

CITY OF BOUNTIFUL, UTAH



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Mayor: Randy Lewis
City Manager: Gary Hill

City Council: John Marc Knight
Beth Holbrook
Richard Higginson
Kendalyn Harris
Chris Simonsen



CITY OF BOUNTIFUL, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018



Prepared by:

Bountiful City Finance Department

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Finance Director

David Burgoyne
Assistant Finance Director

With assistance from:
Galen D. Rasmussen, MPA, CPA
Assistant City Manager

**CITY OF BOUNTIFUL
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For The Fiscal Year Ended June 30, 2018**

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INTRODUCTORY SECTION



BOUNTIFUL

RANDY C. LEWIS
MAYOR

CITY COUNCIL
Kendalyn Harris
Richard Higginson
Beth Holbrook
John Marc Knight
Chris Simonsen

CITY MANAGER
Gary R. Hill

October 31, 2018

To the Mayor, City Council and Citizens of Bountiful City:

State law requires that all local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Bountiful (the City) for the fiscal year ended June 30, 2018.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Keddington & Christensen, LLC, a firm of certified public accountants, has audited the City's financial statements for the fiscal year ended June 30, 2018. The goal of the independent audit was to provide reasonable assurance that the City's financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor has issued an unmodified ("clean") opinion on City's financial statements for the fiscal year ended June 30, 2018. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A), found immediately following the report of the independent auditor, provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Bountiful was incorporated December 14, 1892, under the laws of the Territory of Utah. The City is governed using a manager form of government. The City Manager is the chief administrative and budget officer of the City. The Mayor is part of a six-member elected body (five City Council Members) that develops policy and enacts local laws. The Mayor and Council Members are each elected for a four-year term to serve the citizens at large. The terms of office are staggered every two years (three council seats in one year and two council seats and mayor in the next election). The Council is organized into committees over the functional areas/departments of the City, typically including three elected officials in each committee. The City Manager and department directors comprise the Executive Management Team that operates the City day-to-day and recommends priorities to the Mayor and City Council.

Profile of the Government (Continued)

The City Council is required to adopt a final budget for the next fiscal year no later than June 30th of the current fiscal year. If the next fiscal year's budget includes a property tax increase the final budget must be adopted by August 17th of the next fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Upon approval by the City Manager, department directors may transfer resources within a department. Transfers between departments, however, need special approval from the governing body. Departments are the City's legal level of budgetary control.

The City provides the following services: public safety, public works (engineering, planning, parks and streets), public utilities (electricity, water, recycling, landfill and sanitation, and storm water), and general government (legislative, executive, legal, finance, information technology, human resource, and treasury). In addition, the City provides a cemetery and an 18-hole golf course.

The City limits cover an area of approximately 14 square miles. The City's population for 2018 is 44,107, with a potential for about 55,000 residents at final build-out, which should occur by approximately 2030.

Local economy

Bountiful is located in south Davis County and serves as a center for business activity within the south Davis County area. The City is host to a large regional hospital, major retail providers, car dealerships and professional firms.

Long-term financial planning

Bountiful prides itself in conservative financial management and prudent financial planning. The City maintains a pay-as-you-go financing mechanism for the majority of capital facility needs, but also utilizes the debt markets as market conditions become favorable and need arises. The City prepares and regularly updates its ten-year capital improvement plan to ensure that capital needs are identified and funded. Operating budgets are reviewed extensively and balanced annually with conservatively estimated revenues, expenditures and expenses.

Relevant financial policies

During the year ended June 30, 2018, there were no significant changes in the City's financial policies.

The City has a policy that requires the adoption of a balanced annual operating budget (i.e., estimated revenues are equal to or in excess of appropriations). For the year ended June 30, 2018, there were three governmental funds with estimated revenues significantly less than expenditure appropriations. In such cases, the policy allows for the appropriation of fund balance to close the gap. The Redevelopment Agency, Capital Projects, and RAP Tax funds had final budgeted shortfalls of \$3,065,223, \$5,283,671, and \$24,000 respectively. Due to the delay of certain capital projects, measures taken during the year to control expenditures, and favorable surpluses in tax and other revenues, the City ultimately had actual revenue-over-expenditure surpluses of \$504,910 in the Redevelopment Agency fund and \$1,813,548 in the Capital Projects fund. The actual revenue-over-expenditure shortfall in the RAP Tax Fund was \$2,306, and was part of a planned spenddown of fund balance in order to further the reimbursement to the Capital Projects Fund for expenditures on the new Creekside Park.

Major initiatives

As the City is nearing its final build-out, the City's major initiatives are focused on maintaining basic services and infrastructure. There are our major projects in progress that are expected to be completed in fiscal years 2019 and 2020.

First, one of the few open parcels of land left in the City is being developed into fifty new single-family homes over the next two fiscal years. In order to provide culinary water to these new homes the City installed a new 1.5 million gallon water reservoir and new water mains, mostly in fiscal year 2018. The remaining piece of the necessary water infrastructure will be a new pump station (Hannah Holbrook). The City has budgeted \$350,000 in fiscal year 2019 to complete that water project. The City will also be installing the required power infrastructure but the developer will be paying the City for the installation costs.

Major initiatives (Continued)

Second, the City is working on bringing the current city hall building up to State code, correcting structural and mechanical problems, and renovating the inside of the building. This project budget has been estimated at \$6,500,000 and will likely be spread across fiscal years 2019-2021. This project is anticipated to be completed by fall of 2020.

Third, as part of its strategic plan, the Council also envisions the revitalization of its Main Street/downtown area, which will begin with the creation of a downtown plaza to hold community events. At the end of fiscal year 2018 the downtown plaza project had spent \$317,100 in public involvement and design costs. This project has a fiscal 2019 budget of \$3.5 million that will likely be spread across fiscal year 2020 as well. This project is anticipated to be completed by winter of 2019.

The fourth and final major project in progress, is the rebuild of the City's electric power 138 KV substation. This project will replace two 138 KV transformers at the City's main transmission substation. At the end of fiscal year 2018 the City had already installed one of the new transformers and the control building bringing the project-to-date costs to \$3,876,897. The second half of this rebuild will begin in fiscal year 2019 and has a budget of \$3 million. The anticipated completion of this project is December of 2018.

All of these major initiatives discussed will be completed without any external financing.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bountiful for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. This was the thirty-seventh consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR which satisfied both GAAP and applicable program requirements.

The Certificate of Achievement is valid for a period of one year only. However, we believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2018 budget for the second year. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

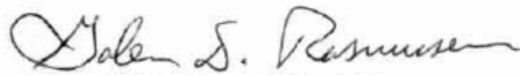
The preparation of this CAFR would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We appreciate all City departments for their assistance in providing the data necessary to prepare this report.

We also express our sincere appreciation to Mayor Randy Lewis, members of the City Council, and City Manager Gary Hill for the many hours they spend in helping to run the City organization and to maintain the quality of life enjoyed by citizens of this great community.

Respectfully submitted,



Tyson Beck, CPA
Finance Director



Galen D. Rasmussen, MPA, CPA
Assistant City Manager

**CITY OF BOUNTIFUL
PRINCIPAL OFFICIALS
As of June 30, 2018**

ELECTED OFFICIALS

Randy Lewis	Mayor
Kendalyn Harris	City Council Member
Richard Higginson	City Council Member
Beth Holbrook	City Council Member
John Marc Knight	City Council Member
Chris Simonsen	City Council Member

EXECUTIVE BUDGETARY AND LEGAL OFFICIALS

Gary Hill	City Manager
Clinton Drake	City Attorney
Galen Rasmussen	Assistant City Manager

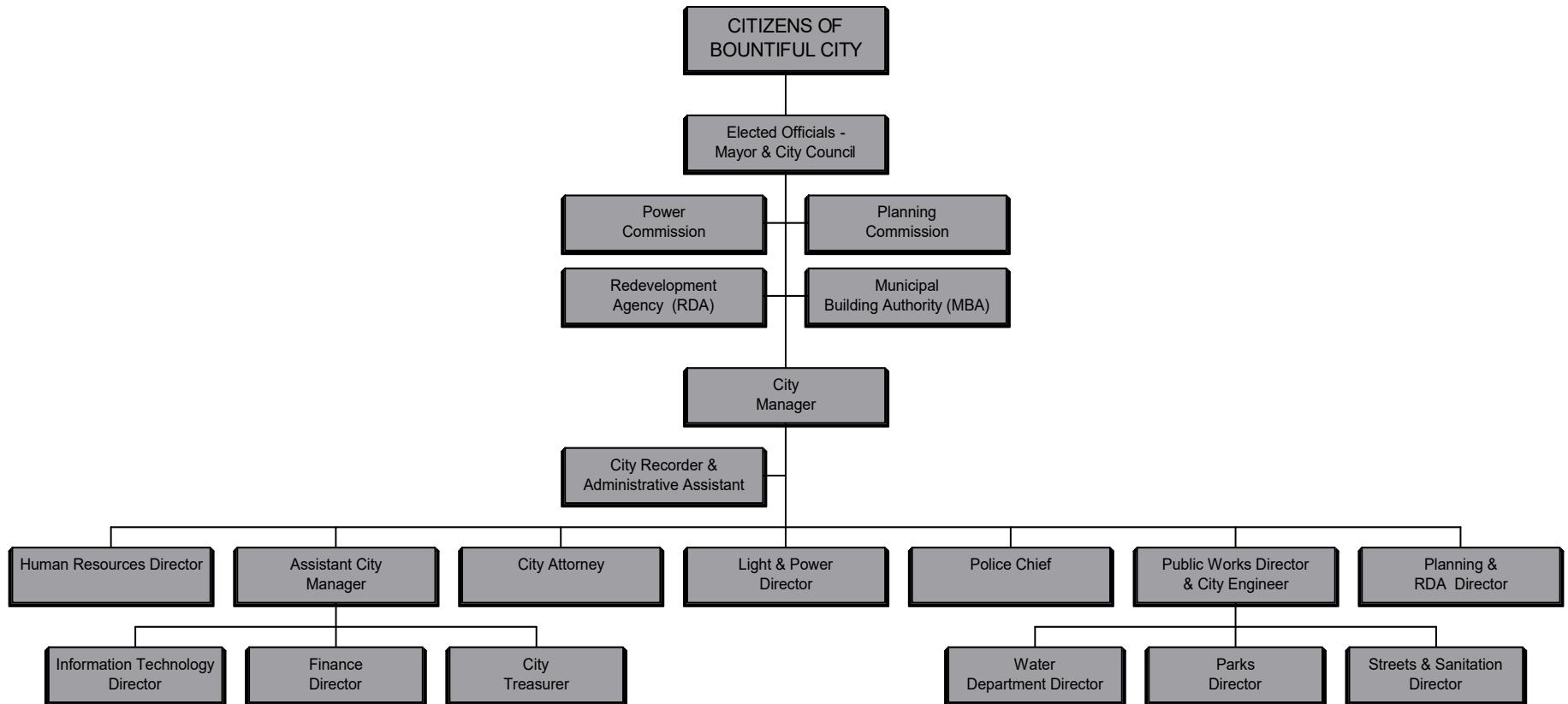
STATUTORY APPOINTED OFFICIALS

S. Ted Elder	City Treasurer
Shawna Andrus	City Recorder

DEPARTMENT HEADS

Gary Blowers	Streets & Sanitation Director
Chad Wilkinson	Planning & Redevelopment Director
Brock Hill	Parks Director
Allen Johnson	Light & Power Director
Tom Ross	Police Chief
Paul Rowland	Public Works Director/City Engineer
Alan M. West	Information Technology Director
Mark Slagowski	Water Department Director
Tyson Beck	Finance Director
Shannon Cottam	Human Resources Director

**CITY OF BOUNTIFUL
ORGANIZATIONAL CHART
June 30, 2018**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bountiful
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
City of Bountiful
Bountiful, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bountiful as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 of Bountiful as of June 30, 2018, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other schedules and notes as noted on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Bountiful's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison 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. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 31, 2018 on our consideration of the City of Bountiful'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* in considering Bountiful City's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

October 31, 2018

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2018**

As management of the City of Bountiful (the City), we offer to 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, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at June 30, 2018 by \$249,730,819. Of this amount, unrestricted net position of \$87,693,434 may be used to meet the City's ongoing obligations to citizens and creditors.
- The total net position increased by \$9,893,456 from the prior year. The net increase was made up of a \$5,188,837 increase from governmental activities and a \$4,704,619 increase from business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$44,704,435, an increase of \$3,863,081 from the prior year. Of the current year fund balance amount, \$43,862,478 is unrestricted (the total of the committed, assigned, and unassigned components of fund balance) and available for spending. The remaining \$841,957 has been legally restricted by parties outside the financial reporting entity.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$3,243,012, or 20.44% of total General Fund expenditures.
- As of the close of the current fiscal year, the City's only bonded debt obligations were the Light and Power Fund's Electric Revenue bonds. This bonded debt decreased by \$675,000 from the prior year.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, 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, earned but unused compensated absences, etc.).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, planning and engineering, parks, and redevelopment. The business-type activities of the City include water, light and power, landfill and sanitation, storm water, golf course, recycling, and cemetery.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Redevelopment Agency and a Municipal Building Authority for which the City is operationally responsible. Financial information for these component units is reported as an integral part of the primary government.

Fund financial statements - A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2018**

Overview of the Financial Statements (Continued)

Governmental funds - These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eight individual governmental funds. Information is presented separately in the governmental funds balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, and Redevelopment Agency Fund which are considered major funds. Data from the other five funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplemental information section of this report.

The City adopts an annual budget for its General Fund, Capital Projects Fund, Redevelopment Agency Fund, Landfill Closure Fund, RAP Tax Fund, Municipal Building Authority Fund, Cemetery Perpetual Care Fund, and Debt Service Fund. A budgetary comparison statement has been provided for each of the aforementioned funds to demonstrate compliance with the fiscal year 2018 budget.

Proprietary funds - Proprietary funds provide the same information provided in government-wide financial statements, only in more detail. The City maintains two different types of proprietary funds, namely enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains seven individual enterprise funds. Information is presented separately in the proprietary funds statement of net position and the proprietary funds statement of revenues, expenses and changes in net position for the Water, Light and Power, and the Landfill and Sanitation funds, which are considered major funds. Data from the other four funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements in the supplementary information section of this report.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its workers compensation and risk management activities. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the supplementary information section of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City only maintains one other postemployment benefits (OPEB) trust fund that is used to report resources held in trust for retirees covered by the City's OPEB plans.

Notes to the financial statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2018**

Overview of the Financial Statements (Continued)

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) concerning the City's progress in funding its obligations to the pension and OPEB plans, the balances of the City's assets and liabilities associated with these plans, and the required contributions to these plans.

The combining statements referred to earlier in connection with nonmajor funds and internal service funds are presented immediately after the RSI on pensions and OPEB. Also included in the combining statements are budget comparisons for governmental funds other than the General Fund and Redevelopment Agency Fund, which are included in the basic financial statements.

Government-wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2018, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$249,730,819.

City of Bountiful's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 57,764,246	\$ 51,696,463	\$ 55,587,224	\$ 57,132,875	\$ 113,351,470	\$ 108,829,338
Capital assets	81,135,964	81,356,410	89,570,694	82,407,081	170,706,658	163,763,491
Total assets	<u>138,900,210</u>	<u>133,052,873</u>	<u>145,157,918</u>	<u>139,539,956</u>	<u>284,058,128</u>	<u>272,592,829</u>
Total deferred outflows of resources	3,861,924	3,869,411	1,624,267	1,567,091	5,486,191	5,436,502
Current liabilities	2,185,156	1,651,451	5,711,225	3,919,095	7,896,381	5,570,546
Long-term liabilities	9,304,679	11,433,034	14,675,227	16,402,111	23,979,906	27,835,145
Total liabilities	<u>11,489,835</u>	<u>13,084,485</u>	<u>20,386,452</u>	<u>20,321,206</u>	<u>31,876,287</u>	<u>33,405,691</u>
Total deferred inflows of resources	6,461,056	4,215,393	1,476,157	570,884	7,937,213	4,786,277
Net position:						
Net investment in capital assets	81,135,964	81,356,410	78,825,694	70,987,081	159,961,658	152,343,491
Restricted	1,457,025	1,463,046	618,702	616,883	2,075,727	2,079,929
Unrestricted	42,218,254	36,802,950	45,475,180	48,610,993	87,693,434	85,413,943
Total net position	<u>\$ 124,811,243</u>	<u>\$ 119,622,406</u>	<u>\$ 124,919,576</u>	<u>\$ 120,214,957</u>	<u>\$ 249,730,819</u>	<u>\$ 239,837,363</u>

By far the largest portion of the City's net position \$159,961,658 (64.05%) reflects its investment in capital assets, less any related debt that is still outstanding and which was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$2,075,727 (.83%), represents resources that are subject to external restrictions on how they may be used.

The remaining balance of \$87,693,434 (35.12%) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2018**

Government-wide Overall Financial Analysis (Continued)

In addition to reviewing the City-wide net position, an analysis of the year-over-year change in net position is representative of the unique financial activity that has taken place over the course of the fiscal year. During the year ended June 30, 2018, the overall net position of the City increased \$9,893,456 (\$8,504,732 plus the restatement of \$1,388,724), a 4.13% change, from the prior fiscal year. The increase from governmental activities of \$5,188,837 was \$9,492,297 more than the \$4,303,460 decrease to net position of fiscal year 2017. The increase from business-type activities of \$4,704,619 was \$2,117,230 less than the \$6,821,849 increase to net position of fiscal year 2017.

City of Bountiful's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 1,829,927	\$ 2,015,329	\$ 39,387,204	\$ 36,499,090	\$ 41,217,131	\$ 38,514,419
Operating grants and contributions	2,310,290	2,341,078	-	-	2,310,290	2,341,078
Capital grants and contributions	9,370	419,547	800,673	4,979,663	810,043	5,399,210
General revenues:						
Property taxes	3,617,496	3,707,397	-	-	3,617,496	3,707,397
Other taxes	12,031,007	11,648,179	-	-	12,031,007	11,648,179
Other	834,992	842,778	951,297	775,237	1,786,289	1,618,015
Total revenues	20,633,082	20,974,308	41,139,174	42,253,990	61,772,256	63,228,298
Expenses:						
General government	3,016,861	7,192,448	-	-	3,016,861	7,192,448
Public safety	9,472,327	12,489,219	-	-	9,472,327	12,489,219
Highways and streets	4,425,284	4,897,436	-	-	4,425,284	4,897,436
Planning and engineering	859,976	867,524	-	-	859,976	867,524
Parks	1,219,344	1,244,612	-	-	1,219,344	1,244,612
Redevelopment	253,521	204,313	-	-	253,521	204,313
Interest on long-term debt	-	9,638	-	-	-	9,638
Water	-	-	3,818,230	3,869,619	3,818,230	3,869,619
Light and Power	-	-	24,157,027	23,243,493	24,157,027	23,243,493
Landfill and Sanitation	-	-	2,382,296	2,165,326	2,382,296	2,165,326
Storm Water	-	-	1,094,184	1,004,376	1,094,184	1,004,376
Recycling	-	-	475,457	402,793	475,457	402,793
Golf Course	-	-	1,569,171	1,540,593	1,569,171	1,540,593
Cemetery	-	-	523,846	483,845	523,846	483,845
Total expenses	19,247,313	26,905,190	34,020,211	32,710,045	53,267,524	59,615,235
Change in net position before transfr	1,385,769	(5,930,882)	7,118,963	9,543,945	8,504,732	3,613,063
Transfers	2,414,344	2,357,317	(2,414,344)	(2,357,317)	-	-
Increase (Decrease) in net position	3,800,113	(3,573,565)	4,704,619	7,186,628	8,504,732	3,613,063
Net position - beginning of year	119,622,406	123,925,866	120,214,957	113,393,108	239,837,363	237,318,974
Prior Period Adjustment	1,388,724	(729,895)	-	(364,779)	1,388,724	(1,094,674)
Net position - end of year	\$ 124,811,243	\$ 119,622,406	\$ 124,919,576	\$ 120,214,957	\$ 249,730,819	\$ 239,837,363

CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2018

Financial Analysis of Governmental Activities

For the period ended June 30, 2018, the City's governmental activities increased the City's net position by \$5,188,837. During the 2018 year the governmental activities of the City maintained the same, if not improved, level of service without any significant changes to the City's fee schedule, no increases in property tax rates (none since 2001), or obtaining long-term financing.

Although there were no significant fee structure or operational changes during the current fiscal year, there were many financial variances from fiscal year 2017. As indicated by the data in the table on page 6, the net change in the City's net position provided by current year governmental activities was \$9,492,297 more than last year's decrease of \$4,303,460 due to the following four factors:

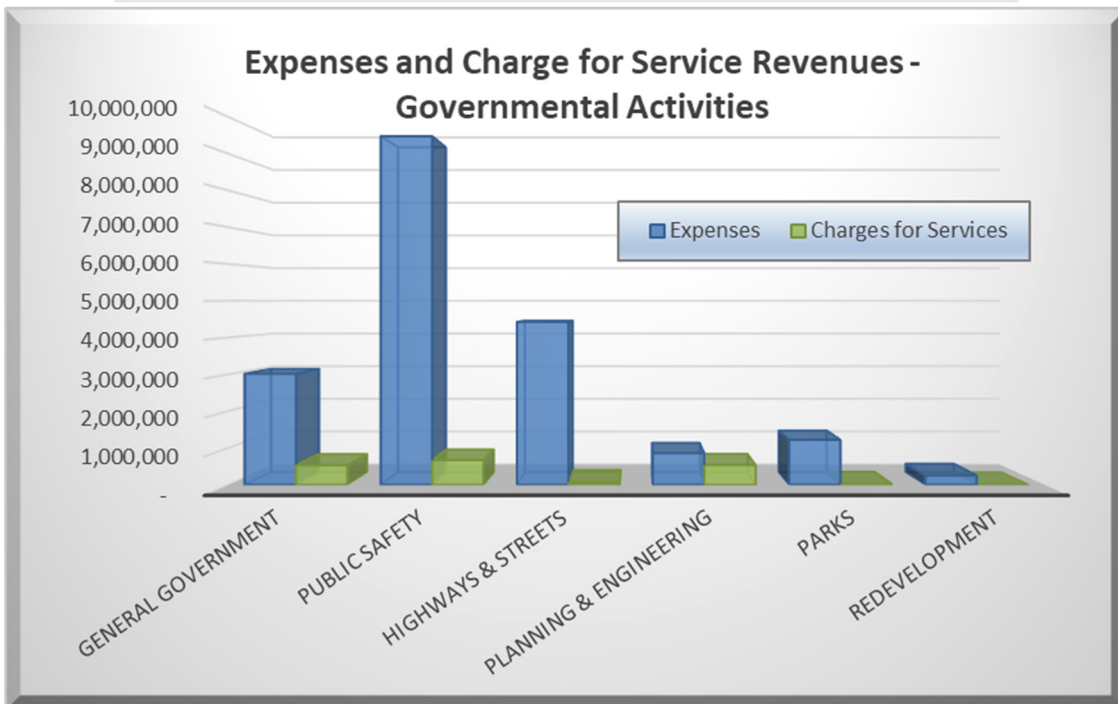
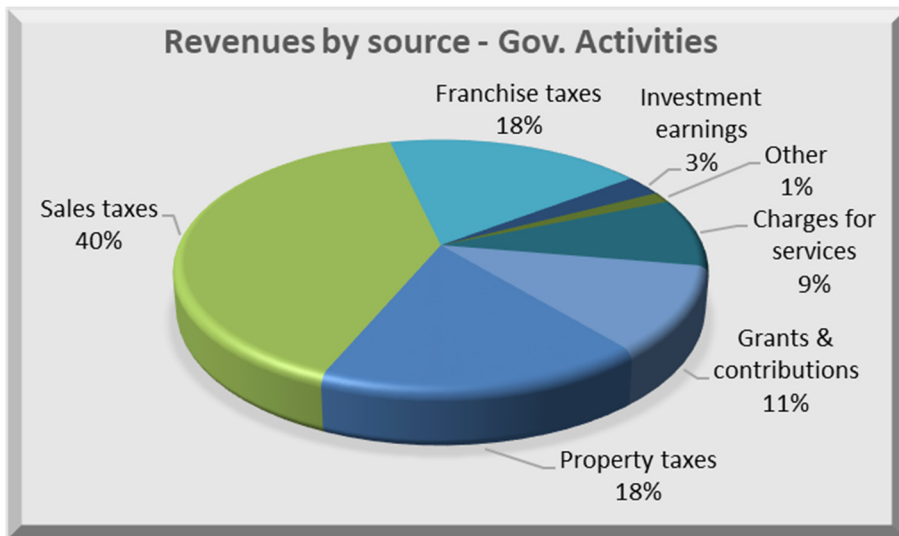
1. Fiscal years 2018 and 2017 both had restatements of governmental activities' net position. The fiscal year 2018 restatement increased net position by \$1,388,724 while the fiscal year 2017 restatement decreased net position by \$729,895, resulting in a \$2,118,619 increase from the 2017 decreasing restatement to the 2018 increasing restatement. Fiscal year 2018 had the following two restatements that increased net position by \$1,388,724: 1) In fiscal years 2015 and 2016, the City erroneously remitted too much municipal energy sales and use tax to nearby municipalities that was repaid and accrued to be repaid in fiscal year 2018. The governmental activities net position was increased by \$169,662 to properly state its beginning position. 2) A previously unrecorded \$1,219,062 note receivable was added to governmental activities which required an increase to net position.
2. Fiscal year 2018 reported a net decrease in governmental activities revenue of \$341,226 from 2017, attributed to the underlined factors below:
 - Governmental activities charge for service revenue decreased \$185,402 due primarily to: 1) \$80,504 decrease in rental revenue as the University of Utah closed down its Bountiful campus extension in 2017; 2) \$63,387 decrease in revenue from a \$30,776 decrease in performance bonds being released to the City and a \$32,611 decrease in road opening permits and curb and gutter replacements; and 3) \$43,285 decrease in building permit revenue as the prior fiscal year had two unusually large permits for a large addition to a hospital and the construction of a new senior living complex while fiscal year 2018 did not have any large permits issued;
 - Operating grants and contributions revenue decreased \$30,788 due primarily to: 1) \$89,559 in decreased road fund allotments from the State; 2) \$28,642 in increased .25% Davis County transportation sales tax collections; and 3) a net \$30,129 increase in public safety grants.
 - Capital grants and contributions revenue decreased \$410,177 due to a decrease of developer capital asset donations.
 - Property tax revenues decreased \$89,901
 - Other tax revenues increased \$382,828 due to a \$370,507 increase in sales tax collections and a \$12,321 increase in franchise taxes due mainly to increased municipal energy and natural gas tax collections.
 - Other revenue decreased \$7,786 due to many small revenue decreases partially offset by small increases.
3. Governmental activity expenses decreased by \$7,657,877 as explained by the following underlined factors:
 - General government expenses decreased \$4,175,587 due to the following 5 factors: 1) contribution expenses decreased \$4,036,038 due to the Capital Projects Fund prior-year contribution to the Cemetery Fund to aid in the purchase of new cemetery land; 2) pension expenses decreased \$178,863 mainly due to the prior year abnormal increase in the net pension liability; 3) various General Fund departments reduced expenditures by \$304,318 from added enterprise-fund reimbursement for administrative services; 4) the loss on disposition of capital asset expenses increased by \$315,844 principally due to the demolition of the City's Stoker School building in the fall of 2017; and 5) various small expenses increased by a net \$27,788 that were fairly routine in nature;
 - Public safety expenses decreased \$3,016,892 due to the following 4 factors: 1) loss on disposition of capital assets expense decreased \$2,271,345 due to the fiscal year 2017 capital assets that were donated to the South Davis Metro Fire Service Area; 2) pension expenses decreased \$515,680 mainly due to the prior year abnormal increase in the net pension liability; 3) the capital asset expenses decreased \$160,062 mainly due to reduced depreciation expense from the assets donated to the fire district; 4) the remaining net decrease to expense of \$69,805 comes from various smaller increases and decreases from the prior year.
 - Highways and Streets expenses decreased \$472,152 due to: 1) a \$310,311 decrease in non-capital road expenses (e.g. the expenses were not removed in the government-wide conversion process) mainly coming from the current year having a capital road project while the prior year had similar road expenses just more non-capital asphalt overlay projects; 2) pension expenses decreased \$131,656 mainly due to the prior year abnormal increase in the net pension liability; and 3) the remaining decrease to expense of \$30,185 comes from the net of various smaller increases and decreases from the prior year.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2018**

Financial Analysis of Governmental Activities (Continued)

- Planning and Engineering expenses decreased \$7,548, Parks expenses decreased \$25,268, and the Redevelopment expenses increased by \$49,208. These net figures are the result of fairly routine transactions too numerous and small to warrant further explanation.
 - Interest on long-term debt expense decreased by \$9,638 due to no current-year outstanding debt.
4. In fiscal year 2018, the transfer from the Light and Power fund to the General Fund was \$95,120 higher than in fiscal year 2017. This was partially offset by a \$38,093 transfer from the Capital Projects Fund to the Cemetery Fund. The net result was a \$57,027 increase in transfers from business-type activities into governmental activities.

The graphs below present revenue and expense information (excluding transfers) from governmental activities to highlight the sources of operation funding and the extent to which governmental activities are covered by charges for service revenue.



CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2018

Financial Analysis of Business-type Activities

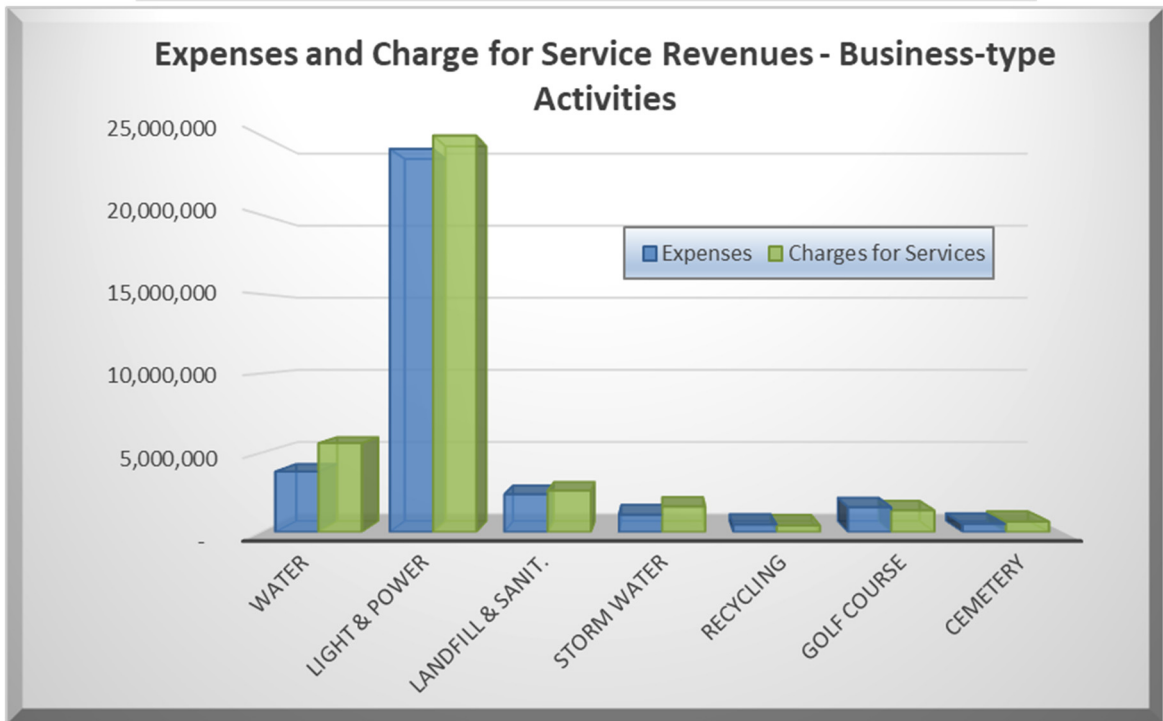
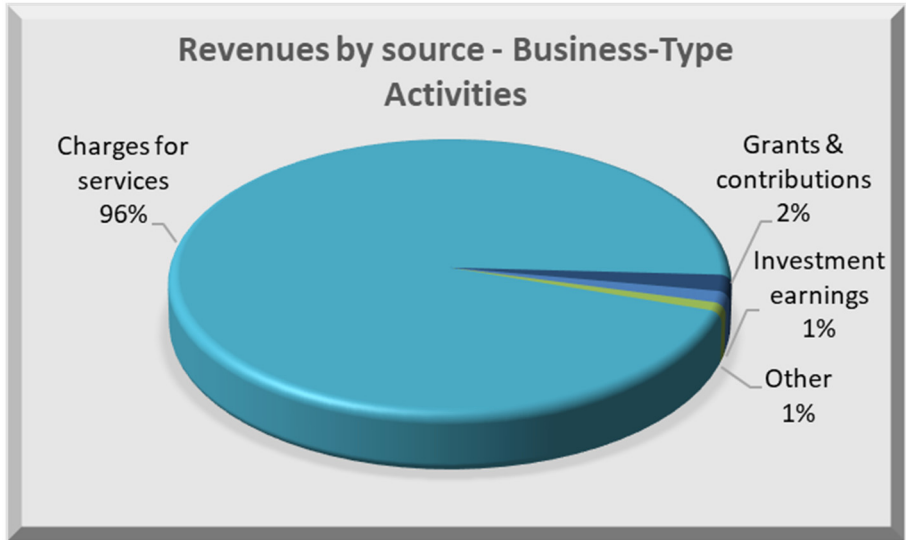
For the period ended June 30, 2018, business-type activities increased the City's net position by \$4,704,619. Although there were no significant operational changes during the current fiscal year, there were many financial variances from fiscal year 2017. As indicated by the data in the table on page 6, the net change in the City's net position provided by current year business-type activities was \$2,117,230 less than the \$6,821,849 increase for fiscal year 2017 due to the following four factors:

1. Fiscal year 2018 there were no restatements of net position while fiscal year 2017 decreased net position by \$364,779 for the implementation of GASB 75. This variance from the prior year was an increasing swing in net position.
2. Business-type activities revenue had a net decrease from fiscal year 2017 of \$1,114,816, attributed to the underlined factors below:
 - Business-type activities charge for service revenue increased \$2,888,114. Each enterprise fund had rate increases from fiscal year 2017 with the exception of Recycling. These increases explain the majority of those fund's respective increases in charge for service revenue, which are as follows: Water \$1,510,402, Light and Power \$591,862, Landfill and Sanitation \$440,819, Cemetery \$126,517, and Storm Water \$231,839. Despite the Golf rate increase its charge for service revenue decreased by \$15,022 from the prior year. The remaining increase for the business-type activities charge for service revenue is the \$1,697 increase from the Recycling fund.
 - Capital grants and contributions revenue decreased \$4,178,990 due to the following: 1) In fiscal year 2017 the Capital Projects Fund contributed \$4,036,038 to the Cemetery Fund to aid in the purchase of new cemetery land. There was no such contribution in the current year; and 2) the remaining \$142,952 net decrease came from less private developers donating infrastructure to the City to maintain or paying the City to install infrastructure.
 - Other revenue has a net increase of \$176,060. This net figure is the result of fairly routine transactions too numerous and small to warrant further explanation.
3. Current-year business-type activities expenses increased \$1,310,166 from fiscal 2017, which is explained by the underlined factors below:
 - The Water fund expenses decreased \$51,389 due the following: 1) pension expenses decreased \$32,735 mainly due to the prior year abnormal increase in the net pension liability; 2) an \$91,966 decrease in the loss on disposition of capital assets due primarily to a pipe-replacement project in fiscal 2017 that disposed of a section of pipe with significant book value; 3) a \$67,321 increase in reimbursement to the General Fund for administrative services; and 4) a net \$5,991 increase in regular operating expenses.
 - The Light and Power fund expenses increased \$913,534 due to 3 expense increases partially offset by three expense decreases, as follows: 1) amortization expense increased \$1,212,235 as the City began a five-year amortization of its intangible asset to purchase power from the San Juan power plant, as it is expected to be decommissioned in June of 2022; 2) power purchase and generation expenses increased \$191,553 due mainly to the current fiscal year having much less water in the hydro reservoirs forcing the City to purchase power on the market and generate power with its natural gas power plant; 3) a net \$138,674 increase in regular operating expenses; 4) personnel wages and benefits expenses decreased by \$253,872 mainly due to the prior year pension expenses being abnormally high from the large increase in the net pension liability, and the City capitalized more labor costs in the current year than fiscal 2017; 5) materials and supplies expenses decreased \$223,752 as fiscal 2017 had a large transmission line rebuild project that was not capitalized causing fiscal 2017 repair expense to be abnormally high; 6) loss from the disposition of capital assets expense decreased \$151,304 as the prior year had a larger than normal loss while the current year had a net gain on the disposition of capital assets.
 - The Landfill and Sanitation fund expenses increased \$216,970 due to the following: 1) personnel wages and benefits expenses increased \$93,111 due principally to routine merit increases and an increase in medical insurance; 2) repairs and maintenance expenses increased \$67,841 mainly due to increased and more costly repairs to operating equipment, and 4) a net \$56,018 increase in regular operating expenses that is the result of fairly routine transactions too numerous and small to warrant further explanation.
 - The non-major enterprise fund expenses increased \$231,051, which is the net increase of various transactions that, in each individual fund, typically have small fluctuations from year-to-year and are too small and numerous to discuss. The total expense increases from the prior year for these funds are as follows: Storm Water \$89,808, Recycling \$72,664, Golf Course \$28,578, and Cemetery \$40,001.
4. In fiscal year 2018, the transfer from the Light and Power fund to the General Fund was \$95,120 higher than in fiscal year 2017. This was partially offset by a \$38,093 transfer from the Capital Projects Fund to the Cemetery Fund. The net result was a \$57,027 increase in transfers from business-type activities into governmental activities.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2018**

Financial Analysis of Business-type Activities (Continued)

The graphs below present revenue and expense information (excluding transfers) from governmental activities to highlight the sources of operation funding and the extent to which governmental activities are covered by charges for service revenue.



Financial Analysis of Governmental Funds

The purpose of 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, committed, assigned and unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2018**

Financial Analysis of Governmental Funds (Continued)

At June 30, 2018, the City's governmental funds reported combined ending fund balance of \$44,704,435, an increase of \$3,863,081 over the prior year ending fund balance. Of the current year fund balance, \$43,862,478 (98.12%) is available for spending; however, \$1,884,700 (4.22%) has been committed by the City Council and \$38,772,428 (86.73%) has been assigned by the City Manager for subsequent years' capital expenditures and other specified uses, leaving an unassigned amount of \$3,205,350 (7.17%). The remaining \$841,957 (1.88%) of fund balance is not available for spending because it is legally restricted by parties outside the financial reporting entity for future landfill closure costs.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,205,350. As a measure of the General Fund's liquidity, it may be useful to compare this amount to total fund expenditures of \$15,863,637 (20.21% or 74 calendar days). During the year ended June 30, 2018, the fund balance of the General Fund decreased by a net \$200,675 from the prior fiscal year. This represents a negative 5.83% change in fund balance. This decrease was \$118,977 more than last fiscal year's fund balance decrease of \$81,698 due to the following four reasons:

1. General Fund revenues decreased by \$647,457 from fiscal year 2017, attributed to the following underlined factors:
 - \$407,728 net decrease in tax revenue from the following sources: 1) \$83,000 decrease in property tax collections; 2) \$337,049 decrease in sales tax due to the Capital Projects fund receiving a larger allocation of sales tax so that the General Fund could stay within the 25% maximum fund balance per State code; and 3) a \$12,321 increase in franchise tax due mainly to increased municipal energy sales and use tax and natural gas use tax collections. The municipal energy sales and use tax increase was caused by increased electric power rates as described previously.
 - \$71,878 net decrease in licenses and permits revenue. This is mainly due to a decrease in building permits paid from the prior year as fiscal 2017 had two unusually large permitted project payments for a large addition to a hospital and the construction of a new senior living complex.
 - \$58,825 net increase in intergovernmental revenue from the following: 1) \$89,559 in decreased road fund allotments from the State; 2) \$28,642 in increased .25% Davis County transportation sales tax collections; 3) \$89,613 increase in promissory note payments from the South Davis Metro Fire Service Area (see Note 4 for further details); and 4) a net \$30,129 increase in public safety grants.
 - \$105,450 decrease in charge for service revenue from the following: 1) \$80,504 decrease in rental revenue as the University of Utah closed down its Bountiful campus extension in 2017; 2) \$63,387 decrease in revenue from a \$30,776 decrease in performance bonds being released to the City and a \$32,611 decrease in road opening permits and curb and gutter replacements; and 3) \$38,441 net increase in revenue from various small increases and decreases.
 - \$121,226 net revenue decrease in: fines and forfeitures, investment earnings, and miscellaneous. The main portion of that net decrease came from miscellaneous (\$84,079), due principally to fiscal year 2017 being abnormally high with a \$130,306 contribution refunding payment received from the OPEB trust.
2. General Fund expenditures decreased by \$250,708 from 2017 attributed to the following underlined factors:
 - General government expenditures decreased \$212,392 due to: 1) the Legal, Executive, HR, Treasury, IT, Gov. Bldg., and Finance departments reduced expenditures by a combined \$304,318 by added enterprise fund reimbursement for their administrative services; 2) the offsetting \$91,926 increase to expenditures from the general government of \$91,926 is the net figure of various decreases and increases not significant enough to discuss further.
 - Public Safety expenditures decreased \$89,786 due primarily to a \$71,344 decrease for fire and emergency medical expenditures as the fire district increased their tax levy and slightly reduced the member assessments. The remaining decrease to expenditures of \$18,442 is the net decrease of various other operating expenditures.
 - Highways and streets expenditures decreased \$26,154 due to a \$139,252 decrease in road salt expenditures as the current year winter had far fewer snow storms than the very heavy winter of fiscal 2017, which was almost entirely offset by a net \$113,098 increase in asphalt-road patching and other operating expenditures.
 - Planning and engineering expenditures increased \$70,292 due to: 1) \$27,923 reduction in enterprise fund reimbursement for administrative services, which acts to increase expenditures; 2) \$62,138 increase in personnel wages and benefits due to merit increases and medical insurance rising costs; and 3) the remaining decrease to expenditures of \$19,769 is the net decrease of various other operating expenditures.
 - Parks expenditures increased \$7,332 caused by various small increases in routine operating expenditures.
3. In fiscal year 2018, the transfer in from the Light and Power Fund (other financing source) was \$95,120 higher than in fiscal year 2017.
4. General Fund sale of capital assets brought in \$12,990 (other financing source) more than the capital sales in 2017.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2018**

Financial Analysis of Governmental Funds (Continued)

The Capital Projects Fund has a total fund balance of \$28,998,665, all of which has been assigned by the City Manager to finance projects from the City's 10-year capital improvements plan. This fund accounts for the financial resources to be used for the acquisition or construction of the major capital facilities and equipment of the City other than those financed by proprietary and special revenue funds. During the year ended June 30, 2018, the fund balance in the Capital Projects Fund increased by \$1,813,548 or 6.67%. This Capital Projects fund balance increase was \$1,888,080 more than last fiscal year's decrease of \$74,532 due to the following four reasons:

1. Capital Project fund revenues increased \$678,334 from 2017 attributed to the following three factors: 1) \$684,883 increase in sales tax revenue due the fund receiving a larger allocation of sales tax so that the General Fund could stay within the 25% maximum fund balance per State code, and also overall increased sales tax collections from the prior year of \$347,834; 2) \$8,694 decrease in investment earnings due to reduced investment balances; and 3) \$2,145 increase in miscellaneous revenue.
2. Capital Project fund expenditures decreased \$4,997,374 from 2017 attributed to the following underlined factors:
 - General government capital outlay expenditures decreased \$4,078,949 due primarily to fiscal year 2017 being abnormally high from the \$4,036,038 contribution to the Cemetery Fund to aid in the purchase of new cemetery land. The remaining net \$42,911 decrease coming from fewer building design and equipment expenditures.
 - Public Safety capital outlay expenditures increased \$66,078 coming from increased equipment expenditures.
 - Highways and Streets capital outlay expenditures increased \$153,180 due to the following: 1) \$98,703 increase in road expenditures coming from the net of increased road reconstruction costs from the 300 North road project with decreased road overlay projects expensed in this fund; 2) \$122,069 increase coming from additional vehicle expenditures; and 3) a \$67,592 offsetting net decrease in building expenditures for roofing repairs partially offset by increased shop equipment purchases.
 - Parks capital outlay expenditures decreased \$1,138,231 due mostly to reduced improvement costs to build the Creekside Park that was completed during the current year.
 - The remaining increase in expenditures of \$548 comes from increased bank and investment fees.
3. Capital Project fund transfers in decreased \$2,291,535 mainly due to the Capital Projects fund in fiscal year 2017 being reimbursed through transfer a total of \$2,365,000 from several funds for its contributions to the Cemetery Fund to purchase land.
4. Capital Project fund transfers out increased \$1,496,093 as the current fiscal year had a one-time transfer to reimburse the Cemetery Perpetual Care Fund for money transferred into the fund in fiscal year 2017 to aid in the contribution to purchase the cemetery land.

The Redevelopment Agency fund (RDA) has a total fund balance of \$9,224,942, all of which has been assigned by the City Manager for eligible redevelopment projects. During the year ended June 30, 2018, the fund balance in the RDA fund increased \$504,910 or 5.79%. This increase was \$673,763 less than last fiscal year's increase of \$1,178,673. The \$673,763 negative variance consisted of the following two items:

1. RDA fund revenue decreased \$186,110 from fiscal year 2017 attributed to the following underlined factors:
 - Property tax increment revenue decreased \$6,901. The City experienced decreases in all of its property tax collections in the current year.
 - Investment earnings revenue increased \$3,008 mostly due to increased investment earnings.
 - Miscellaneous revenue decreased \$182,217 due to reduced principal payments received from the revolving loan program conducted by the RDA. In fiscal year 2017 there were many loans repaid early.
2. RDA fund expenditures increased \$487,653 from fiscal year 2017 attributed to the following underlined factors:
 - Land expenditures decreased \$302,792 as the current year had no land purchases and fiscal year 2017 purchased land near downtown for redevelopment.
 - Revolving loan expenditures increased \$792,874 as there were two loans issued during the current year and none in the prior year.
 - The remaining decrease in expenditures of \$2,429 is the net result of other transactions too numerous and small to warrant further explanation.

The non-major governmental funds had current year changes in fund balance as follows: Landfill Closure \$15,195, RAP Tax negative \$2,306, MBA \$172,602, Cemetery Perpetual Care \$1,559,731, and Debt Service \$76. The Cemetery Perpetual Care Fund had such a large change because of the transfer from the Capital Projects Fund to return the cemetery land contribution.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2018**

Financial Analysis of Proprietary funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As such there will not be any detailed analysis of these funds as it has already been presented under the Financial Analysis of Business-type Activities section on page 9.

Unrestricted net position, or the amount available for spending, of the Water, Light and Power, and Landfill and Sanitation Funds (all Major Funds) at the end of the current year were \$539,120, \$26,254,126, and \$14,813,328, respectively. The increase in total net position from fiscal year 2017 for those same funds was \$2,127,668, \$1,449,971, and \$611,661, respectively. The other four nonmajor enterprise funds each ended the current year with positive unrestricted net position. The Golf Course and Recycling enterprise funds ended with a negative changes in net position (i.e., net loss).

General Fund Budgetary Highlights

During the year there were increases in appropriations between the General Fund's original and final amended budgeted expenditures for the following departments:

1. Information Technology – Increase of \$36,000 from \$420,358 to \$456,358. Increase in appropriation was needed to cover early retirement costs for a long-time employee.
2. Human Resources – Increase of \$6,000 from \$136,428 to \$142,428. Increase in appropriation was made to cover the increased cost resulting from an employee's medical insurance option change.
3. Police – Increase of \$57,000 from \$7,093,171 to \$7,150,171. Of the total increase in appropriation \$45,000 was allocated for the exercise of an advance purchase option on vehicles to capture lower contract prices and \$12,000 was allocated for overruns in employee overtime.
4. Fire – Increase \$15,000 from \$1,984,865 to \$1,999,865. Appropriation was increased to cover the increased cost of assessments from the South Davis Metro Fire Service Area.
5. Parks – Increase of \$36,000 from \$875,401 to \$911,401. Appropriation was increased to cover an estimated \$20,000 in payroll budget overruns and \$16,000 for reallocation of internally billed utility costs.

Each year the City seeks to adopt budgets for revenues and expenditures that will be conservative estimates of what will ultimately transpire. Due to a variety of factors, revenues and expenditures will vary from budget. For the fiscal year 2018, the following analysis is offered as explanation of significant variances greater than \$150,000.

1. Actual sales tax revenues were lower than the final budget by \$1,686,605 due to a sales tax revenue reallocation between the General Fund and the Capital Projects Fund. This reallocation was necessary in order to maintain the General Fund's unrestricted fund balance at the 25% maximum required by Utah State code. This reallocation left the General Fund sales tax revenues at \$2,362,471 which resulted in a \$1,686,605 unfavorable budget to actual variance.
2. Actual intergovernmental revenues came in \$278,603 higher than the final budget for the following reasons:
 - Class B&C Road funds from the State of Utah were budgeted at \$1,470,000 but came in at \$1,586,528 which resulted in a favorable \$116,528 budget to actual variance. The variance is due to a conservative budget philosophy and past legislative revisions to the funding formula from the State of Utah.
 - The 0.25% transportation sales tax authorized during budget year 2016 by Davis County for the benefit of the County and its cities, showed a favorable variance for fiscal year 2018. A budget was set at \$560,000 and revenues came in at \$593,566 which delivered a favorable budget to actual variance of \$33,566.
 - The South Davis Metro Fire Service Area began distributing an annual bond payment refund to the City during the current fiscal year designed to reimburse the City for upfront capital costs contributed to the entity at formation. No budget was set for this payment refund amount but \$89,613 was received by fiscal yearend resulting in a favorable variance between actual and budget.
 - The balance of the variance between actual and budget came from a variety of smaller grants and intergovernmental sources.
3. The Legislative department budget of \$806,490 was underspent by \$160,579 due principally to remaining contingency budget of \$130,430 from the original \$135,000.
4. The Police department budget of \$7,150,171 was underspent by \$303,439 due principally to remaining Utah Retirement Systems pension and 401(k) contribution budget of \$199,404 from an overestimate of costs. The remaining \$104,035 favorable variance between actual and budget came from the net of numerous small under and over budget operating expenditures.

CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2018

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities at June 30, 2018, amounts to \$170,706,658 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, intangible asset power contracts, vehicles and equipment, furniture and fixtures, street lights, service lines, sidewalks, curb and gutter, roads, and similar infrastructure. A total increase in the City's investment in capital assets for the current fiscal year was \$6,943,167 (change coming from a \$220,446 decrease for governmental activities and a \$7,163,613 increase for business-type activities). Major capital asset activity during the current fiscal year has been summarized in the following two tables:

City of Bountiful's Capital Assets (Net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 50,875,660	\$ 50,875,660	\$ 8,842,460	\$ 8,308,395	\$ 59,718,120	\$ 59,184,055
Infrastructure	15,720,028	15,950,536	28,287,079	27,485,746	44,007,107	43,436,282
Buildings and other structures	6,580,671	7,172,935	11,417,459	12,295,820	17,998,130	19,468,755
Improvements other than buildings	3,877,578	1,716,882	1,259,461	997,220	5,137,039	2,714,102
Street light and traffic signal system	-	-	371,730	460,235	371,730	460,235
Machinery & equipment	2,493,406	2,611,055	21,332,662	21,999,621	23,826,068	24,610,676
Furniture & fixtures	905,060	842,030	103,092	118,337	1,008,152	960,367
Construction in progress (CIP)	683,561	2,187,312	9,417,432	990,153	10,100,993	3,177,465
Intangible asset - power projects	-	-	8,539,319	9,751,554	8,539,319	9,751,554
Total	\$ 81,135,964	\$ 81,356,410	\$ 89,570,694	\$ 82,407,081	\$ 170,706,658	\$ 163,763,491

City of Bountiful's Schedule of Capital Asset Current Fiscal Year Additions (Retirements)			
	Governmental Activities	Business-type Activities	Totals
Land purchases	\$ -	\$ 534,065	\$ 534,065
Motor vehicle and heavy equipment purchases	1,034,962	950,835	1,985,797
Reconstruction of streets, curb, gutter and sidewalk Infrastructure	338,012	-	338,012
Construction costs for Creekside Park	849,981	-	849,981
Computer network redundant power supply and storage upgrade	47,090	-	47,090
Dispatch software and phone recording system	106,004	-	106,004
City-center plaza design costs	247,629	-	247,629
Water and Storm Water Infrastructure (water mains and storm drains)	-	1,013,923	1,013,923
Water pump house and well equipment	-	83,289	83,289
Cemetery statue	-	59,091	59,091
CIP costs on Water and Storm Water infrastructure	-	258,850	258,850
CIP costs on 1.5 million gallon water reservoir	-	922,746	922,746
CIP costs on Mueller Park Canyon water treatment plant rebuild	-	3,797,443	3,797,443
CIP costs on Light & Power 138 KV transmission substation rebuild	-	3,849,438	3,849,438
CIP costs on Light & Power transmission system/line replacement and office parking	-	1,032,425	1,032,425
Less historical cost of current-year retired assets	(2,024,867)	(2,009,313)	(4,034,180)
Less current year change in accumulated depreciation	(819,257)	(2,116,944)	(2,936,201)
Less current year intangible asset amortization	-	(1,212,235)	(1,212,235)
Total change in capital asset net book value from the previous year	\$ (220,446)	\$ 7,163,613	\$ 6,943,167

Additional information on the City's capital assets can be found in Note 5 of this report.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2018**

Capital Asset and Debt Administration (Continued)

Long-term debt. At the end of the current fiscal year, the City had \$10,745,000 in outstanding bonded debt from the electric revenue bonds. All of the bonded debt was secured by those specific revenue sources.

City of Bountiful's Outstanding Bonded Debt						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Electric revenue bonds	\$ -	\$ -	\$ 10,745,000	\$ 11,420,000	\$ 10,745,000	\$ 11,420,000
Total	\$ -	\$ -	\$ 10,745,000	\$ 11,420,000	\$ 10,745,000	\$ 11,420,000

Additional information on the City's long-term debt can be found in Note 10 of this report.

Economic Factors, Next Year's Budgets and Rates

The City reviews national and regional economic forecasts and also performs its own management analysis as a component in the process of developing the one-year operating, capital budgets, and the long-term capital plans of the City. The assumptions in the analysis are reviewed with the City Council as background for decisions about revenue projections and cost allocations. Weekly and monthly reports are transmitted to the City Council and provide both budget and actual information for tracking the financial activities of the City during the year.

Budgets for fiscal year 2019 were developed based upon the following assumptions:

1. Economic activity in the region, not unlike the remainder of the broader economy, is continuing with a slow to moderate growth.
2. Development activity is very minimal. Bountiful continues its movement toward a build-out of housing stock and "maintenance mode" of existing services for the City. Subdivision of existing lots will be the main focus area of growth for the near future. There is one known exception as one of the few large open parcels of land remaining in the City is expected to be developed into fifty new single-family homes within the next two fiscal years.
3. Sales tax, which is shared with cities by the State of Utah, was projected conservatively with some growth based on increased overall economic activity and some from the proportionate share of distribution that the City receives based on increases in population.
4. The City Council did vote to increase its property tax levy in August of 2018 by an estimated \$300,000 in order to hire and equip two new full-time police officers and to replace an estimated \$75,000 in sales taxes that will be reallocated by the State annually to subsidize jurisdictions with homeless shelters in Utah. The property tax increase, sales tax decrease, and public safety expenditures increases have been built into the 2019 budget.
5. The City projected intergovernmental revenues with minimal increase from 2018 as Class B&C Road funds from the State and County transportation taxes are not expected to see much increase.
6. The budget includes increases in operating costs for personnel merit raises and a 3% cost-of-living adjustment. It also includes increases in operating costs for energy and general goods and services. Energy costs and health care costs have continued as "watch areas" and are expected to increase at a higher rate than the general level of inflation due to national trends and the composition of the City's workforce. The City continues to deal with increases in energy and health care costs through aggressive cost containment in all other cost centers. Health care costs have also been proactively managed through use of a City Wellness Program, and adoption of benefit program changes, including a Health Savings Account option along with traditional healthcare insurance plans to increase employee awareness of costs and to reduce utilization of high cost areas.
7. Governmental fund activity was budgeted conservatively with no increases in any of its charge for service fees. The City did increase the dispatching charge for service revenue by \$40,000 and its 911 tax revenue by \$120,000 as beginning July 1, 2018 the City's dispatching center began dispatching for Centerville City. Also with that increase in revenue the City has also budgeted to hire two additional dispatchers in the Public Safety Department.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2018**

Economic Factors, Next Year's Budgets and Rates (Continued)

8. Enterprise fund activity reflects one increase in rates and fees charged as outlined below. Each year City management performs evaluations, including market comparisons, of the adequacy of fees in the enterprise funds to ensure their ongoing viability and stability. The Water Fund hired two new full-time employees on July 1, 2018 to begin performing more water line installations in-house rather than hiring contractors as they have estimated cost savings with this switch. These changes have been included in the 2019 budget.

As adopted with the fiscal year 2019 budget, the following rate and fee increase will be effective July 1, 2018 and provide additional revenue for fiscal year 2019:

1. The Light and Power Fund initiated a new monthly flat fee of \$2 per account beginning with metered services provided on July 1, 2018 and forward. This new flat fee is to provide the funding for the street light repair and replacement operations of the Light and Power Fund. The fiscal year 2019 budgeted collections for this new fee is \$405,600.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director or the Assistant Finance Director, City of Bountiful, 790 South 100 East, Bountiful, Utah 84010.

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BASIC FINANCIAL STATEMENTS

CITY OF BOUNTIFUL
STATEMENT OF NET POSITION
June 30, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 7,158,111	\$ 6,365,782	\$ 13,523,893
Receivables:			
Taxes	5,378,364	-	5,378,364
Accounts, net	315,714	5,456,837	5,772,551
Interest	132,560	128,585	261,145
Intergovernmental	394,335	-	394,335
Investments	39,077,954	38,291,858	77,369,812
Inventories	-	2,459,740	2,459,740
Prepaid expenses	27,225	113,852	141,077
Noncurrent assets:			
Internal balances	699,340	(699,340)	-
Notes receivable	2,261,682	-	2,261,682
Restricted assets:			
Cash and cash equivalents	1,434,250	3,295,469	4,729,719
Investments	597,160	-	597,160
Net other postemployment benefits asset	286,193	172,990	459,183
Net pension asset	1,358	1,451	2,809
Capital assets, net:			
Land, land rights, and water rights	50,875,660	8,842,460	59,718,120
Buildings, wells, and reservoirs	6,580,671	11,417,459	17,998,130
Improvements other than buildings	3,877,578	1,259,461	5,137,039
Power & water transmission, distribution, and collection infrastructure	-	28,287,079	28,287,079
Street light and traffic signal system	-	371,730	371,730
Machinery and equipment	2,493,406	21,332,662	23,826,068
Furniture and fixtures	905,060	103,092	1,008,152
Infrastructure	15,720,028	-	15,720,028
Construction in progress	683,561	9,417,432	10,100,993
Intangible asset - power projects	-	8,539,319	8,539,319
Total Assets	<u>138,900,210</u>	<u>145,157,918</u>	<u>284,058,128</u>
Deferred Outflows of Resources			
Pensions	3,841,911	1,612,171	5,454,082
Other postemployment benefits plan	20,013	12,096	32,109
Total Deferred Outflows of Resources	<u>3,861,924</u>	<u>1,624,267</u>	<u>5,486,191</u>
Total Assets and Deferred Outflows	<u>\$ 142,762,134</u>	<u>\$ 146,782,185</u>	<u>\$ 289,544,319</u>

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

CITY OF BOUNTIFUL
STATEMENT OF NET POSITION (Continued)
June 30, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Liabilities			
Current Liabilities:			
Accounts payable	\$ 922,344	\$ 3,708,094	\$ 4,630,438
Accrued liabilities	625,253	538,423	1,163,676
Accrued interest payable	-	93,824	93,824
Retainage payable - restricted assets	65,571	204,063	269,634
Unearned revenue	168,875	250,300	419,175
Compensated absences	403,113	226,521	629,634
Bonds payable	-	690,000	690,000
Noncurrent Liabilities:			
Developer and customer deposits - restricted assets	597,160	957,982	1,555,142
Compensated absences	676,131	468,964	1,145,095
Bonds payable	-	10,055,000	10,055,000
Accrued landfill closure - restricted assets	-	1,321,395	1,321,395
Net pension liability	8,031,388	1,871,886	9,903,274
Total Liabilities	<u>11,489,835</u>	<u>20,386,452</u>	<u>31,876,287</u>
Deferred Inflows of Resources			
Deferred revenue-property taxes	3,567,494	-	3,567,494
Pensions	2,679,213	1,346,593	4,025,806
Other postemployment benefits plan	214,349	129,564	343,913
Total Deferred Inflows of Resources	<u>6,461,056</u>	<u>1,476,157</u>	<u>7,937,213</u>
Net Position			
Net investment in capital assets	81,135,964	78,825,694	159,961,658
Restricted for:			
Landfill closure	841,957	-	841,957
Debt Service	-	561,729	561,729
Regulatory required insurance deposit	521,853	-	521,853
Pensions	1,358	1,451	2,809
Other postemployment benefits	91,857	55,522	147,379
Unrestricted	42,218,254	45,475,180	87,693,434
Total Net Position	<u>124,811,243</u>	<u>124,919,576</u>	<u>249,730,819</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 142,762,134</u>	<u>\$ 146,782,185</u>	<u>\$ 289,544,319</u>

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

**CITY OF BOUNTIFUL
STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities							
General government	\$ 3,016,861	\$ 534,637	\$ 71,103	\$ -	\$ (2,411,121)	\$ -	\$ (2,411,121)
Public safety	9,472,327	666,627	59,093	-	(8,746,607)	-	(8,746,607)
Highways and streets	4,425,284	70,208	2,180,094	-	(2,174,982)	-	(2,174,982)
Planning and engineering	859,976	537,565	-	-	(322,411)	-	(322,411)
Parks	1,219,344	20,890	-	9,370	(1,189,084)	-	(1,189,084)
Redevelopment	253,521	-	-	-	(253,521)	-	(253,521)
Total Governmental Activities	19,247,313	1,829,927	2,310,290	9,370	(15,097,726)	-	(15,097,726)
Business-type Activities							
Water	3,818,230	5,609,766	-	309,606	-	2,101,142	2,101,142
Light and power	24,157,027	27,098,178	-	446,850	-	3,388,001	3,388,001
Landfill and sanitation	2,382,296	2,615,459	-	-	-	233,163	233,163
Storm water	1,094,184	1,611,518	-	40,710	-	558,044	558,044
Golf course	1,569,171	1,364,870	-	-	-	(204,301)	(204,301)
Recycling	475,457	419,927	-	-	-	(55,530)	(55,530)
Cemetery	523,846	667,486	-	3,507	-	147,147	147,147
Total Business-type Activities	34,020,211	39,387,204	-	800,673	-	6,167,666	6,167,666
Total Government	\$ 53,267,524	\$ 41,217,131	\$ 2,310,290	\$ 810,043	\$ (15,097,726)	\$ 6,167,666	\$ (8,930,060)
			General Revenues				
			Property taxes		\$ 3,617,496	\$ -	\$ 3,617,496
			Sales taxes		8,248,442	-	8,248,442
			Franchise taxes		3,782,565	-	3,782,565
			Investment earnings		551,096	555,260	1,106,356
			Miscellaneous		189,540	284,601	474,141
			Gain on sale of capital assets		94,356	111,436	205,792
			Transfers		2,414,344	(2,414,344)	-
			Total General Revenues and Transfers		18,897,839	(1,463,047)	17,434,792
			Changes in Net Position		3,800,113	4,704,619	8,504,732
			Net Position, Beginning		119,622,406	120,214,957	239,837,363
			Prior Period Adjustment		1,388,724	-	1,388,724
			Net Position, Ending		\$ 124,811,243	\$ 124,919,576	\$ 249,730,819

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

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CITY OF BOUNTIFUL
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2018

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 349,812	\$ 4,465,792	\$ 1,410,919	\$ 376,218	\$ 6,602,741
Receivables:					
Taxes	4,231,623	-	1,042,727	104,014	5,378,364
Accounts - net	305,518	-	-	20	305,538
Interest	13,537	76,441	26,097	6,962	123,037
Intergovernmental	394,335	-	-	-	394,335
Investments	1,347,321	25,018,672	7,791,274	2,077,520	36,234,787
Prepaid expenses	27,225	-	-	-	27,225
Restricted assets:					
Cash and cash equivalents	5,613	64,827	-	841,957	912,397
Investments	597,160	-	-	-	597,160
Total Assets	<u>\$ 7,272,144</u>	<u>\$ 29,625,732</u>	<u>\$ 10,271,017</u>	<u>\$ 3,406,691</u>	<u>\$ 50,575,584</u>
Liabilities					
Accounts payable	\$ 289,959	\$ 562,240	\$ -	\$ -	\$ 852,199
Retainage payable - restricted assets	744	64,827	-	-	65,571
Accrued liabilities	616,502	-	3,348	-	619,850
Unearned revenues	-	-	-	168,875	168,875
Developer and customer deposits - restricted assets	597,160	-	-	-	597,160
Total Liabilities	<u>1,504,365</u>	<u>627,067</u>	<u>3,348</u>	<u>168,875</u>	<u>2,303,655</u>
Deferred Inflows of Resources					
Unavailable revenue-property taxes	2,524,767	-	1,042,727	-	3,567,494
Total Deferred Inflows of Resources	<u>2,524,767</u>	<u>-</u>	<u>1,042,727</u>	<u>-</u>	<u>3,567,494</u>
Fund Balances					
Restricted:					
Landfill closure	-	-	-	841,957	841,957
Committed:					
Cemetery perpetual care	-	-	-	1,884,700	1,884,700
Assigned:					
Computer replacement	37,662	-	-	-	37,662
Capital projects	-	28,998,665	-	-	28,998,665
RDA fund	-	-	9,224,942	-	9,224,942
Recreation and arts	-	-	-	311,641	311,641
Debt service fund	-	-	-	19,986	19,986
MBA fund	-	-	-	179,532	179,532
Unassigned	3,205,350	-	-	-	3,205,350
Total Fund Balances	<u>3,243,012</u>	<u>28,998,665</u>	<u>9,224,942</u>	<u>3,237,816</u>	<u>44,704,435</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,272,144</u>	<u>\$ 29,625,732</u>	<u>\$ 10,271,017</u>	<u>\$ 3,406,691</u>	<u>\$ 50,575,584</u>

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

CITY OF BOUNTIFUL
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
June 30, 2018

Amounts reported for governmental activities in the statement of net position (page 18) are different from the amounts reported in the governmental funds balance sheet (page 20) because:

Total fund balances - governmental funds (page 20)	\$ 44,704,435
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	81,135,964
The net OPEB asset resulting from OPEB trust assets being in excess of the total OPEB liability is not an available resource and, therefore, is not reported in the funds.	286,193
The net pension asset resulting from pension assets exceeding pension liabilities is not an available resource and, therefore, is not reported in the funds.	1,358
The General, RDA, and Capital Project Fund's long-term notes receivable are not current financial resources and, therefore, are not reported in the funds.	2,261,682
Deferred outflows of resources associated with the net pension liability and asset are not an available resource and, therefore, are not reported in the funds.	3,841,911
Deferred outflows of resources associated with the net OPEB asset are not an available resource and, therefore, are not reported in the funds.	20,013
The compensated absences, bonds payable, and net pension long-term liabilities are not due and payable in the current period and, therefore, are not recorded in the funds.	(9,110,632)
Deferred inflows of resources associated with the net pension liability are not due and payable in the current period and, therefore, are not recorded in the funds.	(2,679,213)
Deferred inflows of resources associated with the net OPEB asset are not due and payable in the current period and, therefore, are not recorded in the funds.	(214,349)
Internal service funds are used by management to charge the cost of insurance for workers' compensation and governmental immunity. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	3,864,541
Internal service funds had a net current year loss. This loss was eliminated at the government-wide level creating an internal balance due to governmental activities from business-type activities. This current year loss was added to the accumulated total of previous net losses.	699,340
Net Position of governmental activities	\$ 124,811,243

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

CITY OF BOUNTIFUL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2018

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes	\$ 2,526,947	\$ -	\$ -	\$ -	\$ 2,526,947
Sales taxes	2,362,471	5,335,768	-	550,203	8,248,442
Franchise taxes	3,782,565	-	-	-	3,782,565
Property tax increment contrib.	-	-	1,090,549	-	1,090,549
Licenses and permits	607,561	-	-	-	607,561
Intergovernmental	2,399,903	-	-	-	2,399,903
Charges for services	933,252	-	-	168,875	1,102,127
Fines and forfeitures	120,239	-	-	-	120,239
Investment earnings	133,948	261,699	112,231	43,218	551,096
Miscellaneous	105,280	8,025	395,339	84,260	592,904
Total Revenues	<u>12,972,166</u>	<u>5,605,492</u>	<u>1,598,119</u>	<u>846,556</u>	<u>21,022,333</u>
Expenditures					
Current:					
General government	2,177,858	17,839	-	84,403	2,280,100
Public safety	8,846,095	-	-	-	8,846,095
Highways and streets	3,039,277	-	-	-	3,039,277
Planning and engineering	873,959	-	-	-	873,959
Parks	926,448	-	-	-	926,448
Redevelopment	-	-	1,093,209	-	1,093,209
Capital outlay:					
General government	-	117,844	-	-	117,844
Public safety	-	385,326	-	-	385,326
Highways and streets	-	1,378,308	-	-	1,378,308
Parks	-	871,389	-	-	871,389
Total Expenditures	<u>15,863,637</u>	<u>2,770,706</u>	<u>1,093,209</u>	<u>84,403</u>	<u>19,811,955</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,891,471)</u>	<u>2,834,786</u>	<u>504,910</u>	<u>762,153</u>	<u>1,210,378</u>
Other Financing Sources (Uses)					
Transfer in	2,452,437	474,855	-	1,458,000	4,385,292
Transfer out	-	(1,496,093)	-	(474,855)	(1,970,948)
Sale of capital assets	68,697	-	-	-	68,697
Total Other Financing Sources (Uses)	<u>2,521,134</u>	<u>(1,021,238)</u>	<u>-</u>	<u>983,145</u>	<u>2,483,041</u>
Net Change in Fund Balance	<u>(370,337)</u>	<u>1,813,548</u>	<u>504,910</u>	<u>1,745,298</u>	<u>3,693,419</u>
Fund Balance, Beginning	3,443,687	27,185,117	8,720,032	1,492,518	40,841,354
Prior Period Adjustment	169,662	-	-	-	169,662
Fund Balance, Ending	<u>\$ 3,243,012</u>	<u>\$ 28,998,665</u>	<u>\$ 9,224,942</u>	<u>\$ 3,237,816</u>	<u>\$ 44,704,435</u>

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

CITY OF BOUNTIFUL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2018

Amounts reported for governmental activities in the statement of activities (page 19) are different because:

Net Change in Fund Balances - total governmental funds (page 22)	\$ 3,693,419
Governmental funds have reported capital outlays, past and present, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	(2,097,499)
Governmental funds report capital outlays as expenditures. These expenditures are reported as capital assets in the statement of net position.	2,623,676
Governmental funds do not account for developer donations of capital assets that cannot be used as current financial resources. These donations are reported as capital grants and contributions in the statement of activities.	9,370
The accrual effect of the sale/disposal of capital assets. The funds only report the proceeds.	(755,992)
In the statement of activities, current changes to the net OPEB asset act to decrease OPEB expense. The Governmental Funds do not recognize anything other than OPEB plan payments.	16,216
Proceeds from repayment of General, RDA, and Capital Project Fund's long-term notes receivable are recorded as revenue in the Governmental Funds; however, the repayment is recorded as a reduction of the loan principal in the statement of net position.	(492,977)
Amounts loaned by the RDA are recorded as expenditures in that Governmental Fund; however, the loan is recorded as a long-term note receivable for the statement of net position.	792,874
In the statement of activities, current changes to the net pension asset act to decrease pension expense. The Governmental Funds do not adjust pension contribution expenditures.	527
In the statement of activities, current changes to the net pension liability act to decrease pension expense. The Governmental Funds do not adjust pension contribution expenditures.	1,986,450
In the statement of activities, current changes to the deferred outflows of resources related to pensions act to increase pension expense. The Governmental Funds do not adjust pension contribution expenditures.	(4,135)
In the statement of activities, current changes to the deferred inflows of resources related to pensions act to increase pension expense. The Governmental Funds do not adjust pension contribution expenditures.	(1,996,315)
The accrued leave of employees does not require the use of current financial resources and therefore is not recorded as an expenditure in the Governmental Funds.	18,252
The combined change in net position of internal service funds is reported within the governmental activities.	(11,737)
Internal service funds had a net current year loss. This loss was allocated at the government-wide level to applicable functional expenses adding to the fiscal year 2017 internal balance due to governmental activities from business-type activities.	17,984
Change in net position of governmental activities	\$ 3,800,113

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

CITY OF BOUNTIFUL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For The Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 2,501,330	\$ 2,501,330	\$ 2,526,947	\$ 25,617
Sales taxes	3,899,076	4,049,076	2,362,471	(1,686,605)
Franchise taxes	3,765,000	3,765,000	3,782,565	17,565
Licenses and permits	567,000	567,000	607,561	40,561
Intergovernmental revenues	2,121,300	2,121,300	2,399,903	278,603
Charges for services	916,922	916,922	933,252	16,330
Fines and forfeitures	150,000	150,000	120,239	(29,761)
Investment earnings	140,400	140,400	133,948	(6,452)
Miscellaneous	56,000	56,000	105,280	49,280
Total Revenues	<u>14,117,028</u>	<u>14,267,028</u>	<u>12,972,166</u>	<u>(1,294,862)</u>
Expenditures				
Current:				
General government:				
Legislative	806,490	806,490	645,911	160,579
Legal	294,824	294,824	280,909	13,915
Executive	172,142	172,142	143,974	28,168
Information technology	420,358	456,358	443,918	12,440
Finance	396,647	396,647	357,993	38,654
Human resources	136,428	142,428	136,255	6,173
Treasury	141,849	141,849	59,632	82,217
Government buildings	116,349	116,349	109,266	7,083
Public safety:				
Police	7,093,171	7,150,171	6,846,732	303,439
Fire	1,984,865	1,999,865	1,999,363	502
Highways and streets	3,181,095	3,181,095	3,039,277	141,818
Planning and engineering:				
Planning	305,315	305,315	250,919	54,396
Engineering	682,766	682,766	623,040	59,726
Parks	875,401	911,401	926,448	(15,047)
Total Expenditures	<u>16,607,700</u>	<u>16,757,700</u>	<u>15,863,637</u>	<u>894,063</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(2,490,672)</u>	<u>(2,490,672)</u>	<u>(2,891,471)</u>	<u>(400,799)</u>
Other Financing Sources (Uses)				
Transfer in	2,490,000	2,490,000	2,452,437	(37,563)
Sale of capital assets	20,000	20,000	68,697	48,697
Total Other Financing Sources (Uses)	<u>2,510,000</u>	<u>2,510,000</u>	<u>2,521,134</u>	<u>11,134</u>
Net Change in Fund Balance	<u>\$ 19,328</u>	<u>\$ 19,328</u>	<u>(370,337)</u>	<u>\$ (389,665)</u>
Fund Balance, Beginning			3,443,687	
Prior Period Adjustment			169,662	
Fund Balance, Ending			<u>\$ 3,243,012</u>	

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

CITY OF BOUNTIFUL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – REDEVELOPMENT AGENCY SPECIAL
REVENUE FUND
For The Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property tax increment contribution	\$ 1,113,113	\$ 1,113,113	\$ 1,090,549	\$ (22,564)
Investment earnings	65,728	65,728	112,231	46,503
Principal payments on notes receivable	172,520	172,520	395,339	222,819
Total Revenues	<u>1,351,361</u>	<u>1,351,361</u>	<u>1,598,119</u>	<u>246,758</u>
Expenditures				
Current:				
Redevelopment	3,623,584	4,416,584	1,093,209	3,323,375
Total Expenditures	<u>3,623,584</u>	<u>4,416,584</u>	<u>1,093,209</u>	<u>3,323,375</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,272,223)</u>	<u>(3,065,223)</u>	<u>504,910</u>	<u>3,570,133</u>
Net Change in Fund Balance *	<u>\$ (2,272,223)</u>	<u>\$ (3,065,223)</u>	<u>504,910</u>	<u>\$ 3,570,133</u>
Fund Balance, Beginning			<u>8,720,032</u>	
Fund Balance, Ending			<u>\$ 9,224,942</u>	

* The net change in fund balance was included in the budget as an appropriation (i.e., spend down) of fund balance.

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

CITY OF BOUNTIFUL
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2018

	Business-type Activities - Enterprise Funds				Total Enterprise	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		
Assets						
Current Assets						
Cash and cash equivalents	\$ 371,047	\$ 2,863,638	\$ 2,520,210	\$ 610,887	\$ 6,365,782	\$ 555,370
Accounts receivable, net	958,204	3,924,599	299,032	275,002	5,456,837	10,176
Interest receivable	13,536	69,624	35,468	14,397	133,025	9,523
Investments	4,000,925	20,852,848	9,265,226	4,172,859	38,291,858	2,843,167
Inventories	304,616	2,088,628	-	66,496	2,459,740	-
Prepaid expenses	91,705	22,147	-	-	113,852	-
Total Current Assets	5,740,033	29,821,484	12,119,936	5,139,641	52,821,094	3,418,236
Noncurrent Assets						
Restricted assets:						
Cash and cash equivalents	353,577	1,474,824	1,321,395	145,673	3,295,469	521,853
Net other postemployment benefits asset	34,979	88,317	22,086	27,608	172,990	-
Net pension asset	258	823	145	225	1,451	32
Due from other funds	-	-	3,000,000	-	3,000,000	-
Capital assets, net:						
Land, land rights and water rights	339,566	1,263,349	43,737	7,195,808	8,842,460	-
Buildings, wells and reservoirs	3,608,447	6,036,919	1,256,564	515,529	11,417,459	-
Improvements other than buildings	52,013	309,951	125,445	772,052	1,259,461	-
Power & water transmission, distribution, and collection infrastructure	13,639,934	10,860,459	-	3,786,686	28,287,079	-
Street light and traffic signal systems	-	371,730	-	-	371,730	-
Machinery and equipment	841,827	18,546,729	1,161,842	782,264	21,332,662	-
Furniture and fixtures	-	103,092	-	-	103,092	-
Construction in progress	5,157,159	4,260,273	-	-	9,417,432	-
Intangible asset - power projects	-	8,539,319	-	-	8,539,319	-
Total Noncurrent Assets	24,027,760	51,855,785	6,931,214	13,225,845	96,040,604	521,885
Total Assets	29,767,793	81,677,269	19,051,150	18,365,486	148,861,698	3,940,121
Deferred Outflows of Resources						
Pensions	287,124	914,378	160,719	249,950	1,612,171	36,255
Other postemployment benefits plan	2,446	6,176	1,544	1,930	12,096	-
Total Deferred Outflows	289,570	920,554	162,263	251,880	1,624,267	36,255
Total Assets and Deferred Outflows	\$ 30,057,363	\$ 82,597,823	\$ 19,213,413	\$ 18,617,366	\$ 150,485,965	\$ 3,976,376

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

CITY OF BOUNTIFUL
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>					Governmental Activities - Internal Service Funds
	<u>Water</u>	<u>Light and Power</u>	<u>Landfill and Sanitation</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise</u>	
Current Liabilities						
Accounts payable	\$ 1,724,816	\$ 1,831,326	\$ 17,608	\$ 134,344	\$ 3,708,094	\$ 70,147
Accrued liabilities	58,396	354,940	41,869	83,218	538,423	5,403
Accrued Interest Payable	4,440	93,824	-	-	98,264	-
Retainage payable - restricted assets	191,247	-	-	12,816	204,063	-
Unearned revenue - restricted assets	162,330	27,477	-	60,493	250,300	-
Compensated absences	39,743	127,519	29,213	30,046	226,521	-
Revenue bond payable	-	690,000	-	-	690,000	-
Total Current Liabilities	<u>2,180,972</u>	<u>3,125,086</u>	<u>88,690</u>	<u>320,917</u>	<u>5,715,665</u>	<u>75,550</u>
Noncurrent Liabilities						
Developer and customer deposits - restricted assets	-	885,618	-	72,364	957,982	-
Compensated absences	87,438	248,696	57,784	75,046	468,964	-
Due to other funds	3,000,000	-	-	-	3,000,000	-
Revenue bond payable	-	10,055,000	-	-	10,055,000	-
Accrued landfill closure - restricted assets	-	-	1,321,395	-	1,321,395	-
Net pension liability	333,379	1,061,681	186,610	290,216	1,871,886	42,095
Total Noncurrent Liabilities	<u>3,420,817</u>	<u>12,250,995</u>	<u>1,565,789</u>	<u>437,626</u>	<u>17,675,227</u>	<u>42,095</u>
Total Liabilities	<u>5,601,789</u>	<u>15,376,081</u>	<u>1,654,479</u>	<u>758,543</u>	<u>23,390,892</u>	<u>117,645</u>
Deferred Inflows of Resources						
Pensions	239,825	763,750	134,243	208,775	1,346,593	30,282
Other postemployment benefits plan	26,198	66,147	16,542	20,677	129,564	-
Total Deferred Inflows	<u>266,023</u>	<u>829,897</u>	<u>150,785</u>	<u>229,452</u>	<u>1,476,157</u>	<u>30,282</u>
Net Position						
Net investment in capital assets	23,638,946	39,546,821	2,587,588	13,052,339	78,825,694	-
Restricted:						
Debt service	-	561,729	-	-	561,729	-
Regulatory required insurance deposit	-	-	-	-	-	521,853
Pensions	258	823	145	225	1,451	32
Other postemployment benefits	11,227	28,346	7,088	8,861	55,522	-
Unrestricted	539,120	26,254,126	14,813,328	4,567,946	46,174,520	3,306,564
Total Net Position	<u>24,189,551</u>	<u>66,391,845</u>	<u>17,408,149</u>	<u>17,629,371</u>	<u>125,618,916</u>	<u>3,828,449</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 30,057,363</u>	<u>\$ 82,597,823</u>	<u>\$ 19,213,413</u>	<u>\$ 18,617,366</u>	<u>\$ 150,485,965</u>	<u>\$ 3,976,376</u>
Net Position Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Net Position:					\$ 125,618,916	
Adjustment for the cumulative internal balance from the net activity between internal service funds and enterprise funds					(699,340)	
					<u>\$ 124,919,576</u>	

Net Position of Business-type activities (page 18)

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

CITY OF BOUNTIFUL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For The Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				Total Enterprise	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		
Operating Revenues						
Charges for services	\$ 5,581,708	\$ 26,926,810	\$ 2,615,459	\$ 2,408,470	\$ 37,532,447	\$ 606,932
Connection and servicing	28,058	121,316	-	-	149,374	-
Admissions and lesson fees	-	-	-	786,622	786,622	-
Equipment and facility rents	-	50,052	-	357,389	407,441	-
Concession and merchandise sales	-	-	-	224,760	224,760	-
Sale of cemetery burial plots	-	-	-	286,560	286,560	-
Miscellaneous	7,359	105,922	163,301	8,019	284,601	84
Total Operating Revenues	5,617,125	27,204,100	2,778,760	4,071,820	39,671,805	607,016
Operating Expenses						
Personnel wages and benefits	1,233,308	3,778,192	964,936	1,437,741	7,414,177	131,437
Materials and supplies	320,852	1,567,343	124,918	180,057	2,193,170	-
Repair and maintenance costs	238,351	231,177	518,529	449,417	1,437,474	-
Contractual and professional services	82,452	54,630	189,152	482,990	809,224	5,503
Power purchases	-	12,386,374	-	-	12,386,374	-
Power generation costs	-	1,080,192	-	-	1,080,192	-
General and administrative costs	980,003	948,404	281,356	585,249	2,795,012	419,368
Claims	-	-	-	-	-	97,916
Depreciation	915,087	2,307,809	304,301	517,906	4,045,103	-
Amortization	-	1,212,235	-	-	1,212,235	-
Total Operating Expenses	3,770,053	23,566,356	2,383,192	3,653,360	33,372,961	654,224
Operating Income (Loss)	\$ 1,847,072	\$ 3,637,744	\$ 395,568	\$ 418,460	\$ 6,298,844	\$ (47,208)

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

CITY OF BOUNTIFUL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS (Continued)
For The Fiscal Year Ended June 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>				<u>Total Enterprise</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Light and Power</u>	<u>Landfill and Sanitation</u>	<u>Other Enterprise Funds</u>		
Nonoperating Revenues (Expenses)						
Investment earnings	\$ 18,407	\$ 295,007	\$ 198,263	\$ 43,583	\$ 555,260	\$ 35,471
Interest expense	(4,440)	(570,799)	-	-	(575,239)	-
Gain (loss) from sale of capital assets	(42,977)	93,606	17,830	(11,051)	57,408	-
Total Nonoperating Revenues (Expenses)	<u>(29,010)</u>	<u>(182,186)</u>	<u>216,093</u>	<u>32,532</u>	<u>37,429</u>	<u>35,471</u>
Income (loss) before contributions & transfers	1,818,062	3,455,558	611,661	450,992	6,336,273	(11,737)
Capital Contributions	309,606	446,850	-	44,217	800,673	-
Transfers in	-	-	-	38,093	38,093	-
Transfers out	<u>-</u>	<u>(2,452,437)</u>	<u>-</u>	<u>-</u>	<u>(2,452,437)</u>	<u>-</u>
Change in Net Position	2,127,668	1,449,971	611,661	533,302	4,722,602	(11,737)
Net Position, Beginning	<u>22,061,883</u>	<u>64,941,874</u>	<u>16,796,488</u>	<u>17,096,069</u>	<u>120,896,314</u>	<u>3,840,186</u>
Net Position, Ending	<u>\$ 24,189,551</u>	<u>\$ 66,391,845</u>	<u>\$ 17,408,149</u>	<u>\$ 17,629,371</u>	<u>\$ 125,618,916</u>	<u>\$ 3,828,449</u>
Changes in Net Position Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Activities:					\$ 4,722,602	
Adjustment to eliminate the current fiscal year's internal service funds net loss from internal customers applicable to business-type activities					<u>(17,983)</u>	
Changes in Net Position of Business-type activities (page 19)					<u>\$ 4,704,619</u>	

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

CITY OF BOUNTIFUL
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For The Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				Total Enterprise	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		
Cash Flows From Operating Activities						
Receipts from customers and users	\$ 5,486,291	\$ 27,224,553	\$ 2,759,442	\$ 4,041,794	\$ 39,512,080	\$ 604,979
Receipts from customer deposits	-	163,050	-	41,500	204,550	-
Payments to suppliers	300,740	(16,109,183)	(888,616)	(1,344,114)	(18,041,173)	(531,072)
Payments to employees and related benefits	(1,260,896)	(3,868,642)	(970,247)	(1,475,947)	(7,575,732)	(135,156)
Payments to other funds for services provided	(373,613)	(668,680)	(197,831)	(338,916)	(1,579,040)	-
Return of customer deposits	-	(149,016)	-	(4,000)	(153,016)	-
Net cash flows from operating activities	<u>4,152,522</u>	<u>6,592,082</u>	<u>702,748</u>	<u>920,317</u>	<u>12,367,669</u>	<u>(61,249)</u>
Cash Flows From Non-Capital Financing Activities						
Transfers from other funds	-	-	-	38,093	38,093	-
Transfers to other funds	-	(2,452,437)	-	-	(2,452,437)	-
Net cash flows from non-capital financing activities	<u>-</u>	<u>(2,452,437)</u>	<u>-</u>	<u>38,093</u>	<u>(2,414,344)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities						
Capital contributions	194,953	446,850	-	23,169	664,972	-
Purchase of capital assets	(5,751,578)	(5,733,754)	(383,849)	(493,758)	(12,362,939)	-
Proceeds from sales of capital assets	21,451	95,816	17,830	-	135,097	-
Principal paid on capital debt	-	(675,000)	-	-	(675,000)	-
Interest paid on capital debt	-	(574,726)	-	-	(574,726)	-
Change in interfund payable	3,000,000	-	-	-	3,000,000	-
Net cash flows from capital and related financing activities	<u>\$ (2,535,174)</u>	<u>\$ (6,440,814)</u>	<u>\$ (366,019)</u>	<u>\$ (470,589)</u>	<u>\$ (9,812,596)</u>	<u>\$ -</u>
Cash Flows From Investing Activities						
Investment earnings	\$ 54,522	\$ 505,598	\$ 291,499	\$ 84,502	\$ 936,121	\$ 63,725
Purchase of investments	(2,590,292)	(6,965,399)	(3,094,829)	(1,922,488)	(14,573,008)	(963,804)
Sale of investments	1,070,858	7,621,181	4,697,844	1,278,264	14,668,147	865,680
Change in interfund receivable	-	-	(3,000,000)	-	(3,000,000)	-
Net cash flows from investing activities	<u>(1,464,912)</u>	<u>1,161,380</u>	<u>(1,105,486)</u>	<u>(559,722)</u>	<u>(1,968,740)</u>	<u>(34,399)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	152,436	(1,139,789)	(768,757)	(71,901)	(1,828,011)	(95,648)
Cash and Cash Equivalents, Beginning	<u>572,188</u>	<u>5,478,251</u>	<u>4,610,362</u>	<u>828,461</u>	<u>11,489,262</u>	<u>1,172,871</u>
Cash and Cash Equivalents, Ending	<u>\$ 724,624</u>	<u>\$ 4,338,462</u>	<u>\$ 3,841,605</u>	<u>\$ 756,560</u>	<u>\$ 9,661,251</u>	<u>\$ 1,077,223</u>

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

CITY OF BOUNTIFUL
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
For The Fiscal Year Ended June 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>				<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Light and Power</u>	<u>Landfill and Sanitation</u>	<u>Other Enterprise Funds</u>		
Reconciliation of operating income to net cash flows from operating activities						
Earnings (loss) from operations	\$ 1,847,072	\$ 3,637,744	\$ 395,568	\$ 418,460	\$ 6,298,844	\$ (47,208)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:						
Depreciation and amortization	915,087	3,520,044	304,301	517,906	5,257,338	-
Changes in assets and liabilities						
Accounts receivable, net	(292,030)	16,497	(19,318)	(30,026)	(324,877)	(2,037)
Inventories	(87,370)	(363,510)	-	(3,472)	(454,352)	-
Prepaid expenses	(6,620)	3,543	-	-	(3,077)	-
Other postemployment benefits (OPEB) asset	425	1,073	268	335	2,101	-
Net pension asset	(102)	(328)	(58)	(90)	(578)	(13)
Deferred outflows - pensions	(10,689)	(34,041)	(5,984)	(9,305)	(60,019)	(1,350)
Deferred outflows - OPEB	575	1,451	363	454	2,843	-
Accounts payable	1,467,994	(169,978)	6,786	(10,659)	1,294,143	(9,309)
Accrued liabilities	7,244	32,670	7,836	8,189	55,939	1,294
Retainage payable	167,537	(12,468)	-	8,738	163,807	-
Unearned revenue	161,196	3,956	-	(3,356)	161,796	-
Developer and customer deposits	-	14,034	-	37,500	51,534	-
Compensated absences	5,974	15,132	13,620	6,097	40,823	-
Accrued landfill closure	-	-	12,886	-	12,886	-
Deferred inflows - pensions	163,853	521,808	91,717	142,638	920,016	20,689
Deferred inflows - OPEB	(2,981)	(7,527)	(1,882)	(2,353)	(14,743)	-
Net pension liability	(184,643)	(588,018)	(103,355)	(160,739)	(1,036,755)	(23,315)
Net cash flows from operating activities	<u>\$ 4,152,522</u>	<u>\$ 6,592,082</u>	<u>\$ 702,748</u>	<u>\$ 920,317</u>	<u>\$ 12,367,669</u>	<u>\$ (61,249)</u>
Schedule of non-cash capital and related financing activities						
Contributions of capital assets	\$ 114,653	\$ -	\$ -	\$ 21,048	\$ 135,701	\$ -
Capital assets contributed from/(to) other funds with a zero book value	\$ (88,347)	\$ -	\$ 106,227	\$ -	\$ 17,880	\$ -

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

**CITY OF BOUNTIFUL
STATEMENT OF FIDUCIARY NET POSITION
OPEB PLANS
June 30, 2018**

	Other Postemployment Benefits Plan (OPEB) Trust
Assets	
Cash and cash equivalents	\$ 69,963
Interest receivable	2,703
Investments	595,475
Total Assets	\$ 668,141
Net Position	
Net position held in trust for OPEB	\$ 668,141
Total Net Position	668,141
Total Liabilities and Net Position	\$ 668,141

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

CITY OF BOUNTIFUL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OPEB PLANS
For The Fiscal Year Ended June 30, 2018

	Other Postemployment Benefits Plan (OPEB) Trust
Additions	
Interest earnings:	
Interest and dividends	\$ 12,473
Net increase/(decrease) in fair value	(4,182)
Investment expense	(970)
Net investment earnings	7,321
Total Additions	7,321
Deductions	
Benefits	45,511
Total Deductions	45,511
Changes in Net Position	(38,190)
Net Position, Beginning	706,331
Net Position, Ending	\$ 668,141

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

CITY OF BOUNTIFUL NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bountiful (the City) was incorporated under the laws of the Territory of Utah in 1892 and operates under a manager form of government and provides services as authorized by its charter. The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

The Reporting Entity

As required by GAAP these financial statements present the operations of the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body, or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent on the City. Blended component units, although legally separate entities, are in substance, part of the government's operations.

Blended Component Units

The Bountiful City Redevelopment Agency (RDA) serves all the citizens of the City and is governed by a board comprised of the members of the City Council. Additionally, the RDA is managed by City employees and therefore has operational responsibility for the RDA. In conformity with GAAP, the financial statements of the RDA have been included in the financial reporting entity as a blended component unit.

The Bountiful City Municipal Building Authority (MBA) was created to design, construct and finance the cost of new buildings. The MBA is governed by a board comprised of the members of the City Council. Additionally, the MBA is managed by City employees and therefore has operational responsibility for the MBA. In conformity with GAAP, the financial statements of the MBA have been included in the financial reporting entity as a blended component unit.

Basis of Presentation - Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's services of: general governmental, public safety, highways and streets, planning and engineering, parks, redevelopment, and internal service are classified as governmental activities. The City's services of: water, light and power, landfill and sanitation, storm water, recycling, golf course, and cemetery are classified as business-type activities.

The government-wide financial statements (i.e., statement of net position and statement of activities) report information on all of the activities of the City and its blended component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide, proprietary, and other postemployment benefit (OPEB) trust financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they became available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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. For this purpose, the government 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Sales taxes, franchise taxes, licenses, interest, 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. All other revenues are considered to be measurable and available only when the City receives cash.

Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Separate statements for each fund category – governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports three governmental funds as major, as follows:

1. The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
2. The Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of the major capital facilities and infrastructure of the government (other than those financed by Proprietary Funds and Special Revenue Funds).
3. The Bountiful City Redevelopment Agency is a special revenue fund. Special revenue funds are used to account for specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. This fund is used to account for the property tax increment received. Accounting and financial reporting for the General Fund and special revenue funds are identical.

The City reports the following fiduciary fund:

1. The OPEB trust fund accounts for the activities of the Other Postemployment Benefits Plan, which accumulates resources for OPEB benefit payments to eligible retired employees.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

The City reports three enterprise funds as major, as follows:

1. The Water Fund accounts for the activities of the City's culinary water source and distribution system.
2. The Light and Power Fund accounts for the activities of the City's electricity generation, transmission, and distribution systems.
3. The Landfill and Sanitation Fund accounts for the activities of the City's landfill and sanitation services.

Additionally, the City reports the following nonmajor fund types:

- The City accounts for the Landfill Closure, RAP Tax, MBA, and Cemetery Perpetual Care Funds as special revenue funds.
- The Debt Service Fund is used to account for resources that will be used to service general long-term debt.
- The Golf Course Fund accounts for the provision of an 18-hole golf course for the residents of the City and surrounding area. The Storm Water, Cemetery, and Recycling Funds account for the provision of these services to the residents of the City. These funds are accounted for as nonmajor enterprise funds.
- Internal service funds are used to account for the central financing of goods or services provided by an internal service fund to various departments of the City on a cost-reimbursement basis. The City currently has two internal service funds. The Workers' Compensation Fund and the Risk Management Fund account for the City's self-insurance programs.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for providing administrative and billing services, and payments to the enterprise funds where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water, light & power, and landfill functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Proprietary funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the City's internal service funds are charges to customers. Operating expenses for enterprise funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgets

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and City Council on or before June 30 for the following fiscal year, which begins July 1. Budgets include activities in several different funds, including the General Fund, special revenue funds, Debt Service Fund, and enterprise funds. Annual budgets are also adopted for capital projects, which may include activities overlapping several fiscal years.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets (Continued)

Expenditures in the Capital Projects Fund are budgeted annually on a project-by-project basis. Although it is the intention of the City that each project be funded by a specific revenue source, the adopted budget reflects only total anticipated revenues by source. Since it is neither practicable, nor appropriate, to separate revenues and fund balance on a project-by-project basis, the Capital Projects Fund is reported as an individual fund in the accompanying financial statements.

The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the Mayor and City Council for operating within the budget for their department. All annual budgets lapse at fiscal yearend.

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. By Utah State law any City Council budget amendments that exceed the original budgeted expenditures requires a public hearing before final adoption.

Utah State law prohibits the appropriation of the sum of unassigned, assigned, and committed General Fund balance until it exceeds 5% of the General Fund revenues. Until the sum of the stated fund balance categories 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. Utah State law also prohibits the accumulation of the stated fund balance categories in the General Fund in any amount greater than 25% of the current year's total revenues.

Budgets for the General Fund, special revenue funds, the Debt Service Fund, and the Capital Projects Fund are prepared on the modified accrual basis of accounting (i.e. GAAP basis). The City does not use encumbrance accounting.

Taxes

On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the certified tax rate, state law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget must be complete on or before August 17th. All property taxes levied by the City are assessed and collected by Davis County. Taxes are attached as an enforceable lien as of January 1, are levied as of October 1, and are due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. If, after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis.

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

Franchise taxes are collected by natural gas, electric utilities, telecommunications, and cable television companies and remitted to the City periodically. An accrual has been made for all taxes due and payable for the period ended June 30th.

Utility Billing Revenue

The City records utility revenues billed to its customers when meters are read on a monthly basis. Unbilled service accounts receivable have been estimated for the period ended June 30th, and are recorded as revenue.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

The City considers all cash on hand, demand deposits, and investments with original maturities of three months or less to be cash and cash equivalents. For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalent accounts and the restricted cash and cash equivalent accounts.

Investments

The City holds investments that are measured and reported at fair value on a recurring basis. Accordingly, the change in fair value of investments is recognized as an increase or decrease in the investment assets. The City's financial statements also report investment earnings comprised of the net figure of interest and dividend earnings, realized gains and losses, and unrealized gains and losses.

Inventories and prepaid items

Inventories of materials used in the construction and repair of the transmission, distribution, and collection infrastructure are valued at cost on a weighted average basis. Supplies inventories, consisting principally of fuel and oil, are valued at cost on a first-in, first-out basis. Transformers and switch cans used by the Light and Power fund are valued by specific identification.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. For the enterprise funds, the cost of prepaid items is recorded as expenses when consumed rather than when purchased. For governmental funds, the cost of prepaid items is recorded as expenditures when purchased.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, curb and gutter, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial individual cost of more than \$10,000 and a useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value (i.e. price that would be paid to acquire a similar asset through a market transaction) at the date of donation.

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

<u>Capital Asset Classes</u>	<u>Lives</u>
Buildings, wells and reservoirs	10-40
Improvements other than buildings	10-50
Power & Water transmission, distribution, and collection systems	
Infrastructure	15-50
Street light and traffic signal systems	20-30
Machinery and equipment	4-50
Furniture and fixtures	3-20

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category: 1. a net pension liability and net pension asset related outflow, and 2. a net OPEB asset related outflow.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred outflows/inflows of resources (Continued)

The deferred outflows from pensions and OPEB are reported in the government-wide statement of net position and the enterprise funds statement of net position. These outflows result from the differences in the estimates and assumptions used to calculate the net pension liability, net pension asset, and net OPEB asset reported in each fund, as well as any pension contributions made after the pension actuarial measurement date and the end of the fiscal year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only two types of transactions that qualify for reporting in this category:

1. The City's governmental funds report deferred inflows from unavailable property tax revenues. This amount is deferred and recognized as an inflow of resources in the period in which the amount becomes available.
2. The City's government-wide and proprietary fund statements of net position report deferred inflows from pensions and OPEB. These deferred inflows result from the differences in the estimates and assumptions used to calculate the net pension liability, net pension asset, and the net OPEB asset reported in each fund.

Pensions

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and obtaining information about the fiduciary net position additions to/deductions from the Utah Retirement Systems Pension Plan (URS); all this information has been determined on the same basis as they are calculated and reported by the URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated absences

The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. The liability for compensated absences include salary-related benefits, where applicable. A liability for compensated absences is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences has been estimated based on the following City policies:

Vacation:

The City's policy permits employees to accumulate earned but unused vacation benefits up to 240 hours in a calendar year, which are eligible for payment upon separation from City service. Employees are also permitted to cash out 40 to 80 hours of accrued vacation benefits each calendar year.

Compensation Time:

All non-exempt employees accumulate overtime hours at time-and-a-half, which is eligible for payment at the current rate of pay at department head discretion or upon separation from City service.

Sick Leave:

The City's policy permits employees to accumulate earned but unused sick benefits without limitation. Sick leave amounts are charged to expenditures/expenses when incurred. Eligible employees are permitted at retirement to convert their accumulated sick leave, at their retirement rate of pay, to an employee health retirement account (HRA). Only employees with at least 25 years of full-time service with the City at retirement are eligible. The max eligible for this conversion is 50% of the leave balance up to a max of 720 hours. Management estimates that approximately eight percent of employees will qualify for this retirement cash out. Employees are also permitted to cash out 32 to 80 hours of accrued sick benefits each calendar year as long as they have 120 accrued hours remaining after the cash out.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund equity

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

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

Restricted fund balance classifications are restricted if, (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance classification includes those funds that can only be used for specific purposes pursuant to constraints imposed by an ordinance adopted by the City Council, which constraints remain binding unless removed in the same manner (i.e. the adoption of another ordinance).

Assigned fund balance classification includes amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council has, by resolution, authorized the City Manager to recommend any amounts to be included in assigned fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's budget. These amounts are then formalized via the adoption of the final budget by the City Council. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance classification is the residual classification. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes. The General Fund is the only fund that can report positive unassigned fund balance.

Fund balance and net position flow assumptions

Sometimes the City will fund cash outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

For the enterprise fund's the City has the same policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Interfund transactions

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 DEPOSITS AND INVESTMENTS

The City maintains an internal cash and investment pool that is available for use by all funds. The pooled cash and investment concept is used to maximize the City's investment program. Cash includes amounts in demand deposits including the portion of the Utah Public Treasurer's Investment Fund (PTIF) that is considered as a demand deposit. Investments are stated at fair value. Each fund's portion of this pool is displayed on the combined balance sheets as "cash and cash equivalents" and "investments" which also includes cash accounts that are separately held by several of the City's funds. Investment income from this internal pooling is allocated to the respective funds based on the sources of funds invested.

Deposits and investments for the City are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council ("the Council").

The PTIF is an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis, which approximates fair value at yearend. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances. As of June 30, 2018, the fair value per share factor for investments in the PTIF was 1.00378796.

Following are discussions of the City's exposure to various risks related to its cash management activities.

Custodial credit risk – deposits is the risk that in the event of bank failure, the City's deposits may not be recovered. The City's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the City to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Money Management Council. As of June 30, 2018, \$18,239,196 of the City's bank balances of \$19,529,445 was uninsured and uncollateralized.

Custodial credit risk – investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. As of June 30, 2018, \$77,312,448 of the City's \$78,562,448 in investments was exposed to custodial credit risk because it was uninsured and uncollateralized.

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, banker acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations as defined in the Act.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's deposits and investments are in the PTIF, qualified institutions, and varied holdings that are sufficiently diversified, as such the City has no significant concentration of credit risk.

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by adhering to the Money Management Act in addition to the City's investment policy that limits investment duration to a max of five years with the majority of its investment portfolio duration being one year or less.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Following are the City's cash on hand, on deposit, and investments at June 30, 2018:

	Carrying Value	Fair Value Factor	Fair Value	Credit Rating (1)	Ave. Maturity (Years) (2)
<u>Bountiful City</u>					
Cash on hand and on deposit:					
Cash on hand	\$ 5,400	1	\$ 5,400	N/A	N/A
Cash on deposit	6,618,287	1	6,618,287	N/A	N/A
Bond Reserves	561,729	1	561,729	N/A	N/A
Regulatory Insurance Deposit	521,853	1	521,853	N/A	N/A
Utah State Treasurer's investment pool accounts	10,546,343	1.003788	10,586,292	N/A	0.14
Total cash on hand and deposit	<u>\$ 18,253,612</u>		<u>\$ 18,293,561</u>		
Investments:					
Certificates of deposit	\$ 1,093,980	1	\$ 1,093,980	N/A	0.35
U.S. Agency bonds	39,628,076	1	39,628,076	AA-	2.84
Corporate bonds	37,244,916	1	37,244,916	A-	1.25
Total Investments	<u>\$ 77,966,972</u>		<u>\$ 77,966,972</u>		<u>1.48</u>
<u>Fiduciary Fund - OPEB Trust</u>					
Cash on hand and on deposit:					
Cash on Deposit - OPEB	\$ 69,963	1	\$ 69,963	N/A	N/A
Total cash on hand and deposit	<u>\$ 69,963</u>		<u>\$ 69,963</u>		
Investments:					
U.S. Agency bonds - OPEB	\$ 324,192	1	\$ 324,192	AA	1.42
Corporate bonds - OPEB	271,283	1	323,385	AA	0.90
Total Investments	<u>\$ 595,475</u>		<u>\$ 647,577</u>		<u>1.16</u>

(1) Ratings are provided, where applicable, to indicate associated credit risk. N/A indicates ratings are not available

(2) Interest rate risk is estimated using the weighted average years to maturity

Fair value of investments

The City measures and records its investments using fair value measurement guidelines established by GAAP. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets.
- Level 2: Observable inputs other than quoted market prices.
- Level 3: Unobservable inputs.

At June 30, 2018, the City's investments of \$77,966,972 had the following recurring fair value measurements:

- Certificates of deposit of \$1,093,980 are valued using quoted market prices (Level 1 inputs).
- U.S. Agency bonds of \$17,224,084 are valued using quoted market prices (Level 1 inputs).
- Corporate bonds of \$20,448,162 are valued using quoted market prices (Level 1 inputs).
- U.S. Agency bonds of \$22,403,991 are valued using a matrix pricing model (Level 2 inputs). Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.
- Corporate bonds of \$16,796,755 are valued using a matrix pricing model (Level 2 inputs).

At June 30, 2018, the fiduciary fund OPEB investments had U.S. Agency bonds of \$324,192 and corporate bonds of \$271,283 with fair value measurements using quoted market prices (Level 1 inputs).

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Amounts are aggregated into a single taxes receivable line and accounts receivable (net of allowance for doubtful accounts) for certain funds. Below is the detail of taxes and accounts receivable for the major governmental funds:

	General Fund	Redevelopment Agency
Taxes Receivable:		
Franchise taxes	\$ 353,197	\$ -
Property taxes	2,512,278	-
Property tax increment contribution	-	1,042,727
Sales taxes	1,366,148	-
Total Taxes Receivable	\$ 4,231,623	\$ 1,042,727
Accounts Receivable:	\$ 306,969	\$ -
Less: allowance for uncollectibles	(1,451)	-
Total Accounts Receivable - Net	\$ 305,518	\$ -
Intergovernmental Receivable:		
State of Utah Class B&C Road Funds	\$ 282,593	\$ -
Local Option Transportation Tax	111,742	-
Total Intergovernmental	\$ 394,335	\$ -

Additionally, the accounts receivable balances in the enterprise funds are shown net of the associated allowance for doubtful accounts. The combined allowance for doubtful accounts for all enterprise fund receivables at June 30, 2018 is \$35,074.

NOTE 4 NOTES RECEIVABLE

The Redevelopment Agency occasionally provides low cost building rehabilitation loans to businesses in the City. Additionally, the City has two outstanding promissory notes. The City has established notes receivable for these loans on the government-wide financial statements. The terms and outstanding balances of all the City notes receivable as of June 30, 2018 are as follows:

Balance June 30, 2018	Interest Rate	Monthly Payments Amount	Monthly Payments Due Through	Balloon Payments Amount	Balloon Payments Due
<u>RDA Loans</u>					
\$ 246,293	3.00%	\$ 5,794	March 2022	\$ -	N/A
39,635	3.00%	567	November 2024	-	N/A
726,927	3.00%	9,317	October 2025	-	N/A
31,402	3.00%	386	February 2026	-	N/A
<u>Repayment Promissory Note</u>					
1,129,449	N/A		June 2033 *	-	N/A
87,976	3.00%	1,000	May 2020	79,927	June 2020
\$ 2,261,682		\$ 17,064		\$ 79,927	

* The \$1,129,449 promissory note is paid through annual payments that range between \$74,440 and \$76,049 through June 2033.

2015 Promissory Note - In 2015 a City resident accidentally destroyed some City infrastructure and a promissory note was signed to repay the City the \$134,459 in restoration costs.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 NOTES RECEIVABLE (Continued)

South Davis Metro Fire Service Area (SDMFSA) Promissory Note – On July 1, 2016 the SDMFSA, that provides the City’s emergency medical and fire services, became its own taxing district. As part of the interlocal agreements to establish this new taxing district, the City donated capital assets to the SDMFSA with a net book value of \$2,271,345 with the stipulation that the City would not have to participate in any of the debt service payments for existing bonds issued under the old interlocal agency. In November 2017 the SDMFSA levied a tax, affecting City residents, to pay for debt service on those existing bonds. In an effort to make the City whole and as part of the signed interlocal agreements, SDMFSA has agreed to pay the City an estimated \$1,219,062 in annual tax collections over a 15 year period ending June of 2033.

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2018, is as follows:

	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 50,875,660	\$ -	\$ -	\$ -	\$ 50,875,660
Construction in progress	2,187,312	1,466,209	-	(2,969,960)	683,561
Total capital assets, not being depreciated	53,062,972	1,466,209	-	(2,969,960)	51,559,221
Capital assets, being depreciated					
Infrastructure	34,423,424	338,012	29,576	-	34,731,860
Buildings	22,048,152	-	1,195,178	450,854	21,303,828
Improvements other than buildings	5,968,133	-	38,970	2,414,199	8,343,362
Machinery and equipment	8,525,367	668,502	727,231	26,582	8,493,220
Furniture and fixtures	2,551,158	150,956	30,447	74,859	2,746,526
Total capital assets, being depreciated	73,516,234	1,157,470	2,021,402	2,966,494	75,618,796
Accumulated Depreciation					
Infrastructure	18,472,888	568,520	29,576	-	19,011,832
Buildings	14,875,217	619,775	771,835	-	14,723,157
Improvements other than buildings	4,251,251	238,908	24,375	-	4,465,784
Machinery and equipment	5,914,312	507,511	409,174	(12,835)	5,999,814
Furniture and fixtures	1,709,128	162,785	30,447	-	1,841,466
Total accumulated depreciation	45,222,796	2,097,499	1,265,407	(12,835)	46,042,053
Total capital assets, being depreciated, net	28,293,438	(940,029)	755,995	2,979,329	29,576,743
Governmental activities capital assets, net	<u>\$ 81,356,410</u>	<u>\$ 526,180</u>	<u>\$ 755,995</u>	<u>\$ 9,369</u>	<u>\$ 81,135,964</u>

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

General government	\$ 382,176
Public safety	409,055
Highways and public improvements	899,962
Parks	278,631
Redevelopment Agency	124,581
Planning & engineering	3,094
Total depreciation expense - governmental activities	<u>\$ 2,097,499</u>

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 CAPITAL ASSETS (Continued)

The Enterprise Funds' property, plant and equipment consist of the following at June 30, 2018:

	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Business-type Activities					
Capital assets, not being depreciated					
Land, land rights, and water rights	\$ 8,308,395	\$ 534,065	\$ -	\$ -	\$ 8,842,460
Construction in progress	990,153	9,944,191	-	(1,516,912)	9,417,432
Intangible asset - power projects	9,751,554	-	1,212,235	-	8,539,319
Total capital assets, not being depreciated	<u>19,050,102</u>	<u>10,478,256</u>	<u>1,212,235</u>	<u>(1,516,912)</u>	<u>26,799,211</u>
Capital assets, being depreciated					
Buildings, wells and reservoirs	23,844,969	-	271,054	-	23,573,915
Improvements other than buildings	3,236,156	59,092	-	316,277	3,611,525
Power & water transmission, distrib., and collection infrastructure	72,198,279	1,013,924	315,043	1,130,246	74,027,406
Street light and traffic systems	2,985,522	-	-	-	2,985,522
Machinery and equipment	45,999,342	947,368	1,413,221	73,854	45,607,343
Furniture and fixtures	180,760	-	9,995	-	170,765
Total capital assets, being depreciated	<u>148,445,028</u>	<u>2,020,384</u>	<u>2,009,313</u>	<u>1,520,377</u>	<u>149,976,476</u>
Less accumulated depreciation for					
Buildings, wells and reservoirs	11,549,149	840,180	232,873	-	12,156,456
Improvements other than buildings	2,238,936	113,128	-	-	2,352,064
Power & water transmission, distrib., and collection infrastructure	44,712,533	1,318,974	291,180	-	45,740,327
Street light and traffic systems	2,525,287	88,505	-	-	2,613,792
Machinery and equipment	23,999,721	1,670,071	1,407,946	12,835	24,274,681
Furniture and fixtures	62,423	14,245	8,995	-	67,673
Total accumulated depreciation	<u>85,088,049</u>	<u>4,045,103</u>	<u>1,940,994</u>	<u>12,835</u>	<u>87,204,993</u>
Total capital assets, being depreciated, net	<u>63,356,979</u>	<u>(2,024,719)</u>	<u>68,319</u>	<u>1,507,542</u>	<u>62,771,483</u>
Business-type activities capital assets, net	<u>\$ 82,407,081</u>	<u>\$ 8,453,537</u>	<u>\$ 1,280,554</u>	<u>\$ (9,370)</u>	<u>\$ 89,570,694</u>

For additional information on the City's intangible assets see note 7.

Depreciation expense was charged to funds of the business-type activities as follows:

Water	\$ 915,087
Light and Power	2,307,809
Landfill and Sanitation	304,301
Storm Water	320,544
Golf Course	151,815
Cemetery	45,547
Total depreciation expense - business-type activities	<u>\$ 4,045,103</u>

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2018:

Restricted for regulatory required insurance deposit	\$ 521,853
Restricted for funds received for closure of landfill	1,321,395
Restricted for landfill closure, post-closure and corrective actions	841,957
Restricted for bond payments	561,729
Restricted for customer utility deposits	885,618
Restricted for refundable performance bond deposits	669,524
Restricted for construction retention	269,634
Restricted for unearned revenue	250,300
Restricted for unremitted fees collected on behalf of other governments	4,869
Restricted for pension and other postemployment benefits	<u>461,992</u>
Total restricted assets as shown on the Statement of Net Position	<u>\$ 5,788,871</u>

NOTE 7 INTANGIBLE ASSET - POWER PROJECTS, AND RELATED CONTRACTS

On September 26, 1978, the Light and Power Fund (the Fund) entered into a 50-year contract with options to renew with the Intermountain Power Agency (IPA) for the intangible right to purchase electric power. Under the terms of the agreement, the Fund is liable for an agreed-upon purchase amount of approximately 1.3% of production regardless of whether it is used or not. On December 1, 1980, the Fund entered into an excess power sales agreement whereby all power purchased from IPA in excess of the Fund's scheduled amount will be sold to a group of California cities, thus relieving the Fund's excess power purchase liability. The Fund purchased power via this contract totaling \$16,910 during the fiscal year ended June 30, 2018. For fiscal year 2019, the budgeted amount for this contract is \$15,960.

The Fund has a contract with Western Area Power Administration to provide a prorated share of the actual hydropower capacity from the Salt Lake City Area Integrated Projects. This contract was revised October 1989 and will be in force until September 30, 2024. The Fund purchased power via this contract totaling \$3,531,615 during the fiscal year ended June 30, 2018. For fiscal year 2019, the budgeted amount for this contract is \$3,638,977.

On July 1, 1993, the Fund entered into an agreement with Utah Associated Municipal Power Systems (UAMPS) to purchase a five-megawatt intangible right to purchase power from the San Juan Unit No. 4 coal-fired power plant from Public Service of New Mexico for the sum of \$6,061,174. Under the terms of this agreement, the Fund is liable for a take-or-pay amount of 1.004% of the plant's production. During fiscal year 2018 \$1,212,235 of the intangible asset balance was amortized to expense as it is reasonably possible that when the plant's coal contract ends in June of 2022 that the plant will be shut down (5 year remaining life). The Fund purchased power totaling \$2,052,193 via this contract during the fiscal year ended June 30, 2018. For fiscal year 2019, the budgeted amount for this contract is \$2,364,107.

The Fund purchases power from, and sells power to, UAMPS and other members through the UAMPS PX system. The Fund is responsible for its budgeted share of UAMPS' operations and maintenance. The Fund paid a net \$6,456,231 for the fiscal year ended June 30, 2018 for net power sales and purchases. For fiscal year 2019, the budgeted amount for this is a net purchase of \$7,325,789.

The Fund, through UAMPS, purchased a \$3,690,380 intangible right to transmit power through the Craig-Mona 345 kV transmission line. UAMPS owns 15% of the total line and the Fund has a 22.3% entitlement of UAMPS' share of the first segment which runs west from Craig, Colorado to the Bonanza Power Plant in northeast Utah. There are no take-or-pay obligations for the purchase of power in this agreement. The Fund is responsible for its share of the operations and maintenance costs associated with the line.

The Fund has a contract with BP Energy Company for the supply of natural gas for the Fund's power plant. The Fund purchased natural gas totaling \$788,841 via this contract during the fiscal year ended June 30, 2018. For fiscal year 2019, the budgeted amount for this contract is \$541,000.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 ACCRUED LIABILITIES

Accrued liabilities of the City for the year ended June 30, 2018, were as follows:

Accrued Liabilities:	General Fund	Redevelopment Agency	Internal Service	Governmental Activities		
	Employee benefits	\$ 596,432	\$ -	\$ -	\$ 596,432	
Employee payroll	17,206	3,348	5,403	25,957		
Other	2,864	-	-	2,864		
Total	\$ 616,502	\$ 3,348	\$ 5,403	\$ 625,253		

Accrued Liabilities:	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds	Business-Type Activities
	Employee payroll	\$ 58,396	\$ 178,501	\$ 40,429	\$ 66,851
Sales taxes	-	176,439	1,440	16,367	194,246
Total	\$ 58,396	\$ 354,940	\$ 41,869	\$ 83,218	\$ 538,423

NOTE 9 DEVELOPER AND CUSTOMER DEPOSITS

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

Enterprise fund deposits are: deposits the City requires from some residential customers with a poor payment history, deposits from all residential rental customers, and deposits from all businesses before they receive a utility connection. The deposit is refunded only at termination of service. Also included are deposits from developers that are held by the City until building projects, potentially impacting the City's storm water system, receive and pass required City inspections.

NOTE 10 LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2018:

	Balance at June 30, 2017	Additions	Reductions	Balance at June 30, 2018	Due within One Year
Governmental activities					
Compensated absences	\$ 1,097,496	\$ 692,306	\$ 710,558	\$ 1,079,244	\$ 403,113
Governmental activity long-term liabilities	<u>\$ 1,097,496</u>	<u>\$ 692,306</u>	<u>\$ 710,558</u>	<u>\$ 1,079,244</u>	<u>\$ 403,113</u>
Business-type activities					
Electric revenue bonds	\$ 11,420,000	\$ -	\$ 675,000	\$ 10,745,000	\$ 690,000
Compensated absences	654,662	472,362	431,539	695,485	226,521
Accrued landfill closure	1,308,509	12,886	-	1,321,395	-
Business-type activity long-term liabilities	<u>\$ 13,383,171</u>	<u>\$ 485,248</u>	<u>\$ 1,106,539</u>	<u>\$ 12,761,880</u>	<u>\$ 916,521</u>

The General Fund and all Enterprise Funds typically liquidate the liability for compensated absences.

Electric Revenue Bonds, Series 2010

The Electric Revenue Bonds, Series 2010 were issued November 10, 2010 to finance the design and construction of an upgrade of the City's electric power plant. The \$15,280,000 revenue bonds are due in annual principal installments of \$675,000 to \$1,015,000 through November 1, 2030, plus interest at 2.15% to 6.11%, payable semi-annually.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 LONG-TERM DEBT (Continued)

Electric Revenue Bonds, Series 2010 (Continued)

The bonds are secured by a pledge of the Light and Power Fund revenues after provision has been made for the payment therefrom of operation and maintenance expenses. The bond indenture requires that the pledged net revenues equal 125% of the aggregate annual debt service requirement. The indenture requires a debt service reserve fund or equivalent debt service reserve insurance policy be established to cover any defaults in debt service payments not to exceed \$1,288,379. This requirement was satisfied by the City at the date of bond issuance with the purchase of an insurance policy covering the life of the bonds. The bond indenture also requires monthly transfers into a bond fund account of one-sixth of the interest and one-twelfth of the principal falling due on the bonds on the next succeeding interest and principal payment dates. At June 30, 2018, the bond fund account had a balance of \$561,729.

The annual debt service requirements to maturity, including principal and interest for the Electric Revenue Bonds, Series 2010 are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 690,000	\$ 549,388	\$ 1,239,388
2020	705,000	521,623	1,226,623
2021	720,000	492,550	1,212,550
2022	735,000	461,585	1,196,585
2023	755,000	428,010	1,183,010
2024-2028	4,195,000	1,527,823	5,722,823
2029-2031	2,945,000	273,879	3,218,879
Total	<u>\$ 10,745,000</u>	<u>\$ 4,254,858</u>	<u>\$ 14,999,858</u>

Accrued Landfill Closure

During the year ended June 30, 1990, the City and several surrounding municipalities entered into a settlement agreement (the Agreement) regarding the City's Bay Area Refuse Disposal (BARD) landfill, accounted for in the landfill closure expendable trust fund. The Agreement provided, among other things, that the City drop its civil action against the municipalities for their breach of contract and for their estimated liability under the Comprehensive Environmental Response, Compensation, and Liability Act (the Act). In return, the municipalities contributed amounts estimated to be sufficient to close the BARD and settle the remaining estimated liabilities under the Act. As of June 30, 2018, \$841,957 is being held in its own PTIF account until all claims are settled.

In addition to the funds arising from the settlement, the City has established a specific closure and post-closure reserve in the Landfill and Sanitation Fund, an enterprise fund, in accordance with GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs."

State and federal laws and regulations require the City to place a final cover on its BARD landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The estimated liability for these costs is \$2,179,789 as of June 30, 2018. The City has reported and included in accrued liabilities \$1,321,395 as landfill closure and post-closure care liability at June 30, 2018, which is based on 60.62% usage (filled) of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care as the remaining estimated capacity of the landfill is used. These amounts are based on what it would cost to perform all closure and post-closure care in 2018. The City estimates it will close the landfill in 32 years, or the year 2050. Actual cost at that time may be higher or lower due to inflation, changes in technology, or changes in regulations. The landfill life has increased due to the fact that the density of waste deposited there is higher than what was initially estimated. Inasmuch as the landfill life is based on the "volume" of space available to fill, measured in cubic yards, increasing the weight per cubic yard indicates better compaction and a change in the type of waste that the landfill is accepting.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 LONG-TERM DEBT (Continued)

Accrued Landfill Closure

Most municipal landfills do not accept as much construction and demolition waste as does the City's, which significantly increases the density and tonnage without a commensurate increase in volume.

The City is required by state and federal laws and regulations to make annual contributions to finance closure and post-closure care. The City is in compliance with these requirements, and, at June 30 2018, has investments (approximating fair value) of \$2,163,170 and \$841,957 held in PTIF accounts, for a combined total of \$3,005,127 held for these purposes. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

NOTE 11 DEFERRED INFLOW OF RESOURCES - UNAVAILABLE PROPERTY TAXES

In conjunction with the implementation of GASB Statement No. 33, "*Accounting and Financial Reporting for Nonexchange Transactions*", the City has accrued a property tax receivable and a deferred inflow of resources for unavailable property tax revenue in the General Fund and Redevelopment Agency in the amounts of \$2,524,767 and \$1,042,727 respectively.

Property taxes in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 60 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on October 1, and then are due and payable at November 30. Since the property tax to be levied on October 1, 2018, is not expected to be received within 60 days after the year ended June 30, 2018, the City is required to record a receivable and a deferred inflow of resource of the estimated amount of the total property tax to be levied on October 1, 2018.

NOTE 12 PENSION PLAN

General information about the pension plan

The City participates in and contributes to the multiple-employer, cost-sharing defined benefit plan and the public safety multiple-employer, agent defined benefit plan. These plans are administered by the Utah State Retirement Systems (Systems). Eligible plan participants are provided with pensions through the Systems. The Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, retirement systems.
- Public Employees Contributory Retirement System (Contributory System) is a multiple employer, cost sharing, retirement systems.
- The Public Safety Retirement System (Public Safety System) has some public safety employees on an agent, multiple-employer, retirement system while the rest are on a cost-sharing, multiple-employer, retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employees, retirement systems.
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employees, retirement systems.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Systems, are members of the Tier 2 Retirement System.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 PENSION PLAN (Continued)

General information about the pension plan (continued)

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. The Systems are a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

The Systems issue a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102, by calling 1-800-365-8772, or visiting the website: www.urs.org.

Summary of benefits by system

The Systems provide retirement, disability, and death benefits. Retirement benefits are as follows:

<u>System</u>	<u>Final Average Salary</u>	<u>Years of Service Required and/or age eligible for benefit</u>	<u>Benefit Percent per Year of Service</u>	<u>COLA **</u>
Noncontributory	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.00% per year over 20 years	Up to 2.5% or 4% depending on the employer
Tier 2 Public Employees	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* with actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

The contribution requirements of the Systems are adopted in the City's annual budget and are fully covered by the City without any required contributions from employees.

Contributions reported are the Systems Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 PENSION PLAN (Continued)

Contributions (continued)

Contribution rates as of June 30, 2018 are as follows:

	<u>Employee Paid</u>	<u>Employer Contribution Rate</u>	<u>Employer 401(k)</u>
Contributory System:			
Local Governmental Division Tier 1	6.00%	14.46%	N/A
Local Governmental Division Tier 2	N/A	15.11%	1.58%
Noncontributory System:			
Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety System:			
Contributory: Hybrid Public Safety Tier 2	N/A	37.71%	1.26%
Noncontributory: Bountiful with 2.5% COLA	N/A	49.58%	N/A
Tier 2 Defined Contribution Only:			
Local Government	N/A	6.69%	10.00%
Public Safety	N/A	26.97%	12.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For the fiscal year ended June 30, 2018, the contributions to the Systems are as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory	\$ 1,292,595	N/A
Public Safety	859,414	-
Tier 2 Public Employees	347,689	-
Tier 2 Public Safety and Firefighter	123,400	-
Tier 2 DC Only	17,566	N/A
Tier 2 DC Public Safety and Firefighter	11,934	N/A
	<u>\$ 2,652,598</u>	<u>\$ -</u>

Pension assets, liabilities, expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2018, the City reported a net pension asset of \$2,809 and a net pension liability of \$9,903,274. These balances are broken out by system as follows:

	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Proportionate Share</u>
Noncontributory System	\$ -	\$ 3,604,819	0.8822774%
Public Safety System	-	6,280,025	100.0000000%
Tier 2 Public Employees System	-	18,430	0.2090270%
Teir 2 Public Safety and Firefighter System	2,809	-	0.2427410%
Total Net Pension Asset/Liability	<u>\$ 2,809</u>	<u>\$ 9,903,274</u>	

The net pension asset and liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2017 and rolled-forward using generally accepted actuarial procedures. The City's proportionate share of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 PENSION PLAN (Continued)

Pension assets, liabilities, expense, and deferred outflows of resources and deferred inflows of resources related to pension (continued)

The following table shows the net pension liability, net pension asset, and the City's percentage share of the Systems totals and how they have changed from the previous actuarial measurement date:

	Non- contributory System	Contributory System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter
<u>Proportion of The Net Pension Liability (Asset):</u>					
For year ending December 31, 2017	0.8227739%	0.0000000%	100.00%	0.2090270%	0.2427410%
For year ending December 31, 2016	0.8614885%	0.2235533%	100.00%	0.2226893%	0.1948012%
Change from Prior Measurement Date	-0.0387146%	-0.2235533%	0.00%	-0.0136623%	0.0479398%
<u>Proportionate Share of The Net Pension Liability (Asset):</u>					
For year ending December 31, 2017	\$ 3,604,819	\$ -	\$ 6,280,025	\$ 18,430	\$ (2,809)
For year ending December 31, 2016	5,531,811	73,350	7,319,792	24,841	(1,691)
Change from Prior Measurement Date	\$ (1,926,992)	\$ (73,350)	\$(1,039,767)	\$ (6,411)	\$ (1,118)

For the year ended June 30, 2018, the City recognized pension expense of \$2,484,534. Of that total, \$1,114,700 pertained to the Public-Safety Agent, multiple employer, pension plan.

At June 30, 2018, the reported deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 526,617	\$ 566,707
Change in assumptions	2,385,229	119,602
Net difference between projected and actual earnings on pension plan investments	1,202,345	3,125,662
Changes in proportion and differences between contributions and proportionate share of contributions	66,893	213,835
Contributions subsequent to the measurement date	1,272,998	-
	<u>\$ 5,454,082</u>	<u>\$ 4,025,806</u>

\$1,272,998 reported as deferred outflows of resources related to pensions, results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2017. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2018	\$ 641,343
2019	753,865
2020	123,693
2021	(634,599)
2022	(234,779)
Thereafter	(494,244)

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 PENSION PLAN (Continued)

Actuarial assumptions

The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.25-9.75 percent, average, including inflation
Investment Rate of Return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2017, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity Securities	40%	6.15%	2.46%
Debt Securities	20%	0.40%	0.08%
Real Assets	15%	5.75%	0.86%
Private Equity	9%	9.95%	0.89%
Absolute Return	16%	2.85%	0.46%
Cash and Cash Equivalents	0%	0.00%	0.00%
Totals	<u>100%</u>		<u>4.75%</u>
		<u>Inflation</u>	<u>2.50%</u>
		<u>Expected Arithmetic Nominal Return</u>	<u>7.25%</u>

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

Discount rate

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the Systems' Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 6.95 percent from 7.20 percent from the prior measurement period.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 PENSION PLAN (Continued)

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate
The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

<u>System</u>	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory	\$ 9,749,123	\$ 3,604,819	\$ (1,503,865)
Public Safety	9,848,354	6,280,025	3,335,206
Tier 2 Public Employees	216,997	18,430	(134,694)
<u>Teir 2 Public Safety & Firefighter</u>	<u>24,873</u>	<u>(2,809)</u>	<u>(23,957)</u>
	<u>\$ 19,839,347</u>	<u>\$ 9,900,465</u>	<u>\$ 1,672,690</u>

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Systems financial report that can be obtained by visiting the website: www.urs.org.

Public Safety-Agent, Multiple-Employer, Pension plan disclosures

For the year ended June 30, 2018, the City had the following covered employees under the Public Safety-Agent, multiple employer, pension plan:

<u>Covered Employees</u>	Tier 1 Bountiful Public Safety
Inactive Employees or Beneficiaries Currently Receiving Benefits	43
Inactive Employees Entitled to But Not Yet Receiving Benefits	9
Active Employees	29
Total Agent Employer Tier 1 Plans Covered Employees	<u>81</u>

The following is the schedule of changes in the City's Agent net pension liability and plan fiduciary net position for the actuarial measurement date of December 31, 2017:

	<u>12/31/2017</u>		<u>12/31/2017</u>
Total Pension Liability		Plan Fiduciary Net Position	
Service cost	\$ 411,149	Contributions - employer	\$ 910,989
Interest	1,844,732	Contributions - member	-
Benefit changes	-	Net investment income	2,499,262
Difference between actual and expected experience	(451,574)	Benefit payments	(1,519,152)
Assumption changes	879,619	Administrative expense	(9,417)
Benefit payments	(1,519,152)	Other	322,859
Net Change in Total Pension Liability	1,164,774	Net Change in Plan Fiduciary Net Position	2,204,541
Total Pension Liability - Beginning	26,175,283	Plan Fiduciary Net Position - Beginning	18,855,491
Total Pension Liability - Ending (a)	<u>\$ 27,340,057</u>	Plan Fiduciary Net Position - Ending (b)	<u>\$ 21,060,032</u>

Total Pension Liability - Plan Fiduciary Net Position **(a-b)** = Net Pension Liability \$ 6,280,025

Payables to the pension plan

At June 30, 2018 the City had \$200,046 in its accrued liabilities balance payable to the Systems for pay periods falling within fiscal year 2018.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 RETIREMENT PLANS

Systems' 401(k) and 457 defined contribution plans

The City sponsors a voluntary defined contribution deferred compensation plan, through the Systems, under Internal Revenue Code Section 401(k). The plan, available to all permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 401(k) deferred compensation monies are not available to the City or its general creditors. The rate of City participation can be changed by the City Council. 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 offers its employees a voluntary deferred compensation plan, through the Systems, created in accordance with Internal Revenue Code Section 457. 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 457 deferred compensation monies are not available to the City or its general creditors. The rate of City participation can be changed by the City Council.

The following illustrates the three year trend analysis of employer and employee contributions to the Systems for defined contribution plans:

<u>Defined Contribution System:</u>	<u>Year Ended June 30,</u>	<u>Employee Contributions</u>	<u>Employer * Contributions</u>
401(k) Plan	2018	\$ 107,156	\$ 110,149
	2017	106,791	97,956
	2016	103,008	87,432
457 Plan	2018	\$ 35,894	\$ -
	2017	28,082	-
	2016	25,900	-

* The employer paid 401(k) contributions include the totals paid for employees enrolled in the Tier 2 Defined Contribution 401(k) Plan.

ICMA 401(k) defined contribution plan

The City sponsors a voluntary defined contribution deferred compensation plan administered by ICMA Retirement Corporation under Internal Revenue Code Section 401(k). The plan, available to all permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 401(k) deferred compensation monies are not available to the City or its general creditors. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested from the date of employment. The City does not contribute for employees that start a new account after July 1, 2012. The rate of City participation can be changed by the City Council. During the year ended June 30, 2018, contributions totaling \$220,862 were made to the plan by employees and \$6,598 by the City.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS

Plan description and plan benefits

In addition to providing pension benefits through the Utah Retirement Systems, the City provides other postemployment benefits (OPEB) through a single-employer defined benefit plan and is administered by the City. The plan benefits include paying health insurance and life insurance premiums on behalf of City employees after their retirement. The benefits, benefit levels, employee contributions and employer contributions were adopted and are governed by City policy (i.e. ordinance) and can be amended by the City Council at any time.

Health insurance OPEB plan:

The health insurance OPEB plan is closed to new entrants as of June 30, 2012. All of the City's full-time employees became eligible for the benefit if they retired before July 1, 2012 and had 30 years of employment and were at least 55 years of age or had 25 years of employment and were at least 60 years of age.

For these eligible retirees, the City pays for single-coverage medical and prescription drug insurance until they reach Medicare age at 65.

Life insurance OPEB plan:

For full-time employees that retire from the City, the City pays for a \$5,000 life insurance policy on the retiree until death. This is an open plan.

The plan does not issue a separate report. The activity of the plan is reported in the City funds from which eligible participants have retired.

Funding policy and contributions

As part of the OPEB offering the City Council determined that the City would pre-fund the total liability for the OPEB plans. In fiscal year 2009 the City established an OPEB trust with a \$1.6 million actuarially calculated balance. The City has not contributed additional amounts into the trust since that initial funding as it is expecting the trust balance plus investment earnings to cover the current and future OPEB plan expenses. Because of the overfunded status of the plan, the actuarial calculations show a \$0 actuarially determined contribution. The covered employee payroll as of June 30, 2018 was \$10,686,166.

The OPEB trust has been set up to be irrevocably used for the OPEB plans, to be protected from the City's creditors, and has been and will be used exclusively to provide the benefits detailed in the OPEB plans. As such, under the guidance of GASB 75, the actuarially calculated total OPEB liability and OPEB plan assets (i.e., the trust) have been netted to arrive at a net OPEB asset as shown throughout the funds.

Net OPEB asset, deferred outflows and deferred inflows of resources related to OPEB, and OPEB expense

At June 30, 2018, the City reported a net OPEB asset of \$459,183. The net OPEB asset was measured as of June 30, 2018 by an actuarial valuation using generally accepted actuarial procedures.

At June 30, 2018, the reported deferred outflows of resources and deferred inflows of resources related to OPEB are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 58,303
Change in assumptions	-	285,610
Net difference between projected and actual earnings on OPEB plan investments	32,109	-
	\$ 32,109	\$ 343,913

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (Continued)

Net OPEB asset, deferred outflows and deferred inflows of resources related to OPEB, and OPEB expense (continued)

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Net Deferred Outflows (Inflows) of Resources
2018	\$ (46,441)
2019	(46,442)
2020	(46,442)
2021	(56,357)
2022	(56,948)
Thereafter	(59,174)

For the year ended June 30, 2018, the City recognized an actuarially calculated negative OPEB expense of \$29,685.

OPEB plan covered employees

For the year ended June 30, 2018, the City had the following covered employees under the OPEB plans:

Covered Employees	Single-Employer - Health Insurance OPEB Plan	Single-Employer - Life Insurance OPEB Plan
Inactive Employees Currently Receiving Benefits	4	94
Inactive Employees Entitled to But Not Yet Receiving Benefits	-	-
Active Employees	-	168
Total OPEB Plans Covered Employees	4	262

Actuarial assumptions

The actuarial valuation calculating the total net OPEB asset as of June 30, 2018, was determined using the following actuarial assumptions, applied to all periods included in the measurement dated June 30, 2018:

Inflation Rate	1.30%
Discount Rate	1.50%
Health Care Trend Rate	Starts at 8.5% decreasing 0.50% annually to an ultimate rate of 5%
Investment Rate of Return	1.50%

Mortality rates were developed from the RPH-2015 Total Dataset Mortality Table using the fully generational Scale MP-2019.

The long-term expected rate of return on OPEB plan investments was determined using actual returns over the past twelve months. This rate of return was utilized due to the need to keep the investment portfolio fairly liquid in order to match cash flow needs as the health insurance OPEB will be paid off in the next four fiscal years. The assumed allocation of the portfolio for the OPEB plan investments and best estimates of its arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Current & Assumed Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Debt Securities	89.529%	1.30%	1.50%
Cash and Cash Equivalents	10.471%	0.00%	0.00%
Totals	100%		1.50%

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount rate

The discount rate used to measure the total OPEB liability was 1.50 percent. The projection of cash flows used to determine the discount rate assumed that there would be no additional employer contributions. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB asset to changes in the discount rate

The following presents the net OPEB asset calculated using the discount rate of 1.50 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (.50 percent) or 1-percentage-point higher (2.50 percent) than the current rate:

	1% Decrease (.50%)	Discount Rate (1.50%)	1% Increase (2.50%)
Net OPEB Asset as of June 30, 2018	\$ 443,532	\$ 459,183	\$ 472,068

Sensitivity of the net OPEB asset to changes in the health care trend rate

The following presents the net OPEB asset calculated using the health care trend rate range from 8.50 to 5.00 percent, as well as what the net OPEB asset would be if it were calculated using a health care trend rate range that is 1-percentage-point lower (7.50 to 4.00 percent) or 1-percentage-point higher (9.50 to 6.00 percent) than the current rate range:

	1% Decrease (7.5-4%)	Discount Rate (8.5-5%)	1% Increase (9.5-6%)
Net OPEB Asset as of June 30, 2018	\$ 476,569	\$ 459,183	\$ 437,990

Net OPEB Asset and OPEB plan fiduciary net position

The following is the schedule of changes in the City's net OPEB asset and OPEB plan fiduciary net position for the actuarial measurement date of June 30, 2018:

	6/30/2018		6/30/2018
Total OPEB Liability		OPEB Plan Fiduciary Net Position	
Service cost	\$ 23,350	Contributions - member	\$ -
Interest	3,689	Contributions - employer	-
Benefit changes	-	Net investment income	7,321
Difference between actual and expected experience	(17,813)	Benefit payments	(45,511)
Assumption changes	-	Refunds	-
Benefit payments	(41,841)	Administrative expense	-
Net Change in Total OPEB Liability	(32,615)	Net Change in Plan Fiduciary Net Position	(38,190)
Total OPEB Liability - Beginning	241,573	Plan Fiduciary Net Position - Beginning	706,331
Total OPEB Liability - Ending (a)	\$ 208,958	Plan Fiduciary Net Position - Ending (b)	\$ 668,141

Total OPEB Liability - OPEB Plan Fiduciary Net Position (a-b) = Net OPEB Liability/(Asset) \$ (459,183)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the actuarially determined contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 15 RISK MANAGEMENT

The City covers the risks of doing business with a system of self-insurance with commercial excess insurance, as follows:

- (1) For general liability risk the City is self-insured up to \$350,000, with commercial excess insurance from \$350,000 to \$10,000,000. To cover the self-insured portion of the risk, there is established a Risk Management Fund (an internal service fund). This covers municipal liability exposure including general liability, auto, public officials' errors and omissions and law enforcement.
- (2) The City has an all-risk property insurance policy with a total insured value of \$170,392,353 that includes various category limits, some of which are as follows: 1. buildings and contents limit of \$107,312,723 with a \$10,000 deductible per category, 2. equipment/electronic data processing limit of \$23,275,080 with a \$10,000 deductible, 3. Parked vehicles limit of \$5,000,000 with a \$10,000 deductible, 4. property in open limit of \$30,002,620 with a \$10,000 deductible, 5. mobile equipment/contractors equipment limit of \$865,010 with a \$10,000 deductible, 6. \$10,000,000 in earthquake coverage with a 2% minimum/\$100,000 deductible, 7. \$10,000,000 in flood coverage for facilities that are located outside the standard report zone with a \$100,000 deductible, 8. boiler & machinery property damage limit of \$50,000,000 with a \$50,000 deductible, and 9. cyber liability limit of \$2,000,000 with a \$50,000 deductible. The City is self-insured for property loss above the limits and below the retentions/deductibles. The operating departments of the General Fund or enterprise funds assume the financial responsibility for risk retained by the City for property damage.
- (3) The Treasurer is covered under a \$1,500,000 bond with a \$15,000 deductible. The City also has public employee dishonesty insurance (an employee blanket bond and commercial crime) with a \$500,000 limit per occurrence and a \$5,000 deductible.
- (4) For workers compensation coverage the City is self-insured up to \$450,000, with commercial excess insurance up to statutory limits plus a \$1,000,000 limit on employer's liability. To cover the self-insured portion there is established a Workers Compensation Fund (an internal service fund).

During the past ten fiscal years the City's insurance settlements have not exceeded insurance coverage.

The City's general liability and workers' compensation claims, if unpaid by year end, are included in accounts payable of the Risk Management and Workers' Comp Internal Service Funds.

A summary of changes in general liability claims payable for the years ended June 30, 2018 and 2017, are as follows:

	General Liability Claims Payable
Balance, June 30, 2016	\$ 30,000
New claims incurred	58,777
Payments on claims	(88,777)
Balance, June 30, 2017	-
New claims incurred	28,021
Payments on claims	(28,021)
Balance, June 30, 2018	\$ -

The City also has a risk management program for workers' compensation. Premiums are paid to the Workers' Compensation Self-Insurance Fund (an internal service fund) and are available to pay these claims along with certain administrative expenses.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 15 RISK MANAGEMENT (Continued)

A summary of changes in workers' compensation claims payable for the years ended June 30, 2018 and 2017 are as follows:

	Workers' Comp Claims Payable
Balance, June 30, 2016	\$ 109,004
New claims incurred	26,650
Payments on claims	(66,941)
Balance, June 30, 2017	68,713
New claims incurred	69,895
Payments on claims	(77,019)
Balance, June 30, 2018	\$ 61,589

City management believes that possible claims where the loss cannot be reasonably estimated (claims incurred but not reported) are not material to the financial statements of the City.

NOTE 16 LEASES

In June 1996, the MBA entered into an operating lease agreement with the State of Utah whereby the State's Judicial Court (Court) will lease portions of the MBA's Public Safety building. As amended on April 16, 2009, the lease is renewable each year at the option of the MBA through June 30, 2019. Thereafter, the lease may be renewed on a year-to-year basis should the Court elect and both the Court and MBA agree. Otherwise, the lease shall continue thereafter on a month-to-month rental basis until terminated by either party by giving ninety (90) days advance written notice to the other party.

The lease agreement allowed the State to lease the space in 2009, 2010, and 2019 without any lease payments, with the payments for the years 2011 through 2018 increased to make up the difference. By the end of fiscal year 2018, the MBA had collected more in lease payments than it could recognize into revenue based on the straight-line rent approach applied under the guidance of GASB statement number 13, and an unearned revenue from operating leases was booked in the amount of \$168,875, which is the revenue to be recognized during fiscal year 2019 as the final year of the lease term.

The MBA earned \$168,875 in rental income from this operating lease for the year ended June 30, 2018. The MBA's Public Safety building is included in the capital assets section of the financial statements with a cost of \$7,126,977 and associated accumulated depreciation of \$7,126,977. The State Judicial Court leases approximately 48% of the building.

NOTE 17 INTERGOVERNMENTAL REVENUE

Intergovernmental revenue in the General Fund for the year ended June 30, 2018 consists of the following:

	General Fund
Utah Class "C" Road allotment	\$ 1,586,528
Local Option Transportation Tax	593,566
Utah Liquor Law Enforcement Grant	40,915
Utah Victims Advocate Grant	11,841
Various State and Local Law Enforcement Grants	33,418
SDMFSA bond tax levy reimbursement	89,613
Various Federal Law Enforcement Grants	44,022
Total Intergovernmental Revenue	\$ 2,399,903

The General Fund intergovernmental revenue listed differs from the Statement of Activities operating grants and contribution revenue by the \$89,613 SDMFSA payment. The government-wide accrual basis of accounting treats that payment as a reduction of a note receivable rather than a revenue.

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

NOTE 18 COMMITMENTS AND CONTINGENCIES

The City believes that possible contingencies (contingencies incurred but not reported) where the loss cannot be reasonably estimated are immaterial to the financial statements of the City.

The City had \$5,212,062 in outstanding construction commitments at June 30, 2018, as follows:

<u>Contractor</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Spent/Accrued Project-to-Date</u>	<u>Commitment Outstanding</u>
Environmental Planning, LLC	Downtown Plaza Design	\$ 329,846	\$ 48,841	\$ 281,005
M.C. Green & Sons, Inc.	2017 Storm Drain Projects	646,599	293,819	352,780
Hogan Construction	Water Treatment Plant	3,154,170	2,519,592	634,578
J-U-B Engineers	Water Treatment Plant	335,000	332,151	2,849
Wigen Water Technologies	Water Treatment Plant	1,284,734	1,076,679	208,055
FX Construction, Inc.	Culinary Water Reservoir	1,044,600	847,751	196,849
Spade Excavating, Inc.	2018 Waterline Projects	1,118,689	185,303	933,386
Cache Valley Electric	Power 138 KV Transmission Sub.	2,595,268	1,050,000	1,545,268
Virginia Transformer Corp.	Power 138 KV Transmission Sub.	2,158,348	1,101,056	1,057,292
Total Construction Commitments Outstanding		<u>\$ 12,667,254</u>	<u>\$ 7,455,192</u>	<u>\$ 5,212,062</u>

NOTE 19 FIRE AND EMERGENCY MEDICAL SERVICES

The South Davis Metro Fire Service Area (SDMFSA) is a special service district organized on July 1, 2016. SDMFSA provides fire and emergency medical services to the cities of Bountiful, Centerville, North Salt Lake, West Bountiful, Woods Cross and the unincorporated areas of South Davis County. SDMFSA is governed by its own Board of Trustees made up of elected officials from each participating member entity. SDMFSA does levy taxes and collect impact fees to cover most capital expenditures; however, most of the SDMFSA's operations are funded by quarterly member assessments. For the year ended June 30, 2018, the City paid \$1,999,363 to SDMFSA for its member assessments.

NOTE 20 INTERNAL BALANCES AND INTERFUND TRANSFERS

At June 30, 2018, the government-wide internal balances were as follows:

<u>Receivable Activity</u>	<u>Payable Activity</u>	<u>Amount</u>
Governmental Activities	Business-Type Activities	\$ 699,340

To arrive at the government-wide financial statements, the City's internal service funds were consolidated. During the current year these internal service funds produced a net loss. The consolidation of this current year loss increased the prior fiscal year's (June 30, 2017) internal balance of \$681,357 due to governmental activities from business-type activities by \$17,983.

At June 30, 2018, the enterprise fund internal balances were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Landfill and Sanitation	Water	\$ 3,000,000

On June 12, 2018 the Landfill and Sanitation Fund loaned the Water Fund \$3,000,000 to be used for construction costs on the culinary water treatment plant. This interfund loan has the following terms: repayment over 10 years with the final payment due in June of 2028, no restrictions or penalties for early payoff, semi-annual principal and interest payments of \$174,393, and a 2.96% interest rate. During the fiscal year ended June 30, 2018, accrued interest payable of \$4,440 was recorded in the Water Fund with the offsetting accrued interest receivable in the Landfill and Sanitation Fund. All of these interfund transactions were eliminated to arrive at the Business-Type Activities numbers in the government-wide financials.

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

NOTE 20 INTERNAL BALANCES AND INTERFUND TRANSFERS (Continued)

During the year transfers were made which will not be repaid. These transfers occurred primarily to finance programs, accounted for in one fund, with resources collected in other funds, in accordance with budgetary and statutory authorizations. Interfund transfers for the year ended June 30, 2018 were as follows:

	In	Out
Government		
General Fund	\$ 2,452,437	\$ -
Capital Projects Fund	474,855	1,496,093
RAP Tax	-	474,855
Cemetery Perpetual Care	1,458,000	-
Enterprise		
Cemetery	38,093	-
Light and Power Fund	-	2,452,437
	\$ 4,423,385	\$ 4,423,385

Detailed descriptions of the interfund transfers for the year ended June 30, 2018 are as follows:

General Fund transfer from the Light and Power Fund – This is an annual subsidy transfer based on a percentage of each fiscal year’s electric metered sales.

Capital Projects Fund transfer from the RAP Tax Fund – This is an annual budgeted transfer of RAP tax collections to reimburse the Capital Projects Fund for expenditures made in connection with the City’s Creekside Park.

Cemetery Perpetual Care Fund transfer from the Capital Projects Fund - This is a one-time transfer to reimburse the Cemetery Perpetual Care Fund for money used in fiscal year 2017 to purchase expansion land for the City’s cemetery operations.

Cemetery Fund transfer from the Capital Projects Fund – This is a one-time transfer to provide a contribution to the construction costs of a statue for the City’s cemetery.

NOTE 21 REDEVELOPMENT AGENCY OF THE CITY OF BOUNTIFUL

For the year ended June 30, 2018, the following activity occurred in the City's Redevelopment Agency:

<u>Tax increment collected from other taxing agencies for the Bountiful Project Area:</u>	
District #3	\$ 923,164
District #5	167,385
	\$ 1,090,549
<u>Tax increment used by the Bountiful RDA:</u>	
Amounts loaned to local businesses for startup or redevelopment	\$ 792,874
Amounts expended on redevelopment/site improvement projects	192,704
Amounts expended for administrative costs	107,631
	\$ 1,093,209

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 22 PRIOR PERIOD ADJUSTMENTS

Understated Fiscal Year's 2015 & 2016 Municipal Energy Sales Taxes

As part of the City's ongoing General Fund operations, there are monthly collections and remittances of municipal energy sales and use taxes to two neighboring cities. For all of fiscal year 2015 and four months into fiscal year 2016, the monthly calculations to determine the dollar amount of needed remittances to these two cities were erroneously overstated and caused overstated remittance payments.

In fiscal year 2018 the erroneous calculations and overpayments were explained to the two municipalities and repayment terms were reached. Due to the inflated remittance payments the General Fund's municipal energy sales and use tax revenue was understated by a combined \$169,662. Of that total all but \$73,752 (recorded as a General Fund receivable) had been repaid to the City as of June 30, 2018. In order to properly state the fund balance of the General Fund for fiscal year 2018, a prior period adjustment increasing the fund balance by \$169,662 was posted.

South Davis Metro Fire Service Area (SDMFSA) Promissory Note

On July 1, 2016 the SDMFSA, that provides the City's emergency medical and fire services, became its own taxing district. As part of the interlocal agreements to establish this new taxing district, the City donated capital assets to the SDMFSA with a net book value of \$2,271,345 with the stipulation that the City would not have to participate in any of the debt service payments for existing bonds issued under the structure of the old interlocal agency. In November 2017 (fiscal year 2018) the SDMFSA levied a tax, affecting City residents, to pay for debt service on those existing bonds, thus triggering the requirement to compensate the City annually for any taxes collected from City residents. In an effort to make the City whole and as part of the signed interlocal agreements, SDMFSA has agreed to pay the City an estimated \$1,219,062 in annual taxes collected from City residents over the remaining 15 years of the debt service payments through the period ending June of 2033.

SDMFSA had not levied any tax on City residents to pay for the existing bonds when the City donated the capital assets in fiscal year 2017, which resulted in a recorded loss on disposition of assets of \$2,271,345 as there was no known reimbursement to the City. In fiscal year 2018 when the levy was established by the SDMFSA it became necessary to record the reimbursement promissory note that partially offset the fiscal year 2017 loss on disposition. In fiscal year 2018 the City posted a prior period adjustment of \$1,219,062 to setup the note receivable balance offset by an increase to net position on the government-wide statements.

Net prior period adjustment

The net effect of these two prior period adjustments increased the overall net position of governmental-activities by \$1,388,724.

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

CITY OF BOUNTIFUL
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION AND RELATED RATIOS
PUBLIC SAFETY AGENT PENSION PLAN (PRESENTED IN THOUSANDS)
LAST TEN FISCAL YEARS *

	Public Safety - Agent Plan				
	12/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013
Total Pension Liability					
Service cost	\$ 411	\$ 409	\$ 380	\$ 383	\$ 390
Interest	1,845	1,711	1,682	1,635	1,580
Benefit changes	-	-	-	-	-
Difference between actual and expected experience	(453)	383	652	297	(147)
Assumption changes	880	830	-	(229)	-
Benefit payments	(1,514)	(1,435)	(1,358)	(1,419)	(1,369)
Refunds	-	-	-	-	-
Net Change in Total Pension Liability	1,169	1,898	1,356	667	454
Total Pension Liability - Beginning	26,173	24,275	22,919	22,252	21,798
Total Pension Liability - Ending (a)	27,342	26,173	24,275	22,919	22,252
Plan Fiduciary Net Position					
Contributions - member	-	-	-	-	-
Contributions - employer	911	943	883	822	716
Net investment income	2,498	1,493	310	1,220	2,271
Benefit payments	(1,514)	(1,435)	(1,358)	(1,419)	(1,369)
Refunds	-	-	-	-	-
Administrative expense	(9)	(9)	(9)	(9)	(8)
Net transfers with affiliated systems	323	35	35	14	99
Net Change in Plan Fiduciary Net Position	2,209	1,027	(139)	628	1,709
Plan Fiduciary Net Position - Beginning	18,853	17,826	17,965	17,337	15,628
Plan Fiduciary Net Position - Ending (b)	21,062	18,853	17,826	17,965	17,337
Net Pension Liability/(Asset) - Ending (a-b)	6,280	7,320	6,449	4,954	4,915
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	77.03%	72.03%	73.43%	78.38%	77.91%
Projected Covered Employee Payroll	1,814	1,810	1,776	1,795	1,749
Net Pension Liability as a Percentage of Covered Employee Payroll	346.20%	404.42%	363.12%	275.99%	281.02%

* In accordance with GASB 68, employers will need to disclose a 10 year history of the changes in the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively. The schedule above provides the current year with prior numbers as available from prior years.

CITY OF BOUNTIFUL
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS *

	Noncontributory System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of The Net Pension Liability (Asset):					
For year ending December 31, 2017	0.8227739%	0.0000000%	100.0000000%	0.2090270%	0.2427410%
For year ending December 31, 2016	0.8614885%	0.2235533%	100.0000000%	0.2226893%	0.1948012%
For year ending December 31, 2015	0.8396157%	0.1454001%	100.0000000%	0.2250127%	0.2089784%
For year ending December 31, 2014	0.8696763%	0.1097845%	100.0000000%	0.2013398%	0.1025324%
Proportionate Share of The Net Pension Liability (Asset):					
For year ending December 31, 2017	\$ 3,604,819	\$ -	\$ 6,280,025	\$ 18,430	\$ (2,809)
For year ending December 31, 2016	5,531,811	73,350	7,319,792	24,841	(1,691)
For year ending December 31, 2015	4,750,954	102,195	6,448,887	(491)	(3,053)
For year ending December 31, 2014	3,776,339	31,667	4,953,805	(6,101)	(1,517)
Covered Employee Payroll:					
For year ending December 31, 2017	\$ 6,923,955	\$ -	\$ 1,852,769	\$ 2,044,414	\$ 259,614
For year ending December 31, 2016	7,338,845	53,639	2,029,038	1,826,232	160,952
For year ending December 31, 2015	6,965,806	61,953	1,919,301	1,453,817	124,361
For year ending December 31, 2014	7,329,748	58,661	1,933,601	988,127	42,386
Proportionate Share of The Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll:					
For year ending December 31, 2017	52.06%	0.00%	338.95%	0.90%	-1.08%
For year ending December 31, 2016	75.38%	136.75%	360.75%	1.36%	-1.05%
For year ending December 31, 2015	68.20%	164.96%	336.00%	-0.03%	-2.45%
For year ending December 31, 2014	51.52%	53.98%	256.20%	-0.62%	-3.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability:					
For year ending December 31, 2017	91.90%	0.00%	77.00%	97.40%	103.00%
For year ending December 31, 2016	87.30%	92.90%	72.00%	95.10%	103.60%
For year ending December 31, 2015	87.80%	85.70%	73.40%	100.20%	110.70%
For year ending December 31, 2014	90.20%	94.00%	78.40%	103.50%	120.50%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10 year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively. The schedule above provides the current year with prior numbers as available from prior years.

CITY OF BOUNTIFUL
SCHEDULE OF CONTRIBUTIONS - PENSION PLANS
LAST TEN FISCAL YEARS *

System	Year Ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contrib.	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory	2018	\$ 1,292,595	\$ 1,292,595	\$ -	\$ 7,102,501	18.20%
	2017	1,279,622	1,279,622	-	7,026,472	18.21%
	2016	1,284,463	1,284,463	-	7,041,664	18.24%
	2015	1,307,905	1,307,905	-	7,137,872	18.32%
	2014	1,281,508	1,281,508	-	7,460,346	17.18%
Contributory	2018	\$ -	\$ -	\$ -	\$ -	0.00%
	2017	3,226	3,226	-	22,309	14.46%
	2016	9,287	9,287	-	64,226	14.46%
	2015	8,565	8,565	-	59,233	14.46%
	2014	11,493	11,493	-	86,340	13.31%
Public Safety	2018	\$ 859,414	\$ 859,414	\$ -	\$ 1,873,916	45.86%
	2017	841,719	841,719	-	1,917,440	43.90%
	2016	857,665	857,665	-	1,949,765	43.99%
	2015	836,649	836,649	-	1,897,832	44.08%
	2014	773,423	773,423	-	1,934,993	39.97%
Tier 2 Public Employees **	2018	\$ 347,689	\$ 347,689	\$ -	\$ 2,301,054	15.11%
	2017	283,365	283,365	-	1,900,504	14.91%
	2016	242,475	242,475	-	1,626,256	14.91%
	2015	179,721	179,721	-	1,202,985	14.94%
	2014	117,887	117,887	-	843,431	13.98%
Tier 2 Public Safety and Firefighter **	2018	\$ 123,400	\$ 123,400	\$ -	\$ 327,232	37.71%
	2017	71,661	71,661	-	201,125	35.63%
	2016	49,087	49,087	-	137,770	35.63%
	2015	28,274	28,274	-	79,243	35.68%
	2014	15,753	15,753	-	50,201	31.38%
Tier 2 Public Employees DC Only **	2018	\$ 17,566	\$ 17,566	\$ -	\$ 262,570	6.69%
	2017	13,735	13,735	-	205,314	6.69%
	2016	11,523	11,523	-	172,166	6.69%
	2015	9,546	9,546	-	142,059	6.72%
	2014	535	535	-	7,763	6.89%
Tier 2 Public Safety and Firefighter DC Only**	2018	\$ 11,934	\$ 11,934	\$ -	\$ 44,248	26.97%
	2017	10,511	10,511	-	42,113	24.96%
	2016	9,811	9,811	-	39,308	24.96%
	2015	4,262	4,262	-	15,840	26.91%
	2014	86	86	-	1,282	6.71%

* The 10-year schedule will be built prospectively. The schedule above provides the current year with prior numbers as available.

** Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 created July 1, 2011.

CITY OF BOUNTIFUL
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
LAST TEN FISCAL YEARS *

	Single-Employer OPEB Plan	
	6/30/2018	6/30/2017
Total OPEB Liability		
Service cost	\$ 23,350	\$ 13,514
Interest	3,689	10,558
Benefit changes	-	-
Difference between actual and expected experience	(17,813)	(133,788)
Assumption changes	-	(357,013)
Benefit payments	(41,841)	(63,739)
Net Change in Total OPEB Liability	\$ (32,615)	\$ (530,468)
Total OPEB Liability - Beginning	\$ 241,573	\$ 772,041
Total OPEB Liability - Ending (a)	\$ 208,958	\$ 241,573
Plan Fiduciary Net Position		
Contributions - member	\$ -	\$ -
Contributions - employer	-	-
Net investment income	7,321	8,878
Benefit payments	(45,511)	(63,739)
Refunds	-	(130,306)
Administrative expense	-	-
Net Change in Plan Fiduciary Net Position	\$ (38,190)	\$ (185,167)
Plan Fiduciary Net Position - Beginning	\$ 706,331	\$ 891,498
Plan Fiduciary Net Position - Ending (b)	\$ 668,141	\$ 706,331
Net OPEB Liability/(Asset) - Ending (a-b)	\$ (459,183)	\$ (464,758)
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Asset	319.75%	292.39%
Covered Employee Payroll	\$ 10,686,166	\$ 10,495,988
Net OPEB Asset as a Percentage of Covered Employee Payroll	-4.30%	-4.43%

* In accordance with paragraph 57.b of GASB 75, employers will need to disclose a 10 year history of the above listed items in their RSI. The 10-year schedule will be built prospectively.

**CITY OF BOUNTIFUL
SCHEDULE OF CONTRIBUTIONS - OPEB PLANS
LAST TEN FISCAL YEARS ***

Year Ended June 30,	Actuarial Determined Contributions**	Contributions in relation to the determined contrib.	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
2018	\$ -	\$ -	\$ -	\$ 10,686,166	0.00%
2017	\$ -	\$ -	\$ -	\$ 10,495,988	0.00%

* The 10-year schedule will be built prospectively.

** Due to the overfunded status of the plan, no actuarially determined contribution is recommended.

**CITY OF BOUNTIFUL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RSI)**

RSI NOTE 1 – PUBLIC SAFETY AGENT PENSION PLAN

Schedule of contributions

Methods and Assumptions used to Determine Contribution Rates:

Actuarial Cost Method.....	Entry Age Normal
Amortization Method.....	Level Percentage of Payroll
Amortization Period.....	Maximum 20-year period
Asset Valuation Method.....	5-year smoothed market
Investment Rate of Return..	6.95%
Inflation.....	2.50%
Salary increases.....	Composed of 2.50% inflation, plus 0.75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service
Mortality	Male: 110% of the 2017 PR UTAH Retiree Mortality Table for males, projected with scale AA from 2017. Female: 110% of the 2017 PR UTAH Retiree Mortality Table for females, projected with scale AA from 2017.

Other information:

The actuarially determined contribution rates determined by an actuarial valuation are effective for the fiscal year beginning 18 months after the valuation date. The Board certifies the contribution rates that employers are contractually required to contribute to the Retirement System. Per §49-11-301(5) of the Utah Code, if the funded ratio of the plan is less than 110%, then the Board is permitted to maintain the prior year's contribution rate if the actuarially determined contribution is lower. The Board has historically followed this policy.

RSI NOTE 2 – PENSION PLANS CHANGES IN ASSUMPTIONS

As a result of an experience study conducted as of December, 31, 2016, the URS Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumptions from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).

CITY OF BOUNTIFUL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RSI) – (Continued)

RSI NOTE 3 – OPEB PLAN SCHEDULE OF CONTRIBUTIONS

The actuarial valuation calculating the total net OPEB asset, deferred outflows and inflows of resources related to OPEB, OPEB expense, and the actuarially determined contributions for the year ended June 30, 2018, was determined using the following actuarial methods and assumptions:

<u>Methods and Assumptions used for the Actuarially Determined contributions:</u>							
Actuarial Cost Method.....	Entry Age Normal						
Amortization Method.....	Level Percentage of Payroll						
Amortization Period.....	11 year period as of June 30, 2018						
Investment Rate of Return....	1.50%						
Inflation.....	1.30%						
Mortality	RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015 (RPH-2015 table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2015 using MP-2015 improvement.)						
Health Care Trend Rates	<u>FYE</u>	<u>Medical</u>	<u>FYE</u>	<u>Medical</u>			
	2019	8.50%	2023	6.50%			
	2020	8.00%	2024	6.00%			
	2021	7.50%	2025	5.50%			
	2022	7.00%	2026+	5.00%			
Employee Turnover Rate	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>			
	25	5.29%	40	4.19%			
	30	5.07%	45	3.54%			
	35	4.70%					
Retirement Rate	Public Safety:				General Employees:		
	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
	45-49	30.00%	60-64	38.00%	45	3.50%	3.50%
	50-54	33.00%	65+	100.00%	50	2.50%	2.50%
	55-59	35.00%			55	22.00%	35.00%
					60	25.00%	40.00%
					65	50.00%	50.00%
					70+	100.00%	100.00%

SUPPLEMENTAL INFORMATION

**CITY OF BOUNTIFUL
SUPPLEMENTAL INFORMATION
INTRODUCTION**

This part of the City of Bountiful's Comprehensive Annual Financial Report (CAFR) presents breakout information for the nonmajor governmental funds, nonmajor enterprise funds, and internal service funds that are presented in aggregate as a single column in the basic financial statements.

Governments that prepare a CAFR must also present budgetary comparisons for other governmental funds with annual appropriated budgets. These budgetary comparisons take the form of individual fund schedules comparing each fund's original budget, final amended budget, and actual results for revenues and expenditures/expenses. This supplemental information section of the CAFR includes the budgetary schedules for those governmental funds whose budgetary comparison was not already included in the basic financial statements.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes. The City has the following nonmajor special revenue funds:

- Landfill Closure – to account for funds paid to the City in 1990 from several surrounding municipalities as a settlement of their estimated liability to aid in the closure and post-closure costs of the City’s landfill. This fund also accounts for any expenditures of those 1990 funds used in connection with closure or post-closure costs.
- RAP Tax – to account for collections and expenditures of the City’s Recreation, Arts, and Parks (RAP) sales tax levy.
- Municipal Building Authority (MBA) – to account for funds assigned for the designing and constructing costs of new governmental buildings as well as debt service expenditures on construction bonds. This fund also accounts for lease payments received from building tenants.
- Cemetery Perpetual Care – to account for perpetual care fees collected during the sale of cemetery plots. This fund also accounts for any expenditures of those perpetual care fees used to maintain the cemetery grounds upon complete sell-out of all cemetery plots.

Debt Service Fund

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

CITY OF BOUNTIFUL
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Special Revenue Fund				Debt Service	Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Municipal Building Authority	Cemetery Perpetual Care		
Assets						
Cash and cash equivalents	\$ -	\$ 31,744	\$ 53,268	\$ 288,150	\$ 3,056	\$ 376,218
Receivables:						
Taxes	-	104,014	-	-	-	104,014
Accounts - net	-	-	-	20	-	20
Interest	-	587	987	5,332	56	6,962
Investments	-	175,296	294,152	1,591,198	16,874	2,077,520
Restricted assets:						
Cash and cash equivalents	841,957	-	-	-	-	841,957
Total Assets	<u>\$ 841,957</u>	<u>\$ 311,641</u>	<u>\$ 348,407</u>	<u>\$ 1,884,700</u>	<u>\$ 19,986</u>	<u>\$ 3,406,691</u>
Liabilities						
Unearned revenue	\$ -	\$ -	\$ 168,875	\$ -	\$ -	\$ 168,875
Total Liabilities	<u>-</u>	<u>-</u>	<u>168,875</u>	<u>-</u>	<u>-</u>	<u>168,875</u>
Fund Balances						
Restricted	841,957	-	-	-	-	841,957
Committed	-	-	-	1,884,700	-	1,884,700
Assigned	-	311,641	179,532	-	19,986	511,159
Total Fund Balances	<u>841,957</u>	<u>311,641</u>	<u>179,532</u>	<u>1,884,700</u>	<u>19,986</u>	<u>3,237,816</u>
Total Liabilities and Fund Balance	<u>\$ 841,957</u>	<u>\$ 311,641</u>	<u>\$ 348,407</u>	<u>\$ 1,884,700</u>	<u>\$ 19,986</u>	<u>\$ 3,406,691</u>

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2018

	Special Revenue Fund				Debt Service	Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Municipal Building Authority	Cemetery Perpetual Care		
Revenues						
Sales taxes	\$ -	\$ 550,203	\$ -	\$ -	\$ -	\$ 550,203
Charges for services	-	-	168,875	-	-	168,875
Investment earnings	15,195	5,109	4,062	18,648	204	43,218
Miscellaneous	-	-	-	84,260	-	84,260
Total Revenues	<u>15,195</u>	<u>555,312</u>	<u>172,937</u>	<u>102,908</u>	<u>204</u>	<u>846,556</u>
Expenditures						
General government	-	82,763	335	1,177	128	84,403
Total Expenditures	<u>-</u>	<u>82,763</u>	<u>335</u>	<u>1,177</u>	<u>128</u>	<u>84,403</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,195</u>	<u>472,549</u>	<u>172,602</u>	<u>101,731</u>	<u>76</u>	<u>762,153</u>
Other Financing Sources (Uses)						
Transfer in	-	-	-	1,458,000	-	1,458,000
Transfer out	-	(474,855)	-	-	-	(474,855)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(474,855)</u>	<u>-</u>	<u>1,458,000</u>	<u>-</u>	<u>983,145</u>
Changes in Fund Balance	15,195	(2,306)	172,602	1,559,731	76	1,745,298
Fund Balance, Beginning	<u>826,762</u>	<u>313,947</u>	<u>6,930</u>	<u>324,969</u>	<u>19,910</u>	<u>1,492,518</u>
Fund Balance, Ending	<u>\$ 841,957</u>	<u>\$ 311,641</u>	<u>\$ 179,532</u>	<u>\$ 1,884,700</u>	<u>\$ 19,986</u>	<u>\$ 3,237,816</u>

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL –NONMAJOR LANDFILL CLOSURE FUND
For The Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ -	\$ -	\$ 15,195	\$ 15,195
Total Revenues	<u>-</u>	<u>-</u>	<u>15,195</u>	<u>15,195</u>
Expenditures				
General government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>15,195</u>	<u>15,195</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>15,195</u>	<u>\$ 15,195</u>
Fund Balance, Beginning			<u>826,762</u>	
Fund Balance, Ending			<u>\$ 841,957</u>	

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL –NONMAJOR RAP TAX
SPECIAL REVENUE FUND
For The Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales taxes	\$ 532,000	\$ 532,000	\$ 550,203	\$ 18,203
Investment earnings	2,000	2,000	5,109	3,109
Total Revenues	<u>534,000</u>	<u>534,000</u>	<u>555,312</u>	<u>21,312</u>
Expenditures				
General government	625	625	458	167
Special Projects	58,520	58,520	-	58,520
RAP Tax Grant Award Payments	-	24,000	82,305	(58,305)
Total Expenditures	<u>59,145</u>	<u>83,145</u>	<u>82,763</u>	<u>382</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>474,855</u>	<u>450,855</u>	<u>472,549</u>	<u>21,694</u>
Other Financing Sources (Uses)				
Transfer out	(474,855)	(474,855)	(474,855)	-
Total Other Financing Sources (Uses)	<u>(474,855)</u>	<u>(474,855)</u>	<u>(474,855)</u>	<u>-</u>
Net Change in Fund Balance *	<u>\$ -</u>	<u>\$ (24,000)</u>	<u>(2,306)</u>	<u>\$ 21,694</u>
Fund Balance, Beginning			<u>313,947</u>	
Fund Balance, Ending			<u>\$ 311,641</u>	

* The net change in fund balance was included in the budget as an appropriation (i.e., spend down) of fund balance.

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – NONMAJOR MUNICIPAL BUILDING
AUTHORITY SPECIAL REVENUE FUND
For The Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 168,875	\$ 168,875	\$ 168,875	\$ -
Investment earnings	1,440	1,590	4,062	2,472
Total Revenues	<u>170,315</u>	<u>170,465</u>	<u>172,937</u>	<u>2,472</u>
Expenditures				
General government	192	342	335	7
Total Expenditures	<u>192</u>	<u>342</u>	<u>335</u>	<u>7</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>170,123</u>	<u>170,123</u>	<u>172,602</u>	<u>2,479</u>
Net Change in Fund Balance *	<u>\$ 170,123</u>	<u>\$ 170,123</u>	<u>172,602</u>	<u>\$ 2,479</u>
Fund Balance, Beginning			<u>6,930</u>	
Fund Balance, Ending			<u>\$ 179,532</u>	

* The net change in fund balance was intended to increase fund balance.

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – NONMAJOR CEMETERY PERPETUAL
CARE SPECIAL REVENUE FUND
For The Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ -	\$ 1,500	\$ 18,648	\$ 17,148
Miscellaneous	-	-	84,260	84,260
Total Revenues	<u>-</u>	<u>1,500</u>	<u>102,908</u>	<u>101,408</u>
Expenditures				
General government	-	1,500	1,177	323
Total Expenditures	<u>-</u>	<u>1,500</u>	<u>1,177</u>	<u>323</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>101,731</u>	<u>101,731</u>
Other Financing Sources (Uses)				
Transfer in	-	-	1,458,000	1,458,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,458,000</u>	<u>1,458,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,559,731</u>	<u>\$ 1,559,731</u>
Fund Balance, Beginning			<u>324,969</u>	
Fund Balance, Ending			<u>\$ 1,884,700</u>	

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – NONMAJOR DEBT SERVICE FUND
For The Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 115	\$ 135	\$ 204	\$ 69
Total Revenues	<u>115</u>	<u>135</u>	<u>204</u>	<u>69</u>
Expenditures				
General government	115	135	128	7
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>115</u>	<u>135</u>	<u>128</u>	<u>7</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>76</u>	<u>76</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>76</u>	<u>\$ 76</u>
Fund Balance, Beginning			<u>19,910</u>	
Fund Balance, Ending			<u>\$ 19,986</u>	

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – MAJOR CAPITAL PROJECTS FUND
For The Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales taxes	\$ 3,654,675	\$ 3,654,875	\$ 5,335,768	\$ 1,680,893
Investment earnings	250,000	250,000	261,699	11,699
Miscellaneous	11,999	11,999	8,025	(3,974)
Total Revenues	<u>3,916,674</u>	<u>3,916,874</u>	<u>5,605,492</u>	<u>1,688,618</u>
Expenditures				
General Government:				
Finance	17,640	17,840	17,839	1
Capital outlay:				
General Government:				
Legislative	6,675,000	6,675,000	77,844	6,597,156
Information Systems	40,000	40,000	40,000	-
Public Safety:				
Police	443,000	443,000	385,326	57,674
Highways and Streets	1,499,560	1,499,560	1,378,308	121,252
Parks	1,000,000	1,000,000	871,389	128,611
Total Expenditures	<u>9,675,200</u>	<u>9,675,400</u>	<u>2,770,706</u>	<u>6,904,694</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,758,526)</u>	<u>(5,758,526)</u>	<u>2,834,786</u>	<u>8,593,312</u>
Other Financing Sources (Uses)				
Transfer in	474,855	474,855	474,855	-
Transfer out	-	-	(1,496,093)	(1,496,093)
Total Other Financing Sources (Uses)	<u>474,855</u>	<u>474,855</u>	<u>(1,021,238)</u>	<u>(1,496,093)</u>
Net Change in Fund Balance *	<u>\$ (5,283,671)</u>	<u>\$ (5,283,671)</u>	<u>1,813,548</u>	<u>\$ 7,097,219</u>
Fund Balance, Beginning			<u>27,185,117</u>	
Fund Balance, Ending			<u>\$ 28,998,665</u>	

* The net change in fund balance was included in the budget as an appropriation (i.e., spend down) of fund balance.

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are distinguished generally by fees or charges set to recover the cost to provide the goods and services. The City has the following nonmajor enterprise funds:

- Storm Water – to account for monthly storm water charges collected to cover the cost to install and maintain storm drain infrastructure throughout the City. This fund also accounts for any use of those storm water charges in connection with storm drain installation and maintenance.
- Golf Course – to account for the admission and user fees charged in connection with the City’s 18-hole golf course. This fund also accounts for any operating and capital expenses incurred to provide the golf services.
- Recycling – to account for the monthly recycling charges and monthly costs to pay the third-party recycling contractor.
- Cemetery – to account for the sale of cemetery plots and interment fees collected to cover the costs associated with such services. This fund also accounts for any operating and capital expenses incurred to provide these services.

CITY OF BOUNTIFUL
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2018

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Assets					
Current Assets:					
Cash and cash equivalents	\$ 281,193	\$ 227,674	\$ 8,477	\$ 93,543	\$ 610,887
Accounts receivable, net	207,474	-	40,395	27,133	275,002
Interest receivable	6,765	5,583	316	1,733	14,397
Investments	2,023,160	1,586,327	46,815	516,557	4,172,859
Inventories	-	66,496	-	-	66,496
Total Current Assets	2,518,592	1,886,080	96,003	638,966	5,139,641
Noncurrent Assets:					
Restricted assets:					
Cash and cash equivalents	85,180	60,493	-	-	145,673
Net other postemployment benefits asset	5,522	13,804	-	8,282	27,608
Net pension asset	71	108	-	46	225
Capital assets, net:					
Land, land rights and water rights	-	1,997,619	-	5,198,189	7,195,808
Buildings, wells and reservoirs	182,101	333,428	-	-	515,529
Improvements other than buildings	-	379,805	-	392,247	772,052
Power & water transmission, distribution, and collection infrastructure	3,786,686	-	-	-	3,786,686
Machinery and equipment	445,148	261,148	-	75,968	782,264
Total Noncurrent Assets	4,504,708	3,046,405	-	5,674,732	13,225,845
Total Assets	7,023,300	4,932,485	96,003	6,313,698	18,365,486
Deferred Outflows of Resources					
Pensions	78,835	120,525	-	50,590	249,950
Other postemployment benefits	386	965	-	579	1,930
Total Deferred Outflows	79,221	121,490	-	51,169	251,880
Total Assets and Deferred Outflows	\$ 7,102,521	\$ 5,053,975	\$ 96,003	\$ 6,364,867	\$ 18,617,366

CITY OF BOUNTIFUL
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Continued)
June 30, 2018

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Liabilities					
Current Liabilities:					
Accounts payable	\$ 80,090	\$ 19,211	\$ 33,753	\$ 1,290	\$ 134,344
Accrued liabilities	18,552	53,096	-	11,570	83,218
Retainage payable - restricted assets	12,816	-	-	-	12,816
Unearned revenue - restricted assets	-	60,493	-	-	60,493
Compensated absences	3,212	14,539	-	12,295	30,046
Total Current Liabilities	114,670	147,339	33,753	25,155	320,917
Noncurrent Liabilities:					
Developer and customer deposits - restricted assets	72,364	-	-	-	72,364
Compensated absences	6,304	53,167	-	15,575	75,046
Net pension liability	91,535	139,941	-	58,740	290,216
Total Noncurrent Liabilities	170,203	193,108	-	74,315	437,626
Total Liabilities	284,873	340,447	33,753	99,470	758,543
Deferred Inflows of Resources					
Pensions	65,848	100,671	-	42,256	208,775
Other postemployment benefits	4,135	10,339	-	6,203	20,677
Total Deferred Inflows	69,983	111,010	-	48,459	229,452
Net Position					
Net investment in capital assets	4,413,935	2,972,000	-	5,666,404	13,052,339
Restricted:					
Pensions	71	108	-	46	225
Other postemployment benefits	1,773	4,430	-	2,658	8,861
Unrestricted	2,331,886	1,625,980	62,250	547,830	4,567,946
Total Net Position	6,747,665	4,602,518	62,250	6,216,938	17,629,371
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 7,102,521	\$ 5,053,975	\$ 96,003	\$ 6,364,867	\$ 18,617,366

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For The Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Operating Revenues					
Charges for services	\$ 1,611,518	\$ -	\$ 419,927	\$ 377,025	\$ 2,408,470
Admissions and lesson fees	-	786,622	-	-	786,622
Equipment and facility rents	-	353,488	-	3,901	357,389
Concession and merchandise sales	-	224,760	-	-	224,760
Sale of cemetery burial plots	-	-	-	286,560	286,560
Miscellaneous	3,715	2,654	-	1,650	8,019
Total Operating Revenues	1,615,233	1,367,524	419,927	669,136	4,071,820
Operating Expenses					
Personnel wages and benefits	424,434	725,362	-	287,945	1,437,741
Materials and supplies	6,726	166,724	-	6,607	180,057
Repair and maintenance costs	118,857	249,445	-	81,115	449,417
Contractual and professional services	75,686	8,062	398,988	254	482,990
General and administrative costs	148,103	267,334	76,469	93,343	585,249
Depreciation	320,544	151,815	-	45,547	517,906
Total Operating Expenses	1,094,350	1,568,742	475,457	514,811	3,653,360
Operating Income (Loss)	\$ 520,883	\$ (201,218)	\$ (55,530)	\$ 154,325	\$ 418,460

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Nonoperating Revenues (Expenses)					
Investment earnings	\$ 19,058	\$ 18,851	\$ 1,200	\$ 4,474	\$ 43,583
Gain (loss) from sale of capital assets	(681)	(1,000)	-	(9,370)	(11,051)
Total Nonoperating Revenues (Expenses)	18,377	17,851	1,200	(4,896)	32,532
Income (loss) before contributions & transfers	539,260	(183,367)	(54,330)	149,429	450,992
Capital contributions	40,710	-	-	3,507	44,217
Transfers in	-	-	-	38,093	38,093
Changes in Net Position	579,970	(183,367)	(54,330)	191,029	533,302
Net Position, Beginning	6,167,695	4,785,885	116,580	6,025,909	17,096,069
Net Position, Ending	\$ 6,747,665	\$ 4,602,518	\$ 62,250	\$ 6,216,938	\$ 17,629,371

CITY OF BOUNTIFUL
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For The Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Cash Flows From Operating Activities					
Receipts from customers and users	\$ 1,593,313	\$ 1,367,524	\$ 415,310	\$ 665,647	\$ 4,041,794
Receipts from customer deposits	41,500	-	-	-	41,500
Payments to suppliers	(208,554)	(560,032)	(474,263)	(101,265)	(1,344,114)
Payments to employees and related benefits	(438,113)	(743,121)	-	(294,713)	(1,475,947)
Payments to other funds for services provided	(130,929)	(132,997)	-	(74,990)	(338,916)
Return of customer deposits	(4,000)	-	-	-	(4,000)
Net cash flows from operating activities	<u>853,217</u>	<u>(68,626)</u>	<u>(58,953)</u>	<u>194,679</u>	<u>920,317</u>
Cash Flows From Non-Capital Financing Activities					
Transfers from other funds	-	-	-	38,093	38,093
Net cash flows from non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,093</u>	<u>38,093</u>
Cash Flows From Capital and Related Financing					
Capital contributions received	19,662	-	-	3,507	23,169
Purchase of capital assets	(366,065)	(53,600)	-	(74,093)	(493,758)
Net cash flows from capital and related financing activities	<u>(346,403)</u>	<u>(53,600)</u>	<u>-</u>	<u>(70,586)</u>	<u>(470,589)</u>
Cash Flows From Investing Activities					
Investment earnings	37,806	35,401	2,138	9,157	84,502
Purchase of investments	(1,064,581)	(529,875)	(15,637)	(312,395)	(1,922,488)
Sale of investments	541,504	538,472	60,030	138,258	1,278,264
Net cash flows from investing activities	<u>(485,271)</u>	<u>43,998</u>	<u>46,531</u>	<u>(164,980)</u>	<u>(559,722)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	21,543	(78,228)	(12,422)	(2,794)	(71,901)
Cash and Cash Equivalents, Beginning	344,830	366,395	20,899	96,337	828,461
Cash and Cash Equivalents, Ending	<u>\$ 366,373</u>	<u>\$ 288,167</u>	<u>\$ 8,477</u>	<u>\$ 93,543</u>	<u>\$ 756,560</u>

CITY OF BOUNTIFUL
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Fiscal Year Ended June 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>				Total Nonmajor Enterprise Funds
	<u>Storm Water</u>	<u>Golf Course</u>	<u>Recycling</u>	<u>Cemetery</u>	
Reconciliation of operating income to net cash flows from operating activities					
Earnings (loss) from operations	\$ 520,883	\$ (201,218)	\$ (55,530)	\$ 154,325	\$ 418,460
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:					
Depreciation	320,544	151,815	-	45,547	517,906
Changes in assets and liabilities					
Accounts receivable, net	(21,920)	-	(4,617)	(3,489)	(30,026)
Inventories	-	(3,472)	-	-	(3,472)
Other postemployment benefits asset	67	167	-	101	335
Net pension asset	(28)	(43)	-	(19)	(90)
Deferred outflows - pensions	(2,935)	(4,487)	-	(1,883)	(9,305)
Deferred outflows - OPEB	91	227	-	136	454
Accounts payable	(1,312)	(10,457)	1,194	(84)	(10,659)
Accrued liabilities	2,433	4,469	-	1,287	8,189
Retainage payable	8,768	-	-	(30)	8,738
Unearned revenue	-	(3,356)	-	-	(3,356)
Developer and customer deposits	37,500	-	-	-	37,500
Compensated absences	(4,694)	7,633	-	3,158	6,097
Deferred inflows - pensions	44,988	68,780	-	28,870	142,638
Deferred inflows - OPEB	(471)	(1,176)	-	(706)	(2,353)
Net pension liability	(50,697)	(77,508)	-	(32,534)	(160,739)
Net cash flows from operating activities	<u>\$ 853,217</u>	<u>\$ (68,626)</u>	<u>\$ (58,953)</u>	<u>\$ 194,679</u>	<u>\$ 920,317</u>
Schedule of non-cash capital and related financing activities					
Contributions of capital assets	\$ 21,048	\$ -	\$ -	\$ -	\$ 21,048

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the services provided by an internal service fund to other departments of the City on a cost-reimbursement basis. The City has the following internal service funds:

- Risk Management – this fund’s primary purpose is to provide general liability immunity services for City operations covering costs of claims and insurance policies. The City is self-insured up to \$350,000 with an excess insurance policy covering from \$350,000 up to \$10,000,000. This fund accounts for monthly interfund charges estimated to cover the cost to of insurance, claims, and other operating costs associated with City operational risk mitigation. This fund also accounts for any operating costs incurred to provide the risk mitigation services.
- Workers’ Compensation Self-Insurance – this fund’s primary purpose is to provide employee compensation for work-related injuries. The City is self-insured up to \$450,000 for workers’ compensation claims with and excess insurance policy covering from \$450,000 to \$1,000,000. This fund accounts for monthly interfund charges estimated to cover the cost to of insurance, claims, and other operating costs associated with workers’ compensation. This fund also accounts for any operating and capital expenses incurred to provide the workers’ compensation services.

CITY OF BOUNTIFUL
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2018

	<u>Risk Management</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 300,727	\$ 254,643	\$ 555,370
Interest receivable	5,562	3,961	9,523
Investments	1,660,652	1,182,515	2,843,167
Other receivables	-	10,176	10,176
Total Current Assets	<u>1,966,941</u>	<u>1,451,295</u>	<u>3,418,236</u>
Noncurrent Assets			
Restricted cash and cash equivalents	521,853	-	521,853
Restricted net pension asset	20	12	32
Total Noncurrent Assets	<u>521,873</u>	<u>12</u>	<u>521,885</u>
Total Assets	<u>2,488,814</u>	<u>1,451,307</u>	<u>3,940,121</u>
Deferred Outflows of Resources			
Pensions	22,714	13,541	36,255
Total Deferred Outflows	<u>22,714</u>	<u>13,541</u>	<u>36,255</u>
Total Assets and Deferred Outflows	<u>\$ 2,511,528</u>	<u>\$ 1,464,848</u>	<u>\$ 3,976,376</u>
Liabilities			
Current Liabilities			
Accounts payable	\$ 6,511	\$ 63,636	\$ 70,147
Accrued liabilities	3,192	2,211	5,403
Total Current Liabilities	<u>9,703</u>	<u>65,847</u>	<u>75,550</u>
Noncurrent Liabilities			
Net pension liability	26,373	15,722	42,095
Total Noncurrent Liabilities	<u>26,373</u>	<u>15,722</u>	<u>42,095</u>
Total Liabilities	<u>36,076</u>	<u>81,569</u>	<u>117,645</u>
Deferred Inflows of Resources			
Pensions	18,972	11,310	30,282
Total Deferred Inflows	<u>18,972</u>	<u>11,310</u>	<u>30,282</u>
Net Position			
Restricted:			
Regulatory required deposit	521,853	-	521,853
Pensions	20	12	32
Unrestricted	1,934,607	1,371,957	3,306,564
Total Net Position	<u>2,456,480</u>	<u>1,371,969</u>	<u>3,828,449</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 2,511,528</u>	<u>\$ 1,464,848</u>	<u>\$ 3,976,376</u>

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
For The Fiscal Year Ended June 30, 2018

	<u>Risk Management</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Operating Revenues			
Charges for services	\$ 348,841	\$ 258,091	\$ 606,932
Miscellaneous	84	-	84
Total Operating Revenues	<u>348,925</u>	<u>258,091</u>	<u>607,016</u>
Operating Expenses			
Personnel wages and benefits	77,118	54,319	131,437
Contractual and professional services	264	5,239	5,503
General and administrative costs	351,417	67,951	419,368
Claims	28,021	69,895	97,916
Total Operating Expenses	<u>456,820</u>	<u>197,404</u>	<u>654,224</u>
Operating Income (Loss)	<u>(107,895)</u>	<u>60,687</u>	<u>(47,208)</u>
Nonoperating Revenues (Expense)			
Investment earnings	21,673	13,798	35,471
Total Nonoperating Revenues (Expense)	<u>21,673</u>	<u>13,798</u>	<u>35,471</u>
Changes in Net Position	(86,222)	74,485	(11,737)
Net Position, Beginning	<u>2,542,702</u>	<u>1,297,484</u>	<u>3,840,186</u>
Net Position, Ending	<u>\$ 2,456,480</u>	<u>\$ 1,371,969</u>	<u>\$ 3,828,449</u>

**CITY OF BOUNTIFUL
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Fiscal Year Ended June 30, 2018**

	Risk Management	Workers' Compensation Self-Insurance	Total Internal Service Funds
Cash Flows From Operating Activities			
Receipts from interfund charges	\$ 348,925	\$ 256,054	\$ 604,979
Payments to suppliers	(379,279)	(151,793)	(531,072)
Payments to employees and related benefits	(80,038)	(55,118)	(135,156)
Net cash flows from operating activities	(110,392)	49,143	(61,249)
Cash Flows From Investing Activities			
Interest on investments	38,327	25,398	63,725
Purchase of investments	(554,701)	(409,103)	(963,804)
Sale of investments	549,177	316,503	865,680
Net cash flows from investing activities	32,803	(67,202)	(34,399)
Net Increase (Decrease) In Cash and Cash Equivalents	(77,589)	(18,059)	(95,648)
Cash and Cash Equivalents, Beginning	900,169	272,702	1,172,871
Cash and Cash Equivalents, Ending	\$ 822,580	\$ 254,643	\$ 1,077,223
Reconciliation of operating income to net cash flows from operating activities			
Earnings (loss) from operations	\$ (107,895)	\$ 60,687	\$ (47,208)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:			
Changes in assets and liabilities			
Accounts receivable	-	(2,037)	(2,037)
Accounts payable	(338)	(8,971)	(9,309)
Accrued liabilities	340	954	1,294
Net pension asset	(8)	(5)	(13)
Deferred outflows - pensions	(846)	(504)	(1,350)
Deferred inflows - pensions	12,962	7,727	20,689
Net pension liability	(14,607)	(8,708)	(23,315)
Net cash flows from operating activities	\$ (110,392)	\$ 49,143	\$ (61,249)

STATISTICAL SECTION

**CITY OF BOUNTIFUL
STATISTICAL SECTION
INTRODUCTION
(Unaudited)**

This part of the City of Bountiful's Comprehensive Annual Financial Report presents detailed information to aid the reader in understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial picture.

Contents

Financial Trend Data (tables 1-4)

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity Data (tables 5-10)

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity Data (tables 11-15)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.

Demographic and Economic Information (tables 16-17)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information (tables 18-20)

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

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CITY OF BOUNTIFUL
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Table 1

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net investment in capital assets	\$ 74,805,745	\$ 74,693,798	\$ 74,336,121	\$ 74,200,188	\$ 74,103,304	\$ 77,753,067	\$ 81,472,401	\$ 82,121,939	\$ 81,356,410	\$ 81,135,964
Restricted	3,558,657	4,227,165	4,228,147	4,257,860	3,663,738	3,393,773	3,112,341	1,671,755	1,463,046	1,457,025
Unrestricted	43,182,100	45,175,673	46,140,668	40,243,806	44,932,661	44,081,459	36,157,946	40,132,172	36,802,950	42,218,254
Total governmental activities net position	\$ 121,546,502	\$ 124,096,636	\$ 124,704,936	\$ 118,701,854	\$ 122,699,703	\$ 125,228,299	\$ 120,742,688	\$ 123,925,866	\$ 119,622,406	\$ 124,811,243
Business-type Activities										
Net investment in capital assets	\$ 47,821,640	\$ 45,629,028	\$ 40,191,046	\$ 53,747,875	\$ 52,073,365	\$ 50,089,185	\$ 49,827,165	\$ 65,576,188	\$ 70,987,081	\$ 78,825,694
Restricted	-	561,509.00	7,372,346.00	981,919	537,775	538,343	543,050	548,086	616,883	618,702
Unrestricted	35,401,301	38,730,430	42,368,839	48,579,751	53,111,351	58,237,995	59,483,812	47,268,834	48,610,993	45,475,180
Total business-type activities net position	\$ 83,222,941	\$ 84,920,967	\$ 89,932,231	\$ 103,309,545	\$ 105,722,491	\$ 108,865,523	\$ 109,854,027	\$ 113,393,108	\$ 120,214,957	\$ 124,919,576
Primary Government										
Net investment in capital assets	\$ 122,627,385	\$ 120,322,826	\$ 114,527,167	\$ 127,948,063	\$ 126,176,669	\$ 127,842,252	\$ 131,299,566	\$ 147,698,127	\$ 152,343,491	\$ 159,961,658
Restricted	3,558,657	4,788,674	11,600,493	5,239,779	4,201,513	3,932,116	3,655,391	2,219,841	2,079,929	2,075,727
Unrestricted	78,583,401	83,906,103	88,509,507	88,823,557	98,044,012	102,319,454	95,641,758	87,401,006	85,413,943	87,693,434
Total primary government net position	\$ 204,769,443	\$ 209,017,603	\$ 214,637,167	\$ 222,011,399	\$ 228,422,194	\$ 234,093,822	\$ 230,596,715	\$ 237,318,974	\$ 239,837,363	\$ 249,730,819

CITY OF BOUNTIFUL
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Table 2

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Government Activities:										
General governmental	\$ 3,417,691	\$ 3,388,685	\$ 3,503,127	\$ 3,289,872	\$ 3,581,400	\$ 4,252,481	\$ 3,437,814	\$ 3,341,296	\$ 7,192,448	\$ 3,016,861
Public safety (1)	8,463,184	8,506,721	8,387,664	8,514,389	9,000,597	8,960,236	9,375,233	9,866,805	12,489,219	9,472,327
Highways and streets	4,455,182	3,999,039	3,748,318	3,475,552	4,067,275	3,979,845	3,984,340	4,063,869	4,897,436	4,425,284
Planning and engineering	1,011,654	943,285	971,209	981,570	1,022,280	884,133	745,669	731,941	867,524	859,976
Parks	1,078,688	933,052	954,307	937,703	1,003,832	1,002,463	1,067,132	1,065,934	1,244,612	1,219,344
Redevelopment	639,800	685,492	841,626	707,565	600,355	601,424	1,371,281	251,093	204,313	253,521
Interest on long-term debt	282,736	241,190	198,454	144,060	102,623	19,760	26,339	10,817	9,638	-
Total governmental activities expenses	19,348,935	18,697,464	18,604,705	18,050,711	19,378,362	19,700,342	20,007,808	19,331,755	26,905,190	19,247,313
Business-type Activities:										
Water	3,593,952	3,131,777	3,309,367	3,234,152	3,371,663	3,597,648	3,494,082	3,631,578	3,869,619	3,818,230
Light and Power	21,282,022	20,557,495	20,837,040	21,895,461	23,015,562	22,924,477	23,688,812	22,315,745	23,243,493	24,157,027
Landfill and Sanitation	925,116	1,064,299	969,710	1,087,508	1,108,510	1,984,027	2,003,479	1,937,430	2,165,326	2,382,296
Storm Water	1,071,562	1,104,270	1,203,429	1,577,577	971,430	1,148,856	868,856	912,170	1,004,376	1,094,184
Golf Course	1,267,184	1,311,614	1,314,964	1,378,763	1,404,462	1,584,534	1,483,707	1,467,338	1,540,593	1,569,171
Recreation (2)	7,454	-	-	-	-	-	-	-	-	-
Recycling (3)	-	432,863	442,247	455,047	471,210	407,891	368,091	377,577	402,793,00	475,457.00
Sanitation (4)	855,234	841,277	806,551	773,031	802,742	-	-	-	-	-
Cemetery	370,211	352,574	348,443	328,892	325,056	370,992	394,069	407,908	483,845	523,846
Total business-type activities expenses	29,372,735	28,796,169	29,231,751	30,730,431	31,470,635	32,018,425	32,301,096	31,049,746	32,710,045	34,020,211
Total primary government expenses	\$ 48,721,670	\$ 47,493,633	\$ 47,836,456	\$ 48,781,142	\$ 50,848,997	\$ 51,718,767	\$ 52,308,904	\$ 50,381,501	\$ 59,615,235	\$ 53,267,524
Program Revenues										
Government Activities:										
Charges for Services:										
General Government	\$ 2,987,909	\$ 2,056,902	\$ 2,117,142	\$ 2,291,021	\$ 2,349,674	\$ 2,401,070	\$ 1,574,521	\$ 1,063,736	\$ 1,201,472	\$ 1,072,202
Culture and recreation (5)	-	16,100.00	15,450.00	15,775	14,725	15,050	16,260	19,050	16,550	20,890
Other activities (5)	-	708,025.00	698,977.00	698,279	711,658	733,684	776,226	785,777	797,307	736,835
Operating Grants and Contributions	1,295,260	1,427,842	1,414,463	1,623,572	1,624,716	1,333,065	1,411,005	1,607,310	2,341,078	2,310,290
Capital Grants and Contributions	1,646,784	271,222	309,910	369,124	66,843	103,235	459,557	546,698	419,547	9,370
Total gov. activities program revenues	5,929,953	4,480,091	4,555,942	4,997,771	4,767,616	4,586,104	4,237,569	4,022,571	4,775,954	4,149,587
Business-type Activities:										
Charges for Services:										
Water	2,992,204	2,846,366	2,878,003	2,968,922	3,026,573	4,056,749	3,937,063	4,035,730	4,099,364	5,609,766
Light and Power	26,089,014	24,871,593	25,915,599	26,288,025	27,086,113	26,627,796	25,719,743	25,824,251	26,506,316	27,098,178
Landfill and Sanitation	1,130,734	963,000	981,201	1,027,577	1,015,014	2,188,751	2,337,975	2,141,057	2,174,640	2,615,459
Storm Water	894,317	893,876	900,375	901,122	907,515	909,566	1,101,803	1,159,092	1,379,679	1,611,518
Golf Course	1,344,182	1,274,847	1,286,092	1,451,909	1,473,679	1,468,023	1,446,847	1,380,724	1,379,892	1,364,870
Recycling (3)	-	442,336	447,835	463,550	482,335	423,248	376,751	382,605	418,230	419,927
Sanitation (4)	828,211	845,858	849,615	847,367	851,060	-	-	-	-	-
Cemetery	391,069	288,181	330,785	333,490	329,765	423,503	514,595	530,805	540,969	667,486
Capital grants and contributions	505,219	27,605	238,801	1,259,961	694,943	745,806	656,541	627,167	4,979,663	800,673
Total business-type act. program rev.	34,174,950	32,453,662	33,828,306	35,541,923	35,866,997	36,843,442	36,091,318	36,081,431	41,478,753	40,187,877
Total primary gov. program revenues	\$ 40,104,903	\$ 36,933,753	\$ 38,384,248	\$ 40,539,694	\$ 40,634,613	\$ 41,429,546	\$ 40,328,887	\$ 40,104,002	\$ 46,254,707	\$ 44,337,464
Net (expense)/revenue										
Governmental activities	\$ (13,418,982)	\$ (14,217,373)	\$ (14,048,763)	\$ (13,052,940)	\$ (14,610,746)	\$ (15,114,238)	\$ (15,770,239)	\$ (15,309,184)	\$ (22,129,236)	\$ (15,097,726)
Business-type activities	4,802,215	3,657,493	4,596,555	4,811,492	4,396,362	4,825,017	3,790,222	5,031,685	8,768,708	6,167,666
Total primary government net expense	\$ (8,616,767)	\$ (10,559,880)	\$ (9,452,208)	\$ (8,241,448)	\$ (10,214,384)	\$ (10,289,221)	\$ (11,980,017)	\$ (10,277,499)	\$ (13,360,528)	\$ (8,930,060)

- (1) The City transferred all public safety fire operations to the South Davis Metro Fire Agency January 1, 2005 (See Note 20).
- (2) Recreation activity was transferred to the South Davis Recreation District in the first quarter of 2007.
- (3) The Sanitation Department implemented a recycling initiative on December 1, 2008.
- (4) This fund was consolidated with the Landfill fund in fiscal year 2014.
- (5) This schedule's breakdown of Charges for Services began in fiscal year 2010.

CITY OF BOUNTIFUL
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Table 2 (continued)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 3,904,321	\$ 3,917,254	\$ 4,021,707	\$ 3,984,434	\$ 3,960,963	\$ 3,912,339	\$ 3,788,098	\$ 4,040,013	\$ 3,707,397	\$ 3,617,496
Sales taxes	6,159,989	5,761,400	5,813,476	6,210,568	6,456,991	6,782,369	7,134,825	7,623,749	7,877,935	8,248,442
Franchise taxes	3,969,294	3,864,173	4,172,300	3,608,703	4,008,695	3,945,634	3,681,671	3,664,256	3,770,244	3,782,565
Interest on investments	1,241,243	662,978	616,299	634,846	554,481	504,405	498,436	587,417	566,395	551,096
Miscellaneous	284,854	372,031	198,008	256,859	70,866	102,499	153,874	198,791	232,739	189,540
Gain (loss) on sale of capital assets	377,136.00	592	5,510	-	-	-	66,376.00	21,178	43,644	94,356
Transfers	2,902,051	2,189,079	(170,237)	(7,645,552)	2,314,400	2,395,588	2,164,845	2,356,958	2,357,317	2,414,344
Total governmental activities	18,838,888	16,767,507	14,657,063	7,049,858	17,366,396	17,642,834	17,488,125	18,492,362	18,555,671	18,897,839
Business-type Activities:										
Interest on investments	547,987	221,148	227,931	357,386	400,606	365,492	436,633	579,854	533,388	555,260
Gain (loss) on sale of capital assets	-	8,464.00	16,541.00	17,054	26,016	43,569	28,229	1,135	400	111,436
Special items/Miscellaneous	-	-	-	545,830.00	280,604.00	304,542.00	299,601	283,365	241,449	284,601
Transfers	(2,902,051)	(2,189,079)	170,237	7,645,552	(2,314,400)	(2,395,588)	(2,164,845)	(2,356,958)	(2,357,317)	(2,414,344)
Total business-type activities	(2,354,064)	(1,959,467)	414,709	8,565,822	(1,607,174)	(1,681,985)	(1,400,382)	(1,492,604)	(1,582,080)	(1,463,047)
Total primary government	\$ 16,484,824	\$ 14,808,040	\$ 15,071,772	\$ 15,615,680	\$ 15,759,222	\$ 15,960,849	\$ 16,087,743	\$ 16,999,758	\$ 16,973,591	\$ 17,434,792
Change in net position										
Governmental activities	\$ 5,419,906	\$ 2,550,134	\$ 608,300	\$ (6,003,082)	\$ 2,755,650	\$ 2,528,596	\$ 1,717,886	\$ 3,183,178	\$ (3,573,565)	\$ 3,800,113
Business-type activities	2,448,151	1,698,026	5,011,264	13,377,314	2,789,188	3,143,032	2,389,840	3,539,081	7,186,628	4,704,619
Total primary government	\$ 7,868,057	\$ 4,248,160	\$ 5,619,564	\$ 7,374,232	\$ 5,544,838	\$ 5,671,628	\$ 4,107,726	\$ 6,722,259	\$ 3,613,063	\$ 8,504,732

Information from Basic Financial Statements, Government-wide Financial Statement of Activities.

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

	Fiscal Year									
	2009	2010	2011 *	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 52,470.00	\$ 22,000.00								
Unreserved	2,206,184	2,224,136								
Nonspendable			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted			48,000	66,133	84,734	87,637	84,588	51,134	38,784	-
Assigned			66,476	65,325	35,526	23,887	102	12,064	18,112	37,662
Unassigned			2,184,161	2,177,026	2,448,175	3,215,001	3,337,417	3,462,187	3,386,791	3,205,350
Total General Fund	<u>\$ 2,258,654</u>	<u>\$ 2,246,136</u>	<u>\$ 2,298,637</u>	<u>\$ 2,308,484</u>	<u>\$ 2,568,435</u>	<u>\$ 3,326,525</u>	<u>\$ 3,422,107</u>	<u>\$ 3,525,385</u>	<u>\$ 3,443,687</u>	<u>\$ 3,243,012</u>
All other governmental funds										
Reserved	\$ 2,993,891	\$ 2,789,611								
Unreserved, reported in:										
Capital projects funds	30,637,462	32,917,208								
Special revenue funds	4,469,424	4,697,785								
Debt service funds	-	-								
Nonspendable			\$ 558,358	\$ 558,358	\$ 558,358	\$ 558,358	\$ -	\$ -	\$ -	\$ -
Restricted			2,872,483	2,970,415	3,060,490	2,787,116	2,508,167	1,100,305	826,762	841,957
Committed			-	-	-	-	-	1,734,687	324,969	1,884,700
Assigned			37,903,826	31,475,159	34,606,690	32,658,253	32,199,536	35,544,447	36,245,936	38,734,766
Unassigned			-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 38,100,777</u>	<u>\$ 40,404,604</u>	<u>\$ 41,334,667</u>	<u>\$ 35,003,932</u>	<u>\$ 38,225,538</u>	<u>\$ 36,003,727</u>	<u>\$ 34,707,703</u>	<u>\$ 38,379,439</u>	<u>\$ 37,397,667</u>	<u>\$ 41,461,423</u>

* In fiscal year 2011 Bountiful City implemented GASB 54 which redefined the categories of fund balances.

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes (see Table 5)	\$ 14,010,011	\$ 13,543,395	\$ 13,946,931	\$ 13,897,818	\$ 14,328,306	\$ 14,640,342	\$ 14,604,594	\$ 15,328,018	\$ 15,355,576	\$ 15,648,503
Licenses and permits	534,007	403,274	400,355	581,680	593,746	668,595	639,203	538,070	679,439	607,561
Intergovernmental	1,370,892	1,491,961	1,483,621	1,696,203	1,624,716	1,333,065	1,411,005	1,607,310	2,341,078	2,399,903
Charges for services	2,314,094	2,199,089	2,322,989	2,173,073	2,431,034	2,337,365	1,577,584	1,178,991	1,207,577	1,102,127
Fines and forfeitures	161,749	172,085	168,684	156,209	148,891	143,844	150,220	151,502	128,313	120,239
Investment earnings	1,111,674	618,772	584,963	591,918	514,069	471,769	498,435	587,417	566,395	551,096
Miscellaneous	564,727	750,461	625,364	839,847	828,478	743,655	956,055	1,442,347	1,067,640	592,904
Total Revenues	20,067,154	19,179,037	19,532,907	19,936,748	20,469,240	20,338,635	19,837,096	20,833,655	21,346,018	21,022,333
Expenditures										
General government	2,925,280	3,053,298	3,140,403	2,932,579	3,078,288	3,406,526	3,041,448	2,988,990	2,513,272	2,280,100
Public safety	7,418,339	7,312,540	7,352,120	7,614,549	7,925,807	7,482,444	8,519,714	8,946,888	8,935,881	8,846,095
Highways and streets	2,496,819	2,870,954	2,815,928	2,629,040	2,923,089	2,877,012	2,875,139	3,054,369	3,065,431	3,039,277
Planning and engineering	1,107,182	924,783	952,352	975,647	968,171	956,440	735,003	752,038	803,667	873,959
Parks	846,255	641,699	631,316	663,523	703,227	747,048	781,729	808,441	919,116	926,448
Redevelopment	863,502	1,826,659	1,332,794	1,378,736	1,050,868	2,337,206	1,636,222	248,744	605,556	1,093,209
Capital outlay	-	-	6,329	-	229,883	-	-	176,965	4,562,705	129,191
Capitalized capital outlay	3,370,107	1,239,935	1,243,066	1,501,101	1,494,677	5,077,488	4,737,261	2,230,839	3,188,084	2,623,676
Debt service:										
Bond issuance costs	-	52,500.00	-	-	-	22,681	-	-	-	-
Principal	696,000	756,000	757,000	788,000	829,000	2,000,000	908,000	212,000	220,000	-
Interest and fiscal charges	276,640	238,181	194,309	146,915	122,783	61,749	35,637	17,280	8,800	-
Total expenditures	20,000,124	18,916,549	18,425,617	18,630,090	19,325,793	24,968,594	23,270,153	19,436,554	24,822,512	19,811,955
Excess of revenues over (under) expenditures	\$ 67,030	\$ 262,488	\$ 1,107,290	\$ 1,306,658	\$ 1,143,447	\$ (4,629,959)	\$ (3,433,057)	\$ 1,397,101	\$ (3,476,494)	\$ 1,210,378

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other financing sources (uses):										
Transfers in	\$ 4,032,302	\$ 2,581,388	\$ 2,292,419	\$ 2,354,448	\$ 2,439,445	\$ 2,395,588	\$ 2,400,468	\$ 2,356,958	\$ 5,123,707	\$ 4,385,292
Transfers out	(1,130,251)	(329,309)	(2,462,656)	(10,000,000)	(125,045)	-	(235,623)	-	(2,766,390)	(1,970,948)
Bond/Loan proceeds	-	1,696,150	-	-	-	-	-	-	-	-
Bond refunding payment	-	(1,857,000)	-	-	-	-	-	-	-	-
Contributions	-	-	40,000	-	-	-	-	-	-	-
Sale of bonds	-	-	-	-	-	766,000	-	-	-	-
Sale of assets	377,136	592	5,510	18,006	23,710	4,650	24,700	20,955	55,707	68,697
Total other financing sources (uses)	<u>3,279,187</u>	<u>2,091,821</u>	<u>(124,727)</u>	<u>(7,627,546)</u>	<u>2,338,110</u>	<u>3,166,238</u>	<u>2,189,545</u>	<u>2,377,913</u>	<u>2,413,024</u>	<u>2,483,041</u>
Net change in fund balances	<u>\$ 3,346,217</u>	<u>\$ 2,354,309</u>	<u>\$ 982,563</u>	<u>\$ (6,320,888)</u>	<u>\$ 3,481,557</u>	<u>\$ (1,463,721)</u>	<u>\$ (1,243,512)</u>	<u>\$ 3,775,014</u>	<u>\$ (1,063,470)</u>	<u>\$ 3,693,419</u>
Debt service as a percentage of non-capital expenditures	5.85%	5.62%	5.54%	5.46%	5.34%	10.37%	5.09%	1.33%	1.06%	N/A

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

Fiscal Year	Property Taxes	Fees in Lieu of Property Tax	Sales and Use Taxes	Recreation & Parks Taxes (1)	Franchise Taxes	Total
2009	\$ 3,641,990	\$ 262,331	\$ 5,782,606	\$ 377,383	\$ 3,441,087	\$ 13,505,397
2010	3,660,658	256,596	5,407,808	353,592	3,336,534	13,015,188
2011	3,787,668	234,039	5,455,596	357,881	3,584,109	13,419,293
2012	3,768,350	216,084	5,824,824	385,743	3,114,625	13,309,626
2013	3,743,390	217,573	6,058,549	398,441	3,416,274	13,834,227
2014	3,701,049	211,290	6,346,757	435,612	3,945,634	14,640,342
2015	3,577,649	210,449	6,672,517	462,308	3,681,671	14,604,594
2016	3,824,710	215,303	7,107,293	516,456	3,664,256	15,328,018
2017	3,493,781	213,616	7,350,405	527,530	3,770,244	15,355,576
2018	3,415,826	201,670	7,698,239	550,203	3,782,565	15,648,503

(1) In march 2008, the City began collections of a Recreation, Arts, and Parks (RAP) sales tax. From 2008 to 2016 the City paid 90% of that tax to the Centerville City Redevelopment Agency for the construction of the CenterPoint Legacy Theatre. The original RAP tax levy expired in 2016. In the November 2014 municipal election, the City residents voted to reauthorize the City to collect, for a ten-year period, the RAP sales tax for sales transactions within City limits. On April 1, 2016 the City began collections of this reauthorized sales tax.

CITY OF BOUNTIFUL
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)
Table 6

Fiscal Year Ended June 30,	Real Property		Personal Property		Total Taxable Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property (2)	Mobile Homes	Other				
2009	\$ 1,950,327	\$ 421,771	113	\$ 64,805	\$ 2,437,016	0.011542	\$ 4,103,685	59.39%
2010	1,816,905	425,365	113	64,805	2,307,189	0.012593	4,148,847	55.61%
2011	1,716,469	394,201	211	67,812	2,178,693	0.013916	4,138,174	52.65%
2012	1,719,091	390,209	187	63,005	2,172,491	0.014002	3,582,185	60.65%
2013	1,762,165	399,036	187	64,841	2,226,229	0.013632	3,582,185	62.15%
2014	1,668,062	379,160	160	60,040	2,107,421	0.012809	3,666,320	57.48%
2015	2,074,866	326,681	124	60,559	2,462,229	0.013101	4,091,095	60.19%
2016	2,135,735	494,329	79	73,273	2,703,415	0.012387	4,642,505	58.23%
2017	2,224,216	393,297	35	70,390	2,687,938	0.012288	4,453,396	60.36%
2018	2,405,742	410,184	16	61,045	2,876,987	0.012200	4,767,051	60.35%

(1) All taxable property is assessed and taxed on the basis of its fair market value. Utah law requires that the fair market value of property that is assessed by the County Assessor, using a comparable sales or a cost appraisal method, exclude expenses related to property sales transactions. For tax purposes, the fair market value of primary residential property is reduced by 45% under present law. Taxable value is net of Redevelopment Agency value.

(2) Includes centrally assessed property.

Source: Davis County Auditor's Office and Utah State Tax Commission, Property Tax Division

CITY OF BOUNTIFUL
Property Tax Rates Direct and Overlapping Governments
Last Ten Fiscal Years
Table 7

Fiscal Year	Total Direct	City of Bountiful	Overlapping Rates								
			Davis County School District	Davis County (1)	Weber Basin Water	Mosquito Abatement District	Bountiful Water Subconservancy District	South Davis Sewer District	Davis County Library	South Davis Metro Fire Service Area (2)	South Davis Recreation District
2009	0.011542	0.000948	0.007098	0.002108	0.000188	0.000093	0.000113	0.000290	0.000348	-	0.000356
2010	0.012593	0.001037	0.007860	0.002213	0.000207	0.000097	0.000122	0.000315	0.000363	-	0.000379
2011	0.013916	0.001093	0.008861	0.002383	0.000217	0.000104	0.000130	0.000329	0.000392	-	0.000407
2012	0.014002	0.001094	0.008941	0.002391	0.000215	0.000105	0.000131	0.000330	0.000396	-	0.000399
2013	0.013632	0.001063	0.008710	0.002331	0.000210	0.000103	0.000128	0.000324	0.000389	-	0.000374
2014	0.012809	0.000946	0.008259	0.002161	0.000199	0.000124	0.000120	0.000301	0.000361	-	0.000338
2015	0.012853	0.000957	0.008555	0.001905	0.000196	0.000122	0.000120	0.000303	0.000361	-	0.000334
2016	0.012387	0.000890	0.008125	0.002014	0.000187	0.000116	0.000110	0.000287	0.000342	0.000010	0.000306
2017	0.012288	0.000832	0.007575	0.002210	0.000174	0.000107	0.000103	0.000264	0.000376	0.000368	0.000279
2018	0.012200	0.000880	0.007701	0.002046	0.000164	0.000119	0.000096	0.000245	0.000349	0.000343	0.000257

(1) Davis County rate includes Multi-County and County Assessing & Collecting Levies

(2) South Davis Metro Fire became a Taxing Entity on July 1, 2016.

Source: Property Tax Division, Utah State Tax Commission

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

Taxpayer	December 31, 2017 taxable valuation			December 31, 2008 taxable valuation		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hospital Corporation of Utah	\$ 36,012,444	1	1.25 %	\$ 25,868,730	1	1.01 %
Village Glen Main & Seniors LLC	20,645,718	2	0.72			-
G&E Healthcare Ret/Renaissance LLC	16,112,000	3	0.56			-
Questar Gas	13,664,170	4	0.47	7,148,139	5	0.28
MABEK Co	12,928,117	5	0.45	13,986,541	2	0.55
IHC Health Services, Inc.	9,575,938	6	0.33	5,102,139	9	0.20
WBC Partners LC & Commons at West Bountiful LC	9,029,942	7	0.31			-
Century Link (Qwest Corp. -2015)	8,555,643	8	0.30	13,048,558	3	0.51
Bill Olson Investment LTD	7,708,150	9	0.27	5,318,880	8	0.21
Hepworth Investment Group LLC	7,116,345	10	0.25			-
Miller/Horne Carrington Place LLC	6,556,044	11	0.23			-
Bountiful Corner LLC	5,985,100	12	0.21			-
HCP Lakeview MOB LLC (Tegra Lakeview Associates LC)	5,795,000	13	0.20	6,183,540	6	0.24
Colonial Lakeview Apts LLC-ETAL	5,762,719	14	0.20			-
Orvis, Jason & Orvis Family Company	5,668,503	15	0.20			-
Bountiful Plaza Holdings	5,619,858	16	0.20			-
Heritage Place Owner LLC	5,256,059	17	0.18			-
Main Street Investment LLC	5,243,400	18	0.18			-
Health Care Property Investors Inc	5,100,100	19	0.18			-
Reynolds, Robert Gary & Barabara Ellen-Trustees	4,988,200	20	0.17			-
RTC Mountainwest Medical	-		-	12,018,493	4	0.47
New Albertson's Inc (Albertson's 2005)	-		-	5,504,063	7	0.22
Winegar, Richard T. & Karleen A	-		-	5,046,595	10	0.20
	<u>\$197,323,450</u>		<u>6.86 %</u>	<u>\$ 99,225,678</u>		<u>3.88 %</u>
Taxable Value			\$ 2,876,987,000			\$ 2,554,694,000

Source : Davis County Clerk Auditors Office

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

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year (2)	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years (1)	Total Collections to Date	
		Amount (1)	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 2,431,751	\$ 2,318,633	95.35 %	\$ 107,494	\$ 2,426,127	99.77 %
2010	2,422,258	2,308,004	95.28	84,223	2,392,227	98.76
2011	2,445,006	2,345,918	95.95	109,003	2,454,921	100.41
2012	2,456,415	2,302,118	93.72	97,391	2,399,504	97.68
2013	2,452,020	2,360,398	96.26	88,798	2,448,951	99.87
2014	2,442,814	2,353,263	96.33	81,956	2,433,057	99.60
2015	2,520,959	2,312,056	91.71	110,849	2,419,053	95.96
2016	2,580,854	2,391,210	92.65	84,013	2,460,337	95.33
2017	2,581,960	2,426,593	93.98	43,181	2,493,774	96.58
2018	2,576,944	2,337,008	90.69	62,357	2,399,365	93.11

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

Payments are not considered delinquent until after November 30.

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

CITY OF BOUNTIFUL
Light and Power Charges for Services
Last Ten Fiscal Years
Table 10

Fiscal Year Ended June 30,	Electric Metered Sales	Industrial Customer Sales (1)	Miscellaneous (2)	Total Charges for Services	Residential Charge Per Kilowatt Hour (3)
2009	\$ 22,706,488	\$ 2,697,896	\$ 51,586	\$ 24,554,011	0.0881
2010	22,115,396	2,393,724	44,891	25,356,773	0.0881
2011	22,924,190	2,389,668	42,915	26,109,396	0.0925
2012	23,544,475	2,520,834	44,087	26,965,809	0.0925
2013	24,394,453	2,568,479	2,877	26,510,311	0.0925 (4)
2014	23,955,880	2,545,129	9,302	25,719,743	0.0925
2015	23,202,093	2,401,930	115,720	25,719,743	0.0925
2016	23,521,610	2,197,020	105,621	25,824,251	0.0925
2017	23,949,727	2,412,459	144,130	26,506,316	0.0925
2018	24,579,348	2,390,156	128,674	27,098,178	0.0925

- (1) Industrial customer with separate variable and contractual charge.
(2) Includes rental income, power line underground system repairs, income from uncollectible accounts, and connection fee income.
(3) Standard residential customer power rate. Does not apply to all classes of customers.
(4) The standard residential customer power rate was \$0.0881 for July-December 2010, and then was changed to \$0.0925 (a 5.0% increase) for January-June 2011.

CITY OF BOUNTIFUL
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Table 11

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Household Personal Income (2)	Debt Per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	All Outstanding Debt					
2009	\$ -	\$1,857,000	\$ 4,113,000	\$ -	\$ 5,970,000	0.52	\$ 1,155,731,198	134	
2010	-	1,388,000	3,560,000	-	4,948,000	0.47	1,044,846,224	116	
2011	-	1,209,000	2,982,000	15,280,000.00	19,471,000	1.94	1,001,686,733	456	
2012	-	1,023,000	2,380,000	14,655,000	18,058,000	1.74	1,038,092,000	422	
2013	-	848,237	1,772,675	14,025,000	16,645,912	1.56	1,066,010,000	388	
2014	-	1,028,301	322,000	13,385,000	14,735,301	1.30	1,137,211,066	343	
2015	-	454,534	-	12,740,000	13,194,534	1.15	1,146,190,300	305	
2016	-	227,513	-	12,085,000	12,312,513	1.02	1,204,921,063	282	
2017	-	-	-	11,420,000	11,420,000	0.88	1,303,221,396	260	
2018	-	-	-	10,745,000	10,745,000	0.80	1,342,009,968	244	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Table 16 for population details

(2) Income number from State Tax Commission - federal return data by City (AGI).

CITY OF BOUNTIFUL
Ratios of General Bond Debt Outstanding
Last Ten Fiscal Years
Table 12

Fiscal Year Ended June 30,	General Obligation Bonds	Less: Amounts Available In Service Fund	Amounts In Debt Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-

Source: Davis County Auditor and Utah State Tax Commission, Property Tax Division

CITY OF BOUNTIFUL
Direct and Overlapping Governmental Activities Debt
June 30, 2018
Table 13

	Total Debt	Applicable to City		City Debt Ratios (2)		
		Percentage	Amount	To assessed value of: \$ 2,876,987,000	To fair value of: \$4,767,051,000	To population of: (per capita) 44,107
Direct Governmental-Activities City debt:						
Sales Tax Revenue Bonds	\$ -	100.00%	\$ -	0.00%	0.00%	\$ 0
Total direct debt	<u>\$ -</u>		<u>\$ -</u>			
Overlapping debt:						
State of Utah (1)	\$ -		\$ -			
Weber Basin Water Conservancy District	18,618,938	12.80%	2,382,481	0.08%	0.05%	\$ 54
Davis County	59,967,000	12.36%	7,411,561	0.26%	0.16%	\$ 168
Davis School District	505,145,000	12.36%	62,432,890	2.17%	1.31%	\$ 1,415
South Davis Recreation District	9,715,000	33.70%	3,274,327	0.11%	0.07%	\$ 74
Total Overlapping debt	<u>\$ 593,445,938</u>		<u>\$ 75,501,259</u>			
Total direct and overlapping debt applicable to the City			<u><u>\$ 75,501,259</u></u>	2.62%	1.58%	\$ 1,712

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Bountiful. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The State of Utah general obligation debt is not included in the debt ratios because the State of Utah currently levies no ad valorem tax for payment of general obligation bonds.

(2) Percentages and the per capita amount are calculated by dividing the total debt applicable to the City by the fair and assessed values of property within its boundaries and its current population.

Source: Davis County Auditor and Utah State Tax Commission, Property Tax Division

CITY OF BOUNTIFUL
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)
Table 14

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed value (1)	\$ 2,437,016	\$ 2,307,189	\$ 2,178,693	\$ 2,172,499	\$ 2,226,229	\$ 2,107,421	\$ 2,462,229	\$ 2,703,415	\$ 2,687,938	\$ 2,876,987
Debt Limit - 12% of total assessed value	292,442	276,863	261,443	260,700	267,147	252,891	295,468	324,410	322,553	345,238
Debt applicable to limit										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less: Amount set aside for repayment of general obligation debt	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 292,442	\$ 276,863	\$ 261,443	\$ 260,700	\$ 267,147	\$ 252,891	\$ 295,468	\$ 324,410	\$ 322,553	\$ 345,238
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

(1) All taxable property is assessed and taxed on the basis of its fair market value. Utah law requires that the fair market value of property that is assessed by the County Assessor, using a comparable sales or a cost appraisal method, exclude expenses related to property sales transactions. For tax purposes, the fair market value of primary residential property is reduced by 45% under present law. Taxable value is net of Redevelopment Agency value.

Source: Davis County Auditor and Utah State Tax Commission, Property Tax Division

CITY OF BOUNTIFUL
Pledged Revenue Coverage
Last Ten Fiscal Years
Table 15

Fiscal Year Ended June 30,	Revenue Bonds						Special Assessment Bonds				
	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage	Special Assessments Collections	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
Revenue Bonds - Governmental Activities											
2009	\$ 672,053	\$ 5,900	\$ 666,153	\$ 530,000	\$ 179,992	0.94 %	\$ 272,111	\$ 166,000	\$ 96,648	1.04 %	
2010	619,992	1,650	618,342	553,000	161,769	0.87	271,222	203,000	76,412	0.97	
2011	618,996	4,223	614,773	578,000	141,569	0.85	269,910	179,000	52,740	1.16	
2012	618,516	-	618,516	602,000	100,440	0.88	269,509	186,000	46,475	1.16	
2013	621,277	4,150	617,127	638,000	82,818	0.86	267,438	191,000	39,965	1.16	
2014*	597,678	24,331	573,347	688,000	28,469	0.80	267,557	197,000	33,280	1.16	
2015**	598,016	4,150	593,866	705,000	10,237	0.83	266,219	203,000	25,400	1.17	
2016	-	-	-	-	-	-	270,403	212,000	17,280	1.18	
2017	-	-	-	-	-	-	251,465	220,000	8,800	1.10	
2018	-	-	-	-	-	-	-	-	-	-	

* Fiscal year 2014 expenses represent cost of issuance for refunding

** In fiscal year 2015 the Municipal Building Authority's lease revenue bonds were paid off.

Revenue Bonds - Business-Type Activities (Light & Power Fund)

2011***	\$ 25,915,599	\$ 20,611,707	\$ 5,303,892	\$ -	\$ 425,395	12.47 %	\$ -	\$ -	\$ -	- %
2012	26,640,119	21,421,319	5,218,800	625,000	685,379	3.98	-	-	-	-
2013	28,049,427	25,773,767	2,275,660	630,000	652,753	1.77	-	-	-	-
2014	27,433,112	24,607,639	2,825,472	640,000	641,542	2.20	-	-	-	-
2015	26,585,700	20,966,677	5,619,023	645,000	628,372	4.41	-	-	-	-
2016	26,733,206	19,432,143	7,301,063	655,000	612,396	5.76	-	-	-	-
2017	27,251,210	20,272,758	6,978,452	665,000	593,242	5.55	-	-	-	-
2018	28,039,563	21,258,547	6,781,016	675,000	570,799	5.44	-	-	-	-

*** Business-type activities did not have any revenue bonds before fiscal year 2011.

CITY OF BOUNTIFUL
Demographic and Economic Statistics
Last Ten Fiscal Years
Table 16

Fiscal Year Ended June 30,	Population		Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income	Number of residents 18 years and older		School Enrollment	Unemployment Rate (4)
2009	44,442	(1)	\$ 1,155,731	\$ 26,005	32,798	(5)	10,268 (3)	7.00 %
2010	42,552	(7)	1,044,846	24,555	31,403	(5)	10,062 (3)	7.40
2011	42,665	(1)	1,001,687	23,478	31,403	(6)	10,062 (6)	6.20
2012	42,842	(1)	1,038,092	24,231	30,996	(6)	9,931 (6)	5.30
2013	42,892	(1)	1,066,010	24,853	31,659	(6)	10,144 (6)	4.20
2014	42,927	(1)	1,137,211	26,492	30,607	(1)	10,144 (6)	3.60
2015	43,285	(1),(2)	1,146,190	26,480	30,862	(1)	11,191 (3)	3.60
2016	43,608	(1),(2)	1,204,921	27,631	31,005	(1)	11,303 (3)	3.30
2017	43,943	(1),(2)	1,303,221	29,657	31,331	(1)	11,600 (3)	3.10
2018	44,107	(1)	1,342,010	30,426	30,809	(1)	10,974 (3)	3.00

(1) U.S. Census Bureau, Population Estimates Program.

(2) Utah State Tax Commission.

(3) Davis School District/St. Olaf's School.

(4) Utah Department of Workforce Services - All rates are annual, except for the final year, which rate is as of July 2017.

(5) U.S. Census Bureau, American Fact Finder Sheet.

(6) City Estimates.

(7) Census 2010.

CITY OF BOUNTIFUL
Principal Employers
Current Year and Nine Years Ago
Table 17

Taxpayer (1)	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
South Davis Community Hospital	500 - 999	1	3.20 - 6.39 %	500 - 999	2	7.68 - 8.62 %
Lakeview Hospital	500 - 999	2	3.20 - 6.39	500 - 999	1	7.68 - 8.62
Smith's Marketplace	250 - 499	3	1.60 - 3.19	100 - 249	8	1.72 - 1.91
Bountiful Health Center	100 - 249	4	0.64 - 1.59	N/A	N/A	N/A
Bountiful High School	100 - 249	5	0.64 - 1.59	N/A	N/A	N/A
Bountiful Medical Investors LTD	100 - 249	6	0.64 - 1.59	N/A	N/A	N/A
Brighton Rehabilitation	100 - 249	7	0.64 - 1.59	N/A	N/A	N/A
Mo' Bettahs	100 - 249	8	0.64 - 1.59	N/A	N/A	N/A
South Davis Recreation Center	100 - 249	9	0.64 - 1.59	100 - 249	9	1.72 - 1.91
Viewmont High School	100 - 249	10	0.64 - 1.59	100 - 249	10	1.72 - 1.91
Developers Investment Company	N/A	N/A	N/A	100 - 249	3	1.72 - 1.91
Dick's Market	N/A	N/A	N/A	100 - 249	4	1.72 - 1.91
Intermountain Temporaries	N/A	N/A	N/A	100 - 249	5	1.72 - 1.91
Lexington Law Firm	N/A	N/A	N/A	100 - 249	6	1.72 - 1.91
Menlove-Johnson, Inc.	N/A	N/A	N/A	100 - 249	7	1.72 - 1.91
Total	1,700 - 3,740		12.48 - 27.10 %	1,800 - 3,990		29.12 - 32.52 %

(1) Listed alphabetically within each employee range.

Source: Utah Department of Workforce Services

CITY OF BOUNTIFUL
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years
Table 18

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Department										
General Fund										
Legislative	6	6	6	6	6	6	6	6	6	6
Legal	3	3	3	3	3	3	3	2	3	4
Executive	3	3	3	2	2	3	2	2	2	2
Human Resources						2	2	2	2	2
Information Systems	4	4	4	4	4	4	3	4	4	3
Administrative	6	6	6	6	6	5	5	5	5	5
Treasurer	7	6	6	7	7	7	7	7	7	7
Government Buildings	1	2	2	2	2	2	2	2	1	2
Police	96	93	92	94	95	90	77	80	80	56
Streets	22	21	22	21	19	20	23	21	22	22
Engineering	8	8	8	8	8	7	8	8	7	8
Parks	24	14	18	18	20	13	23	21	19	28
Planning	5	4	4	4	4	4	5	4	5	6
General Fund Total	185	170	174	175	176	166	166	164	163	151
Enterprise Funds										
Storm Water (1)	2	3	3	3	3	2	3	3	2	4
Water	19	19	19	13	18	16	16	15	16	19
Light and Power	38	39	38	39	37	38	36	34	37	37
Golf	43	40	39	43	46	47	46	49	43	51
Landfill (1)	9	10	8	9	9	11	9	9	10	11
Sanitation	5	6	5	6	5	6	6	5	5	6
Cemetery	9	7	9	9	11	8	7	8	8	7
Enterprise Fund Total	125	124	121	122	129	128	123	123	121	135
Internal Service Funds										
Risk Management (1)	-	-	-	-	-	-	-	-	-	-
Workers Compensation (1)	-	-	-	-	-	-	-	-	-	-
Internal Service Fund Total	-	-	-	-	-	-	-	-	-	-
Redevelopment Agency										
Redevelopment Agency (1)	-	-	-	-	-	-	-	-	-	-
Total Positions	310	294	295	297	305	294	289	287	284	286

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

Source: City of Bountiful Human Resource Office

CITY OF BOUNTIFUL
Capital Assets Statistics by Function
Last Ten Fiscal Years
Table 19

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fire protection:										
Number of stations (1)	2	2	2	2	2	2	2	2	2	2
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	22	22	22	22	22	22	22	22	22	22
Highways and streets:										
Number of street lights	2,135	2,150	2,151	2,135	2,144	2,145	2,142	2,145	2,140	2,140
Number of traffic signals	14	14	13	13	15	15	15	15	15	15
Miles of streets	158.98	158.98	158.98	159.06	159.06	159.06	159.06	159.06	159.71	159.75
Public Services:										
Recreation and culture:										
Number of municipal parks	13	13	13	13	13	13	13	13	16	16
Number of municipal picnic areas	19	19	19	19	19	19	19	19	19	22
Number of municipal tennis courts	24	24	24	24	24	20	20	20	20	20
Number of municipal soccer fields	5	5	5	5	5	6	6	6	6	6
Number of municipal ball diamonds	10	10	10	10	10	10	10	10	10	10
Number of Trail Heads	2	2	2	2	2	2	2	2	2	2
Number of municipal golf courses	1	1	1	1	1	1	1	1	1	1
Number of ice arenas (3)	1	1	1	1	1	1	1	1	1	1
Number of swimming pools (3)	1	1	1	1	1	1	1	1	1	1
Municipal power plants:										
Number of distribution substations	5	5	5	5	5	5	5	5	5	5
Miles of distribution and transmission lines	228.37	228.52	228.52	228.52	229.12	229.12	229.16	229.36	229.61	230.72
Municipal water plants:										
Number of fire hydrants	1,580	1,567	1,571	1,588	1,599	1,612	1,618	1,629	1,644	1,659
Miles of water mains	172.96	175.46	175.46	175.70	175.85	176.31	176.38	176.40	176.60	177.43
Max instantaneous water source capacity (gallons per minute)	9,100	9,100	9,100	8,900	8,900	9,000	9,000	9,500	9,500	9,500
Sanitation utilities:										
Number of collection trucks	13	11	12	12	13	13	13	13	13	13
Number of sanitary landfills	1	1	1	1	1	1	1	1	1	1
Storm water utility:										
Miles of storm water lines (encased)	74.74	74.65	75.49	71.20	71.14	71.16	69.65	70.14	70.80	70.80
Miles of storm water lines (concrete lined)	4.21	4.21	4.20	1.40	1.40	1.32	1.32	1.32	1.32	1.33
Public Libraries (2)	1	1	1	1	1	1	1	1	1	1

- (1) Fire operations were transferred to South Davis Metro Fire Agency on January 1, 2005.
- (2) Owned and operated by Davis County.
- (3) Owned and operated by the South Davis Recreation District beginning in the first quarter of 2007.
- (4) It was discovered in fiscal year 2012 that the County owned and operated significant portions of the storm water system within the City

Miscellaneous Statistics - Most current information only

Date of Incorporation: December 14, 1892

Form of government: Manager

Election data

Registered (active voters), June 2018: 21,150

Number of votes cast in 2018 primary election: 8,433

Percentage of registered voters voting: 39.87%

Sources: Various City of Bountiful Departments.

CITY OF BOUNTIFUL
Operating Indicators by Program/Function
Last Ten Fiscal Years
Table 20

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/Program										
General Governmental:										
Ordinances passed	10	13	10	13	8	14	28	12	11	9
Resolutions passed	11	13	11	8	10	14	11	14	20	12
Public Safety:										
Hazardous citations written	2,839	3,082	2,617	1,973	1,973	2,142	2,258	2,215	1,975	1,707
Non-hazardous citations written	2,776	1,894	1,300	1,353	1,353	1,005	1,469	1,458	1,339	1,094
Arrests	1,657	1,688	1,260	1,448	1,448	1,611	1,086	1,382	1,130	1,107
Highways and Streets:										
Miles of street overlaid	5.16	4.50	5.19	5.50	5.60	6	7	5.18	7.14	17.56
Miles of street reconstructed	0.68	0.40	0.00	0.35	0.09	0	0.39	0.60	0.00	344.00
Planning and Engineering:										
Building Permits Issued	40	40	65	125	57	88	62	81	169	134
Municipal water:										
Average daily gallons consumed	4,178,570	3,995,000	3,992,000	3,994,000	4,491,000	4,492,000	4,185,000	3,729,000	3,968,000	4,389,454
Municipal power:										
Kilowatt hours sold	295,756,259	285,706,670	282,073,618	285,476,544	298,186,064	294,130,877	277,674,203	278,780,541	283,037,185	283,555,713
Storm water:										
Miles of storm drains inspected	5.42	4.98	2.71	4.06	5.13	4.70	4.78	2.92	4.61	5.52
Miles of streets cleaned	158.98	158.98	158.98	159.06	159.06	159.08	158.36	159.64	159.71	159.75
Sanitation utilities:										
Tons of waste collected and landfilled	64,680	49,685	45,365	54,194	55,426	52,354	68,795	64,640	56,848	79,880
Tons of recyclables collected (1)	1,533	2,415	2,983	2,896	2,812	2,713	2,384	2,549	2,618	2,642

(1) The Sanitation Department implemented a recycling initiative on December 1, 2008.

Sources: Various City of Bountiful departments.