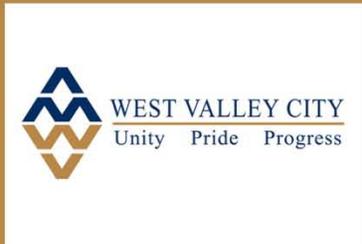


West Valley City State of Utah

COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2012



WEST VALLEY CITY

STATE OF UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2012

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WEST VALLEY CITY, UTAH
Comprehensive Annual Financial Report
Year Ended June 30, 2012

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WEST VALLEY CITY

Unity | Pride | Progress

December 17, 2012

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, 2012 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.

The report complies with the financial reporting model required by the Governmental Accounting Standards Board (GASB). 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 13, 2012.

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, and Grants Fund; also, capital projects funds for Roads, Parks, Fire, Police, and Flood Control impact fees. 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; it is currently being reconfigured to accommodate Utah Department of Transportation's (UDOT's) transportation corridor. Stonebridge Golf Course provides a high-quality recreation facility and catered reception center, 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 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. The Budget/purchasing system used by the City allows City administration and departments to allocate the annual budget on a monthly basis, restricting spending to the amount allocated during the year to date.

GENERAL GOVERNMENT FUNCTIONS

The following schedule presents summaries of all revenues and expenditures for the General Fund for the fiscal years ended June 30, 2012 and 2011, and the percentage of increases and decreases compared to the prior year. Total revenues in 2012 increased by \$9,533,673, a 14.71% increase from 2011; expenditures increased by \$2,360,787, up 4.11% from 2011. The largest increase came in property taxes, which rose by \$5,001,236, or 23.54%. Most of the increase was a result of an 18% property tax increase passed the previous year and effective for the 2012 fiscal year. Property taxes also rose due to new and expanded businesses within the City. The increase in business activity was also reflected in an increase in licenses and permits of \$345,981 (10.7%). Another encouraging indicator was the increase in sales tax of \$1,706,707 (9.45%). Other operating revenues remained near previous year levels. Fines and forfeitures decreased by \$395,611 (8.6%) due to restricted funding for enforcement and collection activities.

The remaining major source of revenue was one-time sales of capital assets, \$4,626,271, an increase of \$2,415,771, principally land sales to Utah Department of Transportation (UDOT) for the state's transportation corridor.

Overall operating expenditures increased slightly as the City maintained its tight controls on spending in response to the tight economy and limited revenues. Legislative expenditures increased by \$178,785 as a result of regular municipal elections held during the fiscal year. Parks and recreation increased spending by \$172,508 (10.73%) due to parks-related projects being developed during the year. The largest increase came in Non Departmental, which increased by \$3,397,608 due to contributions to the Utah Telecommunications Open Infrastructure Agency (UTOPIA) to meet pledged debt service obligations. This increase was partially offset by a decrease of \$1,665,854 in debt service payments created by refunding debt in the prior year to reduce and defer bond payments for several years. Expenditures in other departments showed only minor increases or decreases due to normal operating fluctuations.

<u>Revenues General Fund</u>	<u>FY 2011- 2012</u>	<u>FY 2010- 2011</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
General Property Taxes	\$26,247,111	\$21,245,875	5,001,236	23.54%
Sales and Use Taxes	19,761,281	18,054,574	1,706,707	9.45%
Utility Taxes (Franchise)	9,239,524	9,201,296	38,228	0.42%
Licenses and Permits	3,578,244	3,232,263	345,981	10.70%
Intergovernmental	3,919,823	3,882,808	37,015	0.95%
Fines and Forfeitures	4,197,709	4,593,320	(395,611)	(8.61)%
Charges for Services	681,222	662,469	18,753	2.83%
Interest on Investments	511,512	511,143	369	0.07%
Special Improvement Districts	360,482	232,202	128,280	55.25%
Sale of Capital Assets	4,626,271	2,210,500	2,415,771	109.29%
Miscellaneous	1,235,551	998,607	236,944	23.73%
TOTAL	\$74,358,730	\$64,825,057	\$9,533,673	14.71%

<u>Operating Expenditures General Fund</u>	<u>FY 2011- 2012</u>	<u>FY 2010- 2011</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Legislative	\$846,111	\$667,326	\$178,785	26.79%
Administrative	6,872,812	6,804,814	67,998	1.00%
Legal	2,535,361	2,805,637	(270,276)	(9.63)%
Finance	1,538,942	1,491,984	46,958	3.15%
Indigent Defense	342,840	365,236	(22,396)	(6.13)%
Police	20,134,050	19,967,839	166,211	0.83%
Fire	7,981,285	7,914,851	66,434	0.84%
Highways and Public Improvements/Capital outlay	7,564,424	7,357,294	207,130	2.82%
Parks and Recreation	1,779,601	1,607,093	172,508	10.73%
Community Development	3,141,094	3,125,413	15,681	0.50%
Non Departmental	2,946,813	(450,795)	3,397,608	753.69%
Debt Service	4,089,333	5,755,187	(1,665,854)	(28.95)%
TOTAL	\$59,772,666	\$57,411,879	\$2,360,787	4.11%

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 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 2012 fiscal year is as follows:

Governmental Activities Long-term Liabilities	\$150,048,902
Legal Limit of General Obligation Debt	\$193,024,984
Ratio of Debt to Assessed Value	3.08%
Ratio of Debt to Percent Market Value	3.11%
Debt Per Capita	\$1,137.79

CAPITAL ASSETS

As of June 30, 2012 the capital assets of the City, net of depreciation, were \$408,958,420. 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, 2012, 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 2012 continued the challenging economic environment West Valley City has endured for the past several years, but with some encouraging indications for recovery. The City has maintained tight controls on spending, keeping overall expenditures below budget while operating revenues are starting to improve. Sales tax receipts began to recover, improving by 9% over the prior year. Building and business license-related revenues showed a 10% increase from previous years' declines. Property taxes increased significantly, primarily due to an 18% tax increase effective during the 2011-2012 fiscal year. Driven by the increases in property taxes, sales tax, and license-related revenues, along with significant one-time revenue provided by land sales, overall General Fund revenues increased by almost 15%; without the one-time boost from sale of capital assets, fiscal year 2012 revenues increased by 11%. The City's landscape is changing, with more in process and planned. 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 focus 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. The City-owned Stonebridge Golf course provides recreation opportunities within the City, and ensures continuing green space.

Also being developed by Zions Securities, Highbury residential community continues to develop and expand varied options for high quality residences. 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 served as the venue for men's ice hockey during the 2002 Winter Olympic. The 10,400 seat arena is currently the home of the Utah Grizzlies professional hockey team. 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-the-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, 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 hotels in the area directly north of the Maverik Center have opened, encouraging tourism and contributing tax revenues to the City. The nearly 2,000 potential 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, and a large WINCO grocery store are operating, with a Super Target

under construction and more businesses and restaurants continuing 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. West Ridge Golf Course, a City-owned course operated since 1992, provides another recreation outlet in the area. During 2012 the Utah Department of Transportation (UDOT) purchased a section of the golf course, along with other City-owned properties and was extending its western corridor highway system; this enhanced access 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. During the fiscal year, The City completed the Plaza portion of its park/promenade and was constructing a promenade extending several blocks west of the City Center. In partnership with the Utah Transit Authority (UTA), Fairbourne Station was completed as the terminus for the West Valley spur of UTA's light rail system and part of its area transportation hub. Also, construction began on an Embassy Suites Hotel, due to open in January 2013. Land previously acquired by the City's Redevelopment Agency was sold to Ivory Company, a large local development company with several other residential developments in the City to construct apartments adjacent to the promenade area. The combination of business, residential, and public/park development, combined with the mass transit options, are starting to change the look and environment around the City Center. These and similar improvements still in the planning stage will continue to enhance the City Center's draw for City and area residents.

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

Each objective has a number of specific goals, which may change as goals are met, concerns addressed, and new objectives defined.

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 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 AND ECONOMIC DEVELOPMENT

The City's recent 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 continues to direct the City Center redevelopment project, acquiring land in the project area and working to attract businesses and other development in the 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, decreased code violations, and improved animal control services.

PUBLIC SAFETY

The City has been actively responding to the citizens' concerns in this area. The City has made a conscious effort to fill 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 Police and Fire departments provide safety presentations in City elementary schools. 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 drop in major crime rates despite a growing population and harsh social and economic conditions that often result in upward pressures.

JUSTICE COURT

The Justice Court actively prosecutes crimes and provides 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. 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 street resurfacing program to maintain the City's infrastructure investment. During fiscal year 2012, although constrained by budget limitations, 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. The new light rail spur from the main line running down the center of the valley to West Valley City was completed in August of 2011 and is now operating at near capacity. The spur terminates at City Hall at Fairbourne Station, the new intermodal transportation hub. The City is taking advantage of these transportation options in developing its City Center area and is partnering 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 challenging economic cycle. With projected revenues remaining below pre-recession 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 providing 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 Keddington & Christensen, LLC, 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 2011. The Certificate of Achievement is a prestigious award recognizing conformance with the highest standards for preparation of state and local government financial reports.

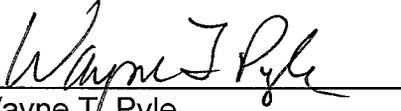
In order to be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable 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



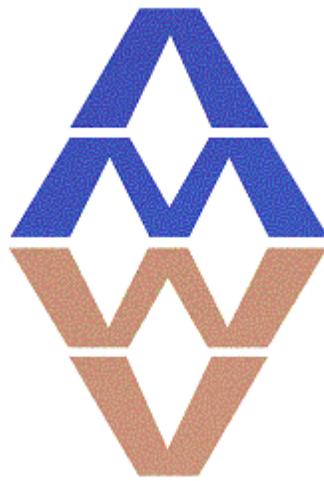
Wayne T. Pyle
City Manager



James D. Welch
Finance Director



Don L. Groo
Chief Accountant



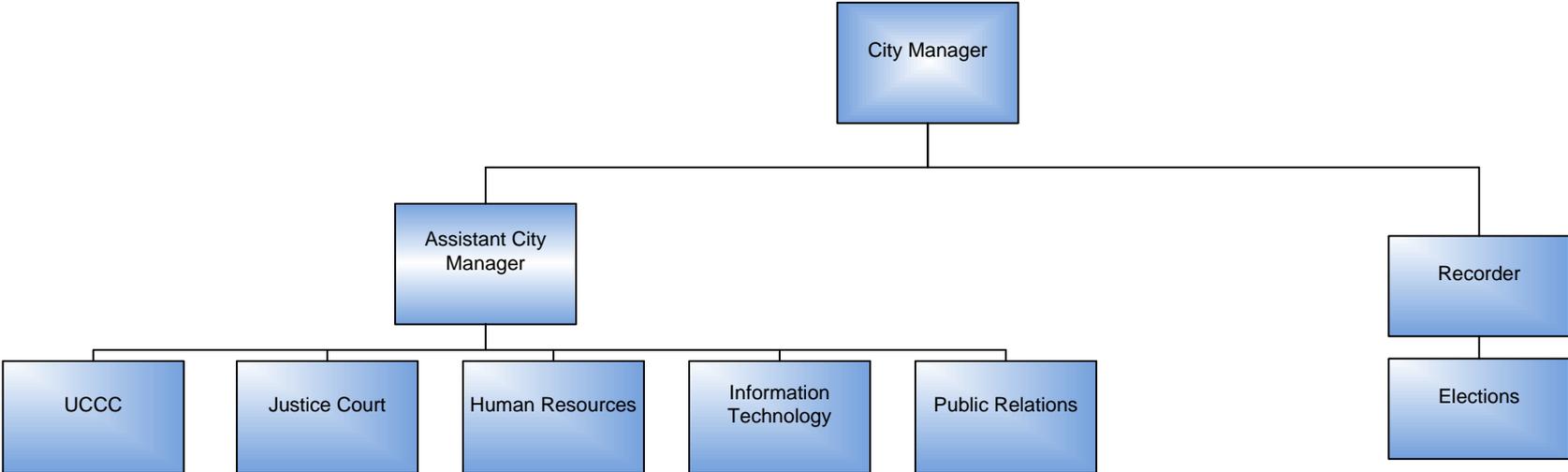
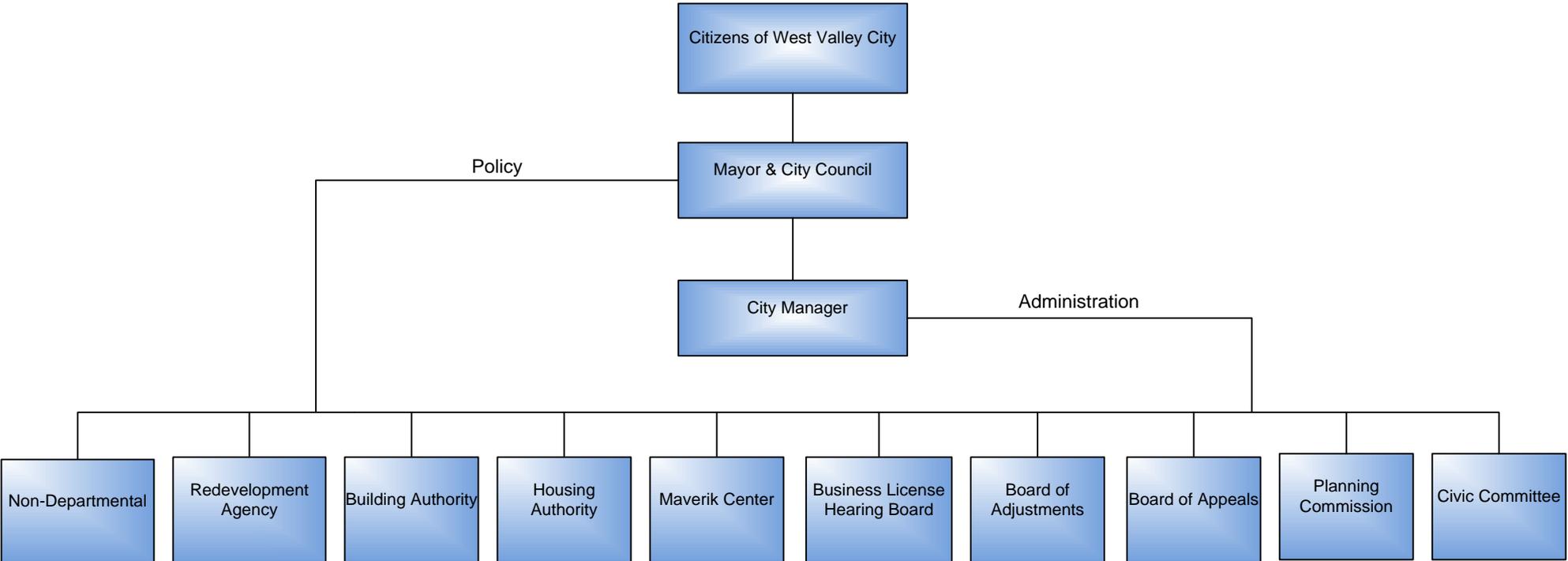
WEST VALLEY CITY, UTAH

PRINCIPAL OFFICIALS

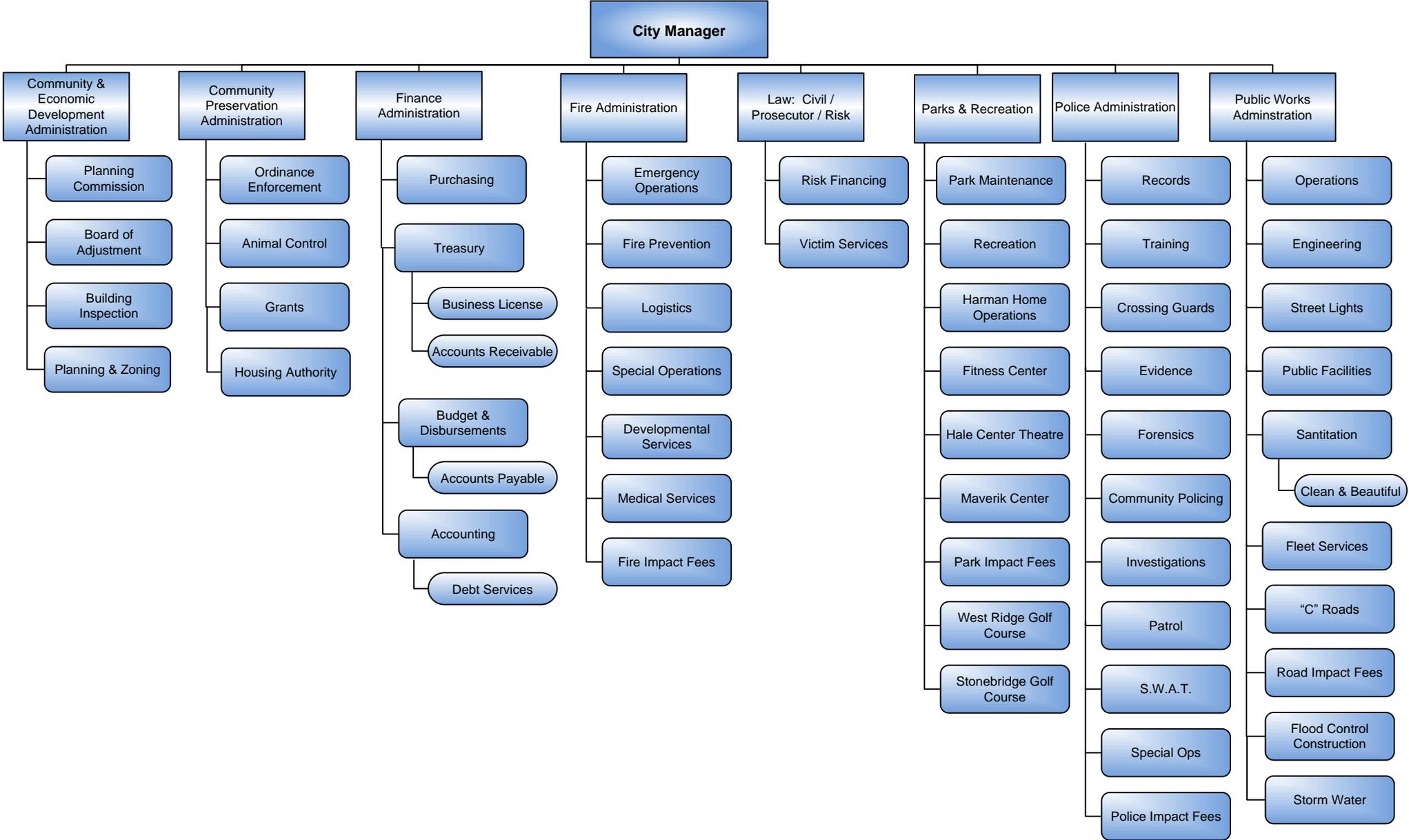
June 30, 2012

Mike Winder	Mayor
Corey Rushton	Councilmember - At Large
Don Christensen	Councilmember - At Large
Tom Huynh	Councilmember - Dist. 1
Steve Buhler	Councilmember - Dist. 2
Karen Lang	Councilmember - Dist. 3
Steve Vincent	Councilmember - Dist. 4
Wayne T. Pyle	City Manager
Paul D. Isaac	Assistant City Manager
Nicole Cottle	Asst. City Manager - Chief Counsel/ Community Development Director
Sheri McKendrick	City Recorder
John C. Evans	Fire Chief
Layne Morris	Community Preservation Director
J. Eric Bunderson	City Attorney
Thayle "Buzz" Nielsen	Police Chief
James D. Welch	Finance Director
Russell B. Willardson	Public Works Director
Kevin Astill	Parks and Recreation Director
R. Scott Freckleton	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, 2011

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



Linda C. Sandson

President

Jeffrey R. Emery

Executive Director



Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Brent E. Christensen, CPA
Phyl R. Warnock, CPA

INDEPENDENT AUDITOR'S REPORT

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, 2012, 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, 2012, and the respective changes in financial position, and, where applicable, cash flows 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 13, 2012, 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 inquires 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 statements 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.

Keddington & Christensen, LLC

December 13, 2012

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

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, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- As of the end of the current fiscal year, the assets of the City exceeded its liabilities by \$339,076,791 (net position). Of this amount \$15,092,998 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The total net position of \$339,076,791 is made up of \$288,856,816 in capital assets net of related debt and \$50,219,975 in other net position.
- The City's total long-term liabilities increased by \$28,614,130.
- The City's Redevelopment Agency disposed of \$10,939,274 in land held for resale in anticipation of acquiring a developer for its planned City Center project.
- The City's West Ridge Golf Course recognized \$19,967,026 gain on sales of land and equipment; of this amount, \$10,658,195 was subsequently spent during the year to reconstruct the course and acquire new equipment.

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 position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the fiscal year reported. All changes in net position 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, 2012

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 Position-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, 2012

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 position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$339,076,791 at the close of the most recent year. The City's overall financial position improved. Total net position increased by \$28,695,835; net position of governmental activities increased by \$7,869,769 and net position of business-type activities by \$20,826,066. The increase in total net position was the result of several factors; cash and equivalents increased as a result of increased revenue from an 18% property tax increase; also, as the City maintained constraints on nonessential spending. Also, the City sold a portion of its West Ridge Golf Course to the Utah Department of Transportation (UDOT) for a highway corridor, recognizing \$19,967,000 gain on the sale of land, improvements, and equipment. This gain was to be used to reconstruct the golf course and acquire new equipment. Restricted net position increased by \$18,208,549 largely due to restricted cash acquired to fund several large ongoing City projects. Unrestricted net position decreased by \$13,681,819.

Outstanding debt increased by \$28,614,130. The City's Redevelopment Agency borrowed \$33,000,000 to finance construction of an Embassy Suites Hotel as part of its extensive City Center project; other long-term debt decreased due to normal debt service.

Governmental revenues increased significantly from the previous year, by \$9,222,943 or 9%. The largest contribution came from an increase of \$5,769,824 in property taxes, principally due to an 18% property tax increase passed the previous year. Sales taxes also increased by 9%, \$1,718,540. This increase is significant since it provides evidence of local economic recovery. Capital grants and contributions increased by \$1,332,663 due to state and county capital project contributions. The City recognized \$2,622,627 in gains on dispositions of capital assets, an increase of \$723,216, principally surplus properties sold to Utah State agencies; these increases were largely offset by a decrease of \$2,288,341 in other revenues, mostly miscellaneous one-time monies. Other program and general revenues were basically static, with minor increases or decreases, reflecting the continuing weakness in the local and state economy. General government expenses increased by \$7,304,736 due to construction projects undertaken during the year; operating expenses were maintained at essentially the previous year's level.

In business-type activities, the Ambulance Fund increased operating revenues by \$130,165, or 7%, continuing its annual improvement as the operation matures and emphasizes service, improved responses and focus on collections. Golf course revenues decreased due to West Ridge Golf Course being closed for nine months for reconstruction; however, Stonebridge Golf Course saw a corresponding increase of \$271,712, or almost 18% in revenues with expenses rising by only 2%, or \$50,045. Housing Authority intergovernmental revenue decreased by \$142,714, or 3%.

By far the largest portion of the City's net position (\$288,856,816 or 85%) 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

WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2012

repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities 2012	Governmental Activities 2011	Business-type Activities 2012	Business-type Activities 2011
Current and other assets	\$ 116,595,881	\$ 103,384,912	\$ 13,312,937	\$ 4,054,411
Capital assets	<u>380,560,821</u>	<u>357,829,861</u>	<u>28,397,599</u>	<u>17,190,461</u>
Total Assets	<u>\$ 497,156,702</u>	<u>\$ 461,214,773</u>	<u>\$ 41,710,536</u>	<u>\$ 21,244,872</u>
Deferred outflow of resources	<u>\$ 8,004,859</u>	<u>\$ 4,851,867</u>	<u>\$ 608,849</u>	<u>\$ 677,755</u>
Total deferred outflow of resources	<u>\$ 8,004,859</u>	<u>\$ 4,851,867</u>	<u>\$ 608,849</u>	<u>\$ 677,755</u>
Current and other liabilities	\$ 46,608,500	\$ 44,737,109	\$ 2,052,196	\$ 1,741,873
Long-term liabilities	<u>150,048,902</u>	<u>120,695,141</u>	<u>9,694,557</u>	<u>10,434,188</u>
Total Liabilities	<u>\$ 196,657,402</u>	<u>\$ 165,432,250</u>	<u>\$ 11,746,753</u>	<u>\$ 12,176,061</u>
Net position:				
Invested in capital assets, net of related debt	\$ 269,544,925	\$ 257,398,887	\$ 19,311,891	\$ 7,288,824
Restricted	35,126,977	16,289,194	-	629,234
Unrestricted	<u>3,832,257</u>	<u>26,946,309</u>	<u>11,260,741</u>	<u>1,828,508</u>
Total Net Position	<u>\$ 308,504,159</u>	<u>\$ 300,634,390</u>	<u>\$ 30,572,632</u>	<u>\$ 9,746,566</u>

An additional portion of West Valley City's net position totaling \$35,126,977 (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$15,092,998 may be used to meet the government's ongoing obligations to citizens and creditors.

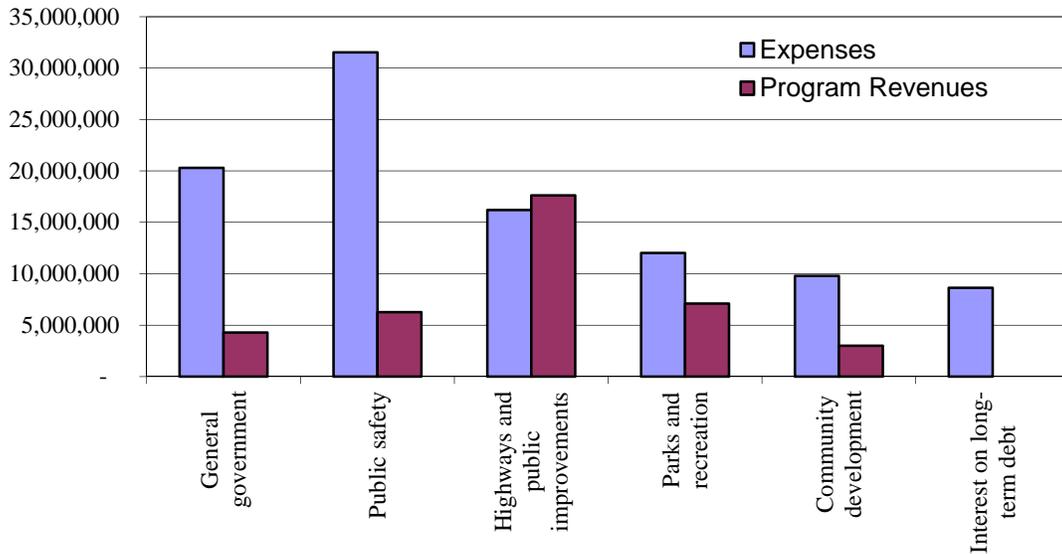
WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2012

	Governmental Activities 2012	Governmental Activities 2011	Business-type Activities 2012	Business-type Activities 2011
Revenues:				
Program revenues:				
Charges for services	\$ 26,166,819	\$ 25,150,660	\$ 4,135,236	\$ 4,500,676
Operating grants and contributions	7,049,075	6,841,726	3,503,599	3,945,910
Capital grants and contributions	5,054,267	3,721,604	-	-
General revenues:				
Property taxes	34,769,415	28,999,591	-	-
Sales taxes	19,958,098	18,239,558	-	-
Franchise taxes	9,239,524	9,201,296	-	-
Other taxes	-	85,714	-	-
Unrestricted investment earnings	1,045,055	254,036	74,569	4,478
Gain (loss) on disposition of assets	2,622,627	1,899,411	20,457,466	-
Other revenues	1,889,485	4,177,826	-	-
Total Revenues	107,794,365	98,571,422	28,170,870	8,451,064
Expenses:				
General government	20,295,325	12,990,589	-	-
Public safety	31,524,169	31,022,873	-	-
Highways and public improvements	16,190,237	16,998,710	-	-
Parks and recreation	12,013,798	11,819,354	-	-
Community development	9,786,877	12,435,935	-	-
Interest on long-term debt	8,626,787	8,393,886	-	-
Golf courses	-	-	3,454,119	3,672,127
Housing Authority	-	-	3,725,270	3,751,302
Ambulance	-	-	1,652,818	1,493,395
Total Expenses	98,437,193	93,661,347	8,832,207	8,916,824
Increase (decrease) in net assets before transfers	9,357,172	4,910,075	19,338,663	(465,760)
Transfers	(1,487,403)	(1,475,333)	1,487,403	1,475,333
Increase in Net Position	7,869,769	3,434,742	20,826,066	1,009,573
Net Position - Beginning	300,634,390	297,199,648	9,746,566	8,736,993
Net Position - Ending	\$ 308,504,159	\$ 300,634,390	\$ 30,572,632	\$ 9,746,566

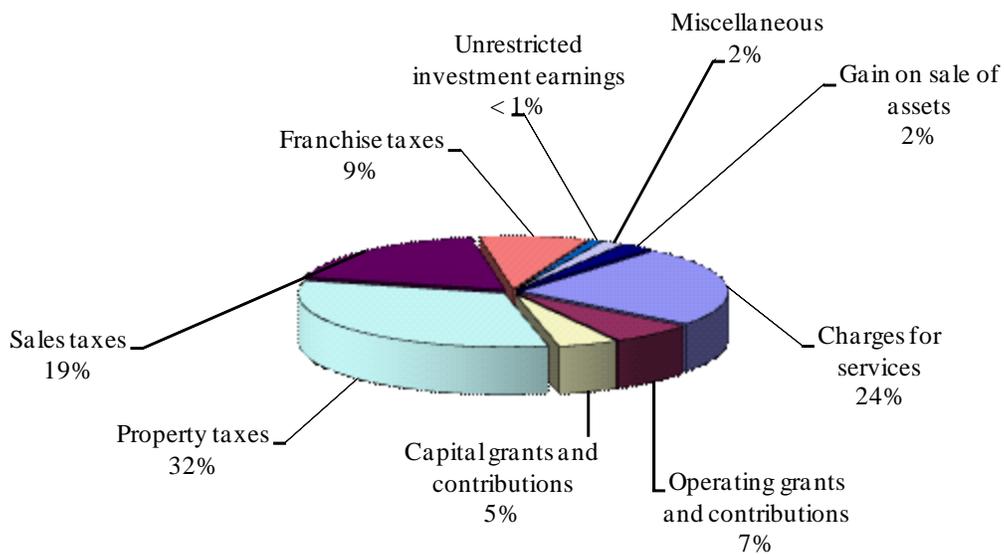
**WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2012**

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



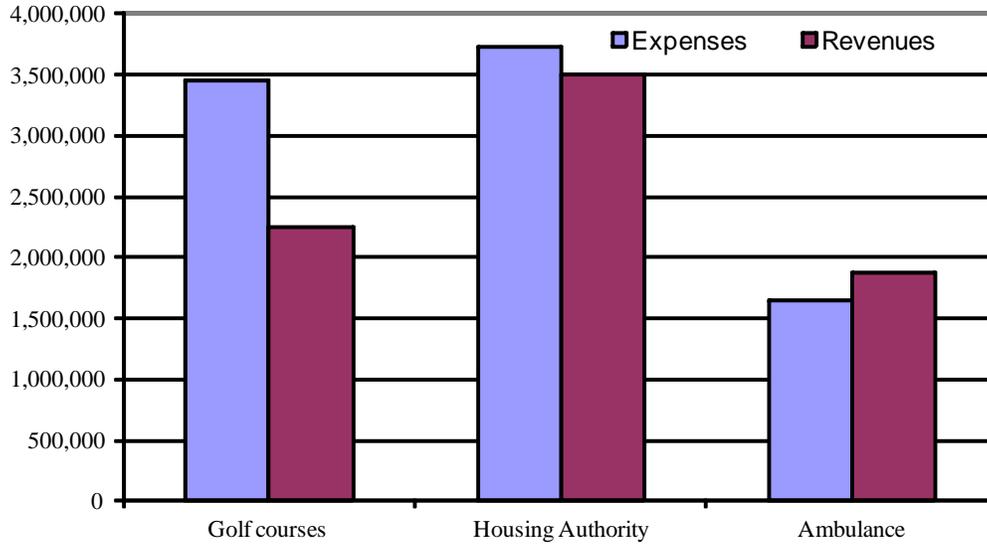
Revenues by Source - Governmental Activities



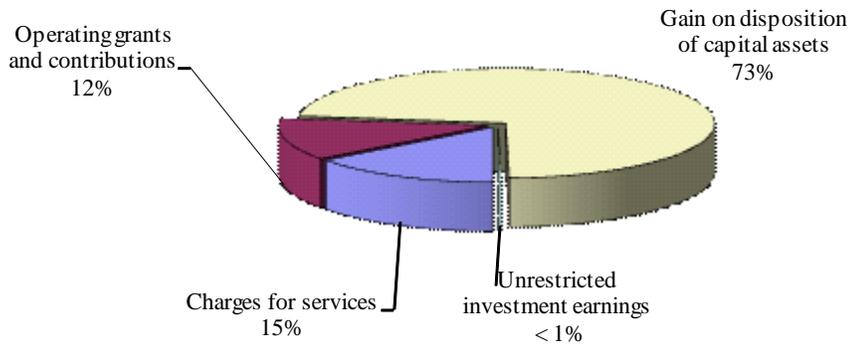
**WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2012**

Business-type activities. Business-type activities increased in the City's net position by \$20,826,066. As of the end of the current fiscal year, West Valley City Golf Courses, the Ambulance Fund, and the Housing Authority each reported positive net position.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2012

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 \$68,489,996, an increase of \$12,217,215, made up of five components; nonspendable, restricted, committed, assigned, and unassigned. Of this total amount \$10,344,883 is unassigned and available for spending at the City's discretion. Assigned fund balance of \$12,286,626 has been assigned to intended uses. The City currently has no committed fund balance. Restricted fund balance of \$35,126,977 has been restricted to pay debt service and for future development. Nonspendable fund balance of \$10,731,510 is composed of prepaid items, long-term notes receivable, inventory, and land held for resale. . Of the increase, \$3,636,295 was in the General Fund, and \$10,371,256 in the Redevelopment Agency. The Capital Projects fund balance decreased by \$2,628,789. The other governmental funds showed only minimal increases or decreases due to the stagnant economic environment.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,344,883; total fund balance was \$24,403,965. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17.3% of total general fund expenditures, while total fund balance represents 40.8% of that same amount. Overall revenues were up by \$7,117,902, largely due to increased property tax and sales tax receipts. Property tax revenue increased by \$5,001,215 as a result of a tax increase enacted the previous year; sales tax increased by \$1,718,540 as a combined result of new businesses and increased economic activity within the City. Other nondepartmental expenditures increased by \$3,397,608, reflecting the City's contribution to a telecommunications interlocal agreement (see note 18). Sales of capital assets increased by \$2,415,771, principally land sales to Utah Department of Transportation (UDOT) for a state transportation corridor.

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 \$30,887,929 with \$45,343,043 in assets composed of cash and equivalents, property tax increment receivable, land held for future development, and restricted cash. The overall fund balance increase of \$10,371,256 reflected activity in the City Center project; an increase of \$20,148,888 in unexpended loan proceeds restricted for future development was partially offset by a decrease of \$10,939,274 in unspendable property held for resale, which was sold or used in the City Center project.

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 2012, capital outlay increased by \$9,574,154 as funds previously accumulated in the Capital Projects fund were used along with increased transfers in to fund several major facility and infrastructure construction and upgrade projects. Vehicle and major equipment acquisitions were funded by capital leases and sales of surplus vehicles. At year end the Capital Projects Fund had \$5,749,953 in fund balance assigned for Capital Projects 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, Maverik Center, Utah Cultural Celebration Center,

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

Sanitation, and Stormwater management. At year end the Community Services Fund had assigned fund balance of \$608,504.

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 position of the West Valley City Golf Courses fund at the end of the year was \$8,158,832. Revenues and expenses each decreased, by \$306,029 (12.0%) and \$218,006 (5.6%) respectively. West Ridge Golf Course was closed for the final nine months of the fiscal year for reconstruction as a result of land sales and transfers with the Utah Department of Transportation (UDOT) to allow construction of a state highway on property previously used by the golf course. With the closure of West Ridge, volume and income increased at the City's other golf course, Stonebridge, partially compensating for the loss of business at West Ridge. 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.

General Fund Budgetary Highlights

During the fiscal year, the General Fund's original budget was amended from an original budget expenditure total of \$61,214,244 to a final budget of \$64,014,253, an increase of \$2,800,009. These increases can be briefly summarized as follows:

- \$1,488,071 increase in non-departmental
- \$548,948 increase allocated for highways and public improvements
- \$413,015 decrease in general government
- \$322,117 decrease in public safety
- \$286,291 decrease in community development
- \$125,410 increase in parks and recreation
- \$200,000 increase in capital outlay
- \$1,459,003 increase to debt service

Other nondepartmental received additional budget to fund the City's early retirement incentive and committed support to an interlocal telecommunications project. The highways and public improvements budget increase funded previously postponed street construction and maintenance. General government, public safety, and community development budgets all decreased as operating budget constraints were maintained. Debt service was increased to meet refunded bond payments and capital lease costs. Capital outlay was increased to acquire upgraded or replacement vehicles and capital equipment. No other departments had significant variances between original and final budget, or between final budget and actual expenditures.

Of these increases, \$2,011,559 was to be funded out of operating and capital donations, \$548,948 was from the State "C" Roads allotment, and \$239,502 was from proceeds of capital leases.

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, 2012, totals \$408,958,420 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, furniture and equipment, infrastructure, and work in progress. The total increase in the City's investment in capital assets for the current year was \$33,938,098 (9.0%), \$22,730,960 (6.4%) increase for governmental activities and an increase of \$11,207,138 (65.2%) for business-type activities.

WEST VALLEY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2012

	Governmental Activities 2012	Governmental Activities 2011	Business - type Activities 2012	Business - type Activities 2011
Land	\$ 19,001,364	\$ 17,750,049	\$ 14,498,632	\$ 12,950,150
Infrastructure	252,957,902	246,811,360	-	-
Buildings	81,555,728	84,656,684	2,350,587	2,643,120
Improvements other than buildings	3,566,153	1,896,563	461,350	620,790
Machinery and equipment	5,132,526	6,061,707	428,835	769,901
Furniture and fixtures	49,657	53,826	-	-
Construction in progress	17,697,819	-	10,658,195	206,500
Intangible assets	599,672	599,672	-	-
Total Capital Assets	\$ 380,560,821	\$ 357,829,861	\$ 28,397,599	\$ 17,190,461

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 at least 80% of all major streets (by mileage) at or above the "fair to excellent" condition level. 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.

In 2012, the City spent \$3,559,892 to maintain and preserve its major streets. These actual maintenance and preservation costs were \$34,843 less than the estimated maintenance and preservation costs of \$3,594,735. Estimated costs were decreased 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 to compensate for prior years' restricted spending on maintenance due to budget constraints.

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

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 at least 80% of all minor streets (by mileage) at or above the "fair to excellent" condition level. 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 59% of the City's minor streets were in "fair" or better condition. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for five years.

In 2012, the City spent \$923,490 to maintain and preserve its minor streets. These actual maintenance and preservation costs were less than the estimated maintenance and preservation costs of \$1,773,014. Estimated costs were increased to compensate for prior years' restricted spending on maintenance due to budget constraints. Actual costs increased by \$241,772 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 2012, the City spent \$116,253 to maintain and preserve its sidewalks. These actual maintenance and preservation costs were less than the estimated maintenance and preservation costs of \$134,456. Estimated and actual costs decreased as the overall condition of the City's sidewalks improved over the previous year.

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

Long-term debt. At the end of the current year, the City had total debt outstanding of \$159,743,459. 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 2012	Governmental Activities 2011	Business - type Activities 2012	Business - type Activities 2011
Revenue bonds	\$ 104,582,822	\$ 109,675,523	\$ 9,694,557	\$ 10,434,188
Special improvement	885,047	1,082,867	-	-
Note payable	35,169,000	2,266,000	-	-
Capital leases	3,733,323	3,962,011	-	-
Compensated Absences	938,020	920,800	-	-
Workers Compensation	1,005,907	1,189,637	-	-
Termination benefits	916,408	244,885	-	-
Paid time-off	2,818,375	1,353,418	-	-
Total	\$ 150,048,902	\$ 120,695,141	\$ 9,694,557	\$ 10,434,188

During the current fiscal year the City's total debt increased by \$28,614,130.

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 \$193,024,984. 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 \$193,024,984. 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 5.2%. This compares with a state unemployment rate of 6.0% and a national rate of 8.2%. This compares with previous year's rates of 6.9%, 7.4%, and 9.2% respectively. (Source: Utah Department of Workforce Service).
- The General Fund budget for the fiscal year ending June 30, 2012 reflects a decrease of \$1,412,212 from the final budget for the fiscal year ending June 30, 2011.
- Economic trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2012 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 POSITION
June 30, 2012

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 32,075,372	\$ 10,988,800	\$ 43,064,172
Receivables:			
Accounts, net	1,138,465	1,068,940	2,207,405
Taxes	34,954,833	-	34,954,833
Intergovernmental	5,555,750	-	5,555,750
Internal balances	-	-	-
Loans receivable	583,615	-	583,615
Inventories	62,966	81,600	144,566
Prepays	548,499	-	548,499
Restricted assets:			
Cash and cash equivalents	35,428,863	1,173,597	36,602,460
Intergovernmental receivable	727,473	-	727,473
Property held for resale	5,520,045	-	5,520,045
Capital assets not being depreciated:			
Land and collectibles	19,001,364	14,498,632	33,499,996
Infrastructure	212,514,330	-	212,514,330
Construction in progress	17,697,819	10,658,195	28,356,014
Intangible assets	599,672	-	599,672
Capital assets net of accumulated depreciation:			
Buildings	81,555,728	2,350,587	83,906,315
Improvements other than buildings	3,566,153	461,350	4,027,503
Machinery and equipment	5,132,526	428,835	5,561,361
Furniture and fixtures	49,657	-	49,657
Infrastructure	40,443,572	-	40,443,572
Total Assets	497,156,702	41,710,536	538,867,238
Deferred Outflows of Resources			
Deferred costs of issuance on bonds	5,604,204	124,711	5,728,915
Deferred charge on refunding	2,400,655	484,138	2,884,793
Total Deferred Outflows of Resources	8,004,859	608,849	8,613,708
Total Assets and Deferred Outflows of Resources	\$ 505,161,561	\$ 42,319,385	\$ 547,480,946

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

WEST VALLEY CITY
STATEMENT OF NET POSITION (Continued)
June 30, 2012

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	\$ 3,583,840	\$ 1,514,929	\$ 5,098,769
Accrued liabilities	4,300,236	335,162	4,635,398
Accrued interest payable	2,921,442	202,105	3,123,547
Developer and customer deposits	653,911	-	653,911
Liabilities payable from restricted assets	1,029,360	-	1,029,360
Unearned revenue	34,119,711	-	34,119,711
Noncurrent liabilities			
Due within one year	9,345,913	766,300	10,112,213
Due in more than one year	140,702,989	8,928,257	149,631,246
Total Liabilities	196,657,402	11,746,753	208,404,155
Net Position:			
Invested in capital assets, net of related debt	269,544,925	19,311,891	288,856,816
Restricted for:			
Debt Service	9,315,133	-	9,315,133
Future development	25,811,844	-	25,811,844
Unrestricted	3,832,257	11,260,741	15,092,998
Total Net Position	308,504,159	30,572,632	339,076,791
Total Liabilities and Net Position	\$ 505,161,561	\$ 42,319,385	\$ 547,480,946

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, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities:							
General government	\$ 20,295,325	\$ 2,790,566	\$ 1,145,834.00	\$ 349,521	\$ (16,009,404)	\$ -	\$ (16,009,404)
Public safety	31,524,169	5,012,448	1,250,952	-	(25,260,769)	-	(25,260,769)
Highway and public improvements	16,190,237	9,195,323	3,762,085	4,664,746	1,431,917	-	1,431,917
Parks and recreation	12,013,798	7,063,287	-	40,000	(4,910,511)	-	(4,910,511)
Community development	9,786,877	2,105,195	890,204	-	(6,791,478)	-	(6,791,478)
Interest on long-term debt	8,626,787	-	-	-	(8,626,787)	-	(8,626,787)
Total Governmental Activities	98,437,193	26,166,819	7,049,075	5,054,267	(60,167,032)	-	(60,167,032)
Business-type Activities:							
Golf courses	3,454,119	2,248,985	-	-	-	(1,205,134)	(1,205,134)
Housing authority	3,725,270	2,071	3,503,599	-	-	(219,600)	(219,600)
Ambulance	1,652,818	1,884,180	-	-	-	231,362	231,362
Total Business-type Activities	8,832,207	4,135,236	3,503,599	-	-	(1,193,372)	(1,193,372)
Total Government	\$ 107,269,400	\$ 30,302,055	\$ 10,552,674	\$ 5,054,267	(60,167,032)	(1,193,372)	(61,360,404)
			General Revenues:				
			Property taxes	34,769,415	-	34,769,415	
			Sales taxes	19,958,098	-	19,958,098	
			Franchise taxes	9,239,524	-	9,239,524	
			Other taxes	0	-	0	
			Unrestricted investment earnings	1,045,055	74,569	1,119,624	
			Gain on disposition of capital assets	2,622,627	20,457,466	23,080,093	
			Other revenues	1,889,485	-	1,889,485	
			Transfers	(1,487,403)	1,487,403	-	
			Total General Revenues and Transfers	68,036,801	22,019,438	90,056,239	
			Changes in Net Position	7,869,769	20,826,066	28,695,835	
			Net Position, Beginning	300,634,390	9,746,566	310,380,956	
			Net Position, Ending	\$ 308,504,159	\$ 30,572,632	\$ 339,076,791	

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

WEST VALLEY CITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2012

	General	Capital Projects	Redevelopment Agency	Community Services	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 9,523,244	\$ 7,088,826	\$ 8,005,346	\$ 2,873,618	\$ 4,584,338	\$ 32,075,372
Receivables:						
Accounts, net	263,880	658	-	873,927	-	1,138,465
Taxes	25,242,770	-	9,712,063	-	-	34,954,833
Intergovernmental	3,655,008	-	-	-	1,900,742	5,555,750
Loan receivables	-	-	-	-	583,615	583,615
Prepays	531,059	-	-	17,440	-	548,499
Due from other funds	3,918,329	-	-	-	-	3,918,329
Note receivable	4,600,000	-	-	-	-	4,600,000
Inventory	62,966	-	-	-	-	62,966
Property held for resale	319,496	-	5,200,549	-	-	5,520,045
Restricted assets:						
Cash and cash equivalents	7,836,060	1,228,243	22,425,085	-	3,939,475	35,428,863
Intergovernmental receivable	727,473	-	-	-	-	727,473
Total Assets	\$ 56,680,285	\$ 8,317,727	\$ 45,343,043	\$ 3,764,985	\$ 11,008,170	\$ 125,114,210
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 752,711	\$ 1,339,531	\$ 715,674	\$ 726,586	\$ 49,328	\$ 3,583,830
Accrued liabilities	1,911,415	-	25,148	2,340,709	22,964	4,300,236
Developer and customer deposits	653,911	-	-	-	-	653,911
Due to other funds	-	-	3,918,329	-	-	3,918,329
Unearned revenue	27,934,403	-	9,795,963	71,746	736,436	38,538,548
Notes payable	-	-	-	-	4,600,000	4,600,000
Liabilities payable from restricted assets	1,023,880	-	-	-	5,480	1,029,360
Total Liabilities	32,276,320	1,339,531	14,455,114	3,139,041	5,414,208	56,624,214
Fund Balances:						
Nonspendable:						
Prepaid items	531,059	-	-	17,440	-	548,499
Long-term note receivable	4,600,000	-	-	-	-	4,600,000
Inventory	62,966	-	-	-	-	62,966
Property held for resale	319,496	-	5,200,549	-	-	5,520,045
Restricted for:						
Debt service	5,267,742	-	2,276,197	-	1,771,194	9,315,133
Future development	2,271,912	1,228,243	20,148,888	-	2,162,801	25,811,844
Assigned for:						
Capital projects	-	5,749,953	-	-	-	5,749,953
Redevelopment agency	-	-	3,262,295	-	-	3,262,295
Community services	-	-	-	608,504	-	608,504
Grants	-	-	-	-	5,460	5,460
Municipal Building Authority	-	-	-	-	1,654,507	1,654,507
Workers' compensation	1,005,907	-	-	-	-	1,005,907
Unassigned:						
General fund	10,344,883	-	-	-	-	10,344,883
Total Fund Balances	24,403,965	6,978,196	30,887,929	625,944	5,593,962	68,489,996
Total Liabilities and Fund Balances	\$ 56,680,285	\$ 8,317,727	\$ 45,343,043	\$ 3,764,985	\$ 11,008,170	\$ 125,114,210

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 POSITION
June 30, 2012

Total Fund Balance - Governmental Funds	\$	68,489,996
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		380,560,821
Unearned revenues in the General Fund recorded for the loan to the RDA are eliminated on the Statement of Net Position.		3,835,212
Unearned revenues on loan receivables in the governmental funds are eliminated on the Statement of Net Position.		583,615
Interest expense is not due and payable in the current period and therefore is not recorded in the funds.		(2,921,442)
Long-term liabilities, including bonds, capital leases, notes, termination benefits, workers' compensation, and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		(150,048,902)
Deferred charges for long term debt are not financial resources and, therefore, are not reported in the funds.		8,004,859
Total Net Position - Governmental Activities	\$	<u>308,504,159</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, 2012

	General	Capital Projects	Redevelopment Agency	Community Services	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 55,247,916	\$ -	\$ 8,522,304	\$ 196,817	\$ -	\$ 63,967,037
Fees and passes	-	-	-	10,539,197	973,140	11,512,337
Licenses and permits	3,578,244	-	-	-	-	3,578,244
Intergovernmental	3,919,823	1,568,946	-	-	3,636,511	9,125,280
Fines and forfeitures	4,197,709	-	-	-	-	4,197,709
Charges for services	681,222	-	-	-	-	681,222
Rental income	-	-	-	3,898,561	-	3,898,561
Interest	511,512	-	180,268	23,796	15,970	731,546
Special assessments	360,482	-	-	-	-	360,482
Miscellaneous	1,235,551	111,933	348,934	444,647	-	2,141,065
Total Revenues	69,732,459	1,680,879	9,051,506	15,103,018	4,625,621	100,193,483
Expenditures:						
Current:						
General government	12,136,066	-	-	-	1,526,521	13,662,587
Public safety	28,115,335	-	-	-	1,233,027	29,348,362
Highways and public improvements	7,360,504	-	-	8,050,369	293,035	15,703,908
Parks and recreation	1,779,601	-	-	7,414,013	39,660	9,233,274
Community development	3,141,094	-	-	-	606,309	3,747,403
Other nondepartmental	2,946,813	-	-	-	-	2,946,813
Redevelopment Agency	-	-	24,567,351	-	-	24,567,351
Debt service:						
Principal	2,863,826	913,011	625,000	145,000	2,405,788	6,952,625
Interest	1,194,635	47,800	2,801,714	22,754	1,842,203	5,909,106
Bond issuance costs	30,872	175	3,636,840	-	-	3,667,887
Capital outlay	203,920	11,392,119	-	-	112,929	11,708,968
Total Expenditures	59,772,666	12,353,105	31,630,905	15,632,136	8,059,472	127,448,284
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,959,793	(10,672,226)	(22,579,399)	(529,118)	(3,433,851)	(27,254,801)
Other Financing Sources (Uses):						
Capital leases issued	239,502	1,206,041	-	-	-	1,445,543
Notes payable issued	-	-	33,063,000	-	-	33,063,000
Transfers in	1,692,811	6,884,147	-	5,838,205	3,963,484	18,378,647
Transfers out	(12,882,082)	(120,332)	(1,863,369)	(4,933,767)	(66,500)	(19,866,050)
Sale of capital assets	4,626,271	73,581	1,751,024	-	-	6,450,876
Total Other Financing Sources (Uses)	(6,323,498)	8,043,437	32,950,655	904,438	3,896,984	39,472,016
Net Change in Fund Balances	3,636,295	(2,628,789)	10,371,256	375,320	463,133	12,217,215
Fund Balances, Beginning	20,767,670	9,606,985	20,516,673	250,624	5,130,829	56,272,781
Fund Balances, Ending	\$ 24,403,965	\$ 6,978,196	\$ 30,887,929	\$ 625,944	\$ 5,593,962	\$ 68,489,996

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, 2012

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

Net Change in Fund Balances - Total Governmental Funds	\$	12,217,215
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.		(6,650,952)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the Statement of Net Position.		29,857,568
The Statement of Activities reports the gain or loss on the disposal of capital assets, while the governmental funds report the proceeds from the disposal of capital assets.		(3,828,249)
The RDA reports expenditures for the cost of property held for resale that was sold during the year which is offset against the proceeds on the Statement of Activities.		3,352,593
Governmental funds report costs of issuing debt and losses on defeasance in the year they are incurred. However, these expenditures are reported as deferred charges in the Statement of Net Position and subsequently amortized in the Statement of Activities.		(360,284)
Repayment of noncurrent liabilities' principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		7,010,301
In the Statement of Activities interest is accrued on noncurrent liabilities, whereas in governmental funds, interest expense is reported when due.		(920,459)
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 Position.		(30,880,816)
Disbursements and repayments of housing loans are accounted for as revenues and expenditures, respectively, in the governmental funds, but they are not recorded as revenues or expenses for the Statement of Activities.		42,822
Some expenses, including accrued termination benefits and the long term portion of compensated absences and workers' compensation, 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.		(1,969,970)
Change in Net Position - Governmental Activities	\$	<u><u>7,869,769</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 52,383,007	\$ 52,383,007	\$ 55,247,916	\$ 2,864,909
Licenses and permits	2,984,613	2,997,799	3,578,244	580,445
Intergovernmental	3,660,597	3,660,597	3,919,823	259,226
Fines and forfeitures	5,753,900	5,878,900	4,197,709	(1,681,191)
Charges for services	755,191	755,191	681,222	(73,969)
Interest	400,000	400,000	511,512	111,512
Special assessments	246,874	246,874	360,482	113,608
Miscellaneous	694,754	1,077,754	1,235,551	157,797
Total Revenues	66,878,936	67,400,122	69,732,459	2,332,337
Expenditures:				
Current:				
General government:				
Legislative	915,771	929,851	846,111	83,740
Administrative	6,826,855	7,006,962	6,872,812	134,150
Legal	3,322,143	2,819,435	2,535,361	284,074
Finance	1,715,794	1,611,300	1,538,942	72,358
Indigent defense	356,000	356,000	342,840	13,160
Public Safety:				
Police	21,088,336	21,075,019	20,134,050	940,969
Fire	8,643,708	8,334,908	7,981,285	353,623
Highways and public improvements	7,921,095	8,470,043	7,360,504	1,109,539
Parks and recreation	1,700,510	1,825,920	1,779,601	46,319
Community development	3,455,641	3,169,350	3,141,094	28,256
Nondepartmental	1,580,255	3,068,326	2,946,813	121,513
Debt service:				
Principal	2,384,424	3,414,180	2,863,826	550,354
Interest	1,252,362	1,631,609	1,194,635	436,974
Bond fees	6,350	56,350	30,872	25,478
Capital outlay	45,000	245,000	203,920	41,080
Total Expenditures	61,214,244	64,014,253	59,772,666	4,241,587
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,664,692	3,385,869	9,959,793	6,573,924
Other Financing Sources (Uses):				
Capital leases issued	268,656	291,202	239,502	(51,700)
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	1,217,432	2,824,440	1,692,811	(1,131,629)
Transfers out	(7,133,001)	(12,968,389)	(12,882,082)	86,307
Sale of capital assets	-	6,389,798	4,626,271	(1,763,527)
Total Other Financing Sources (Uses)	(5,646,913)	(3,462,949)	(6,323,498)	(2,860,549)
Net Change in Fund Balances	17,779	(77,080)	3,636,295	3,713,375
Fund Balances, Beginning	20,767,670	20,767,670	20,767,670	-
Fund Balances, Ending	\$ 20,785,449	\$ 20,690,590	\$ 24,403,965	\$ 3,713,375

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 10,942,200	\$ 10,942,200	\$ 8,522,304	\$ (2,419,896)
Charges for services	-	-	-	-
Interest	30,000	1,261,119	180,268	(1,080,851)
Miscellaneous	350,000	350,000	348,934	(1,066)
Total Revenues	11,322,200	12,553,319	9,051,506	(3,501,813)
Expenditures:				
Redevelopment agency	8,101,892	46,031,051	24,567,351	21,463,700
Debt service:				
Principal	625,000	625,000	625,000	-
Interest	1,393,893	1,579,634	2,801,714	(1,222,080)
Bond issue costs	8,000	4,008,500	3,636,840	371,660
Total Expenditures	10,128,785	52,244,185	31,630,905	20,613,280
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,193,415	(39,690,866)	(22,579,399)	17,111,467
Other Financing Sources (Uses):				
Notes payable issued	-	40,198,000	33,063,000	(7,135,000)
Transfers out	(1,635,445)	(1,863,369)	(1,863,369)	-
Sale of capital assets	-	311,989	1,751,024	1,439,035
Total Other Financing Sources (Uses)	(1,635,445)	38,646,620	32,950,655	(5,695,965)
Net Change in Fund Balances	(442,030)	(1,044,246)	10,371,256	11,415,502
Fund Balances, Beginning	20,516,673	20,516,673	20,516,673	-
Fund Balances, Ending	\$ 20,074,643	\$ 19,472,427	\$ 30,887,929	\$ 11,415,502

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Annual passes and activity fees	\$ 2,056,750	\$ 2,056,750	\$ 2,092,314	\$ (35,564)
Fees	8,020,389	8,020,389	8,446,883	(426,494)
Sales & hotel tax	-	-	196,817	(196,817)
Rental income	4,151,314	4,179,704	3,898,561	281,143
Interest	-	-	23,796	(23,796)
Miscellaneous	330,500	348,749	444,647	(95,898)
Total Revenues	14,558,953	14,605,592	15,103,018	(497,426)
Expenditures:				
Current:				
Parks and recreation	7,429,278	7,635,967	7,414,013	221,954
Highways and public improvements	8,123,508	9,757,508	8,050,369	1,707,139
Debt service:				
Principal	145,000	145,000	145,000	-
Interest	22,754	22,754	22,754	-
Total Expenditures	15,720,540	17,561,229	15,632,136	1,929,093
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,161,587)	(2,955,637)	(529,118)	1,431,667
Other Financing Sources (Uses):				
Transfers in	5,820,945	5,820,945	5,838,205	17,260
Transfers out	(4,933,767)	(4,933,767)	(4,933,767)	-
Sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	887,178	887,178	904,438	17,260
Net Change in Fund Balances	(274,409)	(2,068,459)	375,320	2,443,779
Fund Balances, Beginning	250,624	250,624	250,624	-
Fund Balances, Ending	\$ (23,785)	\$ (1,817,835)	\$ 625,944	\$ 2,443,779

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

WEST VALLEY CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2012

	Business-type Activities - Enterprise Funds		
	Golf Courses	Other Proprietary Funds	Totals
Assets and Deferred Outflows of Resources:			
Current Assets:			
Cash and cash equivalents	\$ 8,419,265	\$ 2,569,535	\$ 10,988,800
Accounts receivable, net	1,026	1,067,914	1,068,940
Inventory	81,600	-	81,600
Due from other funds	794,626	-	794,626
Total Current Assets	9,296,517	3,637,449	12,933,966
Noncurrent Assets:			
Restricted cash and cash equivalents	702,267	471,330	1,173,597
Capital assets net of accumulated depreciation:			
Land	14,399,944	98,688	14,498,632
Buildings	2,112,657	237,930	2,350,587
Improvements other than buildings	461,350	-	461,350
Machinery and equipment	59,217	369,618	428,835
Construction in Process	10,658,195	-	10,658,195
Total Noncurrent Assets	28,393,630	1,177,566	29,571,196
Total Assets	37,690,147	4,815,015	42,505,162
Deferred Outflows of Resources:			
Deferred costs of issuance on bonds	124,711	-	124,711
Deferred charge on refunding	484,138	-	484,138
Total Deferred Outflows of Resources	608,849	-	608,849
Total Assets and Deferred Outflows of Resources	\$ 38,298,996	\$ 4,815,015	\$ 43,114,011

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

WEST VALLEY CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2012

	Business-type Activities - Enterprise Funds		
	Golf Courses	Other Proprietary Funds	Totals
Liabilities:			
Current Liabilities:			
Accounts payable	\$ 1,503,433	\$ 11,496	\$ 1,514,929
Accrued liabilities	134,414	200,748	335,162
Accrued interest payable	202,105	-	202,105
Bonds Payable, net	766,300	-	766,300
Due to other funds	-	794,626	794,626
Deposit	-	-	-
Total Current Liabilities	<u>2,606,252</u>	<u>1,006,870</u>	<u>3,613,122</u>
Noncurrent Liability:			
Bonds Payable, net	8,906,257	22,000	8,928,257
Total Noncurrent Liability	<u>8,906,257</u>	<u>22,000</u>	<u>8,928,257</u>
Total Liabilities	<u>11,512,509</u>	<u>1,028,870</u>	<u>12,541,379</u>
Net Position:			
Invested in capital assets, net of related debt	18,627,655	684,236	19,311,891
Restricted for debt service	-	-	-
Unrestricted	8,158,832	3,101,909	11,260,741
Total Net Position	<u>26,786,487</u>	<u>3,786,145</u>	<u>30,572,632</u>
Total Liabilities and Net Position	<u>\$ 38,298,996</u>	<u>\$ 4,815,015</u>	<u>\$ 43,114,011</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 POSITION – PROPRIETARY FUNDS
For The Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds		
	Golf Courses	Other Proprietary Funds	Totals
Operating Revenues:			
Administration and lesson fees	\$ 964,881	\$ -	\$ 964,881
Ambulance fees	-	1,884,180	1,884,180
Equipment and facility rental	407,913	-	407,913
Concession and merchandise sales	876,191	-	876,191
Miscellaneous	-	2,475	2,475
Total Operating Revenues	2,248,985	1,886,655	4,135,640
Operating Expenses:			
Golf courses cost of sales	369,782	-	369,782
Golf courses operations	706,183	-	706,183
Golf courses maintenance	1,161,883	-	1,161,883
Golf courses general expense	376,154	-	376,154
General and administrative	-	1,956,233	1,956,233
Housing Payments	-	3,260,086	3,260,086
Depreciation	373,881	160,646	534,527
Total Operating Expenses	2,987,883	5,376,965	8,364,848
Operating Income (Loss)	(738,898)	(3,490,310)	(4,229,208)
Nonoperating Income (Expense):			
Intergovernmental revenue	-	3,503,599	3,503,599
Gain on sale of capital assets	19,969,537	487,929	20,457,466
Interest income	70,714	3,855	74,569
Interest expense	(466,236)	(1,527)	(467,763)
Total Nonoperating Income (Expense)	19,574,015	3,993,856	23,567,871
Income (Loss) Before Transfers	18,835,117	503,546	19,338,663
Transfers in	1,487,403	-	1,487,403
Changes in Net Position	20,322,520	503,546	20,826,066
Net Position, Beginning	6,463,967	3,282,599	9,746,566
Net Position, Ending	\$ 26,786,487	\$ 3,786,145	\$ 30,572,632

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, 2012

	Business-type Activities - Enterprise Funds		
	Golf Courses	Other Proprietary Funds	Totals
Cash Flows From Operating Activities:			
Receipts from customers and users	\$ 2,248,985	\$ 1,834,923	\$ 4,083,908
Payments to suppliers	208,478	(3,792,008)	(3,583,530)
Payments to employees and related benefits	(1,516,345)	(1,481,619)	(2,997,964)
Net cash from operating activities	<u>941,118</u>	<u>(3,438,704)</u>	<u>(2,497,586)</u>
Cash Flows From Capital and Related Financing Activities:			
Purchase of property and equipment	(10,451,695)	-	(10,451,695)
Proceeds from sale of equipment	17,534,983	757,513	18,292,496
Principal paid on bonds and capital lease	(711,750)	(21,000)	(732,750)
Interest paid on bonds and capital lease	(420,079)	(1,527)	(421,606)
Net cash from capital and related financing activities	<u>5,951,459</u>	<u>734,986</u>	<u>6,686,445</u>
Cash Flows From Non-Capital Financing Activities:			
Cash subsidy from federal grants	-	3,263,259	3,263,259
Advances to other funds	(1,652,979)	(296,749)	(1,949,728)
Advances from other funds	-	1,298,953	1,298,953
Transfers from other funds	1,487,403	-	1,487,403
Net cash from non-capital financing activities	<u>(165,576)</u>	<u>4,265,463</u>	<u>4,099,887</u>
Cash Flows From Investing Activity:			
Interest on investments	70,714	3,855	74,569
Net cash from investing activity	<u>70,714</u>	<u>3,855</u>	<u>74,569</u>
Net Increase (Decrease) In Cash	6,797,715	1,565,600	8,363,315
Cash and Cash Equivalents At Beginning Of Year	<u>2,323,817</u>	<u>1,475,265</u>	<u>3,799,082</u>
Cash and Cash Equivalents At End Of Year	<u>\$ 9,121,532</u>	<u>\$ 3,040,865</u>	<u>\$ 12,162,397</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	\$ (738,898)	\$ (3,490,310)	\$ (4,229,208)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation expense	373,881	160,646	534,527
(Increase) Decrease in accounts receivables	-	(51,732)	(51,732)
(Increase) Decrease in inventory	47,636	-	47,636
Increase (Decrease) in accounts payable	1,347,303	1,202	1,348,505
Increase (Decrease) in accrued liabilities	(88,804)	(58,510)	(147,314)
Net cash from operating activities	<u>\$ 941,118</u>	<u>\$ (3,438,704)</u>	<u>\$ (2,497,586)</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 Position and the Statement of Activities) report information on all of the 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, the Maverik Center, the Hale Center Theater, Sanitation (Solid Waste), Storm Drain, and the Cultural Celebration Center.

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).

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 and report the proceeds of specific revenue sources that are the foundation of the fund and are restricted or committed to expenditure for specified purposes other than debt or capital projects. Accounting and financial reporting for general and special revenue funds are identical. The City accounts for the Grants Fund and Building Authority Fund as special revenue funds.

Capital projects funds account for the financial resources to be used for the acquisition or construction of the major capital facilities of the government. The City accounts for the Road Impact Fee Fund, Park Impact Fee Fund, Fire Impact Fee Fund, Police Impact Fee Fund, and Flood Impact Fee Fund as capital projects 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.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(E) Tax Revenues (Continued)

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.

(G) Allowance for Doubtful Accounts

Management has estimated the allowance for uncollectibles for the Ambulance Fund receivable to be approximately \$470,000 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 expensed 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. Additionally, the City would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

(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.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(K) Capital Assets (Continued)

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

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) Property Held for Resale

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

(M) 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.

(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 position. 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.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(O) Unearned Revenue

Unearned revenue arises when resources are received by the City before it has 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.

(P) Fund equity

In the fund financial statements governmental fund equity is classified as fund balance. Fund Balance is further classified as Nonspendable, Restricted, Committed, Assigned or Unassigned.

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

Restricted fund balance classification includes amounts with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislations.

Committed fund balance classification include those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the Council (Ordinances for the City, and Resolutions for the RDA, BA, and Housing Authority) and remain binding unless removed in the same manner.

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

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

(Q) 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.

(R) 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.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

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.

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, 2012 are as follows:

	Fair Value	Carrying Amount	Credit Rating (1)	Weighted Average Years to Maturity (2)
Cash on Hand	\$ 12,052	\$ 12,052	N/A	N/A
Cash on Deposit	6,895,579	6,895,579	N/A	N/A
Total cash on hand and deposit	<u>\$ 6,907,631</u>	<u>\$ 6,907,631</u>		
Investments (3):				
Utah State Treasurer's Investment Pool	\$ 42,982,276	\$ 42,731,747	N/A	NA
Bond Reserves:				
Utah State Treasurer's Investment Pool	9,151,382	9,098,589	N/A	N/A
Money Market accounts	20,928,665	20,928,665	N/A	N/A
Total investments	<u>\$ 73,062,323</u>	<u>\$ 72,759,001</u>		
Total cash and cash equivalents	<u>\$ 79,969,954</u>	<u>\$ 79,666,632</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, 2012 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, 2012, 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 75% and 25%, 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, 2012, \$8,561,510 of the City's \$8,813,510 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, 2012, \$42,731,747 of the City’s \$72,759,001 in investments was exposed to custodial credit risk because it is uninsured and uncollateralized.

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, 2012, the outstanding balance of the loans is \$583,615. 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, 2012 is as follows:

Due to/from other funds:

	Receivable	Payable
Governmental Activities		
General Fund	\$ 3,918,329	\$ -
Redevelopment Agency	-	3,918,329
Business-type Activities		
Golf Courses	794,626	-
Ambulance	-	794,626
	\$ 4,712,955	\$ 4,712,955

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 Position).

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 \$3,918,329 as of June 30, 2012. The rate was 1.79% as of June 30, 2012. During 2012 the Redevelopment Agency paid interest of \$247,338 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 Position.

The City has made an agreement with the Building Authority (the BA) to facilitate the costs of constructing the Maverik Center. The BA owes the General Fund \$4,600,000 as of June 30, 2012, 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 2012 the repayment terms were suspended and there were no payments. This interfund receivable/payable has been eliminated on the Statement of Net Position.

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, 2012 were as follows:

	Transfers In	Transfers Out
Governmental Activities		
General Fund	\$ 1,692,811	\$ 12,882,082
Capital Projects	6,884,147	120,332
Redevelopment Agency	-	1,863,369
Community Services Fund	5,838,205	4,933,767
Non major governmental funds	3,963,484	66,500
Business-type Activities		
Golf Courses	1,487,403	-
	\$ 19,866,050	\$ 19,866,050

NOTE 5 RESTRICTED ASSETS

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

Governmental Activities	
Restricted for bond proceeds, debt service and repair and replace reserves	\$ 9,260,802
Restricted for seized cash	814,058
Restricted for future development	21,431,462
Restricted for "C" road funds	2,481,733
Restricted for impact fees	2,168,281
Total governmental activities	36,156,336
Business-type Activities	
Restricted for housing authority	471,330
Restricted for bond proceeds, debt service and repair and replace reserves	702,267
Total business-type activities	1,173,597
Total restricted assets	\$ 37,329,933

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, 2012, is as follows:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Governmental Activities:				
Capital assets, not being depreciated:				
Land and collectibles	\$ 17,750,049	\$ 1,583,950	\$ (332,635)	\$ 19,001,364
Infrastructure	207,590,582	4,923,748	-	212,514,330
Construction in progress	-	17,697,819	-	17,697,819
Intangible assets	599,672	-	-	599,672
Total capital assets, not being depreciated	225,940,303	24,205,517	(332,635)	249,813,185
Capital assets, being depreciated:				
Buildings	122,132,219	-	-	122,132,219
Improvements other than buildings	2,516,273	1,954,671	-	4,470,944
Machinery and equipment	28,828,479	1,129,257	(832,659)	29,125,077
Furniture and fixtures	696,761	20,182	-	716,943
Infrastructure	58,650,735	2,547,941	-	61,198,676
Total capital assets, being depreciated	212,824,467	5,652,051	(832,659)	217,643,859
Less accumulated depreciation for:				
Buildings	(37,475,535)	(3,100,956)	-	(40,576,491)
Improvements other than buildings	(619,710)	(285,081)	-	(904,791)
Machinery and equipment	(22,766,772)	(1,915,417)	689,638	(23,992,551)
Furniture and fixtures	(642,935)	(24,351)	-	(667,286)
Infrastructure	(19,429,957)	(1,325,147)	-	(20,755,104)
Total accumulated depreciation	(80,934,909)	(6,650,952)	689,638	(86,896,223)
Total capital assets being depreciated, net	131,889,558	(998,901)	(143,021)	130,747,636
Governmental Activities capital assets, net	\$ 357,829,861	\$ 23,206,616	\$ (475,656)	\$ 380,560,821

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 339,833
Public safety	1,202,035
Highways and public improvements	1,993,828
Parks and recreation	2,627,096
Community development	488,160
Total depreciation expense - governmental activities	\$ 6,650,952

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, 2012:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 12,950,150	\$ 5,821,200	\$ (4,272,718)	\$ 14,498,632
Construction in progress	206,500	10,451,695	-	10,658,195
Total capital assets, not being depreciated	<u>13,156,650</u>	<u>16,272,895</u>	<u>(4,272,718)</u>	<u>25,156,827</u>
Capital assets, being depreciated:				
Buildings	4,154,447	-	(387,713)	3,766,734
Improvements other than buildings	1,781,411	-	(466,740)	1,314,671
Machinery and equipment	4,068,300	-	(664,367)	3,403,933
Furniture and fixtures	14,014	-	-	14,014
Total capital assets, being depreciated	<u>10,018,172</u>	<u>-</u>	<u>(1,518,820)</u>	<u>8,499,352</u>
Less accumulated depreciation for:				
Buildings	(1,511,329)	(103,328)	198,510	(1,416,147)
Improvements other than buildings	(1,160,619)	(90,136)	397,434	(853,321)
Machinery and equipment	(3,298,400)	(341,063)	664,365	(2,975,098)
Furniture and fixtures	(14,014)	-	-	(14,014)
Total accumulated depreciation	<u>(5,984,362)</u>	<u>(534,527)</u>	<u>1,260,309</u>	<u>(5,258,580)</u>
Total capital assets being depreciated, net	<u>4,033,810</u>	<u>(534,527)</u>	<u>(258,511)</u>	<u>3,240,772</u>
Business-type Activities capital assets, net	<u>\$ 17,190,460</u>	<u>\$ 15,738,368</u>	<u>\$ (4,531,229)</u>	<u>\$ 28,397,599</u>

Depreciation expense was charged to functions/programs as follows:

Business-type Activities	
Golf courses	\$ 373,881
Housing authority	24,369
Ambulance	<u>136,277</u>
Total depreciation expense - business-type activities	<u>\$ 534,527</u>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 PROPERTY HELD FOR RESALE

Land and property acquired by the Redevelopment Agency of West Valley City (a Special Revenue fund) and the General Fund that is held for resale is accounted for as property held for resale. The cost of property held for resale is capitalized until the property is sold. Property transferred from infrastructure assets of the City is recorded at approximate fair value for accountability purposes. If the Redevelopment Agency sells property 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 \$24,090,127 and \$9,712,063, 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, 2012 was not expected to be received within 60 days after the year ended June 30, 2012, 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, 2012.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2012:

	<u>June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2012</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
Revenue bonds	\$ 108,341,260	\$ -	\$ (4,978,250)	\$ 103,363,010	\$ 5,437,750
Special improvement district bonds	1,082,867	-	(197,820)	885,047	206,782
Plus: unamortized premiums	<u>1,334,263</u>	<u>-</u>	<u>(114,451)</u>	<u>1,219,812</u>	<u>-</u>
Total bonds payable	<u>110,758,390</u>	<u>-</u>	<u>(5,290,521)</u>	<u>105,467,869</u>	<u>5,644,532</u>
Notes payable and capital leases:					
Notes payable	2,266,000	33,063,000	(160,000)	35,169,000	523,769
Capital leases	<u>3,962,011</u>	<u>1,445,543</u>	<u>(1,674,231)</u>	<u>3,733,323</u>	<u>1,284,612</u>
Total notes payable and capital leases	<u>6,228,011</u>	<u>34,508,543</u>	<u>(1,834,231)</u>	<u>38,902,323</u>	<u>1,808,381</u>
Other liabilities:					
Compensated absences	920,800	58,720	(41,500)	938,020	141,000
Workers compensation	1,189,637	594,419	(778,149)	1,005,907	507,000
Termination benefits	244,885	854,848	(183,325)	916,408	118,000
Paid time-off	<u>1,353,418</u>	<u>2,028,632</u>	<u>(563,675)</u>	<u>2,818,375</u>	<u>1,127,000</u>
Total other liabilities	<u>3,708,740</u>	<u>3,536,619</u>	<u>(1,566,649)</u>	<u>5,678,710</u>	<u>1,893,000</u>
Total Governmental activities long-term liabilities	<u>120,695,141</u>	<u>38,045,162</u>	<u>(8,691,401)</u>	<u>150,048,902</u>	<u>9,345,913</u>
Business-type Activities:					
Bonds payable:					
Revenue bonds	10,358,500	-	(732,750)	9,625,750	766,300
Plus: unamortized premiums	<u>75,688</u>	<u>-</u>	<u>(6,881)</u>	<u>68,807</u>	<u>-</u>
Total bonds payable	<u>10,434,188</u>	<u>-</u>	<u>(739,631)</u>	<u>9,694,557</u>	<u>766,300</u>
Total Business-type activities long-term liabilities	<u>10,434,188</u>	<u>-</u>	<u>(739,631)</u>	<u>9,694,557</u>	<u>766,300</u>
Total Liabilities	<u>\$ 131,129,329</u>	<u>\$ 38,045,162</u>	<u>\$ (9,431,032)</u>	<u>\$ 159,743,459</u>	<u>\$ 10,112,213</u>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 LONG-TERM DEBT (Continued)

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 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, 2012, which is the portion attributable to governmental activities. As of June 30, 2012, the total outstanding defeased balance is \$13,005,000. \$ 367,500

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 Maverik 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. 1,235,000

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 improving an arts and cultural heritage complex; and to finance equipment purchases and related improvements at the Maverik Center. Debt service payments will be made from the General Fund sales tax revenues. 1,265,000

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 Maverik Center. Debt service payments will be funded by tax increment funds generated within the project area. 5,035,000

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 LONG-TERM DEBT (Continued)

<p>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, 2012, which is the portion attributable to governmental activities.</p>	<p>\$ 4,803,750</p>
<p>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, 2012, of \$27,715,000. Debt payments will be funded by proceeds from the Maverik Center's operations and transfers from the General Fund.</p>	<p>28,910,000</p>
<p>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.</p>	<p>3,990,000</p>
<p>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, 2012, which is the portion attributable to governmental activities.</p>	<p>870,000</p>
<p>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.</p>	<p>6,715,000</p>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 LONG-TERM DEBT (Continued)

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. \$ 10,500,000

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. 8,570,000

Building Authority Lease Revenue Refunding Bonds, Series 2010, original issue of \$2,870,000, principal due in annual installments beginning January 2012, interest at 3% to 4% due in semi-annual installments beginning January 2011, with the final payment due January 2020. The bonds were issued to refund the Building Authority Lease Revenue Bonds, Series 2001, which were issued to fund the building of a new fire station and public works building, the balance of which at June 30, 2012, is \$2,830,000. Debt service payments will be made from the Building Authority Fund. 2,635,000

Sales Tax Revenue Refunding Bonds (Capital Appreciation Bonds), Series 2010, original issue of \$14,466,760, principal due in annual installments beginning July 2023, interest at 6.75% due in annual installments beginning July 2023, with the final payment due July 2036. The bonds were issued to defease the Sales Tax Revenue Tax Exempt Bonds, Series 2002A, which 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 Maverik Center. The balance of the defeased bond as of June 30, 2012, is \$10,880,000. Debt service payments will be made from municipal energy sales and use tax and telecommunications franchise tax revenues. 14,466,760

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 LONG-TERM DEBT (Continued)

Redevelopment Agency Franchise Tax and Tax Increment Revenue Refunding Bonds, Series 2010A, original issue of \$9,380,000, principal due in annual installments beginning November 2015, interest at 4.485% due in semi-annual installments beginning May 2011, with the final payment due November 2021. The bonds were issued in part to defease the Taxable Tax Increment & Revenue Bonds, Series 2008, which were issued to purchase land held for resale. The balance of the defeased bonds as of June 30, 2011, is \$6,050,000. Remaining proceeds from the bonds will be used to finance acquisition of property for redevelopment areas. Debt service payments will be made from franchise tax and tax increment revenues. Total debt service for defeased debt was anticipated to be \$7,220,675, and total debt service for new debt is \$13,141,202. Present value of debt service savings from defeasance is \$29,425.

\$ 9,380,000

Franchise Tax and Tax Increment Revenue Bonds (Build America Bonds), Series 2010B, original issue of \$4,620,000, principal due in annual installments beginning November 2022, interest at 5.0% to 5.5% due in semi-annual installments beginning May 2011, with the final payment due November 2025. The bonds were issued to finance acquisition of property for redevelopment areas. Debt service payments will be made from franchise tax and tax increment revenues.

4,620,000

Total Revenue Bonds - Governmental Activities \$ 103,363,010

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.

\$ 885,047

Total Special Improvement District Bonds - Governmental Activities \$ 885,047

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

NOTE 10 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. \$ 2,106,000

Redevelopment Agency note, original note of \$33,063,000, principal due in monthly installments beginning December 2015, interest at 5.68% due in monthly installments beginning November 2011, with the final payment due November 2037. The note was used for the construction of the Plaza hotel and is secured by the property, improvements, and future rents. Debt service payments will be paid by the sub-lease tenant. 33,063,000

Total Notes Payable - Governmental Activities \$ 35,169,000

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 and was paid off during the year. \$ -

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. 207,806

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. 337,977

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

NOTE 10 LONG-TERM DEBT (Continued)

<p>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 Maverik Center.</p>	<p>\$ 507,616</p>
<p>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.</p>	<p>255,202</p>
<p>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.</p>	<p>522,257</p>
<p>2010 Various Equipment Leases, original amounts totaling \$286,005, lease payments due in quarterly installments totaling \$18,806 including interest at 3.66% to 4.09% with payments beginning from October 2010 to June 2011, with the final payment due from July 2014 to March 2018. The principal and interest payments are made from the General Fund revenues. The leases were used to finance the purchase of various electronic equipment.</p>	<p>221,121</p>
<p>2011 Suntrust Equipment Lease, original amount of \$366,000, lease payments due in semi-annual installments totaling \$39,294 including interest at 3.49% with payments beginning October 2011, with the final payment due April 2016. The principal and interest payments are made from the General Fund revenues. The lease was used to finance the purchase of police vehicles for the City.</p>	<p>247,001</p>
<p>2012 Suntrust Equipment Lease, original amount of \$606,971, lease payments due in semi-annual installments totaling \$34,609 including interest at 2.57% with payments beginning August 2012, with the final payment due February 2022. The principal and interest payments are made from the General Fund revenues. The lease was used to finance the purchase of a fire truck for the City.</p>	<p>606,971</p>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 LONG-TERM DEBT (Continued)

2012 Suntrust Equipment Lease, original amount of \$149,070, lease payments due in semi-annual installments totaling \$11,673 including interest at 2.50% with payments beginning November 2012, with the final payment due May 2019. The principal and interest payments are made from the General Fund revenues. The lease was used to finance the refurbishment of one of the City's fire trucks. \$ 149,070

2012 Suntrust Equipment Lease, original amount of \$450,000, lease payments due in semi-annual installments totaling \$47,467 including interest at 1.965% with payments beginning October 2012, with the final payment due April 2017. The principal and interest payments are made from the General Fund revenues. The lease was used to finance the purchase of police vehicles for the City. 450,000

2012 Various Equipment Leases, original amounts totaling \$239,502, lease payments due in quarterly installments totaling \$18,825 including interest at 3.64% to 3.76% with payments beginning from January 2012 to June 2012, with the final payment due from August 2015 to March 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. 228,302

Total Capital Leases - Governmental Activities \$ 3,733,323

Compensated absences

The total of accumulated unpaid compensated absences in governmental funds. The majority of compensated absences are paid out of the general fund. \$ 938,020

Workers' compensation

The long-term portion of estimated workers compensation claims in governmental funds. The majority of Workers' compensation claims are paid out of the general fund. \$ 1,005,907

Termination Benefits

The long-term portion of termination benefits in governmental funds. The City has, from time to time, offered termination benefits as an incentive to early retirement to the employees of the City. As part of the benefit, the employees could elect to receive medical coverage through the City's health insurance provider, with the City paying 65% of the premiums for a maximum of 8 years. As of June 30, 2012, there were 19 employees receiving benefits in the form of paid health insurance premiums. The availability of these benefits range from 2 to 8 years, depending upon individual retirement agreements. The present value of estimated future insurance premium costs of \$745,145 is determined using a 2% discount rate and a health cost trend rate of 10% compounding over the period of availability. The long-term liability associated with the termination benefits are paid out of the general fund. \$ 916,408

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 LONG-TERM DEBT (Continued)

Paid time-off

The long-term portion of paid-time off accruals. Employees can carryover up to 300 hours of paid time-off. Any hours over the maximum are automatically paid to the employee. Employees may also cash out their accrual at any time up to 160 hours, but must leave a minimum of 40 hours in their accrued paid time-off. The long-term liability associated with the termination benefits are paid out of the general fund.

\$ 2,818,375

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, 2012, which is the portion attributable to business-type activities.

\$ 682,500

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, 2012, which is attributable to the business-type activities.

8,921,250

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, 2012, which is the portion attributable to business-type activities.

22,000

Total Revenue Bonds - Business-type Activities

\$ 9,625,750

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 LONG-TERM DEBT (Continued)

The annual debt service requirements to maturity, including principal and interest for the long-term debt, as of June 30, 2012, are as follows:

Year Ending June 30,	Governmental Activities Revenue Bonds	
	Principal	Interest
2013	\$ 5,437,750	\$ 3,943,768
2014	5,795,750	3,709,164
2015	6,026,500	3,474,133
2016	7,145,500	3,170,906
2017	7,408,250	2,838,636
2018-2022	32,922,500	9,346,948
2023-2027	25,168,580	8,680,989
2028-2032	9,973,300	17,786,772
2033-2036	3,484,880	12,592,796
	<u>103,363,010</u>	<u>\$ 65,544,112</u>
Plus: unamortized premium	<u>1,219,812</u>	
Total	<u>\$ 104,582,822</u>	

Year Ending June 30,	Governmental Activities Special Improvement District Bonds	
	Principal	Interest
2013	\$ 206,782	\$ 40,093
2014	216,149	30,725
2015	225,940	20,934
2016	236,176	10,699
	<u>\$ 885,047</u>	<u>\$ 102,451</u>

Year Ending June 30,	Governmental Activities Notes Payable	
	Principal	Interest
2013	\$ 523,769	\$ 1,988,783
2014	813,928	1,948,311
2015	860,121	1,901,441
2016	908,482	1,851,663
2017	960,138	1,798,832
2018-2022	5,674,665	8,083,555
2023-2027	5,968,189	6,428,119
2028-2032	7,923,027	4,473,279
2033-2037	10,518,162	1,878,147
2038	1,018,519	14,508
	<u>\$ 35,169,000</u>	<u>\$ 30,366,638</u>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 LONG-TERM DEBT (Continued)

Year Ending June 30,	Business-type Activities	
	Revenue Bonds	
	Principal	Interest
2013	\$ 766,300	\$ 387,848
2014	783,300	354,300
2015	812,500	321,400
2016	864,500	282,500
2017	906,800	241,600
2018-2022	5,492,350	577,200
	9,625,750	<u>\$ 2,164,848</u>
Plus: unamortized premium	68,807	
Total	<u>\$ 9,694,557</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
2013	\$ 1,398,853
2014	1,091,908
2015	488,178
2016	392,238
2017	235,780
2018-2022	405,253
Total minimum lease payments	4,012,210
Less: amount representing interest	<u>(278,887)</u>
Present value of net minimum lease payments	<u>\$ 3,733,323</u>

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Equipment	\$ 7,750,569
Less: accumulated depreciation	<u>(5,166,589)</u>
Total	<u>\$ 2,583,980</u>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 LONG-TERM DEBT (Continued)

	Business-Type Activities
Asset:	
Machinery and equipment	\$ 1,273,793
Less: accumulated depreciation	(911,288)
Total	\$ 362,505

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, revenues for the year, payments from pledged revenues for the year, and the ratio of revenues in the current fiscal year to the total pledged revenues, are shown by type below:

	Sales Taxes	RDA Tax Increment	Franchise Taxes	Special Improvement District	Lease Revenues
Total revenues pledge over the life of the debts	79,169,283	38,328,563	12,537,675	987,498	50,662,199
Revenues for the year ended June 30, 2012	19,958,098	8,522,304	9,239,524	360,482	3,963,484
Payments on debt from pledged revenues for the year ended June 30, 2012	2,741,699	1,946,954	1,481,675	246,874	4,095,007
Percent of current year revenues to total pledged revenues	25%	22%	74%	37%	8%

NOTE 11 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.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RISK MANAGEMENT (Continued)

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. The portion of Workers' compensation claims which are due and payable at June 30, 2012, of \$60,000 is recorded in the General Fund in accrued liabilities. The rest of the Workers' compensation claims liability of \$498,907 and \$507,000 has been recorded on the government-wide level in the Statement of Net Position as a noncurrent liability due in more than one year and due within one year, respectively. 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, 2012 and 2011.

	2012	2011	Increase (Decrease)
Workers Compensation claim, liability, beginning year	\$ 1,249,637	\$ 1,103,853	\$ 145,784
Claims, including incurred but not reported	594,419	547,586	46,833
Payments on claims	(778,149)	(401,802)	(376,347)
Workers Compensation claim, liability, end of year	\$ 1,065,907	\$ 1,249,637	\$ (183,730)

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 12 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.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 RETIREMENT PLAN (Continued)

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 Tier 1 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 9.76% of their annual covered salary. In the Local Government Contributory Tier 2 Retirement System, the City is required to contribute 10.33% of their annual covered salary. In the Local Governmental Noncontributory Tier 1 Retirement System, the City is required to contribute 13.37% of members' annual covered salary. In the Public Safety Contributory Tier 1 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 19.48% of annual salary and 28.64% of annual covered salary for members in the noncontributory status. In the Public Safety Contributory Tier 2 Retirement System, the City is required to contribute 17.72% of annual salary for members in the contributory status and 28.64% of annual covered salary for members in the noncontributory status. In the Firefighters Tier 1 Retirement System, members do not contribute, and the City is required to contribute 16.18% of the members' annual covered salary. In the Firefighters Tier 2 Retirement System, the City is required to contribute 10.64% 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.

The City's contributions to the Local Governmental Contributory Tier 1 & 2 Retirement System for the years ended June 30, 2012, 2011, and 2010 were \$149,328, \$118,341, and \$155,635, with salaries subject to retirement contributions of \$1,131,825, \$770,448, and \$1,140,185, respectively; for the Noncontributory Tier 1 Retirement System, the contributions for the years ended June 30, 2012, 2011, and 2010, were \$1,960,066, \$1,894,308, and \$1,643,054, with salaries subject to retirement contributions of \$14,622,604, \$14,180,132, and \$14,091,369, respectively; for the Public Safety Contributory Tier 1 & 2 Retirement System, the contributions for the years ended June 30, 2012, 2011, and 2010 were \$130,716, \$140,771, and \$127,129, with salaries subject to retirement contributions of \$455,236, \$477,515, and \$467,902, respectively; for the Public Safety Noncontributory Tier 1 Retirement system, the contributions for the years ended June 30, 2012, 2011, and 2010 were \$2,635,379, \$2,624,188, and \$2,455,330, with salaries subject to retirement contributions of 9,562,584, \$9,304,440, and \$9,367,939, respectively; and for the Firefighters Tier 1 & 2 Retirement System, the contributions for the years ended June 30, 2012, 2011, and 2010, were \$905,291, \$880,899, and \$541,365, with salaries subject to retirement contributions of \$5,641,599, \$5,444,358, and \$5,592,625, respectively. The contributions were equal to the required contributions for each year.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 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, 2012, 2011 and 2010 were \$34,099,852, \$34,092,281, and \$34,369,992, respectively. Of those amounts, \$32,491,488, \$32,505,368, and \$32,799,854 were eligible to participate in this plan for the years ended June 30, 2012, 2011, and 2010, respectively. The City participates at rates between .73% and 17.41%. The rate of City participation can be changed by the City Council.

During the years ended June 30, 2012, 2011, and 2010, contributions totaling \$1,049,184, \$1,508,710, and \$2,177,364, respectively were made to this plan by the City. The contributions by the City to the 401(a) plan were 3.08%, 4.43%, and 6.34%, 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, 2012, 2011 and 2010 were \$34,099,852, \$34,092,281, and \$34,369,992, respectively. Of those amounts, \$32,491,488, \$32,505,368, and \$32,799,854, were eligible to participate in this plan for the years ended June 30, 2012, 2011, and 2010, respectively. Voluntary contributions made by employees totaled \$860,361, or 2.52% of total payroll expense in 2012, \$828,441 or 2.43% of total payroll expense in 2011, and \$868,711, or 2.53% of total payroll expense in 2010. 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.

NOTE 14 COMMITMENTS AND CONTINGENCIES

The City had approximately \$22,785,000 of outstanding construction commitments at June 30, 2012.

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 \$598,139 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 Maverik 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 Maverik Center. The City is responsible for management and operation of the Maverik Center parking facilities.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 COMMITMENTS AND CONTINGENCIES (Continued)

The City pays to WVE, Inc., or its parent company, Centennial Management Group, an annual management fee of \$150,000. This annual fixed fee will increase by \$5,000 on July 1 of each year for five years beginning July 1, 2003. The annual fixed fee will increase by \$7,500 each year for the next five year period beginning on July 1, 2008; 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 \$205,000 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. The annual incentive fee for the current fiscal year was \$10,250. These management fees paid to WVE, Inc., and/or Centennial Management Group are their only compensation for managing the Maverik Center. All Maverik Center revenues are collected by the City (other than those retained by the concessionaire and the hockey club pursuant to their respective contracts). All Maverik 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 \$50,000 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 \$78,172 in the 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 Maverik 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 2012 was \$10,261.

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 15 INTERGOVERNMENTAL REVENUE

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

	General Fund	Capital Projects	Other Governmental Funds	Business-type Funds
Federal Government:				
Bulletproof Vest Grant	\$ -	\$ -	\$ 1,320	\$ -
CDBG Grant	-	-	751,163	-
Community Oriented Policing Services Hiring Grant	-	-	570,150	-
Domestic Violence VOCA	-	-	92,428	-
EMPG Fire Grant	-	-	6,525	-
Energy Efficiency and Conservation Block Grant	-	-	349,521	-
FEMA SAFER Grant	-	-	158,330	-
Highway Safety Grant	-	-	26,964	-
Homeland Security	-	-	53,073	-
HUD - Vouchers	-	-	-	3,183,606
HUD Economic Development Grant	-	-	998,333	-
JAG Grants	-	-	45,439	-
MMRS Fire Grant	-	-	18,776	-
Project Safe Neighborhood	-	-	117,902	-
Project Step Up At-Risk Youth	-	-	54,027	-
Salt Lake Homes Revenue	-	-	125,799	92,071
Shelter Plus Care	-	-	-	227,922
VAWA Grant	-	-	58,220	-
State of Utah:				
CCJJ Halfway House Grant	-	-	106,716	-
CCJJ Narcotics Enforcement	-	-	33,295	-
CCJJ State Asset Forfeiture	-	-	44,363	-
Class "C" road fund allotment	3,762,085	-	-	-
EMS Fire Department Grant	-	-	6,242	-
Internet Crimes Against Children	-	-	17,925	-
Liquor allotment	157,738	-	-	-
Capital Project Funds	-	1,568,946	-	-
	<u>\$ 3,919,823</u>	<u>\$ 1,568,946</u>	<u>\$ 3,636,511</u>	<u>\$ 3,503,599</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.

NOTE 16 REDEVELOPMENT AGENCY OF THE WEST VALLEY CITY

For the year ended June 30, 2012, the following activity occurred in the City's Redevelopment Agency:

Tax increment collected from other taxing agencies	<u>\$ 8,522,304</u>
Amounts expended for:	
Tax increment paid to other taxing agencies	\$ 2,922,678
Administrative costs	2,389,177
Property acquisitions and site improvements	19,255,496
Debt service costs	<u>7,063,554</u>
Total amounts expended by RDA	<u>\$ 31,630,905</u>
Outstanding bonds and loans to finance RDA projects	<u>\$ 60,668,000</u>

WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 17 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, 2012, there are three series of Industrial Revenue Bonds outstanding, with an aggregate original issue principal amount payable of \$19,771,430 composed of the following issues:

Company	Maturity	Balance at June 30, 2012
Monticello Academy - 2007	June 2037	\$ 10,520,000
East Hollywood High School - 2007	June 2037	5,885,000
Holbrook Properties - 2007	April 2018	1,591,777
		<u>\$ 17,996,777</u>

NOTE 18 INTERLOCAL AGREEMENTS

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 UTOPIA had a net position deficit balance as of year-end. UTOPIA issues annual audited financial statements which are available either from UTOPIA or 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 December 2011, UTOPIA issued an \$185,000,000 revenue refunding bond, which will become due in June 2040. The debt service payments will be made by the 11 pledging members according to 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 \$3,593,081 for the year ended June 30, 2013. Any bonds or debt issued or incurred by UTOPIA will not constitute debt of the City.

The City has made payments to UTOPIA for debt service over the last several years. Payments for the year ended June 30, 2012 totaled \$3,752,991.

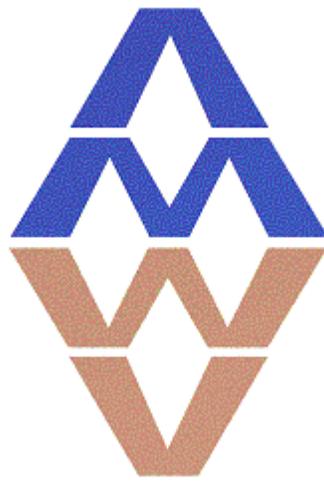
WEST VALLEY CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 18 INTERLOCAL AGREEMENTS (Continued)

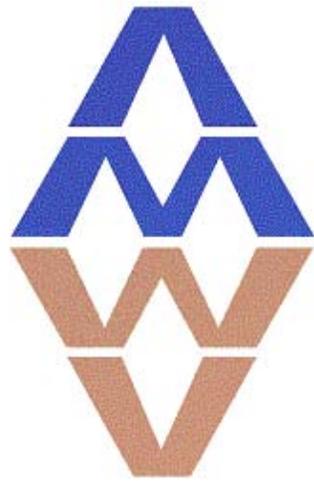
The City is also one of eight founding members of the Utah Infrastructure Agency (UIA), an interlocal cooperative agreement organized in July of 2010 under the laws of the State of Utah. Like UTOPIA, UIA was organized to provide for acquisition, construction, and installation of advanced communication lines, improvements, and facilities. The City has pledged franchise tax revenues to ensure that UIA fulfills its revenue requirement from the bond agreements, which is that UIA must have revenue equal to the operations and maintenances expenses and the capital costs in a fiscal year. In the event that there is a shortfall, the City has agreed to lend UIA its franchise tax revenues. The percentage of the City's share of the shortfall pledge is 30.44% with a yearly liability limit set at a maximum of \$1,568,781. The City did not make any payments to UIA for the year ended June 30, 2012. UIA's annual audited financial statements are available either from UIA or the Utah State Auditor.

NOTE 19 SUBSEQUENT EVENTS

On July 6, 2012, just after year end, the RDA issued Series 2012 Subordinate Tax Increment & Subordinate Sales Tax Revenue Bonds for \$5,313,000. The bonds were issued to fund the renovation of Valley Fair Mall. Interest payments on the bonds will begin in November 2012.



REQUIRED SUPPLEMENTAL INFORMATION



WEST VALLEY CITY
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED
USING THE MODIFIED APPROACH
For The Year Ended June 30, 2012

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, 2012

Major Streets (Continued)

The City's policy is to maintain an average RSL of 8 years or greater. The City performs a complete condition assessment on each major street every two to three years. A condition assessment on the major streets was performed in June 2012.

<u>Category</u>	<u>2012</u>	<u>2010</u>	<u>2007</u>
Excellent	5%	5%	0%
Very Good	20%	29%	31%
Good	26%	42%	45%
Fair	12%	3%	9%
Poor	35%	21%	15%
Fail	2%	0%	0%
Average RSL	9.92 Years	10.95 Years	11.00 Years

<u>Major Streets</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Estimated	\$ 3,594,735	\$ 4,135,537	\$ 3,840,178	\$ 896,000	\$ 774,000
Actual	3,559,892	1,128,825	1,242,339	468,163	758,181

WEST VALLEY CITY
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED
USING THE MODIFIED APPROACH (Continued)
For The Year Ended June 30, 2012

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 May of 2012.

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.

The City's policy is to maintain an average RSL of 8 years or greater. The City performs a complete condition assessment on each major street every two to three years. A condition assessment on the major streets was performed in June 2012.

<u>Category</u>	<u>2012</u>	<u>2010</u>	<u>2009</u>
Excellent	5%	6%	7%
Very Good	20%	14%	11%
Good	26%	35%	42%
Fair	12%	4%	7%
Poor/Failed	37%	42%	33%
Average RSL	9.92 Years	9.9 Years	9.7 Years

<u>Minor Streets</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Estimated	\$ 1,773,014	\$ 842,419	\$ 1,118,000	\$ 720,000	\$ 926,000
Actual	923,490	681,718	1,043,491	608,785	759,082

WEST VALLEY CITY
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED
USING THE MODIFIED APPROACH (Continued)
For The Year Ended June 30, 2012

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) 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 Summer of 2012.

<u>Category</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Excellent/Good	97%	98%	96%
Fair	1%	1%	2%
Poor	1%	1%	1%
Fail	1%	0%	1%

<u>Sidewalks</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Estimated	\$ 134,456	\$ 254,091	\$ 332,200	\$ 458,000	\$ 90,500
Actual	116,253	150,132	257,301	157,679	71,505

SUPPLEMENTAL INFORMATION

**WEST VALLEY CITY
COMBINING BALANCE SHEET – NONMAJOR
GOVERNMENTAL FUNDS
June 30, 2012**

	Capital Projects 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	621,842	1,505,917	9,320	3,121
Total Assets	\$ 621,842	\$ 1,505,917	\$ 9,320	\$ 3,121
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Notes payable	-	-	-	-
Liabilities payable from restricted assets	-	5,480	-	-
Total Liabilities	-	5,480	-	-
Fund Balances:				
Restricted for:				
Debt Service	-	-	-	-
Future development	621,842	1,500,437	9,320	3,121
Assigned, reported in:				
Special revenue funds	-	-	-	-
Total Fund Balances	621,842	1,500,437	9,320	3,121
Total Liabilities and Fund Balances	\$ 621,842	\$ 1,505,917	\$ 9,320	\$ 3,121

WEST VALLEY CITY
COMBINING BALANCE SHEET – NONMAJOR
GOVERNMENTAL FUNDS (Continued)
June 30, 2012

	<u>Capital Projects Funds</u>	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	Flood Impact Fee	Grants	Building Authority	
ASSETS				
Cash and cash equivalents	\$ -	\$ (1,683,455)	\$ 6,267,793	\$ 4,584,338
Receivables:				
Intergovernmental	-	1,900,742	-	1,900,742
Loan receivables	-	583,615	-	583,615
Restricted assets:				
Cash and cash equivalents	28,081	-	1,771,194	3,939,475
Total Assets	<u>\$ 28,081</u>	<u>\$ 800,902</u>	<u>\$ 8,038,987</u>	<u>\$ 11,008,170</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 36,042	\$ 13,286	\$ 49,328
Accrued liabilities	-	22,964	-	22,964
Unearned revenue	-	736,436	-	736,436
Notes payable	-	-	4,600,000	4,600,000
Liabilities payable from restricted assets	-	-	-	5,480
Total Liabilities	<u>-</u>	<u>795,442</u>	<u>4,613,286</u>	<u>5,414,208</u>
Fund Balances:				
Restricted for:				
Debt Service	-	-	1,771,194	1,771,194
Future development	28,081	-	-	2,162,801
Assigned, reported in:				
Special revenue funds	-	5,460	1,654,507	1,659,967
Total Fund Balances	<u>28,081</u>	<u>5,460</u>	<u>3,425,701</u>	<u>5,593,962</u>
Total Liabilities and Fund Balances	<u>\$ 28,081</u>	<u>\$ 800,902</u>	<u>\$ 8,038,987</u>	<u>\$ 11,008,170</u>

WEST VALLEY CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2012

	Capital Projects Funds			
	Road Impact Fee	Park Impact Fee	Fire Impact Fee	Police Impact Fee
Revenues:				
Fees	\$ 498,697	\$ 329,330	\$ 45,820	\$ 33,121
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Total Revenues	498,697	329,330	45,820	33,121
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and public improvements	176,480	-	-	-
Parks and recreation	-	39,660	-	-
Community development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	176,480	39,660	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	322,217	289,670	45,820	33,121
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(36,500)	(30,000)
Total Other Financing Sources (Uses)	-	-	(36,500)	(30,000)
Net Change in Fund Balances	322,217	289,670	9,320	3,121
Fund Balances, Beginning	299,625	1,210,767	-	-
Fund Balances, Ending	621,842	\$ 1,500,437	\$ 9,320	\$ 3,121

WEST VALLEY CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS (Continued)
For The Year Ended June 30, 2012

	<u>Capital Projects Funds</u>	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	Flood Impact Fee	Grants	Building Authority	
Revenues:				
Fees	\$ 66,172	\$ -	\$ -	\$ 973,140
Intergovernmental	-	3,636,511	-	3,636,511
Interest	5,837	-	10,133	15,970
Total Revenues	<u>72,009</u>	<u>3,636,511</u>	<u>10,133</u>	<u>4,625,621</u>
Expenditures:				
Current:				
General government	-	1,526,521	-	1,526,521
Public safety	-	1,233,027	-	1,233,027
Highways and public improvements	116,555	-	-	293,035
Parks and recreation	-	-	-	39,660
Community development	-	606,309	-	606,309
Debt service:				
Principal	-	160,000	2,245,788	2,405,788
Interest	-	123,897	1,718,306	1,842,203
Capital outlay	-	-	112,929	112,929
Total Expenditures	<u>116,555</u>	<u>3,649,754</u>	<u>4,077,023</u>	<u>8,059,472</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(44,546)</u>	<u>(13,243)</u>	<u>(4,066,890)</u>	<u>(3,433,851)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	3,963,484	3,963,484
Transfers out	-	-	-	(66,500)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,963,484</u>	<u>3,896,984</u>
Net Change in Fund Balances	<u>(44,546)</u>	<u>(13,243)</u>	<u>(103,406)</u>	<u>463,133</u>
Fund Balances, Beginning	<u>72,627</u>	<u>18,703</u>	<u>3,529,107</u>	<u>5,130,829</u>
Fund Balances, Ending	<u>\$ 28,081</u>	<u>\$ 5,460</u>	<u>\$ 3,425,701</u>	<u>\$ 5,593,962</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, 2012

	Capital Projects			
	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 1,568,946	\$ 1,568,946
Interest	-	-		
Miscellaneous	-	109,400	111,933	2,533
Total Revenues	<u>-</u>	<u>109,400</u>	<u>1,680,879</u>	<u>1,571,479</u>
Expenditures:				
Debt service:				
Principal	1,035,885	1,035,885	913,011	122,874
Interest	55,462	55,462	47,800	7,662
Bond issuance costs	-	-	175	(175)
Capital outlay	4,070,011	10,787,947	11,392,119	(604,172)
Total Expenditures	<u>5,161,358</u>	<u>11,879,294</u>	<u>12,353,105</u>	<u>(473,811)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(5,161,358)</u>	<u>(11,769,894)</u>	<u>(10,672,226)</u>	<u>1,097,668</u>
Other Financing Sources (Uses):				
Capital leases issued	-	-	1,206,041	1,206,041
Sale of capital assets	-	1,100,000	73,581	(1,026,419)
Transfers in	(1,091,347)	7,576,222	6,884,147	(692,075)
Transfers out	-	(62,332)	(120,332)	(58,000)
Total Other Financing Sources				
(Uses)	<u>(1,091,347)</u>	<u>8,613,890</u>	<u>8,043,437</u>	<u>(570,453)</u>
Net Change in Fund Balances	<u>(6,252,705)</u>	<u>(3,156,004)</u>	<u>(2,628,789)</u>	<u>527,215</u>
Fund Balances, Beginning	<u>9,606,985</u>	<u>9,606,985</u>	<u>9,606,985</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 3,354,280</u>	<u>\$ 6,450,981</u>	<u>\$ 6,978,196</u>	<u>\$ 527,215</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, 2012

	Road Impact Fee - Capital Projects Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees	\$ 350,000	\$ 350,000	\$ 498,697	\$ 148,697
Interest	-	-		-
Total Revenues	<u>350,000</u>	<u>350,000</u>	<u>498,697</u>	<u>148,697</u>
Expenditures:				
Current:				
Highways and public improvements	<u>350,000</u>	<u>447,000</u>	<u>176,480</u>	<u>270,520</u>
Total Expenditures	<u>350,000</u>	<u>447,000</u>	<u>176,480</u>	<u>270,520</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(97,000)</u>	<u>322,217</u>	<u>419,217</u>
Net Change in Fund Balances	<u>-</u>	<u>(97,000)</u>	<u>322,217</u>	<u>419,217</u>
Fund Balances, Beginning	<u>299,625</u>	<u>299,625</u>	<u>299,625</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 299,625</u>	<u>\$ 202,625</u>	<u>\$ 621,842</u>	<u>\$ 419,217</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, 2012

Park Impact Fee - Capital Projects Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees	\$ 100,000	\$ 100,000	\$ 329,330	\$ 229,330
Total Revenues	100,000	100,000	329,330	229,330
Expenditures:				
Current:				
Parks and recreation	100,000	1,120,000	39,660	1,080,340
Total Expenditures	100,000	1,120,000	39,660	1,080,340
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,020,000)	289,670	1,309,670
Net Change in Fund Balances	-	(1,020,000)	289,670	1,309,670
Fund Balances, Beginning	1,210,767	1,210,767	1,210,767	-
Fund Balances, Ending	\$ 1,210,767	\$ 190,767	\$ 1,500,437	\$ 1,309,670

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, 2012

	Fire Impact Fee - Capital Projects Fund			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees	\$ 36,500	\$ 36,500	\$ 45,820	\$ 9,320
Interest	-	-		
Total Revenues	<u>36,500</u>	<u>36,500</u>	<u>45,820</u>	<u>9,320</u>
Expenditures:				
Current:				
Public safety	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>36,500</u>	<u>36,500</u>	<u>45,820</u>	<u>9,320</u>
Other Financing Sources (Uses):				
Transfers out	(36,500)	(36,500)	(36,500)	-
Total Other Financing Sources (Uses)	<u>(36,500)</u>	<u>(36,500)</u>	<u>(36,500)</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>9,320</u>	<u>9,320</u>
Fund Balances, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,320</u>	<u>\$ 9,320</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, 2012

	Police Impact Fee - Capital Projects Fund			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees	\$ 85,000	\$ 85,000	\$ 33,121	\$ (51,879)
Interest	-	-		-
Total Revenues	<u>85,000</u>	<u>85,000</u>	<u>33,121</u>	<u>(51,879)</u>
Expenditures:				
Current:				
Public safety	55,000	55,000	-	55,000
Total Expenditures	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>55,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>30,000</u>	<u>30,000</u>	<u>33,121</u>	<u>3,121</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(30,000)	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net Change in Fund Balances	-	-	3,121	3,121
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,121</u>	<u>\$ 3,121</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, 2012

	Flood Impact Fee - Capital Projects Fund			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fees	\$ 25,000	\$ 25,000	\$ 66,172	\$ 41,172
Interest	-	-	5,837	5,837
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>72,009</u>	<u>47,009</u>
Expenditures:				
Current:				
Highways and public improvements	25,000	84,484	116,555	(32,071)
Total Expenditures	<u>25,000</u>	<u>84,484</u>	<u>116,555</u>	<u>(32,071)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(59,484)</u>	<u>(44,546)</u>	<u>14,938</u>
Net Change in Fund Balances	-	(59,484)	(44,546)	14,938
Fund Balances, Beginning	<u>72,627</u>	<u>72,627</u>	<u>72,627</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 72,627</u>	<u>\$ 13,143</u>	<u>\$ 28,081</u>	<u>\$ 14,938</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, 2012

	Grants - Special Revenue Fund			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,421,725	\$ 8,083,999	\$ 3,636,511	\$ (4,447,488)
Total Revenues	<u>1,421,725</u>	<u>8,083,999</u>	<u>3,636,511</u>	<u>(4,447,488)</u>
Expenditures:				
Current:				
General government	763,072	2,098,487	1,526,521	571,966
Public safety	606,797	3,126,869	1,233,027	1,893,842
Community development	1,198,897	1,799,682	606,309	1,193,373
Debt service:				
Principal	-	-	160,000	(160,000.00)
Interest	131,326	131,326	123,897	7,429
Total Expenditures	<u>2,700,092</u>	<u>7,156,364</u>	<u>3,649,754</u>	<u>3,506,610</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,278,367)</u>	<u>927,635</u>	<u>(13,243)</u>	<u>(940,878)</u>
Net Change in Fund Balances	(1,278,367)	927,635	(13,243)	(940,878)
Fund Balances, Beginning	<u>18,703</u>	<u>18,703</u>	<u>18,703</u>	<u>-</u>
Fund Balances, Ending	<u>\$ (1,259,664)</u>	<u>\$ 946,338</u>	<u>\$ 5,460</u>	<u>\$ (940,878)</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, 2012

	Building Authority - Special Revenue Fund			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ 10,133	\$ 10,133
Total Revenues	<u>-</u>	<u>-</u>	<u>10,133</u>	<u>10,133</u>
Expenditures:				
Debt service:				
Principal	3,295,788	2,245,788	2,245,788	-
Interest	2,144,276	1,712,600	1,718,306	(5,706)
Capital outlay	280,000	280,000	112,929	167,071
Total Expenditures	<u>5,720,064</u>	<u>4,238,388</u>	<u>4,077,023</u>	<u>161,365</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,720,064)</u>	<u>(4,238,388)</u>	<u>(4,066,890)</u>	<u>171,498</u>
Other Financing Sources (Uses):				
Transfers in	5,450,360	3,968,684	3,963,484	(5,200)
Total Other Financing Sources (Uses)	<u>5,450,360</u>	<u>3,968,684</u>	<u>3,963,484</u>	<u>(5,200)</u>
Net Change in Fund Balances	(269,704)	(269,704)	(103,406)	166,298
Fund Balances, Beginning	<u>3,529,107</u>	<u>3,529,107</u>	<u>3,529,107</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 3,259,403</u>	<u>\$ 3,259,403</u>	<u>\$ 3,425,701</u>	<u>\$ 166,298</u>

WEST VALLEY CITY
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2012

	Business-type Activities - Enterprise Funds		
	Housing Authority	Ambulance Fund	Total Nonmajor Proprietary Funds
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 2,569,535	\$ -	\$ 2,569,535
Accounts receivable, net	423,769	644,145	1,067,914
Due from other funds	-	-	-
Total Current Assets	2,993,304	644,145	3,637,449
Noncurrent Assets:			
Restricted cash and cash equivalents	471,330	-	471,330
Capital assets, net:			
Land	98,688	-	98,688
Buildings	237,930	-	237,930
Machinery and equipment	7,113	362,505	369,618
Total Noncurrent Assets	815,061	362,505	1,177,566
Total Assets	\$ 3,808,365	\$ 1,006,650	\$ 4,815,015
Liabilities:			
Current Liabilities:			
Accounts payable	\$ 11,496	\$ -	\$ 11,496
Accrued liabilities	83,267	117,481	200,748
Bonds Payable	-	-	-
Due to other funds	-	794,626	794,626
Total Current Liabilities	94,763	912,107	1,006,870
Noncurrent Liability			
Bonds Payable, net	-	22,000	22,000
Total Noncurrent Liability	-	22,000	22,000
Total Liabilities	94,763	934,107	1,028,870
Net Position:			
Invested in capital assets, net of related debt	343,731	340,505	684,236
Unrestricted	3,369,871	(267,962)	3,101,909
Total Net Position	3,713,602	72,543	3,786,145
Total Liabilities and Net Position	\$ 3,808,365	\$ 1,006,650	\$ 4,815,015

WEST VALLEY CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION – NONMAJOR ENTERPRISE FUNDS
For The Year Ended June 30, 2012

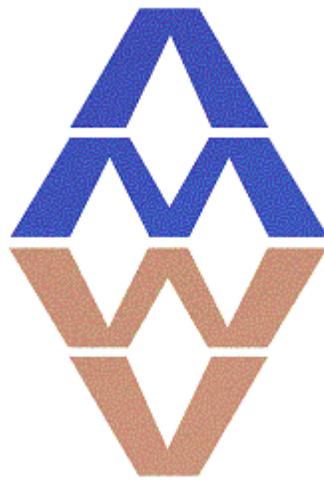
	Business-type Activities - Enterprise Funds		
	Housing Authority	Ambulance Fund	Total Nonmajor Proprietary Funds
Operating Revenues:			
Ambulance fees	\$ -	\$ 1,884,180	\$ 1,884,180
Equipment and facility rents	-	-	-
Miscellaneous	2,475	-	2,475
Total Operating Revenues	<u>2,475</u>	<u>1,884,180</u>	<u>1,886,655</u>
Operating Expenses:			
General and administrative	441,219	1,515,014	1,956,233
Housing Payments	3,260,086	-	3,260,086
Depreciation	24,369	136,277	160,646
Total Operating Expenses	<u>3,725,674</u>	<u>1,651,291</u>	<u>5,376,965</u>
Operating Income (loss)	<u>(3,723,199)</u>	<u>232,889</u>	<u>(3,490,310)</u>
Nonoperating Income (Expense):			
Intergovernmental revenue	3,503,599	-	3,503,599
Gain on sale of capital assets	487,929	-	487,929
Interest income	3,855	-	3,855
Interest expense	-	(1,527)	(1,527)
Total Nonoperating Income (Expense)	<u>3,995,383</u>	<u>(1,527)</u>	<u>3,993,856</u>
Income (Loss) Before Transfers	<u>272,184</u>	<u>231,362</u>	<u>503,546</u>
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Assets	<u>272,184</u>	<u>231,362</u>	<u>503,546</u>
Net Position, Beginning	<u>3,441,418</u>	<u>(158,819)</u>	<u>3,282,599</u>
Net Position, Ending	<u>\$ 3,713,602</u>	<u>\$ 72,543</u>	<u>\$ 3,786,145</u>

WEST VALLEY CITY
COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS
For The Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds		
	Housing Authority	Ambulance Fund	Total Nonmajor Proprietary Funds
Cash Flows From Operating Activities:			
Receipts from customers and users	\$ 2,475	\$ 1,832,448	\$ 1,834,923
Payments to suppliers	(3,522,700)	(269,308)	(3,792,008)
Payments to employees and related benefits	(192,983)	(1,288,636)	(1,481,619)
Net cash from operating activities	<u>(3,713,208)</u>	<u>274,504</u>	<u>(3,438,704)</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds from sale of equipment	757,513	-	757,513
Principal paid on bonds and capital lease	-	(21,000)	(21,000)
Interest paid on bonds and capital lease	-	(1,527)	(1,527)
Net cash from capital and related financing activities	<u>757,513</u>	<u>(22,527)</u>	<u>734,986</u>
Cash Flows From Non-Capital Financing Activities:			
Subsidy from federal grants	3,263,259	-	3,263,259
Advances to other funds	(44,772)	(251,977)	(296,749)
Advances from other funds	1,298,953	-	1,298,953
Net cash from non-capital financing activities	<u>4,517,440</u>	<u>(251,977)</u>	<u>4,265,463</u>
Cash Flows From Investing Activity:			
Interest on investments	3,855	-	3,855
Net cash from investing activity	<u>3,855</u>	<u>-</u>	<u>3,855</u>
Net Increase (Decrease) In Cash	1,565,600	-	1,565,600
Cash and Cash Equivalents At Beginning Of Year	<u>1,475,265</u>	<u>-</u>	<u>1,475,265</u>
Cash and Cash Equivalents At End Of Year	<u>\$ 3,040,865</u>	<u>\$ -</u>	<u>\$ 3,040,865</u>

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

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Housing Authority</u>	<u>Ambulance Fund</u>	<u>Total Nonmajor Proprietary Funds</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	\$ (3,723,199)	\$ 232,889	\$ (3,490,310)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation expense	24,369	136,277	160,646
(Increase) Decrease in accounts receivables	-	(51,732)	(51,732)
Increase (Decrease) in accounts payable	1,202	-	1,202
Increase (Decrease) in accrued liabilities	(15,580)	(42,930)	(58,510)
Net cash from operating activities	<u>\$ (3,713,208)</u>	<u>\$ 274,504</u>	<u>\$ (3,438,704)</u>



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.

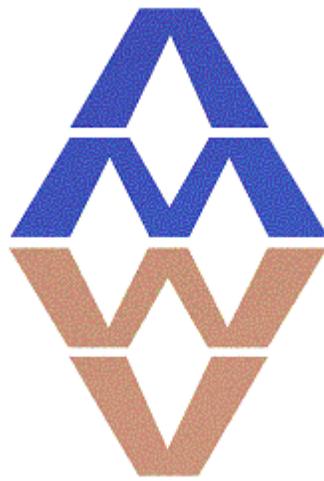


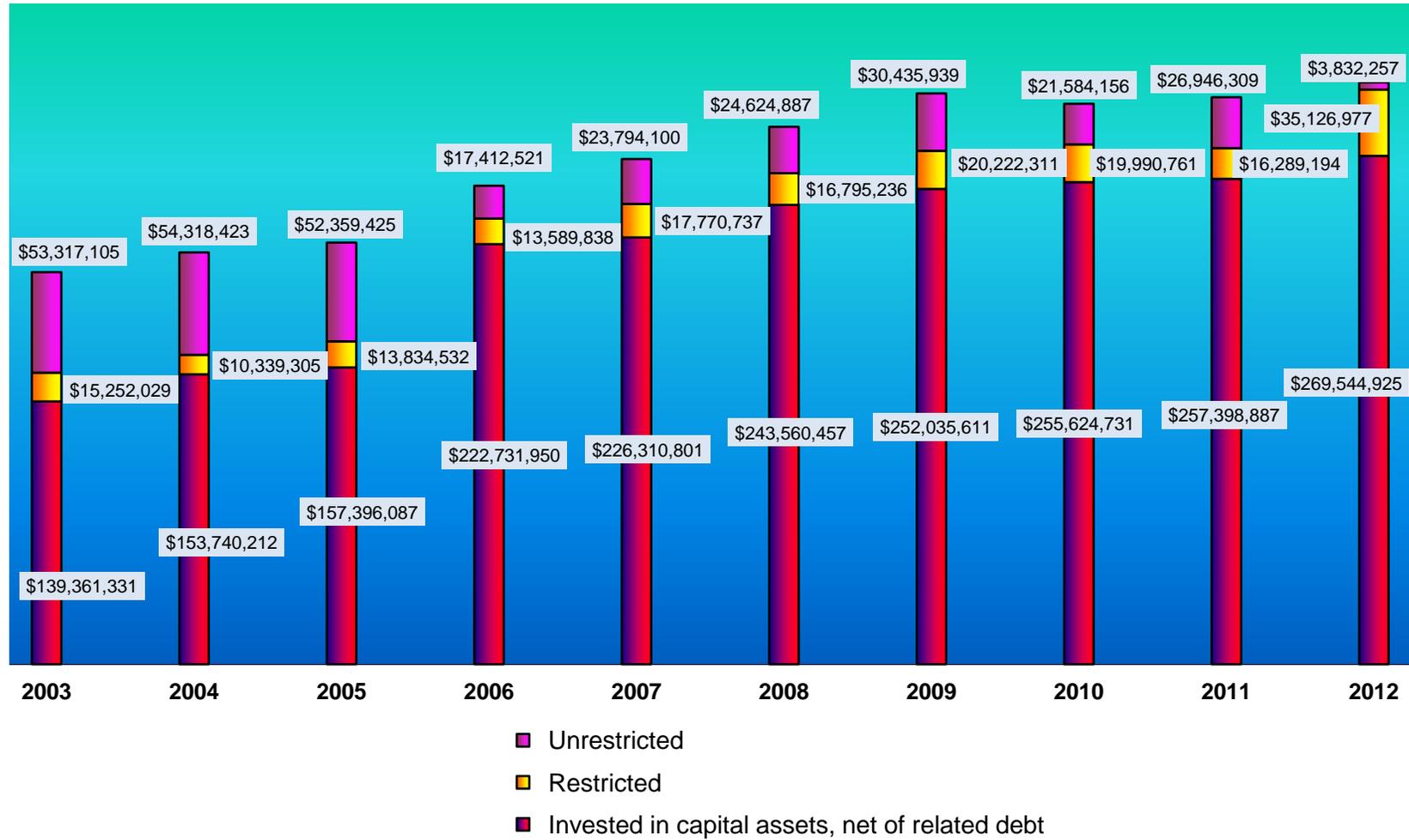
Table 1
West Valley City
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$257,398,887	\$269,544,925
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	16,289,194	35,126,977
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	26,946,309	3,832,257
Total governmental activities net position	\$207,930,465	\$218,397,940	\$223,590,044	\$253,734,309	\$267,875,638	\$284,980,580	\$302,693,861	\$297,199,648	\$300,634,390	\$308,504,159
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	\$7,288,824	\$19,311,891
Restricted	-	525,615	486,810	573,757	714,200	2,486	-	639,947	629,234	-
Unrestricted	2,522,913	1,477,905	915,243	778,229	1,088,237	2,378,068	2,012,992	1,061,764	1,828,508	11,260,741
Total business-type activities net position	\$6,551,834	\$6,070,498	\$6,329,876	\$6,670,617	\$8,236,895	\$8,421,321	\$8,758,373	\$8,736,993	\$9,746,566	\$30,572,632
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	\$264,687,711	\$288,856,816
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	16,918,428	35,126,977
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	28,774,817	15,092,998
Total primary government net position	\$214,482,299	\$224,468,438	\$229,919,920	\$260,404,926	\$276,112,533	\$293,401,901	\$311,452,234	\$305,936,641	\$310,380,956	\$339,076,791

Source: West Valley City CAFR's 2003-2012, Statement of Net Assets (2003-2011), Statement of Net Position (2012)

WEST VALLEY CITY, UTAH

Net Position by *Governmental Activities*



WEST VALLEY CITY, UTAH

Net Position by *Business-Type Activities*

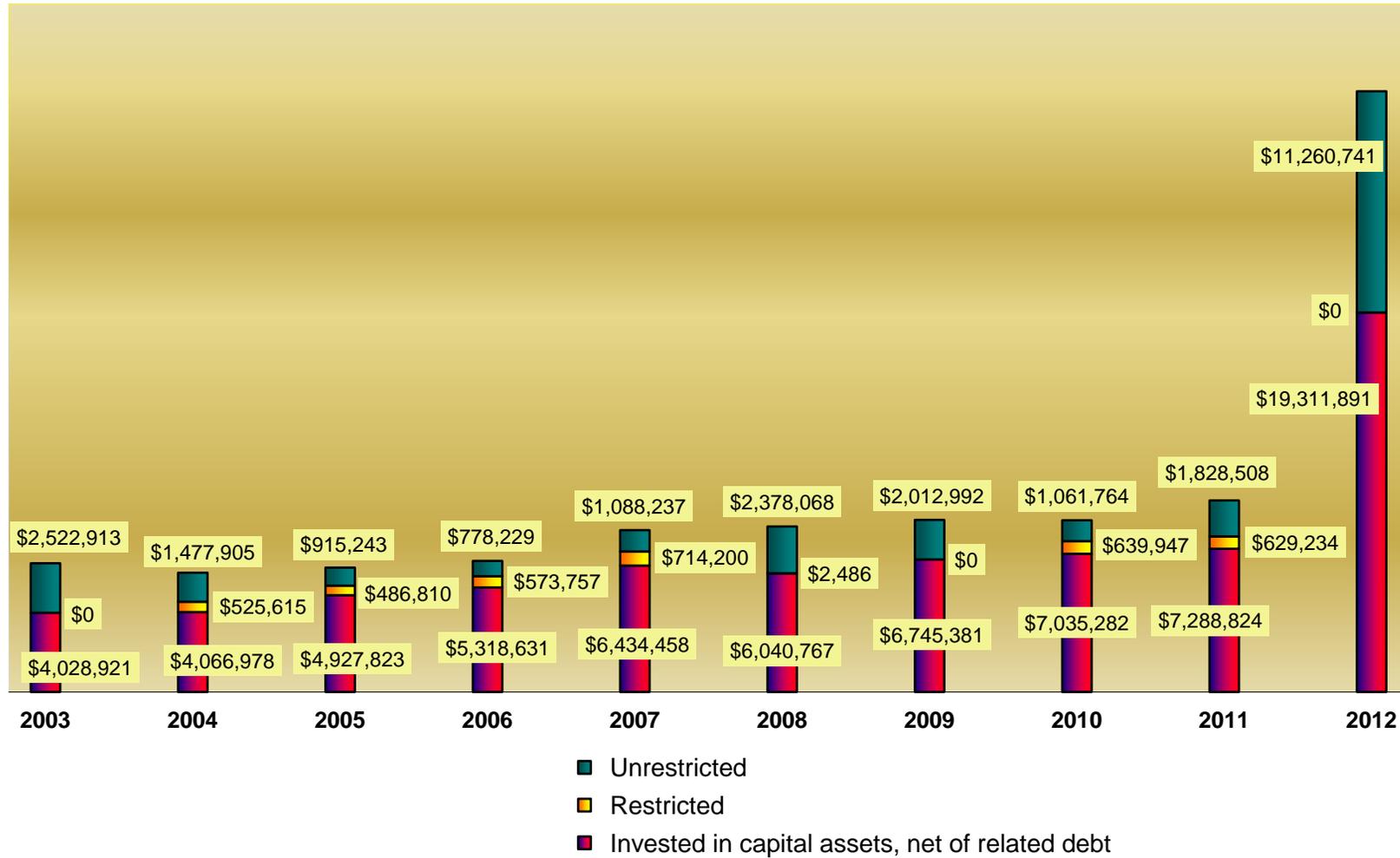


Table 2
West Valley City
Changes in Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

Expenses	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$12,990,589	\$20,295,325
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	31,022,873	31,524,169
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	16,998,710	16,190,237
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	11,819,354	12,013,798
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	12,435,935	9,786,877
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	8,393,886	8,626,787
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	93,661,347	98,437,193
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	3,672,127	3,454,119
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	3,751,302	3,725,270
Ambulance	-	-	20,276	1,752,093	1,345,716	1,470,021	1,796,312	1,456,942	1,493,395	1,652,818
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	8,916,824	8,832,207
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	\$102,578,171	\$107,269,400
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	\$2,661,552	\$2,790,566
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	5,271,177	5,012,448
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	8,488,962	9,195,323
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	6,553,558	7,063,287
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	2,175,411	2,105,195
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	6,841,726	7,049,075
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	3,721,604	5,054,267
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	35,713,990	38,270,161
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	2,555,014	2,248,985
Housing Authority	94,147	103,766	135,046	83,143	87,627	111,385	197,517	181,069	191,498	2,071
Ambulance	-	-	-	1,661,391	1,901,256	1,116,127	1,676,047	1,366,649	1,754,164	1,884,180
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	3,945,910	3,503,599
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	8,446,586	7,638,835
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	\$44,160,576	\$45,908,996

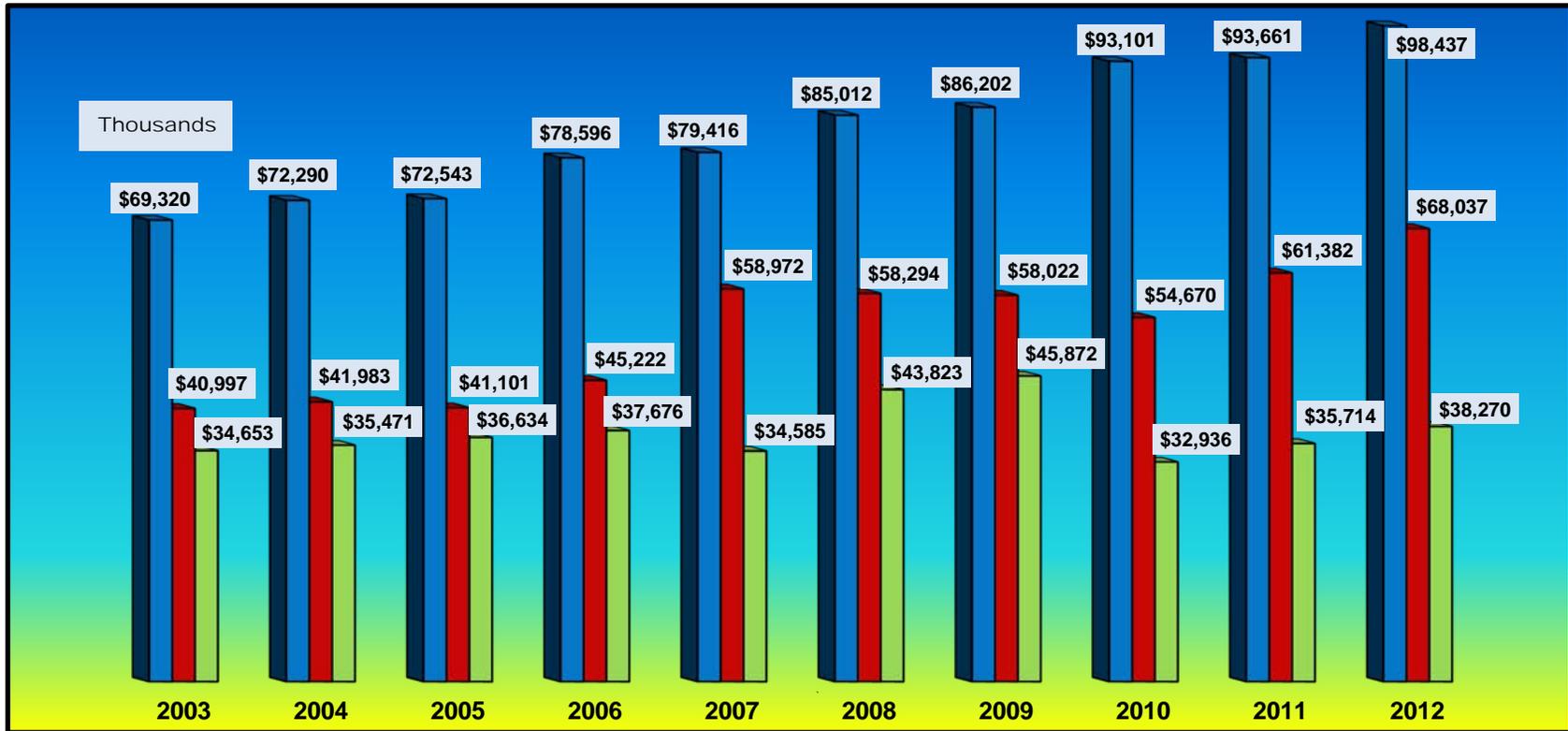
Table 2 (continued)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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)	(\$57,947,357)	(\$60,167,032)
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)	(470,238)	(1,193,372)
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>	<u>(\$58,417,595)</u>	<u>(\$61,360,404)</u>
General Revenues and Other Changes in Net Position										
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	\$28,999,591	\$34,769,415
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	18,239,558	19,958,098
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	9,201,296	9,239,524
Other taxes	240,881	242,612	95,913	94,403	98,741	118,727	155,167	224,620	85,714	-
Unrestricted investment earnings	3,463,157	3,163,666	464,754	1,423,280	1,536,951	1,642,412	774,332	126,648	254,036	1,045,055
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	1,899,411	2,622,627
Other revenues	-	735,524	214,412	155,167	155,161	155,167	2,136,542	151,906	4,177,826	1,889,485
Transfers	(376,538)	(567,660)	(1,171,014)	(1,054,315)	(1,593,634)	(1,643,466)	(1,799,525)	(1,096,243)	(1,475,333)	(1,487,403)
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>	<u>\$61,382,099</u>	<u>\$68,036,801</u>
Business-type activities:										
Investment earnings	34,179	18,857	32,865	69,156	86,532	72,792	10,253	6,235	4,478	74,569
Gain on disposition of capital assets	-	-	-	343,866	135,750	17,142	(4,116)	-	-	20,457,466
Transfers	-	-	1,171,014	1,054,315	1,593,634	1,643,466	1,799,525	1,096,243	1,475,333	1,487,403
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>1,733,400</u>	<u>1,805,662</u>	<u>1,102,478</u>	<u>1,479,811</u>	<u>22,019,438</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>\$60,027,225</u>	<u>\$59,828,137</u>	<u>\$55,772,908</u>	<u>\$62,861,910</u>	<u>\$90,056,239</u>
Changes in Net Position										
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)	3,434,742	7,869,769
Business-type activities	(1,044,057)	(1,048,996)	259,378	340,741	1,566,278	184,426	478,631	(21,380)	1,009,573	20,826,066
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>\$17,289,369</u>	<u>\$18,170,359</u>	<u>(\$5,515,593)</u>	<u>\$4,444,315</u>	<u>\$28,695,835</u>

Source: West Valley City CAFR's 2003-2012, Statement of Activities

WEST VALLEY CITY, UTAH

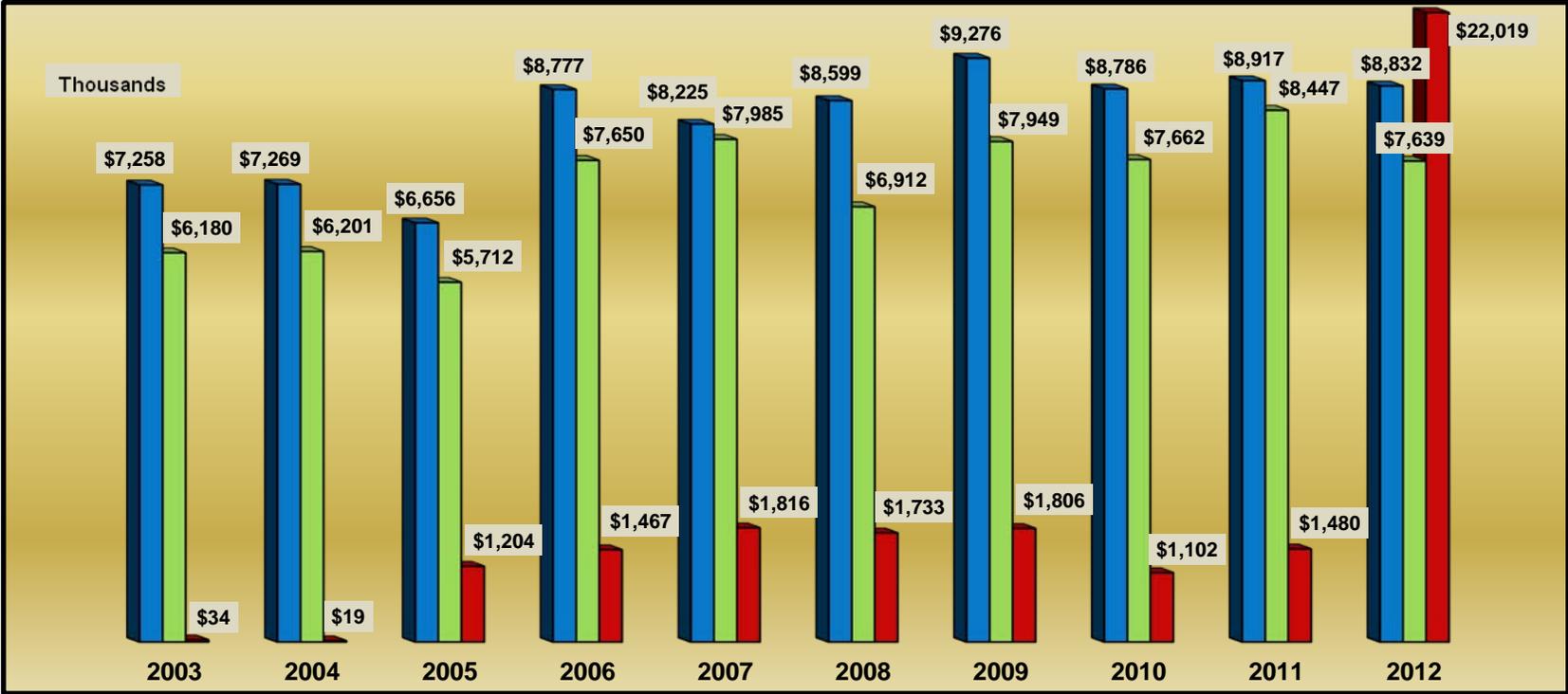
Changes in Net Position by *Governmental Activities*



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

WEST VALLEY CITY, UTAH

Changes in Net Position by Business-Type Activities



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

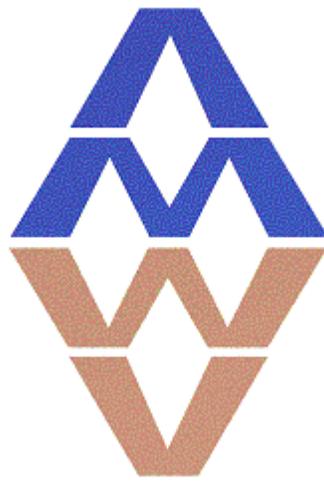


Table 3

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

Fiscal year	<u>2011</u>	<u>2012</u>
General fund		
Nonspendable	\$4,978,322	\$5,513,521
Restricted	7,979,989	7,539,654
Committed	464,637	-
Assigned	725,000	1,005,907
Unassigned	6,619,722	10,344,883
Total general fund	<u>\$20,767,670</u>	<u>\$24,403,965</u>
All other governmental funds		
Nonspendable	\$19,665,950	\$5,217,989
Restricted	8,309,205	27,587,323
Assigned, reported in:		
Special revenue funds	4,048,596	5,530,766
Capital projects funds	3,481,360	5,749,953
Total all other governmental funds	<u>\$35,505,111</u>	<u>\$44,086,031</u>

Source: West Valley City CAFR 2012, Balance Sheet - Governmental Funds

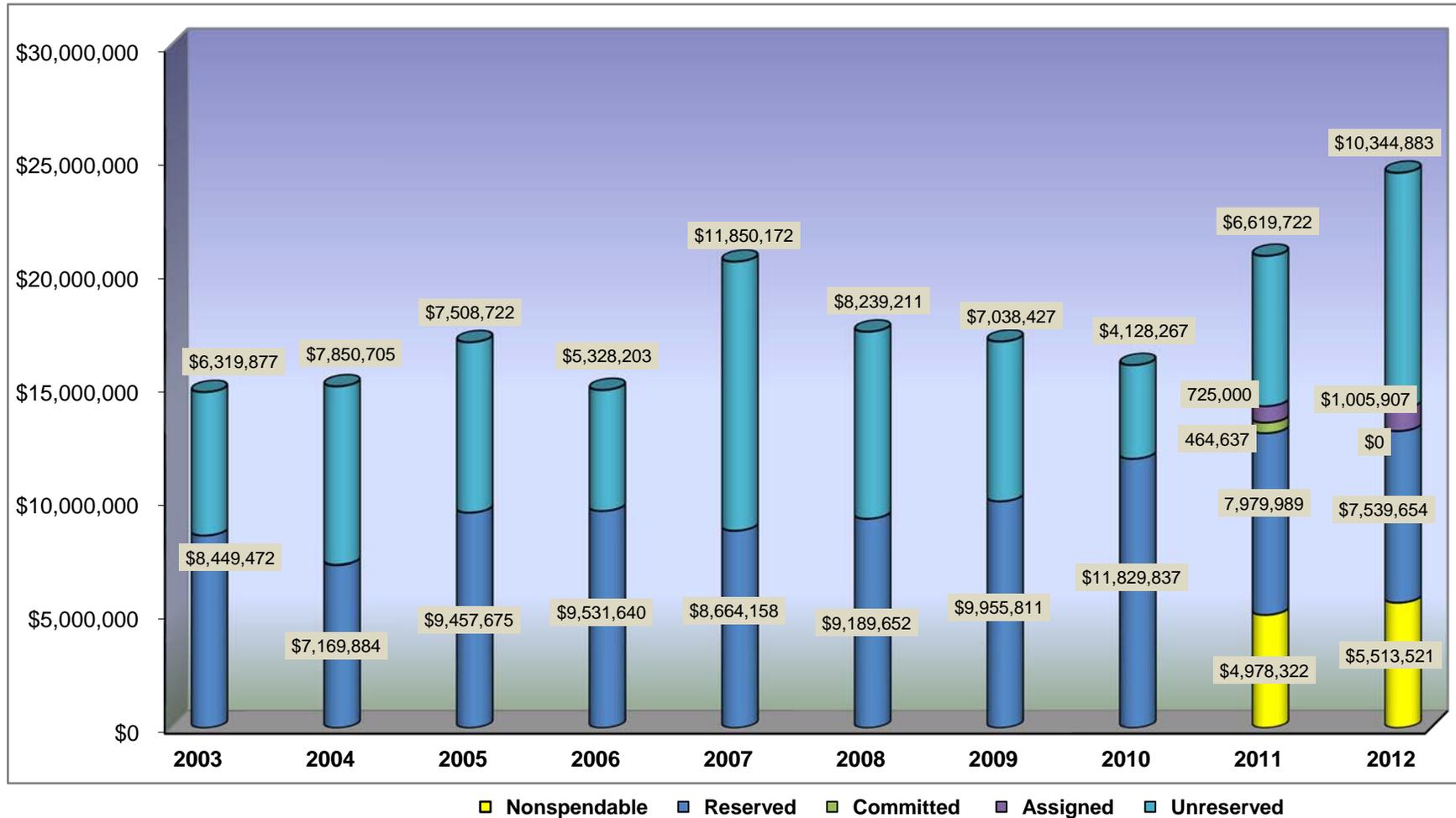
Note: Implementation of GASB 54 changed fund balance category presentation. The years from 2003 to 2010 are displayed below under the former GAAP categories.

Their source is West Valley City's CAFR's 2003-2010

Fiscal year	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General fund								
Reserved	\$8,449,472	\$7,169,884	\$9,457,675	\$9,531,640	\$8,664,158	\$9,189,652	\$9,955,811	\$11,829,837
Unreserved	6,319,877	7,850,705	7,508,722	5,328,203	11,850,172	8,239,211	7,038,427	4,128,267
Total general fund	<u>\$14,769,349</u>	<u>\$15,020,589</u>	<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>
All other governmental funds								
Reserved	\$7,148,182	\$7,832,252	\$8,976,857	\$8,658,198	\$11,014,491	\$14,081,476	\$22,937,302	\$24,590,475
Unreserved, reported in:								
Special revenue funds	7,317,714	878,618	224,690	552,812	2,964,139	886,036	2,425,246	1,826,430
Capital projects funds	1,316,961	3,560,108	2,937,124	3,841,597	4,758,510	6,519,377	7,907,160	5,129,900
Total all other governmental funds	<u>\$15,782,857</u>	<u>\$12,270,978</u>	<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>\$31,546,805</u>

WEST VALLEY CITY, UTAH

General Fund Fund Balances



WEST VALLEY CITY, UTAH

All Other Governmental Funds Fund Balances

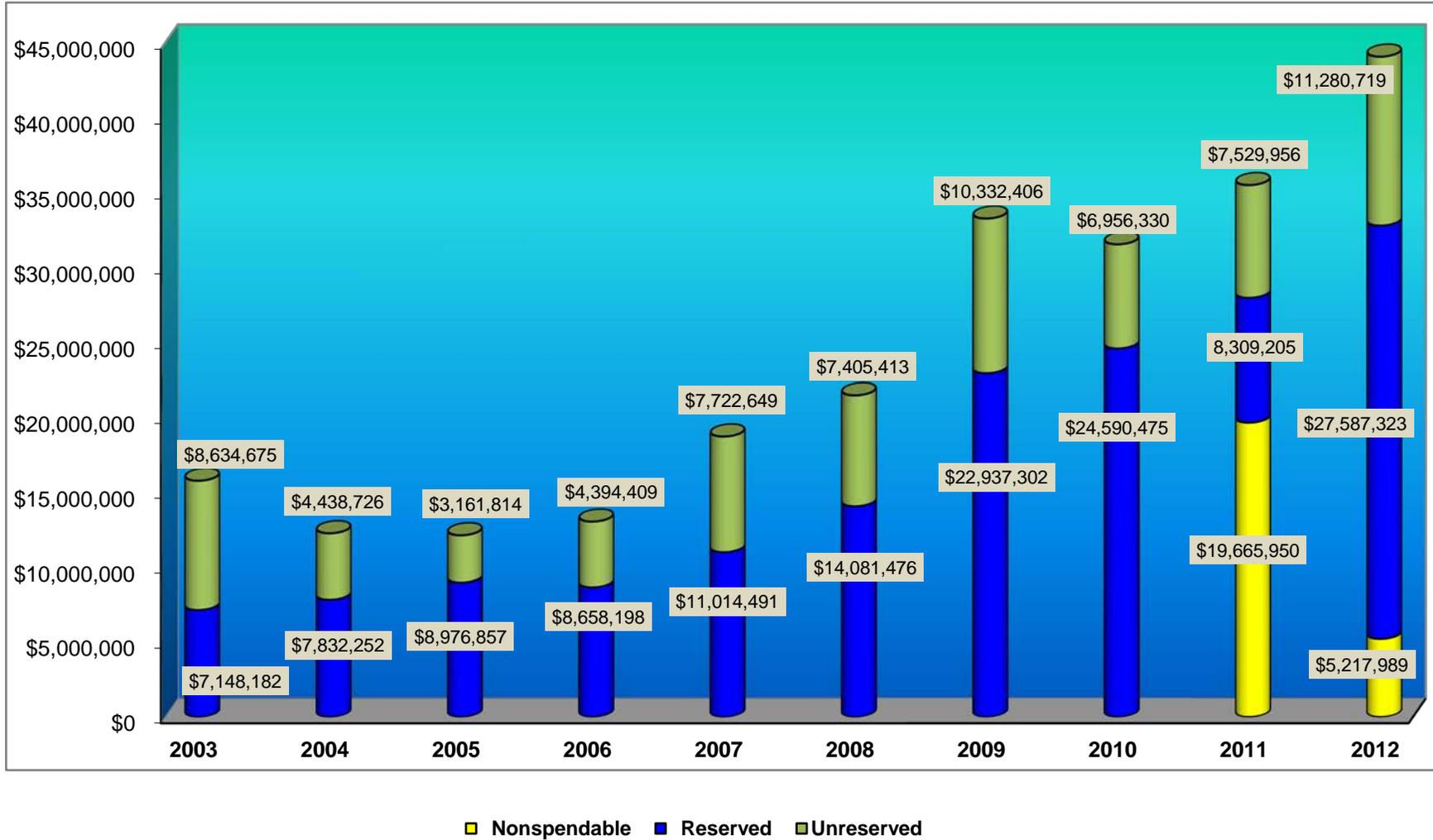


Table 4
West Valley City
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

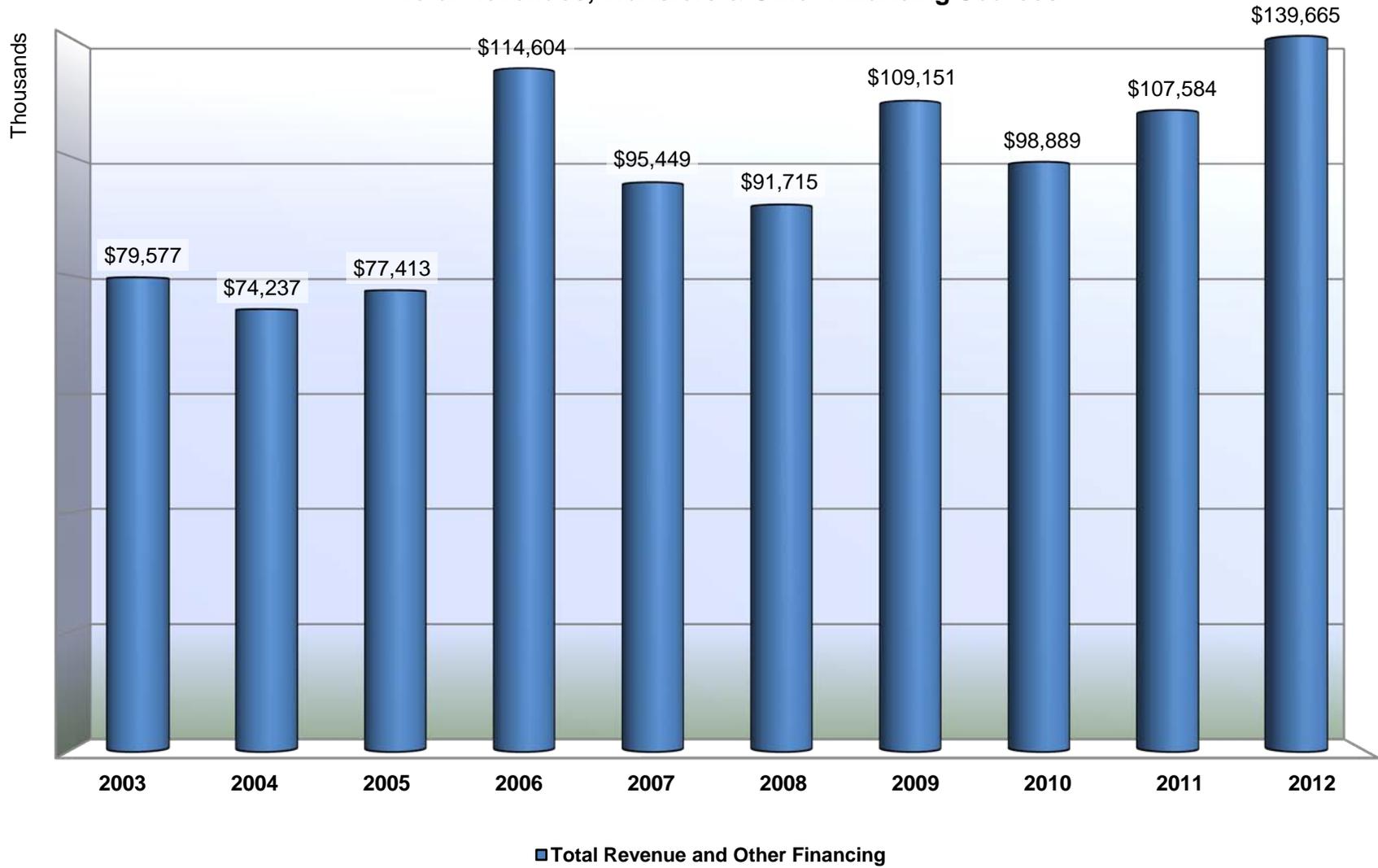
	Fiscal Year				
	2003	2004	2005	2006	2007
Revenues					
Taxes	\$37,118,081	\$39,506,614	\$41,173,802	\$45,322,680	\$56,799,722
Fees and passes	9,505,608	9,237,792	8,565,743	9,561,713	10,707,374
Licenses and permits	2,691,483	3,149,510	2,861,618	3,183,143	3,737,625
Intergovernmental	8,739,811	8,462,920	6,823,598	6,364,334	6,429,764
Fines and forfeitures	4,096,954	4,325,697	3,750,382	3,518,722	4,051,397
Charges for services	1,536,230	1,579,292	1,768,443	1,307,066	1,204,091
Rental income	3,514,738	3,620,825	3,107,069	3,577,992	2,809,873
Investment earnings	3,379,737	3,246,550	3,261,669	5,999,039	2,302,117
Special assessments	659,296	659,357	841,275	477,290	807,698
Sale of Land	1,847,387	1,085,000	-	-	-
Miscellaneous	1,836,135	2,332,784	1,330,573	937,489	1,611,395
Total revenues	74,925,460	77,206,341	73,484,172	80,249,468	90,461,056
Expenditures					
General government	10,066,326	9,028,518	8,828,276	9,372,709	9,920,325
Public safety	22,663,486	24,086,915	25,279,505	26,655,723	26,443,757
Highways and public improvements	10,784,714	10,421,613	11,412,199	14,135,790	14,601,557
Parks and recreation	7,244,254	7,550,057	7,355,951	8,200,937	8,172,558
Community development	5,539,609	4,324,828	3,790,849	3,697,325	3,246,432
Other nondepartmental	10,431,966	2,783,702	2,583,819	1,552,472	5,468,952
Fitness center	-	-	-	-	-
Redevelopment agency	1,778,956	5,959,302	2,426,294	2,103,258	2,569,446
Administration	-	-	-	-	-
Hale Center Theater	-	-	-	-	-
Building Authority	-	-	-	-	-
E Center Arena	-	-	-	-	-
Sanitation	-	-	-	-	-
Impact Fees	-	-	-	-	-
Stormwater drainage	-	-	-	-	-
Grants	-	-	-	-	-
Land purchase	-	-	-	-	-
Capital outlay	1,845,252	1,218,722	150,715	1,291,169	2,061,316
Debt service:					
Principal	4,653,240	7,016,023	5,942,455	39,730,410	5,803,067
Interest	7,579,634	8,514,802	7,929,180	9,056,978	4,812,532
Bond issuance costs	179,694	-	-	-	957,935
Total expenditures	\$82,767,131	\$80,904,482	\$75,699,243	\$115,796,771	\$84,057,877
Excess of revenues over (under) expenditures	(7,841,671)	(3,698,141)	(2,215,071)	(35,547,303)	6,403,179
Other financing sources (uses)					
Proceeds from issuance of warrants and bonds	9,726,872	-	-	-	-
Bond proceeds used to retire debt	-	-	-	-	(4,543,250)
Refunding bonds issued	(5,015,225)	(3,886,586)	6,319,468	32,585,000	40,651,750
Revenue bonds issued	-	-	-	-	-
Special assessment bonds issued	-	-	-	1,956,888	3,613,000
Premium on bonds issued	-	-	-	-	550,309
Payments to refunded bond escrow agent	-	-	(6,178,129)	-	(36,870,606)
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	10,685,947	12,642,853	13,730,910	15,467,940	15,917,539
Transfers out	(11,062,485)	(13,210,513)	(14,901,924)	(16,522,255)	(17,511,173)
Sale of capital assets	115,657	-	4,555,159	1,769,520	3,180,685
Special item - receivable satisfied by receipt of fixed assets	-	-	-	(902,408)	-
Total other financing sources (uses)	4,651,766	(2,969,298)	3,928,572	34,354,685	4,988,254
Net changes in fund balances	(\$3,189,905)	(\$6,667,439)	\$1,713,501	(\$1,192,618)	\$11,391,433
Debt service as a percentage of noncapital expenditures	15.1%	19.5%	18.4%	42.6%	12.9%

Source: West Valley City CAFR's 2003-2012, Statement of Revenues, Expenditures, and changes in Fund Balances - Governmental Funds

2008	2009	2010	2011	2012
\$57,908,719	\$56,434,905	\$55,140,674	\$56,440,445	\$63,967,037
10,460,052	11,867,394	10,828,399	10,576,951	11,512,337
3,376,754	3,691,344	3,153,302	3,232,263	3,578,244
6,592,399	8,369,446	6,412,916	8,821,298	9,125,280
3,598,220	3,829,389	4,451,877	4,593,320	4,197,709
653,709	870,358	579,947	662,469	681,222
3,467,815	4,325,119	4,241,699	3,707,594	3,898,561
2,199,690	1,227,410	598,318	636,679	731,546
757,653	256,512	256,512	232,202	360,482
-	-	-	-	-
1,706,495	2,002,851	1,766,696	2,183,151	2,141,065
90,721,506	92,874,728	87,430,340	91,086,372	100,193,483
11,301,197	10,038,150	11,106,431	13,179,882	13,662,587
27,706,064	29,385,896	29,277,218	29,526,932	29,348,362
16,785,406	4,015,617	13,992,977	12,253,935	14,119,958
8,262,124	9,823,331	9,808,015	8,724,481	9,233,274
3,756,007	4,860,340	4,114,756	3,945,283	3,747,403
2,931,443	941,979	968,280	(450,795)	2,946,813
-	-	-	-	-
2,556,465	2,905,588	9,548,731	7,873,126	8,002,701
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,715,353	24,285,979	9,346,835	5,296,635	29,857,568
8,020,128	6,004,216	7,624,337	13,475,916	6,952,625
5,028,429	5,175,856	5,447,768	5,094,250	5,909,106
40,822	387,242	412,477	940,473	3,667,887
\$92,103,438	\$97,824,194	\$101,647,825	\$99,860,118	\$127,448,284
(1,381,932)	(4,949,466)	(14,217,485)	(8,773,746)	(27,254,801)
-	-	-	-	-
-	-	-	-	-
-	-	-	\$26,716,760	-
-	13,950,000	22,755,000	4,620,000	-
2,125,000	-	-	-	-
-	48,900	743,829	171,722	-
-	-	(12,550,848)	(16,505,705)	-
-	-	-	-	\$33,063,000
-	-	-	-	-
-	2,026,339	1,432,163	683,955	1,445,543
21,022,687	27,318,238	30,662,896	15,242,007	18,378,647
(22,666,153)	(29,117,763)	(31,759,139)	(16,717,340)	(19,866,050)
512,267	2,050,387	174,544	2,286,369	6,450,876
-	-	-	-	-
993,801	16,276,101	11,458,445	16,497,768	39,472,016
(\$388,131)	\$11,326,635	(\$2,759,040)	\$7,724,022	\$12,217,215
15.1%	15.2%	14.2%	19.6%	13.2%

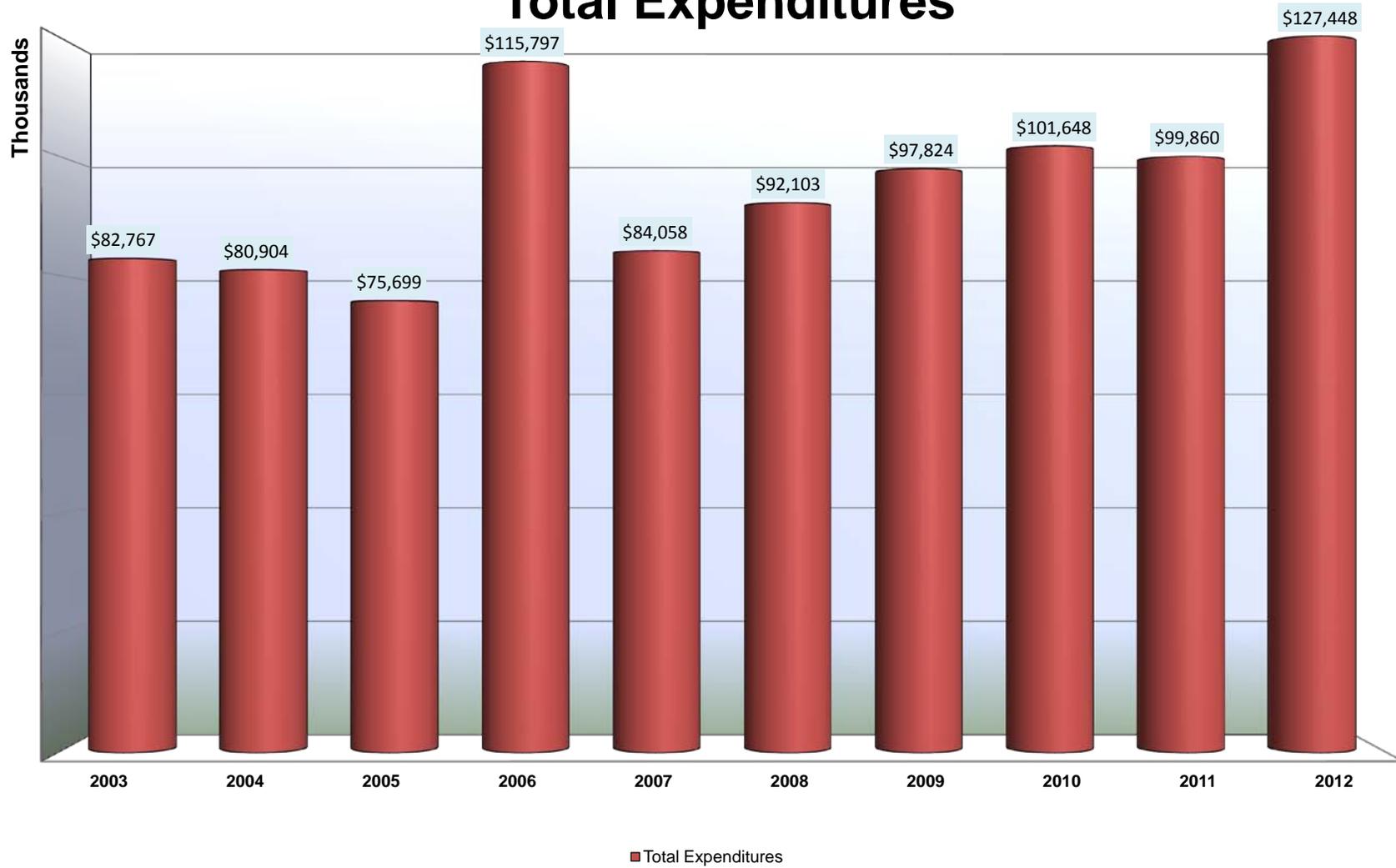
WEST VALLEY CITY, UTAH

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

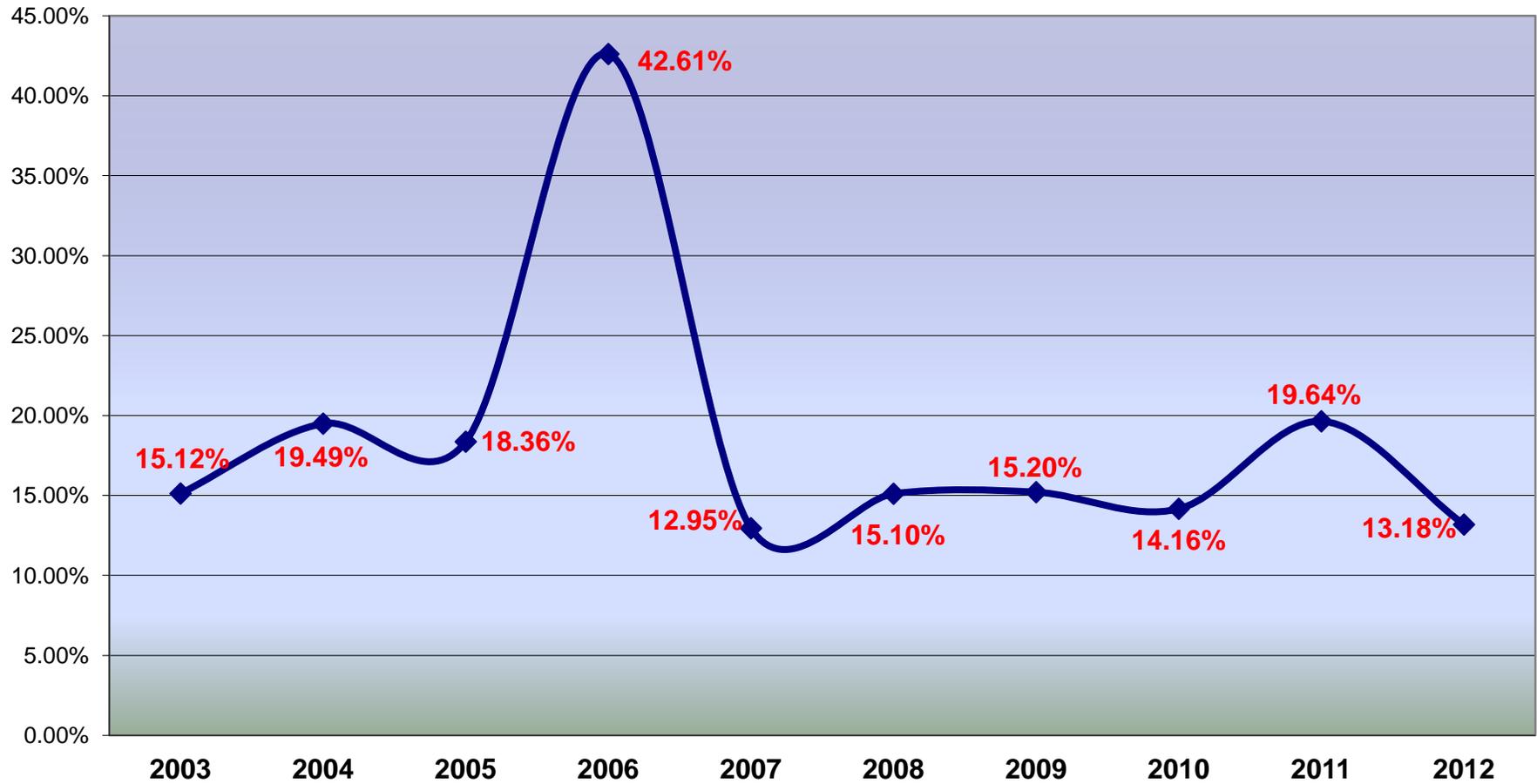


Table 5
West Valley City
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

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					
2002	1,950,257,994	2,000,815,706	877,616,097	3,073,457,603	0.0026600	5,213,753,550	58.95%
2003	2,435,603,306	1,634,705,590	1,096,021,488	2,974,287,408	0.0026540	5,181,906,550	57.40%
2004	2,448,687,283	1,611,680,620	1,101,909,277	2,958,458,626	0.0027030	5,234,344,610	56.52%
2005	2,467,330,937	1,617,934,900	1,110,298,922	2,974,966,915	0.0026940	5,422,357,860	54.86%
2006	2,321,816,684	1,686,393,680	1,044,817,508	2,963,392,856	0.0037010	5,907,878,560	50.16%
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	3,365,498,736	.00360100	5,390,308,376	62.44%
2010	3,016,103,604	1,313,247,950	1,357,246,622	2,972,104,932	.00364400	5,309,631,106	55.98%
2011	2,877,047,914	2,078,928,430	1,294,671,561	3,661,304,783	.00451070	5,230,996,208	69.99%

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

- Notes:
- (1) Statue 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 West valley's Finance department
 - (4) Appraised value of real property was not available at printing; number is an estimate.

WEST VALLEY CITY, UTAH
Total Taxable Assessed Property Values

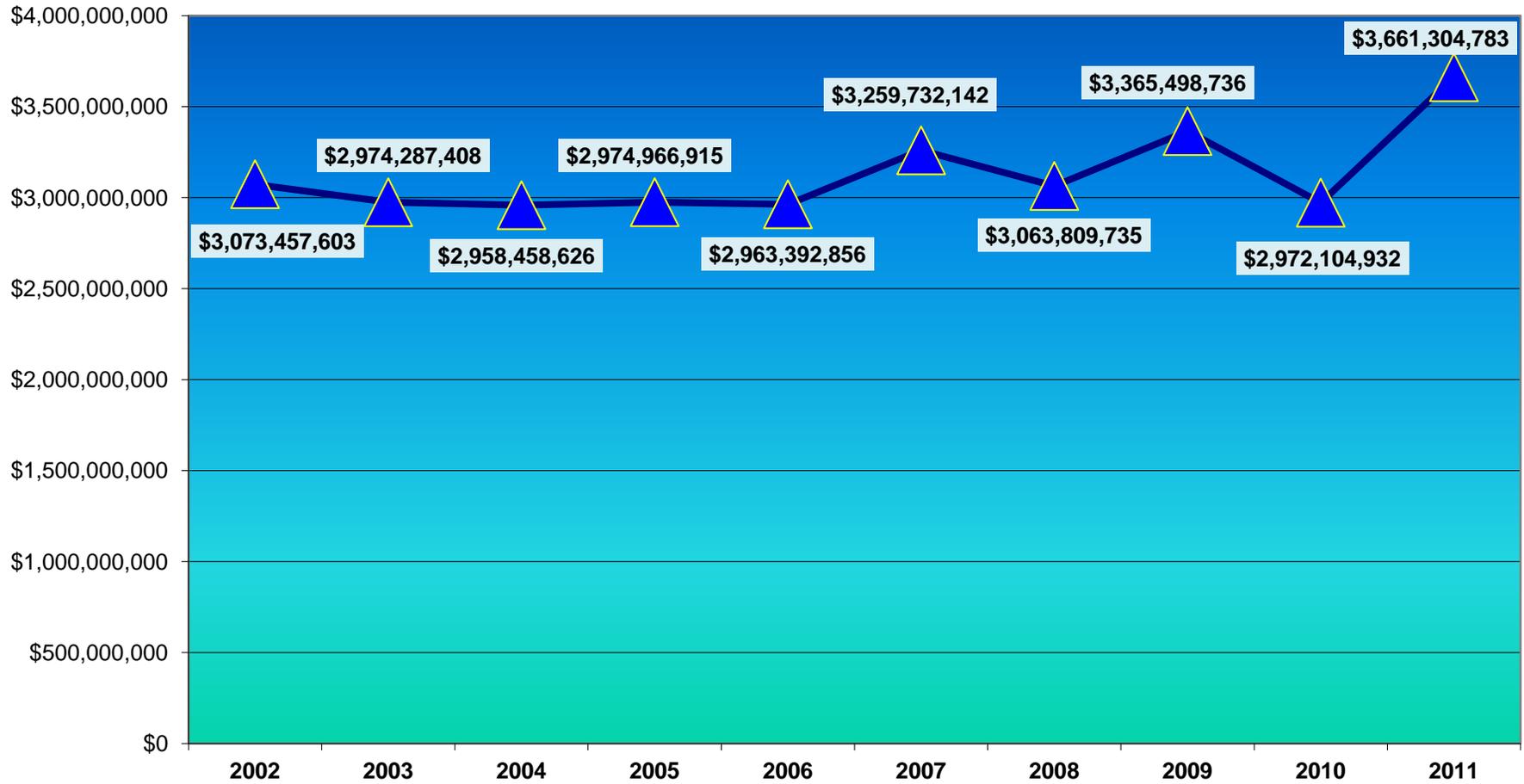


Table 6
West Valley City
Property Tax Rates
Direct and Overlapping Governments
Last Ten Calendar Years

Year	Overlapping Rates ⁽¹⁾										
	West Valley City			County			School District				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	Special Districts	
2002	2.6540	-	2.6540	5.2928	0.0332	5.3260	6.4600	-	6.4600	3.6230	18.0630
2003	2.7030	-	2.7030	3.5824	0.0326	3.6150	6.8000	-	6.8000	4.2270	17.3450
2004	2.6940	-	2.6940	6.6320	0.0310	6.6630	6.7460	-	6.7460	3.9680	20.0710
2005	2.5270	-	2.5270	2.7150	2.7300	5.4450	5.8270	-	5.8270	6.3650	20.1640
2006	3.7010	-	3.7010	2.5600	0.2810	2.8410	6.1020	-	6.1020	6.8500	19.4940
2007	3.1940	-	3.1940	5.4290	0.2320	5.6610	5.4110	-	5.4110	5.5170	19.7830
2008	3.1710	-	3.1710	5.4120	0.2320	5.6440	5.3160	-	5.3160	4.3970	18.5280
2009	3.6040	-	3.6040	5.3050	0.3400	5.6450	6.0470	-	6.0470	6.3590	21.6550
2010	3.6440	-	3.6440	5.4400	0.5660	6.0100	6.4340	-	6.4340	6.3720	22.5410
2011	4.5100	-	4.5100	5.6153	0.5660	6.1813	6.7960	-	6.7960	6.6130	30.8963

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, 2011

Taxpayer	2011			2002		
	Taxable Assessed Value(1)	Rank	Percentage of Total Taxable Assessed Value of \$5,230,996,208	Taxable Assessed Value(1)	Rank	Percentage of Total Taxable Assessed Value \$5,213,753,550
Hexcel Corporation	\$112,371,931	1	2.15%			
Alliant Techsystem	84,216,416	2	1.61%	\$105,301,200	1	2.02%
CER Generations III LLC	78,874,946	3	1.51%			
Valley Fair Mall	65,946,285	4	1.26%	43,195,300	5	0.83%
Novus Development	52,471,508	5	1.00%	61,251,900	2	1.17%
Salt Lake Newspaper	48,137,722	6	0.92%			
Wal-Mart	43,111,429	7	0.82%			
Zions First National Bank	36,543,230	8	0.70%			
MPT of West Valley City	35,901,700	9	0.69%			
Boyd Enterprises	32,079,500	10	0.61%	35,586,500	6	0.68%
USANA Health Science Inc.	31,513,585	11	0.60%			
ATK Launch Systems Inc	29,683,530	12	0.57%			
Franklin Development	25,379,855	13	0.49%	48,307,900	4	0.93%
Reef Parkwy LLC	23,661,800	14	0.45%			
Frito-Lay Inc	22,447,014	15	0.43%			
Truck Pro	22,328,400	16	0.43%	33,983,700	7	0.65%
TalcottIII Legacy 1 & 2	18,374,900	17	0.35%	15,421,200	15	0.30%
IHC Health Service	16,102,335	18	0.31%	19,447,950	11	0.37%
Pacificorp				59,040,429	3	1.13%
U.S. West				23,242,539	8	0.45%
Questar Gas				16,439,866	13	0.32%
Carmike Cinemas				23,365,900	9	0.45%
Transwestern Metro Business				16,737,300	10	0.32%
Parkway Center LC				18,513,500	12	0.36%
HCPI/Utah Ilc				15,413,200	16	0.30%
Verizon Wireless				15,870,671	14	0.30%
	\$779,146,086		14.89%	\$551,119,055		9.97%

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

<u>Year Ended December 31</u>	<u>Total Tax Levy for Year</u>	<u>Collected within the Year of the Levy</u>		<u>Prior Years Delinquent Collections</u>	<u>Total Current Year Collections</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
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%	240,123	11,874,947	99.6%
2004	12,208,084	11,881,596	97.3%	303,502	12,185,098	99.8%
2005	12,160,390	11,737,382	96.5%	356,185	12,093,567	99.5%
2006	19,826,333	18,882,085	95.2%	550,364	19,432,449	98.0%
2007	20,381,486	19,560,944	96.0%	451,039	20,011,983	98.2%
2008	21,635,813	20,567,959	95.1%	609,752	21,177,711	97.9%
2009	22,048,982	21,018,614	95.3%	624,474	21,643,088	98.2%
2010	21,991,855	21,171,770	96.3%	730,457	21,902,227	99.6%
2011	26,202,774	25,206,753	96.2%	645,314	25,852,067	98.7%

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

Table 9
West Valley City
Ratios of Outstanding Debt by Type
Last Ten 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	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	5.54%	\$961
2010	-	\$55,606,000	\$49,621,586	\$4,739,417	\$2,418,000	-	\$11,087,000	-	\$123,472,003	5.35%	\$979
2011	-	\$69,444,127	\$39,980,000	\$3,962,011	\$2,266,000	-	\$10,358,500	-	\$126,010,638	5.22%	\$973
2012	-	\$66,608,057	\$37,640,000	\$3,733,323	\$35,169,000	-	\$9,625,750	-	\$152,776,130	6.14%	\$1,158

Source: West Valley City CAFR's 2003-2012, Notes to the financial statements.

Notes:

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

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)	General Obligation Debt Per Capita
2003	-	\$5,213,753,550	58.95%	114,318	N/A
2004	-	\$5,181,906,550	57.40%	116,719	N/A
2005	-	\$5,234,344,610	56.52%	119,712	N/A
2006	-	\$5,422,357,860	54.86%	120,757	N/A
2007	-	\$5,907,878,560	50.16%	124,089	N/A
2008	-	\$5,596,228,135	58.25%	124,963	N/A
2009	-	\$6,067,080,769	50.50%	125,218	N/A
2010	-	\$5,390,308,376	62.44%	126,117	N/A
2011	-	\$5,309,631,106	55.98%	129,480	N/A
2012	-	\$5,230,996,208	69.99%	131,877	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

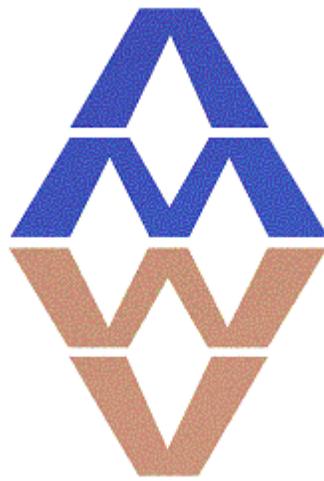


Table 11

**West Valley City
Direct and Overlapping governmental Activities Debt
As of December 31, 2011**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
State of Utah	\$3,256,000,000	4.77%	\$155,357,952
Salt Lake County	<u>255,420,000</u>	12.81%	<u>32,713,893</u>
Total overlapping debt	\$3,511,420,000		\$188,071,844
West Valley City direct debt			<u>143,150,380</u>
Total Direct and overlapping debt			<u><u>\$331,222,224</u></u>

Source:

West Valley City Finance Department

Notes:

(1) Estimated percentage of overlapping debt applicable based on West Valley City's population as a percentage of each overlapping Governmental Unit's total population

Table 12

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

	Fiscal Year			
	2003	2004	2005	2006
Debt Limit	\$207,276,262	\$209,373,784	\$216,894,314	\$236,315,142
Total net debt applicable to limit	N/A	N/A	N/A	N/A
Legal debt margin	<u>\$207,276,262</u>	<u>\$209,373,784</u>	<u>\$216,894,314</u>	<u>\$236,315,142</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 2012

	Taxable Value (1)	Market Value
Residential Values	\$1,582,376,353	\$2,085,582,788
Non-Residential Values	2,078,928,430	2,740,041,802
Totals	<u>\$3,661,304,783</u>	<u>\$4,825,624,590</u>
Total adjusted fair market value		\$4,825,624,590
Debt limit (adjusted fair market value x .04)		193,024,984
General obligation bonds		-
Less: Amount set aside for repayment of general obligation debt		-
Total net debt applicable to limit		<u>193,024,984</u>
Legal debt margin		<u>\$193,024,984</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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$234,032,096	\$243,793,857	\$242,683,231	\$215,612,335	\$207,317,663	\$193,024,984
<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>\$234,032,096</u>	<u>\$243,793,857</u>	<u>\$242,683,231</u>	<u>\$215,612,335</u>	<u>\$207,317,663</u>	<u>\$193,024,984</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				HUD Contract Payable			
	Sales Tax Revenues	Debt Service		Coverage	CDBG Revenues	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
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
2011	18,239,558	3,764,091	1,596,277	3.4	1,264,717	152,000	131,326	4.5
2012	19,958,098	2,863,826	1,194,635	4.9	751,163	160,000	123,897	2.6

Source: West Valley City CAFR's, Notes to the financial statements, 2003-2012

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>
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%
2011	129,480	2,413,248	18,638	21,432	6.9%
2012	131,877	2,486,409	18,854	22,512	5.2%

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	2012			2003		
	Employees	Rank	Percentage of total employment	Employees	Rank	Percentage of total employment
Discover Financial Services Inc.	3,100	1	7.0%	2,986	1	7.8%
United Parcel Services Inc.	1,516	2	3.4%	1,785	2	4.8%
Central Refrigerated Services	1,383	3	3.1%			
Verizon Wireless	968	4	2.2%	454	10	1.2%
Wal-Mart	738	5	1.7%	450	12	
USANA Health Sciences INC.	649	6	1.5%	294	20	0.8%
Hexcel Corp	622	7	1.4%			
C R England & Sons Inc.	607	8	1.4%	550	9	1.5%
Six Continents Hotel Inc.	585	9	1.3%	725	6	1.9%
ADP Cobra Service	568	10	1.3%			
Jacobsen Construction	510	11	1.2%			
Pride Transport Inc.	500	12	1.1%	244	22	0.7%
Zions 1st Natl Bank/Zions Data Serv	480	13	1.1%	829	3	2.2%
Newspaper Agency Corporation	421	14	1.0%			
Wheeler Machinery/ICM Division	411	15	0.9%	656	7	1.8%
ATK	399	16	0.9%	732	5	2.0%
Pioneer Valley Hospital	397	17	0.9%	450	11	1.2%
YRC,INC (Yellow Freight System Inc.)	353	18	0.8%	361	15	1.0%
Optuminsight/Ingenix Inc.	350	19	0.8%	550	8	1.5%
Zions 1st Natl Bank/commercial	338	20	0.8%			
Freightliner	314	21	0.7%	310	19	0.8%
Frito Lay Inc.	303	22	0.7%	432	13	1.2%
Parker Packing Company	281	23	0.6%	243	24	0.6%
Back Country.com	266	24	0.6%			
Freeform Inc	263	25	0.6%			
Franklin Quest Co.				793	4	2.1%
Moog Aircraft Group Salt Lake Oper				406	14	1.1%
Arch Wireless				322	18	0.9%
First Health Stratigies				335	16	0.9%
Health Benefits America				325	17	0.9%
Granger Medical Clinic				259	21	0.7%
Mervyns #993				244	23	0.7%
Broadcast Television System Inc.				240	25	0.6%
	16,322		37.0%	14,975		38.6%

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	96	99	101	103	108	113	112	111	110	116
Public safety										
Police										
Officers	190	201	197	199	195	192	189	202	206	194
Civilians	75	89	81	83	83	89	88	57	72	73
Fire										
Firefighters and officers	78	80	79	96	95	98	103	100	102	84
Civilians	4	4	4	2	3	3	3	3	3	3
Highways and streets										
Engineering	20	18	20	20	22	23	18	21	22	20
Maintenance	45	46	48	50	51	52	51	56	60	60
Parks and recreation	88	82	86	83	86	78	80	96	84	89
Golf Courses										
Operations	41	39	38	37	31	32	31	25	24	25
Maintenance	19	17	14	15	16	15	15	17	17	16
Sanitation	2	2	2	2	3	3	3	4	4	4
Community development	39	33	42	46	46	46	46	68	79	84
Total	697	710	712	736	739	744	740	759	781	768

Source: West Valley City Budget Division

Table 17

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

Function	Fiscal Year		
	2003	2004	2005
Police			
Number of full-time sworn officers	170	159	177
Physical arrests	2,360	3,243	2,952
Fire			
Number of calls answered	8,288	8,299	9,242
Inspections	239	413	1,483
Highways and streets			
Street resurfacing			
Slurry Seal (sq yards)	737,728	732,258	807,092
Chipseal (sq yards)	238,405	191,150	355,923
Overlay Project (sq yards)	-	23,000	8,473
Hot Mix Patching (tons)	3,278	2,045	2,453
Parks & Recreation			
Developed City-owned parks	16	17	20
Undeveloped City-owned park property (acres)	84	88	98
Developed county-owned parks within the City (acres)	57	57	57
Total property acreage maintained by WVC (acres)	244	248	250
Community Development			
Building Inspections:			
Permits issued			
Single Family	486	351	370
Duplex	2	-	-
Multi-family	439	150	133
Mobile Home	20	23	9

Source: West Valley City departmental reports

(Continued from previous page)

Fiscal Year						
2006	2007	2008	2009	2010	2011	2012
199	187	192	189	181	188	194
3,005	2,998	2,940	3,173	2,762	2,903	2,207
9,773	10,005	9,932	9,610	9,204	9,098	9,734
2,409	2,605	2,905	2,900	2,655	2,072	2,734
732,749	519,139	541,266	600,000	571,211	841,538	755,389
331,207	321,994	301,250	291,250	201,681	218,594	140,511
-	-	34,640	32,560	-	18,006	43,500
799	825	636	636	3,974	2,445	2,591
21	23	23	23	23	23	25
101	103	17	17	17	16	13
57	71	132	132	132	72	72
258	258	258	258	258	276	278
425	397	114	109	160	89	162
-	-	-	-	-	-	-
76	24	15	12	6	3	2
6	1	1	1	-	-	-

Table 18
West Valley City
Capital Assets Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year				
	2003	2004	2005	2006	2007
Public safety					
Police stations	2	2	2	2	2
Fire stations	5	5	5	5	5
Highways and streets					
Streets (miles)	293	309	309	307	321
City Owned Streetlights	600	600	600	600	600
Parks and recreation					
Parks acreage	156.54	159.65	159.90	152.10	164.30
Parks	16	17	20	21	23
Tennis courts	15	15	15	15	15
Softball fields	14	14	14	15	15
Basketball courts	10	10	10	10	14
Pavilions	14	14	14	14	15
Play structures	19	20	21	24	24
Other properties maintained (acres)	83.9	87.95	98.27	101.08	149.20
Total properties maintained (acres)	240.44	247.60	258.17	253.18	313.50

Sources: City departments

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

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Fiscal Year				
2008	2009	2010	2011	2012
2	2	2	2	2
5	5	5	5	5
321	307	307	307	307
600	652	652	652	652
164.30	156.50	156.50	156.50	156.50
23	23	23	23	23
15	15	15	15	15
15	15	15	15	15
14	14.5	14.5	14.5	14.5
15	14	14	14	14
24	24	24	24	24
149.20	149.20	149.20	149.20	149.20
313.50	305.70	305.70	305.70	305.70

