

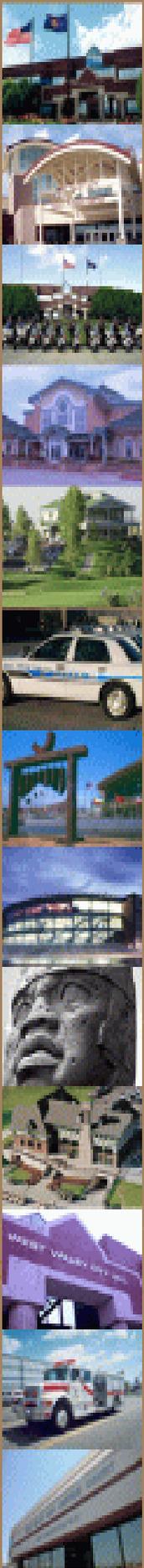


WEST VALLEY CITY

Unity Pride Progress

STATE OF UTAH

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2010



WEST VALLEY CITY

STATE OF UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2010

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WEST VALLEY CITY, UTAH
Comprehensive Annual Financial Report
Year Ended June 30, 2010

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December 15, 2010

Honorable Mayor and Members of the City Council
West Valley City, Utah

Mayor and City Council:

The Comprehensive Annual Financial Report (CAFR) of West Valley City, Utah (the City), for the fiscal year ended June 30, 2010 is herewith submitted. This report has been prepared by the City's Finance Department. The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with City management. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report has been prepared to strictly follow the guidelines recommended by the Government Finance Officers Association (GFOA). Those governments whose annual financial reports are judged to conform substantially with high standards of public financial reporting including generally accepted accounting principles promulgated by the Government Accounting Standards Board, may be awarded a Certificate of Achievement for Excellence in Financial Reporting. This report will be submitted to the GFOA for consideration of this award.

This year's report complies with the financial reporting model required by the Governmental Accounting Standards Board (GASB) Statement 34. In addition to the fund financial information currently presented in the City's financial statements, this report includes government-wide financial statements. The government-wide financial statements include a Statement of Net Assets that provides the total net assets of the City, including all capital assets (including infrastructure) and a Statement of Activities that shows the cost of providing government services.

Generally accepted accounting principles 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 is required to undergo a single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Information related to this single audit, including the schedule of expenditures of federal awards and independent auditors' report on compliance and on internal control over financial reporting, is included in a separate report issued to the City dated December 3, 2010.

THE REPORTING ENTITY AND ITS SERVICES

This report includes all of the funds of the City. A full range of municipal services excluding water, sewer, and electricity are provided by this municipality. Revenues within the general fund are utilized by the City to provide public safety including fire, police, and ordinance enforcement. Other services provided include ambulance service, streets, storm water drainage, golf courses, Maverik Center, Hale Centre Theatre, Family Fitness Center, Utah Cultural Celebration Center, sanitation, parks, planning & zoning, Harman Home Seniors Center, general legislative, and administrative services.

The City operates a number of special revenue funds, including a Building Authority, Redevelopment Agency, Community Services Fund, Grants Fund, and Impact Fee Funds for Roads, Parks, Fire, Police, and Flood Control. The Building Authority is used to accumulate resources to service lease revenue bonds issued to finance the construction of several major facilities, including the Maverik Center, Hale Centre Theatre at Harman Hall, and the Fitness Center. The Redevelopment Agency assists businesses seeking to locate within the City, and identifies and renovates blighted areas of the City. The Community Services Fund provides services to the City's citizens, including Sanitation and Storm Water Drainage, and operates City facilities, including operations of the Maverik Center, Hale Centre Theatre, Family Fitness Center, and Utah Cultural Celebration Center. The Grants Fund was created to match and segregate grant-related revenues and expenditures which were previously included in the General Fund. The Road, Park, Fire, Police, and Flood Control Impact Fee Funds utilize impact fees charged on new construction in the City to provide capital improvements and infrastructure required by new growth.

The City operates three enterprise funds. The Golf Courses Fund reports operations of the City's two courses, West Ridge Golf Course and Stonebridge Golf Course. West Ridge Golf Course provides a buffer zone for the Alliant Tech System Inc. (formerly Hercules Inc.) facility as well as a recreation area for the community. Stonebridge Golf Course provides a high-quality recreation facility, as well as providing green space within the City's business and industrial areas. The City's Housing Authority assists in providing low-cost housing to low-income residents. The Ambulance Fund reports operations of The City's ambulance service, providing emergency response services to City residents.

West Valley City owns the Maverik Center, an events center and hockey arena, which is operated by Centennial Management. It currently is the home of the Utah Grizzlies, and was the venue of the 2002 Winter Olympics for men's hockey. It is also used for concerts, basketball tournaments, and other public events. Previously known as the E Center, the naming rights were recently sold to Maverik Convenience Stores.

Taxing entities within the boundaries of West Valley City including Salt Lake County, Granite School District, Granger Hunter Improvement District, Magna Water Company, Magna Mosquito Abatement District, Taylorsville Bennion Improvement District, Kearns Improvement District, Central Utah Water Conservation District, Salt Lake County Mosquito Abatement District, and Salt Lake County Water Conservancy District do not meet the criteria to be included in the reporting entity, and are therefore excluded from this CAFR.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the City's accounting system, consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. We believe the City's internal accounting controls adequately safeguard the assets and provide reasonable assurance of proper recording of financial transactions.

The City's accounting records for general government operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's enterprise funds are on an accrual basis.

By State law, the City Manager of West Valley City is required to submit a proposed budget to the City Council by the first regularly scheduled meeting of the City Council in May. The City Council then reviews with the City Manager, through the budget hearing process, all budget requests. The City Council then adopts a tentative budget, which is then placed before the public to review. Comments are received, requests and recommendations are considered, then after due consideration, the City Council may adopt the budget before June 22 if no tax adjustments are considered. The City Council has elected to consider adoption of the judgment levy each fiscal year in order to maintain property tax revenues at previous year's levels. Due to recent changes in state law, they may also consider adjusting the property tax rate to reflect prior year collections. If these changes to the tax rate are considered or a tax increase is proposed, an additional advertising and public hearing process is required with the final budget adoption on or before August 17.

The City's budget is an annual budget with monthly budget allotments recommended by the Department Heads. The Finance Department places the budget allotments, as approved by the City Manager, on the financial system, including funds available for spending in each appropriate month. The City has been on a monthly budget allotment system for more than twenty years and found it to be beneficial for planning cash flow and controlling spending.

GENERAL GOVERNMENT FUNCTIONS

The schedule on the following page presents summaries of all revenues and expenditures for the General Fund for the fiscal years ended June 30, 2010 and 2009, and the percentage of increases and decreases compared to the prior year. Total revenues in 2010 decreased by \$5,697,298, an 8.32% decrease from 2009; expenditures increased \$3,054,112, up 5.07% from 2009. Approximately \$3.5 million which was received in the previous year and earmarked for capital projects, which were undertaken during the current year. This created a situation where current year revenues dropped substantially, while expenditures increased. Operating revenues decreased, led by a drop in sales and use taxes, continuing the trend of the last several fiscal years. General property taxes increased slightly from new developments being completed. Utility (franchise) taxes dropped slightly, affected by seasonal weather fluctuations, and overall efforts by citizens to cut utility expenses. Licenses and permits also decreased as a result of reduced business license issuances, along with fewer commercial and residential projects obtaining building permits and commencing construction. As mentioned above,

Intergovernmental revenues decreased without the previous year's one-time capital contributions. Fines and forfeitures continued to increase as a result of increased traffic, traffic enforcement, and collection efforts. Charges for services showed a significant percentage decrease, most significantly from reduced charges for engineering services for UDOT. Interest on investments decreased by more than 40%, reflecting the large drop in investment rates resulting from the national economic slowdown and credit crisis, and a reduced cash balance available for investment.

Operating expenditures decreased as the economy contracted and revenues dropped. Departmental expenditures decreased in Administrative, Legal, Non-Departmental, Police, Parks and Recreation, and Community Development Departments as the City tightened budgeted operational spending in response to reduced revenues. Additionally, Finance and Fire Departments showed little change from the previous year. Legislative expenditures increased slightly to fund state and local elections administered by the City. Highways and Public Improvements expenditures increased due to previously funded capital projects undertaken during the year. Other Nondepartmental expenditures also increased as the City used capital leasing to acquire police and other fleet vehicles to replace aging vehicles. Debt service costs increased as previously refunded bonds began normally scheduled debt service payments; the City also undertook a number of capital leases to fund telecommunications and other equipment.

<u>Revenues General Fund</u>	<u>FY 2008- 2009</u>	<u>FY 2009- 2010</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
General Property Taxes	\$21,920,558	\$22,271,146	\$350,588	1.60%
Sales and Use Taxes	18,850,136	17,293,453	(1,556,683)	(8.26)%
Utility Taxes (Franchise)	9,299,207	9,101,454	(197,753)	(2.13)%
Licenses and Permits	3,691,344	3,153,302	(538,042)	(14.58)%
Intergovernmental	5,757,171	3,847,432	(1,909,739)	(33.17)%
Fines and Forfeitures	3,829,389	4,451,877	622,488	16.26%
Charges for Services	870,358	579,947	(290,411)	(33.37)%
Interest on Investments	858,334	481,921	(376,413)	(43.85)%
Special Improvement Districts	256,512	256,512	-	0.00%
Sale of Capital Assets	1,957,086	174,544	(1,782,542)	(91.08)%
Miscellaneous	1,156,758	1,137,967	(18,791)	(1.62)%
TOTAL	\$68,446,853	\$62,749,555	\$(5,697,298)	(8.32)%

<u>Operating Expenditures General Fund</u>	<u>FY 2008- 2009</u>	<u>FY 2009- 2010</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Legislative	\$547,713	\$794,566	\$246,853	45.07%
Administrative	7,470,635	7,278,498	(192,137)	(2.57)%
Legal	2,801,851	2,614,538	(187,313)	(6.69)%
Finance	1,442,777	1,487,464	44,687	3.10%
Non Departmental	364,950	339,600	(25,350)	(6.95)%
Police	20,371,002	19,739,378	(631,624)	(3.10)%
Fire	8,057,871	8,105,923	48,052	0.60%
Highways and Public Improvements	8,458,579	9,258,662	800,083	9.46%
Parks and Recreation	1,625,855	1,478,560	(147,295)	(9.06)%
Community Development	3,551,711	3,438,439	(113,272)	(3.19)%
Other Nondepartmental	2,497,019	3,399,459	902,440	36.14%
Debt Service	3,017,226	5,326,214	2,308,988	76.53%
TOTAL	\$60,207,189	\$63,261,301	\$3,054,112	5.07%

DEBT ADMINISTRATION

West Valley City has no bonded general obligation debt. However, we recognize the need to have the ability to issue revenue bonds and utilize lease purchasing.

The ratios of net debt to the assessed valuation of taxable property and the amount of the general debt per capita are useful indicators of the City's debt position for municipal management, citizens, and investors. This data for West Valley City, at the end of the 2010 fiscal year is as follows:

Governmental Activities Long-term Liabilities	\$114,145,364
Legal Limit of General Obligation Debt	\$215,612,335
Ratio of Debt to Assessed Value	2.24%
Ratio of Debt to Percent Market Value	2.12%
Debt Per Capita	\$905.08

BOND RATING

West Valley City's conservative position with regard to debt management resulted in Standard & Poor's Ratings Services (S&P) assigning a municipal bond rating of "AA+" to the City's most recent Sales Tax Bond offering.

GENERAL FIXED ASSETS

As of June 30, 2010 the capital assets of the City, net of depreciation, were \$377,318,564. Assets are used in the performance of general government functions. This amount represents the original cost of the assets, with the exception of infrastructure acquired at the time of the City's incorporation in 1980. These assets are valued at estimated cost adjusted for inflation. As of June 30, 2010, the City is required by GASB 34 to include infrastructure in capital assets. Infrastructure includes major and minor streets, right-of-ways, sidewalks, bridges, traffic signals, and stormwater drainage structures. Donated assets are capitalized at their fair value on the date received. In accordance with GASB 34, depreciation is not recognized for governmental funds at the fund level, but is included on the entity-wide financial statements. Depreciation is recognized in the Golf Courses, Housing Authority, and Ambulance Service enterprise funds.

ECONOMIC CONDITION AND OUTLOOK

Fiscal year 2010 continued to present the challenging economic environment West Valley City has endured the past two years. The City has been able to at least partially mitigate the effect of revenue shortfalls by controlling spending, keeping overall expenditures below budget. Sales tax continued to decline for the first part of the year, finally leveling several percentage points below already downward revised budget. Building and business license-related revenues remained below budget as businesses downsized or ceased operations and developers were left with unsold residential and business properties. Property taxes provided somewhat of a buffer; prior to the 2007 property tax increase, sales tax was the largest single source of revenue for the City, now property taxes and sales tax are roughly equal as sources of funding for City services. For the fiscal year, overall General Fund revenues declined by 8%, reflecting the drop in sales tax revenues by the same percent. Interest revenue traditionally earned by the City on invested funds continued to drop, by 40% for the second

straight year. However, the City's outlook is not without some promise. One notable area of growth was the City Center area surrounding Valley Fair Mall and the City Office complex, which saw a number of business establishments open, with more major additions to the mall in the planning and construction stages, promising substantial future tax and revenue sources for the City. The City has been able to maintain its focus on major aspects of its strategic plan, and continue to accommodate the service requirements mandated by its recent growth, while keeping tight control of expenditures.

The highlight of the City's economic activity is centered around the following projects:

Lake Park Corporate Center and Highbury Residential Community

Located just west of Bangerter Highway and 2400 South, Lake Park Corporate Center's 875 acres make it the largest office/recreation complex in the state. Owned and developed by Zions Securities, Phase I of the Park includes 375 acres for deluxe office campuses, such as the three story, 2,000 employee regional headquarters for Discover Credit Card, and the corporate headquarters for Intermountain Health Care. When completed, the park may employ as many as 12,000 workers. The remaining acreage is designed to preserve and enhance the natural habitat for birds and other wildlife, utilizing a 27-hole Johnny Miller golf course, and a multitude of lakes, trails and open space. During fiscal year 2002 the City purchased the golf course (Stonebridge Golf Course) to provide recreation opportunities within the City, and ensure continuing green space.

Also being developed by Zions Securities, Highbury residential community is setting a new standard in the City for quality of life. Citizens choosing to live there enjoy the option of living, working, recreating, and shopping all within walking distance of their homes. The scale of this project, at 400 acres, combines the intimate feel described as well as a large enough size to make it the premiere community in the City.

West Valley Entertainment District

The \$57.5 million E Center was renamed the Maverik Center after reaching an agreement on naming rights with Maverik Convenience Stores. Located east of I-215 at 3200 South, the Maverik Center opened September 1997 and for many years has been the focal point of the City's expanding business activity. The 10,400 seat arena is the home of the Utah Grizzlies professional hockey team. The Maverik Center served as the venue for men's ice hockey during the 2002 Winter Olympics. The Center is also used for collegiate and high school athletic events, concerts, circuses, ice shows, rodeos, conventions, and a variety of special events.

Located southeast of the Maverik Center is the \$9.8 million, 525 seat Hale Centre Theatre at Harman Hall. This popular theater-in-round draws over a quarter-million patrons each year with its year-round shows and world class performances.

The 57-acre site around the Maverik Center now has more than 500 hotel rooms; a variety of restaurants; and a 153,400 square foot Carmike cinema and amusement center featuring 16 movie screens, many family oriented activities, a children's game area and food court.

In addition to the Maverik Center bringing an important entertainment dimension to Salt Lake County, it also stimulates economic development. Two new hotel projects in the area directly north of the Maverik Center opened recently, bringing tourism and other tax revenues to the City. As development continues, employment within the project area is expected to include over

100 long-term permanent full-time jobs, and 300 part-time jobs. Using a multiplier factor for subsequent jobs created in the greater community, it is projected that an additional 400 jobs result from operation of the Maverik Center. The nearly 2,000 potential new jobs from development in and around the Maverik Center have a potential to infuse the regional economy with payroll wages in excess of \$40 million. Additionally, the Maverik Center, Hale Centre Theatre, and surrounding businesses have raised the City's profile among Salt Lake valley residents; it is now more than ever a destination for valley residents and visitors.

5600 West

The 5600 West corridor area continues to be the City's fastest developing area. The street has been widened to accommodate increased traffic as the City's population continues to grow in this area, and businesses are taking advantage of the increased access and population base. The largest of the businesses is Wal Mart, which is operating two Super Wal Marts - one on the north end of the 5600 West corridor, and the second on the south end. Several other major retail enterprises, including Kohl's, Sears Grand, and a large WINCO grocery store are operating, and more businesses and restaurants continue to open in this area. A large planned-unit development has also been constructed in this area and is currently being marketed to homebuyers. This growth is providing a healthy boost to the City's tax base. The 20,000 capacity amphitheater operated by United Concerts/Pristine Alpine Entertainment continues to bring in high-profile concerts scheduled throughout the summer season. The state of the art facility further raises West Valley City's profile as an entertainment destination, as well as further opening the West Ridge area for development. Utah Department of Transportation (UDOT) is planning to extend its western corridor highway system in the near future; this should also provide impetus for further growth along 5600 West and neighboring areas.

City Center

The City Center Redevelopment Project is the City's newest area of major development. The area is focused around Valley Fair Mall and the City Offices complex. The new owners of the mall have aggressively expanded the mall property, bringing in a significant number of restaurants and other businesses to expand the mall's scope. A Costco warehouse store opened in 2007 adjacent to the mall property, enhancing the commercial draw of the area. As part of the overall plan for the area, the City's Redevelopment Agency has acquired business and residential properties in the area and is reviewing proposed plans from several developers. When completed, the development is planned to provide a destination for residents and shoppers in a relaxed, open space area. A new Utah Transit Authority (UTA) Trax light rail line is being constructed with its terminus in this City Center area which will increase access and promote additional development. It is anticipated that this line will be completed and operational by the summer of 2011.

MAJOR INITIATIVES

STRATEGIC PLAN

West Valley City's administration facilitates and implements the City's annual strategic plan process. This strategic plan combines staff recommendations for service needs, Council input for policy prioritization, and reflects desires of the citizenry through such tools as the annual citizen survey and direct contact. The City's administration and City Council have found this

input to be very valuable in determining the direction of the City's growth and allocation of resources. The objectives identified in the current strategic plan are as follows:

- Citizen Development
- Community and Economic Development
- Public Safety
- Transportation

Many of the programs developed and implemented in past budget years in response to concerns highlighted in the strategic plan continue to produce positive results for the improvement and progress of the West Valley City community. Although these programs continue, they will not be detailed in this letter unless significant change has occurred.

CITIZEN DEVELOPMENT

The City is constantly working to improve communications between citizens and City staff; a City website, set up to provide online access to City information, is continually updated, with additional information and information links being added, along with a public access television channel. A bi-monthly newsletter is also mailed out to citizens. Citizen input is actively requested in bringing issues to the City's attention, including an annual citizen survey process. The City's Utah Cultural Celebration Center is a constant source of exhibits and programs showcasing arts and highlighting the diverse nature of the City's population. City CDBG grant resources are being used to provide assistance to elderly and disabled citizens, funding emergency repairs they could not otherwise afford. Efforts are being made to increase the number of City parks, and to maintain and improve existing parks. The City's Parks and Recreation Department operates several facilities and programs offering multiple recreation opportunities to citizens. The City's after-school program partnership is also seeing success coordinating after school programs for students.

COMMUNITY DEVELOPMENT

The City's robust growth has reinforced the need for proactive planning, to be able to act positively, and not merely react to community pressures. The City is implementing an integrated GIS system, which ties together several diverse services with common ties to City geographical locations, providing a common database. It also employs a long-range planner to anticipate future City needs. In addition, the City maintains an active Economic Development Department and Redevelopment Agency to guide and upgrade the City's business and economic base. The Community and Economic Development Department continued laying the groundwork for the planned City Center redevelopment project, acquiring land in the project area. The 3500 South corridor and the City Center projects located around City Hall remain high priority areas of focus. Sustainability of our neighborhoods is another key focus of Community Development. The Community Preservation Department was created to sharpen the City's focus on maintaining the quality of neighborhoods. They are seeing results in terms of reduced crime, controlling graffiti, and decreased code violations.

PUBLIC SAFETY

The City has been actively responding to the citizens' concerns in this area, having increased the police force by more than 70% since 1993. The City has made a conscious effort to fill all vacant positions within the police department to address concerns about response time expressed by citizens. The police department is coordinating efforts with other involved

departments on the Weed & Seed program to improve neighborhoods and remove some of the causes of juvenile crime. The Community Oriented Service Division is modeling and implementing new ways to track and respond to neighborhood safety issues. The City's efforts are reflected in a stable crime rate despite a growing population and harsh economic conditions that often result in upward pressures and harsh societal conditions.

JUSTICE COURT

The upgraded Justice Court has fulfilled expectations in prosecuting crimes and providing tighter control over citations issued in West Valley City. Collections have increased significantly, and violators who previously ignored citations are now being held accountable. This increased enforcement tool has added to the effectiveness of City programs such as the ACE program, and traffic enforcement to control the increasing volume of vehicle use. The public safety building acquired by the City provides space for the expanded Justice Court on its main floor with a new, state of the art facility. Its proximity to the police facilities enhances both departments' operations and inter-department coordination.

FIRE AND MEDICAL

The City's fire department is working to maintain or reduce response times for emergency calls and provide the best possible services to a growing population. Personnel are regularly trained in procedures and the City is making an effort to upgrade facilities and equipment to maximize the efficiency of the emergency staff. The City currently has five fire stations and is planning a sixth in response to the rapid growth occurring in the southwest corner of the City. Facilities, apparatus, equipment, and special needs of the department will continue to require a significant amount of the City's attention. The City's ambulance service provides quicker response time than was previously available, makes more efficient use of Fire Department assets, and enhances the spectrum of care provided by the City's Fire Department. The City's Fire Department is also participating in training citizens in the Community Emergency Response Team (CERT) program.

TRANSPORTATION ENHANCEMENTS

As West Valley City grows, increased capacity on the City's streets becomes more important. The City has been studying methods of facilitating traffic flow and improving transportation systems. These improvements include a coordinated signal system, and continuing a six-year street resurfacing program to maintain the City's infrastructure investment. During fiscal year 2010 the City started or continued several major street improvement projects while maintaining street surfaces through an ongoing schedule of chipsealing for major streets, and cracksealing for secondary surfaces. As population continues to grow, mass transit must play an increasingly important role. The 3500 South corridor is a focus of attention, with planners working to make a more efficient traffic flow design, and incorporating mass transit options. The City is working with the Utah Transit Authority (UTA) and neighboring cities on mass transit issues. UTA is operating the state's first Bus Rapid Transit System, referred to as "MAX," operating along 3500 South through the City. Construction of the new light rail spur from the main line running down the center of the valley to West Valley City has begun and completion is scheduled for summer of 2011. This line will terminate at City Hall at the new intermodal transportation. The City continues to aggressively acquire properties in the City Center area and plans to partner with developers to stimulate complementary transit oriented growth.

SUMMARY

The City's economic and social environment continues to change, reflecting the larger society around it. Changes in property taxes, increasing e-commerce, and changes in the overall economy present challenges in projecting revenues; at the same time, a growing, changing City population requires the City to meet changing needs. The need for effective long-range planning is more important than ever. As a result of several years of conservative spending policies, the City has accumulated fund balance which has provided some cushion during the current negative economic cycle. A significant portion of the previously accrued fund balance has been tapped to maintain current service levels without resorting to staffing cutbacks; with projected revenues remaining below recent historical levels, care must be taken not to overextend the City's resources. Demand still outstrips resources, requiring careful allocation of City resources.

That the City is able to accomplish so much during a period of tight economic circumstances is a tribute to the planning and commitment of the Mayor and Council. Successfully coordinating efforts to finish current projects while planning for new growth and improvements is only possible through continued direction and commitment, together with good management and focus from a dedicated staff. West Valley continues to show itself a leader in this area.

ACKNOWLEDGMENTS

West Valley City has established itself as a major and vital part of the economic and political environment of the greater Salt Lake Valley metropolitan area. Increasingly, West Valley City plays a leadership role in all aspects of life here. That the City continues to move so far, so quickly, can be attributed to the vision and dedication to pursuing common goals and objectives identified, defined and then carried out by the community as a whole, including residents, businesses, the City's staff, and especially its elected officials. The City Manager's tireless efforts in implementing the City Council's vision are guiding the City towards the brightest future possible. Without cooperative, unselfish and dedicated City leadership, the vision that guides the strategic plan would remain only a vision.

These significant achievements are a result of the Mayor and Council's dedication to strong planning through the Strategic Plan and their continued commitment to achieve effective government for the citizens of West Valley City.

CONCLUSION

Citizens of West Valley City can take great pride in their City. The City is successfully implementing the Strategic Plan, designed to improve the quality of life and effectiveness of delivering City services while at the same time promoting quality recreation and lifestyle opportunities, and the infrastructure improvements required by a growing citizen base. Achievements of this magnitude are only possible with clear direction from the Mayor and Council and good management from Executive Staff.

INDEPENDENT AUDIT

State law and City Municipal Code require the financial statements of West Valley City to be audited annually by a Certified Public Accountant selected by the City Council. This

requirement has been complied with and the auditor's opinion is included in the Financial Section of this report. This report has been audited by the firm of Jensen & Keddington, P.C., whose examination was made for the purpose of forming an opinion on the basic financial statements. As stated in the report, the independent auditors have given an unqualified opinion that the City's basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded Certificates of Achievement for Excellence in Financial Reporting to West Valley City for its Comprehensive Annual Financial Reports for the fiscal years ended June 30, 1991, and 1993 through 2009. The Certificate of Achievement is a prestigious award recognizing conformance with the highest standards for preparation of state and local government financial reports.

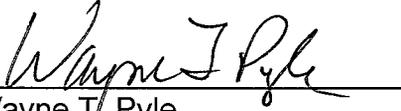
In order to be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that this report conforms to the Certificate of Achievement Program requirements and is being submitted to the GFOA.

ACKNOWLEDGMENTS

The timely preparation of this report was achieved by the efficient and dedicated accomplishments of the entire staff of West Valley City, to whom we offer our sincere appreciation.

Respectfully submitted,

WEST VALLEY CITY



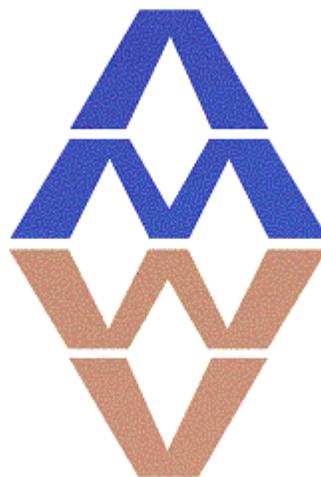
Wayne T. Pyle
City Manager



James D. Welch
Finance Director



Don L. Groo
Chief Accountant



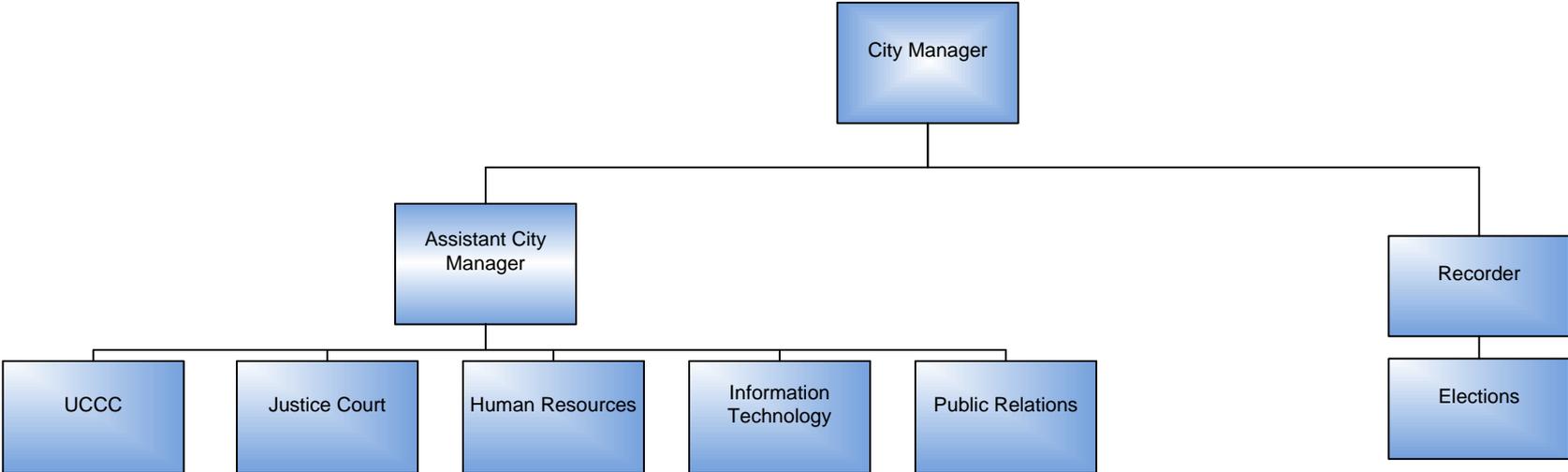
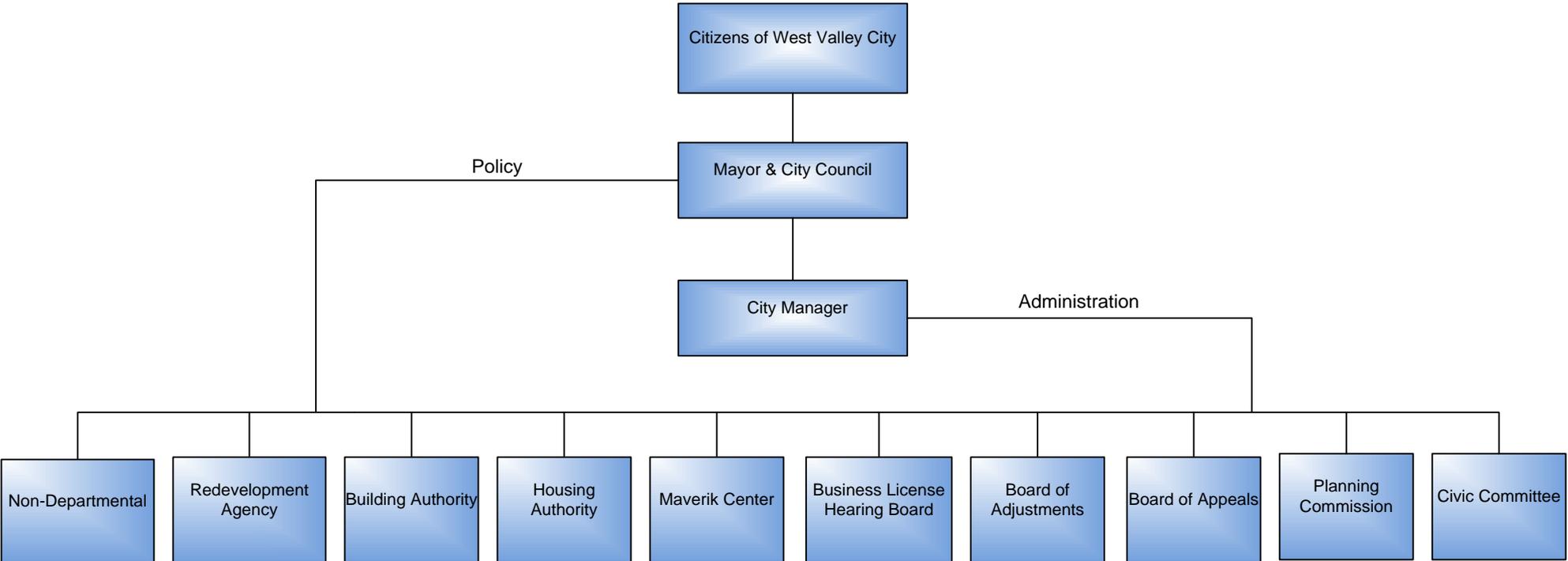
WEST VALLEY CITY, UTAH

PRINCIPAL OFFICIALS

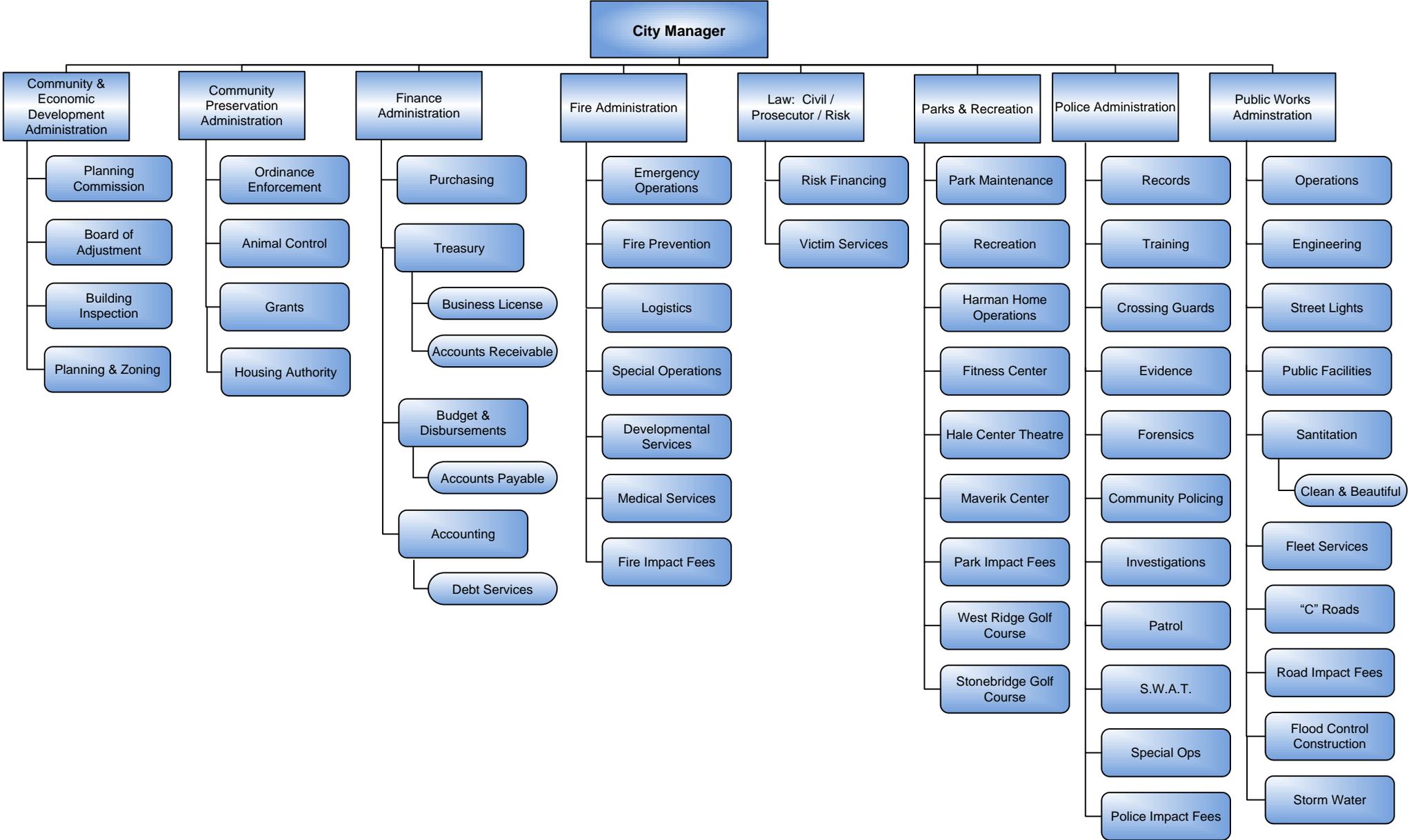
June 30, 2010

Mike Winder	Mayor
Corey Rushton	Councilmember - At Large
Don Christensen	Councilmember - At Large
Carolynn Burt	Councilmember - Dist. 1
Steve Buhler	Councilmember - Dist. 2
Russel K. Brooks	Councilmember - Dist. 3
Steve Vincent	Councilmember - Dist. 4
Wayne T. Pyle	City Manager
Paul D. Isaac	Assistant City Manager
Sheri McKendrick	City Recorder
John C. Evans	Fire Chief
Nicole Cottle	Community Development Director
Layne Morris	Community Preservation Director
J. Richard Catten	City Attorney
Thayle "Buzz" Nielsen	Police Chief
James D. Welch	Finance Director
Russell B. Willardson	Public Works Director
Kevin Astill	Parks and Recreation Director
Kendall D. Olsen	City Treasurer

West Valley City Organizational Chart



West Valley City Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

West Valley City
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



President

Executive Director



Jensen & Keddington, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Honorable Mayor and
Members of City Council
West Valley City
West Valley City, 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 West Valley City as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of West Valley City'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 West Valley City as of June 30, 2010, 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 Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 3, 2010 on our consideration of West Valley City'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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and information about infrastructure assets reported using the modified approach, as noted on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary

information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise West Valley City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund statements, including the schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Major Governmental Fund and the schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Nonmajor Governmental Funds listed as supplemental information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Jensen & Keddington

December 3, 2010

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

As management of West Valley City (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2010.

Financial Highlights

- As of the end of the current fiscal year, the assets of the City exceeded its liabilities by \$305,936,641 (net assets). Of this amount \$22,645,920 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The total net assets of \$305,936,641 are made up of \$262,660,013 in capital assets net of related debt and \$43,276,628 in other net assets.
- The City's total long-term liabilities increased by \$4,579,720.
- The City's Redevelopment Agency purchased \$1,713,196 in land held for resale in anticipation of acquiring a developer for its planned City Center project.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of West Valley City'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. However, you will also need to consider other non-financial factors.
- The *statement of activities* presents information showing how the City's net assets changed during the fiscal year reported. 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 all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of West Valley City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and public improvements, parks and recreation, and Community and Economic Development.

WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2010

The government-wide financial statements include not only the City itself, but the following blended component units. The West Valley City Housing Authority (Housing Authority), West Valley City Building Authority (Building Authority), and West Valley City Redevelopment Agency (Redevelopment Agency) are legally separate entities governed by boards appointed by the City Council, consisting of the City Council members. For financial reporting purposes, the Housing Authority, Building Authority, and Redevelopment Agency are reported as if they were part of the City's operations because their governing boards are the City Council. Therefore, the City Council is financially accountable and has significant influence over the programs, projects, activities, and level of services performed or provided by the organizations.

Fund financial statements

A *fund* is a grouping of related accounts that are 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 can be divided into two categories: governmental funds and proprietary 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 fund 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 fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Community Services Fund, and Redevelopment Agency Fund, which are considered to be major funds. Data from the other seven governmental funds are combined into a single combined column. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report. Budgetary comparison schedules have been provided to demonstrate compliance with those budgets.

- Proprietary funds West Valley City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Golf Courses, Housing Authority, and Ambulance Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. West Valley City Golf Courses is classified as a major fund and is included on the Statement of Net Assets-Proprietary Funds within this report. Data from the other two proprietary funds are combined into a single combined column. Individual fund data for each of these non-major proprietary funds is provided in the form of *combining statements* elsewhere in the report. The basic proprietary fund financial statements can be found as listed in the table of contents.

WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2010

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. Notes to the financial statements are located after the statements for major funds as listed in the table of contents.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found as listed in the table of contents.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$305,936,641 at the close of the most recent year. The City's overall financial position declined. Total net assets decreased by \$5,515,593; net assets of governmental activities decreased by \$5,494,213 and net assets of business-type activities by \$21,380. The decrease in total net assets was principally in current and other assets, reflecting reduced revenues as a result of the weak economy; long-term liabilities also increased as the City bonded for projects and issued capital equipment leases. The City's investment in non-depreciable infrastructure increased by \$1,833,154, the increase divided almost evenly between City-financed construction and contributed streets and right-of-ways. Construction in progress dropped significantly, by \$3,849,320, as the City's new animal shelter and office building was completed; buildings increased accordingly. Additionally, the City added improvements to parks and its Cultural Celebration Center at a cost of \$960,593. Outstanding debt increased by \$4,579,720 due to a Redevelopment Agency bond issuance to facilitate a mall renovation as part of its extensive City Center project; the City also entered several capital leases to fund equipment purchases. Also, as part of its effort to reduce operating expenses, the City offered a retirement incentive to qualified employees; the long-term portion of the retirement incentive, \$948,914 was added to long-term debt. Governmental revenues decreased, by \$16,990,406 or 16%. The largest factor was a decrease in capital grants and contributions of \$11,096,110, caused by decreased contributed infrastructure as a result of slow development, and nonrecurrence of a \$2,000,000 State of Utah contribution for a joint capital project. Most general revenues were down, including sales tax revenue, down \$1,533,375 or 8%, charges for services down \$1,579,220 or 6%, and other revenues down \$1,984,636. Each of these revenues was negatively impacted by the depressed economic environment resulting in lower sales, fewer building permits, and fewer and smaller business licenses. Governmental activities expenses increased by \$6,898,817, or 8%; the increase was almost entirely in the Redevelopment Agency, for the ongoing City Center project. Other governmental expenses increased by \$612,805, or 0.8%. In business-type activities, revenues and expenses decreased slightly, reflecting normal fluctuations based on economic environment factors, with golf course recreation declining by \$236,828 while services represented by the Housing Authority and ambulance service decreased by \$49,828. By far the largest portion of the City's net assets (\$262,660,013 or 86%) is its investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, furniture and equipment, and infrastructure assets), less any related debt still outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its 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.

WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2010

	Governmental Activities 2010	Governmental Activities 2009	Business-type Activities 2010	Business-type Activities 2009
Current and other assets	\$ 92,895,690	\$ 95,894,302	\$ 2,774,364	\$ 3,510,788
Capital assets	359,694,678	357,155,869	17,623,886	18,297,506
Total Assets	\$ 452,590,368	\$ 453,050,171	\$ 20,398,250	\$ 21,808,294
Current and other liabilities	\$ 41,245,356	\$ 41,754,187	\$ 1,072,653	\$ 1,497,796
Long-term liabilities	114,145,364	108,602,123	10,588,604	11,552,125
Total Liabilities	\$ 155,390,720	\$ 150,356,310	\$ 11,661,257	\$ 13,049,921
Net assets:				
Invested in capital assets, net of related debt	\$ 255,624,731	\$ 252,035,611	\$ 7,035,282	\$ 6,745,381
Restricted	19,990,761	20,222,311	639,947	-
Unrestricted	21,584,156	30,435,939	1,061,764	2,012,992
Total Net Assets	\$ 297,199,648	\$ 302,693,861	\$ 8,736,993	\$ 8,758,373

An additional portion of West Valley City's net assets totaling \$20,630,708 (6.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$22,645,920) may be used to meet the government's ongoing obligations to citizens and creditors.

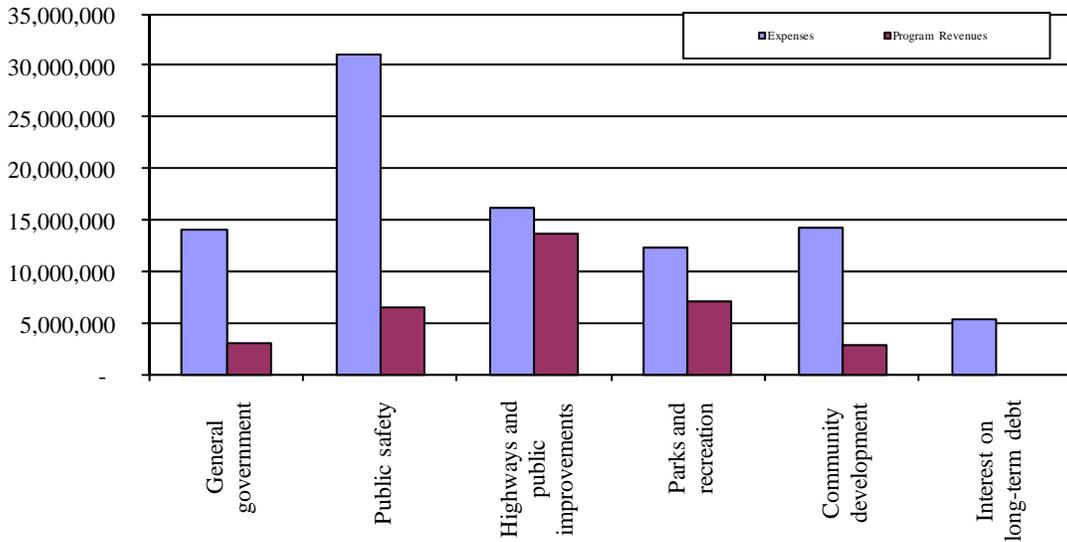
WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2010

	Governmental Activities 2010	Governmental Activities 2009	Business-type Activities 2010	Business-type Activities 2009
Revenues:				
Program revenues:				
Charges for services	\$ 25,233,545	\$ 26,812,765	\$ 4,120,573	\$ 4,683,248
Operating grants and contributions	5,869,996	6,129,745	3,541,481	3,265,560
Capital grants and contributions	1,832,921	12,929,031	-	-
General revenues:				
Property taxes	28,452,413	28,015,516	-	-
Sales taxes	17,586,807	19,120,182	-	-
Franchise taxes	9,101,454	9,299,207	-	-
Other taxes	224,620	155,167	-	-
Unrestricted investment earnings	126,648	774,332	6,235	10,253
Gain (loss) on disposition of assets	122,825	321,054	-	(4,116)
Other revenues	151,906	2,136,542	-	-
Total Revenues	88,703,135	105,693,541	7,668,289	7,954,945
Expenses:				
General government	14,042,833	14,647,184	-	-
Public safety	31,051,624	30,799,097	-	-
Highways and public improvements	16,161,621	15,475,919	-	-
Parks and recreation	12,350,360	12,441,389	-	-
Community development	14,128,000	7,841,988	-	-
Interest on long-term debt	5,366,667	4,996,711	-	-
Golf courses	-	-	3,745,920	3,888,337
Housing Authority	-	-	3,583,050	3,591,190
Ambulance	-	-	1,456,942	1,796,312
Total Expenses	93,101,105	86,202,288	8,785,912	9,275,839
Increase (decrease) in net assets before transfers	(4,397,970)	19,491,253	(1,117,623)	(1,320,894)
Transfers	(1,096,243)	(1,799,525)	1,096,243	1,799,525
Increase in Net Assets	(5,494,213)	17,691,728	(21,380)	478,631
Net Assets - Beginning	302,693,861	285,002,133	8,758,373	8,279,742
Net Assets - Ending	\$ 297,199,648	\$ 302,693,861	\$ 8,736,993	\$ 8,758,373

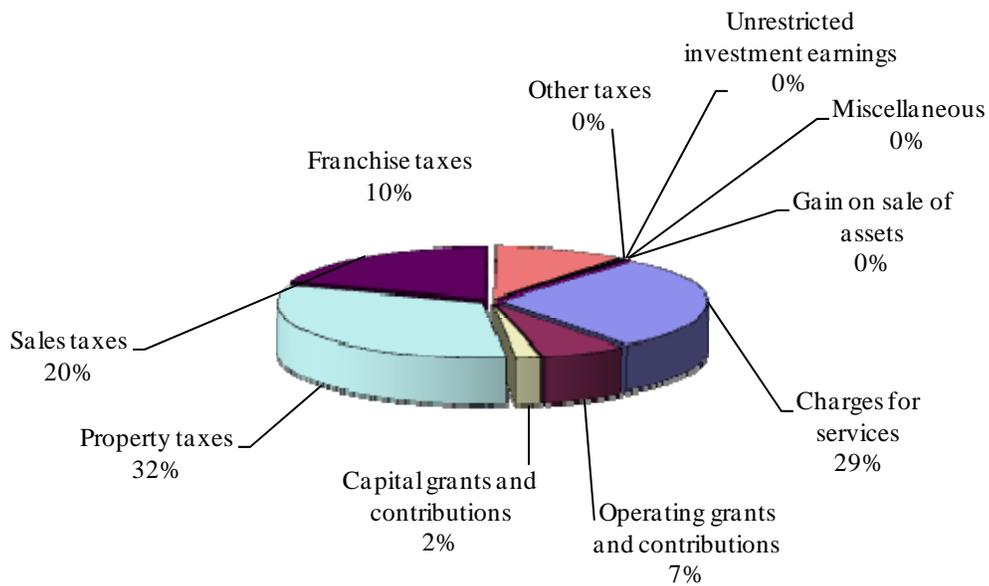
**WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2010**

The following graphs display the government-wide activities for governmental activities reflected in the above tables. The program revenues on the graph below do not include general revenue such as property tax, sales taxes, etc., as listed on the preceding page.

Expenses and Program Revenues - Governmental Activities

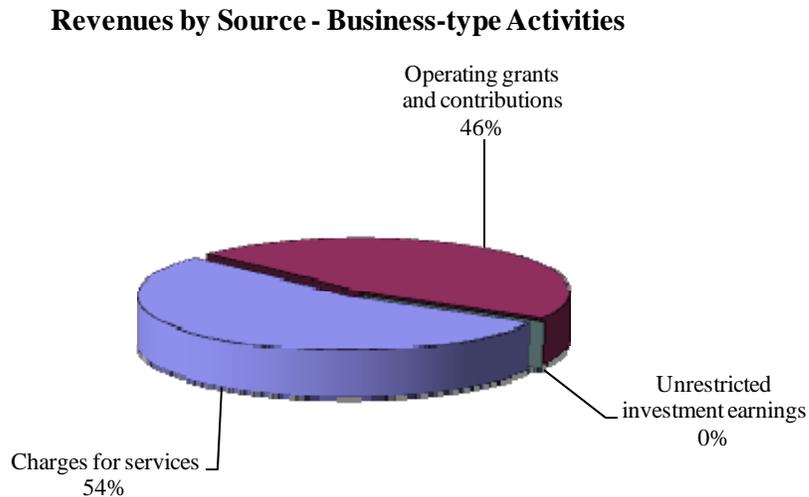
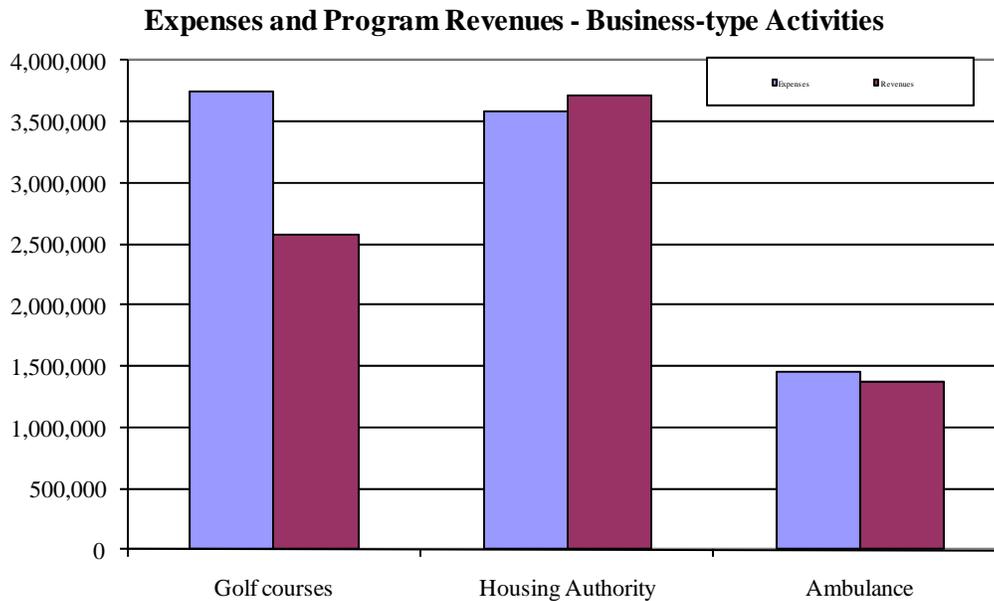


Revenues by Source - Governmental Activities



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

Business-type activities. Business-type activities decreased in the City's net assets by \$21,380. As of the end of the current fiscal year, West Valley City Golf Courses and the Housing Authority reported positive net assets. Ambulance Fund reported negative net assets of \$419,588.



WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2010

Financial Analysis of the Government's Funds

As noted earlier, West Valley City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the City's governmental 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 government's net resources available for spending at the end of the fiscal year. West Valley City has four Major Governmental Funds: the General Fund, Redevelopment Agency, Capital Projects Fund, and Community Services Fund.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$47,504,906. Of this total amount \$11,084,597 (23.3%) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay debt service and for future development.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$4,128,267 while total fund balance was \$15,958,104. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 10.7% of total general fund expenditures, while total fund balance represents 25.9% of that same amount. Sales tax revenue decreased by 8.0% in fiscal year 2010.

The Redevelopment Agency of West Valley City was created by the City Council with the authority and responsibility for redeveloping and upgrading blighted areas of the City. The members of the City Council are also members of the Redevelopment Agency's Board of Directors and, as such, are authorized to transact business and exercise their power to plan, engineer, and carry out projects of the Redevelopment Agency. Fund balance at the end of the year was \$16,028,183 with \$26,894,431 in assets composed of cash and equivalents, property tax increment receivable, receivables due from the City, and land held for future development.

The Capital Projects Fund was created to fund and account for financial resources to be used for the acquisition or construction of major capital facilities and fleet equipment or the government other than those financed by Proprietary funds or Special Revenue funds. During 2010, funds were accumulated in the Capital Projects fund and expenditures incurred on major facility construction and upgrades to existing City facilities. At year end the Capital Projects Fund had \$5,129,900 in unreserved fund balance available to fund these projects.

The Community Services Fund consolidates several major services provided by the City for its citizens, including the City's Family Fitness Center, Hale Centre Theater, E-Center, Utah Cultural Celebration Center, Sanitation, and Stormwater management. At year end the Community Services Fund had unreserved fund balance of \$750,607.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the West Valley City Golf Courses fund at the end of the year were a deficit of \$325,192. Revenues and expenses both decreased, by \$236,828 (8.4%) and \$111,778 (3.4%) respectively. Net transfers decreased by \$699,832. A management decision was made to open the courses to play during marginal early and late season times to increase public exposure and play. Additional course and equipment maintenance and operational expenses exceeded additional revenues received during these times. Because of the City's overall tightened financial condition, transfers from the City's General Fund to subsidize golf course debt service payments were reduced.

WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2010

General Fund Budgetary Highlights

During the fiscal year, the General Fund's original budget was amended from an original budget expenditure total of \$62,240,169 to a final budget of \$70,336,453, an increase of \$8,096,284. These increases can be briefly summarized as follows:

- \$2,792,686 in increases in non-departmental maintenance and construction.
- \$2,537,094 in increases allocated for highways and public improvements.
- \$536,823 in increases in general government.
- \$309,363 in increases in public safety.
- \$160,688 in increases in community development.
- \$46,269 in increases in parks and recreation.
- \$1,713,361 in increases to debt service.

Non-departmental maintenance and construction received additional budget to fund centralized City utility payments previously charged to each department, as well as a one-time expenditure for early retirement incentives; also, the City's fleet replacement budget was increased to allow police and other vehicle purchases funded through capital leases. The highways and public improvements budget increase funded street construction and maintenance, and the City's program to purchase and install street lights previously leased. General government's budget was increased to acquire and upgrade City communications and information technology equipment. Public Safety departments received additional funding from state and federal grants during the year, which was used to expand services and acquire new equipment. The Community Development department budget was increased to meet additional expenditures in connection with coordinating light rail expansion into the City, along with a planned City Center development. Debt service was increased to meet anticipated additional costs associated with bond refunding issues. No other departments had significant variances between original and final budget, or between final budget and actual expenditures.

Of these increases, \$3,696,634 was to be funded out of operating and capital donations, \$1,254,126 was from the State "C" Roads allotment, \$1,713,361 was from refunding bond proceeds, and \$1,432,163 was from proceeds of a capital lease.

Capital Assets and Debt Administration

Capital assets. West Valley City's investment in capital assets for its governmental and business-type activities as of June 30, 2010, totals \$377,318,564 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, furniture and equipment, and infrastructure. The total increase in the City's investment in capital assets for the current year was \$1,865,189 (0.5%), \$2,538,809 (0.7%) increase for governmental activities and a decrease of \$673,620 (3.7%) for business-type activities).

WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2010

	Governmental Activities 2010	Governmental Activities 2009	Business - type Activities 2010	Business - type Activities 2009
Land	\$ 18,120,399	\$ 17,945,298	\$ 12,950,150	\$ 12,950,150
Infrastructure	243,330,168	239,785,966	-	-
Buildings	87,747,284	85,752,155	2,758,349	2,875,033
Improvements other than buildings	1,542,230	747,252	721,098	821,406
Machinery and equipment	7,303,163	7,971,520	1,194,289	1,650,917
Furniture and equipment	69,488	122,412	-	-
Construction in progress	982,274	4,231,594	-	-
Intangible assets	599,672	599,672	-	-
Total Capital Assets	\$ 359,694,678	\$ 357,155,869	\$ 17,623,886	\$ 18,297,506

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

Infrastructure. The City has adopted an allowable alternative to reporting depreciation for three of seven infrastructure subsystems in the transportation network. Under this alternative method, referred to as the "modified approach," the City must maintain an asset management system and demonstrate that its subsystems are being preserved at or above condition levels established by City policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

Major Streets

The condition of the major streets pavement is measured using the Local Transportation Assistance Program (LTAP). This system uses a measurement scale that considers the condition of the roads using nine condition factors and then assigns the road a Remaining Service Life, (RSL), ranging from 0 to 21. The RSL is the remaining life of the road in years, if no additional upkeep, replacement, or maintenance is performed. The RSL is used to classify roads into categories as follows: Roads with a RSL rating of 19-21 years are considered in "excellent" condition, those with ratings of 13-18 years are considered in "very good" condition, those with ratings of 10-12 years are considered in "good" condition, those with ratings 7-9 years are considered in "fair" condition, those with ratings of 1-6 years are considered in "poor" condition, and those with ratings of 0 years are considered in "failed" condition.

It is the City's policy to maintain this system with an RSL of at least 10 years. The City performs a complete condition assessment on each major street every three years. The condition assessment completed in 2010 shows that City's major streets have an RSL of 10.95 years.

In 2010, the City spent \$2,242,339 to maintain and preserve its major streets. These actual maintenance and preservation costs were \$1,597,839 less than the estimated maintenance and preservation costs of \$3,840,178. Estimated costs were increased from the prior year based on the multi-year plan adopted by the City's Public Works Department to maintain streets at the desired level. The actual costs increased as a result of increased available funding.

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

Minor Streets

The condition of the minor streets pavement is also measured using the Local Transportation Assistance Program (LTAP). This system uses a measurement scale that considers the condition of the roads using nine condition factors and then assigns the road a Remaining Service Life, (RSL), ranging from 0 to 21. The RSL is the remaining life of the road in years, if no additional upkeep, replacement, or maintenance is performed. The RSL is used to classify roads into categories as follows: Roads with a RSL rating of 19-20 years are considered in "excellent" condition, those with ratings of 13-18 years are considered in "very good" condition, those with ratings of 10-12 years are considered in "good" condition, those with ratings 7-9 years are considered in "fair" condition, those with ratings of 1-6 years are considered in "poor" condition, and those with ratings of 0 years are considered in "failed" condition.

It is the City's policy to maintain an RSL of at least 9 years. The City performs a complete condition assessment on each minor street every three years. A condition assessment on the minor streets was performed in 2010. The condition assessment completed in 2010 shows that City's minor streets have an RSL of 9.9 years. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for five years.

In 2010, the City spent \$1,043,491 to maintain and preserve its minor streets. These actual maintenance and preservation costs were less than the estimated maintenance and preservation costs of \$1,118,000. Estimated costs were increased to fund improvement in the overall condition reported by the LTAP survey. Actual costs increased by \$434,706 over the prior year.

Sidewalks

The condition of the City's sidewalks subsystem is measured using the Geodatabase System in which pavement management data has been entered into a database linked to each street which has accompanying sidewalk. Sidewalks are assigned a condition category based on physical inspection. Sidewalks showing no defects are considered in the "excellent/good" category; sidewalks with light spalling and less than 1" displacement are considered in the "fair" category; sidewalks with light spalling and 1" to 2" displacement are considered in the "poor" category; and sidewalks with heavy spalling or more than 2" displacement are considered in the "failed" category.

It is the City's policy to maintain a minimum of 95% of sidewalks (by length) in the "excellent/good" category. The City performs a complete condition assessment on its sidewalks every three years. The condition assessment completed in 2010 shows that 96% of the City's sidewalks were in "excellent/good" condition. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for five years.

In 2010, the City spent \$257,301 to maintain and preserve its sidewalks. These actual maintenance and preservation costs were less than the estimated maintenance and preservation costs of \$332,200. Estimated and actual costs increased reflecting several major projects the City initiated to add, repair, and replace sidewalks.

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

Long-term debt. At the end of the current year, the City had total debt outstanding of \$124,733,968. The total amount is debt that is secured solely by specific revenue sources (i.e. revenue bonds). The debt shown below is net of the related debt issuance costs and/or unamortized premiums.

	Governmental Activities 2010	Governmental Activities 2009	Business - type Activities 2010	Business - type Activities 2009
Revenue bonds	\$ 103,810,377	\$ 98,895,613	\$ 10,588,604	\$ 11,401,589
Special improvement	1,272,586	1,454,536	-	-
Note payable	2,418,000	2,563,000	-	-
Capital leases	4,739,417	4,392,688	-	150,536
Compensated Absences	956,070	1,296,286	-	-
Termination benefits	948,914	-	-	-
Total	\$ 114,145,364	\$ 108,602,123	\$ 10,588,604	\$ 11,552,125

During the current fiscal year the City's total debt increased by \$4,579,720. The City received an AA+ rating on its most recent sales tax bond offering from Standard & Poor's.

State statutes limit the amount of general obligation debt that a governmental entity may issue to 4% of its total taxable value. The current limitation for the City is \$215,612,335. The City currently has no outstanding general obligation debt. In addition, state statute allows for an additional 4% to be used for water, sewer, or electrical projects thus resulting in a debt limit of 8% of total taxable value. The current limitation for these water, sewer, or electrical projects is \$215,612,335. The City has no debt of this type.

Additional information on the City's long-term debt can be found in Note 11 to this financial report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Salt Lake County (of which West Valley City is the second largest city) was 6.3%. This compares with a state unemployment rate of 7.3% and a national rate of 9.1%. This compares with previous year's rates of 6.0%, 5.7%, and 9.5% respectively. (Source: Utah Department of Workforce Service).
- The General Fund budget for the fiscal year ending June 30, 2010 reflects an increase of \$2,421,459 over the final budget for the fiscal year ending June 30, 2009.
- Economic trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2010 fiscal year.

Request for Information

This financial report is designed to provide a general overview of West Valley City'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: West Valley City, Finance Director, 3600 Constitution Boulevard, West Valley City, UT 84119.

BASIC FINANCIAL STATEMENTS

WEST VALLEY CITY
STATEMENT OF NET ASSETS
June 30, 2010

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 23,312,372	\$ 1,328,466	\$ 24,640,838
Receivables:			
Accounts, net	2,200,627	700,014	2,900,641
Taxes	27,852,878	-	27,852,878
Intergovernmental	4,105,253	-	4,105,253
Internal balances	188,465	(188,465)	-
Loans receivable	533,610	-	533,610
Inventories	382,263	128,705	510,968
Prepays	31,093	-	31,093
Deferred charges	1,538,333	165,697	1,704,030
Note receivable	1,848,963	-	1,848,963
Restricted assets:			
Cash and cash equivalents	20,789,978	639,947	21,429,925
Intergovernmental receivable	731,313	-	731,313
Land held for resale	9,380,542	-	9,380,542
Capital assets not being depreciated:			
Land and collectibles	18,120,399	12,950,150	31,070,549
Infrastructure	205,393,676	-	205,393,676
Construction in progress	982,274	-	982,274
Intangible assets	599,672	-	599,672
Capital assets net of accumulated depreciation:			
Buildings	87,747,284	2,758,349	90,505,633
Improvements other than buildings	1,542,230	721,098	2,263,328
Machinery and equipment	7,303,163	1,194,289	8,497,452
Furniture and fixtures	69,488	-	69,488
Infrastructure	37,936,492	-	37,936,492
Total Assets	\$ 452,590,368	\$ 20,398,250	\$ 472,988,618

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

WEST VALLEY CITY
STATEMENT OF NET ASSETS (Continued)
June 30, 2010

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	\$ 2,042,441	\$ 122,463	\$ 2,164,904
Accrued liabilities	8,146,781	391,260	8,538,041
Accrued interest payable	1,917,587	235,393	2,152,980
Developer and customer deposits	924,665	-	924,665
Liabilities payable from restricted assets	1,343,675	-	1,343,675
Unearned revenue	26,870,207	323,537	27,193,744
Noncurrent liabilities:			
Due within one year	8,315,760	729,000	9,044,760
Due in more than one year	105,829,604	9,859,604	115,689,208
Total Liabilities	155,390,720	11,661,257	167,051,977
Net Assets:			
Invested in capital assets, net of related debt	255,624,731	7,035,282	262,660,013
Restricted for:			
Debt Service	13,862,971	639,947	14,502,918
Future development	5,083,191	-	5,083,191
Other	1,044,599	-	1,044,599
Unrestricted	21,584,156	1,061,764	22,645,920
Total Net Assets	297,199,648	8,736,993	305,936,641
Total Liabilities and Net Assets	\$ 452,590,368	\$ 20,398,250	\$ 472,988,618

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

WEST VALLEY CITY
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2010

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Government Activities:							
General government	\$ 14,042,833	\$ 2,872,664	\$ -	\$ 174,164	\$ (10,996,005)	\$ -	\$ (10,996,005)
Public safety	31,051,624	4,984,468	1,431,916	-	(24,635,240)	-	(24,635,240)
Highway and public improvements	16,161,621	8,490,677	3,478,676	1,618,757	(2,573,511)	-	(2,573,511)
Parks and recreation	12,350,360	7,037,247	-	40,000	(5,273,113)	-	(5,273,113)
Community development	14,128,000	1,848,489	959,404	-	(11,320,107)	-	(11,320,107)
Interest on long-term debt	5,366,667	-	-	-	(5,366,667)	-	(5,366,667)
Total Governmental Activities	93,101,105	25,233,545	5,869,996	1,832,921	(60,164,643)	-	(60,164,643)
Business-type Activities:							
Golf courses	3,745,920	2,572,855	-	-	-	(1,173,065)	(1,173,065)
Housing authority	3,583,050	181,069	3,541,481	-	-	139,500	139,500
Ambulance	1,456,942	1,366,649	-	-	-	(90,293)	(90,293)
Total Business-type Activities	8,785,912	4,120,573	3,541,481	-	-	(1,123,858)	(1,123,858)
Total Government	\$ 101,887,017	\$ 29,354,118	\$ 9,411,477	\$ 1,832,921	(60,164,643)	(1,123,858)	(61,288,501)
General Revenues:							
Property taxes				28,452,413	-		28,452,413
Sales taxes				17,586,807	-		17,586,807
Franchise taxes				9,101,454	-		9,101,454
Other taxes				224,620	-		224,620
Unrestricted investment earnings				126,648	6,235		132,883
Gain on disposition of capital assets				122,825	-		122,825
Other revenues				151,906	-		151,906
Transfers				(1,096,243)	1,096,243		-
Total General Revenues and Transfers				54,670,430	1,102,478		55,772,908
Changes in Net Assets				(5,494,213)	(21,380)		(5,515,593)
Net Assets, Beginning				302,693,861	8,758,373		311,452,234
Net Assets, Ending				\$ 297,199,648	\$ 8,736,993		\$ 305,936,641

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

WEST VALLEY CITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2010

	General	Capital Projects	Redevelopment Agency	Community Services	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 4,257,019	\$ 6,487,953	\$ 2,602,020	\$ 5,652,922	\$ 4,312,458	\$ 23,312,372
Receivables:						
Accounts, net	1,512,408	658	-	687,561	-	2,200,627
Taxes	21,573,378	-	6,279,500	-	-	27,852,878
Intergovernmental	3,096,749	-	-	-	1,008,504	4,105,253
Loan receivables	-	-	-	-	533,610	533,610
Prepays	-	-	-	31,093	-	31,093
Due from other funds	6,277,018	5,435	4,158,582	-	-	10,441,035
Note receivable	4,600,000	1,848,963	-	-	-	6,448,963
Inventory	382,263	-	-	-	-	382,263
Land held for resale	-	-	9,380,542	-	-	9,380,542
Restricted assets:						
Cash and cash equivalents	7,416,975	2,530,969	4,473,787	-	6,368,246	20,789,977
Intergovernmental receivable	731,313	-	-	-	-	731,313
Total Assets	\$ 49,847,123	\$ 10,873,978	\$ 26,894,431	\$ 6,371,576	\$ 12,222,818	\$ 106,209,926
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 623,019	\$ 96,901	\$ 560,837	\$ 592,596	\$ 169,088	\$ 2,042,441
Accrued liabilities	6,525,942	-	30,750	1,560,825	29,254	8,146,771
Developer and customer deposits	924,665	-	-	-	-	924,665
Due to other funds	46,159	1,267,245	3,986,261	3,373,469	1,579,436	10,252,570
Deferred revenue	24,468,688	-	6,288,400	62,986	574,824	31,394,898
Notes payable	-	-	-	-	4,600,000	4,600,000
Liabilities payable from restricted assets	1,300,546	-	-	-	43,129	1,343,675
Total Liabilities	33,889,019	1,364,146	10,866,248	5,589,876	6,995,731	58,705,020
Fund Balances:						
Reserved for:						
Debt service	5,937,836	-	4,473,788	-	3,638,035	14,049,659
Future development	909,738	2,530,969	-	-	2,687,082	6,127,789
Long-term note receivable	4,600,000	1,848,963	-	-	-	6,448,963
Prepaid items	-	-	-	31,093	-	31,093
Inventory	382,263	-	-	-	-	382,263
Land held for resale	-	-	9,380,542	-	-	9,380,542
Unreserved, reported in:						
General fund	4,128,267	-	-	-	-	4,128,267
Special revenue funds	-	-	2,173,853	750,607	(1,098,030)	1,826,430
Capital projects fund	-	5,129,900	-	-	-	5,129,900
Total Fund Balances	15,958,104	9,509,832	16,028,183	781,700	5,227,087	47,504,906
Total Liabilities and Fund Balances	\$ 49,847,123	\$ 10,873,978	\$ 26,894,431	\$ 6,371,576	\$ 12,222,818	\$ 106,209,926

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

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

Total Fund Balance - Governmental Funds	\$	47,504,906
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		359,694,678
Deferred revenues on the Governmental Funds - Balance Sheet that are accounted for as net assets, long term liabilities, and interest income on the Statement of Net Assets		4,524,682
Interest expense is not due and payable in the current period and therefore is not recorded in the funds.		(1,917,587)
Long-term liabilities, including bonds, capital leases, notes, termination benefits, and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		(114,145,364)
Deferred charges, for long term debt are not financial resources and, therefore, are not reported in the funds.		1,538,333
Total Net Assets - Governmental Activities	\$	<u>297,199,648</u>

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

WEST VALLEY CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2010

	General	Capital Projects	Redevelopment Agency	Community Services	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 48,666,053	\$ -	\$ 6,181,267	\$ 293,354	\$ -	\$ 55,140,674
Fees and passes	-	-	-	10,017,972	810,427	10,828,399
Licenses and permits	3,153,302	-	-	-	-	3,153,302
Intergovernmental	3,847,432	-	-	-	2,565,484	6,412,916
Fines and forfeitures	4,451,877	-	-	-	-	4,451,877
Charges for services	579,947	-	-	-	-	579,947
Rental income	-	-	-	4,241,699	-	4,241,699
Interest	481,921	16,803	64,582	1,430	33,582	598,318
Special assessments	256,512	-	-	-	-	256,512
Miscellaneous	1,137,967	91,052	427,591	110,086	-	1,766,696
Total Revenues	62,575,011	107,855	6,673,440	14,664,541	3,409,493	87,430,340
Expenditures:						
Current:						
General government	12,377,432	-	-	-	174,163	12,551,595
Public safety	27,845,301	-	-	-	1,431,917	29,277,218
Highways and public improvements	9,258,662	-	-	6,467,003	961,064	16,686,729
Parks and recreation	1,478,560	-	-	7,957,808	371,647	9,808,015
Community development	3,438,439	-	-	-	676,317	4,114,756
Other nondepartmental	968,280	-	-	-	-	968,280
Redevelopment Agency	-	-	9,548,731	-	-	9,548,731
Debt service:						
Principal	3,268,628	740,000	370,000	136,000	3,109,709	7,624,337
Interest	1,816,278	91,244	1,356,214	32,995	2,151,037	5,447,768
Bond issuance costs	241,308	-	171,169	-	-	412,477
Capital outlay	2,568,413	2,345,285	-	-	294,221	5,207,919
Total Expenditures	63,261,301	3,176,529	11,446,114	14,593,806	9,170,075	101,647,825
Excess (Deficiency) of Revenues Over (Under) Expenditures	(686,290)	(3,068,674)	(4,772,674)	70,735	(5,760,582)	(14,217,485)
Other Financing Sources (Uses):						
Capital leases issued	1,432,163	-	-	-	-	1,432,163
Revenue bonds issued	13,735,000	-	9,020,000	-	-	22,755,000
Premium on revenue bonds issued	463,985	-	279,844	-	-	743,829
Payment to refunded bond escrow agent	-	-	-	-	(12,550,848)	(12,550,848)
Transfers in	5,327,590	31,578	-	6,179,989	19,123,739	30,662,896
Transfers out	(21,483,126)	(1,908,940)	(1,564,122)	(5,256,329)	(1,546,622)	(31,759,139)
Sale of capital assets	174,544	-	-	-	-	174,544
Total Other Financing Sources (Uses)	(349,844)	(1,877,362)	7,735,722	923,660	5,026,269	11,458,445
Net Change in Fund Balances	(1,036,134)	(4,946,036)	2,963,048	994,395	(734,313)	(2,759,040)
Fund Balances, Beginning	16,994,238	14,455,868	13,065,135	(212,695)	5,961,400	50,263,946
Fund Balances, Ending	\$ 15,958,104	\$ 9,509,832	\$ 16,028,183	\$ 781,700	\$ 5,227,087	\$ 47,504,906

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

WEST VALLEY CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2010

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

Net Change in Fund Balances - Total Governmental Funds	\$ (2,759,040)
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.	(6,747,700)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the Statement of Net Assets.	9,346,835
Governmental funds report the proceeds from the disposal of capital assets, while the Statement of Activities does not report these proceeds.	(174,544)
The Statement of Activities report the gain or loss on the disposal of capital assets, while the governmental funds do not report gains or losses.	(60,028)
Repayment of noncurrent liabilities' principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	19,989,338
In the Statement of Activities interest is accrued on noncurrent liabilities, whereas in governmental funds, interest expense is reported when due.	90,369
Net proceeds from issuance of noncurrent liabilities is recorded as income in the governmental funds. However, the issuance of noncurrent liabilities is recorded as a liability in the Statement of Net Assets.	(24,525,417)
Disbursements and repayments of housing loans are accounted for as revenues and expenditures, respectively, in the governmental funds, and they are not recorded as revenues or expenses for the Statement of Activities.	(78,225)
Some expenses, including accrued termination benefits and the long term portion of compensated absences, reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(575,801)</u>
Change in Net Assets - Governmental Activities	<u><u>\$ (5,494,213)</u></u>

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

WEST VALLEY CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For The Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 54,068,039	\$ 53,868,039	\$ 48,666,053	\$ (5,201,986)
Licenses and permits	3,026,000	3,080,474	3,153,302	72,828
Intergovernmental	3,787,828	5,026,828	3,847,432	(1,179,396)
Fines and forfeitures	3,761,336	3,846,336	4,451,877	605,541
Charges for services	1,039,633	1,045,633	579,947	(465,686)
Interest	1,026,715	1,026,715	481,921	(544,794)
Special assessments	246,874	246,874	256,512	9,638
Miscellaneous	147,954	234,047	1,137,967	903,920
Total Revenues	67,104,379	68,374,946	62,575,011	(5,799,935)
Expenditures:				
Current:				
General government:				
Legislative	832,581	794,606	794,568	38
Administrative	7,071,054	7,684,417	7,133,204	551,213
Legal	3,143,006	3,102,230	2,624,538	477,692
Finance	1,685,232	1,687,443	1,485,524	201,919
Nondepartmental	356,000	356,000	339,600	16,400
Public Safety:				
Police	20,538,938	20,801,341	19,705,098	1,096,243
Fire	8,860,260	8,907,220	8,140,202	767,018
Highways and public improvements	8,620,044	11,157,138	10,384,911	772,227
Parks and recreation	1,673,250	1,719,519	1,478,560	240,959
Community development	3,482,939	3,643,627	3,438,439	205,188
Other nondepartmental	922,525	3,715,211	2,410,443	1,304,768
Debt service:				
Principal	3,134,649	4,284,649	3,268,628	1,016,021
Interest	1,876,631	2,206,753	1,816,278	390,475
Bond fees	43,060	276,299	241,308	34,991
Total Expenditures	62,240,169	70,336,453	63,261,301	7,075,152
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	4,864,210	(1,961,507)	(686,290)	1,275,217
Other Financing Sources (Uses):				
Revenue bonds and capital leases issued	-	13,938,520	15,631,148	1,692,628
Transfers in	2,873,017	4,353,139	5,327,590	974,451
Transfers out	(8,890,700)	(21,483,126)	(21,483,126)	-
Sale of capital assets	-	-	174,544	174,544
Total Other Financing Sources (Uses)	(6,017,683)	(3,191,467)	(349,844)	2,841,623
Net Change in Fund Balances	(1,153,473)	(5,152,974)	(1,036,134)	4,116,840
Fund Balances, Beginning	16,994,238	16,994,238	16,994,238	-
Fund Balances, Ending	\$ 15,840,765	\$ 11,841,264	\$ 15,958,104	\$ 4,116,840

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

WEST VALLEY CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – REDEVELOPMENT AGENCY
SPECIAL REVENUE FUND
For The Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 8,845,676	\$ 9,071,176	\$ 6,181,267	\$ (2,889,909)
Interest	200,000	200,000	64,582	(135,418)
Miscellaneous	-	-	427,591	427,591
Total Revenues	<u>9,045,676</u>	<u>9,271,176</u>	<u>6,673,440</u>	<u>(2,597,736)</u>
Expenditures:				
Redevelopment agency	6,392,936	14,088,732	9,548,731	4,540,001
Debt service:				
Principal	-	370,000	370,000	-
Interest	1,484,617	1,007,147	1,356,214	(349,067)
Bond issue costs	4,000	1,571,014	171,169	1,399,845
Total Expenditures	<u>7,881,553</u>	<u>17,036,893</u>	<u>11,446,114</u>	<u>5,590,779</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,164,123</u>	<u>(7,765,717)</u>	<u>(4,772,674)</u>	<u>2,993,043</u>
Other Financing Sources (Uses):				
Revenue bonds issued	-	9,020,000	9,020,000	-
Premium on revenue bonds issued	-	279,844	279,844	-
Transfers out	(1,164,123)	(1,564,123)	(1,564,122)	1
Total Other Financing Sources (Uses)	<u>(1,164,123)</u>	<u>7,735,721</u>	<u>7,735,722</u>	<u>1</u>
Net Change in Fund Balances	-	(29,996)	2,963,048	2,993,044
Fund Balances, Beginning	<u>13,065,135</u>	<u>13,065,135</u>	<u>13,065,135</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 13,065,135</u>	<u>\$ 13,035,139</u>	<u>\$ 16,028,183</u>	<u>\$ 2,993,044</u>

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

WEST VALLEY CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – COMMUNITY SERVICES
SPECIAL REVENUE FUND
For The Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Annual passes and activity fees	\$ 2,046,000	\$ 2,046,000	\$ 1,979,993	\$ 66,007
Fees	7,882,960	7,882,960	8,037,979	(155,019)
Sales & hotel tax	285,609	285,609	293,354	(7,745)
Rental income	4,072,989	4,072,989	4,241,699	(168,710)
Interest	-	-	1,430	(1,430)
Miscellaneous	288,000	409,023	110,086	298,937
Total Revenues	<u>14,575,558</u>	<u>14,696,581</u>	<u>14,664,541</u>	<u>32,040</u>
Expenditures:				
Current:				
Parks and recreation	7,788,538	8,146,057	7,957,808	188,249
Highways and public improvements	7,729,556	9,273,744	6,467,003	2,806,741
Debt service:				
Principal	136,000	136,000	136,000	-
Interest	32,248	32,248	32,995	(747)
Total Expenditures	<u>15,686,342</u>	<u>17,588,049</u>	<u>14,593,806</u>	<u>2,994,243</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,110,784)</u>	<u>(2,891,468)</u>	<u>70,735</u>	<u>3,026,283</u>
Other Financing Sources (Uses):				
Transfers in	6,179,989	6,179,989	6,179,989	-
Transfers out	(5,240,549)	(5,250,549)	(5,256,329)	(5,780)
Total Other Financing Sources (Uses)	<u>939,440</u>	<u>929,440</u>	<u>923,660</u>	<u>(5,780)</u>
Net Change in Fund Balances	(171,344)	(1,962,028)	994,395	2,956,423
Fund Balances, Beginning	<u>(212,695)</u>	<u>(212,695)</u>	<u>(212,695)</u>	<u>-</u>
Fund Balances, Ending	<u>\$ (384,039)</u>	<u>\$ (2,174,723)</u>	<u>\$ 781,700</u>	<u>\$ 2,956,423</u>

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

WEST VALLEY CITY
STATEMENT OF NET ASSETS – PROPRIETARY FUNDS
June 30, 2010

	Business-type Activities - Enterprise Funds		
	Golf Courses	Other Proprietary Funds	Totals
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 124,827	\$ 1,203,639	\$ 1,328,466
Accounts receivable, net	1,026	698,988	700,014
Inventory	128,705	-	128,705
Due from other funds	1,205,941	1,298,953	2,504,894
Total Current Assets	1,460,499	3,201,580	4,662,079
Noncurrent Assets:			
Restricted cash and cash equivalents	639,947	-	639,947
Deferred charges	165,697	-	165,697
Capital assets net of accumulated depreciation:			
Land	12,771,080	179,070	12,950,150
Buildings	2,280,368	477,981	2,758,349
Improvements other than buildings	721,098	-	721,098
Machinery and equipment	542,330	651,959	1,194,289
Total Noncurrent Assets	17,120,520	1,309,010	18,429,530
Total Assets	\$ 18,581,019	\$ 4,510,590	\$ 23,091,609

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

WEST VALLEY CITY
STATEMENT OF NET ASSETS – PROPRIETARY FUNDS (Continued)
June 30, 2010

	Business-type Activities - Enterprise Funds		
	Golf Courses	Other Proprietary Funds	Totals
Liabilities:			
Current Liabilities:			
Accounts payable	\$ 115,192	\$ 7,271	\$ 122,463
Accrued liabilities	206,998	184,262	391,260
Accrued interest payable	235,393	-	235,393
Bonds Payable, net	709,000	20,000	729,000
Due to other funds	1,393,805	1,299,554	2,693,359
Deferred revenue	-	323,537	323,537
Total Current Liabilities	<u>2,660,388</u>	<u>1,834,624</u>	<u>4,495,012</u>
Noncurrent Liability:			
Bonds Payable, net	<u>9,816,604</u>	<u>43,000</u>	<u>9,859,604</u>
Total Noncurrent Liability	<u>9,816,604</u>	<u>43,000</u>	<u>9,859,604</u>
Total Liabilities	<u>12,476,992</u>	<u>1,877,624</u>	<u>14,354,616</u>
Net Assets:			
Invested in capital assets, net of related debt	5,789,272	1,246,010	7,035,282
Restricted for debt service	639,947	-	639,947
Unrestricted	<u>(325,192)</u>	<u>1,386,956</u>	<u>1,061,764</u>
Total Net Assets	<u>6,104,027</u>	<u>2,632,966</u>	<u>8,736,993</u>
Total Liabilities and Net Assets	<u>\$ 18,581,019</u>	<u>\$ 4,510,590</u>	<u>\$ 23,091,609</u>

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

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

	Business-type Activities - Enterprise Funds		
	Golf Courses	Other Proprietary Funds	Totals
Operating Revenues:			
Administration and lesson fees	\$ 1,205,613	\$ -	\$ 1,205,613
Ambulance fees	-	1,366,649	1,366,649
Equipment and facility rental	493,671	15,699	509,370
Concession and merchandise sales	871,072	-	871,072
Miscellaneous	2,500	38,626	41,126
Total Operating Revenues	<u>2,572,856</u>	<u>1,420,974</u>	<u>3,993,830</u>
Operating Expenses:			
Golf courses cost of sales	401,119	-	401,119
Golf courses operations	751,206	-	751,206
Golf courses maintenance	1,120,972	-	1,120,972
Golf courses general expense	402,755	-	402,755
General and administrative	-	1,800,798	1,800,798
Housing Payments	-	3,051,058	3,051,058
Depreciation	516,072	182,545	698,617
Total Operating Expenses	<u>3,192,124</u>	<u>5,034,401</u>	<u>8,226,525</u>
Operating Income (Loss)	<u>(619,268)</u>	<u>(3,613,427)</u>	<u>(4,232,695)</u>
Nonoperating Income (Expense):			
Intergovernmental revenue	-	3,668,219	3,668,219
Interest income	1,925	4,310	6,235
Interest expense	(553,791)	(5,591)	(559,382)
Total Nonoperating Income (Expense)	<u>(551,866)</u>	<u>3,666,938</u>	<u>3,115,072</u>
Income (Loss) Before Transfers	(1,171,134)	53,511	(1,117,623)
Transfers in	1,123,431	-	1,123,431
Transfers out	(27,188)	-	(27,188)
Changes in Net Assets	(74,891)	53,511	(21,380)
Net Assets, Beginning	<u>6,178,918</u>	<u>2,579,455</u>	<u>8,758,373</u>
Net Assets, Ending	<u>\$ 6,104,027</u>	<u>\$ 2,632,966</u>	<u>\$ 8,736,993</u>

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

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

	Business-type Activities - Enterprise Funds		
	Golf Courses	Other Proprietary Funds	Totals
Cash Flows From Operating Activities:			
Receipts from customers and users	\$ 2,572,856	\$ 1,676,853	\$ 4,249,709
Payments to suppliers	(1,180,020)	(3,588,239)	(4,768,259)
Payments to employees and related benefits	(1,446,653)	(1,380,230)	(2,826,883)
Net cash from operating activities	<u>(53,817)</u>	<u>(3,291,616)</u>	<u>(3,345,433)</u>
Cash Flows From Capital and Related Financing Activities:			
Purchase of equipment/improvements	(24,997)	-	(24,997)
Principal paid on bonds and capital lease	(832,112)	(170,537)	(1,002,649)
Interest paid on bonds and capital lease	(495,972)	(5,590)	(501,562)
Net cash from capital and related financing activities	<u>(1,353,081)</u>	<u>(176,127)</u>	<u>(1,529,208)</u>
Cash Flows From Non-Capital Financing Activities:			
Cash subsidy from federal grants	-	3,357,552	3,357,552
Advances to other funds	-	(140,452)	(140,452)
Advances from other funds	315,910	13,007	328,917
Transfers from other funds	1,123,431	-	1,123,431
Transfers to other funds	(27,188)	-	(27,188)
Net cash from non-capital financing activities	<u>1,412,153</u>	<u>3,230,107</u>	<u>4,642,260</u>
Cash Flows From Investing Activity:			
Interest on investments	1,925	4,310	6,235
Net cash from investing activity	<u>1,925</u>	<u>4,310</u>	<u>6,235</u>
Net Increase (Decrease) In Cash	7,180	(233,326)	(226,146)
Cash and Cash Equivalents At Beginning Of Year	757,594	1,436,965	2,194,559
Cash and Cash Equivalents At End Of Year	<u>\$ 764,774</u>	<u>\$ 1,203,639</u>	<u>\$ 1,968,413</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	\$ (619,268)	\$ (3,613,427)	\$ (4,232,695)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation expense	516,072	182,545	698,617
(Increase) Decrease in accounts receivables	-	255,879	255,879
(Increase) Decrease in inventory	32,461	-	32,461
Increase (Decrease) in accounts payable	17,609	(31,690)	(14,081)
Increase (Decrease) in accrued liabilities	(691)	(84,923)	(85,614)
Net cash from operating activities	<u>\$ (53,817)</u>	<u>\$ (3,291,616)</u>	<u>\$ (3,345,433)</u>

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

WEST VALLEY CITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

West Valley City (the City) was incorporated on July 1, 1980 under the provisions of the State of Utah and operates under a mayor-council 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. The City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, and 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.

(A) The Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in the related GASB 14 pronouncement.

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. The following are the City's blended component units:

The West Valley City Housing Authority (HA) was established to account for all monies received under the Section 8 Housing Assistance payments program and all monies received by the City under the Public Housing program. The HA is governed by a board composed of the members of the City Council. Although it is a legally separate entity from the City, the HA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the HA. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the HA have been included in the financial reporting entity as a blended component unit. The HA is included in these financial statements as the Housing Authority Enterprise Fund. Separate financial statements are not issued for the HA.

The West Valley City Redevelopment Agency (RDA) was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a board composed of the members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the RDA have been included in the financial reporting entity as a blended component unit. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(A) The Reporting Entity (Continued)

The West Valley City Building Authority (BA) was established to finance and construct municipal buildings that are then leased to the City. The BA is governed by a board composed of the members of the City Council. Although it is a legally separate entity from the City, the BA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the BA. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the BA have been included in the financial reporting entity as a blended component unit. The BA is included in these financial statements as the Building Authority Special Revenue Fund. Separate financial statements are not issued for the BA.

(B) 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 (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's general administrative services, public safety, highways and streets, planning and engineering, parks, community development, impact fees, recreation, theater, the RDA and the BA are classified as governmental activities. The City's golf courses, ambulance service, and the HA 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 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.

(C) 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 use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

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

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

The *Redevelopment Agency Fund*, a special revenue fund, was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City.

The *Community Services Fund*, a special revenue fund, was established to account for the activities and services associated with the Fitness Center, Hale Center Theater, E Center (Subsequent to year end, the arena was renamed the Maverik Center), Sanitation (Solid Waste), Storm Drain, and the Cultural Celebration Center. In prior years these activities were presented as individual non-major funds. These funds were combined for the current year presentation

The City reports the following major proprietary fund:

The Golf Courses Fund accounts for the activities and operations of the of the City's golf courses (West Ridge Golf Course and Stonebridge Golf Course). In prior years, the golf courses were presented as separate major funds. They were combined for the current year presentation.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports the following fund types:

Special revenue funds account for resources legally restricted to expenditures for specified current operating purposes and for the enforcement of special services and activities. Accounting and financial reporting for general and special revenue funds are identical. The City accounts for the, Road Impact Fee Fund, Park Impact Fee Fund, Fire Impact Fee Fund, Police Impact Fee Fund, Flood Impact Fee Fund, Grants Fund, and Building Authority Fund as special revenue funds.

Housing Authority Fund (an enterprise fund) accounts for the monies received under the Section 8 Housing Assistance and the Public Housing program.

Ambulance Fund (an enterprise fund) accounts for the monies received and paid to provide ambulance and emergency services to the citizens of West Valley City.

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.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. General revenues include all taxes.

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 are charges to customers of the system. Operating expenses for enterprise 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.

(D) Budgetary Data

Annual budgets are prepared and adopted, in accordance with State law, by the 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 and Enterprise 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.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(D) Budgetary Data (Continued)

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.

Once adopted, the budget can be amended by subsequent City Council action. The City Council can amend the budget to any extent, provided the total expenditures do not exceed the total expenditures per the adopted budget, in which case a public hearing must be held. With the consent of the city manager and finance director, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year.

Budgets for the General Fund, Special Revenue Funds and Capital Projects Fund are prepared on the modified accrual basis of accounting. 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 not practicable or 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.

(E) Tax Revenues

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 must be done before August 17. All property taxes levied by the City are assessed and collected by Salt Lake County. Taxes are levied as of January 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. Tax liens are placed on a property on the January 1 following the due date of unpaid taxes. 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 telephone, mobile phone, natural gas, electric utilities, and cable television companies and remitted to the City periodically.

(F) 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.

Investments, in the form of accounts at the Utah Public Treasurer's Investment Trust (the State Treasurer's Pool), of the City are stated at cost, which approximates fair value.

**WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(G) Allowance for Doubtful Accounts

Management has estimated the allowance for uncollectibles for the Ambulance Fund receivable to be approximately \$324,000 which is estimated based on historical trends related to collections of accounts receivable.

The City considers all other receivables to be fully collectible; no allowance for doubtful accounts is required. Amounts that become uncollectible are written off.

(H) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

(I) Inventories

Inventories are valued at cost, using the first-in first-out (FIFO) method. The costs of governmental fund-type inventories consist of supplies and are accounted for using the consumption method. Purchases are recorded as assets when purchased, then expended when consumed. The costs of proprietary fund-type inventories consist of merchandise and are also accounted for using the consumption method.

(J) Restricted Assets

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.

(K) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, 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 \$5,000 (amount not rounded). 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. Amortization of capital assets acquired with a capital lease has been included in depreciation expense.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Assets	Years
Buildings	10 to 40
Infrastructure	20 to 50
Improvements other than buildings	10 to 40
Machinery and equipment	3 to 10
Vehicles	5 to 10
Office equipment	3 to 5

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(K) Capital Assets (Continued)

The City has adopted an allowable alternative to reporting depreciation for its transportation infrastructure network. Under this alternative method, referred to as the “modified approach”, the City must maintain an asset management system and demonstrate that its transportation network is being preserved at or above condition levels established by City policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

(L) Land Held for Resale

Land acquired by the Redevelopment Agency and held for resale is accounted for as land held for resale. The cost of the land held for resale is capitalized until the land is sold.

(M) Unearned Revenue

Unearned revenue arises when resources are received by the City before it earned them, as when grant monies are received prior to the incurrence of qualifying expenditures, or when receivables are not considered available to pay liabilities of the current period, as in property taxes received in October of each year. In subsequent periods, when both revenue recognition criteria are met, or when the City has earned the resources, the revenue is recognized.

(N) 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.

(O) Compensated Absences

Paid Time Off leave (PTO) is accrued as earned, based on the years of service for each employee. PTO is to be used for all discretionary employee leave previously covered by vacation or sick leave. PTO is accumulated on a biweekly basis and is fully vested when earned. Accumulated PTO cannot exceed 300 hours (390 hours for firefighters) at the end of any calendar year. The City’s policy allows employees to sell unused hours while maintaining a minimum of 40 hours at any time. At retirement, death, or termination in good standing, all accrued unpaid PTO is paid. Proprietary funds expense all accrued PTO amounts when incurred. Governmental funds report expenditures as PTO amounts become current. A significant portion of the PTO payable is considered current based on the City’s policy to allow employees to receive cash for their PTO hours as explained above.

(P) 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.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(Q) Deficit fund balance / net assets

At June 30, 2010, the following fund had a deficit fund balance or net assets deficit, the Ambulance Fund in the amount of \$419,588.

(R) Interfund Transactions

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

(S) 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 CASH AND INVESTMENTS

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

Deposits – Utah State law requires that City funds be deposited with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND INVESTMENTS (Continued)

Investments – The City’s investment policies are governed by State statutes. In addition, the City has its own written investment policies. City funds are invested only in the following: (1) Negotiable or nonnegotiable deposits of qualified depositories (see definition of a qualified depository under “Deposits” above.) (2) Repurchase agreements with qualified depositories or certified dealers, acting as principal for securities of the United States Treasury or other authorized investments only if these securities are conducted with a qualified depository. (3) Commercial paper which is rated P-1 by Moody’s Investor Services or A-1 by Standard and Poors, Inc., having a remaining terms to maturity of 270 days or less. Commercial paper can be purchased directly from the depository or the City Treasurer’s safekeeping bank or trust company. (4) Banker’s acceptance that is eligible for discount at a federal reserve bank and which have a remaining term to maturity of 270 days or less. (5) Negotiable certificates of deposit of \$100,000 or more which have a remaining term to maturity of 365 days or less. (6) Obligations of the United States Treasury including United States Treasury Bills, United States Treasury Notes, and United States Treasury Bonds. (7) The Utah State Treasurer’s Investment Pool.

The City invests in the Public Treasurer’s Investment Fund (PTIF) which is a voluntary external Local Governmental Investment Pool managed by the Utah State Treasurer’s Office and is audited by the Utah State Auditor. No separate report as an external investment pool has been issued for the PTIF. The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Utah Code Title 51, Chapter 7). PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. 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 to participants on the ratio of the participant’s share to the total funds in the PTIF based on the participant’s average daily balance. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available at the Utah State Treasures’ Office.

Repurchase agreements are secured by uninsured, unregistered securities held by the counter party but not in the City’s name. The City did not enter into any reverse repurchase agreements during the year. Bond deposits are held by an appointed trustee in accordance with the Bond Resolutions.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND INVESTMENTS (Continued)

Components of cash and investments (including interest earning deposits) at June 30, 2010 are as follows:

	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Years to Maturity (2)</u>
Cash on Hand	\$ 9,030	\$ 9,030	N/A	N/A
Cash on Deposit	<u>9,011,294</u>	<u>9,011,293</u>	N/A	N/A
Total cash on hand and deposit	<u>\$ 9,020,324</u>	<u>\$ 9,020,323</u>		
Investments (3):				
Utah State Treasurer's Investment Pool	\$ 22,507,943	\$ 22,421,477	N/A	NA
Bond Reserves				
Utah State Treasurer's Investment Pool	<u>14,685,378</u>	<u>14,628,963</u>	N/A	N/A
Total investments	<u>\$ 37,193,321</u>	<u>\$ 37,050,440</u>		
Total cash and cash equivalents	<u>\$ 46,213,645</u>	<u>\$ 46,070,763</u>		
Portfolio weighted average maturity				N/A

(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 days to maturity.

(3) All investments are considered cash equivalents on the financial statements.

The City's cash and cash equivalents and investments are exposed to certain risks as outlined below:

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The City manages its exposure by investing in short term investments, or investments are matched with anticipated cash flows. The City's weighted average maturity for investments as of June 30, 2010 was less than one year. The City does not make investments with maturity dates longer than planned expenditures.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City follows the State statutes for investments and only invests in investments that are rated A, AA, or AAA by Standard & Poor's or comparable rating from other investor services, such as Moody's. The City also invests in the Utah Public Treasurer's Investment Fund. As of June 30, 2010, the Utah Public Treasurer's Investment Fund was unrated.

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 cash and investments are in the Utah State Treasurer's Investment Fund and qualified institutions, are 80% and 20%, respectively of the total as of year end.

Custodial credit risk – deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2010, \$9,129,820 of the City's \$9,381,820 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND INVESTMENTS (Continued)

Custodial credit risk – investments is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. As of June 30, 2010, \$0 of the City’s \$37,050,440 in investments was exposed to custodial credit risk because it is all held in the Utah Public Treasurer’s Investment Fund.

NOTE 3 LOANS RECEIVABLE

Loans receivable consists of Grants Fund home rehabilitation loans made with Federal grant monies. These loans bear interest at rates ranging from 0% to 3%, depending on the borrower’s income level and family size. Certain loans are received in monthly or annual installments; others are due upon the sale or transfer of ownership of the related party. At June 30, 2010, the outstanding balance of the loans is \$533,610. The loans are accounted for in the Grants Fund (Non-major Special Revenue Fund). In the fund financial statements, the loans are expensed at inception and revenues are recognized as payments are received by the City. Deferred revenue is recorded to offset the receivables until the payment is received.

NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of “interfund balances” as of June 30, 2010 is as follows:

Due to/from other funds:

	Receivable	Payable
Governmental Activities		
General Fund	\$ 6,277,018	\$ 46,159
Capital Projects	5,435	1,267,245
Redevelopment Agency	4,158,582	3,986,261
Community Services	-	3,373,469
Nonmajor governmental funds	-	1,579,436
Business-type Activities		
Golf Courses	1,205,941	1,393,805
Housing Authority	1,298,953	13,007
Ambulance	-	1,286,547
	\$ 12,945,929	\$ 12,945,929

The due to/from other funds are the result of individual funds’ cash flow needs. These accounts at the fund financial statement level have been eliminated at the government-wide financial statement level (Statement of Net Assets).

The City has entered into loan agreements with the Redevelopment Agency whereby the City sold several parcels of land to the Redevelopment Agency in exchange for variable interest rate notes. The interest rate is the current rate paid by Utah’s Public Treasurer’s Investment Fund, plus 1%. The RDA owes the General fund \$3,986,261 as of June 30, 2010. The rate was 1.60% as of June 30, 2010. During 2010 the Redevelopment Agency paid interest of \$358,272 and repaid principal of \$0. The terms of the notes call for repayment of the note by the Redevelopment Agency with tax increment monies generated from land improvements. The repayment of the notes will come solely from the tax

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

increment on the land improvements. In the event that the tax increment received by the Redevelopment Agency is not sufficient to repay the notes, the debt will be forgiven by the City. This interfund receivable/payable has been eliminated on the Statement of Net Assets.

The City has made an agreement with the Building Authority (the BA) to facilitate the costs of constructing the E Center. The BA owes the General Fund \$4,600,000 as of June 30, 2010, under the terms of a note. The BA has committed to pay back all funds to the General Fund over 20 years at 0%, from the proceeds from bond issues and results of operations. For the years ended June 30, 2001 through 2010 the repayment terms were suspended and there were no payments. This interfund receivable/payable has been eliminated on the Statement of Net Assets.

The purpose of the transfers was to provide cash flows, pay operating expenses, and to fund capital projects. The transfers among the funds for the year ended June 30, 2010 were as follows:

	Transfers In	Transfers Out
Governmental Activities		
General Fund	\$ 5,327,590	\$ 21,483,126
Capital Projects	31,578	1,908,940
Redevelopment Agency	-	1,564,122
Community Services Fund	6,179,989	5,256,329
Non major governmental funds	19,123,739	1,546,622
Business-type Activities		
Golf Courses	1,123,431	27,188
	\$ 31,786,327	\$ 31,786,327

NOTE 5 RESTRICTED ASSETS

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

Governmental Activities	
Restricted for bond proceeds, debt service and repair and replace reserves	\$ 12,848,985
Restricted for seized cash	489,403
Restricted for future development	2,968,855
Restricted for "C" road funds	1,463,081
Restricted for impact fees	2,730,212
Restricted for security of UTOPIA debt	1,020,755
Total governmental activities	21,521,291
Business-type Activities	
Restricted for bond proceeds, debt service and repair and replace reserves	639,947
Total business-type activities	639,947
Total restricted assets	\$ 22,161,238

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 CAPITAL ASSETS

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

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Governmental Activities:				
Capital assets, not being depreciated:				
Land and collectibles	\$ 17,945,298	\$ 175,101	\$ -	\$ 18,120,399
Infrastructure	203,560,522	1,833,154	-	205,393,676
Construction in progress	4,231,594	982,274	(4,231,594)	982,274
Intangible assets	599,672	-	-	599,672
Total capital assets, not being depreciated	<u>226,337,086</u>	<u>2,990,529</u>	<u>(4,231,594)</u>	<u>225,096,021</u>
Capital assets, being depreciated:				
Infrastructure	53,200,469	2,919,951	-	56,120,420
Buildings	116,992,658	5,094,142	-	122,086,800
Improvements other than buildings	954,731	960,593	-	1,915,324
Machinery and equipment	28,246,906	1,600,599	(1,008,445)	28,839,060
Furniture and fixtures	645,267	12,317	-	657,584
Total capital assets, being depreciated	<u>200,040,031</u>	<u>10,587,602</u>	<u>(1,008,445)</u>	<u>209,619,188</u>
Less accumulated depreciation for:				
Infrastructure	(16,975,025)	(1,208,903)	-	(18,183,928)
Buildings	(31,240,503)	(3,099,013)	-	(34,339,516)
Improvements other than buildings	(207,479)	(165,615)	-	(373,094)
Machinery and equipment	(20,275,386)	(2,208,928)	948,417	(21,535,897)
Furniture and fixtures	(522,855)	(65,241)	-	(588,096)
Total accumulated depreciation	<u>(69,221,248)</u>	<u>(6,747,700)</u>	<u>948,417</u>	<u>(75,020,531)</u>
Total capital assets being depreciated, net	<u>130,818,783</u>	<u>3,839,902</u>	<u>(60,028)</u>	<u>134,598,657</u>
Governmental Activities capital assets, net	<u>\$ 357,155,869</u>	<u>\$ 6,830,431</u>	<u>\$ (4,291,622)</u>	<u>\$ 359,694,678</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 407,539
Public safety	1,334,444
Highways and public improvements	1,929,279
Parks and recreation	2,592,258
Community development	484,180
Total depreciation expense - governmental activities	<u>\$ 6,747,700</u>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 CAPITAL ASSETS (Continued)

The Business-type Activities property, plant and equipment consist of the following at June 30, 2010:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 12,950,150	\$ -	\$ -	\$ 12,950,150
Total capital assets, not being depreciated	<u>12,950,150</u>	<u>-</u>	<u>-</u>	<u>12,950,150</u>
Capital assets, being depreciated:				
Buildings	4,514,804	-	(193,226)	4,321,578
Improvements other than buildings	1,781,411	-	-	1,781,411
Machinery and equipment	4,048,462	24,997	(5,159)	4,068,300
Furniture and fixtures	14,014	-	-	14,014
Total capital assets, being depreciated	<u>10,358,691</u>	<u>24,997</u>	<u>(198,385)</u>	<u>10,185,303</u>
Less accumulated depreciation for:				
Buildings	(1,639,771)	(116,684)	193,226	(1,563,229)
Improvements other than buildings	(960,006)	(100,307)	-	(1,060,313)
Machinery and equipment	(2,397,544)	(481,626)	5,159	(2,874,011)
Furniture and fixtures	(14,014)	-	-	(14,014)
Total accumulated depreciation	<u>(5,011,335)</u>	<u>(698,617)</u>	<u>198,385</u>	<u>(5,511,567)</u>
Total capital assets being depreciated, net	<u>5,347,356</u>	<u>(673,620)</u>	<u>-</u>	<u>4,673,736</u>
Business-type Activities capital assets, net	<u>\$ 18,297,506</u>	<u>\$ (673,620)</u>	<u>\$ -</u>	<u>\$ 17,623,886</u>

Depreciation expense was charged to functions/programs as follows:

Business-type Activities	
Golf courses	\$ 516,072
Housing authority	36,268
Ambulance	<u>146,277</u>
Total depreciation expense - business-type activities	<u>\$ 698,617</u>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 LAND HELD FOR RESALE

Land acquired by the Redevelopment Agency of West Valley City (a Special Revenue fund) and held for resale is accounted for as land held for resale. The cost of land held for resale is capitalized until the land is sold. Land transferred from infrastructure assets of the City is recorded at approximate fair value for accountability purposes. If the Redevelopment Agency sells land at an amount greater than or less than the carrying amount, a gain/loss is recorded. In the governmental fund financial statements, the resulting gain/loss is accounted for as an other financing source/use, and recognized when measurable and available.

NOTE 8 DEVELOPER AND CUSTOMER DEPOSITS

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

NOTE 9 UNEARNED PROPERTY TAXES

In conjunction with GASB pronouncement 33, “*Accounting and Financial Reporting for Nonexchange Transactions*” the City has accrued property tax receivable and an unearned property tax receivable in the General Fund and Redevelopment Agency in the amounts of \$22,452,017 and \$6,279,500, 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 levied on October 1, 2010 was not expected to be received within 60 days after the year ended June 30, 2010, the City was required to record a receivable and unearned revenue of the estimated amount of the total property tax to be levied on October 1, 2010.

NOTE 10 LONG-TERM ACCRUED LIABILITIES

The City has incurred liabilities in the normal course of business related to various lawsuits. These liabilities have been booked, as the underlying lawsuits are settled. The portion of these liabilities which are scheduled to be paid after the next calendar year have been recorded as noncurrent accrued liabilities on the Statement of Net Assets.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2010:

	<u>June 30, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2010</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
Revenue bonds	\$ 99,782,200	\$ 22,755,000	\$ (18,582,200)	\$ 103,955,000	\$ 5,879,500
Special improvement district bonds	1,454,536	-	(181,950)	1,272,586	189,719
Plus: unamortized premiums	608,435	743,830	(96,739)	1,255,526	-
Less: deferred amounts on refunding	(1,495,022)	-	94,873	(1,400,149)	-
Total bonds payable	<u>100,350,149</u>	<u>23,498,830</u>	<u>(18,766,016)</u>	<u>105,082,963</u>	<u>6,069,219</u>
Notes payable and capital leases:					
Notes payable	2,563,000	-	(145,000)	2,418,000	152,000
Capital leases	4,392,688	1,432,163	(1,085,434)	4,739,417	1,602,969
Total notes payable and capital leases	<u>6,955,688</u>	<u>1,432,163</u>	<u>(1,230,434)</u>	<u>7,157,417</u>	<u>1,754,969</u>
Other liabilities:					
Compensated absences	1,296,286	46,199	(386,415)	956,070	186,961
PTO / Termination benefits	-	1,203,199	(254,285)	948,914	304,611
Total other liabilities	<u>1,296,286</u>	<u>1,249,398</u>	<u>(640,700)</u>	<u>1,904,984</u>	<u>491,572</u>
Total Governmental activities long-term liabilities	<u>108,602,123</u>	<u>26,180,391</u>	<u>(20,637,150)</u>	<u>114,145,364</u>	<u>8,315,760</u>
Business-type Activities:					
Bonds payable:					
Revenue bonds	11,939,112	-	(852,112)	11,087,000	729,000
Plus: unamortized premiums	91,856	-	(9,287)	82,569	-
Less: deferred amounts on refunding	(629,379)	-	48,414	(580,965)	-
Total bonds payable	<u>11,401,589</u>	<u>-</u>	<u>(812,985)</u>	<u>10,588,604</u>	<u>729,000</u>
Capital leases	<u>150,536</u>	<u>-</u>	<u>(150,536)</u>	<u>-</u>	<u>-</u>
Total Business-type activities long-term liabilities	<u>11,552,125</u>	<u>-</u>	<u>(963,521)</u>	<u>10,588,604</u>	<u>729,000</u>
Total Liabilities	<u>\$ 120,154,248</u>	<u>\$ 26,180,391</u>	<u>\$ (21,600,671)</u>	<u>\$ 124,733,968</u>	<u>\$ 9,044,760</u>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 LONG-TERM DEBT (Continued)

Governmental Activities:

Revenue Bonds

Building Authority Lease Revenue Bonds Series 1998A, original issue of \$22,740,000, principal due in annual installments beginning April 2000, interest at 3.7% to 4.8% due in semi-annual installments beginning April 1999, with the final payment due April 2019. The bonds were issued to refund the Building Authority Lease Revenue Bonds Series 1995 and to issue new debt to fund construction of the Fitness Center. Debt service payments will be funded by revenue from the Building Authority Fund. These bonds were refunded with the proceeds from the Franchise Fee Refunding Bonds, Series 2009, and called and redeemed in August 2009.

\$ -

Building Authority Lease Revenue Bonds Series 2001, original issue of \$5,270,000, principal due in annual installments beginning January 2003, interest at 4.0% to 5.25% due in semi-annual installments beginning January 2002, with the final payment due January 2021. The bonds were issued to fund the building of a new fire station and public works building. Debt service payments will be made from the Building Authority Fund.

3,400,000

Sales Tax Revenue Bonds Series 2001A, original issue of \$18,310,000, principal due in annual installments beginning July 2003, interest at 3.5% to 5.5% due in semi-annual installments beginning January 2002, with the final payment due July 2021. The bonds were issued for the purchase and renovation of a Public Safety Building and the purchase of Stone Bridge Golf Course. Approximately 34.95% and 65.05% of the debt service payments will be made from the General Fund sales tax and Golf Course revenues, respectively. These bonds have been partially defeased using the proceeds of the Sales Tax Revenue Refunding Bonds Series 2006. The balance shown is 35% of the undefeased outstanding balance as of June 30, 2010, which is the portion attributable to governmental activities. As of June 30, 2010 the total outstanding defeased balance is \$13,005,000.

1,069,250

Building Authority Lease Revenue Refunding Bonds Series 2002A, original issue of \$35,810,000, principal due in annual installments beginning August 2003, interest at 2.0% to 5.5% due in semi-annual installments beginning February 2003, with the final payment due on August 2027. The bonds were issued to refund the Building Authority Taxable Lease Revenue Bonds Series 1996A. Debt payments will be funded by proceeds from the E Center's operations and transfers from the General Fund. In the past the callable portion of these bonds in the amount of \$27,715,000 was defeased using the proceeds of the Lease Revenue Refunding Bonds Series 2006A.

3,550,000

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 LONG-TERM DEBT (Continued)

Sales Tax Revenue Tax Exempt Bonds Series 2002A, original issue of \$15,370,000, principal due in annual installments beginning July 2004, interest at 3.0% to 5.5% due in semi-annual installments beginning January 2003, with the final payment due July 2020. The bonds were issued to finance the costs of acquisition, construction, equipping and improvements of an arts and cultural heritage complex; and to finance equipment purchases and related improvements at the E Center. Debt service payments will be made from the General Fund sales tax revenues. \$ 12,900,000

Sales Tax Revenue Taxable Bonds Series 2002C, original issue of \$2,465,000, principal due in annual installments beginning July 2003, interest at 5.9% to 6.45% due in semi-annual installments beginning January 2003, with the final payment due July 2017. The bonds were issued to finance the costs of acquisition, construction, equipping and improvement of an arts and cultural heritage complex; and to finance equipment purchases and related improvements at the E Center. Debt service payments will be made from the General Fund sales tax revenues. 1,595,000

Building Authority Lease Revenue Refunding Bonds Series 2003, original issue of \$8,615,000, principal due in annual installments beginning January 2004, interest at 2.0% to 3.5% due in semi-annual installments beginning July 2003, with the final payment due January 2010. The bonds were issued to refund the Lease Revenue Refunding Bonds Series 1993. Approximately 60.9% and 39.1% of the debt service payments was be paid from the Building Authority and West Ridge Golf Course, respectively. These bonds were paid off during the current year. -

Redevelopment Agency Tax Increment Revenue Refunding Bonds Series 2005, original issue of \$6,185,000, principal due in annual installments beginning March 2010, interest at 4.0 to 5.0% due in semi-annual installments beginning September 2005, with the final payment due March 2024. The bonds were issued to refund part of the Redevelopment Agency Tax Increment Bonds Series 1997A which were defeased during 2007. The bonds were issued to pay for financing the cost of land and infrastructure improvements, including curb and gutter, paving and landscaping in respect to construction of the E Center. Debt service payments will be funded by tax increment funds generated within the project area. 5,815,000

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 LONG-TERM DEBT (Continued)

Sales Tax Revenue Refunding Bonds Series 2006, original issue of \$13,905,000, principal due in annual installments beginning July 2010, interest at 4.0% to 5.0% due in semi-annual installments beginning July 2007, with the final payment due July 2021. The bonds were issued to defease the callable portion of the Sales Tax Revenue Bonds Series 2001A which were issued for the purchase and renovation of a Public Safety Building and the purchase of Stone Bridge Golf Course. Approximately 35% and 65% of the debt service payments will be made from the General Fund sales tax and Golf Course revenues, respectively. The balance shown is 35% of the total outstanding balance as of June 30, 2010 which is the portion attributable to governmental activities.

\$ 4,866,750

Building Authority Lease Revenue Refunding Bonds Series 2006A, original issue of \$29,275,000, principal due in annual installments beginning August 2007, interest at 4.0% to 5.0% due in semi-annual installments beginning February 2007, with the final payment due on August 2027. The bonds were issued to partially refund the Building Authority Lease Revenue Bonds Series 2002A which have a defeased balance at June 30, 2010 of \$27,715,000. Debt payments will be funded by proceeds from the E Center's operations and transfers from the General Fund.

29,065,000

Building Authority Lease Revenue Refunding Bonds Series 2006B, original issue of \$6,510,000, principal due in annual installments beginning August 2007, interest at 4.0% due in semi-annual installments beginning February 2007, with the final payment due on August 2017. The bonds were issued to refund the Building Authority Tax Exempt Lease Revenue Bonds Series 1997 which were paid off at June 30, 2008. Debt payments will be funded by lease payments from the Hale Theatre and transfers from the General Fund.

5,000,000

Lease Revenue Bonds Series 2008, original issue of \$2,227,000, principal and interest due in annual installments beginning March 2009 with the final payment due in March 2015. Interest rate is at 3.3% to 3.85%. The bonds were issued to make lease payments on waste receptacles, heavy fleet trucks, a ladder truck, and an ambulance. Approximately 95% and 5% of the debt service payments will be made from the General Fund and Ambulance Fund, respectively. The balance shown is approximately 95% of the total outstanding balance as of June 30, 2010 which is the portion attributable to governmental activities.

1,519,000

Taxable Tax Increment & Revenue Bonds, Series 2008, original issue of \$6,050,000, interest due in semi-annual installments beginning March 2009 with the balloon principal payment due September 2013. Interest rate is at 6.45%. The bonds were issued to purchase land held for resale. All payments will be made by the Redevelopment Agency.

6,050,000

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 LONG-TERM DEBT (Continued)

Sales Tax Revenue Bonds, Series 2008A, original issue of \$7,900,000, principal due in annual installments beginning July 2009, interest at 4.0% to 5.25% due in semi-annual installments beginning January 2009, with the final payment due July 2023. The bonds were issued to fund future construction costs. Debt service payments will be made from the General Fund sales tax revenues.

\$ 7,520,000

Franchise Fee Revenue Refunding Bonds, Series 2009, original issue of \$13,735,000, principal due in annual installments beginning April 2010, interest at 4.45% to 4.75% due in semi-annual installments beginning October 2009, with the final payment due April 2019. The bonds were issued to refund the Building Authority Lease Revenue Bonds, Series 1998A, which were called and redeemed in August 2009. Debt service payments will be made from municipal energy sales and use tax revenues. Total debt service for refunding debt was anticipated to be \$15,811,090, and total debt service for new debt is \$15,330,182. Present value of debt service savings from refunding is \$753,267.

12,585,000

Redevelopment Agency Tax Increment and Sales Tax Revenue Bonds, Series 2009, original issue of \$9,020,000, principal due in annual installments beginning November 2010, interest at 1.9% to 5.0% due in semi-annual installments beginning May 2010, with the final payment due May 2026. The bonds were issued to fund the acquisition and construction of certain City owned facilities and improvements to promote economic development within the Development Project Area. Debt service payments will be made from the tax increment revenues from the project area and sales and use taxes received by the City.

9,020,000

Total Revenue Bonds - Governmental Activities

\$ 103,955,000

Special Improvement District Bonds

Special Assessment Bonds, Series 2005, Special Improvement District 2004-1, original issue of \$1,956,888, principal and interest due in annual installments beginning November 2006, interest at 4.27 - 4.53% with the final payment due November 2015. The bonds were issued to pay for improvements made to 5600 West. Debt service payments are financed by assessments to affected property owners within the Improvement District. The annual assessment to the property owners is equal to the annual debt service payments due to the bond holders.

\$ 1,272,586

Total Special Improvement District Bonds - Governmental Activities

\$ 1,272,586

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 LONG-TERM DEBT (Continued)

Notes Payable

Housing and Urban Development (HUD) Section 108 Note, original note of \$3,297,000, principal due in annual installments beginning August 2003, interest at 4.89% to 6.07% due in semi-annual installments beginning February 2003, with the final payment due August 2021. Trust certificates guaranteed by the Secretary of Housing and Urban Development were sold in a public offering, and these certificates were backed by this and other notes. The notes were used for the exclusive use of cleaning up the Harvey Street project. Debt service payments will be paid by revenues from future draws from the HUD CDBG grant funds.

\$ 2,418,000

Total Notes Payable - Governmental Activities

\$ 2,418,000

Capital Leases

2004 Equipment Lease, original amount of \$539,569, lease payments due in annual installments of \$79,094 including interest at 3.8% beginning January 2005, with the final payment due January 2012. The January 2005 payment is \$53,753, and the January 2008 payment is for \$104,750. The principal and interest payments are made from the General Fund revenues. The lease was used to refinance a fire truck lease.

\$ 149,607

2007 Equipment Lease, original amount of \$3,613,000, lease payments due in semi-annual installments of \$363,756 to \$364,716 including interest at 3.48% beginning August 2007, with the final payment due August 2012. The principal and interest payments are made from the General Fund revenues. The lease was used to finance police and animal control vehicles.

1,579,806

2008 Various Equipment Leases, original amounts totaling \$844,578, lease payments due in quarterly installments totaling \$65,793 including interest at 3.96% to 4.615% with payments beginning from September 2008 to July 2009, with the final payment due from June 2011 to December 2015. The principal and interest payments are made from the General Fund revenues. The leases were used to finance the purchase of various electronic equipment.

637,691

2009 Equipment Lease, original amount of \$1,181,761, lease payments due in semi-annual installments of \$134,852 including interest at 4.95% beginning July 2009, with the final payment due January 2014. The principal and interest payments are made from the Building Authority revenues. The lease was used to finance the purchase of an electronic marquee for the E-Center.

967,940

**WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 11 LONG-TERM DEBT (Continued)

2009 Various Equipment Leases, original amounts totaling \$427,163, lease payments due in quarterly installments totaling \$21,260 including interest at 3.68% to 3.86% with payments beginning from January 2010 to May 2010, with the final payment due from February 2013 to October 2016. The principal and interest payments are made from the General Fund revenues. The leases were used to finance the purchase of various electronic equipment.

\$ 399,373

2009 Wells Fargo Securities Fleet Lease, original amount of \$1,005,000, lease payments due in semi-annual installments totaling \$136,309 including interest at 3.49% with payments beginning July 2010, with the final payment due January 2014. The principal and interest payments are made from the General Fund revenues. The lease was used to finance the purchase of fleet vehicles for the City.

1,005,000

Total Capital Leases - Governmental Activities

\$ 4,739,417

Compensated absences

The total of accumulated unpaid compensated absences in governmental funds.

\$ 956,070

Termination benefits.

During the year ended June 30, 2010 the City offered termination benefits as an incentive to early retirement to the employees of the City. As part of this benefit, employees had two options: A) To receive medical coverage through the City's current health insurance provider, with the City paying 65% of the premium for 8 years, or until the participant reaches the age of 65, or becomes eligible for other medical insurance or Medicare coverage. Also, employees may use any banked sick leave that has been accrued to pay for the employee portion of the health insurance premium. The City will also pay 95% of the purchase cost of one additional service credit with the Utah Retirement Systems. B) The employee can receive a \$15,000 severance payment and will be paid out for all banked sick leave, if any. All participants choosing to take advantage of these benefits were required to submit application by May 27, 2010.

There were approximately 25 employees who accepted these benefits under one of the two options listed above. Under this plan there was approximately \$316,000 of benefits payable to employees as of the June 30, 2010 under option B. Additionally, there is approximately \$553,000 of benefits payable for employees under Option A, over the course of the next 8 years. The total benefit is based on the employees current insurance plan, premiums and a 10% annual increase over the next 8 years. The current portion of these benefits were expected to be approximately \$74,000.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 LONG-TERM DEBT (Continued)

Business-type Activities

Revenue Bonds

Sales Tax Revenue Bonds Series 2001A, original issue of \$18,310,000, principal due in annual installments beginning July 2003, interest at 3.5% to 5.5% due in semi-annual installments beginning January 2002, with the final payment due July 2021. The bonds were issued for the purchase and renovation of a Public Safety Building and the purchase of Stonebridge Golf Course. Approximately 35% and 65% of the debt service payments will be made from the General Fund sales tax and Golf Course revenues, respectively. The balance shown is 65% of the total outstanding balance as of June 30, 2010, which is the portion attributable to business-type activities. \$ 1,985,750

Lease Revenue Refunding Bonds Series 2003, original issue \$8,615,000, principal due in annual installments beginning January 2004, interest at 2.0% to 3.5% due in semi-annual installments beginning July 2003, with the final payment due January 2010. The bonds were issued to refund and defease the Lease Revenue Refunding Bonds Series 1993. Approximately 60.9% and 39.1% of the debt service payments will be paid from the Building Authority and West Ridge Golf Course, respectively. The balance shown is 39.1% of the total outstanding balance as of June 30, 2010, which is the portion attributable to business-type activities. These bonds were paid off during the year. -

Sales Tax Revenue Refunding Bonds Series 2006, original issue of \$13,905,000, principal due in annual installments beginning July 2010, interest at 4.0% to 5.0% due in semi-annual installments beginning July 2007, with the final payment due July 2021. The bonds were issued to defease the callable portion of the Sales Tax Revenue Bonds Series 2001A which were issued for the purchase and renovation of a Public Safety Building and the purchase of Stone Bridge Golf Course. Approximately 35% and 65% of the debt service payments will be made from the General Fund sales tax and Golf Course revenues, respectively. The balance shown is 65% of the total outstanding balance as of June 30, 2010 which is attributable to the business-type activities. 9,038,250

**WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 11 LONG-TERM DEBT (Continued)

Lease Revenue Bonds Series 2008, original issue of \$2,227,000, principal due interest due in annual installments beginning March 2009 which matures March 2015. Interest rate is at 3.3% to 3.85%. The bonds were issued to make lease payments on waste receptacles, heavy fleet trucks, a ladder truck, and an ambulance. Approximately 95% and 5% of the debt service payments will be made from the General Fund and Ambulance Fund, respectively. The balance shown is approximately 5% of the total outstanding balance as of June 30, 2010 which is the portion attributable to business-type activities.

\$ 63,000

Total Revenue Bonds - Business-type Activities

\$ 11,087,000

Capital Leases

2005 Equipment lease, original amount of \$1,132,718, lease payments due in semi-annual installments of \$153,231 including interest at 3.58% beginning December 2005, with the final payment due December 2009. The principal and interest payments are made from the Ambulance Fund revenues. The lease was used to purchase ambulances. The final payment on this lease was made during the current year.

\$ -

Total Capital Leases - Business-type Activities

\$ -

The annual debt service requirements to maturity, including principal and interest for the long-term debt, as of June 30, 2010, are as follows:

Year Ending June 30,	Governmental Activities Revenue Bonds	
	Principal	Interest
2011	\$ 5,879,500	\$ 4,639,933
2012	6,054,250	4,414,854
2013	6,492,750	4,171,622
2014	12,950,750	3,715,401
2015	7,196,500	3,221,086
2016-2020	36,034,000	10,958,028
2021-2025	21,232,250	4,133,376
2026-2028	8,115,000	522,628
	<u>103,955,000</u>	<u>\$ 35,776,927</u>
Plus: unamortized premium	1,255,526	
Less: deferred loss	(1,400,149)	
Total	<u>\$ 103,810,377</u>	

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 LONG-TERM DEBT (Continued)

Year Ending June 30,	Governmental Activities Special Improvement District Bonds	
	Principal	Interest
2011	\$ 189,719	\$ 57,155
2012	197,820	49,054
2013	206,782	40,093
2014	216,149	30,725
2015	225,940	20,934
2016	236,176	10,699
	<u>\$ 1,272,586</u>	<u>\$ 208,660</u>

Year Ending June 30,	Governmental Activities Notes Payable	
	Principal	Interest
2011	\$ 152,000	\$ 131,326
2012	160,000	123,897
2013	168,000	115,825
2014	176,000	97,300
2015	185,000	86,884
2016-2020	1,073,000	334,848
2021-2022	504,000	30,748
	<u>\$ 2,418,000</u>	<u>\$ 920,828</u>

The future minimum lease payments to be paid by the City for capital leases are as follows:

Year Ending June 30,	Governmental Activities Total
2011	\$ 1,602,969
2012	1,606,096
2013	1,003,870
2014	699,647
2015	125,716
2016-2017	105,515
Total minimum lease payments	5,143,813
Less: amount representing interest	<u>(404,396)</u>
Present value of net minimum lease payments	<u>\$ 4,739,417</u>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 LONG-TERM DEBT (Continued)

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Equipment	\$ 7,250,046
Less: accumulated depreciation	(2,658,078)
 Total	 \$ 4,591,968

	Business-type Activities	
	Revenue Bonds	
	Principal	Interest
Year Ending June 30,		
2011	\$ 729,000	\$ 455,620
2012	733,300	421,562
2013	765,250	387,848
2014	783,300	354,300
2015	812,500	321,400
2016-2020	4,901,100	1,005,800
2021-2022	2,362,550	95,500
	11,087,000	\$ 3,042,030
Plus: unamortized premium	82,569	
Less: unamortized discount	(580,965)	
 Total	 \$ 10,588,604	

Pledges of future revenues

The City has pledged sales taxes, franchise fee taxes, property taxes for a special improvement district, RDA tax increment, and lease revenues from the Building Authority (a blended component unit), as part of debts issued by the City. The total approximate revenues pledged by type are: \$50,670,000 of sales tax through 2023, \$15,507,000 of franchise fee tax through 2019, \$1,481,000 of property taxes with a special improvement district through 2015, \$28,217,000 of RDA tax increment through 2026, and \$59,467,000 of lease revenue from the Building Authority. The ratio of the current year revenues received versus the total amount pledged over the life of the respective bonds is as follows: 34% for sales tax, 22% for RDA tax increment, 59% for franchise taxes, 17% for Special Improvement District assessments, and 8% for Building Authority lease revenues. During the year ended June 30, 2010, the City received the following revenues and used them respectively as follows on pledged debt; approximately \$17,293,000 in sales tax was received and spent \$3,763,000 for required debt service, received \$6,181,000 for RDA tax increment and spent \$1,057,900 on debt service, received \$9,101,000 in franchise taxes and spent \$1,480,000 on required debt service, received \$256,000 and spent \$247,000 on special assessments related to a special improvement district, and received \$4,894,000 and spent \$5,655,000 for Building Authority revenues and related debt service.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 RISK MANAGEMENT

The City is exposed to various risks of loss including third party claims, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims have not exceeded the City's insurance coverage for any of the past five years.

General liability coverage is provided by the Utah Risk Management Mutual Association (URMMA), a risk mutual association to which the City belongs, along with 25 others cities in Utah. The State of Utah Insurance Department regulates URMMA to ensure sound actuarial standards are used. Payment of an annual insurance premium indemnifies the City for claims that exceed a per occurrence deductible. The policy provides \$6 million of liability coverage per occurrence after a deductible of \$15,000. In the event URMMA becomes insolvent, the City is fully responsible for all claims.

Real property is either self-insured or insured through commercial policies. Some vehicles are self-insured (generally those valued at less than \$50,000) while those valued over \$50,000 are typically insured commercially. Where possible and appropriate, in contractual transactions with other persons or entities, responsibility for damages is transferred to the other party or person(s) that perform work for the City. Coverage for asbestos liability is limited to an annual aggregate of \$100,000.

The City operates a self-insured workers' compensation program. Each injury is funded by the City to the extent of \$400,000. The City purchases reinsurance to cover any claims that exceed \$400,000. The reinsurance has a limit of \$1,000,000. The City is responsible for any amounts that exceed \$1,000,000 per occurrence. Pinnacle Risk Management Services is the designated third party administrator for the City's workers' compensation program.

The City administration and City Council are ultimately responsible for setting reserves and adjusting the reserve throughout the life of the claims. The City uses prior loss history and actuary studies as the basis for computing the accrual. The City at this time has no annuities. Workers' compensation claims liability is recorded in the General Fund in accrued liabilities. In management's opinion, the accrued workers' compensation claim liability is adequate to cover the reported claims as well as the incurred but not reported claims for which the City is responsible.

The following table shows the workers' compensation claim liability for the years ended June 30, 2010 and 2009.

	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>
Workers Compensation claim, liability, beginning year	\$ 914,942	\$ 835,570	\$ 79,372
Claims, including incurred but not reported	531,032	629,007	(97,975)
Payments on claims	<u>(342,121)</u>	<u>(549,635)</u>	<u>207,514</u>
Workers Compensation claim, liability, end of year	<u>\$ 1,103,853</u>	<u>\$ 914,942</u>	<u>\$ 188,911</u>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 RISK MANAGEMENT (Continued)

The obligation of URMMA to pay damages on behalf of the City or covered individuals applies only to damages in excess of the member “deductions” and group “self-insured retentions” outlined in the Coverage Profile. The members’ “deductibles” and the group’s “self-insured retentions” also include attorney’s fees and all other costs incurred in defending a claim.

Each member may adjust, settle, and pay or deny all “property damage” claims which are less than one hundred percent (100%) of that member’s deductible and which do not include bodily injury, personal injuries, or alleged violation of civil rights.

NOTE 13 RETIREMENT PLAN

Cost Sharing Defined Benefits Pension Plans

Plan description: The City contributes to the Local Governmental Contributory Retirement System, the Local Governmental Noncontributory Retirement System, the Public Safety Contributory Retirement System, the Public Safety Noncontributory Retirement System, the Firefighters 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, the Local Governmental Noncontributory Retirement System, and the Firefighters 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.

Funding policy: Plan members in the Local Governmental Contributory Retirement System are required to contribute 6% of their annual covered salary (all of which is paid by the City), and the City is required to contribute 7.65% of their annual covered salary. In the Local Governmental Noncontributory Retirement System, the City is required to contribute 11.66% of members’ annual covered salary. In the Public Safety Contributory Retirement System, contributory members are required to contribute 10.50% of annual salary (all or part may be paid by the employer for the employee) and the City is required to contribute 16.67% of annual salary and 26.21% of annual covered salary for members in the noncontributory status. In the Firefighters Retirement System, members do not contribute, and the City is required to contribute 9.68% of the 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.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 RETIREMENT PLAN (Continued)

The City's contributions to the Local Governmental Contributory Retirement System for the years ended June 30, 2010, 2009, and 2008, were \$155,635, \$160,370, and \$153,969, with salaries subject to retirement contributions of \$1,140,185, \$1,178,323, and \$1,131,292, respectively; for the Noncontributory Retirement System, the contributions for the years ended June 30, 2010, 2009, and 2008, were \$1,643,054, \$1,637,984, and \$1,484,744, with salaries subject to retirement contributions of \$14,091,369, \$14,096,239, and \$12,777,495, respectively; for the Public Safety Contributory Retirement System, the contributions for the years ended June 30, 2010, 2009, and 2008 were \$127,129, \$111,737, and \$180,597, with salaries subject to retirement contributions of \$467,902, \$426,639, \$689,563, respectively; for the Public Safety Noncontributory Retirement system, the contributions for the years ended June 30, 2010, 2009, and 2008 were \$2,455,330, \$2,400,867, and \$2,177,305, with salaries subject to retirement contributions of \$9,367,939, \$9,418,830, and \$8,541,804, respectively; and for the Firefighters Retirement System, the contributions for the years ended June 30, 2010, 2009, and 2008, were \$541,365, \$529,545, and \$501,525, with salaries subject to retirement contributions of \$5,592,625, \$5,540,600, and \$5,392,736, respectively. The contributions were equal to the required contributions for each year.

NOTE 14 DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS

401(a) Defined Contribution Plans

The City sponsors a defined contribution plan under Internal Revenue Code 401(a) for City employees covered by the State's contributory and noncontributory retirement plans. International City Managers Association (ICMA) administers this plan. The City's total payrolls for the fiscal years ended June 30, 2010, 2009 and 2008 were \$34,369,992, \$34,941,612, and \$32,644,883, respectively. Of those amounts, \$32,799,854, \$33,335,947, and \$31,099,405 were eligible to participate in this plan for the years ended June 30, 2010, 2009, and 2008, respectively. The City participates at rates between 6.00% and 25.49%. The rate of City participation can be changed by the City Council.

During the years ended June 30, 2010, 2009, and 2008, contributions totaling \$2,177,364, \$2,483,378, and \$2,306,276, respectively were made to this plan by the City. The contributions by the City to the 401(a) plan were 6.34%, 7.11%, and 7.06%, respectively of total covered payroll. The 401(a) defined contribution monies are not available to the City or its general creditors. Therefore, no assets or liabilities of the 401(a) defined contribution plan are reflected in the financial statements.

457 Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. The City's total payrolls for the fiscal years ended June 30, 2010, 2009, and 2008 were \$34,369,992, \$34,941,612, and \$32,644,883, respectively. Of those amounts, \$32,799,854, \$33,335,947, and \$31,099,40 were eligible to participate in this plan for the years ended June 30, 2010, 2009, and 2008, respectively. Voluntary contributions made by employees totaled \$868,711 or 2.53% of total payroll expense in 2010, \$894,122, or 2.56% of total payroll expense in 2009, and \$893,846, or 3.04% of total payroll expense in 2008. All contributions were made by the due dates.

All of the assets and income of the 457 Plan are held in trust for the exclusive benefit of the participants or their beneficiaries rather than the assets of the employer. Therefore, the assets are not assets of the City and are not included in the City's financial statements.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 15 COMMITMENTS AND CONTINGENCIES

The City had approximately \$1,103,000 of outstanding construction commitments at June 30, 2010.

The City is a defendant in various claims and suits arising from the ordinary course of business. A provision for loss related to litigation of \$425,699 was recorded in the accompanying financial statements. Management believes that any liability resulting from these matters is adequately covered by this provision.

In June 2002 the City restructured the management agreement between the City and WVE, Inc., to operate the E Center. WVE, Inc. is a subsidiary of Centennial Management Group and is responsible for the daily operations, maintenance, bookings, and events that take place at the E Center. The City is responsible for management and operation of the E Center parking facilities.

The City pays to WVE, Inc., or its parent company, Centennial Management Group, an annual management fee of \$170,000. This annual fixed fee will increase by \$5,000 on July 1 of each year through 2007. The annual fixed fee will increase by \$7,500 each year for the next five year period beginning on July 1, 2009; then, beginning on July 1, 2013, the annual fixed fee will increase by \$10,000 each year for the remainder of the agreement. The fee was \$199,500 for current fiscal year. The term of the agreement ends in June 2017.

In addition to the annual fixed fee, if certain performance objectives are reached, the City may pay an additional annual incentive fee payment equal to not more than 5% of the annual fixed fee. These management fees paid to WVE, Inc., and/or Centennial Management Group are their only compensation for managing the E Center. All E Center revenues are collected by the City (other than those retained by the concessionaire and the hockey club pursuant to their respective contracts). All E Center expenses (including WVE, Inc. personnel expenses) are paid by the City.

The City entered into a contract with USANA Amphitheater (the Amphitheater) to provide management services. The Amphitheater pays the City \$75,000 plus an additional payment for each ticket over a predetermined amount. The City then contracted with WVE, Inc. to provide the management services for the Amphitheater. The City pays to WVE, Inc., or its parent company, Centennial Management Group, an annual management fee to provide management services to the Amphitheater and the Utah Cultural Celebration Center (the Center). Each year, beginning on July 1, 2004, the annual fixed fee is increased by the total percentage increase in the "West A" consumer Price Index, but not less than 2% or more than 5% of the annual payment due for the immediately preceding 12 month period. The fee was \$65,090 in current fiscal year. The term of the agreement ends in June 2017.

In addition to the annual fixed fee, any net income from the markup on the use of part-time labor used at the Center or the Amphitheater will be shared equally by the City and WVE, Inc. and/or Centennial Management Group. All revenues from the operation of the Center are the City's. All the Center's expenses (including WVE, Inc. personnel expenses) are paid by the City.

The City entered into a "Venue Marketing Services Agreement", wherein the City will pay the other party 50% of marketing revenue earned at the E Center greater than \$1,661,641 for each year through the end of the third year of the agreement, and will increase every year thereafter by the Consumer Price Index. The agreement term is until August 31, 2022. The marketing fee for fiscal 2010 was \$225,805.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 16 INTERGOVERNMENTAL REVENUE

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

	General Fund	Other Governmental Funds	Business-type Funds
Federal Government:			
Bulletproof Vest Grant	\$ -	\$ 4,096	\$ -
CDBG Grant	-	822,776	-
Community Oriented Policing Services Hiring Grant	-	296,630	-
Domestic Violence VOCA	-	94,673	-
Energy Efficiency and Conservation Block Grant	-	174,164	-
HUD - Vouchers	-	-	3,408,231
JAG Grants	-	348,272	-
Justice Dept WE-AX Grant	-	28,936	-
Law Enforcement Terrorism Prevention Program	-	46,633	-
Project Safe Neighborhood	-	406,993	-
Salt Lake County Grant	-	136,627	-
Salt Lake Homes Revenue	-	-	93,521
Shelter Plus Care	-	-	166,467
Office of Justice Sex Offender SMART Grant	-	88,431	-
VAWA Grant	-	44,146	-
VOCA Recovery Act Grant	-	66,575	-
Weed & Seed	-	4,204	-
State of Utah:			
Class "C" road fund allotment	3,471,887	-	-
Juvenile Justice Alcohol Offenses - Minors	-	2,328	-
Liquor allotment	150,925	-	-
Salt Lake County Flyover	224,620	-	-
	<u>\$ 3,847,432</u>	<u>\$ 2,565,484</u>	<u>\$ 3,668,219</u>

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the City's independent auditors and other governmental auditors. Any disallowed claims resulting from such an audit could become a liability of the General Fund or other applicable fund. Based on prior experience, the City administration believes such disallowance, if any, would be immaterial.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 17 REDEVELOPMENT AGENCY OF THE WEST VALLEY CITY

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

Tax increment collected from other taxing agencies	\$	6,181,267
<hr/>		
Amounts expended for:		
Tax increment paid to other taxing agencies	\$	2,220,364
Administrative costs		1,335,730
Property acquisitions and site improvements		5,992,637
Debt service costs		1,897,383
<hr/>		
Total amounts expended by RDA	\$	11,446,114
<hr/>		

NOTE 18 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 secured 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 issue. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, there are four series of Industrial Revenue Bonds outstanding, with an aggregate original issue principal amount payable of \$22,736,430 composed of the following issues:

Company	Maturity	Balance At June 30, 2010
GFI, Ltd. II K-MART - 1984	December 2010	\$ 500,000
Monticello Academy - 2007	June 2037	10,850,000
East Hollywood High School - 2007	June 2037	6,180,000
Holbrook Properties - 2007	April 2018	2,069,321
		<hr/>
		\$ 19,599,321
		<hr/>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 19 INTERLOCAL AGREEMENT

The City is one of 11 founding members of the Utah Telecommunications Open Infrastructure Agency (UTOPIA), an interlocal cooperative agreement organized under the laws of the State of Utah. UTOPIA was created to design, finance, build, operate, and maintain an open, wholesale, public and telecommunication infrastructure that delivers high-speed connections to every home and business in the member communities. UTOPIA is jointly owned by the members. No equity investment has been recorded by the City since, as of June 30, 2010; UTOPIA had a net assets deficit balance. UTOPIA is providing limited services, but it is still in a start-up phase. UTOPIA issued annual audited financial statements which are available either from UTOPIA or from the Utah State Auditor.

The City is a pledging member who has pledged sales and use tax revenues to partially guarantee payment of UTOPIA's bonds. In return for the pledge, the City will be among the first cities to receive UTOPIA's services. In June 2009 UTOPIA issued an \$185,000,000 revenue bond. The first two years of bond payments will be made from a debt reserve fund. From that point on, until the bonds are due in June 2040, net revenues from UTOPIA will reimburse the debt service for payments on the bond debt. To the extent that there are insufficient net revenues to pay the debt service, the 11 pledged members are required to reimburse the UTOPIA debt service fund of any shortfall by their respective percentages up to a specific dollar amount. The City's percentage of the Debt Service Reserve shortfall is 27.82% with a yearly liability limit set at a maximum of \$3,254,373. Any bonds or debt issued or incurred by UTOPIA will not constitute debt of the City.

On July 1, 2007, the City deposited \$2,806,999 into the UTOPIA Bond Debt Service Reserve Fund. These funds will remain on deposit until the bonds are retired in June 2040. As of June 30, 2010 the remaining balance of the escrow was \$1,020,755. The decrease in the balance at the end of the year was \$1,848,963 and represents the portion used by UTOPIA, from money pledged by the City, for debt service during the year, and has been recorded as a note receivable by the City for \$1,848,963 in the corresponding fund and government wide financial statements. The City has elected not to accrue interest on this note. The City will also be required to fund additional amounts to the escrow for the upcoming year.

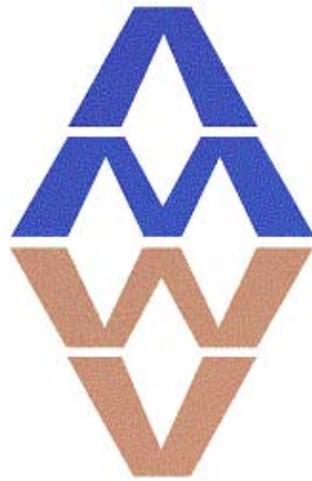
NOTE 20 SUBSEQUENT EVENTS

Subsequent to year end, the West Valley City RDA issued Franchise Tax & Tax Increment Revenue Refunding Bonds Series 2010A for \$9,380,000. The proceeds from this issuance will be used to refund previous bond issues and will be used to construct certain publicly owned improvements within the City Center Redevelopment Project Area. The West Valley City RDA also issued Franchise Tax and Tax Increment Revenue Bonds Series 2010B (Build America Bonds) for \$4,620,000. The proceeds from this issuance will be used construct certain publicly owned improvements within the Redevelopment Project Area.

Subsequent to year end, the Building Authority of West Valley City issued Lease Revenue Refunding Bonds Series 2010 for \$2,870,000 to refund the 2001 MBA Lease Revenue Bonds.

Subsequent to year end, the City entered into a multi-year sponsorship and naming rights agreement with Maverik Convenience Stores. The City owned arena formally called the E Center will now be called the Maverik Center.

REQUIRED SUPPLEMENTAL INFORMATION



WEST VALLEY CITY
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED
USING THE MODIFIED APPROACH
For The Year Ended June 30, 2010

As allowed by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, the City has adopted an allowable alternative to reporting depreciation for three of eight infrastructure subsystems in the Transportation Network. Under this alternative method, referred to as the “modified approach”, the City must maintain an asset management system and demonstrate that its subsystems are being preserved at or above condition levels established by City policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed. The City capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and /or efficiency of infrastructure assets reported under the modified approach.

In order to utilize the modified approach, the City is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform and document replicable condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the City.
- Document that the infrastructure assets are being preserved approximately at, or above the condition level established by the City.

The City applies the modified approach to the three major subsystems considered to be owned by the City: Major Streets, Minor Streets and Sidewalks. The goal of the City in conjunction with adopting the modified approach is to develop and provide a cost effective pavement maintenance and rehabilitation program that preserves the City’s investment in its subsystems and enhances public transportation and safety.

Major Streets

The condition of the major streets pavement is measured using the Local Transportation Assistance Program. This system uses a measurement scale that considers the condition of the roads using nine condition factors and then assigns the road a Remaining Service Life, (RSL), ranging from 0 to 21. The RSL is the remaining life of the road in years, if no additional upkeep, replacement, or maintenance is performed. The RSL is used to classify roads into categories as follows:

Category	RSL Rating Range	Description
Excellent	19 - 20 yrs	New or nearly new pavement which provides a very smooth ride and is mainly free of distress. (No maintenance work needed.)
Very Good	13 - 18 yrs	Pavement which provides an adequate ride, and exhibits few, if any, visible signs of distress. (Minor maintenance may be needed.)
Good	10 - 12 yrs	Pavement which provides an adequate ride, and exhibits few signs of distress. (Moderate maintenance may be needed.)
Fair	7 - 9 yrs	Surface defects in this category such as alligator cracking, potholes, rutting, and raveling are affecting the ride of the user. (Major maintenance is likely needed.)
Poor	1 - 6 yrs	These roads have deteriorated to such an extent that they are in need of resurfacing, and the ride is noticeably rough. (Structural improvements, in addition to major maintenance, is likely needed.)
Failed	0 yrs	Pavement in this category is severely deteriorated, and the ride quality is unacceptable. (Complete road reconstruction is likely needed.)

WEST VALLEY CITY
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED
USING THE MODIFIED APPROACH (Continued)
For The Year Ended June 30, 2010

Major Streets (Continued)

It was the City's policy to maintain at least 80% of all major streets (by mileage) at or above the "fair to excellent" condition level. In 2010, the City changed the policy to correlate with management's software to maintain an average RSL of 10 years or greater, with no more than 3% at end of service life. The City performs a complete condition assessment on each major street every three years. A condition assessment on the major streets was performed in May 2010. Because 2010 was the first year that the new RSL standard was applied the table below is not comparable between 2010 and prior years' ratings.

Condition Rating of the City's Major Streets
(Percentage of Miles)

<u>Category</u>	<u>2010</u>	<u>2007</u>	<u>2005</u>
Excellent	5%	0%	1%
Very Good	29%	31%	20%
Good	42%	45%	46%
Fair	3%	9%	29%
Poor	21%	15%	4%
Fail	0%	0%	0%
Average RSL	10.95 Years		

**Comparison of Needed-to-Actual
Maintenance/Preservation**

<u>Major Streets</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Estimated	\$ 3,840,178	\$ 896,000	\$ 774,000	\$ 612,000	\$ 612,000
Actual	1,242,339	468,163	758,181	527,960	495,437

WEST VALLEY CITY
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED
USING THE MODIFIED APPROACH (Continued)
For The Year Ended June 30, 2010

Minor Streets

The condition of the minor streets pavement is measured using the Local Transportation Assistance Program in which pavement management data has been entered into a database linked to each minor street. A condition assessment was conducted by Utah LTAP Center in the Spring of 2010.

Category	Description *	RSL (Years) **
Excellent	Minor street was slurry-sealed in the prior year.	19-20
Very Good	Pavement which provides an adequate ride, and exhibits few, if any, visible signs of distress. (Minor maintenance may be needed.)	13-18
Good	Minor street was slurry-sealed two to four years ago.	10-12
Fair	Minor street was slurry-sealed five to six years ago and is scheduled in the current year to be slurry-sealed.	7-9
Poor	Minor street has deteriorated to such an extent that it is in need of resurfacing, and the ride is noticeably rough. (Structural improvements, in addition to major maintenance, is likely needed.)	1-6
Failed	Minor street is severely deteriorated, and the ride quality is unacceptable. (Complete road reconstruction is likely needed.)	0

* Assessment for prior City policy.

** Assessment for current City policy.

It was the City's policy to maintain at least 80% of all minor streets (by mileage) at or above the "fair to excellent" condition level. In 2006, the City changed the policy to correlate with management's software to maintain an average RSL of 8 years or greater, therefore the table below is not comparable between 2009 and prior years' ratings.

Condition Rating of the City's Minor Streets
(Percentage of Miles)

<u>Category</u>	<u>2010</u>	<u>2009</u>	<u>2006</u>
Excellent	6%	7%	15%
Very Good	14%	11%	
Good	35%	42%	53%
Fair	4%	7%	31%
Poor/Failed	42%	33%	1%
Average RSL	9.9 Years	9.7 Years	

**Comparison of Needed-to-actual
Maintenance/Preservation**

<u>Minor Streets</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Estimated	\$ 1,118,000	\$ 720,000	\$ 926,000	\$ 1,290,000	\$ 690,000
Actual	1,043,491	608,785	759,082	790,655	563,365

WEST VALLEY CITY
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED
USING THE MODIFIED APPROACH (Continued)
For The Year Ended June 30, 2010

Sidewalks

The condition of the sidewalks is measured using the Geodatabase System in which pavement management data has been entered into a database linked to each minor street. The following table details the measurement scale the City uses in assessing the condition rating for sidewalks.

Category	Description
Excellent/ Good	No defects in the sidewalk.
Fair	Light spalling, less than 1" displacement in the sidewalk.
Poor	Light spalling, 1 - 2" displacement in the sidewalk.
Failed	Heavy spalling, more than 2" displacement in the sidewalk.

It is the City's policy to maintain a minimum of 95% of sidewalks by length) are at the "good or excellent" condition level. The City performs a complete condition assessment on each sidewalk every three years. A complete assessment was performed in the Spring of 2010.

Condition Rating of the City's Sidewalks

<u>Category</u>	<u>2010</u>	<u>2009</u>	<u>2006</u>
Excellent/Good	96%	98%	96%
Fair	2%	1%	2%
Poor	1%	1%	1%
Fail	1%	0%	1%

**Comparison of Needed-to-actual
Maintenance/Preservation**

<u>Sidewalks</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Estimated	\$ 332,200	\$ 458,000	\$ 90,500	\$ 86,000	\$ 60,000
Actual	257,301	157,679	71,505	64,523	50,862

SUPPLEMENTAL INFORMATION

**WEST VALLEY CITY
COMBINING BALANCE SHEET – NONMAJOR
GOVERNMENTAL FUNDS
June 30, 2010**

	Special Revenue Funds			
	Road Impact Fee	Park Impact Fee	Fire Impact Fee	Police Impact Fee
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Intergovernmental	-	-	-	-
Loan receivables	-	-	-	-
Restricted assets:				
Cash and cash equivalents	303,160	1,379,788	440,700	493,555
Total Assets	\$ 303,160	\$ 1,379,788	\$ 440,700	\$ 493,555
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Notes payable	-	-	-	-
Liabilities payable from restricted assets	425	42,704	-	-
Total Liabilities	425	42,704	-	-
Fund Balances:				
Reserved for:				
Debt Service	-	-	-	-
Future development	302,735	1,337,084	440,700	493,555
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Total Fund Balances	302,735	1,337,084	440,700	493,555
Total Liabilities and Fund Balances	\$ 303,160	\$ 1,379,788	\$ 440,700	\$ 493,555

WEST VALLEY CITY
COMBINING BALANCE SHEET – NONMAJOR
GOVERNMENTAL FUNDS (Continued)
June 30, 2010

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	Flood Impact Fee	Grants	Building Authority	
ASSETS				
Cash and cash equivalents	\$ -	\$ 809,605	\$ 3,502,853	\$ 4,312,458
Receivables:				
Intergovernmental	-	1,008,504	-	1,008,504
Loan receivables	-	533,610	-	533,610
Restricted assets:				
Cash and cash equivalents	113,008	-	3,638,035	6,368,246
Total Assets	<u>\$ 113,008</u>	<u>\$ 2,351,719</u>	<u>\$ 7,140,888</u>	<u>\$ 12,222,818</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 149,502	\$ 19,586	\$ 169,088
Accrued liabilities	-	29,254	-	29,254
Due to other funds	-	1,579,436	-	1,579,436
Deferred revenue	-	574,824	-	574,824
Notes payable	-	-	4,600,000	4,600,000
Liabilities payable from restricted assets	-	-	-	43,129
Total Liabilities	<u>-</u>	<u>2,333,016</u>	<u>4,619,586</u>	<u>6,995,731</u>
Fund Balances:				
Reserved for:				
Debt Service	-	-	3,638,035	3,638,035
Future development	113,008	-	-	2,687,082
Unreserved, reported in:				
Special revenue funds	-	18,703	(1,116,733)	(1,098,030)
Total Fund Balances	<u>113,008</u>	<u>18,703</u>	<u>2,521,302</u>	<u>5,227,087</u>
Total Liabilities and Fund Balances	<u>\$ 113,008</u>	<u>\$ 2,351,719</u>	<u>\$ 7,140,888</u>	<u>\$ 12,222,818</u>

WEST VALLEY CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2010

	Special Revenue Funds			
	Road Impact Fee	Park Impact Fee	Fire Impact Fee	Police Impact Fee
Revenues:				
Fees	\$ 376,708	\$ 361,854	\$ 40,697	\$ 29,314
Intergovernmental	-	-	-	-
Interest	2,553	-	974	597
Total Revenues	379,261	361,854	41,671	29,911
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and public improvements	805,731	-	-	-
Parks and recreation	-	371,647	-	-
Community development				
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	805,731	371,647	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(426,470)	(9,793)	41,671	29,911
Other Financing Sources (Uses):				
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	-	198,400	-	-
Transfers out	-	-	(36,500)	(30,000)
Total Other Financing Sources (Uses)	-	198,400	(36,500)	(30,000)
Net Change in Fund Balances	(426,470)	188,607	5,171	(89)
Fund Balances, Beginning	729,205	1,148,477	435,529	493,644
Fund Balances, Ending	\$ 302,735	\$ 1,337,084	\$ 440,700	\$ 493,555

WEST VALLEY CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2010

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	Flood Impact Fee	Grants	Building Authority	
Revenues:				
Fees	\$ 1,854	\$ -	\$ -	\$ 810,427
Intergovernmental	-	2,565,484	-	2,565,484
Interest	3,883	-	25,575	33,582
Total Revenues	<u>5,737</u>	<u>2,565,484</u>	<u>25,575</u>	<u>3,409,493</u>
Expenditures:				
Current:				
General government	-	174,163	-	174,163
Public safety	-	1,431,917	-	1,431,917
Highways and public improvements	155,333	-	-	961,064
Parks and recreation	-	-	-	371,647
Community development	-	676,317	-	676,317
Debt service:				
Principal	-	145,000	2,964,709	3,109,709
Interest	-	138,087	2,012,950	2,151,037
Capital outlay	-	-	294,221	294,221
Total Expenditures	<u>155,333</u>	<u>2,565,484</u>	<u>5,271,880</u>	<u>9,170,075</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(149,596)</u>	<u>-</u>	<u>(5,246,305)</u>	<u>(5,760,582)</u>
Other Financing Sources (Uses):				
Payment to refunding bond escrow agent	-	-	(12,550,848)	(12,550,848)
Transfers in	-	-	18,925,339	19,123,739
Transfers out	-	-	(1,480,122)	(1,546,622)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,894,369</u>	<u>5,026,269</u>
Net Change in Fund Balances	<u>(149,596)</u>	<u>-</u>	<u>(351,936)</u>	<u>(734,313)</u>
Fund Balances, Beginning	<u>262,604</u>	<u>18,703</u>	<u>2,873,238</u>	<u>5,961,400</u>
Fund Balances, Ending	<u>\$ 113,008</u>	<u>\$ 18,703</u>	<u>\$ 2,521,302</u>	<u>\$ 5,227,087</u>

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2010

	Capital Projects			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ 16,803	\$ 16,803
Miscellaneous	-	-	91,052	91,052
Total Revenues	<u>-</u>	<u>-</u>	<u>107,855</u>	<u>107,855</u>
Expenditures:				
Debt service:				
Principal	-	-	740,000	(740,000)
Interest	-	-	91,244	(91,244)
Capital outlay	610,500	6,978,062	2,345,285	4,632,777
Total Expenditures	<u>610,500</u>	<u>6,978,062</u>	<u>3,176,529</u>	<u>3,801,533</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(610,500)</u>	<u>(6,978,062)</u>	<u>(3,068,674)</u>	<u>3,909,388</u>
Other Financing Sources (Uses):				
Transfers in	-	31,578	31,578	-
Transfers out	(1,823,000)	(2,431,940)	(1,908,940)	523,000
Total Other Financing Sources (Uses)	<u>(1,823,000)</u>	<u>(2,400,362)</u>	<u>(1,877,362)</u>	<u>523,000</u>
Net Change in Fund Balances	(2,433,500)	(9,378,424)	(4,946,036)	4,432,388
Fund Balances, Beginning	14,455,868	14,455,868	14,455,868	-
Fund Balances, Ending	<u>\$ 12,022,368</u>	<u>\$ 5,077,444</u>	<u>\$ 9,509,832</u>	<u>\$ 4,432,388</u>

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2010

Building Authority - Special Revenue Fund				
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ 25,575	\$ 25,575
Total Revenues	-	-	25,575	25,575
Expenditures:				
Debt service:				
Principal	3,451,537	2,992,537	2,964,709	27,828
Interest	3,490,574	2,469,452	2,012,950	456,502
Capital outlay	280,000	536,000	294,221	241,779
Total Expenditures	7,222,111	5,997,989	5,271,880	726,109
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,222,111)	(5,997,989)	(5,246,305)	751,684
Other Financing Sources (Uses):				
Payment to refunded bond escrow agent	-	(12,550,848)	(12,550,848)	-
Transfers in	6,952,406	19,503,254	18,925,339	(577,915)
Transfers out	-	(1,480,122)	(1,480,122)	-
Total Other Financing Sources (Uses)	6,952,406	5,472,284	4,894,369	(577,915)
Net Change in Fund Balances	(269,705)	(525,705)	(351,936)	173,769
Fund Balances, Beginning	2,873,238	2,873,238	2,873,238	-
Fund Balances, Ending	\$ 2,603,533	\$ 2,347,533	\$ 2,521,302	\$ 173,769

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2010

	Road Impact Fee - Special Revenue Fund			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees	\$ 400,000	\$ 400,000	\$ 376,708	\$ (23,292)
Interest	-	-	2,553	2,553
Total Revenues	<u>400,000</u>	<u>400,000</u>	<u>379,261</u>	<u>(20,739)</u>
Expenditures:				
Current:				
Highways and public improvements	400,000	915,000	805,731	109,269
Total Expenditures	<u>400,000</u>	<u>915,000</u>	<u>805,731</u>	<u>109,269</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(515,000)</u>	<u>(426,470)</u>	<u>88,530</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(515,000)	(426,470)	88,530
Fund Balances, Beginning	<u>729,205</u>	<u>729,205</u>	<u>729,205</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 729,205</u>	<u>\$ 214,205</u>	<u>\$ 302,735</u>	<u>\$ 88,530</u>

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2010

	Park Impact Fee - Special Revenue Fund			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees	\$ 100,000	\$ 100,000	\$ 361,854	\$ 261,854
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>361,854</u>	<u>261,854</u>
Expenditures:				
Current:				
Parks and recreation	100,000	1,183,048	371,647	811,401
Total Expenditures	<u>100,000</u>	<u>1,183,048</u>	<u>371,647</u>	<u>811,401</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(1,083,048)</u>	<u>(9,793)</u>	<u>1,073,255</u>
Other Financing Sources (Uses):				
Transfers in	-	198,400	198,400	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>198,400</u>	<u>198,400</u>	<u>-</u>
Net Change in Fund Balances	-	(884,648)	188,607	1,073,255
Fund Balances, Beginning	<u>1,148,477</u>	<u>1,148,477</u>	<u>1,148,477</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 1,148,477</u>	<u>\$ 263,829</u>	<u>\$ 1,337,084</u>	<u>\$ 1,073,255</u>

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2010

Fire Impact Fee - Special Revenue Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees	\$ 36,500	\$ 36,500	\$ 40,697	\$ 4,197
Interest	-	-	974	974
Total Revenues	36,500	36,500	41,671	5,171
Expenditures:				
Current:				
Public safety	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,500	36,500	41,671	5,171
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(36,500)	(36,500)	(36,500)	-
Total Other Financing Sources (Uses)	(36,500)	(36,500)	(36,500)	-
Net Change in Fund Balances	-	-	5,171	5,171
Fund Balances, Beginning	435,529	435,529	435,529	-
Fund Balances, Ending	\$ 435,529	\$ 435,529	\$ 440,700	\$ 5,171

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2010

Police Impact Fee - Special Revenue Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees	\$ 55,000	\$ 55,000	\$ 29,314	\$ (25,686)
Interest	-	-	597	597
Total Revenues	55,000	55,000	29,911	(25,089)
Expenditures:				
Current:				
Public safety	25,000	25,000	-	25,000
Total Expenditures	25,000	25,000	-	25,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,000	30,000	29,911	(89)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(30,000)	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	(30,000)	(30,000)	(30,000)	-
Net Change in Fund Balances	-	-	(89)	(89)
Fund Balances, Beginning	493,644	493,644	493,644	-
Fund Balances, Ending	\$ 493,644	\$ 493,644	\$ 493,555	\$ (89)

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2010

	Flood Impact Fee - Special Revenue Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees	\$ 150,000	\$ 150,000	\$ 1,854	\$ (148,146)
Interest	-	-	3,883	3,883
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>5,737</u>	<u>(144,263)</u>
Expenditures:				
Current:				
Highways and public improvements	150,000	150,000	155,333	(5,333)
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>155,333</u>	<u>(5,333)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(149,596)</u>	<u>(149,596)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	(149,596)	(149,596)
Fund Balances, Beginning	262,604	262,604	262,604	-
Fund Balances, Ending	<u>\$ 262,604</u>	<u>\$ 262,604</u>	<u>\$ 113,008</u>	<u>\$ (149,596)</u>

WEST VALLEY CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL - NONMAJOR
GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2010

	Grants - Special Revenue Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,464,138	\$ 5,310,909	\$ 2,565,484	\$ (2,745,425)
Total Revenues	<u>2,464,138</u>	<u>5,310,909</u>	<u>2,565,484</u>	<u>(2,745,425)</u>
Expenditures:				
Current:				
General government	763,072	2,154,808	174,163	1,980,645
Public safety	508,072	1,683,407	1,431,917	251,490
Community development	1,192,994	1,189,607	676,317	513,290
Debt service:				
Principal	-	145,000	145,000	-
Interest	-	138,087	138,087	-
Total Expenditures	<u>2,464,138</u>	<u>5,310,909</u>	<u>2,565,484</u>	<u>2,745,425</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning	<u>18,703</u>	<u>18,703</u>	<u>18,703</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 18,703</u>	<u>\$ 18,703</u>	<u>\$ 18,703</u>	<u>\$ -</u>

WEST VALLEY CITY
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
June 30, 2010

	Business-type Activities - Enterprise Funds		
	Housing Authority	Ambulance Fund	Total Nonmajor Proprietary Funds
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 1,203,639	\$ -	\$ 1,203,639
Accounts receivable, net	255,149	443,839	698,988
Due from other funds	1,298,953	-	1,298,953
Total Current Assets	2,757,741	443,839	3,201,580
Noncurrent Assets:			
Capital assets, net:			
Land	179,070	-	179,070
Buildings	477,981	-	477,981
Machinery and equipment	16,900	635,059	651,959
Total Noncurrent Assets	673,951	635,059	1,309,010
Total Assets	\$ 3,431,692	\$ 1,078,898	\$ 4,510,590
Liabilities:			
Current Liabilities:			
Accounts payable	\$ 7,271	\$ -	\$ 7,271
Accrued liabilities	35,323	148,939	184,262
Deferred revenue	323,537	-	323,537
Bonds Payable	-	20,000	20,000
Due to other funds	13,007	1,286,547	1,299,554
Total Current Liabilities	379,138	1,455,486	1,834,624
Noncurrent Liability			
Bonds Payable, net	-	43,000	43,000
Total Noncurrent Liability	-	43,000	43,000
Total Liabilities	379,138	1,498,486	1,877,624
Net Assets:			
Invested in capital assets, net of related debt	673,951	572,059	1,246,010
Unrestricted	2,378,603	(991,647)	1,386,956
Total Net Assets	3,052,554	(419,588)	2,632,966
Total Liabilities and Net Assets	\$ 3,431,692	\$ 1,078,898	\$ 4,510,590

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

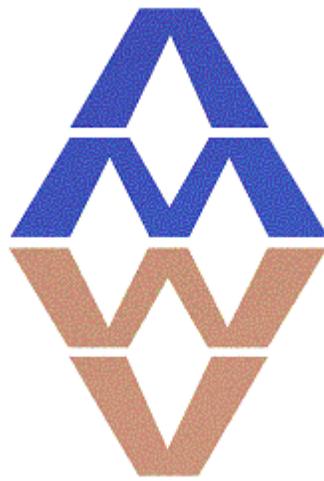
	Business-type Activities - Enterprise Funds		
	Housing Authority	Ambulance Fund	Total Nonmajor Proprietary Funds
Operating Revenues:			
Ambulance fees	\$ -	\$ 1,366,649	\$ 1,366,649
Equipment and facility rents	15,699	-	15,699
Miscellaneous	38,626	-	38,626
Total Operating Revenues	<u>54,325</u>	<u>1,366,649</u>	<u>1,420,974</u>
Operating Expenses:			
General and administrative	495,724	1,305,074	1,800,798
Housing Payments	3,051,058	-	3,051,058
Depreciation	36,268	146,277	182,545
Total Operating Expenses	<u>3,583,050</u>	<u>1,451,351</u>	<u>5,034,401</u>
Operating Income (loss)	<u>(3,528,725)</u>	<u>(84,702)</u>	<u>(3,613,427)</u>
Nonoperating Income (Expense):			
Intergovernmental revenue	3,668,219	-	3,668,219
Interest income	4,310	-	4,310
Interest expense	-	(5,591)	(5,591)
Total Nonoperating Income (Expense)	<u>3,672,529</u>	<u>(5,591)</u>	<u>3,666,938</u>
Income (Loss) Before Transfers	<u>143,804</u>	<u>(90,293)</u>	<u>53,511</u>
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Assets	<u>143,804</u>	<u>(90,293)</u>	<u>53,511</u>
Net Assets, Beginning	<u>2,908,750</u>	<u>(329,295)</u>	<u>2,579,455</u>
Net Assets, Ending	<u>\$ 3,052,554</u>	<u>\$ (419,588)</u>	<u>\$ 2,632,966</u>

WEST VALLEY CITY
COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS
For The Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds		
	Housing Authority	Ambulance Fund	Total Nonmajor Proprietary Funds
Cash Flows From Operating Activities:			
Receipts from customers and users	\$ 54,325	\$ 1,622,528	\$ 1,676,853
Payments to suppliers	(3,385,667)	(202,572)	(3,588,239)
Payments to employees and related benefits	(276,853)	(1,103,377)	(1,380,230)
Net cash from operating activities	(3,608,195)	316,579	(3,291,616)
Cash Flows From Capital and Related Financing Activities:			
Purchase of equipment/improvements	-	-	-
Principal paid on bonds and capital lease	-	(170,537)	(170,537)
Interest paid on bonds and capital lease	-	(5,590)	(5,590)
Net cash from capital and related financing activities	-	(176,127)	(176,127)
Cash Flows From Non-Capital Financing Activities:			
Subsidy from federal grants	3,357,552	-	3,357,552
Advances to other funds	-	(140,452)	(140,452)
Advances from other funds	13,007	-	13,007
Net cash from non-capital financing activities	3,370,559	(140,452)	3,230,107
Cash Flows From Investing Activity:			
Interest on investments	4,310	-	4,310
Net cash from investing activity	4,310	-	4,310
Net Increase (Decrease) In Cash	(233,326)	-	(233,326)
Cash and Cash Equivalents At Beginning Of Year	1,436,965	-	1,436,965
Cash and Cash Equivalents At End Of Year	\$ 1,203,639	\$ -	\$ 1,203,639

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

	Business-type Activities - Enterprise Funds		
	Housing Authority	Ambulance Fund	Total Nonmajor Proprietary Funds
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	\$ (3,528,725)	\$ (84,702)	\$ (3,613,427)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation expense	36,268	146,277	182,545
(Increase) Decrease in accounts receivables	-	255,879	255,879
Increase (Decrease) in accounts payable	(31,690)	-	(31,690)
Increase (Decrease) in accrued liabilities	(84,048)	(875)	(84,923)
Net cash from operating activities	\$ (3,608,195)	\$ 316,579	\$ (3,291,616)



WEST VALLEY CITY

STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context of understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

- Financial trends - these schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.
- Revenue Capacity - these schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax
- Debt Capacity - these schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and government's ability to issue additional debt in the future.
- Demographic and Economic Information - these schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.
- Operating information - these schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

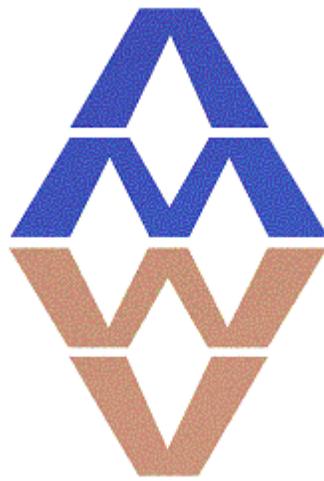


Table 1

**West Valley City
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)**

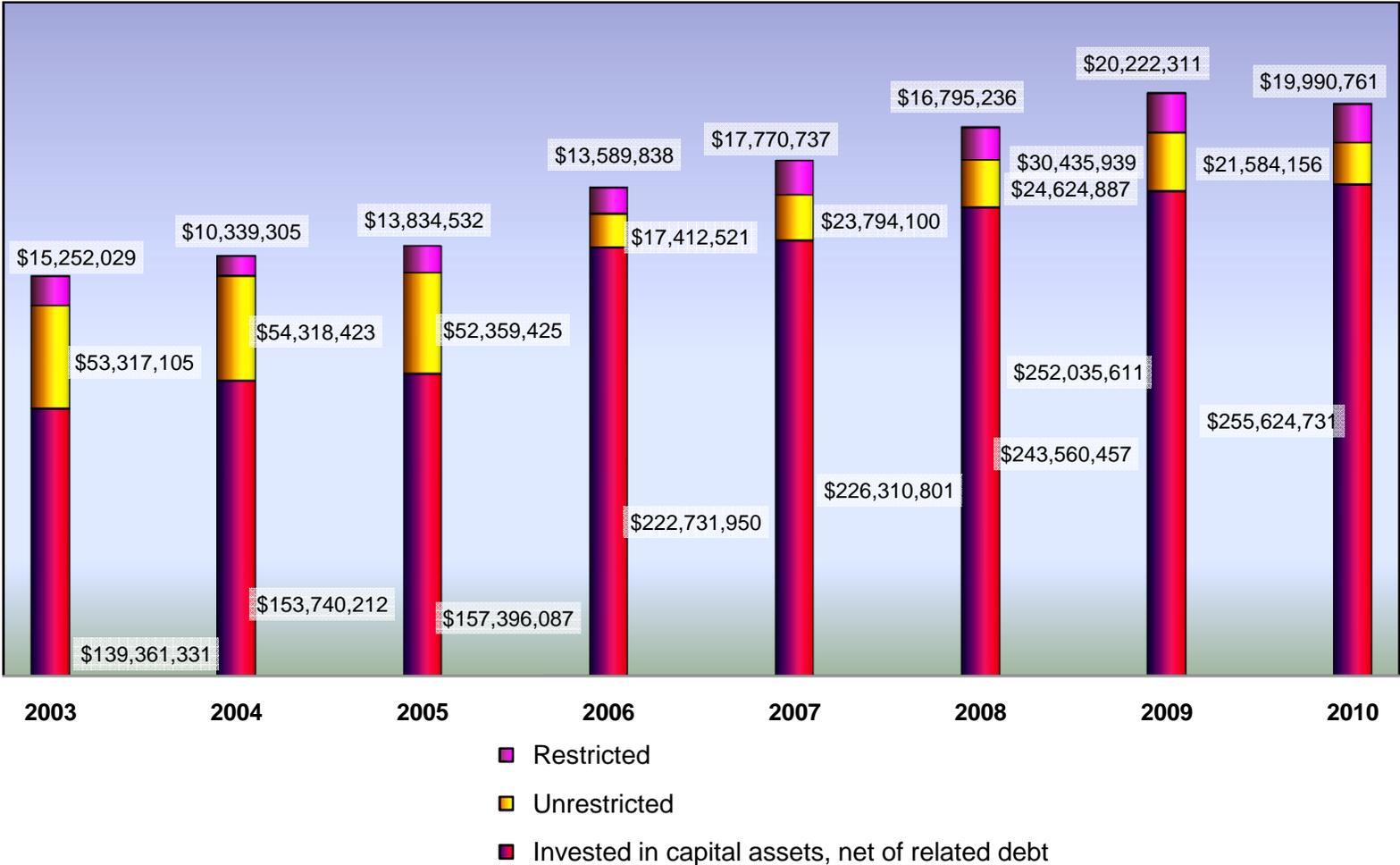
	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
Invested in capital assets, net of related debt	\$139,361,331	\$153,740,212	\$157,396,087	\$222,731,950	\$226,310,801	\$243,560,457	\$252,035,611	\$255,624,731
Restricted	15,252,029	10,339,305	13,834,532	13,589,838	17,770,737	16,795,236	20,222,311	19,990,761
Unrestricted	53,317,105	54,318,423	52,359,425	17,412,521	23,794,100	24,624,887	30,435,939	21,584,156
Total governmental activities net assets	\$207,930,465	\$218,397,940	\$223,590,044	\$253,734,309	\$267,875,638	\$284,980,580	\$302,693,861	\$297,199,648
Business-type activities								
Invested in capital assets, net of related debt	\$4,028,921	\$4,066,978	\$4,927,823	\$5,318,631	\$6,434,458	\$6,040,767	\$6,745,381	\$7,035,282
Restricted	-	525,615	486,810	573,757	714,200	2,486	-	639,947
Unrestricted	2,522,913	1,477,905	915,243	778,229	1,088,237	2,378,068	2,012,992	1,061,764
Total business-type activities net assets	\$6,551,834	\$6,070,498	\$6,329,876	\$6,670,617	\$8,236,895	\$8,421,321	\$8,758,373	\$8,736,993
Primary government								
Invested in capital assets, net of related debt	\$143,390,252	\$157,807,190	\$162,323,910	\$228,050,581	\$232,745,259	\$249,601,224	\$258,780,992	\$262,660,013
Restricted	15,252,029	10,864,920	14,321,342	14,163,595	18,484,937	\$16,797,722	20,222,311	20,630,708
Unrestricted	55,840,018	55,796,328	53,274,668	18,190,750	24,882,337	27,002,955	32,448,931	22,645,920
Total primary government net assets	\$214,482,299	\$224,468,438	\$229,919,920	\$260,404,926	\$276,112,533	\$293,401,901	\$311,452,234	\$305,936,641

Source: West Valley City CAFR's 2003-2010, Statement of Net Assets

General Note: Required financial statement data for this schedule was not available until after the City's implementation of GASB 34, which occurred for the fiscal year ended June 30, 2003

WEST VALLEY CITY, UTAH

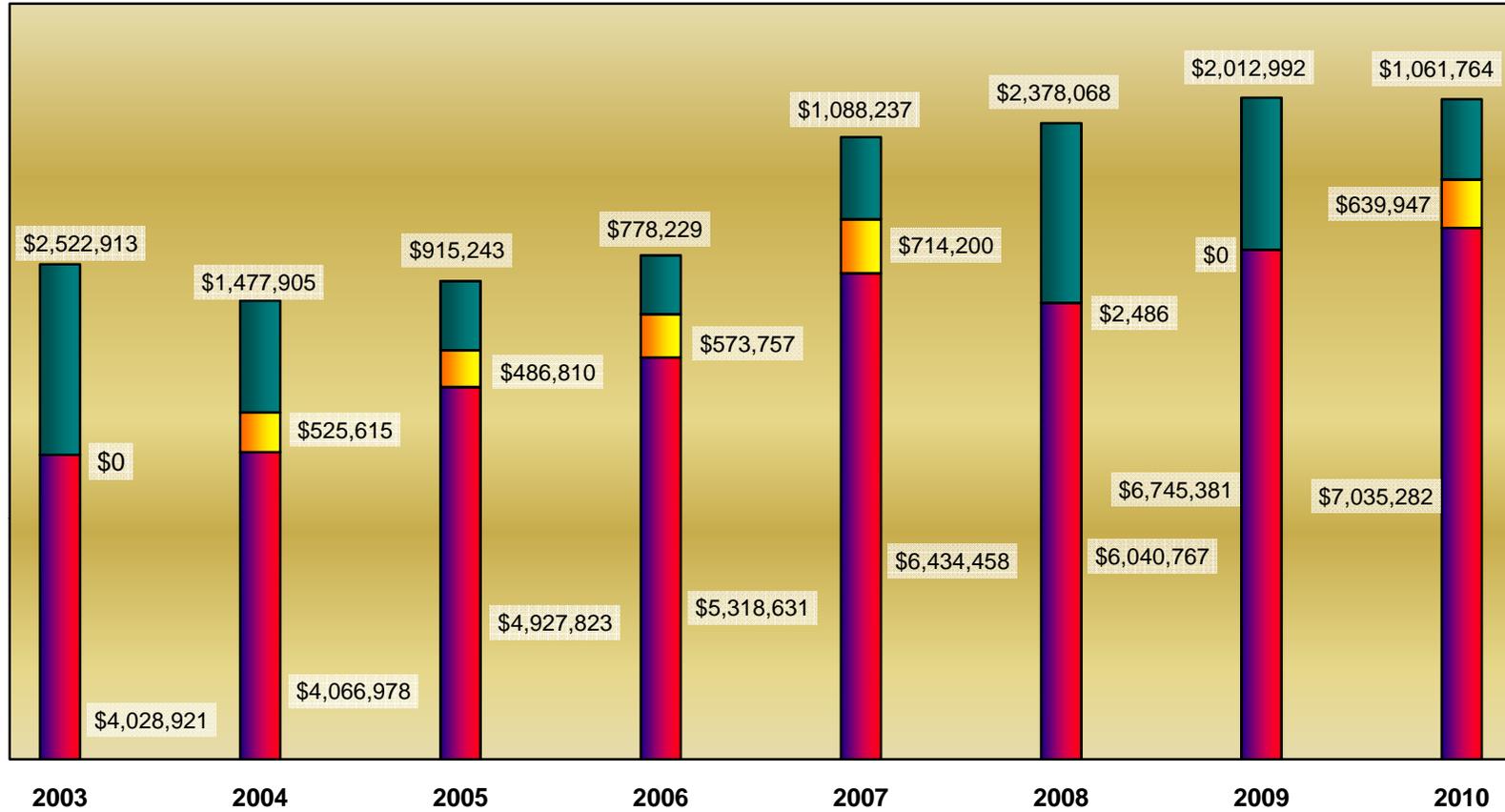
Net Assets by *Governmental Activities*



WEST VALLEY CITY, UTAH

Net Assets by

Business-Type Activities



- Unrestricted
- Restricted
- Invested in capital assets, net of related debt

Table 2
West Valley City
Changes in Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)

Expenses	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
General government	\$9,804,666	\$10,236,884	\$11,529,739	\$12,401,614	\$16,511,736	\$19,035,615	\$14,647,184	\$14,042,833
Public safety	24,133,362	25,586,567	26,441,432	26,478,626	26,816,569	27,188,696	30,799,097	31,051,624
Highways and streets	9,062,361	10,258,509	9,758,769	14,179,285	13,590,194	18,236,834	15,475,919	16,161,621
Parks and recreation	12,491,708	11,345,149	10,933,550	11,392,074	11,473,425	10,324,958	12,441,389	12,350,360
Community development	5,829,288	6,324,663	6,033,403	5,324,016	5,483,692	5,777,061	7,841,988	14,128,000
Interest on debt service	7,998,498	8,538,694	7,845,883	8,820,535	5,540,690	4,448,885	4,996,711	5,366,667
Total governmental activities expenses	69,319,883	72,290,466	72,542,776	78,596,150	79,416,304	85,012,049	86,202,288	93,101,105
Business-type activities								
Golf courses	3,999,833	3,654,627	3,412,172	3,754,912	3,505,116	4,021,640	3,888,337	3,745,920
Housing authority	3,258,193	3,614,721	3,223,787	3,269,565	3,374,657	3,107,271	3,591,190	3,583,050
Ambulance	-	-	20,276	1,752,093	1,345,716	1,470,021	1,796,312	1,456,942
Total business-type activities	7,258,026	7,269,348	6,656,235	8,776,570	8,225,489	8,598,932	9,275,839	8,785,912
Total primary government expenses	\$76,577,909	\$79,559,814	\$79,199,011	\$87,372,720	\$87,641,793	\$93,610,981	\$95,478,127	\$101,887,017
Program Revenues								
Governmental activities								
Charges for services - by activity								
General government	\$3,633,969	\$3,139,031	\$4,558,459	\$3,624,598	\$3,424,604	\$3,074,788	\$2,790,821	\$2,872,664
Public safety	4,661,823	5,020,005	4,456,272	4,184,497	4,620,051	4,171,541	4,467,168	4,984,468
Highways and public improvements	7,764,449	7,549,980	7,147,035	8,090,910	9,261,413	8,656,910	9,311,098	8,490,677
Parks and recreation	5,965,539	6,149,313	5,599,415	5,897,509	5,326,151	5,986,842	7,814,261	7,037,247
Community development	1,588,626	2,477,424	1,750,100	2,042,993	2,323,357	2,554,728	2,429,417	1,848,489
Operating grants and contributions	5,966,635	7,746,195	9,127,696	8,217,033	6,357,895	6,011,253	6,129,745	5,869,996
Capital grants and contributions	5,072,379	3,388,585	3,994,890	5,618,164	3,271,897	13,367,105	12,929,031	1,832,921
Total governmental activities program revenue	34,653,420	35,470,533	36,633,867	37,675,704	34,585,368	43,823,167	45,871,541	32,936,462
Business-type activities								
Golf Courses	2,930,172	2,699,250	2,461,906	2,659,256	2,797,750	2,876,814	2,809,684	2,572,855
Housing Authority	94,147	103,766	135,046	83,143	87,627	111,385	197,517	181,069
Ambulance	-	-	-	1,661,391	1,901,256	1,116,127	1,676,047	1,366,649
Operating grants and contributions	3,139,760	3,398,479	3,114,782	3,246,184	3,198,218	2,807,203	3,265,560	3,541,481
Capital grants and contributions	15,711	-	-	-	-	-	-	-
Total business-type activities program revenues	6,179,790	6,201,495	5,711,734	7,649,974	7,984,851	6,911,529	7,948,808	7,662,054
Total primary government program revenues	\$40,833,210	\$41,672,028	\$42,345,601	\$45,325,678	\$42,570,219	\$50,734,696	\$53,820,349	\$40,598,516

Table 2 (continued)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Net (expense)/revenue								
Governmental activities	(\$34,666,463)	(\$36,819,933)	(\$35,908,909)	(\$40,920,446)	(\$44,830,936)	(\$41,188,882)	(\$40,330,747)	(\$60,164,643)
Business-type activities	(1,078,236)	(1,067,853)	(944,501)	(1,126,596)	(240,638)	(1,687,403)	(1,327,031)	(1,123,858)
Total primary government net expense	<u>(\$35,744,699)</u>	<u>(\$37,887,786)</u>	<u>(\$36,853,410)</u>	<u>(\$42,047,042)</u>	<u>(\$45,071,574)</u>	<u>(\$42,876,285)</u>	<u>(\$41,657,778)</u>	<u>(\$61,288,501)</u>
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	\$16,482,426	\$16,978,654	\$15,879,503	\$16,388,067	\$26,940,363	\$26,448,653	\$28,015,516	\$28,452,413
Sales taxes	14,586,796	15,375,398	17,061,625	19,335,997	21,711,761	22,425,263	19,120,182	17,586,807
Franchise taxes	5,807,978	6,997,395	7,246,471	8,562,963	8,147,599	9,034,802	9,299,207	9,101,454
Other taxes	240,881	242,612	95,913	94,403	98,741	118,727	155,167	224,620
Unrestricted investment earnings	3,463,157	3,163,666	464,754	1,423,280	1,536,951	1,642,412	774,332	126,648
Gain (loss) on disposition of assets	792,621	(942,375)	1,309,349	1,218,421	1,975,324	112,267	321,054	122,825
Other revenues	-	735,524	214,412	155,167	155,161	155,167	2,136,542	151,906
Transfers	(376,538)	(567,660)	(1,171,014)	(1,054,315)	(1,593,634)	(1,643,466)	(1,799,525)	(1,096,243)
Special Item	-	-	-	(902,408)	-	-	-	-
Total governmental activities	<u>\$40,997,321</u>	<u>\$41,983,214</u>	<u>\$41,101,013</u>	<u>\$45,221,575</u>	<u>\$58,972,266</u>	<u>\$58,293,825</u>	<u>\$58,022,475</u>	<u>\$54,670,430</u>
Business-type activities:								
Investment earnings	34,179	18,857	32,865	69,156	86,532	72,791	10,253	6,235
Gain on disposition of capital assets	-	-	-	343,866	135,750	17,142	(4,116)	-
Transfers	-	-	1,171,014	1,054,315	1,593,634	1,643,466	1,799,525	1,096,243
Total business-type activities	<u>34,179</u>	<u>18,857</u>	<u>1,203,879</u>	<u>1,467,337</u>	<u>1,815,916</u>	<u>1,733,399</u>	<u>1,805,662</u>	<u>1,102,478</u>
Total primary government	<u>\$41,031,500</u>	<u>\$42,002,071</u>	<u>\$42,304,892</u>	<u>\$46,688,912</u>	<u>\$60,788,182</u>	<u>\$60,027,224</u>	<u>\$59,828,137</u>	<u>\$55,772,908</u>
Changes in Net Assets								
Governmental activities	6,330,858	5,163,281	5,192,104	4,301,129	14,141,330	17,104,943	17,691,728	(5,494,213)
Business-type activities	(1,044,057)	(1,048,996)	259,378	340,741	1,566,278	45,996	478,631	(21,380)
Total primary government	<u>\$5,286,801</u>	<u>\$4,114,285</u>	<u>\$5,451,482</u>	<u>\$4,641,870</u>	<u>\$15,707,608</u>	<u>\$17,150,939</u>	<u>\$18,170,359</u>	<u>(\$5,515,593)</u>

Source: West Valley City CAFR's 2003-2010, Statement of Activities

General Note: Required financial statement data for this schedule was not available until after the City's implementation of GASB 34, which occurred for the fiscal year ended June 30, 2003

WEST VALLEY CITY, UTAH

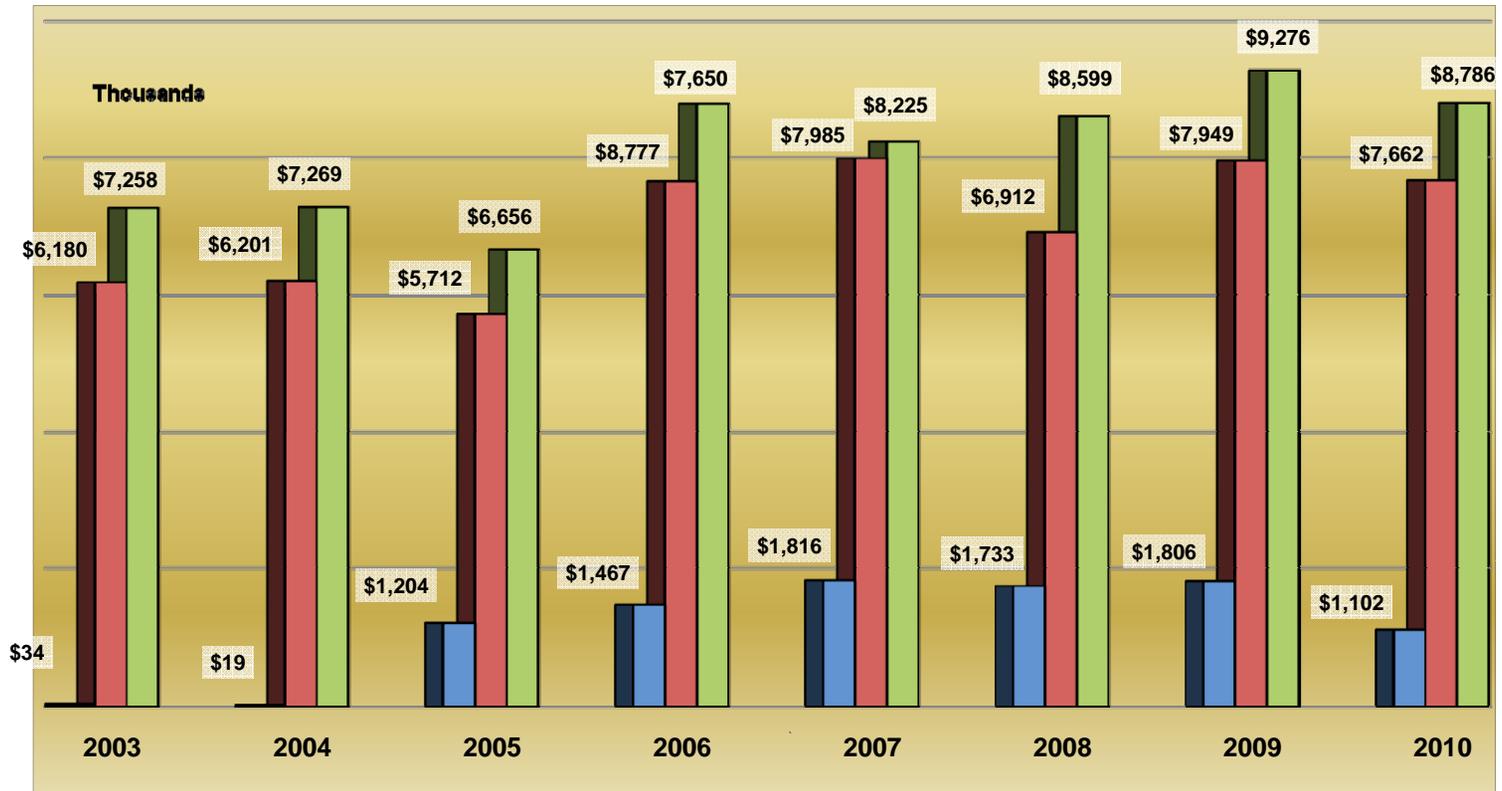
Changes in Net Assets by *Governmental Activities*



- Total governmental activities expenses
- Total governmental activities
- Total governmental activities program revenue

WEST VALLEY CITY, UTAH

Changes in Net Assets by *Business-Type Activities*



- Total business-type activities
- Total business-type activities program revenues
- Total business-type activities

Table 3

**West Valley City
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

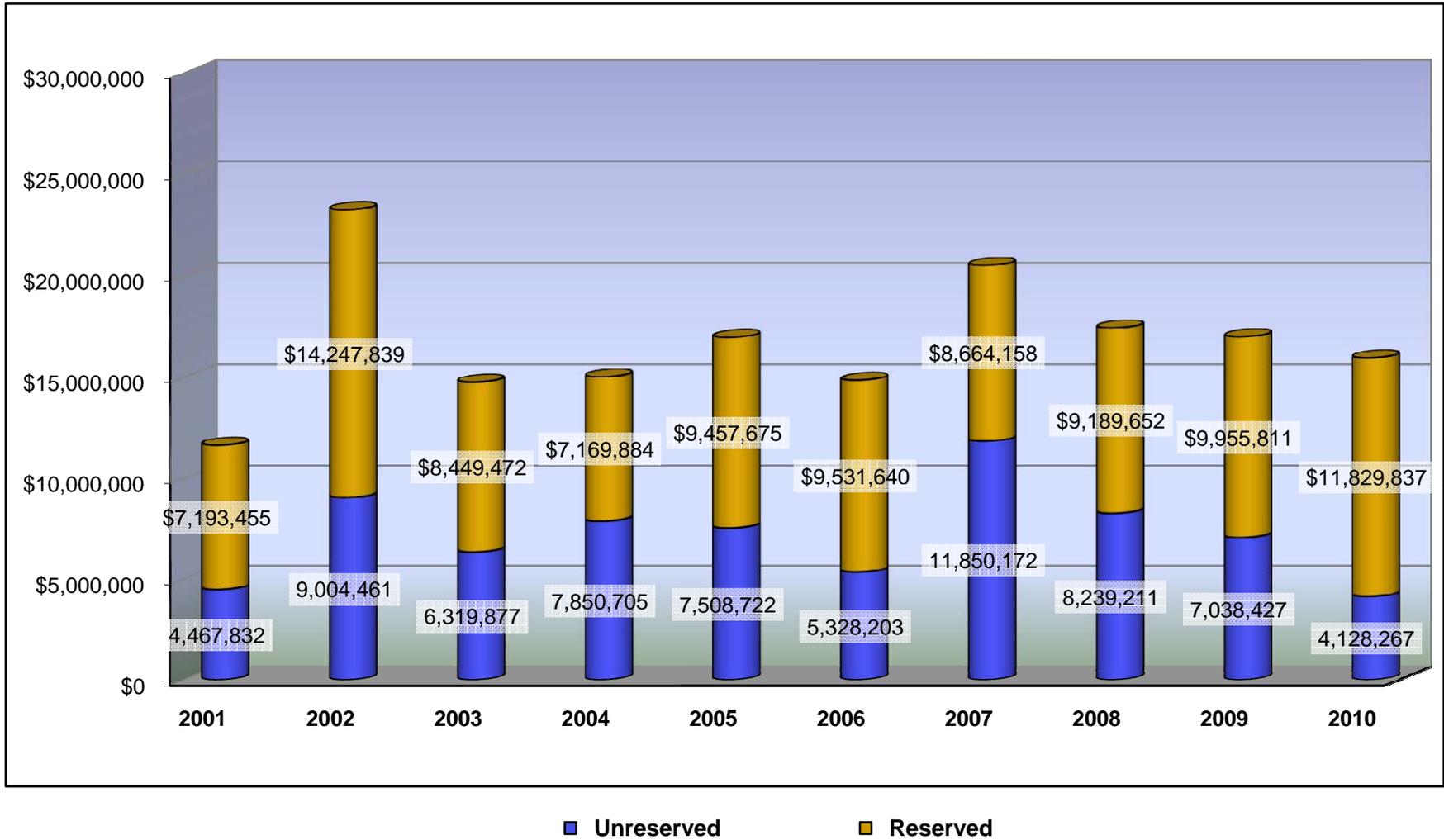
Fiscal year	2001	2002	2003	2004
General fund				
Reserved	\$7,193,455	\$14,247,839	\$8,449,472	\$7,169,884
Unreserved	4,467,832	9,004,461	6,319,877	7,850,705
Total general fund	<u>\$11,661,287</u>	<u>\$23,252,300</u>	<u>\$14,769,349</u>	<u>\$15,020,589</u>
All other governmental funds				
Reserved	\$13,968,153	\$9,400,863	\$7,148,182	\$7,832,252
Unreserved, reported in:				
Special revenue funds	1,787,784	3,611,702	7,317,714	878,618
Capital projects funds	1,502,705	1,594,520	1,316,961	3,560,108
Permanent funds				
Total all other governmental funds	<u>\$17,258,642</u>	<u>\$14,607,085</u>	<u>\$15,782,857</u>	<u>\$12,270,978</u>

Source: West Valley City CAFR's 2001-2010, Balance Sheet - Governmental Funds

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$9,457,675	\$9,531,640	\$8,664,158	\$9,189,652	\$9,955,811	\$11,829,837
7,508,722	5,328,203	11,850,172	8,239,211	7,038,427	4,128,267
<u>\$16,966,397</u>	<u>\$14,859,843</u>	<u>\$20,514,330</u>	<u>\$17,428,863</u>	<u>\$16,994,238</u>	<u>\$15,958,104</u>
\$8,976,857	\$8,658,198	\$11,014,491	\$14,081,476	\$22,937,302	\$24,590,472
224,690	552,812	2,964,139	886,036	2,425,246	1,826,430
2,937,124	3,841,597	4,758,510	6,519,377	7,907,160	5,129,900
<u>\$12,138,671</u>	<u>\$13,052,607</u>	<u>\$18,737,140</u>	<u>\$21,486,889</u>	<u>\$33,269,708</u>	<u>\$31,546,802</u>

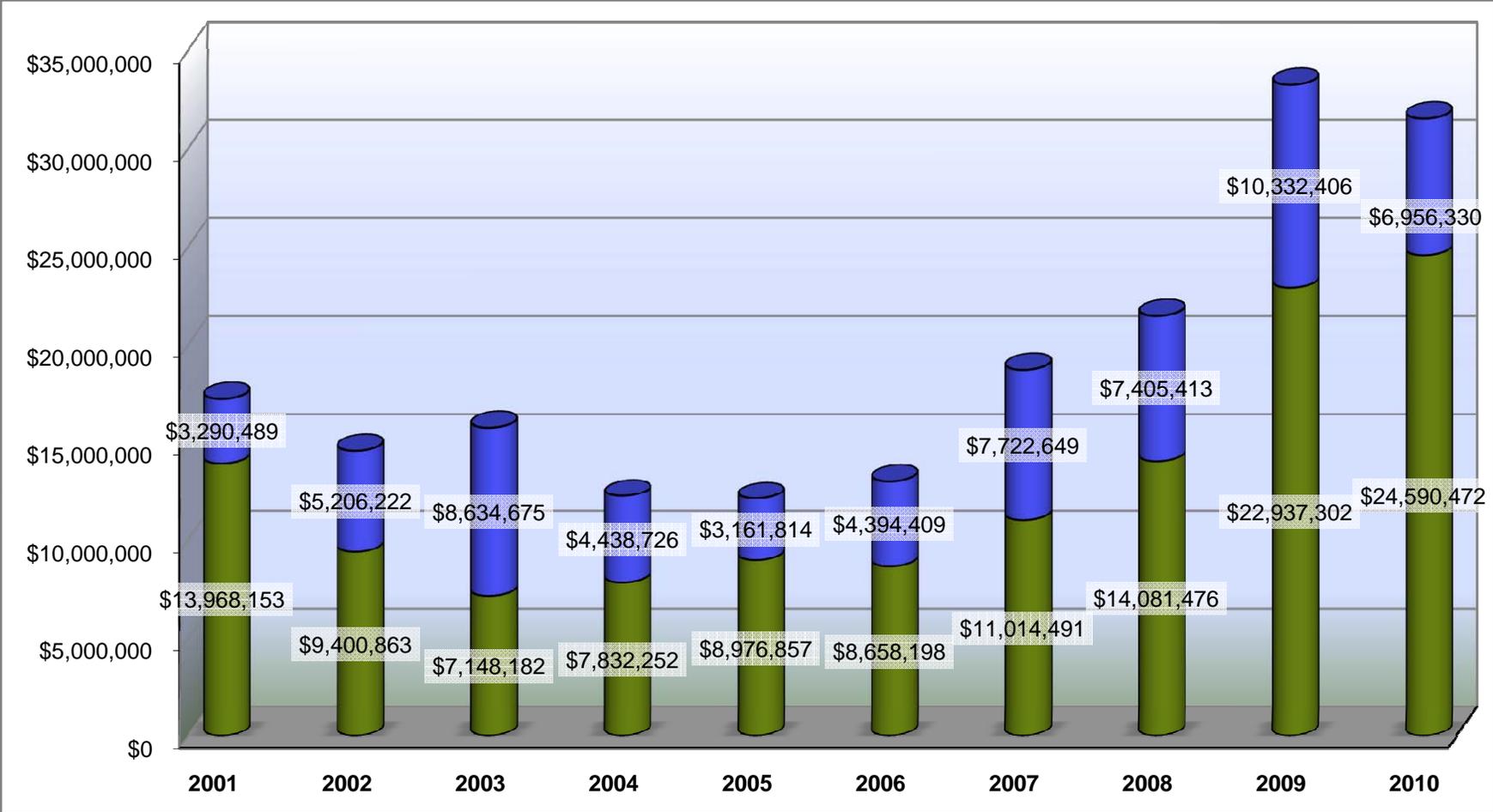
WEST VALLEY CITY, UTAH

General Fund Fund Balances



WEST VALLEY CITY, UTAH

All Other Governmental Funds Fund Balances



■ Unreserved ■ Reserved

Table 4
West Valley City
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

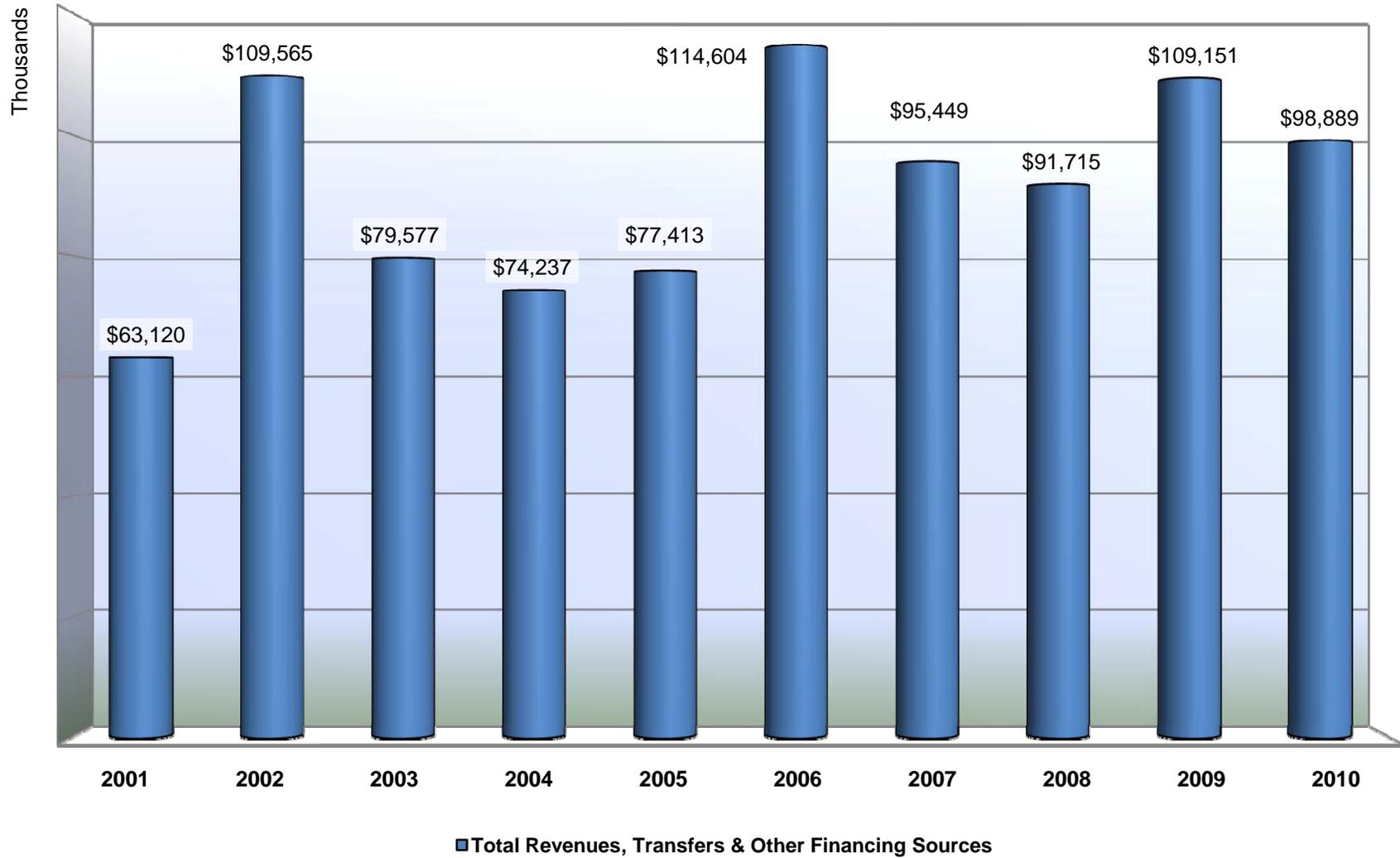
	Fiscal Year				
	2001	2002	2003	2004	2005
Revenues					
Taxes	\$34,029,938	\$38,003,111	\$37,118,081	\$39,506,614	\$41,173,802
Fees and passes	5,932,441	8,545,610	9,505,608	9,237,792	8,565,743
Licenses and permits	2,756,350	2,597,082	2,691,483	3,149,510	2,861,618
Intergovernmental	6,706,613	7,494,892	8,739,811	8,462,920	6,823,598
Fines and forfeitures	2,770,033	3,698,615	4,096,954	4,325,697	3,750,382
Charges for services	1,708,021	1,386,403	1,536,230	1,579,292	1,768,443
Rental income	1,447,605	8,176,436	3,514,738	3,620,825	3,107,069
Investment earnings	3,678,781	4,189,009	3,379,737	3,246,550	3,261,669
Special assessments	650,533	659,296	659,296	659,357	841,275
Sale of Land	141,330	432,986	1,847,387	1,085,000	-
Miscellaneous	1,099,529	1,352,865	1,836,135	2,332,784	1,330,573
Total revenues	60,921,174	76,536,305	74,925,460	77,206,341	73,484,172
Expenditures					
General government	7,455,514	7,724,254	10,066,326	9,028,518	8,828,276
Public safety	19,130,615	21,756,996	22,663,486	24,086,915	25,279,505
Highways and public improvements	4,427,968	4,429,288	10,784,714	10,421,613	11,412,199
Parks and recreation	1,138,895	1,731,243	7,244,254	7,550,057	7,355,951
Community development	1,784,725	2,069,114	5,539,609	4,324,828	3,790,849
Other nondepartmental	1,325,286	15,816,943	10,431,966	2,783,702	2,583,819
Fitness center	2,178,274	2,247,400	-	-	-
Redevelopment agency	1,043,356	1,357,462	1,778,956	5,959,302	2,426,294
Administration	15,038	53,420	-	-	-
Hale Center Theater	45,667	7,714	-	-	-
Building Authority	50,216	-	-	-	-
E Center Arena	440,487	498,199	-	-	-
Sanitation	2,705,033	2,384,015	-	-	-
Impact Fees	640,791	922,304	-	-	-
Stormwater drainage	38,374	1,589,610	-	-	-
Grants	3,144,330	7,042,236	-	-	-
Land purchase	141,330	-	-	-	-
Capital outlay	2,367,585	8,906,934	1,845,252	1,218,722	150,715
Debt service:					
Principal	4,748,757	12,131,509	4,653,240	7,016,023	5,942,455
Interest	7,757,213	9,379,375	7,579,634	8,514,802	7,929,180
Bond insurance costs	-	2,138,351	179,694	-	-
Total expenditures	\$60,579,454	\$102,186,367	\$82,767,131	\$80,904,482	\$75,699,243
Excess of revenues over (under) expenditures	341,720	(25,650,062)	(7,841,671)	(3,698,141)	(2,215,071)
Other financing sources (uses)					
Proceeds from issuance of warrants and bonds	2,701,073	73,458,923	9,726,872	-	-
Bond proceeds used to retire debt	-	-	-	-	-
Refunding bonds issued	-	(40,046,299)	(5,015,225)	(3,886,586)	6,319,468
Revenue bonds issued	-	-	-	-	-
Special assessment bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	(6,178,129)
Notes payable issued	-	-	-	-	1,429,088
Bond retirement, due to sale of assets	-	-	-	-	(1,026,000)
Capital leases	-	-	201,000	1,484,948	-
Transfers in	12,613,419	20,534,440	10,685,947	12,642,853	13,730,910
Transfers out	(13,115,430)	(20,918,045)	(11,062,485)	(13,210,513)	(14,901,924)
Sale of capital assets	-	-	115,657	-	4,555,159
Special item - receivable satisfied by receipt of fixed assets	-	-	-	-	-
Total other financing sources (uses)	2,199,062	33,029,019	4,651,766	(2,969,298)	3,928,572
Net changes in fund balances	\$2,540,782	\$7,378,957	(\$3,189,905)	(\$6,667,439)	\$1,713,501
Debt service as a percentage of noncapital expenditures	21.5%	23.1%	15.1%	19.5%	18.4%

Source: West Valley City CAFR's 2001-2010, Statement of Revenues, Expenditures, and changes in Fund Balances - Governmental Funds

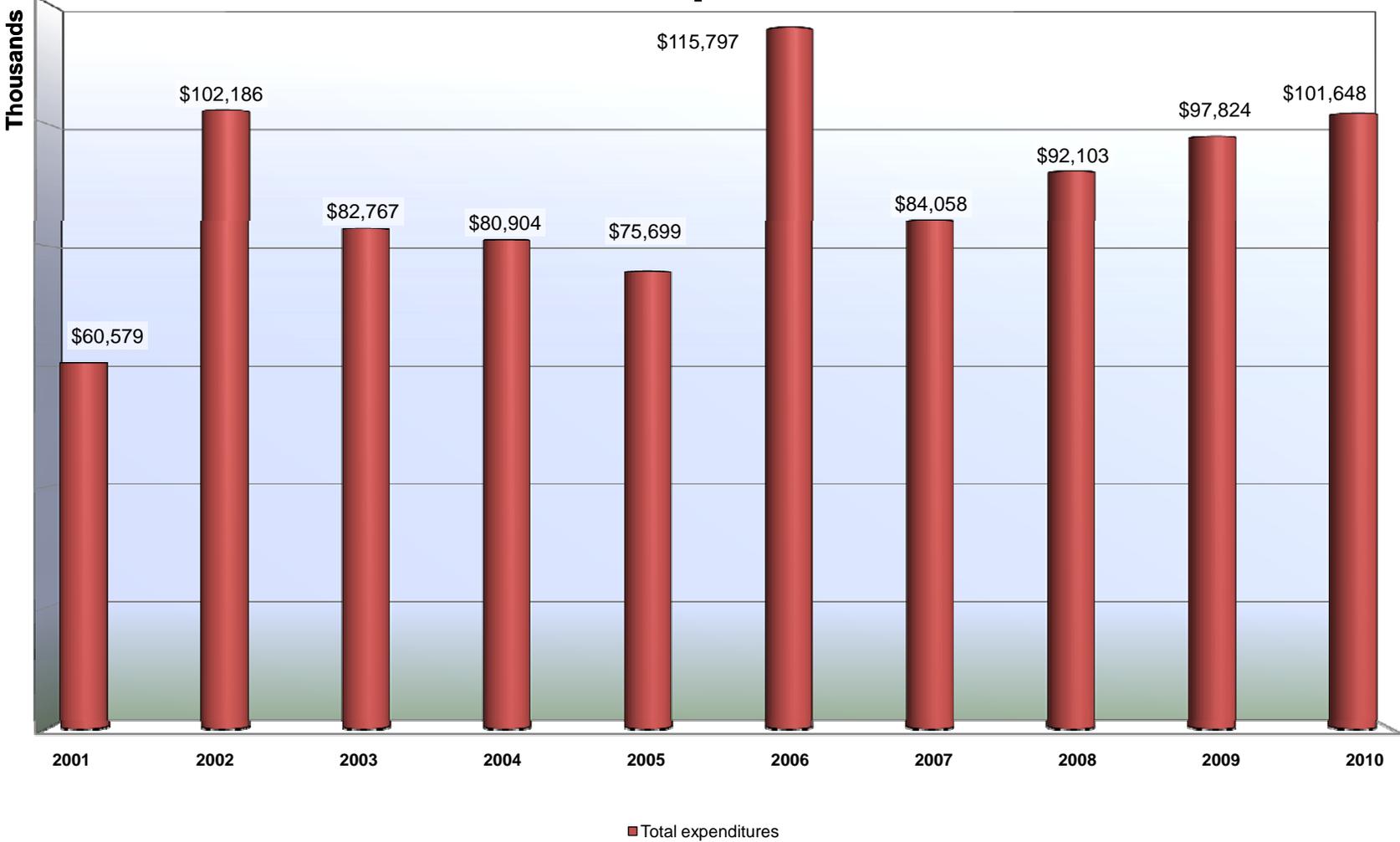
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$45,322,680	\$56,799,722	\$57,908,719	\$56,434,905	\$55,140,674
9,561,713	10,707,374	10,460,052	11,867,394	10,828,399
3,183,143	3,737,625	3,376,754	3,691,344	3,153,302
6,364,334	6,429,764	6,592,399	8,369,446	6,412,916
3,518,722	4,051,397	3,598,220	3,829,389	4,451,877
1,307,066	1,204,091	653,709	870,358	579,947
3,577,992	2,809,873	3,467,815	4,325,119	4,241,699
5,999,039	2,302,117	2,199,690	1,227,410	598,318
477,290	807,698	757,653	256,512	256,512
-	-	-	-	-
937,489	1,611,395	1,706,495	2,002,851	1,766,696
<u>80,249,468</u>	<u>90,461,056</u>	<u>90,721,506</u>	<u>92,874,728</u>	<u>87,430,340</u>
9,372,709	9,920,325	11,301,197	10,038,150	11,106,431
26,655,723	26,443,757	27,706,064	29,385,896	29,277,218
14,135,790	14,601,557	16,785,406	4,015,617	13,992,977
8,200,937	8,172,558	8,262,124	9,823,331	9,808,015
3,697,325	3,246,432	3,756,007	4,860,340	4,114,756
1,552,472	5,468,952	2,931,443	941,979	968,280
-	-	-	-	-
2,103,258	2,569,446	2,556,465	2,905,588	9,548,731
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,291,169	2,061,316	5,715,353	24,285,979	9,346,835
39,730,410	5,803,067	8,020,128	6,004,216	7,624,337
9,056,978	4,812,532	5,028,429	5,175,856	5,447,768
-	957,935	40,822	387,242	412,477
<u>\$115,796,771</u>	<u>\$84,057,877</u>	<u>\$92,103,438</u>	<u>\$97,824,194</u>	<u>\$101,647,825</u>
(35,547,303)	6,403,179	(1,381,932)	(4,949,466)	(14,217,485)
-	-	-	-	-
-	(4,543,250)	-	-	-
32,585,000	40,651,750	-	-	-
-	-	-	13,950,000	22,755,000
1,956,888	3,613,000	2,125,000	-	-
-	550,309	-	48,900	743,829
-	(36,870,606)	-	-	(12,550,848)
-	-	-	-	-
-	-	-	-	-
-	-	-	2,026,339	1,432,163
15,467,940	15,917,539	21,022,687	27,318,238	30,662,896
(16,522,255)	(17,511,173)	(22,666,153)	(29,117,763)	(31,759,139)
1,769,520	3,180,685	512,267	2,050,387	174,544
(902,408)	-	-	-	-
<u>34,354,685</u>	<u>4,988,254</u>	<u>993,801</u>	<u>16,276,101</u>	<u>11,458,445</u>
<u>(\$1,192,618)</u>	<u>\$11,391,433</u>	<u>(\$388,131)</u>	<u>\$11,326,635</u>	<u>(\$2,759,040)</u>
42.6%	12.9%	15.1%	15.2%	14.2%

WEST VALLEY CITY, UTAH

Total Revenues, Transfers & Other Financing Sources



WEST VALLEY CITY, UTAH Total Expenditures



WEST VALLEY CITY, UTAH

Debt Service as a Percentage of Non-capital Expenditures

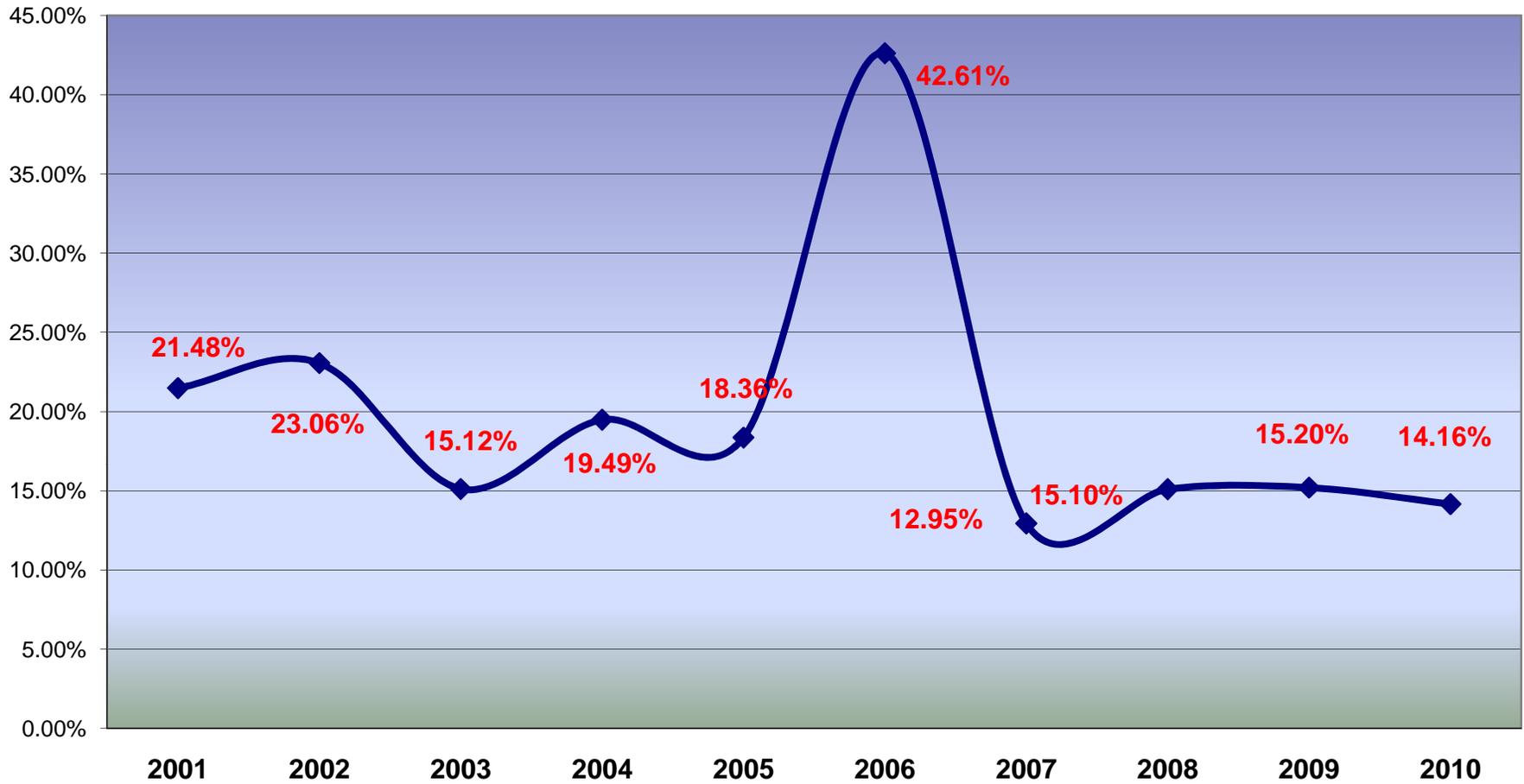


Table 5
West Valley City
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Fiscal Year Ended December 31	Real Property(3)(4)		Less: Tax Exempt Real Property(1)	Total Residential Taxable Assessed Value	Total Direct Tax Rate(2)	Estimated Actual Taxable Value(3)	Assessed Value as a Percentage of Actual Value
	Primary Residential Property	Secondary or Non-Residential Property					
2000	1,691,140,028	1,760,826,549	761,013,013	2,690,953,564	0.0024870	2,778,240,574	96.86%
2001	1,319,902,948	2,458,337,626	593,956,327	3,184,284,247	0.0024900	3,951,073,700	80.59%
2002	1,950,257,994	2,000,815,706	877,616,097	3,073,457,603	0.0026600	4,070,308,896	75.51%
2003	2,435,603,306	1,634,705,590	1,096,021,488	2,974,287,408	0.0026540	4,060,367,903	73.25%
2004	2,448,687,283	1,611,680,620	1,101,909,277	2,958,458,626	0.0027030	4,085,265,837	72.42%
2005	2,467,330,937	1,617,934,900	1,110,298,922	2,974,966,915	0.0026940	4,347,920,493	68.42%
2006	2,321,816,684	1,686,393,680	1,044,817,508	2,963,392,856	0.0037010	4,776,137,632	62.05%
2007	2,553,998,352	1,855,033,048	1,149,299,259	3,259,732,142	0.0031920	5,596,228,135	58.25%
2008	2,528,922,191	1,672,902,531	1,138,014,986	3,063,809,735	0.0030160	6,067,080,769	50.50%
2009	2,230,226,133	2,138,874,363	1,003,601,760	3,365,498,737	0.0036040	5,390,308,376	62.44%

Source: Tax Division--Salt Lake County Auditor's Office

- Notes:
- (1) Statute 59-2-103 states 45% of the value of primary residential property is specifically exempt under the Constitution of Utah
 - (2) Tax rates are supplied by West Valley City
 - (3) Estimated actual value of real property is a net market value--property value subject to tax after reductions made for greenbelt, full or part exemptions
 - (4) Appraised value of real property was not available at printing; number is an estimate.

WEST VALLEY CITY, UTAH
Total Taxable Assessed Property Values



Table 6
West Valley City
Property Tax Rates
Direct and Overlapping(1) Governments
Last Ten Fiscal Years

Fiscal Year	Overlapping Rates(1)										
	West Valley City			County			School District			Special Districts	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage		
2001	2.4900	-	2.4900	2.8607	0.0433	2.9040	6.7800	-	6.7800	5.7830	17.9570
2002	2.6660	-	2.6660	4.4748	0.0422	4.5170	8.3500	-	8.3500	3.6820	19.2150
2003	2.6540	-	2.6540	5.2928	0.0332	5.3260	6.4600	-	6.4600	3.6230	18.0630
2004	2.7030	-	2.7030	3.5824	0.0326	3.6150	6.8000	-	6.8000	4.2270	17.3450
2005	2.6940	-	2.6940	6.6320	0.0310	6.6630	6.7460	-	6.7460	3.9680	20.0710
2006	2.5270	-	2.5270	2.7150	2.7300	5.4450	5.8270	-	5.8270	6.3650	20.1640
2007	3.7010	-	3.7010	2.5600	0.2810	2.8410	6.1020	-	6.1020	6.8500	19.4940
2008	3.1940	-	3.1940	5.4290	0.2320	5.6610	5.4110	-	5.4110	5.5170	19.7830
2009	3.1710	-	3.1710	5.4120	0.2320	5.6440	5.3160	-	5.3160	4.3970	18.5280
2010	3.6040	-	3.6040	6.1440	0.0000	6.1440	6.4340	-	6.4340	6.3590	22.5410

Source: Utah State Tax Commission

(1) Overlapping rates are those of local and county governments that apply to property owners within the West Valley City Property owners

Table 7
West Valley City
Principal Property Taxpayers
December 31, 2009

Taxpayer	2009			2000		
	Taxable Assessed Value(1)	Rank	Percentage of Total Taxable Assessed Value of \$6,253,221,247	Taxable Assessed Value(1)	Rank	Percentage of Total Taxable Assessed Value \$3,315,170,626
Hexcel Corporation	\$225,430,864	1	3.61%			
CER Generation II LLC	163,742,764	2	2.62%			
Salt Lake Newspaper	131,306,186	3	2.10%			
Novus Development	127,547,836	4	2.04%	68,056,300	2	2.05%
Alliant Techsystem	120,680,326	5	1.93%	\$130,640,100	1	3.94%
Valley Fair Mall	100,497,090	6	1.61%	42,112,100	4	1.27%
Wal-Mart	91,598,236	7	1.46%			
MPT of West Valley City	87,136,286	8	1.39%			
Zions First National Bank	82,345,452	9	1.32%			
ATR Launch Systems Inc	73,663,974	10	1.18%			
Boyd Enterprises	64,498,400	11	1.03%	32,370,600	7	0.98%
USANA Health Science Inc.	63,642,816	12	1.02%			
Franklin Development	62,330,522	13	1.00%	40,006,600	5	1.21%
Reef Parkwy LLC	54,870,000	14	0.88%			
Truck Pro	52,046,400	15	0.83%	33,585,000	6	1.01%
Frito-Lay Inc	45,970,070	16	0.74%			
TalcottIII Legacy 1 & 2	42,931,000	17	0.69%			
IHC Health Service	38,427,020	18	0.61%	16,810,930	11	0.51%
Pacificorp				49,165,731	3	1.48%
U.S. West				18,192,885	9	0.55%
Questar Gas				16,042,802	12	0.48%
Carmike Cinemas				23,402,200	8	0.71%
Transwestern Metro Business				17,850,300	10	0.54%
Dick Simon Trucking				15,086,500	13	0.46%
	<u>\$1,628,665,242</u>		<u>19.82%</u>	<u>\$503,322,048</u>		<u>15.18%</u>

Taxable Market Values Represent Both Real and Personal Property

(1) Utah State Tax Commission

Table 8
West Valley City
Property Tax Levies and Collections
Last Ten Years

Fiscal Year Ended	Total Tax Levy for	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
December 31	Fiscal Year					
2000	9,488,707	9,095,091	95.9%	295,972	9,391,063	99.0%
2001	10,416,118	10,085,638	96.8%	315,325	10,400,963	99.9%
2002	11,613,891	11,108,869	95.7%	325,055	11,433,924	98.5%
2003	11,925,481	11,634,824	97.6%	415,123	12,049,947	101.0%
2004	12,208,084	11,881,596	97.3%	503,502	12,385,098	101.4%
2005	12,160,390	11,737,382	96.5%	356,185	12,093,567	99.5%
2006	17,674,620	17,992,232	101.8%	550,364	18,542,596	104.9%
2007	17,865,393	18,272,423	102.3%	463,657	18,736,080	104.9%
2008	21,635,813	19,324,798	89.3%	624,139	19,948,937	92.2%
2009	20,896,452	19,905,232	95.3%	624,474	20,529,706	98.2%

Source: Salt Lake County Treasurer's office - Calendar Year End

Table 9
West Valley City
Ratios of Outstanding Debt by Type
Last Eight Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
	General Obligation Bonds	Sales Tax Revenue Bonds	Lease Revenue Bonds	Capital Leases	Notes Payable/Hud 108 Program	General Obligation Bonds	Lease Revenue Bonds	Capital Leases			
2003	-	\$29,573,476	\$122,272,838	\$2,589,906	\$3,297,000	-	\$15,275,162	-	\$173,008,382	10.23%	1,513
2004	-	\$28,575,476	\$114,814,488	\$1,721,871	\$3,189,000	-	\$14,728,512	-	\$163,029,347	9.17%	1,397
2005	-	\$27,290,726	\$109,950,838	\$1,024,816	\$4,505,088	-	\$15,273,630	-	\$158,045,098	8.31%	1,320
2006	-	\$29,257,364	\$72,394,888	\$538,694	\$2,957,000	-	\$14,521,875	-	\$119,669,821	6.11%	991
2007	-	\$26,943,114	\$70,342,938	\$4,718,485	\$2,832,000	-	\$13,388,812	-	\$118,225,349	5.71%	953
2008	-	\$24,393,942	\$67,821,588	\$3,298,460	\$2,701,000	-	\$12,742,662	\$443,713	\$111,401,365	5.24%	891
2009	-	\$35,633,000	\$65,603,736	\$4,392,688	\$2,563,000	-	\$11,939,112	\$150,536	\$120,282,072	5.66%	961
2010	-	\$55,606,000	\$49,621,586	\$4,739,417	\$2,418,000	-	\$11,087,000	-	\$123,472,003	5.81%	976

Source: West Valley City CAFR's 2003-2010, Notes to the financial statements.

Notes:

(1) See Schedule of Demographic and Economic Statistics for personal income and population data.

General Note: Required financial statement data for this schedule was not available until after West Valley City's implementation of GASB Statement 34, which occurred the fiscal year ending June 30, 2003

Table 10

**West Valley City
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Estimated Actual Value of Property(2)	Taxable Percentage of Estimated Actual Value of Property	Population(1)	Per Capita
2001	-	\$5,282,643,415	71.52%	112,362	N/A
2002	-	\$5,213,753,550	75.78%	112,402	N/A
2003	-	\$5,181,906,550	78.55%	114,318	N/A
2004	-	\$5,234,344,610	77.57%	116,719	N/A
2005	-	\$5,422,357,860	75.34%	119,712	N/A
2006	-	\$5,907,878,560	73.60%	120,757	N/A
2007	-	\$5,596,228,135	72.49%	124,089	N/A
2008	-	\$6,094,846,421	71.80%	124,963	N/A
2009	-	\$6,067,080,769	72.13%	125,218	N/A
2010	-	\$6,253,221,247	84.91%	126,117	N/A

Notes:

- (1) West Valley City Community Development Department
- (2) Estimated by West Valley City Finance Department based on data from Utah State Tax Commission

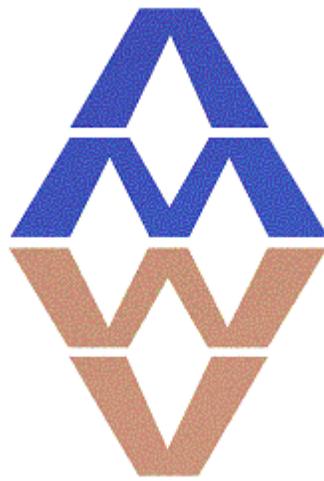


Table 11

**West Valley City
Direct and Overlapping governmental Activities Debt
As of December 31, 2009**

<u>Governmental Unit</u>	<u>General Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
State of Utah	\$1,492,620,000	4.57%	\$68,259,551
Salt Lake County	259,800,000	12.89%	33,492,486
Subtotal, overlapping debt	<u>\$1,752,420,000</u>		<u>\$101,752,037</u>
West Valley City direct and general debt	<u>N/A</u>	4.95%	<u>N/A</u>
Total Direct and overlapping debt	<u><u>\$1,752,420,000</u></u>		<u><u>\$101,752,037</u></u>

Source:
West Valley City Finance Department

Table 12

**West Valley City
Legal Debt Margin information
Last Ten Fiscal Years**

	Fiscal Year			
	2001	2002	2003	2004
Debt Limit	\$211,305,737	\$208,550,142	\$207,276,262	\$209,373,784
Total net debt applicable to limit	N/A	N/A	N/A	N/A
Legal debt margin	<u>\$211,305,737</u>	<u>\$208,550,142</u>	<u>\$207,276,262</u>	<u>\$209,373,784</u>
Total net debt applicable to the limit as a percentage of debt limit	N/A	N/A	N/A	N/A

Legal Debt Margin Calculation for Fiscal Year 2010

	Taxable Value (1)	Market Value
Residential Values	\$3,266,853,561	\$4,312,246,701
Non-Residential Values	1,821,050,127	1,658,556,423
Totals	<u>\$5,087,903,688</u>	<u>\$5,390,308,376</u>
Total adjusted fair market value		\$5,390,308,376
Debt limit (adjusted fair market value x .04)		215,612,335
General obligation bonds		-
Less: Amount set aside for repayment of general obligation debt		-
Total net debt applicable to limit		<u>215,612,335</u>
Legal debt margin		<u>\$215,612,335</u>

Notes:

(1) The general obligation bonded debt of the City is limited by the Utah Constitution (Section 14, Paragraph 4) to 12% of the "reasonable fair cash value" of property, Of this percent, a maximum of 4% may be used for general purposes. The remaining 8% and any unused portion of the 4% available for general purposes up to the maximum 12% may be utilized for water and/or sewer purposes.

Source: Salt Lake County Auditor's Office; estimated if actual numbers not available at printing

Table 12

(Continued from previous page)

Fiscal Year					
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$216,894,314	\$236,315,142	\$234,032,096	\$243,793,857	\$242,682,231	\$215,612,335
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>\$216,894,314</u>	<u>\$236,315,142</u>	<u>\$234,032,096</u>	<u>\$243,793,857</u>	<u>\$242,682,231</u>	<u>\$215,612,335</u>
N/A	N/A	N/A	N/A	N/A	N/A

Table 13

**West Valley City
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year	Sales Tax Revenue Bonds (1)				HUD Contract Payable			
	Sales Tax Revenues	Debt Service		Coverage	CDBG Revenues	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2001	\$15,026,914	-	-	-	\$1,486,139	-	-	-
2002	16,776,046	-	\$ 449,581	37.3	1,461,206	-	-	-
2003	14,586,796	-	1,761,357	8.3	859,315	-	\$ 79,025	10.9
2004	15,375,398	\$ 1,401,000	1,847,968	4.7	2,312,131	\$ 108,000	163,499	8.5
2005	17,061,625	1,467,000	1,831,743	5.2	1,166,301	113,000	161,221	4.3
2006	19,335,997	1,531,000	1,780,277	5.8	803,135	119,000	158,109	2.9
2007	21,711,761	1,023,000	1,639,908	8.2	945,297	125,000	154,174	3.4
2008	22,425,263	2,517,527	2,965,642	4.1	817,223	131,000	149,529	2.9
2009	19,120,182	6,004,216	5,175,856	1.7	1,429,381	138,000	144,169	5.1
2010	17,586,807	2,782,000	2,420,062	3.4	822,776	145,000	138,087	2.9

Source: West Valley City CAFR's, Notes to the financial statements, 2001-2010

Note: (1) The City began issuing Sales Tax Bonds in January 2002

Table 14

**West Valley City
Demographic and Economic Statistics
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands)(2)</u>	<u>Per Capita Personal Income(3)</u>	<u>School Enrollment(4)</u>	<u>Unemployment Rate(5)</u>
2001	112,362	\$1,512,168	\$13,458	21,482	5.4%
2002	112,402	1,568,795	13,957	21,477	7.0%
2003	114,318	1,691,678	14,798	21,177	7.3%
2004	116,719	1,777,747	15,231	20,998	6.1%
2005	119,712	1,902,343	15,891	20,845	5.8%
2006	120,757	1,957,328	16,209	20,969	6.6%
2007	124,089	2,070,445	16,685	20,201	3.3%
2008	124,963	2,125,911	17,012	20,183	2.7%
2009	125,218	2,172,813	17,352	21,262	6.0%
2010	126,117	2,309,076	18,309	22,898	6.3%

Notes:

- (1) Data are projections by the West Valley City Community Development Department
- (2) Provided by Utah Department of Workforce Service statistical report
- (3) Utah Department of Workforce Service or estimates when actual numbers were not available
- (4) Student enrollment furnished by Granite School District
- (5) Utah Department of Workforce Service

Table 15

**West Valley City
Principal Employers
Current Year and Nine Years Ago**

Employer	2010		2001	
	Employees	Rank	Employees	Rank
Discover Financial Services Inc.	2,907	1	3,000	1
United Parcel Services Inc.	1,581	2	2,008	2
Verizon Wireless	1,382	3	459	14
Central Refrigerated Services	1,313	4		
Wal-Mart	831	5		
ADP Cobra Service	638	6		
Six Continents Hotel Inc.	628	7	650	8
Jacobsen Construction	587	8		
USANA Health Sciences INC.	577	9	277	27
C R England & Sons Inc.	556	10	562	9
ATK Launch systems, inc	515	11	1,177	3
Hexcel Corp	502	12		
Zions 1st. Natl bank/accounting	499	13	818	6
Newspaper Agency Corp LLC	486	14	529	10
Media One Real Estate LLC	471	15		
Pioneer Valley Hospital	442	16	529	10
Wal-Mart Stores #3568	441	17		
Pride Transport INC	423	18	300	24
Wheeler Machinery Co.	410	19	851	5
Moog Aircraft Group	404	20	476	13
Ingenix Inc.	400	21	500	11
Backcountry.com	373	22		
Coventry Management Service Inc.	365	23	289	26
Zions Bancorporation	350	24		
Yellow Freight System Inc.	340	25	389	16
Franklin Quest Co.	339	26	1,134	4
Verizon Wireless	322	27		
Frito Lay Inc.	300	28	481	12
Freightliner of Utah LLC	280	29	304	23
Warner Truck Center	273	30		
3Com Corp			348	20
First Health Strategies			328	21
Holiday Inn			650	22
Onsite Inc.			300	25
The Mark Travel Corp			250	28
Clarke American Checks Inc.			246	29
Simon Transportation services INC			458	15
Mervyns #993			369	17
Clear Channel Broadcasting of S.L.C.			245	30
Pagenet			700	7
Health Benefits America			366	18
Consolidated Freightways			349	19
	18,935		19,342	

Source: West Valley City Business License Division

Table 16

**West Valley City
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years**

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	91	99	96	99	101	103	108	113	112	111
Public safety										
Police										
Officers	184	188	190	201	197	199	195	192	189	202
Civillians	58	64	75	89	81	83	83	89	88	57
Fire										
Firefighters and officers	61	76	78	80	79	96	95	98	103	100
Civillians	2	4	4	4	4	2	3	3	3	3
Highways and streets										
Engineering	19	19	20	18	20	20	22	23	18	21
Maintenance	38	45	45	46	48	50	51	52	51	56
Parks and recreation	82	91	88	82	86	83	86	78	80	96
Golf Courses										
Operations	11	12	41	39	38	37	31	32	31	25
Maintenance	7	7	19	17	14	15	16	15	15	17
Sanitation	1	2	2	2	2	2	3	3	3	4
Community development	33	35	39	33	42	46	46	46	46	68
Total	587	642	697	710	712	736	739	744	740	759

Source: West Valley City Budget Division

Table 17

**West Valley City
Operating Indicators by Function
Last Ten Fiscal Years**

Function	Fiscal Year			
	2001	2002	2003	2004
Police				
Number of full-time sworn officers	176	174	170	159
Physical arrests	1,548	1,926	2,360	3,243
Fire				
Number of calls answered	8,539	8,269	8,288	8,299
Inspections	229	225	239	413
Highways and streets				
Street resurfacing				
Slurry Seal (sq yards)	776,488	952,370	737,728	732,258
Chipseal (sq yards)	N/A	N/A	238,405	191,150
Overlay Project (sq yards)	78,928	118,696	None	23,000
Hot Mix Patching (tons)	2,889	3,555	3,278	2,045
Parks & Recreation				
Developed City-owned parks	14	15	16	17
Undeveloped City-owned park property (acres)	62.41	60.37	83.90	87.95
Developed county-owned parks within the City (acres)	56.60	56.60	56.60	56.60
Total property acreage maintained by WVC (acres)	214.81	216.91	243.55	247.85
Community Development				
Building Inspections:				
Permits issued				
Single Family	435	515	486	351
Duplex	4	4	2	0
Multi-family	122	140	439	150
Mobile Home	10	70	20	23

Source: West Valley City departments reports

(Continued from previous page)

Fiscal Year					
2005	2006	2007	2008	2009	2010
177	199	187	192	188.5	180.5
2,952	3,005	2,998	2,940	3,173	N/A
9,242	9,773	10,005	9,932	9,610	9,204
1,483	2,409	2,605	2,905	2,900	2,655
807,092	732,749	519,139	541,266	600,000	571,211
355,923	331,207	321,994	301,250	291,250	201,681
8,473	None	None	34,640	32,560	None
2,453	799	825	636	636	3,974
20	21	23	23	23	23
98.27	101.08	103.06	17.00	17.00	17.00
56.60	56.60	71.12	132.20	132.20	132.20
250.37	257.67	257.70	257.70	257.70	257.70
370	425	397	114	109	160
0	0	0	0	0	0
133	76	24	15	12	6
9	6	1	1	1	0

Table 18

**West Valley City
Capital Assets Statistics by Function
Last Ten Fiscal Years**

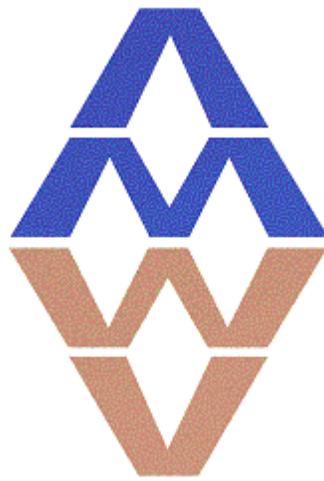
Function	Fiscal Year				
	2001	2002	2003	2004	2005
Public safety					
Police stations	2	2	2	2	2
Fire stations	4	5	5	5	5
Highways and streets					
Streets (miles)	293	293	293	309	309
City Owned Streetlights	600	600	600	600	600
Parks and recreation					
Parks acreage	151	152.4	156.54	159.65	159.90
Parks	14	15	16	17	20
Tennis courts	14	15	15	15	15
Softball fields	14	14	14	14	14
Basketball courts	9.5	9.5	10	10	10
Pavilions	12	13	14	14	14
Play structures	18	18	19	20	21
Other properties maintained (acres)	62.41	60.37	83.9	87.95	98.27
Total properties maintained (acres)	213.41	212.77	240.44	247.60	258.17

Sources: City departments

Note: No capital asset indicators are available for the general government function

(Continued from previous page)

Fiscal Year				
2006	2007	2008	2009	2010
2	2	2	2	2
5	5	5	5	5
307	321	321	307	307
600	600	600	652	652
152.10	164.30	164.30	156.50	156.50
21	23	23	23	23
15	15	15	15	15
15	15	15	15	15
10	14	14	14.5	14.5
14	15	15	14	14
24	24	24	24	24
101.08	149.20	149.20	149.20	149.20
253.18	313.50	313.50	305.70	305.70





WEST VALLEY CITY
Unity Pride Progress

