

# CITY OF BOUNTIFUL, UTAH

## Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2006

**Joe L. Johnson – Mayor**

### **City Council**

**Richard L. Higginson**

**Barbara Holt**

**R. Fred Moss**

**John S. Pitt**

**Thomas B. Tolman**

**Thomas R. Hardy – City Manager**

**CITY OF BOUNTIFUL, UTAH**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**



**Prepared by:**

**Bountiful City Administrative Services**

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

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

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

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

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

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## **INTRODUCTORY SECTION**



# BOUNTIFUL

*City of Beautiful Homes and Gardens*

JOE L. JOHNSON  
MAYOR

CITY COUNCIL  
RICHARD L. HIGGINSON  
BARBARA HOLT  
R. FRED MOSS  
JOHN S. PITT  
THOMAS B. TOLMAN

CITY MANAGER  
THOMAS R. HARDY

October 2, 2006

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, 2006.

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, 2006, 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, 2006, 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 and recreation (parks, cemetery, pool, ice arena, recreation programs 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 estimated population for 2006 is 43,350 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 3.86%. 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, 2005. 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 T. Hill, Jr., CPA who, as Deputy City Recorder and Assistant Finance Director, played a key role in the preparation and production of this report. Recognition and thanks also go to 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, 2006**

**ELECTED OFFICIALS**

|                      |                     |
|----------------------|---------------------|
| Joe L. Johnson       | Mayor               |
| Richard L. Higginson | City Council Member |
| Barbara Holt         | City Council Member |
| R. Fred Moss         | City Council Member |
| John S. Pitt         | 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 |

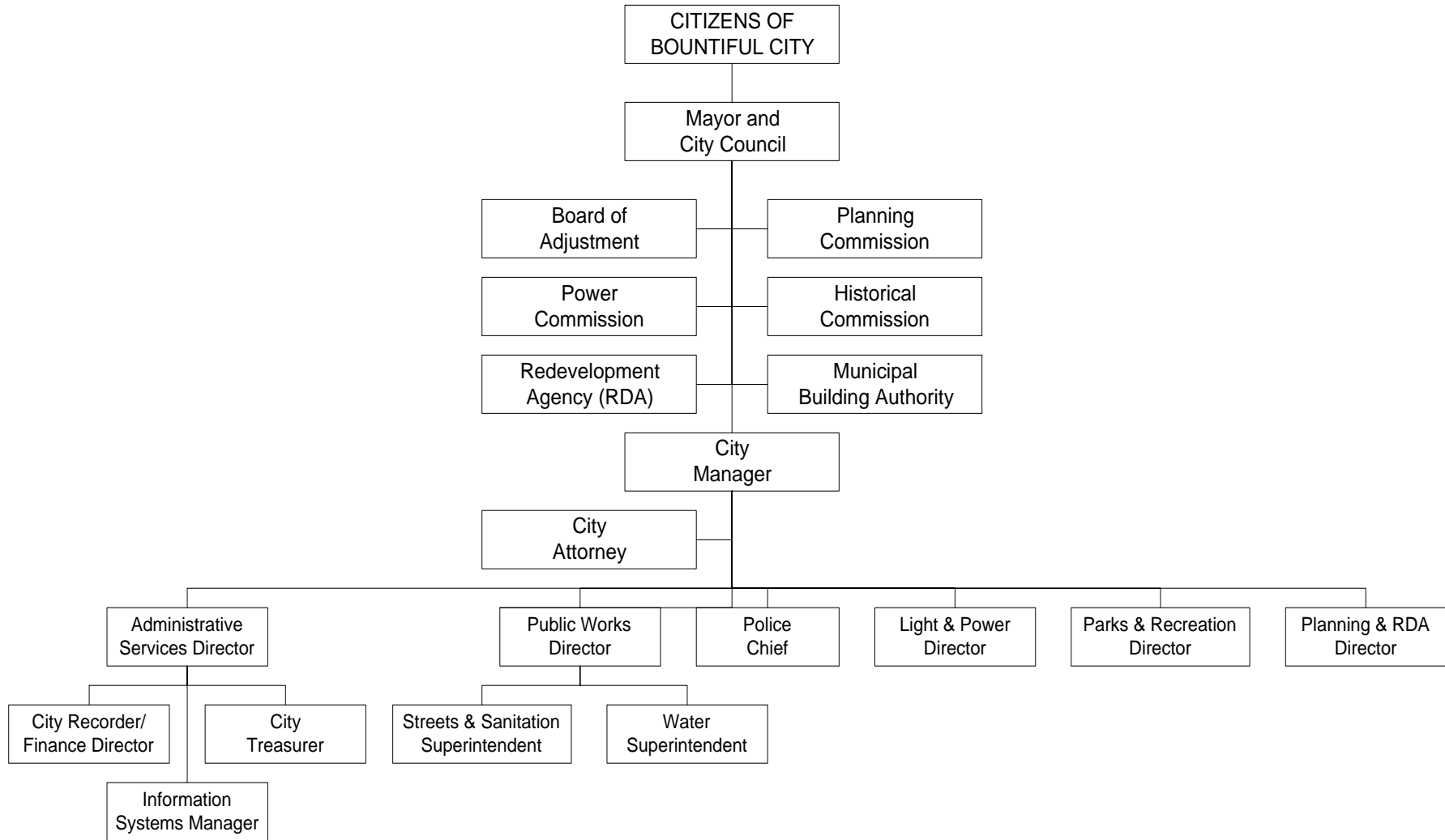
**STATUTORY APPOINTED OFFICIALS**

|                     |                                  |
|---------------------|----------------------------------|
| Kim J. Coleman, CPA | City Recorder & Finance Director |
| Mark O. McRae, CMFA | City Treasurer                   |

**DEPARTMENT HEADS**

|                        |                                     |
|------------------------|-------------------------------------|
| Gary E. Blowers        | Streets & Sanitation Superintendent |
| Aric A. Jensen         | Planning & Redevelopment Director   |
| E. Neal Jenkins        | Parks & Recreation Director         |
| Clifford C. Michaelis  | Light & Power Director              |
| Paul C. Rapp           | 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, 2006**



# 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, 2005

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.



*Carla E. Perry*

President

*Jeffrey R. Egan*

Executive Director

## **FINANCIAL SECTION**



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**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, 2006, 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, 2006, 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 October 2, 2006 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 tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements listed as supplemental information in the table of contents has 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, impact fee schedule, and statistical tables 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*

October 2, 2006

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2006**

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, 2006. 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, 2006 by \$187,684,203. Of this amount, unrestricted net assets of \$70,887,302 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net assets increased by \$4,710,416 from the prior year. Of this amount \$3,525,293 was associated with governmental and \$1,185,123 with business-type activities.
- As of the close of the current fiscal year, the City of Bountiful's governmental funds reported combined ending fund balances of \$31,976,054, an increase of \$3,972,722 in comparison with the prior year. Of this amount, \$29,050,267 is unreserved and available for spending. The remaining \$2,925,787 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 \$2,107,765, or 16.60% of total general fund expenditures.
- The City of Bountiful's bonded debt obligations decreased by the net amount of \$631,000. The decrease was attributable to principal payments on the existing Municipal Building Authority Lease Revenue Bonds in the amount of \$479,000 and Special Assessment Bonds in the amount of \$152,000.

**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, 2006**

**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.

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 Project Fund and Redevelopment Agency Fund, which are considered major funds. Data from the other four funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Bountiful adopts a one-year budget for its General Fund, Capital Projects Fund and Redevelopment Agency Fund. A budgetary comparison statement has been provided for each of the aforementioned funds to demonstrate compliance with the fiscal year 2006 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 statement of net assets and the proprietary 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, 2006**

**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 the 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, Redevelopment Agency, and Municipal Building Authority 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, 2006, the City's assets exceeded liabilities by \$187,684,203. By far the largest portion of the City's net assets (60.58%) reflects its investment in capital assets, less any related debt which 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                 |                       |
|---|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|   | 2005                    | 2006                  | 2005                     | 2006                 | 2005                  | 2006                  |
| Current and other assets                        | \$ 41,891,870           | 46,350,789            | 37,953,989               | 40,356,012           | \$ 79,845,859         | \$ 86,706,801         |
| Capital assets                                  | 79,735,001              | 78,769,444            | 43,449,928               | 43,003,449           | 123,184,929           | 121,772,893           |
| Total assets                                    | <u>121,626,871</u>      | <u>125,120,233</u>    | <u>81,403,917</u>        | <u>83,359,461</u>    | <u>203,030,788</u>    | <u>208,479,694</u>    |
| Long-term liabilities outstanding               | 9,197,279               | 8,815,428             | 492,223                  | 512,175              | 9,689,502             | 9,327,603             |
| Other liabilities                               | 7,503,045               | 7,852,965             | 2,864,454                | 3,614,923            | 10,367,499            | 11,467,888            |
| Total liabilities                               | <u>16,700,324</u>       | <u>16,668,393</u>     | <u>3,356,677</u>         | <u>4,127,098</u>     | <u>20,057,001</u>     | <u>20,795,491</u>     |
| Net assets:                                     |                         |                       |                          |                      |                       |                       |
| Invested in capital assets, net of related debt | 71,268,430              | 70,692,139            | 43,449,928               | 43,003,449           | 114,718,358           | 113,695,588           |
| Restricted                                      | 3,284,509               | 3,101,313             | -                        | -                    | 3,284,509             | 3,101,313             |
| Unrestricted                                    | <u>30,373,608</u>       | <u>34,658,388</u>     | <u>34,597,312</u>        | <u>36,228,914</u>    | <u>64,970,920</u>     | <u>70,887,302</u>     |
| Total net assets                                | <u>\$ 104,926,547</u>   | <u>\$ 108,451,840</u> | <u>\$ 78,047,240</u>     | <u>\$ 79,232,363</u> | <u>\$ 182,973,787</u> | <u>\$ 187,684,203</u> |

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For the year ended June 30, 2006**

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

An additional portion of the net assets, \$3,101,313 (1.65%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$70,887,302 (37.77%), 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**

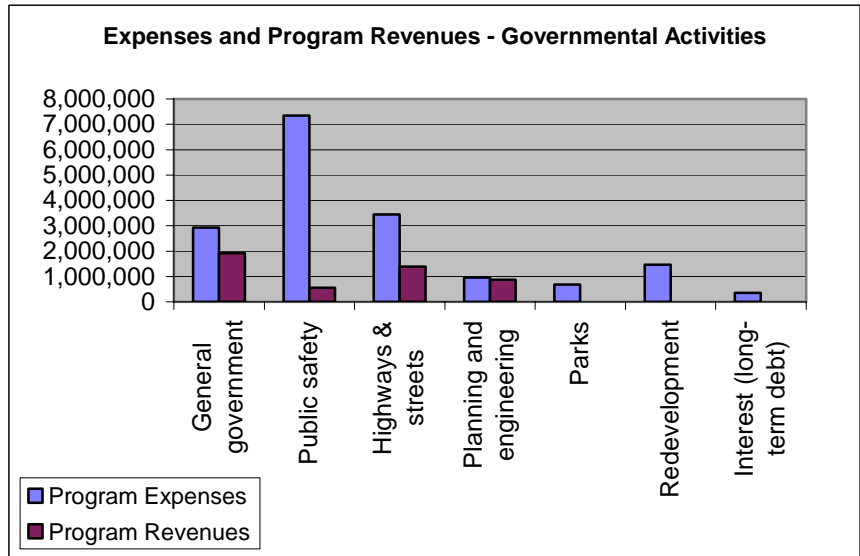
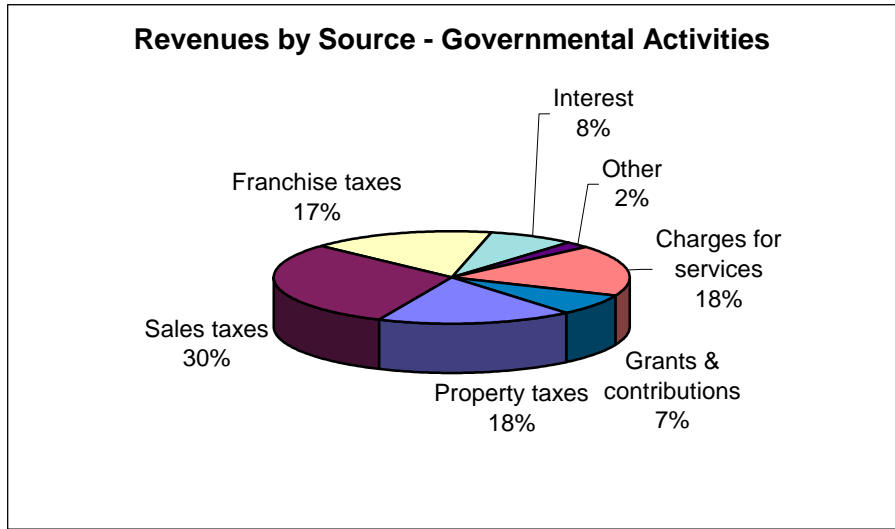
City of Bountiful's Changes in Net Assets

|   | Governmental Activities |                       | Business-type Activities |                      | Total                 |                       |
|---|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|   | 2005                    | 2006                  | 2005                     | 2006                 | 2005                  | 2006                  |
| <b>Revenues:</b>                        |                         |                       |                          |                      |                       |                       |
| <b>Program revenues:</b>                |                         |                       |                          |                      |                       |                       |
| Charges for services                    | \$ 3,122,542            | \$ 3,341,596          | \$ 27,369,251            | \$ 29,494,921        | \$ 30,491,793         | \$ 32,836,517         |
| Operating grants and contributions      | 1,130,144               | 1,323,644             | -                        | -                    | 1,130,144             | 1,323,644             |
| Capital grants and contributions        | 533,800                 | 62,362                | 537,465                  | 673,468              | 1,071,265             | 735,830               |
| <b>General revenues:</b>                |                         |                       |                          |                      |                       |                       |
| Property taxes                          | 3,118,929               | 3,313,916             | -                        | -                    | 3,118,929             | 3,313,916             |
| Other taxes                             | 7,980,961               | 8,769,369             | -                        | -                    | 7,980,961             | 8,769,369             |
| Other                                   | 847,793                 | 1,821,294             | 624,016                  | 1,047,196            | 1,471,809             | 2,868,490             |
| <b>Total revenues</b>                   | <b>16,734,169</b>       | <b>18,632,181</b>     | <b>28,530,732</b>        | <b>31,215,585</b>    | <b>45,264,901</b>     | <b>49,847,766</b>     |
| <b>Expenses:</b>                        |                         |                       |                          |                      |                       |                       |
| General government                      | 2,728,127               | 2,950,798             | -                        | -                    | 2,728,127             | 2,950,798             |
| Public safety                           | 7,233,939               | 7,348,694             | -                        | -                    | 7,233,939             | 7,348,694             |
| Highways and streets                    | 3,307,057               | 3,443,672             | -                        | -                    | 3,307,057             | 3,443,672             |
| Planning and engineering                | 959,797                 | 964,072               | -                        | -                    | 959,797               | 964,072               |
| Parks                                   | 655,328                 | 686,785               | -                        | -                    | 655,328               | 686,785               |
| Redevelopment                           | 368,906                 | 1,431,999             | -                        | -                    | 368,906               | 1,431,999             |
| Interest on long-term debt              | 386,903                 | 353,735               | -                        | -                    | 386,903               | 353,735               |
| Water                                   | -                       | -                     | 2,556,365                | 2,569,321            | 2,556,365             | 2,569,321             |
| Light and Power                         | -                       | -                     | 19,641,972               | 19,933,617           | 19,641,972            | 19,933,617            |
| Landfill                                | -                       | -                     | 1,137,119                | 897,504              | 1,137,119             | 897,504               |
| Storm Water                             | -                       | -                     | 1,109,633                | 1,034,785            | 1,109,633             | 1,034,785             |
| Golf Course                             | -                       | -                     | 1,109,632                | 1,081,306            | 1,109,632             | 1,081,306             |
| Recreation                              | -                       | -                     | 1,450,748                | 1,447,709            | 1,450,748             | 1,447,709             |
| Sanitation                              | -                       | -                     | 672,534                  | 710,080              | 672,534               | 710,080               |
| Cemetery                                | -                       | -                     | 262,639                  | 283,273              | 262,639               | 283,273               |
| <b>Total expenses</b>                   | <b>15,640,057</b>       | <b>17,179,755</b>     | <b>27,940,642</b>        | <b>27,957,595</b>    | <b>43,580,699</b>     | <b>45,137,350</b>     |
| Increase in net assets before transfers | 1,094,112               | 1,452,426             | 590,090                  | 3,257,990            | 1,684,202             | 4,710,416             |
| Transfers                               | 1,628,449               | 2,072,867             | (1,628,449)              | (2,072,867)          | -                     | -                     |
| Increase (Decrease) in net assets       | 2,722,561               | 3,525,293             | (1,038,359)              | 1,185,123            | 1,684,202             | 4,710,416             |
| Net assets - beginning of year          | 102,203,986             | 104,926,547           | 79,085,599               | 78,047,240           | 181,289,585           | 182,973,787           |
| Net assets - end of year                | <u>\$ 104,926,547</u>   | <u>\$ 108,451,840</u> | <u>\$ 78,047,240</u>     | <u>\$ 79,232,363</u> | <u>\$ 182,973,787</u> | <u>\$ 187,684,203</u> |

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For the year ended June 30, 2006**

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

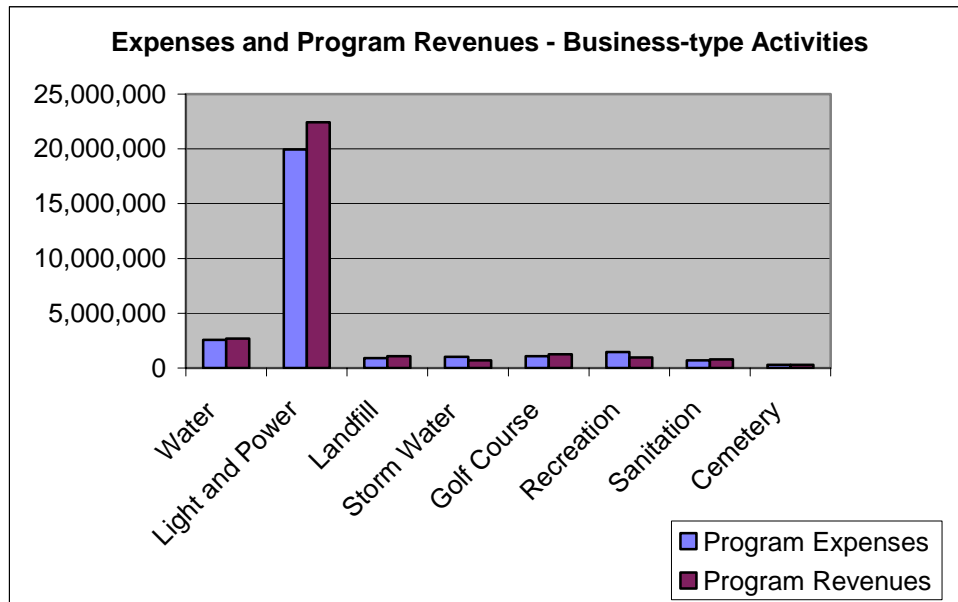
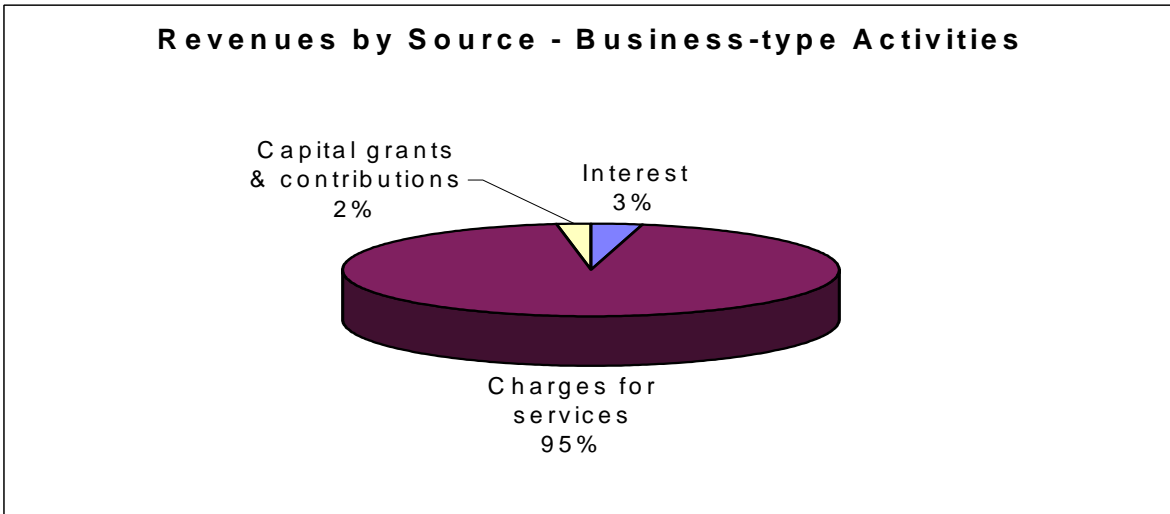
**Governmental activities.** Governmental activities increased the City's net assets by \$3,525,293. When combined with the \$1,185,123 increase in net assets from business-type activities, overall net assets increased by \$4,710,416 or 2.57%. The graphs presented below reflect regular operating revenues only and not the effects of special one-time items or transfers. The increase in net assets from Governmental activities was \$802,732 more than last year's increase. Primary contributors were: 1) increased revenues of \$1,900,000 (sales taxes, \$600,000; interest earned on investments, \$550,000; charges for services, \$200,000; franchise taxes, \$150,000; other sundry revenues, \$400,000) and 2) increased expenditures in the Redevelopment program of \$1,100,000 related to the construction of a new recreation facility.



**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For the year ended June 30, 2006**

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

**Business-type activities.** Business-type activities increased the City's net assets by \$1,185,123. When combined with the \$3,525,293 that governmental activities added to net assets, overall net assets increased by \$4,710,416. The graphs presented below, and on the next page, contain regular operating revenues only and not the effects of special one-time items or transfers. A key element contributing to the increase in the net assets of business-type activities was increased charges for services from all funds, which increased in the amount of \$2,125,670. The biggest single contributor was \$1,436,230 additional electric metered sales to customers based on a combination of demand for services and seasonal weather effects.



**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For the year ended June 30, 2006**

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

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

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

At June 30, 2006, the City's governmental funds reported combined ending fund balances of \$31,976,054, an increase of \$3,972,722 in comparison to the prior year. Of this amount, \$29,050,267 (90.85%) is unreserved fund balance, which is available for spending at the government's discretion. Of the unreserved fund balance \$26,987,087 has been designated by the City Council for subsequent years' capital expenditures and other uses, leaving an unreserved undesignated amount of \$2,063,180. The remainder 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 (\$279,034), 2) future landfill closure costs (\$695,441), 3) perpetual care of the City's cemetery (\$1,123,891) and 4) debt service (\$827,421).

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 \$2,107,765, 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 16.60% of total General Fund expenditures. The fund balance of the City's General Fund decreased by \$17,389 during the current fiscal year. This represents a .05% change in fund balance, which is the result of very moderate changes in overall revenues and expenditures.

The Capital Projects Fund has a total fund balance of \$22,859,581, 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, 2006, the fund balance in the Capital Projects Fund increased \$4,240,862. This growing 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 \$4,082,921, 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 at the end of the year were \$9,225,812, \$14,113,160 and \$7,168,203 respectively. The increase in total net assets was \$492,133, \$313,107 and \$499,242 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 higher than the original budget due to a \$5,000 increase in the Treasury department to cover additional maintenance expenses, \$6,000 in salary related costs of the Parks department for seasonal work, and \$17,492 related to the purchase of new digital video systems for the Police department.

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For the year ended June 30, 2006**

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities at June 30, 2006 amounts to \$121,772,893 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, service lines, vehicles and equipment, furniture and fixtures, street lights, sidewalks, curb and gutter, roads and similar infrastructure. The total decrease in the City's investment in capital assets for the current fiscal year was \$1,412,036 (a 1.21% decrease equaling \$965,557 for governmental activities and a 1.03% decrease equaling \$446,479 for business-type activities). Major capital asset events during the current fiscal year included the following:

- \$786,343 net additions to the historical cost of fixed assets in governmental activities (total acquisitions less total retirements) due in large part to the construction in progress on major capital facilities for the Streets, Police and Parks departments.
- \$2,114,289 net additions to the historical cost of fixed assets in business-type activities (total acquisitions less total retirements) due primarily to construction in progress on major capital facilities for the Water, Storm Water and Sanitation departments and the relocation of buildings and equipment at the sanitary landfill required by the Utah Department of Transportation to enable a construction corridor for the Legacy Highway Project.

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

|                                   | Governmental Activities |                      | Business-type Activities |                      | Total                 |                       |
|-----------------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|                                   | 2005                    | 2006                 | 2005                     | 2006                 | 2005                  | 2006                  |
| Land                              | \$ 46,183,219           | \$ 46,223,350        | 3,128,765                | \$ 3,128,763         | \$ 49,311,984         | \$ 49,352,113         |
| Infrastructure                    | 14,202,529              | 13,996,424           | 25,417,942               | 24,530,224           | 39,620,471            | 38,526,648            |
| Buildings and other structures    | 14,213,204              | 13,389,868           | 4,989,024                | 4,767,896            | 19,202,228            | 18,157,764            |
| Improvements other than buildings | 2,650,867               | 2,891,052            | 1,589,182                | 1,492,131            | 4,240,049             | 4,383,183             |
| Machinery & Equipment             | 1,620,710               | 1,358,512            | 7,987,261                | 7,740,113            | 9,607,971             | 9,098,625             |
| Furniture & Fixtures              | 732,559                 | 582,716              | 24,213                   | 17,773               | 756,772               | 600,489               |
| Construction in progress          | 131,913                 | 327,522              | 313,541                  | 1,326,549            | 445,454               | 1,654,071             |
| <b>Total</b>                      | <b>\$ 79,735,001</b>    | <b>\$ 78,769,444</b> | <b>\$ 43,449,928</b>     | <b>\$ 43,003,449</b> | <b>\$ 123,184,929</b> | <b>\$ 121,772,893</b> |

Additional information on the City's capital assets can be found in note 6 on pages 38 to 40 of this report.

**Long-term debt.** At the end of the current fiscal year, the City had \$7,995,000 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 Bonded Debt**

|                          | Governmental Activities |                     | Business-type Activities |             | Total               |                     |
|--------------------------|-------------------------|---------------------|--------------------------|-------------|---------------------|---------------------|
|                          | 2005                    | 2006                | 2005                     | 2006        | 2005                | 2006                |
| Lease revenue bonds      | \$ 6,134,000            | \$ 5,655,000        | \$ -                     | \$ -        | \$ 6,134,000        | \$ 5,655,000        |
| Special assessment bonds | 2,492,000               | 2,340,000           | -                        | -           | 2,492,000           | 2,340,000           |
| <b>Total</b>             | <b>\$ 8,626,000</b>     | <b>\$ 7,995,000</b> | <b>\$ -</b>              | <b>\$ -</b> | <b>\$ 8,626,000</b> | <b>\$ 7,995,000</b> |

The City's total bonded debt decreased by \$631,000 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 41 to 43 of this report.

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For the year ended June 30, 2006**

**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.

After several years of sustained economic growth in Bountiful and the surrounding regions, a leveling in key indicators has been apparent over the last three to four years. Budgets for fiscal year 2007 were developed based upon the following assumptions.

- **The overall economic forecast**, like that of previous years, assumed that the remainder of fiscal year 2006, and most of fiscal year 2007, would exhibit some uncertainty, rebuilding and softness in the national, regional and local economies. Indicators, including housing starts and commercial construction, were projected to be nearly flat, along with retail sales and personal income.
- **Development activity** in fiscal year 2006 proved to be modest as measured in value and permit fees. Development activity in Bountiful during fiscal year 2007 is again projected to continue a general leveling trend with movement toward a "maintenance mode" of existing services for the city. Focus for future years continues to be placed on existing developments such as the Renaissance Towne Centre, the Village on Main Street property and the traditional main street areas of the city.
- **Taxable sales**, which are shared by the State of Utah with cities, were projected to remain nearly flat due to overall economic factors. However, the City is watching 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 sales tax from internet, catalog and other remote vendors where such taxes are 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 much higher rate than the general level of inflation due to national trends. The City projected that increases in energy and health care costs would be primarily offset by aggressive cost containment in all departments. Health care rate increases of 20 percent were common in many industries, but Bountiful was able to hold them to approximately 10 percent.
- **Enterprise fund rates and activity** in the fiscal year 2007 budget reflects no increases in power, water, storm water, landfill or sanitation rates.
- **Regional cooperation initiatives.** A regional South Davis Recreation District (District) will serve the citizens of Bountiful as well as surrounding communities. A new recreation complex is under construction, with completion scheduled for the first quarter of calendar year 2007. The complex is located in Bountiful City near the site of the previously City-owned recreation center. Funding for the District will be provided by citizens of Bountiful and the surrounding communities. 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. Until that time, each municipality participating in the Agency will share proportionately in the Agency's operating expenses.



**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For the year ended June 30, 2006**

**Requests for Information**

This financial report is designed to provide a general overview of the City of Bountiful's finances for all those with an interest in the government'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, P.O. Box 369, Bountiful, Utah 84011-0369.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF BOUNTIFUL**  
**STATEMENT OF NET ASSETS**  
**June 30, 2006**

|   | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>          |
|---|------------------------------------|-------------------------------------|-----------------------|
| <b>Assets</b>                                     |                                    |                                     |                       |
| Cash and cash equivalents                         | \$ 16,868,815                      | \$ 13,047,654                       | \$ 29,916,469         |
| Receivables:                                      |                                    |                                     |                       |
| Taxes   | 4,203,252                          | -                                   | 4,203,252             |
| Accounts, net                                     | 326,738                            | 3,731,028                           | 4,057,766             |
| Interest  | 159,946                            | 112,144                             | 272,090               |
| Intergovernmental                                 | 2,000,000                          | -                                   | 2,000,000             |
| Investments                                       | 14,637,983                         | 10,542,860                          | 25,180,843            |
| Inventories                                       | -                                  | 1,955,032                           | 1,955,032             |
| Prepays   | -                                  | 127,173                             | 127,173               |
| Restricted assets:                                |                                    |                                     |                       |
| Cash and cash equivalents and investments         | 3,170,409                          | 919,557                             | 4,089,966             |
| <b>Capital assets, net:</b>                       |                                    |                                     |                       |
| Land, land rights, and water rights               | 46,223,350                         | 3,128,763                           | 49,352,113            |
| Buildings, wells, and reservoirs                  | 13,389,868                         | 4,767,896                           | 18,157,764            |
| Improvements other than buildings                 | 2,891,052                          | 1,492,131                           | 4,383,183             |
| Transmission, distribution and collection systems | -                                  | 23,185,172                          | 23,185,172            |
| Street light and traffic signal system            | -                                  | 1,345,052                           | 1,345,052             |
| Machinery and equipment                           | 1,358,512                          | 7,740,113                           | 9,098,625             |
| Furniture and fixtures                            | 582,716                            | 17,773                              | 600,489               |
| Infrastructure                                    | 13,996,424                         | -                                   | 13,996,424            |
| Construction in progress                          | 327,522                            | 1,326,549                           | 1,654,071             |
| Real estate inventory held for resale             | 1,127,265                          | -                                   | 1,127,265             |
| Notes receivable                                  | 3,624,191                          | 169,010                             | 3,793,201             |
| Investment in power projects                      | -                                  | 9,751,554                           | 9,751,554             |
| Deferred charges                                  | 232,190                            | -                                   | 232,190               |
| <b>Total Assets</b>                               | <b>\$ 125,120,233</b>              | <b>\$ 83,359,461</b>                | <b>\$ 208,479,694</b> |

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF NET ASSETS (Continued)**  
**June 30, 2006**

|   | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>          |
|---|------------------------------------|-------------------------------------|-----------------------|
| <b>Liabilities</b>                              |                                    |                                     |                       |
| Accounts payable                                | \$ 985,040                         | \$ 1,927,964                        | \$ 2,913,004          |
| Accrued liabilities                             | 448,064                            | 346,871                             | 794,935               |
| Accrued interest payable                        | 49,000                             | -                                   | 49,000                |
| Unearned revenue                                | 5,330,582                          | 38,061                              | 5,368,643             |
| Developer and customer deposits                 | 971,182                            | 382,470                             | 1,353,652             |
| Liabilities payable from restricted assets      | 69,097                             | 919,557                             | 988,654               |
| Noncurrent liabilities:                         |                                    |                                     |                       |
| Due within one year                             | 651,000                            | 159,821                             | 810,821               |
| Due in more than one year                       | 8,164,428                          | 352,354                             | 8,516,782             |
| <b>Total Liabilities</b>                        | <b>16,668,393</b>                  | <b>4,127,098</b>                    | <b>20,795,491</b>     |
| <b>Net Assets</b>                               |                                    |                                     |                       |
| Invested in capital assets, net of related debt | 70,692,139                         | 43,003,449                          | 113,695,588           |
| Restricted for:                                 |                                    |                                     |                       |
| Perpetual care-nonexpendable                    | 1,118,349                          | -                                   | 1,118,349             |
| Landfill closure                                | 695,441                            | -                                   | 695,441               |
| Debt Service                                    | 818,499                            | -                                   | 818,499               |
| Regulatory required insurance deposit           | 469,024                            | -                                   | 469,024               |
| Unrestricted                                    | 34,658,388                         | 36,228,914                          | 70,887,302            |
| <b>Total Net Assets</b>                         | <b>108,451,840</b>                 | <b>79,232,363</b>                   | <b>187,684,203</b>    |
| <b>Total Liabilities and Net Assets</b>         | <b>\$ 125,120,233</b>              | <b>\$ 83,359,461</b>                | <b>\$ 208,479,694</b> |

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended June 30, 2006**

| Functions/Programs                    | Program Revenues     |                      |                                       | Net (Expense) Revenue and Changes in Net Assets |                         |                          |                        |
|---------------------------------------|----------------------|----------------------|---------------------------------------|---|-------------------------|--------------------------|------------------------|
|                                       | Expenses             | Charges for Services | Operating Grants and Contributions    | Capital Grants and Contributions                | Governmental Activities | Business-type Activities | Total                  |
| <b>Government Activities:</b>         |                      |                      |                                       |   |                         |                          |                        |
| General governmental                  | \$ 2,950,798         | \$ 1,915,111         | \$ 2,293                              | \$ -  | \$ (1,033,394)          | \$ -                     | \$ (1,033,394)         |
| Public safety                         | 7,348,694            | 513,576              | 35,628                                | -   | (6,799,490)             | -                        | (6,799,490)            |
| Highways and streets                  | 3,443,672            | 44,702               | 1,285,723                             | 62,362  | (2,050,885)             | -                        | (2,050,885)            |
| Planning and engineering              | 964,072              | 868,207              | -                                     | -   | (95,865)                | -                        | (95,865)               |
| Parks                                 | 686,785              | -                    | -                                     | -   | (686,785)               | -                        | (686,785)              |
| Redevelopment                         | 1,431,999            | -                    | -                                     | -   | (1,431,999)             | -                        | (1,431,999)            |
| Interest on long-term debt            | 353,735              | -                    | -                                     | -   | (353,735)               | -                        | (353,735)              |
| <b>Total Governmental Activities</b>  | <b>17,179,755</b>    | <b>3,341,596</b>     | <b>1,323,644</b>                      | <b>62,362</b>                                   | <b>(12,452,153)</b>     | <b>-</b>                 | <b>(12,452,153)</b>    |
| <b>Business-type Activities:</b>      |                      |                      |                                       |   |                         |                          |                        |
| Water                                 | 2,569,321            | 2,100,134            | -                                     | 591,440   | -                       | 122,253                  | 122,253                |
| Light and power                       | 19,933,617           | 22,341,458           | -                                     | 82,028  | -                       | 2,489,869                | 2,489,869              |
| Landfill                              | 897,504              | 1,089,457            | -                                     | -   | -                       | 191,953                  | 191,953                |
| Storm water                           | 1,034,785            | 689,869              | -                                     | -   | -                       | (344,916)                | (344,916)              |
| Golf course                           | 1,081,306            | 1,248,845            | -                                     | -   | -                       | 167,539                  | 167,539                |
| Recreation                            | 1,447,709            | 952,557              | -                                     | -   | -                       | (495,152)                | (495,152)              |
| Sanitation                            | 710,080              | 790,320              | -                                     | -   | -                       | 80,240                   | 80,240                 |
| Cemetery                              | 283,273              | 282,281              | -                                     | -   | -                       | (992)                    | (992)                  |
| <b>Total Business-type Activities</b> | <b>27,957,595</b>    | <b>29,494,921</b>    | <b>-</b>                              | <b>673,468</b>                                  | <b>-</b>                | <b>2,210,794</b>         | <b>2,210,794</b>       |
| <b>Total Government</b>               | <b>\$ 45,137,350</b> | <b>\$ 32,836,517</b> | <b>\$ 1,323,644</b>                   | <b>\$ 735,830</b>                               | <b>\$ (12,452,153)</b>  | <b>\$ 2,210,794</b>      | <b>\$ (10,241,359)</b> |
|                                       |                      |                      | <b>General Revenues:</b>              |   |                         |                          |                        |
|                                       |                      |                      | Property taxes                        |   | \$ 3,313,916            | \$ -                     | \$ 3,313,916           |
|                                       |                      |                      | Sales taxes                           |   | 5,654,737               | -                        | 5,654,737              |
|                                       |                      |                      | Franchise taxes                       |   | 3,114,632               | -                        | 3,114,632              |
|                                       |                      |                      | Interest on investments               |   | 1,419,877               | 1,037,739                | 2,457,616              |
|                                       |                      |                      | Other                                 |   | 401,417                 | -                        | 401,417                |
|                                       |                      |                      | Gain (loss) on sale of capital assets |   | -                       | 9,457                    | 9,457                  |
|                                       |                      |                      | Transfers                             |   | 2,072,867               | (2,072,867)              | -                      |
|                                       |                      |                      | <b>Total General Revenues</b>         |   | <b>15,977,446</b>       | <b>(1,025,671)</b>       | <b>14,951,775</b>      |
|                                       |                      |                      | Changes in Net Assets                 |   | 3,525,293               | 1,185,123                | 4,710,416              |
|                                       |                      |                      | <b>Net Assets, Beginning</b>          |   | <b>104,926,547</b>      | <b>78,047,240</b>        | <b>182,973,787</b>     |
|                                       |                      |                      | <b>Net Assets, Ending</b>             |   | <b>\$ 108,451,840</b>   | <b>\$ 79,232,363</b>     | <b>\$ 187,684,203</b>  |

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

**CITY OF BOUNTIFUL**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**June 30, 2006**

|  | <u>General</u>      | <u>Capital Projects</u> | <u>Redevelopment Agency</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|-------------------------|-----------------------------|---------------------------------|---------------------------------|
| <b>Assets:</b>                             |                     |                         |                             |                                 |                                 |
| Cash and cash equivalents                  | \$ 1,160,969        | \$ 10,932,910           | \$ 2,075,493                | \$ 158,277                      | \$ 14,327,649                   |
| Receivables:                               |                     |                         |                             |                                 |                                 |
| Taxes                                      | 3,214,313           | -                       | 988,939                     | -                               | 4,203,252                       |
| Accounts - net                             | 319,124             | -                       | -                           | -                               | 319,124                         |
| Interest                                   | 17,711              | 91,756                  | 17,809                      | 8,253                           | 135,529                         |
| Intergovernmental                          | -                   | 2,000,000               | -                           | -                               | 2,000,000                       |
| Investments                                | 1,030,302           | 9,459,191               | 1,838,751                   | 134,869                         | 12,463,113                      |
| Real estate inventory held for resale      | -                   | -                       | 1,127,265                   | -                               | 1,127,265                       |
| Notes receivable                           | -                   | -                       | 1,201,871                   | 2,422,320                       | 3,624,191                       |
| Due from other funds                       | -                   | 974,279                 | -                           | -                               | 974,279                         |
| Restricted assets:                         |                     |                         |                             |                                 |                                 |
| Cash and cash equivalents and investments  | 2,672               | 18,046                  | 48,379                      | 2,632,289                       | 2,701,386                       |
| <b>Total Assets</b>                        | <u>\$ 5,745,091</u> | <u>\$ 23,476,182</u>    | <u>\$ 7,298,507</u>         | <u>\$ 5,356,008</u>             | <u>\$ 41,875,788</u>            |
| <b>Liabilities and Fund Balances</b>       |                     |                         |                             |                                 |                                 |
| <b>Liabilities:</b>                        |                     |                         |                             |                                 |                                 |
| Accounts payable                           | \$ 300,971          | \$ 598,555              | \$ 567                      | \$ 7,901                        | \$ 907,994                      |
| Liabilities payable from restricted assets | 2,672               | 18,046                  | 48,379                      | -                               | 69,097                          |
| Accrued liabilities                        | 443,179             | -                       | 1,550                       | -                               | 444,729                         |
| Due to other funds                         | -                   | -                       | 974,279                     | -                               | 974,279                         |
| Developer and customer deposits            | 971,182             | -                       | -                           | -                               | 971,182                         |
| Unearned revenues                          | 1,919,322           | -                       | 2,190,811                   | 2,422,320                       | 6,532,453                       |
| <b>Total Liabilities</b>                   | <u>3,637,326</u>    | <u>616,601</u>          | <u>3,215,586</u>            | <u>2,430,221</u>                | <u>9,899,734</u>                |
| <b>Fund Balances:</b>                      |                     |                         |                             |                                 |                                 |
| Reserved for:                              |                     |                         |                             |                                 |                                 |
| Construction                               | -                   | -                       | -                           | 279,034                         | 279,034                         |
| Landfill closure                           | -                   | -                       | -                           | 695,441                         | 695,441                         |
| Perpetual care                             | -                   | -                       | -                           | 1,123,891                       | 1,123,891                       |
| Debt Service                               | -                   | -                       | -                           | 827,421                         | 827,421                         |
| Unreserved, designated for, reported in:   |                     |                         |                             |                                 |                                 |
| Capital Projects                           | -                   | 22,859,581              | -                           | -                               | 22,859,581                      |
| General Fund                               | 44,585              | -                       | -                           | -                               | 44,585                          |
| Redevelopment Agency                       | -                   | -                       | 4,082,921                   | -                               | 4,082,921                       |
| Unreserved, reported in:                   |                     |                         |                             |                                 |                                 |
| General Fund                               | 2,063,180           | -                       | -                           | -                               | 2,063,180                       |
| <b>Total Fund Balances</b>                 | <u>2,107,765</u>    | <u>22,859,581</u>       | <u>4,082,921</u>            | <u>2,925,787</u>                | <u>31,976,054</u>               |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 5,745,091</u> | <u>\$ 23,476,182</u>    | <u>\$ 7,298,507</u>         | <u>\$ 5,356,008</u>             | <u>\$ 41,875,788</u>            |

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, 2006**

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

|   |                              |
|---|------------------------------|
| <b>Total fund balance - governmental funds</b>  | \$ 31,976,054                |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.   | 78,769,444                   |
| 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. | 5,136,709                    |
| Accrued interest expense is not due and payable in the current period and therefore is not recorded in the funds.   | (49,000)                     |
| Long-term liabilities are not due and payable in the current period and therefore are not recorded in the funds.  | (8,583,238)                  |
| Notes receivable related to the RDA are recorded as such in the statement of net assets.  | <u>1,201,871</u>             |
| <b>Total net assets - governmental activities</b>   | <u><u>\$ 108,451,840</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, 2006**

|  | <u>General</u>      | <u>Capital Projects</u> | <u>Redevelopment<br/>Agency</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|---------------------|-------------------------|---------------------------------|---|---|
| <b>Revenues:</b>   |                     |                         |                                 |   |   |
| Taxes  | \$ 6,081,150        | \$ 4,945,822            | \$ 875,803                      | \$ 180,510                              | \$ 12,083,285                           |
| Licenses and permits   | 966,550             | -                       | -                               | -                                       | 966,550                                 |
| Intergovernmental  | 1,323,644           | -                       | 69,999                          | -                                       | 1,393,643                               |
| Charges for services   | 1,627,419           | -                       | -                               | 560,296                                 | 2,187,715                               |
| Fines and forfeitures  | 102,177             | -                       | -                               | -                                       | 102,177                                 |
| Interest on investments  | 200,896             | 717,376                 | 184,618                         | 111,343                                 | 1,214,233                               |
| Miscellaneous  | 286,029             | 158,362                 | 366,062                         | 34,544                                  | 844,997                                 |
| <b>Total Revenues</b>  | <b>10,587,865</b>   | <b>5,821,560</b>        | <b>1,496,482</b>                | <b>886,693</b>                          | <b>18,792,600</b>                       |
| <b>Expenditures:</b>   |                     |                         |                                 |   |   |
| Current:   |                     |                         |                                 |   |   |
| General government   | 2,479,303           | -                       | -                               | 10,090                                  | 2,489,393                               |
| Public safety  | 6,246,997           | -                       | -                               | -                                       | 6,246,997                               |
| Highways and streets   | 2,431,779           | -                       | -                               | -                                       | 2,431,779                               |
| Planning and engineering   | 944,770             | -                       | -                               | -                                       | 944,770                                 |
| Parks  | 517,981             | -                       | -                               | -                                       | 517,981                                 |
| Redevelopment  | -                   | -                       | 1,857,416                       | -                                       | 1,857,416                               |
| Debt service:  |                     |                         |                                 |   |   |
| Principal  | -                   | -                       | -                               | 631,000                                 | 631,000                                 |
| Interest   | -                   | -                       | -                               | 357,555                                 | 357,555                                 |
| Capital outlay:  |                     |                         |                                 |   |   |
| Public safety  | 56,742              | -                       | -                               | -                                       | 56,742                                  |
| Highways and streets   | 18,950              | -                       | -                               | -                                       | 18,950                                  |
| Capital Projects   | -                   | 1,327,885               | 30,678                          | -                                       | 1,358,563                               |
| <b>Total Expenditures</b>  | <b>12,696,522</b>   | <b>1,327,885</b>        | <b>1,888,094</b>                | <b>998,645</b>                          | <b>16,911,146</b>                       |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>(2,108,657)</b>  | <b>4,493,675</b>        | <b>(391,612)</b>                | <b>(111,952)</b>                        | <b>1,881,454</b>                        |
| <b>Other Financing Sources<br/>(Uses):</b>                           |                     |                         |                                 |   |   |
| Transfer in  | 2,322,867           | -                       | 1,430                           | 251,383                                 | 2,575,680                               |
| Transfer out   | (250,000)           | (252,813)               | -                               | -                                       | (502,813)                               |
| Sale of capital assets   | 18,401              | -                       | -                               | -                                       | 18,401                                  |
| <b>Total Other Financing<br/>Sources (Uses)</b>                      | <b>2,091,268</b>    | <b>(252,813)</b>        | <b>1,430</b>                    | <b>251,383</b>                          | <b>2,091,268</b>                        |
| <b>Net Change in Fund Balances</b>                                   | <b>(17,389)</b>     | <b>4,240,862</b>        | <b>(390,182)</b>                | <b>139,431</b>                          | <b>3,972,722</b>                        |
| <b>Fund Balance, Beginning</b>                                       | <b>2,125,154</b>    | <b>18,618,719</b>       | <b>4,473,103</b>                | <b>2,786,356</b>                        | <b>28,003,332</b>                       |
| <b>Fund Balance, Ending</b>  | <b>\$ 2,107,765</b> | <b>\$ 22,859,581</b>    | <b>\$ 4,082,921</b>             | <b>\$ 2,925,787</b>                     | <b>\$ 31,976,054</b>                    |

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



**CITY OF BOUNTIFUL**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended June 30, 2006**

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

|  |                            |
|--|----------------------------|
| <b>Net change in fund balances - total governmental funds</b>  | \$ 3,972,722               |
| 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. | (2,274,457)                |
| Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net assets.  | 1,375,493                  |
| Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net assets.  | 631,000                    |
| 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.   | 14,200                     |
| The effect of the sale and disposal of capital assets.   | (66,593)                   |
| 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.  | (6,579)                    |
| The net revenue of certain activities of internal service funds is reported within the governmental activities.  | (182,050)                  |
| 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.   | (366,063)                  |
| Amounts loaned by the RDA are recorded as expenditures in the Governmental Funds. However, the loan is recorded as an asset for the statement of net assets.   | 438,000                    |
| <b>Change in net assets of governmental activities</b>   | <u><u>\$ 3,525,293</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, 2006**

|   | <u>Budgeted Amounts</u> |                    | <u>Actual</u><br><u>Amounts</u> | <u>Variance with</u><br><u>final budget</u> |
|---|-------------------------|--------------------|---------------------------------|---|
|   | <u>Original</u>         | <u>Final</u>       |                                 |   |
| <b>Revenues:</b>                            |                         |                    |                                 |   |
| Taxes                                       | \$ 7,820,000            | \$ 7,831,000       | \$ 6,081,150                    | \$ (1,749,850)                              |
| Licenses and permits                        | 687,000                 | 687,000            | 966,550                         | 279,550                                     |
| Intergovernmental revenues                  | 1,327,000               | 1,327,000          | 1,323,644                       | (3,356)                                     |
| Charges for services                        | 1,568,717               | 1,568,717          | 1,627,419                       | 58,702                                      |
| Fines and forfeitures                       | 70,000                  | 70,000             | 102,177                         | 32,177                                      |
| Interest on investments                     | 190,584                 | 190,584            | 200,896                         | 10,312                                      |
| Miscellaneous                               | 70,000                  | 70,000             | 286,029                         | 216,029                                     |
| <b>Total Revenues</b>                       | <u>11,733,301</u>       | <u>11,744,301</u>  | <u>10,587,865</u>               | <u>(1,156,436)</u>                          |
| <b>Expenditures:</b>                        |                         |                    |                                 |   |
| Current:                                    |                         |                    |                                 |   |
| General government:                         |                         |                    |                                 |   |
| Legislative                                 | 627,379                 | 627,379            | 423,395                         | 203,984                                     |
| Legal                                       | 250,497                 | 250,497            | 239,918                         | 10,579                                      |
| Executive                                   | 235,028                 | 235,028            | 234,687                         | 341   |
| Information systems                         | 414,285                 | 414,285            | 404,110                         | 10,175                                      |
| Administrative                              | 565,657                 | 565,657            | 545,763                         | 19,894                                      |
| Treasury                                    | 529,674                 | 534,674            | 511,199                         | 23,475                                      |
| Government buildings                        | 135,701                 | 135,701            | 120,231                         | 15,470                                      |
| Public safety:                              |                         |                    |                                 |   |
| Police                                      | 4,794,758               | 4,812,250          | 4,631,996                       | 180,254                                     |
| Fire  | 1,744,704               | 1,744,704          | 1,671,743                       | 72,961                                      |
| Highways and streets                        | 2,708,393               | 2,708,393          | 2,450,729                       | 257,664                                     |
| Planning and engineering:                   |                         |                    |                                 |   |
| Planning                                    | 231,992                 | 231,992            | 223,842                         | 8,150                                       |
| Engineering                                 | 809,513                 | 809,513            | 720,928                         | 88,585                                      |
| Parks                                       | 535,720                 | 541,720            | 517,981                         | 23,739                                      |
|   | <u>13,583,301</u>       | <u>13,611,793</u>  | <u>12,696,522</u>               | <u>915,271</u>                              |
| <b>Excess (Deficiency) of Revenues</b>      |                         |                    |                                 |   |
| <b>Over (Under) Expenditures</b>            | <u>(1,850,000)</u>      | <u>(1,867,492)</u> | <u>(2,108,657)</u>              | <u>(241,165)</u>                            |
| <b>Other Financing Sources (Uses):</b>      |                         |                    |                                 |   |
| Transfer in                                 | 2,100,000               | 2,100,000          | 2,322,867                       | 222,867                                     |
| Transfer out                                | (250,000)               | (250,000)          | (250,000)                       | -   |
| Sale of capital assets                      | -                       | -                  | 18,401                          | 18,401                                      |
| <b>Total Other Financing Sources (Uses)</b> | <u>1,850,000</u>        | <u>1,850,000</u>   | <u>2,091,268</u>                | <u>241,268</u>                              |
| <b>Net Change in Fund Balance</b>           | <u>\$ -</u>             | <u>\$ (17,492)</u> | <u>(17,389)</u>                 | <u>\$ 103</u>                               |
| <b>Fund Balance, Beginning</b>              |                         |                    | <u>2,125,154</u>                |   |
| <b>Fund Balance, Ending</b>                 |                         |                    | <u>\$ 2,107,765</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, 2006**

|  | <u>Budgeted Amounts</u> |                     | <u>Actual</u><br><u>Amounts</u> | <u>Variance with</u><br><u>final budget</u> |
|--|-------------------------|---------------------|---------------------------------|---|
|  | <u>Original</u>         | <u>Final</u>        |                                 |   |
| <b>Revenues:</b>   |                         |                     |                                 |   |
| Taxes  | \$ 900,000              | \$ 900,000          | \$ 875,803                      | \$ (24,197)                                 |
| Intergovernmental revenues   | 80,000                  | 80,000              | 69,999                          | (10,001)                                    |
| Interest on investments  | 89,179                  | 89,179              | 184,618                         | 95,439                                      |
| Miscellaneous  | 117,428                 | 117,428             | 366,062                         | 248,634                                     |
| <b>Total Revenues</b>  | <u>1,186,607</u>        | <u>1,186,607</u>    | <u>1,496,482</u>                | <u>309,875</u>                              |
| <b>Expenditures:</b>   |                         |                     |                                 |   |
| Current:   |                         |                     |                                 |   |
| Redevelopment  | 1,153,351               | 1,153,351           | 1,857,416                       | (704,065)                                   |
| Capital outlay   | 1,000,000               | 1,000,000           | 30,678                          | 969,322                                     |
| <b>Total Expenditures</b>  | <u>2,153,351</u>        | <u>2,153,351</u>    | <u>1,888,094</u>                | <u>265,257</u>                              |
| <b>Excess (Deficiency) of Revenues</b><br><b>Over (Under) Expenditures</b> | <u>(966,744)</u>        | <u>(966,744)</u>    | <u>(391,612)</u>                | <u>575,132</u>                              |
| <b>Other Financing Sources (Uses):</b>                                     |                         |                     |                                 |   |
| Transfer in  | -                       | -                   | 1,430                           | 1,430                                       |
| <b>Total Other Financing Sources (Uses)</b>                                | <u>-</u>                | <u>-</u>            | <u>1,430</u>                    | <u>1,430</u>                                |
| <b>Net Change in Fund Balance</b>  | <u>\$ (966,744)</u>     | <u>\$ (966,744)</u> | <u>(390,182)</u>                | <u>\$ 576,562</u>                           |
| <b>Fund Balance, Beginning</b>   |                         |                     | <u>4,473,103</u>                |   |
| <b>Fund Balance, Ending</b>  |                         |                     | <u>\$ 4,082,921</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, 2006**

|   | <b>Business-type Activities - Enterprise Funds</b> |                        |                     |                               | <b>Total Enterprise</b> | <b>Governmental Activities - Internal Service Funds</b> |
|---|--|------------------------|---------------------|-------------------------------|-------------------------|---|
|   | <b>Water</b>                                       | <b>Light and Power</b> | <b>Landfill</b>     | <b>Other Enterprise Funds</b> |                         |   |
| <b>Assets:</b>                                    |  |                        |                     |                               |                         |   |
| <b>Current Assets:</b>                            |  |                        |                     |                               |                         |   |
| Cash and cash equivalents                         | \$ 4,994,282                                       | \$ 785,529             | \$ 4,245,772        | \$ 3,022,071                  | \$ 13,047,654           | \$ 2,541,165  |
| Accounts receivable, net                          | 323,163  | 2,898,940              | 137,640             | 371,285                       | 3,731,028               | 7,614   |
| Interest receivable                               | 48,226   | 5,149                  | 30,792              | 27,977                        | 112,144                 | 24,417  |
| Investments                                       | 4,370,523  | 679,513                | 2,878,038           | 2,614,786                     | 10,542,860              | 2,174,870   |
| Inventories                                       | 199,120  | 1,695,717              | -                   | 60,195                        | 1,955,032               | -   |
| Prepaid expenses                                  | 62,120   | 64,668                 | -                   | 385                           | 127,173                 | -   |
| <b>Total Current Assets</b>                       | <b>9,997,434</b>                                   | <b>6,129,516</b>       | <b>7,292,242</b>    | <b>6,096,699</b>              | <b>29,515,891</b>       | <b>4,748,066</b>  |
| <b>Noncurrent Assets:</b>                         |  |                        |                     |                               |                         |   |
| Restricted cash and cash equivalents              | 54,196   | -                      | 865,361             | -                             | 919,557                 | 469,024   |
| Capital assets, net:                              |  |                        |                     |                               |                         |   |
| Land, land rights and water rights                | 339,565  | 492,016                | 43,737              | 2,253,445                     | 3,128,763               | -   |
| Buildings, wells and reservoirs                   | 3,064,517  | 825,329                | -                   | 878,050                       | 4,767,896               | -   |
| Improvements other than buildings                 | 12,333   | -                      | 242,325             | 1,237,473                     | 1,492,131               | -   |
| Transmission, distribution and collection systems | 8,508,165  | 9,639,075              | -                   | 5,037,932                     | 23,185,172              | -   |
| Street light and traffic signal systems           | -  | 1,345,052              | -                   | -                             | 1,345,052               | -   |
| Machinery and equipment                           | 707,082  | 6,017,866              | 270,573             | 744,592                       | 7,740,113               | -   |
| Furniture and fixtures                            | 5,687  | -                      | 1,949               | 10,137                        | 17,773                  | -   |
| Construction in progress                          | 471,528  | 506,285                | 55,169              | 293,567                       | 1,326,549               | -   |
| Notes receivable                                  | -  | -                      | -                   | 169,010                       | 169,010                 | -   |
| Investments in power projects                     | -  | 9,751,554              | -                   | -                             | 9,751,554               | -   |
| <b>Total Noncurrent Assets</b>                    | <b>13,163,073</b>                                  | <b>28,577,177</b>      | <b>1,479,114</b>    | <b>10,624,206</b>             | <b>53,843,570</b>       | <b>469,024</b>  |
| <b>Total Assets</b>                               | <b>\$ 23,160,507</b>                               | <b>\$ 34,706,693</b>   | <b>\$ 8,771,356</b> | <b>\$ 16,720,905</b>          | <b>\$ 83,359,461</b>    | <b>\$ 5,217,090</b>                                     |

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, 2006**

|  | <u>Business-type Activities - Enterprise Funds</u> |                            |                     |                                       |                             | <u>Governmental<br/>Activities -<br/>Internal<br/>Service Funds</u> |
|--|--|----------------------------|---------------------|---------------------------------------|-----------------------------|---|
|  | <u>Water</u>                                       | <u>Light and<br/>Power</u> | <u>Landfill</u>     | <u>Other<br/>Enterprise<br/>Funds</u> | <u>Total<br/>Enterprise</u> |   |
| <b>Liabilities:</b>                                |  |                            |                     |                                       |                             |   |
| <b>Current Liabilities:</b>                        |  |                            |                     |                                       |                             |   |
| Accounts payable                                   | \$ 663,226   | \$ 870,237                 | \$ 84,725           | \$ 309,776                            | \$ 1,927,964                | \$ 77,046   |
| Compensated absences                               | 22,910   | 79,993                     | 7,659               | 49,259                                | 159,821                     | -   |
| Accrued liabilities                                | 29,459   | 175,285                    | 11,108              | 131,019                               | 346,871                     | 3,335   |
| <b>Total Current Liabilities</b>                   | <u>715,595</u>                                     | <u>1,125,515</u>           | <u>103,492</u>      | <u>490,054</u>                        | <u>2,434,656</u>            | <u>80,381</u>   |
| <b>Noncurrent Liabilities:</b>                     |  |                            |                     |                                       |                             |   |
| Compensated absences                               | 56,027   | 221,864                    | 20,547              | 53,916                                | 352,354                     | -   |
| Liabilities payable from restricted assets         | 54,196   | -                          | 865,361             | -                                     | 919,557                     | -   |
| Unearned revenue                                   | -  | 38,061                     | -                   | -                                     | 38,061                      | -   |
| Developer and customer deposits                    | -  | 382,470                    | -                   | -                                     | 382,470                     | -   |
| <b>Total Noncurrent Liabilities</b>                | <u>110,223</u>                                     | <u>642,395</u>             | <u>885,908</u>      | <u>53,916</u>                         | <u>1,692,442</u>            | <u>-</u>  |
| <b>Total Liabilities</b>                           | <u>825,818</u>                                     | <u>1,767,910</u>           | <u>989,400</u>      | <u>543,970</u>                        | <u>4,127,098</u>            | <u>80,381</u>   |
| <b>Net Assets:</b>                                 |  |                            |                     |                                       |                             |   |
| Invested in capital assets,<br>net of related debt | 13,108,877   | 18,825,623                 | 613,753             | 10,455,196                            | 43,003,449                  | -   |
| Restricted for insurance deposit                   | -  | -                          | -                   | -                                     | -                           | 469,024   |
| Unrestricted                                       | 9,225,812  | 14,113,160                 | 7,168,203           | 5,721,739                             | 36,228,914                  | 4,667,685   |
| <b>Total Net Assets</b>                            | <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>  |
| <b>Total Liabilities and Net Assets</b>            | <u>\$ 23,160,507</u>                               | <u>\$ 34,706,693</u>       | <u>\$ 8,771,356</u> | <u>\$ 16,720,905</u>                  | <u>\$ 83,359,461</u>        | <u>\$ 5,217,090</u>   |

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET**  
**ASSETS – PROPRIETARY FUNDS**  
**For The Year Ended June 30, 2006**

|   | <u>Business-type Activities - Enterprise Funds</u> |                            |                   |                                       |                             | <b>Governmental<br/>Activities -<br/>Internal<br/>Service Funds</b> |
|---|--|----------------------------|-------------------|---------------------------------------|-----------------------------|---|
|   | <u>Water</u>                                       | <u>Light and<br/>Power</u> | <u>Landfill</u>   | <u>Other<br/>Enterprise<br/>Funds</u> | <u>Total<br/>Enterprise</u> |   |
| <b>Operating Revenues:</b>                    |  |                            |                   |                                       |                             |   |
| Charges for services                          | \$ 2,085,357                                       | \$ 21,647,107              | \$ 931,592        | \$ 1,552,753                          | \$ 26,216,809               | \$ 467,456  |
| Connection and servicing                      | -  | 73,569                     | -                 | 27,592                                | 101,161                     | -   |
| Admissions and lesson fees                    | -  | -                          | -                 | 1,382,092                             | 1,382,092                   | -   |
| Equipment and facility rents                  | -  | 31,500                     | -                 | 558,492                               | 589,992                     | -   |
| Concession and merchandise sales              | -  | -                          | -                 | 264,500                               | 264,500                     | -   |
| Sale of cemetery burial plots                 | -  | -                          | -                 | 175,421                               | 175,421                     | -   |
| Miscellaneous                                 | 14,777   | 589,282                    | 157,865           | 3,022                                 | 764,946                     | 1,202   |
| <b>Total Operating Revenues</b>               | <u>2,100,134</u>                                   | <u>22,341,458</u>          | <u>1,089,457</u>  | <u>3,963,872</u>                      | <u>29,494,921</u>           | <u>468,658</u>  |
| <b>Operating Expenses:</b>                    |  |                            |                   |                                       |                             |   |
| Production, collection and source of supplies | 179,959  | 13,913,639                 | -                 | 433,469                               | 14,527,067                  | -   |
| Transmission, distribution and/or maintenance | 1,290,315  | 2,121,460                  | 641,183           | 2,236,785                             | 6,289,743                   | -   |
| Cost of concession and merchandise sales      | -  | -                          | -                 | 190,770                               | 190,770                     | -   |
| Claims  | -  | -                          | -                 | -                                     | -                           | 285,257   |
| General and administrative                    | 527,957  | 2,149,894                  | 174,216           | 804,271                               | 3,656,338                   | 571,095   |
| Depreciation and amortization                 | 518,290  | 1,636,522                  | 87,997            | 881,523                               | 3,124,332                   | -   |
| <b>Total Operating Expenses</b>               | <u>2,516,521</u>                                   | <u>19,821,515</u>          | <u>903,396</u>    | <u>4,546,818</u>                      | <u>27,788,250</u>           | <u>856,352</u>  |
| <b>Operating Income (Loss)</b>                | <u>\$ (416,387)</u>                                | <u>\$ 2,519,943</u>        | <u>\$ 186,061</u> | <u>\$ (582,946)</u>                   | <u>\$ 1,706,671</u>         | <u>\$ (387,694)</u>   |

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET**  
**ASSETS – PROPRIETARY FUNDS (Continued)**  
**For The Year Ended June 30, 2006**

|  | Business-type Activities - Enterprise Funds |                      |                     |                              |                      | Governmental<br>Activities -<br>Internal<br>Service Funds |
|--|---|----------------------|---------------------|------------------------------|----------------------|---|
|  | Water                                       | Light and<br>Power   | Landfill            | Other<br>Enterprise<br>Funds | Total<br>Enterprise  |   |
| <b>Nonoperating Income (Expense):</b>      |   |                      |                     |                              |                      |   |
| Interest income                            | \$ 369,880                                  | \$ 146,105           | \$ 307,289          | \$ 214,465                   | \$ 1,037,739         | \$ 205,644  |
| Interest expense                           | -   | (117,798)            | -                   | -                            | (117,798)            | -   |
| Contributions/Grants                       | 591,440                                     | 82,028               | -                   | -                            | 673,468              | -   |
| Gain (loss) from sale of capital assets    | (52,800)                                    | 5,696                | 5,892               | (878)                        | (42,090)             | -   |
| <b>Total Nonoperating Income (Expense)</b> | <b>908,520</b>                              | <b>116,031</b>       | <b>313,181</b>      | <b>213,587</b>               | <b>1,551,319</b>     | <b>205,644</b>  |
| Income (loss) before transfers             | 492,133                                     | 2,635,974            | 499,242             | (369,359)                    | 3,257,990            | (182,050)   |
| Transfers in                               | -   | -                    | -                   | 262,000                      | 262,000              | -   |
| Transfers out                              | -   | (2,322,867)          | -                   | (12,000)                     | (2,334,867)          | -   |
| <b>Change in Net Assets</b>                | <b>492,133</b>                              | <b>313,107</b>       | <b>499,242</b>      | <b>(119,359)</b>             | <b>1,185,123</b>     | <b>(182,050)</b>  |
| <b>Net Assets, Beginning</b>               | <b>21,842,556</b>                           | <b>32,625,676</b>    | <b>7,282,714</b>    | <b>16,296,294</b>            | <b>78,047,240</b>    | <b>5,318,759</b>  |
| <b>Net Assets, Ending</b>                  | <b>\$ 22,334,689</b>                        | <b>\$ 32,938,783</b> | <b>\$ 7,781,956</b> | <b>\$ 16,176,935</b>         | <b>\$ 79,232,363</b> | <b>\$ 5,136,709</b>                                       |

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, 2006**

|   | <b>Business-type Activities - Enterprise Funds</b> |                            |                    |                                       |                             | <b>Governmental<br/>Activities -<br/>Internal<br/>Service Funds</b> |
|---|--|----------------------------|--------------------|---------------------------------------|-----------------------------|---|
|   | <b>Water</b>                                       | <b>Light and<br/>Power</b> | <b>Landfill</b>    | <b>Other<br/>Enterprise<br/>Funds</b> | <b>Total<br/>Enterprise</b> |   |
| <b>Cash Flows From Operating Activities:</b>                            |  |                            |                    |                                       |                             |   |
| Receipts from customers and users                                       | \$ 2,059,457                                       | \$ 22,032,978              | \$ 996,220         | \$ 3,931,328                          | \$ 29,019,983               | \$ 467,976  |
| Payments to suppliers   | (617,624)  | (15,125,015)               | (433,513)          | (1,505,211)                           | (17,681,363)                | (784,648)   |
| Payments to employees and related benefits                              | (859,820)  | (3,038,945)                | (298,367)          | (2,067,602)                           | (6,264,734)                 | (96,115)  |
| <b>Net cash flows from operating activities</b>                         | <b>582,013</b>                                     | <b>3,869,018</b>           | <b>264,340</b>     | <b>358,515</b>                        | <b>5,073,886</b>            | <b>(412,787)</b>  |
| <b>Cash Flows From Non-Capital Financing<br/>Activities:</b>            |  |                            |                    |                                       |                             |   |
| Transfers in  | -  |                            | -                  | 262,000                               | 262,000                     | -   |
| Transfers out   | -  | (2,322,867)                | -                  | (12,000)                              | (2,334,867)                 | -   |
| Interest Paid   | -  | (117,798)                  | -                  | -                                     | (117,798)                   | -   |
| Grants and contributions received                                       | 591,440  | 82,028                     | -                  | -                                     | 673,468                     | -   |
| Payment of note receivable  | -  | -                          | -                  | 13,000                                | 13,000                      | -   |
| <b>Net cash flows from non-capital financing<br/>activities</b>         | <b>591,440</b>                                     | <b>(2,358,637)</b>         | <b>-</b>           | <b>263,000</b>                        | <b>(1,504,197)</b>          | <b>-</b>  |
| <b>Cash Flows From Capital and Related Financing<br/>Activities:</b>    |  |                            |                    |                                       |                             |   |
| Purchase of capital assets  | (1,687,071)  | (349,901)                  | (99,159)           | (620,037)                             | (2,756,168)                 | -   |
| Proceeds from sales of capital assets                                   | 6,554  | 5,696                      | 5,893              | 17,824                                | 35,967                      | -   |
| <b>Net cash flows from capital and<br/>related financing activities</b> | <b>\$ (1,680,517)</b>                              | <b>\$ (344,205)</b>        | <b>\$ (93,266)</b> | <b>\$ (602,213)</b>                   | <b>\$ (2,720,201)</b>       | <b>\$ -</b>   |

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



**CITY OF BOUNTIFUL**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)**  
**For The Year Ended June 30, 2006**

|   | <b>Business-type Activities - Enterprise Funds</b> |                            |                     |                                       |                             | <b>Governmental<br/>Activities -<br/>Internal<br/>Service Funds</b> |
|---|--|----------------------------|---------------------|---------------------------------------|-----------------------------|---|
|   | <b>Water</b>                                       | <b>Light and<br/>Power</b> | <b>Landfill</b>     | <b>Other<br/>Enterprise<br/>Funds</b> | <b>Total<br/>Enterprise</b> |   |
| <b>Cash Flows From Investing Activities:</b>                    |  |                            |                     |                                       |                             |   |
| Interest on investments   | \$ 349,822   | \$ 141,559                 | \$ 293,421          | \$ 202,217                            | \$ 987,019                  | \$ 196,245  |
| Purchase of investments   | (2,502,643)  | (1,060,453)                | (1,897,523)         | (1,656,743)                           | (7,117,362)                 | (1,162,795)   |
| Sale of investments   | 2,957,834  | 459,873                    | 1,947,767           | 1,769,608                             | 7,135,082                   | 1,471,884   |
| <b>Net cash flows from investing activities</b>                 | <b>805,013</b>                                     | <b>(459,021)</b>           | <b>343,665</b>      | <b>315,082</b>                        | <b>1,004,739</b>            | <b>505,334</b>  |
| <b>Net Increase (Decrease) In Cash and Cash<br/>Equivalents</b> | <b>297,949</b>                                     | <b>707,155</b>             | <b>514,739</b>      | <b>334,384</b>                        | <b>1,854,227</b>            | <b>92,547</b>   |
| <b>Cash and Cash Equivalents, Beginning</b>                     | <b>4,750,529</b>                                   | <b>78,374</b>              | <b>4,596,394</b>    | <b>2,687,687</b>                      | <b>12,112,984</b>           | <b>2,917,642</b>  |
| <b>Cash and Cash Equivalents, Ending</b>                        | <b>\$ 5,048,478</b>                                | <b>\$ 785,529</b>          | <b>\$ 5,111,133</b> | <b>\$ 3,022,071</b>                   | <b>\$ 13,967,211</b>        | <b>\$ 3,010,189</b>   |

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)**  
**For The Year Ended June 30, 2006**

|  | <u>Business-type Activities - Enterprise Funds</u> |                            |                   |                                       |                     | <b>Governmental<br/>Activities -<br/>Internal<br/>Service Funds</b> |
|--|--|----------------------------|-------------------|---------------------------------------|---------------------|---|
|  | <u>Water</u>                                       | <u>Light and<br/>Power</u> | <u>Landfill</u>   | <u>Other<br/>Enterprise<br/>Funds</u> | <u>Totals</u>       |   |
| <b>Reconciliation of operating income to<br/>net cash flows from operating activities:</b> |  |                            |                   |                                       |                     |   |
| Earnings (loss) from operations  | \$ (416,387)                                       | \$ 2,519,943               | \$ 186,061        | \$ (582,946)                          | \$ 1,706,671        | \$ (387,694)  |
| Adjustments to reconcile earnings (loss)<br>to net cash flows from operating activities:   |  |                            |                   |                                       |                     |   |
| Depreciation   | 518,290  | 1,636,522                  | 87,997            | 881,523                               | 3,124,332           | -   |
| Changes in assets and liabilities  |  |                            |                   |                                       |                     |   |
| Accounts receivable, net   | (40,677)   | (357,215)                  | (93,237)          | (32,544)                              | (523,673)           | (682)   |
| Inventories  | 9,050  | (31,057)                   | -                 | 15,149                                | (6,858)             | -   |
| Prepaid expenses   | (5,120)  | 8,498                      | -                 | (385)                                 | 2,993               | -   |
| Accounts payable   | 449,194  | (24,009)                   | 65,298            | 120,227                               | 610,710             | (24,216)  |
| Compensated absences   | 12,425   | 44,700                     | 2,201             | (31,242)                              | 28,084              | -   |
| Accrued liabilities  | 55,238   | 22,901                     | 16,020            | (11,267)                              | 82,892              | (195)   |
| Customer deposits  | -  | 99,369                     | -                 | -                                     | 99,369              | -   |
| Unearned revenue   | -  | (50,634)                   | -                 | -                                     | (50,634)            | -   |
| <b>Net cash flows from operating<br/>activities:</b>                                       | <u>\$ 582,013</u>                                  | <u>\$ 3,869,018</u>        | <u>\$ 264,340</u> | <u>\$ 358,515</u>                     | <u>\$ 5,073,886</u> | <u>\$ (412,787)</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 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:

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

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, 2006, 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                    | 20-33        |
| Improvements other than buildings                  | 20           |
| Transmission, distribution, and collection systems | 15-50        |
| Machinery and equipment                            | 3-50         |
| 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, permanent 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, 2006, \$1,375,018 of the City’s bank balances of \$30,014,901 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, 2006, \$4,082,059 of the City’s \$29,268,138 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, 2006.

|  | <u>Fair Value</u>           | <u>Credit<br/>Rating (1)</u> | <u>Weighted Average<br/>Maturity (Years) (2)</u> |
|--|-----------------------------|------------------------------|--|
| <b>Cash on hand and on deposit:</b>                |                             |                              |  |
| Cash on hand                                       | \$ 3,880                    | N/A                          | N/A  |
| Cash on deposit                                    | 1,178,577                   | N/A                          | N/A  |
| Utah State Treasurer's investment<br>pool accounts | <u>28,857,304</u>           | N/A                          | N/A  |
| <b>Total cash on hand and deposit</b>              | <u><u>\$ 30,039,761</u></u> |                              |  |
| <b>Investments</b>                                 |                             |                              |  |
| Certificates of Deposit                            | \$ 3,092,868                | N/A                          | 0.57   |
| Utah State Treasurer's investment<br>pool accounts | 2,159,316                   | N/A                          | N/A  |
| U.S. Treasuries                                    | 22,606,142                  | AAA                          | 0.56   |
| Bond Reserves                                      | <u>1,289,191</u>            | N/A                          | N/A  |
| <b>Total Investments</b>                           | <u><u>\$ 29,147,517</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, 2006 for all funds is \$90,000.

**NOTE 4 RESTRICTED ASSETS**

Certain assets are restricted to use as follows as of June 30, 2006:

|  |                            |
|--|----------------------------|
| Restricted for regulatory required insurance deposit                 | \$ 469,024                 |
| Restricted for funds received for closure of landfill                | 695,441                    |
| Restricted for landfill closure, post-closure and corrective actions | 865,361                    |
| Restricted for bond payments   | 818,499                    |
| Restricted for cemetery perpetual care                               | 1,118,349                  |
| Restricted for construction retainage                                | <u>123,292</u>             |
| <b>Total</b>   | <u><u>\$ 4,089,966</u></u> |

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

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

Real estate inventory held for resale in the enterprise funds represents cemetery plots held for sale by the Cemetery Fund. 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, 2006, is as follows:

|   | <u>Balance<br/>July 1, 2005</u> | <u>Additions</u>    | <u>Deletions</u>  | <u>Balance<br/>June 30, 2006</u> |
|---|---------------------------------|---------------------|-------------------|----------------------------------|
| <b>Governmental activities:</b>                     |                                 |                     |                   |                                  |
| <b>Capital assets, not being depreciated:</b>       |                                 |                     |                   |                                  |
| Land  | \$ 46,183,219                   | \$ 40,131           | \$ -              | \$ 46,223,350                    |
| Construction in progress                            | 131,913                         | 450,170             | 254,561           | 327,522                          |
| <b>Total capital assets, not being depreciated</b>  | 46,315,132                      | 490,301             | 254,561           | 46,550,872                       |
| <b>Capital assets, being depreciated:</b>           |                                 |                     |                   |                                  |
| Infrastructure                                      | 26,875,060                      | 212,981             | 25,540            | 27,062,501                       |
| Buildings   | 21,147,176                      | 63,072              | 192,397           | 21,017,851                       |
| Improvements other than buildings                   | 4,494,377                       | 443,440             | -                 | 4,937,817                        |
| Machinery and equipment                             | 7,083,499                       | 395,560             | 332,393           | 7,146,666                        |
| Furniture and fixtures                              | 1,597,761                       | 24,702              | 38,822            | 1,583,641                        |
| <b>Total capital assets, being depreciated</b>      | 61,197,873                      | 1,139,755           | 589,152           | 61,748,476                       |
| <b>Less accumulated depreciation for:</b>           |                                 |                     |                   |                                  |
| Infrastructure                                      | 12,672,531                      | 476,655             | 83,109            | 13,066,077                       |
| Buildings   | 6,933,972                       | 838,574             | 144,563           | 7,627,983                        |
| Improvements other than buildings                   | 1,843,510                       | 203,255             | -                 | 2,046,765                        |
| Machinery and equipment                             | 5,462,789                       | 596,570             | 271,205           | 5,788,154                        |
| Furniture and fixtures                              | 865,202                         | 159,403             | 23,680            | 1,000,925                        |
| <b>Total accumulated depreciation</b>               | 27,778,004                      | 2,274,457           | 522,557           | 29,529,904                       |
| <b>Total capital assets, being depreciated, net</b> | 33,419,869                      | (1,134,702)         | 66,595            | 32,218,572                       |
| <b>Governmental activities capital assets, net</b>  | <u>\$ 79,735,001</u>            | <u>\$ 1,630,056</u> | <u>\$ 843,713</u> | <u>\$ 78,769,444</u>             |

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

|   |                     |
|---|---------------------|
| <b>Governmental activities:</b>                             |                     |
| General government  | \$ 352,904          |
| Public safety   | 845,673             |
| Highways and public improvements                            | 876,167             |
| Parks   | 168,574             |
| Redevelopment Agency  | 12,583              |
| Planning & engineering                                      | 18,556              |
| <b>Total depreciation expense - governmental activities</b> | <u>\$ 2,274,457</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, 2006:

|   | <b>Balance<br/>July 1, 2005</b> | <b>Additions</b>    | <b>Deletions</b>  | <b>Balance<br/>June 30, 2006</b> |
|---|---------------------------------|---------------------|-------------------|----------------------------------|
| <b>Business-type Activities:</b>                    |                                 |                     |                   |                                  |
| <b>Capital assets, not being depreciated:</b>       |                                 |                     |                   |                                  |
| Land, land rights, and water rights                 | \$ 3,128,763                    | \$ -                | \$ -              | \$ 3,128,763                     |
| Construction in progress                            | 313,541                         | 1,062,034           | 49,026            | 1,326,549                        |
| <b>Total capital assets, not being depreciated</b>  | <b>3,442,304</b>                | <b>1,062,034</b>    | <b>49,026</b>     | <b>4,455,312</b>                 |
| <b>Capital assets, being depreciated:</b>           |                                 |                     |                   |                                  |
| Buildings, wells and reservoirs                     | 12,479,955                      | 130,012             | 14,673            | 12,595,294                       |
| Improvements other than buildings                   | 2,453,043                       | 12,649              | -                 | 2,465,692                        |
| Transmission, distribution and collection systems   | 57,530,656                      | 871,897             | 124,364           | 58,278,189                       |
| Street light and traffic systems                    | 2,860,476                       | -                   | -                 | 2,860,476                        |
| Machinery and equipment                             | 20,842,035                      | 728,601             | 502,841           | 21,067,795                       |
| Furniture and fixtures                              | 44,311                          | -                   | -                 | 44,311                           |
| <b>Total capital assets, being depreciated</b>      | <b>96,210,476</b>               | <b>1,743,159</b>    | <b>641,878</b>    | <b>97,311,757</b>                |
| <b>Less accumulated depreciation for:</b>           |                                 |                     |                   |                                  |
| Buildings, wells and reservoirs                     | 7,490,931                       | 340,931             | 4,464             | 7,827,398                        |
| Improvements other than buildings                   | 863,861                         | 109,700             | -                 | 973,561                          |
| Transmission, distribution and collection systems   | 33,550,691                      | 1,617,292           | 74,966            | 35,093,017                       |
| Street light and traffic systems                    | 1,422,499                       | 92,925              | -                 | 1,515,424                        |
| Machinery and equipment                             | 12,854,774                      | 957,045             | 484,137           | 13,327,682                       |
| Furniture and fixtures                              | 20,099                          | 6,439               | -                 | 26,538                           |
| <b>Total accumulated depreciation</b>               | <b>56,202,855</b>               | <b>3,124,332</b>    | <b>563,567</b>    | <b>58,763,620</b>                |
| <b>Total capital assets, being depreciated, net</b> | <b>40,007,621</b>               | <b>(1,381,173)</b>  | <b>78,311</b>     | <b>38,548,137</b>                |
| <b>Business-type activities capital assets, net</b> | <b>\$ 43,449,925</b>            | <b>\$ (319,139)</b> | <b>\$ 127,337</b> | <b>\$ 43,003,449</b>             |

**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  | \$ 518,290                                     |
| Light and Power  | 1,636,522                                      |
| Landfill   | 87,998   |
| Storm Water  | 470,143  |
| Golf Course  | 166,156  |
| Recreation   | 104,362  |
| Sanitation   | 115,336  |
| Cemetery   | 25,525   |
|  | <u>          </u>                              |
| <b>Total depreciation expense - business-type activities</b> | <b><u>          </u><br/><u>          </u></b> |

**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><br><u>June 30, 2006</u> | <u>Interest</u><br><u>Rate</u> | <u>Monthly Payments</u> |                    | <u>Balloon Payments</u> |                |
|--|--------------------------------|-------------------------|--------------------|-------------------------|----------------|
|  |                                | <u>Amount</u>           | <u>Due Through</u> | <u>Amount</u>           | <u>Due</u>     |
| \$ 48,828                              | 3.00%                          | \$ 579                  | April 2009         | \$ 32,621               | May 2009       |
| 327,890                                | 3.50%                          | 5,500                   | December 2011      |                         |                |
| 291,963                                | 3.00%                          | 3,380                   | August 2009        | 181,682                 | September 2009 |
| 34,504                                 | 3.00%                          | 394                     | September 2009     | 22,258                  | October 2009   |
| 69,320                                 | 4.75%                          | 1,756                   | January 2010       |                         |                |
| 224,454                                | 3.00%                          | 2,414                   | April 2010         | 136,320                 | May 2010       |
| 76,879                                 | 3.00%                          | 807                     | July 2010          | 45,584                  | August 2010    |
| 38,033                                 | 3.00%                          | 396                     | July 2010          | 22,373                  | August 2010    |
| 90,000                                 | 3.00%                          | 869                     | June 2011          | 49,111                  | July 2011      |
| <u>\$ 1,201,871</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 \$2,422,320 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.

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

**NOTE 9 LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2006:

|   | <b>Long-term<br/>debt<br/>payable at<br/>July 1, 2005</b> | <b>Additions</b>  | <b>Reductions</b>   | <b>Long-term<br/>debt<br/>payable at<br/>June 30, 2006</b> | <b>Due within<br/>One Year</b> |
|---|---|-------------------|---------------------|--|--------------------------------|
| <b>Governmental activities:</b>                     |   |                   |                     |  |                                |
| Lease revenue bonds                                 | \$ 6,134,000  | \$ -              | \$ 479,000          | \$ 5,655,000   | \$ 495,000                     |
| Special assessment bonds                            | 2,492,000   | -                 | 152,000             | 2,340,000  | 156,000                        |
| Compensated absences                                | 731,544   | 548,183           | 541,604             | 738,123  | -                              |
| Deferred amounts:                                   |   |                   |                     |  |                                |
| Plus unamortized premium                            | 85,883  | -                 | 3,578               | 82,305   | -                              |
|   | <u>\$ 9,443,427</u>                                       | <u>\$ 548,183</u> | <u>\$ 1,176,182</u> | <u>\$ 8,815,428</u>  | <u>\$ 651,000</u>              |
| <b>Governmental activity long-term liabilities</b>  |   |                   |                     |  |                                |
| <b>Business-type activities:</b>                    |   |                   |                     |  |                                |
| Compensated absences                                | \$ 492,223  | \$ 383,926        | \$ 363,974          | \$ 512,175   | \$ 159,821                     |
|   | <u>\$ 492,223</u>   | <u>\$ 383,926</u> | <u>\$ 363,974</u>   | <u>\$ 512,175</u>  | <u>\$ 159,821</u>              |
| <b>Business-type activity long-term liabilities</b> |   |                   |                     |  |                                |

The liability for compensated absences is typically liquidated by the General Fund and all Enterprise Funds. Due to the City policies restricting the cash out and use of compensated absences, no portion of such absences in the Governmental Funds is considered to be due within one year of the date of the statement of net assets.

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.

Management has determined that because of the city policy related to compensated absences that the city can not reasonably estimate the amount that would be paid from current resources for the governmental activities and, therefore, has not included an amount in the above information.

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 \$101,000 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, 2006, are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|-----------------------------|---------------------|-------------------|---------------------|
| 2007                        | \$ 205,000          | \$ 90,435         | \$ 295,435          |
| 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             |
| 2012-2015                   | 1,187,000           | 108,961           | 1,295,961           |
| <b>Total</b>                | <b>\$ 2,340,000</b> | <b>\$ 474,019</b> | <b>\$ 2,814,019</b> |

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 \$290,000 to \$385,000 through June 1, 2016, plus interest at 2.5% to 5.0%, payable semi-annually. The parking structure consists of three stories having approximately 480 parking stalls and will be leased by the Authority to the City under an annually renewable Master Lease Agreement dated May 1, 2003. The City will utilize the parking structure to provide public parking for the Renaissance Towne Centre. The City anticipates making its lease payment from, among other available sources, tax increment generated from the development of the Renaissance Towne Centre pursuant to an agreement between the City and the Redevelopment Agency of Bountiful City dated December 16, 2002.

The annual debt service requirements to maturity, including principal and interest for the Series 2003 Lease Revenue Bonds, as of June 30, 2006, are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u>    | <u>Interest</u> | <u>Total</u> |
|-----------------------------|---------------------|-----------------|--------------|
| 2007                        | \$ 290,000          | \$ 122,712      | \$ 412,712   |
| 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      |
| 2012-2016                   | 1,795,000           | 249,050         | 2,044,050    |
|                             | 3,315,000           | \$ 778,150      | \$ 4,093,150 |
| Plus unamortized premium    | 82,305              |                 |              |
| <b>Total</b>                | <b>\$ 3,397,305</b> |                 |              |



**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 \$156,000 to \$249,000 through June 1, 2018, plus interest at 3.2% 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, 2006, are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|-----------------------------|---------------------|-------------------|---------------------|
| 2007                        | \$ 156,000          | \$ 107,131        | \$ 263,131          |
| 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             |
| 2012-2016                   | 1,021,000           | 293,930           | 1,314,930           |
| 2017-2018                   | 485,000             | 41,117            | 526,117             |
|                             | <u>\$ 2,340,000</u> | <u>\$ 815,502</u> | <u>\$ 3,155,502</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 \$1,863,941 and \$988,939, 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, 2006 is not expected to be received within 60 days after the year ended June 30, 2006, 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, 2006.

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

**NOTE 11 DESIGNATED FUND EQUITY**

Unreserved fund balances which have designated purposes at June 30, 2006 are as follows:

|                        | <u>General<br/>Fund</u> | <u>Redevelopment<br/>Agency</u> | <u>Capital<br/>Projects</u> | <u>Total</u>         |
|------------------------|-------------------------|---------------------------------|-----------------------------|----------------------|
| City beautification    | \$ 369                  | \$ -                            | \$ -                        | \$ 369               |
| Computer replacement   | 44,216                  | -                               | -                           | 44,216               |
| Redevelopment projects | -                       | 4,082,921                       | -                           | 4,082,921            |
| Construction projects  | -                       | -                               | 22,859,581                  | 22,859,581           |
|                        | <u>\$ 44,585</u>        | <u>\$ 4,082,921</u>             | <u>\$ 22,859,581</u>        | <u>\$ 26,987,087</u> |

**NOTE 12 RISK MANAGEMENT**

The City is self-insured 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 \$84,751,023 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 \$1,000 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 deductible for auto and general liability and \$250,000 deductible for 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 employees. The City is self-insured for property loss above the limits and below the 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, 2006, 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, 2006 and 2005, are as follows:

|                               | <u>General<br/>Liability<br/>Claims</u> |
|-------------------------------|---|
| <b>Balance, June 30, 2004</b> | \$ 41,966                               |
| Additions                     | 59,814                                  |
| Deletions                     | (82,541)                                |
|                               | <u>19,239</u>                           |
| <b>Balance, June 30, 2005</b> | 19,239                                  |
| Additions                     | 195,418                                 |
| Deletions                     | (199,657)                               |
|                               | <u>15,000</u>                           |
| <b>Balance, June 30, 2006</b> | <u>\$ 15,000</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, 2006 and 2005 are as follows:

|                               | <b>Workers'<br/>Compensation<br/>Claims</b> |
|-------------------------------|---|
| <b>Balance, June 30, 2004</b> | \$ 65,718                                   |
| Additions                     | 124,157                                     |
| Deletions                     | (121,394)                                   |
|                               | 68,481                                      |
| <b>Balance, June 30, 2005</b> | 68,481                                      |
| Additions                     | 89,839                                      |
| Deletions                     | (109,479)                                   |
|                               | 48,841                                      |
| <b>Balance, June 30, 2006</b> | \$ 48,841                                   |

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 7.08% of their annual covered salary. In the Local Governmental Noncontributory Retirement System, the City is required to contribute 11.09% 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, 2006, 2005, and 2004, were \$24,863, \$23,187 and \$19,304 respectively; for the Noncontributory Retirement System, the contributions for the years ended June 30, 2006, 2005, and 2004, were \$741,005, \$710,663 and \$575,764 respectively; and for the Firefighters Retirement System, the contributions for the years ended June 30, 2006, 2005, and 2004, were \$0, \$39,136 and \$63,593 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 refunds, retirement benefits, annual cost of living adjustments and death benefits 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 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 19.68% 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 2006, the City's Public Safety annual pension cost of \$326,064 was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2005 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, 2006     | \$ 326,064                       | 100%                               | \$ -                          |
| June 30, 2005     | 324,173                          | 100%                               | -                             |
| June 30, 2004     | 301,564                          | 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, 2005               | \$ 13,392,000                    | \$ 13,406,000                      | \$ 14,000                           | 100%                 | \$ 1,724,000           | 1%  |
| January 1, 2005                 | 12,384,000                       | 12,337,000                         | (47,000)                            | 100%                 | 1,621,000              | (3%)  |
| January 1, 2004                 | 11,809,000                       | 11,640,000                         | (169,000)                           | 102%                 | 1,653,000              | (10%)   |

**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, 2006 was \$10,553,077. Of that amount, \$8,528,655 was eligible to participate in the plan. The City participates at rates between 1.62% and 3.61%, depending on the state retirement rate. The rate of City participation can be changed by the City Council. During the year ended June 30, 2006, contributions totaling \$290,427 were made to the plan by employees and \$267,804 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, 2006 was \$10,553,077. Of that amount, \$8,528,655 was eligible to participate in this plan. The City participated at a rate of 19.68%. The rate of City participation can be changed by the City Council. During the year ended June 30, 2006, contributions totaling \$103,450 were made to this plan by employees and \$17,803 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, 2006, the City had fifteen participants eligible to receive benefits and such costs totaled \$66,539. 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 \$169,010 as of June 30, 2006.

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

|                                      |                                 |
|--------------------------------------|---------------------------------|
| 2007                                 | \$ 13,000                       |
| 2008                                 | 13,000                          |
| 2009                                 | 13,000                          |
| 2010                                 | 13,000                          |
| 2010                                 | 13,000                          |
| 2012-2016                            | 65,000                          |
| 2017-2019                            | <u>39,010</u>                   |
| <b>Total payments to be received</b> | <b><u><u>\$ 169,010</u></u></b> |

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:

|  |                     |
|--|---------------------|
| 2007                                       | \$ 335,501          |
| 2008                                       | 335,646             |
| 2009                                       | 336,106             |
| 2010                                       | 335,796             |
| 2011                                       | 336,745             |
| 2012-2015                                  | 1,344,235           |
| <b>Total future minimum lease payments</b> | <b>\$ 3,024,029</b> |

The City received \$305,069 in rental income from this operating lease for the year ended June 30, 2006. 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 \$3,028,965. 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 \$6,262,340 of outstanding construction commitments at June 30, 2006.

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 \$121,993 of tax increment through June 30, 2006 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 \$1,665,363.

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 amount may exceed this as construction circumstances change. 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, 2006, the Redevelopment Agency has expended \$1,022,658 related to the project, of which \$48,379 is construction retention.

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

**NOTE 18 INTERGOVERNMENTAL REVENUE**

Intergovernmental revenue for the year ended June 30, 2006 consists of the following:

|  |              |         |
|--|--------------|---------|
| Utah Class "C" Road allotment                    | \$ 1,285,723 | 92.26%  |
| City of Woods Cross RDA Tax Increment            | 69,999       | 5.02    |
| Utah Liquor Law Enforcement Grant                | 24,980       | 1.79    |
| Davis County Narcotics Strike Force Pass-Through | 8,649        | 0.62    |
| Polling Place Accessibility Grant                | 2,293        | 0.17    |
| Homeland Security Grant                          | 1,999        | 0.14    |
|  | \$ 1,393,643 | 100.00% |

**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, 2006, \$695,441 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, 2006. The City has reported and included in accrued liabilities \$865,361 as landfill closure and post-closure care liability at June 30, 2006 which is based on 52% 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 2006. The City estimates it will close the landfill in or after the year 2050. Actual cost 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, 2006, investments of \$2,482,179 (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, 2006, interfund balances due to or from other funds were as follows:

| <b>Receivable Fund</b> | <b>Payable Fund</b>  | <b>Amount</b> |
|------------------------|----------------------|---------------|
| Capital Projects       | Redevelopment Agency | \$ 974,279    |

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, 2006 are as follows:

|                                   | <b>In</b>           | <b>Out</b>          |
|-----------------------------------|---------------------|---------------------|
| General Fund                      | \$ 2,322,867        | \$ 250,000          |
| Debt Service Fund                 | 89,264              | -                   |
| Municipal Building Authority Fund | 162,119             | -                   |
| Redevelopment Agency              | 1,430               | -                   |
| Capital Projects Fund             | -                   | 252,813             |
| Enterprise                        |                     |                     |
| Light and Power Fund              | -                   | 2,322,867           |
| Golf Course Fund                  | -                   | 12,000              |
| Recreation Fund                   | 262,000             | -                   |
|                                   | <b>\$ 2,837,680</b> | <b>\$ 2,837,680</b> |

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

On September 26, 1978, the Light and Power Fund (the Fund) entered into a 50-year contract with the Intermountain Power Agency (IPA) for the purchase of power. Under the terms of the agreement, the Fund is liable for an agreed-upon purchase amount of approximately 1.3% of production regardless of whether it is used or not. On December 1, 1980, the Fund entered into an excess power sales agreement whereby all power purchased from IPA in excess of the Fund's scheduled amount will be sold to a group of California cities, thus relieving the Fund's excess power purchase liability. The Fund purchased power via this contract totaling \$2,740,675 during the fiscal year ended June 30, 2006. For fiscal year 2007, the budgeted amount for this contract is \$2,725,545.

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

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

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 36% of the Fund's power. The Fund purchased power via this contract totaling \$2,951,980 during the fiscal year ended June 30, 2006. For fiscal year 2007, the budgeted amount for this contract is \$3,208,387.

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 \$1,669,415 during the fiscal year ended June 30, 2006. For fiscal year 2007, the budgeted amount of this contract is \$1,472,967.

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 O&M costs associated with the line. The Fund paid \$163,475 for O&M for the fiscal year ended June 30, 2006. For fiscal year 2007, the budgeted amount for O&M is \$86,400. The Fund through UAMPS has leased approximately half of its entitlement to Pacificorp, for the next 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 on 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 \$3,509,702 during the year ended June 30, 2006. For fiscal year 2007, the budgeted amount for this contract is \$3,733,872.

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 \$1,483,318 during the fiscal year ended June 30, 2006. For fiscal year 2007, the budgeted amount for this contract is \$1,514,914.

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' O&M. In addition to the normal O&M, in March 2002 UAMPS borrowed approximately forty million dollars to cover operating shortfalls from power contracts signed during the 2000 and 2001 power crisis. This note will be repaid from individual members through a cost recovery charge (CRC). The Fund was responsible for approximately \$83,000 a month until the final CRC payment was made in April 2006. The Fund paid UAMPS a net \$237,131 for the fiscal year ended June 30, 2006 for power purchases and sales, O&M, and CRC charges. For fiscal year 2007, the budgeted amount for this is a net \$(464,499).

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

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

For the year ended June 30, 2006, 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   | \$ 555,047        |
| District #5   | 160,877           |
| <u>Project Area 2</u>   |                   |
| District #3   | 10,946            |
| <u>Project Area 3</u>   |                   |
| District #3   | 148,933           |
|   | <u>\$ 875,803</u> |
| Tax increment paid to other taxing agencies   |                   |
| Outstanding loans to finance RDA projects   | \$ -              |
| Amounts expended for site improvements and preparation costs                        | 1,347,885         |
| Amounts expended for acquisition of property  | 369,838           |
| Amounts expended for installation of public utilities and other public improvements | -                 |
| Amounts expended for administrative costs   | 509,531           |

**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, 2006, there were two series of Industrial Revenue Bonds outstanding, having an outstanding principal balance of \$12,535,000.

**NOTE 24 SUBSEQUENT EVENTS**

In August 2006, the City discontinued its recreation center operations, demolished the recreation center and pool, and transferred the land where the center was located to the South Davis Recreation District. The City incurred a loss on segment disposition of approximately \$683,000, which represents the net book value of assets demolished and/or transferred to the District. The new facility, being constructed by the District near the site of the previous recreation center, should open in January 2007.

In October 2006, the City's Redevelopment Agency sold main street property, previously recorded as Land Held for Resale, to a developer at a loss of \$68,960. The property will be used in a future retail and housing development which the City anticipates will more than repay, through future tax increment and other revenues, any loss incurred on the sale of the land.

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

## **SUPPLEMENTAL INFORMATION**

**CITY OF BOUNTIFUL**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2006**

|  | Debt<br>Service     | Special Revenue<br>Fund |                                    | Permanent<br>Fund   | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---------------------|-------------------------|------------------------------------|---------------------|--|
|  |                     | Landfill<br>Closure     | Municipal<br>Building<br>Authority | Perpetual<br>Care   |  |
| <b>Assets:</b>                                 |                     |                         |                                    |                     |  |
| Cash and cash equivalents                      | \$ 6,742            | \$ -                    | \$ 151,535                         | \$ -                | \$ 158,277                                 |
| Accounts receivable                            | -                   | -                       | -                                  | -                   | -  |
| Interest receivable                            | 153                 | -                       | 2,557                              | 5,543               | 8,253                                      |
| Investments                                    | 3,676               | -                       | 131,193                            | -                   | 134,869                                    |
| Notes receivable                               | 2,422,320           | -                       | -                                  | -                   | 2,422,320                                  |
| Restricted assets:                             |                     |                         |                                    |                     |  |
| Cash and cash equivalents<br>and investments   | 264,839             | 695,441                 | 553,661                            | 1,118,348           | 2,632,289                                  |
| <b>Total Assets</b>                            | <b>\$ 2,697,730</b> | <b>\$ 695,441</b>       | <b>\$ 838,946</b>                  | <b>\$ 1,123,891</b> | <b>\$ 5,356,008</b>                        |
| <b>Liabilities and<br/>Fund Balances</b>       |                     |                         |                                    |                     |  |
| <b>Liabilities:</b>                            |                     |                         |                                    |                     |  |
| Accounts payable                               | \$ 1,650            | \$ -                    | \$ 6,251                           | \$ -                | \$ 7,901                                   |
| Unearned revenues                              | 2,422,320           | -                       | -                                  | -                   | 2,422,320                                  |
| <b>Total Liabilities</b>                       | <b>2,423,970</b>    | <b>-</b>                | <b>6,251</b>                       | <b>-</b>            | <b>2,430,221</b>                           |
| <b>Fund Balances:</b>                          |                     |                         |                                    |                     |  |
| Reserved for:                                  |                     |                         |                                    |                     |  |
| Construction                                   | -                   | -                       | 279,034                            | -                   | 279,034                                    |
| Landfill closure                               | -                   | 695,441                 | -                                  | -                   | 695,441                                    |
| Perpetual care                                 | -                   | -                       | -                                  | 1,123,891           | 1,123,891                                  |
| Debt service                                   | 273,760             | -                       | 553,661                            | -                   | 827,421                                    |
| <b>Total Fund Balances</b>                     | <b>273,760</b>      | <b>695,441</b>          | <b>832,695</b>                     | <b>1,123,891</b>    | <b>2,925,787</b>                           |
| <b>Total Liabilities and<br/>Fund Balances</b> | <b>\$ 2,697,730</b> | <b>\$ 695,441</b>       | <b>\$ 838,946</b>                  | <b>\$ 1,123,891</b> | <b>\$ 5,356,008</b>                        |

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**For The Year Ended June 30, 2006**

|  | Special Revenue Fund |                   |                              | Permanent Fund      | Total Nonmajor Governmental Funds |
|--|----------------------|-------------------|------------------------------|---------------------|-----------------------------------|
|  | Debt Service         | Landfill Closure  | Municipal Building Authority | Perpetual Care      |                                   |
| <b>Revenues:</b>   |                      |                   |                              |                     |                                   |
| Taxes  | \$ 180,510           | \$ -              | \$ -                         | \$ -                | \$ 180,510                        |
| Charges for services   | -                    | -                 | 560,296                      | -                   | 560,296                           |
| Interest on investments  | 10,429               | 28,743            | 30,205                       | 41,966              | 111,343                           |
| Miscellaneous  | -                    | -                 | -                            | 34,544              | 34,544                            |
| <b>Total Revenues</b>  | <b>190,939</b>       | <b>28,743</b>     | <b>590,501</b>               | <b>76,510</b>       | <b>886,693</b>                    |
| <b>Expenditures:</b>   |                      |                   |                              |                     |                                   |
| General government   | 9,988                | -                 | 102                          | -                   | 10,090                            |
| Debt service:  |                      |                   |                              |                     |                                   |
| Principal  | 152,000              | -                 | 479,000                      | -                   | 631,000                           |
| Interest   | 111,463              | -                 | 246,092                      | -                   | 357,555                           |
| <b>Total Expenditures</b>  | <b>273,451</b>       | <b>-</b>          | <b>725,194</b>               | <b>-</b>            | <b>998,645</b>                    |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <b>(82,512)</b>      | <b>28,743</b>     | <b>(134,693)</b>             | <b>76,510</b>       | <b>(111,952)</b>                  |
| <b>Other Financing Sources (Uses):</b>                           |                      |                   |                              |                     |                                   |
| Transfer in  | 89,264               | -                 | 162,119                      | -                   | 251,383                           |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>89,264</b>        | <b>-</b>          | <b>162,119</b>               | <b>-</b>            | <b>251,383</b>                    |
| Net Change in Fund Balances                                      | 6,752                | 28,743            | 27,426                       | 76,510              | 139,431                           |
| <b>Fund Balance, Beginning</b>                                   | <b>267,008</b>       | <b>666,698</b>    | <b>805,269</b>               | <b>1,047,381</b>    | <b>2,786,356</b>                  |
| <b>Fund Balance, Ending</b>                                      | <b>\$ 273,760</b>    | <b>\$ 695,441</b> | <b>\$ 832,695</b>            | <b>\$ 1,123,891</b> | <b>\$ 2,925,787</b>               |

**CITY OF BOUNTIFUL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL –NONMAJOR DEBT SERVICE FUND**  
**For The Year Ended June 30, 2006**

|  | <u>Budgeted Amounts</u> |                 | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>final budget</u> |
|--|-------------------------|-----------------|---------------------------|---------------------------------------|
|  | <u>Original</u>         | <u>Final</u>    |                           |                                       |
| <b>Revenues:</b>   |                         |                 |                           |                                       |
| Taxes  | \$ 273,148              | \$ 273,148      | \$ 180,510                | \$ (92,638)                           |
| Interest on investments  | 3,000                   | 3,000           | 10,429                    | 7,429                                 |
| <b>Total Revenues</b>  | <u>276,148</u>          | <u>276,148</u>  | <u>190,939</u>            | <u>(85,209)</u>                       |
| <b>Expenditures:</b>   |                         |                 |                           |                                       |
| General government   | 10,188                  | 10,188          | 9,988                     | 200                                   |
| Debt service:  |                         |                 |                           |                                       |
| Principal  | 152,000                 | 152,000         | 152,000                   | -                                     |
| Interest   | 111,463                 | 111,463         | 111,463                   | -                                     |
| <b>Total Expenditures</b>  | <u>273,651</u>          | <u>273,651</u>  | <u>273,451</u>            | <u>200</u>                            |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>2,497</u>            | <u>2,497</u>    | <u>(82,512)</u>           | <u>(85,009)</u>                       |
| <b>Other Financing Sources (Uses):</b>                               |                         |                 |                           |                                       |
| Transfer in  | -                       | -               | 89,264                    | 89,264                                |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>-</u>                | <u>-</u>        | <u>89,264</u>             | <u>89,264</u>                         |
| <b>Net Change in Fund Balance</b>                                    | <u>\$ 2,497</u>         | <u>\$ 2,497</u> | <u>6,752</u>              | <u>\$ 4,255</u>                       |
| <b>Fund Balance, Beginning</b>                                       |                         |                 | <u>267,008</u>            |                                       |
| <b>Fund Balance, Ending</b>  |                         |                 | <u>\$ 273,760</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, 2006**

|  | <u>Budgeted Amounts</u> |                | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>final budget</u> |
|--|-------------------------|----------------|---------------------------|---------------------------------------|
|  | <u>Original</u>         | <u>Final</u>   |                           |                                       |
| <b>Revenues:</b>   |                         |                |                           |                                       |
| Charges for services   | \$ 717,592              | \$ 717,592     | \$ 560,296                | \$ (157,296)                          |
| Interest on investments  | 7,800                   | 7,800          | 30,205                    | 22,405                                |
| <b>Total Revenues</b>  | <u>725,392</u>          | <u>725,392</u> | <u>590,501</u>            | <u>(134,891)</u>                      |
| <b>Expenditures:</b>   |                         |                |                           |                                       |
| General government   | 300                     | 300            | 102                       | 198                                   |
| Debt service:  |                         |                |                           |                                       |
| Principal  | 479,000                 | 479,000        | 479,000                   | -                                     |
| Interest   | 246,092                 | 246,092        | 246,092                   | -                                     |
| <b>Total Expenditures</b>  | <u>725,392</u>          | <u>725,392</u> | <u>725,194</u>            | <u>198</u>                            |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>-</u>                | <u>-</u>       | <u>(134,693)</u>          | <u>(134,693)</u>                      |
| <b>Other Financing Sources (Uses):</b>                               |                         |                |                           |                                       |
| Transfer in  | -                       | -              | 162,119                   | 162,119                               |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>-</u>                | <u>-</u>       | <u>162,119</u>            | <u>162,119</u>                        |
| <b>Net Change in Fund Balance</b>                                    | <u>\$ -</u>             | <u>\$ -</u>    | <u>27,426</u>             | <u>\$ 27,426</u>                      |
| <b>Fund Balance, Beginning</b>                                       |                         |                | <u>805,269</u>            |                                       |
| <b>Fund Balance, Ending</b>  |                         |                | <u>\$ 832,695</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, 2006**

|  | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>final budget</u> |
|--|-------------------------|---------------------|---------------------------|---------------------------------------|
|  | <u>Original</u>         | <u>Final</u>        |                           |                                       |
| <b>Revenues:</b>   |                         |                     |                           |                                       |
| Taxes  | \$ 2,200,000            | \$ 2,225,000        | \$ 4,945,822              | \$ 2,720,822                          |
| Interest on investments  | 350,000                 | 350,000             | 717,376                   | 367,376                               |
| Miscellaneous  | -                       | -                   | 158,362                   | 158,362                               |
| <b>Total Revenues</b>  | <u>2,550,000</u>        | <u>2,575,000</u>    | <u>5,821,560</u>          | <u>3,246,560</u>                      |
| <b>Expenditures:</b>   |                         |                     |                           |                                       |
| Capital outlay   | 3,167,721               | 3,175,229           | 1,327,885                 | 1,847,344                             |
| <b>Total Expenditures</b>  | <u>3,167,721</u>        | <u>3,175,229</u>    | <u>1,327,885</u>          | <u>1,847,344</u>                      |
| <b>Excess (Deficiency) of Revenues<br/>    Over (Under) Expenditures</b> | <u>(617,721)</u>        | <u>(600,229)</u>    | <u>4,493,675</u>          | <u>5,093,904</u>                      |
| <b>Other Financing Sources (Uses):</b>                                   |                         |                     |                           |                                       |
| Transfer out   | -                       | -                   | (252,813)                 | (252,813)                             |
| <b>Total Other Financing Sources (Uses)</b>                              | <u>-</u>                | <u>-</u>            | <u>(252,813)</u>          | <u>(252,813)</u>                      |
| <b>Net Change in Fund Balance</b>  | <u>\$ (617,721)</u>     | <u>\$ (600,229)</u> | 4,240,862                 | <u>\$ 4,841,091</u>                   |
| <b>Fund Balance, Beginning</b>   |                         |                     | <u>18,618,719</u>         |                                       |
| <b>Fund Balance, Ending</b>  |                         |                     | <u>\$ 22,859,581</u>      |                                       |

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2006**

**Business-type Activities - Enterprise Funds**

|  | <b>Storm<br/>Water</b> | <b>Golf Course</b>  | <b>Recreation</b>   | <b>Sanitation</b>   | <b>Cemetery</b>     | <b>Total<br/>Nonmajor<br/>Enterprise<br/>Funds</b> |
|--|------------------------|---------------------|---------------------|---------------------|---------------------|--|
| <b>Assets:</b>                                       |                        |                     |                     |                     |                     |  |
| <b>Current Assets:</b>                               |                        |                     |                     |                     |                     |  |
| Cash and cash equivalents                            | \$ 678,624             | \$ 636,839          | \$ 385,485          | \$ 872,462          | \$ 448,661          | \$ 3,022,071                                       |
| Accounts receivable, net                             | 83,441                 | 6,621               | 26,221              | 115,575             | 139,427             | 371,285  |
| Interest receivable                                  | 6,001                  | 5,487               | 3,691               | 8,642               | 4,156               | 27,977   |
| Investments  | 587,521                | 550,566             | 333,020             | 755,250             | 388,429             | 2,614,786  |
| Inventories  | -                      | 54,924              | -                   | -                   | 5,271               | 60,195   |
| Prepaid expenses                                     | -                      | -                   | -                   | 212                 | 173                 | 385  |
| <b>Total Current Assets</b>                          | <b>1,355,587</b>       | <b>1,254,437</b>    | <b>748,417</b>      | <b>1,752,141</b>    | <b>986,117</b>      | <b>6,096,699</b>                                   |
| <b>Noncurrent Assets:</b>                            |                        |                     |                     |                     |                     |  |
| Capital assets, net:                                 |                        |                     |                     |                     |                     |  |
| Land, land rights and water rights                   | -                      | 1,869,367           | 136,927             | -                   | 247,151             | 2,253,445  |
| Buildings, wells and reservoirs                      | -                      | 320,799             | 545,796             | 11,455              | -                   | 878,050  |
| Improvements other than buildings                    | -                      | 1,085,824           | 62,632              | 3,965               | 85,052              | 1,237,473  |
| Transmission, distribution and<br>collection systems | 5,037,932              | -                   | -                   | -                   | -                   | 5,037,932  |
| Machinery and equipment                              | 130,006                | 235,561             | 33,811              | 271,722             | 73,492              | 744,592  |
| Furniture and fixtures                               | -                      | -                   | 10,137              | -                   | -                   | 10,137   |
| Construction in progress                             | 5,061                  | -                   | -                   | 288,506             | -                   | 293,567  |
| Notes receivable                                     | -                      | -                   | -                   | -                   | 169,010             | 169,010  |
| <b>Total Noncurrent Assets</b>                       | <b>5,172,999</b>       | <b>3,511,551</b>    | <b>789,303</b>      | <b>575,648</b>      | <b>574,705</b>      | <b>10,624,206</b>                                  |
| <b>Total Assets</b>                                  | <b>\$ 6,528,586</b>    | <b>\$ 4,765,988</b> | <b>\$ 1,537,720</b> | <b>\$ 2,327,789</b> | <b>\$ 1,560,822</b> | <b>\$ 16,720,905</b>                               |

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS (Continued)**  
**June 30, 2006**

|  | <b>Business-type Activities - Enterprise Funds</b> |                     |                     |                     |                     | <b>Total<br/>Nonmajor<br/>Enterprise<br/>Funds</b> |
|--|--|---------------------|---------------------|---------------------|---------------------|--|
|  | <b>Storm<br/>Water</b>                             | <b>Golf Course</b>  | <b>Recreation</b>   | <b>Sanitation</b>   | <b>Cemetery</b>     |  |
| <b>Liabilities:</b>                                |  |                     |                     |                     |                     |  |
| <b>Current Liabilities:</b>                        |  |                     |                     |                     |                     |  |
| Accounts payable                                   | \$ 18,386  | \$ 34,888           | \$ 32,561           | \$ 219,062          | \$ 4,879            | \$ 309,776   |
| Compensated absences                               | 5,281  | 8,602               | 21,732              | 9,943               | 3,701               | 49,259   |
| Accrued liabilities                                | 11,289   | 63,995              | 36,757              | 10,526              | 8,452               | 131,019  |
| <b>Total Current Liabilities</b>                   | <b>34,956</b>                                      | <b>107,485</b>      | <b>91,050</b>       | <b>239,531</b>      | <b>17,032</b>       | <b>490,054</b>                                     |
| <b>Noncurrent Liabilities:</b>                     |  |                     |                     |                     |                     |  |
| Compensated absences                               | 6,137  | 26,350              | 99                  | 12,184              | 9,146               | 53,916   |
| <b>Total Noncurrent Liabilities</b>                | <b>6,137</b>                                       | <b>26,350</b>       | <b>99</b>           | <b>12,184</b>       | <b>9,146</b>        | <b>53,916</b>                                      |
| <b>Total Liabilities</b>                           | <b>41,093</b>                                      | <b>133,835</b>      | <b>91,149</b>       | <b>251,715</b>      | <b>26,178</b>       | <b>543,970</b>                                     |
| <b>Net Assets:</b>                                 |  |                     |                     |                     |                     |  |
| Invested in capital assets,<br>net of related debt | 5,172,999  | 3,511,551           | 789,303             | 575,648             | 405,695             | 10,455,196   |
| Unrestricted                                       | 1,314,494  | 1,120,602           | 657,268             | 1,500,426           | 1,128,949           | 5,721,739  |
| <b>Total Net Assets</b>                            | <b>6,487,493</b>                                   | <b>4,632,153</b>    | <b>1,446,571</b>    | <b>2,076,074</b>    | <b>1,534,644</b>    | <b>16,176,935</b>                                  |
| <b>Total Liabilities and Net Assets</b>            | <b>\$ 6,528,586</b>                                | <b>\$ 4,765,988</b> | <b>\$ 1,537,720</b> | <b>\$ 2,327,789</b> | <b>\$ 1,560,822</b> | <b>\$ 16,720,905</b>                               |

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For The Year Ended June 30, 2006**

|   | <b>Business-type Activities - Enterprise Funds</b> |                    |                     |                   |                   | <b>Total Nonmajor<br/>Enterprise<br/>Funds</b> |
|---|--|--------------------|---------------------|-------------------|-------------------|--|
|   | <b>Storm<br/>Water</b>                             | <b>Golf Course</b> | <b>Recreation</b>   | <b>Sanitation</b> | <b>Cemetery</b>   |  |
| <b>Operating Revenues:</b>                    |  |                    |                     |                   |                   |  |
| Charges for services                          | \$ 662,085   | \$ -               | \$ -                | \$ 789,908        | \$ 100,760        | \$ 1,552,753                                   |
| Connection and servicing                      | 27,592   | -                  | -                   | -                 | -                 | 27,592   |
| Admissions and lesson fees                    | -  | 724,166            | 657,926             | -                 | -                 | 1,382,092                                      |
| Equipment and facility rents                  | -  | 347,337            | 206,305             | -                 | 4,850             | 558,492  |
| Concession and merchandise sales              | -  | 176,644            | 87,856              | -                 | -                 | 264,500  |
| Sale of cemetery burial plots                 | -  | -                  | -                   | -                 | 175,421           | 175,421  |
| Miscellaneous                                 | 192  | 698                | 470                 | 412               | 1,250             | 3,022  |
| <b>Total Operating Revenues</b>               | <b>689,869</b>                                     | <b>1,248,845</b>   | <b>952,557</b>      | <b>790,320</b>    | <b>282,281</b>    | <b>3,963,872</b>                               |
| <b>Operating Expenses:</b>                    |  |                    |                     |                   |                   |  |
| Production, collection and source of supplies | 433,469  | -                  | -                   | -                 | -                 | 433,469  |
| Transmission, distribution and/or maintenance | -  | 640,916            | 963,324             | 447,669           | 184,876           | 2,236,785                                      |
| Cost of concession and merchandise sales      | -  | 112,229            | 78,541              | -                 | -                 | 190,770  |
| General and administrative                    | 131,172  | 162,005            | 287,780             | 147,075           | 76,239            | 804,271  |
| Depreciation and amortization                 | 470,144  | 166,156            | 104,362             | 115,336           | 25,525            | 881,523  |
| <b>Total Operating Expenses</b>               | <b>1,034,785</b>                                   | <b>1,081,306</b>   | <b>1,434,007</b>    | <b>710,080</b>    | <b>286,640</b>    | <b>4,546,818</b>                               |
| <b>Operating Income (Loss)</b>                | <b>\$ (344,916)</b>                                | <b>\$ 167,539</b>  | <b>\$ (481,450)</b> | <b>\$ 80,240</b>  | <b>\$ (4,359)</b> | <b>\$ (582,946)</b>                            |

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS (Continued)**  
**For The Year Ended June 30, 2006**

|  | <b>Business-type Activities - Enterprise Funds</b> |                     |                     |                     |                     | <b>Total Nonmajor<br/>Enterprise<br/>Funds</b> |
|--|--|---------------------|---------------------|---------------------|---------------------|--|
|  | <b>Storm<br/>Water</b>                             | <b>Golf Course</b>  | <b>Recreation</b>   | <b>Sanitation</b>   | <b>Cemetery</b>     |  |
| <b>Nonoperating Income (Expense):</b>      |  |                     |                     |                     |                     |  |
| Interest income                            | \$ 45,292  | \$ 42,023           | \$ 29,133           | \$ 66,022           | \$ 31,995           | \$ 214,465                                     |
| Gain (loss) from sale of capital assets    | -  | 2,457               | (13,702)            | 7,000               | 3,367               | (878)  |
| <b>Total Nonoperating Income (Expense)</b> | <b>45,292</b>                                      | <b>44,480</b>       | <b>15,431</b>       | <b>73,022</b>       | <b>35,362</b>       | <b>213,587</b>                                 |
| Income (loss) before transfers             | (299,624)  | 212,019             | (466,019)           | 153,262             | 31,003              | (369,359)                                      |
| Transfers in                               | -  | -                   | 262,000             | -                   | -                   | 262,000  |
| Transfers out                              | -  | (12,000)            | -                   | -                   | -                   | (12,000)                                       |
| <b>Changes in Net Assets</b>               | <b>(299,624)</b>                                   | <b>200,019</b>      | <b>(204,019)</b>    | <b>153,262</b>      | <b>31,003</b>       | <b>(119,359)</b>                               |
| <b>Net Assets, Beginning</b>               | <b>6,787,117</b>                                   | <b>4,432,134</b>    | <b>1,650,590</b>    | <b>1,922,812</b>    | <b>1,503,641</b>    | <b>16,296,294</b>                              |
| <b>Net Assets, Ending</b>                  | <b>\$ 6,487,493</b>                                | <b>\$ 4,632,153</b> | <b>\$ 1,446,571</b> | <b>\$ 2,076,074</b> | <b>\$ 1,534,644</b> | <b>\$ 16,176,935</b>                           |

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For The Year Ended June 30, 2006**

|  | <b>Business-type Activities - Enterprise Funds</b> |                          |                          |                          |                          | <b>Total Nonmajor</b>      |
|--|--|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
|  | <b>Storm Water</b>                                 | <b>Golf Course</b>       | <b>Recreation</b>        | <b>Sanitation</b>        | <b>Cemetery</b>          | <b>Enterprise Funds</b>    |
| <b>Cash Flows From Operating Activities:</b>                 |  |                          |                          |                          |                          |                            |
| Receipts from customers and users                            | \$ 689,379   | \$ 1,249,341             | \$ 938,439               | \$ 790,185               | \$ 263,984               | \$ 3,931,328               |
| Payments to suppliers  | (357,419)  | (458,000)                | (565,619)                | (81,429)                 | (42,744)                 | (1,505,211)                |
| Payments to employees and related benefits                   | (297,279)  | (471,270)                | (787,515)                | (301,926)                | (209,612)                | (2,067,602)                |
| Net cash flows from operating activities                     | <u>34,681</u>                                      | <u>320,071</u>           | <u>(414,695)</u>         | <u>406,830</u>           | <u>11,628</u>            | <u>358,515</u>             |
| <b>Cash Flows From Non-Capital Financing Activities:</b>     |  |                          |                          |                          |                          |                            |
| Transfers in   | -  | -                        | 262,000                  | -                        | -                        | 262,000                    |
| Transfers out  | -  | (12,000)                 | -                        | -                        | -                        | (12,000)                   |
| Payment of note receivable                                   | -  | -                        | -                        | -                        | 13,000                   | 13,000                     |
| Net cash flows from non-capital financing activities         | <u>-</u>   | <u>(12,000)</u>          | <u>262,000</u>           | <u>-</u>                 | <u>13,000</u>            | <u>263,000</u>             |
| <b>Cash Flows From Capital and Related Financing</b>         |  |                          |                          |                          |                          |                            |
| Purchase of capital assets                                   | (60,028)   | (53,015)                 | -                        | (474,150)                | (32,844)                 | (620,037)                  |
| Proceeds from sales of capital assets                        | -  | 2,457                    | 5,000                    | 7,000                    | 3,367                    | 17,824                     |
| Net cash flows from capital and related financing activities | <u>(60,028)</u>                                    | <u>(50,558)</u>          | <u>5,000</u>             | <u>(467,150)</u>         | <u>(29,477)</u>          | <u>(602,213)</u>           |
| <b>Cash Flows From Investing Activities:</b>                 |  |                          |                          |                          |                          |                            |
| Interest on investments                                      | 43,138   | 39,015                   | 27,854                   | 61,959                   | 30,251                   | 202,217                    |
| Purchase of investments                                      | (356,142)  | (474,749)                | (136,404)                | (447,119)                | (242,329)                | (1,656,743)                |
| Sale of investments  | 397,616  | 372,606                  | 225,378                  | 511,130                  | 262,878                  | 1,769,608                  |
| Net cash flows from investing activities                     | <u>84,612</u>                                      | <u>(63,128)</u>          | <u>116,828</u>           | <u>125,970</u>           | <u>50,800</u>            | <u>315,082</u>             |
| <b>Net Increase (Decrease) In Cash and Cash Equivalents</b>  | 59,265   | 194,385                  | (30,867)                 | 65,650                   | 45,951                   | 334,384                    |
| <b>Cash and Cash Equivalents, Beginning</b>                  | <u>619,359</u>                                     | <u>442,454</u>           | <u>416,352</u>           | <u>806,812</u>           | <u>402,710</u>           | <u>2,687,687</u>           |
| <b>Cash and Cash Equivalents, Ending</b>                     | <u><u>\$ 678,624</u></u>                           | <u><u>\$ 636,839</u></u> | <u><u>\$ 385,485</u></u> | <u><u>\$ 872,462</u></u> | <u><u>\$ 448,661</u></u> | <u><u>\$ 3,022,071</u></u> |

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS (Continued)**  
**For The Year Ended June 30, 2006**

|  | <b>Business-type Activities - Enterprise Funds</b> |                    |                     |                   |                  | <b>Total Nonmajor<br/>Enterprise<br/>Funds</b> |
|--|--|--------------------|---------------------|-------------------|------------------|--|
|  | <b>Storm Water</b>                                 | <b>Golf Course</b> | <b>Recreation</b>   | <b>Sanitation</b> | <b>Cemetery</b>  |  |
| <b>Reconciliation of operating income to<br/>net cash flows from operating activities:</b> |  |                    |                     |                   |                  |  |
| Earnings (loss) from operations  | \$ (344,916)                                       | \$ 167,539         | \$ (481,450)        | \$ 80,240         | \$ (4,359)       | \$ (582,946)                                   |
| Adjustments to reconcile earnings (loss) to net<br>cash flows from operating activities:   |  |                    |                     |                   |                  |  |
| Depreciation   | 470,144  | 166,156            | 104,362             | 115,336           | 25,525           | 881,523  |
| Changes in assets and liabilities  |  |                    |                     |                   |                  |  |
| Accounts receivable, net   | (490)  | 496                | (14,118)            | (135)             | (18,297)         | (32,544)                                       |
| Inventories  | -  | 5,813              | 6,800               | -                 | 2,536            | 15,149   |
| Prepaid expenses   | -  | -                  | -                   | (212)             | (173)            | (385)  |
| Accounts payable   | (88,617)   | (3,414)            | (3,777)             | 212,396           | 3,639            | 120,227  |
| Compensated absences   | 3,848  | (17,756)           | (18,450)            | (85)              | 1,201            | (31,242)                                       |
| Accrued liabilities  | (5,288)  | 1,237              | (8,062)             | (710)             | 1,556            | (11,267)                                       |
| <b>Net cash flows from operating<br/>activities</b>  | <b>\$ 34,681</b>                                   | <b>\$ 320,071</b>  | <b>\$ (414,695)</b> | <b>\$ 406,830</b> | <b>\$ 11,628</b> | <b>\$ 358,515</b>                              |



**CITY OF BOUNTIFUL  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
June 30, 2006**

|   | <u>Governmental<br/>Immunity</u> | <u>Workers'<br/>Compensation<br/>Self-Insurance</u> | <u>Total<br/>Internal Service<br/>Funds</u> |
|---|----------------------------------|---|---|
| <b>Assets:</b>                              |                                  |   |   |
| <b>Current Assets:</b>                      |                                  |   |   |
| Cash and cash equivalents                   | \$ 1,793,234                     | \$ 747,931  | \$ 2,541,165                                |
| Interest receivable                         | 17,821                           | 6,596   | 24,417                                      |
| Investments                                 | 1,552,499                        | 622,371   | 2,174,870                                   |
| Other receivables                           | -                                | 7,614   | 7,614                                       |
| <b>Total Current Assets</b>                 | <u>3,363,554</u>                 | <u>1,384,512</u>                                    | <u>4,748,066</u>                            |
| <b>Noncurrent Assets:</b>                   |                                  |   |   |
| Restricted cash and cash equivalents        | 469,024                          | -   | 469,024                                     |
| <b>Total Noncurrent Assets</b>              | <u>469,024</u>                   | <u>-</u>  | <u>469,024</u>                              |
| <b>Total Assets</b>                         | <u>\$ 3,832,578</u>              | <u>\$ 1,384,512</u>                                 | <u>\$ 5,217,090</u>                         |
| <b>Liabilities:</b>                         |                                  |   |   |
| <b>Current Liabilities:</b>                 |                                  |   |   |
| Accounts payable                            | \$ 25,634                        | \$ 51,412   | \$ 77,046                                   |
| Accrued liabilities                         | 2,156                            | 1,179   | 3,335                                       |
| <b>Total Liabilities</b>                    | <u>27,790</u>                    | <u>52,591</u>                                       | <u>80,381</u>                               |
| <b>Net Assets:</b>                          |                                  |   |   |
| Restricted for insurance deposit            | 469,024                          | -   | 469,024                                     |
| Unrestricted                                | 3,335,764                        | 1,331,921   | 4,667,685                                   |
| <b>Total Net Assets</b>                     | <u>3,804,788</u>                 | <u>1,331,921</u>                                    | <u>5,136,709</u>                            |
| <b>Total Liabilities and<br/>Net Assets</b> | <u>\$ 3,832,578</u>              | <u>\$ 1,384,512</u>                                 | <u>\$ 5,217,090</u>                         |

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS**  
**For The Year Ended June 30, 2006**

|  | <u>Governmental<br/>Immunity</u> | <u>Workers'<br/>Compensation<br/>Self-Insurance</u> | <u>Total<br/>Internal Service<br/>Funds</u> |
|--|----------------------------------|---|---|
| <b>Operating Revenues:</b>                 |                                  |   |   |
| Charges for services                       | \$ 252,911                       | \$ 214,545  | \$ 467,456                                  |
| Miscellaneous                              | 1,202                            | -   | 1,202                                       |
| <b>Total Operating Revenues</b>            | <u>254,113</u>                   | <u>214,545</u>                                      | <u>468,658</u>                              |
| <b>Operating Expenses:</b>                 |                                  |   |   |
| Claims                                     | 195,418                          | 89,839  | 285,257                                     |
| General and administrative                 | 498,589                          | 72,506  | 571,095                                     |
| <b>Total Operating Expenses</b>            | <u>694,007</u>                   | <u>162,345</u>                                      | <u>856,352</u>                              |
| Operating Income (Loss)                    | <u>(439,894)</u>                 | <u>52,200</u>                                       | <u>(387,694)</u>                            |
| <b>Nonoperating Income (Expense):</b>      |                                  |   |   |
| Interest income                            | 156,031                          | 49,613  | 205,644                                     |
| <b>Total Nonoperating Income (Expense)</b> | <u>156,031</u>                   | <u>49,613</u>                                       | <u>205,644</u>                              |
| <b>Changes in Net Assets</b>               | (283,863)                        | 101,813   | (182,050)                                   |
| <b>Net Assets, Beginning</b>               | <u>4,088,651</u>                 | <u>1,230,108</u>                                    | <u>5,318,759</u>                            |
| <b>Net Assets, Ending</b>                  | <u>\$ 3,804,788</u>              | <u>\$ 1,331,921</u>                                 | <u>\$ 5,136,709</u>                         |

**CITY OF BOUNTIFUL**  
**Capital Assets Statistics by Function**  
**Last Ten Fiscal Years**  
**Table 18**

| Function                                    | Fiscal Year |        |        |        |        |        |        |        |        |        |
|---|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|   | 1997        | 1998   | 1999   | 2000   | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   |
| <b>Fire protection:</b>                     |             |        |        |        |        |        |        |        |        |        |
| Number of stations                          | 2           | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |
| Sworn full-time fire fighters (1)           | 14          | 18     | 19     | 19     | 19     | 19     | 19     | 19     | -      | -      |
| Sworn part-time fire fighters (1)           | 35          | 35     | 27     | 27     | 27     | 28     | 29     | 27     | -      | -      |
| <b>Police protection:</b>                   |             |        |        |        |        |        |        |        |        |        |
| Number of policemen and officers            | 33          | 33     | 33     | 33     | 33     | 33     | 33     | 34     | 34     | 34     |
| Number of police reserve officers           | 8           | 10     | 6      | 6      | 6      | 6      | 10     | 10     | 10     | 10     |
| <b>Planning and Engineering:</b>            |             |        |        |        |        |        |        |        |        |        |
| Number of street lights                     | 1,986       | 2,000  | 2,002  | 2,045  | 2,077  | 2,099  | 2,104  | 2,108  | 2,112  | 2,119  |
| Area (square miles)                         | 12          | 13     | 13     | 13     | 13     | 13     | 13     | 13     | 14     | 14     |
| Miles of streets                            | 138         | 138    | 141    | 142    | 144    | 144    | 158    | 159    | 158    | 158    |
| <b>Public Services:</b>                     |             |        |        |        |        |        |        |        |        |        |
| <b>Recreation and culture:</b>              |             |        |        |        |        |        |        |        |        |        |
| Number of municipal parks                   | 18          | 18     | 18     | 18     | 18     | 19     | 19     | 19     | 19     | 19     |
| Number of municipal picnic areas            | 14          | 14     | 14     | 14     | 14     | 15     | 15     | 15     | 13     | 13     |
| Number of municipal tennis courts           | 21          | 21     | 21     | 21     | 21     | 21     | 21     | 21     | 21     | 21     |
| Number of municipal soccer fields           | 1           | 1      | 1      | -      | -      | 3      | 3      | 3      | 5      | 5      |
| Number of municipal ball diamonds           | 10          | 10     | 10     | 10     | 10     | 10     | 10     | 10     | 9      | 9      |
| Number of municipal golf courses            | 1           | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Number of municipal ice arenas              | 1           | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Number of municipal swimming pools          | 2           | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| <b>Municipal power plants:</b>              |             |        |        |        |        |        |        |        |        |        |
| Number of customers                         | 14,019      | 14,264 | 14,087 | 15,019 | 15,178 | 15,357 | 15,510 | 15,674 | 15,986 | 15,938 |
| Miles of distribution lines                 | 207         | 208    | 208    | 208    | 219    | 238    | 226    | 226    | 226    | 228    |
| <b>Municipal water plants:</b>              |             |        |        |        |        |        |        |        |        |        |
| Number of customers                         | 9,679       | 9,819  | 9,867  | 9,997  | 10,084 | 10,171 | 10,296 | 10,396 | 10,532 | 10,559 |
| Miles of water mains                        | 150         | 153    | 157    | 158    | 160    | 160    | 168    | 168    | 170    | 171    |
| <b>Storm Water Utility:</b>                 |             |        |        |        |        |        |        |        |        |        |
| Miles of storm water lines (encased)        | 36          | 37     | 38     | 40     | 42     | 42     | 72     | 73     | 73     | 73     |
| Miles of storm water lines (concrete lined) | 3           | 3      | 3      | 3      | 3      | 3      | 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.

**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      | 21.30%            |

**CITY OF BOUNTIFUL  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For The Year Ended June 30, 2006**

|  | <u>Governmental<br/>Immunity</u> | <u>Workers'<br/>Compensation<br/>Self-Insurance</u> | <u>Total<br/>Internal Service<br/>Funds</u> |
|--|----------------------------------|---|---|
| <b>Cash Flows From Operating Activities:</b>   |                                  |   |   |
| Receipts from customers and users  | \$ 254,113                       | \$ 213,863  | \$ 467,976                                  |
| Payments to suppliers  | (636,740)                        | (147,908)   | (784,648)                                   |
| Payments to employees and related benefits   | (63,771)                         | (32,344)  | (96,115)                                    |
| <b>Net cash flows from operating activities</b>  | <u>(446,398)</u>                 | <u>33,611</u>                                       | <u>(412,787)</u>                            |
| <b>Cash Flows From Investing Activities:</b>   |                                  |   |   |
| Interest on investments  | 149,431                          | 46,814  | 196,245                                     |
| Purchase of investments  | (759,706)                        | (403,089)   | (1,162,795)                                 |
| Sale of investments  | 1,050,683                        | 421,201   | 1,471,884                                   |
| <b>Net cash flows from investing activities</b>  | <u>440,408</u>                   | <u>64,926</u>                                       | <u>505,334</u>                              |
| <b>Net Increase (Decrease) In Cash and<br/>Cash Equivalents</b>                            | (5,990)                          | 98,537  | 92,547                                      |
| <b>Cash and Cash Equivalents, Beginning</b>  | <u>2,268,248</u>                 | <u>649,394</u>                                      | <u>2,917,642</u>                            |
| <b>Cash and Cash Equivalents, Ending</b>   | <u>\$ 2,262,258</u>              | <u>\$ 747,931</u>                                   | <u>\$ 3,010,189</u>                         |
| <b>Reconciliation of operating income to<br/>net cash flows from operating activities:</b> |                                  |   |   |
| Earnings (loss) from operations  | \$ (439,894)                     | \$ 52,200   | \$ (387,694)                                |
| Adjustments to reconcile earnings (loss) to<br>net cash flows from operating activities:   |                                  |   |   |
| Changes in assets and liabilities  |                                  |   |   |
| Accounts receivable, net   | -                                | (682)   | (682)                                       |
| Accounts payable   | (6,682)                          | (17,534)  | (24,216)                                    |
| Accrued liabilities  | 178                              | (373)   | (195)                                       |
| <b>Net cash flows from operating activities</b>  | <u>\$ (446,398)</u>              | <u>\$ 33,611</u>                                    | <u>\$ (412,787)</u>                         |

**CITY OF BOUNTIFUL  
IMPACT FEE SCHEDULE  
For The Year Ended June 30, 2006**

**Water**

During the year beginning July 1, 2005, the City collected Water impact fees from and expend Water impact fees within the following project areas (see map):

|                  | <u>Area 1</u> | <u>Area 2</u> | <u>Area 3</u> | <u>Area 4</u> | <u>Area 5</u> | <u>Area 6</u> | <u>Total</u> |
|------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Collected From:  | \$ 113,956    | \$ 14,704     | \$ 34,922     | \$ 3,676      | \$ 28,390     | \$ 80,872     | \$ 276,520   |
| Expended Within: | 262,661       | -             | -             | -             | 65,000        | 11,969        | 339,630      |

- Area 1 - Secondary water provided by Weber Basin Water District (Irrigated)
- Area 2 - Non-irrigated (Eagle Ridge area)
- Area 3 - Non-irrigated (Stoneridge/Maple Hills area)
- Area 4 - Non-irrigated (Sunset Hollow area)
- Area 5 - Non-irrigated (Highland Oaks area)
- Area 6 - Non-irrigated (Summerwood/Bridlewood area)

Amounts were expended within project areas according to the City's Water Department Capital Expense 10-Year Plan. Impact fees collected during periods beginning after June 30, 2006 will be expended according to the City's Water Department Capital Expense 10-Year Budget, a copy which is attached.

Also included in this schedule is a description of the Bountiful City Water System. Information in this description is useful in understanding the basis for collecting and expending Water impact fees.

**Storm Water**

During the year beginning July 1, 2005, the City collected Storm Water impact fees from and expensed Storm Water impact fees within the following project areas:

|                  | <u>All Areas</u> |
|------------------|------------------|
| Collected From:  | \$ 20,363        |
| Expended Within: | 17,717           |
| Carryover        | <u>\$ 2,646</u>  |

The "carryover" amount shown above is budgeted to be expended during the year beginning July 1, 2006.

**Bountiful City Water System Description**

The Bountiful City culinary water system, as all water systems, consists of three major components, water source or supply, water storage and water distribution. The following is a very brief description of how these three components work together.

**Water Sources or Supply**

Bountiful City receives culinary water from three sources. Our primary source (60%) is city owned and operated wells. The City has seven functioning wells and two others that can be used in case of emergency. Three of the largest producing wells are located west of 100 East Street at the geographic bottom of the system, while the two smallest producing wells are located in Mueller Park, at the top of the system. The other two wells are located either on or near Davis Blvd., about midway up the hill in the City.

**CITY OF BOUNTIFUL  
IMPACT FEE SCHEDULE (Continued)  
For The Year Ended June 30, 2006**

**Bountiful City Water System Description (continued)**

Water Sources or Supply (continued)

Our second source of water (20%) is a treatment plant located in Mueller Park to treat Mill Creek water. Our third source of water accounts for about 20% of our culinary demand and is water purchased from the Weber Basin Water District. That water is delivered at 1500 South and Orchard Drive which is in our lowest reservoir zone.

Water Storage

The City operates 14 culinary water reservoirs located at set elevation intervals up the hill in the City. The water pressure in the system is achieved as a result of the head (or elevation difference) below the reservoirs. None of the system uses inline mechanical pressure pumps to provide additional pressure to the system. Booster pumps are used, however, to lift water from the sources, most of which are located at lower elevations, into the reservoirs which are located at elevations higher than the sources. Except for the water from the treatment plant and the two small Mueller Park wells, about 20% of the total supply, all water used in the City has to be pumped from the sources to the storage reservoirs.

Water Distribution

The City's water distribution system consists of pipes ranging from 2" in diameter to 12" in diameter. As the system has developed, the minimum standard size for distribution piping has evolved from 2" to the current 6"-8". In years past, the vast majority of pipe installed was 6" in diameter and most of the pipe in the system is now 6". Relatively small amounts of 8", 10", and 12" pipe were installed in areas where demand was known to be high, or in rare cases, to act as transmission lines between supply sources and reservoirs. For the most part however, the network of 6" pipes working in parallel have been and continue to be used as the work horse of the transmission system.

Because the demand for water continues to grow on the east side of the City, and the supply of culinary continues to be on the west side of the City, the Bountiful City Water Department has adopted a policy of installing 8" water lines in almost all cases where a 6" line is replaced. An 8" line has about 80% more carrying capacity than a 6" line, therefore, whenever a 6" line is replaced anywhere in the system with a new 8" line, it improves the ability to move water from the sources on the west side of the City to the storage reservoirs on the east side of the City. With the few exceptions of dead-end lines that serve limited areas, all of the distribution lines in the City work as the transmission system also, therefore, any increase in size or replacement of old plugged lines helps transmit water from the sources to the demand points. This type of system allows for the necessary redundancy required in a culinary water system, however, as a result of the system approach to transmission, increased demands on the east side of the City produce an impact on the distribution piping on the west side of the City.

# WATER IMPACT FEE REPORT

FY06

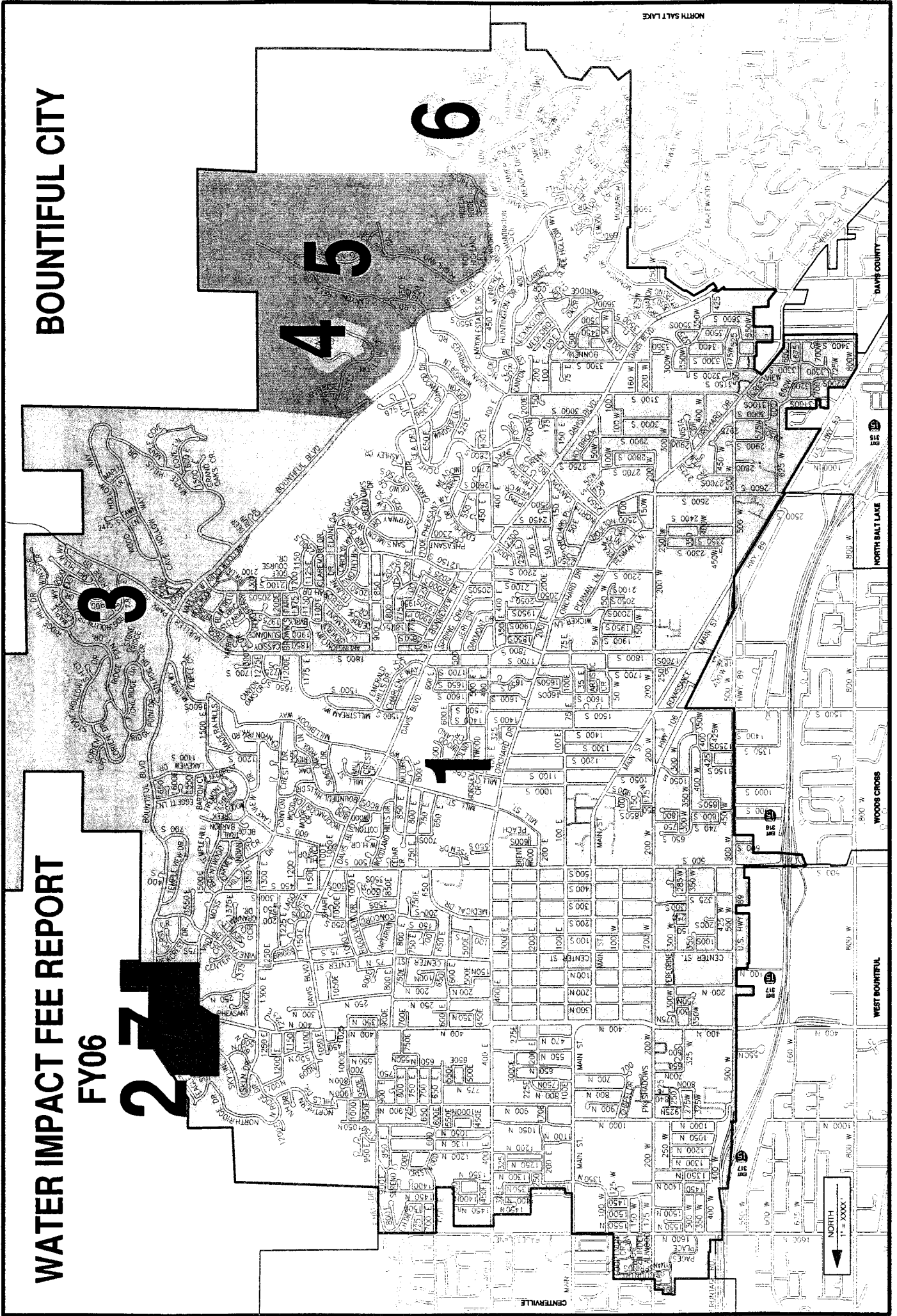
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# BOUNTIFUL CITY



**CITY OF BOUNTIFUL  
IMPACT FEE SCHEDULE (Continued)  
For The Year Ended June 30, 2006**

| WATER DEPARTMENT CAPITAL EXPENSE 10-YR PROJECTION                         |        |             |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|---|--------|-------------|---|--------------|--------------|------|------|--------------|------|------|------|------|------|------|-------------|-------|
| 51-5100   |        |             |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
| (Costs in \$1000s)  |        |             |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
| Future costs beyond the budgeting year include 3% annual inflation factor |        |             |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
| CATEGORY  | ACCT # | DESCRIPTION | Today's Cost  | Cmnt Yr 2007 | Bdgt Yr 2008 | 2009 | 2010 | FUTURE YEARS |      |      |      |      |      |      | 10-YR TOTAL |       |
|   |        |             |   |              |              |      |      | 2011         | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |             |       |
| <b>LAND</b>   |        |             |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1611   | 0000        | Acquire "No-Man's Land" adjacent to LMH               | 0            |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1611   | 0000        | Acquire tank site nr Sunset Hollow (NC System)        | 120          | 120          |      |      |              |      |      |      |      |      |      | 120         |       |
|   | 1611   | 0000        | Acquire tank site @ Upper Maple Hills                 | 120          |              |      | 127  |              |      |      |      |      |      |      | 127         |       |
| <b>BUILDINGS</b>  |        |             |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1621   | 0000        | Const new HQ bldg (27,075 sf @ \$166.31/sf)           | 4,179        | 4000         | 179  |      |              |      |      |      |      |      |      | 4179        |       |
|   | 1621   | 0000        | WTP Struct add'n and Other Bldg Imprvmts              | 100          |              |      |      |              |      |      | 119  |      |      |      | 119         |       |
|   | 1621   | 0000        | Rebuild Zesiger Well House                            | 130          |              |      |      | 142          |      |      |      |      |      |      | 142         |       |
| <b>RESERVOIRS</b>   |        |             |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1621   | 2000        | Replace Mill Creek Reservoir                          | 1,000        |              |      |      |              |      |      |      | 1194 |      |      | 1194        |       |
|   | 1621   | 2000        | Construct suppl tank to augment Maple Hills           | 500          |              |      | 546  |              |      |      |      |      |      |      | 546         |       |
|   | 1621   | 2000        | Construct suppl tank @ SS Hollow (N.Can Syst)         | 500          |              |      | 530  |              |      |      |      |      |      |      | 530         |       |
| <b>WELLS</b>  |        |             |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1621   | 3000        | Rehab Zesiger well w/screen & gravel pack             | 150          |              |      |      |              |      |      |      |      |      |      | 150         |       |
|   | 1621   | 3000        | Rework Barton Creek Well (Fix Radium Problem)         | 100          |              |      |      | 164          |      |      |      |      | 127  |      | 127         |       |
| <b>TREATMENT FACILITIES (Proposed new account #)</b>                      |        |             |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1621   | 5000        | Reconstruct WTP Intake Struct.                        | 50           |              |      |      |              |      |      | 61   |      |      |      | 61          |       |
|   | 1621   | 5000        | Reconstruct Decant Pond                               | 100          |              |      | 106  |              |      |      |      |      |      |      | 106         |       |
| <b>IMPROVEMENTS OTHER THAN BUILDINGS (SITE IMPROVEMENTS?)</b>             |        |             |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1631   | 0000        | Ashdown site Indscpg, grading & drainage              | 75           |              |      |      |              | 84   |      |      |      |      |      | 84          |       |
|   | 1631   | 0000        | Barton Creek Well/PH Access/Landscape                 | 15           |              | 15   |      |              |      |      |      |      |      |      | 15          |       |
|   | 1631   | 0000        | Stoneridge Road & Drainage Improvements               | 30           |              | 31   |      |              |      |      |      |      |      |      | 31          |       |
| <b>DISTRIBUTION PIPING &amp; APPURTENANCES</b>                            |        |             |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1631   | 1000        | 400E: 2200S-1700S (2270' 8" @ \$60)                   | 136          |              | 136  |      |              |      |      |      |      |      |      |             |       |
|   | 1631   | 1000        | 550N: 900E-1000E (665' of 8" @ \$55)                  | 37           |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1631   | 1000        | 1000E: 400N-700N (1060' of 8" @ \$55)                 | 58           |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1631   | 1000        | 600E: 650N-900N (850' of 8" @ \$55)                   | 47           |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1631   | 1000        | 775N: 400E-600E + Loop (2215' of 8" @ \$55)           | 122          |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1631   | 1000        | RP Wicker/50W: Orch-200W (3425' @ \$55)               | 189          | 189          |      |      |              |      |      |      |      |      |      | 189         |       |
|   | 1631   | 1000        | RP Ashdn pmp line phase 2 (1400' @ \$65)              | 90           |              |      | 95   |              |      |      |      |      |      |      | 95          |       |
|   | 1631   | 1000        | RP Annual Misc Replacement Program                    | 500/yr       | 250          | 379  | 435  | 546          | 563  | 580  | 597  | 615  | 633  | 652  | 672         | 5922  |
|   | 1631   | 1000        | DV Orchard Lane: (365' 8" @ \$45)                     | 16           | 16           |      |      |              |      |      |      |      |      |      | 16          |       |
|   | 1631   | 1000        | 1050S: 300W-200W (650' of 8" @ \$70)                  | 46           | 26           |      |      |              |      |      |      |      |      |      |             |       |
|   | 1631   | 1000        | Mill Creek Way,Orch'd-400E (485' of 12" @ \$75)       | 36           |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1631   | 1000        | MillCrk/Wdind/Wstwd: (3200' of 8" @ \$60)             | 192          |              |      |      |              |      |      |      |      |      |      |             |       |
| <b>OFFICE FURNITURE &amp; EQUIPMENT</b>                                   |        |             |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1641   | 0000        | Equip new HQ building                                 | 75           | 75           |      |      |              |      |      |      |      |      |      | 75          |       |
| <b>SYSTEM MACHINERY &amp; EQUIPMENT</b>                                   |        |             |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1651   | 0000        | Gross Alpha Trt. @ Barton Cr. Well                    | 100?         |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1651   | 0000        | Radon Treatment                                       | 250?         |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1651   | 0000        | Redo Pumps @ North Canyon B.S.                        | 60           |              |      |      |              |      |      |      |      |      |      | 60          |       |
|   | 1651   | 0000        | Re-equip Zesiger well                                 | 50           |              | 53   |      |              |      |      |      |      |      |      | 53          |       |
|   | 1651   | 0000        | Emergency Mobile Generators                           | 50           | 50           |      |      |              | 55   |      |      |      |      |      | 105         |       |
|   | 1651   | 0000        | Replace small Brtn Cr Bstr pumps                      | 60           | 60           |      |      |              |      |      |      |      |      |      | 60          |       |
|   | 1651   | 0000        | Misc. Eqpt Upgrades                                   | 50           |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1651   | 0000        | Re-equip Mueller Pk Well                              | 70           | 70           |      |      |              |      |      |      |      |      |      |             |       |
| <b>VEHICLES &amp; OPERATIONS EQUIPMENT</b>                                |        |             |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1661   | 0000        | 1102: '00 Chev 1/2 T 4X4 (DMz) (66,473m)              | 24           |              | 25   |      |              |      |      |      |      | 31   |      | 56          |       |
|   | 1661   | 0000        | 1108: '88 International 10-w dump                     | 105          | 105          |      |      |              |      |      |      |      |      |      | 105         |       |
|   | 1661   | 0000        | 1110: '2007 Int'l 10-WI Dump                          | 105          |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1661   | 0000        | 1111: '00 International 10-Wheel Dump                 | 105          |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1661   | 0000        | 1112:   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1661   | 0000        | 1113: '00 JD 310E Backhoe S/N -883641                 | 60           |              |      |      |              | 68   |      |      |      |      |      | 68          |       |
|   | 1661   | 0000        | 1114: '04 JD 410E Backhoe S/N -940275                 | 44           |              |      |      | 52           |      |      |      |      | 60   |      | 112         |       |
|   | 1661   | 0000        | 1115: '02 JD 410G Backhoe S/N -908789                 | 45           |              | 48   |      |              |      |      | 56   |      |      |      | 104         |       |
|   | 1661   | 0000        | 1116:   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1661   | 0000        | 1117:   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1661   | 0000        | 1118: '96 I-R P185WJD compressor                      | 15           |              |      |      |              |      |      |      |      |      | 20   | 20          |       |
|   | 1661   | 0000        | 1119: '98 Dodge 3500 (Crew #3-JC) (70,054m)           | 40           | 40           |      | 50   |              |      |      |      |      | 56   |      | 146         |       |
|   | 1661   | 0000        | 1120: '99 Dodge BR1500 (Seas) (80,900m)               | 20           |              | 21   |      |              |      | 24   |      |      |      |      | 45          |       |
|   | 1661   | 0000        | 1121:   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1661   | 0000        | 1122: '01 Dodge Ram 3500 Ch-Cb (Garn) (35,08          | 25           |              | 26   |      |              |      |      |      |      | 32   |      | 58          |       |
|   | 1661   | 0000        | 1123: Portable Generator (20KW @ Shop)                | 20           |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1661   | 0000        | 1124: '02 Dodge Ram 1500 Quadcab (Mark) (30,          | 25           |              | 27   |      |              |      |      | 31   |      |      |      | 58          |       |
|   | 1661   | 0000        | 1125: '03 Chev CK3500 (Crew #2-TH) (28,660m)          | 45           |              |      |      |              | 51   |      |      |      |      |      | 51          |       |
|   | 1661   | 0000        | 1126: '03 Chev Silv. CK2500 (Brett) (23,886m)         | 25           |              | 27   |      |              |      |      | 31   |      |      |      | 58          |       |
|   | 1661   | 0000        | 1127: '04 Ford F150 SuprCab (DMW) (5,785m)            | 25           | 25           | 2    |      |              |      | 30   |      |      |      | 35   | 92          |       |
|   | 1661   | 0000        | 1128: '06 Chev Colorado (Moss)                        | 24           |              |      |      | 27           |      |      |      |      | 31   |      |             |       |
|   | 1661   | 0000        | 1129: '06 Ford F550 (Crew #1-TB)                      | 45           |              |      |      |              |      | 54   |      |      |      |      |             |       |
|   | 1661   | 0000        | 1155: '96 Ford F350 C&C w/Dump Bed                    | 30           |              |      |      | 33           |      |      |      |      |      |      | 33          |       |
|   | 1661   | 0000        | 1158: '86 Ford F350 C&C w/Flatbed & Crane             | 40           |              | 41   |      |              |      |      |      |      |      |      | 41          |       |
|   | 1661   | 0000        | xxxx: '94 Spoilvac 150 Tfr Mount                      | 50           |              | 52   |      |              |      |      |      |      |      |      | 52          |       |
|   | 1661   | 0000        |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
| <b>TOTAL PROJECTED BUDGET YEAR CAPITAL COSTS</b>                          |        |             |   |              | 4846         | 1195 | 1452 | 1483         | 848  | 610  | 1925 | 857  | 883  | 739  | 727         | 15565 |
| <b>Misc Unscheduled projects</b>  |        |             |   |              |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1621   | 2000        | Seal Side Walls @ BC Tank                             | 15           |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1621   | 4000        | 750 lf shallow receptor in street to rpc back-lot lin | 18           |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1621   | 5000        | Develop Barton Creek Water                            | 500          |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1631   | 1000        | Inst Non-Fluor source @ well.                         | 15           |              |      |      |              |      |      |      |      |      |      |             |       |
|   | 1651   | 0000        | Replace B.C. Well pump/motor                          | 40           |              |      |      |              |      |      |      |      |      |      |             |       |



## **STATISTICAL SECTION**

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

|   | Fiscal Year           |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2003                  | 2004                  | 2005                  | 2006                  |
| <b>Governmental Activities</b>                    |                       |                       |                       |                       |
| Investment in capital assets, net of related debt | \$ 61,785,831         | \$ 70,459,760         | \$ 71,268,430         | \$ 70,692,139         |
| Restricted  | 8,282,356             | 3,953,521             | 3,284,509             | 3,101,313             |
| Unrestricted                                      | 27,804,721            | 27,790,705            | 30,373,608            | 34,658,388            |
| 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> |
| <b>Business-type Activities</b>                   |                       |                       |                       |                       |
| Invested in capital assets, net of related debt   | \$ 49,421,303         | \$ 45,308,841         | \$ 43,449,928         | \$ 43,003,449         |
| Restricted  | 557,822               | 557,822               | -                     | -                     |
| Unrestricted                                      | 33,647,092            | 33,218,936            | 34,597,312            | 36,228,914            |
| 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>  |
| <b>Primary Government</b>                         |                       |                       |                       |                       |
| Invested in capital assets, net of related debt   | \$ 111,207,134        | \$ 115,768,601        | \$ 114,718,358        | \$ 113,695,588        |
| Restricted  | 8,840,178             | 4,511,343             | 3,284,509             | 3,101,313             |
| Unrestricted                                      | 61,451,813            | 61,009,641            | 64,970,920            | 70,887,302            |
| 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> |

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

|   | <b>Fiscal Year</b>    |                        |                        |                        |
|---|-----------------------|------------------------|------------------------|------------------------|
|   | <b>2003</b>           | <b>2004</b>            | <b>2005</b>            | <b>2006</b>            |
| Expenses  |                       |                        |                        |                        |
| Government Activities:                          |                       |                        |                        |                        |
| General governmental                            | \$ 2,355,754          | \$ 2,558,680           | \$ 2,728,127           | \$ 2,950,798           |
| Public safety                                   | 6,739,630             | 6,996,107              | 7,233,939              | 7,348,694              |
| Highways and streets                            | 2,973,489             | 3,345,738              | 3,307,057              | 3,443,672              |
| Planning and engineering                        | 929,609               | 943,017                | 959,797                | 964,072                |
| Parks   | 621,543               | 652,659                | 655,328                | 686,785                |
| Redevelopment                                   | 40,586                | 115,585                | 368,906                | 1,431,999              |
| Interest on long-term debt                      | 203,374               | 405,936                | 386,903                | 353,735                |
| Total governmental activities expenses          | <u>13,863,985</u>     | <u>15,017,722</u>      | <u>15,640,057</u>      | <u>17,179,755</u>      |
| Business-type Activities:                       |                       |                        |                        |                        |
| Water   | 2,097,791             | 2,306,064              | 2,556,365              | 2,569,321              |
| Light and Power                                 | 17,671,515            | 698,890                | 19,641,972             | 19,933,617             |
| Landfill  | 844,780               | 19,638,313             | 1,137,119              | 897,504                |
| Storm Water                                     | 755,070               | 819,334                | 1,109,633              | 1,034,785              |
| Sewer (1)                                       | 951,187               | 798,324                | -                      | -                      |
| Golf Course                                     | 1,108,974             | 1,067,225              | 1,109,632              | 1,081,306              |
| Recreation                                      | 1,411,958             | 1,441,275              | 1,450,748              | 1,447,709              |
| Sanitation                                      | 610,181               | 649,385                | 672,534                | 710,080                |
| Cemetery  | 206,055               | 261,099                | 262,639                | 283,273                |
| 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>      |
| Total primary government expenses               | <u>\$ 39,521,496</u>  | <u>\$ 42,697,631</u>   | <u>\$ 43,580,699</u>   | <u>\$ 45,137,350</u>   |
| Program Revenues                                |                       |                        |                        |                        |
| Government Activities:                          |                       |                        |                        |                        |
| Charges for Services                            | \$ 3,324,538          | \$ 3,127,555           | \$ 3,122,542           | \$ 3,341,596           |
| Operating Grants and Contributions              | 1,437,913             | 1,528,072              | 1,130,144              | 1,323,644              |
| Capital Grants and Contributions                | -                     | 100,000                | 533,800                | 62,362                 |
| 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>       |
| Business-type Activities:                       |                       |                        |                        |                        |
| Charges for Services:                           |                       |                        |                        |                        |
| Water   | 1,836,458             | 1,916,585              | 2,012,075              | 2,100,134              |
| Light and Power                                 | 18,519,535            | 19,488,673             | 20,373,836             | 22,341,458             |
| Landfill  | 908,355               | 1,005,869              | 1,103,032              | 1,089,457              |
| Storm Water                                     | 674,835               | 678,596                | 716,014                | 689,869                |
| Sewer (1)                                       | 758,032               | 715,330                | -                      | -                      |
| Golf Course                                     | 1,127,153             | 1,196,286              | 1,171,183              | 1,248,845              |
| Recreation                                      | 1,043,849             | 959,488                | 951,597                | 952,557                |
| Sanitation                                      | 765,774               | 775,491                | 771,547                | 790,320                |
| Cemetery  | 247,560               | 219,246                | 269,967                | 282,281                |
| Capital grants and contributions                | 1,192,746             | 502,610                | 537,465                | 673,468                |
| 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>      |
| 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>   |
| Net (expense)/revenue                           |                       |                        |                        |                        |
| Governmental activities                         | \$ (9,101,534)        | \$ (10,262,095)        | \$ (10,853,571)        | \$ (12,452,153)        |
| Business-type activities                        | 1,416,786             | (221,735)              | (33,926)               | 2,210,794              |
| 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> |

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

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

|  | Fiscal Year         |                       |                      |                      |
|--|---------------------|-----------------------|----------------------|----------------------|
|  | 2003                | 2004                  | 2005                 | 2006                 |
| 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         |
| Sales taxes                                      | 4,528,974           | 4,918,313             | 5,029,511            | 5,654,737            |
| Franchise taxes                                  | 2,281,391           | 2,483,870             | 2,951,450            | 3,114,632            |
| Interest on investments                          | 761,354             | 618,754               | 869,986              | 1,419,877            |
| Other  | 528,134             | 185,431               | 202,702              | 401,417              |
| 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            |
| Total governmental activities                    | <u>10,852,418</u>   | <u>12,931,474</u>     | <u>13,576,132</u>    | <u>15,977,446</u>    |
| Business-type Activities:                        |                     |                       |                      |                      |
| Sales taxes                                      | 241,682             | -                     | -                    | -                    |
| Interest on investments                          | 482,858             | 418,461               | 624,016              | 1,037,739            |
| 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)          |
| 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>   |
| Total primary government                         | <u>\$ 9,045,251</u> | <u>\$ 8,612,591</u>   | <u>\$ 12,571,699</u> | <u>\$ 14,951,775</u> |
| Change in Net Assets                             |                     |                       |                      |                      |
| Governmental activities                          | \$ 1,750,884        | \$ 2,669,379          | \$ 2,722,561         | \$ 3,525,293         |
| Business-type activities                         | (390,381)           | (4,540,618)           | (1,038,359)          | 1,185,123            |
| Total primary government                         | <u>\$ 1,360,503</u> | <u>\$ (1,871,239)</u> | <u>\$ 1,684,202</u>  | <u>\$ 4,710,416</u>  |

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

|                                    | Fiscal Year          |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | 1997                 | 1998                 | 1999                 | 2000                 | 2001                 | 2002                 | 2003                 | 2004                 | 2005                 | 2006                 |
| General Fund                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Reserved                           | \$ 62,575            | \$ -                 | \$ 55,416            | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Unreserved                         | 1,552,055            | 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            |
| Total General Fund                 | <u>\$ 1,614,630</u>  | <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>  |
| <br>                               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| All other governmental funds       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Reserved                           | \$ 5,086,719         | \$ 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         |
| Unreserved, reported in:           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Capital projects funds             | 4,992,944            | 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           |
| Special revenue funds              | 1,383,412            | 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            |
| Debt service funds                 | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Total all other governmental funds | <u>\$ 11,463,075</u> | <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> |

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

|   | Fiscal Year       |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 1997              | 1998              | 1999              | 2000              | 2001              | 2002              | 2003              | 2004              | 2005              | 2006              |
| <b>Revenues:</b>                                |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Taxes (see Table 5)                             | \$ 7,876,024      | \$ 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        |
| Licenses and permits                            | 466,500           | 672,688           | 620,468           | 690,729           | 679,710           | 614,790           | 899,922           | 752,419           | 745,235           | 966,550           |
| Intergovernmental                               | 946,928           | 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         |
| Charges for services                            | 1,061,736         | 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         |
| Fines and forfeitures                           | 126,094           | 115,932           | 104,218           | 115,200           | 113,532           | 113,606           | 102,338           | 88,090            | 85,941            | 102,177           |
| Interest on investments                         | 818,784           | 855,094           | 920,411           | 1,096,828         | 1,376,392         | 611,000           | 641,133           | 532,714           | 741,189           | 1,214,233         |
| Miscellaneous                                   | 321,883           | 526,189           | 481,763           | 365,255           | 409,131           | 290,454           | 260,025           | 187,287           | 811,249           | 844,997           |
| <b>Total Revenues</b>                           | <b>11,617,949</b> | <b>13,479,925</b> | <b>13,954,999</b> | <b>14,560,148</b> | <b>16,056,597</b> | <b>15,790,779</b> | <b>15,402,889</b> | <b>16,029,831</b> | <b>16,986,523</b> | <b>18,792,600</b> |
| <b>Expenditures</b>                             |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| General government                              | 1,766,849         | 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         |
| Public safety                                   | 4,688,627         | 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         |
| Highways and streets                            | 1,278,932         | 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         |
| Planning and engineering                        | 734,401           | 748,731           | 787,521           | 822,000           | 925,826           | 857,448           | 903,685           | 916,338           | 917,673           | 944,770           |
| Parks   | 340,548           | 356,504           | 359,447           | 367,709           | 388,056           | 430,771           | 472,386           | 493,190           | 491,351           | 517,981           |
| Redevelopment                                   | 22,807            | 28,617            | 23,966            | 23,438            | 23,573            | 25,596            | 28,325            | 163,774           | 997,144           | 1,857,416         |
| Capital outlay                                  | 6,547,876         | 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         |
| Forgiveness of advance - L & P Fund             | -                 | -                 | -                 | -                 | 6,708,456         | -                 | -                 | -                 | -                 | -                 |
| Debt service:                                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Bond issuance costs                             | -                 | -                 | -                 | -                 | -                 | -                 | 274,064           | 2,242             | -                 | -                 |
| Principal                                       | 197,174           | 258,630           | 324,506           | 395,000           | 415,000           | 806,000           | 164,000           | 243,000           | 521,000           | 631,000           |
| Interest and fiscal charges                     | 227,557           | 279,851           | 305,398           | 254,934           | 226,222           | 188,175           | 147,374           | 387,888           | 376,998           | 357,555           |
| <b>Total expenditures</b>                       | <b>15,804,771</b> | <b>12,792,603</b> | <b>15,537,418</b> | <b>13,539,528</b> | <b>20,224,296</b> | <b>15,058,344</b> | <b>14,104,616</b> | <b>21,890,456</b> | <b>17,167,176</b> | <b>16,911,146</b> |
| Excess of revenues<br>over (under) expenditures | \$ (4,186,822)    | \$ 687,322        | \$ (1,582,419)    | \$ 1,020,620      | \$ (4,167,699)    | \$ 732,435        | \$ 1,298,273      | \$ (5,860,625)    | \$ (180,653)      | 1,881,454         |

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

|  | Fiscal Year           |                     |                     |                     |                       |                   |                     |                       |                     |                  |
|--|-----------------------|---------------------|---------------------|---------------------|-----------------------|-------------------|---------------------|-----------------------|---------------------|------------------|
|  | 1997                  | 1998                | 1999                | 2000                | 2001                  | 2002              | 2003                | 2004                  | 2005                | 2006             |
| <b>Other financing sources (uses):</b>                       |                       |                     |                     |                     |                       |                   |                     |                       |                     |                  |
| Operating transfers in                                       | \$ 2,338,130          | \$ 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        |
| Operating transfers out                                      | (312,372)             | (974,106)           | (1,014,804)         | (875,137)           | (892,097)             | (3,165,388)       | (979,676)           | (741,348)             | (531,408)           | (502,813)        |
| Bond proceeds  | -                     | -                   | 1,363,000           | -                   | -                     | -                 | -                   | -                     | -                   | -                |
| Contributions  | -                     | -                   | -                   | -                   | -                     | -                 | 346,706             | -                     | -                   | -                |
| Sale of bonds  | -                     | -                   | -                   | -                   | -                     | -                 | 6,593,039           | -                     | -                   | -                |
| Sale of assets   | -                     | -                   | -                   | -                   | -                     | -                 | 61,820              | 73,992                | 99,295              | 18,401           |
| Total other financing sources (uses)                         | <u>2,025,758</u>      | <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> |
| Net change in fund balances                                  | <u>\$ (2,161,064)</u> | <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> |
| <br>Debt service as a percentage of non-capital expenditures | 4.81%                 | 5.69%               | 6.56%               | 6.39%               | 3.69%                 | 9.21%             | 2.26%               | 5.05%                 | 6.63%               | 6.82%            |

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

| <b>Fiscal Year</b> | <b>Property Taxes</b> | <b>Sales and Use Taxes</b> | <b>Franchise Taxes</b> | <b>Fees in Lieu of Property Tax</b> | <b>Total</b> |
|--------------------|-----------------------|----------------------------|------------------------|-------------------------------------|--------------|
| 1997               | \$ 1,393,170          | \$ 4,570,490               | \$ 1,541,989           | \$ 370,375                          | \$ 7,876,024 |
| 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   |



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

|  | <u>1997</u>  | <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>  |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Taxable value (in thousands) (1)                     | \$ 1,542,240 | \$ 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 |
| Estimated actual value                               | \$ 2,275,200 | \$ 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 |
| Ratio of assessed value to<br>estimated actual value | 67.8%        | 70.1%        | 60.5%        | 60.9%        | 61.8%        | 61.3%        | 61.2%        | 60.8%        | 60.9%        | 62.4%        |

(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**

| <b>Fiscal Year</b> | <b>Total Direct</b> | <b>Davis County School District</b> | <b>Davis County</b> | <b>Weber Basin Water</b> | <b>Mosquito Abatement District</b> | <b>Bountiful Water Subconservancy District</b> | <b>South Davis Sewer District</b> | <b>City of Bountiful</b> | <b>Davis County Library</b> | <b>South Davis Recreation District</b> |
|--------------------|---------------------|-------------------------------------|---------------------|--------------------------|------------------------------------|--|-----------------------------------|--------------------------|-----------------------------|--|
| 1997               | 0.012626            | 0.007408                            | 0.002848            | 0.000154                 | 0.000066                           | 0.000137                                       | 0.000457                          | 0.001235                 | 0.000321                    | -                                      |
| 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                               |

Source: Davis County Comprehensive Annual Financial Report.

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

| <u>Taxpayer</u>                      | <u>December 31, 2005 taxable valuation</u> |             |  | <u>December 31, 1997 taxable value</u> |             |  |
|--------------------------------------|--|-------------|--|--|-------------|--|
|                                      | <u>Taxable Assessed Value</u>              | <u>Rank</u> | <u>Percentage of Total City Taxable Assessed Value</u> | <u>Taxable Assessed Value</u>          | <u>Rank</u> | <u>Percentage of Total City Taxable Assessed Value</u> |
| Hospital Corporation of Utah         | \$ 17,077,557                              | 1           | 0.98 %   | \$ 13,757,249                          | 2           | 0.89 %   |
| Qwest Communications                 | 15,817,823                                 | 2           | 0.91   | 18,505,800                             | 1           | 1.20   |
| MABEK Company                        | 14,764,202                                 | 3           | 0.85   | 3,841,349                              | 6           | 0.25   |
| Questar                              | 6,756,031                                  | 4           | 0.39   | 5,930,520                              | 4           | 0.38   |
| Bill Olson Investment, LTD           | 5,355,790                                  | 5           | 0.31   | 3,001,687                              | 10          | 0.19   |
| Winegar's Shopping Center            | 4,584,270                                  | 6           | 0.26   | 8,921,563                              | 3           | 0.58   |
| Miller/Horne Carrington Place, LLC   | 4,405,852                                  | 7           | 0.25   | 5,516,096                              | 5           | 0.36   |
| Albertson's Inc.                     | 4,160,479                                  | 8           | 0.24   |  |             |  |
| Bountiful Fitness Partners           | 3,760,570                                  | 9           | 0.22   |  |             |  |
| Health Care Property Investors, Inc. | 3,546,610                                  | 10          | 0.20   |  |             |  |
| Packer Properties, Inc.              |  |             |  | 3,450,090                              | 7           | 0.22   |
| Bel Air Sheet Metal and Tube, Et Al  |  |             |  | 3,255,682                              | 8           | 0.21   |
| Terteling Land Company               |  |             |  | 3,145,029                              | 9           | 0.20   |
|                                      | <u>\$ 80,229,184</u>                       |             |  | <u>\$ 69,325,065</u>                   |             |  |
| Taxable Value                        |  |             | \$ 1,734,126,734                                       |  |             | \$ 1,542,240,306                                       |

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

| <b>Fiscal Year Ended June 30,</b> | <b>Total Tax Levy for Fiscal Year</b> | <b>Collected within the Fiscal Year of the Levy</b> |                           | <b>Collection in Subsequent Years</b> | <b>Total Collections to Date</b> |                           |
|-----------------------------------|---------------------------------------|---|---------------------------|---------------------------------------|----------------------------------|---------------------------|
|                                   |                                       | <b>Amount</b>                                       | <b>Percentage of Levy</b> |                                       | <b>Amount</b>                    | <b>Percentage of Levy</b> |
| 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                      | 91,874                                | 2,182,309                        | 100.4                     |
| 2000                              | 2,213,173                             | 2,152,410   | 97.3                      | 85,165                                | 2,237,575                        | 101.1                     |
| 2001                              | 2,548,960                             | 2,431,777   | 95.4                      | 100,161                               | 2,531,938                        | 99.3                      |
| 2002                              | 2,300,699                             | 2,200,837   | 95.7                      | 71,113                                | 2,271,950                        | 98.8                      |
| 2003                              | 2,344,741                             | 2,233,201   | 95.2                      | 87,714                                | 2,320,915                        | 99.0                      |
| 2004                              | 2,409,170                             | 2,317,429   | 96.2                      | 61,490                                | 2,378,919                        | 98.7                      |
| 2005                              | 2,326,636                             | 2,235,848   | 96.1                      | 52,677                                | 2,288,525                        | 98.4                      |
| 2006                              | 2,192,503                             | 1,886,250   | 86.0                      | 41,027                                | 1,927,277                        | 87.9                      |

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

Payments are not considered delinquent until after November 30.

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

**CITY OF BOUNTIFUL**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**Table 10**

| 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 |                          |                               |                 |            |
| 1997                       | \$ -                     | \$ -                     | \$ 3,870,000  | \$ 627,680    | \$ -                     | \$ -          | \$ 4,497,680             | 0.62 %                        | \$ 728,352,260  | \$ 110     |
| 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                | N/A                           | N/A             | 184        |

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 11**

| <b>Fiscal<br/>Year<br/>Ended<br/>June 30,</b> | <b>General<br/>Obligation<br/>Bonds</b> | <b>Less: Amounts<br/>Available In Debt<br/>Service Fund</b> | <b>Total</b> | <b>Percentage of<br/>Estimated<br/>Actual Taxable<br/>Value of<br/>Property</b> | <b>Per<br/>Capita</b> |
|---|---|---|--------------|---|-----------------------|
| 1997  | \$ -                                    | \$ -  | \$ -         | -   | % \$ -                |
| 1998  | -                                       | -   | -            | -   | -                     |
| 1999  | -                                       | -   | -            | -   | -                     |
| 2000  | -                                       | -   | -            | -   | -                     |
| 2001  | -                                       | -   | -            | -   | -                     |
| 2002  | -                                       | -   | -            | -   | -                     |
| 2003  | -                                       | -   | -            | -   | -                     |
| 2004  | -                                       | -   | -            | -   | -                     |
| 2005  | -                                       | -   | -            | -   | -                     |
| 2006  | -                                       | -   | -            | -   | -                     |

**CITY OF BOUNTIFUL**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2006**  
**Table 12**

|  | <u>Total debt</u>     | <u>Applicable to City</u> |                      | <u>Debt ratios</u>                      |  |   |
|--|-----------------------|---------------------------|----------------------|---|--|---|
|  |                       | Percentage                | Amount               | To taxable value of<br>\$ 1,734,127,000 | To fair market value of<br>\$2,848,812,000 | Per capita - population of<br>43,350 (est.) |
| Direct general obligation debt         | \$ -                  | 100.00%                   | \$ -                 | 0.00%                                   | 0.00%                                      | \$ 0.00                                     |
| Overlapping debt:                      |                       |                           |                      |   |  |   |
| State of Utah (1)                      | \$ -                  |                           | \$ -                 |   |  |   |
| Weber Basin Water Conservancy District | 35,212,376            | 6.30%                     | 2,220,030            |   |  |   |
| Davis County                           | 24,610,000            | 15.86%                    | 3,904,151            |   |  |   |
| Davis School District                  | 223,365,000           | 10.93%                    | 24,413,795           |   |  |   |
| South Davis Recreation District        | 18,215,000            | 43.46%                    | 7,915,636            |   |  |   |
| Total Overlapping debt                 | <u>266,190,000</u>    |                           | <u>30,537,976</u>    |   |  |   |
| Total applicable to the City           | <u>\$ 266,190,000</u> |                           | <u>\$ 30,537,976</u> | 1.76%                                   | 1.07%                                      | \$ 704                                      |

(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**  
**Operating Indicators by Program/Function**  
**Last Ten Fiscal Years**  
**Table 19**

|  | Fiscal Year |             |             |             |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | 1997        | 1998        | 1999        | 2000        | 2001        | 2002        | 2003        | 2004        | 2005        | 2006        |
| <b>Function/Program</b>                |             |             |             |             |             |             |             |             |             |             |
| <b>General Governmental:</b>           |             |             |             |             |             |             |             |             |             |             |
| Ordinances passed                      | 35          | 22          | 22          | 17          | 17          | 20          | 19          | 21          | 16          | 10          |
| Resolutions passed                     | 13          | 11          | 10          | 7           | 5           | 13          | 6           | 11          | 4           | 4           |
| <b>Public Safety:</b>                  |             |             |             |             |             |             |             |             |             |             |
| Hazardous citations written            | N/A         | N/A         | N/A         | 2,314       | 2,204       | 2,236       | 1,745       | 1,817       | 1,765       | N/A         |
| Non-hazardous citations written        | N/A         | N/A         | N/A         | 1,126       | 1,074       | 1,186       | 856         | 997         | 1,155       | N/A         |
| Arrests                                | N/A         | N/A         | N/A         | 1,516       | 1,206       | 1,855       | 1,843       | 1,675       | 1,214       | N/A         |
| <b>Highways and Streets:</b>           |             |             |             |             |             |             |             |             |             |             |
| Miles of street overlaid               | 3           | 7           | 6           | N/A         | N/A         | 9           | 9           | N/A         | 8           | 7           |
| Miles of street reconstructed          | N/A         | N/A         | N/A         | N/A         | N/A         | 1           | 1           | N/A         | -           | 1           |
| <b>Planning and Engineering:</b>       |             |             |             |             |             |             |             |             |             |             |
| Building Permits Issued                | 205         | 157         | 108         | 108         | 96          | 80          | 130         | 103         | 106         | 109         |
| <b>Municipal Water:</b>                |             |             |             |             |             |             |             |             |             |             |
| Average daily gallons consumed         | 4,449,963   | 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   |
| <b>Municipal Power:</b>                |             |             |             |             |             |             |             |             |             |             |
| Kilowatt hours sold                    | 258,421,366 | 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 |
| <b>Storm Water:</b>                    |             |             |             |             |             |             |             |             |             |             |
| Miles of storm sewers inspected        | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         | 7           | 7           | 7           | 7           |
| Miles of streets cleaned               | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         | 317         | 318         | 316         | 316         |
| <b>Sanitation:</b>                     |             |             |             |             |             |             |             |             |             |             |
| Tons of waste collected and landfilled | 60,000      | 62,730      | 56,160      | 46,420      | 45,290      | 42,750      | 43,420      | 51,510      | 52,480      | 47,530      |

N/A = Data not available.



**CITY OF BOUNTIFUL**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**  
**Table 13**

|   | Fiscal Year       |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 1997              | 1998              | 1999              | 2000              | 2001              | 2002              | 2003              | 2004              | 2005              | 2006              |
| Debt Limit - 12% of total assessed value                                | \$ 155,503        | \$ 167,988        | \$ 174,788        | \$ 180,420        | \$ 194,716        | \$ 192,664        | \$ 195,502        | \$ 201,005        | \$ 195,527        | \$ 208,095        |
| Total net debt applicable to limit                                      | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Legal Debt Margin   | <u>\$ 155,503</u> | <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> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |

**Legal Debt Margin Calculation for Fiscal Year 2006**

|  |                   |
|--|-------------------|
| Total assessed value   | \$ 1,734,127      |
| Debt limit (12% of total assessed value)                           | 208,095           |
| Debt applicable to limit:  |                   |
| General obligation bonds   | -                 |
| Less: Amount set aside for repayment of<br>general obligation debt | <u>-</u>          |
| Total net debt applicable to limit                                 | <u>-</u>          |
| Legal debt margin  | <u>\$ 208,095</u> |

**CITY OF BOUNTIFUL**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
**Table 14**

| Fiscal<br>Year<br>Ended<br>June 30,            | Revenue Bonds     |                                |                              |              |            |          | Special Assessment Bonds              |              |          |          |  |
|--|-------------------|--------------------------------|------------------------------|--------------|------------|----------|---------------------------------------|--------------|----------|----------|--|
|  | Gross<br>Revenues | Less:<br>Operating<br>Expenses | Net<br>Available<br>Revenues | Debt Service |            | Coverage | Special<br>Assessments<br>Collections | Debt Service |          | Coverage |  |
|  |                   |                                |                              | Principal    | Interest   |          |                                       | Principal    | Interest |          |  |
| <b>Revenue Bonds - Governmental Activities</b> |                   |                                |                              |              |            |          |                                       |              |          |          |  |
| 1997   | \$ 15,333         | \$ -                           | \$ 15,333                    | \$ -         | \$ 156,853 | 0.10 %   | \$ -                                  | \$ -         | \$ -     | - %      |  |
| 1998   | 232,328           | -                              | 232,328                      | 63,000       | 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     |  |

**CITY OF BOUNTIFUL**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**Table 15**

| <b>Fiscal Year Ended June 30,</b> | <b>Population (1)</b> | <b>Personal Income (amounts expressed in thousands) (2)</b> | <b>Per Capita Personal Income</b> | <b>Number of residents 18 years and older (1)</b> | <b>School Enrollment (3)</b> | <b>Unemployment Rate (4)</b> |
|-----------------------------------|-----------------------|---|-----------------------------------|---|------------------------------|------------------------------|
| 1997                              | 40,750                | \$ 728,352  | \$ 17,874                         | 26,484  | 10,569                       | 2.40 %                       |
| 1998                              | 40,119                | 803,468   | 20,027                            | 26,074  | 10,751                       | 2.70                         |
| 1999                              | 40,427                | 827,650   | 20,473                            | 26,274  | 10,948                       | 2.60                         |
| 2000                              | 41,301                | 884,860   | 21,425                            | 26,842  | 10,713                       | 2.60                         |
| 2001                              | 41,986                | 927,060   | 22,080                            | 27,287  | 10,715                       | 3.30                         |
| 2002                              | 42,534                | 894,915   | 21,040                            | 27,643  | 10,710                       | 4.20                         |
| 2003                              | 43,076                | 882,488   | 20,487                            | 27,995  | 10,457                       | 4.20                         |
| 2004                              | 43,323                | 909,849   | 21,002                            | 28,156  | 10,151                       | 3.90                         |
| 2005                              | 43,449                | 909,037   | 20,922                            | 28,238  | 10,281                       | 3.40                         |
| 2006                              | 43,350                | N/A   | N/A                               | 28,173  | 10,234                       | N/A                          |

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) U.S. Department of Labor -All rates are annual except for the final year which is rate at June 30, 2006.

**CITY OF BOUNTIFUL**  
**Principal Employers**  
**Current Year and Nine Years Ago**  
**Table 16**

| Taxpayer                       | 2006                 |      |                                     | 1998      |      |                                     |
|--------------------------------|----------------------|------|-------------------------------------|-----------|------|-------------------------------------|
|                                | 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              | 165 - 400            | 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.

**CITY OF BOUNTIFUL**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**  
**Table 17**

| Full-time Equivalent Employees as of June 30 |            |            |            |            |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Department                                   | 1997       | 1998       | 1999       | 2000       | 2001       | 2002       | 2003       | 2004       | 2005       | 2006       |
| <b>General Fund</b>                          |            |            |            |            |            |            |            |            |            |            |
| Legislative                                  | 6          | 5          | 6          | 6          | 7          | 6          | 6          | 6          | 6          | 6          |
| Legal  | 3          | 3          | 3          | 3          | 3          | 3          | 3          | 3          | 3          | 3          |
| Executive                                    | 2          | 2          | 2          | 2          | 3          | 2          | 2          | 2          | 2          | 3          |
| Information Systems                          | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 4          |
| Administrative                               | 5          | 4          | 5          | 5          | 6          | 6          | 6          | 6          | 6          | 6          |
| Treasurer                                    | 11         | 10         | 8          | 7          | 8          | 7          | 8          | 9          | 8          | 8          |
| Government Buildings                         | 2          | 2          | 1          | 0          | 1          | 1          | 2          | 2          | 2          | 3          |
| Police                                       | 79         | 84         | 98         | 81         | 89         | 86         | 89         | 85         | 84         | 88         |
| Fire (1)                                     | 39         | 37         | 39         | 39         | 41         | 41         | 40         | 38         | 0          | 0          |
| Streets                                      | 25         | 27         | 26         | 25         | 25         | 22         | 21         | 21         | 20         | 21         |
| Engineering                                  | 9          | 6          | 8          | 10         | 10         | 10         | 10         | 12         | 10         | 12         |
| Parks  | 14         | 17         | 12         | 16         | 20         | 21         | 20         | 25         | 22         | 21         |
| Planning                                     | 2          | 2          | 2          | 2          | 3          | 3          | 3          | 2          | 2          | 4          |
| <b>General Fund Total</b>                    | <b>201</b> | <b>203</b> | <b>214</b> | <b>200</b> | <b>220</b> | <b>212</b> | <b>214</b> | <b>215</b> | <b>169</b> | <b>179</b> |
| <b>Enterprise Funds</b>                      |            |            |            |            |            |            |            |            |            |            |
| Storm Water                                  | 2          | 2          | 2          | 3          | 3          | 3          | 2          | 2          | 3          | 3          |
| Water  | 18         | 19         | 21         | 18         | 17         | 20         | 19         | 17         | 17         | 18         |
| Light and Power                              | 43         | 41         | 42         | 46         | 46         | 46         | 54         | 48         | 48         | 51         |
| Golf   | 34         | 35         | 36         | 41         | 41         | 43         | 45         | 45         | 44         | 46         |
| Pools  | 72         | 84         | 81         | 83         | 83         | 88         | 86         | 86         | 73         | 65         |
| Recreation                                   | 27         | 55         | 41         | 49         | 63         | 55         | 47         | 52         | 45         | 22         |
| Ice Arena                                    | 26         | 36         | 32         | 35         | 48         | 31         | 34         | 30         | 33         | 33         |
| Landfill                                     | 8          | 9          | 9          | 9          | 8          | 10         | 10         | 10         | 9          | 9          |
| Sanitation                                   | 6          | 5          | 5          | 4          | 5          | 5          | 5          | 5          | 5          | 5          |
| Cemetery                                     | 10         | 10         | 10         | 10         | 9          | 7          | 8          | 9          | 10         | 8          |
| <b>Enterprise Fund Total</b>                 | <b>246</b> | <b>296</b> | <b>279</b> | <b>298</b> | <b>323</b> | <b>308</b> | <b>310</b> | <b>304</b> | <b>287</b> | <b>260</b> |
| <b>Internal Service Funds</b>                |            |            |            |            |            |            |            |            |            |            |
| Risk Management (2)                          | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| Workers Compensation (2)                     | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>Internal Service Fund Total</b>           | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| <b>Redevelopment Agency</b>                  |            |            |            |            |            |            |            |            |            |            |
| Redevelopment Agency (2)                     | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>Total Positions</b>                       | <b>447</b> | <b>499</b> | <b>493</b> | <b>498</b> | <b>543</b> | <b>520</b> | <b>524</b> | <b>519</b> | <b>456</b> | <b>439</b> |

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

(2) These departments have shared staff from the General Fund.