

CITY OF HOLLADAY

FINANCIAL STATEMENTS, SUPPLEMENTARY
INFORMATION AND REPORTS OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

JUNE 30, 2010

Osborne, Robbins & Buhler, PLLC

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OSBORNE, ROBBINS & BUHLER, P.L.L.C. Certified Public Accountants

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Mayor and Members of the City Council
City of Holladay

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Holladay (the City) as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of 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 and the standards applicable to financial audits contained in *Government 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of Holladay as of June 30, 2010, and the respective changes in financial position thereof and the budgetary comparison for the General Fund and Redevelopment Agency Fund, 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 January 5, 2011 on our consideration of the City's internal control over financial reporting and on 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 pages 3 through 10 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 of Holladay's financial statements as a whole. The individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund schedules 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 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 taken as a whole.

Osborne Robbins & Buhler PLLC

January 5, 2011

**City of Holladay
Management's Discussion and Analysis
Year Ended June 30, 2010**

As management of the City of Holladay (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2010. Please read it in conjunction with the City's financial statements which begin on page 12.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$22,534,442 (\$19,373,537 in 2009) (*net assets*), consisting of \$17,577,620 (\$13,431,686 in 2009) in capital assets net of related debt, \$2,901,251 (\$2,835,829 in 2009) in restricted net assets and \$2,055,571 (\$3,106,022 in 2009) in unrestricted net assets.
- The City's governmental funds reported combined fund balances of \$10,270,020 (\$14,226,358 in 2009). Of this amount \$12,242,165 (\$15,180,920 in 2009) is restricted as to use, leaving a deficit in unreserved fund balance of \$1,972,145 which is an increase in the deficit from 2009 by \$1,017,583.
- The City's general fund balance decreased by \$998,265 due primarily to transfers made to other funds.
- The City received approximately \$3.3 million in federal grant funds for use in the Holladay Village Center project and another \$1.6 million for use in the 3900 South reconstruction project.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also 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 a manner similar to a private-sector business.

- The statement of net assets presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**City of Holladay
Management's Discussion and Analysis
Year Ended June 30, 2010**

All of the City's functions are principally supported by taxes and intergovernmental revenues (governmental activities). The City has no 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, community development, streets and highways, parks, recreation and culture.

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 of the funds of the City are categorized as 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 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, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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, the capital projects fund, the redevelopment agency, and the general debt service fund, all of which are considered to be major funds. The redevelopment agency debt service fund is the only nonmajor fund of the City.

The City adopts an annual appropriated budget for its general fund and the redevelopment agency. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 14-16 of this report.

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. The notes to the financial statements can be found on pages 17-33 of this report.

Other information. Individual fund schedules can be found on pages 35-39 of this report.

**City of Holladay
Management's Discussion and Analysis
Year Ended June 30, 2010**

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$22,534,442 at the close of the most recent year (\$19,373,537 as of June 30, 2009.)

Approximately 78.0% (69.3% at June 30, 2009) of the City's net assets reflects its investment in capital assets (e.g. land, improvements, machinery, equipment, vehicles, and infrastructure assets); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Holladay		2010	2009
Net Assets		<u>2010</u>	<u>2009</u>
Current and other assets	\$	16,132,396	\$ 21,624,763
Capital assets		<u>33,438,431</u>	<u>27,736,974</u>
Total assets		<u>49,570,827</u>	<u>49,361,737</u>
Long-term liabilities outstanding		21,317,135	22,764,293
Other liabilities		<u>5,719,250</u>	<u>7,223,907</u>
Total liabilities		<u>27,036,385</u>	<u>29,988,200</u>
Net assets:			
Invested in capital assets, net of related debt		17,577,620	13,431,686
Restricted		2,901,251	2,835,829
Unrestricted		<u>2,055,571</u>	<u>3,106,022</u>
Total net assets	\$	<u><u>22,534,442</u></u>	\$ <u><u>19,373,537</u></u>

A portion of the City's net assets (12.87% in 2010 and 14.6% in 2009) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$2,055,571 in 2010 and \$3,106,022 in 2009) may be used to meet the government's ongoing obligations to citizens and creditors as cash is made available through the collection of taxes and other receivables.

**City of Holladay
Management's Discussion and Analysis
Year Ended June 30, 2010**

Governmental activities.

Governmental activities increased the City's net assets by \$3,160,905. Key elements in the change in net assets include:

- Federal grants of approximately \$4.9 million were received during 2010 for use in two different projects that resulted in increases to capital assets owned by the City.
- There was a slight increase in tax revenues during the current fiscal year.

City of Holladay
Changes in Net Assets

	2010	2009
Revenues:		
Program revenues:		
Charges for services	\$ 1,428,170	\$ 1,362,196
Operating grants and contributions	888,075	888,050
Capital grants and contributions	5,006,832	1,133,521
General revenues:		
Property taxes	4,726,739	4,669,524
Other taxes	4,991,642	4,867,044
Other	135,737	479,821
Total revenues	<u>17,177,195</u>	<u>13,400,156</u>
Expenses:		
General government	2,242,635	2,144,367
Public safety	5,264,531	5,292,311
Community development	1,070,586	814,508
Streets and highways	4,148,450	1,216,855
Parks, recreation, and culture	380,475	427,873
Interest on long-term debt	909,613	768,930
Total expenses	<u>14,016,290</u>	<u>10,664,844</u>
Change in net assets	3,160,905	2,735,312
Net assets, beginning	19,373,537	16,638,225
Net assets, ending	<u>\$ 22,534,442</u>	<u>\$ 19,373,537</u>

**City of Holladay
Management's Discussion and Analysis
Year Ended June 30, 2010**

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.

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.

As of the end of the 2010 fiscal year, the City's governmental funds reported combined ending fund balance of \$10,270,020 (\$14,226,358 in 2009). In 2010 the City showed a deficit in unreserved fund balance of \$1,972,145, compared to a deficit of \$954,562 in unreserved fund balance in 2009, for an overall increase to the deficit in 2010 of \$1,017,583. The deficit is associated with the Redevelopment Agency fund balance, which reports a deficit of \$3,155,778 which has arisen primarily from expenditures related to development. An interfund note payable to the capital projects fund was issued to fund these expenditures. As development projects are finished, the increased value of the property within the development areas will generate additional tax revenues that are expected to eliminate the deficit. The general fund, the capital projects fund and the general debt service fund all show positive amounts in unreserved fund balance which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts of the prior period, 2) to pay debt service, 3) to pay capital improvements commitments, 4) or for a variety of other restricted purposes.

The general fund is the chief operating fund of the City. At the end of the 2010 fiscal year, fund balance of the general fund was \$720,338, all of which was unreserved (\$1,718,603 in 2009). Despite the downturn in the economy during the year, revenues in the general fund were approximately \$136,000 higher than in 2009 and expenditures were approximately \$180,000 lower than in 2009. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance and total fund balance to total fund expenditures. Unreserved and total fund balance represents 8.3% of total general fund expenditures (19.5% in 2009).

At the end of fiscal year 2010, the capital projects fund had a total fund balance of \$9,799,239 (\$12,216,080 in 2009), which consisted of \$729,922 in unreserved fund balance, and \$9,069,317 in reserved fund balance. The decrease in 2010 was due primarily to use of bond proceeds from bonds issued during the prior year. Capital outlay expenditures included approximately \$3.6 million in acquisition of property, engineering and construction costs related to the Holladay Village Center project and approximately \$5.5 million in streets, sidewalk, curb and gutter improvements.

**City of Holladay
Management's Discussion and Analysis
Year Ended June 30, 2010**

General Fund Budgetary Highlights

During the fiscal year, the General Fund's budget was amended from an original expenditure budget of \$8,939,895 to a final budget of \$9,049,895, an increase of \$110,000. This increase was related entirely to budgeting for payments to Cottonwood Heights City for its share of court fine and forfeitures collected by the City.

All of this increase was funded from additional budgeted fines and forfeitures collected by the court.

Actual expenditures in the General Fund were less than the amended budget by \$425,161, with positive variances in all departments.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets as of June 30, 2010 amounts to \$33,438,431, net of accumulated depreciation (\$27,736,974 in 2009). This investment in capital assets includes land, buildings and structures, improvements including infrastructure, machinery, equipment, vehicles, and office furniture and equipment.

Major capital asset events during the current fiscal year include the following:

- Construction In Process – Approximately \$5.9 million in land acquisition costs, engineering costs, environmental assessments, and construction costs were incurred in relation to the Holladay Village Center project and the 3900 South reconstruction project.
- Improvements and infrastructure – Several sidewalk projects, curb and gutter projects and storm sewer projects were completed during the year at a cost of approximately \$300,000.

**City of Holladay
Management's Discussion and Analysis
Year Ended June 30, 2010**

City of Holladay
Capital Assets
(net of depreciation)

	<u>2010</u>	<u>2009</u>
Land	\$ 8,203,100	\$ 8,203,100
Construction in progress	12,181,274	6,283,364
Buildings and structures	8,285,411	8,594,035
Improvements, including infrastructure	4,112,900	3,938,460
Machinery, equipment, and vehicles	586,150	622,492
Office furniture and equipment	69,596	95,523
Total	<u>\$ 33,438,431</u>	<u>\$ 27,736,974</u>

Additional information on the City's capital assets can be found in Note F on page 27 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$20,830,128 consisting of \$6,850,000 in excise debt which is secured by sales tax revenues, \$5,430,000 in tax increment debt and \$8,550,128 in sales tax revenue bonds secured by C road funds. In addition, the City had entered into a contract for the purchase of land which had a balance at June 30, 2010 of \$400,000.

The City's total debt decreased by \$1,447,158 during the current year resulting from scheduled principal reductions.

The City was rated for bonds for the first time in November, 2008. It received a "AA" rating from Standard and Poor's on its 2008 Sales Tax Revenue Bonds. The rating on these bonds has not been reviewed or changed.

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total taxable value. The current limitation for the City is approximately \$99,000,000 and the City currently has no general obligation debt.

Additional information on the City's long-term debt can be found in Note G on pages 28 and 29 of this report.

Economic Factors and Next Year's Budgets and Rates

The City continues to meet the challenges it has been presented with during these difficult economic times. Many of the challenges from previous years are still issues that we are dealing with. The City continues to see a decline in most of its major revenues. Even though the revenues are declining at a lesser rate than in the past few years, it is too early to know if the downward trend has ended.

- Construction on the Village plaza is nearly complete. Due to weather and extensive shipping delays related to pavers, this project was not completed in 2010. During the spring of 2011 after a few cleanup items, the plaza pavers will be finished, which should bring this federally funded

**City of Holladay
Management's Discussion and Analysis
Year Ended June 30, 2010**

project to a close. It will now be the responsibility of the City of Holladay to assume the maintenance and operation of the Village plaza. The Village development project has not been finalized.

- The Cottonwood Mall's future remains unclear. General Growth Properties came out of bankruptcy and split into two separate companies. The new entity that was formed, Howard Hughes Corp., now owns the mall and retail sites, and will control the "mixed use" properties that are planned to be developed. The City has had conversations with the Howard Hughes Corp. and they still show a very positive interest in this site.
- Last year the City finished its major multi-year road program, spending over 8 million dollars in bond money to do the largest road projects in the history of Holladay. In the future it may become difficult to keep up with the demand for road repairs, however for the coming year it will not be a drain on the road budget, due to the fact that we have taken care of a majority of the most damaged roads.

In summary, as the City looks forward to next year's budget, it is anticipated that the downward trend in revenues will continue, although the downward movement will not be as severe as in the past two years. There are a few positive signs that revenues might be leveling off and not decreasing. As we prepare the budget all of these factors will be taken into account. The capital budget will be impacted the most as we cut back on projects that can be addressed at a later time.

Requests for Information

This financial report is designed to provide a general overview of the 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 information should be addressed to Randy Fitts, City Manager, 4580 S 2300 E, Holladay, Utah 84117.

BASIC FINANCIAL STATEMENTS

**CITY OF HOLLADAY
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2010**

	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
ASSETS	
CASH AND CASH EQUIVALENTS	\$ 1,428,348
RECEIVABLES (NET)	
TAXES	5,436,201
INTERGOVERNMENTAL	191,576
OTHER	6,802
SPECIAL ASSESSMENT	9,927
BOND ISSUE COSTS (NET)	404,796
RESTRICTED ASSETS	
CASH AND CASH EQUIVALENTS	8,654,746
NON-DEPRECIABLE CAPITAL ASSETS	20,384,374
DEPRECIABLE CAPITAL ASSETS, NET	13,054,057
TOTAL ASSETS	<u>49,570,827</u>
LIABILITIES	
ACCOUNTS PAYABLE	466,358
ACCRUED LIABILITIES	62,045
ACCRUED INTEREST PAYABLE	271,597
PAYABLE FROM RESTRICTED ASSETS	
DEPOSITS	112,581
UNEARNED REVENUE	4,806,669
NON-CURRENT LIABILITIES	
DUE WITHIN ONE YEAR	1,445,255
DUE IN MORE THAN ONE YEAR	
COMPENSATED ABSENCES	21,752
CONTRACTS PAYABLE	400,000
BONDS PAYABLE	19,450,128
TOTAL LIABILITIES	<u>27,036,385</u>
NET ASSETS	
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	17,577,620
RESTRICTED FOR	
DEBT SERVICE	2,901,251
UNRESTRICTED	2,055,571
TOTAL NET ASSETS	<u>\$ 22,534,442</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HOLLADAY
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET REVENUE (EXPENSE) AND CHANGES
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET ASSETS GOVERNMENTAL ACTIVITIES (TOTAL)
PRIMARY GOVERNMENT:					
GOVERNMENTAL ACTIVITIES					
GENERAL GOVERNMENT	\$ 2,242,635	\$ 882,594	\$ -	\$ 1,671,438	\$ 311,397
PUBLIC SAFETY	5,264,531	-	26,298	10,219	(5,228,014)
COMMUNITY DEVELOPMENT	1,070,586	498,105	56,543	-	(515,938)
STREETS AND HIGHWAYS	4,148,450	44,995	793,734	3,312,654	2,933
PARKS, RECREATION AND CULTURE	380,475	2,476	11,500	12,521	(353,978)
INTEREST ON LONG-TERM DEBT	909,613	-	-	-	(909,613)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 14,016,290</u>	<u>\$ 1,428,170</u>	<u>\$ 888,075</u>	<u>\$ 5,006,832</u>	<u>(6,693,213)</u>
GENERAL REVENUES:					
PROPERTY TAXES					4,726,739
SALES TAXES					2,790,735
FRANCHISE TAXES					1,911,489
TRANSIENT ROOM TAX					34,325
MOTOR VEHICLE FEES IN LIEU					255,093
INVESTMENT EARNINGS					95,031
OTHER					40,706
TOTAL GENERAL REVENUES					<u>9,854,118</u>
CHANGE IN NET ASSETS					3,160,905
NET ASSETS AT BEGINNING OF YEAR					<u>19,373,537</u>
NET ASSETS AT END OF YEAR					<u>\$ 22,534,442</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HOLLADAY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

**CITY OF HOLLADAY
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET LIABILITIES OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2010**

	GENERAL	CAPITAL PROJECTS	REDEVELOP- MENT AGENCY (SPECIAL REVENUE)	GENERAL DEBT SERVICE	NONMAJOR GOVERNMENTAL FUND - RE- DEVELOPMENT AGENCY DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS		
ASSETS								
CASH AND CASH EQUIVALENTS	\$ 301,781	\$ 903,619	\$ (136)	\$ 335,665	\$ -	\$ 1,540,929	TOTAL GOVERNMENTAL FUND BALANCES	\$ 10,270,020
RECEIVABLES							AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS ARE DIFFERENT BECAUSE:	
TAXES	4,577,574	-	858,627	-	-	5,436,201	CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN THE FUNDS	33,438,431
INTERGOVERNMENTAL	191,576	-	-	-	-	191,576		
OTHER	6,802	-	-	-	-	6,802		
SPECIAL ASSESSMENT	9,927	-	-	-	-	9,927		
DUE FROM OTHER FUNDS	52,674	-	-	-	-	52,674		
NOTE RECEIVABLE FROM REDEVELOPMENT AGENCY	-	3,700,000	-	-	-	3,700,000	OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT-PERIOD EXPENDITURES AND THEREFORE ARE DEFERRED IN THE FUNDS	404,796
RESTRICTED ASSETS								
CASH AND CASH EQUIVALENTS	-	5,369,317	602,292	2,570,556	-	8,542,165		
TOTAL ASSETS	<u>\$ 5,140,334</u>	<u>\$ 9,972,936</u>	<u>\$ 1,460,783</u>	<u>\$ 2,906,221</u>	<u>\$ -</u>	<u>\$ 19,480,274</u>		
LIABILITIES								
ACCOUNTS PAYABLE	\$ 287,401	\$ 173,697	\$ 5,260	\$ -	\$ -	\$ 466,358	LONG-TERM LIABILITIES, INCLUDING BONDS PAYABLE, CONTRACTS PAYABLE AND COMPENSATED ABSENCES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS	(21,317,135)
DUE TO OTHER FUNDS	-	-	52,674	-	-	52,674		
ACCRUED LIABILITIES	62,045	-	-	-	-	62,045		
NOTE PAYABLE TO THE CAPITAL PROJECTS FUND	-	-	3,700,000	-	-	3,700,000	CERTAIN GOVERNMENTAL REVENUES THAT ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES ARE DEFERRED IN THE FUNDS	9,927
PAYABLE FROM RESTRICTED ASSETS								
DEPOSITS	112,581	-	-	-	-	112,581		
DEFERRED REVENUE	3,957,969	-	858,627	-	-	4,816,596		
TOTAL LIABILITIES	<u>4,419,996</u>	<u>173,697</u>	<u>4,616,561</u>	<u>-</u>	<u>-</u>	<u>9,210,254</u>		
FUND BALANCES (DEFICIT)								
RESERVED FOR INTERFUND NOTE	-	3,700,000	-	-	-	3,700,000	INTEREST PAYABLE ON LONG-TERM OBLIGATIONS DOES NOT REQUIRE CURRENT FINANCIAL RESOURCES AND IS NOT REPORTED IN THE GOVERNMENTAL FUNDS	(271,597)
RESERVED FOR CAPITAL PROJECTS	-	5,369,317	-	-	-	5,369,317		
RESERVED FOR DEBT SERVICE	-	-	602,292	2,570,556	-	3,172,848		
UNRESERVED	720,338	729,922	(3,758,070)	335,665	-	(1,972,145)		
TOTAL FUND BALANCES (DEFICIT)	<u>720,338</u>	<u>9,799,239</u>	<u>(3,155,778)</u>	<u>2,906,221</u>	<u>-</u>	<u>10,270,020</u>	NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 22,534,442</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,140,334</u>	<u>\$ 9,972,936</u>	<u>\$ 1,460,783</u>	<u>\$ 2,906,221</u>	<u>\$ -</u>	<u>\$ 19,480,274</u>		

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HOLLADAY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

**CITY OF HOLLADAY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

	GENERAL	CAPITAL PROJECTS	REDEVELOP- MENT AGENCY (SPECIAL REVENUE)	GENERAL DEBT SERVICE	NONMAJOR GOVERNMENTAL FUND - RE- DEVELOPMENT AGENCY DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES						
TAXES (PLEGGED AS SECURITY FOR SALES AND EXCISE TAX BONDS)	\$ 8,876,551	\$ -	\$ 841,830	\$ -	\$ -	\$ 9,718,381
LICENSES, FEES AND PERMITS	505,525	22,309	-	-	-	527,834
INTERGOVERNMENTAL	889,918	4,981,680	-	-	-	5,871,598
CHARGES FOR SERVICES	37,676	-	-	-	-	37,676
FINES AND FORFEITURES	882,493	-	-	-	-	882,493
MISCELLANEOUS	48,879	-	-	-	-	48,879
INTEREST ON INVESTMENTS	22,067	232,657	9,636	15,671	-	280,031
TOTAL REVENUES	11,263,109	5,236,646	851,466	15,671	-	17,366,892
EXPENDITURES						
CURRENT						
GENERAL GOVERNMENT	1,965,252	-	-	-	-	1,965,252
PUBLIC SAFETY	5,197,977	-	-	-	-	5,197,977
COMMUNITY DEVELOPMENT	659,855	-	391,564	-	-	1,051,419
STREETS AND HIGHWAYS	471,535	-	-	-	-	471,535
PARKS, RECREATION AND CULTURE	330,115	-	-	-	-	330,115
CAPITAL OUTLAY	-	9,296,202	467,463	-	-	9,763,665
DEBT SERVICE						
PRINCIPAL	-	-	-	1,075,000	325,000	1,400,000
INTEREST	-	20,000	185,000	656,312	281,955	1,143,267
TOTAL EXPENDITURES	8,624,734	9,316,202	1,044,027	1,731,312	606,955	21,323,230
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,638,375	(4,079,556)	(192,561)	(1,715,641)	(606,955)	(3,956,338)
OTHER FINANCING SOURCES (USES)						
TRANSFERS IN	-	1,685,024	-	1,973,925	606,955	4,265,904
TRANSFERS OUT	(3,636,640)	(22,309)	(606,955)	-	-	(4,265,904)
TOTAL OTHER FINANCING SOURCES (USES)	(3,636,640)	1,662,715	(606,955)	1,973,925	606,955	-
NET CHANGE IN FUND BALANCE	(998,265)	(2,416,841)	(799,516)	258,284	-	(3,956,338)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	1,718,603	12,216,080	(2,356,262)	2,647,937	-	14,226,358
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 720,338	\$ 9,799,239	\$ (3,155,778)	\$ 2,906,221	\$ -	\$ 10,270,020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (3,956,338)
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:	
GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES WHILE GOVERNMENTAL ACTIVITIES REPORT DEPRECIATION EXPENSE TO ALLOCATE THOSE EXPENDITURES OVER THE LIFE OF THE ASSETS:	
CAPITAL ASSET PURCHASES CAPITALIZED DEPRECIATION EXPENSE	6,213,391 (511,934)
SOME SPECIAL ASSESSMENT AND INTERGOVERNMENTAL REVENUES ARE NOT CONSIDERED "AVAILABLE" IN THE GOVERNMENTAL FUNDS	(4,697)
SOME EXPENSES REPORTED IN THE STATEMENT OF ACTIVITIES, SUCH AS COMPENSATED ABSENCES, AND INTEREST, DO NOT REQUIRE THE USE OF CURRENT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED AS EXPENDITURES IN THE GOVERN- MENTAL FUNDS	62,671
REPAYMENT OF BOND AND CONTRACT PRINCIPAL IS AN EXPENDITURE IN THE GOVERNMENTAL FUNDS, BUT THE REPAYMENT REDUCES LONG-TERM LIABILITIES IN THE STATEMENT OF NET ASSETS	1,400,000
GOVERNMENTAL FUNDS REPORT BOND ISSUE COSTS AS EXPENDITURES, WHILE GOVERNMENTAL ACTIVITIES AMORTIZE THOSE COSTS OVER THE LIFE OF THE BONDS AMORTIZATION EXPENSE	(42,188)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 3,160,905

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HOLLADAY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010**

	GENERAL FUND				REDEVELOPMENT AGENCY			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
TAXES	\$ 9,650,911	\$ 9,650,911	\$ 8,876,551	\$ (774,360)	\$ 1,053,188	\$ 1,053,188	\$ 841,830	\$ (211,358)
LICENSES, FEES AND PERMITS	712,000	712,000	505,525	(206,475)	-	-	-	-
INTERGOVERNMENTAL	870,000	870,000	889,918	19,918	-	-	-	-
CHARGES FOR SERVICE	31,000	31,000	37,676	6,676	-	-	-	-
FINES AND FORFEITURES	688,000	848,000	882,493	34,493	-	-	-	-
MISCELLANEOUS	443,373	393,373	48,879	(344,494)	109,257	894,257	-	(894,257)
INTEREST ON INVESTMENTS	95,000	95,000	22,067	(72,933)	4,800	4,800	9,636	4,836
TOTAL REVENUES	12,490,284	12,600,284	11,263,109	(1,337,175)	1,167,245	1,952,245	851,466	(1,100,779)
EXPENDITURES								
CURRENT								
GENERAL GOVERNMENT	2,013,475	2,123,475	1,965,252	158,223	-	-	-	-
PUBLIC SAFETY	5,232,096	5,232,096	5,197,977	34,119	-	-	-	-
COMMUNITY DEVELOPMENT	688,864	688,864	659,855	29,009	511,961	511,961	391,564	120,397
STREETS AND HIGHWAYS	623,000	623,000	471,535	151,465	-	-	-	-
PARKS, RECREATION AND CULTURE	382,460	382,460	330,115	52,345	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	600,000	467,463	132,537
DEBT SERVICE - INTEREST	-	-	-	-	-	185,000	185,000	-
TOTAL EXPENDITURES	8,939,895	9,049,895	8,624,734	425,161	511,961	1,296,961	1,044,027	252,934
EXCESS OF REVENUES OVER EXPENDITURES	3,550,389	3,550,389	2,638,375	(912,014)	655,284	655,284	(192,561)	(847,845)
OTHER FINANCING USES								
ISSUANCE OF CONTRACTS	86,251	86,251	-	(86,251)	-	-	-	-
TRANSFERS OUT	(3,636,640)	(3,636,640)	(3,636,640)	-	(655,284)	(655,284)	(606,955)	48,329
TOTAL OTHER FINANCING USES	(3,550,389)	(3,550,389)	(3,636,640)	(86,251)	(655,284)	(655,284)	(606,955)	48,329
NET CHANGE IN FUND BALANCE	-	-	(998,265)	(998,265)	-	-	(799,516)	(799,516)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	1,718,603	1,718,603	1,718,603	-	(2,356,262)	(2,356,262)	(2,356,262)	-
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 1,718,603</u>	<u>\$ 1,718,603</u>	<u>\$ 720,338</u>	<u>\$ (998,265)</u>	<u>\$ (2,356,262)</u>	<u>\$ (2,356,262)</u>	<u>\$ (3,155,778)</u>	<u>\$ (799,516)</u>

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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City was incorporated under the laws of the State of Utah in November 1999 and operates under an elected Council-Manager form of government. The City's major operations include police and fire protection, parks, public works, community development and general administrative services.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board is responsible for establishing GAAP for state and local governments. 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 more significant accounting policies established in GAAP and used by the City are discussed below.

Reporting Entity

These financial statements present the City (primary government) and its component units, organizations that are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Blended component units, although legal separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City.

The City's only blended component unit is the Holladay City Redevelopment Agency (RDA). The RDA serves all the citizens of the City and is governed by a board comprised of the City Council. In conformity with generally accepted accounting principles, the financial statements of the RDA have been included in the financial reporting entity as a special revenue fund. The RDA has a June 30 year end. Separate financial statements are not issued for the RDA.

The City did not have any other component units as of June 30, 2010.

Basic Financial Statements – Government-Wide 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 police and fire protection, parks, streets, community development and general administrative services are classified as governmental activities. The City has no business-type activities as of June 30, 2010.

The government-wide Statement of Net Assets is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (public safety, community development, streets, etc.). The functions are also supported by general government revenues (property, sales and franchise taxes, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property, sales and franchise taxes, etc.).

The City does not allocate indirect expenses.

Certain eliminations have been made as prescribed by GAAP in regards to interfund activities, payables and receivables. All internal balances, except for interfund advances, in the Statement of Net Assets have been eliminated.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate.

The only fund types used by the City are governmental funds.

The focus of the governmental funds' measurement (in the fund financial statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income.

The following is a description of the governmental funds of the City:

- **General fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounting for in another fund.
- **Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities.
- **Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- **Debt service funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The emphasis in fund financial statements is on the major funds. Nonmajor funds are summarized into a single column. GAAP sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

Basis of Accounting

Basis of accounting refers to the point at which revenues and expenditures, or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual

The government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under this basis, revenues are recognized when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal 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.

Cash and cash equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, cash with fiscal agents and short-term investments with original maturity of three months or less from the date of acquisition.

Restricted cash and cash equivalents

Certain restricted cash and cash equivalents are held for debt service, capital projects and for bonds payable to developers.

Receivables

Receivables consist primarily of taxes, amounts due from other governmental entities and miscellaneous other items. An allowance for doubtful accounts is not considered necessary as of June 30, 2010.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized.

Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on these assets is computed using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Buildings and Structures	40
Improvements	15
Infrastructure	30
Machinery, equipment, and vehicles	5-10
Office furniture and equipment	5-10

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is reported on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is reported in the year in which the resources are measurable and become available.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants and donations. Revenue from property taxes is recognized in the year which the taxes are collected because the property taxes are intended to fund activities in the year of collection and not the fiscal year in which they were levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, matching requirements and expenditure requirements. On a modified accrual basis, revenue from a nonexchange transaction must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: intergovernmental revenue, sales and franchise taxes, charges for services, interest, and other fees.

Property taxes are measurable and susceptible to accrual when they attach as an enforceable lien on the property. They become available when they are due. Amounts that are measurable but not available are recorded as deferred revenue. Property taxes become an enforceable lien on January 1 but are not due until November 30.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Compensated Absences

Accumulated unpaid leave is accrued as incurred based on the years of service for each employee. Time off with pay is accumulated on a monthly basis and is fully vested when earned. Accumulated time off with pay cannot exceed 240 hours at the end of any fiscal year and any time off with pay in excess of this amount is forfeited. At retirement, death, or termination, all unpaid accrued time off with pay is paid to the beneficiary. Governmental funds report an expenditure as the vacation is paid or at termination. The current portion is determined by the City to be the portion of vacation pay due employees who terminated prior to year-end.

The noncurrent portion of these amounts (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

Interfund Activity

Interfund activity is reported as either loans, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and in the government-wide statement of activities, reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Fund Equity Reserves

Fund balance – in the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally segregated for a specific purpose.

Restricted net assets – in the government wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose.

Estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Bond issue costs

Bond issuance costs are capitalized and amortized over the terms of the respective bonds using a method which approximates the effective interest method.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Budgets and budgetary control

Annual budgets are prepared and adopted, in accordance with state law, by the Mayor and City Council on or before June 22 for the following fiscal year, beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund and the Capital Projects Fund. 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 by activity and purpose within an individual fund. Each department head is responsible to the Mayor and City Council for spending within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of unrestricted General Fund balance until it exceeds 5% of the General Fund revenues. Until 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 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 budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held to increase total appropriations of any governmental fund. With the consent of the City Manager, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year.

Budgetary information included in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the General Fund and the Redevelopment Agency are prepared on the modified accrual basis of accounting. Encumbrance accounting is not used by the City.

Subsequent Events

Management has evaluated subsequent events through January 5, 2011, the date the financial statements were available to be issued.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE B – DEPOSITS AND INVESTMENTS

The City’s deposits and investments are governed by the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) and rules of the State of Utah Money Management Council.

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the City’s deposits may not be recovered. The Money Management Act requires deposits be in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Deposits are not collateralized nor are they required to be by state statute. The deposits for the City at June 30, 2010 were \$262,623, none of which was exposed to custodial credit risk as uninsured and uncollateralized.

Investments

The Money Management Act defines the types of securities authorized as appropriate investments and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities.

The Act authorizes investments in both negotiable and nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investors Services or Standard & Poor’s; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), and Student Loan Marketing

Association (Sallie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rate “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; and shares or certificates in a money market mutual fund as defined in the Act.

The City’s investments at June 30, 2010 are presented below:

<u>Investment Type</u>	Fair Value	<u>Investment Maturities (in years)</u>			
		Less Than 1	1-5	6-10	More Than 10
<u>Debt Securities</u>					
Utah Public Treasurer's Investment Fund	\$ 9,820,471	\$ 9,820,471	\$ -	\$ -	\$ -

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE B – DEPOSITS AND INVESTMENTS – CONTINUED

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment.

The City’s policy for managing interest rate risk is to comply with the State’s Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City follows the Money Management Act as previously discussed as its policy for reducing exposure to investment credit risk. The City’s rated debt investments are presented below:

<u>Rated Debt Investments</u>	Fair Value	<u>Investment Maturities (in years)</u>			
		AAA	AA	A	Unrated
Utah Public Treasurer's Investment Fund	\$ 9,820,471	\$ -	\$ -	\$ -	\$9,820,471

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the City will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

All of the City’s investments at June 30, 2010 were with the Utah Public Treasurer’s Investment Fund and therefore are not categorized as to custodial credit risk. Additional information regarding the Utah Public Treasurer’s Investment Fund is available at Note C.

Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government’s investment in a single issuer.

The City’s policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to between 5 and 10 percent depending upon the total dollar amount held in the portfolio. The Money Management Council limitations do not apply to securities issued by the U.S. government and its agencies.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE B – DEPOSITS AND INVESTMENTS – CONTINUED

All of the City’s investments at June 30, 2010 were with the Utah Public Treasurer’s Investment Fund and therefore are not categorized as to concentration of credit risk. Additional information regarding the Utah Public Treasurer’s Investment Fund is available at Note C.

NOTE C – EXTERNAL INVESTMENT POOL

The City invests in the Public Treasurer’s Investment Fund (PTIF) which is an external investment pool administered by Utah State Public Treasurer. State agencies, municipalities, counties, and local governments within the State of Utah are allowed to invest in the PTIF. There is no required participation and no minimum balance or minimum/maximum transaction requirements.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Chapter 51-7, Utah Code Annotated, 1953, as amended. The Act establishes the Money Management Council which oversees the activities of the State Treasurer and the PTIF. The Act details the investments that are authorized which are high-grade securities and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. 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 allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis. The participants’ balance is their investment deposited in the PTIF plus their share of income, gains and losses, net of administration fees, which are allocated to each participant on the ratio of each participant’s share to the total funds in the PTIF.

Twice a year, at June 30 and December 31, the investments are valued at fair value to enable participants to adjust their investments in this pool at fair value. The Bank of New York and the State of Utah separately determine each security’s fair value in accordance with GASB 31 (i.e. for almost all pool investments the quoted market price as of June 30, 2010) and then compare those values to come up with an agreed upon fair value of the securities.

As of June 30, 2010, the City had \$9,820,471 invested in the PTIF which had a fair value of \$9,858,342 for a gain of \$37,871. Due to the insignificance of this amount in relation to the funds affected by the unrealized loss, the fair value of investments in this external investment pool is deemed to be the amortized cost of the investment. The table below shows statistical information about the investment pool:

<u>Investment Type</u>	<u>Investment Percentage</u>
Corporate bonds and notes	74.79%
Money Markets and commercial paper	22.40%
Certificates of deposit	0.43%
U.S. Government securities	2.38%
	<u>100.00%</u>

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE D – RESTRICTED CASH AND CASH EQUIVALENTS

Cash and cash equivalents have been restricted for the following purposes and amounts as required by the provisions of the City's various bond resolutions and other restrictions:

Excise tax bonds		
Debt service reserve	\$	614,389
Current debt service		279,328
Tax increment bonds		
Debt service reserve		602,063
Current debt service		229
Sales tax bonds		
Project account		5,369,317
Debt service reserve		904,180
Current debt service		772,659
Deposits		112,581
		<u>\$ 8,654,746</u>

NOTE E – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables consist of the following at June 30, 2010:

Unrestricted - expended prior to June 30, 2010		
Class C road revenues due from the State of Utah for the quarter ended June 30, 2010	\$	167,324
CDBG grant funds due for reimbursement of program expenditures		24,252
		<u>\$ 191,576</u>

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE F – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 is as follows:

	July 01, 2009	Increases	Decreases	June 30, 2010
Governmental Activities:				
Nondepreciable capital assets:				
Land	\$ 8,203,100	\$ -	\$ -	\$ 8,203,100
Construction in progress	6,283,364	5,897,910	-	12,181,274
Total nondepreciable capital assets	<u>\$ 14,486,464</u>	<u>\$ 5,897,910</u>	<u>\$ -</u>	<u>\$ 20,384,374</u>
Depreciable capital assets:				
Buildings and structures	\$ 9,472,544	\$ -	\$ -	\$ 9,472,544
Improvements, including infrastructure	4,619,267	303,261	-	4,922,528
Machinery, equipment and vehicles	799,905	12,220	-	812,125
Office furniture and equipment	507,929	-	-	507,929
Total depreciable capital assets at historical cost	<u>15,399,645</u>	<u>315,481</u>	<u>-</u>	<u>15,715,126</u>
Less accumulated depreciation:				
Buildings and structures	878,509	308,624	-	1,187,133
Improvements, including infrastructure	680,807	128,821	-	809,628
Machinery, equipment and vehicles	177,413	48,562	-	225,975
Office furniture and equipment	412,406	25,927	-	438,333
Total accumulated depreciation	<u>2,149,135</u>	<u>511,934</u>	<u>-</u>	<u>2,661,069</u>
Depreciable capital assets, net of accumulated depreciation	<u>\$ 13,250,510</u>	<u>\$ (196,453)</u>	<u>\$ -</u>	<u>\$ 13,054,057</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 274,847
Public safety	28,254
Community development	2,637
Streets and highways, including infrastructure	158,609
Parks, recreation and culture	47,587
	<u>\$ 511,934</u>

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE G – LONG-TERM DEBT

Long-term debt consists of the following as of June 30, 2010:

Governmental activities

2004 Excise Tax Revenue Bonds	
\$8,400,000 excise tax term bonds due serially through December 1, 2024 with interest at 3.85%	\$ 6,850,000
2006 Tax Increment Revenue Bonds	
\$6,000,000 tax increment term bonds due serially through December 30, 2020 with interest at 4.9%	5,430,000
2008 Sales Tax Revenue Bonds	
\$9,025,000 sales tax revenue bonds due serially through October 1, 2018 with interest ranging from 4.0% to 5.0%	8,550,128
Contract payable	
\$400,000 contract payable due July 15, 2012 with interest at 5%	400,000
Compensated absences	87,007
	<u>\$ 21,317,135</u>
Total Governmental activities long-term debt	<u>\$ 21,317,135</u>

The following is a summary of the changes in governmental activities long-term debt for the year ended June 30, 2010:

	Balance July 01, 2009	Additions	Deletions	Balance June 30, 2010	Current Amounts due
Excise Tax Bonds	\$ 7,185,000	\$ -	\$ 335,000	\$ 6,850,000	\$ 345,000
Tax Increment Bonds	5,755,000	-	325,000	5,430,000	265,000
Sales Tax Bonds	9,323,269	-	773,141	8,550,128	770,000
Contract payable	400,000	-	-	400,000	-
Compensated absences	101,024	75,768	89,785	87,007	65,255
	<u>\$ 22,764,293</u>	<u>\$ 75,768</u>	<u>\$ 1,522,926</u>	<u>\$ 21,317,135</u>	<u>\$ 1,445,255</u>

As of June 30, 2010, annual debt service requirements to maturity of governmental activities are as follows:

Year ending June 30,	Excise Tax Revenue Bonds		Tax Increment Revenue Bonds	
	Principal	Interest	Principal	Interest
2011	\$ 345,000	\$ 257,083	\$ 265,000	\$ 266,070
2012	360,000	243,512	390,000	253,085
2013	375,000	229,363	410,000	233,975
2014	385,000	214,733	430,000	213,885
2015	400,000	199,622	450,000	192,815
2016-2020	2,260,000	748,437	2,610,000	610,295
2021-2025	2,725,000	269,980	875,000	42,875
2026	-	-	-	-
	<u>\$6,850,000</u>	<u>\$ 2,162,730</u>	<u>\$5,430,000</u>	<u>\$1,813,000</u>

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE G – LONG-TERM DEBT – CONTINUED

Year ending June 30,	Contract Payable		Sales Tax Revenue Bonds	
	Principal	Interest	Principal	Interest
2011	\$ -	\$ 20,000	\$ 770,000	\$ 355,938
2012	-	20,000	805,000	324,438
2013	400,000	-	835,000	291,638
2014	-	-	870,000	257,538
2015	-	-	910,000	215,113
2016-2020	-	-	4,095,000	406,544
Plus unamortized premium	400,000	40,000	8,285,000	1,851,209
	-	-	265,128	(265,128)
	<u>\$ 400,000</u>	<u>\$ 40,000</u>	<u>\$8,550,128</u>	<u>\$1,586,081</u>

The amortization of compensated absences has not been included in the above schedules due to the uncertainty of the timing of the payments.

NOTE H – PLEDGED REVENUES

The City has pledged a portion of future sales tax revenues totaling \$9,012,730 to pay debt service on excise tax revenues bonds issued in November 2004. These bonds financed the acquisition and improvement of open space, city offices and other development projects. The bonds are payable solely from sales tax revenues. Sales tax revenues will be committed to the repayment of the bonds until November 2024. These revenues were projected to produce approximately 600% of the debt service requirements over the life of the bonds. For the current year, principal and interest paid on the bonds was \$605,173 which equaled the amount of the pledged revenues for the year.

The City has also pledged future property tax revenues totaling \$7,243,000 to pay debt service on tax increment bonds issued in November 2006. Proceeds from these bonds were used to finance the Knudsen Park Economic Development Project. The bonds are payable solely from the incremental property tax revenues generated by the increased property taxes in the economic development area. Incremental property tax revenues were projected to produce 169% of the debt service requirements over the life of the bonds. The incremental property tax revenues from this project area are committed to the repayment of the bonds until December 2020. For the current year, principal and interest paid and total incremental property tax revenues were \$606,955 and \$841,830, respectively.

The City has pledged future Class C Road Funds totaling \$10,136,209 to pay debt service on sales tax revenue bonds issued in November 2008. Proceeds from these bonds will be used to finance the construction, repair and maintenance of class C roads and sidewalks, curbs and gutters within the City. The bonds are payable solely from excise tax revenues. Excise tax revenues, including Class C Road Funds and sales tax revenues will be committed to the repayment of the bonds until October 2018. These revenues were projected to produce approximately 332% of the debt service requirements over the life of the bonds. For the current year, principal and interest paid on the bonds was \$1,126,138, which equaled the amount of the pledged revenues for the year.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE I - RETIREMENT PLANS

Plan Description - The City contributes to the Local Governmental Noncontributory Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by the Utah Retirement Systems (Systems). The Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

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 (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 Government Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

Funding Policy - In the Local Governmental Noncontributory Retirement System the City is required to contribute 11.66 percent of plan members' annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

The City contributions to the Local Governmental Noncontributory Retirement System for the years ended June 30, 2010, 2009 and 2008 were \$96,899, \$99,620, and \$95,066, respectively. The contributions were equal to the required contributions for the period.

NOTE J - DEFERRED COMPENSATION PLANS

The City sponsors a defined contribution deferred compensation plan administered by the Utah Retirement Systems under the Internal Revenue Code Section 401(k) for City employees covered by the State's noncontributory retirement plans. The plan, available to all permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 401(k) deferred compensation monies are not available to the City or its general creditors. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. The City's total payroll for the year ended June 30, 2010, was \$1,013,723. Of that amount, \$831,041 was eligible to participate in the plan. The City participates at rates between 0% and 3.26% depending on the employees' contributions. The rate of City participation can be changed by the City Council. During the year ended June 30, 2010, contributions totaling \$11,717 were made to the plan by employees and \$33,072 by the City.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE K – COMMITMENTS

The City has entered into contracts with Salt Lake County for various services including police protection and public works. The contracts of approximately \$3,800,000 for these services expire June 30, 2011.

The City has also entered into a cooperative agreement with several other cities and Salt Lake County to create a governmental entity known as the United Fire Authority (the Authority) to provide for fire and paramedic services for the member cities and the County. The City’s estimated share of the operating costs of the Authority for operations from July 1, 2010 through June 30, 2011, is approximately \$1,700,000.

The City has also entered into a contract with the City of South Salt Lake for animal control services. The contract calls for annual payments of approximately \$93,000 and expires June 30, 2011.

NOTE L – 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 commercial insurance for all of these risks of loss except natural disasters. There were no decreases in coverage during 2004. 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. Claims information for the past two years is as follows:

	<u>2010</u>	<u>2009</u>
Claims liability, July 1	\$ -	\$ -
Claims incurred during the year and changes in estimates		3,669
Payments on claims during the year		
Payments made by insurance	-	-
Coinsurance and deductible insurance payments made by the City		3,669
Claims liability, June 30,	<u>\$ -</u>	<u>\$ -</u>

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE M - INTERFUND RECEIVABLES AND PAYABLES

Individual fund receivables and payables at June 30, 2010, are as follows:

<u>Due To Other Funds</u>	<u>Due From Other Funds</u>	<u>Amount</u>
Redevelopment Agency	General Fund	\$ 52,674
Redevelopment Agency	Capital Projects Fund	3,700,000
		<u>\$3,752,674</u>

The interfund receivables/payables consist of operating funds of \$52,674 loaned between General Fund and the Redevelopment Agency and a note receivable/payable of \$3,700,000 between the Redevelopment Agency and the Capital Projects fund. The interfund receivable/payable relates to operating cash temporarily loaned to the Redevelopment Agency by the General Fund to meet the daily operating cash needs of the Redevelopment Agency. The note receivable/payable between the Redevelopment Agency and the Capital Projects Fund was used to support specific capital expenditures and will be repaid at such time the revenues from a particular economic development area are sufficient to pay the principal amount due. In the meantime, interest is payable annually at a rate of 5%.

NOTE N - INTERFUND TRANSFERS

During the course of normal operations, the City has transactions between funds to construct capital assets and to fund debt service requirements.

A summary of interfund transfers by fund is as follows:

	<u>In</u>	<u>Out</u>
Major Fund:		
General Fund	\$ -	\$ 3,636,640
Capital Projects Fund	1,685,024	22,309
Redevelopment Agency	-	606,955
General Debt Service	1,973,925	-
Nonmajor governmental fund	606,955	-
	<u>\$ 4,265,904</u>	<u>\$ 4,265,904</u>

NOTE O – DEFICIT NET ASSETS

The Redevelopment Agency experienced an operational deficit situation during the year ended June 30, 2010, showing a deficit fund balance of \$3,155,778. Management expects tax increment funds to be collected over the next several years which would eliminate the deficit and repay the interfund payable.

CITY OF HOLLADAY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE P - REDEVELOPMENT AGENCY OF THE CITY OF HOLLADAY

The City of Holladay Redevelopment Agency was created in 2006 to increase and develop the commercial growth in a central area of the City, known as the Village Center Project Area and in a second area known as the Olympus Economic Development Project Area. Redevelopment activity began during 2007, with the first tax increment received in 2007.

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

Tax increment collected from other taxing agencies for the project areas	<u><u>\$ 841,830</u></u>
Outstanding loans to finance RDA projects	<u><u>\$ 9,530,000</u></u>
Amounts expended for the acquisition of property	\$ -
Tax increments paid to other taxing agencies	340,166
Amounts expended for site improvements and preparation costs	482,538
Amounts expended for administrative costs	36,323
Amounts expended for debt service	<u>185,000</u>
	<u><u>\$ 1,044,027</u></u>
Amounts expended for installation of public utilities and other public improvements	<u><u>\$ -</u></u>

INDIVIDUAL FUND SCHEDULES

General Fund and Capital Projects Fund

These supplementary schedules are included to provide management with additional information for financial analysis.

**CITY OF HOLLADAY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2009**

	2010			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2009
	BUDGETED AMOUNTS		ACTUAL		ACTUAL
	ORIGINAL	FINAL			
REVENUES					
TAXES					
PROPERTY TAXES	\$ 4,085,911	\$ 4,085,911	\$ 3,884,909	\$ (201,002)	\$ 3,888,138
FEES IN LIEU OF TAXES	260,000	260,000	255,093	(4,907)	267,790
GENERAL SALES TAX	3,000,000	3,000,000	2,790,735	(209,265)	3,081,710
TRANSIENT ROOM TAX	60,000	60,000	34,325	(25,675)	41,382
FRANCHISE TAX	2,245,000	2,245,000	1,911,489	(333,511)	1,476,162
TOTALS	<u>9,650,911</u>	<u>9,650,911</u>	<u>8,876,551</u>	<u>(774,360)</u>	<u>8,755,182</u>
LICENSES, FEES AND PERMITS					
BUSINESS AND ANIMAL LICENSES	158,000	158,000	185,435	27,435	182,168
BUILDING PERMITS	554,000	554,000	320,090	(233,910)	483,831
TOTALS	<u>712,000</u>	<u>712,000</u>	<u>505,525</u>	<u>(206,475)</u>	<u>665,999</u>
INTERGOVERNMENTAL REVENUE					
CLASS "C" ROAD FUNDS	786,000	786,000	793,734	7,734	789,252
OTHER GRANTS	84,000	84,000	96,184	12,184	98,798
TOTALS	<u>870,000</u>	<u>870,000</u>	<u>889,918</u>	<u>19,918</u>	<u>888,050</u>
CHARGES FOR SERVICE					
LAND USE FEES	25,000	25,000	32,150	7,150	35,677
OTHER SERVICE REVENUE	6,000	6,000	5,526	(474)	25,807
TOTALS	<u>31,000</u>	<u>31,000</u>	<u>37,676</u>	<u>6,676</u>	<u>61,484</u>
FINES AND FORFEITURES					
COURTS FINES AND FORFEITURES	688,000	848,000	882,493	34,493	629,692
MISCELLANEOUS REVENUE					
MISCELLANEOUS	443,373	393,373	48,879	(344,494)	42,235
INTEREST ON INVESTMENTS	95,000	95,000	22,067	(72,933)	84,467
TOTALS	<u>538,373</u>	<u>488,373</u>	<u>70,946</u>	<u>(417,427)</u>	<u>126,702</u>
TOTAL REVENUES	<u>12,490,284</u>	<u>12,600,284</u>	<u>11,263,109</u>	<u>(1,337,175)</u>	<u>11,127,109</u>

CONTINUED

CITY OF HOLLADAY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2009

	2010			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2009
	BUDGETED AMOUNTS		ACTUAL		ACTUAL
	ORIGINAL	FINAL			
EXPENDITURES					
GENERAL GOVERNMENT					
COURT					
PERSONNEL	295,700	295,700	285,782	9,918	283,290
OPERATIONS AND MAINTENANCE	366,245	476,245	503,117	(26,872)	356,599
CAPITAL	-	-	-	-	-
TOTAL	661,945	771,945	788,899	(16,954)	639,889
ADMINISTRATIVE					
PERSONNEL	473,881	473,881	465,225	8,656	460,894
OPERATIONS AND MAINTENANCE	527,230	527,230	432,841	94,389	410,430
CAPITAL	2,500	2,500	200	2,300	-
TOTAL	1,003,611	1,003,611	898,266	105,345	871,324
TREASURY					
PERSONNEL	-	-	-	-	-
OPERATIONS AND MAINTENANCE	14,000	14,000	13,575	425	14,721
CAPITAL	-	-	-	-	-
TOTAL	14,000	14,000	13,575	425	14,721
MAYORAL					
PERSONNEL	22,104	22,104	20,154	1,950	19,997
OPERATIONS AND MAINTENANCE	2,400	2,400	2,400	-	2,400
CAPITAL	-	-	-	-	-
TOTAL	24,504	24,504	22,554	1,950	22,397
LEGISLATIVE					
PERSONNEL	73,700	73,700	71,562	2,138	76,280
OPERATIONS AND MAINTENANCE	155,215	155,215	90,918	64,297	121,726
CAPITAL	-	-	-	-	-
TOTAL	228,915	228,915	162,480	66,435	198,006
FACILITIES MAINTENANCE					
PERSONNEL	5,000	5,000	5,000	-	10,000
OPERATIONS AND MAINTENANCE	75,500	75,500	74,478	1,022	80,773
CAPITAL	-	-	-	-	-
TOTAL	80,500	80,500	79,478	1,022	90,773
TOTAL GENERAL GOVERNMENT	2,013,475	2,123,475	1,965,252	158,223	1,837,110
PUBLIC SAFETY					
POLICE					
PERSONNEL	-	-	-	-	-
OPERATIONS AND MAINTENANCE	3,262,848	3,262,848	3,262,848	-	3,190,740
CAPITAL	-	-	-	-	-
TOTAL	3,262,848	3,262,848	3,262,848	-	3,190,740

CONTINUED

CITY OF HOLLADAY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2009

	2010			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2009
	BUDGETED AMOUNTS		ACTUAL		ACTUAL
	ORIGINAL	FINAL			
FIRE					
PERSONNEL	-	-	-	-	-
OPERATIONS AND MAINTENANCE	1,876,498	1,876,498	1,842,429	34,069	1,980,024
CAPITAL	-	-	-	-	-
TOTAL	<u>1,876,498</u>	<u>1,876,498</u>	<u>1,842,429</u>	<u>34,069</u>	<u>1,980,024</u>
ANIMAL CONTROL					
PERSONNEL	-	-	-	-	-
OPERATIONS AND MAINTENANCE	92,750	92,750	92,700	50	92,700
CAPITAL	-	-	-	-	-
TOTAL	<u>92,750</u>	<u>92,750</u>	<u>92,700</u>	<u>50</u>	<u>92,700</u>
TOTAL PUBLIC SAFETY	<u>5,232,096</u>	<u>5,232,096</u>	<u>5,197,977</u>	<u>34,119</u>	<u>5,263,464</u>
COMMUNITY DEVELOPMENT					
PLANNING AND ZONING					
PERSONNEL	-	-	-	-	-
OPERATIONS AND MAINTENANCE	10,200	10,200	4,920	5,280	5,264
CAPITAL	-	-	-	-	-
TOTAL	<u>10,200</u>	<u>10,200</u>	<u>4,920</u>	<u>5,280</u>	<u>5,264</u>
INSPECTIONS					
PERSONNEL	-	-	-	-	-
OPERATIONS AND MAINTENANCE	200,000	200,000	198,000	2,000	215,500
CAPITAL	-	-	-	-	-
TOTAL	<u>200,000</u>	<u>200,000</u>	<u>198,000</u>	<u>2,000</u>	<u>215,500</u>
ECONOMIC DEVELOPMENT					
PERSONNEL	396,464	396,464	392,336	4,128	403,645
OPERATIONS AND MAINTENANCE	81,200	81,200	64,599	16,601	74,902
CAPITAL	1,000	1,000	-	1,000	7,160
TOTAL	<u>478,664</u>	<u>478,664</u>	<u>456,935</u>	<u>21,729</u>	<u>485,707</u>
TOTAL COMMUNITY DEVELOPMENT	<u>688,864</u>	<u>688,864</u>	<u>659,855</u>	<u>29,009</u>	<u>706,471</u>
STREETS AND HIGHWAYS					
STREETS AND PUBLIC IMPROVEMENTS					
PERSONNEL	-	-	-	-	-
OPERATIONS AND MAINTENANCE	623,000	623,000	471,535	151,465	671,772
CAPITAL	-	-	-	-	-
TOTAL STREETS AND HIGHWAYS	<u>623,000</u>	<u>623,000</u>	<u>471,535</u>	<u>151,465</u>	<u>671,772</u>

CONTINUED

CITY OF HOLLADAY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2009

	2010			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2009
	BUDGETED AMOUNTS		ACTUAL		ACTUAL
	ORIGINAL	FINAL			
PARKS, RECREATION AND CULTURE					
PARKS					
PERSONNEL	145,000	145,000	142,060	2,940	126,584
OPERATION AND MAINTENANCE	90,100	90,100	79,543	10,557	63,035
CAPITAL	-	-	-	-	-
TOTAL	<u>235,100</u>	<u>235,100</u>	<u>221,603</u>	<u>13,497</u>	<u>189,619</u>
COMMUNITY ARTS AND EVENTS					
PERSONNEL	-	-	-	-	-
OPERATIONS AND MAINTENANCE	147,360	147,360	108,512	38,848	138,408
CAPITAL	-	-	-	-	-
TOTAL	<u>147,360</u>	<u>147,360</u>	<u>108,512</u>	<u>38,848</u>	<u>138,408</u>
TOTAL PARKS, RECREATION AND CULTURE	<u>382,460</u>	<u>382,460</u>	<u>330,115</u>	<u>52,345</u>	<u>328,027</u>
TOTAL EXPENDITURES	<u>8,939,895</u>	<u>9,049,895</u>	<u>8,624,734</u>	<u>425,161</u>	<u>8,806,844</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>3,550,389</u>	<u>3,550,389</u>	<u>2,638,375</u>	<u>(912,014)</u>	<u>2,320,265</u>
OTHER FINANCING USES					
TRANSFERS IN	86,251	86,251	-	(86,251)	-
TRANSFERS OUT	<u>(3,636,640)</u>	<u>(3,636,640)</u>	<u>(3,636,640)</u>	<u>-</u>	<u>(3,146,000)</u>
TOTAL OTHER FINANCING USES	<u>(3,550,389)</u>	<u>(3,550,389)</u>	<u>(3,636,640)</u>	<u>(86,251)</u>	<u>(3,146,000)</u>
NET CHANGE IN FUND BALANCE	-	-	(998,265)	(998,265)	(825,735)
FUND BALANCE AT BEGINNING OF YEAR	<u>1,718,603</u>	<u>1,718,603</u>	<u>1,718,603</u>	<u>-</u>	<u>2,544,338</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,718,603</u>	<u>\$ 1,718,603</u>	<u>\$ 720,338</u>	<u>\$ (998,265)</u>	<u>\$ 1,718,603</u>

CITY OF HOLLADAY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2009

	2010			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2009
	BUDGETED AMOUNTS		ACTUAL		ACTUAL
	ORIGINAL	FINAL			
REVENUES					
LICENSES, FEES AND PERMITS					
IMPACT FEES	\$ 45,000	\$ 45,000	\$ 22,309	\$ (22,691)	\$ 28,884
INTERGOVERNMENTAL					
FEDERAL GRANTS	-	6,100,000	4,981,680	(1,118,320)	1,004,525
OTHER GRANTS	-	-	-	-	23,662
MISCELLANEOUS REVENUE					
SALE OF CAPITAL ASSETS	200,000	200,000	-	(200,000)	285,250
REIMBURSEMENT FROM DEVELOPER	4,800,000	4,615,000	-	(4,615,000)	221,450
INTEREST ON INVESTMENTS	-	185,000	232,657	47,657	59,239
TOTAL REVENUES	5,045,000	11,145,000	5,236,646	(5,908,354)	1,623,010
EXPENDITURES					
DEBT SERVICE					
PRINCIPAL	-	-	-	-	231,839
BOND ISSUANCE COSTS	-	-	-	-	155,168
INTEREST AND FISCAL CHARGES	32,000	32,000	20,000	12,000	3,697
TOTAL DEBT SERVICE	32,000	32,000	20,000	12,000	390,704
CAPITAL OUTLAY					
PARK IMPROVEMENTS	33,000	33,000	-	33,000	72,635
STORM DRAIN IMPROVEMENTS	263,024	263,024	37,186	225,838	59,163
STREETS IMPROVEMENTS	4,110,000	5,710,000	5,577,780	132,220	1,199,881
LAND AND BUILDING ACQUISITION	2,190,000	6,690,000	3,662,167	3,027,833	1,909,515
OTHER	57,000	57,000	19,069	37,931	44,322
TOTAL CAPITAL OUTLAY	6,653,024	12,753,024	9,296,202	3,456,822	3,285,516
TOTAL EXPENDITURES	6,685,024	12,785,024	9,316,202	3,468,822	3,676,220
EXCESS OF REVENUES OVER EXPENDITURES	(1,640,024)	(1,640,024)	(4,079,556)	(2,439,532)	(2,053,210)
OTHER FINANCING SOURCES (USES)					
BONDS AND CONTRACT PROCEEDS	-	-	-	-	9,025,000
PREMIUM ON BOND PROCEEDS	-	-	-	-	331,410
TRANSFERS IN	1,685,024	1,685,024	1,685,024	-	1,838,880
TRANSFERS OUT	(45,000)	(45,000)	(22,309)	22,691	(972,500)
TOTAL OTHER FINANCING SOURCES (USES)	1,640,024	1,640,024	1,662,715	22,691	10,222,790
NET CHANGE IN FUND BALANCE	-	-	(2,416,841)	(2,416,841)	8,169,580
FUND BALANCE AT BEGINNING OF YEAR	12,216,080	12,216,080	12,216,080	-	4,046,500
FUND BALANCE AT END OF YEAR	<u>\$ 12,216,080</u>	<u>\$ 12,216,080</u>	<u>\$ 9,799,239</u>	<u>\$ (2,416,841)</u>	<u>\$ 12,216,080</u>