

City of Bountiful, Utah

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2007



Mavor

Joe L. Johnson

City Council

Richard L. Higginson
Barbara Holt
R. Fred Moss
Scott C. Myers
Thomas B. Tolman

City Manager

Thomas R. Hardy

CITY OF BOUNTIFUL, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007



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

Information Systems Dept.
Alan M. West
Information Systems Manager

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

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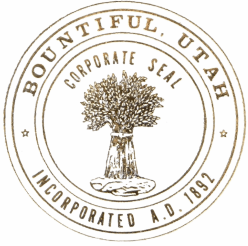
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INTRODUCTORY SECTION



BOUNTIFUL

City of Beautiful Homes and Gardens

JOE L. JOHNSON
MAYOR

CITY COUNCIL
RICHARD L. HIGGINSON
BARBARA HOLT
R. FRED MOSS
SCOTT C. MYERS
THOMAS B. TOLMAN

CITY MANAGER
THOMAS R. HARDY

November 16, 2007

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

State law requires that all local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Bountiful for the fiscal year ended June 30, 2007.

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.

The City of Bountiful's financial statements have been audited by Jensen & Keddington, P.C., a firm of certified public accountants. 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, 2007, 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, 2007, 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 provides the following services: public safety, parks (parks, cemetery, and golf), public works (engineering, planning and streets), public utilities (electricity, water, sanitation, landfill and storm water), and general government (legislative, executive, legal, administrative services).

The City limits cover an area of 13.46 square miles. The City's population for 2007 is 43,576 with a potential for approximately 45,000 residents at build-out within four to five years.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered in the specific environment within which the City of Bountiful operates.

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.

Cash management policies and practices. Cash, temporarily idle during the year, was invested in U.S. Treasury and Agency securities in addition to certificates of deposit. Investments are made in compliance with the City's investment policy which models State law. This policy has been adopted by resolution of the City Council and certified by the Association of Public Treasurers of the United States and Canada, and the policy is updated periodically. Information regarding the types, amounts and risks of investments held is contained in note 2 of the notes to the financial statements. The investment maturities can range from one day to 3 years. The average maturity of the portfolio at the end of the fiscal year was approximately six months. The average yield for the entire year was 5.17%. Yields and amounts include increases in fair value during the current year. However, increases in fair value do not necessarily represent trends that will continue or cash that will be available. It is not always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

Risk management. Bountiful is self-insured for general liability and workers' compensation, and internal service funds have been established to assist with administration of these two insurance programs. Resources have been accumulated in these two funds for payment of claims. In addition, safety programs and other measures to reduce loss have been implemented. The City has insurance policies covering errors and omissions, property (buildings and contents), and excess liability.

Pension and other post-employment benefits. The City participates in the State of Utah Retirement Systems for all full-time permanent employees. The City also provides deferred compensation plans under IRS code sections 401(k) and 457. These plans are administered by outside managers and administrators on behalf of the City and its employees.

Awards and Acknowledgments

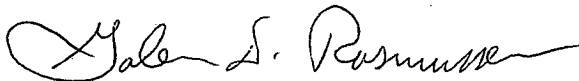
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bountiful for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2006. In order to be awarded a Certificate of Achievement, the 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 of the data necessary to complete the report. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the departments which comprise Administrative Services. In particular we express appreciation to Ralph Hill, Assistant Finance Director, Mark O. McRae, City Treasurer, and Alan M. West, Information Systems Manager, for their efforts and support during the audit and throughout the year.

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

Sincerely,



Galen D. Rasmussen, MPA, CPA
Administrative Services Director



Kim J. Coleman, CPA
Finance Director & City Recorder

**CITY OF BOUNTIFUL
PRINCIPAL OFFICIALS
June 30, 2007**

ELECTED OFFICIALS

Joe L. Johnson	Mayor
Richard L. Higginson	City Council Member
Barbara Holt	City Council Member
R. Fred Moss	City Council Member
Scott C. Myers	City Council Member
Thomas B. Tolman	City Council Member

EXECUTIVE BUDGETARY AND LEGAL OFFICIALS

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

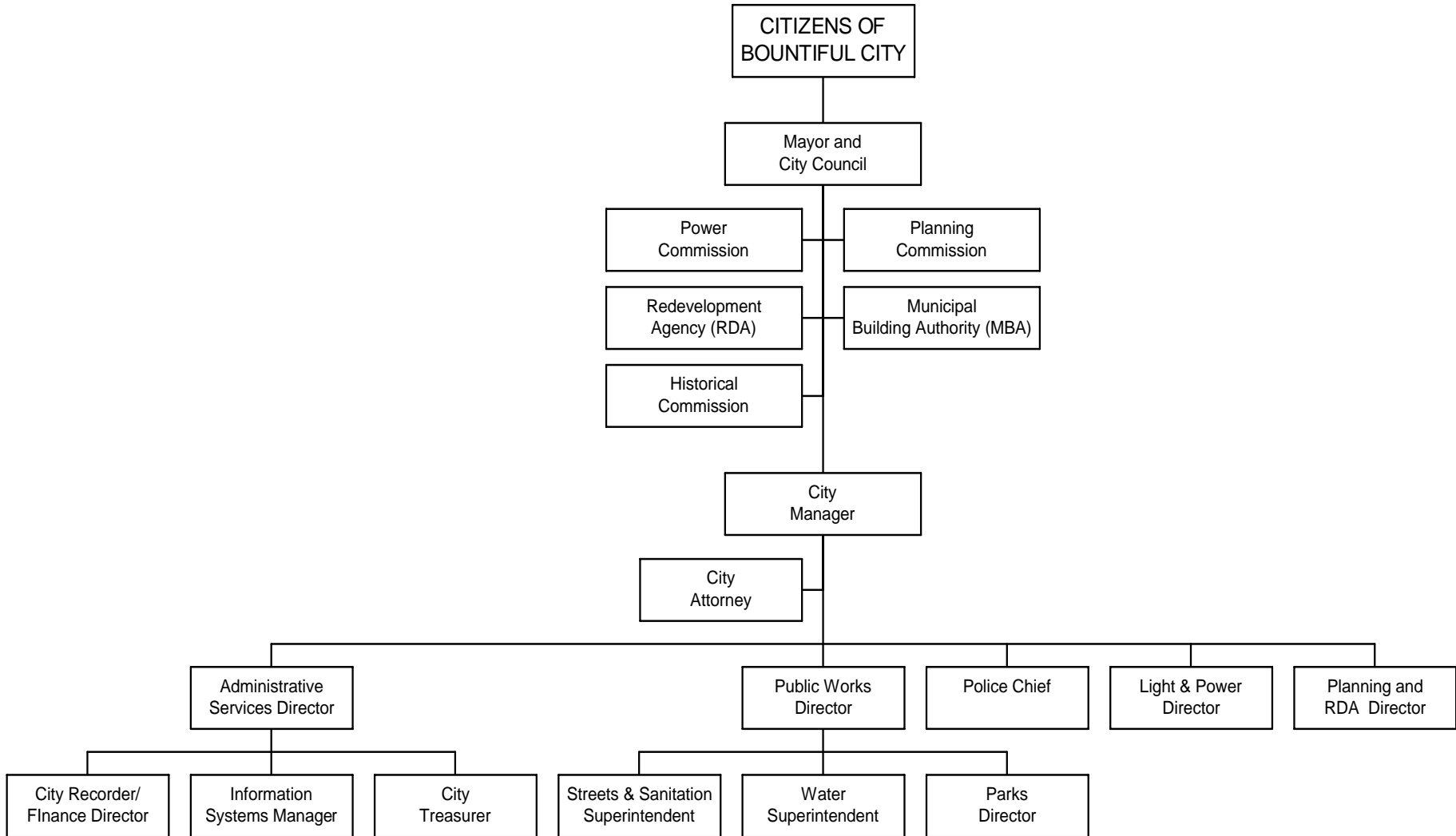
STATUTORY APPOINTED OFFICIALS

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

DEPARTMENT HEADS

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

**CITY OF BOUNTIFUL
ORGANIZATIONAL CHART
June 30, 2007**



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, 2006

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



President

Executive Director

FINANCIAL SECTION



Jensen & Keddington, P.C.

Certified Public Accountants

Jeffrey B. Jensen, CPA
Gary K. Keddington, CPA
Brent E. Christensen, CPA
Jeffrey B. Hill, 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, 2007, 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, 2007, and the respective changes in financial position, and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated November 16, 2007 on our consideration of the City of Bountiful's internal control over financial reporting and 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 should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Bountiful's basic financial statements. The introductory section, supplementary information, as listed in the table of contents and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund statements and the individual fund budgetary comparison schedules listed as supplemental information in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Jensen & Keddington

November 16, 2007

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2007**

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, 2007. 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, 2007 by \$193,568,663. Of this amount, unrestricted net assets of \$70,199,082 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net assets increased by \$5,884,460 from the prior year. Of this amount \$2,869,910 was associated with governmental and \$3,014,550 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 \$36,666,401, an increase of \$4,690,346 over the prior year. Of this amount, \$33,557,168 is unreserved and available for spending. The remaining \$3,109,233 has been reserved due to legal restrictions involving parties outside the financial reporting entity.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$2,269,106, or 16.82% of total General Fund expenditures.
- The City of Bountiful's bonded debt obligations decreased by the net amount of \$651,000. The decrease was attributable to principal payments on the existing Municipal Building Authority Lease Revenue Bonds in the amount of \$495,000 and Special Assessment Bonds in the amount of \$156,000.

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, 2007**

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, and redevelopment. The business-type activities of the City include water, light and power, landfill, storm water, golf, recreation, sanitation and cemetery. Recreation activity was transferred to the South Davis Recreation District in the first quarter of 2007.

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

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

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

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

The City maintains seven 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 three funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Bountiful adopts a one-year budget for its General Fund, Capital Projects Fund, Redevelopment Agency Fund, Debt Service Fund and Municipal Building Authority Fund. All but the latter are major funds. A budgetary comparison statement has been provided for each of the aforementioned funds to demonstrate compliance with the fiscal year 2007 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 non-major proprietary funds is provided in the form of combining statements elsewhere in this report. 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

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the year ended June 30, 2007**

Overview of the Financial Statements (Continued)

Proprietary funds (continued)

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 non-major funds and internal service funds, are presented immediately after the basic financial statements. Also included are budget comparisons for governmental funds other than the General and Redevelopment Agency Funds.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At June 30, 2007, the City's assets exceeded liabilities by \$193,568,663. By far the largest portion of the City's net assets (\$120,086,919 or 62.04%) reflects its investment in capital assets, less any related debt that is still outstanding, 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		
	2006	2007	2006	2007	2006	2007	
Current and other assets	\$ 46,350,789	46,982,465	40,356,012	38,809,972	\$ 86,706,801	\$ 85,792,437	
Capital assets	78,769,444	79,885,295	43,003,449	47,670,598	121,772,893	127,555,893	
Total assets	125,120,233	126,867,760	83,359,461	86,480,570	208,479,694	213,348,330	
Long-term liabilities outstanding	8,815,428	8,139,845	512,175	518,782	9,327,603	8,658,627	
Other liabilities	7,852,965	7,406,165	3,614,923	3,714,875	11,467,888	11,121,040	
Total liabilities	16,668,393	15,546,010	4,127,098	4,233,657	20,795,491	19,779,667	
Net assets:							
Invested in capital assets, net of related debt	70,692,139	72,416,321	43,003,449	47,670,598	113,695,588	120,086,919	
Restricted	3,101,313	3,282,662	-	-	3,101,313	3,282,662	
Unrestricted	34,658,388	35,622,767	36,228,914	34,576,315	70,887,302	70,199,082	
Total net assets	\$ 108,451,840	\$ 111,321,750	\$ 79,232,363	\$ 82,246,913	\$ 187,684,203	\$ 193,568,663	

Government-wide Financial Analysis (Continued)

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the year ended June 30, 2007**

An additional portion of the net assets, \$3,282,662 (1.70%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$70,199,082 (36.26%), 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	
	2006	2007	2006	2007	2006	2007
Revenues:						
Program revenues:						
Charges for services	\$ 3,341,596	\$ 3,702,424	\$ 29,494,921	\$ 29,881,301	\$ 32,836,517	\$ 33,583,725
Operating grants and contributions	1,323,644	1,414,754	-	-	1,323,644	1,414,754
Capital grants and contributions	62,362	63,426	673,468	2,728,585	735,830	2,792,011
General revenues:						
Property taxes	3,313,916	3,507,105	-	-	3,313,916	3,507,105
Other taxes	8,769,369	9,525,236	-	-	8,769,369	9,525,236
Other	1,821,294	2,130,605	1,047,196	1,478,239	2,868,490	3,608,844
Total revenues	<u>18,632,181</u>	<u>20,343,550</u>	<u>31,215,585</u>	<u>34,088,125</u>	<u>49,847,766</u>	<u>54,431,675</u>
Expenses:						
General government	2,950,798	2,994,503	-	-	2,950,798	2,994,503
Public safety	7,348,694	7,689,386	-	-	7,348,694	7,689,386
Highways and streets	3,443,672	3,555,738	-	-	3,443,672	3,555,738
Planning and engineering	964,072	1,038,121	-	-	964,072	1,038,121
Parks	686,785	761,014	-	-	686,785	761,014
Redevelopment	1,431,999	3,595,301	-	-	1,431,999	3,595,301
Interest on long-term debt	353,735	327,906	-	-	353,735	327,906
Water	-	-	2,569,321	2,934,761	2,569,321	2,934,761
Light and Power	-	-	19,933,617	20,388,969	19,933,617	20,388,969
Landfill	-	-	897,504	900,325	897,504	900,325
Storm Water	-	-	1,034,785	1,095,165	1,034,785	1,095,165
Golf Course	-	-	1,081,306	1,200,691	1,081,306	1,200,691
Recreation	-	-	1,447,709	910,196	1,447,709	910,196
Sanitation	-	-	710,080	828,299	710,080	828,299
Cemetery	-	-	283,273	326,840	283,273	326,840
Total expenses	<u>17,179,755</u>	<u>19,961,969</u>	<u>27,957,595</u>	<u>28,585,246</u>	<u>45,137,350</u>	<u>48,547,215</u>
Increase in net assets before transfers	1,452,426	381,581	3,257,990	5,502,879	4,710,416	5,884,460
Transfers	2,072,867	2,488,329	(2,072,867)	(2,488,329)	-	-
Increase (Decrease) in net assets	3,525,293	2,869,910	1,185,123	3,014,550	4,710,416	5,884,460
Net assets - beginning of year	104,926,547	108,451,840	78,047,240	79,232,363	182,973,787	187,684,203
Net assets - end of year	<u>\$ 108,451,840</u>	<u>\$ 111,321,750</u>	<u>\$ 79,232,363</u>	<u>\$ 82,246,913</u>	<u>\$ 187,684,203</u>	<u>\$ 193,568,663</u>

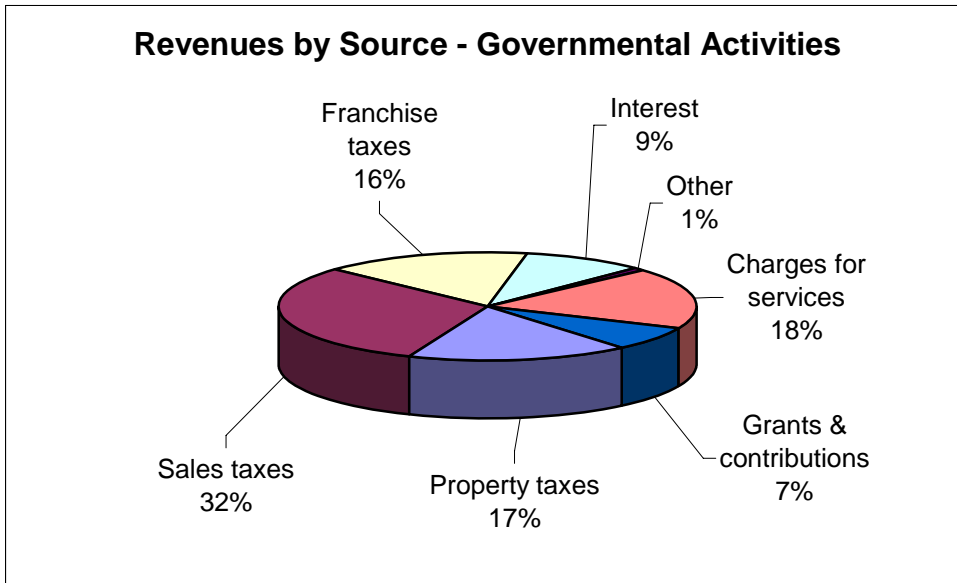
Government-wide Financial Analysis (Continued)

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the year ended June 30, 2007**

Governmental activities. Governmental activities increased the City's net assets by \$2,869,910. When combined with the \$3,014,550 increase in net assets from business-type activities, overall net assets increased by \$5,884,460 or 3.14%. In addition to the data on the preceding page, other factors contributing to the increase provided by governmental activities are as follows:

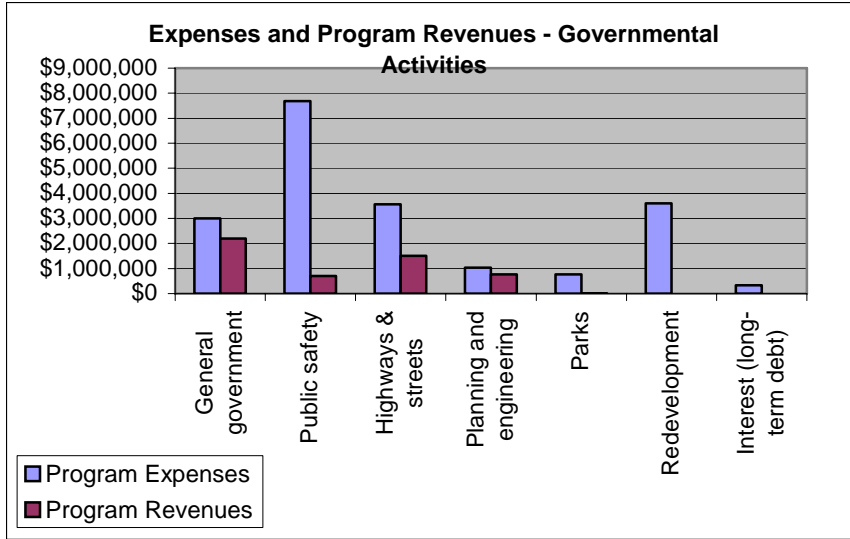
- Sales taxes and franchise taxes increased by \$599,581 and \$156,286 respectively.
- Transferring the City's recreation program, a business-type activity, to the South Davis Recreation District in the first quarter of 2007 reduced the City's recreation subsidy from the General Fund by \$250,000.
- Offsetting these three factors contributing \$1,005,867 to the increase in the City's net assets, public safety expenditures increased \$340,692 largely due to adding three new dispatch positions with supporting equipment and maintenance costs and expenditures by the City's Redevelopment Agency increased \$2,163,302 as construction on the large gymnasium as the new South Davis Recreation Center neared completion (see Footnote 17, Commitments and Contingencies).
- Despite the above-mentioned factors, total revenues from governmental activities exceeded corresponding expenditures by \$381,581. Transfers from the City's Light and Power Fund of \$2,428,995 and the City's discontinued Recreation Fund of \$59,334 resulted in the total increase to net assets of \$2,869,910

The graphs presented below and on the following page reflect only regular operating revenues and expenditures 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, 2007**

Government-wide Financial Analysis (Continued)

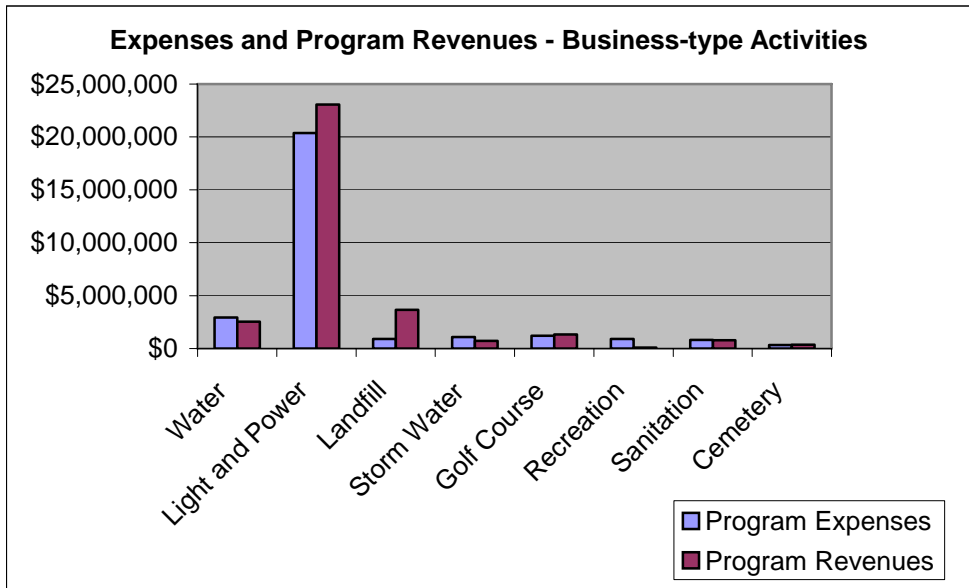
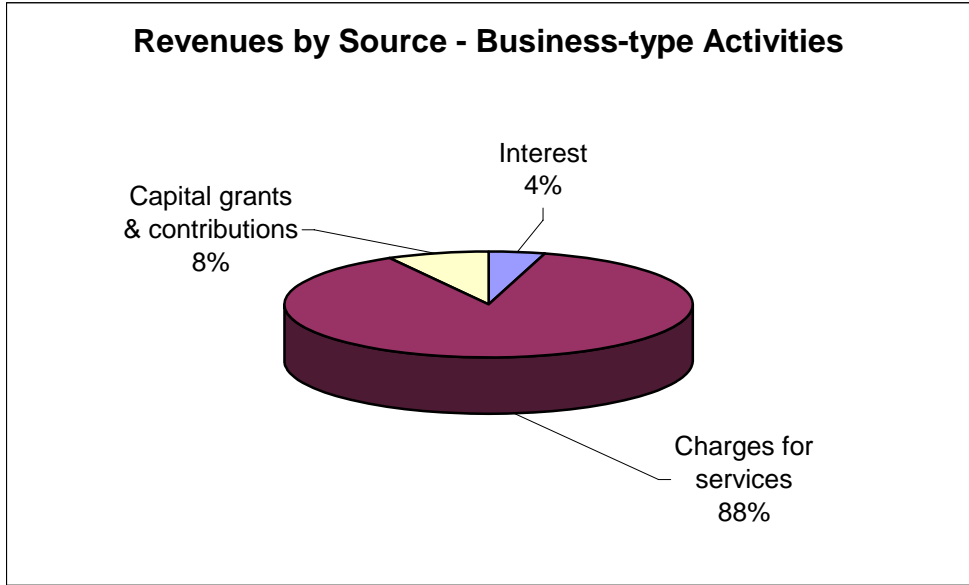


Business-type activities. Business-type activities increased the City's net assets by \$3,014,550. When combined with the \$2,869,910 that governmental activities added to net assets, overall net assets increased by \$5,884,460. The largest single element in the increase to the City's net assets provided by business-type activities was grant contributions received by the City's Landfill Fund from the Utah Department of Transportation in the amount of \$2,152,079 to enable the City to relocate the gate, scale house, shop, and compost area at the City landfill to make way for the Legacy Highway now under construction.

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

Government-wide Financial Analysis (Continued)

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the year ended June 30, 2007**



Financial Analysis of the Government's Funds

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

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the year ended June 30, 2007**

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

At June 30, 2007, the City's governmental funds reported combined ending fund balance of \$36,666,401, an increase of \$4,690,346 over the prior year. Of this amount, \$33,557,168 (91.52%) is unreserved fund balance, which is available for spending at the government's discretion. Of the unreserved fund balance, \$31,428,169 has been designated by the City Council for subsequent years' capital expenditures and other uses, leaving an unreserved undesignated amount of \$2,128,999. The remaining \$3,109,233 of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to 1) contracted construction (\$308,514), 2) future landfill closure costs (\$733,074), 3) perpetual care of the City's cemetery (\$1,228,854), and 4) debt service (\$838,791).

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$2,269,106, which comprises the total fund balance. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved (and total) fund balance represents 16.82% of total General Fund expenditures. The fund balance of the City's General Fund increased by \$161,341 during the current fiscal year. This represents a 7.65% change in fund balance. A 5.93% increase in revenues of \$627,457 combined with a \$106,128 increase in the transfer from the City's Light and Power Fund and a \$250,000 decrease in subsidy transfers to the City's Recreation Fund more than offset a 6.27% increase in expenditures of \$795,454, a decrease in proceeds from the sale of capital assets of \$9,401 and the \$17,389 decline in last year's fund balance. The increase in the Light and Power Fund transfer was due to increased electric metered sales of which the General Fund receives a 12% subsidy. The decrease in subsidy transfers to the City's Recreation Fund was due to transferring the City's Recreation Department to the South Davis Recreation District in the first quarter of 2007.

The Capital Projects Fund has a total fund balance of \$25,351,897, all of which is unreserved but designated. This fund accounts for the financial resources to be used for the acquisition or construction of the major capital facilities of the City (other than those financed by proprietary funds and special revenue funds). During the year ended June 30, 2007, the fund balance in the Capital Projects Fund increased \$2,492,315. This fund balance will be used to finance the projects listed in the City's 10-year capital improvement plan.

The Redevelopment Agency Fund has a total fund balance of \$5,936,165, all of which is unreserved but designated.

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 \$6,005,580, \$15,472,863, and \$8,031,376 respectively. The increase in total net assets was \$37,216, \$605,873, and \$3,187,199 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

The final General Fund budget was \$44,000 higher than the original budget due to salary and wage adjustments in the Executive and Parks Departments plus modest adjustments in the operating and maintenance expenses of the Legal and Parks Departments balanced against increased franchise tax revenues from electricity and cable providers.

Each year the City seeks to adopt budgets for revenues and expenditures that will be conservative estimates of what will ultimately transpire. Due to a variety of factors, revenues and expenditures will vary from budget. In the case of the 2007 fiscal year, the following analysis is offered as explanation of significant variances greater than \$150,000.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the year ended June 30, 2007**

General Sales and Use Tax was budgeted at \$2,292,504 for the fiscal year but the actual revenues were only \$800,388. This change is due primarily to a \$2,674,000 transfer at the end of the year from the General Fund to the Capital Projects Fund to meet capital improvement needs as documented in the City's ten-year capital improvement plan.

Building Permit revenues were budgeted at \$500,000 but actual revenues reached \$660,806 due largely to permits issued on the Village on Main Street project totaling about \$200,000. Additional variations in amounts result year after year from changes in building activity and building valuations upon which permit fees are based.

Transfers from the Light and Power Fund were budgeted at \$2,200,000 but actual amounts received totaled \$2,428,995. The budget is set every year in the General Fund based on a conservative estimate of electric metered sales. In fiscal year 2007, electric metered sales exceeded budget by \$686,944 and transfers to the General Fund were increased accordingly.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities at June 30, 2007 amounts to \$127,555,893 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, service lines, vehicles and equipment, furniture and fixtures, streetlights, sidewalks, curb and gutter, roads, and similar infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$5,783,000 (a 1.42% increase equaling \$1,115,851 for governmental activities and a 10.85% increase equaling \$4,667,149 for business-type activities). Major capital asset activity during the current fiscal year has been summarized in the following two tables:

City of Bountiful's Capital Assets (Net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2006	2007	2006	2007	2006	2007
Land, land rights, and water rights	\$ 46,223,350	\$ 46,292,465	3,128,763	\$ 2,991,836	\$ 49,352,113	\$ 49,284,301
Buildings, wells, and reservoirs	13,389,868	12,642,517	4,767,896	6,995,582	18,157,764	19,638,099
Improvements other than buildings	2,891,052	2,699,580	1,492,131	1,470,017	4,383,183	4,169,597
Transmission, distribution and collection systems	-	-	23,185,172	22,623,410	23,185,172	22,623,410
Street light and traffic signal system	-	-	1,345,052	1,252,127	1,345,052	1,252,127
Machinery and equipment	1,358,512	1,198,017	7,740,113	8,026,060	9,098,625	9,224,077
Furniture and fixtures	582,716	496,220	17,773	19,614	600,489	515,834
Infrastructure	13,996,424	14,916,314	-	-	13,996,424	14,916,314
Construction in progress	327,522	1,640,182	1,326,549	4,291,952	1,654,071	5,932,134
Total	\$ 78,769,444	\$ 79,885,295	\$ 43,003,449	\$ 47,670,598	\$ 121,772,893	\$ 127,555,893

CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the year ended June 30, 2007

City of Bountiful's Schedule of Capital Asset Additions (Net of Retirements)			
	Governmental Activities	Business-type Activities	Totals
New Streets, Curb, Gutter and Sidewalk Infrastructure	\$ 1,408,692	\$ -	\$ 1,408,692
Construction on new Streets & Parks Department and Police Evidence Buildings	664,256	-	664,256
New Restrooms, Stage, and Bowery at the 400 North Park	558,877	-	558,877
Motor Vehicle and Heavy Equipment Purchases	231,216	1,120,614	1,351,830
Other	207,562	64,742	272,304
Retire Improvements at Cheese Park	(173,265)	-	(173,265)
Construction on new Water, Storm Water, and Sanitation Department Buildings	-	3,898,106	3,898,106
Legacy Highway Impacts at the Landfill (facility relocation, grading and drainage)	-	2,253,941	2,253,941
New Water and Storm Water Infrastructure (water mains and storm drains)	-	365,092	365,092
Retire all Recreation Department Capital Assets*	-	(4,077,056)	(4,077,056)
Construction on Light and Power Department Transmission and Distribution Systems	-	669,230	669,230
*Operations transferred to the South Davis Recreation District in first quarter of 2007			
Less Change in Accumulated Depreciation	(1,781,487)	372,480	(1,409,007)
Total	<u>\$ 1,115,851</u>	<u>\$ 4,667,149</u>	<u>\$ 5,783,000</u>

Additional information on the City's capital assets can be found in note 6 on pages 39 to 41 of this report.

Long-term debt. At the end of the current fiscal year, the City had \$7,344,000 in outstanding bonded debt consisting of lease revenue bonds and special assessment bonds. All of the bonded debt was secured by specific revenue sources.

City of Bountiful's Outstanding debt						
	Governmental Activities		Business-type Activities		Total	
	2006	2007	2006	2007	2006	2007
Lease revenue bonds	\$ 5,655,000	\$ 5,160,000	\$ -	\$ -	\$ 5,655,000	\$ 5,160,000
Special assessment bonds	2,340,000	2,184,000	-	-	2,340,000	2,184,000
Total	<u>\$ 7,995,000</u>	<u>\$ 7,344,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,995,000</u>	<u>\$ 7,344,000</u>

The City's total bonded debt decreased by \$651,000 during the current fiscal year, attributable to scheduled repayment of the debt. Additional information on the City's long-term debt can be found in note 9 on pages 42 to 44 of this report.

Economic Factors and Next Year's Budgets and Rates

The City reviews national and regional economic forecasts and also performs its own management analysis as a component in the process of developing the one-year operating and capital budgets of the City. The assumptions in the analysis are reviewed with the City Council as background for decisions about revenue projections and cost allocations. Semi-monthly 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.

Utah, and the Rocky Mountain Region, have enjoyed a record of growth over the past few years. Most recently, Utah's Real Gross Domestic Product (GDP) was \$84 billion in 2006 and is anticipated to reach \$95 billion by the year 2008 according to the US Department of Commerce and Labor. This same federal agency shows non-farm employment increasing from 1,219,000 in 2006 to a projected 1,325,000 by the year 2008. Despite these trends, Bountiful has historically assumed a conservative position which results in budgets with modest increases in revenues and correspondingly conservative increases in expenses. Budgets for fiscal year 2007 were developed based upon the following assumptions.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the year ended June 30, 2007**

- **Economic activity in the region**, while strong at present, could be affected adversely at some point by general cautionary signals from the economy overall. Specific areas of concern are housing starts, existing home sales, vehicle sales, retail sales in general, and interest rate uncertainty.
- **Development activity trends** are slowing as evidenced by overall value and permit fees. 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.
- **Taxable sales**, which are shared by the State of Utah with cities, were projected to increase only slightly due to overall activity and the proportionate share of distribution that Bountiful receives based on population. The City continues to watch, with interest, the developments in national legislation geared toward a "Streamlined Sales Tax" that is targeted to provide uniform rates and collection methods by states and localities. This legislation should allow Bountiful, and other taxing entities, to capture uncollected sales tax monies from Internet, catalog and other remote vendors not collected under the current tax system.
- **Cost indicators for Bountiful** were assumed within the forecast to include modest increases in operating costs for personnel services, energy and general goods and services used by City departments. Energy costs and health care costs have continued as "watch areas" for City budget development, and are assumed to increase at a higher rate than the general level of inflation due to national trends. The fiscal year 2007 budget was developed with a 9% increase overall for health care expenses. The City continues to deal with increases in energy and health care costs through aggressive cost containment in all departments.
- **Enterprise fund rates and activity** in the fiscal year 2007 budget reflected no increases in power, water, storm water, landfill or sanitation rates. The only fee increase was a \$1 per 9-hole round of golf.
- **Regional cooperation initiatives.** A regional South Davis Recreation District (District) now serves the citizens of Bountiful as well as surrounding communities. The new recreation complex was substantially completed at June 30, 2007 and is located in Bountiful City near the site of the previously City-owned recreation center. Funding for the district is provided by citizens of Bountiful and the surrounding communities through property tax assessments and user fees.
- **The South Davis Metro Fire Agency** (Agency) provides fire and emergency medical services to the citizens of Bountiful and several surrounding communities. The Agency has full access to, and use of, the former City fire department's assets. However, the City will retain ownership of those assets until the Agency receives its taxing authority status (the date of which is uncertain at this point). Until that time, each municipality participating in the Agency will share proportionately in the Agency's operating expenses under an interlocal cooperative organization structure.

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, 2007

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 24,749,469	\$ 19,720,691	\$ 44,470,160
Receivables:			
Taxes	5,053,734	-	5,053,734
Accounts, net	386,960	4,872,032	5,258,992
Interest	19,680	16,010	35,690
Intergovernmental	1,829,758	-	1,829,758
Investments	4,543,083	3,491,046	8,034,129
Internal balances	2,756,929	(2,756,929)	-
Inventories	-	2,309,112	2,309,112
Prepays	-	123,125	123,125
Real estate inventory held for resale	788,105	-	788,105
Notes receivable	3,300,523	156,010	3,456,533
Deferred charges	218,232	-	218,232
Restricted assets:			
Cash and cash equivalents and investments	3,335,992	1,127,321	4,463,313
Capital assets, net:			
Land, land rights, and water rights	46,292,465	2,991,836	49,284,301
Buildings, wells, and reservoirs	12,642,517	6,995,582	19,638,099
Improvements other than buildings	2,699,580	1,470,017	4,169,597
Transmission, distribution and collection systems	-	22,623,410	22,623,410
Street light and traffic signal system	-	1,252,127	1,252,127
Machinery and equipment	1,198,017	8,026,060	9,224,077
Furniture and fixtures	496,220	19,614	515,834
Infrastructure	14,916,314	-	14,916,314
Construction in progress	1,640,182	4,291,952	5,932,134
Investment in power projects	-	9,751,554	9,751,554
Total Assets	\$ 126,867,760	\$ 86,480,570	\$ 213,348,330

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

CITY OF BOUNTIFUL
STATEMENT OF NET ASSETS (Continued)
June 30, 2007

	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	\$ 723,690	\$ 1,760,451	\$ 2,484,141
Accrued liabilities	333,607	339,917	673,524
Accrued interest payable	46,247	-	46,247
Unearned revenue	5,296,198	10,991	5,307,189
Developer and customer deposits	953,093	476,195	1,429,288
Liabilities payable from restricted assets	53,330	1,127,321	1,180,651
Noncurrent liabilities:			
Due within one year	678,000	142,253	820,253
Due in more than one year	7,461,845	376,529	7,838,374
Total Liabilities	15,546,010	4,233,657	19,779,667
Net Assets			
Invested in capital assets, net of related debt	72,416,321	47,670,598	120,086,919
Restricted for:			
Perpetual care - nonexpendable	1,228,072	-	1,228,072
Landfill closure	733,074	-	733,074
Debt Service	830,250	-	830,250
Regulatory required insurance deposit	491,266	-	491,266
Unrestricted	35,622,767	34,576,315	70,199,082
Total Net Assets	111,321,750	82,246,913	193,568,663
Total Liabilities and Net Assets	\$ 126,867,760	\$ 86,480,570	\$ 213,348,330

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, 2007**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities:							
General governmental	\$ 2,994,503	\$ 2,197,925	\$ -	\$ -	\$ (796,578)	\$ -	\$ (796,578)
Public safety	7,689,386	637,598	67,052	-	(6,984,736)	-	(6,984,736)
Highways and streets	3,555,738	92,049	1,347,702	63,426	(2,052,561)	-	(2,052,561)
Planning and engineering	1,038,121	768,277	-	-	(269,844)	-	(269,844)
Parks	761,014	6,575	-	-	(754,439)	-	(754,439)
Redevelopment	3,595,301	-	-	-	(3,595,301)	-	(3,595,301)
Interest on long-term debt	327,906	-	-	-	(327,906)	-	(327,906)
Total Governmental Activities	19,961,969	3,702,424	1,414,754	63,426	(14,781,365)	-	(14,781,365)
Business-type Activities:							
Water	2,934,761	2,150,143	-	390,483	-	(394,135)	(394,135)
Light and power	20,388,969	22,876,122	-	186,023	-	2,673,176	2,673,176
Landfill	900,325	1,518,175	-	2,152,079	-	2,769,929	2,769,929
Storm water	1,095,165	727,274	-	-	-	(367,891)	(367,891)
Golf course	1,200,691	1,344,969	-	-	-	144,278	144,278
Recreation	910,196	104,628	-	-	-	(805,568)	(805,568)
Sanitation	828,299	800,914	-	-	-	(27,385)	(27,385)
Cemetery	326,840	359,076	-	-	-	32,236	32,236
Total Business-type Activities	28,585,246	29,881,301	-	2,728,585	-	4,024,640	4,024,640
Total Government	\$ 48,547,215	\$ 33,583,725	\$ 1,414,754	\$ 2,792,011	\$ (14,781,365)	\$ 4,024,640	\$ (10,756,725)
			General Revenues:				
			Property taxes		\$ 3,507,105	\$ -	\$ 3,507,105
			Sales taxes		6,254,318	-	6,254,318
			Franchise taxes		3,270,918	-	3,270,918
			Interest on investments		1,919,796	1,478,239	3,398,035
			Other		210,809	-	210,809
			Transfers		2,488,329	(2,488,329)	-
			Total General Revenues		17,651,275	(1,010,090)	16,641,185
			Changes in Net Assets		2,869,910	3,014,550	5,884,460
			Net Assets, Beginning		108,451,840	79,232,363	187,684,203
The notes to the financial statements are an integral part of this statement.			Net Assets, Ending		\$ 111,321,750	\$ 82,246,913	\$ 193,568,663

CITY OF BOUNTIFUL
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2007

	<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>
Assets:						
Cash and cash equivalents	\$ 1,196,978	\$ 14,376,578	\$ 4,446,493	\$ 8,589	\$ 261,737	\$ 20,290,375
Receivables:						
Taxes	4,054,423	-	999,311	-	-	5,053,734
Accounts - net	375,975	-	-	-	-	375,975
Interest	2,184	9,876	3,179	18	952	16,209
Other	-	3,000	-	-	-	3,000
Intergovernmental	-	1,829,758	-	-	-	1,829,758
Investments	196,056	2,655,679	822,362	1,584	48,257	3,723,938
Real estate inventory held for resale	-	-	788,105	-	-	788,105
Notes receivable	-	-	1,045,929	2,254,595	-	3,300,524
Due from other funds	-	6,727,318	-	-	-	6,727,318
Restricted assets:						
Cash and cash equivalents and investments	10,501	29,007	13,822	274,307	2,517,089	2,844,726
Total Assets	\$ 5,836,117	\$ 25,631,216	\$ 8,119,201	\$ 2,539,093	\$ 2,828,035	\$ 44,953,662
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 233,120	\$ 250,312	\$ 122,181	\$ 1,650	\$ 1,650	\$ 608,913
Liabilities payable from restricted assets	10,501	29,007	13,822	-	-	53,330
Accrued liabilities	328,005	-	1,793	-	-	329,798
Due to other funds	-	-	-	-	-	-
Developer and customer deposits	953,093	-	-	-	-	953,093
Unearned revenues	2,042,292	-	2,045,240	2,254,595	-	6,342,127
Total Liabilities	3,567,011	279,319	2,183,036	2,256,245	1,650	8,287,261
Fund Balances:						
Reserved for:						
Construction	-	-	-	-	308,514	308,514
Landfill closure	-	-	-	-	733,074	733,074
Perpetual care	-	-	-	-	1,228,854	1,228,854
Debt Service	-	-	-	282,848	555,943	838,791
Unreserved, designated for, reported in:						
Capital Projects	-	25,351,897	-	-	-	25,351,897
General Fund	140,107	-	-	-	-	140,107
Redevelopment Agency	-	-	5,936,165	-	-	5,936,165
Unreserved, reported in:						
General Fund	2,128,999	-	-	-	-	2,128,999
Total Fund Balances	2,269,106	25,351,897	5,936,165	282,848	2,826,385	36,666,401
Total Liabilities and Fund Balances	\$ 5,836,117	\$ 25,631,216	\$ 8,119,201	\$ 2,539,093	\$ 2,828,035	\$ 44,953,662

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, 2007

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

Total fund balance - governmental funds	\$ 36,666,401
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	79,885,295
Internal service funds are used by management to charge the cost of insurance for workers' compensation and governmental immunity. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	5,662,376
Accrued interest expense is not due and payable in the current period and therefore is not recorded in the funds.	(46,247)
Long-term liabilities are not due and payable in the current period and therefore are not recorded in the funds.	(7,921,613)
Notes receivable related to the RDA are recorded as such in the statement of net assets.	1,045,928
Loan proceeds received by the RDA from the City are reported as Due to other funds in the statement of net assets.	(3,970,390)
Total net assets - governmental activities	<u><u>\$ 111,321,750</u></u>

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

CITY OF BOUNTIFUL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2007

	<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>
Revenues:						
Taxes	\$ 6,468,060	\$ 5,313,194	\$ 981,372	\$ 269,714	\$ -	\$ 13,032,340
Licenses and permits	881,988	-	-	-	-	881,988
Intergovernmental	1,414,754	-	65,671	-	-	1,480,425
Charges for services	1,964,241	-	-	-	699,326	2,663,567
Fines and forfeitures	129,968	-	-	-	-	129,968
Interest on investments	229,762	984,481	261,813	13,515	139,341	1,628,912
Miscellaneous	126,549	63,426	155,943	-	45,490	391,408
Total Revenues	11,215,322	6,361,101	1,464,799	283,229	884,157	20,208,608
Expenditures:						
Current:						
General government	2,556,826	-	-	11,010	1,651	2,569,487
Public safety	6,746,188	-	-	-	-	6,746,188
Highways and streets	2,605,986	-	-	-	-	2,605,986
Planning and engineering	1,013,028	-	-	-	-	1,013,028
Parks	569,948	-	-	-	-	569,948
Redevelopment	-	-	3,581,945	-	-	3,581,945
Debt service:						
Principal	-	-	-	156,000	495,000	651,000
Interest	-	-	-	107,131	213,148	320,279
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Capital Projects	-	3,428,120	-	-	-	3,428,120
Total Expenditures	13,491,976	3,428,120	3,581,945	274,141	709,799	21,485,981
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,276,654)	2,932,981	(2,117,146)	9,088	174,358	(1,277,373)
Other Financing Sources (Uses):						
Loan proceeds	-	-	2,947,732	-	-	2,947,732
Transfer in	2,428,995	59,334	-	-	-	2,488,329
Transfer out	-	(500,000)	-	-	-	(500,000)
Sale of capital assets	9,000	-	-	-	-	9,000
Total Other Financing Sources (Uses)	2,437,995	(440,666)	2,947,732	-	-	4,945,061
Net Change in Fund Balances	161,341	2,492,315	830,586	9,088	174,358	3,667,688
Fund Balance, Beginning	2,107,765	22,859,582	4,082,921	273,760	2,652,027	31,976,055
Prior Period Adjustment	-	-	1,022,658	-	-	1,022,658
Fund Balance, Ending	\$ 2,269,106	\$ 25,351,897	\$ 5,936,165	\$ 282,848	\$ 2,826,385	\$ 36,666,401

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, 2007

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

Net change in fund balances - total governmental funds	\$ 3,667,688
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.	(2,203,747)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net assets.	3,381,051
Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net assets.	651,000
In the statement of activities, amortization of premiums and costs of issuing of debt is recorded.	(10,380)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expense is reported when due.	2,754
The effect of the sale and disposal of capital assets.	(61,453)
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.	21,005
The net revenue of certain activities of internal service funds is reported within the governmental activities.	525,667
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.	(155,943)
Amounts loaned to the RDA are recorded as revenue in the Governmental Funds. However, the loan is recorded as a liability for the statement of net assets.	(2,947,732)
Change in net assets of governmental activities	<u><u>\$ 2,869,910</u></u>

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

CITY OF BOUNTIFUL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For The Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 7,896,826	\$ 7,940,826	\$ 6,468,060	\$ (1,472,766)
Licenses and permits	696,500	696,500	881,988	185,488
Intergovernmental revenues	1,230,000	1,230,000	1,414,754	184,754
Charges for services	1,665,376	1,665,376	1,964,241	298,865
Fines and forfeitures	70,000	70,000	129,968	59,968
Interest on investments	176,842	176,842	229,762	52,920
Miscellaneous	70,000	70,000	126,549	56,549
Total Revenues	<u>11,805,544</u>	<u>11,849,544</u>	<u>11,215,322</u>	<u>(634,222)</u>
Expenditures:				
Current:				
General government:				
Legislative	568,300	568,300	441,891	126,409
Legal	259,052	262,052	254,046	8,006
Executive	234,700	254,700	245,425	9,275
Information systems	437,054	437,054	421,003	16,051
Administrative	595,631	595,631	594,933	698
Treasury	550,242	550,242	521,340	28,902
Government buildings	85,932	85,932	78,188	7,744
Public safety:				
Police	5,126,679	5,126,679	5,036,095	90,584
Fire	1,750,000	1,750,000	1,710,093	39,907
Highways and streets	2,782,858	2,782,858	2,605,986	176,872
Planning and engineering:				
Planning	257,194	257,194	252,032	5,162
Engineering	784,519	784,519	760,996	23,523
Parks	573,383	594,383	569,948	24,435
	<u>14,005,544</u>	<u>14,049,544</u>	<u>13,491,976</u>	<u>557,568</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,200,000)</u>	<u>(2,200,000)</u>	<u>(2,276,654)</u>	<u>(76,654)</u>
Other Financing Sources (Uses):				
Transfer in	2,200,000	2,200,000	2,428,995	228,995
Sale of capital assets	-	-	9,000	9,000
Total Other Financing Sources (Uses)	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,437,995</u>	<u>237,995</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>161,341</u>	<u>\$ 161,341</u>
Fund Balance, Beginning			<u>2,107,765</u>	
Fund Balance, Ending			<u>\$ 2,269,106</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 988,939	\$ 988,939	\$ 981,372	\$ (7,567)
Intergovernmental revenues	80,000	80,000	65,671	(14,329)
Interest on investments	168,441	198,441	261,813	63,372
Miscellaneous	156,356	156,356	155,943	(413)
Total Revenues	<u>1,393,736</u>	<u>1,423,736</u>	<u>1,464,799</u>	<u>41,063</u>
Expenditures:				
Current:				
Redevelopment	2,315,425	2,345,425	3,581,945	(1,236,520)
Total Expenditures	<u>2,315,425</u>	<u>2,345,425</u>	<u>3,581,945</u>	<u>(1,236,520)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(921,689)</u>	<u>(921,689)</u>	<u>(2,117,146)</u>	<u>(1,195,457)</u>
Other Financing Sources (Uses):				
Loan proceeds	-	3,121,693	2,947,732	(173,961)
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,121,693</u>	<u>2,947,732</u>	<u>(173,961)</u>
Net Change in Fund Balance	<u>\$ (921,689)</u>	<u>\$ 2,200,004</u>	830,586	<u>\$(1,369,418)</u>
Fund Balance, Beginning			4,082,921	
Prior Period Adjustment			<u>1,022,658</u>	
Fund Balance, Ending			<u>\$ 5,936,165</u>	

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

CITY OF BOUNTIFUL
STATEMENT OF NET ASSETS – PROPRIETARY FUNDS
June 30, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill	Other Enterprise Funds	Total Enterprise	
Assets:						
Current Assets:						
Cash and cash equivalents	\$ 5,048,988	\$ 4,358,441	\$ 6,181,695	\$ 4,131,567	\$ 19,720,691	\$ 4,459,094
Accounts receivable, net	333,520	3,197,337	1,029,462	311,713	4,872,032	7,985
Interest receivable	5,081	3,483	4,110	3,336	16,010	3,471
Investments	963,971	803,487	967,225	756,363	3,491,046	819,145
Inventories	172,940	2,078,092	-	58,080	2,309,112	-
Prepaid expenses	62,000	61,125	-	-	123,125	-
Total Current Assets	6,586,500	10,501,965	8,182,492	5,261,059	30,532,016	5,289,695
Noncurrent Assets:						
Notes receivable	-	-	-	156,010	156,010	-
Restricted cash and cash equivalents	179,486	-	947,835	-	1,127,321	491,266
Capital assets, net:						
Land, land rights and water rights	339,565	492,016	43,737	2,116,518	2,991,836	-
Buildings, wells and reservoirs	2,902,804	741,979	2,152,067	1,198,732	6,995,582	-
Improvements other than buildings	55,902	-	326,507	1,087,608	1,470,017	-
Transmission, distribution and collection systems	8,590,309	9,316,665	-	4,716,436	22,623,410	-
Street light and traffic signal systems		1,252,127	-		1,252,127	-
Machinery and equipment	687,361	5,748,542	414,750	1,175,407	8,026,060	-
Furniture and fixtures	18,896	-	718	-	19,614	-
Construction in progress	3,771,488	520,464	-	-	4,291,952	-
Investments in power projects	-	9,751,554	-	-	9,751,554	-
Total Noncurrent Assets	16,545,811	27,823,347	3,885,614	10,450,711	58,705,483	491,266
Total Assets	\$ 23,132,311	\$ 38,325,312	\$ 12,068,106	\$ 15,711,770	\$ 89,237,499	\$ 5,780,961

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, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill	Other Enterprise Funds	Total Enterprise	
Liabilities:						
Current Liabilities:						
Accounts payable	\$ 452,232	\$ 1,080,762	\$ 106,741	\$ 120,716	\$ 1,760,451	\$ 114,776
Compensated absences	25,516	77,904	7,120	31,713	142,253	-
Accrued liabilities	39,585	186,722	13,052	100,558	339,917	3,809
Due to other funds	-	2,756,929	-	-	2,756,929	-
Total Current Liabilities	517,333	4,102,317	126,913	252,987	4,999,550	118,585
Noncurrent Liabilities:						
Compensated absences	63,587	226,893	24,203	61,846	376,529	-
Liabilities payable from restricted assets	179,486	-	947,835	-	1,127,321	-
Unearned revenue	-	10,991	-	-	10,991	-
Developer and customer deposits	-	440,455	-	35,740	476,195	-
Total Noncurrent Liabilities	243,073	678,339	972,038	97,586	1,991,036	-
Total Liabilities	760,406	4,780,656	1,098,951	350,573	6,990,586	118,585
Net Assets:						
Invested in capital assets, net of related debt	16,366,325	18,071,793	2,937,779	10,294,701	47,670,598	-
Restricted for insurance deposit	-	-	-	-	-	491,266
Unrestricted	6,005,580	15,472,863	8,031,376	5,066,496	34,576,315	5,171,110
Total Net Assets	22,371,905	33,544,656	10,969,155	15,361,197	82,246,913	5,662,376
Total Liabilities and Net Assets	\$ 23,132,311	\$ 38,325,312	\$ 12,068,106	\$ 15,711,770	\$ 89,237,499	\$ 5,780,961

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, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill	Other Enterprise Funds	Total Enterprise	
Operating Revenues:						
Charges for services	\$ 2,142,414	\$ 22,531,302	\$ 1,395,077	\$ 1,570,493	\$ 27,639,286	\$ 466,444
Connection and servicing	-	69,770	-	60,961	130,731	-
Admissions and lesson fees	-	-	-	843,256	843,256	-
Equipment and facility rents	-	41,523	-	399,891	441,414	-
Concession and merchandise sales	-	-	-	207,143	207,143	-
Sale of cemetery burial plots	-	-	-	248,641	248,641	-
Miscellaneous	7,729	233,527	123,098	6,476	370,830	4,271
Total Operating Revenues	2,150,143	22,876,122	1,518,175	3,336,861	29,881,301	470,715
Operating Expenses:						
Production, collection and source of supplies	222,036	13,870,900	-	470,977	14,563,913	-
Transmission, distribution and/or maintenance	1,573,036	2,443,169	575,554	1,564,395	6,156,154	-
Cost of concession and merchandise sales	-	-	-	131,154	131,154	-
Claims	-	-	-	-	-	223,220
General and administrative	563,463	2,186,359	188,480	562,487	3,500,789	512,712
Depreciation and amortization	547,650	1,655,302	141,291	942,514	3,286,757	-
Total Operating Expenses	2,906,185	20,155,730	905,325	3,671,527	27,638,767	735,932
Operating Income (Loss)	\$ (756,042)	\$ 2,720,392	\$ 612,850	\$ (334,666)	\$ 2,242,534	\$ (265,217)

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, 2007

	<u>Business-type Activities - Enterprise Funds</u>					Governmental Activities - Internal Service Funds
	<u>Water</u>	<u>Light and Power</u>	<u>Landfill</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise</u>	
Nonoperating Income (Expense):						
Interest income	\$ 431,351	\$ 361,692	\$ 417,270	\$ 267,926	\$ 1,478,239	\$ 290,884
Interest expense	-	(233,239)	-	-	(233,239)	-
Contributions/Grants	390,483	186,023	2,152,079	-	2,728,585	-
Gain (loss) from sale of capital assets	(28,576)	-	5,000	(689,664)	(713,240)	-
Total Nonoperating Income (Expense)	<u>793,258</u>	<u>314,476</u>	<u>2,574,349</u>	<u>(421,738)</u>	<u>3,260,345</u>	<u>290,884</u>
Income (loss) before transfers	37,216	3,034,868	3,187,199	(756,404)	5,502,879	25,667
Transfers in	-	-	-	2,000	2,000	500,000
Transfers out	-	(2,428,995)	-	(61,334)	(2,490,329)	-
Change in Net Assets	<u>37,216</u>	<u>605,873</u>	<u>3,187,199</u>	<u>(815,738)</u>	<u>3,014,550</u>	<u>525,667</u>
Net Assets, Beginning	<u>22,334,689</u>	<u>32,938,783</u>	<u>7,781,956</u>	<u>16,176,935</u>	<u>79,232,363</u>	<u>5,136,709</u>
Net Assets, Ending	<u>\$ 22,371,905</u>	<u>\$ 33,544,656</u>	<u>\$ 10,969,155</u>	<u>\$ 15,361,197</u>	<u>\$ 82,246,913</u>	<u>\$ 5,662,376</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, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill	Other Enterprise Funds	Total Enterprise	
Cash Flows From Operating Activities:						
Receipts from customers and users	\$ 2,139,787	\$ 22,608,640	\$ 626,353	\$ 3,432,169	\$ 28,806,949	\$ 470,343
Payments to suppliers	(1,429,784)	(15,387,922)	(365,437)	(1,495,518)	(18,678,661)	(596,812)
Payments to employees and related benefits	(967,863)	(3,266,436)	(289,049)	(1,460,127)	(5,983,475)	(100,915)
Net cash flows from operating activities	(257,860)	3,954,282	(28,133)	476,524	4,144,813	(227,384)
Cash Flows From Non-Capital Financing Activities:						
Transfers in	-	-	-	2,000	2,000	500,000
Transfers out	-	(2,428,995)	-	(2,000)	(2,430,995)	-
Interest Paid	-	(233,239)	-	-	(233,239)	-
Proceeds from capital projects fund loan	-	2,756,929	-	-	2,756,929	-
Grants and contributions received	390,484	186,023	2,152,079	-	2,728,586	-
Payment of note receivable	-	-	-	13,000	13,000	-
Net cash flows from non-capital financing activities	390,484	280,718	2,152,079	13,000	2,836,281	500,000
Cash Flows From Capital and Related Financing Activities:						
Purchase of capital assets	(3,858,062)	(901,471)	(2,465,316)	(1,531,017)	(8,755,866)	-
Proceeds from sales of capital assets	24,386	-	5,000	-	29,386	-
Net cash flows from capital and related financing activities	\$ (3,833,676)	\$ (901,471)	\$ (2,460,316)	\$ (1,531,017)	\$ (8,726,480)	\$ -

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, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill	Other Enterprise Funds	Total Enterprise	
Cash Flows From Investing Activities:						
Interest on investments	\$ 474,496	\$ 363,358	\$ 443,952	\$ 292,565	\$ 1,574,371	\$ 311,831
Purchase of investments	(2,153,388)	(202,342)	(1,207,885)	(1,174,767)	(4,738,382)	(856,995)
Sale of investments	5,559,940	78,368	3,118,698	3,033,190	11,790,196	2,212,719
Net cash flows from investing activities	3,881,048	239,384	2,354,765	2,150,988	8,626,185	1,667,555
Net Increase (Decrease) In Cash and Cash Equivalents	179,996	3,572,913	2,018,395	1,109,495	6,880,799	1,940,171
Cash and Cash Equivalents, Beginning	5,048,478	785,528	5,111,135	3,022,072	13,967,213	3,010,189
Cash and Cash Equivalents, Ending	\$ 5,228,474	\$ 4,358,441	\$ 7,129,530	\$ 4,131,567	\$ 20,848,012	\$ 4,950,360

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, 2007

	<u>Business-type Activities - Enterprise Funds</u>					Governmental Activities - Internal Service Funds
	<u>Water</u>	<u>Light and Power</u>	<u>Landfill</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	
Reconciliation of operating income to net cash flows from operating activities:						
Earnings (loss) from operations	\$ (756,042)	\$ 2,720,392	\$ 612,850	\$ (334,666)	\$ 2,242,534	\$ (265,217)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:						
Depreciation	547,650	1,655,302	141,291	942,514	3,286,757	-
Changes in assets and liabilities						
Accounts receivable, net	(10,357)	(298,397)	(891,822)	59,572	(1,141,004)	(372)
Inventories	26,181	(382,375)	-	2,114	(354,080)	-
Prepaid expenses	120	(22,496)	-	385	(21,991)	-
Accounts payable	(210,993)	236,562	22,015	(189,060)	(141,476)	37,732
Compensated absences	10,167	2,940	3,116	(9,617)	6,606	-
Accrued liabilities	135,414	11,437	84,417	(30,458)	200,810	473
Customer deposits	-	57,985	-	35,740	93,725	-
Unearned revenue	-	(27,068)	-	-	(27,068)	-
Net cash flows from operating activities:	<u>\$ (257,860)</u>	<u>\$ 3,954,282</u>	<u>\$ (28,133)</u>	<u>\$ 476,524</u>	<u>\$ 4,144,813</u>	<u>\$ (227,384)</u>

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

CITY OF BOUNTIFUL NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The Reporting Entity

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

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

Blended Component Units

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

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, golf course, recreation, sanitation, and cemetery services are classified as business-type activities.

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

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)

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 cash is received by the City.

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).

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

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

Special revenue funds account for resources legally restricted to expenditures for specified current operating purposes and for the enforcement of special services and activities. Accounting and financial reporting for General and special revenue funds are identical. The City accounts for the Municipal Building Authority and the Landfill Closure Fund in special revenue funds.

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)

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 Self-Insurance Fund and the Governmental Immunity Fund account for the City's self-insurance program.

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

Golf Course and Recreation Funds account for the provision of recreation services and facilities for the residents of the City and surrounding area. These funds are accounted for as enterprise funds.

Cemetery Fund accounts for the provision of cemetery services. This fund is accounted for as an 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 for such funds. 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 to the system. Operating expenses for enterprise funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The City records utility revenues billed to its customers when meters are read on a monthly basis. Unbilled service accounts receivable have been estimated at June 30, 2007, 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.

**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)

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. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

	<u>Years</u>
Buildings, wells and reservoirs	10-40
Improvements other than buildings	10-33
Transmission, distribution, and collection systems	30-50
Street light and traffic signal systems	30-35
Machinery and equipment	4-31
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, beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations.

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 which overlap several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the Mayor and City Council for operating within the budget for their department. All annual budgets lapse at fiscal year end.

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

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets (Continued)

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

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

Taxes

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

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

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

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.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences

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

Fund equity

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

Interfund transactions

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

Estimates and assumptions

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

NOTE 2 DEPOSITS AND INVESTMENTS

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

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

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, 2007, \$1,509,880 of the City’s bank balances of \$45,616,785 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, 2007, \$4,762,633 of the City’s \$12,644,380 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.

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

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested. Maturities of the local government’s investments are noted above.

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, 2007.

	<u>Fair Value</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Maturity (Years) (2)</u>
Cash on hand and on deposit:			
Cash on hand	\$ 32,372	N/A	N/A
Cash on deposit	807,920	N/A	N/A
Utah State Treasurer's investment pool accounts	<u>43,931,319</u>	N/A	0.18
Total cash on hand and deposit	<u><u>\$ 44,771,611</u></u>		
Investments			
Certificates of Deposit	\$ 3,248,106	N/A	0.57
Utah State Treasurer's investment pool accounts	2,615,971	N/A	0.18
U.S. Treasuries	4,965,400	AAA	0.56
Bond Reserves	<u>1,323,261</u>	N/A	N/A
Total Investments	<u><u>\$ 12,152,738</u></u>		
Portfolio weighted average maturity			0.56

(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, 2007 for all funds is \$45,850.

NOTE 4 RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2007:

Restricted for regulatory required insurance deposit	\$ 491,266
Restricted for funds received for closure of landfill	895,443
Restricted for landfill closure, post-closure and corrective actions	733,074
Restricted for bond payments	830,250
Restricted for cemetery perpetual care	1,228,072
Restricted for construction retainage	<u>285,208</u>
Total	<u><u>\$ 4,463,313</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, 2007, is as follows:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 46,224,185	\$ 68,280	\$ -	\$ 46,292,465
Construction in progress	327,522	1,333,025	20,365	1,640,182
Total capital assets, not being depreciated	46,551,707	1,401,305	20,365	47,932,647
Capital assets, being depreciated:				
Infrastructure	27,062,501	1,412,263	46,844	28,427,920
Buildings	21,017,852	68,860		21,086,712
Improvements other than buildings	4,937,817	45,736	193,629	4,789,924
Machinery and equipment	7,146,665	410,115	241,076	7,315,704
Furniture and fixtures	1,583,641	63,139	3,000	1,643,780
Total capital assets, being depreciated	61,748,476	2,000,113	484,549	63,264,040
Less accumulated depreciation for:				
Infrastructure	13,066,077	491,353	45,824	13,511,606
Buildings	7,627,983	816,212	-	8,444,195
Improvements other than buildings	2,046,765	216,844	173,265	2,090,344
Machinery and equipment	5,788,990	532,103	203,406	6,117,687
Furniture and fixtures	1,000,925	147,235	600	1,147,560
Total accumulated depreciation	29,530,740	2,203,747	423,095	31,311,392
Total capital assets, being depreciated, net	32,217,736	(203,634)	61,454	31,952,648
Governmental activities capital assets, net	<u>\$ 78,769,443</u>	<u>\$ 1,197,671</u>	<u>\$ 81,819</u>	<u>\$ 79,885,295</u>

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

Governmental activities:	
General government	\$ 323,820
Public safety	784,930
Highways and public improvements	870,654
Parks	190,077
Redevelopment Agency	13,356
Planning & engineering	20,910
Total depreciation expense - governmental activities	<u>\$ 2,203,747</u>

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, 2007:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Business-type Activities:				
Capital assets, not being depreciated:				
Land, land rights, and water rights	\$ 3,128,763	\$ -	\$ 136,927	\$ 2,991,836
Construction in progress	1,326,548	3,969,191	1,003,787	4,291,952
Total capital assets, not being depreciated	4,455,311	3,969,191	1,140,714	7,283,788
Capital assets, being depreciated:				
Buildings, wells and reservoirs	12,595,293	3,133,440	3,739,451	11,989,282
Improvements other than buildings	2,465,692	147,197	154,283	2,458,606
Transmission, distribution and collection systems	58,278,190	1,081,133	37,655	59,321,668
Street light and traffic systems	2,860,476	-	-	2,860,476
Machinery and equipment	21,067,792	1,407,856	361,039	22,114,609
Furniture and fixtures	44,312	20,995	31,999	33,308
Total capital assets, being depreciated	97,311,755	5,790,621	4,324,427	98,777,949
Less accumulated depreciation for:				
Buildings, wells and reservoirs	7,827,398	371,499	3,205,197	4,993,700
Improvements other than buildings	973,561	109,549	94,521	988,589
Transmission, distribution and collection systems	35,093,018	1,630,544	25,304	36,698,258
Street light and traffic systems	1,515,424	92,925	-	1,608,349
Machinery and equipment	13,327,680	1,076,303	315,434	14,088,549
Furniture and fixtures	26,535	5,937	18,778	13,694
Total accumulated depreciation	58,763,616	3,286,757	3,659,234	58,391,139
Total capital assets, being depreciated, net	38,548,139	2,503,864	665,193	40,386,810
Business-type activities capital assets, net	\$ 43,003,450	\$ 6,473,055	\$ 1,805,907	\$ 47,670,598

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

NOTE 6 CAPITAL ASSETS (Continued)

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

Business-type Activities:

Water	\$ 547,650
Light and Power	1,655,302
Landfill	141,291
Storm Water	488,722
Golf Course	166,340
Recreation	47,361
Sanitation	212,277
Cemetery	27,814
	<u>27,814</u>
Total depreciation expense - business-type activities	\$ 3,286,757

NOTE 7 NOTES RECEIVABLE

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

<u>Balance</u> <u>June 30, 2007</u>	<u>Interest</u> <u>Rate</u>	<u>Monthly Payments</u> <u>Amount</u>	<u>Due Through</u>	<u>Balloon Payments</u> <u>Amount</u>	<u>Due</u>
\$ 43,265	3.00%	\$ 579	April 2009	\$ 32,621	May 2009
272,482	3.50%	5,500	December 2011		
257,582	3.00%	3,380	August 2009	181,682	September 2009
30,762	3.00%	394	September 2009	22,258	October 2009
52,692	4.75%	1,756	January 2010		
201,912	3.00%	2,414	April 2010	136,320	May 2010
70,035	3.00%	807	July 2010	45,584	August 2010
34,373	3.00%	396	July 2010	22,373	August 2010
82,826	3.00%	869	June 2011	49,111	July 2011
<u>\$ 1,045,929</u>		<u>\$ 16,095</u>		<u>\$ 489,949</u>	

The City issued special assessment debt to provide funds for the construction of improvements to the area surrounding the Renaissance Towne Center. These bonds will be repaid from amounts levied against the property owners benefited by this construction. The City has established a receivable of \$2,254,595 for the amounts levied.

NOTE 8 DEVELOPER AND CUSTOMER DEPOSITS

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

Enterprise fund deposits are customer deposits the City requires from some customers with a poor payment history and from businesses before they receive a utility connection. The deposit is returnable when the residence is vacated by the renter or when the business has established a history of meeting its obligations to the City. Also included are deposits from developers that are held by the city until

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

NOTE 8 DEVELOPER AND CUSTOMER DEPOSITS (Continued)

building projects potentially impacting the City's storm water system receive and pass required City inspections.

NOTE 9 LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2007:

	Long-term debt payable at July 1, 2006	Additions	Reductions	Long-term debt payable at June 30, 2007	Due within One Year
Governmental activities:					
Lease revenue bonds	\$ 5,655,000	\$ -	\$ 495,000	\$ 5,160,000	\$ 517,000
Special assessment bonds	2,340,000	-	156,000	2,184,000	161,000
Compensated absences	738,123	547,107	568,112	717,118	551,945
Deferred amounts:					
Plus unamortized premium	82,305	-	3,578	78,727	-
	<u>\$ 8,815,428</u>	<u>\$ 547,107</u>	<u>\$ 1,222,690</u>	<u>\$ 8,139,845</u>	<u>\$ 1,229,945</u>
Governmental activity long-term liabilities					
Business-type activities:					
Compensated absences	\$ 512,175	\$ 370,071	\$ 363,464	\$ 518,782	\$ 142,253
	<u>\$ 512,175</u>	<u>\$ 370,071</u>	<u>\$ 363,464</u>	<u>\$ 518,782</u>	<u>\$ 142,253</u>
Business-type activity long-term liabilities					

The liability for compensated absences is typically liquidated by the General Fund and all Enterprise Funds.

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

Municipal Building Authority Lease Revenue Bonds Series 1996

The Municipal Building Authority Lease Revenue Bonds Series 1996 were issued June 1, 1996 by the Municipal Building Authority to construct a Police/Judicial Court Facility next to City Hall. The \$3,685,000 lease revenue bonds are due in semi-annual principal installments of \$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.

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

NOTE 9 LONG-TERM DEBT (Continued)

Municipal Building Authority Lease Revenue Bonds Series 1996 (Continued)

The annual debt service requirements to maturity, including principal and interest, for the Series 1996 Lease Revenue Bonds, as of June 30, 2007, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 217,000	\$ 82,219	\$ 299,219
2009	230,000	73,529	303,529
2010	243,000	64,306	307,306
2011	258,000	54,569	312,569
2012	272,000	44,240	316,240
2013-2015	915,000	64,721	979,721
Total	<u>\$ 2,135,000</u>	<u>\$ 383,584</u>	<u>\$ 2,518,584</u>

Municipal Building Authority Lease Revenue Bonds Series 2003

The Municipal Building Authority Lease Revenue Bonds Series 2003 were issued June 5, 2003 by the Municipal Building Authority (Authority) to finance the design and construction of a public parking structure. The \$3,790,000 lease revenue bonds, due in annual principal installments of \$300,000 to \$385,000 through June 1, 2016, plus interest at 3.0% to 5.0%, payable semi-annually. The parking structure consists of three stories having approximately 480 parking stalls and will be leased by the Authority to the City under an annually renewable Master Lease Agreement dated May 1, 2003. The City will utilize the parking structure to provide public parking for the Renaissance Towne Centre. The City anticipates making its lease payment from, among other available sources, tax increment generated from the development of the Renaissance Towne Centre pursuant to an agreement between the City and the Redevelopment Agency of Bountiful City dated December 16, 2002.

The annual debt service requirements to maturity, including principal and interest for the Series 2003 Lease Revenue Bonds, as of June 30, 2007, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 300,000	\$ 115,463	\$ 415,463
2009	300,000	106,462	406,462
2010	310,000	97,463	407,463
2011	320,000	87,000	407,000
2012	330,000	75,800	405,800
2013-2016	1,465,000	173,250	1,638,250
	3,025,000	\$ 655,438	\$ 3,680,438
Plus unamortized premium	78,727		
Total	<u>\$ 3,103,727</u>		

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT (Continued)

Special Assessment Bonds Series 2003

The Special Assessment Bonds Series 2003 were issued June 5, 2003 by the City to finance the construction of various road, water, wastewater, sewer, lighting, and public parking improvements benefiting several properties connected to the development of the Renaissance Towne Centre. The \$2,710,000 special assessment bonds are due in annual principal installments of \$161,000 to \$249,000 through June 1, 2018, plus interest at 3.4% to 5.7%, payable annually. These bonds will be repaid from special assessments levied against the benefited property owners.

The annual debt service requirements to maturity, including principal and interest for the Special Assessment Bonds Series 2003 as of June 30, 2007, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 161,000	\$ 102,171	\$ 263,171
2009	166,000	96,648	262,648
2010	172,000	90,589	262,589
2011	179,000	83,916	262,916
2012	187,000	76,522	263,522
2013-2017	1,070,000	244,456	1,314,456
2018	249,000	14,069	263,069
	<u>\$ 2,184,000</u>	<u>\$ 708,371</u>	<u>\$ 2,892,371</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 \$1,979,695 and \$999,311, respectively.

Property taxes recorded in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 60 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on October 1, and then are due and payable at November 30. Since the property tax to be levied on October 1, 2007 is not expected to be received within 60 days after the year ended June 30, 2007, 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, 2007.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 DESIGNATED FUND EQUITY

Unreserved fund balances which have designated purposes at June 30, 2007 are as follows:

	General Fund	Redevelopment Agency	Capital Projects	Total
Computer replacement	\$ 47,417	\$ -	\$ -	\$ 47,417
Employee Benefits	92,690	-	-	92,690
Redevelopment projects	-	5,936,165	-	5,936,165
Construction projects	-	-	25,351,897	25,351,897
	<u>\$ 140,107</u>	<u>\$ 5,936,165</u>	<u>\$ 25,351,897</u>	<u>\$ 31,428,169</u>

NOTE 12 RISK MANAGEMENT

The City has a system of self-insurance and excess insurance for general liability claims. The Governmental Immunity Fund (an internal service fund) has been established to pay liability claims along with certain City Attorney expenses. The City has an all risk property insurance policy that includes: (1) buildings and content to a policy limit of \$89,895,022 with a \$5,000 deductible, (2) contractors equipment to a policy limit of \$320,000 with a \$5,000 deductible, (3) computer equipment to a policy limit of \$527,618 with a \$5,000 deductible, (4) \$10,000,000 in earthquake coverage with a 2% minimum \$100,000 deductible, (5) \$10,000,000 in flood coverage for facilities that are located outside the standard report zone with a \$100,000 deductible, and (6) boiler and machine coverage to a policy limit of \$25,000,000 with a \$10,000 deductible. The Treasurer is covered under a \$1,500,000 bond with no deductible. The City also has: (1) public employee dishonesty insurance (an employee blanket bond) with a \$100,000 limit per occurrence and a \$2,500 deductible, and (2) municipal excess liability coverage including general liability, auto liability, public officials errors and omissions and law enforcement to a limit of \$5,000,000 with a \$250,000 self-insured retention for auto, general liability, law enforcement, and errors and omissions. The City also has excess workers' compensation insurance with statutory limits and \$300,000 self-insurance retention for general employees and \$400,000 self-insurance retention for law enforcement and Power Department employees. 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. There has been no significant change in insurance coverage during the year ended June 30, 2007, nor during the past four fiscal years has the amount of settlements exceeded insurance coverage.

A summary of changes in general liability claims for the years ended June 30, 2007 and 2006, are as follows:

	General Liability Claims
Balance, June 30, 2005	\$ 19,239
Additions	195,418
Deletions	<u>(199,657)</u>
Balance, June 30, 2006	15,000
Additions	73,197
Deletions	<u>(63,197)</u>
Balance, June 30, 2007	<u>\$ 25,000</u>

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 RISK MANAGEMENT (Continued)

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, 2007 and 2006 are as follows:

	Workers' Compensation Claims
Balance, June 30, 2005	\$ 68,481
Additions	89,839
Deletions	(109,479)
Balance, June 30, 2006	48,841
Additions	150,023
Deletions	(137,755)
Balance, June 30, 2007	\$ 61,109

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

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

NOTE 13 RETIREMENT PLAN

Cost Sharing Defined Benefits Pension Plans

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

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 RETIREMENT PLAN (Continued)

Cost Sharing Defined Benefits Pension Plans (Continued)

Funding policy: Plan members in the Local Governmental Contributory Retirement System are required to contribute 6% of their annual covered salary (all of which is paid by the City), and the City is required to contribute 7.58% of their annual covered salary. In the Local Governmental Noncontributory Retirement System, the City is required to contribute 11.59% of members' annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

The City contributions to the Local Governmental Contributory Retirement System for the years ended June 30, 2007, 2006, and 2005, were \$28,114, \$24,863 and \$23,187 respectively; for the Noncontributory Retirement System, the contributions for the years ended June 30, 2007, 2006, and 2005, were \$826,956, \$741,005 and \$710,663 respectively; and for the Firefighters Retirement System, the contributions for the years ended June 30, 2007, 2006, and 2005, were \$0, \$0 and \$39,136 respectively. The contributions were equal to the required contributions for each year. The City's participation in the Firefighters Retirement System terminated December 31, 2004 when the South Davis Metro Fire Agency was created.

Agent Multiple Employer Defined Benefit Pension Plan

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

Funding Policy: The City is required to contribute 19.99% of members' annual covered salary in the Noncontributory Division. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Annual pension cost: For 2007, the City's Public Safety annual pension cost of \$347,441 was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2006 actuarial valuation using the entry age normal cost method. The actuarial assumptions include (a) 8% investment rate of return (net of administrative expenses), (b) assumed projected salary increases of 4.50% (3.50% from inflation, 1.00% from membership growth), and (c) 2.5% cost of living adjustment. Both (a) and (b) include an inflation component of 3.50%. The actuarial value of the City's Public Safety assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a 5-year period. Bountiful City Public Safety unfunded actuarial accrued liability is being amortized over an open twenty-year amortization period. Amortization payments are designed to remain level as a percent of payroll.

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

NOTE 13 RETIREMENT PLAN (Continued)

Agent Multiple Employer Defined Benefit Pension Plan (Continued)

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

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage APC Contribution</u>	<u>Net Pension Obligation</u>
June 30, 2007	\$ 347,441	100%	\$ -
June 30, 2006	326,064	100%	-
June 30, 2005	324,173	100%	-

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Liability</u>	<u>Funding Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Liability as % of Covered Payroll</u>
December 31, 2006	\$ 14,838,000	\$ 15,047,000	\$ 209,000	99%	\$ 1,649,000	13%
January 1, 2006	13,392,000	13,966,000	574,000	96%	1,724,000	33%
January 1, 2005	12,384,000	12,337,000	(47,000)	100%	1,621,000	(3%)

NOTE 14 DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS

401(k) defined contribution plans

The City sponsors a defined contribution deferred compensation plan administered by ICMA Retirement Corporation and Western Reserve Life Assurance Company of Ohio under Internal Revenue Code Section 401(k) for City employees covered by the State's contributory and noncontributory retirement plans. The plan, available to all permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 401(k) deferred compensation monies are not available to the City or its general creditors. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. The City's total payroll in the fiscal year ended June 30, 2007 was \$10,624,945. Of that amount, \$8,748,070 was eligible to participate in the plan. The City participates at rates between 1.62% and 3.11%, depending on the state retirement rate. The rate of City participation can be changed by the City Council. During the year ended June 30, 2007, contributions totaling \$279,058 were made to the plan by employees and \$241,452 by the City.

The City also sponsors a defined contribution deferred compensation plan administered by the Utah Retirement Systems (the Systems) under Internal Revenue Code Section 401(k). The plan, available to all permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 401(k) deferred compensation monies are not available to the City or its general creditors. Contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. The City's total payroll in the fiscal year ended June 30, 2007 was \$10,624,945. Of that amount, \$8,748,070 was eligible to participate in this plan. The City participated at a rate of 19.99%. The rate of City participation can be changed by the City Council. During the year ended June 30, 2007, contributions totaling \$95,165 were made to this plan by employees and \$10,787 by the City.

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

NOTE 14 DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS (Continued)

457 deferred compensation plans

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

NOTE 15 POST-RETIREMENT HEALTH CARE BENEFITS

In addition to providing pension benefits through the Systems, the City provides certain health care benefits, as permitted under City ordinance No. 90-6, for retired City employees until the age of 65. All of the City's permanent full-time employees may become eligible for the benefits at the time of 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. The City pays the cost of the premiums for single coverage on a pay-as-you-go basis. For the year ended June 30, 2007, the City had 14 participants eligible to receive benefits and such costs totaled \$82,831. The cost of retirement health care benefits is recognized as an expenditure as premiums are paid.

NOTE 16 LEASES

In 1989, the City entered into a 30-year capital lease agreement with a local business whereby the City leased land held by the City Cemetery Fund to the business. The City has accounted for the land lease using the installment method. The lease agreement has a zero percent implied interest rate. Upon completion of the lease terms ownership of the land may transfer to the business under a bargain purchase option. The note receivable related to the land lease had a balance of \$156,010 as of June 30, 2007.

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

2008	13,000
2009	13,000
2010	13,000
2011	13,000
2012	13,000
2013-2017	65,000
2018-2019	26,010
	26,010
Total payments to be received	\$ 156,010

In June 1996, the City entered into an operating lease agreement with the State of Utah whereby the State's Judicial 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. The lease is renewable each year at the option of the City through March 2015.

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

NOTE 16 LEASES (Continued)

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

2008	299,219
2009	303,529
2010	307,306
2011	312,569
2012	316,240
2013-2015	979,721
	<u>979,721</u>
Total future minimum lease payments	\$ 2,518,584

The City received \$286,612 in rental income from this operating lease for the year ended June 30, 2007. 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 \$3,385,314. The State's Judicial Court leases approximately 48% of the building.

NOTE 17 COMMITMENTS AND CONTINGENCIES

The City believes that possible contingencies (contingencies incurred but not reported) where the loss cannot be reasonably estimated are immaterial to the financial statements of the City. The City had approximately \$417,000 of outstanding construction commitments at June 30, 2007.

The Redevelopment Agency holds a commitment to a developer for 100% of the tax increment generated by certain properties. The City is committed to make the payments through December 31, 2008 or until the City has paid a total of \$200,000 in tax increment to the developer. The Redevelopment Agency has paid a total of \$139,461 of tax increment through June 30, 2007 related to this commitment.

The South Davis Metro Fire Agency (Agency) provides fire and emergency medical services to the citizens of Bountiful and several surrounding communities. The Agency has full access to, and use of, the fire department assets. However, the City will retain ownership of those assets until the Agency receives its taxing authority status. Until that time, each municipality participating in the Agency will share proportionately in the Agency's operating expenses based on each municipality's total property tax assessed valuation. Bountiful's share of expenses for the fiscal year was \$1,710,093.

The City, through the Redevelopment Agency, entered into an interlocal government agreement with the Davis County School District to construct a new gymnasium, parking lot and other improvements. The gymnasium will be for the shared use of the School District and the City. In order to fund the construction, the City, through its Capital Projects Fund, has committed \$4,200,000 for initial funding. The Redevelopment Agency has entered into contracts for demolition and architectural services, engineering services, and construction of the recreational facilities. By the terms of the agreement, Davis School District shall be the sole owner of the main gym and each party will retain ownership of that portion of the other improvements which lies on the respective party's property. As of June 30, 2007, the Redevelopment Agency has expended \$3,970,389 related to the project, of which \$13,822 is construction retention.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 18 INTERGOVERNMENTAL REVENUE

Intergovernmental revenue for the year ended June 30, 2007 consists of the following:

Utah Class "C" Road allotment	\$ 1,347,702	91.03%
City of Woods Cross RDA Tax Increment	65,671	4.44
Utah Liquor Law Enforcement Grant	31,609	2.14
Davis County Narcotics Strike Force Pass-Through	20,486	1.38
Homeland Security Grant	9,000	0.61
Bulletprf Vest Grant Program	5,957	0.40
	<u>\$ 1,480,425</u>	<u>100.00%</u>

NOTE 19 LANDFILL CLOSURE

During the year ended June 30, 1990, the City and several surrounding municipalities entered into a settlement agreement (the Agreement) regarding the City's Bay Area Refuse Disposal (BARD) landfill, accounted for in the landfill closure expendable trust fund. The Agreement provided, among other things, that the City drop its civil action against the municipalities for their breach of contract and for their estimated liability under the Comprehensive Environmental Response, Compensation, and Liability Act (the Act). In return, the municipalities contributed amounts estimated to be sufficient to close the BARD and settle the remaining estimated liabilities under the Act. As of June 30, 2007, \$733,074 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 \$1,655,459 as of June 30, 2007. The City has reported and included in accrued liabilities \$895,443 as landfill closure and post-closure care liability at June 30, 2007 which is based on 54% usage (filled) of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care as the remaining estimated capacity of the landfill is used. These amounts are based on what it would cost to perform all closure and post-closure care in 2007. The City estimates it will close the landfill in or after the year 2046. Actual cost at that time may be higher due to inflation, changes in technology, or changes in regulations.

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, 2007, investments of \$2,616,500 (cost and fair value) are held for these purposes. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

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

NOTE 20 OPERATING TRANSFERS RECONCILIATION

At June 30, 2007, interfund balances due to or from other funds were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects	Redevelopment Agency	3,970,389

The City, through the Redevelopment Agency, entered into an Interlocal government agreement with the Davis County School District to construct a new gymnasium, parking lot and other improvements. The gymnasium will be for the shared used of the School District and the City. By the terms of the agreement, the interest of the City in the gymnasium may be assigned to the South Davis Recreation District. In order to fund the construction, the City, through its Capital Projects Fund, has committed \$4,200,000 for initial funding. The amount may exceed this as construction circumstances change. The School District has consented to allow the City, through the Redevelopment Agency, to receive 100% of the tax increment from the 1983 RDA project area for the years 2005 to 2015. This tax increment will be used to repay the Capital Projects Fund for all amounts expended on this project plus interest at the rate paid by the Public Treasurer's Investment Fund.

In addition to the above, transfers were made which will not be repaid. These transfers occurred primarily to finance programs, accounted for in one fund, with resources collected in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2007 are as follows:

	<u>In</u>	<u>Out</u>
General Fund	\$ 2,428,995	\$ -
Capital Projects Fund	59,334	500,000
Governmental Immunity Fund	500,000	-
Enterprise		
Light and Power Fund	-	2,428,995
Golf Course Fund	-	2,000
Recreation Fund	2,000	59,334
	<u>\$ 2,990,329</u>	<u>\$ 2,990,329</u>

NOTE 21 INVESTMENTS IN POWER PROJECTS AND RELATED CONTRACTS

On September 26, 1978, the Light and Power Fund (the Fund) entered into a 50-year contract with the Intermountain Power Agency (IPA) for the purchase of power. Under the terms of the agreement, the Fund is liable for an agreed-upon purchase amount of approximately 1.3% of production regardless of whether it is used or not. On December 1, 1980, the Fund entered into an excess power sales agreement whereby all power purchased from IPA in excess of the Fund's scheduled amount will be sold to a group of California cities, thus relieving the Fund's excess power purchase liability. The Fund purchased power via this contract totaling \$3,592,361 during the fiscal year ended June 30, 2007. For fiscal year 2008, the budgeted amount for this contract is \$3,984,987.

The Fund has a contract with Western Area Power Administration to provide a prorated share of the actual hydropower capacity from the Salt Lake City Area Integrated Projects. This contract was revised October 1989 and will be in force until September 30, 2024 and supplies about 35.4% of the Fund's power. The Fund purchased power via this contract totaling \$3,022,048 during the fiscal year ended June 30, 2007. For fiscal year 2008, the budgeted amount for this contract is \$3,208,387.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

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

On July 1, 1993, the Fund entered into a power sales agreement with Utah Associated Municipal Power Systems (UAMPS) to purchase a five megawatt interest in the San Juan Unit No. 4 coal-fired power plant from Public Service of New Mexico for the sum of \$6,061,174. Under the terms of this agreement, the Fund is liable for a take-or-pay amount of 1.004% of the plant's production. The Fund purchased power via this contract totaling \$1,703,083 during the fiscal year ended June 30, 2007. For fiscal year 2008, the budgeted amount for this contract is \$1,425,789.

The Fund through UAMPS purchased an interest in the Craig-Mona 345 kV transmission line. UAMPS owns 15% of the total line and the Fund has a 22.3% entitlement of UAMPS' share of the first segment which runs west from Craig, Colorado to the Bonanza Power Plant in northeast Utah. There are no take-or-pay obligations for the purchase of power in this agreement. The Fund is responsible for its share of the operations and maintenance costs associated with the line. The Fund paid \$102,411 for operations and maintenance for the fiscal year ended June 30, 2007. For fiscal year 2008, the budgeted amount for operations and maintenance is \$86,400. The Fund through UAMPS has leased approximately half of its entitlement to Pacificorp during the year. The Fund's share of the lease income is approximately \$300,000 per year.

Beginning on October 1, 2001, the Fund entered into an agreement with Deseret Power Electric Cooperative to purchase 10 megawatts during peak and 6 megawatts during off-peak. This is a take-or-pay contract which will continue through September 30, 2011. The Fund purchased power from Deseret Power via this contract totaling \$3,232,493 during the year ended June 30, 2007. For fiscal year 2008, the budgeted amount for this contract is \$3,608,040.

On June 16, 1999, the Fund, along with other members of UAMPS, entered into a Master Firm Power Supply Agreement with UAMPS for the purchase of firm power from the Idaho Power Company which has currently assigned the contract to Sempra Energy. Under the terms of the agreement, the Fund is responsible on a take-or-pay purchase for 10.08% of the total megawatts purchased by UAMPS through December 2007. The Fund purchased power via this contract totaling \$1,483,718 during the fiscal year ended June 30, 2007. For fiscal year 2008, the budgeted amount for this contract is \$871,194.

The Fund purchases power from, and sells power to, UAMPS and other members through the UAMPS PX system. The Fund is responsible for its budgeted share of UAMPS' operations and maintenance. The Fund received from UAMPS a net \$693,436 for the fiscal year ended June 30, 2007 for power purchases and sales, and operations and maintenance. For fiscal year 2008, the budgeted amount for this is a net receipt of \$563,610.

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

NOTE 22 REDEVELOPMENT AGENCY OF THE CITY OF BOUNTIFUL

For the year ended June 30, 2007, 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	\$ 486,529
District #5	144,602
<u>Project Area 2</u>	
District #3	66,652
<u>Project Area 3</u>	
District #3	281,934
District #5	1,655
	<u>\$ 981,372</u>
Tax increment paid to other taxing agencies	\$ -
Outstanding loans to finance RDA projects	\$ -
Amounts expended for site improvements and preparation costs	\$ 3,515,932
Amounts expended for acquisition of property	\$ -
Amounts expended for installation of public utilities and other public improvements	\$ -
Amounts expended for administrative costs	\$ 66,013

NOTE 23 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, 2007, there were two series of Industrial Revenue Bonds outstanding, having an outstanding principal balance of \$12,116,704.

NOTE 24 PRIOR PERIOD ADJUSTMENT

In FY2006, the City's Redevelopment Agency (Agency) received loan proceeds from the City's Capital Projects Fund in the amount of \$1,022,658. The Agency recorded these proceeds as a liability payable to the Capital Projects Fund. Since the Agency is a governmental fund, these proceeds should have been recorded as revenue. This prior period adjustment is required only in the fund financial statements. The need for the adjustment disappears when converting to the full-accrual, entity-wide financial statements.

SUPPLEMENTAL INFORMATION

CITY OF BOUNTIFUL
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2007

	<u>Special Revenue Fund</u>		<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Landfill Closure</u>	<u>Municipal Building Authority</u>	<u>Perpetual Care</u>	
Assets:				
Cash and cash equivalents	\$ -	\$ 261,737	\$ -	\$ 261,737
Accounts receivable	-	-	-	-
Interest receivable	-	170	782	952
Investments	-	48,257	-	48,257
Restricted assets:				
Cash and cash equivalents and investments	733,074	555,943	1,228,072	2,517,089
Total Assets	<u>\$ 733,074</u>	<u>\$ 866,107</u>	<u>\$ 1,228,854</u>	<u>\$ 2,828,035</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 1,650	\$ -	\$ 1,650
Unearned revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>1,650</u>	<u>-</u>	<u>1,650</u>
Fund Balances:				
Reserved for:				
Construction	-	308,514	-	308,514
Landfill closure	733,074	-	-	733,074
Perpetual care	-	-	1,228,854	1,228,854
Debt service	-	555,943	-	555,943
Total Fund Balances	<u>733,074</u>	<u>864,457</u>	<u>1,228,854</u>	<u>2,826,385</u>
Total Liabilities and Fund Balances	<u>\$ 733,074</u>	<u>\$ 866,107</u>	<u>\$ 1,228,854</u>	<u>\$ 2,828,035</u>

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2007

	Special Revenue Fund		Permanent Fund	Total Nonmajor Governmental Funds
	Landfill Closure	Municipal Building Authority	Perpetual Care	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	699,326	-	699,326
Interest on investments	37,633	42,235	59,473	139,341
Miscellaneous	-	-	45,490	45,490
Total Revenues	37,633	741,561	104,963	884,157
Expenditures:				
General government	-	1,651	-	1,651
Debt service:				
Principal	-	495,000	-	495,000
Interest	-	213,148	-	213,148
Total Expenditures	-	709,799	-	709,799
Excess (Deficiency) of Revenues Over (Under) Expenditures	37,633	31,762	104,963	174,358
Other Financing Sources (Uses):				
Transfer in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	37,633	31,762	104,963	174,358
Fund Balance, Beginning	695,441	832,695	1,123,891	2,652,027
Fund Balance, Ending	\$ 733,074	\$ 864,457	\$ 1,228,854	\$ 2,826,385

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 267,958	\$ 267,958	\$ 269,714	\$ 1,756
Interest on investments	8,548	8,548	13,515	4,967
Total Revenues	<u>276,506</u>	<u>276,506</u>	<u>283,229</u>	<u>6,723</u>
Expenditures:				
General government	11,030	11,030	11,010	20
Debt service:				
Principal	156,000	156,000	156,000	-
Interest	107,131	107,131	107,131	-
Total Expenditures	<u>274,161</u>	<u>274,161</u>	<u>274,141</u>	<u>20</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,345</u>	<u>2,345</u>	<u>9,088</u>	<u>6,743</u>
Other Financing Sources (Uses):				
Transfer in	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 2,345</u>	<u>\$ 2,345</u>	9,088	<u>\$ 6,743</u>
Fund Balance, Beginning			<u>273,760</u>	
Fund Balance, Ending			<u>\$ 282,848</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 689,371	\$ 689,371	\$ 699,326	\$ 9,955
Interest on investments	20,727	20,727	42,235	21,508
Total Revenues	<u>710,098</u>	<u>710,098</u>	<u>741,561</u>	<u>31,463</u>
Expenditures:				
General government	1,950	1,950	1,651	299
Debt service:				
Principal	495,000	495,000	495,000	-
Interest	213,148	213,148	213,148	-
Total Expenditures	<u>710,098</u>	<u>710,098</u>	<u>709,799</u>	<u>299</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>31,762</u>	<u>31,762</u>
Other Financing Sources (Uses):				
Transfer in	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>31,762</u>	<u>\$ 31,762</u>
Fund Balance, Beginning			<u>832,695</u>	
Fund Balance, Ending			<u>\$ 864,457</u>	

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – MAJOR CAPITAL PROJECTS FUND
For The Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 2,550,000	\$ 3,231,000	\$ 5,313,194	\$ 2,082,194
Interest on investments	500,000	500,000	984,481	484,481
Miscellaneous	-	-	63,426	63,426
Total Revenues	<u>3,050,000</u>	<u>3,731,000</u>	<u>6,361,101</u>	<u>2,630,101</u>
Expenditures:				
Capital outlay	9,957,814	10,638,814	3,428,120	7,210,694
Total Expenditures	<u>9,957,814</u>	<u>10,638,814</u>	<u>3,428,120</u>	<u>7,210,694</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,907,814)</u>	<u>(6,907,814)</u>	<u>2,932,981</u>	<u>9,840,795</u>
Other Financing Sources (Uses):				
Transfer in	-	-	59,334	59,334
Transfer out	(3,500,000)	(3,500,000)	(500,000)	3,000,000
Total Other Financing Sources (Uses)	<u>(3,500,000)</u>	<u>(3,500,000)</u>	<u>(440,666)</u>	<u>3,059,334</u>
Net Change in Fund Balance	<u>\$ (10,407,814)</u>	<u>\$ (10,407,814)</u>	<u>2,492,315</u>	<u>\$ 12,900,129</u>
Fund Balance, Beginning			<u>22,859,582</u>	
Fund Balance, Ending			<u>\$ 25,351,897</u>	

CITY OF BOUNTIFUL
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
June 30, 2007

Business-type Activities - Enterprise Funds

	Storm Water	Golf Course	Recreation	Sanitation	Cemetery	Total Nonmajor Enterprise Funds
Assets:						
Current Assets:						
Cash and cash equivalents	\$ 955,474	\$ 1,275,739	\$ 518,889	\$ 551,517	\$ 829,948	\$ 4,131,567
Accounts receivable, net	85,493	-	623	118,335	107,262	311,713
Interest receivable	729	882	407	737	581	3,336
Investments	176,164	229,825	95,669	101,685	153,020	756,363
Inventories	-	56,218	-	-	1,862	58,080
Total Current Assets	1,217,860	1,562,664	615,588	772,274	1,092,673	5,261,059
Noncurrent Assets:						
Notes receivable	-	-	-	-	156,010	156,010
Capital assets, net:						
Land, land rights and water rights	-	1,869,367	-	-	247,151	2,116,518
Buildings, wells and reservoirs	210,538	285,273	-	702,921	-	1,198,732
Improvements other than buildings	-	1,007,636	-	3,392	76,580	1,087,608
Transmission, distribution and collection systems	4,716,436	-	-	-	-	4,716,436
Machinery and equipment	187,960	249,456	-	672,840	65,151	1,175,407
Furniture and fixtures	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
Total Noncurrent Assets	5,114,934	3,411,732	-	1,379,153	544,892	10,450,711
Total Assets	\$ 6,332,794	\$ 4,974,396	\$ 615,588	\$ 2,151,427	\$ 1,637,565	\$ 15,711,770

**CITY OF BOUNTIFUL
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS (Continued)
June 30, 2007**

	Business-type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recreation	Sanitation	Cemetery	
Liabilities:						
Current Liabilities:						
Accounts payable	\$ 91,644	\$ 25,735	\$ -	\$ 2,339	\$ 998	\$ 120,716
Compensated absences	5,845	10,023	-	9,854	5,991	31,713
Accrued liabilities	10,765	69,142	-	11,256	9,395	100,558
Total Current Liabilities	108,254	104,900	-	23,449	16,384	252,987
Noncurrent Liabilities:						
Developer and customer deposits	35,740	-	-	-	-	35,740
Compensated absences	10,008	26,342	-	15,016	10,480	61,846
Total Noncurrent Liabilities	45,748	26,342	-	15,016	10,480	97,586
Total Liabilities	154,002	131,242	-	38,465	26,864	350,573
Net Assets:						
Invested in capital assets, net of related debt	5,114,934	3,411,732	-	1,379,153	388,882	10,294,701
Unrestricted	1,063,858	1,431,422	615,588	733,809	1,221,819	5,066,496
Total Net Assets	6,178,792	4,843,154	615,588	2,112,962	1,610,701	15,361,197
Total Liabilities and Net Assets	\$ 6,332,794	\$ 4,974,396	\$ 615,588	\$ 2,151,427	\$ 1,637,565	\$ 15,711,770

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
For The Year Ended June 30, 2007

	Business-type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recreation	Sanitation	Cemetery	
Operating Revenues:						
Charges for services	\$ 666,112	\$ -	\$ -	\$ 800,846	\$ 103,535	\$ 1,570,493
Connection and servicing	60,961	-	-	-	-	60,961
Admissions and lesson fees	-	773,169	70,087	-	-	843,256
Equipment and facility rents	-	377,538	17,503	-	4,850	399,891
Concession and merchandise sales	-	192,460	14,683	-	-	207,143
Sale of cemetery burial plots	-	-	-	-	248,641	248,641
Miscellaneous	201	1,802	2,355	68	2,050	6,476
Total Operating Revenues	727,274	1,344,969	104,628	800,914	359,076	3,336,861
Operating Expenses:						
Production, collection and source of supplies	470,977	-	-	-	-	470,977
Transmission, distribution and/or maintenance	-	738,295	139,873	467,127	219,100	1,564,395
Cost of concession and merchandise sales	-	122,083	9,071	-	-	131,154
General and administrative	135,466	166,917	31,283	148,895	79,926	562,487
Depreciation and amortization	488,722	166,340	47,361	212,277	27,814	942,514
Total Operating Expenses	1,095,165	1,193,635	227,588	828,299	326,840	3,671,527
Operating Income (Loss)	\$ (367,891)	\$ 151,334	\$ (122,960)	\$ (27,385)	\$ 32,236	\$ (334,666)

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Year Ended June 30, 2007

	Business-type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recreation	Sanitation	Cemetery	
Nonoperating Income (Expense):						
Interest income	\$ 59,190	\$ 68,723	\$ 31,919	\$ 64,273	\$ 43,821	\$ 267,926
Gain (loss) from sale of capital assets	-	(7,056)	(682,608)	-	-	(689,664)
Total Nonoperating Income (Expense)	59,190	61,667	(650,689)	64,273	43,821	(421,738)
Income (loss) before transfers	(308,701)	213,001	(773,649)	36,888	76,057	(756,404)
Transfers in	-	-	2,000	-	-	2,000
Transfers out	-	(2,000)	(59,334)	-	-	(61,334)
Changes in Net Assets	(308,701)	211,001	(830,983)	36,888	76,057	(815,738)
Net Assets, Beginning	6,487,493	4,632,153	1,446,571	2,076,074	1,534,644	16,176,935
Net Assets, Ending	\$ 6,178,792	\$ 4,843,154	\$ 615,588	\$ 2,112,962	\$ 1,610,701	\$ 15,361,197

CITY OF BOUNTIFUL
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For The Year Ended June 30, 2007

	Business-type Activities - Enterprise Funds					Total Nonmajor
	Storm Water	Golf Course	Recreation	Sanitation	Cemetery	Enterprise Funds
Cash Flows From Operating Activities:						
Receipts from customers and users	\$ 760,961	\$ 1,351,588	\$ 130,224	\$ 798,155	\$ 391,241	\$ 3,432,169
Payments to suppliers	(240,270)	(524,909)	(129,765)	(525,380)	(75,194)	(1,495,518)
Payments to employees and related benefits	(289,003)	(506,273)	(141,610)	(303,678)	(219,563)	(1,460,127)
Net cash flows from operating activities	231,688	320,406	(141,151)	(30,903)	96,484	476,524
Cash Flows From Non-Capital Financing Activities:						
Transfers in	-	-	2,000	-	-	2,000
Transfers out	-	(2,000)	-	-	-	(2,000)
Payment of note receivable	-	-	-	-	13,000	13,000
Net cash flows from non-capital financing activities	-	(2,000)	2,000	-	13,000	13,000
Cash Flows From Capital and Related Financing						
Purchase of capital assets	(430,658)	(73,576)	-	(1,015,783)	(11,000)	(1,531,017)
Proceeds from sales of capital assets	-	-	-	-	-	-
Net cash flows from capital and related financing activities	(430,658)	(73,576)	-	(1,015,783)	(11,000)	(1,531,017)
Cash Flows From Investing Activities:						
Interest on investments	64,462	73,328	35,204	72,177	47,394	292,565
Purchase of investments	(260,032)	(202,750)	(150,037)	(413,139)	(148,809)	(1,174,767)
Sale of investments	671,389	523,491	387,388	1,066,704	384,218	3,033,190
Net cash flows from investing activities	475,819	394,069	272,555	725,742	282,803	2,150,988
Net Increase (Decrease) In Cash and Cash Equivalents	276,849	638,899	133,404	(320,944)	381,287	1,109,495
Cash and Cash Equivalents, Beginning	678,625	636,840	385,485	872,461	448,661	3,022,072
Cash and Cash Equivalents, Ending	<u>\$ 955,474</u>	<u>\$ 1,275,739</u>	<u>\$ 518,889</u>	<u>\$ 551,517</u>	<u>\$ 829,948</u>	<u>\$ 4,131,567</u>

**CITY OF BOUNTIFUL
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Year Ended June 30, 2007**

	Business-type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recreation	Sanitation	Cemetery	
Reconciliation of operating income to net cash flows from operating activities:						
Earnings (loss) from operations	\$ (367,891)	\$ 151,334	\$ (122,960)	\$ (27,385)	\$ 32,236	\$ (334,666)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:						
Depreciation	488,722	166,340	47,361	212,277	27,814	942,514
Changes in assets and liabilities						
Accounts receivable, net	(2,052)	6,621	25,598	(2,760)	32,165	59,572
Inventories	-	(1,294)	-	-	3,408	2,114
Prepaid expenses				212	173	385
Accounts payable	73,258	(9,153)	(32,562)	(216,722)	(3,881)	(189,060)
Compensated absences	4,435	1,412	(21,831)	2,743	3,624	(9,617)
Accrued liabilities	(524)	5,146	(36,757)	732	945	(30,458)
Customer deposits	35,740	-	-	-	-	35,740
Net cash flows from operating activities	\$ 231,688	\$ 320,406	\$ (141,151)	\$ (30,903)	\$ 96,484	\$ 476,524

**CITY OF BOUNTIFUL
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
June 30, 2007**

	<u>Governmental Immunity</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 3,233,104	\$ 1,225,990	\$ 4,459,094
Interest receivable	2,554	917	3,471
Investments	596,097	223,048	819,145
Other receivables	-	7,985	7,985
Total Current Assets	<u>3,831,755</u>	<u>1,457,940</u>	<u>5,289,695</u>
Noncurrent Assets:			
Restricted cash and cash equivalents	491,266	-	491,266
Total Noncurrent Assets	<u>491,266</u>	<u>-</u>	<u>491,266</u>
Total Assets	<u>\$ 4,323,021</u>	<u>\$ 1,457,940</u>	<u>\$ 5,780,961</u>
Liabilities:			
Current Liabilities:			
Accounts payable	\$ 42,367	\$ 72,409	\$ 114,776
Accrued liabilities	2,508	1,301	3,809
Total Liabilities	<u>44,875</u>	<u>73,710</u>	<u>118,585</u>
Net Assets:			
Restricted for insurance deposit	491,266	-	491,266
Unrestricted	3,786,880	1,384,230	5,171,110
Total Net Assets	<u>4,278,146</u>	<u>1,384,230</u>	<u>5,662,376</u>
Total Liabilities and Net Assets	<u>\$ 4,323,021</u>	<u>\$ 1,457,940</u>	<u>\$ 5,780,961</u>

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS
For The Year Ended June 30, 2007

	Governmental Immunity	Workers' Compensation Self-Insurance	Total Internal Service Funds
Operating Revenues:			
Charges for services	\$ 252,851	\$ 213,593	\$ 466,444
Miscellaneous	4,271	-	4,271
Total Operating Revenues	257,122	213,593	470,715
Operating Expenses:			
Claims	73,197	150,023	223,220
General and administrative	431,439	81,273	512,712
Total Operating Expenses	504,636	231,296	735,932
Operating Income (Loss)	(247,514)	(17,703)	(265,217)
Nonoperating Income (Expense):			
Interest income	220,872	70,012	290,884
Transfer in	500,000	-	500,000
Total Nonoperating Income (Expense)	720,872	70,012	790,884
Changes in Net Assets	473,358	52,309	525,667
Net Assets, Beginning	3,804,788	1,331,921	5,136,709
Net Assets, Ending	\$ 4,278,146	\$ 1,384,230	\$ 5,662,376

**CITY OF BOUNTIFUL
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended June 30, 2007**

	Governmental Immunity	Workers' Compensation Self-Insurance	Total Internal Service Funds
Cash Flows From Operating Activities:			
Receipts from customers and users	\$ 257,122	\$ 213,221	\$ 470,343
Payments to suppliers	(419,251)	(177,561)	(596,812)
Payments to employees and related benefits	(68,300)	(32,615)	(100,915)
Net cash flows from operating activities	(230,429)	3,045	(227,384)
Cash Flows From Non-Capital Financing Activities:			
Transfers in	500,000	-	500,000
Net cash flows from non-capital financing activities	500,000	-	500,000
Cash Flows From Investing Activities:			
Interest on investments	236,139	75,692	311,831
Purchase of investments	(604,572)	(252,423)	(856,995)
Sale of investments	1,560,974	651,745	2,212,719
Net cash flows from investing activities	1,192,541	475,014	1,667,555
Net Increase (Decrease) In Cash and Cash Equivalents	1,462,112	478,059	1,940,171
Cash and Cash Equivalents, Beginning	2,262,258	747,931	3,010,189
Cash and Cash Equivalents, Ending	\$ 3,724,370	\$ 1,225,990	\$ 4,950,360
Reconciliation of operating income to net cash flows from operating activities:			
Earnings (loss) from operations	\$ (247,514)	\$ (17,703)	\$ (265,217)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:			
Changes in assets and liabilities			
Accounts receivable, net	-	(372)	(372)
Accounts payable	16,734	20,998	37,732
Accrued liabilities	351	122	473
Net cash flows from operating activities	\$ (230,429)	\$ 3,045	\$ (227,384)

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 Five Fiscal Years
(accrual basis of accounting)
Table 1

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental Activities					
Investment in capital assets, net of related debt	\$ 61,785,831	\$ 70,459,760	\$ 71,268,430	\$ 70,692,139	\$ 72,416,321
Restricted	8,282,356	3,953,521	3,284,509	3,101,313	3,282,662
Unrestricted	27,804,721	27,790,705	30,373,608	34,658,388	35,622,767
Total governmental activities net assets	<u>\$ 97,872,908</u>	<u>\$ 102,203,986</u>	<u>\$ 104,926,547</u>	<u>\$ 108,451,840</u>	<u>\$ 111,321,750</u>
Business-type Activities					
Invested in capital assets, net of related debt	\$ 49,421,303	\$ 45,308,841	\$ 43,449,928	\$ 43,003,449	\$ 47,670,598
Restricted	557,822	557,822	-	-	-
Unrestricted	33,647,092	33,218,936	34,597,312	36,228,914	34,576,315
Total business-type activities net assets	<u>\$ 83,626,217</u>	<u>\$ 79,085,599</u>	<u>\$ 78,047,240</u>	<u>\$ 79,232,363</u>	<u>\$ 82,246,913</u>
Primary Government					
Invested in capital assets, net of related debt	\$ 111,207,134	\$ 115,768,601	\$ 114,718,358	\$ 113,695,588	\$ 120,086,919
Restricted	8,840,178	4,511,343	3,284,509	3,101,313	3,282,662
Unrestricted	61,451,813	61,009,641	64,970,920	70,887,302	70,199,082
Total primary government net assets	<u>\$ 181,499,125</u>	<u>\$ 181,289,585</u>	<u>\$ 182,973,787</u>	<u>\$ 187,684,203</u>	<u>\$ 193,568,663</u>

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Government Activities:					
General governmental	\$ 2,355,754	\$ 2,558,680	\$ 2,728,127	\$ 2,950,798	\$ 2,994,503
Public safety	6,739,630	6,996,107	7,233,939	7,348,694	7,689,386
Highways and streets	2,973,489	3,345,738	3,307,057	3,443,672	3,555,738
Planning and engineering	929,609	943,017	959,797	964,072	1,038,121
Parks	621,543	652,659	655,328	686,785	761,014
Redevelopment	40,586	115,585	368,906	1,431,999	3,595,301
Interest on long-term debt	203,374	405,936	386,903	353,735	327,906
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>
Business-type Activities:					
Water	2,097,791	2,306,064	2,556,365	2,569,321	2,934,761
Light and Power	17,671,515	698,890	19,641,972	19,933,617	20,388,969
Landfill	844,780	19,638,313	1,137,119	897,504	900,325
Storm Water	755,070	819,334	1,109,633	1,034,785	1,095,165
Sewer (1)	951,187	798,324	-	-	-
Golf Course	1,108,974	1,067,225	1,109,632	1,081,306	1,200,691
Recreation	1,411,958	1,441,275	1,450,748	1,447,709	910,196
Sanitation	610,181	649,385	672,534	710,080	828,299
Cemetery	206,055	261,099	262,639	283,273	326,840
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>
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>
Program Revenues					
Government Activities:					
Charges for Services	\$ 3,324,538	\$ 3,127,555	\$ 3,122,542	\$ 3,341,596	\$ 3,702,424
Operating Grants and Contributions	1,437,913	1,528,072	1,130,144	1,323,644	1,414,754
Capital Grants and Contributions	-	100,000	533,800	62,362	63,426
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>
Business-type Activities:					
Charges for Services:					
Water	1,836,458	1,916,585	2,012,075	2,100,134	2,150,143
Light and Power	18,519,535	19,488,673	20,373,836	22,341,458	22,876,122
Landfill	908,355	1,005,869	1,103,032	1,089,457	1,518,175
Storm Water	674,835	678,596	716,014	689,869	727,274
Sewer (1)	758,032	715,330	-	-	-
Golf Course	1,127,153	1,196,286	1,171,183	1,248,845	1,344,969
Recreation	1,043,849	959,488	951,597	952,557	104,628
Sanitation	765,774	775,491	771,547	790,320	800,914
Cemetery	247,560	219,246	269,967	282,281	359,076
Capital grants and contributions	1,192,746	502,610	537,465	673,468	2,728,585
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>
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>
Net (expense)/revenue					
Governmental activities	\$ (9,101,534)	\$ (10,262,095)	\$ (10,853,571)	\$ (12,452,153)	\$ (14,781,365)
Business-type activities	1,416,786	(221,735)	(33,926)	2,210,794	4,024,640
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>

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

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

	Fiscal Year				
	2003	2004	2005	2006	2007
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
Sales taxes	4,528,974	4,918,313	5,029,511	5,654,737	6,254,318
Franchise taxes	2,281,391	2,483,870	2,951,450	3,114,632	3,270,918
Interest on investments	761,354	618,754	869,986	1,419,877	1,919,796
Other	528,134	185,431	202,702	401,417	210,809
Gain (loss) on sale of capital assets	4,105	52,415	(224,895)	-	-
Special items	(1,702,049)	-	-	-	-
Transfers	1,578,165	1,582,914	1,628,449	2,072,867	2,488,329
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>
Business-type Activities:					
Sales taxes	241,682	-	-	-	-
Interest on investments	482,858	418,461	624,016	1,037,739	1,478,239
Gain (loss) on sale of capital assets	(2,818)	(32,794)	-	9,457	-
Special items	(950,724)	-	-	-	-
Transfers	(1,578,165)	(1,582,914)	(1,628,449)	(2,072,867)	(2,488,329)
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>
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>
Change in Net Assets					
Governmental activities	\$ 1,750,884	\$ 2,669,379	\$ 2,722,561	\$ 3,525,293	\$ 2,869,910
Business-type activities	(390,381)	(4,540,618)	(1,038,359)	1,185,123	3,014,550
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>

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ -	\$ 55,416	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,542,476	1,543,653	1,552,955	1,843,998	1,353,625	2,114,778	2,083,648	2,125,154	2,107,765	2,269,106
Total General Fund	<u>\$ 1,542,476</u>	<u>\$ 1,599,069</u>	<u>\$ 1,552,955</u>	<u>\$ 1,843,998</u>	<u>\$ 1,353,625</u>	<u>\$ 2,114,778</u>	<u>\$ 2,083,648</u>	<u>\$ 2,125,154</u>	<u>\$ 2,107,765</u>	<u>\$ 2,269,106</u>
All other governmental funds										
Reserved	\$ 4,809,126	\$ 4,549,256	\$ 4,122,908	\$ 324,491	\$ 187,699	\$ 8,219,595	\$ 2,768,576	\$ 3,083,275	\$ 2,925,787	\$ 3,109,233
Unreserved, reported in:										
Capital projects funds	7,309,975	9,868,179	12,559,744	13,097,377	13,786,572	16,018,441	16,667,805	18,321,800	22,859,581	25,351,897
Special revenue funds	1,832,954	1,117,156	1,526,395	2,149,621	3,694,789	4,058,611	4,687,677	4,473,103	4,082,921	5,936,165
Debt service funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 13,952,055</u>	<u>\$ 15,534,591</u>	<u>\$ 18,209,047</u>	<u>\$ 15,571,489</u>	<u>\$ 17,669,060</u>	<u>\$ 28,296,647</u>	<u>\$ 24,124,058</u>	<u>\$ 25,878,178</u>	<u>\$ 29,868,289</u>	<u>\$ 34,397,295</u>

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Taxes (see Table 5)	\$ 8,432,074	\$ 8,776,425	\$ 9,018,296	\$ 10,005,500	\$ 10,268,813	\$ 9,682,709	\$ 10,491,960	\$ 11,099,890	12,083,285	13,032,340
Licenses and permits	672,688	620,468	690,729	679,710	614,790	899,922	752,419	745,235	966,550	881,988
Intergovernmental	1,486,885	1,420,041	1,546,707	1,557,195	1,479,029	1,506,587	1,694,238	1,238,950	1,393,643	1,480,425
Charges for services	1,391,063	1,631,673	1,727,133	1,915,137	2,413,087	2,310,175	2,283,123	2,264,069	2,187,715	2,663,567
Fines and forfeitures	115,932	104,218	115,200	113,532	113,606	102,338	88,090	85,941	102,177	129,968
Interest on investments	855,094	920,411	1,096,828	1,376,392	611,000	641,133	532,714	741,189	1,214,233	1,628,912
Miscellaneous	526,189	481,763	365,255	409,131	290,454	260,025	187,287	811,249	844,997	391,408
Total Revenues	13,479,925	13,954,999	14,560,148	16,056,597	15,790,779	15,402,889	16,029,831	16,986,523	18,792,600	20,208,608
Expenditures										
General government	1,925,582	1,863,325	2,008,786	2,011,601	2,102,765	2,182,048	2,387,560	2,405,183	2,489,393	2,569,487
Public safety	5,018,755	5,197,614	5,567,989	5,835,933	5,751,425	5,869,759	6,073,026	6,289,379	6,246,997	6,746,188
Highways and streets	1,379,273	1,365,671	1,387,275	1,499,076	1,623,619	2,105,411	2,465,470	2,445,684	2,431,779	2,605,986
Planning and engineering	748,731	787,521	822,000	925,826	857,448	903,685	916,338	917,673	944,770	1,013,028
Parks	356,504	359,447	367,709	388,056	430,771	472,386	493,190	491,351	517,981	569,948
Redevelopment	28,617	23,966	23,438	23,573	25,596	28,325	163,774	997,144	1,857,416	3,581,945
Capital outlay	2,796,660	5,309,970	2,712,397	2,190,553	3,272,545	1,957,564	8,757,968	2,722,764	1,434,255	3,428,120
Forgiveness of advance - L & P Fund	-	-	-	6,708,456	-	-	-	-	-	-
Debt service:										
Bond issuance costs	-	-	-	-	-	274,064	2,242	-	-	-
Principal	258,630	324,506	395,000	415,000	806,000	164,000	243,000	521,000	631,000	651,000
Interest and fiscal charges	279,851	305,398	254,934	226,222	188,175	147,374	387,888	376,998	357,555	320,279
Total expenditures	12,792,603	15,537,418	13,539,528	20,224,296	15,058,344	14,104,616	21,890,456	17,167,176	16,911,146	21,485,981
Excess of revenues over (under) expenditures	\$ 687,322	\$ (1,582,419)	\$ 1,020,620	\$ (4,167,699)	\$ 732,435	\$ 1,298,273	\$ (5,860,625)	\$ (180,653)	1,881,454	(1,277,373)

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

	Fiscal Year									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Other financing sources (uses):										
Operating transfers in	\$ 2,703,610	\$ 2,873,352	\$ 2,482,859	\$ 2,713,281	\$ 2,749,854	\$ 2,557,841	\$ 2,324,262	\$ 2,408,392	2,575,680	2,488,329
Operating transfers out	(974,106)	(1,014,804)	(875,137)	(892,097)	(3,165,388)	(979,676)	(741,348)	(531,408)	(502,813)	(500,000)
Bond/Loan proceeds	-	1,363,000	-	-	-	-	-	-	-	2,947,732
Contributions	-	-	-	-	-	346,706	-	-	-	-
Sale of bonds	-	-	-	-	-	6,593,039	-	-	-	-
Sale of assets	-	-	-	-	-	61,820	73,992	99,295	18,401	9,000
Total other financing sources (uses)	<u>1,729,504</u>	<u>3,221,548</u>	<u>1,607,722</u>	<u>1,821,184</u>	<u>(415,534)</u>	<u>8,579,730</u>	<u>1,656,906</u>	<u>1,976,279</u>	<u>2,091,268</u>	<u>4,945,061</u>
Net change in fund balances	<u>\$ 2,416,826</u>	<u>\$ 1,639,129</u>	<u>\$ 2,628,342</u>	<u>\$ (2,346,515)</u>	<u>\$ 316,901</u>	<u>\$ 9,878,003</u>	<u>\$ (4,203,719)</u>	<u>\$ 1,795,626</u>	<u>3,972,722</u>	<u>3,667,688</u>
Debt service as a percentage of non-capital expenditures	5.69%	6.56%	6.39%	3.69%	9.21%	2.55%	4.80%	6.21%	6.36%	5.36%

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

Fiscal Year	Property Taxes	Sales and Use Taxes	Franchise Taxes	Fees in Lieu of Property Tax	Total
1998	\$ 1,698,335	\$ 4,703,922	\$ 1,628,126	\$ 401,691	\$ 8,432,074
1999	1,751,132	5,005,574	1,637,717	382,002	8,776,425
2000	1,821,837	5,147,313	1,684,171	364,975	9,018,296
2001	2,089,719	5,378,881	2,140,424	396,476	10,005,500
2002	1,863,136	5,727,070	2,337,390	341,217	10,268,813
2003	1,943,382	5,089,576	2,281,391	368,360	9,682,709
2004	2,685,956	4,918,313	2,483,870	403,821	10,491,960
2005	2,786,040	5,029,511	2,951,451	332,888	11,099,890
2006	3,003,132	5,654,737	3,114,632	310,784	12,083,285
2007	3,245,271	6,254,318	3,270,918	261,833	13,032,340

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

	Fiscal Year									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Taxable value (in thousands) (1)	\$ 1,659,059	\$ 1,489,590	\$ 1,547,032	\$ 1,646,590	\$ 1,645,842	\$ 1,660,272	\$ 1,677,734	\$ 1,734,127	\$ 1,904,663	\$ 2,462,479
Estimated actual value	\$ 2,367,491	\$ 2,463,280	\$ 2,539,961	\$ 2,665,220	\$ 2,685,714	\$ 2,712,016	\$ 2,760,740	\$ 2,848,812	\$ 3,051,402	\$ 4,991,545
Ratio of assessed value to estimated actual value	70.1%	60.5%	60.9%	61.8%	61.3%	61.2%	60.8%	60.9%	62.4%	49.3%
Direct rate mil levy	0.012686	0.011575	0.011427	0.011645	0.011672	0.012148	0.012242	0.012549	0.011751	0.011761

(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.

Source: Davis County Auditor's Office

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

Overlapping Rates										
Fiscal Year	Total Direct	Davis County School District	Davis County	Weber Basin Water	Mosquito Abatement District	Bountiful Water Subconservancy District	South Davis Sewer District	City of Bountiful	Davis County Library	South Davis Recreation District
1998	0.012686	0.007604	0.002648	0.000145	0.000123	0.000126	0.000424	0.001318	0.000298	-
1999	0.011575	0.007393	0.001833	0.000139	0.000120	0.000123	0.000415	0.001260	0.000292	-
2000	0.011427	0.007370	0.001769	0.000139	0.000064	0.000122	0.000408	0.001270	0.000285	-
2001	0.011645	0.007600	0.001664	0.000193	0.000061	0.000143	0.000358	0.001195	0.000431	-
2002	0.011672	0.007610	0.001650	0.000193	0.000061	0.000150	0.000361	0.001216	0.000431	-
2003	0.012148	0.007731	0.001954	0.000196	0.000094	0.000152	0.000364	0.001223	0.000434	-
2004	0.012242	0.007821	0.001948	0.000198	0.000093	0.000153	0.000366	0.001231	0.000432	-
2005	0.012549	0.007684	0.001921	0.000193	0.000091	0.000147	0.000357	0.001194	0.000426	0.000536
2006	0.011751	0.007305	0.001739	0.000178	0.000086	0.000139	0.000341	0.001119	0.000403	0.000441
2007	0.011761	0.007176	0.002189	0.000200	0.000099	0.000115	0.000305	0.000912	0.000375	0.000390

Source: Davis County Clerk Auditor's Office

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

Taxpayer	December 31, 2006 taxable valuation			December 31, 1998 taxable valuation		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hospital Corporation of Utah	\$ 29,500,676	1	1.55 %	\$ 13,757,249	2	1.04 %
MABEK	13,961,700	2	0.74	3,841,349	6	0.29
Qwest Corporation	13,327,666	3	0.70	18,505,800	1	1.40
RTC Mountainwest Medical	11,317,860	4	0.60			
Questar Gas	7,088,676	5	0.37	5,930,520	4	0.45
Bill Olson Investment, LTD	5,681,560	6	0.30	3,001,687	10	0.23
Winegar, Richard T. & Karleen A.	5,267,795	7	0.28	5,945,283	3	0.45
MBA Properties	4,902,520	8	0.26			
IHC Health Services, Inc.	4,742,867	9	0.25			
Tegra Lakeview Associates, LC	4,677,270	10	0.25			
Health Care Property Investors, Inc.				3,875,010	5	0.29
Bel Air Sheet Metal and Tube, Et Al				3,255,682	7	0.25
Terteling Land Company				3,145,029	8	0.24
Carrington Properites				3,061,596	9	0.23
	<u>\$ 100,468,590</u>			<u>\$ 64,319,205</u>		
Taxable Value			\$ 1,904,663,000			\$ 1,659,059,000

Source : Davis County Clerk Auditors Office

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

<u>Fiscal Year Ended June 30,</u>	<u>Total Tax Levy for Fiscal Year</u> (2)	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collection in Subsequent Years</u> (1)	<u>Total Collections to Date</u>	
		<u>Amount</u> (1)	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
1997	\$ 1,762,818	\$ 1,709,114	97.0 %	\$ 76,208	\$ 1,785,322	101.3 %
1998	2,129,116	2,041,936	95.9	81,057	2,122,993	99.7
1999	2,174,506	2,090,435	96.1	91,894	2,182,329	100.4
2000	2,213,173	2,152,410	97.3	85,394	2,237,804	101.1
2001	2,548,960	2,431,777	95.4	100,266	2,532,043	99.3
2002	2,300,699	2,200,837	95.7	70,946	2,271,783	98.7
2003	2,344,741	2,233,201	95.2	91,313	2,324,514	99.1
2004	2,409,170	2,317,429	96.2	65,757	2,383,186	98.9
2005	2,326,636	2,235,848	96.1	60,718	2,296,566	98.7
2006	2,288,650	2,192,503	95.8	55,244	2,247,747	98.2
2007	2,301,226	2,199,574	95.6	35,159	2,234,733	97.1

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

Payments are not considered delinquent until after November 30.

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

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

Fiscal Year Ended June 30,	Electric Metered Sales	Industrial Customer Sales (1)	Miscellaneous (2)	Total Charges for Services	Charge Per Kilowatt Hour (3)
1998	\$ 11,686,720	\$ 1,584,712	\$ 22,915	\$ 13,294,347	\$ 0.0552
1999	11,831,311	1,623,069	24,553	13,478,933	0.05517
2000	12,575,266	1,634,827	82,898	14,292,991	0.05517
2001	14,127,814	2,118,522	114,069	16,360,405	0.06070
2002	15,857,090	2,303,648	94,202	18,254,940	0.06860
2003	15,960,987	2,128,003	321,581	18,410,571	0.06860
2004	16,828,516	2,058,474	152,312	19,039,302	0.06860
2005	17,920,997	2,049,550	248,414	20,218,961	0.07550
2006	19,357,227	2,236,492	53,388	21,647,107	0.08000
2007	20,241,626	2,238,864	50,812	22,531,302	0.08000

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income	Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Notes Payable	Revenue Bonds	Notes Payable				
1998	\$ -	\$ -	\$ 3,622,000	\$ 617,050	\$ -	\$ -	\$ 4,239,050	0.53	\$ 803,468,050	\$ 106
1999	-	-	4,670,000	10,000	-	-	4,680,000	0.57	827,649,743	116
2000	-	-	4,275,000	-	-	-	4,275,000	0.48	884,860,488	104
2001	-	-	3,860,000	-	-	-	3,860,000	0.42	927,059,707	92
2002	-	-	3,054,000	-	-	-	3,054,000	0.34	894,915,255	72
2003	-	2,710,000	6,680,000	-	-	-	9,390,000	1.06	882,488,271	218
2004	-	2,640,000	6,507,000	-	-	-	9,147,000	1.01	909,848,665	211
2005	-	2,492,000	6,134,000	-	-	-	8,626,000	0.95	909,037,166	199
2006	-	2,340,000	5,655,000	-	-	-	7,995,000	0.81	982,008,705	184
2007	-	2,184,000	5,160,000	-	-	-	7,344,000	N/A	N/A	169

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

N/A = Data not available.

Population from Census Bureau, Wasatch Front Regional Council and City estimates.

Income number from State Tax Commission - federal return data by City (AGI).

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

Fiscal Year Ended June 30,	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
1998	\$ -	\$ -	\$ -	-	% \$ -
1999	-	-	-	-	-
2000	-	-	-	-	-
2001	-	-	-	-	-
2002	-	-	-	-	-
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-

CITY OF BOUNTIFUL
Direct and Overlapping Governmental Activities Debt
As of June 30, 2007
Table 13

	<u>Total debt</u>	<u>Applicable to City</u>		<u>Debt ratios</u>		
			<u>Percentage</u>	<u>Amount</u>	To taxable value of \$ 1,904,663,000	To fair market value of \$3,051,402,000
Direct general obligation debt	\$ -	100.00%	\$ -	0.00%	0.00%	\$ 0.00
Overlapping debt:						
State of Utah (1)	\$ -		\$ -			
Weber Basin Water Conservancy District	33,806,619	6.30%	2,129,817			
Davis County	23,745,000	15.86%	3,765,957			
Davis School District	270,365,000	10.93%	29,550,895			
South Davis Recreation District	17,590,000	43.46%	7,644,614			
Total Overlapping debt	<u>345,506,619</u>		<u>43,091,283</u>			
Total applicable to the City	<u>\$ 345,506,619</u>		<u>\$ 43,091,283</u>	2.26%	1.41%	\$ 989

(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.

Source: Davis County Auditor

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit - 12% of total assessed value	\$ 167,988	\$ 174,788	\$ 180,420	\$ 194,716	\$ 192,664	\$ 195,502	\$ 201,005	\$ 195,527	\$ 208,095	\$ 228,560
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 167,988</u>	<u>\$ 174,788</u>	<u>\$ 180,420</u>	<u>\$ 194,716</u>	<u>\$ 192,664</u>	<u>\$ 195,502</u>	<u>\$ 201,005</u>	<u>\$ 195,527</u>	<u>\$ 208,095</u>	<u>\$ 228,560</u>
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-

Legal Debt Margin Calculation for Fiscal Year 2007

Total assessed value	\$ 1,904,663
Debt limit (12% of total assessed value)	228,560
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 228,560</u>

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		
Revenue Bonds - Governmental Activities											
1998	\$ 232,328	\$ -	\$ 232,328	\$ 63,000.00	\$ 213,425	0.84 %	\$ -	\$ -	\$ -	- %	
1999	338,072	-	338,072	315,000	253,565	0.59	-	-	-	-	
2000	339,953	-	339,953	395,000	246,647	0.53	-	-	-	-	
2001	343,007	-	343,007	415,000	226,222	0.53	-	-	-	-	
2002	312,643	-	312,643	806,000	188,175	0.31	-	-	-	-	
2003	310,949	-	310,949	164,000	147,374	1.00	-	-	-	-	
2004	323,428	-	323,428	173,000	272,318	0.73	196,616	70,000	115,570	1.06	
2005	551,057	-	551,057	373,000	261,746	0.87	273,390	148,000	115,252	1.04	
2006	590,501	-	590,501	479,000	246,092	0.81	180,510	152,000	111,463	0.69	
2007	741,561	1,651	739,910	495,000	213,148	1.04	269,714	156,000	107,131	1.03	

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

Fiscal Year Ended June 30,	Population (1)	Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income	Number of residents 18 years and older (1)	School Enrollment (3)	Unemployment Rate (4)
1998	40,119	\$ 803,468	\$ 20,027	26,074	10,751	2.70 %
1999	40,427	827,650	20,473	26,274	10,948	3.30
2000	41,301	884,860	21,425	26,842	10,713	3.10
2001	41,986	927,060	22,080	27,287	10,715	4.00
2002	42,534	894,915	21,040	27,643	10,710	5.00
2003	43,076	882,488	20,487	27,995	10,457	5.10
2004	43,323	909,849	21,002	28,156	10,151	4.70
2005	43,449	909,037	20,922	28,238	10,281	4.00
2006	43,350	982,009	22,653	28,173	10,234	2.90
2007	43,576	N/A	N/A	N/A	10,046	2.60

N/A = Data not available.

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

(2) Utah State Tax Commission.

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

(4) Utah Department of Workforce Services -All rates are annual, except for the final year, which rate is as of September 2007.

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

Taxpayer	2007			1999		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Hospital Corporation of Utah	500 - 999	1	7.68 - 8.62 %	N/A	N/A	N/A
South Davis Community Hospital	500 - 999	2	7.68 - 8.62	N/A	N/A	N/A
BCBU, Inc.	250 - 499	3	3.84 - 4.31	N/A	N/A	N/A
City of Bountiful	250 - 499	4	2.84 - 3.08	N/A	N/A	N/A
Bountiful High School	100 - 249	5	1.72 - 1.91	N/A	N/A	N/A
Viewmont High School	100 - 249	6	1.72 - 1.91	N/A	N/A	N/A
Dick's Market	100 - 249	7	1.72 - 1.91	N/A	N/A	N/A
Smith's Marketplace	100 - 249	8	1.72 - 1.91	N/A	N/A	N/A
WSI Personnel	100 - 249	9	1.72 - 1.91	N/A	N/A	N/A
Developers Investment Company	100 - 249	10	1.72 - 1.91	N/A	N/A	N/A
Total	<u>2,015 - 4,391</u>		<u>32.36 - 36.09 %</u>	<u>-</u>		<u>-</u>

N/A = Data not available.

Source: Utah Department of Workforce Services

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Department										
General Fund										
Legislative	5	6	6	7	6	6	6	6	6	6
Legal	3	3	3	3	3	3	3	3	3	3
Executive	2	2	2	3	2	2	2	2	3	4
Information Systems	4	4	4	4	4	4	4	4	4	4
Administrative	4	5	5	6	6	6	6	6	6	6
Treasurer	10	8	7	8	7	8	9	8	8	8
Government Buildings	2	1	0	1	1	2	2	2	3	1
Police	84	98	81	89	86	89	85	84	88	85
Fire (1)	37	39	39	41	41	40	38	0	0	0
Streets	27	26	25	25	22	21	21	20	21	21
Engineering	6	8	10	10	10	10	12	10	12	10
Parks	17	12	16	20	21	20	25	22	21	20
Planning	2	2	2	3	3	3	2	2	4	4
General Fund Total	<u>203</u>	<u>214</u>	<u>200</u>	<u>220</u>	<u>212</u>	<u>214</u>	<u>215</u>	<u>169</u>	<u>179</u>	<u>172</u>
Enterprise Funds										
Storm Water	2	2	3	3	3	2	2	3	3	2
Water	19	21	18	17	20	19	17	17	18	21
Light and Power	41	42	46	46	46	54	48	48	51	43
Golf	35	36	41	41	43	45	45	44	46	41
Pools (3)	84	81	83	83	88	86	86	73	65	0
Recreation (3)	55	41	49	63	55	47	52	45	22	0
Ice Arena (3)	36	32	35	48	31	34	30	33	33	0
Landfill	9	9	9	8	10	10	10	9	9	9
Sanitation	5	5	4	5	5	5	5	5	5	5
Cemetery	10	10	10	9	7	8	9	10	8	11
Enterprise Fund Total	<u>296</u>	<u>279</u>	<u>298</u>	<u>323</u>	<u>308</u>	<u>310</u>	<u>304</u>	<u>287</u>	<u>260</u>	<u>132</u>
Internal Service Funds										
Risk Management (2)	-	-	-	-	-	-	-	-	-	-
Workers Compensation (2)	-	-	-	-	-	-	-	-	-	-
Internal Service Fund Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Redevelopment Agency										
Redevelopment Agency (2)	-	-	-	-	-	-	-	-	-	-
Total Positions	<u>499</u>	<u>493</u>	<u>498</u>	<u>543</u>	<u>520</u>	<u>524</u>	<u>519</u>	<u>456</u>	<u>439</u>	<u>304</u>

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

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

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Fire protection:										
Number of stations	2	2	2	2	2	2	2	2	2	2
Sworn full-time fire fighters (1)	18	19	19	19	19	19	19	-	-	-
Sworn part-time fire fighters (1)	35	27	27	27	28	29	27	-	-	-
Police protection:										
Number of policemen and officers	33	33	33	33	33	33	34	34	34	36
Number of police reserve officers	10	6	6	6	6	10	10	10	10	10
Planning and Engineering:										
Number of street lights	2,000	2,002	2,045	2,077	2,099	2,104	2,108	2,112	2,119	2,120
Area (square miles)	13	13	13	13	13	13	13	14	14	14
Miles of streets	138	141	142	144	144	158	159	158	158	158
Public Services:										
Recreation and culture:										
Number of municipal parks	18	18	18	18	19	19	19	19	19	16
Number of municipal picnic areas	14	14	14	14	15	15	15	13	13	21
Number of municipal tennis courts	21	21	21	21	21	21	21	21	21	23
Number of municipal soccer fields	1	1	-	-	3	3	3	5	5	5
Number of municipal ball diamonds	10	10	10	10	10	10	10	9	9	10
Number of municipal golf courses	1	1	1	1	1	1	1	1	1	1
Number of ice arenas (3)	1	1	1	1	1	1	1	1	1	1
Number of swimming pools (3)	1	1	1	1	1	1	1	1	1	1
Municipal power plants:										
Number of customers	14,264	14,087	15,019	15,178	15,357	15,510	15,674	15,986	15,938	16,057
Miles of distribution and transmission lines	208	208	208	219	238	226	226	226	228	228
Municipal water plants:										
Number of customers	9,819	9,867	9,997	10,084	10,171	10,296	10,396	10,532	10,559	10,609
Miles of water mains	153	157	158	160	160	168	168	170	171	171
Storm Water Utility:										
Miles of storm water lines (encased)	37	38	40	42	42	72	73	73	73	73
Miles of storm water lines (concrete lined)	3	3	3	3	3	4	4	4	4	4
Public Libraries (2)	1	1	1	1	1	1	1	1	1	1

(1) Fire operations were transferred to South Davis Metro Fire Agency in December 2004.
(2) Owned and operated by Davis County.
(3) Owned and operated by the South Davis Recreation District beginning in the first quarter of 2007

Miscellaneous Statistics - Most current information only

Date of Incorporation	December 14, 1892
Form of government	Manager
Election data:	
Registered (active voters), November 2005	26,557
Number of votes cast in 2005 local election	5,647
Percentage of registered voters voting	21.26%

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Function/Program										
General Governmental:										
Ordinances passed	22	22	17	17	20	19	21	16	11	15
Resolutions passed	11	10	7	5	13	6	11	4	5	3
Public Safety:										
Hazardous citations written	N/A	N/A	2,314	2,204	2,236	1,745	1,817	1,765	2,062	N/A
Non-hazardous citations written	N/A	N/A	1,126	1,074	1,186	856	997	1,155	1,826	N/A
Arrests	N/A	N/A	1,516	1,206	1,855	1,843	1,675	1,214	1,855	N/A
Highways and Streets:										
Miles of street overlaid	7	6	N/A	N/A	9	9	N/A	8	7	5
Miles of street reconstructed	N/A	N/A	N/A	N/A	1	1	N/A	-	1	1
Planning and Engineering:										
Building Permits Issued	157	108	108	96	80	130	103	106	109	60
Municipal Water:										
Average daily gallons consumed	4,375,000	4,618,668	5,020,276	4,879,764	4,199,270	4,531,659	4,576,573	4,136,849	4,114,800	4,198,928
Municipal Power:										
Kilowatt hours sold	256,427,602	262,208,282	278,000,577	289,241,881	280,643,742	281,722,447	286,843,005	286,063,769	289,901,723	301,405,855
Storm Water:										
Miles of storm sewers inspected	N/A	N/A	N/A	N/A	N/A	7	7	7	7	4
Miles of streets cleaned	N/A	N/A	N/A	N/A	N/A	317	318	316	316	316
Sanitation:										
Tons of waste collected and landfilled	39,315	59,413	41,760	45,202	41,842	41,924	79,998	115,880	97,138	118,034

N/A = Data not available.

