

# **BOUNTIFUL, UTAH**

## **Comprehensive Annual Financial Report For Fiscal Year Ended June 30, 2012**

**Mayor**

**Joe L. Johnson**

**City Council**

**Richard Higginson**

**Beth Holbrook**

**John M. (Marc) Knight**

**R. Fred Moss**

**Thomas B. Tolman**

**City Manager**

**Russell L. Mahan**

# **CITY OF BOUNTIFUL, UTAH**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012**



**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

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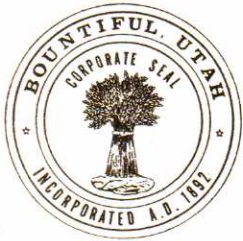
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## **INTRODUCTORY SECTION**

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# BOUNTIFUL

*City of Beautiful Homes and Gardens*

JOE L. JOHNSON  
MAYOR

CITY COUNCIL  
RICHARD HIGGINSON  
BETH HOLBROOK  
JOHN M. (MARC) KNIGHT  
R. FRED MOSS  
THOMAS B. TOLMAN

CITY MANAGER  
RUSSELL L. MAHAN

November 7, 2012

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 (the City) for the fiscal year ended June 30, 2012.

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.

Keddington & Christensen, LLC., 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, 2012, 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, 2012, 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 by 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 2012 is 42,000, 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**

Up until June 30<sup>th</sup> 2012, full-time employees who retired with either (a) thirty years of cumulative service and were 55 years of age or older, or (b) twenty-five years of cumulative service and were 60 years of age or older, had their medical insurance premium paid until age 65. Effective July 1, 2012, retiring employees meeting the longevity and age requirements are 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.

On December 1, 2011, Bountiful City and surrounding communities in Davis County experienced a severe wind storm with high velocity winds at times in excess of 100 MPH. The winds and wind borne debris caused approximately \$4.2 million dollars in damage or damage mitigation expenses to publicly owned properties in Bountiful City and surrounding communities, with Bountiful's share of those expenses being nearly \$2,000,000. Bountiful City officials and city residents mobilized efforts to mitigate further damage and to clean up after the storm, which clean-up stretched from December through the first quarter of calendar year 2012. The Utah State Division of Emergency Management, Davis County government, and the Federal Emergency Management Agency (FEMA) were all involved in providing technical assistance, and federal funds were provided by FEMA to Bountiful in partial reimbursement for disaster recovery costs. The enclosed CAFR contains a summary of the storm-related costs incurred for publicly owned properties, along with the associated federal funding and insurance reimbursement amounts received which were subject to federal Single Audit.

## 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, 2011. 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 Tom 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/City Attorney Russell Mahan 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,

The image shows two handwritten signatures in black ink. The signature on the left is for Galen D. Rasmussen and the signature on the right is for Kim J. Coleman. Both signatures are written in a cursive, flowing style.

Galen D. Rasmussen, MPA, CPA  
Administrative Services Director

Kim J. Coleman, CPA  
Finance Director & City Recorder

**CITY OF BOUNTIFUL  
PRINCIPAL OFFICIALS  
June 30, 2012**

**ELECTED OFFICIALS**

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

**EXECUTIVE BUDGETARY AND LEGAL OFFICIALS**

Russell L. Mahan	City Manager/City Attorney
Galen D. Rasmussen, CPA	Administrative Services Director

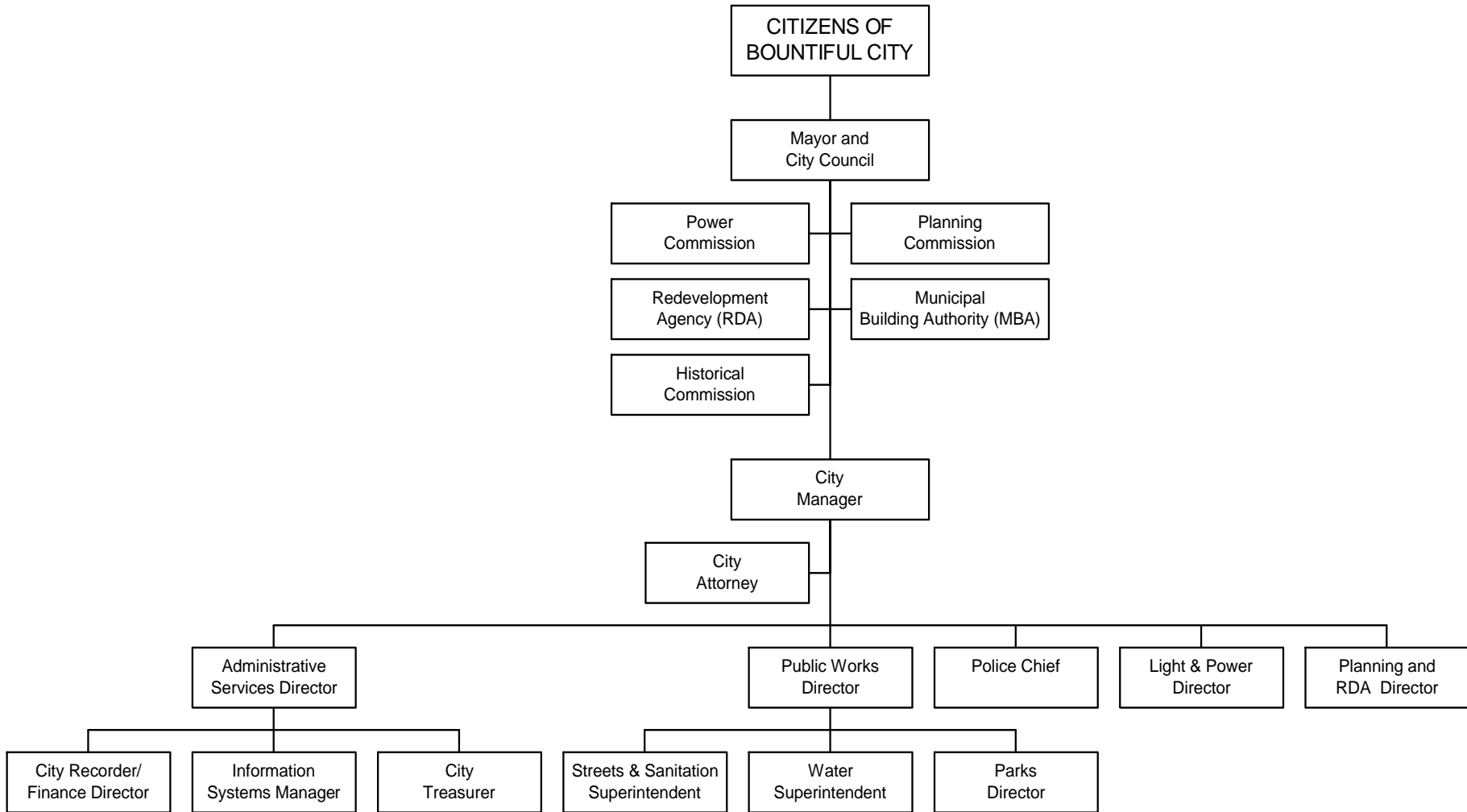
**STATUTORY APPOINTED OFFICIALS**

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
Mark Slagowski	Water Superintendent

**CITY OF BOUNTIFUL  
ORGANIZATIONAL CHART  
June 30, 2012**



# 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, 2011

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.



*Linda C. Sandison*

President

*Jeffrey R. Emer*

Executive Director

## **FINANCIAL SECTION**

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**Keddington & Christensen**  
Certified Public Accountants, LLC

---

Gary K. Keddington, CPA  
Brent E. Christensen, CPA  
Phyl R. Wamock, 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, 2012, 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, 2012, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds, and, where applicable, cash flows thereof 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 7, 2012, 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 financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards presented in our supplemental report is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*Keddington & Christensen*

November 7, 2012

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2012**

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, 2012. 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, 2012 by \$222,011,399. Of this amount, unrestricted net assets of \$88,823,557 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net assets increased by \$7,374,232 from the prior year. Of this amount a negative \$6,003,082 was associated with governmental and \$13,377,314 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 \$37,312,416, a decrease of \$6,320,888 over the prior year. Of this amount, \$33,717,510 is unrestricted and available for spending. The remaining \$3,594,906 is either nonspendable in form or has been legally restricted by parties outside the financial reporting entity.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,177,026, or 15.15% of total General Fund expenditures.
- The City of Bountiful's bonded debt obligations decreased by the net amount of \$1,413,000. The decrease was attributable to principal payments on Municipal Building Authority Lease Revenue and Sales Tax Revenue bonds in the amount of \$602,000 and \$186,000 respectively and a principal payment on the Electric Utility Revenue bonds in the amount of \$625,000.

**Overview of the Financial Statements**

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

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

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

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

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

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2012**

**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.

**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 Debt Service 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 2012 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 eight 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 five 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, 2012**

**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.

**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, 2012, the City's assets exceeded liabilities by \$222,011,399. By far the largest portion of the City's net assets \$127,948,063 (57.63%) 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	
	2011	2012	2011	2012	2011	2012
Current and other assets	\$ 58,436,713	\$ 51,868,236	\$ 54,797,875	\$ 55,509,420	\$ 113,234,588	\$ 107,377,656
Capital assets	78,606,353	77,666,260	55,471,046	68,402,875	134,077,399	146,069,135
Total assets	<u>137,043,066</u>	<u>129,534,496</u>	<u>110,268,921</u>	<u>123,912,295</u>	<u>247,311,987</u>	<u>253,446,791</u>
Long-term liabilities outstanding	5,151,988	4,357,180	15,898,422	15,242,341	21,050,410	19,599,521
Other liabilities	7,186,142	6,475,462	4,438,268	5,360,409	11,624,410	11,835,871
Total liabilities	<u>12,338,130</u>	<u>10,832,642</u>	<u>20,336,690</u>	<u>20,602,750</u>	<u>32,674,820</u>	<u>31,435,392</u>
Net assets:						
Invested in capital assets, net of related debt	74,336,121	74,200,188	40,191,046	53,747,875	114,527,167	127,948,063
Restricted	4,228,147	4,257,860	7,372,346	981,919	11,600,493	5,239,779
Unrestricted	46,140,668	40,243,806	42,368,839	48,579,751	88,509,507	88,823,557
Total net assets	<u>\$ 124,704,936</u>	<u>\$ 118,701,854</u>	<u>\$ 89,932,231</u>	<u>\$ 103,309,545</u>	<u>\$ 214,637,167</u>	<u>\$ 222,011,399</u>

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2012**

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

An additional portion of the net assets, \$5,239,779 (2.36%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$88,823,557 (40.01%), 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	
	2011	2012	2011	2012	2011	2012
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 3,419,760	\$ 3,499,153	\$ 33,589,505	\$ 34,281,962	\$ 37,009,265	\$ 37,781,115
Operating grants and contributions	1,414,463	1,623,572	-	735,902	1,414,463	2,359,474
Capital grants and contributions	309,910	369,124	47,374	524,059	357,284	893,183
<b>General revenues:</b>						
Property taxes	4,021,707	3,984,434	-	-	4,021,707	3,984,434
Other taxes	9,397,585	9,325,193	-	-	9,397,585	9,325,193
Other	819,817	891,705	435,899	920,270	1,255,716	1,811,975
<b>Total revenues</b>	<b>19,383,242</b>	<b>19,693,181</b>	<b>34,072,778</b>	<b>36,462,193</b>	<b>53,456,020</b>	<b>56,155,374</b>
<b>Expenses:</b>						
General government	3,503,127	3,289,872	-	-	3,503,127	3,289,872
Public safety	8,387,664	8,514,389	-	-	8,387,664	8,514,389
Highways and streets	3,748,318	3,475,552	-	-	3,748,318	3,475,552
Planning and engineering	971,209	981,570	-	-	971,209	981,570
Parks	954,307	937,703	-	-	954,307	937,703
Redevelopment	841,626	707,565	-	-	841,626	707,565
Interest on long-term debt	198,454	144,060	-	-	198,454	144,060
Water	-	-	3,309,367	3,234,152	3,309,367	3,234,152
Light and Power	-	-	20,837,040	21,895,461	20,837,040	21,895,461
Landfill	-	-	969,710	1,087,508	969,710	1,087,508
Storm Water	-	-	1,203,429	1,577,577	1,203,429	1,577,577
Recycling	-	-	442,247	455,047	442,247	455,047
Golf Course	-	-	1,314,964	1,378,763	1,314,964	1,378,763
Sanitation	-	-	806,551	773,031	806,551	773,031
Cemetery	-	-	348,443	328,892	348,443	328,892
<b>Total expenses</b>	<b>18,604,705</b>	<b>18,050,711</b>	<b>29,231,751</b>	<b>30,730,431</b>	<b>47,836,456</b>	<b>48,781,142</b>
Increase in net assets before transfers	778,537	1,642,470	4,841,027	5,731,762	5,619,564	7,374,232
Transfers	(170,237)	(7,645,552)	170,237	7,645,552	-	-
<b>Increase (Decrease) in net assets</b>	<b>608,300</b>	<b>(6,003,082)</b>	<b>5,011,264</b>	<b>13,377,314</b>	<b>5,619,564</b>	<b>7,374,232</b>
Net assets - beginning of year	124,096,636	124,704,936	84,920,967	89,932,231	209,017,603	214,637,167
<b>Net assets - end of year</b>	<b>\$ 124,704,936</b>	<b>\$ 118,701,854</b>	<b>\$ 89,932,231</b>	<b>\$ 103,309,545</b>	<b>\$ 214,637,167</b>	<b>\$ 222,011,399</b>

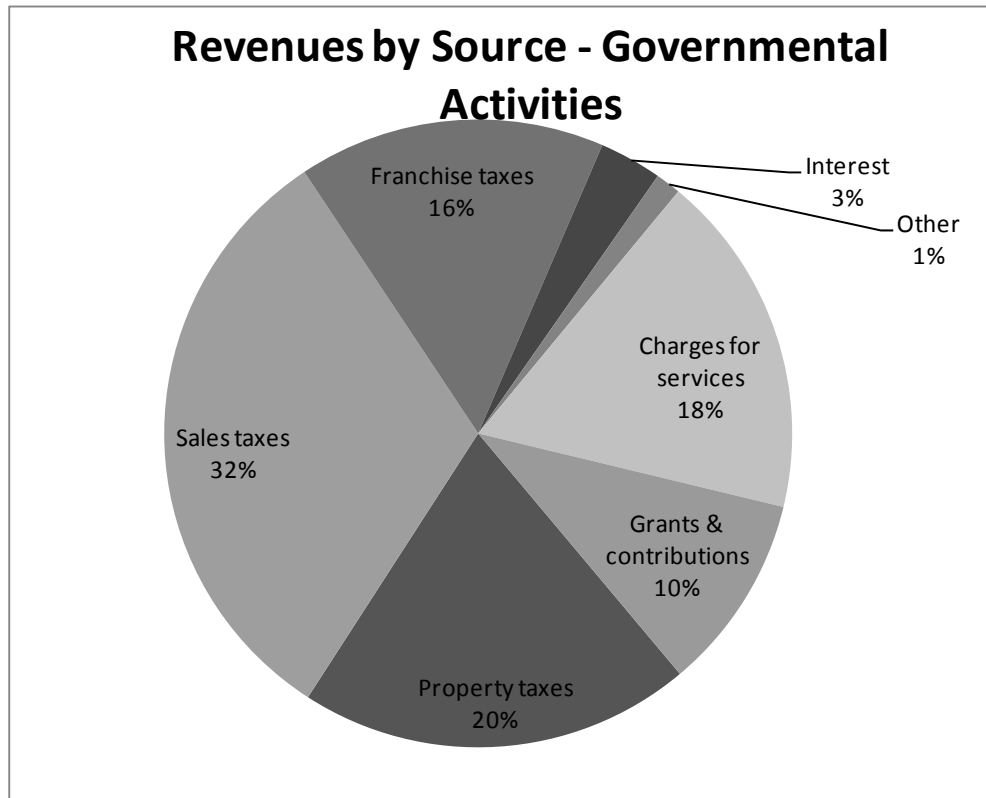
**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2012**

**Governmental Activities**

Governmental activities decreased the City's net assets by \$6,003,082. When combined with the \$13,377,314 increase in net assets from business-type activities, overall net assets increased by \$7,374,232 or 3.44%. As indicated by the data in the table on page 6, the decrease in the City's net assets provided this year by governmental activities was \$6,611,382 less than last year's increase of \$608,300 principally due to the following factors:

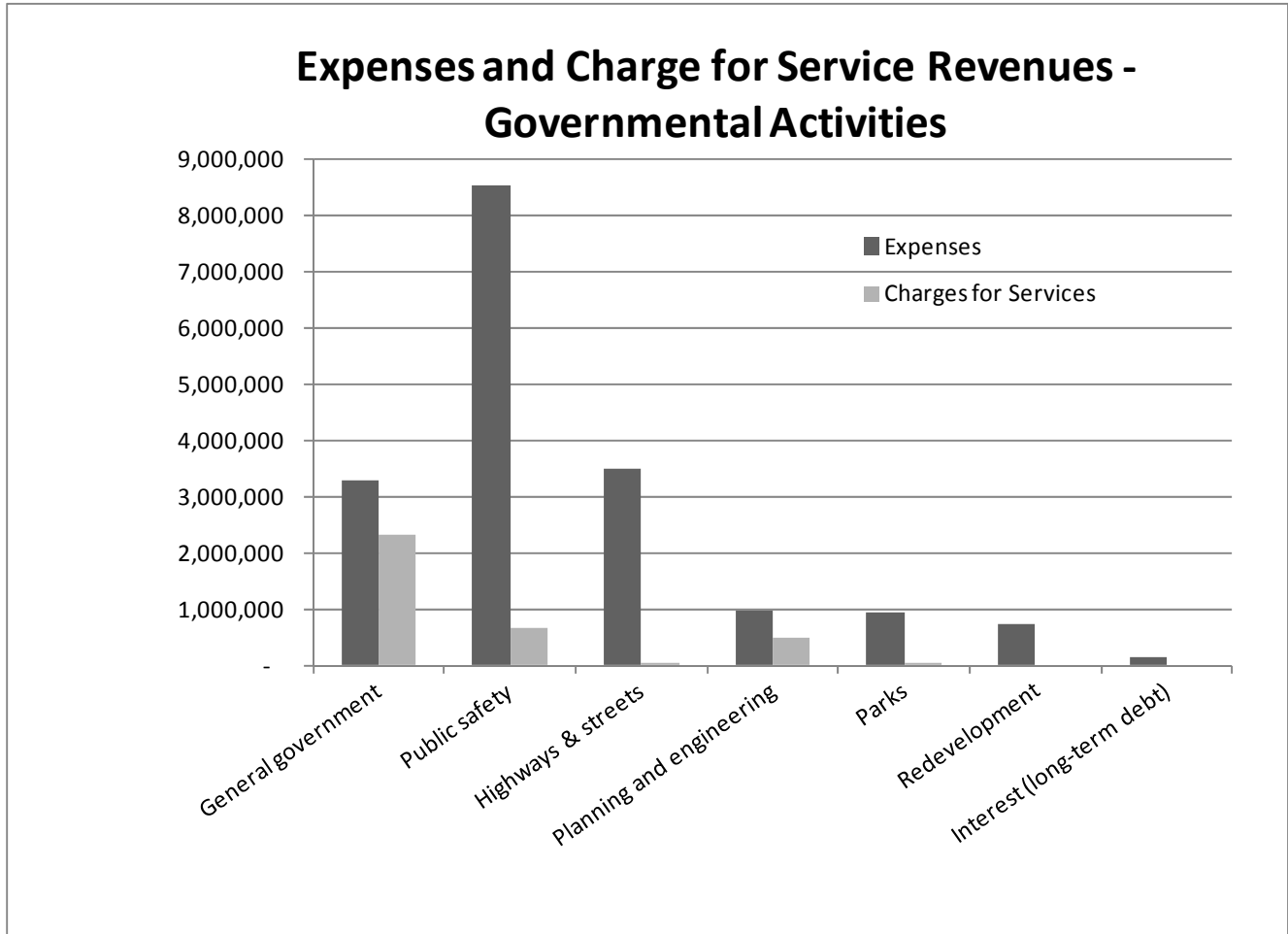
- \$10,000,000 transfer from the Capital Projects fund to the Light & Power enterprise fund to assist in the construction of a new plant and office complex.
- In fiscal year 2011 the Capital Projects fund forgave a note receivable of \$2,191,282 due from the Light & Power fund and the Redevelopment Agency fund transferred \$271,374 to assist the Storm Water fund with storm drain construction.
- Governmental activities received \$247,360 in FEMA grants during the current year in relation to a severe wind storm.
- Overall governmental expenses decreased \$553,994
- The preceding detail documents net decreases totaling \$6,735,990. This amount is different than the \$6,611,382 decrease originally presented for this review by \$124,608. 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, 2012**

**Governmental Activities (Continued)**



**Business-type Activities**

Business-type activities increased the City's net assets by \$13,377,314. When combined with the \$6,003,082 that governmental activities reduced net assets, overall net assets increased by \$7,374,232. As indicated by the data in the table on page 6, the principal increase in the City's net assets provided this year by business-type activities was \$8,366,050 more than last year's increase due to the following factors:

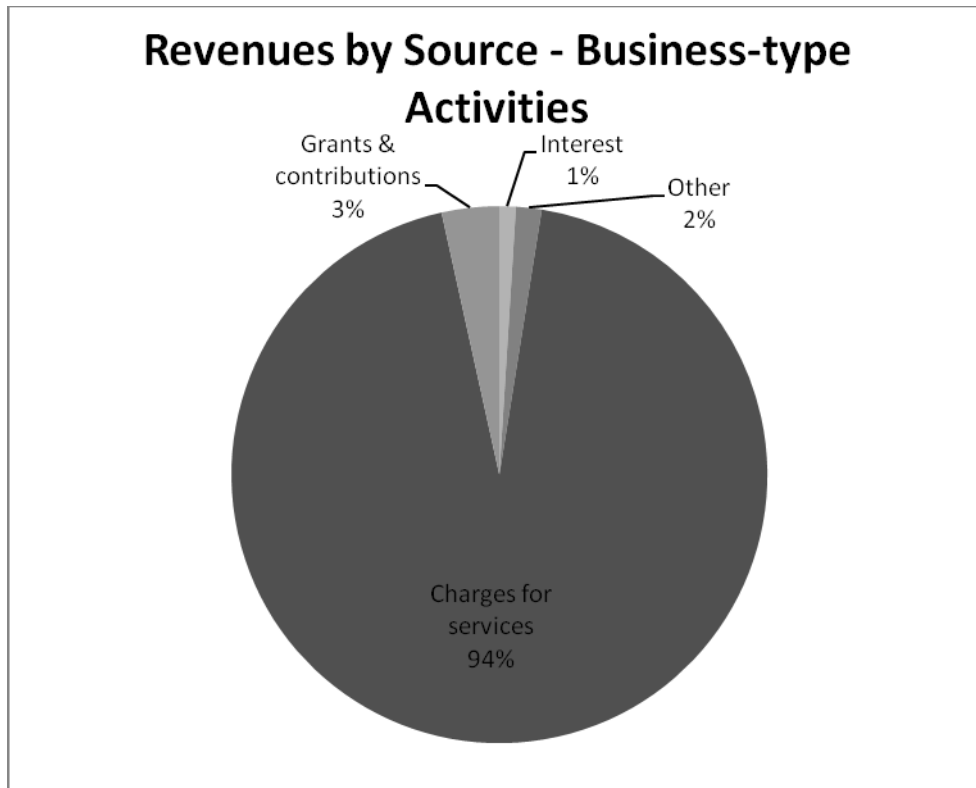
- \$10,000,000 transfer from the Capital Projects fund to the Light & Power enterprise fund to assist in the construction of a new plant and office complex.
- In fiscal year 2011 the Capital Projects fund forgave a note receivable of \$2,191,282 due from the Light & Power fund and the Redevelopment Agency fund transferred \$271,374 to assist the Storm Water fund with storm drain construction.
- During the current year the Light and Power Fund received \$300,019 in Federal interest rebate payments on bonds that qualify for the Build America Recovery Zone Economic Development.
- Business-type activities received \$735,902 in FEMA grants during the current year in relation to a severe wind storm.

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2012**

**Business-type Activities (Continued)**

- The preceding detail documents net increases totaling \$8,573,265. This amount is different than the \$8,366,050 increase originally presented for this review by \$207,215. This difference was due to transactions too numerous and small to require further explanation.

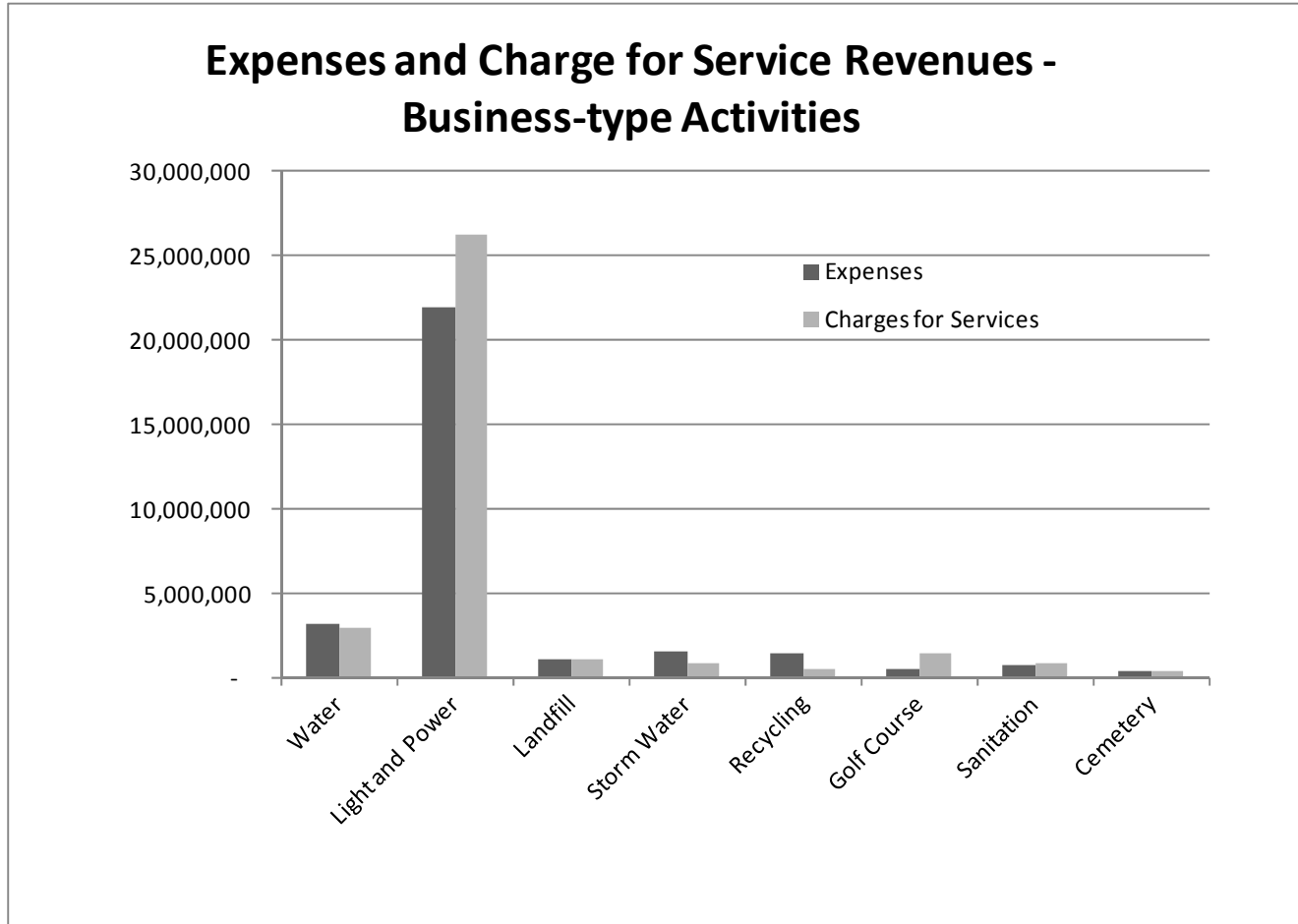
The graphs presented below and on the following page reflect only regular operating revenues and expenses from business-type activities and not the effects of special one-time items or transfers.





**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2012**

**Business-type Activities (Continued)**



**Financial Analysis of the Government's Funds**

**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, committed, assigned and unassigned fund balances 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, 2012, the City's governmental funds reported combined ending fund balance of \$37,312,416, a decrease of \$6,320,888 over the prior year. \$33,717,510 (90.37%) is available for spending at the government's discretion; however, \$31,540,484 has been assigned by the City Manager for subsequent years' capital expenditures and other uses, leaving an unassigned amount of \$2,177,026. The remaining \$3,594,906 of fund balance is not available for new spending because it is non-spendable in form (land held for resale) or legally restricted by parties outside the financial reporting entity for 1) future landfill closure costs (\$797,788), 2) perpetual care of the City's cemetery (\$1,484,350), 3) debt service (\$552,373), 4) recreation and arts programs (\$135,904), 5) public safety expenditures (\$39,510), and 6) trails and museum projects (\$26,623).

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2012**

**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, unassigned fund balance of the General Fund was \$2,177,026. As a measure of the General Fund's liquidity, it may be useful to compare this amount to total fund expenditures of \$14,371,224 (15.15% or 55 calendar days). The fund balance of the City's General Fund increased \$9,847 during the current fiscal year. This represents a .43% change in fund balance.

The Capital Projects Fund has a total fund balance of \$26,535,375, all of which has been assigned by the City Manager to finance projects from the City's 10-year capital improvements plan. 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 and special revenue funds. During the year ended June 30, 2012, the fund balance in the Capital Projects Fund decreased by \$6,979,987 or 20.83%. This decrease was \$7,578,141 less than last fiscal year's increase of \$598,154 due to the following reasons: 1) The affect of transferring \$10,000,000 to the Light and power fund to assist in the construction of a new power plant and office complex, 2) In fiscal year 2011 the Capital Projects fund forgave a note receivable of \$2,191,282 due from the Light & Power fund, and 3) \$389,350 more received from allocated sales taxes.

The Redevelopment Agency Fund has a total fund balance of \$4,914,980, all of which has been assigned by the City Manager for eligible redevelopment projects. The net increase in fund balance during the current fiscal year was \$606,141 compared to last year's increase of \$329,170. The \$276,971 larger increase consisted of 1) An increase in project expenditures of \$217,080, 2) \$181,409 more collected from revolving loan fund participants, 3) In fiscal year 2011 \$271,374 was transferred to the Storm Water Fund.

The Debt Service Fund has a total fund balance of \$120,497, all of which has been assigned by the City Manager for the payment of debt service. The net increase in fund balance during the current year was \$30,472. Special Improvement District assessments exceeded debt service amounts by \$37,034.

**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 \$3,458,223, \$30,221,714, and \$10,102,821, respectively. The increase in total net assets was \$6,955, \$13,370,461, and \$425,855 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 \$172,000 increase in appropriations between the original and final amended budgeted expenditures. Following are the components of the increase:

- \$10,000 salary adjustment related to interim City Manager.
- \$20,000 accrued compensated absences payout at retirement of previous City Manager.
- \$5,000 additional staffing needs during current year accounting software implementation.
- \$9,000 employee severance adjustment.
- \$47,000 compensatory time adjustments and officer overtime for the December 2011 wind storm.
- \$19,000 vehicle repairs and mobile cameras.
- \$16,000 salary costs for the "Communities that Care" program.
- \$36,000 reclassification of capital purchases for vehicles and supply cost overruns.
- \$5,000 salary adjustments.
- \$5,000 shared fencing costs with Davis School District.

The increase was possible because of additional grant revenues of \$54,000, the sale of capital assets of \$18,000, tax increment payments from Woods Cross City of \$65,000, a contribution from Light & Power fund of \$25,000, and interest of \$10,000.

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2012**

**General Fund Budgetary Highlights (Continued)**

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. For fiscal year 2012, the following analysis is offered as explanation of significant variances greater than \$150,000.

- General Sales and Use Tax was budgeted at \$3,000,000 for the fiscal year, but the actual revenues were only \$1,560,209. This change is due primarily to a \$2,435,165 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 legislative contingency account was budgeted at \$205,983 for the fiscal year, but the actual expenditures were \$4,929. This account is established each year as a way to address unforeseen expenditure variances within the General Fund as a whole. Typically, the account would be used to cover budget variances caused by severe weather such as overtime for snowplowing or additional road salt purchases that exceed reasonable expectations. Fiscal Year 2012 was a particularly mild year from a weather standpoint and no other expenditure conditions resulted in the need to utilize funds from this contingency account.
- The Utility Tax – Telephone revenue account in the General Fund was budgeted originally at \$680,000 but ended the fiscal year at \$502,372. This under budget condition was primarily due to the effects of tax distribution errors from the Utah State Tax Commission caused by taxpayer filing errors and related distribution processing errors which occurred in the last two reporting periods of fiscal year 2011 and during the first quarter of fiscal year 2012. The tax distribution errors for both fiscal year 2011 and 2012 could not be refunded to the Utah State Tax Commission until fiscal year 2012 when the Tax Commission completed their analysis and worked with the taxpayers involved to file corrected tax returns. Consequently, the refund of overpaid tax distributions from both fiscal years occurred within fiscal year 2012 which resulted in a negative effect in fiscal year 2012 from a budgetary standpoint.
- The FEMA Federal Assistance revenue account in the General Fund was set up to account for revenue from FEMA in connection with the December 1, 2011 wind disaster experienced by the City. Since the wind event was unanticipated, the FEMA revenue account did not exist at the start of the fiscal year and was not given a budget. After the wind event occurred, the account was established and a budget of \$54,000 was set to help balance against anticipated expenditure overruns for wind damage mitigation expenditures not covered by other budgeted revenue accounts in the General Fund. Ultimately, the City received a total of \$247,360 by the end of the fiscal year to cover eligible expenditures incurred as of June 30, 2012.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities at June 30, 2012, amounts to \$146,069,135 (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 increase in the City's investment in capital assets for the current fiscal year was \$11,991,736 (a 1.20% decrease equaling \$940,093 for governmental activities and a 23.31% increase equaling \$12,931,829 for business-type activities). Major capital asset activity during the current fiscal year has been summarized in the following two tables.

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2012**

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

<b>City of Bountiful's Capital Assets (Net of depreciation)</b>						
	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Land	\$ 47,344,480	\$ 47,458,738	\$ 3,120,088	\$ 3,120,089	\$ 50,464,568	\$ 50,578,827
Infrastructure	14,898,878	14,712,679	22,984,487	23,544,414	37,883,365	38,257,093
Buildings and other structures	11,919,017	11,096,224	9,229,303	13,582,697	21,148,320	24,678,921
Improvements other than buildings	2,516,512	2,268,435	1,320,909	1,259,544	3,837,421	3,527,979
Street light and traffic signal system	-	-	894,428	805,499	894,428	805,499
Machinery & equipment	1,078,970	1,270,085	6,205,301	26,041,628	7,284,271	27,311,713
Furniture & fixtures	824,381	860,099	9,596	6,497	833,977	866,596
Construction in progress	24,115	-	11,706,934	42,507	11,731,049	42,507
<b>Total</b>	<b>\$ 78,606,353</b>	<b>\$ 77,666,260</b>	<b>\$ 55,471,046</b>	<b>\$ 68,402,875</b>	<b>\$ 134,077,399</b>	<b>\$ 146,069,135</b>

<b>City of Bountiful's Schedule of Capital Asset Additions (Retirements)</b>			
	Governmental Activities	Business-type Activities	Totals
New Streets, Curb, Gutter and Sidewalk Infrastructure	\$ 330,555	\$ -	\$ 330,555
Motor Vehicle and Heavy Equipment Purchases	232,744	228,048	460,792
New Golf Course Cart Paths	-	11,464	11,464
Holbrook Canyon Land Purchase	49,998	-	49,998
New Street at the Cemetery	-	52,267	52,267
Retire 1977 Tennis Courts	(77,148)	-	(77,148)
Calder Well Pumphouse Addition	-	19,600	19,600
New Color Copier at City Hall (Treasury/Admin Area)	11,196	-	11,196
Remodel Upstairs Water Department SCADA Room	-	14,748	14,748
New Water System Infrastructure (Water Mains)	-	711,303	711,303
Deletion of portions of the Storm Drain System owned by County	-	(5,681,176)	(5,681,176)
Construction on Light and Power Fund's Power Generation, Transmission, and Disb. Systems	-	8,639,117	8,639,117
Construction on New Light and Power Fund's Power Plant and Office Complex	-	4,797,305	4,797,305
Tyler Technologies Software/Hardware	291,956	-	291,956
Retire NWS Software replaced by Fatpot Technologies	(143,721)	-	(143,721)
Retire the Roofing on a Sanitation Building that was torn down	-	(20,670)	(20,670)
Other (miscellaneous retirements)	(39,584)	-	(39,584)
Less Change in Accumulated Depreciation	(1,596,090)	4,159,823	2,563,733
<b>Total</b>	<b>\$ (940,094)</b>	<b>\$ 12,931,829</b>	<b>\$ 11,991,735</b>

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 \$18,058,000 in outstanding bonded debt consisting of lease, sales tax, and electric revenue bonds. All of the bonded debt was secured by specific revenue sources.

<b>City of Bountiful's Outstanding debt</b>						
	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Lease revenue bonds	\$ 2,982,000	\$ 2,380,000	\$ -	\$ -	\$ 2,982,000	\$ 2,380,000
Sales Tax revenue bonds	1,209,000	1,023,000	-	-	1,209,000	1,023,000
Electric revenue bonds	-	-	15,280,000	14,655,000	15,280,000	14,655,000
<b>Total</b>	<b>\$ 4,191,000</b>	<b>\$ 3,403,000</b>	<b>\$ 15,280,000</b>	<b>\$ 14,655,000</b>	<b>\$ 19,471,000</b>	<b>\$ 18,058,000</b>

Additional information on the City's long-term debt can be found in Note 9 of this report.

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2012**

**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.

Budgets for fiscal year 2013 were developed based upon the following assumptions:

- Economic activity in the region is slowly recovering overall. Specific watch areas 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 slight 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, and 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.

**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, 2012**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 8,763,639	\$ 8,876,602	\$ 17,640,241
Receivables:			
Taxes	5,059,790	-	5,059,790
Accounts, net	142,249	4,602,291	4,744,540
Interest	21,550	17,973	39,523
Intergovernmental	352,654	73,284	425,938
Investments	27,879,474	26,531,240	54,410,714
Internal balances	212,529	(212,529)	-
Inventories	-	2,133,012	2,133,012
Prepays	-	112,223	112,223
Real estate inventory held for resale	558,358	-	558,358
Notes receivable	3,826,257	91,010	3,917,267
Deferred charges	100,972	376,242	477,214
Restricted assets:			
Cash and cash equivalents and investments	4,176,515	2,706,218	6,882,733
Other postemployment benefits asset	703,300	450,300	1,153,600
Receivables	70,949	-	70,949
<b>Capital assets, net:</b>			
Land, land rights, and water rights	47,458,738	3,120,089	50,578,827
Buildings, wells, and reservoirs	11,096,224	13,582,697	24,678,921
Improvements other than buildings	2,268,435	1,259,544	3,527,979
Transmission, distribution and collection systems	-	23,544,414	23,544,414
Street light and traffic signal system	-	805,499	805,499
Machinery and equipment	1,270,085	26,041,628	27,311,713
Furniture and fixtures	860,099	6,497	866,596
Infrastructure	14,712,679	-	14,712,679
Construction in progress	-	42,507	42,507
Investment in power projects	-	9,751,554	9,751,554
<b>Total Assets</b>	<u>\$ 129,534,496</u>	<u>\$ 123,912,295</u>	<u>\$ 253,446,791</u>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF NET ASSETS (Continued)**  
**June 30, 2012**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
Accounts payable	\$ 382,140	\$ 2,684,712	\$ 3,066,852
Accrued liabilities	322,975	301,047	624,022
Accrued interest payable	14,000	109,912	123,912
Unearned revenue	5,063,443	90,139	5,153,582
Developer and customer deposits	599,697	772,040	1,371,737
Liabilities payable from restricted assets	93,207	1,402,559	1,495,766
Noncurrent liabilities:			
Due within one year	1,527,985	816,300	2,344,285
Due in more than one year	2,829,195	14,426,041	17,255,236
<b>Total Liabilities</b>	<b>10,832,642</b>	<b>20,602,750</b>	<b>31,435,392</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	74,200,188	53,747,875	127,948,063
Restricted for:			
Walking/biking trail projects	26,623	-	26,623
Other postemployment benefits asset	703,300	450,300	1,153,600
Perpetual care - nonexpendable	1,484,350	-	1,484,350
Landfill closure	797,788	-	797,788
Debt Service	552,373	531,619	1,083,992
Regulatory required insurance deposit	518,012	-	518,012
Recreation and arts	135,904	-	135,904
Communities that Care	39,510	-	39,510
Unrestricted	40,243,806	48,579,751	88,823,557
<b>Total Net Assets</b>	<b>118,701,854</b>	<b>103,309,545</b>	<b>222,011,399</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 129,534,496</b>	<b>\$ 123,912,295</b>	<b>\$ 253,446,791</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, 2012**

	<b>Program Revenues</b>				<b>Net (Expense) Revenue and Changes in Net Assets</b>		
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Functions/Programs</b>							
<b>Government Activities</b>							
General governmental	\$ 3,289,872	\$ 2,302,726	\$ -	\$ 269,509	\$ (717,637)	\$ -	\$ (717,637)
Public safety	8,514,389	648,726	359,500	-	(7,506,163)	-	(7,506,163)
Highways and streets	3,475,552	49,553	1,264,072	99,615	(2,062,312)	-	(2,062,312)
Planning and engineering	981,570	482,373	-	-	(499,197)	-	(499,197)
Parks	937,703	15,775	-	-	(921,928)	-	(921,928)
Redevelopment	707,565	-	-	-	(707,565)	-	(707,565)
Interest on long-term debt	144,060	-	-	-	(144,060)	-	(144,060)
<b>Total Governmental Activities</b>	<b>18,050,711</b>	<b>3,499,153</b>	<b>1,623,572</b>	<b>369,124</b>	<b>(12,558,862)</b>	<b>-</b>	<b>(12,558,862)</b>
<b>Business-type Activities</b>							
Water	3,234,152	2,968,922	3,420	215,913	-	(45,897)	(45,897)
Light and power	21,895,461	26,288,025	515,084	300,019	-	5,207,667	5,207,667
Landfill	1,087,508	1,027,577	208,265	-	-	148,334	148,334
Storm water	1,577,577	901,122	284	8,127	-	(668,044)	(668,044)
Golf course	1,378,763	1,451,909	7,490	-	-	80,636	80,636
Recycling	455,047	463,550	-	-	-	8,503	8,503
Sanitation	773,031	847,367	207	-	-	74,543	74,543
Cemetery	328,892	333,490	1,152	-	-	5,750	5,750
<b>Total Business-type Activities</b>	<b>30,730,431</b>	<b>34,281,962</b>	<b>735,902</b>	<b>524,059</b>	<b>-</b>	<b>4,811,492</b>	<b>4,811,492</b>
<b>Total Government</b>	<b>\$ 48,781,142</b>	<b>\$ 37,781,115</b>	<b>\$ 2,359,474</b>	<b>\$ 893,183</b>	<b>\$ (12,558,862)</b>	<b>\$ 4,811,492</b>	<b>\$ (7,747,370)</b>
<b>General Revenues</b>							
					\$ 3,984,434	\$ -	\$ 3,984,434
					6,210,568	-	6,210,568
					3,114,625	-	3,114,625
					634,846	357,386	992,232
					256,859	545,830	802,689
					-	17,054	17,054
					(7,645,552)	7,645,552	-
					<b>6,555,780</b>	<b>8,565,822</b>	<b>15,121,602</b>
					(6,003,082)	13,377,314	7,374,232
					<b>124,704,936</b>	<b>89,932,231</b>	<b>214,637,167</b>
					<b>\$ 118,701,854</b>	<b>\$ 103,309,545</b>	<b>\$ 222,011,399</b>

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

**CITY OF BOUNTIFUL**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**June 30, 2012**

	<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	\$ 365	\$ 6,502,458	\$ 1,102,423	\$ 30,471	\$ 88,979	\$ 7,724,696
Receivables:						
Taxes	3,450,751	-	1,609,039	-	-	5,059,790
Accounts - net	126,976	-	-	-	2,500	129,476
Interest	1,833	14,986	2,251	63	185	19,318
Intergovernmental	244,352	-	-	-	108,302	352,654
Investments	1,044,660	20,160,028	3,254,771	89,963	262,699	24,812,121
Real estate inventory held for resale	-	-	558,358	-	-	558,358
Notes receivable	-	-	2,483,062	1,343,195	-	3,826,257
Restricted assets:						
Cash and cash equivalents and investments	670,576	-	-	-	2,987,927	3,658,503
Receivables	-	-	-	-	70,949	70,949
<b>Total Assets</b>	<b>\$ 5,539,513</b>	<b>\$ 26,677,472</b>	<b>\$ 9,009,904</b>	<b>\$ 1,463,692</b>	<b>\$ 3,521,541</b>	<b>\$ 46,212,122</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 196,150	\$ 142,097	\$ 1,392	\$ -	\$ -	\$ 339,639
Liabilities payable from restricted assets	4,746	-	-	-	88,461	93,207
Accrued liabilities	319,225	-	1,431	-	-	320,656
Developer and customer deposits	599,697	-	-	-	-	599,697
Unearned revenues	2,111,211	-	4,092,101	1,343,195	-	7,546,507
<b>Total Liabilities</b>	<b>3,231,029</b>	<b>142,097</b>	<b>4,094,924</b>	<b>1,343,195</b>	<b>88,461</b>	<b>8,899,706</b>
<b>Fund Balances</b>						
Nonspendable:						
Real estate inventory	-	-	558,358	-	-	558,358
Restricted:						
Trails and museum projects	26,623	-	-	-	-	26,623
Landfill closure	-	-	-	-	797,788	797,788
Prepetual care	-	-	-	-	1,484,350	1,484,350
Debt service	-	-	-	-	552,373	552,373
Recreation and arts	-	-	-	-	135,904	135,904
Public safety	39,510	-	-	-	-	39,510
Assigned:						
Computer replacement	36,464	-	-	-	-	36,464
Wellness program	28,861	-	-	-	-	28,861
Capital projects	-	26,535,375	-	-	-	26,535,375
RDA fund	-	-	4,356,622	-	-	4,356,622
Debt service fund	-	-	-	120,497	-	120,497
MBA fund	-	-	-	-	462,665	462,665
Unassigned	2,177,026	-	-	-	-	2,177,026
<b>Total Fund Balances</b>	<b>2,308,484</b>	<b>26,535,375</b>	<b>4,914,980</b>	<b>120,497</b>	<b>3,433,080</b>	<b>37,312,416</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,539,513</b>	<b>\$ 26,677,472</b>	<b>\$ 9,009,904</b>	<b>\$ 1,463,692</b>	<b>\$ 3,521,541</b>	<b>\$ 46,212,122</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, 2012**

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

<b>Total fund balance - governmental funds</b>	<b>\$ 37,312,416</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	77,666,265
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.	703,300
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.	4,594,490
Internal service funds had a net current year income. This income was eliminated at the government-wide level creating an internal balance due to governmental activities from business-type activities.	212,529
Accrued interest expense is not due and payable in the current period and therefore is not recorded in the funds.	(14,000)
Long-term liabilities are not due and payable in the current period and therefore are not recorded in the funds.	(4,357,180)
Costs of issuance are not amortized in the current period and therefore are not recorded in the funds.	100,972
Deferred revenue related to the RDA's notes receivable is removed in the statement of net assets.	2,483,062
<b>Total net assets - governmental activities</b>	<b><u><u>\$ 118,701,854</u></u></b>

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, 2012**

	<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	\$ 7,236,647	\$ 4,094,129	\$ 1,593,108	\$ -	\$ 385,743	\$ 13,309,627
Licenses and permits	581,680	-	-	-	-	581,680
Intergovernmental	1,623,572	-	72,631	-	-	1,696,203
Charges for services	2,152,612	-	-	-	608,652	2,761,264
Fines and forfeitures	156,209	-	-	-	-	156,209
Interest on investments	109,959	347,768	104,166	962	29,063	591,918
Miscellaneous	147,938	-	386,110	269,509	36,290	839,847
<b>Total Revenues</b>	<b>12,008,617</b>	<b>4,441,897</b>	<b>2,156,015</b>	<b>270,471</b>	<b>1,059,748</b>	<b>19,936,748</b>
<b>Expenditures</b>						
Current:						
General government	2,580,386	-	-	7,524	344,669	2,932,579
Public safety	7,562,146	52,403	-	-	-	7,614,549
Highways and streets	2,629,040	-	-	-	-	2,629,040
Planning and engineering	936,129	39,518	-	-	-	975,647
Parks	663,523	-	-	-	-	663,523
Redevelopment	-	-	1,549,874	-	-	1,549,874
Debt service:						
Principal	-	-	-	186,000	602,000	788,000
Interest	-	-	-	46,475	100,440	146,915
Capital outlay:						
Capital Projects	-	1,329,963	-	-	-	1,329,963
<b>Total Expenditures</b>	<b>14,371,224</b>	<b>1,421,884</b>	<b>1,549,874</b>	<b>239,999</b>	<b>1,047,109</b>	<b>18,630,090</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,362,607)</b>	<b>3,020,013</b>	<b>606,141</b>	<b>30,472</b>	<b>12,639</b>	<b>1,306,658</b>
<b>Other Financing Sources (Uses)</b>						
Transfer in	2,354,448	-	-	-	-	2,354,448
Transfer out	-	(10,000,000)	-	-	-	(10,000,000)
Sale of capital assets	18,006	-	-	-	-	18,006
<b>Total Other Financing Sources (Uses)</b>	<b>2,372,454</b>	<b>(10,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,627,546)</b>
<b>Net Change in Fund Balances</b>	<b>9,847</b>	<b>(6,979,987)</b>	<b>606,141</b>	<b>30,472</b>	<b>12,639</b>	<b>(6,320,888)</b>
<b>Fund Balance, Beginning</b>	<b>2,298,637</b>	<b>33,515,362</b>	<b>4,308,839</b>	<b>90,025</b>	<b>3,420,441</b>	<b>43,633,304</b>
<b>Fund Balance, Ending</b>	<b>\$ 2,308,484</b>	<b>\$ 26,535,375</b>	<b>\$ 4,914,980</b>	<b>\$ 120,497</b>	<b>\$ 3,433,080</b>	<b>\$ 37,312,416</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, 2012**

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

<b>Net change in fund balances - total governmental funds</b>	<b>\$ (6,320,888)</b>
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.	(2,359,394)
Governmental funds report current capital outlays as expenditures and do not account for developer donations of assets that cannot be used as current financial resources. However, these expenditures and donations are reported as capital assets in the statement of net assets.	1,501,101
The effect of the sale and disposal of capital assets.	(81,800)
In the statement of activities, the annual required contribution (ARC) of OPEB liabilities is recorded.	(86,860)
Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net assets.	788,000
In the statement of activities, amortization of premiums and costs of issuing of debt is recorded.	(8,145)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expense is reported when due.	11,000
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.	(9,352)
The combined change in net assets of internal service funds is reported within the governmental activities.	127,214
Internal service funds had a net current year income. This income was eliminated at the government-wide level creating a current year internal balance due to business-type activities from governmental activities with associated changes in current year expenses.	(27,846)
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.	(386,112)
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.	850,000
<b>Change in net assets of governmental activities</b>	<b><u>\$ (6,003,082)</u></b>

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, 2012**

	<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	\$ 8,829,136	\$ 8,829,136	\$ 7,236,647	\$ (1,592,489)
Licenses and permits	380,000	380,000	581,680	201,680
Intergovernmental revenues	1,295,000	1,349,000	1,623,572	274,572
Charges for services	2,096,922	2,096,922	2,152,612	55,690
Fines and forfeitures	130,000	130,000	156,209	26,209
Interest on investments	100,528	110,528	109,959	(569)
Miscellaneous	75,000	140,000	147,938	7,938
<b>Total Revenues</b>	<u>12,906,586</u>	<u>13,035,586</u>	<u>12,008,617</u>	<u>(1,026,969)</u>
<b>Expenditures</b>				
Current:				
General government:				
Legislative	665,554	665,554	434,217	231,337
Legal	285,429	295,429	283,784	11,645
Executive	256,048	276,048	184,368	91,680
Information systems	446,128	446,128	444,261	1,867
Administrative	624,390	624,390	598,648	25,742
Treasury	553,643	558,643	543,544	15,099
Government buildings	93,952	93,952	91,564	2,388
Public safety:				
Police	5,789,127	5,916,127	5,729,225	186,902
Fire	1,890,000	1,890,000	1,832,921	57,079
Highways and streets	2,883,353	2,883,353	2,629,040	254,313
Planning and engineering:				
Planning	198,532	198,532	190,612	7,920
Engineering	746,585	751,585	745,517	6,068
Parks	673,845	678,845	663,523	15,322
	<u>15,106,586</u>	<u>15,278,586</u>	<u>14,371,224</u>	<u>907,362</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>(2,200,000)</u>	<u>(2,243,000)</u>	<u>(2,362,607)</u>	<u>(119,607)</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	2,200,000	2,225,000	2,354,448	129,448
Sale of capital assets	-	18,000	18,006	6
<b>Total Other Financing Sources (Uses)</b>	<u>2,200,000</u>	<u>2,243,000</u>	<u>2,372,454</u>	<u>129,454</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>9,847</u>	<u>\$ 9,847</u>
<b>Fund Balance, Beginning</b>			<u>2,298,637</u>	
<b>Fund Balance, Ending</b>			<u>\$ 2,308,484</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,570,866	\$ 1,593,108	\$ 1,593,108	\$ -
Intergovernmental revenues	65,000	72,631	72,631	-
Interest on investments	67,106	98,836	104,166	5,330
Miscellaneous	202,021	423,021	386,110	(36,911)
<b>Total Revenues</b>	<u>1,904,993</u>	<u>2,187,596</u>	<u>2,156,015</u>	<u>(31,581)</u>
<b>Expenditures</b>				
Current:				
Redevelopment	2,084,734	1,308,365	1,549,874	(241,509)
<b>Total Expenditures</b>	<u>2,084,734</u>	<u>1,308,365</u>	<u>1,549,874</u>	<u>(241,509)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(179,741)</u>	<u>879,231</u>	<u>606,141</u>	<u>(273,090)</u>
<b>Other Financing Uses</b>				
Transfer in	179,741	(27,728)	-	27,728
<b>Total Other Financing</b>	<u>179,741</u>	<u>(27,728)</u>	<u>-</u>	<u>27,728</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 851,503</u>	<u>606,141</u>	<u>\$ (245,362)</u>
<b>Fund Balance, Beginning</b>			<u>4,308,839</u>	
<b>Fund Balance, Ending</b>			<u>\$ 4,914,980</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, 2012**

	<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	\$ 811,690	\$ 3,669,241	\$ 3,212,741	\$ 1,182,930	\$ 8,876,602	\$ 1,038,943
Accounts receivable, net	429,224	3,791,719	102,656	278,692	4,602,291	12,773
Intergovernmental receivable	-	-	73,284	-	73,284	-
Interest receivable	1,722	8,839	4,800	2,612	17,973	2,233
Investments	2,422,461	13,535,037	6,813,434	3,760,308	26,531,240	3,067,353
Inventories	141,882	1,943,811	-	47,319	2,133,012	-
Prepaid expenses	68,815	43,408	-	-	112,223	-
<b>Total Current Assets</b>	<u>3,875,794</u>	<u>22,992,055</u>	<u>10,206,915</u>	<u>5,271,861</u>	<u>42,346,625</u>	<u>4,121,302</u>
<b>Noncurrent Assets</b>						
Notes receivable	-	-	-	91,010	91,010	-
Restricted assets:						
Cash and cash equivalents and investments	7,148	1,465,871	1,144,515	88,684	2,706,218	518,012
Other postemployment benefits asset	82,898	263,297	20,172	83,933	450,300	-
Capital assets, net:						
Land, land rights and water rights	339,566	492,016	43,737	2,244,770	3,120,089	-
Buildings, wells and reservoirs	5,312,614	5,299,719	1,627,380	1,342,984	13,582,697	-
Improvements other than buildings	87,094	-	225,369	947,081	1,259,544	-
Transmission, distribution and collection systems	10,251,595	9,231,460	-	4,061,359	23,544,414	-
Street light and traffic signal systems	-	805,499	-	-	805,499	-
Machinery and equipment	446,015	24,275,544	586,013	734,056	26,041,628	-
Furniture and fixtures	-	-	-	6,497	6,497	-
Construction in progress	-	42,507	-	-	42,507	-
Investments in power projects	-	9,751,554	-	-	9,751,554	-
Deferred charges	-	376,242	-	-	376,242	-
<b>Total Noncurrent Assets</b>	<u>16,526,930</u>	<u>52,003,709</u>	<u>3,647,186</u>	<u>9,600,374</u>	<u>81,778,199</u>	<u>518,012</u>
<b>Total Assets</b>	<u>\$ 20,402,724</u>	<u>\$ 74,995,764</u>	<u>\$ 13,854,101</u>	<u>\$ 14,872,235</u>	<u>\$ 124,124,824</u>	<u>\$ 4,639,314</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, 2012**

	<u>Water</u>	<u>Light and Power</u>	<u>Landfill</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable	\$ 248,033	\$ 2,261,605	\$ 61,029	\$ 114,045	\$ 2,684,712	\$ 42,505
Compensated absences	27,384	89,043	7,409	62,464	186,300	-
Accrued liabilities	30,777	196,655	8,340	65,275	301,047	2,319
Accrued Interest Payable	-	109,912	-	-	109,912	-
Revenue bond payable	-	630,000	-	-	630,000	-
<b>Total Current Liabilities</b>	<u>306,194</u>	<u>3,287,215</u>	<u>76,778</u>	<u>241,784</u>	<u>3,911,971</u>	<u>44,824</u>
<b>Noncurrent Liabilities</b>						
Compensated absences	71,780	240,922	27,316	61,023	401,041	-
Liabilities payable from restricted assets	7,148	250,896	1,144,515	-	1,402,559	-
Unearned revenue	39,597	-	-	50,542	90,139	-
Developer and customer deposits	-	683,356	-	88,684	772,040	-
Revenue bond payable	-	14,025,000	-	-	14,025,000	-
<b>Total Noncurrent Liabilities</b>	<u>118,525</u>	<u>15,200,174</u>	<u>1,171,831</u>	<u>200,249</u>	<u>16,690,779</u>	<u>-</u>
<b>Total Liabilities</b>	<u>424,719</u>	<u>18,487,389</u>	<u>1,248,609</u>	<u>442,033</u>	<u>20,602,750</u>	<u>44,824</u>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	16,436,884	25,491,745	2,482,499	9,336,747	53,747,875	-
Restricted:						
Other postemployment benefits asset	82,898	263,297	20,172	83,933	450,300	-
Debt service	-	531,619	-	-	531,619	-
Regulatory required insurance deposit	-	-	-	-	-	518,012
Unrestricted	<u>3,458,223</u>	<u>30,221,714</u>	<u>10,102,821</u>	<u>5,009,522</u>	<u>48,792,280</u>	<u>4,076,478</u>
<b>Total Net Assets</b>	<u>19,978,005</u>	<u>56,508,375</u>	<u>12,605,492</u>	<u>14,430,202</u>	<u>103,522,074</u>	<u>4,594,490</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 20,402,724</u>	<u>\$ 74,995,764</u>	<u>\$ 13,854,101</u>	<u>\$ 14,872,235</u>	<u>\$ 124,124,824</u>	<u>\$ 4,639,314</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**  
**For The Year Ended June 30, 2012**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Light and Power</b>	<b>Landfill</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise</b>	
<b>Operating Revenues</b>						
Charges for services	\$ 2,968,922	\$ 26,051,000	\$ 1,027,577	\$ 2,353,244	\$ 32,400,743	\$ 490,408
Connection and servicing	-	203,270	-	-	203,270	-
Admissions and lesson fees	-	-	-	858,755	858,755	-
Equipment and facility rents	-	33,755	-	392,856	426,611	-
Concession and merchandise sales	-	-	-	204,198	204,198	-
Sale of cemetery burial plots	-	-	-	188,385	188,385	-
Miscellaneous	9,786	352,094	175,786	8,164	545,830	91,381
<b>Total Operating Revenues</b>	<b>2,978,708</b>	<b>26,640,119</b>	<b>1,203,363</b>	<b>4,005,602</b>	<b>34,827,792</b>	<b>581,789</b>
<b>Operating Expenses</b>						
Production, collection and source of supplies	135,555	13,820,748	-	1,139,312	15,095,615	-
Transmission, distribution and/or maintenance	1,709,186	3,120,108	616,987	1,586,806	7,033,087	-
Cost of concession and merchandise sales	-	-	-	119,198	119,198	-
Claims	-	-	-	-	-	49,740
General and administrative	640,707	2,263,990	238,439	630,658	3,773,794	447,763
Depreciation and amortization	755,155	2,216,473	233,691	660,081	3,865,400	-
<b>Total Operating Expenses</b>	<b>3,240,603</b>	<b>21,421,319</b>	<b>1,089,117</b>	<b>4,136,055</b>	<b>29,887,094</b>	<b>497,503</b>
<b>Operating Income (Loss)</b>	<b>\$ (261,895)</b>	<b>\$ 5,218,800</b>	<b>\$ 114,246</b>	<b>\$ (130,453)</b>	<b>\$ 4,940,698</b>	<b>\$ 84,286</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 (Continued)**  
**For The Year Ended June 30, 2012**

	<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	\$ 32,463	\$ 171,694	\$ 103,344	\$ 49,885	\$ 357,386	\$ 42,928
Intergovernmental	3,420	515,084	208,265	9,133	735,902	-
Interest expense	-	(360,104)	-	-	(360,104)	-
Gain (loss) from sale of capital assets	17,054	(120,584)	-	(390,498)	(494,028)	-
<b>Total Nonoperating Income (Expense)</b>	<u>52,937</u>	<u>206,090</u>	<u>311,609</u>	<u>(331,480)</u>	<u>239,156</u>	<u>42,928</u>
Income (loss) before transfers	(208,958)	5,424,890	425,855	(461,933)	5,179,854	127,214
<b>Capital Contributions</b>	215,913	300,019	-	8,127	524,059	-
<b>Transfers in</b>	-	10,000,000	-	-	10,000,000	-
<b>Transfers out</b>	<u>-</u>	<u>(2,354,448)</u>	<u>-</u>	<u>-</u>	<u>(2,354,448)</u>	<u>-</u>
<b>Change in Net Assets</b>	6,955	13,370,461	425,855	(453,806)	13,349,465	127,214
<b>Net Assets, Beginning</b>	<u>19,971,050</u>	<u>43,137,914</u>	<u>12,179,637</u>	<u>14,884,008</u>	<u>90,172,609</u>	<u>4,467,276</u>
<b>Net Assets, Ending</b>	<u>\$ 19,978,005</u>	<u>\$ 56,508,375</u>	<u>\$ 12,605,492</u>	<u>\$ 14,430,202</u>	<u>\$103,522,074</u>	<u>\$ 4,594,490</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, 2012**

	<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	\$ 2,920,416	\$ 26,074,883	\$ 1,124,752	\$ 3,998,039	\$ 34,118,090	\$ 489,197
Payments to suppliers	(1,181,714)	(15,293,238)	(440,756)	(1,647,990)	(18,563,698)	(509,060)
Payments to employees and related benefits	(1,087,992)	(3,117,249)	(335,416)	(1,858,936)	(6,399,593)	(126,679)
<b>Net cash flows from operating activities</b>	<b>650,710</b>	<b>7,664,396</b>	<b>348,580</b>	<b>491,113</b>	<b>9,154,799</b>	<b>(146,542)</b>
<b>Cash Flows From Non-Capital Financing Activities</b>						
Transfers in	-	10,000,000	-	-	10,000,000	-
Transfers out	-	(2,354,448)	-	-	(2,354,448)	-
Grants received	3,420	515,084	208,265	9,133	735,902	-
Payments received on note receivable	-	-	-	13,000	13,000	-
<b>Net cash flows from non-capital financing activities</b>	<b>3,420</b>	<b>8,160,636</b>	<b>208,265</b>	<b>22,133</b>	<b>8,394,454</b>	<b>-</b>
<b>Cash Flows From Capital and Related Financing Activities</b>						
Capital contributions	215,913	300,019	-	8,127	524,059	-
Purchase of capital assets	(891,141)	(15,986,186)	-	(525,815)	(17,403,142)	-
Proceeds from sales of capital assets	20,541	86,339	-	5,000	111,880	-
Principal paid on capital debt	-	(625,000)	-	-	(625,000)	-
Interest paid on capital debt	-	(338,104)	-	-	(338,104)	-
<b>Net cash flows from capital and related financing activities</b>	<b>\$ (654,687)</b>	<b>\$ (16,562,932)</b>	<b>\$ -</b>	<b>\$ (512,688)</b>	<b>\$ (17,730,307)</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, 2012**

	<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	\$ 31,865	\$ 167,076	\$ 101,548	\$ 49,017	\$ 349,506	\$ 42,397
Purchase of investments	(2,376,028)	(15,411,201)	(6,892,566)	(3,688,674)	(28,368,469)	(2,950,696)
Sale of investments	775,885	5,032,483	2,250,747	1,204,526	9,263,641	963,541
<b>Net cash flows from investing activities</b>	<u>(1,568,278)</u>	<u>(10,211,642)</u>	<u>(4,540,271)</u>	<u>(2,435,131)</u>	<u>(18,755,322)</u>	<u>(1,944,758)</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	(1,568,835)	(10,949,542)	(3,983,426)	(2,434,573)	(18,936,376)	(2,091,300)
<b>Cash and Cash Equivalents, Beginning</b>	<u>2,387,673</u>	<u>16,084,654</u>	<u>8,340,682</u>	<u>3,706,187</u>	<u>30,519,196</u>	<u>3,648,255</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 818,838</u>	<u>\$ 5,135,112</u>	<u>\$ 4,357,256</u>	<u>\$ 1,271,614</u>	<u>\$ 11,582,820</u>	<u>\$ 1,556,955</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, 2012**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill	Other Enterprise Funds	Totals	
<b>Reconciliation of operating income to net cash flows from operating activities</b>						
Earnings (loss) from operations	\$ (261,895)	\$ 5,218,800	\$ 114,246	\$ (130,453)	\$ 4,940,698	\$ 84,286
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:						
Depreciation	755,155	2,216,473	233,691	660,081	3,865,400	-
Changes in assets and liabilities						
Accounts receivable, net	(97,886)	(554,992)	(78,611)	(7,559)	(739,048)	(1,246)
Inventories	89,867	44,647	-	6,576	141,090	-
Prepaid expenses	(2,075)	3,543	-	-	1,468	-
Other postemployment benefits asset	10,229	32,511	2,493	10,371	55,604	-
Accounts payable	160,633	559,346	42,646	2,864	765,489	(224,681)
Compensated absences	(13,474)	(4,083)	(1,128)	(12,396)	(31,081)	-
Accrued liabilities	(36,589)	(99,361)	(11,013)	(41,259)	(188,222)	(4,901)
Liabilities payable from restricted assets	7,148	197,448	46,256	(4,038)	246,814	-
Unearned revenue	39,597	(10,248)	-	7,526	36,875	-
Developer and customer deposits	-	60,312	-	(600)	59,712	-
<b>Net cash flows from operating activities</b>	<b>\$ 650,710</b>	<b>\$ 7,664,396</b>	<b>\$ 348,580</b>	<b>\$ 491,113</b>	<b>\$ 9,154,799</b>	<b>\$ (146,542)</b>
<b>Schedule of non-cash capital and related financing activities</b>						
Contribution of capital assets	\$ 111,147	\$ -	\$ -	\$ -	\$ 111,147	\$ -

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

**CITY OF BOUNTIFUL  
STATEMENT OF OPEB PLAN NET ASSETS  
June 30, 2012**

	<b>Other Postemployment Benefits Trust</b>
<b>Assets</b>	
Zions Wealth Advisors Trust Account	\$ 1,287,774
<b>Total Assets</b>	\$ 1,287,774
 <b>Net Assets Held in Trust for OPEB</b>	
Net assets held in trust for other post employment benefits	\$ 1,287,774
<b>Total Net Assets</b>	\$ 1,287,774

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, 2012**

	<b>Other Postemployment Benefits Trust</b>
<b>Additions</b>	
Contributions:	
Employer	\$ -
Investment earnings:	
Net appreciation (depreciation) in value of investments	-
Interest	2,957
<b>Total Additions</b>	<b>2,957</b>
<b>Deductions</b>	
Benefits	117,721
Administrative expense	-
<b>Total Deductions</b>	<b>117,721</b>
<b>Change in Net Assets</b>	<b>(114,764)</b>
<b>Net Assets Held in Trust for Benefits</b>	
Beginning of year	1,402,538
End of year	\$ 1,287,774

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.

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 are used to account for specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. This fund is used to account for the property tax increment received. 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 plant and 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 are used to account for specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The City accounts for the Municipal Building Authority, RAP Tax, and the Landfill Closure Funds as 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.

City policy states that when fund balance is available for use the following spending order will be followed: restricted, committed, assigned, and then unassigned fund balance as it is 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, 2012, 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	15-50
Street light and traffic signal systems	20-30
Machinery and equipment	3-25
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 the sum of unassigned, assigned, and committed General Fund balance until it exceeds 5% of the General Fund revenues. Until the sum of the stated fund balance categories 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. Utah State law also prohibits the accumulation of the stated fund balance categories in any amount greater than 18% of the next year's budgeted revenues.

By resolution, the City Council can amend the budget to any extent, provided the amended budget does not exceed the original budgeted expenditures, 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 funds, 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 certified tax rate, 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 and telecommunications related 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. 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. As of July 1 2012, accumulated sick leave paid to an employee health retirement account (HRA) upon retirement is limited to 50% of accumulated hours up to an accumulation of 1440 hours (50 percent of which is a maximum of 720 hours). The total converted hours, up to 720, are multiplied by the employee rate of pay and that amount is deposited into the HRA account. 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 fund equity is classified as fund balance. Fund Balance is further classified as Nonspendable, Restricted, Committed, Assigned or Unassigned.

Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

Restricted fund balance classifications are restricted by enabling legislation. Also reported if, (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance classification include those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council and remain binding unless removed in the same manner.

Assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, as established by the City Manager. Also includes all remaining amounts that are reported in governmental funds, other than the general fund that are not classified as nonspendable, restricted nor committed or in the General Fund, that are intended to be used for specific purposes.

Unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balance, such as grant agreements that require a dollar match. Additionally, the City would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending 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 interfund 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.



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

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

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, 2012, \$20,004,511 of the City’s bank balances of \$20,277,057 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, 2012, \$59,472,035 of the City’s \$60,222,035 investments was exposed to custodial credit risk because it was uninsured and uncollateralized.

*Credit risk* is the risk that the counterparty to an investment will not fulfill its obligations. The City policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as “first-tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investor Services or Standard & 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, 2012, the fair value per share factor for investments in the PTIF was 1.005863.

*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 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, 2012.

	<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	\$ 4,480	N/A	N/A
Cash on deposit	2,337,018	N/A	N/A
Utah State Treasurer's investment pool accounts	<u>18,040,712</u>	N/A	0.23
<b>Total cash on hand and deposit</b>	<u><u>\$ 20,382,210</u></u>		
<b>Investments</b>			
Certificates of Deposit	\$ 2,968,185	N/A	0.63
Utah State Treasurer's investment pool accounts	2,864,171	N/A	0.23
Marketable securities	35,451,482	N/A	N/A
Corporate notes	16,143,016	A1	1.33
Reserves	<u>2,892,423</u>	N/A	N/A
<b>Total Investments</b>	<u><u>\$ 60,319,277</u></u>		
Portfolio weighted average maturity			0.61

(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, 2012 for all funds is \$74,400.

**NOTE 4 RESTRICTED ASSETS**

Certain assets are restricted to use as follows as of June 30, 2012:

Restricted for regulatory required insurance deposit	\$ 518,012
Restricted for other postemployment benefits asset	1,153,600
Restricted for funds received for closure of landfill	1,144,515
Restricted for landfill closure, post-closure and corrective actions	797,788
Restricted for bond payments	1,083,992
Restricted for cemetery perpetual care	1,484,350
Restricted for customer utility deposits	934,252
Restricted by grantors for trails and museum projects	26,623
Restricted for refundable performance bond deposits	688,381
Restricted for recreation, arts, and/or parks projects (unspent RAP taxes)	224,365
Restricted for public safety	39,510
Restricted for construction retainage	<u>11,894</u>
<b>Total</b>	<u><u>\$ 8,107,282</u></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, 2012, is as follows:

	<b>Balance June 30, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2012</b>
<b>Governmental activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 47,344,480	\$ 114,258	\$ -	\$ 47,458,738
Construction in progress	24,115	-	24,115	-
<b>Total capital assets, not being depreciated</b>	47,368,595	114,258	24,115	47,458,738
<b>Capital assets, being depreciated</b>				
Infrastructure	30,338,757	330,811	40,402	30,629,166
Buildings	23,873,646	-	-	23,873,646
Improvements other than buildings	5,524,538	-	88,032	5,436,506
Machinery and equipment	7,536,163	776,994	544,248	7,768,909
Furniture and fixtures	2,161,790	303,153	172,421	2,292,522
<b>Total capital assets, being depreciated</b>	69,434,894	1,410,958	845,103	70,000,749
<b>Less accumulated depreciation for</b>				
Infrastructure	15,439,879	512,405	35,797	15,916,487
Buildings	11,954,630	822,792	-	12,777,422
Improvements other than buildings	3,008,026	247,850	87,805	3,168,071
Machinery and equipment	6,457,193	514,357	472,726	6,498,824
Furniture and fixtures	1,337,409	261,990	166,976	1,432,423
<b>Total accumulated depreciation</b>	38,197,137	2,359,394	763,304	39,793,227
<b>Total capital assets, being depreciated, net</b>	31,237,757	(948,436)	81,799	30,207,522
<b>Governmental activities capital assets, net</b>	\$ 78,606,352	\$ (834,178)	\$ 105,914	\$ 77,666,260

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

<b>Governmental activities</b>	
General government	\$ 354,337
Public safety	866,970
Highways and public improvements	854,358
Parks	271,724
Redevelopment Agency	8,832
Planning & engineering	3,173
<b>Total depreciation expense - governmental activities</b>	<b>\$ 2,359,394</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, 2012:

	<b>Balance June 30, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance June 30, 2012</b>
<b>Business-type Activities</b>					
<b>Capital assets, not being depreciated</b>					
Land, land rights, and water rights	\$ 3,120,089	\$ -	\$ -	\$ -	\$ 3,120,089
Construction in progress	11,706,933	15,011,631	191,623	26,484,434	42,507
<b>Total capital assets, not being depreciated</b>	<b>14,827,022</b>	<b>15,011,631</b>	<b>191,623</b>	<b>26,484,434</b>	<b>3,162,596</b>
<b>Capital assets, being depreciated</b>					
Buildings, wells and reservoirs	16,461,374	5,034,345	223,365	5,000,000	21,272,354
Improvements other than buildings	2,792,476	73,731	10,000	-	2,856,207
Transmission, distribution and collection systems	66,056,387	2,658,772	6,064,267	1,790,036	62,650,892
Street light and traffic systems	2,860,477	-	-	-	2,860,477
Machinery and equipment	23,772,263	21,109,092	2,142,701	20,541,536	42,738,654
Furniture and fixtures	43,304	-	-	-	43,304
<b>Total capital assets, being depreciated</b>	<b>111,986,281</b>	<b>28,875,940</b>	<b>8,440,333</b>	<b>27,331,572</b>	<b>132,421,888</b>
<b>Less accumulated depreciation for</b>					
Buildings, wells and reservoirs	7,232,071	672,123	214,537	-	7,689,657
Improvements other than buildings	1,471,567	131,888	6,792	-	1,596,663
Transmission, distribution and collection systems	43,071,900	1,704,255	5,669,677	-	39,106,478
Street light and traffic systems	1,966,048	88,930	-	-	2,054,978
Machinery and equipment	17,566,962	1,265,105	2,135,041	-	16,697,026
Furniture and fixtures	33,708	3,099	-	-	36,807
<b>Total accumulated depreciation</b>	<b>71,342,256</b>	<b>3,865,400</b>	<b>8,026,047</b>	<b>-</b>	<b>67,181,609</b>
<b>Total capital assets, being depreciated, net</b>	<b>40,644,025</b>	<b>25,010,540</b>	<b>414,286</b>	<b>27,331,572</b>	<b>65,240,279</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 55,471,047</b>	<b>\$ 40,022,171</b>	<b>\$ 605,909</b>	<b>\$ 53,816,006</b>	<b>\$ 68,402,875</b>

The transfer out of construction in progress includes \$756,695 of capitalized interest.

Depreciation expense was charged to funds of the business-type activities as follows:

<b>Business-type Activities</b>	
Water	\$ 755,155
Light and Power	2,216,473
Landfill	233,691
Storm Water	357,092
Golf Course	184,288
Sanitation	101,719
Cemetery	16,982
<b>Total depreciation expense - business-type activities</b>	<b>\$ 3,865,400</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 terms of these notes are as follows:

<u>Balance June 30, 2012</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>
\$ 109,730 *	3.00%	\$ 3,380	September 2014	\$ -	-
10,270	3.00%	394	September 2012	9,533	October 2012
64,139	3.00%	896	December 2013	50,617	January 2014
40,031	3.00%	869	June 2013	30,676	July 2013
130,321	3.00%	1,931	July 2013	109,135	August 2013
750,000 **	3.00%	1,875	June 2012	interest only payments	
326,251	3.00%	3,862	April 2015	218,270	May 2015
215,233	3.00%	2,414	October 2015	136,419	November 2015
587,087	3.00%	5,794	March 2022	-	-
250,000	3.00%	2,414	June 2017	136,419	July 2017
<u>\$ 2,483,062</u>		<u>\$ 23,829</u>		<u>\$ 691,069</u>	

\* Balloon payment was due September 2010. However, due to economic conditions, borrower was unable to pay the balloon payment. Loan has reverted to a month-to-month basis.

\*\* Beginning July 2012, monthly principal and interest payments of \$9,317 will be made until loan is paid in full in December 2019.

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 \$1,343,195 for the amounts levied.

**NOTE 8 DEVELOPER AND CUSTOMER DEPOSITS**

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

Enterprise fund deposits are customer deposits the City requires from some residential customers with a poor payment history, from all residential rental customers, and from all businesses before they receive a utility connection. The deposit is refunded only at termination of service. 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, 2012:

	<b>Long-term debt payable at June 30, 2011</b>	<b>Additions</b>	<b>Reductions</b>	<b>Long-term debt payable at June 30, 2012</b>	<b>Due within One Year</b>
<b>Governmental activities</b>					
Lease revenue bonds	\$ 2,982,000	\$ -	\$ 602,000	\$ 2,380,000	\$ 638,000
Sales tax revenue bond	1,209,000	-	186,000	1,023,000	191,000
Compensated absences	881,756	701,001	691,649	891,108	698,985
Deferred amounts:					
Plus unamortized premium	133,741	-	25,245	108,496	-
Less on refunding	(54,509)	-	(9,085)	(45,424)	-
	<u>\$ 5,151,988</u>	<u>\$ 701,001</u>	<u>\$ 1,495,809</u>	<u>\$ 4,357,180</u>	<u>\$ 1,527,985</u>
<b>Governmental activity long-term liabilities</b>					
	<u>\$ 5,151,988</u>	<u>\$ 701,001</u>	<u>\$ 1,495,809</u>	<u>\$ 4,357,180</u>	<u>\$ 1,527,985</u>
<b>Business-type activities</b>					
Electric revenue bonds	\$ 15,280,000	\$ -	\$ 625,000	\$ 14,655,000	\$ 630,000
Compensated absences	618,421	391,116	422,196	587,341	186,300
	<u>\$ 15,898,421</u>	<u>\$ 391,116</u>	<u>\$ 1,047,196</u>	<u>\$ 15,242,341</u>	<u>\$ 816,300</u>
<b>Business-type activity long-term liabilities</b>					
	<u>\$ 15,898,421</u>	<u>\$ 391,116</u>	<u>\$ 1,047,196</u>	<u>\$ 15,242,341</u>	<u>\$ 816,300</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 14 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, 2012, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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>\$ 915,000</u>	<u>\$ 64,721</u>	<u>\$ 979,721</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 are due in annual principal installments of \$350,000 to \$385,000 through June 1, 2016, plus interest at 3.5% 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, 2012, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	1,465,000	\$ 173,250	\$ 1,638,250
Plus unamortized premium	40,899		
<b>Total</b>	<u>\$ 1,505,899</u>		

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 sales tax revenue bonds are due in annual principal installments of \$191,000 to \$220,000 through June 1, 2017, plus interest at 3.5% to 4.0%, payable annually. The City completed the refunding to reduce its total debt service payments over the next eight years by 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, 2012, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	1,023,000	<u>\$ 124,725</u>	<u>\$ 1,147,725</u>
Plus unamortized premium	<u>67,597</u>		
<b>Total</b>	<u>\$ 1,090,597</u>		

Electric Revenue Bonds, Series 2010

The Electric Revenue Bonds, Series 2010 were issued November 10, 2010 to finance the design and construction of an upgrade of the City's power plant. The \$15,280,000 revenue bonds, due in annual principal installments of \$630,000 to \$1,015,000 through November 1, 2030, plus interest at 1.60% to 6.11%, payable semi-annually.

The annual debt service requirements to maturity, including principal and interest for the Electric Revenue Bonds, Series 2010 as of June 30, 2012, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 630,000	\$ 654,433	\$ 1,284,433
2014	640,000	643,505	1,283,505
2015	645,000	630,683	1,275,683
2016	655,000	615,235	1,270,235
2017	665,000	596,612	1,261,612
2018-2022	3,525,000	2,599,871	6,124,871
2023-2027	4,030,000	1,747,787	5,777,787
2028-2031	3,865,000	481,925	4,346,925
<b>Total</b>	<u>\$ 14,655,000</u>	<u>\$ 7,970,051</u>	<u>\$ 22,625,051</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 \$2,063,494 and \$1,609,039 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



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

**NOTE 10 UNEARNED PROPERTY TAXES (Continued)**

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, 2012 is not expected to be received within 60 days after the year ended June 30, 2012, 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, 2012.

**NOTE 11 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 \$130,030,467 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 \$8,718,515 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 \$50,000,000 with a \$2,500 deductible except for power turbines which have a deductible of \$50,000. 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 \$500,000 limit per occurrence and a \$5,000 deductible.
- (4) For workers compensation coverage the City is self-insured up to \$350,000 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 2012, nor during the past five fiscal years has the amount of settlements exceeded insurance coverage.

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

**NOTE 11 RISK MANAGEMENT (Continued)**

A summary of changes in general liability claims for the years ended June 30, 2012 and 2011, are as follows:

	<b>General Liability Claims</b>
<b>Balance, June 30, 2010</b>	\$ 555,000
Additions	104,874
Deletions	(649,874)
<b>Balance, June 30, 2011</b>	10,000
Additions	49,740
Deletions	(59,740)
<b>Balance, June 30, 2012</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.

A summary of changes in workers' compensation claims for the years ended June 30, 2012 and 2011 are as follows:

	<b>Workers' Compensation Claims</b>
<b>Balance, June 30, 2010</b>	\$ 106,070
Additions	339,744
Deletions	(193,963)
<b>Balance, June 30, 2011</b>	251,851
Additions	-
Deletions	(213,304)
<b>Balance, June 30, 2012</b>	\$ 38,547

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.

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

**NOTE 12 RETIREMENT PLANS**

**Utah State Retirement Plans**

The City participates in and contributes to The Cost Sharing and The Agent Multiple Employer Defined Benefit Plans. These plans are administered by the Utah State Retirement Systems (Systems). 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 and for the Bountiful City Public Safety Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

**Cost Sharing Defined Benefits Pension Plans**

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. 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.

Funding policy: Plan members in the Local Governmental Contributory Retirement System are required to contribute a percentage of their annual covered salary (all of which is paid by the City), and the City is required to contribute a percentage of their 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 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.

Funding Policy: The City is required to contribute a percentage 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. The contributions were equal to the required contributions for each year, resulting in a zero net pension obligation.

The required contribution was determined as part of the January 1, 2010 actuarial valuation using the entry age normal cost method. The actuarial assumptions include (a) 7.75% investment rate of return (net of administrative expenses), (b) assumed projected salary increases of 4.50% (3.50% from inflation, 1.00% from productivity), and (c) 2.5% cost of living adjustment. Both (a) and (b) include an inflation component of 3.50%. The actuarial value of the Bountiful City Public Safety assets was determined using techniques that smooth the effects of short-term volatility of the fair value of investments over a 5-year period. The Public Safety unfunded actuarial accrued liability is being amortized over an open 20-year amortization period. Amortization payments are designed to remain level as a percent of payroll.

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

**NOTE 12 RETIREMENT PLANS (Continued)**

401(k) defined contribution plan

The City sponsors a defined contribution deferred compensation plan 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, 2012 was \$11,846,167. Of that amount, \$10,202,135 was eligible to participate in the plan. The City participates in this plan for one state retirement tier-one employee at a rate of 21.68% and for various state retirement tier-two employees at a rate of 2.41%.

457 deferred compensation plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent 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 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.

Contribution rates to the Utah Retirement Systems are as follows:

	<u>Paid by Employer for Employee</u>	<u>Employer Contribution Rate</u>
Contributory System:		
Local Governmental Division Tier 1	6.000%	9.760%
Local Governmental Division Tier 2	-	10.330%
Noncontributory System:		
Local Governmental Division Tier 1	-	13.770%
Public Safety System:		
Other Division A Noncontributory Tier 1	-	29.190%

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

**NOTE 12 RETIREMENT PLANS (Continued)**

The following illustrates the three year trend analysis of employer and employee contributions to the Utah State Retirement Systems:

<u>System</u>	<u>Year Ended June 30,</u>	<u>Employee paid Contributions</u>	<u>Employer paid for Employee Contribution</u>	<u>Employer Contributions</u>	<u>Salary Subject to Retirement Contributions</u>
Contributory System:					
Local Governmental Division Tier 1 and Tier 2					
	2012	\$ -	\$ 9,139	\$ 29,433	\$ 344,231
	2011	-	12,279	19,156	180,127
	2010	-	12,734	16,236	212,236
Noncontributory System:					
Local Governmental Division Tier 1					
	2012	\$ -	\$ -	\$ 1,040,779	\$ 7,585,096
	2011	-	-	973,655	6,414,804
	2010	-	-	864,078	7,410,616
Public Safety System:					
Other Division A Noncontributory Tier 1					
	2012	\$ -	\$ -	\$ 525,971	\$ 1,908,963
	2011	-	-	482,618	1,527,429
	2010	-	-	447,403	1,939,333
Defined Contribution System:					
401(k) Plan					
	2012	\$ 94,084	\$ 27,874	\$ -	\$ -
	2011	101,599	22,347	-	-
	2010	119,133	11,818	-	-
457 Plan					
	2012	\$ 20,240	\$ -	\$ -	\$ -
	2011	18,895	-	-	-
	2010	19,887	-	-	-

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

<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, 2011	\$ 15,540,000	\$ 23,373,000	\$ 7,833,000	66%	\$ 1,798,000	436%
January 1, 2011	16,140,000	20,866,000	4,726,000	77%	1,707,000	277%
January 1, 2010	16,475,000	18,951,000	2,476,000	87%	1,909,000	130%

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

**NOTE 12 RETIREMENT PLANS (Continued)**

**Other Retirement Plans**

401(k) defined contribution plan

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, 2012 was \$11,846,167. Of that amount, \$7,962,640 was eligible to participate in the plan. The City participates at a rate of .93%, depending on the state retirement rate. The rate of City participation can be changed by the City Council. During the year ended June 30, 2012, contributions totaling \$288,253 were made to the plan by employees and \$92,448 by the City.

457 deferred compensation plans

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, administered ICMA Retirement Corporation. The plan, available to all permanent 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 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.

**NOTE 13 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, 2012, the plan included 52 active public safety and 113 active general employee members. An additional 18 members were retired and receiving benefits. The City pays the cost of medical insurance 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

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

**NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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 insurance 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, 2012, the City’s OPEB cost (expense) of \$142,465 was equal to the ARC.

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 (non-interest bearing)	-
Adjustments to annual required contribution	-
Annual OPEB cost (expense)	<u>142,465</u>
Contributions made	-
Decrease in net OPEB asset	<u>142,465</u>
Net OPEB asset - beginning of year	<u>1,296,065</u>
Net OPEB asset - end of year	<u><u>\$ 1,153,600</u></u>

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, 2012, 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, 2012	\$ 142,465	\$ -	0.0%	\$ 1,153,600
June 30, 2011	\$ 142,465	\$ -	0.0%	\$ 1,296,065
June 30, 2010	\$ 142,465	\$ -	0.0%	\$ 1,438,530
June 30, 2009	\$ 142,465	\$ 1,723,460	1,209.7%	\$ 1,580,995

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

**NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Funded status and Funding Progress – The funded status of the City’s plan as of June 30, 2012 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)
Annual required contribution (ARC) 2011	(142,465)
Annual required contribution (ARC) 2012	<u>(142,465)</u>
Adjusted AAL	957,444
Value of plan assets at June 30, 2012	<u>1,287,774</u>
Overfunded actuarial accrued liability	<u>\$ 330,330</u>
Funded ratio (Value of plan assets /AAL)	134.5%
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.

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 a 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.



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

**NOTE 14 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 \$91,010 as of June 30, 2012.

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

2013	\$ 13,000
2014	13,000
2015	13,000
2016	13,000
2017	13,000
2018-2019	<u>26,010</u>
<b>Total payments to be received</b>	<u><u>\$ 91,010</u></u>

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.

The future minimum rental payments to be received by the City from this operating lease are as follows:

2013	\$ 305,298
2014	305,298
2015	305,298
2016	305,298
2017	305,298
2018	<u>16,402</u>
<b>Total future minimum lease payments</b>	<u><u>\$ 1,542,892</u></u>

The City earned \$202,852 in rental income from this operating lease for the year ended June 30, 2012. 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 \$5,167,055. The State's Judicial Court leases approximately 48% of the building.

**NOTE 15 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 \$788,868 in outstanding construction commitments at June 30, 2012. These commitments all pertain to the design and construction of the City's power plant upgrade project.

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

**NOTE 16 INTERGOVERNMENTAL REVENUE**

Intergovernmental revenue for the year ended June 30, 2012 consists of the following:

	Governmental Funds		Enterprise Funds
Utah Class "C" Road allotment	\$ 1,264,072	74.52%	\$ -
FEMA Federal Assistance	247,360	14.58	735,902
City of Woods Cross RDA Tax Increment	72,631	4.28	-
Utah Liquor Law Enforcement Grant	34,819	2.05	-
Various State and Local Law Enforcement Grants	74,061	4.37	-
Bulletproof Vest Grant Program	3,260	0.20	-
	<u>\$ 1,696,203</u>	<u>100.00%</u>	<u>\$ 735,902</u>

**NOTE 17 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, 2012, \$797,788 is being held in a trust fund until all claims are settled.

In addition to the funds arising from the settlement, the City has established a specific closure and post-closure reserve in the Landfill Operating Fund, an enterprise fund, in accordance with GASB Statement No. 18, *"Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs."*

State and federal laws and regulations require the City to place a final cover on its BARD landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. 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 \$1,987,328 as of June 30, 2012. The City has reported and included in accrued liabilities \$1,144,515 as landfill closure and post-closure care liability at June 30, 2012, which is based on 58% 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 2012. 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 is 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.

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

**NOTE 17 LANDFILL CLOSURE (Continued)**

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 2012, has investments of \$2,049,689 (at cost) and \$797,788 (at cost) held in trust, for a combined total of \$2,847,477 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 18 INTERNAL BALANCES AND INTERFUND TRANSFERS**

At June 30, 2012, the government-wide internal balances were as follows:

<b>Receivable Activity</b>	<b>Payable Activity</b>	<b>Amount</b>
Governmental Activities	Business-Type Activities	\$ 212,529

To arrive at the government-wide financial statements, the City's internal service funds were consolidated. During the current year these internal service funds produced a net income. The consolidation of this current year income reduced the \$240,378 June 30, 2011 internal balance due to governmental activities from business-type activities by \$27,849.

During the year 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, 2012 are as follows:

	<b>In</b>	<b>Out</b>
Government		
General Fund	\$ 2,354,448	\$ -
Capital Projects Fund	-	10,000,000
Enterprise		
Light and Power Fund	10,000,000	2,354,448
	\$ 12,354,448	\$ 12,354,448

**NOTE 19 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 \$5,563,990 during the fiscal year ended June 30, 2012. For fiscal year 2013, the budgeted amount for this contract is \$5,764,662.

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. The Fund purchased power via this contract

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

**NOTE 19 INVESTMENTS IN POWER PROJECTS AND RELATED CONTRACTS (Continued)**

totaling \$4,188,254 during the fiscal year ended June 30, 2012. For fiscal year 2013, the budgeted amount for this contract is \$3,575,714.

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 \$1,261,621 for the fiscal year ended June 30, 2012 for net power sales and purchases. For fiscal year 2013, the budgeted amount for this is a net purchase of \$872,302.

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 \$2,057,739 via this contract during the fiscal year ended June 30, 2012. For fiscal year 2013, the budgeted amount for this contract is \$2,147,321.

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 has a contract with BP Energy Company for the supply of natural gas for the Fund's power plant. For fiscal year 2013, the budgeted amount for this contract is \$647,842.

**NOTE 20 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, 2012, those assets are being reported on the City's government-wide Statement of Net Assets in the amount of \$2,866,062 net of \$2,930,074 accumulated depreciation. Related depreciation expense of \$139,652 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, 2011, the date of the Fire Agency's most recent audited year-end, the Fire Agency reported total assets of \$11,969,521 with net assets of \$7,219,601 comprised of net assets invested in capital assets, net of related debt, in the amount of \$5,068,861, restricted net assets of \$239,762, and unrestricted net assets of \$1,910,978.

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

**NOTE 20 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, 2011, these entities provided the following revenues to the Fire Agency for its operations:

Bountiful City	\$ 1,798,031
Centerville City	753,372
Davis County	265,658
North Salt Lake City	1,120,160
West Bountiful City	352,269
Woods Cross City	488,420
	\$ 4,777,910

During its fiscal year ended June 30, 2012, the City reported a General Fund public safety expenditure in the amount of \$1,832,921 related to the above revenue schedule.

In conjunction with the construction of the Fire Agency's new Station 82, the City has contributed \$1,191,080 through June 30, 2012. \$52,403 of this amount is being reported as an expenditure in the City's Capital Projects Fund during its fiscal year ended June 30, 2012. 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 \$3,781,000 at December 31, 2011. 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 \$109,000 during the current fiscal year due to scheduled payments on the Ambulance Service Revenue Bonds, Series 2006. The Fire Agency has no outstanding general obligation debt.

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

**NOTE 21 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, 2012, there was one series of Industrial Revenue Bonds outstanding, having an outstanding principal balance of \$4,840,000.

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

**NOTE 22 REDEVELOPMENT AGENCY OF THE CITY OF BOUNTIFUL**

For the year ended June 30, 2012, 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	\$ 828,085
District #5	218,574
<u>Project Area 2</u>	
District #3	126,000
<u>Project Area 3</u>	
District #3	420,449
	<u>\$ 1,593,108</u>
Tax increment paid to other taxing agencies	\$ -
Outstanding loans to finance RDA projects	\$ -
Amounts expended for site improvements and preparation costs	\$ 541,198
Amounts expended for acquisition of property	\$ -
Amounts expended for installation of public utilities and other public improvements	\$ -
Amounts expended for administrative costs	\$ 1,008,676

**NOTE 23 OTHER REQUIRED FUNDS DISCLOSURE**

For the year ended June 30, 2012, the following expenditure activities in the Redevelopment Agency Fund and the RAP Tax Fund (Special Revenue Funds) exceeded appropriations for operating expenditures:

<u>Fund Expenditure Activity</u>	<u>Appropriations Exceeded by</u>
Redevelopment Agency Fund Activity:	
Redevelopment	\$ 241,509
RAP Tax Fund Activity:	
Centerville City RDA Payments	67,169
	<u>\$ 308,678</u>

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**REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF BOUNTIFUL  
OTHER POSTEMPLOYMENT BENEFITS PLAN  
SCHEDULE OF FUNDING PROGRESS AND  
EMPLOYER CONTRIBUTIONS  
For The Year Ended June 30, 2012**

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, 2012 is \$1,287,774, 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, 2012 was \$142,465.

**SUPPLEMENTAL INFORMATION**

**CITY OF BOUNTIFUL**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2012**

	Special Revenue Fund			Permanent Fund	Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Municipal Building Authority	Perpetual Care	
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 88,979	\$ -	\$ 88,979
Receivables:					
Accounts - net	-	-	2,500	-	2,500
Interest	-	-	185	-	185
Intergovernmental	-	-	108,302	-	108,302
Investments	-	-	262,699	-	262,699
Restricted assets:					
Cash and cash equivalents and investments	797,788	154,202	552,373	1,483,564	2,987,927
Receivables	-	70,163	-	786	70,949
<b>Total Assets</b>	<b>\$ 797,788</b>	<b>\$ 224,365</b>	<b>\$ 1,015,038</b>	<b>\$ 1,484,350</b>	<b>\$ 3,521,541</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Liabilities payable from restricted assets	\$ -	\$ 88,461	\$ -	\$ -	\$ 88,461
<b>Total Liabilities</b>	<b>-</b>	<b>88,461</b>	<b>-</b>	<b>-</b>	<b>88,461</b>
<b>Fund Balances</b>					
Restricted:					
Landfill closure	797,788	-	-	-	797,788
Perpetual care	-	-	-	1,484,350	1,484,350
Debt service	-	-	552,373	-	552,373
Recreation and arts	-	135,904	-	-	135,904
Assigned	-	-	462,665	-	462,665
<b>Total Fund Balances</b>	<b>797,788</b>	<b>135,904</b>	<b>1,015,038</b>	<b>1,484,350</b>	<b>3,433,080</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 797,788</b>	<b>\$ 224,365</b>	<b>\$ 1,015,038</b>	<b>\$ 1,484,350</b>	<b>\$ 3,521,541</b>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**For The Year Ended June 30, 2012**

	Special Revenue Fund			Permanent Fund	Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Municipal Building Authority	Perpetual Care	
<b>Revenues</b>					
Taxes	\$ -	\$ 385,743	\$ -	\$ -	\$ 385,743
Charges for services	-	-	608,652	-	608,652
Interest on investments	5,603	1,345	7,364	14,751	29,063
Miscellaneous	-	-	-	36,290	36,290
<b>Total Revenues</b>	<u>5,603</u>	<u>387,088</u>	<u>616,016</u>	<u>51,041</u>	<u>1,059,748</u>
<b>Expenditures</b>					
General government	-	347,169	(2,500)	-	344,669
Debt service:					
Principal	-	-	602,000	-	602,000
Interest	-	-	100,440	-	100,440
<b>Total Expenditures</b>	<u>-</u>	<u>347,169</u>	<u>699,940</u>	<u>-</u>	<u>1,047,109</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>5,603</u>	<u>39,919</u>	<u>(83,924)</u>	<u>51,041</u>	<u>12,639</u>
<b>Other Financing Sources (Uses)</b>					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	5,603	39,919	(83,924)	51,041	12,639
<b>Fund Balance, Beginning</b>	<u>792,185</u>	<u>95,985</u>	<u>1,098,962</u>	<u>1,433,309</u>	<u>3,420,441</u>
<b>Fund Balance, Ending</b>	<u>\$ 797,788</u>	<u>\$ 135,904</u>	<u>\$ 1,015,038</u>	<u>\$ 1,484,350</u>	<u>\$ 3,433,080</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, 2012**

	<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	\$ 270,000	\$ 270,000	\$ 269,509	\$ (491)
Interest on investments	500	500	962	462
<b>Total Revenues</b>	<u>270,500</u>	<u>270,500</u>	<u>270,471</u>	<u>(29)</u>
<b>Expenditures</b>				
General government	7,694	7,694	7,524	170
Debt service:				
Principal	186,000	186,000	186,000	-
Interest	46,475	46,475	46,475	-
Bond issue costs	-	-	-	-
<b>Total Expenditures</b>	<u>240,169</u>	<u>240,169</u>	<u>239,999</u>	<u>170</u>
<b>Excess (Deficiency) of Revenues     Over (Under) Expenditures</b>	<u>30,331</u>	<u>30,331</u>	<u>30,472</u>	<u>141</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 30,331</u>	<u>\$ 30,331</u>	<u>30,472</u>	<u>\$ 141</u>
<b>Fund Balance, Beginning</b>			<u>90,025</u>	
<b>Fund Balance, Ending</b>			<u>\$ 120,497</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 300,000	\$ 310,000	\$ 385,743	\$ 75,743
Interest on investments	-	-	1,345	1,345
<b>Total Revenues</b>	<u>300,000</u>	<u>310,000</u>	<u>387,088</u>	<u>77,088</u>
<b>Expenditures</b>				
Special Projects	30,000	30,000	-	30,000
Centerville City RDA Payments	<u>270,000</u>	<u>280,000</u>	<u>347,169</u>	<u>(67,169)</u>
<b>Total Expenditures</b>	<u>300,000</u>	<u>310,000</u>	<u>347,169</u>	<u>(37,169)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>39,919</u>	<u>39,919</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>39,919</u>	<u>\$ 39,919</u>
<b>Fund Balance, Beginning</b>			<u>95,985</u>	
<b>Fund Balance, Ending</b>			<u>\$ 135,904</u>	

**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, 2012**

	<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	\$ 612,544	\$ 612,544	\$ 608,652	\$ (3,892)
Interest on investments	5,000	5,000	7,364	2,364
<b>Total Revenues</b>	<u>617,544</u>	<u>617,544</u>	<u>616,016</u>	<u>(1,528)</u>
<b>Expenditures</b>				
General government	1,650	1,650	(2,500)	4,150
Debt service:				
Principal	602,000	602,000	602,000	-
Interest	100,440	100,440	100,440	-
<b>Total Expenditures</b>	<u>704,090</u>	<u>704,090</u>	<u>699,940</u>	<u>4,150</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(86,546)</u>	<u>(86,546)</u>	<u>(83,924)</u>	<u>2,622</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance *</b>	<u>\$ (86,546)</u>	<u>\$ (86,546)</u>	<u>(83,924)</u>	<u>\$ 2,622</u>
<b>Fund Balance, Beginning</b>			<u>1,098,962</u>	
<b>Fund Balance, Ending</b>			<u>\$ 1,015,038</u>	

\* The net change in fund balance was included in the budget as an appropriation (i.e., spendown) of fund balance.

**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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,658,964	\$ 1,658,964	\$ 4,094,129	\$ 2,435,165
Interest on investments	160,000	196,000	347,768	151,768
<b>Total Revenues</b>	<u>1,818,964</u>	<u>1,854,964</u>	<u>4,441,897</u>	<u>2,586,933</u>
<b>Expenditures</b>				
Planning and engineering	80,000	80,000	39,518	40,482
Public Safety	-	53,000	52,403	597
Capital outlay	1,738,964	1,721,964	1,329,963	392,001
<b>Total Expenditures</b>	<u>1,818,964</u>	<u>1,854,964</u>	<u>1,421,884</u>	<u>433,080</u>
<b>Excess (Deficiency) of Revenues     Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>3,020,013</u>	<u>3,020,013</u>
<b>Other Financing Sources (Uses)</b>				
Transfer out	<u>(10,000,000)</u>	<u>(10,000,000)</u>	<u>(10,000,000)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(10,000,000)</u>	<u>(10,000,000)</u>	<u>(10,000,000)</u>	<u>-</u>
<b>Net Change in Fund Balance *</b>	<u><u>\$ (10,000,000)</u></u>	<u><u>\$ (10,000,000)</u></u>	<u><u>(6,979,987)</u></u>	<u><u>\$ 3,020,013</u></u>
<b>Fund Balance, Beginning</b>			<u>33,515,362</u>	
<b>Fund Balance, Ending</b>			<u><u>\$ 26,535,375</u></u>	

\* The net change in fund balance was included in the budget as an appropriation (i.e., spendown) of fund balance.



**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2012**

<b>Business-type Activities - Enterprise Funds</b>						
	<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	\$ 107,782	\$ 434,890	\$ 7,015	\$ 357,109	\$ 276,134	\$ 1,182,930
Accounts receivable, net	109,976	-	58,727	107,639	2,350	278,692
Interest receivable	424	874	17	748	549	2,612
Investments	580,040	1,291,139	20,711	1,053,167	815,251	3,760,308
Inventories	-	47,319	-	-	-	47,319
<b>Total Current Assets</b>	<b>798,222</b>	<b>1,774,222</b>	<b>86,470</b>	<b>1,518,663</b>	<b>1,094,284</b>	<b>5,271,861</b>
<b>Noncurrent Assets:</b>						
Notes receivable	-	-	-	-	91,010	91,010
Restricted assets:						
Cash and cash equivalents and investments	88,684	-	-	-	-	88,684
Other postemployment benefits asset	10,658	30,163	-	25,596	17,516	83,933
Capital assets, net:						
Land, land rights and water rights	-	1,997,619	-	-	247,151	2,244,770
Buildings, wells and reservoirs	298,499	529,550	-	514,935	-	1,342,984
Improvements other than buildings	-	774,388	-	526	172,167	947,081
Transmission, distribution and collection systems	4,061,359	-	-	-	-	4,061,359
Machinery and equipment	223,791	271,906	-	199,833	38,526	734,056
Furniture and fixtures	-	6,497	-	-	-	6,497
<b>Total Noncurrent Assets</b>	<b>4,682,991</b>	<b>3,610,123</b>	<b>-</b>	<b>740,890</b>	<b>566,370</b>	<b>9,600,374</b>
<b>Total Assets</b>	<b>\$ 5,481,213</b>	<b>\$ 5,384,345</b>	<b>\$ 86,470</b>	<b>\$ 2,259,553</b>	<b>\$ 1,660,654</b>	<b>\$ 14,872,235</b>

**CITY OF BOUNTIFUL  
COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS (Continued)  
June 30, 2012**

	<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	\$ 44,344	\$ 26,960	\$ 38,322	\$ 3,716	\$ 703	\$ 114,045
Compensated absences	2,568	43,489	-	10,041	6,366	62,464
Accrued liabilities	6,480	47,482	-	7,072	4,241	65,275
<b>Total Current Liabilities</b>	<b>53,392</b>	<b>117,931</b>	<b>38,322</b>	<b>20,829</b>	<b>11,310</b>	<b>241,784</b>
<b>Noncurrent Liabilities:</b>						
Compensated absences	3,478	35,909	-	12,449	9,187	61,023
Unearned revenue	-	50,542	-	-	-	50,542
Developer and customer deposits	88,684	-	-	-	-	88,684
<b>Total Noncurrent Liabilities</b>	<b>92,162</b>	<b>86,451</b>	<b>-</b>	<b>12,449</b>	<b>9,187</b>	<b>200,249</b>
<b>Total Liabilities</b>	<b>145,554</b>	<b>204,382</b>	<b>38,322</b>	<b>33,278</b>	<b>20,497</b>	<b>442,033</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	4,583,649	3,579,960	-	715,294	457,844	9,336,747
Restricted for other postemployment benefits asset	10,658	30,163	-	25,596	17,516	83,933
Unrestricted	741,352	1,569,840	48,148	1,485,385	1,164,797	5,009,522
<b>Total Net Assets</b>	<b>5,335,659</b>	<b>5,179,963</b>	<b>48,148</b>	<b>2,226,275</b>	<b>1,640,157</b>	<b>14,430,202</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 5,481,213</b>	<b>\$ 5,384,345</b>	<b>\$ 86,470</b>	<b>\$ 2,259,553</b>	<b>\$ 1,660,654</b>	<b>\$ 14,872,235</b>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For The Year Ended June 30, 2012**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Total Nonmajor</b>
	<b>Storm Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Sanitation</b>	<b>Cemetery</b>	<b>Enterprise Funds</b>
<b>Operating Revenues</b>						
Charges for services	\$ 901,122	\$ -	\$ 463,550	\$ 847,367	\$ 141,205	\$ 2,353,244
Admissions and lesson fees	-	858,755	-	-	-	858,755
Equipment and facility rents	-	388,956	-	-	3,900	392,856
Concession and merchandise sales	-	204,198	-	-	-	204,198
Sale of cemetery burial plots	-	-	-	-	188,385	188,385
Miscellaneous	-	2,288	-	3,723	2,153	8,164
<b>Total Operating Revenues</b>	<b>901,122</b>	<b>1,454,197</b>	<b>463,550</b>	<b>851,090</b>	<b>335,643</b>	<b>4,005,602</b>
<b>Operating Expenses</b>						
Production, collection and source of supplies	685,980	-	453,332	-	-	1,139,312
Transmission, distribution and/or maintenance	-	852,542	-	502,350	231,914	1,586,806
Cost of concession and merchandise sales	-	119,198	-	-	-	119,198
General and administrative	151,897	224,933	1,715	170,191	81,922	630,658
Depreciation and amortization	357,092	184,288	-	101,719	16,982	660,081
<b>Total Operating Expenses</b>	<b>1,194,969</b>	<b>1,380,961</b>	<b>455,047</b>	<b>774,260</b>	<b>330,818</b>	<b>4,136,055</b>
<b>Operating Income (Loss)</b>	<b>\$ (293,847)</b>	<b>\$ 73,236</b>	<b>\$ 8,503</b>	<b>\$ 76,830</b>	<b>\$ 4,825</b>	<b>\$ (130,453)</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, 2012**

	<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	\$ 8,548	\$ 16,651	\$ 276	\$ 13,999	\$ 10,411	\$ 49,885
Intergovernmental	284	7,490	-	207	1,152	9,133
Gain (loss) from sale of capital assets	(386,003)	(3,208)	-	(1,287)	-	(390,498)
<b>Total Nonoperating Income (Expense)</b>	<b>(377,171)</b>	<b>20,933</b>	<b>276</b>	<b>12,919</b>	<b>11,563</b>	<b>(331,480)</b>
Income (loss) before transfers	(671,018)	94,169	8,779	89,749	16,388	(461,933)
Capital contributions	8,127	-	-	-	-	8,127
<b>Changes in Net Assets</b>	<b>(662,891)</b>	<b>94,169</b>	<b>8,779</b>	<b>89,749</b>	<b>16,388</b>	<b>(453,806)</b>
<b>Net Assets, Beginning</b>	<b>5,998,550</b>	<b>5,085,794</b>	<b>39,369</b>	<b>2,136,526</b>	<b>1,623,769</b>	<b>14,884,008</b>
<b>Net Assets, Ending</b>	<b>\$ 5,335,659</b>	<b>\$ 5,179,963</b>	<b>\$ 48,148</b>	<b>\$ 2,226,275</b>	<b>\$ 1,640,157</b>	<b>\$ 14,430,202</b>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For The Year Ended June 30, 2012**

	<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>Cash Flows From Operating Activities</b>						
Receipts from customers and users	\$ 895,876	\$ 1,466,914	\$ 456,810	\$ 841,843	\$ 336,596	\$ 3,998,039
Payments to suppliers	(540,582)	(522,715)	(133,282)	(360,227)	(91,184)	(1,647,990)
Payments to employees and related benefits	(326,593)	(649,343)	(320,407)	(325,734)	(236,859)	(1,858,936)
Net cash flows from operating activities	28,701	294,856	3,121	155,882	8,553	491,113
<b>Cash Flows From Non-Capital Financing Activities</b>						
Grants received	284	7,490	-	207	1,152	9,133
Payments received on note receivable	-	-	-	-	13,000	13,000
Net cash flows from non-capital financing activities	284	7,490	-	207	14,152	22,133
<b>Cash Flows From Capital and Related Financing</b>						
Capital contributions received	8,127	-	-	-	-	8,127
Purchase of capital assets	(299,442)	(99,994)	-	(63,555)	(62,824)	(525,815)
Proceeds from sales of capital assets	-	-	-	5,000	-	5,000
Net cash flows from capital and related financing activities	(291,315)	(99,994)	-	(58,555)	(62,824)	(512,688)
<b>Cash Flows From Investing Activities</b>						
Interest on investments	8,475	16,323	266	13,706	10,247	49,017
Purchase of investments	(469,341)	(1,344,136)	(21,495)	(1,069,677)	(784,025)	(3,688,674)
Sale of investments	153,262	438,924	7,019	349,300	256,021	1,204,526
Net cash flows from investing activities	(307,604)	(888,889)	(14,210)	(706,671)	(517,757)	(2,435,131)
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	(569,934)	(686,537)	(11,089)	(609,137)	(557,876)	(2,434,573)
<b>Cash and Cash Equivalents, Beginning</b>	766,400	1,121,427	18,104	966,246	834,010	3,706,187
<b>Cash and Cash Equivalents, Ending</b>	\$ 196,466	\$ 434,890	\$ 7,015	\$ 357,109	\$ 276,134	\$ 1,271,614

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS (Continued)**  
**For The Year Ended June 30, 2012**

	<u>Business-type Activities - Enterprise Funds</u>					<b>Total Nonmajor Enterprise Funds</b>
	<u>Storm Water</u>	<u>Golf Course</u>	<u>Recycling</u>	<u>Sanitation</u>	<u>Cemetery</u>	
<b>Reconciliation of operating income to net cash flows from operating activities</b>						
Earnings (loss) from operations	\$ (293,847)	\$ 73,236	\$ 8,503	\$ 76,830	\$ 4,825	\$ (130,453)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:						
Depreciation	357,092	184,288	-	101,719	16,982	660,081
Changes in assets and liabilities						
Accounts receivable, net	(5,246)	12,718	(6,739)	(9,247)	955	(7,559)
Inventories	-	6,576	-	-	-	6,576
Unearned revenue	-	7,526	-	-	-	7,526
Developer and customer deposits	(600)	-	-	-	-	(600)
Accounts payable	(900)	793	1,357	2,930	(1,316)	2,864
Liabilities from restricted assets	(4,038)	-	-	-	-	(4,038)
Compensated absences	(13,532)	15,775	-	(10,017)	(4,622)	(12,396)
Accrued liabilities	(11,538)	(9,789)	-	(9,496)	(10,436)	(41,259)
Net OPEB Asset	1,310	3,733	-	3,163	2,165	10,371
<b>Net cash flows from operating activities</b>	<u>\$ 28,701</u>	<u>\$ 294,856</u>	<u>\$ 3,121</u>	<u>\$ 155,882</u>	<u>\$ 8,553</u>	<u>\$ 491,113</u>

**CITY OF BOUNTIFUL  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
June 30, 2012**

	<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	\$ 699,586	\$ 339,357	\$ 1,038,943
Interest receivable	1,522	711	2,233
Investments	2,065,444	1,001,909	3,067,353
Other receivables	8,061	4,712	12,773
<b>Total Current Assets</b>	<u>2,774,613</u>	<u>1,346,689</u>	<u>4,121,302</u>
<b>Noncurrent Assets</b>			
Restricted cash and cash equivalents	518,012	-	518,012
<b>Total Noncurrent Assets</b>	<u>518,012</u>	<u>-</u>	<u>518,012</u>
<b>Total Assets</b>	<u>\$ 3,292,625</u>	<u>\$ 1,346,689</u>	<u>\$ 4,639,314</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ -	\$ 42,505	\$ 42,505
Accrued liabilities	1,441	878	2,319
<b>Total Liabilities</b>	<u>1,441</u>	<u>43,383</u>	<u>44,824</u>
<b>Net Assets</b>			
Restricted for regulatory required deposit	518,012	-	518,012
Unrestricted	2,773,172	1,303,306	4,076,478
<b>Total Net Assets</b>	<u>3,291,184</u>	<u>1,303,306</u>	<u>4,594,490</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 3,292,625</u>	<u>\$ 1,346,689</u>	<u>\$ 4,639,314</u>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS**  
**For The Year Ended June 30, 2012**

	<u>Governmental Immunity</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
<b>Operating Revenues</b>			
Charges for services	\$ 270,470	\$ 219,938	\$ 490,408
Miscellaneous	35	91,346	91,381
<b>Total Operating Revenues</b>	<u>270,505</u>	<u>311,284</u>	<u>581,789</u>
<b>Operating Expenses</b>			
Claims	49,740	-	49,740
General and administrative	349,879	97,884	447,763
<b>Total Operating Expenses</b>	<u>399,619</u>	<u>97,884</u>	<u>497,503</u>
Operating Income (Loss)	<u>(129,114)</u>	<u>213,400</u>	<u>84,286</u>
<b>Nonoperating Income (Expense)</b>			
Interest income	29,535	13,393	42,928
<b>Total Nonoperating Income (Expense)</b>	<u>29,535</u>	<u>13,393</u>	<u>42,928</u>
<b>Changes in Net Assets</b>	(99,579)	226,793	127,214
<b>Net Assets, Beginning</b>	<u>3,390,763</u>	<u>1,076,513</u>	<u>4,467,276</u>
<b>Net Assets, Ending</b>	<u>\$ 3,291,184</u>	<u>\$ 1,303,306</u>	<u>\$ 4,594,490</u>



**CITY OF BOUNTIFUL  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For The Year Ended June 30, 2012**

	<b>Governmental Immunity</b>	<b>Workers' Compensation Self-Insurance</b>	<b>Total Internal Service Funds</b>
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 262,444	\$ 226,753	\$ 489,197
Payments to suppliers	(333,196)	(175,864)	(509,060)
Payments to employees and related benefits	(79,705)	(46,974)	(126,679)
<b>Net cash flows from operating activities</b>	<b>(150,457)</b>	<b>3,915</b>	<b>(146,542)</b>
<b>Cash Flows From Investing Activities</b>			
Interest on investments	29,231	13,166	42,397
Purchase of investments	(1,968,816)	(981,880)	(2,950,696)
Sale of investments	642,911	320,630	963,541
<b>Net cash flows from investing activities</b>	<b>(1,296,674)</b>	<b>(648,084)</b>	<b>(1,944,758)</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>(1,447,131)</b>	<b>(644,169)</b>	<b>(2,091,300)</b>
<b>Cash and Cash Equivalents, Beginning</b>	<b>2,664,729</b>	<b>983,526</b>	<b>3,648,255</b>
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 1,217,598</b>	<b>\$ 339,357</b>	<b>\$ 1,556,955</b>
<b>Reconciliation of operating income to net cash flows from operating activities</b>			
Earnings (loss) from operations	\$ (129,114)	\$ 213,400	\$ 84,286
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:			
Changes in assets and liabilities			
Accounts receivable	(8,061)	6,815	(1,246)
Accounts payable	(10,000)	(214,681)	(224,681)
Accrued liabilities	(3,282)	(1,619)	(4,901)
<b>Net cash flows from operating activities</b>	<b>\$ (150,457)</b>	<b>\$ 3,915</b>	<b>\$ (146,542)</b>

## **STATISTICAL SECTION**

**STATISTICAL SECTION**  
**INTRODUCTION**  
(Unaudited)

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

**Contents**

Financial Trend Data (tables 1-4)

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

Revenue Capacity Data (tables 5-10)

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

Debt Capacity Data (tables 11-15)

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

Demographic and Economic Information (tables 16-17)

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

Operating Information (tables 18-20)

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

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

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<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	\$ 74,336,121	\$ 74,200,188
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	4,228,147	4,257,860
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	46,140,668	40,243,806
<b>Total governmental activities net assets</b>	<b>\$ 97,872,908</b>	<b>\$ 102,203,986</b>	<b>\$ 104,926,547</b>	<b>\$ 108,451,840</b>	<b>\$ 111,321,750</b>	<b>\$ 116,807,204</b>	<b>\$ 121,546,502</b>	<b>\$ 124,096,636</b>	<b>\$ 124,704,936</b>	<b>\$ 118,701,854</b>
<b>Business-type Activities</b>										
Investment 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	\$ 40,191,046	\$ 53,747,875
Restricted	557,822	557,822	-	-	-	-	-	561,509	7,372,346	981,919
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	42,368,839	48,579,751
<b>Total business-type activities net assets</b>	<b>\$ 83,626,217</b>	<b>\$ 79,085,599</b>	<b>\$ 78,047,240</b>	<b>\$ 79,232,363</b>	<b>\$ 82,246,913</b>	<b>\$ 80,775,606</b>	<b>\$ 83,222,941</b>	<b>\$ 84,920,967</b>	<b>\$ 89,932,231</b>	<b>\$ 103,309,545</b>
<b>Primary Government</b>										
Investment 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	\$ 114,527,167	\$ 127,948,063
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	11,600,493	5,239,779
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	88,509,507	88,823,557
<b>Total primary government net assets</b>	<b>\$ 181,499,125</b>	<b>\$ 181,289,585</b>	<b>\$ 182,973,787</b>	<b>\$ 187,684,203</b>	<b>\$ 193,568,663</b>	<b>\$ 197,582,810</b>	<b>\$ 204,769,443</b>	<b>\$ 209,017,603</b>	<b>\$ 214,637,167</b>	<b>\$ 222,011,399</b>

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Government Activities:										
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	\$ 3,503,127	\$ 3,289,872
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	8,387,664	8,514,389
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	3,748,318	3,475,552
Planning and engineering	929,609	943,017	959,797	964,072	1,038,121	1,069,709	1,011,654	943,285	971,209	981,570
Parks	621,543	652,659	655,328	686,785	761,014	876,037	1,078,688	933,052	954,307	937,703
Redevelopment	40,586	115,585	368,906	1,431,999	3,595,301	791,486	639,800	685,492	841,626	707,565
Interest on long-term debt	203,374	405,936	386,903	353,735	327,906	306,165	282,736	241,190	198,454	144,060
Total governmental activities expenses	<u>13,863,985</u>	<u>15,017,722</u>	<u>15,640,057</u>	<u>17,179,755</u>	<u>19,961,969</u>	<u>17,951,929</u>	<u>19,348,935</u>	<u>18,697,464</u>	<u>18,604,705</u>	<u>18,050,711</u>
Business-type Activities:										
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	3,309,367	3,234,152
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	20,837,040	21,895,461
Landfill	844,780	19,638,313	1,137,119	897,504	900,325	1,100,696	925,116	1,064,299	969,710	1,087,508
Storm Water	755,070	819,334	1,109,633	1,034,785	1,095,165	981,119	1,071,562	1,104,270	1,203,429	1,577,577
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	1,314,964	1,378,763
Recreation (3)	1,411,958	1,441,275	1,450,748	1,447,709	910,196	3,438	7,454	-	-	-
Recycling (4)	-	-	-	-	-	-	-	432,863	442,247	455,047
Sanitation	610,181	649,385	672,534	710,080	828,299	896,572	855,234	841,277	806,551	773,031
Cemetery	206,055	261,099	262,639	283,273	326,840	339,247	370,211	352,574	348,443	328,892
Total business-type activities expenses	<u>25,657,511</u>	<u>27,679,909</u>	<u>27,940,642</u>	<u>27,957,595</u>	<u>28,585,246</u>	<u>31,005,691</u>	<u>29,372,735</u>	<u>28,796,169</u>	<u>29,231,751</u>	<u>30,730,431</u>
Total primary government expenses	<u>\$ 39,521,496</u>	<u>\$ 42,697,631</u>	<u>\$ 43,580,699</u>	<u>\$ 45,137,350</u>	<u>\$ 48,547,215</u>	<u>\$ 48,957,620</u>	<u>\$ 48,721,670</u>	<u>\$ 47,493,633</u>	<u>\$ 47,836,456</u>	<u>\$ 48,781,142</u>
Program Revenues										
Government Activities:										
Charges for Services:										
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	\$ 2,705,333	\$ 2,785,099
Culture and recreation (5)	-	-	-	-	-	-	-	16,100	15,450	15,775.00
Other activities (5)	-	-	-	-	-	-	-	708,025	698,977	698,279.00
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	1,414,463	1,623,572
Capital Grants and Contributions	-	100,000	533,800	62,362	63,426	-	1,646,784	271,222	309,910	369,124
Total governmental activities program revenues	<u>4,762,451</u>	<u>4,755,627</u>	<u>4,786,486</u>	<u>4,727,602</u>	<u>5,180,604</u>	<u>5,204,224</u>	<u>6,458,160</u>	<u>5,007,730</u>	<u>5,144,133</u>	<u>5,491,849</u>
Business-type Activities:										
Charges for Services:										
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	2,878,003	2,968,922
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	25,915,599	26,288,025
Landfill	908,355	1,005,869	1,103,032	1,089,457	1,518,175	1,390,305	1,130,734	963,000	981,201	1,027,577
Storm Water	674,835	678,596	716,014	689,869	727,274	699,480	894,317	893,876	900,375	901,122
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	1,286,092	1,451,909
Recreation (3)	1,043,849	959,488	951,597	952,557	104,628	6	-	-	-	-
Recycling (4)	-	-	-	-	-	-	-	442,336	447,835	463,550
Sanitation	765,774	775,491	771,547	790,320	800,914	811,950	828,211	845,858	849,615	847,367
Cemetery	247,560	219,246	269,967	282,281	359,076	288,699	391,069	288,181	330,785	333,490
Capital grants and contributions	1,192,746	502,610	537,465	673,468	2,728,585	308,939	505,219	27,605	238,801	1,259,961
Total business-type activities program revenues	<u>27,074,297</u>	<u>27,458,174</u>	<u>27,906,716</u>	<u>30,168,389</u>	<u>32,609,886</u>	<u>30,645,402</u>	<u>34,174,950</u>	<u>32,453,662</u>	<u>33,828,306</u>	<u>35,541,923</u>
Total primary government program revenues	<u>\$ 31,836,748</u>	<u>\$ 32,213,801</u>	<u>\$ 32,693,202</u>	<u>\$ 34,895,991</u>	<u>\$ 37,790,490</u>	<u>\$ 35,849,626</u>	<u>\$ 40,633,110</u>	<u>\$ 37,461,392</u>	<u>\$ 38,972,439</u>	<u>\$ 41,033,772</u>
Net (expense)/revenue										
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)	\$ (13,460,572)	\$ (12,558,862)
Business-type activities	1,416,786	(221,735)	(33,926)	2,210,794	4,024,640	(360,289)	4,802,215	3,657,493	4,596,555	4,811,492
Total primary government net expense	<u>\$ (7,684,748)</u>	<u>\$ (10,483,830)</u>	<u>\$ (10,887,497)</u>	<u>\$ (10,241,359)</u>	<u>\$ (10,756,725)</u>	<u>\$ (13,107,994)</u>	<u>\$ (8,088,560)</u>	<u>\$ (10,032,241)</u>	<u>\$ (8,864,017)</u>	<u>\$ (7,747,370)</u>

- (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 Ten Fiscal Years**  
**(accrual basis of accounting)**  
**Table 2 (continued)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 4,021,707	\$ 3,984,434
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	5,813,476	6,210,568
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	3,584,109	3,114,625
Interest on investments	761,354	618,754	869,986	1,419,877	1,919,796	1,970,897	1,241,243	662,978	616,299	634,846
Miscellaneous	528,134	185,431	202,702	401,417	210,809	207,473	284,854	372,031	198,008	256,859
Gain (loss) on sale of capital assets	4,105	52,415	(224,895)	-	-	11,130.00	377,136.00	592	5,510	-
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	(170,237)	(7,645,552)
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>	<u>14,068,872</u>	<u>6,555,780</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	227,931	357,386.00
Gain (loss) on sale of capital assets	(2,818)	(32,794)	-	9,457	-	-	-	8,464	16,541	17,054.00
Special items/Miscellaneous	(950,724)	-	-	-	-	-	-	-	-	545,830.00
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)	170,237	7,645,552.00
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>	<u>414,709</u>	<u>8,565,822</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>	<u>\$ 14,483,581</u>	<u>\$ 15,121,602</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	\$ 608,300	\$ (6,003,082)
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	5,011,264	13,377,314
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>	<u>\$ 5,619,564</u>	<u>\$ 7,374,232</u>

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

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011 **	2012
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,470	\$ 22,000		
Unreserved	2,114,778	2,083,648	2,125,154	2,107,765	2,269,106	2,329,130	2,206,184	2,224,136		
Nonspendable										
Restricted									\$ -	\$ -
Assigned									48,000	66,133
Unassigned									66,476	65,325
Total General Fund	<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>	<u>\$ 2,184,161</u>	<u>\$ 2,177,026</u>
Total General Fund	<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>	<u>\$ 2,298,637</u>	<u>\$ 2,308,484</u>
All other governmental funds										
Reserved	\$ 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	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	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	-	-	-	-	-	-	-	-		
Nonspendable										
Restricted									\$ 558,358	\$ 558,358
Assigned									2,872,483	2,970,415
Unassigned									37,903,826	31,475,159
Total all other governmental funds	<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>	<u>\$ -</u>	<u>\$ -</u>

\*\* In fiscal year 2011 Bountiful City implemented GASB 54 which redefined the categories of fund balances.

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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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>										
Taxes (see Table 5)	\$ 9,682,709	\$ 10,491,960	\$ 11,099,890	\$ 12,083,285	\$ 13,032,340	\$ 13,448,505	\$ 13,505,397	\$ 13,015,188	\$ 13,419,292	\$ 13,309,627
Licenses and permits	899,922	752,419	745,235	966,550	881,988	633,117	534,007	403,274	400,355	581,680
Intergovernmental	1,506,587	1,694,238	1,238,950	1,393,643	1,480,425	1,694,825	1,370,892	1,491,961	1,483,621	1,696,203
Charges for services	2,310,175	2,283,123	2,264,069	2,187,715	2,663,567	2,800,584	2,818,708	2,727,296	2,850,628	2,761,264
Fines and forfeitures	102,338	88,090	85,941	102,177	129,968	149,662	161,749	172,085	168,684	156,209
Interest on investments	641,133	532,714	741,189	1,214,233	1,628,912	1,716,266	1,111,674	618,772	584,963	591,918
Miscellaneous	260,025	187,287	811,249	844,997	391,408	299,587	564,727	750,461	625,364	839,847
<b>Total Revenues</b>	<b>15,402,889</b>	<b>16,029,831</b>	<b>16,986,523</b>	<b>18,792,600</b>	<b>20,208,608</b>	<b>20,742,546</b>	<b>20,067,154</b>	<b>19,179,037</b>	<b>19,532,907</b>	<b>19,936,748</b>
<b>Expenditures</b>										
General government	2,182,048	2,387,560	2,405,183	2,489,393	2,569,487	2,673,661	2,925,280	3,053,298	3,140,403	2,932,579
Public safety	5,869,759	6,073,026	6,289,379	6,246,997	6,746,188	7,183,092	7,418,339	7,312,540	7,352,120	7,614,549
Highways and streets	2,105,411	2,465,470	2,445,684	2,431,779	2,605,986	2,812,727	3,552,516	2,870,954	2,815,928	2,629,040
Planning and engineering	903,685	916,338	917,673	944,770	1,013,028	1,045,173	1,107,182	924,783	952,352	975,647
Parks	472,386	493,190	491,351	517,981	569,948	653,456	846,255	641,699	631,316	663,523
Redevelopment	28,325	163,774	997,144	1,857,416	3,581,945	776,795	863,502	1,826,660	1,332,794	1,549,874
Capital outlay	1,957,564	8,757,968	2,722,764	1,434,255	3,428,120	2,758,226	2,314,410	1,239,934	1,249,395	1,329,963
Debt service:										
Bond issuance costs	274,064	2,242	-	-	-	-	-	52,500	-	-
Principal	164,000	243,000	521,000	631,000	651,000	678,000	696,000	756,000	757,000	788,000
Interest and fiscal charges	147,374	387,888	376,998	357,555	320,279	299,852	276,640	238,181	194,309	146,915
<b>Total expenditures</b>	<b>14,104,616</b>	<b>21,890,456</b>	<b>17,167,176</b>	<b>16,911,146</b>	<b>21,485,981</b>	<b>18,880,982</b>	<b>20,000,124</b>	<b>18,916,549</b>	<b>18,425,617</b>	<b>18,630,090</b>
Excess of revenues over (under) expenditures	\$ 1,298,273	\$ (5,860,625)	\$ (180,653)	\$ 1,881,454	\$ (1,277,373)	\$ 1,861,564	\$ 67,030	\$ 262,488	\$ 1,107,290	\$ 1,306,658

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Other financing sources (uses):</b>										
Transfers in	\$ 2,557,841	\$ 2,324,262	\$ 2,408,392	\$ 2,575,680	\$ 2,488,329	\$ 2,325,656	\$ 4,032,302	\$ 2,581,388	\$ 2,292,419	\$ 2,354,448
Transfers out	(979,676)	(741,348)	(531,408)	(502,813)	(500,000)	-	(1,130,251)	(329,309)	(2,462,656)	(10,000,000)
Bond/Loan proceeds	-	-	-	-	2,947,732	-	-	1,696,150	-	-
Bond refunding payment	-	-	-	-	-	-	-	(1,857,000)	-	-
Contributions	346,706	-	-	-	-	-	-	-	40,000	-
Sale of bonds	6,593,039	-	-	-	-	-	-	-	-	-
Sale of assets	61,820	73,992	99,295	18,401	9,000	11,130	377,136	592	5,510	18,006
Total other financing sources (uses)	<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>	<u>(124,727)</u>	<u>(7,627,546)</u>
Net change in fund balances	<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>	<u>\$ 982,563</u>	<u>\$ (6,320,888)</u>
Debt service as a percentage of non-capital expenditures	4.82%	4.82%	6.22%	6.39%	5.38%	6.07%	5.50%	5.92%	5.54%	5.40%

**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>
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
2011	3,787,668	5,813,476	3,584,109	234,039	13,419,292
2012	3,768,350	6,210,568	3,114,625	216,084	13,309,627

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

Fiscal Year Ended <u>June 30</u>	Real Property		Personal Property		Total Taxable Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property (2)	Mobile Homes	Other				
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	1,816,905	425,365	113	64,805	2,307,189	0.012593	4,148,847	55.61%
2011	1,719,556	399,903	118	61,356	2,180,934	0.012694	4,148,847	52.57%
2012	1,716,469	394,201	211	67,812	2,178,693	0.001093	4,138,174	52.65%

(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.

Source: Davis County Auditor's Office

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

Fiscal Year	Total Direct	City of Bountiful	Overlapping Rates							
			Davis County School District	Davis County	Weber Basin Water	Mosquito Abatement District	Bountiful Water Subconservancy District	South Davis Sewer District	Davis County Library	South Davis Recreation District
2003	0.012148	0.001223	0.007731	0.001954	0.000196	0.000094	0.000152	0.000364	0.000434	-
2004	0.012242	0.001231	0.007821	0.001948	0.000198	0.000093	0.000153	0.000366	0.000432	-
2005	0.012549	0.001194	0.007684	0.001921	0.000193	0.000091	0.000147	0.000357	0.000426	0.000536
2006	0.011751	0.001119	0.007305	0.001739	0.000178	0.000086	0.000139	0.000341	0.000403	0.000441
2007	0.011761	0.000912	0.007176	0.002189	0.000200	0.000099	0.000115	0.000305	0.000375	0.000390
2008	0.010985	0.000903	0.006764	0.001997	0.000181	0.000088	0.000110	0.000270	0.000332	0.000340
2009	0.011542	0.000948	0.007098	0.002108	0.000188	0.000093	0.000113	0.000290	0.000348	0.000356
2010	0.012593	0.001037	0.007860	0.002213	0.000207	0.000097	0.000122	0.000315	0.000363	0.000379
2011	0.013916	0.001093	0.008861	0.002383	0.000217	0.000104	0.000130	0.000329	0.000392	0.000407
2012	0.014002	0.001094	0.008941	0.002391	0.000215	0.000105	0.000131	0.000330	0.000396	0.000399

Source: Property Tax Division, Utah State Tax Commission

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

<u>Taxpayer</u>	<u>December 31, 2011 taxable valuation</u>			<u>December 31, 2002 taxable valuation</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Hospital Corporation of Utah	\$ 28,447,002	1	1.31 %	\$ 16,774,585	2	1.01 %
MABEK Co	16,393,856	2	0.75	12,098,260	3	0.73
G&E Healthcare Ret/Renaissance LLC	16,337,000	3	0.75	5,810,876	5	0.35
Qwest Corporation	14,034,016	4	0.64	20,512,782	1	1.24
Village on Main Street	11,887,572	5	0.55	-		-
Questar Gas	8,134,653	6	0.37	5,719,174	7	0.34
IHC Health Services, Inc.	7,337,258	7	0.34	4,039,590	10	0.24
Bountiful Fitness Partners	6,846,412	8	0.31	-		-
Bill Olson Investment LTD-ETAL	6,427,932	9	0.30	6,494,892	4	0.39
WBC Partners & Commons @ West Bountiful	5,592,732	10	0.26	-		-
HCP Lakeview MOB LLC (Tegra Lakeview Associates LLC)	5,125,000	11	0.24	-		-
Winegar, Richard T. & Karleen A	4,948,610	12	0.23	5,724,145	6	0.34
Gateway Crossing LLC	4,948,000	13	0.23	-		-
Associated Fresh Market (New Albertson's Inc)	4,717,548	14	0.22	5,447,548	8	0.33
Legacy House of Bountiful LLC	4,434,529	15	0.20	-		-
Health Care Property Investors, Inc.	4,325,000	16	0.20	-		-
Colonial Lakeview Aprtments LLC-ETAL	4,293,897	17	0.20	-		-
Miller/Horne Carrington Place LLC	4,190,684	18	0.19	-		-
Lock It Up Self Storage	4,155,000	19	0.19	-		-
Renaissance #6 & #7	4,017,000	20	0.18	-		-
JC Penny Properties	-		-	4,469,607	9	0.27
	<u>\$ 166,593,701</u>		<u>7.65 %</u>	<u>\$ 87,091,459</u>		<u>5.25 %</u>
Taxable Value			\$ 2,178,692,525			\$ 1,660,272,000

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>
2003	\$ 2,344,741		\$ 2,233,201	95.2 %	91,306	\$ 2,324,507	99.14 %	
2004	2,409,170		2,317,429	96.2	67,325	2,384,754	98.99	
2005	2,326,636		2,235,848	96.1	63,627	2,299,475	98.83	
2006	2,288,650		2,192,503	95.8	64,094	2,256,597	98.60	
2007	2,301,226		2,199,574	95.6	67,770	2,267,344	98.53	
2008	2,428,220		2,245,833	92.5	95,759	2,341,592	96.43	
2009	2,431,751		2,318,633	95.3	102,440	2,421,073	99.56	
2010	2,422,258		2,308,004	95.3	76,059	2,384,063	98.42	
2011	2,445,006		2,345,918	95.9	86,161	2,432,079	99.47	
2012	2,456,415		2,302,118	93.7	48,622	2,350,740	95.70	

- (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>Average Charge Per Kilowatt Hour (3)</b>
2003	15,960,987	2,128,003	321,581	18,410,571	0.0686
2004	16,828,516	2,058,474	152,312	19,039,302	0.0686
2005	17,920,997	2,049,550	248,414	20,218,961	0.0755
2006	19,357,227	2,236,492	53,388	21,647,107	0.0800
2007	20,241,626	2,238,864	50,812	22,531,302	0.0800
2008	21,142,331	2,317,081	46,277	23,505,689	0.0816
2009	22,706,488	2,697,896	51,586	25,455,970	0.0881
2010	22,115,396	2,393,724	44,891	24,554,011	0.0881
2011	22,924,190	2,389,668	42,915	25,356,773	0.0925 (4)
2012	23,544,475	2,520,834	44,087	26,109,396	0.0925

(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.

(4) The standard residential customer power rate was \$0.0881 for July-December 2010, and then was changed to \$0.0925 (a 5.0% increase) for January-June 2011.



**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 (2)	Debt Per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	All Outstanding Debt					
2003	\$ -	\$ 2,710,000	\$ 6,680,000	\$ -		\$ 9,390,000	1.03 %	\$ 909,767,141	\$ 223
2004	-	2,640,000	6,507,000	-		9,147,000	1.01	908,765,435	215
2005	-	2,492,000	6,134,000	-		8,626,000	0.88	981,834,117	201
2006	-	2,340,000	5,655,000	-		7,995,000	0.75	1,065,715,977	185
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	0.64	1,044,846,224	152
2009	-	1,857,000	4,113,000	-		5,970,000	0.60	1,001,686,733	134
2010	-	1,388,000	3,560,000	-		4,948,000	0.43	1,151,523,856	116
2011	-	1,209,000	2,982,000	15,280,000		19,471,000	N/A	N/A	458
2012		1,023,000	2,380,000	14,655,000		18,058,000	N/A	N/A	430

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

N/A = Data not available.

(1) See Table 16 for population details

(2) 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>Amounts In Debt Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2003	\$ -	\$ -	\$ -	-	%
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-

**CITY OF BOUNTIFUL**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2012**  
**Table 13**

	<u>Total Debt</u>	<u>Applicable to City</u>		<u>City Debt Ratios (2)</u>		
		<u>Percentage</u>	<u>Amount</u>	<u>To assessed value of: \$ 2,178,693,000</u>	<u>To fair value of: \$4,138,174,000</u>	<u>To population of: (per capita) 42,000</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	26,749,989	5.32%	1,423,099			
Davis County	81,844,644	13.89%	11,368,221			
Davis School District	448,625,000	13.89%	62,314,012			
South Davis Recreation District	14,185,000	36.81%	5,221,498			
Total Overlapping debt	<u>571,404,633</u>		<u>80,326,830</u>			
Total applicable to the City	<u>\$ 571,404,633</u>		<u>\$ 80,326,830</u>	3.69%	1.94%	\$ 1,913

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>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Assessed value (1)	\$ 1,660,272	\$ 1,677,734	\$ 1,734,126	\$ 1,898,261	\$ 2,405,253	\$ 2,554,694	\$ 2,437,016	\$ 2,307,189	\$ 2,180,934	\$ 2,178,693
Debt Limit - 12% of total assessed value	199,233	201,328	208,095	227,791	288,630	306,563	292,442	276,863	261,712	261,443
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>\$ 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>	<u>\$ 261,712</u>	<u>\$ 261,443</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>										
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
2011	618,996	4,223	614,773	578,000	141,569	0.85	269,910	179,000	52,740	1.16
2012	618,516	-	618,516	602,000	100,440	0.88	269,509	186,000	46,475	1.16
<b>Revenue Bonds - Business-Type Activities (Light &amp; Power Fund)</b>										
2011*	25,915,599	20,611,707	5,303,892	-	425,395	12.47	-	-	-	-
2012	26,640,119	21,421,319	5,218,800	625,000	685,379	3.98	-	-	-	-

\* Business-type activities did not have any revenue bonds before fiscal year 2011.

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

<b>Fiscal Year Ended June 30,</b>	<b>Population</b>		<b>Personal Income (amounts expressed in thousands) (2)</b>	<b>Per Capita Personal Income</b>	<b>Number of residents 18 years and older</b>		<b>School Enrollment</b>		<b>Unemployment Rate (4)</b>
2003	42,080	(1)	909,767	21,620	27,995	(6)	10,457	(3)	5.10
2004	42,495	(1)	908,765	21,385	28,156	(6)	10,151	(3)	4.70
2005	42,853	(1)	981,834	22,912	28,238	(6)	10,281	(3)	4.00
2006	43,174	(1)	1,065,716	24,684	28,173	(6)	10,234	(3)	2.90
2007	43,576	(1)	1,155,731	26,522	28,320	(6)	10,046	(3)	2.70
2008	43,780	(1)	1,044,846	23,866	32,310	(5)	10,149	(3)	3.50
2009	44,442	(1)	1,001,687	22,539	32,798	(5)	10,268	(3)	3.30
2010	42,552	(7)	1,038,092	24,396	31,403	(5)	10,062	(3)	6.90
2011	42,552	(6)	N/A	N/A	31,403	(6)	10,062	(6)	6.20
2012	42,000	(6)	N/A	N/A	30,996	(6)	9,931	(6)	5.60

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 July 2012.

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

(6) City Estimates.

(7) Census 2010.

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

Taxpayer (1)	2012			2003		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lakeview Hospital	500 - 999	1	2.55 - 5.09 %	500 - 999	1	2.41 - 4.82 %
South Davis Community Hospital	500 - 999	2	2.55 - 5.09	250 - 499	2	1.21 - 2.41
Lexington Law Firm	250 - 499	3	1.27 - 2.54	N/A	N/A	N/A
Bountiful City Corporation	100 - 249	4	0.51 - 1.27	250 - 499	3	1.21 - 2.41
Bountiful High School	100 - 249	5	0.51 - 1.27	100 - 249	5	0.48 - 1.20
City First Mortgage Services, LLC	100 - 249	6	0.51 - 1.27	100 - 249	6	0.48 - 1.20
Develpers Investment Company, Inc.	100 - 249	7	0.51 - 1.27	100 - 249	7	0.48 - 1.20
Dick's Market - Bountiful	100 - 249	8	0.51 - 1.27	N/A	N/A	N/A
Intermountain Temporaries	100 - 249	9	0.51 - 1.27	N/A	N/A	N/A
Menlove-Johnson, Inc.	100 - 249	10	0.51 - 1.27	100 - 249	9	0.48 - 1.20
Smith's Marketplace	100 - 249	11	0.51 - 1.27	100 - 249	10	0.48 - 1.20
South Davis Recreation Center	100 - 249	12	0.51 - 1.27	N/A	N/A	N/A
Viewmont High School	100 - 249	13	0.51 - 1.27	100 - 249	11	0.48 - 1.20
JC Penney Company	N/A	N/A	N/A	250 - 499	4	1.21 - 2.41
K-Mart Stores	N/A	N/A	N/A	100 - 249	8	0.48 - 1.20
Total	<u>2,250 - 4,987</u>		<u>11.47 - 25.42</u> %	<u>1,950 - 4,239</u>		<u>9.41 - 20.47</u> %

(1) 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**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Department</b>										
<b>General Fund</b>										
Legislative	6	6	6	6	6	6	6	6	6	6
Legal	3	3	3	3	3	3	3	3	3	3
Executive	2	2	2	3	4	4	3	3	3	2
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	9	8	8	8	9	7	6	6	7
Government Buildings	2	2	2	3	1	1	1	2	2	2
Police	89	85	84	88	85	94	96	93	92	94
Fire (1)	40	38	0	0	0	0	0	0	0	0
Streets	21	21	20	21	21	23	22	21	22	21
Engineering	10	12	10	12	10	11	8	8	8	8
Parks	20	25	22	21	20	24	24	14	18	18
Planning	3	2	2	4	4	5	5	4	4	4
<b>General Fund Total</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>174</b>	<b>175</b>
<b>Enterprise Funds</b>										
Storm Water	2	2	3	3	2	2	2	3	3	3
Water	19	17	17	18	21	24	19	19	19	13
Light and Power	54	48	48	51	43	43	38	39	38	39
Golf	45	45	44	46	41	45	43	40	39	43
Pools (3)	86	86	73	65	0	0	0	0	0	0
Recreation (3)	47	52	45	22	0	0	0	0	0	0
Ice Arena (3)	34	30	33	33	0	0	0	0	0	0
Landfill	10	10	9	9	9	9	9	10	8	9
Sanitation	5	5	5	5	5	6	5	6	5	6
Cemetery	8	9	10	8	11	12	9	7	9	9
<b>Enterprise Fund Total</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>121</b>	<b>122</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>524</b>	<b>519</b>	<b>456</b>	<b>439</b>	<b>304</b>	<b>331</b>	<b>310</b>	<b>294</b>	<b>295</b>	<b>297</b>

- (1) Fire operations were transferred to South Davis Metro Fire Agency in January 1, 2005.  
(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**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<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	22	22	22	22	22	22	22	22	22
Highways and streets:										
Number of streetlights	2,104	2,108	2,112	2,119	2,120	2,145	2,135	2,150	2,151	2,135
Number of traffic signals	N/A	N/A	N/A	N/A	N/A	N/A	14	14	13	13
Miles of streets	158.35	159.00	158.00	157.99	158.00	158.00	158.98	158.98	158.98	159.06
Public Services:										
Recreation and culture:										
Number of municipal parks	19	19	19	19	16	16	13	13	13	13
Number of municipal picnic areas	15	15	13	13	21	21	19	19	19	19
Number of municipal tennis courts	21	21	21	21	23	24	24	24	24	24
Number of municipal soccer fields	3	3	5	5	5	5	5	5	5	5
Number of municipal ball diamonds	10	10	9	9	10	10	10	10	10	10
Number of Trail Heads	1	1	1	1	1	2	2	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	226.14	226.00	226.00	228.00	228.00	228.01	228.37	228.52	228.52	228.52
Municipal water plants:										
Number of fire hydrants	N/A	N/A	N/A	N/A	N/A	N/A	1,580	1,567	1,571	1,588
Miles of water mains	168.25	168.00	170.00	170.55	171.00	171.00	172.96	175.46	175.46	175.70
Maximum instantaneous water source capacity (gallons per minute)	N/A	N/A	N/A	N/A	N/A	N/A	9,100	9,100	9,100	8,900
Sanitation utilities:										
Number of Collection Trucks	11	9	10	10	12	13	13	11	12	12
Number of sanitary landfills	1	1	1	1	1	1	1	1	1	1
Storm water utility:										
Miles of storm water lines (encased)	71.66	73.00	73.00	73.23	73.00	74.00	74.74	74.65	75.49	71.20
Miles of storm water lines (concrete lined)	3.88	4.00	4.00	3.87	4.00	4.00	4.21	4.21	4.20	1.40
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 January 1, 2005.

(2) Owned and operated by Davis County.

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

(4) It was discovered in fiscal year 2012 that the County owned and operated significant portions of the storm water system within the City

**Miscellaneous Statistics - Most current information only**

Date of Incorporation:	December 14, 1892
Form of government:	Manager
<u>Election data</u>	
Registered (active voters), November 2011:	24,240
Number of votes cast in 2011 election:	4,512
Percentage of registered voters voting:	18.61%

Sources: Various City of Bountiful Departments.

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

	<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>2011</b>	<b>2012</b>
<b>Function/Program</b>										
General Governmental:										
Ordinances passed	19	21	16	11	15	12	10	13	10	13
Resolutions passed	6	11	4	5	3	11	11	13	11	8
Public Safety:										
Hazardous citations written	1,745	1,817	1,765	2,062	2,540	2,839	3,082	2,617	2,237	N/A
Non-hazardous citations written	856	997	1,155	1,826	2,186	2,776	1,894	1,300	1,114	N/A
Arrests	1,843	1,675	1,214	1,855	1,674	1,657	1,688	1,260	1,289	N/A
Highways and Streets:										
Miles of street overlaid	8.60	N/A	8.10	6.60	5.00	8.00	5.16	4.50	5.19	5.50
Miles of street reconstructed	0.70	N/A	0.00	0.50	1.00	0.30	0.68	0.40	0.00	0.35
Planning and Engineering:										
Building Permits Issued	130	103	106	109	60	55	40	40	65	125
Municipal water:										
Average daily gallons consumed	4,531,659	4,576,573	4,136,849	4,114,800	4,198,928	4,147,800	4,178,570	3,995,000	3,992,000	3,994,000
Municipal power:										
Kilowatt hours sold	281,722,447	286,843,005	286,063,769	289,901,723	301,405,855	305,271,698	295,756,259	285,706,670	282,073,618	285,476,544
Storm water:										
Miles of storm drains inspected	7.17	7.30	7.30	7.32	4.00	4.00	5.42	4.98	2.71	4.06
Miles of streets cleaned	316.70	318.00	316.00	315.98	316.00	158.00	158.98	158.98	158.98	159.06
Sanitation utilities:										
Tons of waste collected and landfilled	40,889	45,956	57,062	52,841	65,098	75,687	64,680	49,685	45,365	54,194
Tons of recyclables collected (1)	0	0	0	0	0	0	1,533	2,415	2,983	2,896

N/A = Data not available.

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

Sources: Various City of Bountiful departments.