

BOUNTIFUL, UTAH

Comprehensive Annual Financial Report For Fiscal Year Ended June 30, 2013

Mayor

Joe L. Johnson

City Council

**Richard Higginson
Beth Holbrook
John M. (Marc) Knight
R. Fred Moss
Thomas B. Tolman**

City Manager

Gary R. Hill

CITY OF BOUNTIFUL, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013



Prepared by:

Bountiful City Administrative Services

Galen D. Rasmussen, MPA, CPA
Administrative Services Director

Treasury Department
Mark O. McRae, CPFA
City Treasurer

Administrative Department
Kim J. Coleman, CPA
Finance Director/City Recorder

Information Systems Dept.
Alan M. West
Information Systems Manager

Ralph T. Hill, Jr., CPA
**Assistant Finance Director/
Deputy City Recorder**

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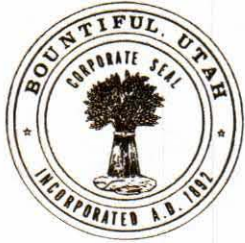
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INTRODUCTORY SECTION

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BOUNTIFUL

City of Beautiful Homes and Gardens

JOE L. JOHNSON
MAYOR

CITY COUNCIL
RICHARD HIGGINSON
BETH HOLBROOK
JOHN M. (MARC) KNIGHT
R. FRED MOSS
THOMAS B. TOLMAN

CITY MANAGER
GARY R. HILL

October 14, 2013

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, 2013.

This report consists of management's representations concerning the finances of the City of Bountiful. 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 of Bountiful 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 of Bountiful's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Bountiful'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 of Bountiful's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Bountiful, for the fiscal year ended June 30, 2013, 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 concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Bountiful's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

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 comprised of three elected officials each. 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.

The City Council is required to adopt a final budget for the next fiscal year by no later than June 22nd of the current fiscal year. This annual budget serves as the foundation for the City of Bountiful'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 heads 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, sanitation, recycling, landfill, and storm water), and general government (legislative, executive, legal, and administrative services). 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 2013 is 42,898, with a potential for about 45,000 residents at final build-out, which should occur by approximately 2020.

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

Up until June 30th 2012, full-time employees who retired with either (a) thirty years of cumulative service and were 55 years of age or older, or (b) twenty-five years of cumulative service and were 60 years of age or older, had their medical insurance premium paid until age 65. Effective July 1, 2012, retiring employees meeting the longevity and age requirements are eligible for an individual health retirement account (HRA) established by the City. The individual HRA will be funded by contributing 50% of the retiree's final accumulated sick leave, up to a maximum of 720 hours, at the retiree's current rate of pay, into the account. The HRA will be established under, and be subject to, applicable federal and state laws and regulations and may be used for any lawful HRA purpose.

Major initiatives

Due to prevailing economic conditions and limited resources, the City's major initiatives are focused on maintaining basic services and infrastructure.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) 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, 2012. 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 legal requirements.

The Certificate of Achievement is valid for a period of one year only. 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.

We appreciate all who contributed in any way toward the preparation of this comprehensive annual financial report.

Their assistance has enabled us to bring together all the data necessary to complete the report. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the departments which comprise Administrative Services. In particular we express appreciation to Ralph Hill, Assistant Finance Director, Mark O. McRae, City Treasurer, and Alan M. West, Information Systems Manager, for their efforts and support during the audit and throughout the year.

Most importantly, we express our sincere thanks and appreciation to Mayor Joe Johnson, 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.

Sincerely,

The image shows two handwritten signatures in black ink. The signature on the left is for Galen D. Rasmussen, and the signature on the right is for Kim J. Coleman. Both signatures are written in a cursive, flowing style.

Galen D. Rasmussen, MPA, CPA
Administrative Services Director

Kim J. Coleman, CPA
Finance Director & City Recorder

**CITY OF BOUNTIFUL
PRINCIPAL OFFICIALS
June 30, 2013**

ELECTED OFFICIALS

Joe L. Johnson	Mayor
Beth Holbrook	City Council Member
John M. (Marc) Knight	City Council Member
R. Fred Moss	City Council Member
Richard Higginson	City Council Member
Thomas B. Tolman	City Council Member

EXECUTIVE BUDGETARY AND LEGAL OFFICIALS

Gary R. Hill	City Manager
Russell L. Mahan	City Attorney
Galen D. Rasmussen, CPA	Administrative Services Director

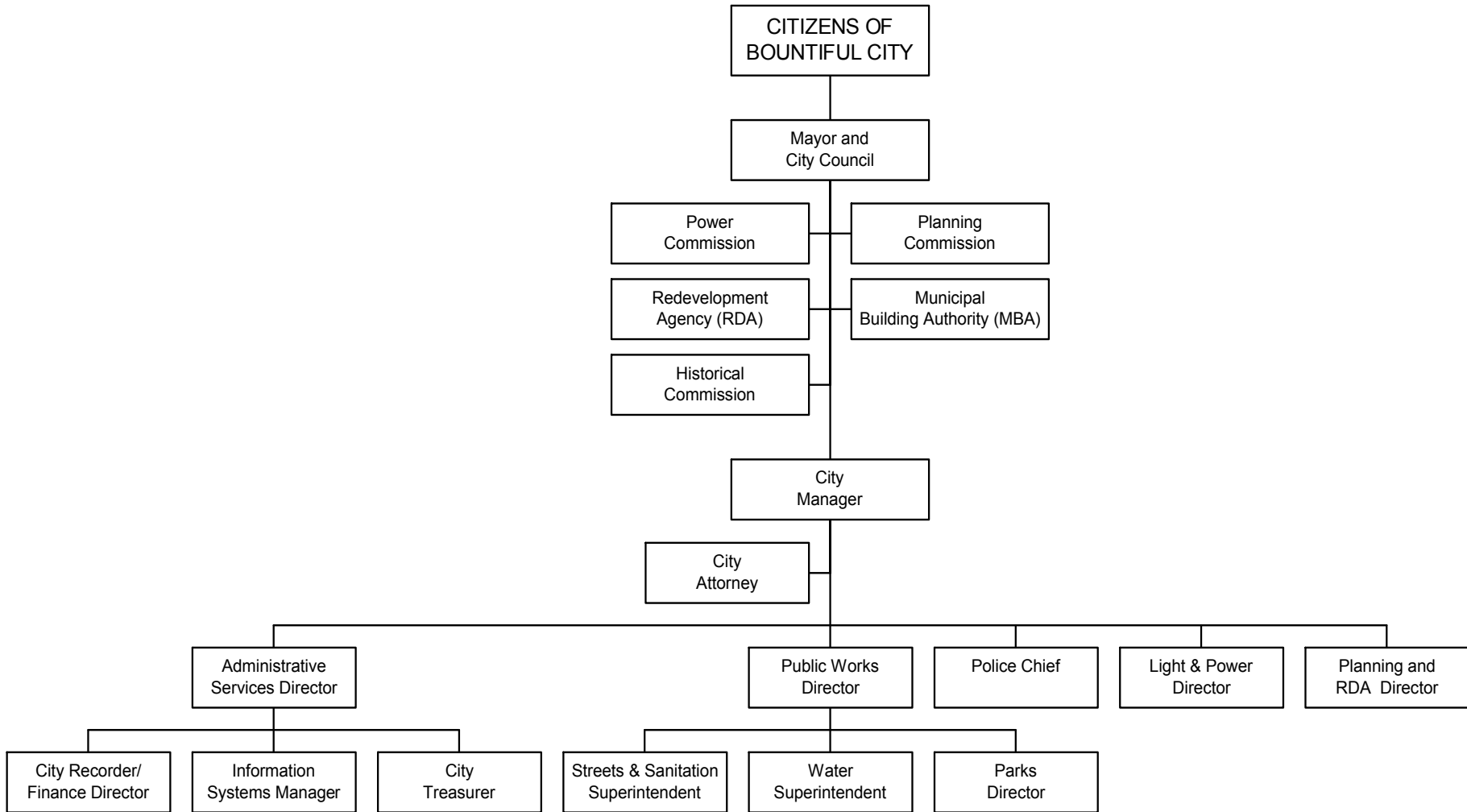
STATUTORY APPOINTED OFFICIALS

Kim J. Coleman, CPA	City Recorder & Finance Director
Mark O. McRae, CPFA	City Treasurer

DEPARTMENT HEADS

Gary E. Blowers	Streets & Sanitation Superintendent
Aric A. Jensen	Planning & Redevelopment Director
Jerry Wilson	Parks Director
Allen Johnson	Light & Power Director
Tom Ross	Police Chief
Paul C. Rowland, PE/LS	Public Works Director
Alan M. West	Information Systems Manager
Mark Slagowski	Water Superintendent

**CITY OF BOUNTIFUL
ORGANIZATIONAL CHART
June 30, 2013**





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, 2012

Executive Director/CEO

FINANCIAL SECTION

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Keddington & Christensen
Certified Public Accountants, LLC

Gary K. Keddington, CPA
Brent E. Christensen, CPA
Phyl R. Warnock, 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, 2013, 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, 2013, 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 budgetary comparison information, 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 financial statements as a whole. 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 14, 2013, 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 14, 2013

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2013**

As management of the City of Bountiful, we offer to readers of the City of Bountiful's financial statements this narrative overview and analysis of the financial activities of the City of Bountiful for the fiscal year ended June 30, 2013. 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 of Bountiful exceeded its liabilities and deferred inflows at June 30, 2013 by \$228,422,194. Of this amount, unrestricted net position of \$98,044,012 may be used to meet the City's ongoing obligations to citizens and creditors.
- The total net position increased by \$6,410,795 from the prior year. Of this amount \$3,997,849 was associated with governmental and \$2,412,946 with business-type activities.
- As of the close of the current fiscal year, the City of Bountiful's governmental funds reported combined ending fund balance of \$40,793,973, an increase of \$3,481,557 over the prior year. Of this amount, \$37,090,391 is unrestricted and available for spending. The remaining \$3,703,582 is either nonspendable in form or has been legally restricted by parties outside the financial reporting entity.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,448,175, or 16.08% of total General Fund expenditures.
- The City of Bountiful's bonded debt obligations decreased by the net amount of \$1,459,000. The decrease was attributable to principal payments on Municipal Building Authority Lease Revenue and Sales Tax Revenue bonds in the amount of \$638,000 and \$191,000 respectively and a principal payment on the Electric Utility Revenue bonds in the amount of \$630,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Bountiful'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 of Bountiful'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.

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).

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2013**

Overview of the Financial Statements (Continued)

Government-wide financial statements (continued)

The governmental activities of the City of Bountiful include general government, public safety, highways and streets, planning and engineering, parks, recreation, and redevelopment. The business-type activities of the City include water, light and power, landfill, storm water, golf, sanitation, recycling, and cemetery.

The government-wide financial statements include not only the City of Bountiful itself (known as the primary government), but also a legally separate Redevelopment Agency and a Municipal Building Authority which are both component units of the City. Financial information for these component units is reported entirely within the primary government report.

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 of Bountiful can be divided into two categories, governmental funds and proprietary funds.

Governmental funds. These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental 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, Redevelopment Agency Fund, and Debt Service Fund 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 non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Bountiful adopts an annual budget for its General Fund, Capital Projects Fund, Redevelopment Agency Fund, Debt Service Fund and Municipal Building Authority Debt Service Fund. All but the latter are major funds. A budgetary comparison statement has been provided for each of the aforementioned funds to demonstrate compliance with the fiscal year 2013 budget.

Proprietary funds. The City of Bountiful 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 eight 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 Fund, Light and Power Fund and the Landfill 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 proprietary funds is provided in the form of combining statements elsewhere in this report. Proprietary fund financial statements reinforce information provided in government-wide financial statements.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2013**

Overview of the Financial Statements (Continued)

Proprietary funds (continued)

Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City of Bountiful uses internal service funds to account for its workers compensation and risk management activities. Because these services benefit both governmental and business-type functions, they have been allocated to both governmental activities and business-type activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

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

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 obligation to provide other post-employment benefits (OPEB) benefits to its employees. The combining statements referred to earlier, in connection with nonmajor funds and internal service funds, are presented immediately after the RSI on OPEB. Also included are budget comparisons for governmental funds other than the General and Redevelopment Agency Funds.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2013, the City's assets exceeded liabilities by \$228,422,194. By far the largest portion of the City's net position \$126,176,669 (55.24%) reflects its investment in capital assets, less any related debt that is still outstanding and which was used to acquire those assets. Capital assets are used to provide services to citizens, and they are not available for future spending. Although the 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.

City of Bountiful's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Current and other assets	\$ 51,868,236	\$ 55,326,618	\$ 55,509,420	\$ 58,971,014	\$ 107,377,656	\$ 114,297,632
Capital assets	77,666,260	76,724,216	68,402,875	66,098,365	146,069,135	142,822,581
Total assets	129,534,496	132,050,834	123,912,295	125,069,379	253,446,791	257,120,213
Total deferred outflows of resources	45,424	36,339	-	-	45,424	36,339
Long-term liabilities outstanding	4,402,604	3,906,998	15,242,341	14,612,173	19,644,945	18,519,171
Other liabilities	2,770,632	1,859,867	5,360,409	4,734,715	8,131,041	6,594,582
Total liabilities	7,173,236	5,766,865	20,602,750	19,346,888	27,775,986	25,113,753
Total deferred inflows of resources	3,704,830	3,620,605	-	-	3,704,830	3,620,605
Net position:						
Net investment in capital assets	74,200,188	74,103,304	53,747,875	52,073,365	127,948,063	126,176,669
Restricted	4,257,860	3,663,738	981,919	537,775	5,239,779	4,201,513
Unrestricted	40,243,806	44,932,661	48,579,751	53,111,351	88,823,557	98,044,012
Total net position	<u>\$ 118,701,854</u>	<u>\$ 122,699,703</u>	<u>\$ 103,309,545</u>	<u>\$ 105,722,491</u>	<u>\$ 222,011,399</u>	<u>\$ 228,422,194</u>

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2013**

Government-wide Financial Analysis (Continued)

An additional portion of the net position, \$4,201,513 (1.84%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$98,044,012 (42.92%), 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 (for the government as a whole, as well as for its separate governmental and business-type activities).

City of Bountiful's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Revenues:						
Program revenues:						
Charges for services	\$ 3,499,153	\$ 3,668,478	\$ 34,281,962	\$ 35,172,054	\$ 37,781,115	\$ 38,840,532
Operating grants and contributions	1,623,572	1,624,716	735,902	8,850	2,359,474	1,633,566
Capital grants and contributions	369,124	66,843	524,059	686,093	893,183	752,936
General revenues:						
Property taxes	3,984,434	3,960,963	-	-	3,984,434	3,960,963
Other taxes	9,325,193	9,873,265	-	-	9,325,193	9,873,265
Other	891,705	625,347	920,270	707,226	1,811,975	1,332,573
Total revenues	19,693,181	19,819,612	36,462,193	36,574,223	56,155,374	56,393,835
Expenses:						
General government	3,289,872	3,581,400	-	-	3,289,872	3,581,400
Public safety	8,514,389	9,000,597	-	-	8,514,389	9,000,597
Highways and streets	3,475,552	4,067,275	-	-	3,475,552	4,067,275
Planning and engineering	981,570	1,022,280	-	-	981,570	1,022,280
Parks	937,703	1,003,832	-	-	937,703	1,003,832
Redevelopment	707,565	600,355	-	-	707,565	600,355
Interest on long-term debt	144,060	102,623	-	-	144,060	102,623
Water	-	-	3,234,152	3,371,663	3,234,152	3,371,663
Light and Power	-	-	21,895,461	23,015,562	21,895,461	23,015,562
Landfill	-	-	1,087,508	1,108,510	1,087,508	1,108,510
Storm Water	-	-	1,577,577	971,430	1,577,577	971,430
Recycling	-	-	455,047	471,210	455,047	471,210
Golf Course	-	-	1,378,763	1,404,462	1,378,763	1,404,462
Sanitation	-	-	773,031	802,742	773,031	802,742
Cemetery	-	-	328,892	325,056	328,892	325,056
Total expenses	18,050,711	19,378,362	30,730,431	31,470,635	48,781,142	50,848,997
Increase in net position before transfer	1,642,470	441,250	5,731,762	5,103,588	7,374,232	5,544,838
Transfers	(7,645,552)	2,314,400	7,645,552	(2,314,400)	-	-
Increase (Decrease) in net position	(6,003,082)	2,755,650	13,377,314	2,789,188	7,374,232	5,544,838
Net position - beginning of year	124,704,936	118,701,854	89,932,231	103,309,545	214,637,167	222,011,399
Prior Period Adjustment	-	1,242,199	-	(376,242)	-	865,957
Net position - end of year	\$ 118,701,854	\$ 122,699,703	\$ 103,309,545	\$ 105,722,491	\$ 222,011,399	\$ 228,422,194

Governmental Activities

Governmental activities increased the City's net position by \$3,997,849. When combined with the \$2,412,946 increase in net position from business-type activities, overall net position increased by \$6,410,795 or 2.89%. As indicated by the data in the table on page 6, the increase in the City's net position provided this year by governmental activities was \$10,000,931

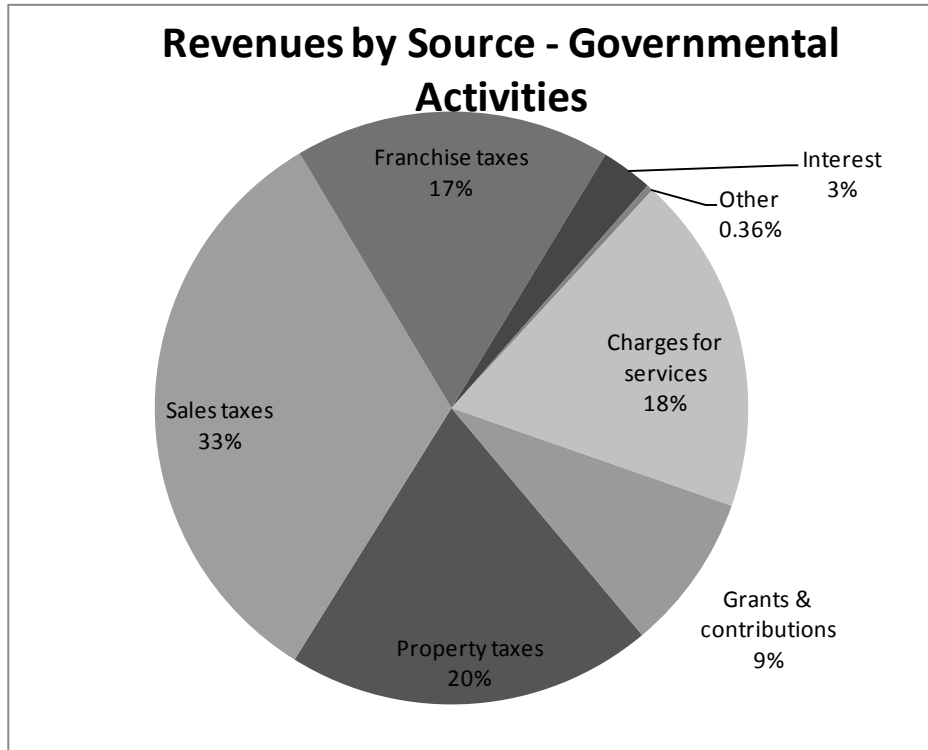
**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2013**

Governmental Activities (Continued)

more than last year's decrease of \$6,003,082 principally due to the following factors:

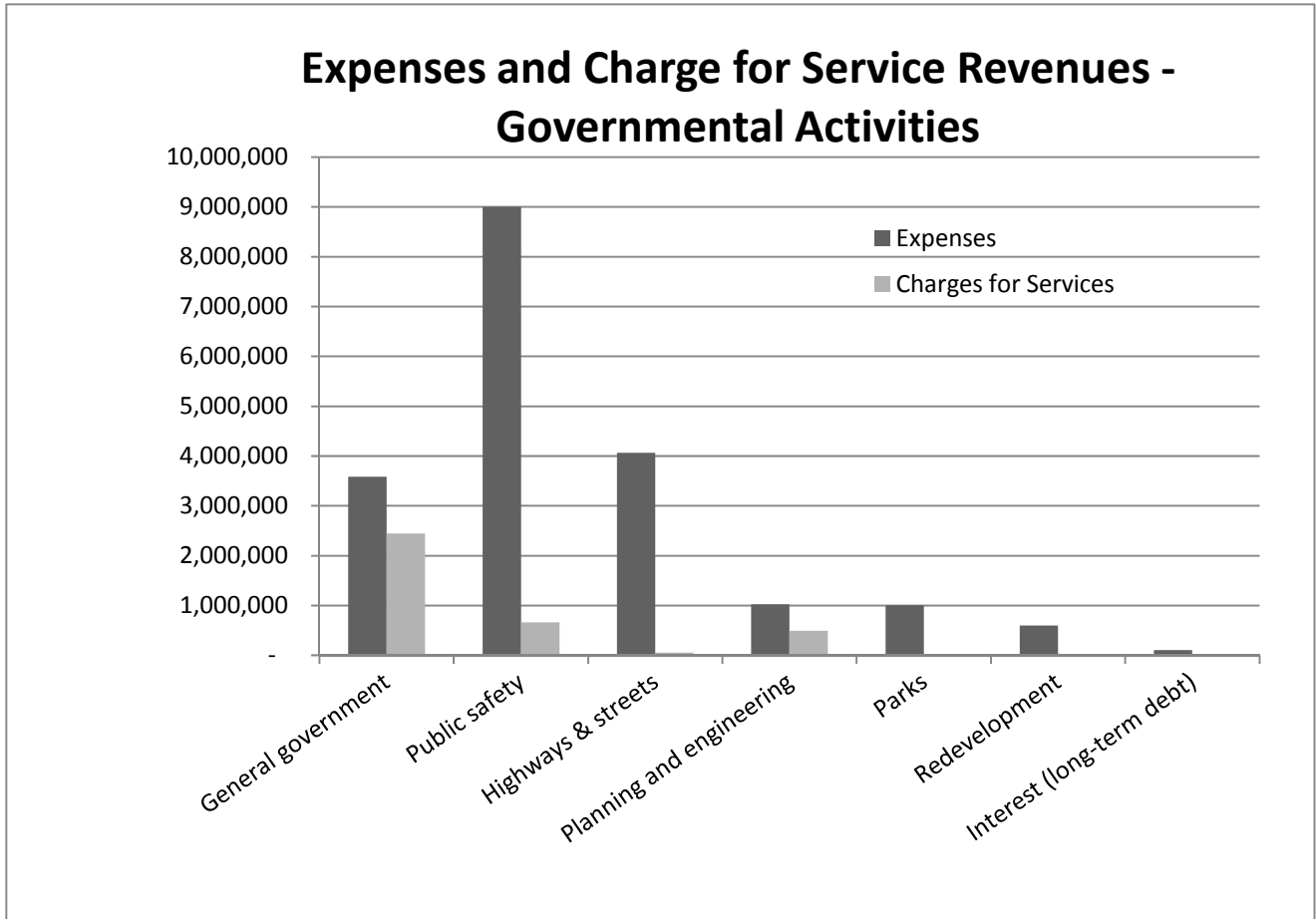
- In fiscal year 2012 there was a \$10,000,000 transfer from the Capital Projects fund to the Light & Power enterprise fund to assist in the construction of a new power plant and dispatch center.
- In fiscal year 2013 there were two prior period adjustments posted to net position. Bond issuance costs of \$100,972 were removed reducing net position and \$1,343,171 of deferred inflow of resources – unavailable revenue for a debt service note receivable was eliminated at the government-wide level increasing net position.
- In fiscal year 2013 the Capital Projects fund transferred \$125,045 in street lighting to the Light & Power fund.
- In fiscal year 2013 the General Fund received \$84,997 more in transfers from the Light & Power fund than in fiscal year 2012.
- Charges for services increased \$169,325.
- General Government expenses increased \$252,820 due to the cost to raze the old Art Center and obtain architectural services related to the construction of a new City Hall.
- Highways and Streets expense increased \$591,723 due to a harsh winter resulting in higher road salt costs, more equipment maintenance and more overtime wages paid to the snow removal crew.
- Public Safety expense increased 486,208 principally due to the purchase of a Viper phone system of \$247,000, increase in public safety retirement of \$179,000, and increase in medical insurance of \$54,775.
- The preceding detail documents net increases totaling \$10,040,725. This amount is different than the \$10,000,931 increase originally presented for this review by \$39,794. This difference was due to transactions too numerous and small to require further explanation.

The graphs presented below and on the following page reflect only regular operating revenues and expenses from governmental activities and not the effects of special one-time items or transfers.



**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2013**

Governmental Activities (Continued)



Business-type Activities

Business-type activities increased the City's net position by \$2,412,946. When combined with the \$3,997,849 that governmental activities added to net position, overall net position increased by \$6,410,795. As indicated by the data in the table on page 6, the principal increase in the City's net position provided this year by business-type activities was \$10,964,368 less than last year's increase of \$13,377,314 due to the following factors:

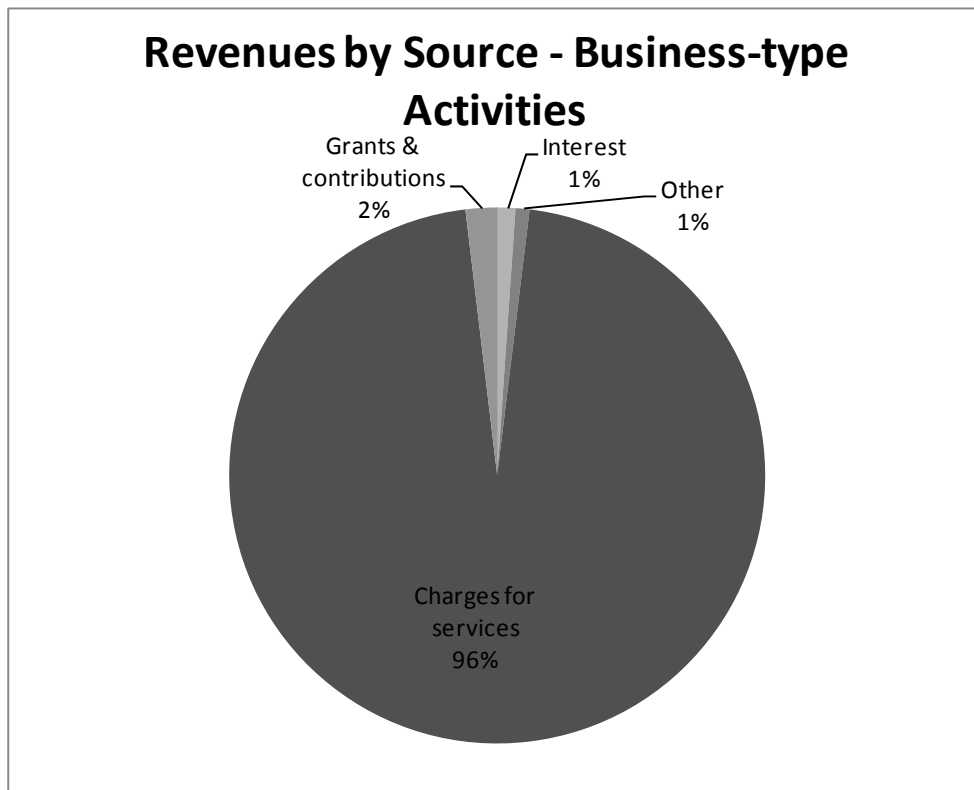
- In fiscal year 2012 there was a \$10,000,000 transfer from the Capital Projects fund to the Light & Power enterprise fund to assist in the construction of a new power plant and dispatch center.
- In fiscal year 2013 there was a prior period adjustment posted to net position. Bond issuance costs of \$376,242 were removed reducing net position.
- In fiscal year 2013 the Capital Projects fund transferred \$125,045 in street lighting to the Light & Power fund.
- During the current year the General Fund received \$84,997 more in transfers from the Light & Power fund than in fiscal year 2012.
- Storm Water expenses decreased \$606,147 largely due to prior year maintenance on the Cave Hollow storm drain system.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2013**

Business-type Activities (Continued)

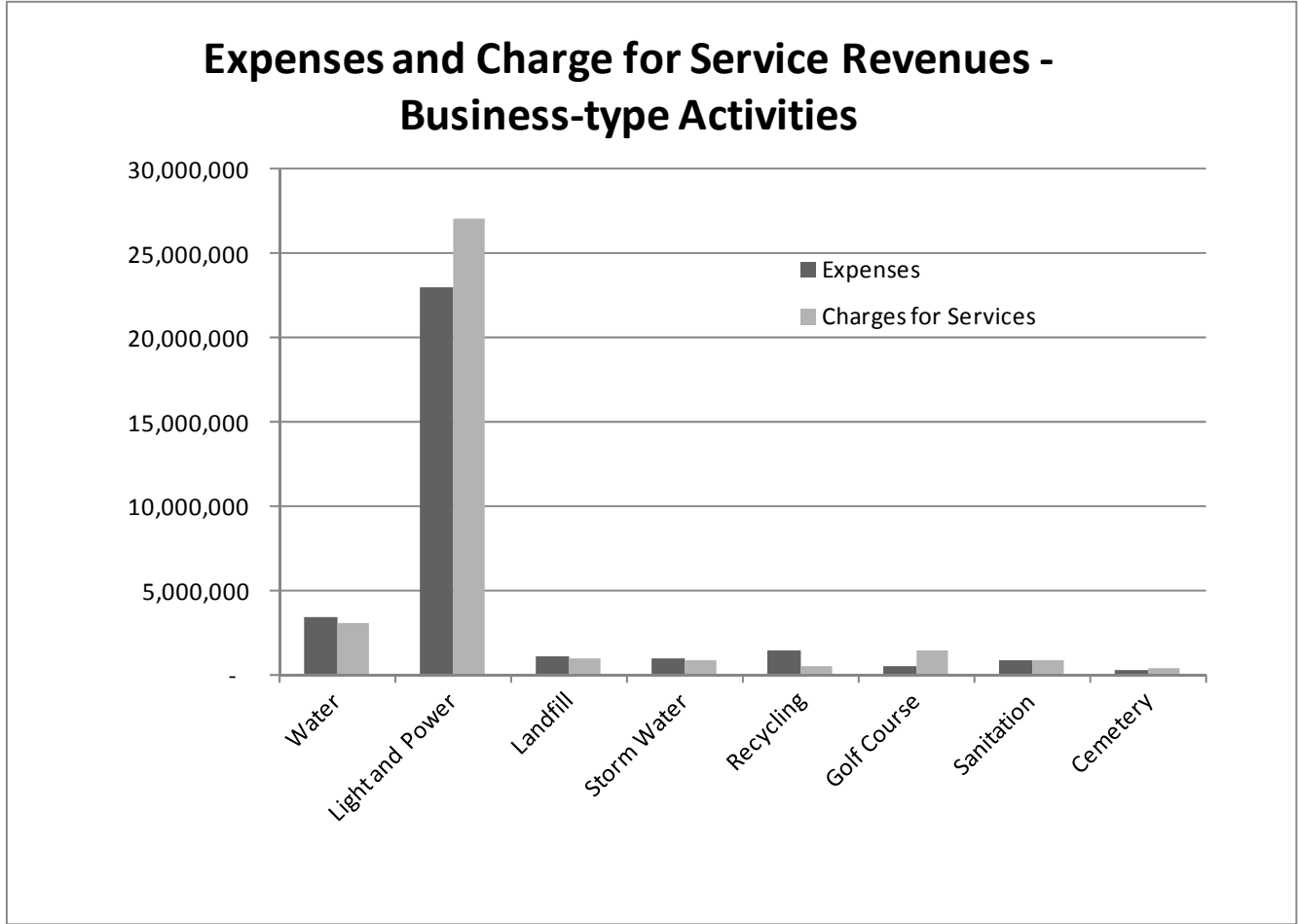
- Light and Power expenses increased \$1,120,101 principally due to: an increase in purchases of natural gas and power plant repairs of \$1,727,076 offset by a decrease in power purchases of \$1,361,483 (net increase is \$365,593); a \$162,317 increase in labor; and a \$602,671 increase in depreciation expense.
- Water expense increased \$137,511 principally due to the early purchasing of fiscal year 2014 pipe inventory of \$83,400 and upgrading the treatment plant's power system for a total of \$43,634.
- The preceding detail documents net decreases totaling \$10,987,659. This amount is different than the \$10,964,368 decrease originally presented for this review by \$23,291. This difference was due to transactions too numerous and small to require further explanation.

The graphs presented below and on the following page reflect only regular operating revenues and expenses from business-type activities and not the effects of special one-time items or transfers.



**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2013**

Business-type Activities (Continued)



Financial Analysis of the Government's Funds

Governmental funds. The purpose of these 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.

At June 30, 2013, the City's governmental funds reported combined ending fund balance of \$40,793,973, an increase of \$3,481,557 over the prior year. \$37,090,391 (90.92%) is available for spending at the government's discretion; however, \$34,642,216 has been assigned by the City Manager for subsequent years' capital expenditures and other uses, leaving an unassigned amount of \$2,448,175. The remaining \$3,703,582 of fund balance is not available for new spending because it is non-spendable in form (land held for resale) or legally restricted by parties outside the financial reporting entity for 1) future landfill closure costs (\$803,039), 2) perpetual care of the City's cemetery (\$1,532,404), 3) debt service (\$553,353), 4) recreation and arts programs (\$171,694), 5) public safety expenditures (\$58,111), and 6) trails and museum projects (\$26,623).

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2013**

Financial Analysis of the Government's Funds (Continued)

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 \$2,448,175. As a measure of the General Fund's liquidity, it may be useful to compare this amount to total fund expenditures of \$15,223,508 (16.08% or 58 calendar days). The fund balance of the City's General Fund increased \$259,951 during the current fiscal year. This represents an 11.26 % change in fund balance.

The Capital Projects Fund has a total fund balance of \$28,677,813, 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, 2013, the fund balance in the Capital Projects Fund increased by \$2,142,438 or 8.07%. This increase was \$9,122,425 more than last fiscal year's decrease of \$6,979,987 due to the following reasons: 1) The affect of the fiscal year 2012 transfer of \$10,000,000 to the Light and power fund to assist in the construction of a new power plant and office complex, 2) In the current year the Capital Projects fund transferred \$125,045 in street lighting to the Light & Power fund, 3) \$365,352 less received from allocated sales taxes, 4) \$84,502 less received in interest income, and 5) project expenditures increased by \$302,676.

The Redevelopment Agency Fund has a total fund balance of \$5,970,398, all of which has been assigned by the City Manager for eligible redevelopment projects. The net increase in fund balance during the current fiscal year was \$1,055,418 compared to last year's increase of \$606,141. The \$449,277 larger increase consisted of 1) A decrease in project expenditures of \$499,006, 2) \$104,064 more collected from revolving loan fund participants, 3) A decrease in tax increment revenue of \$95,090, 4) An increase in interest income of \$13,928, and 5) A decrease in pass-through payments revenue from Woods Cross City of \$72,631 as this agreement ended in fiscal year 2012.

The Debt Service Fund has a total fund balance of \$151,746, all of which has been assigned by the City Manager for the payment of debt service. The net increase in fund balance during the current year was \$31,249. Special Improvement District assessments exceeded debt service amounts by \$36,473.

Proprietary funds. These funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water, Light and Power, and Landfill Funds (all Major Funds) at the end of the year were \$3,549,628, \$33,910,011, and \$10,438,510, respectively. The increase (decrease) in total net position was (\$77,378), \$2,651,533, and \$176,870 for those same funds, respectively, after the effect of any special items. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

During the year there was a \$473,000 increase in appropriations between the original and final amended budgeted expenditures. Following are the components of the increase:

- Transfers to Capital Improvements from Legislative Department of the General Fund increased \$202,000. This amendment was related to the installation of a new VIPER telephone dispatch system. However, these transfers were never needed.
- Vehicle Allowance in Legal Department increased \$7,000 due to adjustments needed when changing from a vehicle lease to a car allowance.
- Professional & Technical Services in Legal Department increased \$8,000 related to contracted legal support to City Attorney during transition period between City Managers.
- Wages and Benefits in the Executive Department increased \$1,000 due to support staff reallocation.
- Wages and Benefits in the Government Buildings Department increased \$6,000 due to snow removal overtime and medical costs in excess of projections.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2013**

General Fund Budgetary Highlights (Continued)

- Wages and Benefits in the Police Department increased \$17,000 due to overtime for alcohol law enforcement and Communities That Care program salaries.
- Office Supplies in the Police Department increased \$1,000 for Communities That Care program supplies.
- Tire House (Shooting Range) Maintenance in the Police Department increased \$7,000 for the purchase of gun range targets.
- Public Safety Supplies in the Police Department increased \$47,000 for the purchase of airbag vests and supplies for grant activities.
- Special Highway Supplies in the Streets Department increased \$142,000 for additional road salt needed during harsh winter conditions.
- Wages and Benefits in the Parks Department increased \$12,000 due to snow removal overtime and medical costs in excess of projections.
- Buildings and Grounds Supplies and Maintenance and Utilities in the Parks Department increased \$13,000 due to a wireless surveillance camera installation and Lion's Club utilities.
- Credit Card Merchant Fees in the Parks Department increased \$2,000 after bowery rental payments could be made by credit card.
- Wages and Benefits in the Planning Department increased \$6,000 to accommodate additional hours worked during a staffing transition.
- Professional and Technical Services in the Planning Department increased \$2,000 for Administrative Law Judge expenses.

The increase was possible because of additional revenue collections (Sales and Use Taxes of \$131,000, Electric Utility Franchise Taxes of \$100,000, and E-911 Emergency Telephone Taxes of \$40,000), and Grant Revenue related to the installation of a new VIPER telephone dispatch system of \$202,000.

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 2013, the following analysis is offered as explanation of significant variances greater than \$150,000.

- General Sales and Use Tax was budgeted at \$3,031,000 for the fiscal year, but the actual revenues were only \$2,155,568. This change is due primarily to a \$1,128,777 larger-than-budgeted allocation of sales tax revenue to the Capital Projects Fund to meet capital improvement needs as documented in the City's ten-year capital improvement plan.
- Due to larger-than-budgeted sales of electric power, 10% of which is transferred each year to subsidize General Fund operations, the amount of those transfers exceeded budget by \$159,445.
- The budget for Transfers to the Capital Projects Fund from the General Fund was increased, via amendment, by \$202,000.00. However, these transfers were never made.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2013**

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities at June 30, 2013, amounts to \$142,822,581 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, service lines, vehicles and equipment, furniture and fixtures, streetlights, sidewalks, curb and gutter, roads, and similar infrastructure. A total decrease in the City's investment in capital assets for the current fiscal year was \$3,246,554 (a 1.21% decrease equaling \$942,044 for governmental activities and a 3.37% decrease equaling \$2,304,510 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	
	2012	2013	2012	2013	2012	2013
Land	\$ 47,458,738	\$ 47,458,738	\$ 3,120,089	\$ 3,120,089	\$ 50,578,827	\$ 50,578,827
Infrastructure	14,712,679	14,263,075	23,544,414	23,051,102	38,257,093	37,314,177
Buildings and other structures	11,096,224	10,194,671	13,582,697	12,893,925	24,678,921	23,088,596
Improvements other than buildings	2,268,435	2,041,789	1,259,544	1,185,221	3,527,979	3,227,010
Street light and traffic signal system	-	-	805,499	833,013	805,499	833,013
Machinery & equipment	1,270,085	1,466,661	26,041,628	24,946,389	27,311,713	26,413,050
Furniture & fixtures	860,099	996,464	6,497	5,498	866,596	1,001,962
Construction in progress	-	302,818	42,507	63,128	42,507	365,946
Total	\$ 77,666,260	\$ 76,724,216	\$ 68,402,875	\$ 66,098,365	\$ 146,069,135	\$ 142,822,581

City of Bountiful's Schedule of Capital Asset Additions (Retirements)			
	Governmental	Business-type	Totals
	Activities	Activities	
New Streets, Curb, Gutter and Sidewalk Infrastructure	\$ 54,824	\$ -	\$ 54,824
Motor Vehicle and Heavy Equipment Purchases	(106,390)	318,383	211,993
New City Hall (less retirement of old Art Center)	(259,863)	-	(259,863)
Improvements to Cemetery Plat "N"	-	41,005	41,005
North Canyon Park Storm Drain System	24,327	-	24,327
Surge Protection Equipment for Water Wells	-	43,636	43,636
Golf Course Club House Entry Remodeling	-	42,901	42,901
Golf Course Hole #5 Cart Path	-	20,184	20,184
New Water and Storm Water Infrastructure (water mains and storm drains)	-	570,094	570,094
Construction on Light and Power Department Generation, Transmission, and Dist. Systems	-	485,704	485,704
Tyler Technologies Software/Hardware	158,794	-	158,794
Viper E-911 Dispatch Telephone System (less retirement of Vesta Pallas & Zeetron systems)	20,540	-	20,540
Med Prime Billing / Ambulance Claim Software Retired	(10,400)	-	(10,400)
New Traffic Signal at the Intersection of Orchard and North Canyon Drives	-	125,045	125,045
Less Change in Accumulated Depreciation	(823,877)	(3,951,462)	(4,775,339)
Total	\$ (942,045)	\$ (2,304,510)	\$ (3,246,555)

Additional information on the City's capital assets can be found in Note 7 of this report.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2013**

Capital Asset and Debt Administration (Continued)

Long-term debt. At the end of the current fiscal year, the City had \$16,599,000 in outstanding bonded debt consisting of lease, sales tax, and electric revenue bonds. All of the bonded debt was secured by specific revenue sources.

City of Bountiful's Outstanding debt						
	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Lease revenue bonds	\$ 2,380,000	\$ 1,742,000	\$ -	\$ -	\$ 2,380,000	\$ 1,742,000
Sales Tax revenue bonds	1,023,000	832,000	-	-	1,023,000	832,000
Electric revenue bonds	-	-	14,655,000	14,025,000	14,655,000	14,025,000
Total	<u>\$ 3,403,000</u>	<u>\$ 2,574,000</u>	<u>\$ 14,655,000</u>	<u>\$ 14,025,000</u>	<u>\$ 18,058,000</u>	<u>\$ 16,599,000</u>

Additional information on the City's long-term debt can be found in Note 9 of this report.

Economic Factors and 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 and 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 2014 were developed based upon the following assumptions:

- Economic activity in the region is continuing its slow recovery. Specific watch areas are housing starts, existing home sales, commercial construction, vehicle sales, retail sales in general, and credit market and interest rate uncertainty.
- 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. Existing developments (including those with mixed use) such as the Renaissance Towne Centre, the Village on Main Street property and the traditional main street areas of the city, will be focus areas of growth for the future.
- Sales tax, which is shared with cities by the State of Utah, was projected conservatively with a slight growth level based on overall economic activity and the proportionate share of distribution that the City receives based on population.
- The budget includes increases in operating costs for personnel merit raises, energy and general goods and services, and cost-of-living increases. 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. 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 implementation of a City Wellness Program, and adoption of benefit program changes to increase employee awareness of costs and to reduce utilization of high cost areas.
- Enterprise fund activity reflects no rate increases to customers, other than a water sale increase which took effect July 1, 2013.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF BOUNTIFUL
STATEMENT OF NET POSITION
June 30, 2013

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 14,171,528	\$ 14,692,988	\$ 28,864,516
Receivables:			
Taxes	5,001,025	-	5,001,025
Accounts, net	310,175	4,344,679	4,654,854
Interest	40,969	40,570	81,539
Intergovernmental	286,787	-	286,787
Investments	25,756,465	25,083,299	50,839,764
Internal balances	332,109	(332,109)	-
Inventories	-	2,175,801	2,175,801
Prepays	-	112,704	112,704
Real estate inventory held for resale	558,358	-	558,358
Notes receivable	3,595,464	78,010	3,673,474
Restricted assets:			
Cash and cash equivalents and investments	4,464,734	2,553,081	7,017,815
Receivables	75,723	-	75,723
Other postemployment benefits asset	733,281	470,437	1,203,718
Capital assets, net:			
Land, land rights, and water rights	47,458,738	3,120,089	50,578,827
Buildings, wells, and reservoirs	10,194,671	12,893,925	23,088,596
Improvements other than buildings	2,041,789	1,185,221	3,227,010
Transmission, distribution and collection systems	-	23,051,102	23,051,102
Street light and traffic signal system	-	833,013	833,013
Machinery and equipment	1,466,661	24,946,389	26,413,050
Furniture and fixtures	996,464	5,498	1,001,962
Infrastructure	14,263,075	-	14,263,075
Construction in progress	302,818	63,128	365,946
Investment in power projects	-	9,751,554	9,751,554
Total Assets	132,050,834	125,069,379	257,120,213
Deferred Outflows of Resources			
Deferred charge on refunding	36,339	-	36,339
Total Deferred Outflows of Resources	\$ 36,339	\$ -	\$ 36,339

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

CITY OF BOUNTIFUL
STATEMENT OF NET POSITION (Continued)
June 30, 2013

	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	\$ 696,560	\$ 2,126,163	\$ 2,822,723
Accrued liabilities	276,588	299,960	576,548
Accrued interest payable	10,000	108,232	118,232
Unearned revenue	-	185,054	185,054
Developer and customer deposits	646,581	800,943	1,447,524
Liabilities payable from restricted assets	230,138	1,214,363	1,444,501
Noncurrent liabilities:			
Due within one year	1,842,302	825,093	2,667,395
Due in more than one year	2,064,696	13,787,080	15,851,776
Total Liabilities	5,766,865	19,346,888	25,113,753
Deferred Inflows of Resources			
Unavailable revenue-property taxes	3,620,605	-	3,620,605
Total Deferred Inflows of Resources	3,620,605	-	3,620,605
Net Position			
Net investment in capital assets	74,103,304	52,073,365	126,176,669
Restricted for:			
Walking/biking trail projects	26,623	-	26,623
Perpetual care - nonexpendable	1,532,404	-	1,532,404
Landfill closure	803,039	-	803,039
Debt Service	553,353	537,775	1,091,128
Regulatory required insurance deposit	518,514	-	518,514
Recreation and arts	171,694	-	171,694
Communities that Care	58,111	-	58,111
Unrestricted	44,932,661	53,111,351	98,044,012
Total Net Position	122,699,703	105,722,491	228,422,194
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 132,087,173	\$ 125,069,379	\$ 257,156,552

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

CITY OF BOUNTIFUL
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2013

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 governmental	\$ 3,581,400	\$ 2,445,600	\$ -	\$ 66,843	\$ (1,068,957)	\$ -	\$ (1,068,957)
Public safety	9,000,597	661,832	320,279	-	(8,018,486)	-	(8,018,486)
Highways and streets	4,067,275	49,826	1,304,437	-	(2,713,012)	-	(2,713,012)
Planning and engineering	1,022,280	496,495	-	-	(525,785)	-	(525,785)
Parks	1,003,832	14,725	-	-	(989,107)	-	(989,107)
Redevelopment	600,355	-	-	-	(600,355)	-	(600,355)
Interest on long-term debt	102,623	-	-	-	(102,623)	-	(102,623)
Total Governmental Activities	19,378,362	3,668,478	1,624,716	66,843	(14,018,325)	-	(14,018,325)
Business-type Activities							
Water	3,371,663	3,026,573	-	203,413	-	(141,677)	(141,677)
Light and power	23,015,562	27,086,113	8,850	479,789	-	4,559,190	4,559,190
Landfill	1,108,510	1,015,014	-	-	-	(93,496)	(93,496)
Storm water	971,430	907,515	-	2,891	-	(61,024)	(61,024)
Golf course	1,404,462	1,473,679	-	-	-	69,217	69,217
Recycling	471,210	482,335	-	-	-	11,125	11,125
Sanitation	802,742	851,060	-	-	-	48,318	48,318
Cemetery	325,056	329,765	-	-	-	4,709	4,709
Total Business-type Activities	31,470,635	35,172,054	8,850	686,093	-	4,396,362	4,396,362
Total Government	\$ 50,848,997	\$ 38,840,532	\$ 1,633,566	\$ 752,936	\$ (14,018,325)	\$ 4,396,362	\$ (9,621,963)
			General Revenues				
			Property taxes	\$ 3,960,963	\$ -	\$ 3,960,963	
			Sales taxes	6,456,991	-	6,456,991	
			Franchise taxes	3,416,274	-	3,416,274	
			Interest on investments	554,481	400,606	955,087	
			Miscellaneous	70,866	280,604	351,470	
			Gain on sale of capital assets	-	26,016	26,016	
			Transfers	2,314,400	(2,314,400)	-	
			Total General Revenues and Transfers	16,773,975	(1,607,174)	15,166,801	
			Changes in Net Position	2,755,650	2,789,188	5,544,838	
			Net Position, Beginning	118,701,854	103,309,545	222,011,399	
			Prior Period Adjustment	1,242,199	(376,242)	865,957	
			Net Position, Ending	\$ 122,699,703	\$ 105,722,491	\$ 228,422,194	

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

CITY OF BOUNTIFUL
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Cash and cash equivalents	\$ 246	\$ 10,543,684	\$ 1,994,142	\$ 55,867	\$ 131,870	\$ 12,725,809
Receivables:						
Taxes	3,473,046	-	1,527,979	-	-	5,001,025
Accounts - net	305,398	-	-	-	-	305,398
Interest	3,214	27,815	5,827	150	-	37,006
Intergovernmental	279,422	-	-	-	7,366	286,788
Investments	1,478,660	18,063,707	3,415,843	95,698	225,886	23,279,794
Real estate inventory held for resale	-	-	558,358	-	-	558,358
Due from other funds	-	381,000	-	-	-	381,000
Notes receivable	-	-	2,452,889	1,142,575	-	3,595,464
Restricted assets:						
Cash and cash equivalents and investments	866,082	1,765	-	31	3,078,342	3,946,220
Receivables	-	-	-	-	75,723	75,723
Total Assets	<u>\$ 6,406,068</u>	<u>\$ 29,017,971</u>	<u>\$ 9,955,038</u>	<u>\$ 1,294,321</u>	<u>\$ 3,519,187</u>	<u>\$ 50,192,585</u>
Liabilities						
Accounts payable	\$ 310,561	\$ 338,393	\$ 2,100	\$ -	\$ -	\$ 651,054
Liabilities payable from restricted assets	134,767	1,765	-	-	93,606	230,138
Accrued liabilities	272,098	-	1,672	-	-	273,770
Due to other funds	381,000	-	-	-	-	381,000
Developer and customer deposits	646,581	-	-	-	-	646,581
Total Liabilities	<u>1,745,007</u>	<u>340,158</u>	<u>3,772</u>	<u>-</u>	<u>93,606</u>	<u>2,182,543</u>
Deferred Inflows of Resources						
Unavailable revenue-property taxes	\$ 2,092,626	\$ -	\$ 1,527,979	\$ -	\$ -	\$ 3,620,605
Unavailable revenue-notes receivable	-	-	2,452,889	1,142,575	-	3,595,464
Total Deferred Inflows of Resources	<u>2,092,626</u>	<u>-</u>	<u>3,980,868</u>	<u>1,142,575</u>	<u>-</u>	<u>7,216,069</u>
Fund Balances						
Nonspendable:						
Real estate inventory	\$ -	\$ -	\$ 558,358	\$ -	\$ -	\$ 558,358
Restricted:						
Trails and museum projects	26,623	-	-	-	-	26,623
Landfill closure	-	-	-	-	803,039	803,039
Prepetual care	-	-	-	-	1,532,404	1,532,404
Debt service	-	-	-	31	553,322	553,353
Recreation and arts	-	-	-	-	171,694	171,694
Public safety	58,111	-	-	-	-	58,111
Assigned:						
Computer replacement	35,526	-	-	-	-	35,526
Capital projects	-	28,677,813	-	-	-	28,677,813
RDA fund	-	-	5,412,040	-	-	5,412,040
Debt service fund	-	-	-	151,715	-	151,715
MBA fund	-	-	-	-	365,122	365,122
Unassigned	2,448,175	-	-	-	-	2,448,175
Total Fund Balances	<u>2,568,435</u>	<u>28,677,813</u>	<u>5,970,398</u>	<u>151,746</u>	<u>3,425,581</u>	<u>40,793,973</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,406,068</u>	<u>\$ 29,017,971</u>	<u>\$ 9,955,038</u>	<u>\$ 1,294,321</u>	<u>\$ 3,519,187</u>	<u>\$ 50,192,585</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, 2013

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

Total fund balance - governmental funds	\$ 40,793,973
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	76,724,216
The net OPEB asset resulting from contribution in excess of the annual required contribution is not a financial resource and therefore is not reported in the funds.	733,281
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.	4,401,314
Internal service funds had a net current year income. This income was eliminated at the government-wide level creating an internal balance due to governmental activities from business-type activities.	332,109
Accrued interest expense is not due and payable in the current period and therefore is not recorded in the funds.	(10,000)
Long-term liabilities are not due and payable in the current period and therefore are not recorded in the funds.	(3,870,659)
Deferred inflows of resources related to the RDA and Debt Service Fund's notes receivable are removed in the statement of net position.	3,595,469
Total net position - governmental activities	\$ 122,699,703

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 Year Ended June 30, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues						
Taxes	\$ 8,208,992	\$ 3,728,777	\$ 1,498,018	\$ -	\$ 398,441	\$ 13,834,228
Licenses and permits	593,746	-	-	-	-	593,746
Intergovernmental	1,624,716	-	-	-	-	1,624,716
Charges for services	2,303,835	-	-	-	621,277	2,925,112
Fines and forfeitures	148,891	-	-	-	-	148,891
Interest on investments	102,293	263,266	118,094	1,552	28,864	514,069
Miscellaneous	37,831	-	490,174	267,438	33,035	828,478
Total Revenues	<u>13,020,304</u>	<u>3,992,043</u>	<u>2,106,286</u>	<u>268,990</u>	<u>1,081,617</u>	<u>20,469,240</u>
Expenditures						
Current:						
General government	2,703,214	-	-	6,776	368,298	3,078,288
Public safety	7,925,807	-	-	-	-	7,925,807
Highways and streets	2,923,089	-	-	-	-	2,923,089
Planning and engineering	968,171	-	-	-	-	968,171
Parks	703,227	-	-	-	-	703,227
Redevelopment	-	-	1,050,868	-	-	1,050,868
Debt service:						
Principal	-	-	-	191,000	638,000	829,000
Interest	-	-	-	39,965	82,818	122,783
Capital outlay:						
Capital Projects	-	1,724,560	-	-	-	1,724,560
Total Expenditures	<u>15,223,508</u>	<u>1,724,560</u>	<u>1,050,868</u>	<u>237,741</u>	<u>1,089,116</u>	<u>19,325,793</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,203,204)</u>	<u>2,267,483</u>	<u>1,055,418</u>	<u>31,249</u>	<u>(7,499)</u>	<u>1,143,447</u>
Other Financing Sources (Uses)						
Transfer in	2,439,445	-	-	-	-	2,439,445
Transfer out	-	(125,045)	-	-	-	(125,045)
Sale of capital assets	23,710	-	-	-	-	23,710
Total Other Financing Sources (Uses)	<u>2,463,155</u>	<u>(125,045)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,338,110</u>
Net Change in Fund Balances	259,951	2,142,438	1,055,418	31,249	(7,499)	3,481,557
Fund Balance, Beginning	<u>2,308,484</u>	<u>26,535,375</u>	<u>4,914,980</u>	<u>120,497</u>	<u>3,433,080</u>	<u>37,312,416</u>
Fund Balance, Ending	<u>\$ 2,568,435</u>	<u>\$ 28,677,813</u>	<u>\$ 5,970,398</u>	<u>\$ 151,746</u>	<u>\$ 3,425,581</u>	<u>\$ 40,793,973</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 NET POSITION OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2013

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

Net change in fund balances - total governmental funds	\$ 3,481,557
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.	(2,328,698)
Governmental funds report current capital outlays as expenditures and do not account for developer donations of assets that cannot be used as current financial resources. However, these expenditures and donations are reported as capital assets in the statement of net position.	1,494,677
The effect of the sale and disposal of capital assets.	(108,024)
In the statement of activities, the annual cost of OPEB liabilities is recorded.	29,981
Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	829,000
In the statement of activities, amortization of premiums and deferred charge on refunding of debt is recorded.	16,160
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expense is reported when due.	4,000
The long term portion of accrued leave does not require the use of current financial resources and therefore is not recorded as an expenditure in the Governmental Funds.	(358,639)
The combined change in net position of internal service funds is reported within the governmental activities.	(193,176)
Internal service funds had a net current year income. This income was eliminated at the government-wide level creating a current year internal balance due to business-type activities from governmental activities with associated changes in current year expenses.	119,580
Proceeds from repayment of RDA and Debt Service Fund's notes receivable are recorded as revenue in the Governmental Funds. However, the repayment is recorded as a reduction of the loan in the statement of net position.	(690,768)
Amounts loaned by the RDA are recorded as expenditures in the Governmental Funds. However, the loan is recorded as an asset for the statement of net position.	460,000
Change in net position of governmental activities	<u><u>\$ 2,755,650</u></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 – GENERAL FUND
For The Year Ended June 30, 2013

	<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				
Taxes	\$ 8,925,791	\$ 9,156,791	\$ 8,208,992	\$ (947,799)
Licenses and permits	490,000	490,000	593,746	103,746
Intergovernmental revenues	1,325,000	1,527,000	1,624,716	97,716
Charges for services	2,183,219	2,223,219	2,303,835	80,616
Fines and forfeitures	130,000	130,000	148,891	18,891
Interest on investments	110,549	110,549	102,293	(8,256)
Miscellaneous	75,000	75,000	37,831	(37,169)
Total Revenues	<u>13,239,559</u>	<u>13,712,559</u>	<u>13,020,304</u>	<u>(692,255)</u>
Expenditures				
Current:				
General government:				
Legislative	563,387	765,387	487,377	278,010
Legal	299,505	314,505	314,382	123
Executive	139,418	140,418	125,390	15,028
Information systems	477,486	477,486	469,979	7,507
Administrative	678,741	678,741	655,030	23,711
Treasury	596,937	596,937	552,187	44,750
Government buildings	98,010	104,010	98,869	5,141
Public safety:				
Police	6,180,410	6,252,410	6,050,033	202,377
Fire	1,900,000	1,900,000	1,875,774	24,226
Highways and streets	2,900,756	3,042,756	2,923,089	119,667
Planning and engineering:				
Planning	204,374	212,374	210,114	2,260
Engineering	784,992	784,992	758,057	26,935
Parks	697,045	724,045	703,227	20,818
Total Expenditures	<u>15,521,061</u>	<u>15,994,061</u>	<u>15,223,508</u>	<u>770,553</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(2,281,502)</u>	<u>(2,281,502)</u>	<u>(2,203,204)</u>	<u>78,298</u>
Other Financing Sources (Uses)				
Transfer in	2,280,000	2,280,000	2,439,445	159,445
Sale of capital assets	-	-	23,710	23,710
Total Other Financing Sources (Uses)	<u>2,280,000</u>	<u>2,280,000</u>	<u>2,463,155</u>	<u>183,155</u>
Net Change in Fund Balance *	<u>\$ (1,502)</u>	<u>\$ (1,502)</u>	259,951	<u>\$ 261,453</u>
Fund Balance, Beginning			<u>2,308,484</u>	
Fund Balance, Ending			<u>\$ 2,568,435</u>	

* The net change in fund balance was included in the budget as an appropriation (i.e., spendown) of fund balance.
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 Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,609,039	\$ 1,609,039	\$ 1,498,018	\$ (111,021)
Intergovernmental revenues	-	-	-	-
Interest on investments	97,640	97,640	118,094	20,454
Miscellaneous	308,446	308,446	490,174	181,728
Total Revenues	<u>2,015,125</u>	<u>2,015,125</u>	<u>2,106,286</u>	<u>91,161</u>
Expenditures				
Current:				
Redevelopment	4,049,550	4,049,550	1,050,868	2,998,682
Total Expenditures	<u>4,049,550</u>	<u>4,049,550</u>	<u>1,050,868</u>	<u>2,998,682</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,034,425)</u>	<u>(2,034,425)</u>	<u>1,055,418</u>	<u>3,089,843</u>
Other Financing Uses				
Transfer in	935,511	935,511	-	(935,511)
Transfer out	(300,000)	(300,000)	-	300,000
Total Other Financing	<u>635,511</u>	<u>635,511</u>	<u>-</u>	<u>(635,511)</u>
Net Change in Fund Balance *	<u>\$ (1,398,914)</u>	<u>\$ (1,398,914)</u>	<u>1,055,418</u>	<u>\$ 2,454,332</u>
Fund Balance, Beginning			<u>4,914,980</u>	
Fund Balance, Ending			<u>\$ 5,970,398</u>	

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

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

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CITY OF BOUNTIFUL
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2013

	<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</u>	<u>Other Enterprise Funds</u>		
Assets						
Current Assets						
Cash and cash equivalents	\$ 1,205,002	\$ 7,178,144	\$ 4,361,498	\$ 1,948,344	\$ 14,692,988	\$ 1,445,719
Accounts receivable, net	439,749	3,498,823	114,167	291,940	4,344,679	4,777
Interest receivable	3,305	22,296	9,533	5,436	40,570	3,963
Investments	2,068,207	13,558,257	6,012,410	3,444,425	25,083,299	2,476,671
Inventories	129,876	1,987,256	-	58,669	2,175,801	-
Prepaid expenses	72,840	39,864	-	-	112,704	-
Total Current Assets	<u>3,918,979</u>	<u>26,284,640</u>	<u>10,497,608</u>	<u>5,748,814</u>	<u>46,450,041</u>	<u>3,931,130</u>
Noncurrent Assets						
Notes receivable	-	-	-	78,010	78,010	-
Restricted assets:						
Cash and cash equivalents and investments	2,502	1,275,334	1,211,861	63,384	2,553,081	518,514
Other postemployment benefits asset	86,603	275,071	21,075	87,688	470,437	-
Capital assets, net:						
Land, land rights and water rights	339,566	492,016	43,737	2,244,770	3,120,089	-
Buildings, wells and reservoirs	5,036,007	5,050,167	1,515,268	1,292,483	12,893,925	-
Improvements other than buildings	81,247	-	205,141	898,833	1,185,221	-
Transmission, distribution and collection systems	10,468,580	8,753,438	-	3,829,084	23,051,102	-
Street light and traffic signal systems	-	833,013	-	-	833,013	-
Machinery and equipment	425,599	23,169,118	579,706	771,966	24,946,389	-
Furniture and fixtures	-	-	-	5,498	5,498	-
Construction in progress	-	63,128	-	-	63,128	-
Investments in power projects	-	9,751,554	-	-	9,751,554	-
Total Noncurrent Assets	<u>16,440,104</u>	<u>49,662,839</u>	<u>3,576,788</u>	<u>9,271,716</u>	<u>78,951,447</u>	<u>518,514</u>
Total Assets	<u>\$ 20,359,083</u>	<u>\$ 75,947,479</u>	<u>\$ 14,074,396</u>	<u>\$ 15,020,530</u>	<u>\$ 125,401,488</u>	<u>\$ 4,449,644</u>

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, 2013

	<u>Business-type Activities - Enterprise Funds</u>					Governmental Activities - Internal Service Funds
	<u>Water</u>	<u>Light and Power</u>	<u>Landfill</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise</u>	
Liabilities						
Current Liabilities						
Accounts payable	\$ 207,722	\$ 1,725,028	\$ 31,331	\$ 162,082	\$ 2,126,163	\$ 45,510
Compensated absences	30,877	99,392	10,210	44,614	185,093	-
Accrued liabilities	24,656	210,461	10,603	54,240	299,960	2,820
Accrued Interest Payable	-	108,232	-	-	108,232	-
Revenue bond payable	-	640,000	-	-	640,000	-
Total Current Liabilities	<u>263,255</u>	<u>2,783,113</u>	<u>52,144</u>	<u>260,936</u>	<u>3,359,448</u>	<u>48,330</u>
Noncurrent Liabilities						
Compensated absences	58,741	258,141	28,029	57,169	402,080	-
Liabilities payable from restricted assets	2,502	-	1,211,861	-	1,214,363	-
Unearned revenue	133,958	-	-	51,096	185,054	-
Developer and customer deposits	-	737,559	-	63,384	800,943	-
Revenue bond payable	-	13,385,000	-	-	13,385,000	-
Total Noncurrent Liabilities	<u>195,201</u>	<u>14,380,700</u>	<u>1,239,890</u>	<u>171,649</u>	<u>15,987,440</u>	<u>-</u>
Total Liabilities	<u>458,456</u>	<u>17,163,813</u>	<u>1,292,034</u>	<u>432,585</u>	<u>19,346,888</u>	<u>48,330</u>
Net Position						
Net investment in capital assets	16,350,999	24,335,880	2,343,852	9,042,634	52,073,365	-
Restricted:						
Debt service	-	537,775	-	-	537,775	-
Regulatory required insurance deposit	-	-	-	-	-	518,514
Unrestricted	<u>3,549,628</u>	<u>33,910,011</u>	<u>10,438,510</u>	<u>5,545,311</u>	<u>53,443,460</u>	<u>3,882,800</u>
Total Net Position	<u>19,900,627</u>	<u>58,783,666</u>	<u>12,782,362</u>	<u>14,587,945</u>	<u>106,054,600</u>	<u>4,401,314</u>
Total Liabilities and Net Position	<u>\$ 20,359,083</u>	<u>\$ 75,947,479</u>	<u>\$ 14,074,396</u>	<u>\$ 15,020,530</u>	<u>125,401,488</u>	<u>\$ 4,449,644</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time					<u>(332,109)</u>	
Net Position of business-type activities (page 16)					<u>\$ 125,069,379</u>	

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 Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill	Other Enterprise Funds	Total Enterprise	
Operating Revenues						
Charges for services	\$ 3,026,573	\$ 26,965,809	\$ 1,015,014	\$ 2,393,560	\$ 33,400,956	\$ 516,956
Connection and servicing	-	74,780	-	-	74,780	-
Admissions and lesson fees	-	-	-	870,486	870,486	-
Equipment and facility rents	-	45,524	-	394,782	440,306	-
Concession and merchandise sales	-	-	-	212,311	212,311	-
Sale of cemetery burial plots	-	-	-	173,215	173,215	-
Miscellaneous	20,938	95,006	159,941	4,719	280,604	729
Total Operating Revenues	3,047,511	27,181,119	1,174,955	4,049,073	35,452,658	517,685
Operating Expenses						
Production, collection and source of supplies	151,731	14,332,314	-	870,221	15,354,266	-
Transmission, distribution and/or maintenance	1,789,025	2,703,903	611,526	1,570,623	6,675,077	-
Cost of concession and merchandise sales	-	-	-	128,532	128,532	-
Claims	-	-	-	-	-	263,453
General and administrative	640,931	2,417,991	259,074	640,800	3,958,796	487,820
Depreciation and amortization	766,345	2,819,144	233,483	746,167	4,565,139	-
Total Operating Expenses	3,348,032	22,273,352	1,104,083	3,956,343	30,681,810	751,273
Operating Income (Loss)	\$ (300,521)	\$ 4,907,767	\$ 70,872	\$ 92,730	\$ 4,770,848	\$ (233,588)

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 Year Ended June 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>					Governmental Activities - Internal Service Funds
	<u>Water</u>	<u>Light and Power</u>	<u>Landfill</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise</u>	
Nonoperating Income (Expense)						
Interest income	\$ 31,454	\$ 210,621	\$ 105,998	\$ 52,533	\$ 400,606	\$ 40,412
Intergovernmental	-	8,850	-	-	8,850	-
Interest expense	-	(655,710)	-	-	(655,710)	-
Gain (loss) from sale of capital assets	(11,724)	14,616	-	9,589	12,481	-
Total Nonoperating Income (Expense)	<u>19,730</u>	<u>(421,623)</u>	<u>105,998</u>	<u>62,122</u>	<u>(233,773)</u>	<u>40,412</u>
Income (loss) before transfers	(280,791)	4,486,144	176,870	154,852	4,537,075	(193,176)
Capital Contributions	203,413	479,789	-	2,891	686,093	-
Transfers in	-	125,045	-	-	125,045	-
Transfers out	<u>-</u>	<u>(2,439,445)</u>	<u>-</u>	<u>-</u>	<u>(2,439,445)</u>	<u>-</u>
Change in Net Assets	(77,378)	2,651,533	176,870	157,743	2,908,768	(193,176)
Net Position, Beginning	19,978,005	56,508,375	12,605,492	14,430,202	103,522,074	4,594,490
Prior Period Adjustment	<u>-</u>	<u>(376,242)</u>	<u>-</u>	<u>-</u>	<u>(376,242)</u>	<u>-</u>
Net Position, Ending	<u>\$ 19,900,627</u>	<u>\$ 58,783,666</u>	<u>\$ 12,782,362</u>	<u>\$ 14,587,945</u>	106,054,600	<u>\$ 4,401,314</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time					<u>(332,109)</u>	
Changes in Net Position of business-type activities (page 17)					<u>\$105,722,491</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 Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill	Other Enterprise Funds	Total Enterprise	
Cash Flows From Operating Activities						
Receipts from customers and users	\$ 3,131,347	\$ 27,478,409	\$ 1,236,728	\$ 4,035,825	\$ 35,882,309	\$ 525,681
Payments to suppliers	(1,570,586)	(16,803,820)	(454,018)	(1,404,201)	(20,232,625)	(619,980)
Payments to employees and related benefits	(1,067,449)	(3,393,959)	(374,060)	(1,830,528)	(6,665,996)	(127,787)
Net cash flows from operating activities	493,312	7,280,630	408,650	801,096	8,983,688	(222,086)
Cash Flows From Non-Capital Financing Activities						
Transfers out	-	(2,439,445)	-	-	(2,439,445)	-
Grants received	-	8,850	-	-	8,850	-
Payments received on note receivable	-	-	-	13,000	13,000	-
Net cash flows from non-capital financing activities	-	(2,430,595)	-	13,000	(2,417,595)	-
Cash Flows From Capital and Related Financing Activities						
Capital contributions	203,413	479,789	-	2,891	686,093	-
Purchase of capital assets	(692,184)	(912,164)	(94,836)	(453,865)	(2,153,049)	-
Proceeds from sales of capital assets	-	14,152	-	11,400	25,552	-
Principal paid on capital debt	-	(630,000)	-	-	(630,000)	-
Interest paid on capital debt	-	(657,390)	-	-	(657,390)	-
Net cash flows from capital and related financing activities	\$ (488,771)	\$ (1,705,613)	\$ (94,836)	\$ (439,574)	\$ (2,728,794)	\$ -

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 Year Ended June 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>					Governmental Activities - Internal Service Funds
	<u>Water</u>	<u>Light and Power</u>	<u>Landfill</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise</u>	
Cash Flows From Investing Activities						
Interest on investments	\$ 29,871	\$ 197,164	\$ 101,265	\$ 49,709	\$ 378,009	\$ 38,682
Purchase of investments	(736,879)	(71,520)	(1,666,199)	(1,171,005)	(3,645,602)	(1,228,669)
Sale of investments	1,091,133	48,300	2,467,223	1,486,888	5,093,543	1,819,351
Net cash flows from investing activities	<u>384,125</u>	<u>173,944</u>	<u>902,289</u>	<u>365,592</u>	<u>1,825,950</u>	<u>629,364</u>
Net Increase (Decrease) In Cash and Cash Equivalents	388,666	3,318,366	1,216,103	740,114	5,663,249	407,278
Cash and Cash Equivalents, Beginning	<u>818,838</u>	<u>5,135,112</u>	<u>4,357,256</u>	<u>1,271,614</u>	<u>11,582,820</u>	<u>1,556,955</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 1,207,504</u></u>	<u><u>\$ 8,453,478</u></u>	<u><u>\$ 5,573,359</u></u>	<u><u>\$ 2,011,728</u></u>	<u><u>\$ 17,246,069</u></u>	<u><u>\$ 1,964,233</u></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 Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill	Other Enterprise Funds	Totals	
Reconciliation of operating income to net cash flows from operating activities						
Earnings (loss) from operations	\$ (300,521)	\$ 4,907,767	\$ 70,872	\$ 92,730	\$ 4,770,848	\$ (233,588)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:						
Depreciation	766,345	2,819,144	233,483	746,167	4,565,139	-
Changes in assets and liabilities						
Accounts receivable, net	(10,525)	292,896	61,773	(13,248)	330,896	7,996
Inventories	12,006	(43,445)	-	(11,350)	(42,789)	-
Prepaid expenses	(4,025)	3,544	-	-	(481)	-
Other postemployment benefits asset	(3,705)	(11,774)	(903)	(3,755)	(20,137)	-
Accounts payable	(40,311)	(532,183)	(29,698)	48,037	(554,155)	3,005
Compensated absences	(9,546)	27,568	3,514	(21,704)	(168)	-
Accrued liabilities	(6,121)	13,806	2,263	(11,035)	(1,087)	501
Liabilities payable from restricted assets	(4,646)	(250,896)	67,346	-	(188,196)	-
Unearned revenue	94,361	-	-	554	94,915	-
Developer and customer deposits	-	54,203	-	(25,300)	28,903	-
Net cash flows from operating activities	\$ 493,312	\$ 7,280,630	\$ 408,650	\$ 801,096	\$ 8,983,688	\$ (222,086)
Schedule of non-cash capital and related financing activities						
Transfer of capital assets	\$ -	\$ 125,045	\$ (9,000)	\$ -	\$ 116,045	\$ -

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

CITY OF BOUNTIFUL
STATEMENT OF OPEB PLAN NET ASSETS
June 30, 2013

	Other Postemployment Benefits Plan Assets
Assets	
Zions Wealth Advisors Account	\$ 1,166,675
Total Assets	<u>\$ 1,166,675</u>
Net Assets Held for OPEB	
Net assets held for other post employment benefits	\$ 1,166,675
Total Net Assets	<u>\$ 1,166,675</u>

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

CITY OF BOUNTIFUL
STATEMENT OF CHANGES IN OPEB PLAN NET ASSETS
For The Year Ended June 30, 2013

	Other Postemployment Benefits Plan Assets
Additions	
Contributions:	
Employer	\$ -
Investment earnings:	
Net appreciation (depreciation) in value of investments	-
Interest	930
Total Additions	930
Deductions	
Benefits	122,029
Administrative expense	-
Total Deductions	122,029
Change in Net Assets	(121,099)
Net Assets Held in Trust for Benefits	
Beginning of year	1,287,774
End of year	\$ 1,166,675

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 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.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations.

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. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the RDA have been included in the financial reporting entity as a blended component unit.

The 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. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the MBA have been included in the financial reporting entity as a blended component unit.

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 general governmental services, public safety, highways and streets, planning and engineering, parks, and redevelopment are classified as governmental activities. The City's water, light and power, landfill, storm water, recycling, golf course, sanitation, and cemetery services are classified as business-type activities.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City and its 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.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as 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 financial resources used to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than expenditures in the government-wide financial statements.

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

Sales taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (generally within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when the City receives cash.

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 (Continued)

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures or expenses as appropriate.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of the major capital facilities of the government (other than those financed by Proprietary Funds and Special Revenue Funds).

The 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 General and special revenue funds are identical.

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

The City reports the following major proprietary funds:

The Water Fund accounts for the activities of the City's water distribution system.

The Light and Power Fund accounts for the activities of the City's electricity generation, transmission, and distribution systems.

The Landfill Fund accounts for the activities of the City's landfill.

Additionally, the City reports the following fund types:

As mentioned above, 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. The City accounts for the Municipal Building Authority, RAP Tax, and the Landfill Closure Funds as nonmajor special revenue funds.

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting City's programs. The City accounts for the Cemetery Perpetual Care Fund in a permanent fund.

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 program.

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 (Continued)

The Storm Water, Recycling, and Sanitation Funds account for the provision of these services to the residents of the City. These funds are accounted for as nonmajor enterprise funds.

The Golf Course Fund accounts for the provision of an 18-hole golf course for the residents of the City and surrounding area. This fund is accounted for as a nonmajor enterprise fund.

The Cemetery Fund accounts for the provision of cemetery services. This fund is accounted for as a nonmajor enterprise fund.

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. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

City policy states that when fund balance is available for use the following spending order will be followed: restricted, committed, assigned, and then unassigned fund balance as it is needed.

The City records utility revenues billed to its customers when meters are read on a monthly basis. Unbilled service accounts receivable have been estimated at June 30, 2013, and are recorded as revenue.

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 22 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 proprietary funds. Annual budgets are also adopted for capital projects, which may include activities overlapping several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the Mayor and City Council for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of 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 any amount greater than 25% of the next year's budgeted revenues.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets (Continued)

By resolution, the City Council can amend the budget to any extent, provided the amended budget does not exceed the original budgeted expenditures, in which case a public hearing must be held. 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.

Budgets for the General Fund, special revenue funds, debt service funds, and Capital Projects Fund are prepared on the modified accrual basis of accounting. Annual budgets are not adopted for the Landfill Closure special revenue fund and the Perpetual Care permanent fund. The City does not use encumbrance accounting.

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.

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 is made subsequent to June 22. 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 telecommunications related taxes are collected by the Utah State Tax Commission and remitted to the City monthly.

Franchise taxes are collected by natural gas, electric utilities, and cable television companies and remitted to the City periodically.

Cash and cash equivalents

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

Inventories and prepaid items

Inventories of materials used in the construction and repair of the transmission, distribution, and collection systems are valued at the lower of cost or market on a weighted average basis. Supplies inventories, consisting principally of fuel oil, are valued at the lower of cost or market on a first-in, first-out basis. Transformers used by the Light and Power Enterprise 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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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>Years</u>
Buildings, wells and reservoirs	10-40
Improvements other than buildings	10-33
Transmission, distribution, and collection systems	15-50
Street light and traffic signal systems	20-30
Machinery and equipment	3-25
Furniture and fixtures	3-20
Infrastructure	50

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 government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 government has only one type of item that qualifies for reporting in this category. The governmental funds report unavailable revenues from two sources: property taxes and long-term notes receivable. These amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the applicable debt. Bond issuance costs are charged to expenditures/expenses as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences

Accumulated unpaid vacation is accrued as incurred based on the years of service for each employee. Vacation is accumulated on a bi-weekly basis and is fully vested when earned. Accumulated vacation cannot exceed 240 hours at the end of any calendar year and any vacation in excess of this amount is forfeited. At retirement, death, or termination, all unpaid accrued vacation is paid to the employee or his or her beneficiary. Sick leave is earned at a rate of eight hours per month. Sick pay amounts are charged to expenditures when incurred. Employees may accumulate sick leave without limitation. As of July 1 2012, accumulated sick leave paid to an employee health retirement account (HRA) upon retirement is limited to 50% of accumulated hours up to an accumulation of 1440 hours (50 percent of which is a maximum of 720 hours). The total converted hours, up to 720, are multiplied by the employee rate of pay and that amount is deposited into the HRA account. The amount of accumulated leave is accrued when incurred in the government-wide, proprietary fund financial statements. Employees that are terminated for reasons other than retirement are not paid for accumulated sick leave. A liability for these amounts is reported in governmental funds only if they have matured.

Fund equity

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

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

Restricted fund balance classifications are restricted by enabling legislation. Also reported 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 include those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council and remain binding unless removed in the same manner.

Assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The governing council (council) has by resolution authorized the City Manager to recommend any amounts to be included in assigned fund balance. The 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 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 for the General Fund. This classification represents fund balance that has not be assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balance, such as grant agreements that require a dollar match. Additionally, the City would then use committed, assigned, and lastly unassigned amounts from the unrestricted fund balance when expending funds.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTE 2 DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits including the portion of the Utah State Treasurer's investment pool 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 sheet as "cash and cash equivalents" and "investments" which also includes cash accounts that are separately held by several of the City's funds. 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"). 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, 2013, \$30,834,460 of the City's bank balances of \$31,115,643 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, 2013, \$55,799,851 of the City's \$56,549,851 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.

The City is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), 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. 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, 2013, the fair value per share factor for investments in the PTIF was 1.005022.

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

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

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 investments are in the Utah Public Treasurer's Investment Fund and qualified institutions. The City's investments have no 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 investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested. Maturities of the local government's investments are noted below.

Following are the City's cash on hand, on deposit, and investments at June 30, 2013.

	<u>Fair Value</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Maturity (Years) (2)</u>
Cash on hand and on deposit:			
Cash on hand	\$ 4,780	N/A	N/A
Cash on deposit	1,277,612	N/A	N/A
Utah State Treasurer's investment pool accounts	<u>30,275,018</u>	N/A	0.23
Total cash on hand and deposit	<u>\$ 31,557,410</u>		
Investments			
Certificates of Deposit	\$ 2,977,681	N/A	0.63
Utah State Treasurer's investment pool accounts	2,880,613	N/A	0.23
Marketable securities	35,819,364	N/A	N/A
Corporate notes	12,143,061	A1	1.14
Reserves	1,609,642	N/A	N/A
OPEB ZWA Investment	<u>1,166,679</u>	N/A	N/A
Total Investments	<u>\$ 56,597,040</u>		
Portfolio weighted average maturity			0.56

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

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

NOTE 3 ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts receivable at June 30, 2013 for all funds is \$56,300.

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

NOTE 4 RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2013:

Restricted for regulatory required insurance deposit	\$ 518,514
Restricted for funds received for closure of landfill	1,211,861
Restricted for landfill closure, post-closure and corrective actions	803,039
Restricted for bond payments	1,091,128
Restricted for cemetery perpetual care	1,532,404
Restricted for customer utility deposits	737,559
Restricted by grantors for trails and museum projects	26,623
Restricted for refundable performance bond deposits	709,965
Restricted for recreation, arts, and/or parks projects (unspent RAP taxes)	265,300
Restricted for public safety	58,111
Restricted for land purchase	129,654
Restricted for construction retainage	9,380
Total	\$ 7,093,538

NOTE 5 REAL ESTATE INVENTORY HELD FOR RESALE

Real estate inventory in the Redevelopment Agency special revenue fund represents land purchased and held for resale.

NOTE 6 NOTES RECEIVABLE

The Redevelopment Agency has made low cost building rehabilitation loans to businesses in the City. The terms of these notes are as follows:

<u>Balance</u> <u>June 30, 2013</u>	<u>Interest</u> <u>Rate</u>	<u>Monthly Payments</u>		<u>Balloon Payments</u>	
		<u>Amount</u>	<u>Due Through</u>	<u>Amount</u>	<u>Due</u>
\$ 6,169	3.00%	\$ 394	October 2014	\$ -	-
55,192	3.00%	896	December 2013	50,617	January 2014
30,676	3.00%	869	July 2016	-	-
659,458	3.00%	9,317	December 2019	-	-
289,182	3.00%	3,862	April 2015	218,270	May 2015
192,410	3.00%	2,414	October 2015	136,419	November 2015
534,456	3.00%	5,794	March 2022	-	-
230,073	3.00%	2,414	June 2017	136,419	July 2017
258,139	3.00%	2,511	April 2018	141,876	May 2018
197,134	3.00%	1,931	March 2018	109,135	April 2018
<u>\$ 2,452,889</u>		<u>\$ 30,402</u>		<u>\$ 792,736</u>	

The City issued special assessment debt to provide funds for the construction of improvements to the area surrounding the Renaissance Towne Center. These bonds will be repaid from amounts levied against the property owners benefited by this construction. The City has established a receivable of \$1,142,575 for the amounts levied.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2013, is as follows:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 47,458,738	\$ -	\$ -	\$ 47,458,738
Construction in progress	-	302,818	-	302,818
Total capital assets, not being depreciated	47,458,738	302,818	-	47,761,556
Capital assets, being depreciated				
Infrastructure	30,629,166	62,142	7,317	30,683,991
Buildings	23,873,646	-	562,681	23,310,965
Improvements other than buildings	5,436,506	24,327	-	5,460,833
Machinery and equipment	7,777,909	699,523	814,912	7,662,520
Furniture and fixtures	2,292,522	405,869	236,936	2,461,455
Total capital assets, being depreciated	70,009,749	1,191,861	1,621,846	69,579,764
Less accumulated depreciation for				
Infrastructure	15,916,487	511,746	7,317	16,420,916
Buildings	12,777,422	849,705	510,833	13,116,294
Improvements other than buildings	3,168,071	250,973	-	3,419,044
Machinery and equipment	6,507,824	484,173	796,138	6,195,859
Furniture and fixtures	1,432,423	232,101	199,533	1,464,991
Total accumulated depreciation	39,802,227	2,328,698	1,513,821	40,617,104
Total capital assets, being depreciated, net	30,207,522	(1,136,837)	108,025	28,962,660
Governmental activities capital assets, net	<u>\$ 77,666,260</u>	<u>\$ (834,019)</u>	<u>\$ 108,025</u>	<u>\$ 76,724,216</u>

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

Governmental activities	
General government	\$ 357,728
Public safety	844,885
Highways and public improvements	836,723
Parks	277,357
Redevelopment Agency	8,832
Planning & engineering	3,173
Total depreciation expense - governmental activities	<u>\$ 2,328,698</u>

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 CAPITAL ASSETS (Continued)

The Enterprise Funds' property, plant and equipment consist of the following at June 30, 2013:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2013</u>
Business-type Activities					
Capital assets, not being depreciated					
Land, land rights, and water rights	\$ 3,120,089	\$ -	\$ -	\$ -	\$ 3,120,089
Construction in progress	42,507	24,551	3,930	-	63,128
Total capital assets, not being depreciated	<u>3,162,596</u>	<u>24,551</u>	<u>3,930</u>	<u>-</u>	<u>3,183,217</u>
Capital assets, being depreciated					
Buildings, wells and reservoirs	21,272,354	86,539	-	-	21,358,893
Improvements other than buildings	2,856,207	61,190	-	-	2,917,397
Transmission, distribution and collection systems	62,650,892	1,335,727	300,549	-	63,686,070
Street light and traffic systems	2,860,477	125,045	-	-	2,985,522
Machinery and equipment	42,738,654	645,041	326,662	76,583	43,133,616
Furniture and fixtures	43,304	-	-	-	43,304
Total capital assets, being depreciated	<u>132,421,888</u>	<u>2,253,542</u>	<u>627,211</u>	<u>76,583</u>	<u>134,124,802</u>
Less accumulated depreciation for					
Buildings, wells and reservoirs	7,689,657	775,311	-	-	8,464,968
Improvements other than buildings	1,596,663	135,513	-	-	1,732,176
Transmission, distribution and collection systems	39,106,478	1,815,504	287,014	-	40,634,968
Street light and traffic systems	2,054,978	97,531	-	-	2,152,509
Machinery and equipment	16,697,026	1,740,280	326,662	76,583	18,187,227
Furniture and fixtures	36,807	999	-	-	37,806
Total accumulated depreciation	<u>67,181,609</u>	<u>4,565,138</u>	<u>613,676</u>	<u>76,583</u>	<u>71,209,654</u>
Total capital assets, being depreciated, net	<u>65,240,279</u>	<u>(2,311,596)</u>	<u>13,535</u>	<u>-</u>	<u>62,915,148</u>
Business-type activities capital assets, net	<u>\$ 68,402,875</u>	<u>\$ (2,287,045)</u>	<u>\$ 17,465</u>	<u>\$ -</u>	<u>\$ 66,098,365</u>

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

Business-type Activities	
Water	\$ 766,345
Light and Power	2,819,144
Landfill	233,483
Storm Water	405,516
Golf Course	184,197
Sanitation	137,186
Cemetery	19,267
Total depreciation expense - business-type activities	<u>\$ 4,565,138</u>

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 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 customer deposits the City requires from some residential customers with a poor payment history, from all residential rental customers, and 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 9 LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2013:

	Long-term debt payable at June 30, 2012			Long-term debt payable at June 30, 2013		Due within One Year
	Additions	Reductions	Additions	Reductions	Additions	Reductions
Governmental activities						
Lease revenue bonds	\$ 2,380,000	\$ -	\$ 638,000	\$ 1,742,000	\$ 665,000	\$ -
Plus unamortized premium	40,899	-	10,224	30,675	-	-
Sales tax revenue bond	1,023,000	-	191,000	832,000	197,000	-
Plus unamortized premium	67,597	-	15,021	52,576	-	-
Compensated absences	891,108	1,057,624	698,985	1,249,747	980,302	-
Governmental activity long-term liabilities	\$ 4,402,604	\$ 1,057,624	\$ 1,553,230	\$ 3,906,998	\$ 1,842,302	\$ -
Deferred Outflows of Resources						
Deferred charge on refunding of sales tax revenue bond **	\$ (45,424)	\$ -	\$ (9,085)	\$ (36,339)	\$ -	\$ -
Business-type activities						
Electric revenue bonds	\$ 14,655,000	\$ -	\$ 630,000	\$ 14,025,000	\$ 640,000	\$ -
Compensated absences	587,341	400,812	400,980	587,173	185,093	-
Business-type activity long-term liabilities	\$ 15,242,341	\$ 400,812	\$ 1,030,980	\$ 14,612,173	\$ 825,093	\$ -

** To be amortized as interest expense. Balance is shown as a deferred inflow and would act as a reduction of bonds payable.

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

Municipal Building Authority Lease Revenue Bonds Series 1996

The Municipal Building Authority Lease Revenue Bonds Series 1996 were issued June 1, 1996 by the Municipal Building Authority to construct a Police/Judicial Court Facility next to City Hall. The \$3,685,000 lease revenue bonds are due in semi-annual principal installments of \$107,000 to \$163,000 through March 1, 2015, plus interest at 3.95%, payable semi-annually. The Municipal Building Authority will lease the building to the City, which will in turn sublease portions of the building to the State of Utah. Rental income from the sublease will service the required bond payments. The bonds are subject to an optional redemption in whole or in part after March 1, 2001. In the event the State exercises the redemption option contained in the sublease agreement, the redemption option price will be equivalent to 100% of the principal amount to be redeemed and accrued interest at the date the option is exercised. The sublease was amended on April 16, 2009. Details of the amendment may be found in Note 14 of this report.

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

NOTE 9 LONG-TERM DEBT (Continued)

The annual debt service requirements to maturity, including principal and interest, for the Series 1996 Lease Revenue Bonds, as of June 30, 2013, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 305,000	\$ 21,804	\$ 326,804
2015	322,000	9,579	331,579
Total	<u>\$ 627,000</u>	<u>\$ 31,383</u>	<u>\$ 658,383</u>

Municipal Building Authority Lease Revenue Bonds Series 2003

The Municipal Building Authority Lease Revenue Bonds Series 2003 were issued June 5, 2003 by the Municipal Building Authority (Authority) to finance the design and construction of a public parking structure. The \$3,790,000 lease revenue bonds are due in annual principal installments of \$360,000 to \$385,000 through June 1, 2016, plus interest at 3.5% to 5.0%, payable semi-annually. The parking structure consists of three stories having approximately 480 parking stalls and will be leased by the Authority to the City under an annually renewable Master Lease Agreement dated May 1, 2003. The City will utilize the parking structure to provide public parking for the Renaissance Towne Centre. The City anticipates making its lease payment from, among other available sources, tax increment generated from the development of the Renaissance Towne Centre pursuant to an agreement between the City and the Redevelopment Agency of Bountiful City dated December 16, 2002.

The annual debt service requirements to maturity, including principal and interest for the Series 2003 Lease Revenue Bonds, as of June 30, 2013, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 360,000	\$ 52,000	\$ 412,000
2015	370,000	37,750	407,750
2016	385,000	19,250	404,250
	1,115,000	<u>\$ 109,000</u>	<u>\$ 1,224,000</u>
Plus unamortized premium	<u>30,675</u>		
Total	<u>\$ 1,145,675</u>		

Subsequent to year end the Lease Revenue Bond, Series 2003 was refund by the Sales Tax Revenue Refunding Bonds, Series 2013 which has a principal balance of \$766,000, the new refunding bond, series 2013 has an interest rate of 1.28% with a maturity date of June 1, 2015.

Sales Tax Revenue Refunding Bonds Series 2009

In the year 2009 the City issued \$1,591,000 in Sales Tax Revenue Refunding Bonds, Series 2009 with an average interest rate of 3.89% to refund \$1,857,000 of Special Assessment Bonds, Series 2003 with an average interest rate of 5.20%. The sales tax revenue bonds are due in annual principal installments of \$197,000 to \$220,000 through June 1, 2017, plus interest at 3.5% to 4.0%, payable annually. The City completed the refunding to reduce its total debt service payments over the next eight years by approximately \$214,000 and to obtain an economic gain of approximately \$189,000. These bonds will be repaid from special assessments levied against the benefited property owners of the original special assessment.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT (Continued)

The annual debt service requirements to maturity, including principal and interest for the Sales Tax Revenue Refunding Bonds, Series 2009 as of June 30, 2013, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 197,000	\$ 33,280	\$ 230,280
2015	203,000	25,400	228,400
2016	212,000	17,280	229,280
2017	220,000	8,800	228,800
	832,000	<u>\$ 84,760</u>	<u>\$ 916,760</u>
Plus unamortized premium	<u>52,576</u>		
Total	<u>\$ 884,576</u>		

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, due in annual principal installments of \$640,000 to \$1,015,000 through November 1, 2030, plus interest at 1.60% to 6.11%, payable semi-annually.

The annual debt service requirements to maturity, including principal and interest for the Electric Revenue Bonds, Series 2010 as of June 30, 2013, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 640,000	\$ 643,505	\$ 1,283,505
2015	645,000	630,683	1,275,683
2016	655,000	615,235	1,270,235
2017	665,000	596,612	1,261,612
2018	675,000	574,725	1,249,725
2019-2023	3,605,000	2,453,156	6,058,156
2024-2028	4,195,000	1,527,823	5,722,823
2029-2031	2,945,000	273,879	3,218,879
Total	<u>\$ 14,025,000</u>	<u>\$ 7,315,618</u>	<u>\$ 21,340,618</u>

NOTE 10 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 \$2,092,626 and \$1,527,979 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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 DEFERRED INFLOW OF RESOURCES - UNAVAILABLE PROPERTY TAXES (Continued)

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, 2013 is not expected to be received within 60 days after the year ended June 30, 2013, 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, 2013.

NOTE 11 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 \$250,000, with commercial excess insurance from \$250,000 to \$5,000,000. 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 that includes: (1) buildings and content to a policy limit (Total Insured Value) of \$147,304,920 with a \$10,000 deductible, (2) contractors equipment to a policy limit of \$830,046 with a \$10,000 deductible, (3) computer/equipment to a policy limit of \$22,411,426 with a \$10,000 deductible, (4) \$10,000,000 in earthquake coverage with a 2% minimum \$100,000 deductible, (5) \$10,000,000 in flood coverage for facilities that are located outside the standard report zone with a \$100,000 deductible, and (6) boiler and machine coverage to a policy limit of \$50,000,000 with a \$2,500 deductible except for power turbines which have a deductible of \$50,000. The City is self-insured for property loss above the limits and below the retentions/deductibles. The operating departments of the General Fund or proprietary 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 \$350,000 for general employees and \$400,000 for law enforcement and Power Department employees, with commercial excess insurance up to statutory limits. To cover the self-insured portion there is established a Workers Compensation Fund (an internal service fund).

There has been no significant change in insurance coverage during the year ended June 2013, nor during the past five fiscal years has the amount of settlements exceeded insurance coverage. As of July 1, 2013 policy limits increased for excess liability from \$5,000,000 to \$10,000,000.

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

NOTE 11 RISK MANAGEMENT (Continued)

A summary of changes in general liability claims for the years ended June 30, 2013 and 2012, are as follows:

	General Liability Claims
Balance, June 30, 2011	\$ 10,000
Additions	49,740
Deletions	(59,740)
Balance, June 30, 2012	-
Additions	66,162
Deletions	(66,162)
Balance, June 30, 2013	\$ -

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.

A summary of changes in workers' compensation claims for the years ended June 30, 2013 and 2012 are as follows:

	Workers' Compensation Claims
Balance, June 30, 2011	\$ 251,851
Additions	-
Deletions	(213,304)
Balance, June 30, 2012	38,547
Additions	197,291
Deletions	(190,863)
Balance, June 30, 2013	\$ 44,975

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.

The general liability and workers' compensation claims are included in accounts payable of the Internal Service Funds.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 RETIREMENT PLANS

Utah State Retirement Plans

The City participates in and contributes to The Cost Sharing and The Agent Multiple Employer Defined Benefit Plans. These plans are administered by the Utah State Retirement Systems (Systems). The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated, 1953, as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (the Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System and the Local Governmental Noncontributory Retirement System and for the Bountiful City Public Safety Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Cost Sharing Defined Benefits Pension Plans

Plan description: The City contributes to the Local Governmental Contributory Retirement System and the Local Governmental Noncontributory Retirement System, cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement benefits, annual cost of living adjustments, death benefits and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

Funding policy: Plan members in the Local Governmental Contributory Retirement System are required to contribute a percentage of their annual covered salary (all of which is paid by the City), and the City is required to contribute a percentage of their annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board. The contributions were equal to the required contributions for each year.

Agent Multiple Employer Defined Benefit Pension Plan

Plan description: The City contributes to a Public Safety defined benefit pension plan, for public safety employees, which provides retirement benefits, annual cost of living adjustments, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes. Bountiful City is affiliated with the Utah Retirement Systems Public Safety Retirement System, an agent multiple-employer and cost sharing multiple-employer pension plan.

Funding Policy: The City is required to contribute a percentage of members' annual covered salary in the Noncontributory Division. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board. The contributions were equal to the required contributions for each year, resulting in a zero net pension obligation.

The required contribution was determined as part of the January 1, 2010 actuarial valuation using the entry age normal cost method. The actuarial assumptions include (a) 7.75% investment rate of return (net of administrative expenses), (b) assumed projected salary increases of 4.50% (3.50% from inflation, 1.00% from productivity), and (c) 2.5% cost of living adjustment. Both (a) and (b) include an inflation component of 3.50%. The actuarial value of the Bountiful City Public Safety assets was determined using techniques that smooth the effects of short-term volatility of the fair value of investments over a 5-year period. The Public Safety unfunded actuarial accrued liability is being amortized over an open 20-year amortization period. Amortization payments are designed to remain level as a percent of payroll.

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

NOTE 12 RETIREMENT PLANS (Continued)

401(k) defined contribution plan

The City sponsors a defined contribution deferred compensation plan 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. Contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. The City's total payroll in the fiscal year ended June 30, 2013 was \$11,621,693. The City participates in this plan for one state retirement tier-one employee at a rate of 22.37% and for various state retirement tier-two employees at rates of 1.59% for public employees and 1.09% for public safety employees.

457 deferred compensation plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent 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. In the City's opinion, the plan does not meet the fiduciary requirements and therefore has not been included in an agency fund, in accordance with GASB Statement No. 32.

Contribution rates to the Utah Retirement Systems are as follows:

	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employer Contribution Rate</u>
Contributory System:			
Local Governmental Division Tier 1	N/A	6.000%	12.030%
Local Governmental Division Tier 2	N/A	N/A	12.740%
Noncontributory System:			
Local Governmental Division Tier 1	N/A	N/A	16.040%
Public Safety System:			
Other Division A Contributory Tier 2	N/A	N/A	25.890%
Other Division A Noncontributory Tier 1	N/A	N/A	37.160%

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 RETIREMENT PLANS (Continued)

The following illustrates the three year trend analysis of employer and employee contributions to the Utah State Retirement Systems:

<u>System</u>	<u>Year Ended June 30,</u>	<u>Employee paid Contributions</u>	<u>Employer paid for Employee Contribution</u>	<u>Employer Contributions</u>	<u>Salary Subject to Retirement Contributions</u>
Contributory System:					
Local Governmental Division Tier 1 and Tier 2					
	2013	\$ -	\$ 6,407	\$ 66,392	\$ 732,324
	2012	-	9,139	29,433	344,231
	2011	-	12,279	19,156	180,127
Noncontributory System:					
Local Governmental Division Tier 1					
	2013	\$ -	\$ -	\$ 1,201,514	\$ 7,356,293
	2012	-	-	1,040,779	7,585,096
	2011	-	-	973,655	6,414,804
Public Safety System:					
Other Division A Contributory					
	2013	\$ -	\$ -	\$ 2,764	\$ 24,898
Other Division A Noncontributory Tier 1					
	2013	\$ -	\$ -	\$ 663,021	\$ 1,890,134
	2012	-	-	525,971	1,908,963
	2011	-	-	482,618	1,527,429
Defined Contribution System:					
401(k) Plan					
	2013	\$ 89,346	\$ 36,126	\$ -	\$ -
	2012	94,084	27,874	-	-
	2011	101,599	22,347	-	-
457 Plan					
	2013	\$ 20,341	\$ -	\$ -	\$ -
	2012	20,240	-	-	-
	2011	18,895	-	-	-

The following illustrates the funding progress for the Bountiful City Public Safety System:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funding Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
December 31, 2012	\$ 15,052,000	\$ 21,501,000	\$ 6,449,000	70%	\$ 1,809,000	356%
December 31, 2011	15,540,000	23,373,000	7,833,000	66%	1,798,000	436%
January 1, 2011	16,140,000	20,866,000	4,726,000	77%	1,707,000	277%

<u>Year Ended</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2013	\$ 663,021	100%	\$ -
June 30, 2012	525,971	100%	-
June 30, 2011	482,618	100%	-

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 RETIREMENT PLANS (Continued)

Other Retirement Plans

401(k) defined contribution plan

The City sponsors a defined contribution deferred compensation plan administered by ICMA Retirement Corporation and Western Reserve Life Assurance Company of Ohio under Internal Revenue Code Section 401(k) for City employees covered by the State's contributory and noncontributory retirement plans. The plan, available to all permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 401(k) deferred compensation monies are not available to the City or its general creditors. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. The City's total payroll in the fiscal year ended June 30, 2013 was \$11,621,693. The rate of City participation can be changed by the City Council. During the year ended June 30, 2013, contributions totaling \$214,012 were made to the plan by employees and \$18,862 by the City.

457 deferred compensation plans

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, administered by ICMA Retirement Corporation. The plan, available to all permanent 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. In the City's opinion, the plan does not meet the fiduciary requirements and therefore has not been included in an agency fund, in accordance with GASB Statement No. 32.

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS

Effective July 1, 2008 the City implemented GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*" and GASB Statement No. 43, "*Financial Reporting for Postemployment Benefit Plans Other Than Pensions Plans*". These statements establish guidelines for reporting costs associated with "other postemployment benefits" (OPEB). OPEB costs are actuarially calculated based on plan benefits (other than pensions) that current and retired employees have accrued as a result of their respective years of employment service.

Plan Description – In addition to providing pension benefits through the Utah Retirement Systems (the Systems), the City provides other postemployment benefits through a single employer defined benefit OPEB plan (the plan), for retired City employees until the age of 65. All of the City's permanent full-time general and public safety employees became eligible for the benefits at retirement if they had 30 years of employment and were at least 55 years old or had 25 years of employment and were at least 60 years old and retired before July 1, 2012. The benefits, benefit levels, employee contributions and employer contributions are governed by City policy and can be amended at any time.

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 or will retire. Employees meeting the above requirements but retiring on or after July 1, 2012 will receive a City contribution for a portion of their unused sick days but will have to pay 100% of their retiree health insurance premium.

Funding Policy – The City has contributed to an investment account that is committed to be used to fund the OPEB program. The City invested an amount that fully funds the actuarially calculated balance to fund its OPEB program.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Asset – The City’s annual OPEB cost (expense) is calculated based on the employer’s annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years. For the fiscal year ended June 30, 2013, the City’s OPEB cost (expense) was \$46,173 and the ARC was \$4,782.

The following table shows the components of the City’s annual OPEB cost, the year, the amount actually contributed to the plan, and changes in the City’s net OPEB asset:

Annual required contribution (ARC)	\$ 4,782
Less interest on net OPEB asset	(618)
Adjustments to ARC	42,009
Annual OPEB cost (expense)	<u>46,173</u>
Contributions made	-
Decrease in net OPEB asset	46,173
Net OPEB asset - beginning of year	<u>1,249,891</u>
Net OPEB asset - end of year	<u><u>\$ 1,203,718</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for the year ended June 30, 2013, are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset Fiscal Year Ended
June 30, 2013	\$ 46,173	\$ -	0.0%	\$ 1,203,718
June 30, 2012	\$ 46,174	\$ -	0.0%	\$ 1,249,891
June 30, 2011	\$ 142,465	\$ -	0.0%	\$ 1,296,065
June 30, 2010	\$ 142,465	\$ -	0.0%	\$ 1,438,530
June 30, 2009	\$ 142,465	\$ 1,723,460	1,209.7%	\$ 1,580,995

Funded status and Funding Progress – The funded status of the City’s plan as of June 30, 2013 is as follows:

Actuarial valuation date	July 1, 2011
Actuarial accrued liability (AAL) July 1, 2011	\$ 1,371,005
Actuarial value of plan assets at July 1, 2011	<u>1,410,777</u>
Overfunded actuarial accrued liability	<u><u>\$ 39,772</u></u>
Funded ratio (Value of plan assets /AAL)	102.9%
Covered payroll (July 1, 2011 valuation date) (plan closed)	N/A
Unfunded AAL as a percentage of covered payroll	0.0%

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

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required 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. The schedule of funding progress, shown as required supplementary information following the notes to the financial statements, presents the results of OPEB valuations as of July 1, 2011.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2011 actuarial valuation, the projected unit credit method was used with linear proration to decrement. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5% after ten years. Covered payroll included a 3% inflation assumption. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll over fifteen years based on a open group.

The City also provides health and dental benefits to terminated employees under the Federal Consolidated Omnibus Budget Reconciliation Act (COBRA). Substantially all employees are eligible for these benefits upon termination of employment with the City. Depending upon the qualifying event, former employees are eligible for either 18 or 36 months of benefits under this act. The premiums for this coverage plus a 2% administrative charge are paid 100% by the former employee.

NOTE 14 LEASES

In 1989, the City entered into a 30-year capital lease agreement with a local business whereby the City leased land held by the City Cemetery Fund to the business. The City has accounted for the land lease using the installment method. The lease agreement has a zero percent implied interest rate. Upon completion of the lease terms, ownership of the land may transfer to the business under a bargain purchase option. The note receivable related to the land lease had a balance of \$78,010 as of June 30, 2013.

The future maturities of the note receivable related to the land lease are as follows:

2014	\$ 13,000
2015	13,000
2016	13,000
2017	13,000
2018	13,000
2019	13,010
	<hr/>
Total payments to be received	\$ 78,010
	<hr/> <hr/>

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

NOTE 14 LEASES (Continued)

In June 1996, the City entered into an operating lease agreement with the State of Utah whereby the State's Judicial Court (Court) will lease portions of the City's Public Safety building. The rental income from this lease will service the City's Lease Revenue Bond payments. As amended on April 16, 2009, the lease is renewable each year at the option of the City 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 City 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 future minimum rental payments to be received by the City from this operating lease are as follows:

2014	\$	305,298
2015		305,298
2016		205,365
2017		208,323
2018		213,310
Total future minimum lease payments		\$ 1,237,594

The City earned \$205,377 in rental income from this operating lease for the year ended June 30, 2013. The City'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 \$5,523,407. The State's Judicial Court leases approximately 48% of the building.

NOTE 15 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 \$1,001,743 in outstanding construction commitments at June 30, 2013, as follows:

Contractor	Project	Contract Amount	Paid to Date	Commitment Outstanding
Kapp Construction	Waterlines throughout City	\$ 729,838	\$ 50,034	\$ 679,804
Bingham Engineering	River dump valve at Pineview hydro power plant	15,250	9,530	5,720
Intermountain Consumer Professional Engineers	Power Plant construction & turbine installation	1,590,463	1,274,244	316,219 *
Total Construction Commitments Outstanding		\$ 2,335,551	\$ 1,333,808	\$ 1,001,743

* This commitment pertains to work completed in fiscal year 2013 where final payment is in dispute between the City and the contractor. As the ultimate settlement cannot be reasonably estimated and could range from zero to the full amount outstanding, there has been no accrual included in the financial statements.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 16 INTERGOVERNMENTAL REVENUE

Intergovernmental revenue for the year ended June 30, 2013 consists of the following:

Utah Class "C" Road allotment	\$ 1,304,437	80.28%
Utah Liquor Law Enforcement Grant	34,426	2.12
Various State and Local Law Enforcement Grants	284,253	17.50
Bulletproof Vest Grant Program	<u>1,600</u>	<u>0.10</u>
Total Intergovernmental Revenue	<u><u>\$ 1,624,716</u></u>	<u><u>100.00%</u></u>

NOTE 17 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, 2013, \$803,039 is being held in a trust fund 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 Operating 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 \$2,022,444 as of June 30, 2013. The City has reported and included in accrued liabilities \$1,211,861 as landfill closure and post-closure care liability at June 30, 2013, which is based on 60% 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 2013. The City estimates it will close the landfill in or after the year 2050. Actual cost at that time may be higher 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. 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 2013, has investments of \$2,063,181 (at cost) and \$803,039 (at cost) held in trust, for a combined total of \$2,866,220 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-

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

NOTE 17 LANDFILL CLOSURE (Continued)

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 18 INTERNAL BALANCES AND INTERFUND TRANSFERS

At June 30, 2013, the government-wide internal balances were as follows:

Receivable Activity	Payable Activity	Amount
Governmental Activities	Business-Type Activities	\$ 332,109

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, 2012) internal balance of \$212,529 due to governmental activities from business-type activities by \$119,580.

At June 30, 2013, the governmental interfund balances due to or from other funds were as follows:

Receivable Fund	Payable Fund	Amount
Capital Projects	General Fund	\$ 381,000

During the current year the Capital Projects fund loaned the General fund sufficient funds to cover its obligations for restricted cash.

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 authorizations. Interfund transfers for the year ended June 30, 2013 are as follows:

	In	Out
Government		
General Fund	\$ 2,439,445	\$ -
Capital Projects Fund	-	125,045
Enterprise		
Light and Power Fund	125,045	2,439,445
	\$ 2,564,490	\$ 2,564,490

NOTE 19 INVESTMENTS IN POWER PROJECTS AND RELATED CONTRACTS

On September 26, 1978, the Light and Power Fund (the Fund) entered into a 50-year contract with the Intermountain Power Agency (IPA) for the purchase of 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 \$2,994,814 during the fiscal year ended June 30, 2013. For fiscal year 2014, the budgeted amount for this contract is \$20,688.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 19 INVESTMENTS IN POWER PROJECTS AND RELATED CONTRACTS (Continued)

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 \$3,491,694 during the fiscal year ended June 30, 2013. For fiscal year 2014, the budgeted amount for this contract is \$3,556,757.

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 \$3,147,920 for the fiscal year ended June 30, 2013 for net power sales and purchases. For fiscal year 2014, the budgeted amount for this is a net purchase of \$5,908,762.

On July 1, 1993, the Fund entered into a power sales agreement with Utah Associated Municipal Power Systems (UAMPS) to purchase a five-megawatt interest in 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. The Fund purchased power totaling \$1,852,641 via this contract during the fiscal year ended June 30, 2013. For fiscal year 2014, the budgeted amount for this contract is \$2,402,886.

The Fund, through UAMPS, purchased a \$3,690,380 interest in 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 \$1,707,665 via this contract during the fiscal year ended June 30, 2013. For fiscal year 2014, the budgeted amount for this contract is \$1,955,924.

NOTE 20 JOINT VENTURE

The South Davis Metro Fire Agency (Fire Agency) was organized in October 2004, in accordance with the Interlocal Cooperation Act (the Act), by the cities of Bountiful (the City), West Bountiful, Centerville, North Salt Lake, and Woods Cross and Davis County, with a governing body comprised of officials from those entities. The Fire Agency was created for the purpose of providing fire protection and ambulance and paramedic emergency services, and commenced operations on January 1, 2005. Under the agreement, the Fire Agency has full access to, and use of, the City's fire department assets. As of June 30, 2013, those assets are being reported on the City's government-wide Statement of Net position in the amount of \$2,735,991 net of \$2,527,399 accumulated depreciation. Related depreciation expense of \$137,616 is reported in the City's government-wide Statement of Activities. The City retains ownership of those assets. In the event the Fire Agency becomes a Special District with taxing authority, the joint venture would be dissolved and a separate legal entity created with its own governing body. Ownership of the assets would transfer to the Special District at that time. As of December 31, 2012, the date of the Fire Agency's most recent audited year-end, the Fire Agency reported total assets of \$12,521,914 with net position of \$7,789,202 comprised of net position invested in capital assets, net of related debt, in the amount of \$5,296,984, restricted net position of \$270,195, and unrestricted net position of \$2,222,023.

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

NOTE 20 JOINT VENTURE (Continued)

The Fire Agency is operated with funding supplied by the six member entities. Each entity shares proportionately in the Fire Agency's operating expenses based on its total property tax-assessed valuation. During the calendar year ended December 31, 2012, these entities provided the following revenues to the Fire Agency for its operations:

Bountiful City	\$	1,867,811
Centerville City		783,477
Davis County		296,850
North Salt Lake City		1,147,058
West Bountiful City		391,255
Woods Cross City		510,990
		510,990
	\$	4,997,441

During its fiscal year ended June 30, 2013, the City reported a General Fund public safety expenditure in the amount of \$1,875,774 related to the above revenue schedule.

The Fire Agency reported total debt of \$3,658,000 at December 31, 2012. This debt represents bonds secured solely by specified revenue sources. Under the terms of the Act, the City is not responsible for any of the Fire Agency's debt. The Fire Agency's debt decreased by \$123,000 during the current fiscal year due to scheduled payments on the Ambulance Service Revenue Bonds, Series 2006. The Fire Agency has no outstanding general obligation debt.

A copy of the Fire Agency's audited financial statements may be obtained by contacting the Finance Officer of the South Davis Metro Fire Agency, P.O. Box 1547, Bountiful, Utah 84011-1547.

NOTE 21 CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are collateralized by the property financed and are payable solely from payments received on the underlying mortgage loans.

Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2013, there was one series of Industrial Revenue Bonds outstanding, having an outstanding principal balance of \$4,305,000.

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

NOTE 22 REDEVELOPMENT AGENCY OF THE CITY OF BOUNTIFUL

For the year ended June 30, 2013, the following activity occurred in the City's Redevelopment Agency:

Tax increment collected from other taxing agencies for Project Area:

<u>Project Area 1</u>	
District #3	\$ 773,427
District #5	219,690
<u>Project Area 2</u>	
District #3	115,407
<u>Project Area 3</u>	
District #3	389,494
	<u>\$ 1,498,018</u>
Tax increment paid to other taxing agencies	\$ -
Outstanding loans to finance RDA projects	\$ -
Amounts expended for site improvements and preparation costs	\$ 481,922
Amounts expended for acquisition of property	\$ -
Amounts expended for installation of public utilities and other public improvements	\$ -
Amounts expended for administrative costs	\$ 568,946

NOTE 23 PRIOR PERIOD ADJUSTMENTS

In fiscal year 2013, the City implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. As a result, the City has removed the unamortized bond issuance costs at the government-wide level by adjusting all prior periods affected. Governmental activities removed \$100,972 and business-type activities removed \$376,242 of bond issuance costs.

Additionally, governmental activities adjusted net position by \$1,343,171 for a long-term note receivable held in the debt service fund. It was determined during fiscal year 2013 that the deferred inflow of resources – unavailable revenue associated with this long-term note receivable should be eliminated at the government-wide level and as this elimination had not previously been performed it required a prior period adjustment to the net position of the governmental activities.

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BOUNTIFUL
OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS AND
EMPLOYER CONTRIBUTIONS
For The Year Ended June 30, 2013**

The Actuarial Accrued Liability (AAL) as of the actuarial valuation date of July 1, 2011 was \$1,371,005. During the fiscal year ended June 30, 2009 the City funded 100% of the obligation. The value of the plan assets as of June 30, 2013 is \$1,166,675, which is less than the AAL due to benefit payments made since the valuation date. The annual required contribution for the fiscal year ending June 30, 2013 was \$4,782.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Level Dollar (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Accrued Percentage of Covered Payroll (b-a)/c
July 1, 2011	\$ 1,410,777	\$ 1,371,005	\$ (39,772)	100%	N/A	0.0%
July 1, 2008	\$ -	\$ 1,527,304	\$ 1,527,304	0.0%	\$ 9,159,758	16.7%

Schedule of Employer Contributions

Fiscal Year	Employer Contribution	Annual Required Contribution (ARC)	% of ARC Contributed
July 1, 2011	\$ -	\$ 4,782	0.00%
July 1, 2008	1,723,460	142,465	1,209.7%

SUPPLEMENTAL INFORMATION

CITY OF BOUNTIFUL
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2013

	Special Revenue Fund			Permanent Fund	Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Municipal Building Authority	Perpetual Care	
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ 131,870	\$ -	\$ 131,870
Receivables:					
Intergovernmental	-	-	7,366	-	7,366
Investments	-	-	225,886	-	225,886
Restricted assets:					
Cash and cash equivalents and investments	803,039	191,125	553,322	1,530,856	3,078,342
Receivables	-	74,175	-	1,548	75,723
Total Assets	\$ 803,039	\$ 265,300	\$ 918,444	\$ 1,532,404	\$ 3,519,187
Liabilities and Fund Balances					
Liabilities					
Liabilities payable from restricted assets	\$ -	\$ 93,606	\$ -	\$ -	\$ 93,606
Total Liabilities	-	93,606	-	-	93,606
Fund Balances					
Restricted:					
Landfill closure	803,039	-	-	-	803,039
Perpetual care	-	-	-	1,532,404	1,532,404
Debt service	-	-	553,322	-	553,322
Recreation and arts	-	171,694	-	-	171,694
Assigned	-	-	365,122	-	365,122
Total Fund Balances	803,039	171,694	918,444	1,532,404	3,425,581
Total Liabilities and Fund Balances	\$ 803,039	\$ 265,300	\$ 918,444	\$ 1,532,404	\$ 3,519,187

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2013

	Special Revenue Fund			Permanent Fund	Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Municipal Building Authority	Perpetual Care	
Revenues					
Taxes	\$ -	\$ 398,441	\$ -	\$ -	\$ 398,441
Charges for services	-	-	621,277	-	621,277
Interest on investments	5,251	1,497	7,097	15,019	28,864
Miscellaneous	-	-	-	33,035	33,035
Total Revenues	<u>5,251</u>	<u>399,938</u>	<u>628,374</u>	<u>48,054</u>	<u>1,081,617</u>
Expenditures					
General government	-	364,148	4,150	-	368,298
Debt service:					
Principal	-	-	638,000	-	638,000
Interest	-	-	82,818	-	82,818
Total Expenditures	<u>-</u>	<u>364,148</u>	<u>724,968</u>	<u>-</u>	<u>1,089,116</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,251</u>	<u>35,790</u>	<u>(96,594)</u>	<u>48,054</u>	<u>(7,499)</u>
Other Financing Sources (Uses)					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	5,251	35,790	(96,594)	48,054	(7,499)
Fund Balance, Beginning	<u>797,788</u>	<u>135,904</u>	<u>1,015,038</u>	<u>1,484,350</u>	<u>3,433,080</u>
Fund Balance, Ending	<u>\$ 803,039</u>	<u>\$ 171,694</u>	<u>\$ 918,444</u>	<u>\$ 1,532,404</u>	<u>\$ 3,425,581</u>

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – MAJOR DEBT SERVICE FUND
For The Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$ 270,000	\$ 270,000	\$ 267,438	\$ (2,562)
Interest on investments	515	515	1,552	1,037
Total Revenues	<u>270,515</u>	<u>270,515</u>	<u>268,990</u>	<u>(1,525)</u>
Expenditures				
General government	6,946	6,946	6,776	170
Debt service:				
Principal	191,000	191,000	191,000	-
Interest	39,965	39,965	39,965	-
Bond issue costs	-	-	-	-
Total Expenditures	<u>237,911</u>	<u>237,911</u>	<u>237,741</u>	<u>170</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>32,604</u>	<u>32,604</u>	<u>31,249</u>	<u>(1,355)</u>
Other Financing Sources (Uses)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 32,604</u>	<u>\$ 32,604</u>	<u>31,249</u>	<u>\$ (1,355)</u>
Fund Balance, Beginning			<u>120,497</u>	
Fund Balance, Ending			<u>\$ 151,746</u>	

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL –NONMAJOR RAP TAX
SPECIAL REVENUE FUND
For The Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 350,000	\$ 380,000	\$ 398,441	\$ 18,441
Interest on investments	-	-	1,497	1,497
Total Revenues	<u>350,000</u>	<u>380,000</u>	<u>399,938</u>	<u>19,938</u>
Expenditures				
Special Projects	315,000	315,000	5,000	310,000
Centerville City RDA Payments	35,000	65,000	359,148	(294,148)
Total Expenditures	<u>350,000</u>	<u>380,000</u>	<u>364,148</u>	<u>15,852</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>35,790</u>	<u>35,790</u>
Other Financing Sources (Uses)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>35,790</u>	<u>\$ 35,790</u>
Fund Balance, Beginning			<u>135,904</u>	
Fund Balance, Ending			<u>\$ 171,694</u>	

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – NONMAJOR MUNICIPAL BUILDING
AUTHORITY SPECIAL REVENUE FUND
For The Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 620,994	\$ 620,994	\$ 621,277	\$ 283
Interest on investments	5,150	5,150	7,097	1,947
Total Revenues	<u>626,144</u>	<u>626,144</u>	<u>628,374</u>	<u>2,230</u>
Expenditures				
General government	4,150	4,150	4,150	-
Debt service:				
Principal	638,000	638,000	638,000	-
Interest	82,818	82,818	82,818	-
Total Expenditures	<u>724,968</u>	<u>724,968</u>	<u>724,968</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(98,824)</u>	<u>(98,824)</u>	<u>(96,594)</u>	<u>2,230</u>
Other Financing Sources (Uses)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance *	<u>\$ (98,824)</u>	<u>\$ (98,824)</u>	<u>(96,594)</u>	<u>\$ 2,230</u>
Fund Balance, Beginning			<u>1,015,038</u>	
Fund Balance, Ending			<u>\$ 918,444</u>	

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

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – MAJOR CAPITAL PROJECTS FUND
For The Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,600,000	\$ 2,600,000	\$ 3,728,777	\$ 1,128,777
Interest on investments	275,000	275,000	263,266	(11,734)
Total Revenues	<u>2,875,000</u>	<u>2,875,000</u>	<u>3,992,043</u>	<u>1,117,043</u>
Expenditures				
Capital outlay	8,237,974	8,439,974	1,724,560	6,715,414
Total Expenditures	<u>8,237,974</u>	<u>8,439,974</u>	<u>1,724,560</u>	<u>6,715,414</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,362,974)</u>	<u>(5,564,974)</u>	<u>2,267,483</u>	<u>7,832,457</u>
Other Financing Sources (Uses)				
Transfer in	-	-	-	-
Transfer out	-	-	(125,045)	(125,045)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(125,045)</u>	<u>(125,045)</u>
Net Change in Fund Balance *	<u>\$ (5,362,974)</u>	<u>\$ (5,564,974)</u>	<u>2,142,438</u>	<u>\$ 7,707,412</u>
Fund Balance, Beginning			<u>26,535,375</u>	
Fund Balance, Ending			<u>\$ 28,677,813</u>	

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

CITY OF BOUNTIFUL
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2013

Business-type Activities - Enterprise Funds

	<u>Storm Water</u>	<u>Golf Course</u>	<u>Recycling</u>	<u>Sanitation</u>	<u>Cemetery</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets						
Current Assets:						
Cash and cash equivalents	\$ 316,190	\$ 679,756	\$ 29,284	\$ 513,488	\$ 409,626	\$ 1,948,344
Accounts receivable, net	112,980	-	59,583	116,702	2,675	291,940
Interest receivable	1,049	1,765	58	1,440	1,124	5,436
Investments	650,186	1,162,840	50,162	879,573	701,664	3,444,425
Inventories	-	58,669	-	-	-	58,669
Total Current Assets	<u>1,080,405</u>	<u>1,903,030</u>	<u>139,087</u>	<u>1,511,203</u>	<u>1,115,089</u>	<u>5,748,814</u>
Noncurrent Assets:						
Notes receivable	-	-	-	-	78,010	78,010
Restricted assets:						
Cash and cash equivalents and investments	63,384	-	-	-	-	63,384
Other postemployment benefits asset	11,132	31,515	-	26,741	18,300	87,688
Capital assets, net:						
Land, land rights and water rights	-	1,997,619	-	-	247,151	2,244,770
Buildings, wells and reservoirs	279,099	533,961	-	479,423	-	1,292,483
Improvements other than buildings	-	698,753	-	239	199,841	898,833
Transmission, distribution and collection systems	3,829,084	-	-	-	-	3,829,084
Machinery and equipment	154,949	263,507	-	320,921	32,589	771,966
Furniture and fixtures	-	5,498	-	-	-	5,498
Total Noncurrent Assets	<u>4,337,648</u>	<u>3,530,853</u>	<u>-</u>	<u>827,324</u>	<u>575,891</u>	<u>9,271,716</u>
Total Assets	<u>\$ 5,418,053</u>	<u>\$ 5,433,883</u>	<u>\$ 139,087</u>	<u>\$ 2,338,527</u>	<u>\$ 1,690,980</u>	<u>\$ 15,020,530</u>

CITY OF BOUNTIFUL
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Continued)
June 30, 2013

	Business-type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Sanitation	Cemetery	
Liabilities						
Current Liabilities:						
Accounts payable	\$ 52,937	\$ 22,033	\$ 79,362	\$ 4,599	\$ 3,151	\$ 162,082
Compensated absences	2,789	19,272	-	11,688	10,865	44,614
Accrued liabilities	7,693	33,963	-	7,519	5,065	54,240
Total Current Liabilities	63,419	75,268	79,362	23,806	19,081	260,936
Noncurrent Liabilities:						
Compensated absences	4,015	31,156	-	9,699	12,299	57,169
Unearned revenue	-	51,096	-	-	-	51,096
Developer and customer deposits	63,384	-	-	-	-	63,384
Total Noncurrent Liabilities	67,399	82,252	-	9,699	12,299	171,649
Total Liabilities	130,818	157,520	79,362	33,505	31,380	432,585
Net Position						
Net investment in capital assets	4,263,132	3,499,338	-	800,583	479,581	9,042,634
Unrestricted	1,024,103	1,777,025	59,725	1,504,439	1,180,019	5,545,311
Total Net Position	5,287,235	5,276,363	59,725	2,305,022	1,659,600	14,587,945
Total Liabilities and Net Position	\$ 5,418,053	\$ 5,433,883	\$ 139,087	\$ 2,338,527	\$ 1,690,980	\$ 15,020,530

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For The Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds					Total Nonmajor
	Storm Water	Golf Course	Recycling	Sanitation	Cemetery	Enterprise Funds
Operating Revenues						
Charges for services	\$ 907,515	\$ -	\$ 482,335	\$ 851,060	\$ 152,650	\$ 2,393,560
Admissions and lesson fees	-	870,486	-	-	-	870,486
Equipment and facility rents	-	390,882	-	-	3,900	394,782
Concession and merchandise sales	-	212,311	-	-	-	212,311
Sale of cemetery burial plots	-	-	-	-	173,215	173,215
Miscellaneous	-	2,412	-	251	2,056	4,719
Total Operating Revenues	907,515	1,476,091	482,335	851,311	331,821	4,049,073
Operating Expenses						
Production, collection and source of supplies	400,749	-	469,472	-	-	870,221
Transmission, distribution and/or maintenance	-	857,710	-	486,053	226,860	1,570,623
Cost of concession and merchandise sales	-	128,532	-	-	-	128,532
General and administrative	159,517	227,039	1,738	175,463	77,043	640,800
Depreciation and amortization	405,516	184,197	-	137,186	19,268	746,167
Total Operating Expenses	965,782	1,397,478	471,210	798,702	323,171	3,956,343
Operating Income (Loss)	\$ (58,267)	\$ 78,613	\$ 11,125	\$ 52,609	\$ 8,650	\$ 92,730

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Sanitation	Cemetery	
Nonoperating Income (Expense)						
Interest income	\$ 8,763	\$ 17,787	\$ 452	\$ 14,738	\$ 10,793	\$ 52,533
Gain (loss) from sale of capital assets	(1,811)	-	-	11,400	-	9,589
Total Nonoperating Income (Expense)	6,952	17,787	452	26,138	10,793	62,122
Income (loss) before transfers	(51,315)	96,400	11,577	78,747	19,443	154,852
Capital contributions	2,891	-	-	-	-	2,891
Changes in Net Position	(48,424)	96,400	11,577	78,747	19,443	157,743
Net Position, Beginning	5,335,659	5,179,963	48,148	2,226,275	1,640,157	14,430,202
Net Position, Ending	\$ 5,287,235	\$ 5,276,363	\$ 59,725	\$ 2,305,022	\$ 1,659,600	\$ 14,587,945

CITY OF BOUNTIFUL
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For The Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds					Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Sanitation	Cemetery	
Cash Flows From Operating Activities						
Receipts from customers and users	\$ 904,511	\$ 1,476,091	\$ 481,479	\$ 842,248	\$ 331,496	\$ 4,035,825
Payments to suppliers	(256,480)	(627,625)	(105,256)	(342,445)	(72,395)	(1,404,201)
Payments to employees and related benefits	(318,996)	(645,220)	(324,914)	(319,989)	(221,409)	(1,830,528)
Net cash flows from operating activities	<u>329,035</u>	<u>203,246</u>	<u>51,309</u>	<u>179,814</u>	<u>37,692</u>	<u>801,096</u>
Cash Flows From Non-Capital Financing Activities						
Payments received on note receivable	-	-	-	-	13,000	13,000
Net cash flows from non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>13,000</u>
Cash Flows From Capital and Related Financing						
Capital contributions received	2,891	-	-	-	-	2,891
Purchase of capital assets	(86,810)	(103,575)	-	(222,475)	(41,005)	(453,865)
Proceeds from sales of capital assets	-	-	-	11,400	-	11,400
Net cash flows from capital and related financing activities	<u>(83,919)</u>	<u>(103,575)</u>	<u>-</u>	<u>(211,075)</u>	<u>(41,005)</u>	<u>(439,574)</u>
Cash Flows From Investing Activities						
Interest on investments	8,138	16,896	411	14,046	10,218	49,709
Purchase of investments	(216,059)	(266,873)	(90,712)	(361,090)	(236,271)	(1,171,005)
Sale of investments	145,913	395,172	61,261	534,684	349,858	1,486,888
Net cash flows from investing activities	<u>(62,008)</u>	<u>145,195</u>	<u>(29,040)</u>	<u>187,640</u>	<u>123,805</u>	<u>365,592</u>
Net Increase (Decrease) In Cash and Cash Equivalents	183,108	244,866	22,269	156,379	133,492	740,114
Cash and Cash Equivalents, Beginning	196,466	434,890	7,015	357,109	276,134	1,271,614
Cash and Cash Equivalents, Ending	<u>\$ 379,574</u>	<u>\$ 679,756</u>	<u>\$ 29,284</u>	<u>\$ 513,488</u>	<u>\$ 409,626</u>	<u>\$ 2,011,728</u>

**CITY OF BOUNTIFUL
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Year Ended June 30, 2013**

	<u>Business-type Activities - Enterprise Funds</u>					<u>Total Nonmajor Enterprise Funds</u>
	<u>Storm Water</u>	<u>Golf Course</u>	<u>Recycling</u>	<u>Sanitation</u>	<u>Cemetery</u>	
Reconciliation of operating income to net cash flows from operating activities						
Earnings (loss) from operations	\$ (58,267)	\$ 78,613	\$ 11,125	\$ 52,609	\$ 8,650	\$ 92,730
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:						
Depreciation	405,516	184,197	-	137,186	19,268	746,167
Changes in assets and liabilities						
Accounts receivable, net	(3,004)	-	(856)	(9,063)	(325)	(13,248)
Inventories	-	(11,350)	-	-	-	(11,350)
Unearned revenue	-	554	-	-	-	554
Developer and customer deposits	(25,300)	-	-	-	-	(25,300)
Accounts payable	8,593	(4,927)	41,040	883	2,448	48,037
Liabilities from restricted assets	-	-	-	-	-	-
Compensated absences	758	(28,970)	-	(1,103)	7,611	(21,704)
Accrued liabilities	1,213	(13,519)	-	447	824	(11,035)
Net OPEB Asset	(474)	(1,352)	-	(1,145)	(784)	(3,755)
Net cash flows from operating activities	<u>\$ 329,035</u>	<u>\$ 203,246</u>	<u>\$ 51,309</u>	<u>\$ 179,814</u>	<u>\$ 37,692</u>	<u>\$ 801,096</u>
Schedule of non-cash capital and related financing activities						
Transfer of capital assets	\$ 136,514	\$ -	\$ -	\$ (136,514)	\$ -	\$ -

**CITY OF BOUNTIFUL
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2013**

	<u>Governmental Immunity</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 978,199	\$ 467,520	\$ 1,445,719
Interest receivable	2,689	1,274	3,963
Investments	1,675,594	801,077	2,476,671
Other receivables	-	4,777	4,777
Total Current Assets	<u>2,656,482</u>	<u>1,274,648</u>	<u>3,931,130</u>
Noncurrent Assets			
Restricted cash and cash equivalents	518,514	-	518,514
Total Noncurrent Assets	<u>518,514</u>	<u>-</u>	<u>518,514</u>
Total Assets	<u>\$ 3,174,996</u>	<u>\$ 1,274,648</u>	<u>\$ 4,449,644</u>
Liabilities			
Current Liabilities			
Accounts payable	\$ -	\$ 45,510	\$ 45,510
Accrued liabilities	1,741	1,079	2,820
Total Liabilities	<u>1,741</u>	<u>46,589</u>	<u>48,330</u>
Net Position			
Restricted for regulatory required deposit	518,514	-	518,514
Unrestricted	2,654,741	1,228,059	3,882,800
Total Net Position	<u>3,173,255</u>	<u>1,228,059</u>	<u>4,401,314</u>
Total Liabilities and Net Position	<u>\$ 3,174,996</u>	<u>\$ 1,274,648</u>	<u>\$ 4,449,644</u>

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
For The Year Ended June 30, 2013

	<u>Governmental Immunity</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Operating Revenues			
Charges for services	\$ 300,704	\$ 216,252	\$ 516,956
Miscellaneous	729	-	729
Total Operating Revenues	<u>301,433</u>	<u>216,252</u>	<u>517,685</u>
Operating Expenses			
Claims	66,162	197,291	263,453
General and administrative	380,836	106,984	487,820
Total Operating Expenses	<u>446,998</u>	<u>304,275</u>	<u>751,273</u>
Operating Income (Loss)	<u>(145,565)</u>	<u>(88,023)</u>	<u>(233,588)</u>
Nonoperating Income (Expense)			
Interest income	<u>27,636</u>	<u>12,776</u>	<u>40,412</u>
Total Nonoperating Income (Expense)	<u>27,636</u>	<u>12,776</u>	<u>40,412</u>
Changes in Net Position	(117,929)	(75,247)	(193,176)
Net Position, Beginning	<u>3,291,184</u>	<u>1,303,306</u>	<u>4,594,490</u>
Net Position, Ending	<u>\$ 3,173,255</u>	<u>\$ 1,228,059</u>	<u>\$ 4,401,314</u>

CITY OF BOUNTIFUL
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended June 30, 2013

	Governmental Immunity	Workers' Compensation Self-Insurance	Total Internal Service Funds
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 309,494	\$ 216,187	\$ 525,681
Payments to suppliers	(367,754)	(252,226)	(619,980)
Payments to employees and related benefits	(78,944)	(48,843)	(127,787)
Net cash flows from operating activities	(137,204)	(84,882)	(222,086)
Cash Flows From Investing Activities			
Interest on investments	26,469	12,213	38,682
Purchase of investments	(810,922)	(417,748)	(1,228,669)
Sale of investments	1,200,772	618,580	1,819,351
Net cash flows from investing activities	416,319	213,045	629,364
Net Increase (Decrease) In Cash and Cash Equivalents	279,115	128,163	407,278
Cash and Cash Equivalents, Beginning	1,217,598	339,357	1,556,955
Cash and Cash Equivalents, Ending	\$ 1,496,713	\$ 467,520	\$ 1,964,233
Reconciliation of operating income to net cash flows from operating activities			
Earnings (loss) from operations	\$ (145,565)	\$ (88,023)	\$ (233,588)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:			
Changes in assets and liabilities			
Accounts receivable	8,061	(65)	7,996
Accounts payable	-	3,005	3,005
Accrued liabilities	300	201	501
Net cash flows from operating activities	\$ (137,204)	\$ (84,882)	\$ (222,086)

STATISTICAL SECTION

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. The City implemented GASB 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Investment in capital assets, net of related debt	\$ 70,459,760	\$ 71,268,430	\$ 70,692,139	\$ 72,416,321	\$ 73,635,745	\$ 74,805,745	\$ 74,693,798	\$ 74,336,121	\$ 74,200,188	\$ 74,103,304
Restricted	3,953,521	3,284,509	3,101,313	3,282,662	3,430,494	3,558,657	4,227,165	4,228,147	4,257,860	3,663,738
Unrestricted	27,790,705	30,373,608	34,658,388	35,622,767	39,740,965	43,182,100	45,175,673	46,140,668	40,243,806	44,932,661
Total governmental activities net position	<u>\$ 102,203,986</u>	<u>\$ 104,926,547</u>	<u>\$ 108,451,840</u>	<u>\$ 111,321,750</u>	<u>\$ 116,807,204</u>	<u>\$ 121,546,502</u>	<u>\$ 124,096,636</u>	<u>\$ 124,704,936</u>	<u>\$ 118,701,854</u>	<u>\$ 122,699,703</u>
Business-type Activities										
Investment in capital assets, net of related debt	\$ 45,308,841	\$ 43,449,928	\$ 43,003,449	\$ 47,670,598	\$ 47,617,828	\$ 47,821,640	\$ 45,629,028	\$ 40,191,046	\$ 53,747,875	\$ 52,073,365
Restricted	557,822	-	-	-	-	-	561,509	7,372,346	981,919	537,775
Unrestricted	33,218,936	34,597,312	36,228,914	34,576,315	33,157,778	35,401,301	38,730,430	42,368,839	48,579,751	53,111,351
Total business-type activities net position	<u>\$ 79,085,599</u>	<u>\$ 78,047,240</u>	<u>\$ 79,232,363</u>	<u>\$ 82,246,913</u>	<u>\$ 80,775,606</u>	<u>\$ 83,222,941</u>	<u>\$ 84,920,967</u>	<u>\$ 89,932,231</u>	<u>\$ 103,309,545</u>	<u>\$ 105,722,491</u>
Primary Government										
Investment in capital assets, net of related debt	\$ 115,768,601	\$ 114,718,358	\$ 113,695,588	\$ 120,086,919	\$ 121,253,573	\$ 122,627,385	\$ 120,322,826	\$ 114,527,167	\$ 127,948,063	\$ 126,176,669
Restricted	4,511,343	3,284,509	3,101,313	3,282,662	3,430,494	3,558,657	4,788,674	11,600,493	5,239,779	4,201,513
Unrestricted	61,009,641	64,970,920	70,887,302	70,199,082	72,898,743	78,583,401	83,906,103	88,509,507	88,823,557	98,044,012
Total primary government net position	<u>\$ 181,289,585</u>	<u>\$ 182,973,787</u>	<u>\$ 187,684,203</u>	<u>\$ 193,568,663</u>	<u>\$ 197,582,810</u>	<u>\$ 204,769,443</u>	<u>\$ 209,017,603</u>	<u>\$ 214,637,167</u>	<u>\$ 222,011,399</u>	<u>\$ 228,422,194</u>

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Government Activities:										
General governmental	\$ 2,558,680	\$ 2,728,127	\$ 2,950,798	\$ 2,994,503	\$ 3,065,154	\$ 3,417,691	\$ 3,388,685	\$ 3,503,127	\$ 3,289,872	\$ 3,581,400
Public safety (2)	6,996,107	7,233,939	7,348,694	7,689,386	8,057,551	8,463,184	8,506,721	8,387,664	8,514,389	9,000,597
Highways and streets	3,345,738	3,307,057	3,443,672	3,555,738	3,785,827	4,455,182	3,999,039	3,748,318	3,475,552	4,067,275
Planning and engineering	943,017	959,797	964,072	1,038,121	1,069,709	1,011,654	943,285	971,209	981,570	1,022,280
Parks	652,659	655,328	686,785	761,014	876,037	1,078,688	933,052	954,307	937,703	1,003,832
Redevelopment	115,585	368,906	1,431,999	3,595,301	791,486	639,800	685,492	841,626	707,565	600,355
Interest on long-term debt	405,936	386,903	353,735	327,906	306,165	282,736	241,190	198,454	144,060	102,623
Total governmental activities expenses	<u>15,017,722</u>	<u>15,640,057</u>	<u>17,179,755</u>	<u>19,961,969</u>	<u>17,951,929</u>	<u>19,348,935</u>	<u>18,697,464</u>	<u>18,604,705</u>	<u>18,050,711</u>	<u>19,378,362</u>
Business-type Activities:										
Water	2,306,064	2,556,365	2,569,321	2,934,761	4,037,688	3,593,952	3,131,777	3,309,367	3,234,152	3,371,663
Light and Power	19,638,313	19,641,972	19,933,617	20,388,969	22,425,787	21,282,022	20,557,495	20,837,040	21,895,461	23,015,562
Landfill	819,334	1,137,119	897,504	900,325	1,100,696	925,116	1,064,299	969,710	1,087,508	1,108,510
Storm Water	798,324	1,109,633	1,034,785	1,095,165	981,119	1,071,562	1,104,270	1,203,429	1,577,577	971,430
Sewer (1)	698,890	-	-	-	-	-	-	-	-	-
Golf Course	1,067,225	1,109,632	1,081,306	1,200,691	1,221,144	1,267,184	1,311,614	1,314,964	1,378,763	1,404,462
Recreation (3)	1,441,275	1,450,748	1,447,709	910,196	3,438	7,454	-	-	-	-
Recycling (4)	-	-	-	-	-	-	432,863	442,247	455,047	471,210
Sanitation	649,385	672,534	710,080	828,299	896,572	855,234	841,277	806,551	773,031	802,742
Cemetery	261,099	262,639	283,273	326,840	339,247	370,211	352,574	348,443	328,892	325,056
Total business-type activities expenses	<u>27,679,909</u>	<u>27,940,642</u>	<u>27,957,595</u>	<u>28,585,246</u>	<u>31,005,691</u>	<u>29,372,735</u>	<u>28,796,169</u>	<u>29,231,751</u>	<u>30,730,431</u>	<u>31,470,635</u>
Total primary government expenses	<u>\$ 42,697,631</u>	<u>\$ 43,580,699</u>	<u>\$ 45,137,350</u>	<u>\$ 48,547,215</u>	<u>\$ 48,957,620</u>	<u>\$ 48,721,670</u>	<u>\$ 47,493,633</u>	<u>\$ 47,836,456</u>	<u>\$ 48,781,142</u>	<u>\$ 50,848,997</u>
Program Revenues										
Government Activities:										
Charges for Services:										
General Government	\$ 3,127,555	\$ 3,122,542	\$ 3,341,596	\$ 3,702,424	\$ 3,584,268	\$ 3,516,116	\$ 2,584,541	\$ 2,705,333	\$ 2,785,099	\$ 2,942,095
Culture and recreation (5)	-	-	-	-	-	-	16,100	15,450	15,775	14,725
Other activities (5)	-	-	-	-	-	-	708,025	698,977	698,279	711,658
Operating Grants and Contributions	1,528,072	1,130,144	1,323,644	1,414,754	1,619,956	1,295,260	1,427,842	1,414,463	1,623,572	1,624,716
Capital Grants and Contributions	100,000	533,800	62,362	63,426	-	1,646,784	271,222	309,910	369,124	66,843
Total governmental activities program revenues	<u>4,755,627</u>	<u>4,786,486</u>	<u>4,727,602</u>	<u>5,180,604</u>	<u>5,204,224</u>	<u>6,458,160</u>	<u>5,007,730</u>	<u>5,144,133</u>	<u>5,491,849</u>	<u>5,360,037</u>
Business-type Activities:										
Charges for Services:										
Water	1,916,585	2,012,075	2,100,134	2,150,143	2,187,631	2,992,204	2,846,366	2,878,003	2,968,922	3,026,573
Light and Power	19,488,673	20,373,836	22,341,458	22,876,122	23,654,814	26,089,014	24,871,593	25,915,599	26,288,025	27,086,113
Landfill	1,005,869	1,103,032	1,089,457	1,518,175	1,390,305	1,130,734	963,000	981,201	1,027,577	1,015,014
Storm Water	678,596	716,014	689,869	727,274	699,480	894,317	893,876	900,375	901,122	907,515
Sewer (1)	715,330	-	-	-	-	-	-	-	-	-
Golf Course	1,196,286	1,171,183	1,248,845	1,344,969	1,303,578	1,344,182	1,274,847	1,286,092	1,451,909	1,473,679
Recreation (3)	959,488	951,597	952,557	104,628	6	-	-	-	-	-
Recycling (4)	-	-	-	-	-	-	442,336	447,835	463,550	482,335
Sanitation	775,491	771,547	790,320	800,914	811,950	828,211	845,858	849,615	847,367	851,060
Cemetery	219,246	269,967	282,281	359,076	288,699	391,069	288,181	330,785	333,490	329,765
Capital grants and contributions	502,610	537,465	673,468	2,728,585	308,939	505,219	27,605	238,801	1,259,961	694,943
Total business-type activities program revenues	<u>27,458,174</u>	<u>27,906,716</u>	<u>30,168,389</u>	<u>32,609,886</u>	<u>30,645,402</u>	<u>34,174,950</u>	<u>32,453,662</u>	<u>33,828,306</u>	<u>35,541,923</u>	<u>35,866,997</u>
Total primary government program revenues	<u>\$ 32,213,801</u>	<u>\$ 32,693,202</u>	<u>\$ 34,895,991</u>	<u>\$ 37,790,490</u>	<u>\$ 35,849,626</u>	<u>\$ 40,633,110</u>	<u>\$ 37,461,392</u>	<u>\$ 38,972,439</u>	<u>\$ 41,033,772</u>	<u>\$ 41,227,034</u>
Net (expense)/revenue										
Governmental activities	\$ (10,262,095)	\$ (10,853,571)	\$ (12,452,153)	\$ (14,781,365)	\$ (12,747,705)	\$ (12,890,775)	\$ (13,689,734)	\$ (13,460,572)	\$ (12,558,862)	\$ (14,018,325)
Business-type activities	(221,735)	(33,926)	2,210,794	4,024,640	(360,289)	4,802,215	3,657,493	4,596,555	4,811,492	4,396,362
Total primary government net expense	<u>\$ (10,483,830)</u>	<u>\$ (10,887,497)</u>	<u>\$ (10,241,359)</u>	<u>\$ (10,756,725)</u>	<u>\$ (13,107,994)</u>	<u>\$ (8,088,560)</u>	<u>\$ (10,032,241)</u>	<u>\$ (8,864,017)</u>	<u>\$ (7,747,370)</u>	<u>\$ (9,621,963)</u>

- (1) The City transferred all sewer operations to the South Davis Sewer District in January 2004.
(2) The City transferred all public safety fire operations to the South Davis Metro Fire Agency January 1, 2005 (See Note 20).
(3) Recreation activity was transferred to the South Davis Recreation District in the first quarter of 2007.
(4) The Sanitation Department implemented a recycling initiative on December 1, 2008.
(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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 3,089,777	\$ 3,118,929	\$ 3,313,916	\$ 3,507,105	\$ 3,713,077	\$ 3,904,321	\$ 3,917,254	\$ 4,021,707	\$ 3,984,434	\$ 3,960,963
Sales taxes	4,918,313	5,029,511	5,654,737	6,254,318	6,720,519	6,159,989	5,761,400	5,813,476	6,210,568	6,456,991
Franchise taxes	2,483,870	2,951,450	3,114,632	3,270,918	3,284,408	3,441,087	3,336,534	3,584,109	3,114,625	3,416,274
Interest on investments	618,754	869,986	1,419,877	1,919,796	1,970,897	1,241,243	662,978	616,299	634,846	554,481
Miscellaneous	185,431	202,702	401,417	210,809	207,473	284,854	372,031	198,008	256,859	70,866
Gain (loss) on sale of capital assets	52,415	(224,895)	-	-	11,130	377,136	592	5,510	-	-
Special items	-	-	-	-	-	-	-	-	-	-
Transfers	1,582,914	1,628,449	2,072,867	2,488,329	2,325,656	2,902,051	2,189,079	(170,237)	(7,645,552)	2,314,400
Total governmental activities	<u>12,931,474</u>	<u>13,576,132</u>	<u>15,977,446</u>	<u>17,651,275</u>	<u>18,233,160</u>	<u>18,310,681</u>	<u>16,239,868</u>	<u>14,068,872</u>	<u>6,555,780</u>	<u>16,773,975</u>
Business-type Activities:										
Sales taxes	-	-	-	-	-	-	-	-	-	-
Interest on investments	418,461	624,016	1,037,739	1,478,239	1,214,638	547,987	221,148	227,931	357,386	400,606
Gain (loss) on sale of capital assets	(32,794)	-	9,457	-	-	-	8,464	16,541	17,054	26,016
Special items/Miscellaneous	-	-	-	-	-	-	-	-	545,830.00	280,604
Transfers	(1,582,914)	(1,628,449)	(2,072,867)	(2,488,329)	(2,325,656)	(2,902,051)	(2,189,079)	170,237	7,645,552	(2,314,400)
Loss on disposal of segment of business	(3,121,636)	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>(4,318,883)</u>	<u>(1,004,433)</u>	<u>(1,025,671)</u>	<u>(1,010,090)</u>	<u>(1,111,018)</u>	<u>(2,354,064)</u>	<u>(1,959,467)</u>	<u>414,709</u>	<u>8,565,822</u>	<u>(1,607,174)</u>
Total primary government	<u>\$ 8,612,591</u>	<u>\$ 12,571,699</u>	<u>\$ 14,951,775</u>	<u>\$ 16,641,185</u>	<u>\$ 17,122,142</u>	<u>\$ 15,956,617</u>	<u>\$ 14,280,401</u>	<u>\$ 14,483,581</u>	<u>\$ 15,121,602</u>	<u>\$ 15,166,801</u>
Change in net position										
Governmental activities	\$ 2,669,379	\$ 2,722,561	\$ 3,525,293	\$ 2,869,910	\$ 5,485,455	\$ 5,419,906	\$ 2,550,134	\$ 608,300	\$ (6,003,082)	\$ 2,755,650
Business-type activities	(4,540,618)	(1,038,359)	1,185,123	3,014,550	(1,471,307)	2,448,151	1,698,026	5,011,264	13,377,314	2,789,188
Total primary government	<u>\$ (1,871,239)</u>	<u>\$ 1,684,202</u>	<u>\$ 4,710,416</u>	<u>\$ 5,884,460</u>	<u>\$ 4,014,148</u>	<u>\$ 7,868,057</u>	<u>\$ 4,248,160</u>	<u>\$ 5,619,564</u>	<u>\$ 7,374,232</u>	<u>\$ 5,544,838</u>

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									
	2004	2005	2006	2007	2008	2009	2010	2011 *	2012	2013
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,470	\$ 22,000			
Unreserved	2,083,648	2,125,154	2,107,765	2,269,106	2,329,130	2,206,184	2,224,136			
Nonspendable								\$ -	\$ -	\$ -
Restricted								48,000	66,133	84,734
Assigned								66,476	65,325	35,526
Unassigned								2,184,161	2,177,026	2,448,175
Total General Fund	<u>\$ 2,083,648</u>	<u>\$ 2,125,154</u>	<u>\$ 2,107,765</u>	<u>\$ 2,269,106</u>	<u>\$ 2,329,130</u>	<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>
All other governmental funds										
Reserved	\$ 2,768,576	\$ 3,083,275	\$ 2,925,787	\$ 3,109,233	\$ 2,920,622	\$ 2,993,891	\$ 2,789,611			
Unreserved, reported in:										
Capital projects funds	16,667,805	18,321,800	22,859,581	25,351,897	28,767,895	30,637,462	32,917,208			
Special revenue funds	4,687,677	4,473,103	4,082,921	5,936,165	2,799,117	4,469,424	4,697,785			
Debt service funds	-	-	-	-	-	-	-			
Nonspendable								\$ 558,358	\$ 558,358	\$ 558,358
Restricted								2,872,483	2,970,415	3,060,490
Assigned								37,903,826	31,475,159	34,606,690
Unassigned								-	-	-
Total all other governmental funds	<u>\$ 24,124,058</u>	<u>\$ 25,878,178</u>	<u>\$ 29,868,289</u>	<u>\$ 34,397,295</u>	<u>\$ 34,487,634</u>	<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>

* 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Taxes (see Table 5)	\$ 10,491,960	\$ 11,099,890	\$ 12,083,285	\$ 13,032,340	\$ 13,718,004	\$ 13,505,397	\$ 13,015,188	\$ 13,419,292	\$ 13,309,627	\$ 13,834,228
Licenses and permits	752,419	745,235	966,550	881,988	633,117	534,007	403,274	400,355	581,680	593,746
Intergovernmental	1,694,238	1,238,950	1,393,643	1,480,425	1,694,825	1,370,892	1,491,961	1,483,621	1,696,203	1,624,716
Charges for services	2,283,123	2,264,069	2,187,715	2,663,567	2,800,584	2,818,708	2,727,296	2,850,628	2,761,264	2,925,112
Fines and forfeitures	88,090	85,941	102,177	129,968	149,662	161,749	172,085	168,684	156,209	148,891
Interest on investments	532,714	741,189	1,214,233	1,628,912	1,716,266	1,111,674	618,772	584,963	591,918	514,069
Miscellaneous	187,287	811,249	844,997	391,408	299,587	564,727	750,461	625,364	839,847	828,478
Total Revenues	16,029,831	16,986,523	18,792,600	20,208,608	21,012,045	20,067,154	19,179,037	19,532,907	19,936,748	20,469,240
Expenditures										
General government	2,387,560	2,405,183	2,489,393	2,569,487	2,673,661	2,925,280	3,053,298	3,140,403	2,932,579	3,078,288
Public safety	6,073,026	6,289,379	6,246,997	6,746,188	7,183,092	7,418,339	7,312,540	7,352,120	7,614,549	7,925,807
Highways and streets	2,465,470	2,445,684	2,431,779	2,605,986	2,812,727	3,552,516	2,870,954	2,815,928	2,629,040	2,923,089
Planning and engineering	916,338	917,673	944,770	1,013,028	1,045,173	1,107,182	924,783	952,352	975,647	968,171
Parks	493,190	491,351	517,981	569,948	653,456	846,255	641,699	631,316	663,523	703,227
Redevelopment	163,774	997,144	1,857,416	3,581,945	776,795	863,502	1,826,660	1,332,794	1,549,874	1,050,868
Capital outlay	8,757,968	2,722,764	1,434,255	3,428,120	2,758,226	2,314,410	1,239,934	1,249,395	1,329,963	1,724,560
Debt service:										
Bond issuance costs	2,242	-	-	-	-	-	52,500	-	-	-
Principal	243,000	521,000	631,000	651,000	678,000	696,000	756,000	757,000	788,000	829,000
Interest and fiscal charges	387,888	376,998	357,555	320,279	299,852	276,640	238,181	194,309	146,915	122,783
Total expenditures	21,890,456	17,167,176	16,911,146	21,485,981	18,880,982	20,000,124	18,916,549	18,425,617	18,630,090	19,325,793
Excess of revenues over (under) expenditures	\$ (5,860,625)	\$ (180,653)	\$ 1,881,454	\$ (1,277,373)	\$ 2,131,063	\$ 67,030	\$ 262,488	\$ 1,107,290	\$ 1,306,658	\$ 1,143,447

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other financing sources (uses):										
Transfers in	\$ 2,324,262	\$ 2,408,392	\$ 2,575,680	\$ 2,488,329	\$ 2,325,656	\$ 4,032,302	\$ 2,581,388	\$ 2,292,419	\$ 2,354,448	\$ 2,439,445
Transfers out	(741,348)	(531,408)	(502,813)	(500,000)	-	(1,130,251)	(329,309)	(2,462,656)	(10,000,000)	(125,045)
Bond/Loan proceeds	-	-	-	2,947,732	-	-	1,696,150	-	-	-
Bond refunding payment	-	-	-	-	-	-	(1,857,000)	-	-	-
Contributions	-	-	-	-	-	-	-	40,000	-	-
Sale of bonds	-	-	-	-	-	-	-	-	-	-
Sale of assets	73,992	99,295	18,401	9,000	11,130	377,136	592	5,510	18,006	23,710
Total other financing sources (uses)	<u>1,656,906</u>	<u>1,976,279</u>	<u>2,091,268</u>	<u>4,945,061</u>	<u>2,336,786</u>	<u>3,279,187</u>	<u>2,091,821</u>	<u>(124,727)</u>	<u>(7,627,546)</u>	<u>2,338,110</u>
Net change in fund balances	<u>\$ (4,203,719)</u>	<u>\$ 1,795,626</u>	<u>\$ 3,972,722</u>	<u>\$ 3,667,688</u>	<u>\$ 4,467,849</u>	<u>\$ 3,346,217</u>	<u>\$ 2,354,309</u>	<u>\$ 982,563</u>	<u>\$ (6,320,888)</u>	<u>\$ 3,481,557</u>
 Debt service as a percentage of non-capital expenditures	4.80%	6.22%	6.39%	5.38%	6.07%	5.50%	5.62%	5.54%	5.40%	5.41%

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

Fiscal Year	Property Taxes	Sales and Use Taxes	Recreation & Parks Taxes (1)	Franchise Taxes	Fees in Lieu of Property Tax	Total
2004	\$ 2,685,956	\$ 4,918,313	\$ -	\$ 2,483,870	\$ 403,821	\$ 10,491,960
2005	2,786,040	5,029,511	-	2,951,451	332,888	11,099,890
2006	3,003,132	5,654,737	-	3,114,632	310,784	12,083,285
2007	3,245,271	6,254,318	-	3,270,918	261,833	13,032,340
2008	3,408,546	6,611,494	109,025	3,284,408	304,531	13,718,004
2009	3,641,990	5,782,606	377,383	3,441,087	262,331	13,505,397
2010	3,660,658	5,407,808	353,592	3,336,534	256,596	13,015,188
2011	3,787,668	5,455,596	357,881	3,584,109	234,039	13,419,293
2012	3,768,350	5,824,824	385,743	3,114,625	216,084	13,309,626
2013	3,743,390	6,058,549	398,441	3,416,274	217,573	13,834,227

(1) In March 2008, Bountiful City entered into an interlocal agreement with the Centerville City Redevelopment Agency (Agency) related to the construction of the CenterPoint Legacy Theatre. Accordingly, a Recreation and Parks tax was levied and collected, 90% of which is paid to the Agency per that agreement.

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				
2004	\$ 1,345,219	\$ 286,241	247	\$ 46,027	\$ 1,677,734	0.012242	\$ 2,760,740	60.77%
2005	1,371,758	313,186	233	48,949	1,734,126	0.012549	2,848,812	60.87%
2006	1,510,761	336,897	214	50,388	1,898,261	0.011751	3,051,402	62.21%
2007	2,044,931	301,273	223	58,825	2,405,253	0.011761	4,094,867	58.74%
2008	2,045,417	442,665	169	66,443	2,554,694	0.010985	4,307,996	59.30%
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%

(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	Weber Basin Water	Mosquito Abatement District	Bountiful Water Subconservancy District	South Davis Sewer District	Davis County Library	South Davis Recreation District
2004	0.012242	0.001231	0.007821	0.001948	0.000198	0.000093	0.000153	0.000366	0.000432	-
2005	0.012549	0.001194	0.007684	0.001921	0.000193	0.000091	0.000147	0.000357	0.000426	0.000536
2006	0.011751	0.001119	0.007305	0.001739	0.000178	0.000086	0.000139	0.000341	0.000403	0.000441
2007	0.011761	0.000912	0.007176	0.002189	0.000200	0.000099	0.000115	0.000305	0.000375	0.000390
2008	0.010985	0.000903	0.006764	0.001997	0.000181	0.000088	0.000110	0.000270	0.000332	0.000340
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

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, 2012 taxable valuation			December 31, 2003 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	\$ 28,282,045	1	1.30 %	\$ 10,115,650	3	0.60 %
G&E Healthcare Ret/Renaissance LLC	15,376,000	2	0.71			-
MABEK Co	12,284,241	3	0.57	11,847,900	2	0.71
Village on Main Street	11,390,695	4	0.52			-
Questar Gas	8,960,271	5	0.41	5,929,081	4	0.35
Qwest Corporation	8,696,160	6	0.40	15,221,451	1	0.91
IHC Health Services, Inc.	7,199,101	7	0.33	4,021,040	7	0.24
Bill Olson Investment LTD-ETHAL	6,357,330	8	0.29	4,680,040	5	0.28
WBC Partners & Commons @ West Bountiful	5,592,732	9	0.26			-
HCP Lakeview MOB LLC (Tegra Lakeview Associates LC)	5,125,000	10	0.24			-
Gateway Crossing LLC (Bountiful Corner LLC)	4,948,000	11	0.23			-
Associated Fresh Market (New Albertson's Inc)	4,661,876	12	0.21	3,920,650	8	0.23
Seelos Family Limited Partnership-ETAL	4,555,000	13	0.21			-
Legacy House of Bountiful LLC	4,388,444	14	0.20			-
Smith's Marketplace	4,384,097	15	0.20			-
Health Care Property Investors, Inc.	4,325,000	16	0.20			-
Winegar, Richard T. & Karleen A	4,305,037	17	0.20	4,068,740	6	0.24
Colonial Lakeview Aprtments LLC-ETAL	4,281,128	18	0.20			-
Miller/Horne Carrington Place LLC	4,190,351	19	0.19			-
Lock It Up Self Storage	4,155,000	20	0.19			-
Bountiful Fitness Partners	-			3,760,570	9	0.22
MacDonald-Christensen LLC (Automobile Dealer)	-		-	3,590,610	10	0.21
J.C. Penney Properties	-		-	2,897,160	11	0.17
Town Center, LLC	-		-	2,412,220	12	0.14
	<u>\$ 153,457,508</u>		<u>7.06 %</u>	<u>\$ 72,465,112</u>		<u>4.33 %</u>
Taxable Value			\$ 2,172,491,456			\$ 1,675,038,000

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	Percentage of Levy			Amount	Percentage of Levy
2004	\$ 2,409,170		\$ 2,317,429	96.2 %	\$ 67,325		\$ 2,384,754	98.99 %
2005	2,326,636		2,235,848	96.1	63,633		2,299,481	98.83
2006	2,288,650		2,192,503	95.8	64,094		2,256,597	98.60
2007	2,301,226		2,199,574	95.6	67,770		2,267,344	98.53
2008	2,428,220		2,245,833	92.5	95,600		2,341,433	96.43
2009	2,431,751		2,318,633	95.3	107,563		2,426,196	99.77
2010	2,422,258		2,308,004	95.3	80,955		2,388,959	98.63
2011	2,445,006		2,345,918	95.9	96,620		2,442,538	99.90
2012	2,456,415		2,302,118	93.7	77,107		2,379,225	96.86
2013	2,452,020		2,360,398	96.3	53,737		2,414,135	98.45

(1) Property taxes are levied January 1 and received 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)
2004	\$ 16,828,516	\$ 2,058,474	\$ 152,312	\$ 19,039,302	0.0686
2005	17,920,997	2,049,550	248,414	20,218,961	0.0755
2006	19,357,227	2,236,492	53,388	21,647,107	0.0800
2007	20,241,626	2,238,864	50,812	22,531,302	0.0800
2008	21,142,331	2,317,081	46,277	23,505,689	0.0816
2009	22,706,488	2,697,896	51,586	25,455,970	0.0881
2010	22,115,396	2,393,724	44,891	24,554,011	0.0881
2011	22,924,190	2,389,668	42,915	25,356,773	0.0925 (4)
2012	23,544,475	2,520,834	44,087	26,109,396	0.0925
2013	24,394,453	2,568,479	2,877	26,965,809	0.0925

- (1) Industrial customer with separate variable and contractual charge.
- (2) Includes underground system repairs, income from uncollectible accounts, and other miscellaneous charges.
- (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					
2004	\$ -	\$ 2,640,000	\$ 6,507,000	\$ -		\$ 9,147,000	1.01 %	\$ 908,765,435	\$ 215
2005	-	2,492,000	6,134,000	-		8,626,000	0.88	981,834,117	201
2006	-	2,340,000	5,655,000	-		7,995,000	0.75	1,065,715,977	185
2007	-	2,184,000	5,160,000	-		7,344,000	0.64	1,155,731,198	169
2008	-	2,023,000	4,643,000	-		6,666,000	0.64	1,044,846,224	152
2009	-	1,857,000	4,113,000	-		5,970,000	0.60	1,001,686,733	134
2010	-	1,388,000	3,560,000	-		4,948,000	0.48	1,038,092,000	116
2011	-	1,209,000	2,982,000	15,280,000		19,471,000	1.83	1,066,010,000	458
2012	-	1,023,000	2,380,000	14,655,000		18,058,000	N/A	N/A	430
2013	-	832,000	1,742,000	14,025,000		16,599,000	N/A	N/A	389

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

N/A = Data not available.

(1) See Table 16 for population details

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

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

(amounts expressed in thousands except per capita amount)

Fiscal Year Ended June 30,	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2004	\$ -	\$ -	\$ -	-	%
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-

CITY OF BOUNTIFUL
Direct and Overlapping Governmental Activities Debt
As of June 30, 2013
Table 13

	<u>Total Debt</u>	<u>Applicable to City</u>		<u>City Debt Ratios (2)</u>		
		<u>Percentage</u>	<u>Amount</u>	<u>To assessed value of: \$ 2,172,498,513</u>	<u>To fair value of: \$3,582,184,508</u>	<u>To population of: (per capita) 42,898</u>
Direct City debt:						
Lease Revenue Bonds	\$ 1,772,675	100.00%	\$ 1,772,675	0.08%	0.05%	\$ 41
Sales Tax Revenue Bonds	884,576	100.00%	884,576	0.04%	0.02%	\$ 21
Total direct debt	<u>\$ 2,657,251</u>		<u>\$ 2,657,251</u>			
Overlapping debt:						
State of Utah (1)	\$ -		\$ -			
Weber Basin Water Conservancy District	26,749,898	13.76%	3,679,491	0.17%	0.10%	\$ 86
Davis County	80,773,380	13.75%	11,109,572	0.51%	0.31%	\$ 259
Davis School District	419,175,000	13.75%	57,653,338	2.65%	1.61%	\$ 1,344
South Davis Recreation District	14,185,000	36.43%	5,168,289	0.24%	0.14%	\$ 120
Total Overlapping debt	<u>540,883,278</u>		<u>77,610,690</u>			
Total direct and overlapping debt applicable to the City			<u>\$ 80,267,941</u>	3.69%	2.24%	\$ 1,871

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed value (1)	\$ 1,677,734	\$ 1,734,126	\$ 1,898,261	\$ 2,405,253	\$ 2,554,694	\$ 2,437,016	\$ 2,307,189	\$ 2,178,693	\$ 2,172,499	\$ 2,226,229
Debt Limit - 12% of total assessed value	201,328	208,095	227,791	288,630	306,563	292,442	276,863	261,443	260,700	267,147
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	<u>\$ 201,328</u>	<u>\$ 208,095</u>	<u>\$ 227,791</u>	<u>\$ 288,630</u>	<u>\$ 306,563</u>	<u>\$ 292,442</u>	<u>\$ 276,863</u>	<u>\$ 261,443</u>	<u>\$ 260,700</u>	<u>\$ 267,147</u>
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

Revenue Bonds							Special Assessment Bonds				
Fiscal Year Ended June 30,	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											
2004	\$ 323,428	\$ -	\$ 323,428	\$ 173,000	\$ 272,318	0.73 %	\$ 196,616	\$ 70,000	\$ 115,570	1.06 %	
2005	551,057	-	551,057	373,000	261,746	0.87	273,390	148,000	115,252	1.04	
2006	590,501	-	590,501	479,000	246,092	0.81	180,510	152,000	111,463	0.69	
2007	741,561	1,651	739,910	495,000	213,148	1.04	269,714	156,000	107,131	1.03	
2008	738,160	1,650	736,510	517,000	197,682	1.03	269,499	161,000	102,170	1.02	
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	
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	-	-	-	-	

* 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)
2004	42,495	(1)	\$ 908,765	\$ 21,385	28,156	(6)	10,151	(3)	4.70 %
2005	42,853	(1)	981,834	22,912	28,238	(6)	10,281	(3)	4.00
2006	43,174	(1)	1,065,716	24,684	28,173	(6)	10,234	(3)	2.90
2007	43,576	(1)	1,155,731	26,522	28,320	(6)	10,046	(3)	2.50
2008	43,780	(1)	1,044,846	23,866	32,310	(5)	10,149	(3)	3.20
2009	44,442	(1)	1,001,687	22,539	32,798	(5)	10,268	(3)	7.00
2010	42,552	(7)	1,038,092	24,396	31,403	(5)	10,062	(3)	7.40
2011	42,552	(6)	1,066,010	25,052	31,403	(6)	10,062	(6)	6.20
2012	42,000	(6)	N/A	N/A	30,996	(6)	9,931	(6)	5.30
2013	42,898	(6)	N/A	N/A	31,659	(6)	10,144	(6)	4.20

N/A = Data not available.

(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 2013.

(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)	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lakeview Hospital	500 - 999	1	2.45 - 4.90 %	500 - 999	1	2.37 - 4.73 %
South Davis Community Hospital	500 - 999	2	2.45 - 4.90	250 - 499	2	1.18 - 2.36
Lexington Law Firm	250 - 499	3	1.23 - 2.45	N/A	N/A	N/A
Bountiful City Corporation	100 - 249	4	0.49 - 1.22	250 - 499	3	1.18 - 2.36
Bountiful High School	100 - 249	5	0.49 - 1.22	100 - 249	5	0.47 - 1.18
Bountiful Medical Investors LTD	100 - 249	6	0.49 - 1.22	100 - 249	7	0.47 - 1.18
City First Mortgage Services, LLC	100 - 249	7	0.49 - 1.22	100 - 249	6	0.47 - 1.18
Electronic Arts	100 - 249	8	0.49 - 1.22	N/A	N/A	N/A
Intermountain Temporaries	100 - 249	9	0.49 - 1.22	N/A	N/A	N/A
Smith's Food & Drug Centers	100 - 249	10	0.49 - 1.22	N/A	N/A	N/A
Smith's Marketplace	100 - 249	11	0.49 - 1.22	100 - 249	10	0.47 - 1.18
South Davis Recreation Center	100 - 249	12	0.49 - 1.22	N/A	N/A	N/A
Viewmont High School	100 - 249	13	0.49 - 1.22	100 - 249	11	0.47 - 1.18
JC Penney Company	N/A	N/A	N/A	250 - 499	4	1.18 - 2.36
K-Mart Stores	N/A	N/A	N/A	100 - 249	8	0.47 - 1.18
Menlove-Johnson, Inc.	N/A	N/A	N/A	100 - 249	9	0.47 - 1.18
Total	<u>2,250 - 4,987</u>		<u>11.04 - 24.47</u> %	<u>1,950 - 4,239</u>		<u>9.24 - 20.08</u> %

(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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Department										
General Fund										
Legislative	6	6	6	6	6	6	6	6	6	6
Legal	3	3	3	3	3	3	3	3	3	3
Executive	2	2	3	4	4	3	3	3	2	2
Information Systems	4	4	4	4	4	4	4	4	4	4
Administrative	6	6	6	6	6	6	6	6	6	6
Treasurer	9	8	8	8	9	7	6	6	7	7
Government Buildings	2	2	3	1	1	1	2	2	2	2
Police	85	84	88	85	94	96	93	92	94	95
Fire (1)	38	0	0	0	0	0	0	0	0	0
Streets	21	20	21	21	23	22	21	22	21	19
Engineering	12	10	12	10	11	8	8	8	8	8
Parks	25	22	21	20	24	24	14	18	18	20
Planning	2	2	4	4	5	5	4	4	4	4
General Fund Total	215	169	179	172	190	185	170	174	175	176
Enterprise Funds										
Storm Water	2	3	3	2	2	2	3	3	3	3
Water	17	17	18	21	24	19	19	19	13	18
Light and Power	48	48	51	43	43	38	39	38	39	37
Golf	45	44	46	41	45	43	40	39	43	46
Pools (3)	86	73	65	0	0	0	0	0	0	0
Recreation (3)	52	45	22	0	0	0	0	0	0	0
Ice Arena (3)	30	33	33	0	0	0	0	0	0	0
Landfill	10	9	9	9	9	9	10	8	9	9
Sanitation	5	5	5	5	6	5	6	5	6	5
Cemetery	9	10	8	11	12	9	7	9	9	11
Enterprise Fund Total	304	287	260	132	141	125	124	121	122	129
Internal Service Funds										
Risk Management (2)	-	-	-	-	-	-	-	-	-	-
Workers Compensation (2)	-	-	-	-	-	-	-	-	-	-
Internal Service Fund Total	-	-	-	-	-	-	-	-	-	-
Redevelopment Agency										
Redevelopment Agency (2)	-	-	-	-	-	-	-	-	-	-
Total Positions	519	456	439	304	331	310	294	295	297	305

- (1) Fire operations were transferred to South Davis Metro Fire Agency on January 1, 2005.
(2) These departments have shared staff from the General Fund.
(3) Recreation activity was transferred to the South Davis Recreation District in the first quarter of 2007.

Source: City of Bountiful Human Resource Office

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
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 streetlights	2,108	2,112	2,119	2,120	2,145	2,135	2,150	2,151	2,135	2,144
Number of traffic signals	N/A	N/A	N/A	N/A	N/A	14	14	13	13	15
Miles of streets	159.00	158.00	157.99	158.00	158.00	158.98	158.98	158.98	159.06	159.06
Public Services:										
Recreation and culture:										
Number of municipal parks	19	19	19	16	16	13	13	13	13	13
Number of municipal picnic areas	15	13	13	21	21	19	19	19	19	19
Number of municipal tennis courts	21	21	21	23	24	24	24	24	24	24
Number of municipal soccer fields	3	5	5	5	5	5	5	5	5	5
Number of municipal ball diamonds	10	9	9	10	10	10	10	10	10	10
Number of Trail Heads	1	1	1	1	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	226.00	226.00	228.00	228.00	228.01	228.37	228.52	228.52	228.52	229.12
Municipal water plants:										
Number of fire hydrants	N/A	N/A	N/A	N/A	N/A	1,580	1,567	1,571	1,588	1,599
Miles of water mains	168.00	170.00	170.55	171.00	171.00	172.96	175.46	175.46	175.70	175.85
Maximum instantaneous water source capacity (gallons per minute)	N/A	N/A	N/A	N/A	N/A	9,100	9,100	9,100	8,900	8,900
Sanitation utilities:										
Number of Collection Trucks	9	10	10	12	13	13	11	12	12	13
Number of sanitary landfills	1	1	1	1	1	1	1	1	1	1
Storm water utility:										
Miles of storm water lines (encased)	73.00	73.00	73.23	73.00	74.00	74.74	74.65	75.49	71.20	71.14
Miles of storm water lines (concrete lined)	4.00	4.00	3.87	4.00	4.00	4.21	4.21	4.20	1.40	1.40
Public Libraries (2)	1	1	1	1	1	1	1	1	1	1

Note: No capital asset indicators are available for the general government and planning and engineering functions.

(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), November 2012: 26,097
Number of votes cast in 2012 election: 20,580
Percentage of registered voters voting: 78.86%

Sources: Various City of Bountiful Departments.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Program										
General Governmental:										
Ordinances passed	21	16	11	15	12	10	13	10	13	8
Resolutions passed	11	4	5	3	11	11	13	11	8	10
Public Safety:										
Hazardous citations written	1,817	1,765	2,062	2,540	2,839	3,082	2,617	2,237	1,973	N/A
Non-hazardous citations written	997	1,155	1,826	2,186	2,776	1,894	1,300	1,114	1,353	N/A
Arrests	1,675	1,214	1,855	1,674	1,657	1,688	1,260	1,289	1,448	N/A
Highways and Streets:										
Miles of street overlaid	N/A	8.10	6.60	5.00	8.00	5.16	4.50	5.19	5.50	5.60
Miles of street reconstructed	N/A	0.00	0.50	1.00	0.30	0.68	0.40	0.00	0.35	0.09
Planning and Engineering:										
Building Permits Issued	103	106	109	60	55	40	40	65	125	57
Municipal water:										
Average daily gallons consumed	4,576,573	4,136,849	4,114,800	4,198,928	4,147,800	4,178,570	3,995,000	3,992,000	3,994,000	4,491,000
Municipal power:										
Kilowatt hours sold	286,843,005	286,063,769	289,901,723	301,405,855	305,271,698	295,756,259	285,706,670	282,073,618	285,476,544	298,186,064
Storm water:										
Miles of storm drains inspected	7.30	7.30	7.32	4.00	4.00	5.42	4.98	2.71	4.06	5.13
Miles of streets cleaned	318.00	316.00	315.98	316.00	158.00	158.98	158.98	158.98	159.06	159.06
Sanitation utilities:										
Tons of waste collected and landfilled	45,956	57,062	52,841	65,098	75,687	64,680	49,685	45,365	54,194	55,426
Tons of recyclables collected (1)	0	0	0	0	0	1,533	2,415	2,983	2,896	2,812

N/A = Data not available.

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

Sources: Various City of Bountiful departments.