CITY OF BLUFFDALE, UTAH

Basic Financial Statements and Supplementary Information

Year Ended June 30, 2011

CITY OF BLUFFDALE, UTAH

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Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation
CERTIFIED PUBLIC ACCOUNTANTS

559 West 500 South
Bountiful, Utah 84010
801-296-0200
Fax 801-296-1218

E. Lynn Hansen, CPA
Clarke R. Bradshaw, CPA
Gary E. Malmrose, CPA
Edwin L. Erickson, CPA
Michael L. Smith, CPA
Jason L. Tanner, CPA

Robert D. Wood, CPA
Aaron R. Hixson, CPA
Ted C. Gardiner, CPA
Jeffrey B. Miles, CPA

Members of the American Institute of Certified Public Accountants

Members of the Private Company Practice Section

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Mayor and Members of the City Council
City of Bluffdale, 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 City Bluffdale, Utah ("the City"), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions 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. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons 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 our report dated November 11, 2011, on our consideration of the 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 considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 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 an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The accompanying combining and individual nonmajor fund financial statements and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements 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.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

November 11, 2011

14350 SOUTH 2200 WEST * Bluffdale, UT 84065 * 801-254-2200 * Fax 801-253-3270

Management's Discussion and Analysis

As management of the City of Bluffdale ("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, 2011.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $25,032,140. The City's assets are comprised of capital assets and funds legally restricted in their use (*restricted net assets*).

- The government's total net assets increased by $4,235,134 during 2011. The increase in net assets can be attributed to major infrastructure additions and expending less than the budgeted amount in the general fund, and increases in various fee revenues.

- The unassigned fund balance for the general fund was $563,255 or approximately 15.8 percent of total general fund expenditures. The unassigned fund balance for the general fund increased by $318,382 from the previous year.

- The City's total outstanding long-term liabilities experienced a net increase of $342,747. The increase was a combination of new debt issued in the water fund and a decrease due to the principal payment on the Special Improvement District Bonds.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Bluffdale'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 contains other supplementary information in addition to the basic financial statements themselves.

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

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

Overview of the Financial Statements (Continued)

Government-wide financial statements (continued). The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental* activities) from other functions that are intended to cover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets and public works, parks and recreation, cemetery, and garbage. Water is the only business-type activities of the City.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the Redevelopment Agency of Bluffdale City (RDA), a legally separate entity for which the City is financially accountable. Financial information for this *component unit* is blended with the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 12-13 of this report.

Fund financial statements. A fund is a grouping of related accounts that is 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 funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental 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 the 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.

Overview of the Financial Statements (Continued)

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 government fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains five 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 and the capital improvements fund, which are considered major funds. Financial information for the other three funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 14-16 of this report. The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The City maintains one proprietary fund, the water fund that is an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The water fund is a major fund. The basic proprietary fund financial statements can be found on pages 21-24 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City maintains one fiduciary fund for deposits made by contractors to ensure that building requirements are met. The accounting for fiduciary funds is very similar to the accounting used for proprietary funds. The basic fiduciary fund financial statements can be found on page 25 of this report.

Notes to the financial statements. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-43 of this report.

Overview of the Financial Statements (Continued)

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The combining statements referred to earlier in connection with non-major funds is presented as supplementary information. Also included are budget to actual comparisons for the special revenue funds.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At June 30, 2011, the City's assets exceeded liabilities by $25,032,140. The largest portion (54 percent) of the City's net assets is composed of Capital assets are used to provide services to citizens and they are not available for future spending. Although the investment in capital assets are reported net of any related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net assets (30 percent) can be used to spend in the future with no restrictions. As in contrast with restricted assets (16 percent), which are assets restricted for a specific purpose, in this case for debt service and capital projects.

City of Bluffdale's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 10,296,088	$ 8,609,960	$ 3,613,039	$ 2,099,488	$ 13,909,127	$ 10,709,448
Capital assets	16,280,634	13,972,693	5,888,077	4,258,983	22,168,711	18,231,676
Total assets	26,576,722	22,582,653	9,501,116	6,358,471	36,077,838	28,941,124
Other liabilities	2,569,818	2,194,199	2,338,199	154,985	4,908,017	2,349,184
Long-term liabilities	4,360,343	4,607,652	1,777,338	1,187,282	6,137,681	5,794,934
Total liabilities	6,930,161	6,801,851	4,115,537	1,342,267	11,045,698	8,144,118
Net assets:						
Invested in capital assets, net of related debt	11,572,775	9,018,519	1,897,374	3,058,907	13,470,149	12,077,426
Restricted	4,002,346	3,804,515	20,952	749,229	4,023,298	4,553,744
Unrestricted	4,071,440	2,957,768	3,467,253	1,208,068	7,538,693	4,165,836
Total net assets	$ 19,646,561	$ 15,780,802	$ 5,385,579	$ 5,016,204	$ 25,032,140	$ 20,797,006

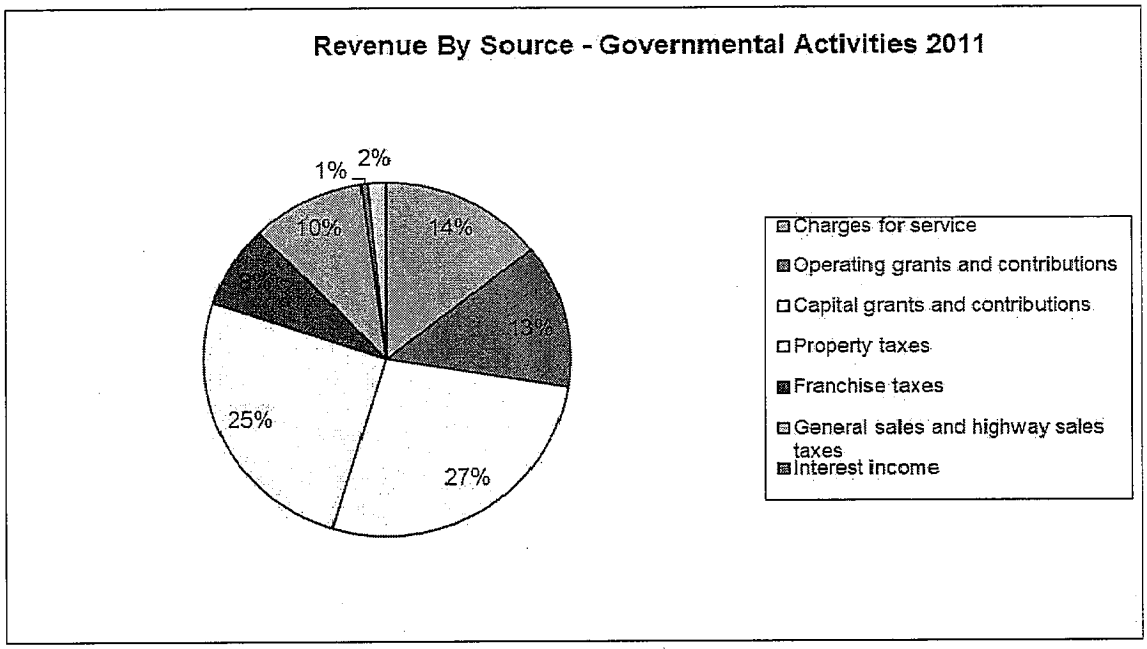
Government-wide Financial Analysis (Continued)

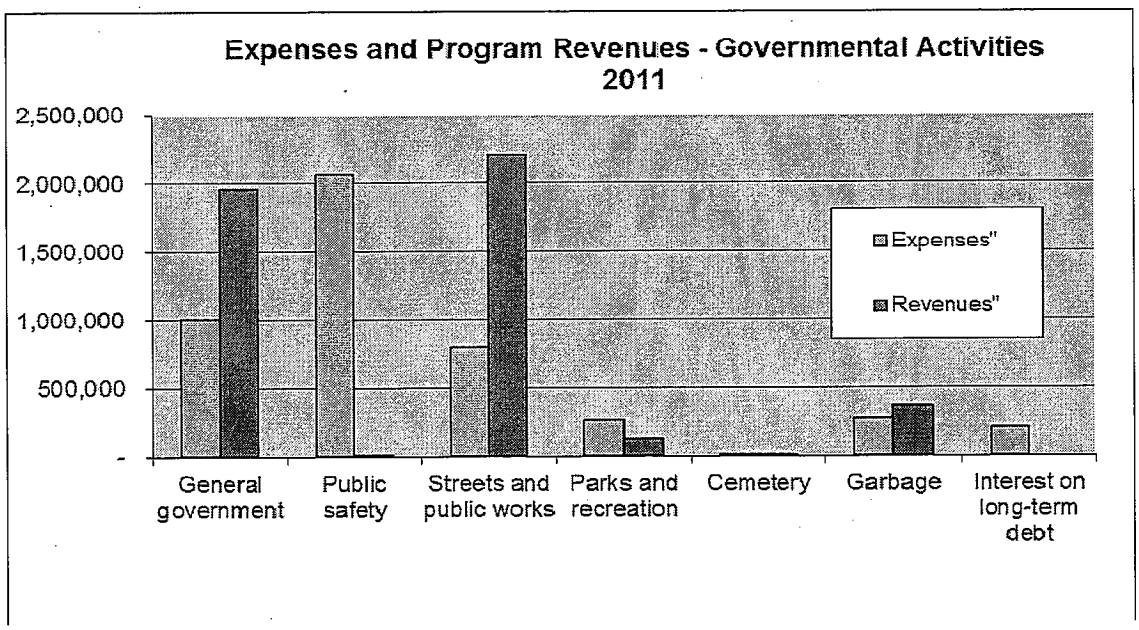
Governmental activities. Governmental activities increased the City's net assets by $3,865,759, accounting for 91 percent of the total growth in net assets. Business-type activities increased the City's net assets by $369,375 accounting for 9 percent of the total growth in net assets. This increase in both activities was the result of investment in infrastructure for the City.

City of Bluffdale's Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues						
Charges for services	$ 1,228,153	$ 1,169,334	$ 1,290,393	$ 1,173,293	$ 2,518,546	$ 2,342,627
Operating grants and contributions	1,116,381	941,606	-	-	1,116,381	941,606
Capital grants and contributions	2,323,826	596,617	429,624	288,120	2,753,450	884,737
General revenues:						
Property taxes	2,150,169	1,641,681	-	-	2,150,169	1,641,681
Sales tax and highway tax	850,249	801,429	-	-	850,249	801,429
Franchise taxes	645,270	451,521	-	-	645,270	451,521
Interest income	49,756	82,972	-	-	49,756	82,972
Gain on sale of assets	81,572	-	-	-	81,572	-
Other	57,226	50,592	-	-	57,226	50,592
Total revenues	8,502,602	5,735,752	1,720,017	1,461,413	10,222,619	7,197,165
Expenses:						
General government	1,009,265	1,199,386	-	-	1,009,265	1,199,386
Public safety	2,064,831	1,903,563	-	-	2,064,831	1,903,563
Streets and public works	803,950	888,963	-	-	803,950	888,963
Parks and recreation	267,238	296,094	-	-	267,238	296,094
Cemetery	2,464	3,619	-	-	2,464	3,619
Garbage	279,977	285,838	-	-	279,977	285,838
Interest on long-term debt	209,118	256,631	-	-	209,118	256,631
Water	-	-	1,350,642	1,274,344	1,350,642	1,274,344
Total expenses	4,636,843	4,834,094	1,350,642	1,274,344	5,987,485	6,108,438
Increase in net assets	3,865,759	901,658	369,375	187,069	4,235,134	1,088,727
Net assets, beginning	15,780,802	14,879,144	5,016,204	4,829,135	20,797,006	19,708,279
Net assets, ending	$ 19,646,561	$ 15,780,802	$ 5,385,579	$ 5,016,204	$ 25,032,140	$ 20,797,006

Government-wide Financial Analysis (Continued)





Government-wide Financial Analysis (Continued)

Business-type activities. Business-type activities increased the City's net assets by $369,375 accounting for 9 percent of the total growth in the government's net assets. The key element of this increase is capital contributions from developers. The water fund is the only business-type activity. Charges for services were the only source of revenue in the water fund.

Financial Analysis of the Government's Funds

As noted earlier, the 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 a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of 7,793,731 an increase of $1,359,634 in comparison with prior year. Of the ending fund balance, 7.2 percent ($563,255) constitutes unassigned fund balance, which is available for spending at the government's discretion. The restricted portion of fund balance is restricted to indicate that it is not available for new spending because it has already been committed 1) to pay for the retirement of debt service ($304,237), 2) to pay for debt service and construction of capital assets ($391,277), 3) construction of capital assets funded by impact fees ($2,477,022), 4) to pay for Class "C" road projects ($829,810).

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 $563,255 while total fund balance was $1,393,065. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 15.8 percent of total general fund expenditures.

The City's total general fund balance experienced a $620,066 increase during the current fiscal year. The majority of the increase is due to restricted road funds balances increasing and revenues exceeded expenditures. Unassigned fund balance increased $318,382 in comparison with prior year. These funds are available to spend at the City's discretion.

Financial Analysis of the Government's Funds (Continued)

The capital projects fund has a total fund balance of $3,821,769. Of that amount $304,237 is restricted for 1) retirement of debt and 2) $1,040,510 for various capital projects at the City's discretion, 3) $2,477,022 restricted for construction of capital assets funded by impact fees. The fund balance decreased $160,499 from the previous year.

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

Net assets of the Water fund at the end of the year were $5,385,579. Net assets increased $369,375 from the preceding year. The majority of the increase was from developer contributions during the fiscal year.

General Fund Budgetary Highlights

The original budget and the final amended budget overall totals were comparable in total except for minor adjustments that were made from department to department budgets during the course of the year to more accurately reflect the budgetary needs of those departments.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2011 amounts to $22,209,311 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, distribution and collection systems, and construction in process. The City's capital assets increased slightly, $3,977,635 from the preceding year. The majority of the increase was from infrastructure from developer's contributions.

City of Bluffdale's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	$ 3,049,969	$ 2,582,462	$ 75,004	$ 4,703	$ 3,124,973	$ 2,587,165
Buildings	1,293,294	1,352,404	-	-	1,293,294	1,352,404
Infrastructure	11,284,191	9,385,205	-	-	11,284,191	9,385,205
Water distribution system	-	-	4,352,191	4,133,176	4,352,191	4,133,176
Machinery and equipment	653,180	612,022	82,995	121,104	736,175	733,126
Construction in progress	-	-	1,377,887	-	1,377,887	-
Total	$ 16,280,634	$ 13,932,093	$ 5,888,077	$ 4,258,983	$ 22,168,711	$ 18,191,076

Capital Assets and Debt Administration (Continued)

Long-term debt. At the end of the current fiscal year, the City had $8,783,486 in outstanding long-term debt. The City's total debt Increased $2,590,486 during fiscal year 2011.

City of Bluffdale's Long-term Debt

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
SID revenue bonds	$ 2,854,000	$ 3,110,000	$ -	$ -	$ 2,854,000	$ 3,110,000
Sales tax revenue bonds	1,740,000	1,840,000	-	-	1,740,000	1,840,000
Capital lease payable	134,930	-	-	-	134,930	-
Water revenue	-	-	1,783,384	1,196,000	1,783,384	1,196,000
Water facilities revenue	-	-	2,200,000	-	2,200,000	-
Vacation payable	55,862	36,000	15,310	11,000	71,172	47,000
Total	$ 4,784,792	$ 4,986,000	$ 3,998,694	$ 1,207,000	$ 8,783,486	$ 6,193,000

Economic Factors and the Next Year's Budgets and Rates

As part of the budget process each year the City performs an evaluation to project future revenues for the coming fiscal year. A major aspect of this evaluation is projecting property tax and sales tax revenues. Property taxes were raised five years ago in the amount of approximately 35% as a result in the City holding a Truth in Taxation hearing. Building permits have declined at a rapid pace with the slowdown in the economy and the ability to obtain credit. This also affects impact fees collected by the City on building permits. Sales tax revenue in the most recent months, have averaged approximately a five percent decline, which is very concerning to the City in its financial picture. The City has adopted an assessment within one of its special improvement districts during fiscal year 2008. The assessment will be used to construct roads and install other necessary infrastructure such as water, sewer, and storm sewer lines. The cost of the capital improvements was $4,370,000 and bonds were issued in that amount. The City is looking forward to new development and is taking progressive steps to ensure that the community is developed in the most responsible manner possible.

Requests for Information

The financial report is designed to provide a general overview of the City for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Manager, Mark Reid, 14350 South 2200 West, Bluffdale Utah 84065, or email, mreid@bluffdale.com.

CITY OF BLUFFDALE, UTAH
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-type Actitities	Total
ASSETS			
Cash and cash equivalents	$ 6,534,438	$ -	$ 6,534,438
Receivables:			
Property and other taxes	2,236,804	-	2,236,804
Accounts	164,246	96,129	260,375
Internal balances	155,759	(155,759)	-
Due from other governments	59,137	-	59,137
Bond issuance costs	406,518	105,718	512,236
Investment in water stock and rights	40,600	789,529	830,129
Investment in common stock	3,072	-	3,072
Restricted cash	695,514	2,777,422	3,472,936
Capital assets:			
Land	3,049,969	75,004	3,124,973
Buildings	1,773,302	-	1,773,302
Machinery and equipment	1,889,507	249,302	2,138,809
Distribution and collection systems	-	5,831,251	5,831,251
Infrastructure	13,526,448	-	13,526,448
Construction in progress	-	1,377,887	1,377,887
Accumulated depreciation	(3,958,592)	(1,645,367)	(5,603,959)
Total assets	**26,576,722**	**9,501,116**	**36,077,838**
LIABILITIES			
Accounts payable	69,141	88,769	157,910
Accrued interest payable	90,130	-	90,130
Accrued liabilites	1,055,737	28,074	1,083,811
Deferred revenue	930,361	-	930,361
Non-current liabilities:			
Due within one year	424,449	2,221,356	2,645,805
Due in more than one year	4,360,343	1,777,338	6,137,681
Total liabilities	**6,930,161**	**4,115,537**	**11,045,698**
NET ASSETS			
Invested in capital assets, net of debt	11,532,175	1,897,374	13,429,549
Restricted for:			
Debt service	695,514	-	695,514
Capital projects	3,306,832	20,952	3,327,784
Unrestricted	4,112,040	3,467,253	7,579,293
Total net assets	**$ 19,646,561**	**$ 5,385,579**	**$ 25,032,140**

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Activities
For the Year Ended June 30, 2011

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets: Governmental Activities	Net (Expense) Revenues and Changes in Net Assets: Business-type Activities	Total
GOVERNMENTAL ACTIVTITIES							
General government	$ 1,009,265	$ 855,903	$ 1,099,218	$ -	$ 945,856		$ 945,856
Public safety	2,064,831	-	10,989	-	(2,053,842)		(2,053,842)
Streets and public works	803,950	-	-	2,205,591	1,401,641		1,401,641
Parks and recreation	267,238	-	6,174	118,235	(142,829)		(142,829)
Cemetery	2,464	5,400	-	-	2,936		2,936
Garbage	279,977	366,850	-	-	86,873		86,873
Interest on long-term debt	209,118	-	-	-	(209,118)		(209,118)
Total governmental activities	4,636,843	1,228,153	1,116,381	2,323,826	31,517		31,517
BUSINESS TYPE ACTIVITIES							
Water	1,350,642	1,290,393	-	429,624		$ 369,375	369,375
Total business-type activities	1,350,642	1,290,393	-	-		369,375	369,375
GENERAL REVENUES							
Taxes:							
Property taxes					2,150,169	-	2,150,169
Franchise taxes					645,270	-	645,270
General sales taxes and highway sales taxes					850,249	-	850,249
Interest income					49,756	-	49,756
Gain on sale of assets					81,572	-	81,572
Miscellaneous					57,226	-	57,226
Total general revenues					3,834,242	-	3,834,242
Change in net assets					3,865,759	369,375	4,235,134
Net assets - beginning					15,780,802	5,016,204	20,797,006
Net assets - ending					$ 19,646,561	$ 5,385,579	$ 25,032,140

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Balance Sheet – Governmental Funds
June 30, 2011

	General	Special Revenue Funds: Improvement District	Special Revenue Funds: Redevelopment Agency	Capital Projects Fund	Cemetery Perpetual Care (Nonmajor)	Totals Governmental Funds
ASSETS						
Cash and cash equivalents	$ 811,602	$ 521,301	$ 1,656,245	$ 3,533,790	$ 11,500	$ 6,534,438
Restricted cash and investments	-	391,277	-	304,237	-	695,514
Receivables:						
Sales, property and franchise taxes	1,001,496	-	1,235,308	-	-	2,236,804
Accounts	164,246	-	-	-	-	164,246
Class C road funds	59,137	-	-	-	-	59,137
Due from other funds	155,759	-	-	-	-	155,759
Prepaid expenses	3,072	-	-	-	-	3,072
Total assets	$ 2,195,312	$ 912,578	$ 2,891,553	$ 3,838,027	$ 11,500	$ 9,848,970
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 51,457	$ -	$ 1,426	$ 16,258	$ -	$ 69,141
Accrued liabilities	46,816	-	1,008,921	-	-	1,055,737
Deferred revenue - property taxes	703,974	-	226,387	-	-	930,361
Total liabilities	802,247	-	1,236,734	16,258	-	2,055,239
Fund balances:						
Restricted for:						
Retirement of debt	-	-	-	304,237	-	304,237
Impact fees	-	-	-	2,477,022	-	2,477,022
Class C road projects	829,810	-	-	-	-	829,810
Debt service and construction	-	391,277	-	-	-	391,277
Total restricted	829,810	391,277	-	2,781,259	-	4,002,346
Assigned to:						
Special revenue funds	-	521,301	1,654,819	-	-	2,176,120
Capital projects fund	-	-	-	1,040,510	-	1,040,510
Permanent fund	-	-	-	-	11,500	11,500
Total assigned	-	521,301	1,654,819	1,040,510	11,500	3,228,130
Unassigned	563,255	-	-	-	-	563,255
Total fund balances	1,393,065	912,578	1,654,819	3,821,769	11,500	7,793,731
Total liabilities and fund balances	$ 2,195,312	$ 912,578	$ 2,891,553	$ 3,838,027	$ 11,500	$ 9,848,970

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Reconciliation of the Balance Sheet of Governmental Funds
To The Statement of Net Assets
June 30, 2011

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total Fund Balances - Total Governmental Funds (page 14)	$	7,793,731
Capital assets and water stock used in governmental activities are not financial resources and therefore, are not reported in the funds.		16,321,234
Other long-term assets are not available for current period expenditures and are therefore deferred in the funds balance sheet.		406,518
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(4,874,922)
Net Assets - Governmental Activities (page 12)	$	19,646,561

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
For the Year Ended June 30, 2011

	General	Special Revenue Funds: Improvement District	Special Revenue Funds: Redevelopment Agency	Capital Projects Fund	Cemetery Perpetual Care (Nonmajor)	Totals Governmental Funds
REVENUES						
Taxes	$ 2,410,400	$ -	$ 1,235,288	$ -	$ -	$ 3,645,688
Special assessments	298,907	389,730	-	410,581	-	1,099,218
Licenses and permits	325,447	-	-	-	-	325,447
Charges for services	358,721	-	-	-	-	358,721
Intergovernmental	17,163	-	-	118,235	-	135,398
Garbage	366,850	-	-	-	-	366,850
Fines and forfeitures	171,735	-	-	-	-	171,735
Cemetery	5,400	-	-	-	-	5,400
Interest	5,270	2,133	10,645	31,708	-	49,756
Miscellaneous	57,226	-	-	-	-	57,226
Total revenues	4,017,119	391,863	1,245,933	560,524	-	6,215,439
EXPENDITURES						
General government	1,046,580	-	277,547	-	-	1,324,127
Public safety	1,559,815	-	-	-	-	1,559,815
Streets and public works	456,464	-	-	752,220	-	1,208,684
Parks and recreation	218,780	-	-	-	-	218,780
Cemetery	2,464	-	-	-	-	2,464
Garbage	279,977	-	-	-	-	279,977
Debt service:				-		
Principal retirement	-	256,000	-	100,000	-	356,000
Interest and fiscal charges	-	133,730	-	82,246	-	215,976
Total expenditures	3,564,080	389,730	277,547	934,466	-	5,165,823
Excess of revenues over (under) expenditures	453,039	2,133	968,386	(373,942)	-	1,049,616
OTHER FINANCING SOURCES (USES)						
Transfers in	70,452	-	-	186,493	-	256,945
Transfers out	(186,493)	-	(70,452)	-	-	(256,945)
Proceeds from capital lease	159,393	-	-	-	-	159,393
Proceeds from sale of land	123,675	-	-	26,950	-	150,625
Total other financing sources (uses)	167,027	-	(70,452)	213,443	-	310,018
Net change in fund balance	620,066	2,133	897,934	(160,499)	-	1,359,634
Fund balance, beginning of year	772,999	910,445	756,885	3,982,268	11,500	6,434,097
Fund balance, end of year	$ 1,393,065	$ 912,578	$ 1,654,819	$ 3,821,769	$ 11,500	$ 7,793,731

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds To the Statement of Activities
For the Year Ended June 30, 2011

Amounts reported for governmental activities in the statement of activities (page 13) are different because:

Net change in fund balances - total governmental funds (page 16)	$	1,359,634
Governmental funds report capital outlays 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. This is the amount by which capital outlays and capital contributions exceeded depreciation in the current period.		2,417,594
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Repayment of principal on det is an expenditure in the governmental funds, but thte repayment reduces long-term liabilities in the Statement of Net Assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		221,070
Some expenses 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.		(132,539)
Change in net assets - governmental activities (page 13)	$	3,865,759

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positve (Negative)
REVENUES				
Taxes	$ 2,028,314	$ 2,227,445	$ 2,410,400	$ 182,955
Special assessments	265,000	265,000	298,907	33,907
Licenses and permits	285,000	325,000	325,447	447
Charges for service	592,500	464,325	358,721	(105,604)
Intergovernmental	20,100	17,300	17,163	(137)
Garbage	390,000	390,000	366,850	(23,150)
Fines and forfeitures	225,000	175,000	171,735	(3,265)
Cemetery	5,000	6,200	5,400	(800)
Interest	7,500	20,000	5,270	(14,730)
Miscellaneous	41,500	48,500	180,901	132,401
Contributions and transfers	30,000	65,000	70,452	5,452
Total revenues	3,889,914	4,003,770	4,211,246	207,476
EXPENDITURES				
General government				
City council	21,500	21,500	20,752	748
Mayor	10,300	10,300	9,624	676
Administration	476,333	478,133	476,594	1,539
Facilities	65,310	82,310	67,138	15,172
Planning and zoning	104,441	105,341	90,008	15,333
Risk management	70,500	70,500	70,112	388
Court	162,267	162,842	158,367	4,475
Building inspection	86,805	87,255	74,675	12,580
Code enforcement	82,788	91,438	79,310	12,128
Public safety				
Fire and ambulance	677,447	698,547	815,121	(116,574)
Law enforcement	620,000	759,600	744,694	14,906
Streets and public works	794,743	796,243	456,464	339,779
Parks and recreation	291,543	275,443	218,780	56,663
Cemetery	6,500	6,500	2,464	4,036
Garbage	300,000	300,000	279,977	20,023
Transfers	124,437	186,493	186,493	-
Total expenditures	3,894,914	4,132,445	3,750,573	381,872
Net change in fund balance	(5,000)	(128,675)	460,673	589,348
Fund balance, beginning of year	772,999	772,999	772,999	-
Fund balance, end of year	$ 767,999	$ 644,324	$ 1,233,672	$ 589,348

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Special Improvement District – Special Revenue Fund
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Special assessments	$ 392,960	$ 392,960	$ 389,730	$ (3,230)
Interest	5,000	5,000	2,133	(2,867)
Total revenues	397,960	397,960	391,863	(6,097)
EXPENDITURES				
Debt service	397,960	397,960	389,730	8,230
Total expenditures	397,960	397,960	389,730	8,230
Net change in fund balance	-	159,393	2,133	(157,260)
Fund balance at beginning of year	910,445	910,445	910,445	-
Fund balance at end of year	$ 910,445	$ 1,069,838	$ 912,578	$ (157,260)

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Redevelopment Agency – Special Revenue Fund
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	$ 722,000	$ 1,008,921	$ 1,235,288	$ 226,367
Interest	-	-	10,645	10,645
Total revenue	722,000	1,008,921	1,245,933	237,012
EXPENDITURES				
General government	681,000	726,273	277,547	448,726
Total expenditures	681,000	726,273	277,547	448,726
Excess of revenues over expenditures	41,000	282,648	968,386	685,738
OTHER FINANCING SOURCES (USES)				
Transfer out	(41,000)	(327,921)	(70,452)	257,469
Net change in fund balance	-	(45,273)	897,934	943,207
Fund balance, beginning of year	756,885	756,885	756,885	-
Fund balance, end of year	$ 756,885	$ 711,612	$ 1,654,819	$ 943,207

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Net Assets – Proprietary Fund
June 30, 2011

	Water Fund
ASSETS	
Current assets:	
Cash and cash equivalents - restricted	$ 2,777,422
Accounts receivable, net	96,129
Total current assets	2,873,551
Bond issuance costs	105,718
Investment in water rights and stock	789,529
Property, plant and equipment:	
Land	75,004
Water distribution system	5,831,251
Machinery and equipment	249,302
Construction in progress	1,377,887
Accumulated depreciation	(1,645,367)
Net property, plant and equipment	5,888,077
Total assets	9,656,875
LIABILITIES	
Current liabilities:	
Accounts payable	88,769
Accrued liabilities	28,074
Due to other fund	155,759
Compensated absences payable	7,991
Current portion of long-term debt	2,213,365
Total current liabilities	2,493,958
Long term debt	1,777,338
Total liabilities	4,271,296
NET ASSETS	
Invested in capital assets, net of related debt	1,897,374
Restricted for impact fees	20,952
Unrestricted	3,467,253
Total net assets	$ 5,385,579

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Fund
For the Year Ended June 30, 2011

	Water Fund
OPERATING REVENUES	
Water sales	$ 1,152,160
Total operating revenues	1,152,160
OPERATING EXPENSES	
Water purchases	618,713
Wages and fringe benefits	282,601
Maintenance and engineering	62,664
Office supplies, postage and insurance	14,484
Depreciation and amortization	256,907
Other	38,483
Total operating expenses	1,273,852
Operating income (loss)	(121,692)
NON-OPERATING REVENUES (EXPENSES)	
Interest income	1,062
Interest expense	(76,790)
Connection and service fees	50,144
Miscellaneous	87,027
Total non-operating revenues	61,443
Income (loss) before contributions	(60,249)
Capital contributions	429,624
Change in net assets	369,375
Total net assets, beginning of year	5,016,204
Total net assets, end of year	$ 5,385,579

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Cash Flows – Proprietary Fund
For the Year Ended June 30, 2011

	Water Fund
Cash flows from operating activities:	
Cash received from customers (including cash deposits)	$ 1,181,579
Cash paid to suppliers	(770,711)
Cash paid to employees	(259,630)
Net cash provided by operating activities	151,238
Cash flows from non-capital financing activities:	
Connection and impact fees	137,171
Increase in due to other fund	155,759
Net cash provided by non-capital financing activities	292,930
Cash flow from capital and related financing activities:	
Payments on long-term debt	(13,334)
Proceeds from bonds	2,800,000
Bond issuance costs	(108,891)
Interest paid on long-term debt	(76,790)
Interest income received	1,062
Purchase of capital assets	(1,448,189)
Net cash provided by capital and related financing activities	1,153,858
Net increase in cash and cash equivalents	1,598,026
Cash and cash equivalents at beginning of year	1,179,396
Cash and cash equivalents at end of year	$ 2,777,422

(Continued)

CITY OF BLUFFDALE, UTAH
Statement of Cash Flows – Proprietary Fund (Continued)
For the Year Ended June 30, 2011

	Water Fund
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	$ (121,692)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation and amortization expense	256,907
Decrease in accounts receivable	29,419
Decrease in accounts payable	(36,367)
Increase in accrued liabilities	22,971
Total adjustments	272,930
Net cash provided by operating activities	$ 151,238
Capital and related financing activities not affecting cash:	
Developer contributions of capital assets	$ 429,624

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Net Assets – Fiduciary Fund
June 30, 2011

	Escrow Fund Total
ASSETS	
Cash and cash equivalents	$ 199,975
Total assets	199,975
LIABILITIES	
Construction and improvement bonds	199,975
Total liabilities	199,975
NET ASSETS	
Unrestricted	-
Total net assets	$ -

The accompanying notes are an integral part of this financial statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The basic financial statements of City of Bluffdale, Utah (the City) have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Financial reporting is based upon all GASB pronouncements, as well as the FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB pronouncements issued after November 30, 1989 are not followed in the preparation of the accompanying financial statements.

The City of Bluffdale was incorporated in 1978. The City operates under a Council-Mayor form of government. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). The component unit discussed below is included as part of the City's reporting entity as a blended component unit.

The Redevelopment Agency of Bluffdale City (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 of trustees composed of the City Mayor and 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. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

Government-Wide and Fund Financial Statements

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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 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 compensated absences and claims and judgments, are recorded only when payment is due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Sales taxes, use 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 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 for those required to be accounted for in another fund.

- The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of the major capital facilities of the City (other than those financed by proprietary funds).

- The SID Special Revenue Fund is used to account for financial resources and activities of the City's Special Improvement District.

- The Redevelopment Agency Special Revenue Fund is used to account for financial resources to be used for the re-vitalization of blighted areas within the City.

The City reports the following major proprietary fund:

- The Water Fund accounts for the activities of the City's water production, treatment and distribution operations.

Additionally, the City reports a fiduciary fund to account for construction and improvement bonds received from developers.

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 finds for the providing of 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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 all enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds includes the cost of sales and services. Operating expenses for enterprise funds includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities, and Net Assets or Equity

Cash, Deposits and Investments Cash includes cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts. City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the Utah Public Treasurer's Investment Fund and other investments allowed by the State of Utah's Money Management Act. Investments are reported at fair value. The State Treasurer's Investment Fund operates in accordance with state laws and regulations. The reported value of the Fund is the same as the fair value of the Fund shares.

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

Receivables and Payables Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds". In the Water fund, the City records utility revenues billed to customers when meters are read on a monthly basis. Unbilled service accounts receivable at June 30, 2011 are not material and are not recorded.

Inventories and Prepaid Items Inventories of materials and supplies in the proprietary funds, consisting principally of materials used in the repair of the transmission, distribution, collection and treatment systems, are valued at cost and accounted for on a first-in, first-out basis (FIFO). 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity (Continued)

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 City as assets with an individual cost of more than $5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

As permitted by GASB Statement No. 34, the City has not retroactively recorded infrastructure assets.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10 to 50 years
Infrastructure	20 to 50 years
Machinery and equipment	5 to 7 years
Furniture and fixtures	5 to 10 years
Water distribution system	20 years

Compensated Absences For governmental funds amounts of vested or accumulated vacation leave and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net assets and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation leave and comp time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Sick pay amounts are charged to expenditures when incurred. Employees may accumulate sick leave without limitation. Accumulated vacation leave is paid to employees upon termination or retirement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity (Continued)

Long-Term Obligations In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Restricted Assets Restricted assets are comprised of cash restricted for future payments of principal and interest on debt service as well as unexpended portions of bonds issued for capital construction purposes.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net assets of governmental activities as reported in the government-wide statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Capital related items:

When capital assets (property, plant and equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the City as a whole.

Cost of capital assets and water stock	$ 20,279,826
Accumulated depreciation	(3,958,592)
	$ 16,321,234

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets (Continued)

Long-term debt transactions:

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net assets. Balances at June 30, 2011 were:

Sales Tax Revenue bonds	$ 1,740,000
Special Improvement District bonds	2,854,000
Interest payable on long-term debt	90,130
Compensated absences	55,862
	$ 4,874,922

Explanation of Certain Differences Between Governmental Fund Operating Statements and the Statement of Net Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays and contributions are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follow:

Capital outlays and contributions	$ 3,320,856
Depreciation expense	(903,262)
Net difference, as reported	$ 2,417,594

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

- For the fiscal year beginning July 1, the Mayor submits a proposed budget to the City Council by the first City Council meeting in May. The budget includes proposed expenditures and the means of financing them.

- By passage of a resolution, the budget is legally enacted on or before June 15, after a public hearing has been held.

- Once adopted, the budget can be amended by subsequent City Council action. The budget officer is authorized to transfer budgeted amounts between departments within any fund; however, the City Council must approve any revisions that alter the total expenditures of any fund. Increased appropriations require a public hearing to amend the budget.

- Interim adjustments of estimated revenues and appropriations, during the year ended June 30, 2011, have been included in the final budget approved by the City Council, as presented in the basic financial statements.

- As determined by state law, the level by which expenditures may not legally exceed appropriations is the total departmental budgets within a given fund.

- Unencumbered appropriations lapse at the end of each fiscal year.

Annual budgets for the General Fund, all Special Revenue Funds and the Capital Projects Fund were legally adopted by the City and are prepared on the modified-accrual method of accounting.

Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of actual versus such budgets for governmental funds.

The City Council made several supplemental budgetary appropriations throughout the year, including increases and decreases in the general fund. The expenditure appropriations for the fund increased $257,531. The biggest increase was in Public Safety – Law Enforcement for $139,600. The other changes were generally spread among the functions and were for general operations items.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Tax Revenues

Property taxes are collected by the Salt Lake County Treasurer and remitted to the City in two to three installments in November, December, and January of each fiscal year and a final settlement by March 31st. Taxes are levied and are due and payable on November 1st and delinquent after November 30th of each year at which time they become liens if not paid. An accrual of delinquent current and prior year's property taxes beyond that which was received within 60 days after fiscal year end has not been made, as the amounts are not deemed to be material. An accrual for current year property taxes estimated to be collected the following November and December is made each year.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30th and thus due and payable to the City.

Franchise taxes are charged to various utility companies doing business with the City including telephone, cable television, gas utility, and electric utility companies. The fees are remitted on a monthly, quarterly, semi-annual, or annual basis. An accrual has not been made for fees due and payable to the City at June 30th as the amounts are not deemed to be material.

4. DETAILED NOTES FOR ALL FUNDS

Deposits and Investments

Utah State law establishes the rules and regulations for deposits and investments and is known as the Utah Money Management Act. The Act established the Money Management Council that promulgates additional rules and determines which financial institutions may qualify to hold deposits and investments for state and local entities. The City has complied with the Utah Money Management Act and rules of the Money Management Council with regard to deposits and investments.

As of June 30, 2011, the City's demand deposits amounted to $38,806. Cash equivalents restricted for debt service invested in money market accounts amounted to $695,514.

As of June 30, 2011, the City had investments in the Utah Public Treasurer's Investment Fund of $6,584,241. The fund is not rated and the weighted average maturity was less than 90 days.

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Deposits and Investments (Continued)

Custodial Credit Risk - Deposits. This is the risk that in the event of a bank failure, the City's deposits may not be returned. As of June 30, 2011, $446,185 of the City's $1,204,557 bank balance was insured by FDIC limits and, therefore, is not exposed to custodial credit risk. The Utah Money Management Act does not require deposits to be insured or collateralized and the City has no formal policy regarding deposit credit risk. The Act requires that the City keep deposits in a qualified depository, which the City has done.

Custodial Credit Risk - Investments. This is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City has no formal policy regarding custodial credit risk for investments. Money invested in the Utah Public Treasurer's Investment Fund is pooled with many other state and local entities, and is managed by the Utah State Treasurer. The Fund is not categorized as to custodial credit risk.

Interest Rate Credit Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss from changes in interest rates is to follow the Utah Money Management Act and only invest in instruments that mature in one year or less. Investments within the Public Treasurer's Investment Fund have a weighted average maturity of less than ninety days.

Credit Risk is the risk that an issuer will not fulfill its obligations. The City policy is consistent with and complies with the Utah State Money Management Act. Investment is limited to U.S. Treasuries, U.S. Government Agency instruments, Utah Public Treasurer's Investment Fund, and other instruments that are rated A or higher by Standard & Poor's or Moody's. The City only invested in the Utah Public Treasurer's Investment Fund and U.S. Treasury securities during the year.

Concentration of Credit risk. City policy requires diversification and limits the amount that may be invested in the same company. First, the City may not invest more than 20% of its idle funds outside of the Utah Public Treasurer's Investment Fund. Second, not more than 10% of the total portfolio may be invested in a single company's credit instruments. The Utah Public Treasurer's Investment Fund is highly diversified and must comply with various rules of the Utah State Money Management Act and Money Management Council.

The deposits and investments described above are included on the government-wide statement of net assets as follows:

Cash and cash equivalents	$ 6,534,438
Restricted cash	3,472,936
	$ 10,007,374

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Accounts Receivable

Receivables as of year end for the City's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Water	Total
Receivables:			
Taxes	$ 1,001,496	$ -	$ 1,001,496
Accounts and others	164,246	105,129	269,375
Intergovernmental	59,137	-	59,137
Gross receivables	1,224,879	105,129	1,330,008
Less: allowance for uncollectibles	-	(9,000)	(9,000)
Net total receivables	$ 1,224,879	$ 96,129	$ 1,321,008

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the government funds were as follows:

	Unavailable	Unearned
Property taxes receivable (General Fund)	$ 930,361	$ -
Total deferred/unearned revenue, governmental funds	$ 930,361	$ -

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2011 was as follows:

	7/1/2010	Increases	Decreases	6/30/2011
Governmental activities				
Capital assets:				
Land	$ 2,582,462	$ 536,560	$ (69,053)	$ 3,049,969
Buildings	1,773,302	-	-	1,773,302
Infrastructure	10,951,140	2,575,308	-	13,526,448
Machinery and equipment	1,680,519	208,988	-	1,889,507
Total capital assets	16,987,423	3,320,856	(69,053)	20,239,226
Accumulated depreciation:				
Buildings	(420,898)	(59,110)	-	(480,008)
Infrastructure	(1,565,935)	(676,322)	-	(2,242,257)
Machinery and equipment	(1,068,497)	(167,830)	-	(1,236,327)
Total accumulated depreciation	(3,055,330)	(903,262)	-	(3,958,592)
Net governmental capital assets	$13,932,093	$ 2,417,594	$ (69,053)	$16,280,634

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets Continued)

Capital asset activity for business-type activities for the year ended June 30, 2011 was as follows:

	7/1/2010	Increases	Decreases	6/30/2011
Business-type activities				
Capital assets:				
Land	$ 4,703	$ 70,301	$ -	$ 75,004
Water distribution system	5,401,626	429,625	-	5,831,251
Equipment	249,302	-	-	249,302
Construction in progress	-	1,377,887	-	1,377,887
Total capital assets	5,655,631	1,877,813	-	7,533,444
Accumulated depreciation:				
Water distribution system	(1,268,450)	(210,610)	-	(1,479,060)
Equipment	(128,198)	(38,109)	-	(166,307)
Total accumulated depreciation	(1,396,648)	(248,719)	-	(1,645,367)
Net business-type capital assets	$ 4,258,983	$ 1,629,094	$ -	$ 5,888,077

In the government-wide financial statements depreciation was charged as follows by program or activity:

Governmental activities:	
General government	$ 18,218
Public safety	122,023
Highways and public improvements	700,947
Parks and recreation	62,074
Total depreciation expense - governmental activities	$ 903,262
Business-type activities:	
Water	$ 248,719
Total depreciation expense - business-type activities	$ 248,719

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Revenue Bonds

The City has issued bonds where the revenues and assets of the issuing fund are pledged as security for the bonds.

Revenue bonds outstanding at June 30, 2011, by issue, are as follows:

Bond Description	Original Issue	Annual Principal	Interest Rate	Final Due Date	Outstanding as of 6/30/11
Sales Tax Series 2005	$ 2,000,000	$20,000 to $170,000	3.25% to 4.50%	2/1/2024	$ 1,740,000
Special Improvement District Series 2007	3,933,000	$200,000 to $420,000	5.00% to 6.00%	12/1/2019	2,854,000
Water Revenue Series 2007	1,223,000	$3,000 to $48,000	4.375%	4/1/2048	1,183,384
Water Revenue Series 2011	3,573,000	$50,000 to $248,000	3.19%	6/1/2031	600,000
Water Facilities Revenue Series 2011	2,200,000	$2,200,000	3.00%	4/1/2012	2,200,000
	$12,929,000				$ 8,577,384

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Revenue Bonds (Continued)

Revenue bond debt service requirements to maturity are as follows:

	Principal	Interest	Total
2012	$ 2,584,365	$ 307,877	$ 2,892,242
2013	451,863	225,716	677,579
2014	514,482	209,062	723,544
2015	551,129	191,632	742,761
2016	604,805	173,470	778,275
2017 - 2021	2,329,545	564,151	2,893,696
2022 - 2026	632,968	244,536	877,504
2027 - 2031	139,780	184,471	324,251
2032 - 2036	173,933	150,318	324,251
2037 - 2041	216,430	107,820	324,250
Thereafter	378,084	59,370	437,454
	$ 8,577,384	$ 2,418,423	$ 10,995,807

In June 2011, the City issued $3,573,000 in Water Revenue Bonds Series 2011, of which $600,000 has been distributed and is outstanding. The bonds will be used for a project to expand the water main trunk line out to Redwood Road.

In March 2011, the City issued $2,220,000 in Water Facility Revenue Bonds Series 2011, which will be used to supplement the water main trunk line expansion project. The bonds will be repaid with impact fees which will be received during 2012.

Capital Lease

The future minimum lease obligations and the net present value of these lease payments as of June 30, 2011 were as follows:

	Total
2012	$ 23,315
2013	23,770
2014	23,770
2015	23,770
2016	23,770
Thereafter	35,211
	153,606
Lease amount representing interest	(18,676)
Present value of minimum lease payments	134,930
Amount due within one year	(18,675)
Amount due after one year	$ 116,255

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2011 was as follows:

	7/1/2010	Additions	Reductions	6/30/2011	Due in One Year
Governmental activities					
Bonds payable:					
Special improvement district	$3,110,000	$ -	$ (256,000)	$2,854,000	$ 266,000
Sales tax revenue	1,840,000	-	(100,000)	1,740,000	105,000
Total bonds payable	4,950,000	-	(356,000)	4,594,000	371,000
Lease payable	-	159,393	(24,463)	134,930	18,675
Compensated absences	36,333	37,428	(17,899)	55,862	34,774
Governmental activity long-term liabilities	$4,986,333	$ 196,821	$ (398,362)	$4,784,792	$ 424,449
Business-type activities					
Bonds payable:					
Water revenue	$1,196,718	$ 600,000	$ (13,334)	$1,783,384	$ 13,365
Water facilities revenue	-	2,200,000	-	2,200,000	2,200,000
Total bonds payable	1,196,718	2,800,000	(13,334)	3,983,384	2,213,365
Vacation payable	10,926	12,554	(8,170)	15,310	7,991
Business-type activity long-term liabilities	$1,207,644	$2,812,554	$ (21,504)	$3,998,694	$2,221,356

Interfund Transfers

During the course of normal operations, transfers are made between funds. The following table summarizes the transfers made during the year:

	Transfers in		
Transfers out	General	Capital Projects	Total
General fund	$ -	$ 186,493	$ 186,493
Redevelopment agency	70,452	-	70,452
Totals	$ 70,452	$ 186,493	$ 256,945

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Other Information

Risk Management The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries insurance through the Utah Local Government Insurance Trust for all of these risks of loss. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. Expenses and claims not covered by insurance are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

City Management estimates that the amount of other actual or potential claims against the City as of June 30, 2011 will not materially affect the financial condition of the City.

Redevelopment Agency In connection with the activities of the Redevelopment Agency (RDA), incremental tax revenues totaling $1,235,288 were generated. The RDA was not required to pay any portion of this revenue to other taxing agencies. There is no outstanding debt of the RDA at June 30, 2011.

During the year ended June 30, 2011, funds expended by the RDA were limited to the categories of capital outlay and administration costs. These costs totaled $214,971 and $62,576, respectively.

Employee Retirement Systems and Pension Plans The City contributes to the Local Governmental Contributory Retirement System (hereafter referred to as the Systems) which is cost-sharing multiple-employer defined benefit pension plan administered by the Utah Retirement Systems (URS). The Systems provide retirement benefits, annual cost of living adjustments, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statues.

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 Systems under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. URS issues a publicly available financial report that includes financial statements and required supplementary information for the Systems.

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 Government Contributory Retirement System are required to contribute 3.0 percent of their annual covered salary (all or part may be paid by the employer for the employee), and the City is required to contribute 9.36 percent of its 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.

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Other Information (Continued)

The City's contributions in dollars to each of the Systems for the years ending June 30, 2011, 2010 and 2009, were equal to the required contributions for each year. The contribution amounts are as follows:

	2011	2010	2009
Local Governmental Contributory Retirement System	$ 90,417	$ 72,579	$ 89,760

Deferred Compensation Plan Under the URS, the City offers its employees a Deferred Compensation Plan (the Plan) in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The payment of deferred compensation is not available to employees until termination, retirement, death, or emergency. The City's contributions to the 457 Deferred Compensation Plan were $25,905, $26,619, and $28,134 for the years ended June 30, 2011, 2010 and 2009, respectively.

Defined Contribution Plans The 401(k) plan provided by URS is a multiple-employer defined contribution plan. All employees of the City who participate in the URS contributory, noncontributory, or public safety system are eligible to participate in the plan. Employees are immediately 100 percent vested in their contributions to the plan. Employee contributions to the 401(k) plan and the Deferred Compensation Plan are voluntary. Employer contributions are also voluntary and are intended to standardize the contribution rates for all full time employees participating in the URS. The City's contributions to the 401(k) plan were $55,557, $56,864, and $62,813 for the years ended June 30, 2011, 2010 and 2009, respectively.

CITY OF BLUFFDALE, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Special assessments	$ 348,000	$ 371,000	$ 410,581	$ 39,581
Charges for services	660,734	700,177	-	(700,177)
Intergovernmental	-	-	118,235	118,235
Interest	-	-	31,708	31,708
Total revenues	1,008,734	1,071,177	560,524	(510,653)
EXPENDITURES				
Streets and public works	2,246,000	2,270,500	752,220	1,518,280
Debt service	97,170	197,170	182,246	14,924
Total expenditures	2,343,170	2,467,670	934,466	1,533,204
Excess (deficiency) of revenues over (under) expenditures	(1,334,436)	(1,396,493)	(373,942)	1,022,551
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of land	-	-	26,950	26,950
Transfers in	1,427,436	1,612,493	186,493	(1,426,000)
Transfers out	(467,829)	(726,169)	-	726,169
Total other financing sources (uses)	959,607	886,324	213,443	(672,881)
Net change in fund balance	(374,829)	(510,169)	(160,499)	349,670
Fund balance at beginning of year	3,982,268	3,982,268	3,982,268	-
Fund balance at end of year	$ 3,607,439	$ 3,472,099	$ 3,821,769	$ 349,670

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation
CERTIFIED PUBLIC ACCOUNTANTS

559 West 500 South
Bountiful, Utah 84010
801-296-0200
Fax 801-296-1218

E. Lynn Hansen, CPA
Clarke R. Bradshaw, CPA
Gary E. Malmrose, CPA
Edwin L. Erickson, CPA
Michael L. Smith, CPA
Jason L. Tanner, CPA

Robert D. Wood, CPA
Aaron R. Hixson, CPA
Ted C. Gardiner, CPA
Jeffrey B. Miles, CPA

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Members of the Private Company Practice Section

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Mayor and City Council
City of Bluffdale, Utah

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bluffdale, Utah ("the City"), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 11, 2011. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that is described in the accompanying schedule of findings.

The City's response to our finding identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

November 11, 2011

Hansen, Bradshaw, Malmrose & Erickson

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CERTIFIED PUBLIC ACCOUNTANTS

559 West 500 South
Bountiful, Utah 84010
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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT ON COMPLIANCE IN ACCORDANCE WITH THE STATE OF UTAH LEGAL COMPLIANCE AUDIT GUIDE

Major and City Council
City of Bluffdale, Utah

We have audited City of Bluffdale, Utah's ("the City") compliance with general and major State assistance program compliance requirements described in the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2011.

The general compliance requirements applicable to the City are identified as follows:

Cash Management	Impact Fees
Budgetary Compliance	Justice Courts
Truth in Taxation and Property Tax Limitation	Purchasing Requirements
	URS Compliance
Liquor Law Enforcement	B & C Road Funds
Public Debt	Fund Balance
Asset Forfeiture	Other Compliance Requirements

The City received the following major State assistance program from the State of Utah:

B & C Road Funds (Department of Transportation)

The management of the City is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the State of Utah Legal Compliance Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the major assistance programs or general compliance requirement identified above. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Our audit does not provide a legal determination on the City's compliance with these requirements.

The results of our audit procedures disclosed an immaterial instance of noncompliance with the requirements referred to above, which is described in the accompanying schedule of findings. We considered this instance of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the City of Bluffdale, Utah complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major State programs for the year ended June 30, 2011. The report is intended solely for the information and use of management of the City and is not intended to be and should not be used by anyone other than these specified parties. However, the report is a matter of public record and its distribution is not limited.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

November 11, 2011

CITY OF BLUFFDALE, UTAH
Schedule of Findings
For the Year Ended June 30, 2011

Requirement/Program	Current Year Findings
1. Budgetary Compliance	Finding: State law requires that officers and employees of an entity shall not incur expenditures or encumbrances in excess of the total appropriation for any department. For the year ended June 30, 2011, expenditures exceeded budgeted amounts in the following department:

Fund	Department	Amount Over Budget
General	Fire and ambulance	$116,574

Recommendation: The City should monitor the status over expenditures as compared to the budget through the year and amend the budget as necessary.

Management's Response: In the future, the City will monitor the expenditures on a monthly basis to ensure that individual department budgets don't exceed beyond their original budget or amended budgets.