\$ 2,839,656	\$24,472,542	\$ 841,228	\$ 2,314,786	\$30,468,212	\$ 501,293
Connection and servicing	-	147,414	-	-	147,414	-
Admissions and lesson fees	-	-	-	729,542	729,542	-
Equipment and facility rents	-	32,725	-	341,413	374,138	-
Concession and merchandise sales	-	-	-	205,296	205,296	-
Sale of cemetery burial plots	-	-	-	149,791	149,791	-
Miscellaneous	6,710	218,912	121,772	4,270	351,664	12,480
<b>Total Operating Revenues</b>	<u>2,846,366</u>	<u>24,871,593</u>	<u>963,000</u>	<u>3,745,098</u>	<u>32,426,057</u>	<u>513,773</u>
<b>Operating Expenses</b>						
Production, collection and source of supplies	195,578	14,193,950	-	891,220	15,280,748	-
Transmission, distribution and/or maintenance	1,535,311	2,272,725	527,774	1,521,510	5,857,320	-
Cost of concession and merchandise sales	-	-	-	131,054	131,054	-
Claims	-	-	-	-	-	587,144
General and administrative	614,255	2,203,336	341,779	584,433	3,743,803	453,226
Depreciation and amortization	786,633	1,729,517	194,746	914,249	3,625,145	-
<b>Total Operating Expenses</b>	<u>3,131,777</u>	<u>20,399,528</u>	<u>1,064,299</u>	<u>4,042,466</u>	<u>28,638,070</u>	<u>1,040,370</u>
<b>Operating Income (Loss)</b>	<u>\$ (285,411)</u>	<u>\$ 4,472,065</u>	<u>\$ (101,299)</u>	<u>\$ (297,368)</u>	<u>\$ 3,787,987</u>	<u>\$ (526,597)</u>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET**  
**ASSETS – PROPRIETARY FUNDS (Continued)**  
**For The Year Ended June 30, 2010**

	<u>Business-type Activities - Enterprise Funds</u>					<b>Governmental Activities - Internal Service Funds</b>
	<u>Water</u>	<u>Light and Power</u>	<u>Landfill</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise</u>	
<b>Nonoperating Income (Expense)</b>						
Interest income	\$ 25,610	\$ 75,208	\$ 81,869	\$ 38,461	\$ 221,148	\$ 44,202
Interest expense	-	(120,371)	-	(132)	(120,503)	-
Contributions/Grants	27,522	-	-	83	27,605	-
Gain (loss) from sale of capital assets	1,480	(37,596)	4,596	2,388	(29,132)	-
<b>Total Nonoperating Income (Expense)</b>	<u>54,612</u>	<u>(82,759)</u>	<u>86,465</u>	<u>40,800</u>	<u>99,118</u>	<u>44,202</u>
Income (loss) before transfers	(230,799)	4,389,306	(14,834)	(256,568)	3,887,105	(482,395)
Transfers in	-	-	-	22,461	22,461	-
Transfers out	-	(2,211,540)	-	-	(2,211,540)	-
<b>Change in Net Assets</b>	<u>(230,799)</u>	<u>2,177,766</u>	<u>(14,834)</u>	<u>(234,107)</u>	<u>1,698,026</u>	<u>(482,395)</u>
<b>Net Assets, Beginning</b>	<u>20,515,473</u>	<u>35,563,527</u>	<u>12,094,597</u>	<u>15,049,344</u>	<u>83,222,941</u>	<u>5,360,493</u>
<b>Net Assets, Ending</b>	<u>\$ 20,284,674</u>	<u>\$ 37,741,293</u>	<u>\$ 12,079,763</u>	<u>\$ 14,815,237</u>	<u>\$ 84,920,967</u>	<u>\$ 4,878,098</u>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**For The Year Ended June 30, 2010**

	<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	\$ 2,871,969	\$ 25,015,204	\$ 968,408	\$ 3,733,976	\$ 32,589,557	\$ 513,220
Payments to suppliers	(1,399,026)	(14,411,977)	(363,116)	(1,646,578)	(17,820,697)	(624,408)
Payments to employees and related benefits	(1,089,463)	(3,123,064)	(322,068)	(1,477,021)	(6,011,616)	(117,461)
<b>Net cash flows from operating activities</b>	<b>383,480</b>	<b>7,480,163</b>	<b>283,224</b>	<b>610,377</b>	<b>8,757,244</b>	<b>(228,649)</b>
<b>Cash Flows From Non-Capital Financing Activities</b>						
Transfers in	-	-	-	22,461	22,461	-
Transfers out	-	(2,211,540)	-	-	(2,211,540)	-
Advances from other fund	(114,958)	(621,319)	(27,983)	(116,426)	(880,686)	-
Interest Paid	-	(120,371)	-	(109)	(120,480)	-
Grants and contributions received	27,522	-	-	83	27,605	-
Payment of note receivable	-	-	-	13,000	13,000	-
<b>Net cash flows from non-capital financing activities</b>	<b>(87,436)</b>	<b>(2,953,230)</b>	<b>(27,983)</b>	<b>(80,991)</b>	<b>(3,149,640)</b>	<b>-</b>
<b>Cash Flows From Capital and Related Financing Activities</b>						
Purchase of capital assets	(448,693)	(823,537)	-	(233,292)	(1,505,522)	-
Proceeds from sales of capital assets	2,002	34,871	4,596	2,388	43,857	-
<b>Net cash flows from capital and related financing activities</b>	<b>\$ (446,691)</b>	<b>\$ (788,666)</b>	<b>\$ 4,596</b>	<b>\$ (230,904)</b>	<b>\$ (1,461,665)</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, 2010**

	<u>Business-type Activities - Enterprise Funds</u>					<b>Governmental Activities - Internal Service Funds</b>
	<u>Water</u>	<u>Light and Power</u>	<u>Landfill</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise</u>	
<b>Cash Flows From Investing Activities</b>						
Interest on investments	\$ 25,583	\$ 67,706	\$ 79,967	\$ 37,084	\$ 210,340	\$ 43,841
Purchase of investments	(155,958)	(3,673,455)	(911,439)	(627,356)	(5,368,208)	(247,480)
Sale of investments	117,528	2,768,312	686,861	472,778	4,045,479	186,501
<b>Net cash flows from investing activities</b>	<u>(12,847)</u>	<u>(837,437)</u>	<u>(144,611)</u>	<u>(117,494)</u>	<u>(1,112,389)</u>	<u>(17,138)</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	(163,494)	2,900,830	115,226	180,988	3,033,550	(245,787)
<b>Cash and Cash Equivalents, Beginning</b>	<u>2,702,870</u>	<u>6,523,953</u>	<u>8,859,003</u>	<u>3,775,818</u>	<u>21,861,644</u>	<u>4,783,261</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 2,539,376</u>	<u>\$ 9,424,783</u>	<u>\$ 8,974,229</u>	<u>\$ 3,956,806</u>	<u>\$ 24,895,194</u>	<u>\$ 4,537,474</u>

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, 2010**

	<u>Business-type Activities - Enterprise Funds</u>					<b>Governmental Activities - Internal Service Funds</b>
	<u>Water</u>	<u>Light and Power</u>	<u>Landfill</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	
<b>Reconciliation of operating income to net cash flows from operating activities</b>						
Earnings (loss) from operations	\$ (285,411)	\$ 4,472,065	\$ (101,299)	\$ (297,368)	\$ 3,787,987	\$ (526,597)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:						
Depreciation	786,633	1,729,517	194,746	914,249	3,625,145	-
Changes in assets and liabilities						
Accounts receivable, net	19,186	14,343	4,883	(11,881)	26,531	(553)
Inventories	66	137,377	-	(3,467)	133,976	-
Prepaid expenses	-	3,544	-	-	3,544	-
Accounts payable	(153,123)	1,037,720	14,042	(8,967)	889,672	298,472
Compensated absences	(1,137)	(810)	(340)	2,796	509	-
Accrued liabilities	7,030	6,093	168,700	7,166	188,989	29
Customer deposits	-	47,799	-	(4,160)	43,639	-
Due to other funds	10,236	32,515	2,492	10,367	55,610	-
Unearned revenue	-	-	-	1,642	1,642	-
<b>Net cash flows from operating activities</b>	<u>\$ 383,480</u>	<u>\$ 7,480,163</u>	<u>\$ 283,224</u>	<u>\$ 610,377</u>	<u>\$ 8,757,244</u>	<u>\$ (228,649)</u>

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

**CITY OF BOUNTIFUL  
STATEMENT OF OPEB PLAN NET ASSETS  
June 30, 2010**

	<b>Other Postemployment Benefits Trust</b>
<b>Assets</b>	
ICMA VantageCare RHS Employer Investment Program	\$ 1,507,964
<b>Total Assets</b>	\$ 1,507,964
 <b>Net Assets Held in Trust for OPEB</b>	
Net assets held in trust for other post employment benefits	\$ 1,507,964
<b>Total Net Assets</b>	\$ 1,507,964

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



**CITY OF BOUNTIFUL**  
**STATEMENT OF CHANGES IN OPEB PLAN NET ASSETS**  
**For The Year Ended June 30, 2010**

	<u>Other Postemployment Benefits Trust</u>
<b>Additions</b>	
Contributions:	
Employer	\$ -
Investment earnings:	
Net appreciation (depreciation) in value of investments	-
Interest	-
	<hr/>
<b>Total Additions</b>	<hr/> - <hr/>
<b>Deductions</b>	
Benefits	73,030
Administrative expense	-
	<hr/>
<b>Total Deductions</b>	<hr/> 73,030 <hr/>
<b>Change in Net Assets</b>	(73,030)
<b>Net Assets Held in Trust for Benefits</b>	
Beginning of year	<hr/> 1,580,994
End of year	<hr/> <u>\$ 1,507,964</u> <hr/>

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. The MBA 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 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.

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

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

Government-Wide and Fund Financial Statements (Continued)

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.

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

Separate financial statements are provided for governmental funds 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.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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.

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).

The Bountiful City Redevelopment Agency is a special revenue fund. 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 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 reporting 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.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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.

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 government's policy to use restricted resources first, 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, 2010, 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.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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.

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.

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

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

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.

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, 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.

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

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

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.

**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, 2010, \$55,651,220 of the City's bank balances of \$55,987,355 was uninsured and uncollateralized.

*Custodial credit risk – investments* is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. As of June 30, 2010, \$16,676,062 of the City's \$17,426,062 investments was exposed to custodial credit risk because it was uninsured and uncollateralized.



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

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

*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 & Poors; 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.

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, 2010, the fair value per share factor for investments in the PTIF was 1.0038564.

*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 manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested. Maturities of the local government’s investments are noted below.

**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, 2010.

	<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	\$ 4,430	N/A	N/A
Cash on deposit	801,846	N/A	N/A
Utah State Treasurer's investment pool accounts	<u>55,398,325</u>	N/A	0.14
<b>Total cash on hand and deposit</b>	<u>\$ 56,204,601</u>		
<b>Investments</b>			
Certificates of Deposit	\$ 2,924,663	N/A	0.55
Utah State Treasurer's investment pool accounts	2,823,374	N/A	0.14
U.S. Treasuries	10,670,276	A	0.83
Bond Reserves	<u>1,067,242</u>	N/A	N/A
<b>Total Investments</b>	<u>\$ 17,485,555</u>		
Portfolio weighted average maturity			0.81

(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, 2010 for all funds is \$74,400.

**NOTE 4 RESTRICTED ASSETS**

Certain assets are restricted to use as follows as of June 30, 2010:

Restricted for regulatory required insurance deposit	\$ 516,987
Restricted for other postemployment benefits asset	1,438,529
Restricted for funds received for closure of landfill	1,069,652
Restricted for landfill closure, post-closure and corrective actions	787,996
Restricted for bond payments	550,255
Restricted for cemetery perpetual care	1,389,106
Restricted for customer utility deposits	586,707
Restricted by grantors for trails and museum projects	22,000
Restricted for refundable performance bond deposits	710,321
Restricted for recreation, arts, and/or parks projects (unspent RAP taxes)	83,801
Restricted for construction retainage	<u>11,223</u>
<b>Total</b>	<u>\$ 7,166,577</u>

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

**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.

**NOTE 6 CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2010, is as follows:

	<b>Balance June 30, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2010</b>
<b>Governmental activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 47,302,980	\$ -	\$ -	\$ 47,302,980
Construction in progress	69	-	69	-
<b>Total capital assets, not being depreciated</b>	47,303,049	-	69	47,302,980
<b>Capital assets, being depreciated</b>				
Infrastructure	30,175,672	194,477	31,393	30,338,756
Buildings	23,175,416	54,920	-	23,230,336
Improvements other than buildings	5,537,865	-	-	5,537,865
Machinery and equipment	7,461,050	335,114	517,861	7,278,303
Furniture and fixtures	1,396,012	677,000	11,323	2,061,689
<b>Total capital assets, being depreciated</b>	67,746,015	1,261,511	560,577	68,446,949
<b>Less accumulated depreciation for</b>				
Infrastructure	14,437,471	519,386	31,393	14,925,464
Buildings	10,185,965	904,478	-	11,090,443
Improvements other than buildings	2,517,895	252,982	-	2,770,877
Machinery and equipment	6,114,251	504,284	496,358	6,122,177
Furniture and fixtures	946,165	168,936	11,323	1,103,778
<b>Total accumulated depreciation</b>	34,201,747	2,350,066	539,074	36,012,739
<b>Total capital assets, being depreciated, net</b>	33,544,268	(1,088,555)	21,503	32,434,210
<b>Governmental activities capital assets, net</b>	\$ 80,847,317	\$ (1,088,555)	\$ 21,572	\$ 79,737,190

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

<b>Governmental activities</b>	
General government	\$ 306,962
Public safety	820,438
Highways and public improvements	912,792
Parks	293,527
Redevelopment Agency	8,832
Planning & engineering	7,515
<b>Total depreciation expense - governmental activities</b>	<b>\$ 2,350,066</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 at June 30, 2010:

	<b>Balance June 30, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2010</b>
<b>Business-type Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land, land rights, and water rights	\$ 3,120,088	\$ -	\$ -	\$ 3,120,088
Construction in progress	315,413	957,462	749,760	523,115
<b>Total capital assets, not being depreciated</b>	<b>3,435,501</b>	<b>957,462</b>	<b>749,760</b>	<b>3,643,203</b>
<b>Capital assets, being depreciated</b>				
Buildings, wells and reservoirs	16,390,913	-	-	16,390,913
Improvements other than buildings	2,668,928	120,709	18,575	2,771,062
Transmission, distribution and collection systems	64,425,379	951,245	177,697	65,198,927
Street light and traffic systems	2,860,476	-	-	2,860,476
Machinery and equipment	23,119,192	228,412	362,385	22,985,219
Furniture and fixtures	43,304	-	-	43,304
<b>Total capital assets, being depreciated</b>	<b>109,508,192</b>	<b>1,300,366</b>	<b>558,657</b>	<b>110,249,901</b>
<b>Less accumulated depreciation for</b>				
Buildings, wells and reservoirs	6,037,322	607,997		6,645,319
Improvements other than buildings	1,227,677	129,913	18,575	1,339,015
Transmission, distribution and collection systems	39,830,795	1,754,475	104,708	41,480,562
Street light and traffic systems	1,788,189	88,929	-	1,877,118
Machinery and equipment	16,214,760	1,038,632	359,839	16,893,553
Furniture and fixtures	23,310	5,199	-	28,509
<b>Total accumulated depreciation</b>	<b>65,122,053</b>	<b>3,625,145</b>	<b>483,122</b>	<b>68,264,076</b>
<b>Total capital assets, being depreciated, net</b>	<b>44,386,139</b>	<b>(2,324,779)</b>	<b>75,535</b>	<b>41,985,825</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 47,821,640</b>	<b>\$ (1,367,317)</b>	<b>\$ 825,295</b>	<b>\$ 45,629,028</b>

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

<b>Business-type Activities</b>	
Water	\$ 786,633
Light and Power	1,729,517
Landfill	194,746
Storm Water	496,285
Golf Course	186,706
Sanitation	208,833
Cemetery	22,425
<b>Total depreciation expense - business-type activities</b>	<b>\$ 3,625,145</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 nine notes receivable. The terms of those notes are as follows:

<u>Balance June 30, 2010</u>	<u>Interest Rate</u>	<u>Monthly Payments</u>		<u>Balloon Payments</u>	
		<u>Amount</u>	<u>Due Through</u>	<u>Amount</u>	<u>Due</u>
\$ 94,154	3.50%	\$ 5,500	December 2011		
162,977	3.00%	3,380	August 2010	\$ 150,560	September 2010
19,183	3.00%	394	September 2010	18,142	October 2010
-	4.75%	1,756	January 2010		
-	3.00%	2,414	April 2010		
81,248	3.00%	896	December 2013	50,617	January 2014
15,394	3.00%	396	July 2010	22,373	August 2010
57,922	3.00%	869	June 2011	49,111	July 2011
167,673	3.00%	1,931	July 2013	109,135	August 2013
750,000	3.00%	1,875	June 2012	Interest only payments	
		9,317	December 2019	Principal and interest payments	
<u>397,138</u>	3.00%	<u>3,862</u>	April 2015	<u>218,816</u>	May 2015
<u>\$ 1,745,689</u>		<u>\$ 32,590</u>		<u>\$ 618,754</u>	

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 \$1,725,200 for the amounts levied.

Subsequent to year end the RDA entered into two loans for \$250,000 each with interest rates of 3%. Monthly payments are scheduled to be \$2,414 for each loan for five years at which time a balloon payment is required for the remaining balances.

**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, 2010:

	<b>Long-term debt payable at June 30, 2009</b>	<b>Additions</b>	<b>Reductions</b>	<b>Long-term debt payable at June 30, 2010</b>	<b>Due within One Year</b>
<b>Governmental activities</b>					
Lease revenue bonds	\$ 4,113,000	\$ -	\$ 553,000	\$ 3,560,000	\$ 578,000
Special assessment bonds	1,857,000	-	1,857,000	-	-
Sales tax revenue bond	-	1,591,000	203,000	1,388,000	179,000
Compensated absences	856,470	684,636	671,815	869,291	681,872
Deferred amounts:					
Plus unamortized premium	71,571	105,150	17,735	158,986	-
Less on refunding	-	(72,679)	(9,085)	(63,594)	-
	<u>\$ 6,898,041</u>	<u>\$ 2,308,107</u>	<u>\$ 3,293,465</u>	<u>\$ 5,912,683</u>	<u>\$ 1,438,872</u>
<b>Governmental activity long-term liabilities</b>					
	<u>\$ 6,898,041</u>	<u>\$ 2,308,107</u>	<u>\$ 3,293,465</u>	<u>\$ 5,912,683</u>	<u>\$ 1,438,872</u>
<b>Business-type activities</b>					
Compensated absences	\$ 594,993	\$ 406,711	\$ 406,202	\$ 595,502	\$ 183,226
	<u>\$ 594,993</u>	<u>\$ 406,711</u>	<u>\$ 406,202</u>	<u>\$ 595,502</u>	<u>\$ 183,226</u>
<b>Business-type activity long-term liabilities</b>					
	<u>\$ 594,993</u>	<u>\$ 406,711</u>	<u>\$ 406,202</u>	<u>\$ 595,502</u>	<u>\$ 183,226</u>

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

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 \$107,000 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 the amendment may be found in Note 16 of this report.

The annual debt service requirements to maturity, including principal and interest, for the Series 1996 Lease Revenue Bonds, as of June 30, 2010, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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
<b>Total</b>	<u>\$ 1,445,000</u>	<u>\$ 163,530</u>	<u>\$ 1,608,530</u>

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

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

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 \$300,000 to \$385,000 through June 1, 2016, plus interest at 3.0% to 5.0%, 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, 2010, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	370,000	37,750	407,750
2016	385,000	19,250	404,250
	<u>2,115,000</u>	<u>\$ 336,050</u>	<u>\$ 2,451,050</u>
Plus unamortized premium	<u>61,347</u>		
<b>Total</b>	<u>\$ 2,176,347</u>		

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 \$161,000 to \$249,000 through June 1, 2018, plus interest at 3.4% to 5.7%, payable annually. These bonds were refinanced using the 2009 Sales Tax Revenue Refunding Bonds.

Sales Tax Revenue Refunding Bonds Series 2009

In the year 2009 the City issued \$1,591,000 in Sales Tax Revenue Refunding Bonds, Series 2009 with an average interest rate of 3.89% to refund \$1,857,000 of Special Assessment Bonds, Series 2003 with an average interest rate of 5.20%. The City completed the refunding to reduce its total debt service payments over the next eight years of approximately \$214,000 and to obtain an economic gain of approximately \$189,000. These bonds will be repaid from special assessments levied against the benefited property owners of the original special assessment.

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

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

The annual debt service requirements to maturity, including principal and interest for the Sales Tax Revenue Refunding Bonds, Series 2009 as of June 30, 2010, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 179,000	\$ 52,740	\$ 231,740
2012	186,000	46,475	232,475
2013	191,000	39,965	230,965
2014	197,000	33,280	230,280
2015	203,000	25,400	228,400
2016	212,000	17,280	229,280
2017	220,000	8,800	228,800
	<u>1,388,000</u>	<u>\$ 223,940</u>	<u>\$ 1,611,940</u>
Plus unamortized premium	97,639		
<b>Total</b>	<u><u>\$ 1,485,639</u></u>		

**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 \$2,049,735 and \$1,558,482 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, 2010 is not expected to be received within 60 days after the year ended June 30, 2010, 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, 2010.

**NOTE 11 DESIGNATED FUND EQUITY**

Unreserved fund balances which have designated purposes at June 30, 2010 are as follows:

	<u>General Fund</u>	<u>Redevelopment Agency</u>	<u>Capital Projects</u>	<u>Total</u>
Computer replacement	\$ 42,606	\$ -	\$ -	\$ 42,606
Employee Benefits	62,286	-	-	62,286
Redevelopment projects	-	3,979,668	-	3,979,668
Construction projects	-	-	32,917,208	32,917,208
	<u>\$ 104,892</u>	<u>\$ 3,979,668</u>	<u>\$ 32,917,208</u>	<u>\$ 37,001,768</u>



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

**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 \$114,324,056 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 \$8,454,728 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, 2010, nor during the past four fiscal years has the amount of settlements exceeded insurance coverage.

A summary of changes in general liability claims for the years ended June 30, 2010 and 2009, are as follows:

	<b>General Liability Claims</b>
<b>Balance, June 30, 2008</b>	\$ -
Additions	304,175
Deletions	(54,175)
	<b>250,000</b>
<b>Balance, June 30, 2009</b>	250,000
Additions	429,017
Deletions	(124,017)
	<b>555,000</b>
<b>Balance, June 30, 2010</b>	<b>\$ 555,000</b>

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

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

**NOTE 12 RISK MANAGEMENT (Continued)**

A summary of changes in workers' compensation claims for the years ended June 30, 2010 and 2009 are as follows:

	<b>Workers' Compensation Claims</b>
<b>Balance, June 30, 2008</b>	\$ 65,753
Additions	240,926
Deletions	(194,336)
<b>Balance, June 30, 2009</b>	112,343
Additions	158,127
Deletions	(164,400)
<b>Balance, June 30, 2010</b>	<b>\$ 106,070</b>

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

The general liability and workers' compensation claims are included in accounts payable of the Internal Service Funds.

**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.

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

**NOTE 13 RETIREMENT PLAN (Continued)**

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 7.65% of their annual covered salary. In the Local Governmental Noncontributory Retirement System, the City is required to contribute 11.66% 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, 2010, 2009, and 2008, were \$28,970, \$29,219, and \$28,249 respectively; for the Noncontributory Retirement System, the contributions for the years ended June 30, 2010, 2009, and 2008, were \$864,078, \$854,618, and \$842,941 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 E 200 S, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy: The City is required to contribute 23.07% 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.

Annual pension cost: For 2010, the City's Public Safety annual pension cost of \$447,403 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.

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

**NOTE 13 RETIREMENT PLAN (Continued)**

Agent Multiple Employer Defined Benefit Pension Plan (Continued)

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

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage APC Contribution</u>	<u>Net Pension Obligation</u>
June 30, 2010	\$ 447,403	100%	\$ -
June 30, 2009	446,183	100%	-
June 30, 2008	416,185	100%	-

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Liability</u>	<u>Funding Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Liability as % of Covered Payroll</u>
December 31, 2009	\$ 16,475,000	\$ 18,729,000	\$ 2,254,000	88%	\$ 1,909,000	118%
January 1, 2009	15,939,000	17,829,000	1,890,000	89%	1,945,000	97%
January 1, 2008	16,406,000	16,801,000	395,000	98%	1,756,000	23%

**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, 2010 was \$11,191,583. Of that amount, \$7,868,772 was eligible to participate in the plan. The City participates at rates between 1.05% and 3.04%, depending on the state retirement rate. The rate of City participation can be changed by the City Council. During the year ended June 30, 2010, contributions totaling \$296,090 were made to the plan by employees and \$257,961 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. 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, 2010 was \$11,191,583. Of that amount, \$9,563,614 was eligible to participate in this plan. During the year ended June 30, 2010, contributions totaling \$118,982 were made to this plan by employees and \$10,787 by the City.

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

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

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 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, 2010, the plan included 49 active public safety and 114 active general employee members. An additional 13 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, 2010, 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 asset:

Annual required contribution	\$ 142,465
Interest on net OPEB asset	-
Adjustments to annual required contribution	-
Annual OPEB cost (expense)	142,465
Contributions made	-
Decrease in net OPEB asset	142,465
Net OPEB asset - beginning of year	1,580,994
Net OPEB asset - end of year	\$ 1,438,529

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for the year ended June 30, 2010 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset Fiscal Year Ended
June 30, 2010	\$ 142,465	\$ -	0.0%	\$ 1,438,529
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, 2010 is as follows:

Actuarial valuation date	July 1, 2008
Actuarial accrued liability (AAL) July 1, 2008	\$ 1,527,304
Annual required contribution (ARC) 2009	(142,465)
Annual required contribution (ARC) 2010	(142,465)
Adjusted AAL	1,242,374
Value of plan assets at June 30, 2010	1,507,964
Overfunded actuarial accrued liability	\$ 265,590
Funded ratio (Value of plan assets / AAL)	121.4%
Covered payroll (July 1, 2008 valuation date)	\$ 9,159,758
Unfunded AAL as a percentage of covered payroll	0.0%

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 July 1, 2008.

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

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

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.

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 July 1, 2008 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 \$117,010 as of June 30, 2010.

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

2011	\$	13,000
2012		13,000
2013		13,000
2014		13,000
2015		13,000
2016-2019		52,010
<b>Total payments to be received</b>	<b>\$</b>	<b>117,010</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 are as follows:

2011	\$	305,298
2012		305,298
2013		305,298
2014		305,298
2015		305,298
2016-2019		626,998
		626,998
<b>Total future minimum lease payments</b>	<b>\$</b>	<b>2,153,488</b>
		<b>2,153,488</b>

The City earned \$205,094 in rental income from this operating lease for the year ended June 30, 2010. 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 \$4,454,361. 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 \$355,000 of outstanding construction commitments at June 30, 2010.

**NOTE 18 INTERGOVERNMENTAL REVENUE**

Intergovernmental revenue for the year ended June 30, 2010 consists of the following:

Utah Class "C" Road allotment	\$ 1,245,790	83.50%
City of Woods Cross RDA Tax Increment	64,119	4.30
Utah Liquor Law Enforcement Grant	41,587	2.79
Various State and Local Law Enforcement Grants	140,065	9.39
Bulletproof Vest Grant Program	400	0.02
	<b>\$ 1,491,961</b>	<b>100.00%</b>
	<b>1,491,961</b>	<b>100.00%</b>

**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, 2010, \$787,996 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."



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

**NOTE 19 LANDFILL CLOSURE (Continued)**

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. 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 \$1,926,965 as of June 30, 2010. The City has reported and included in accrued liabilities \$1,069,652 as landfill closure and post-closure care liability at June 30, 2010, which is based on 56% 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 2010. 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 due to the fact that 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 the City’s, 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, 2010, with investments of \$2,024,532 (at cost) and \$787,996 held in trust for a combined total of \$2,812,528 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 OPERATING TRANSFERS RECONCILIATION**

At June 30, 2010, 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	\$ 770,039 (A)
Capital Projects	Light and Power	\$ 2,459,197 (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.

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

**NOTE 20 OPERATING TRANSFERS RECONCILIATION (Continued)**

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, 2010 is \$770,039.

- (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.

Subsequent to year end the City forgave and eliminated the interfund loan of \$2,459,197 between the Capital Projects Fund and the Light and Power Fund.

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, 2010 are as follows:

	<b>In</b>	<b>Out</b>
Government		
General Fund	\$ 2,211,540	\$ -
Municipal Building Authority Fund	306,848	-
Capital Projects Fund	-	306,848
Cemetery Perpetual Care	-	22,461
Enterprise		
Light and Power Fund	-	2,211,540
Cemetery Fund	22,461	-
	<b>\$ 2,540,849</b>	<b>\$ 2,540,849</b>

**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 \$3,115,785 during the fiscal year ended June 30, 2010. For fiscal year 2011, the budgeted amount for this contract is \$3,491,231.

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.

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

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

The Fund purchased power via this contract totaling \$3,483,865 during the fiscal year ended June 30, 2010. For fiscal year 2011, the budgeted amount for this contract is \$3,913,999.

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 totaling \$1,086,800 and paid \$535,211 for operations and maintenance via this contract during the fiscal year ended June 30, 2010. For fiscal year 2011, the budgeted amount for this contract is \$1,527,425 for purchased power and \$505,920 for operations and maintenance.

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 \$124,131 for operations and maintenance for the fiscal year ended June 30, 2010. For fiscal year 2011, the budgeted amount for operations and maintenance is \$124,212.

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 \$3,706,798 during the year ended June 30, 2010. For fiscal year 2011, the budgeted amount for this contract is \$3,974,721.

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 paid a net \$537,785 for the fiscal year ended June 30, 2010 for net power sales and purchases. For fiscal year 2011, the budgeted amount for this is a net purchase of \$1,925,444.

**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, 2010, those assets are being reported on the City's government-wide Statement of Net Assets in the amount of \$3,107,208, net of \$889,124 accumulated depreciation. Related depreciation expense of \$129,696 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, 2009, the date of the Fire Agency's most recent audited year-end, the Fire Agency reported total assets of \$11,724,157 with net assets of \$6,905,552 comprised of net assets invested in capital assets, net of related debt, in the amount of \$4,812,451, restricted net assets of \$147,685, and unrestricted net assets of \$1,945,416.

**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, 2009, these entities provided the following revenues to the Fire Agency for its operations:

Bountiful City	\$ 1,877,624
Centerville City	696,062
Davis County	140,587
North Salt Lake City	1,055,070
West Bountiful City	286,782
Woods Cross City	<u>429,821</u>
	<u>\$ 4,485,946</u>

During its fiscal year ended June 30, 2010, the City reported a General Fund public safety expenditure in the amount of \$1,827,070 related to the above revenue schedule.

In conjunction with the construction of the Fire Agency's new Station 82, the City has contributed \$1,138,677 through June 30, 2010. \$35,313 of this amount is being reported as an expenditure in the City's Capital Projects Fund during its fiscal year ended June 30, 2010. This contribution has been classified as Member Capital Contributions in the Fire Agency's Statement of Revenues, Expenses, and Changes in Net Assets.

The Fire Agency reported total debt of \$3,999,000 at December 31, 2009. 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 \$105,000 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.

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

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

For the year ended June 30, 2010, the following activity occurred in the City's Redevelopment Agency:

Tax increment collected from other taxing agencies for Project Area:

<u>Project Area 1</u>	
District #3	\$ 800,297
District #5	216,954
<u>Project Area 2</u>	
District #3	128,190
<u>Project Area 3</u>	
District #3	382,483
	<u>\$ 1,527,924</u>
Tax increment paid to other taxing agencies	\$ -
Outstanding loans to finance RDA projects	\$ -
Amounts expended for site improvements and preparation costs	\$ 579,869
Amounts expended for acquisition of property	\$ -
Amounts expended for installation of public utilities and other public improvements	\$ -
Amounts expended for administrative costs	\$ 1,246,791

**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, 2010, there were two series of Industrial Revenue Bonds outstanding, having an outstanding principal balance of \$10,670,000.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BOUNTIFUL  
OTHER POSTEMPLOYMENT BENEFITS PLAN  
SCHEDULE OF FUNDING PROGRESS AND  
EMPLOYER CONTRIBUTIONS  
For The Year Ended June 30, 2010**

The Actuarial Accrued Liability (AAL) as of the actuarial valuation date of July 1, 2008 was \$1,527,304. During the fiscal year ended June 30, 2009 the City funded 100% of the obligation. The value of the plan assets as of June 30, 2010 is \$1,507,964, which is less than the AAL due to benefit payments made since the valuation date. The annual required contribution for the fiscal year ending June 30, 2010 was \$142,465.

**SUPPLEMENTAL INFORMATION**



**CITY OF BOUNTIFUL**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2010**

	Special Revenue Fund			Permanent Fund	Total Nonmajor Governmental Funds
	Landfill Closure	Municipal Building Authority	RAP Tax	Perpetual Care	
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ 278,274	\$ -	\$ -	\$ 278,274
Receivables:					
Taxes	-	-	67,623	-	67,623
Interest	-	638	120	2,563	3,321
Intergovernmental	-	307,641	-	-	307,641
Investments	-	68,600	-	-	68,600
Restricted assets:					
Cash and cash equivalents and investments	787,996	550,255	83,801	1,389,106	2,811,158
<b>Total Assets</b>	<u>\$ 787,996</u>	<u>\$ 1,205,408</u>	<u>\$ 151,544</u>	<u>\$ 1,391,669</u>	<u>\$ 3,536,617</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 1,650	\$ 86,930	\$ -	\$ 88,580
<b>Total Liabilities</b>	<u>-</u>	<u>1,650</u>	<u>86,930</u>	<u>-</u>	<u>88,580</u>
<b>Fund Balances</b>					
Reserved for:					
Construction	-	-	-	-	-
Landfill closure	787,996	-	-	-	787,996
Perpetual care	-	-	-	1,391,669	1,391,669
Debt service	-	550,255	-	-	550,255
Unreserved:	-	653,503	64,614	-	718,117
<b>Total Fund Balances</b>	<u>787,996</u>	<u>1,203,758</u>	<u>64,614</u>	<u>1,391,669</u>	<u>3,448,037</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 787,996</u>	<u>\$ 1,205,408</u>	<u>\$ 151,544</u>	<u>\$ 1,391,669</u>	<u>\$ 3,536,617</u>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**For The Year Ended June 30, 2010**

	Special Revenue Fund			Permanent Fund	Total Nonmajor Governmental Funds
	Landfill Closure	Municipal Building Authority	RAP Tax	Perpetual Care	
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ 353,592	\$ -	\$ 353,592
Charges for services	-	612,557	-	-	612,557
Interest on investments	5,213	7,435	427	11,190	24,265
Miscellaneous	-	-	-	28,727	28,727
<b>Total Revenues</b>	<u>5,213</u>	<u>619,992</u>	<u>354,019</u>	<u>39,917</u>	<u>1,019,141</u>
<b>Expenditures</b>					
General government	-	1,650	336,159	-	337,809
Debt service:					
Principal	-	553,000	-	-	553,000
Interest	-	161,769	-	-	161,769
<b>Total Expenditures</b>	<u>-</u>	<u>716,419</u>	<u>336,159</u>	<u>-</u>	<u>1,052,578</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>5,213</u>	<u>(96,427)</u>	<u>17,860</u>	<u>39,917</u>	<u>(33,437)</u>
<b>Other Financing Sources (Uses)</b>					
Transfer in	-	306,848	-	-	306,848
Transfer out	-	-	-	(22,461)	(22,461)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>306,848</u>	<u>-</u>	<u>(22,461)</u>	<u>284,387</u>
Net Change in Fund Balances	5,213	210,421	17,860	17,456	250,950
<b>Fund Balance, Beginning</b>	<u>782,783</u>	<u>993,337</u>	<u>46,754</u>	<u>1,374,213</u>	<u>3,197,087</u>
<b>Fund Balance, Ending</b>	<u>\$ 787,996</u>	<u>\$ 1,203,758</u>	<u>\$ 64,614</u>	<u>\$ 1,391,669</u>	<u>\$ 3,448,037</u>

**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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Special Assessments	\$ 268,687	\$ 268,687	\$ 271,222	\$ 2,535
Interest on investments	3,000	3,000	1,369	(1,631)
<b>Total Revenues</b>	<u>271,687</u>	<u>271,687</u>	<u>272,591</u>	<u>904</u>
<b>Expenditures</b>				
General government	9,098	9,098	7,428	1,670
Debt service:				
Principal	172,000	172,000	203,000	(31,000)
Interest	90,589	90,589	76,412	14,177
Bond issue costs	-	53,000	52,500	500
<b>Total Expenditures</b>	<u>271,687</u>	<u>324,687</u>	<u>339,340</u>	<u>(14,653)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(53,000)</u>	<u>(66,749)</u>	<u>(13,749)</u>
<b>Other Financing Sources (Uses)</b>				
Refunding bonds issued	-	1,696,000	1,696,150	150
Bond refunding payment	-	(1,874,000)	(1,857,000)	17,000
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(178,000)</u>	<u>(160,850)</u>	<u>17,150</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (231,000)</u>	<u>(227,599)</u>	<u>\$ 3,401</u>
<b>Fund Balance, Beginning</b>			<u>287,290</u>	
<b>Fund Balance, Ending</b>			<u>\$ 59,691</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, 2010**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 350,000	\$ 350,000	\$ 353,592	\$ 3,592
Interest on investments	-	-	427	427
<b>Total Revenues</b>	350,000	350,000	354,019	4,019
<b>Expenditures</b>				
Special Projects	35,000	35,000	17,926	17,074
Centerville City RDA Payments	315,000	315,000	318,233	(3,233)
<b>Total Expenditures</b>	350,000	350,000	336,159	13,841
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	17,860	17,860
<b>Net Change in Fund Balance</b>	\$ -	\$ -	17,860	\$ 17,860
<b>Fund Balance, Beginning</b>			46,754	
<b>Fund Balance, Ending</b>			\$ 64,614	

**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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services	\$ 397,376	\$ 405,376	\$ 612,557	\$ 207,181
Interest on investments	15,000	15,000	7,435	(7,565)
<b>Total Revenues</b>	<u>412,376</u>	<u>420,376</u>	<u>619,992</u>	<u>199,616</u>
<b>Expenditures</b>				
General government	1,650	1,650	1,650	-
Debt service:				
Principal	553,000	553,000	553,000	-
Interest	161,769	161,769	161,769	-
<b>Total Expenditures</b>	<u>716,419</u>	<u>716,419</u>	<u>716,419</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(304,043)</u>	<u>(296,043)</u>	<u>(96,427)</u>	<u>199,616</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	304,043	304,043	306,848	2,805
<b>Total Other Financing Sources (Uses)</b>	<u>304,043</u>	<u>304,043</u>	<u>306,848</u>	<u>2,805</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 8,000</u>	210,421	<u>\$ 202,421</u>
<b>Fund Balance, Beginning</b>			<u>993,337</u>	
<b>Fund Balance, Ending</b>			<u>\$ 1,203,758</u>	

**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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,639,475	\$ 1,639,475	\$ 3,620,488	\$ 1,981,013
Interest on investments	517,000	517,000	417,505	(99,495)
<b>Total Revenues</b>	<u>2,156,475</u>	<u>2,156,475</u>	<u>4,037,993</u>	<u>1,881,518</u>
<b>Expenditures</b>				
Fire	35,400	35,400	35,313	87
Highways and streets	212,000	212,000	211,922	78
Capital outlay	1,605,032	1,605,032	1,204,164	400,868
<b>Total Expenditures</b>	<u>1,852,432</u>	<u>1,852,432</u>	<u>1,451,399</u>	<u>401,033</u>
<b>Excess (Deficiency) of Revenues     Over (Under) Expenditures</b>	<u>304,043</u>	<u>304,043</u>	<u>2,586,594</u>	<u>2,282,551</u>
<b>Other Financing Sources (Uses)</b>				
Transfer out	(304,043)	(304,043)	(306,848)	(2,805)
<b>Total Other Financing Sources (Uses)</b>	<u>(304,043)</u>	<u>(304,043)</u>	<u>(306,848)</u>	<u>(2,805)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>2,279,746</u>	<u>\$ 2,279,746</u>
<b>Fund Balance, Beginning</b>			<u>30,637,462</u>	
<b>Fund Balance, Ending</b>			<u>\$32,917,208</u>	

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2010**

**Business-type Activities - Enterprise Funds**

	<b>Storm Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Sanitation</b>	<b>Cemetery</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Assets</b>						
<b>Current Assets:</b>						
Cash and cash equivalents	\$ 773,612	\$ 1,169,980	\$ 13,793	\$ 1,042,399	\$ 886,646	\$ 3,886,430
Accounts receivable, net	106,756	15,480	52,847	100,531	3,814	279,428
Interest receivable	1,672	2,805	15	2,253	2,062	8,807
Investments	207,863	288,397	3,400	256,972	218,579	975,211
Inventories	-	62,724	-	-	-	62,724
<b>Total Current Assets</b>	<b>1,089,903</b>	<b>1,539,386</b>	<b>70,055</b>	<b>1,402,155</b>	<b>1,111,101</b>	<b>5,212,600</b>
<b>Noncurrent Assets:</b>						
Notes receivable	-	-	-	-	117,010	117,010
Restricted assets:						
Cash and cash equivalents and investments	69,580	796	-	-	-	70,376
Other postemployment benefits asset	13,279	37,628	-	31,922	21,847	104,676
Capital assets, net:						
Land, land rights and water rights	-	1,997,619	-	-	247,151	2,244,770
Buildings, wells and reservoirs	337,298	552,804	-	593,282	-	1,483,384
Improvements other than buildings	-	922,774	-	1,672	142,990	1,067,436
Transmission, distribution and collection systems	4,553,798	-	-	-	-	4,553,798
Machinery and equipment	90,317	212,987	-	74,254	32,547	410,105
Furniture and fixtures	-	8,496	-	-	-	8,496
<b>Total Noncurrent Assets</b>	<b>5,064,272</b>	<b>3,733,104</b>	<b>-</b>	<b>701,130</b>	<b>561,545</b>	<b>10,060,051</b>
<b>Total Assets</b>	<b>\$ 6,154,175</b>	<b>\$ 5,272,490</b>	<b>\$ 70,055</b>	<b>\$ 2,103,285</b>	<b>\$ 1,672,646</b>	<b>\$15,272,651</b>

**CITY OF BOUNTIFUL  
COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS (Continued)  
June 30, 2010**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Total Nonmajor Enterprise Funds</b>
	<b>Storm Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Sanitation</b>	<b>Cemetery</b>	
<b>Liabilities</b>						
<b>Current Liabilities:</b>						
Accounts payable	\$ 41,738	\$ 38,305	\$ 36,397	\$ 8,016	\$ 1,398	\$ 125,854
Compensated absences	7,973	23,859	-	12,354	10,487	54,673
Accrued liabilities	17,176	51,843	-	16,403	13,512	98,934
<b>Total Current Liabilities</b>	<b>66,887</b>	<b>114,007</b>	<b>36,397</b>	<b>36,773</b>	<b>25,397</b>	<b>279,461</b>
<b>Noncurrent Liabilities:</b>						
Compensated absences	10,636	28,158	-	19,273	12,568	70,635
Liabilities payable from restricted assets	-	796	-	-	-	796
Unearned revenue	-	36,942	-	-	-	36,942
Developer and customer deposits	69,580	-	-	-	-	69,580
<b>Total Noncurrent Liabilities</b>	<b>80,216</b>	<b>65,896</b>	<b>-</b>	<b>19,273</b>	<b>12,568</b>	<b>177,953</b>
<b>Total Liabilities</b>	<b>147,103</b>	<b>179,903</b>	<b>36,397</b>	<b>56,046</b>	<b>37,965</b>	<b>457,414</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	4,981,413	3,694,680	-	669,208	422,688	9,767,989
Restricted for other postemployment benefits ass	13,279	37,628	-	31,922	21,847	104,676
Unrestricted	1,012,380	1,360,279	33,658	1,346,109	1,190,146	4,942,572
<b>Total Net Assets</b>	<b>6,007,072</b>	<b>5,092,587</b>	<b>33,658</b>	<b>2,047,239</b>	<b>1,634,681</b>	<b>14,815,237</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,154,175</b>	<b>\$ 5,272,490</b>	<b>\$ 70,055</b>	<b>\$ 2,103,285</b>	<b>\$ 1,672,646</b>	<b>\$15,272,651</b>



**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For The Year Ended June 30, 2010**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Total Nonmajor</b>
	<b>Storm</b>					<b>Enterprise</b>
	<b>Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Sanitation</b>	<b>Cemetery</b>	<b>Funds</b>
<b>Operating Revenues</b>						
Charges for services	\$ 893,876	\$ -	\$ 442,336	\$ 845,784	\$ 132,790	\$ 2,314,786
Admissions and lesson fees	-	729,542	-	-	-	729,542
Equipment and facility rents	-	337,513	-	-	3,900	341,413
Concession and merchandise sales	-	205,296	-	-	-	205,296
Sale of cemetery burial plots	-	-	-	-	149,791	149,791
Miscellaneous	-	2,496	-	74	1,700	4,270
<b>Total Operating Revenues</b>	<b>893,876</b>	<b>1,274,847</b>	<b>442,336</b>	<b>845,858</b>	<b>288,181</b>	<b>3,745,098</b>
<b>Operating Expenses</b>						
Production, collection and source of supplies	458,380	-	432,840	-	-	891,220
Transmission, distribution and/or maintenance	-	810,291	-	471,111	240,108	1,521,510
Cost of concession and merchandise sales	-	131,054	-	-	-	131,054
General and administrative	149,496	183,563	-	161,333	90,041	584,433
Depreciation and amortization	496,285	186,706	-	208,833	22,425	914,249
<b>Total Operating Expenses</b>	<b>1,104,161</b>	<b>1,311,614</b>	<b>432,840</b>	<b>841,277</b>	<b>352,574</b>	<b>4,042,466</b>
<b>Operating Income (Loss)</b>	<b>\$ (210,285)</b>	<b>\$ (36,767)</b>	<b>\$ 9,496</b>	<b>\$ 4,581</b>	<b>\$ (64,393)</b>	<b>\$ (297,368)</b>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS (Continued)**  
**For The Year Ended June 30, 2010**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Total Nonmajor Enterprise Funds</b>
	<b>Storm Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Sanitation</b>	<b>Cemetery</b>	
<b>Nonoperating Income (Expense)</b>						
Interest income	\$ 6,806	\$ 12,931	\$ -	\$ 9,615	\$ 9,109	\$ 38,461
Interest expense	(109)	-	(23)	-	-	(132)
Contributions	83	-	-	-	-	83
Gain (loss) from sale of capital assets	-	-	-	2,388	-	2,388
<b>Total Nonoperating Income (Expense)</b>	<b>6,780</b>	<b>12,931</b>	<b>(23)</b>	<b>12,003</b>	<b>9,109</b>	<b>40,800</b>
Income (loss) before transfers	(203,505)	(23,836)	9,473	16,584	(55,284)	(256,568)
Transfers in	-	-	-	-	22,461	22,461
<b>Changes in Net Assets</b>	<b>(203,505)</b>	<b>(23,836)</b>	<b>9,473</b>	<b>16,584</b>	<b>(32,823)</b>	<b>(234,107)</b>
<b>Net Assets, Beginning</b>	<b>6,210,577</b>	<b>5,116,423</b>	<b>24,185</b>	<b>2,030,655</b>	<b>1,667,504</b>	<b>15,049,344</b>
<b>Net Assets, Ending</b>	<b>\$ 6,007,072</b>	<b>\$ 5,092,587</b>	<b>\$ 33,658</b>	<b>\$ 2,047,239</b>	<b>\$ 1,634,681</b>	<b>\$ 14,815,237</b>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For The Year Ended June 30, 2010**

	Business-type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Sanitation	Cemetery	
<b>Cash Flows From Operating Activities</b>						
Receipts from customers and users	\$ 890,178	\$ 1,262,867	\$ 443,375	\$ 843,830	\$ 293,726	\$ 3,733,976
Payments to suppliers	(298,902)	(531,855)	(433,578)	(311,788)	(70,455)	(1,646,578)
Payments to employees and related benefits	(330,431)	(568,408)	-	(313,818)	(264,364)	(1,477,021)
Net cash flows from operating activities	260,845	162,604	9,797	218,224	(41,093)	610,377
<b>Cash Flows From Non-Capital Financing Activities</b>						
Transfers in	-	-	-	-	22,461	22,461
Advances to other funds	(14,769)	(41,852)	-	(35,505)	(24,300)	(116,426)
Interest Paid	(109)	-	-	-	-	(109)
Grants and contributions received	83	-	-	-	-	83
Payment of note receivable	-	-	-	-	13,000	13,000
Net cash flows from non-capital financing activities	(14,795)	(41,852)	-	(35,505)	11,161	(80,991)
<b>Cash Flows From Capital and Related Financing</b>						
Purchase of capital assets	(57,348)	(150,718)	-	-	(25,226)	(233,292)
Proceeds from sales of capital assets	-	-	-	2,388	-	2,388
Net cash flows from capital and related financing activities	(57,348)	(150,718)	-	2,388	(25,226)	(230,904)
<b>Cash Flows From Investing Activities</b>						
Interest on investments	6,512	12,641	(23)	9,040	8,914	37,084
Purchase of investments	(223,360)	(101,051)	(8,421)	(241,931)	(52,593)	(627,356)
Sale of investments	168,326	76,154	6,346	182,319	39,633	472,778
Net cash flows from investing activities	(48,522)	(12,256)	(2,098)	(50,572)	(4,046)	(117,494)
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	140,180	(42,222)	7,699	134,535	(59,204)	180,988
<b>Cash and Cash Equivalents, Beginning</b>	703,012	1,212,998	6,094	907,864	945,850	3,775,818
<b>Cash and Cash Equivalents, Ending</b>	\$ 843,192	\$ 1,170,776	\$ 13,793	\$ 1,042,399	\$ 886,646	\$ 3,956,806

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS (Continued)**  
**For The Year Ended June 30, 2010**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Total Nonmajor Enterprise Funds</b>
	<b>Storm Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Sanitation</b>	<b>Cemetery</b>	
<b>Reconciliation of operating income to net cash flows from operating activities</b>						
Earnings (loss) from operations	\$ (210,285)	\$ (36,767)	\$ 9,496	\$ 4,581	\$ (64,393)	\$ (297,368)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:						
Depreciation	496,285	186,706	-	208,833	22,425	914,249
Changes in assets and liabilities						
Accounts receivable, net	(1,405)	(11,980)	(437)	(3,604)	5,545	(11,881)
Inventories	-	(3,467)	-	-	-	(3,467)
Unearned revenue	-	1,642	-	-	-	1,642
Customer deposits	(4,160)	-	-	-	-	(4,160)
Accounts payable	(21,442)	10,470	738	2,998	(1,731)	(8,967)
Compensated absences	(508)	9,660	-	(436)	(5,920)	2,796
Accrued liabilities	1,045	2,613	-	2,691	817	7,166
Net OPEB Asset	1,315	3,727	-	3,161	2,164	10,367
<b>Net cash flows from operating activities</b>	<b>\$ 260,845</b>	<b>\$ 162,604</b>	<b>\$ 9,797</b>	<b>\$ 218,224</b>	<b>\$ (41,093)</b>	<b>\$ 610,377</b>

**CITY OF BOUNTIFUL  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
June 30, 2010**

	<u>Governmental Immunity</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 2,903,443	\$ 1,117,044	\$ 4,020,487
Interest receivable	6,872	2,590	9,462
Investments	715,755	275,903	991,658
Other receivables	-	10,854	10,854
<b>Total Current Assets</b>	<u>3,626,070</u>	<u>1,406,391</u>	<u>5,032,461</u>
<b>Noncurrent Assets</b>			
Restricted cash and cash equivalents	516,987	-	516,987
<b>Total Noncurrent Assets</b>	<u>516,987</u>	<u>-</u>	<u>516,987</u>
<b>Total Assets</b>	<u>\$ 4,143,057</u>	<u>\$ 1,406,391</u>	<u>\$ 5,549,448</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 556,823	\$ 108,634	\$ 665,457
Accrued liabilities	3,625	2,268	5,893
<b>Total Liabilities</b>	<u>560,448</u>	<u>110,902</u>	<u>671,350</u>
<b>Net Assets</b>			
Restricted for regulatory required deposit	516,987	-	516,987
Unrestricted	3,065,622	1,295,489	4,361,111
<b>Total Net Assets</b>	<u>3,582,609</u>	<u>1,295,489</u>	<u>4,878,098</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 4,143,057</u>	<u>\$ 1,406,391</u>	<u>\$ 5,549,448</u>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS**  
**For The Year Ended June 30, 2010**

	<u>Governmental Immunity</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
<b>Operating Revenues</b>			
Charges for services	\$ 279,646	\$ 221,647	\$ 501,293
Miscellaneous	543	11,937	12,480
<b>Total Operating Revenues</b>	<u>280,189</u>	<u>233,584</u>	<u>513,773</u>
<b>Operating Expenses</b>			
Claims	429,017	158,127	587,144
General and administrative	364,230	88,996	453,226
<b>Total Operating Expenses</b>	<u>793,247</u>	<u>247,123</u>	<u>1,040,370</u>
Operating Income (Loss)	<u>(513,058)</u>	<u>(13,539)</u>	<u>(526,597)</u>
<b>Nonoperating Income (Expense)</b>			
Interest income	32,893	11,309	44,202
<b>Total Nonoperating Income (Expense)</b>	<u>32,893</u>	<u>11,309</u>	<u>44,202</u>
<b>Changes in Net Assets</b>	(480,165)	(2,230)	(482,395)
<b>Net Assets, Beginning</b>	<u>4,062,774</u>	<u>1,297,719</u>	<u>5,360,493</u>
<b>Net Assets, Ending</b>	<u>\$ 3,582,609</u>	<u>\$ 1,295,489</u>	<u>\$ 4,878,098</u>

**CITY OF BOUNTIFUL  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For The Year Ended June 30, 2010**

	<u>Governmental Immunity</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 280,189	\$ 233,031	\$ 513,220
Payments to suppliers	(414,567)	(209,841)	(624,408)
Payments to employees and related benefits	(76,045)	(41,416)	(117,461)
<b>Net cash flows from operating activities</b>	<u>(210,423)</u>	<u>(18,226)</u>	<u>(228,649)</u>
<b>Cash Flows From Investing Activities</b>			
Interest on investments	32,624	11,217	43,841
Purchase of investments	(151,392)	(96,088)	(247,480)
Sale of investments	114,089	72,412	186,501
<b>Net cash flows from investing activities</b>	<u>(4,679)</u>	<u>(12,459)</u>	<u>(17,138)</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	(215,102)	(30,685)	(245,787)
<b>Cash and Cash Equivalents, Beginning</b>	<u>3,635,532</u>	<u>1,147,729</u>	<u>4,783,261</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 3,420,430</u>	<u>\$ 1,117,044</u>	<u>\$ 4,537,474</u>
<b>Reconciliation of operating income to net cash flows from operating activities</b>			
Earnings (loss) from operations	\$ (513,058)	\$ (13,539)	\$ (526,597)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:			
Changes in assets and liabilities			
Accounts receivable, net	-	(553)	(553)
Accounts payable	302,893	(4,421)	298,472
Accrued liabilities	(258)	287	29
<b>Net cash flows from operating activities</b>	<u>\$ (210,423)</u>	<u>\$ (18,226)</u>	<u>\$ (228,649)</u>

## **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 Eight Fiscal Years**  
**(accrual basis of accounting)**  
**Table 1**

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<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	\$ 74,693,798
Restricted	8,282,356	3,953,521	3,284,509	3,101,313	3,282,662	3,430,494	3,558,657	4,227,165
Unrestricted	27,804,721	27,790,705	30,373,608	34,658,388	35,622,767	39,740,965	43,182,100	45,175,673
Total governmental activities net assets	<u>\$ 97,872,908</u>	<u>\$ 102,203,986</u>	<u>\$ 104,926,547</u>	<u>\$ 108,451,840</u>	<u>\$ 111,321,750</u>	<u>\$ 116,807,204</u>	<u>\$ 121,546,502</u>	<u>\$ 124,096,636</u>
<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	\$ 45,629,028
Restricted	557,822	557,822	-	-	-	-	-	561,509
Unrestricted	33,647,092	33,218,936	34,597,312	36,228,914	34,576,315	33,157,778	35,401,301	38,730,430
Total business-type activities net assets	<u>\$ 83,626,217</u>	<u>\$ 79,085,599</u>	<u>\$ 78,047,240</u>	<u>\$ 79,232,363</u>	<u>\$ 82,246,913</u>	<u>\$ 80,775,606</u>	<u>\$ 83,222,941</u>	<u>\$ 84,920,967</u>
<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	\$ 120,322,826
Restricted	8,840,178	4,511,343	3,284,509	3,101,313	3,282,662	3,430,494	3,558,657	4,788,674
Unrestricted	61,451,813	61,009,641	64,970,920	70,887,302	70,199,082	72,898,743	78,583,401	83,906,103
Total primary government net assets	<u>\$ 181,499,125</u>	<u>\$ 181,289,585</u>	<u>\$ 182,973,787</u>	<u>\$ 187,684,203</u>	<u>\$ 193,568,663</u>	<u>\$ 197,582,810</u>	<u>\$ 204,769,443</u>	<u>\$ 209,017,603</u>

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<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	\$ 3,388,685
Public safety (2)	6,739,630	6,996,107	7,233,939	7,348,694	7,689,386	8,057,551	8,463,184	8,506,721
Highways and streets	2,973,489	3,345,738	3,307,057	3,443,672	3,555,738	3,785,827	4,455,182	3,999,039
Planning and engineering	929,609	943,017	959,797	964,072	1,038,121	1,069,709	1,011,654	943,285
Parks	621,543	652,659	655,328	686,785	761,014	876,037	1,078,688	933,052
Redevelopment	40,586	115,585	368,906	1,431,999	3,595,301	791,486	639,800	685,492
Interest on long-term debt	203,374	405,936	386,903	353,735	327,906	306,165	282,736	241,190
<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>19,348,935</b>	<b>18,697,464</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	3,131,777
Light and Power	17,671,515	698,890	19,641,972	19,933,617	20,388,969	22,425,787	21,282,022	20,557,495
Landfill	844,780	19,638,313	1,137,119	897,504	900,325	1,100,696	925,116	1,064,299
Storm Water	755,070	819,334	1,109,633	1,034,785	1,095,165	981,119	1,071,562	1,104,270
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	1,311,614
Recreation (3)	1,411,958	1,441,275	1,450,748	1,447,709	910,196	3,438	7,454	-
Recycling (4)	-	-	-	-	-	-	-	432,863
Sanitation	610,181	649,385	672,534	710,080	828,299	896,572	855,234	841,277
Cemetery	206,055	261,099	262,639	283,273	326,840	339,247	370,211	352,574
<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>28,796,169</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>\$ 47,493,633</b>
<b>Program Revenues</b>								
<b>Government Activities:</b>								
<b>Charges for Services:</b>								
General Government	\$ 3,324,538	\$ 3,127,555	\$ 3,122,542	\$ 3,341,596	\$ 3,702,424	\$ 3,584,268	\$ 3,516,116	\$ 2,584,541
Culture and recreation (5)	-	-	-	-	-	-	-	16,100
Other activities (5)	-	-	-	-	-	-	-	708,025
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	1,427,842
Capital Grants and Contributions	-	100,000	533,800	62,362	63,426	-	1,646,784	271,222
<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>5,007,730</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	2,846,366
Light and Power	18,519,535	19,488,673	20,373,836	22,341,458	22,876,122	23,654,814	26,089,014	24,871,593
Landfill	908,355	1,005,869	1,103,032	1,089,457	1,518,175	1,390,305	1,130,734	963,000
Storm Water	674,835	678,596	716,014	689,869	727,274	699,480	894,317	893,876
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	1,274,847
Recreation (3)	1,043,849	959,488	951,597	952,557	104,628	6	-	-
Recycling (4)	-	-	-	-	-	-	-	442,336
Sanitation	765,774	775,491	771,547	790,320	800,914	811,950	828,211	845,858
Cemetery	247,560	219,246	269,967	282,281	359,076	288,699	391,069	288,181
Capital grants and contributions	1,192,746	502,610	537,465	673,468	2,728,585	308,939	505,219	27,605
<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>32,453,662</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>\$ 37,461,392</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)	\$ (12,890,775)	\$ (13,689,734)
Business-type activities	1,416,786	(221,735)	(33,926)	2,210,794	4,024,640	(360,289)	4,802,215	3,657,493
<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>	<b>\$ (10,032,241)</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.  
(4) The Sanitation Department implemented a recycling initiative on December 1, 2008.  
(5) This schedule's breakdown of Charges for Services began in fiscal year 2010.

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 3,917,254
Sales taxes	4,528,974	4,918,313	5,029,511	5,654,737	6,254,318	6,720,519	6,159,989	5,761,400
Franchise taxes	2,281,391	2,483,870	2,951,450	3,114,632	3,270,918	3,284,408	3,441,087	3,336,534
Interest on investments	761,354	618,754	869,986	1,419,877	1,919,796	1,970,897	1,241,243	662,978
Other	528,134	185,431	202,702	401,417	210,809	207,473	284,854	372,031
Gain (loss) on sale of capital assets	4,105	52,415	(224,895)	-	-	11,130.00	377,136.00	592
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	2,189,079
Total governmental activities	<u>10,852,418</u>	<u>12,931,474</u>	<u>13,576,132</u>	<u>15,977,446</u>	<u>17,651,275</u>	<u>18,233,160</u>	<u>18,310,681</u>	<u>16,239,868</u>
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	221,148
Gain (loss) on sale of capital assets	(2,818)	(32,794)	-	9,457	-	-	-	8,464
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)	(2,189,079)
Loss on disposal of segment of business	-	(3,121,636)	-	-	-	-	-	-
Total business-type activities	<u>(1,807,167)</u>	<u>(4,318,883)</u>	<u>(1,004,433)</u>	<u>(1,025,671)</u>	<u>(1,010,090)</u>	<u>(1,111,018)</u>	<u>(2,354,064)</u>	<u>(1,959,467)</u>
Total primary government	<u>\$ 9,045,251</u>	<u>\$ 8,612,591</u>	<u>\$ 12,571,699</u>	<u>\$ 14,951,775</u>	<u>\$ 16,641,185</u>	<u>\$ 17,122,142</u>	<u>\$ 15,956,617</u>	<u>\$ 14,280,401</u>
Change in Net Assets								
Governmental activities	\$ 1,750,884	\$ 2,669,379	\$ 2,722,561	\$ 3,525,293	\$ 2,869,910	\$ 5,485,455	\$ 5,419,906	\$ 2,550,134
Business-type activities	(390,381)	(4,540,618)	(1,038,359)	1,185,123	3,014,550	(1,471,307)	2,448,151	1,698,026
Total primary government	<u>\$ 1,360,503</u>	<u>\$ (1,871,239)</u>	<u>\$ 1,684,202</u>	<u>\$ 4,710,416</u>	<u>\$ 5,884,460</u>	<u>\$ 4,014,148</u>	<u>\$ 7,868,057</u>	<u>\$ 4,248,160</u>

Information from Basic Financial Statements, Government-wide Financial Statement of Activities  
Usually page 16 and 17 of CAFR

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,470	22,000
Unreserved	1,843,998	1,353,625	2,114,778	2,083,648	2,125,154	2,107,765	2,269,106	2,329,130	2,206,184	2,224,136
Total General Fund	<u>\$ 1,843,998</u>	<u>\$ 1,353,625</u>	<u>\$ 2,114,778</u>	<u>\$ 2,083,648</u>	<u>\$ 2,125,154</u>	<u>\$ 2,107,765</u>	<u>\$ 2,269,106</u>	<u>\$ 2,329,130</u>	<u>\$ 2,258,654</u>	<u>\$ 2,246,136</u>
All other governmental funds										
Reserved	\$ 324,491	\$ 187,699	\$ 8,219,595	\$ 2,768,576	\$ 3,083,275	\$ 2,925,787	\$ 3,109,233	\$ 2,920,622	\$ 2,993,891	\$ 2,789,611
Unreserved, reported in:										
Capital projects funds	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	32,917,208
Special revenue funds	2,149,621	3,694,789	4,058,611	4,687,677	4,473,103	4,082,921	5,936,165	2,799,117	4,469,424	4,697,785
Debt service funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 15,571,489</u>	<u>\$ 17,669,060</u>	<u>\$ 28,296,647</u>	<u>\$ 24,124,058</u>	<u>\$ 25,878,178</u>	<u>\$ 29,868,289</u>	<u>\$ 34,397,295</u>	<u>\$ 34,487,634</u>	<u>\$ 38,100,777</u>	<u>\$ 40,404,604</u>

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues:</b>										
Taxes (see Table 5)	\$ 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	13,015,188
Licenses and permits	679,710	614,790	899,922	752,419	745,235	966,550	881,988	633,117	534,007	403,274
Intergovernmental	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	1,491,961
Charges for services	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	2,727,296
Fines and forfeitures	113,532	113,606	102,338	88,090	85,941	102,177	129,968	149,662	161,749	172,085
Interest on investments	1,376,392	611,000	641,133	532,714	741,189	1,214,233	1,628,912	1,716,266	1,111,674	618,772
Miscellaneous	409,131	290,454	260,025	187,287	811,249	844,997	391,408	299,587	564,727	750,461
Total Revenues	<u>16,056,597</u>	<u>15,790,779</u>	<u>15,402,889</u>	<u>16,029,831</u>	<u>16,986,523</u>	<u>18,792,600</u>	<u>20,208,608</u>	<u>20,742,546</u>	<u>20,067,154</u>	<u>19,179,037</u>
<b>Expenditures</b>										
General government	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	3,053,298
Public safety	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	7,312,540
Highways and streets	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	2,870,954
Planning and engineering	925,826	857,448	903,685	916,338	917,673	944,770	1,013,028	1,045,173	1,107,182	924,783
Parks	388,056	430,771	472,386	493,190	491,351	517,981	569,948	653,456	846,255	641,699
Redevelopment	23,573	25,596	28,325	163,774	997,144	1,857,416	3,581,945	776,795	863,502	1,826,660
Capital outlay	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	1,239,934
Forgiveness of advance - L & P Fund	6,708,456	-	-	-	-	-	-	-	-	-
Debt service:										
Bond issuance costs	-	-	274,064	2,242	-	-	-	-	-	52,500
Principal	415,000	806,000	164,000	243,000	521,000	631,000	651,000	678,000	696,000	756,000
Interest and fiscal charges	226,222	188,175	147,374	387,888	376,998	357,555	320,279	299,852	276,640	238,181
Total expenditures	<u>20,224,296</u>	<u>15,058,344</u>	<u>14,104,616</u>	<u>21,890,456</u>	<u>17,167,176</u>	<u>16,911,146</u>	<u>21,485,981</u>	<u>18,880,982</u>	<u>20,000,124</u>	<u>18,916,549</u>
Excess of revenues over (under) expenditures	<u>\$ (4,167,699)</u>	<u>\$ 732,435</u>	<u>\$ 1,298,273</u>	<u>\$ (5,860,625)</u>	<u>\$ (180,653)</u>	<u>1,881,454</u>	<u>(1,277,373)</u>	<u>\$ 1,861,564</u>	<u>67,030</u>	<u>262,488</u>

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

	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Other financing sources (uses):</b>										
Operating transfers in	\$ 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	2,518,388
Operating transfers out	(892,097)	(3,165,388)	(979,676)	(741,348)	(531,408)	(502,813)	(500,000)	-	(1,130,251)	(329,309)
Bond/Loan proceeds	-	-	-	-	-	-	2,947,732	-	-	1,696,150
Bond refunding payment	-	-	-	-	-	-	-	-	-	(1,857,000)
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	592
Total other financing sources (uses)	<u>1,821,184</u>	<u>(415,534)</u>	<u>8,579,730</u>	<u>1,656,906</u>	<u>1,976,279</u>	<u>2,091,268</u>	<u>4,945,061</u>	<u>2,336,786</u>	<u>3,279,187</u>	<u>2,028,821</u>
Net change in fund balances	<u>\$ (2,346,515)</u>	<u>\$ 316,901</u>	<u>\$ 9,878,003</u>	<u>\$ (4,203,719)</u>	<u>\$ 1,795,626</u>	<u>3,972,722</u>	<u>\$ 3,667,688</u>	<u>\$ 4,198,350</u>	<u>3,346,217</u>	<u>2,291,309</u>
Debt service as a percentage of non-capital expenditures	3.69%	9.21%	2.55%	4.80%	6.21%	6.36%	5.36%	6.10%	5.85%	5.92%



**CITY OF BOUNTIFUL**  
**Governmental Activities Tax Revenues 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>
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
2010	3,660,658	5,761,400	3,336,534	256,596	13,015,188

**CITY OF BOUNTIFUL**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**Table 6**

Fiscal Year Ended June 30	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				
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	1,950,327	421,771	113	64,805	2,437,016	0.011542	4,103,685	59.39%
2010 (3)	1,816,905	425,365	113	64,805	2,307,189	0.011542	3,904,636	59.09%

(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) 2010 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>
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
2010	0.012593	0.007860	0.002213	0.000207	0.000097	0.000122	0.000315	0.001037	0.000363	0.000379

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, 2009 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	\$ 28,786,433	1	1.18 %	\$ 17,864,961	2	1.08 %
G&E Healthcare Ret/Renaissance LLC	18,688,126	2	0.77	-		-
MABEK Co	16,374,647	3	0.67	15,447,254	3	0.94
Qwest Corporation	15,611,804	4	0.64	18,504,535	1	1.12
Village on Main Street	13,235,009	5	0.54	-		-
Bill Olson Investment, LTD	8,394,003	6	0.34	6,253,934	5	0.38
Questar Gas	7,900,334	7	0.32	6,049,531	6	0.37
New Albertson's Inc (Associated Fresh Market)	6,939,558	8	0.28	5,686,825	8	0.35
Winegar, Richard T. & Karleen A.	6,250,688	9	0.26	5,618,902	9	0.34
Tegra Lakeview Associates, LC	6,237,632	10	0.26	-		-
Bountiful Fitness Partners	6,059,170	11	0.25	-		-
WBC Partners & Commons @ West Bountiful	5,393,352	12	0.22	-		-
Lock It Up Self Storage	4,955,644	13	0.20	-		-
IHC Health Services, Inc.	4,919,331	14	0.20	-		-
MacDonald -Christensen Limited Liability Company	4,655,391	15	0.19	-		-
Bridgeport Retail	4,625,510	16	0.19	-		-
Miller/Horne Carrington Place LLC	4,438,020	17	0.18	-		-
Health Care Property Investors, Inc.	4,376,652	18	0.18	11,477,831	4	0.70
RTC Mountianwest Medical (Town Center)	-		-	5,953,610	7	0.36
SCP Holdings 4 Incorporated	-		-	3,568,386	10	0.22
	<u>\$167,841,304</u>		<u>6.89 %</u>	<u>\$ 96,425,769</u>		<u>5.86 %</u>
Taxable Value			\$ 2,437,016			\$ 1,646,590

Source : Davis County Clerk Auditors Office

**CITY OF BOUNTIFUL**  
**Property Tax Levies and Collections**  
**Last Ten 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>
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	2,431,751		2,318,633	95.3	80,094	2,398,727	98.6	
2010	2,422,258		2,308,004	95.3	43,544	2,351,548	97.1	

(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**

<b>Fiscal Year Ended June 30,</b>	<b>Electric Metered Sales</b>	<b>Industrial Customer Sales (1)</b>	<b>Miscellaneous (2)</b>	<b>Total Charges for Services</b>	<b>Charge Per Kilowatt Hour (3)</b>
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
2010	22,115,396	2,393,724	44,891	24,554,011	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				
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	134
2010	-	1,388,000	3,560,000	-	4,948,000	N/A	N/A	111

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>
2001	-	-	-	-	-
2002	-	-	-	-	-
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-



**CITY OF BOUNTIFUL**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2010**  
**Table 13**

	<u>Total Debt</u>	<u>Applicable to City</u>		<u>City Debt Ratios (2)</u>		
		<u>Percentage</u>	<u>Amount</u>	To assessed value of: <u>\$ 2,307,188,885</u>	To fair value of: <u>\$3,904,636,287</u>	To population of: (per capita) <u>44,477</u>
Direct general obligation debt	<u>\$ -</u>	100.00%	<u>\$ -</u>	0.00%	0.00%	\$ 0.00
Overlapping debt:						
State of Utah (1)	\$ -		\$ -			
Weber Basin Water Conservancy District	29,577,164	4.71%	1,393,643			
Davis County	21,835,000	13.65%	2,980,042			
Davis School District	358,500,000	13.65%	48,928,098			
South Davis Recreation District	16,290,000	35.13%	5,722,434			
Total Overlapping debt	<u>426,202,164</u>		<u>59,024,217</u>			
Total applicable to the City	<u>\$ 426,202,164</u>		<u>\$ 59,024,217</u>	2.56%	1.51%	\$ 1,327

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>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>2010</b>
Assessed value (1)	\$ 1,646,590	\$ 1,645,842	\$ 1,660,272	\$ 1,677,734	\$ 1,734,126	\$ 1,898,261	\$ 2,405,253	\$ 2,554,694	\$ 2,437,016	\$ 2,307,189
Debt Limit - 12% of total assessed value	197,591	197,501	199,233	201,328	208,095	227,791	288,630	306,563	292,442	276,863
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	<u>\$ 197,591</u>	<u>\$ 197,501</u>	<u>\$ 199,233</u>	<u>\$ 201,328</u>	<u>\$ 208,095</u>	<u>\$ 227,791</u>	<u>\$ 288,630</u>	<u>\$ 306,563</u>	<u>\$ 292,442</u>	<u>\$ 276,863</u>
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>										
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
2010	619,992	1,650	618,342	553,000	161,769	0.87	271,222	203,000	76,412	0.97

**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>
2001	41,392	894,636	21,614	27,287	✓ (6)	10,715	4.00 %
2002	41,736	882,007	21,133	27,643	✓ (6)	10,710	5.00
2003	42,080	909,767	21,620	27,995	✓ (6)	10,457	5.10
2004	42,495	908,765	21,385	28,156	✓ (6)	10,151	4.70
2005	42,853	981,834	22,912	28,238	✓ (6)	10,281	4.00
2006	43,174	1,065,716	24,684	28,173	✓ (6)	10,234	2.90
2007	43,576	1,155,731	26,522	28,320	✓ (6)	10,046	2.60
2008	43,780	N/A	N/A	32,310	✓ (5)	10,149	3.50
2009	44,442	N/A	N/A	32,798	✓ (5)	10,268	5.90
2010	44,477	N/A	N/A	32,824	✓ (5)	10,062	6.90

N/A = Data not available.

(1) U.S. Census Bureau, Population Estimates Program

(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.

(5) U.S. Census Bureau, American Fact Finder Sheet

(6) City Estimates

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

Taxpayer (4)	2010			2003 (1)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lakeview Hospital	500 - 999	1	4.24 - 8.47 %	500 - 999	1	8.45 - 9.48 %
South Davis Community Hospital	500 - 999	2	4.24 - 8.47	250 - 499	2	N/A
Bountiful High School	100 - 249	3	0.85 - 2.11	100 - 249	5	1.89 - 2.10
City First Mortgage Services, L.L.C.	100 - 249	4	0.85 - 2.11	N/A	N/A	N/A
Developers Investment Company, Inc.	100 - 249	5	0.85 - 2.11	100 - 249	7	1.89 - 2.10
Dick's Market - Bountiful	100 - 249	6	0.85 - 2.11	100 - 249	8	1.89 - 2.10
Intermountain Temporaries	100 - 249	7	0.85 - 2.11	N/A	N/A	N/A
Lexington Law Firm	100 - 249	8	0.85 - 2.11	N/A	N/A	N/A
Smith's Food and Drug Centers	100 - 249	9	0.85 - 2.11	N/A	N/A	N/A
Smith's Marketplace (2)	100 - 249	10	0.85 - 2.11	100 - 249	11	1.89 - 2.10
South Davis Recreation Center (3)	100 - 249	11	0.85 - 2.11	100 - 249	6	1.89 - 2.10
Viewmont High School	100 - 249	12	0.85 - 2.11	100 - 249	12	1.89 - 2.10
Menlove-Johnson, Inc.	N/A	N/A	N/A	100 - 249	10	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
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**

	<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>2010</b>
<b>Department</b>										
<b>General Fund</b>										
Legislative	7	6	6	6	6	6	6	6	6	6
Legal	3	3	3	3	3	3	3	3	3	3
Executive	3	2	2	2	2	3	4	4	3	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	8	7	8	9	8	8	8	9	7	6
Government Buildings	1	1	2	2	2	3	1	1	1	2
Police	89	86	89	85	84	88	85	94	96	93
Fire (1)	41	41	40	38	0	0	0	0	0	0
Streets	25	22	21	21	20	21	21	23	22	21
Engineering	10	10	10	12	10	12	10	11	8	8
Parks	20	21	20	25	22	21	20	24	24	14
Planning	3	3	3	2	2	4	4	5	5	4
<b>General Fund Total</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>170</b>
<b>Enterprise Funds</b>										
Storm Water	3	3	2	2	3	3	2	2	2	3
Water	17	20	19	17	17	18	21	24	19	19
Light and Power	46	46	54	48	48	51	43	43	38	39
Golf	41	43	45	45	44	46	41	45	43	40
Pools (3)	83	88	86	86	73	65	0	0	0	0
Recreation (3)	63	55	47	52	45	22	0	0	0	0
Ice Arena (3)	48	31	34	30	33	33	0	0	0	0
Landfill	8	10	10	10	9	9	9	9	9	10
Sanitation	5	5	5	5	5	5	5	6	5	6
Cemetery	9	7	8	9	10	8	11	12	9	7
<b>Enterprise Fund Total</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>124</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>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>	<b>294</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**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<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	22	22	22	22	22	22	22
Highways and streets:										
Number of streetlights	2,077	2,099	2,104	2,108	2,112	2,119	2,120	2,145	2,135	2,150
Number of traffic signals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	14	14
Miles of streets	143.74	143.75	158.35	159.00	158.00	157.99	158.00	158.00	158.98	158.98
Public Services:										
Recreation and culture:										
Number of municipal parks	18	19	19	19	19	19	16	16	13	13
Number of municipal picnic areas	14	15	15	15	13	13	21	21	19	19
Number of municipal tennis courts	21	21	21	21	21	21	23	24	24	24
Number of municipal soccer fields	-	3	3	3	5	5	5	5	5	5
Number of municipal ball diamonds	10	10	10	10	9	9	10	10	10	10
Number of Trail Heads	1	1	1	1	1	1	1	2	2	2
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	219.13	237.57	226.14	226.00	226.00	228.00	228.00	228.01	228.37	228.52
Municipal water plants:										
Number of fire hydrants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,580	1,567
Miles of water mains	160.11	160.29	168.25	168.00	170.00	170.55	171.00	171.00	172.96	175.46
Maximum instantaneous water source capacity (gallons per minute)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9,100	9,100
Sanitation utilities:										
Number of Collection Trucks	10	10	11	9	10	10	12	13	13	11
Number of sanitary landfills	1	1	1	1	1	1	1	1	1	1
Storm water utility:										
Miles of storm water lines (encased)	41.62	42.36	71.66	73.00	73.00	73.23	73.00	74.00	74.74	74.65
Miles of storm water lines (concrete lined)	3.15	3.15	3.88	4.00	4.00	3.87	4.00	4.00	4.21	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
<u>Election data</u>	
Registered (active voters), November 2009:	28,342
Number of votes cast in 2009 local election:	6,645
Percentage of registered voters voting:	23.45%

Sources: Various City of Bountiful Departments.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Function/Program</b>										
General Governmental:										
Ordinances passed	17	20	19	21	16	11	15	12	10	13
Resolutions passed	5	13	6	11	4	5	3	11	11	13
Public Safety:										
Hazardous citations written	2,204	2,236	1,745	1,817	1,765	2,062	2,540	2,839	3,082	N/A
Non-hazardous citations written	1,074	1,186	856	997	1,155	1,826	2,186	2,776	1,894	N/A
Arrests	1,206	1,855	1,843	1,675	1,214	1,855	1,674	1,657	1,688	N/A
Highways and Streets:										
Miles of street overlayed	N/A	8.80	8.60	N/A	8.10	6.60	5.00	8.00	5.16	4.50
Miles of street reconstructed	N/A	1.10	0.70	N/A	0.00	0.50	1.00	0.30	0.68	0.40
Planning and Engineering:										
Building Permits Issued	96	80	130	103	106	109	60	55	40	40
Municipal water:										
Average daily gallons consumed	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	3,995,000
Municipal power:										
Kilowatt hours sold	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	285,706,670
Storm water:										
Miles of storm drains inspected	N/A	N/A	7.17	7.30	7.30	7.32	4.00	4.00	5.42	4.98
Miles of streets cleaned	N/A	N/A	316.70	318.00	316.00	315.98	316.00	158.00	158.98	158.98
Sanitation utilities:										
Tons of waste collected and landfilled	45,202	41,842	41,924	79,998	115,880	97,138	118,034	140,881	98,732	101,698
Tons of recyclables collected (1)	0	0	0	0	0	0	0	0	1,533	2,415

N/A = Data not available.

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

Sources: Various City of Bountiful departments.