

CITY OF BOUNTIFUL, UTAH



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED June 30, 2017



MAYOR

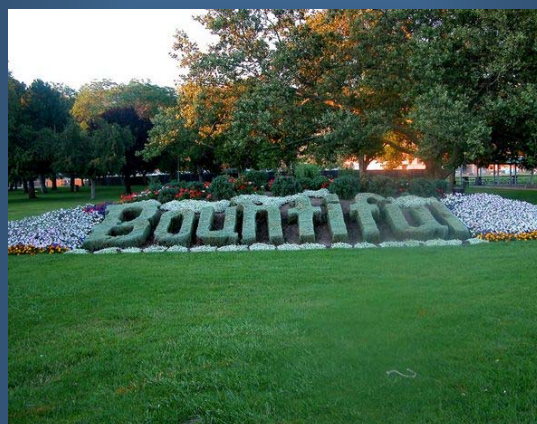
Randy C. Lewis

CITY COUNCIL

Richard Higginson
Beth Holbrook
John Marc Knight
Kendalyn Harris
John Pitt

CITY MANAGER

Gary R. Hill



CITY OF BOUNTIFUL, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017



Prepared by:

Bountiful City Finance Department

Tyson Beck, CPA
Finance Director

David Burgoyne
Assistant Finance Director

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

**CITY OF BOUNTIFUL
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For The Year Ended June 30, 2017**

TABLE OF CONTENTS

	<u>Page</u>
Introductory Section	
Letter of Transmittal.....	i
Principal Officials.....	iv
Organizational Chart	v
Certificate of Achievement for Excellence in Financial Reporting	vi
 Financial Section	
Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
 Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	19
 Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	24
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Redevelopment Agency Special Revenue Fund.....	25
Statement of Net Position – Proprietary Funds.....	26
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.....	28
Statement of Cash Flows – Proprietary Funds.....	30
Statement of Fiduciary Net Position – OPEB Plans	32
Statement of Changes in Fiduciary Net Position – OPEB Plans.....	33
 Notes to Financial Statements	 34
 Required Supplementary Information:	
Schedule of Changes in Fiduciary Net Position and Related Ratios - Public Safety Agent Pension Plan – Last Ten Fiscal Years.....	64
Schedule of the Proportionate Share of the Net Pension Liability – Last Ten Fiscal Years.....	65
Schedule of Contributions – Pension Plans – Last Ten Fiscal Years	66
Schedule of Changes in Fiduciary Net Position and Related Ratios - OPEB Plans – Last Ten Fiscal Years.....	67
Schedule of Contributions – OPEB Plans – Last Ten Fiscal Years.....	68
 Notes to Required Supplementary Information.....	 69

**CITY OF BOUNTIFUL
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For The Year Ended June 30, 2017**

TABLE OF CONTENTS (Continued)

	<u>Page</u>
Financial Section (Continued)	
Supplemental Information:	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	72
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Debt Service Fund.....	73
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Rap Tax Special Revenue Fund.....	74
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Municipal Building Authority Special Revenue Fund	75
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Capital Projects Fund	76
Combining Statement of Net Position – Nonmajor Enterprise Funds	77
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Enterprise Funds.....	79
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	81
Combining Statement of Net position – Internal Service Funds.....	83
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds.....	84
Combining Statement of Cash Flows – Internal Service Funds.....	85
 Statistical Section	
Introduction.....	86
Table 1 – Net Position by Component.....	87
Table 2 – Changes in Net Position	88
Table 3 – Fund Balances of Governmental Funds.....	90
Table 4 – Changes in Fund Balances of Governmental Funds	91
Table 5 – Governmental Activities Tax Revenues by Source	93
Table 6 – Assessed Value and Estimated Actual Value of Taxable Property	94
Table 7 – Property Tax Rates Direct and Overlapping Governments	95
Table 8 – Principal Property Tax Payers	96
Table 9 – Property Tax Levies and Collections	97
Table 10 – Light and Power Charges for Services	98
Table 11 – Ratios of Outstanding Debt by Type	99
Table 12 – Ratios of General Bond Debt Outstanding	100
Table 13 – Direct and Overlapping Governmental Activities Debt.....	101
Table 14 – Legal Debt Margin Information	102
Table 15 – Pledged Revenue Coverage	103
Table 16 – Demographic and Economic Statistics	104
Table 17 – Principal Employers	105
Table 18 – Full-time Equivalent City Government Employees by Function.....	106
Table 19 – Capital Assets Statistics by Function.....	107
Table 20 – Operating Indicators by Program/Function	108

INTRODUCTORY SECTION



BOUNTIFUL

RANDY C. LEWIS
MAYOR

CITY COUNCIL
Kendalyn Harris
Richard Higginson
Beth Holbrook
John Marc Knight
John S. Pitt

CITY MANAGER
Gary R. Hill

October 25, 2017

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, 2017.

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

Keddington & Christensen, LLC, a firm of certified public accountants, has audited the City's financial statements for the fiscal year ended June 30, 2017. The goal of the independent audit was to provide reasonable assurance that the City's financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor has issued an unmodified ("clean") opinion on City's financial statements for the fiscal year ended June 30, 2017. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

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

Profile of the Government (Continued)

The City Council is required to adopt a final budget for the next fiscal year no later than June 22nd of the current fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Upon approval by the City Manager, department directors may transfer resources within a department. Transfers between departments, however, need special approval from the governing body. Departments are the City's legal level of budgetary control.

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

The City limits cover an area of approximately 14 square miles. The City's population for 2017 is 44,078, with a potential for about 50,000 residents at final build-out, which should occur by approximately 2025.

Local economy

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

Long-term financial planning

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

Relevant financial policies

During the year ended June 30, 2017, there were no significant changes in the City's financial policies.

The City has a policy that requires the adoption of a balanced annual operating budget (i.e., estimated revenues are equal to or in excess of appropriations). For the year ended June 30, 2017, there were four governmental funds with estimated revenues significantly less than expenditure appropriations. In such cases, the policy allows for the appropriation of fund balance to close the gap. The Redevelopment Agency, Capital Projects, Municipal Building Authority (MBA), and the Cemetery Perpetual Care funds had final budgeted shortfalls of \$1,933,931, \$6,737,340, \$233,223, and \$1,458,463 respectively. Due to the delay of certain capital projects, measures taken during the year to control expenditures, and favorable surpluses in tax revenues, the City ultimately had an actual budget surplus of \$1,178,673 in the Redevelopment Agency fund and a limited actual budget shortfall of \$74,532 in the Capital Projects fund. The actual budget shortfalls in the MBA and Cemetery Perpetual Care funds were \$478,857 and \$1,458,463 respectively, and were part of a planned spenddown of fund balance in order to purchase new Cemetery land.

Major initiatives

As the City is nearing its final build-out, the City's major initiatives are focused on maintaining basic services and infrastructure. There are five major projects in progress that are expected to be completed in fiscal years 2018 and 2019.

First, one of the few open parcels of land left in the City is going to be developed into fifty new single-family homes over the next two or three fiscal years. In order to provide culinary water to these new homes, the City is going to install a new 1.5 million gallon water reservoir, new water mains, and two new pump stations. The City has budgeted \$900,000, \$898,500, and \$550,000 respectively, in fiscal year 2018 to complete those water projects.

Major initiatives (Continued)

Second, the Water Department began construction to upgrade its 30 year-old water treatment plant to use an ultrafiltration membrane technology. In fiscal year 2017 the City paid construction costs of \$183,797 on this project and has budgeted an additional \$2.8 million in costs for fiscal 2018. The treatment plant is anticipated to be complete in April 2018.

Third, the City has in previous fiscal years purchased land and is now in the process of developing that land into a new City park. This project already has \$2,121,629 in construction costs spent through the end of fiscal 2017 and has an additional \$1 million budgeted for fiscal 2018. The park's completion is expected in the fall of 2017.

Fourth, as part of its strategic plan, the Council also envisions the revitalization of its Main Street/downtown area, which will begin with the creation of a downtown plaza to hold community events. The downtown plaza project has a fiscal 2018 budget of \$3.5 million and was just in the preliminary design phase at the end of fiscal year 2017. This project does not have an anticipated completion date.

The fifth and final major project in progress, is the rebuild of the City's electric power 138 KV substation. This project was in the preliminary design phase at the end of fiscal year 2017. The first half of this rebuild will begin in fiscal year 2018 and has a budget of \$3 million. The second half of the rebuild is anticipated for the fiscal year 2019 budget at approximately the same \$3 million.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bountiful for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. This was the thirty-sixth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR which satisfied both GAAP and applicable program requirements.

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

The City also received for the first time the GFOA's Distinguished Budget Presentation Award for its fiscal year 2017 budget. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

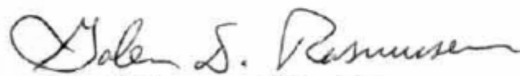
The preparation of this CAFR would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We appreciate all City departments for their assistance in providing the data necessary to prepare this report.

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

Respectfully submitted,



Tyson Beck, CPA
Finance Director



Galen D. Rasmussen, MPA, CPA
Assistant City Manager

**CITY OF BOUNTIFUL
PRINCIPAL OFFICIALS
June 30, 2017**

ELECTED OFFICIALS

Randy C. Lewis	Mayor
Kendalyn Harris	City Council Member
Richard Higginson	City Council Member
Beth Holbrook	City Council Member
John M. (Marc) Knight	City Council Member
John Pitt	City Council Member

EXECUTIVE BUDGETARY AND LEGAL OFFICIALS

Gary R. Hill	City Manager
Clinton R. Drake	City Attorney
Galen D. Rasmussen, CPA	Assistant City Manager

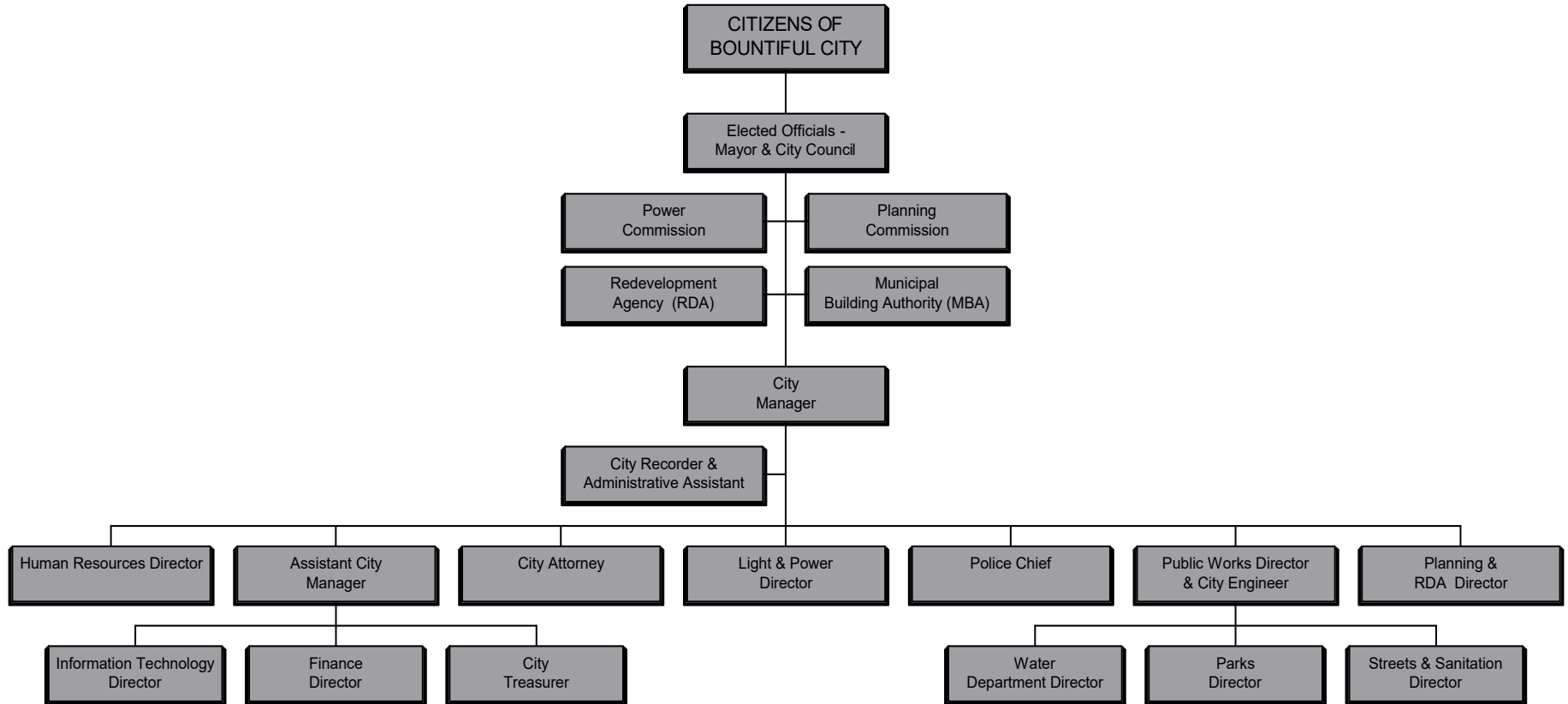
STATUTORY APPOINTED OFFICIALS

S. Ted Elder	City Treasurer
Shawna Andrus	City Recorder

DEPARTMENT HEADS

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

**CITY OF BOUNTIFUL
ORGANIZATIONAL CHART
June 30, 2017**





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, 2016

Executive Director/CEO

FINANCIAL SECTION



Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, 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, 2017, 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, 2017, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other schedules and notes as noted on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 25, 2017 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 25, 2017

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2017**

As management of the City of Bountiful (the City), we offer to readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at June 30, 2017 by \$239,837,363. Of this amount, unrestricted net position of \$85,413,943 may be used to meet the City's ongoing obligations to citizens and creditors.
- The total net position increased by \$2,518,389 from the prior year. The net increase was made up of a \$4,303,460 decrease from governmental activities and a \$6,821,849 increase from business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$40,841,354, a decrease of \$1,063,470 from the prior year. Of this amount, \$39,975,808 is unrestricted (the total of the committed, assigned, and unassigned components of fund balance) and available for spending. The remaining \$865,546 has been legally restricted by parties outside the financial reporting entity.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$3,404,903, or 21.13% of total General Fund expenditures.
- The City's total liabilities increased by \$774,903 from the prior year. This increase came principally from a \$1,647,758 increase in the City's net pension liability that was partially offset by an \$892,513 decrease in the City's bonded debt obligations. The net pension liability increase was principally due to the Utah Retirement Systems changing their assumed investment rate of return from 7.5% to 7.2%. The bonded debt decrease was attributable to principal payments and bond premium amortization of \$227,513 on Sales Tax Revenue bonds, and a principal payment of \$665,000 on the Electric Revenue bonds. As of the close of the fiscal year the governmental activities had no bonded debt.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused compensated absences, etc.).

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

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

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017**

Overview of the Financial Statements (Continued)

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

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

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

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

The City adopts an annual budget for its General Fund, Capital Projects Fund, Redevelopment Agency Fund, Debt Service Fund, RAP Tax Fund, and Municipal Building Authority Fund. A budgetary comparison statement has been provided for each of the aforementioned funds to demonstrate compliance with the fiscal year 2017 budget.

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

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

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

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

CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

Overview of the Financial Statements (Continued)

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

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

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

Government-wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2017, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$239,837,363.

City of Bountiful's Net Position						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 51,696,463	\$ 54,123,679	\$ 57,132,875	\$ 55,503,931	\$ 108,829,338	\$ 109,627,610
Capital assets	81,356,410	82,340,368	82,407,081	77,661,188	163,763,491	160,001,556
Total assets	<u>133,052,873</u>	<u>136,464,047</u>	<u>139,539,956</u>	<u>133,165,119</u>	<u>272,592,829</u>	<u>269,629,166</u>
Total deferred outflows of resources	<u>3,869,411</u>	<u>3,014,040</u>	<u>1,567,091</u>	<u>1,412,923</u>	<u>5,436,502</u>	<u>4,426,963</u>
Current liabilities	1,651,451	1,957,507	3,919,095	3,986,793	5,570,546	5,944,300
Long-term liabilities	11,433,034	9,851,597	16,402,111	16,834,891	27,835,145	26,686,488
Total liabilities	<u>13,084,485</u>	<u>11,809,104</u>	<u>20,321,206</u>	<u>20,821,684</u>	<u>33,405,691</u>	<u>32,630,788</u>
Total deferred inflows of resources	<u>4,215,393</u>	<u>3,743,117</u>	<u>570,884</u>	<u>363,250</u>	<u>4,786,277</u>	<u>4,106,367</u>
Net position:						
Net investment in capital assets	81,356,410	82,121,939	70,987,081	65,576,188	152,343,491	147,698,127
Restricted	1,463,046	1,671,755	616,883	548,086	2,079,929	2,219,841
Unrestricted	36,802,950	40,132,172	48,610,993	47,268,834	85,413,943	87,401,006
Total net position	<u>\$ 119,622,406</u>	<u>\$ 123,925,866</u>	<u>\$ 120,214,957</u>	<u>\$ 113,393,108</u>	<u>\$ 239,837,363</u>	<u>\$ 237,318,974</u>

By far the largest portion of the City's net position \$152,343,491 (63.52%) reflects its investment in capital assets, less any related debt that is still outstanding and which was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$2,079,929 (.87%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$85,413,943 (35.61%) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

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

CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

Government-wide Overall Financial Analysis (Continued)

In addition to reviewing the City-wide net position, an analysis of the year-over-year change in net position is representative of the unique financial activity that has taken place over the course of the fiscal year. During the year ended June 30, 2017, the overall net position of the City increased \$2,518,389 (\$3,613,063 less restatement of \$1,094,674), a 1.06% change, from the prior fiscal year. The net decrease from governmental activities of \$4,303,460 was \$7,486,638 less than the \$3,183,178 increase to net position of fiscal year 2016. The net increase from business-type activities of \$6,821,849 was \$3,282,768 more than the \$3,539,081 increase to net position of fiscal year 2016.

City of Bountiful's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 2,015,329	\$ 1,868,563	\$ 36,499,090	\$ 35,454,264	\$ 38,514,419	\$ 37,322,827
Operating grants and contributions	2,341,078	1,607,310	-	-	2,341,078	1,607,310
Capital grants and contributions	419,547	546,698	4,979,663	627,167	5,399,210	1,173,865
General revenues:						
Property taxes	3,707,397	4,040,013	-	-	3,707,397	4,040,013
Other taxes	11,648,179	11,288,005	-	-	11,648,179	11,288,005
Other	842,778	807,386	775,237	864,354	1,618,015	1,671,740
Total revenues	<u>20,974,308</u>	<u>20,157,975</u>	<u>42,253,990</u>	<u>36,945,785</u>	<u>63,228,298</u>	<u>57,103,760</u>
Expenses:						
General government	7,192,448	3,341,296	-	-	7,192,448	3,341,296
Public safety	12,489,219	9,866,805	-	-	12,489,219	9,866,805
Highways and streets	4,897,436	4,063,869	-	-	4,897,436	4,063,869
Planning and engineering	867,524	731,941	-	-	867,524	731,941
Parks	1,244,612	1,065,934	-	-	1,244,612	1,065,934
Redevelopment	204,313	251,093	-	-	204,313	251,093
Interest on long-term debt	9,638	10,817	-	-	9,638	10,817
Water	-	-	3,869,619	3,631,578	3,869,619	3,631,578
Light and Power	-	-	23,243,493	22,315,745	23,243,493	22,315,745
Landfill and Sanitation	-	-	2,165,326	1,937,430	2,165,326	1,937,430
Storm Water	-	-	1,004,376	912,170	1,004,376	912,170
Recycling	-	-	402,793	377,577	402,793	377,577
Golf Course	-	-	1,540,593	1,467,338	1,540,593	1,467,338
Cemetery	-	-	483,845	407,908	483,845	407,908
Total expenses	<u>26,905,190</u>	<u>19,331,755</u>	<u>32,710,045</u>	<u>31,049,746</u>	<u>59,615,235</u>	<u>50,381,501</u>
Change in net position before transfr	(5,930,882)	826,220	9,543,945	5,896,039	3,613,063	6,722,259
Transfers	<u>2,357,317</u>	<u>2,356,958</u>	<u>(2,357,317)</u>	<u>(2,356,958)</u>	-	-
Increase (Decrease) in net position	(3,573,565)	3,183,178	7,186,628	3,539,081	3,613,063	6,722,259
Net position - beginning of year	123,925,866	120,742,688	113,393,108	109,854,027	237,318,974	230,596,715
Prior Period Adjustment	(729,895)	-	(364,779)	-	(1,094,674)	-
Net position - end of year	<u>\$ 119,622,406</u>	<u>\$ 123,925,866</u>	<u>\$ 120,214,957</u>	<u>\$ 113,393,108</u>	<u>\$ 239,837,363</u>	<u>\$ 237,318,974</u>

CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

Financial Analysis of Governmental Activities

For the period ended June 30, 2017, the City's governmental activities decreased the City's net position by \$4,303,460. During the 2017 year the governmental activities of the City maintained the same, if not improved, level of service without any significant changes to the City's fee schedule, no increases in property tax rates (none since 2001), or obtaining new long-term financing.

Although there were no significant fee structure or operational changes during the current fiscal year, there were many financial variances from fiscal year 2016. As indicated by the data in the table on page 6, the net change in the City's net position provided by current year governmental activities was \$7,486,638 less than last year's increase of \$3,183,178 due to the following four factors:

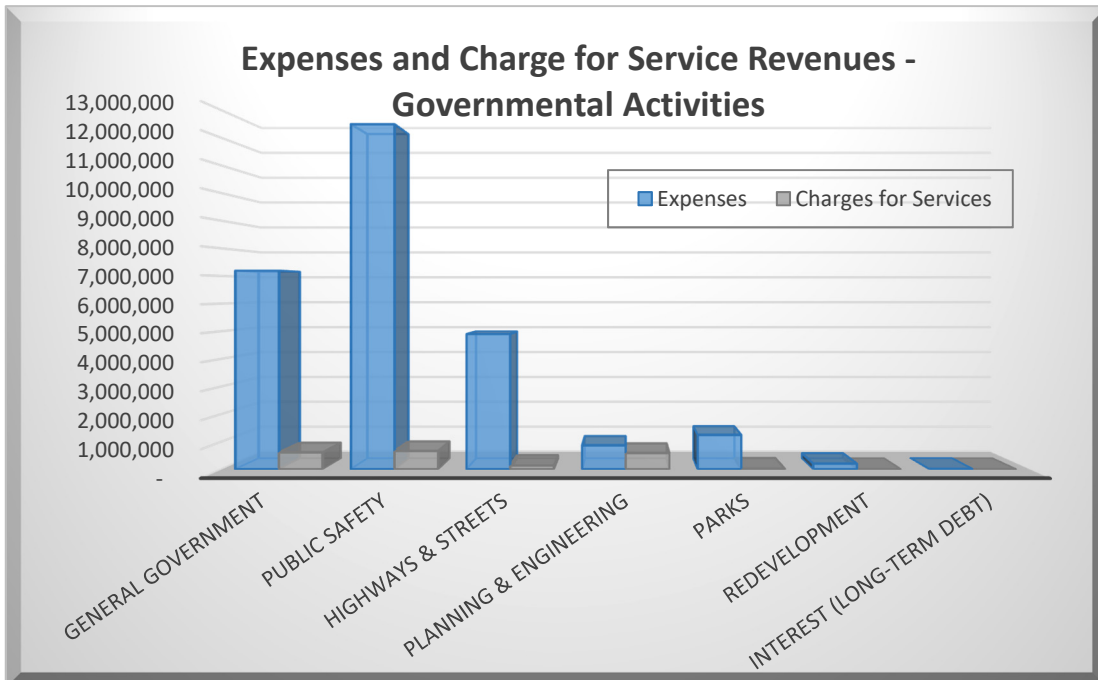
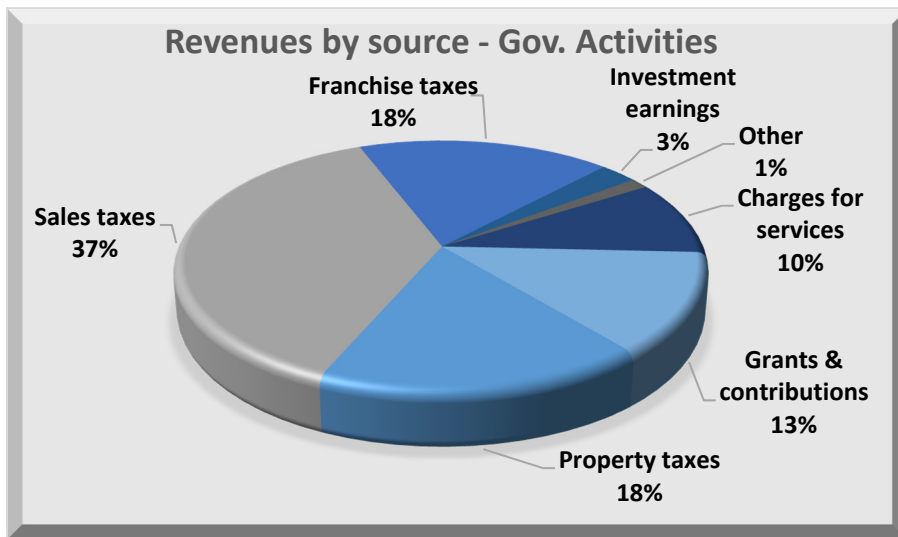
1. In fiscal year 2017 governmental activities had the following three adjustments that restated net position by a net decrease of \$729,895: 1) the City early implemented GASB 75 which altered the way OPEB balances were calculated with an offsetting decrease to net position of \$565,684; 2) the City's Special Improvement District note receivable was mistakenly overstated by \$266,092 and needed to be adjusted to zero which decreased net position; and 3) a previously unrecorded \$101,881 note receivable was added to governmental activities which required an increase to net position. In fiscal year 2016 there were no restatements of net position.
2. Fiscal year 2017 reported a net increase in governmental activities revenue of \$816,333 from 2016, attributed to the underlined factors below:
 - Governmental activities charge for service revenue increased \$146,766 due primarily to an increase in building permits paid for a large addition to a hospital and the construction of a new senior living complex.
 - Operating grants and contributions revenue increased \$733,768 due primarily to: 1) \$370,166 in increased road fund allotments from the State; 2) \$420,015 in increased .25% Davis County transportation sales tax collections; and 3) a net \$56,413 decrease in contributions due mostly to reduced public safety grants.
 - Capital grants and contributions revenue decreased \$127,151 due to a decrease of developer capital asset donations.
 - Overall property and other tax revenues increased \$27,558 due to the following: 1) property taxes decreased by \$332,616 due mainly to reduced property tax increment paid to the RDA; 2) sales taxes increased by \$254,186; and 3) franchise taxes increased by \$105,988 due mainly to increased municipal energy tax.
 - Other revenue increased \$35,392 due principally to a \$130,306 contribution refunding payment from the OPEB trust that increased revenue which was offset by many other smaller revenue decreases.
3. Governmental activity expenses increased by \$7,573,435 from 2016 as explained by the following underlined factors:
 - General government expenses increased \$3,851,152 due to the following 6 factors: 1) the Capital Projects Fund increased expenditures by contributing \$4,036,038 to the Cemetery Fund to aid in the purchase of new cemetery land; 2) pension expenses increased \$195,719 mainly due to the overall increase in the net pension liability; 3) various small expenses increased by a net \$138,001 that were fairly routine in nature; 4) various General Fund departments reduced expenditures by \$201,442 by added enterprise fund reimbursement for administrative services; 5) The Legal Department had \$130,117 in reduced salary and benefit expenditures as the prior year had significant costs associated with the retirement and turnover of Legal staff; and 6) the RAP Tax Fund reduced expenditures by \$187,047 for reduced payments to the Centerville City Redevelopment Agency as the interlocal agreement to aid in the construction of a local performance theatre reached its termination date during the current year.
 - Public safety expenses increased \$2,622,414 due to: 1) a \$2,271,345 increase to expense for the loss on disposal for all of the capital assets donated to the South Davis Metro Fire Service Area (see further details in footnote 18); 2) pension expenses increased \$479,678 mainly due to the overall increase in the net pension liability; and 3) the offsetting decrease to expense of \$128,609 comes from the net of various smaller increases and decreases from the prior year.
 - Highways and Streets expenses increased \$833,567 due to: 1) a \$701,404 increase in non-capital road expenses (e.g. the expenses were not removed in the government-wide conversion process) mainly coming from increased asphalt overlay projects; 2) pension expenses increased \$145,078 mainly due to the overall increase in the net pension liability; and 3) the offsetting decrease to expense of \$12,915 comes from the net of various smaller increases and decreases from the prior year.
 - Planning and Engineering expenses increased \$135,583 due to: 1) a \$45,320 reduction in enterprise fund reimbursement for administrative services, which acts to increase expense; 2) pension expenses increased \$77,244 mainly due to the overall increase in the net pension liability; and 3) a \$13,019 increase in expense which is the net result of other transactions too numerous and small to warrant further explanation.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017**

Financial Analysis of Governmental Activities (Continued)

- Parks expenses increased \$178,678 and the Redevelopment expenses decreased by \$46,780. These net figures are the result of transactions too numerous and small to warrant further explanation.
 - Interest on long-term debt expense decreased by \$1,179 due to reduced outstanding debt. The final payment on the sales tax revenue refunding bonds, series 2009, was made in fiscal year 2017.
4. In fiscal year 2017, the transfer from the Light and Power fund to the General Fund was \$359 higher than in fiscal year 2016.

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



CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

Financial Analysis of Business-type Activities

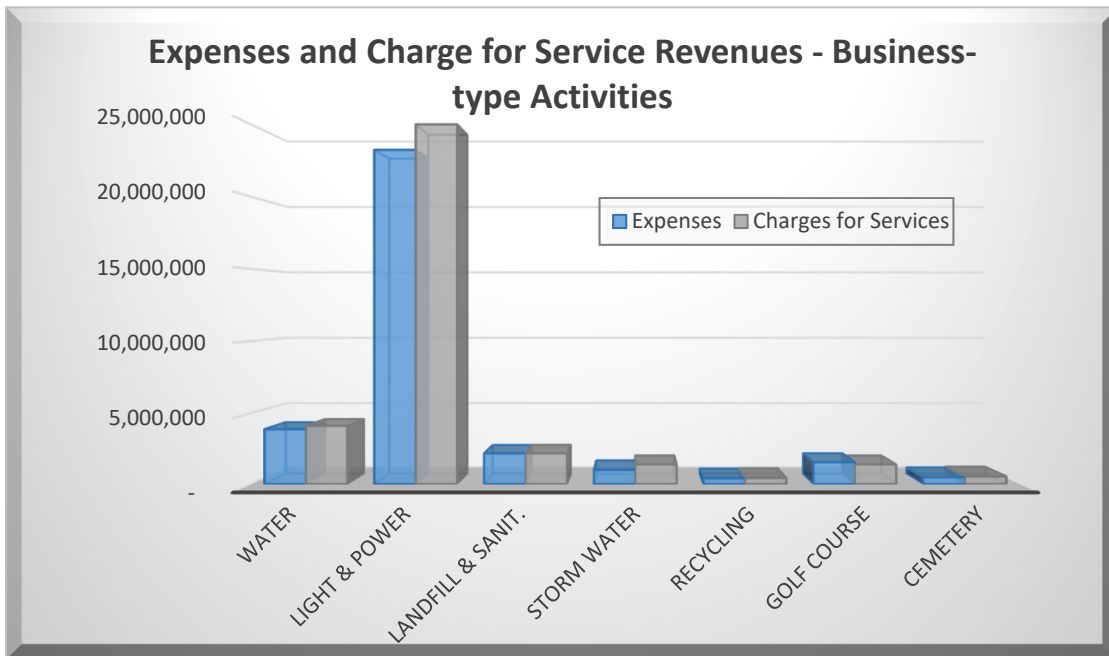
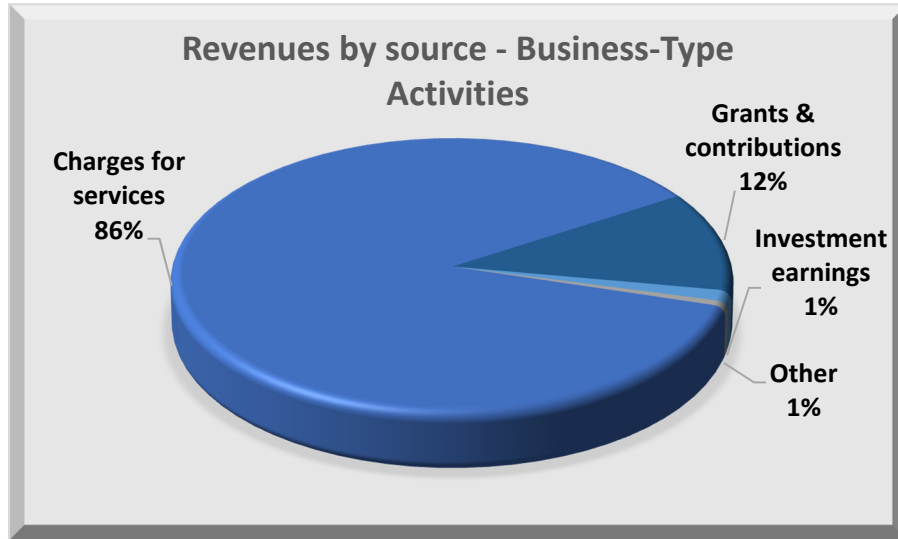
For the period ended June 30, 2017, business-type activities increased the City's net position by \$6,821,849. Although there were no significant operational changes during the current fiscal year, there were many financial variances from fiscal year 2016. As indicated by the data in the table on page 6, the net change in the City's net position provided by current year business-type activities was \$3,282,768 more than last year's increase of \$3,539,081 due to the following four factors:

1. In fiscal year 2017 the City early implemented GASB 75 which altered the way OPEB balances were calculated with an offsetting decrease to net position of \$364,779.
2. Net increase in business-type activities revenue was \$5,308,205 from 2016, attributed to the underlined factors below:
 - Business-type activities charge for service revenue increased \$1,044,826. The Storm Water and Light and Power Funds had rate increases from 2016 that explain the majority of those fund's respective \$220,587 and \$680,617 increases in charge for service revenue. The additional \$143,622 increase is the net result of increases and decreases throughout the other enterprise funds. Those changes from 2016 were due to customer demand fluctuations and not caused by fee schedule changes or service offering changes, as both remained the same from 2016.
 - Capital grants and contributions revenue increased \$4,352,496 due to the following: 1) the Capital Projects Fund contributed \$4,036,038 to the Cemetery Fund to aid in the purchase of new cemetery land; 2) the Water Fund was paid by developers to install \$190,753 more in water mains than the prior year, due primarily to the construction of a new senior living complex and a new subdivision; and 3) the remaining \$125,705 net increase came from various smaller increases and decreases from the prior year throughout the other enterprise funds.
 - Other revenue decreased \$89,117 due to changes from 2016 of: 1) decreased investment earnings of \$47,478 principally due to increased unrealized losses on investments; 2) decreased miscellaneous revenue of \$62,255 due mainly to various one-time insurance collections in 2016 for damaged property in the Light and Power Fund; and 3) various net increases in revenue totaling \$20,616.
3. Current-year business-type activities expenses increased \$1,660,299 from 2016, which is explained by the underlined factors below:
 - The Water fund expenses increased \$238,041 due the following: 1) pension expenses increased \$51,351 mainly due to the overall increase in the net pension liability; 2) \$61,784 increase in depreciation expense as the utility has invested more in its water infrastructure over the past few year thus increasing the annual depreciation; 3) \$86,388 increase in the loss on disposition of capital assets due primarily to a project to upgrade a 4 inch 1996 section of pipe that was not fully depreciated to a new 8 inch pipe adding water main capacity; and 4) a net \$38,518 increase in regular operating expenses.
 - The Light and Power fund expenses increased \$927,748 due to the following: 1) pension expenses increased \$169,965 mainly due to the overall increase in the net pension liability; 2) an \$431,694 increase in inventory and transmission line repair expense due mainly to a large transmission line rebuild project completed during 2017; 3) a \$130,953 increase in the loss on disposition of capital assets due primarily to a project to upgrade the control panel of one of the power plant's turbine engines that was not fully depreciated to a new control panel adding additional utility, and 4) a net \$195,136 increase in regular operating expenses.
 - The Landfill and Sanitation fund expenses increased \$227,896 due to the following: 1) pension expenses increased \$37,656 mainly due to the overall increase in the net pension liability; 2) a \$65,416 increase (approximately a 9% increase) in salary and benefit expense due principally to a reallocation of 30% of the salary and benefits expense of this fund's Department Head to this fund, which had previously been absorbed by the Streets Department; 3) a \$48,742 increase in the equipment maintenance expense due primarily to a project to repair the wheels of the Landfill's compactor machines, and 4) a net \$76,082 increase in regular operating expenses.
 - The non-major enterprise fund expenses increased \$266,614, which is the net increase of various transactions that, in each individual fund, typically have small fluctuations from year-to-year and are too small and numerous to discuss. The total expense increases from the prior year for these funds are as follows: Storm Water \$92,206, Recycling \$25,216, Golf Course \$73,255, and Cemetery \$75,937.
4. In fiscal year 2017, the transfer from the Light and Power fund to the General Fund was \$359 higher than in fiscal year 2016.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017**

Financial Analysis of Business-type Activities (Continued)

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



Financial Analysis of Governmental Funds

The purpose of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, committed, assigned and unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

Financial Analysis of Governmental Funds (Continued)

At June 30, 2017, the City's governmental funds reported combined ending fund balance of \$40,841,354, a decrease of \$1,063,470 over the prior year. Of this fund balance, \$39,975,808 (97.88%) is available for spending; however, \$324,969 (0.80%) has been committed by the City Council and \$36,264,048 (88.79%) has been assigned by the City Manager for subsequent years' capital expenditures and other specified uses, leaving an unassigned amount of \$3,386,791 (8.29%). The remaining \$865,546 (2.12%) of fund balance is not available for spending because it is legally restricted by parties outside the financial reporting entity for future landfill closure costs (\$826,762) and City sponsored communities that care program expenditures (\$38,784).

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,386,791. As a measure of the General Fund's liquidity, it may be useful to compare this amount to total fund expenditures of \$16,114,345 (21.02% or 77 calendar days). During the year ended June 30, 2017, the fund balance of the General Fund decreased \$81,698 from the prior fiscal year. This represents a negative 2.32% change in fund balance. This decrease was \$184,976 less than last fiscal year's fund balance increase of \$103,278 due to the following four reasons:

1. General Fund revenues decreased by \$377,659 from 2016, attributed to the following underlined factors:
 - \$1,343,417 net decrease in tax revenue from the following sources: 1) \$10,850 increase in property tax because of increased property values and collection rates; 2) \$1,460,255 decrease in sales tax due to the Capital Projects fund receiving a larger allocation of sales tax so that the General Fund could stay within the 25% maximum fund balance per State code; and 3) a \$105,988 increase in franchise tax due mainly to increased municipal energy tax collections that were caused by increased electric power rates as described previously.
 - \$141,369 increase in licenses and permits revenue. This is mainly due to an increase in building permits paid for a large addition to a hospital and the construction of a new senior living complex.
 - \$733,768 net increase in intergovernmental revenue from the following: 1) \$420,015 increase in revenue received as part of a .25% Davis County sales tax increase with a municipal share requirement to be used for transportation expenditures; 2) \$370,166 increase in State B&C road fund allotment; and 3) an offsetting net decrease of \$56,413 in miscellaneous public safety grants.
 - \$26,137 increase in charge for service revenue. This is the net result of various small increases and decreases.
 - \$64,484 net revenue increase in: fines and forfeitures, investment earnings, and miscellaneous. The main portion of that net increase came from miscellaneous (\$68,077), due principally to a \$130,306 contribution refunding payment received from the OPEB trust which was offset by many other smaller revenue decreases.
2. General Fund expenditures decreased by \$157,572 from 2016 attributed to the following underlined factors:
 - General government expenditures decreased \$319,931 due to: 1) a \$139,985 decrease in the Legal Department's salary and benefit expenditures caused by fiscal 2016 having large expenditures from the retirement cash-out of accumulated compensated absences of the City Attorney and professional prosecutor fees paid during interval of not having a City Prosecutor; 2) the Treasury, IT, and Finance departments reduced expenditures by a combined \$177,794 by added enterprise fund reimbursement for their administrative services; 3) the remaining decrease to expenditures from the general government of \$2,152 is the net figure of various decreases and increases not significant enough to discuss further.
 - Public Safety expenditures decreased \$11,007 due primarily to a \$56,231 decrease for police software expenditures as 2016 included an upgrade project. That expenditure decrease was almost entirely offset by a net \$45,224 increase in various other operating expenditures.
 - Highways and streets expenditures increased \$11,062 due to: 1) a \$81,898 increase in curb and sidewalk repair expenditures; 2) a \$72,199 increase in road salt expenditures caused by a very heavy winter; 3) an offsetting \$132,536 decrease in asphalt expenditures due to a slight decrease in road patching purchases and using a better allocation of those costs to the Water and Light and Power funds for the required road repairs from their infrastructure projects; and 4) a net \$10,499 increase in various other operating expenditures.
 - Planning and engineering expenditures increased \$51,629 due primarily to a \$45,320 reduction in enterprise fund reimbursement for administrative services, which acts to increase expenditures. The remaining increase to expenditures of \$6,309 is the net increase of various other operating expenditures.
 - Parks expenditures increased \$110,675 caused by various small increases in routine operating expenditures.
3. In fiscal year 2017, the transfer in from the Light and Power fund (other financing source) was \$359 higher than in fiscal year 2016.
4. General Fund sale of capital assets brought in \$34,752 (other financing source) more than the capital sales in 2016.

CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

Financial Analysis of Governmental Funds (Continued)

The Capital Projects Fund has a total fund balance of \$27,185,117, 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, 2017, the fund balance in the Capital Projects Fund decreased by \$74,532 or 0.27%. This Capital Projects fund balance decrease was \$917,550 less than last fiscal year's increase of \$843,018 due to the following three reasons:

1. Capital Project fund revenues increased \$1,676,336 from 2016 attributed to the following three factors: 1) \$1,703,367 increase in sales tax revenue due mainly to the fund receiving a larger allocation of sales tax so that the General Fund could stay within the 25% maximum fund balance per State code, and also increased sales tax collections; 2) \$24,516 decrease in investment earnings due to investment unrealized losses; and 3) \$2,515 decrease in miscellaneous revenue.
2. Capital Project fund expenditures increased \$5,360,276 from 2016 attributed to the following underlined factors:
 - General government capital outlay expenditures increased \$4,029,738 from 2016 due to contributing \$4,036,038 to the Cemetery Fund to aid in the purchase of new cemetery land with the remaining net \$6,300 decrease coming from fewer building and equipment expenditures.
 - Public Safety capital outlay expenditures decreased \$15,312 from 2016 coming from the net of \$150,751 fewer building expenditures and \$135,439 increased equipment expenditures.
 - Highways and Streets capital outlay expenditures decreased \$431,103 due to the following: 1) \$390,307 decrease in road expenditures coming from the net of decreased reconstruction costs from the 400 East road project with increased road overlay projects throughout the City; 2) \$131,299 decrease coming from fewer equipment expenditures; and 3) a \$90,503 offsetting increase in building expenditures for roofing repairs.
 - Parks capital outlay expenditures increased \$1,759,662 due mostly to improvement costs to create Creekside Park.
 - The remaining increase in expenditures of \$17,291 comes from a change in the City's bank and investment fee allocation to more accurately allocate to all of the funds that share in the City's investment pool.
3. Capital Project fund transfers in increased \$2,766,390 from 2016 as the Capital Projects fund in 2017 was reimbursed by transfers from the RAP Tax of \$401,390 for Creekside Park expenditures as well as \$2,365,000 from several funds for its contributions to the Cemetery Fund to purchase land.

The Redevelopment Agency fund (RDA) has a total fund balance of \$8,720,032, all of which has been assigned by the City Manager for eligible redevelopment projects. During the year ended June 30, 2017, the fund balance in the RDA fund increased \$1,178,673 or 15.63%. This increase was \$1,111,966 less than last fiscal year's increase of \$2,290,639. The \$1,111,966 negative change consisted of the following two items:

1. RDA fund revenue decreased \$755,154 from 2016 attributed to the following underlined factors:
 - Property tax increment revenue decreased \$343,466. 2017 is the first full year of property tax increment collections under the new twenty-year RDA agreement. The new agreement only remits 65% of the 2015 tax year property values and 15% of new growth to the RDA instead of 100%. The decrease stems from the reduction in percentage.
 - Investment earnings revenue decreased \$5,877 mostly due to increases in investment unrealized losses.
 - Miscellaneous revenue decreased \$405,811 due to reduced principal payments received from the revolving loan program conducted by the RDA. In 2016 there were many loans repaid early.
2. RDA fund expenditures increased \$356,812 from 2016 attributed to the following underlined factors:
 - Special project expenditures increased \$99,919 due principally to increased project expenditures from remodel costs for the Bountiful Historical Society museum.
 - Land expenditures increased \$302,792 by purchasing land near downtown for redevelopment.
 - Revolving loan expenditures decreased \$40,000 as there were no loans issued during the current year.
 - The remaining decrease in expenditures of \$5,899 is the net result of other transactions too numerous and small to warrant further explanation.

The non-major governmental funds had current year changes in fund balance as follows: Landfill Closure \$9,485, RAP Tax \$30,959, MBA (\$478,857), Cemetery Perpetual Care (\$1,409,718), and Debt Service (\$237,782). The last three funds had negative changes as they each transferred funds to the Capital Projects Fund to aid in the cemetery land contribution.

CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

Financial Analysis of Proprietary funds

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

Unrestricted net position, or the amount available for spending, of the Water, Light and Power, and Landfill and Sanitation Funds (all Major Funds) at the end of the current year were \$3,300,251, \$27,704,919, and \$14,282,524, respectively. The net increase (after OPEB restatement) in total net position from fiscal year 2016 was \$486,344, \$1,606,033, and \$284,659 for those same funds, respectively. The other four nonmajor enterprise funds each ended the current year with positive unrestricted net position, and only the Golf Course enterprise fund ended with a negative change in net position (i.e., net loss).

General Fund Budgetary Highlights

During the year there were no increases in appropriations between the General Fund's original and final amended budgeted expenditures.

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 2017, the following analysis is offered as explanation of significant variances greater than \$150,000.

1. Actual sales tax revenues were lower than the final budget by \$1,217,332 due to a sales tax fund reallocation at yearend to maintain the General Fund's unrestricted fund balance at the 25% maximum required by Utah State code. This reallocation left General Fund sales tax revenues at \$2,699,520 which resulted in a \$1,217,332 unfavorable budget to actual variance.
2. Actual licenses and permits were up by \$179,439 due in large part from a \$261,585 higher than budgeted amount from building permits for two large projects in the City and many smaller residential property developments. This increase in revenues from building permits was moderated by an \$85,400 decrease from budget in street opening permits and smaller increases in other licensing and permit revenues.
3. Actual intergovernmental revenues came in \$220,378 higher than the final budget for the following reasons:
 - B&C Road funds from the State of Utah were budgeted at \$1,470,000 but came in at \$1,676,087 which resulted in a favorable \$206,087 budget to actual variance. The variance is due to a conservative budget philosophy and past legislative revisions to the funding formula from the State of Utah.
 - A 0.25% transportation sales tax was authorized during budget year 2016 by Davis County for the benefit of the County and its cities. A budget was set at \$560,000 and revenues came in at \$564,924 to deliver a favorable budget to actual variance of \$4,924.
 - The balance of the variance between actual and budget came from a variety of smaller grants and intergovernmental sources.
4. The Miscellaneous category was budgeted at \$71,000 with actual revenues coming in at \$189,359 resulting in a favorable variance of 118,359. The majority of the increase was due to the receipt of \$130,306 as a contribution refunding payment received from the OPEB trust. The remainder of the change in the variance was due to a variety of smaller miscellaneous revenues.
5. The Police department budget of \$7,110,556 was underspent by \$245,382 due to careful management of salary and benefit categories by Police administration.

CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities at June 30, 2017, amounts to \$163,763,491 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, intangible asset power contracts, vehicles and equipment, furniture and fixtures, streetlights, service lines, sidewalks, curb and gutter, roads, and similar infrastructure. A total increase in the City's investment in capital assets for the current fiscal year was \$3,761,935 (change coming from a \$983,958 decrease for governmental activities and a \$4,745,893 increase for business-type activities). Major capital asset activity during the current fiscal year has been summarized in the following two tables:

City of Bountiful's Capital Assets (Net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 50,875,660	\$ 50,328,466	\$ 8,308,395	\$ 3,372,357	\$ 59,184,055	\$ 53,700,823
Infrastructure	15,950,536	16,402,775	27,485,746	23,083,436	43,436,282	39,486,211
Buildings and other structures	7,172,935	9,650,635	12,295,820	12,944,296	19,468,755	22,594,931
Improvements other than buildings	1,716,882	1,908,854	997,220	974,291	2,714,102	2,883,145
Street light and traffic signal system	-	-	460,235	550,117	460,235	550,117
Machinery & equipment	2,611,055	2,398,567	21,999,621	21,963,065	24,610,676	24,361,632
Furniture & fixtures	842,030	921,784	118,337	133,082	960,367	1,054,866
Construction in progress	2,187,312	729,287	990,153	4,888,990	3,177,465	5,618,277
Intangible asset - power projects	-	-	9,751,554	9,751,554	9,751,554	9,751,554
Total	\$ 81,356,410	\$ 82,340,368	\$ 82,407,081	\$ 77,661,188	\$ 163,763,491	\$ 160,001,556

City of Bountiful's Schedule of Capital Asset Current Fiscal Year Additions (Retirements)			
	Governmental Activities	Business-type Activities	Totals
Land Purchases	\$ 302,792	\$ 4,936,038	\$ 5,238,830
Land Under City Streets - Developer Donation	81,900	-	81,900
Motor Vehicle and Heavy Equipment Purchases	701,541	1,274,341	1,975,882
Developer Donations of Streets, Curb, Gutter and Sidewalk Infrastructure	114,521	-	114,521
Historical Museum Remodel	327,222	-	327,222
Construction-in-progress (CIP) costs on Creekside Park	1,848,699	-	1,848,699
Server and Network Switches Upgrade	49,696	-	49,696
CIP costs on Police Dispatch Consoles	72,721	-	72,721
City-Center Plaza Preliminary Designs	69,471	-	69,471
New Water and Storm Water Infrastructure (water mains and storm drains)	-	882,730	882,730
Developer Donations of Storm Water Infrastructure (storm drains)	-	28,079	28,079
Zesiger Well Pumphouse Rebuild & Bountiful Boulevard Waterline	-	174,018	174,018
Light & Power Southwest Substation Rebuild & Power Plant Controls	-	690,797	690,797
Construction on Cemetery Expansion Project	-	103,983	103,983
CIP costs on Storm Water Infrastructure	-	130,297	130,297
CIP costs on Mueller Park Water Treatment Plant Rebuild	-	183,797	183,797
CIP costs on Water Main & Booster Station Replacements	-	316,725	316,725
CIP costs on Light & Power Transmission Substation & Line Replacement, and Parking	-	359,334	359,334
Less Historical Cost of Current Year Retired Assets	(5,611,325)	(847,230)	(6,458,555)
Less Current Year Change in Accumulated Depreciation	1,058,804	(3,487,016)	(2,428,212)
Total Change in Capital Asset Net Book Value From the Previous Year	\$ (983,958)	\$ 4,745,893	\$ 3,761,935

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

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017**

Capital Asset and Debt Administration (Continued)

Long-term debt. At the end of the current fiscal year, the City had \$11,420,000 in outstanding bonded debt from the electric revenue bonds. All of the bonded debt was secured by those specific revenue sources.

City of Bountiful's Outstanding debt						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Sales Tax revenue bonds	\$ -	\$ 220,000	\$ -	\$ -	\$ -	\$ 220,000
Unamortized premium	-	7,513	-	-	-	7,513
Electric revenue bonds	-	-	11,420,000	12,085,000	11,420,000	12,085,000
Total	\$ -	\$ 227,513	\$ 11,420,000	\$ 12,085,000	\$ 11,420,000	\$ 12,312,513

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

Economic Factors, Next Year's Budgets and Rates

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

Budgets for fiscal year 2018 were developed based upon the following assumptions:

1. Economic activity in the region, not unlike the remainder of the broader economy, is continuing with a slow to moderate recovery.
2. Development activity is very minimal. Bountiful continues its movement toward a build-out of housing stock and "maintenance mode" of existing services for the City. Subdivision of existing lots will be the main focus area of growth for the near future. There is one known exception as one of the few large open parcels of land remaining in the City is expected to be developed into fifty new single-family homes within the next two or three fiscal years.
3. Sales tax, which is shared with cities by the State of Utah, was projected conservatively with some growth based on increased overall economic activity and some from the proportionate share of distribution that the City receives based on increases in population.
4. The City projected intergovernmental revenues with no increase from 2017 as Class B&C Road funds from the State and County transportation taxes are not expected to see much increase.
5. The budget includes increases in operating costs for personnel merit raises and some market-comparison wage increases but no cost-of-living increases. It also includes increases in operating costs for energy and general goods and services. Energy costs and health care costs have continued as "watch areas" and are expected to increase at a higher rate than the general level of inflation due to national trends and the composition of the City's workforce. The City continues to deal with increases in energy and health care costs through aggressive cost containment in all other cost centers. Health care costs have also been proactively managed through use of a City Wellness Program, and adoption of benefit program changes, including a Health Savings Account option along with traditional healthcare insurance plans to increase employee awareness of costs and to reduce utilization of high cost areas.
6. Governmental fund activity was budgeted conservatively with flat property tax and no increases in any of its charge for service fees. The City has not increased the property tax rate since fiscal year 2001 (16 years at the end of 2017).
7. Enterprise fund activity reflects some increases in rates and fees charged as outlined on the following page. Each year City management performs evaluations, including market comparisons, of the adequacy of fees in the enterprise funds to ensure their ongoing viability and stability.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2017**

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

As adopted with the fiscal year 2018 budget, the following rate and fee increases will be effective July 1, 2017 and provide additional revenue for fiscal year 2018:

1. The Storm Water Equivalent Residential Unit (ERU) rate increased from \$6 to \$7. This is a 16.67% increase.
2. The Water fund adopted a new rate structure as required by new State legislation to incentivize water conservation. The new structure charges a monthly flat fee and then as customers use water in excess of the base number of gallons they will be charged additional fees over three increasing rate tiers. In this process the monthly flat fees, based on water main diameter, were increased. The various monthly flat fees in fiscal 2017 ranged from \$14.75 to \$324.23 and were increased for fiscal 2018 to range from \$21.39 to \$455.63. Those increase percentages range from 40.53% to 45.05%.
3. The Light and Power fund charges a flat monthly customer fee on top of an energy charge for each kilowatt hour (kWh) used each month and a demand charge for commercial customers. The flat fees are determined based on type of customer (i.e., residential, commercial, municipal, etc.). The various flat fees ranged from \$6 to \$54 for fiscal year 2017 and were increased for fiscal year 2018 to range from \$10 to \$58. Those increase percentages range from 5.97% to 66.67%. The rates per kWh remain unchanged for all residential customers and only one small decrease for commercial customers. There was an increase in demand charges per kilowatt (kW) for commercial customers going from the 2017 range of 8.21 to 13.13 per kW to the 2018 range of 8.70 to 16.81 per kW. Those increase percentages range from 5.97% to 28.03%.
4. The Light and Power fund also increased various connection fees that ranged from \$25 to \$130 in 2017 to range from \$30 to \$135 in 2018. Those increase percentages range from 3.85% to 20%.
5. The Light and Power fund also increased their seasonal service connection fees from \$260 to \$280 and their temporary service connection fees from \$190 to \$200. Those are 7.69% and 5.26% increases respectively.
6. The Golf fund will raise their green fees and equipment rental rates beginning January 1, 2018. The green fee increase is \$1 for 9 holes and \$2 for 18 holes (6.67% increases). The equipment rental rates will increase in the range of \$2 to \$10 (25% to 33.33% increase).
7. The Landfill and Sanitation fund increased the residential per-load charges to dump at the landfill for fiscal year 2018. The increases range from \$2 to \$4 per load dumped. Those increase percentages range from 20% to 66.67%.
8. The Cemetery fund's burial space charges for fiscal year 2018 increased. The increases are either \$45 or \$190 per burial space depending upon whether they are single or double-depth spaces. Those increase percentages are either 7.5% or 30.40%.

Requests for Information

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

This page intentionally left blank

BASIC FINANCIAL STATEMENTS

CITY OF BOUNTIFUL
STATEMENT OF NET POSITION
June 30, 2017

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 7,789,347	\$ 8,575,258	\$ 16,364,605
Receivables:			
Taxes	4,972,938	-	4,972,938
Accounts, net	325,665	5,131,960	5,457,625
Interest	101,421	113,207	214,628
Intergovernmental	493,324	-	493,324
Due from OPEB trust	3,671	-	3,671
Investments	34,252,112	38,787,676	73,039,788
Inventories	-	2,005,388	2,005,388
Prepaid expenses	-	110,775	110,775
Noncurrent assets:			
Internal balances	681,357	(681,357)	-
Notes receivable	742,723	-	742,723
Restricted assets:			
Cash and cash equivalents	1,477,467	2,914,004	4,391,471
Investments	565,953	-	565,953
Net other postemployment benefits asset	289,667	175,091	464,758
Net pension asset	818	873	1,691
Capital assets, net:			
Land, land rights, and water rights	50,875,660	8,308,395	59,184,055
Buildings, wells, and reservoirs	7,172,935	12,295,820	19,468,755
Improvements other than buildings	1,716,882	997,220	2,714,102
Power & water transmission, distribution, and collection infrastructure	-	27,485,746	27,485,746
Street light and traffic signal system	-	460,235	460,235
Machinery and equipment	2,611,055	21,999,621	24,610,676
Furniture and fixtures	842,030	118,337	960,367
Infrastructure	15,950,536	-	15,950,536
Construction in progress	2,187,312	990,153	3,177,465
Intangible asset - power projects	-	9,751,554	9,751,554
Total Assets	133,052,873	139,539,956	272,592,829
Deferred Outflows of Resources			
Pensions	3,844,696	1,552,152	5,396,848
Other postemployment benefits plan	24,715	14,939	39,654
Total Deferred Outflows of Resources	3,869,411	1,567,091	5,436,502
Total Assets and Deferred Outflows	\$ 136,922,284	\$ 141,107,047	\$ 278,029,331

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

CITY OF BOUNTIFUL
STATEMENT OF NET POSITION (Continued)
June 30, 2017

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current Liabilities:			
Accounts payable	\$ 615,948	\$ 2,413,951	\$ 3,029,899
Accrued liabilities	548,615	482,484	1,031,099
Accrued interest payable	-	97,751	97,751
Retainage payable - restricted assets	81,760	40,256	122,016
Compensated absences	405,128	209,653	614,781
Bonds payable	-	675,000	675,000
Noncurrent Liabilities:			
Unearned revenue	124,440	88,504	212,944
Developer and customer deposits - restricted assets	575,073	906,448	1,481,521
Compensated absences	692,368	445,009	1,137,377
Bonds payable	-	10,745,000	10,745,000
Accrued landfill closure - restricted assets	-	1,308,509	1,308,509
Net pension liability	10,041,153	2,908,641	12,949,794
Total Liabilities	13,084,485	20,321,206	33,405,691
Deferred Inflows of Resources			
Deferred revenue-property taxes	3,314,443	-	3,314,443
Pensions	662,209	426,577	1,088,786
Other postemployment benefits plan	238,741	144,307	383,048
Total Deferred Inflows of Resources	4,215,393	570,884	4,786,277
Net Position			
Net investment in capital assets	81,356,410	70,987,081	152,343,491
Restricted for:			
Landfill closure	826,762	-	826,762
Debt Service	-	552,796	552,796
Cemetery statue	-	17,491	17,491
Regulatory required insurance deposit	521,041	-	521,041
Pensions	818	873	1,691
Other postemployment benefits	75,641	45,723	121,364
Communities that care	38,784	-	38,784
Unrestricted	36,802,950	48,610,993	85,413,943
Total Net Position	119,622,406	120,214,957	239,837,363
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 136,922,284	\$ 141,107,047	\$ 278,029,331

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, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities							
General government	\$ 7,192,448	\$ 612,115	\$ 32,878	\$ 39,067	\$ (6,508,388)	\$ -	\$ (6,508,388)
Public safety	12,489,219	663,712	67,189	-	(11,758,318)	-	(11,758,318)
Highways and streets	4,897,436	133,595	2,241,011	196,421	(2,326,409)	-	(2,326,409)
Planning and engineering	867,524	589,357	-	-	(278,167)	-	(278,167)
Parks	1,244,612	16,550	-	-	(1,228,062)	-	(1,228,062)
Redevelopment	204,313	-	-	184,059	(20,254)	-	(20,254)
Interest on long-term debt	9,638	-	-	-	(9,638)	-	(9,638)
Total Governmental Activities	26,905,190	2,015,329	2,341,078	419,547	(22,129,236)	-	(22,129,236)
Business-type Activities							
Water	3,869,619	4,099,364	-	282,924	-	512,669	512,669
Light and power	23,243,493	26,506,316	-	537,124	-	3,799,947	3,799,947
Landfill and sanitation	2,165,326	2,174,640	-	-	-	9,314	9,314
Storm water	1,004,376	1,379,679	-	106,466	-	481,769	481,769
Golf course	1,540,593	1,379,892	-	-	-	(160,701)	(160,701)
Recycling	402,793	418,230	-	-	-	15,437	15,437
Cemetery	483,845	540,969	-	4,053,149	-	4,110,273	4,110,273
Total Business-type Activities	32,710,045	36,499,090	-	4,979,663	-	8,768,708	8,768,708
Total Government	\$ 59,615,235	\$ 38,514,419	\$ 2,341,078	\$ 5,399,210	\$ (22,129,236)	\$ 8,768,708	\$ (13,360,528)
			General Revenues				
			Property taxes		\$ 3,707,397	\$ -	\$ 3,707,397
			Sales taxes		7,877,935	-	7,877,935
			Franchise taxes		3,770,244	-	3,770,244
			Investment earnings		566,395	533,388	1,099,783
			Miscellaneous		232,739	241,449	474,188
			Gain on sale of capital assets		43,644	400	44,044
			Transfers		2,357,317	(2,357,317)	-
			Total General Revenues and Transfers		18,555,671	(1,582,080)	16,973,591
			Changes in Net Position		(3,573,565)	7,186,628	3,613,063
			Net Position, Beginning		123,925,866	113,393,108	237,318,974
			Prior Period Adjustment		(729,895)	(364,779)	(1,094,674)
			Net Position, Ending		\$ 119,622,406	\$ 120,214,957	\$ 239,837,363

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

This page intentionally left blank

CITY OF BOUNTIFUL
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2017

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 427,057	\$ 4,973,843	\$ 1,608,108	\$ 128,509	\$ 7,137,517
Receivables:					
Taxes	3,766,690	-	1,113,113	93,659	4,973,462
Accounts - net	317,526	-	-	-	317,526
Interest	10,690	60,255	20,715	1,134	92,794
Intergovernmental	493,324	-	-	-	493,324
Due from OPEB trust	3,671	-	-	-	3,671
Investments	1,536,456	22,280,157	7,093,888	566,894	31,477,395
Restricted assets:					
Cash and cash equivalents	52,836	76,828	-	826,762	956,426
Investments	565,953	-	-	-	565,953
Total Assets	<u>\$ 7,174,203</u>	<u>\$ 27,391,083</u>	<u>\$ 9,835,824</u>	<u>\$ 1,616,958</u>	<u>\$ 46,018,068</u>
Liabilities					
Accounts payable	\$ 407,347	\$ 129,138	\$ 7	\$ -	\$ 536,492
Retainage payable - restricted assets	4,932	76,828	-	-	81,760
Accrued liabilities	541,834	-	2,672	-	544,506
Due to other funds	-	-	-	-	-
Unearned revenues	-	-	-	124,440	124,440
Developer and customer deposits - restricted assets	575,073	-	-	-	575,073
Total Liabilities	<u>1,529,186</u>	<u>205,966</u>	<u>2,679</u>	<u>124,440</u>	<u>1,862,271</u>
Deferred Inflows of Resources					
Unavailable revenue-property taxes	2,201,330	-	1,113,113	-	3,314,443
Total Deferred Inflows of Resources	<u>2,201,330</u>	<u>-</u>	<u>1,113,113</u>	<u>-</u>	<u>3,314,443</u>
Fund Balances					
Restricted:					
Landfill closure	-	-	-	826,762	826,762
Communities that care	38,784	-	-	-	38,784
Committed:					
Cemetery perpetual care	-	-	-	324,969	324,969
Assigned:					
Computer replacement	18,112	-	-	-	18,112
Capital projects	-	27,185,117	-	-	27,185,117
RDA fund	-	-	8,720,032	-	8,720,032
Recreation and arts	-	-	-	313,947	313,947
Debt service fund	-	-	-	19,910	19,910
MBA fund	-	-	-	6,930	6,930
Unassigned	3,386,791	-	-	-	3,386,791
Total Fund Balances	<u>3,443,687</u>	<u>27,185,117</u>	<u>8,720,032</u>	<u>1,492,518</u>	<u>40,841,354</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,174,203</u>	<u>\$ 27,391,083</u>	<u>\$ 9,835,824</u>	<u>\$ 1,616,958</u>	<u>\$ 46,018,068</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, 2017

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

Total fund balances - governmental funds (page 20)	<u>\$ 40,841,354</u>
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	<u>81,356,410</u>
The net OPEB asset resulting from contribution in excess of the annual required contribution is not a current financial resource and therefore is not reported in the funds.	<u>289,667</u>
The net pension asset resulting from pension assets exceeding pension liabilities is not an available resource and, therefore, is not reported in the funds.	<u>818</u>
RDA and Capital Project Fund's long-term notes receivable are not current financial resources and, therefore, are not reported in the funds.	<u>742,723</u>
Deferred outflows of resources associated with the net pension liability and asset are not an available resource and, therefore, are not reported in the funds.	<u>3,844,696</u>
Deferred outflows of resources associated with the net OPEB asset are not an available resource and, therefore, are not reported in the funds.	<u>24,715</u>
The compensated absences, bonds payable, and net pension long-term liabilities are not due and payable in the current period and therefore are not recorded in the funds.	<u>(11,138,649)</u>
Deferred inflows of resources associated with the net pension liability are not due and payable in the current period and therefore are not recorded in the funds.	<u>(662,209)</u>
Deferred inflows of resources associated with the net OPEB asset are not due and payable in the current period and therefore are not recorded in the funds.	<u>(238,741)</u>
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.	<u>3,880,265</u>
Internal service funds had a net current year loss. This loss was eliminated at the government-wide level creating an internal balance due to governmental activities from business-type activities. This current year loss was added to the accumulated total of previous net losses.	<u>681,357</u>
Net Position of governmental activities	<u><u>\$ 119,622,406</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 – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2017

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes	\$ 2,609,947	\$ -	\$ -	\$ -	\$ 2,609,947
Sales taxes	2,699,520	4,650,885	-	527,530	7,877,935
Franchise taxes	3,770,244	-	-	-	3,770,244
Property tax increment	-	-	1,097,450	-	1,097,450
Licenses and permits	679,439	-	-	-	679,439
Intergovernmental	2,341,078	-	-	-	2,341,078
Charges for services	1,038,702	-	-	168,875	1,207,577
Fines and forfeitures	128,313	-	-	-	128,313
Investment earnings	163,021	270,393	109,223	23,758	566,395
Miscellaneous	189,359	5,880	577,556	294,845	1,067,640
Total Revenues	13,619,623	4,927,158	1,784,229	1,015,008	21,346,018
Expenditures					
Current:					
General government	2,390,250	17,291	-	105,731	2,513,272
Public safety	8,935,881	-	-	-	8,935,881
Highways and streets	3,065,431	-	-	-	3,065,431
Planning and engineering	803,667	-	-	-	803,667
Parks	919,116	-	-	-	919,116
Redevelopment	-	-	605,556	-	605,556
Debt service:					
Principal	-	-	-	220,000	220,000
Interest	-	-	-	8,800	8,800
Capital outlay:					
General government	-	4,196,793	-	-	4,196,793
Public safety	-	319,248	-	-	319,248
Highways and streets	-	1,225,128	-	-	1,225,128
Parks	-	2,009,620	-	-	2,009,620
Total Expenditures	16,114,345	7,768,080	605,556	334,531	24,822,512
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,494,722)	(2,840,922)	1,178,673	680,477	(3,476,494)
Other Financing Sources (Uses)					
Transfer in	2,357,317	2,766,390	-	-	5,123,707
Transfer out	-	-	-	(2,766,390)	(2,766,390)
Sale of capital assets	55,707	-	-	-	55,707
Total Other Financing Sources (Uses)	2,413,024	2,766,390	-	(2,766,390)	2,413,024
Net Change in Fund Balance	(81,698)	(74,532)	1,178,673	(2,085,913)	(1,063,470)
Fund Balance, Beginning	3,525,385	27,259,649	7,541,359	3,578,431	41,904,824
Fund Balance, Ending	\$ 3,443,687	\$ 27,185,117	\$ 8,720,032	\$ 1,492,518	\$ 40,841,354

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

CITY OF BOUNTIFUL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2017

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

Net Change in Fund Balances - total governmental funds (page 22)	<u>\$ (1,063,470)</u>
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.	(2,255,699)
Governmental funds report capital outlays as expenditures. These expenditures are reported as capital assets in the statement of net position.	3,188,084
Governmental funds do not account for developer donations of capital assets that cannot be used as current financial resources. These donations are reported as capital grants and contributions in the statement of activities.	380,480
The accrual effect of the sale/disposal of capital assets. The funds only report the proceeds.	(2,296,824)
In the statement of activities, current changes to the net OPEB asset act to decrease OPEB expense. The Governmental Funds do not recognize anything other than OPEB plan payments.	3,533
In the statement of activities, current changes to the net pension asset act to increase pension expense. The Governmental Funds do not adjust pension contribution expense.	(661)
Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	220,000
Proceeds from repayment of RDA, Debt Service, and Capital Project Fund's long-term notes receivable are recorded as revenue in the Governmental Funds. However, the repayment is recorded as a reduction of the loan principal in the statement of net position.	(795,834)
In the statement of activities, amortization of premiums and deferred charge on refunding of debt is recorded.	(1,571)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expense is reported when due.	733
In the statement of activities, current changes to the net pension liability act to increase pension expense. The Governmental Funds do not adjust pension contribution expense.	(1,527,801)
In the statement of activities, the current year's pension contributions from January to June are removed from pension expense and shown on the statement of net position as deferred outflows of resources - pensions. Some pension deferred outflows are also amortized to pension expense each year. The Governmental Funds do not adjust pension contribution expense.	838,548
In the statement of activities, current changes to the deferred inflows of resources related to pensions acts to increase pension expense. The Governmental Funds do not adjust pension contribution expense.	(260,984)
The accrued leave of employees does not require the use of current financial resources and therefore is not recorded as an expenditure in the Governmental Funds.	(18,897)
The combined change in net position of internal service funds is reported within the governmental activities.	3,346
Internal service funds had a net current year gain. This gain was eliminated at the government-wide level adding to the fiscal year 2016 internal balance due to governmental activities from business-type activities with associated changes in current year expenses.	13,452
Change in net position of governmental activities	<u><u>\$ (3,573,565)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 2,572,798	\$ 2,572,798	\$ 2,609,947	\$ 37,149
Sales taxes	3,916,852	3,916,852	2,699,520	(1,217,332)
Franchise taxes	3,815,000	3,815,000	3,770,244	(44,756)
Licenses and permits	500,000	500,000	679,439	179,439
Intergovernmental revenues	2,120,700	2,120,700	2,341,078	220,378
Charges for services	948,871	948,871	1,038,702	89,831
Fines and forfeitures	150,000	150,000	128,313	(21,687)
Investment earnings	113,278	113,278	163,021	49,743
Miscellaneous	71,000	71,000	189,359	118,359
Total Revenues	<u>14,208,499</u>	<u>14,208,499</u>	<u>13,619,623</u>	<u>(588,876)</u>
Expenditures				
Current:				
General government:				
Legislative	646,469	646,469	638,486	7,983
Legal	315,936	315,936	273,271	42,665
Executive	168,967	168,967	154,398	14,569
Information systems	421,836	421,836	436,560	(14,724)
Finance	403,479	403,479	383,709	19,770
Human resources	133,664	133,664	125,051	8,613
Treasury	295,694	295,694	257,939	37,755
Government buildings	131,695	131,695	120,836	10,859
Public safety:				
Police	7,110,556	7,110,556	6,865,174	245,382
Fire	2,098,000	2,098,000	2,070,707	27,293
Highways and streets	3,135,085	3,135,085	3,065,431	69,654
Planning and engineering:				
Planning	222,251	222,251	198,007	24,244
Engineering	653,211	653,211	605,660	47,551
Parks	914,287	914,287	919,116	(4,829)
Total Expenditures	<u>16,651,130</u>	<u>16,651,130</u>	<u>16,114,345</u>	<u>536,785</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,442,631)</u>	<u>(2,442,631)</u>	<u>(2,494,722)</u>	<u>(52,091)</u>
Other Financing Sources (Uses)				
Transfer in	2,456,000	2,456,000	2,357,317	(98,683)
Sale of capital assets	4,000	4,000	55,707	51,707
Total Other Financing Sources (Uses)	<u>2,460,000</u>	<u>2,460,000</u>	<u>2,413,024</u>	<u>(46,976)</u>
Net Change in Fund Balance	<u>\$ 17,369</u>	<u>\$ 17,369</u>	<u>(81,698)</u>	<u>\$ (99,067)</u>
Fund Balance, Beginning			<u>3,525,385</u>	
Fund Balance, Ending			<u>\$ 3,443,687</u>	

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

CITY OF BOUNTIFUL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – REDEVELOPMENT AGENCY SPECIAL
REVENUE FUND
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property tax increment	\$ 1,164,022	\$ 1,164,022	\$ 1,097,450	\$ (66,572)
Investment earnings	56,058	56,058	109,223	53,165
Principal payments on notes receivable	258,887	258,887	577,556	318,669
Total Revenues	<u>1,478,967</u>	<u>1,478,967</u>	<u>1,784,229</u>	<u>305,262</u>
Expenditures				
Current:				
Redevelopment	3,412,898	3,412,898	605,556	2,807,342
Total Expenditures	<u>3,412,898</u>	<u>3,412,898</u>	<u>605,556</u>	<u>2,807,342</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,933,931)</u>	<u>(1,933,931)</u>	<u>1,178,673</u>	<u>3,112,604</u>
Other Financing Sources (Uses)				
Transfer out	-	-	-	-
Total Other Financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance *	<u>\$ (1,933,931)</u>	<u>\$ (1,933,931)</u>	<u>1,178,673</u>	<u>\$ 3,112,604</u>
Fund Balance, Beginning			<u>7,541,359</u>	
Fund Balance, Ending			<u>\$ 8,720,032</u>	

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

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

CITY OF BOUNTIFUL
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2017

	<u>Business-type Activities - Enterprise Funds</u>				<u>Total Enterprise</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Light and Power</u>	<u>Landfill and Sanitation</u>	<u>Other Enterprise Funds</u>		
Assets						
Current Assets						
Cash and cash equivalents	\$ 547,344	\$ 4,017,882	\$ 3,301,853	\$ 708,179	\$ 8,575,258	\$ 651,830
Accounts receivable, net	666,174	3,941,096	279,714	244,976	5,131,960	8,139
Interest receivable	7,473	63,262	32,017	10,455	113,207	8,103
Investments	2,523,669	21,725,583	10,964,928	3,573,496	38,787,676	2,774,717
Inventories	217,246	1,725,118	-	63,024	2,005,388	-
Prepaid expenses	85,085	25,690	-	-	110,775	-
Total Current Assets	<u>4,046,991</u>	<u>31,498,631</u>	<u>14,578,512</u>	<u>4,600,130</u>	<u>54,724,264</u>	<u>3,442,789</u>
Noncurrent Assets						
Restricted assets:						
Cash and cash equivalents	24,844	1,460,369	1,308,509	120,282	2,914,004	521,041
Net other postemployment benefits asset	35,404	89,390	22,354	27,943	175,091	-
Net pension asset	156	495	87	135	873	19
Capital assets, net:						
Land, land rights and water rights	339,566	744,284	43,737	7,180,808	8,308,395	-
Buildings, wells and reservoirs	3,962,100	6,355,878	1,404,190	573,652	12,295,820	-
Improvements other than buildings	57,860	-	143,294	796,066	997,220	-
Power & water transmission, distribution, and collection infrastructure	12,990,874	10,850,921	-	3,643,951	27,485,746	-
Street light and traffic signal systems	-	460,235	-	-	460,235	-
Machinery and equipment	901,308	19,441,277	916,819	740,217	21,999,621	-
Furniture and fixtures	-	116,838	-	1,499	118,337	-
Construction in progress	500,522	359,334	-	130,297	990,153	-
Intangible asset - power projects	-	9,751,554	-	-	9,751,554	-
Total Noncurrent Assets	<u>18,812,634</u>	<u>49,630,575</u>	<u>3,838,990</u>	<u>13,214,850</u>	<u>85,497,049</u>	<u>521,060</u>
Total Assets	<u>22,859,625</u>	<u>81,129,206</u>	<u>18,417,502</u>	<u>17,814,980</u>	<u>140,221,313</u>	<u>3,963,849</u>
Deferred Outflows of Resources						
Pensions	276,435	880,337	154,735	240,645	1,552,152	34,905
Other postemployment benefits plan	3,021	7,627	1,907	2,384	14,939	-
Total Deferred Outflows	<u>279,456</u>	<u>887,964</u>	<u>156,642</u>	<u>243,029</u>	<u>1,567,091</u>	<u>34,905</u>
Total Assets and Deferred Outflows	<u>\$ 23,139,081</u>	<u>\$ 82,017,170</u>	<u>\$ 18,574,144</u>	<u>\$ 18,058,009</u>	<u>\$ 141,788,404</u>	<u>\$ 3,998,754</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, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds	Total Enterprise	
Current Liabilities						
Accounts payable	\$ 256,822	\$ 2,001,304	\$ 10,822	\$ 145,003	\$ 2,413,951	\$ 79,456
Accrued liabilities	51,152	322,270	34,033	75,029	482,484	4,109
Accrued Interest Payable	-	97,751	-	-	97,751	-
Retainage payable - restricted assets	23,710	12,468	-	4,078	40,256	-
Compensated absences	37,967	119,250	25,721	26,715	209,653	-
Revenue bond payable	-	675,000	-	-	675,000	-
Total Current Liabilities	369,651	3,228,043	70,576	250,825	3,919,095	83,565
Noncurrent Liabilities						
Unearned revenue - restricted assets	1,134	23,521	-	63,849	88,504	-
Developer and customer deposits - restricted assets	-	871,584	-	34,864	906,448	-
Compensated absences	83,240	241,833	47,656	72,280	445,009	-
Revenue bond payable	-	10,745,000	-	-	10,745,000	-
Accrued landfill closure - restricted assets	-	-	1,308,509	-	1,308,509	-
Net pension liability	518,022	1,649,699	289,965	450,955	2,908,641	65,410
Total Noncurrent Liabilities	602,396	13,531,637	1,646,130	621,948	16,402,111	65,410
Total Liabilities	972,047	16,759,680	1,716,706	872,773	20,321,206	148,975
Deferred Inflows of Resources						
Pensions	75,972	241,942	42,526	66,137	426,577	9,593
Other postemployment benefits plan	29,179	73,674	18,424	23,030	144,307	-
Total Deferred Inflows	105,151	315,616	60,950	89,167	570,884	9,593
Net Position						
Net investment in capital assets	18,752,230	36,660,321	2,508,040	13,066,490	70,987,081	-
Restricted:						
Debt service	-	552,796	-	-	552,796	-
Regulatory required insurance deposit	-	-	-	-	-	521,041
Pensions	156	495	87	135	873	19
Other postemployment benefits	9,246	23,343	5,837	7,297	45,723	-
Cemetery statue	-	-	-	17,491	17,491	-
Unrestricted	3,300,251	27,704,919	14,282,524	4,004,656	49,292,350	3,319,126
Total Net Position	22,061,883	64,941,874	16,796,488	17,096,069	120,896,314	3,840,186
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 23,139,081	\$ 82,017,170	\$ 18,574,144	\$ 18,058,009	\$ 141,788,404	\$ 3,998,754
Net Position Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Net Position:						
Adjustment for the cumulative internal balance from the net activity between internal service funds and enterprise funds					\$ 120,896,314	
					(681,357)	
					\$ 120,214,957	

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, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds	
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		Total Enterprise
Operating Revenues						
Charges for services	\$ 4,074,785	\$ 26,330,786	\$ 2,174,640	\$ 2,118,163	\$ 34,698,374	\$ 609,358
Connection and servicing	24,579	137,967	-	-	162,546	-
Admissions and lesson fees	-	-	-	808,834	808,834	-
Equipment and facility rents	-	37,563	-	362,533	400,096	-
Concession and merchandise sales	-	-	-	212,425	212,425	-
Sale of cemetery burial plots	-	-	-	216,815	216,815	-
Miscellaneous	3,188	74,973	146,991	16,297	241,449	-
Total Operating Revenues	4,102,552	26,581,289	2,321,631	3,735,067	36,740,539	609,358
Operating Expenses						
Personnel wages and benefits	1,269,363	4,032,064	871,825	1,448,749	7,622,001	122,609
Materials and supplies	361,827	1,791,095	120,820	170,543	2,444,285	-
Repair and maintenance costs	329,776	253,001	450,688	492,582	1,526,047	-
Contractual and professional services	61,198	53,762	169,128	444,579	728,667	13,250
Power purchases	-	12,262,538	-	-	12,262,538	-
Power generation costs	-	1,012,475	-	-	1,012,475	-
General and administrative costs	841,610	867,823	237,633	358,877	2,305,943	421,702
Claims	-	-	-	-	-	85,427
Depreciation	871,694	2,205,333	317,531	520,590	3,915,148	-
Total Operating Expenses	3,735,468	22,478,091	2,167,625	3,435,920	31,817,104	642,988
Operating Income (Loss)	\$ 367,084	\$ 4,103,198	\$ 154,006	\$ 299,147	\$ 4,923,435	\$ (33,630)

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, 2017

	<u>Business-type Activities - Enterprise Funds</u>				<u>Total Enterprise</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Light and Power</u>	<u>Landfill and Sanitation</u>	<u>Other Enterprise Funds</u>		
Nonoperating Revenues (Expenses)						
Investment earnings	\$ 37,649	\$ 284,101	\$ 166,191	\$ 45,447	\$ 533,388	\$ 36,976
Interest expense	-	(593,242)	-	-	(593,242)	-
Gain (loss) from sale of capital assets	(134,943)	(151,304)	400	-	(285,847)	-
Total Nonoperating Revenues (Expenses)	<u>(97,294)</u>	<u>(460,445)</u>	<u>166,591</u>	<u>45,447</u>	<u>(345,701)</u>	<u>36,976</u>
Income (loss) before contributions & transfers	269,790	3,642,753	320,597	344,594	4,577,734	3,346
Capital Contributions	282,924	537,124	-	4,159,615	4,979,663	-
Transfers out	<u>-</u>	<u>(2,357,317)</u>	<u>-</u>	<u>-</u>	<u>(2,357,317)</u>	<u>-</u>
Change in Net Position	552,714	1,822,560	320,597	4,504,209	7,200,080	3,346
Net Position, Beginning	21,575,539	63,335,841	16,511,829	12,637,804	114,061,013	3,836,840
Prior Period Adjustment	<u>(66,370)</u>	<u>(216,527)</u>	<u>(35,938)</u>	<u>(45,944)</u>	<u>(364,779)</u>	<u>-</u>
Net Position, Ending	<u>\$ 22,061,883</u>	<u>\$ 64,941,874</u>	<u>\$ 16,796,488</u>	<u>\$ 17,096,069</u>	<u>\$ 120,896,314</u>	<u>\$ 3,840,186</u>
Changes in Net Position Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Activities:					\$ 7,200,080	
Adjustment to eliminate the current fiscal year's internal service funds net loss from internal customers applicable to business-type activities					<u>(13,452)</u>	
Changes in Net Position of Business-type activities (page 19)					<u>\$ 7,186,628</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, 2017

	Business-type Activities - Enterprise Funds				Total Enterprise	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		
Cash Flows From Operating Activities						
Receipts from customers and users	\$ 4,101,350	\$ 26,523,216	\$ 2,333,053	\$ 3,763,275	\$ 36,720,894	\$ 609,111
Receipts from customer deposits	-	188,326	-	13,840	202,166	-
Payments to suppliers	(1,464,831)	(15,506,641)	(739,622)	(1,320,609)	(19,031,703)	(587,767)
Payments to employees and related benefits	(1,263,556)	(4,020,891)	(859,244)	(1,452,120)	(7,595,811)	(124,871)
Payments to other funds for services provided	(304,395)	(619,640)	(187,467)	(167,958)	(1,279,460)	-
Return of customer deposits	-	(158,772)	-	(5,820)	(164,592)	-
Net cash flows from operating activities	<u>1,068,568</u>	<u>6,405,598</u>	<u>546,720</u>	<u>830,608</u>	<u>8,851,494</u>	<u>(103,527)</u>
Cash Flows From Non-Capital Financing Activities						
Transfers out	-	(2,357,317)	-	-	(2,357,317)	-
Net cash flows from non-capital financing activities	<u>-</u>	<u>(2,357,317)</u>	<u>-</u>	<u>-</u>	<u>(2,357,317)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities						
Capital contributions	282,924	537,124	-	18,989	839,037	-
Purchase of capital assets	(1,784,289)	(1,290,007)	(160,738)	(1,571,628)	(4,806,662)	-
Proceeds from sales of capital assets	-	-	400	-	400	-
Principal paid on capital debt	-	(665,000)	-	-	(665,000)	-
Interest paid on capital debt	-	(596,611)	-	-	(596,611)	-
Net cash flows from capital and related financing activities	<u>\$ (1,501,365)</u>	<u>\$ (2,014,494)</u>	<u>\$ (160,338)</u>	<u>\$ (1,552,639)</u>	<u>\$ (5,228,836)</u>	<u>\$ -</u>
Cash Flows From Investing Activities						
Investment earnings	\$ 51,315	\$ 387,300	\$ 219,865	\$ 64,935	\$ 723,415	\$ 51,034
Purchase of investments	(1,782,048)	(17,018,833)	(8,097,856)	(2,707,704)	(29,606,441)	(2,008,841)
Sale of investments	1,936,905	13,956,672	7,043,949	3,030,390	25,967,916	1,903,539
Net cash flows from investing activities	<u>206,172</u>	<u>(2,674,861)</u>	<u>(834,042)</u>	<u>387,621</u>	<u>(2,915,110)</u>	<u>(54,268)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	<u>(226,625)</u>	<u>(641,074)</u>	<u>(447,660)</u>	<u>(334,410)</u>	<u>(1,649,769)</u>	<u>(157,795)</u>
Cash and Cash Equivalents, Beginning	<u>798,813</u>	<u>6,119,325</u>	<u>5,058,022</u>	<u>1,162,871</u>	<u>13,139,031</u>	<u>1,330,666</u>
Cash and Cash Equivalents, Ending	<u>\$ 572,188</u>	<u>\$ 5,478,251</u>	<u>\$ 4,610,362</u>	<u>\$ 828,461</u>	<u>\$ 11,489,262</u>	<u>\$ 1,172,871</u>

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, 2017

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		
Reconciliation of operating income to net cash flows from operating activities						
Earnings (loss) from operations	\$ 367,084	\$ 4,103,198	\$ 154,006	\$ 299,147	\$ 4,923,435	\$ (33,630)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:						
Depreciation	871,694	2,205,333	317,531	520,590	3,915,148	-
Changes in assets and liabilities						
Accounts receivable, net	(2,336)	(81,594)	11,422	28,208	(44,300)	(247)
Inventories	(43,664)	12,026	-	(4,096)	(35,734)	-
Prepaid expenses	(1,615)	3,544	-	-	1,929	-
Other postemployment benefits (OPEB) asset	(26,590)	(67,137)	(16,789)	(20,987)	(131,503)	-
Net pension asset	212	664	111	175	1,162	30
Deferred outflows - pensions	(20,799)	(76,123)	(17,325)	(24,982)	(139,229)	(1,192)
Deferred outflows - OPEB	(3,021)	(7,627)	(1,907)	(2,384)	(14,939)	-
Accounts payable	(86,840)	276,945	5,155	(27,094)	168,166	(68,623)
Accrued liabilities	6,710	5,558	3,513	6,084	21,865	311
Retainage payable	(49,406)	(183,660)	-	(26,200)	(259,266)	-
Unearned revenue	1,134	23,521	-	13,821	38,476	-
Developer and customer deposits	-	29,554	-	8,020	37,574	-
Compensated absences	2,903	(10,515)	4,003	1,114	(2,495)	-
Accrued landfill closure	-	-	42,512	-	42,512	-
Deferred inflows - pensions	10,250	35,186	7,199	10,692	63,327	926
Deferred inflows - OPEB	29,179	73,674	18,424	23,030	144,307	-
Net pension liability	13,673	63,051	18,865	25,470	121,059	(1,102)
Net cash flows from operating activities	\$ 1,068,568	\$ 6,405,598	\$ 546,720	\$ 830,608	\$ 8,851,494	\$ (103,527)
Schedule of non-cash capital and related financing activities						
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 4,140,626	\$ 4,140,626	\$ -
Capital assets contributed from other funds with a zero book value	\$ -	\$ -	\$ 132,850	\$ -	\$ 132,850	\$ -

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

**CITY OF BOUNTIFUL
STATEMENT OF FIDUCIARY NET POSITION
OPEB PLANS
June 30, 2017**

	Other Postemployment Benefits Plan (OPEB) Trust
Assets	
Cash and cash equivalents	\$ 7,130
Interest receivable	2,623
Investments	700,249
Total Assets	\$ 710,002
Liabilities	
Due to sponsoring government	\$ 3,671
Total Liabilities	3,671
Net Position	
Net position held in trust for OPEB	706,331
Total Net Position	706,331
Total Liabilities and Net Position	\$ 710,002

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

CITY OF BOUNTIFUL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OPEB PLANS
For The Year Ended June 30, 2017

	Other Postemployment Benefits Plan (OPEB) Trust
Additions	
Interest earnings:	
Interest and dividends	\$ 12,498
Net increase/(decrease) in fair value	(2,424)
Net investment earnings	10,074
Total Additions	10,074
Deductions	
Benefits	63,739
General and administrative costs	1,196
Refund of sponsor contribution	130,306
Total Deductions	195,241
Changes in Net Position	(185,167)
Net Position, Beginning	891,498
Net Position, Ending	\$ 706,331

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. Blended component units, although legally separate entities, are in substance, part of the government's operations.

Blended Component Units

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

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

Basis of Presentation - Government-Wide and Fund Financial Statements

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

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

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

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Sales taxes, franchise taxes, licenses, interest, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. All other revenues are considered to be measurable and available only when the City receives cash.

Fund Financial Statements

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

The City reports the following major governmental funds:

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

The City reports the following fiduciary fund:

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

The City reports the following major enterprise funds:

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

Additionally, the City reports the following nonmajor fund types:

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

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

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

Proprietary funds Operating and Nonoperating Revenues and Expenses

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

Budgets

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and City Council on or before June 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 enterprise funds. Annual budgets are also adopted for capital projects, which

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets (Continued)

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

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

With the consent of the City Manager, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. By Utah State law any City Council budget amendments that exceed the original budgeted expenditures requires a public hearing before final adoption.

Utah State law prohibits the appropriation of the sum of unassigned, assigned, and committed General Fund balance until it exceeds 5% of the General Fund revenues. Until the sum of the stated fund balance categories is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures and to cover unanticipated deficits. Utah State law also prohibits the accumulation of the stated fund balance categories in any amount greater than 25% of the current year's total revenues.

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

Taxes

On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the certified tax rate, state law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget 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 related taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes due and payable for the period ended June 30th.

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

Utility Billing Revenue

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

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

Investments

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

Inventories and prepaid items

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

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

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, curb and gutter, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial individual cost of more than \$10,000 and a useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at 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>Capital Asset Classes</u>	<u>Lives</u>
Buildings, wells and reservoirs	10-40
Improvements other than buildings	10-50
Power & Water transmission, distribution, and collection systems	
Infrastructure	15-50
Street light and traffic signal systems	20-30
Machinery and equipment	4-50
Furniture and fixtures	3-20

Deferred outflows/inflows of resources

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred outflows/inflows of resources (Continued)

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

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

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

Pensions

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

Compensated absences

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

Vacation:

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

Compensation Time:

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

Sick Leave:

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund equity

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

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

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

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

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

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

Fund balance and net position flow assumptions

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

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

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

Interfund transactions

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 DEPOSITS AND INVESTMENTS

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

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

The PTIF is an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis, which approximates fair value at yearend. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances. As of June 30, 2017, the fair value per share factor for investments in the PTIF was 1.00471926.

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, 2017, \$19,997,149 of the City's bank balances of \$20,982,961 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, 2017, \$73,280,990 of the City's \$74,305,990 in investments was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

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

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Following are the City's cash on hand, on deposit, and investments at June 30, 2017:

	Carrying Value	Fair Value Factor	Fair Value	Credit Rating (1)	Ave. Maturity (Years) (2)
<u>Bountiful City</u>					
Cash on hand and on deposit:					
Cash on hand	\$ 5,400	1	\$ 5,400	N/A	N/A
Cash on deposit	2,692,286	1	2,692,286	N/A	N/A
Bond Reserves	552,796	1	552,796	N/A	N/A
Regulatory Insurance Deposit	521,041	1	521,041	N/A	N/A
Utah State Treasurer's investment pool accounts	16,984,553	1.004719	17,064,708	N/A	N/A
Total cash on hand and deposit	<u>\$ 20,756,076</u>		<u>\$ 20,836,231</u>		
Investments:					
Certificates of deposit	\$ 1,079,953	1	\$ 1,079,953	N/A	0.75
U.S. Agency bonds	34,741,705	1	34,741,705	AA	3.36
U.S. Treasury Bills	503,885	1	503,885	AAA	1.50
Corporate bonds	37,280,198	1	37,280,198	AA-	0.99
Total Investments	<u>\$ 73,605,741</u>		<u>\$ 73,605,741</u>		<u>1.65</u>
<u>Fiduciary Fund - OPEB</u>					
Cash on hand and on deposit:					
Cash on Deposit - OPEB	7,130	1	7,130	N/A	N/A
Total cash on hand and deposit	<u>\$ 7,130</u>		<u>\$ 7,130</u>		
Investments:					
U.S. Agency bonds - OPEB	376,864	1	376,864	AA	2.90
Corporate bonds - OPEB	323,385	1	323,385	AA	1.59
Total Investments	<u>\$ 700,249</u>		<u>\$ 700,249</u>		<u>2.24</u>

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

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

Fair value of investments

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

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

At June 30, 2017, the City's investments of \$73,605,741 had the following recurring fair value measurements:

- Certificates of deposit of \$1,079,953 are valued using quoted market prices (Level 1 inputs).
- U.S. Agency bonds of \$17,432,160 are valued using quoted market prices (Level 1 inputs).
- U.S. Treasury securities of \$503,885 are valued using quoted market prices (Level 1 inputs).
- Corporate bonds of \$19,490,284 are valued using quoted market prices (Level 1 inputs).
- U.S. Agency bonds of \$17,309,545 are valued using a matrix pricing model (Level 2 inputs). Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.
- Corporate bonds of \$17,789,914 are valued using a matrix pricing model (Level 2 inputs).

At June 30, 2017, the fiduciary fund OPEB investments of \$700,249 had fair value measurements using quoted market prices (Level 1 inputs).

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

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

	General Fund	Redevelopment Agency
Taxes Receivable:		
Franchise taxes	\$ 290,521	\$ -
Property taxes	2,211,911	-
Property tax increment	-	1,113,113
Sales taxes	1,264,258	-
Total Taxes Receivable	<u>\$ 3,766,690</u>	<u>\$ 1,113,113</u>
Accounts Receivable:	\$ 319,804	\$ -
Less: allowance for uncollectibles	(2,278)	-
Total Accounts Receivable - Net	<u>\$ 317,526</u>	<u>\$ -</u>
Intergovernmental Receivable:		
State of Utah Class B&C Road Funds	\$ 389,874	\$ -
Local Option Transportation Tax	103,450	-
Total Intergovernmental	<u>\$ 493,324</u>	<u>\$ -</u>

Additionally, the accounts receivable balances in the enterprise funds are shown net of the associated allowance for doubtful accounts. The combined allowance for doubtful accounts for all enterprise fund receivables at June 30, 2017 is \$35,163.

NOTE 4 NOTES RECEIVABLE

The Redevelopment Agency occasionally provides low cost building rehabilitation loans to businesses in the City. Additionally, in 2015 a City resident accidentally destroyed some City infrastructure and a promissory note was signed to repay the City the \$134,459 in restoration costs. The City has established notes receivable for these loans on the government-wide financial statements. The terms and outstanding balances of these notes as of June 30, 2017 are as follows:

Balance June 30, 2017	Interest Rate	Monthly Payments		Balloon Payments	
		Amount	Due Through	Amount	Due
<u>RDA Loans</u>					
\$ 268,899 *	3.00%	\$ 9,317	December 2019	\$ -	N/A
307,430	3.00%	5,794	March 2022	-	N/A
35,060	3.00%	300	May 2020	27,302	June 2020
35,332	3.00%	386	February 2026	-	N/A
<u>Repayment Promissory Note</u>					
96,002	3.00%	1,000	May 2020	79,927	June 2020
<u>\$ 742,723</u>		<u>\$ 16,797</u>		<u>\$ 107,229</u>	

* During September 2017 the RDA Board approved this note receivable to be paid off early and to issue the same entity a new loan in its place, with similar terms, of \$750,000

Subsequent event – In October 2017 the RDA Board approved a new loan in the amount of \$550,000.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2017, is as follows:

	Balance June 30, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 50,328,466	\$ 384,692	\$ 9,562	\$ 172,064	\$ 50,875,660
Construction in progress	729,287	2,343,563	-	(885,538)	2,187,312
Total capital assets, not being depreciated	51,057,753	2,728,255	9,562	(713,474)	53,062,972
Capital assets, being depreciated					
Infrastructure	34,308,902	114,522	-	-	34,423,424
Buildings	25,402,653	-	4,007,933	653,432	22,048,152
Improvements other than buildings	5,968,133	-	-	-	5,968,133
Machinery and equipment	9,201,423	701,544	1,262,046	(115,554)	8,525,367
Furniture and fixtures	2,683,102	24,244	198,934	42,746	2,551,158
Total capital assets, being depreciated	77,564,213	840,310	5,468,913	580,624	73,516,234
Accumulated Depreciation					
Infrastructure	17,906,127	566,761	-	-	18,472,888
Buildings	15,752,018	859,788	1,736,589	-	14,875,217
Improvements other than buildings	4,059,279	191,972	-	-	4,251,251
Machinery and equipment	6,802,856	490,434	1,246,128	(132,850)	5,914,312
Furniture and fixtures	1,761,318	146,744	198,934	-	1,709,128
Total accumulated depreciation	46,281,598	2,255,699	3,181,651	(132,850)	45,222,796
Total capital assets, being depreciated, net	31,282,615	(1,415,389)	2,287,262	713,474	28,293,438
Governmental activities capital assets, net	<u>\$ 82,340,368</u>	<u>\$ 1,312,866</u>	<u>\$2,296,824</u>	<u>\$ -</u>	<u>\$ 81,356,410</u>

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

Governmental activities	
General government	\$ 396,060
Public safety	645,239
Highways and public improvements	880,462
Parks	220,196
Redevelopment Agency	110,647
Planning & engineering	3,095
Total depreciation expense - governmental activities	<u>\$ 2,255,699</u>

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 CAPITAL ASSETS (Continued)

The Enterprise Funds' property, plant and equipment consist of the following at June 30, 2017:

	Balance June 30, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
Business-type Activities					
Capital assets, not being depreciated					
Land, land rights, and water rights	\$ 3,372,357	\$4,936,038	\$ -	\$ -	\$ 8,308,395
Construction in progress	4,888,990	1,958,951	-	(5,857,788)	990,153
Intangible asset - power projects	9,751,554	-	-	-	9,751,554
Total capital assets, not being depreciated	<u>18,012,901</u>	<u>6,894,989</u>	<u>-</u>	<u>(5,857,788)</u>	<u>19,050,102</u>
Capital assets, being depreciated					
Buildings, wells and reservoirs	23,659,226	-	12,624	198,367	23,844,969
Improvements other than buildings	3,084,727	-	-	151,429	3,236,156
Power & water transmission, distrib., and collection infrastructure	66,735,883	910,809	272,177	4,823,764	72,198,279
Street light and traffic systems	2,985,522	-	-	-	2,985,522
Machinery and equipment	44,603,203	1,141,495	562,434	817,078	45,999,342
Furniture and fixtures	180,760	-	-	-	180,760
Total capital assets, being depreciated	<u>141,249,321</u>	<u>2,052,304</u>	<u>847,235</u>	<u>5,990,638</u>	<u>148,445,028</u>
Less accumulated depreciation for					
Buildings, wells and reservoirs	10,714,930	838,451	4,232	-	11,549,149
Improvements other than buildings	2,110,436	128,500	-	-	2,238,936
Power & water transmission, distrib., and collection infrastructure	43,652,447	1,208,926	148,840	-	44,712,533
Street light and traffic systems	2,435,405	89,882	-	-	2,525,287
Machinery and equipment	22,640,138	1,634,644	407,911	132,850	23,999,721
Furniture and fixtures	47,678	14,745	-	-	62,423
Total accumulated depreciation	<u>81,601,034</u>	<u>3,915,148</u>	<u>560,983</u>	<u>132,850</u>	<u>85,088,049</u>
Total capital assets, being depreciated, net	<u>59,648,287</u>	<u>(1,862,844)</u>	<u>286,252</u>	<u>5,857,788</u>	<u>63,356,979</u>
Business-type activities capital assets, net	<u>\$ 77,661,188</u>	<u>\$ 5,032,145</u>	<u>\$ 286,252</u>	<u>\$ -</u>	<u>\$ 82,407,081</u>

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

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

Business-type Activities	
Water	\$ 871,694
Light and Power	2,205,333
Landfill and Sanitation	317,531
Storm Water	296,924
Golf Course	178,921
Cemetery	44,745
Total depreciation expense - business-type activities	<u>\$ 3,915,148</u>

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2017:

Restricted for regulatory required insurance deposit	\$ 521,041
Restricted for funds received for closure of landfill	1,308,509
Restricted for landfill closure, post-closure and corrective actions	826,762
Restricted for bond payments	552,796
Restricted for customer utility deposits	871,584
Restricted for refundable performance bond deposits	609,937
Restricted for the public safety communities that care program	38,784
Restricted for construction retention	122,016
Restricted for cemetery statue	17,491
Restricted for unearned revenue	88,504
Restricted for pension and other postemployment benefits	466,449
Total restricted assets as shown on the Statement of Net Position	\$ 5,423,873

NOTE 7 INTANGIBLE ASSET - POWER PROJECTS, AND RELATED CONTRACTS

On September 26, 1978, the Light and Power Fund (the Fund) entered into a 50-year contract with options to renew with the Intermountain Power Agency (IPA) for the intangible right to purchase electric power. Under the terms of the agreement, the Fund is liable for an agreed-upon purchase amount of approximately 1.3% of production regardless of whether it is used or not. On December 1, 1980, the Fund entered into an excess power sales agreement whereby all power purchased from IPA in excess of the Fund’s scheduled amount will be sold to a group of California cities, thus relieving the Fund’s excess power purchase liability. The Fund purchased power via this contract totaling \$16,228 during the fiscal year ended June 30, 2017. For fiscal year 2018, the budgeted amount for this contract is \$15,960.

The Fund has a contract with Western Area Power Administration to provide a prorated share of the actual hydropower capacity from the Salt Lake City Area Integrated Projects. This contract was revised October 1989 and will be in force until September 30, 2024. The Fund purchased power via this contract totaling \$3,562,417 during the fiscal year ended June 30, 2017. For fiscal year 2018, the budgeted amount for this contract is \$3,633,371.

On July 1, 1993, the Fund entered into an agreement with Utah Associated Municipal Power Systems (UAMPS) to purchase a five-megawatt intangible right to purchase power from the San Juan Unit No. 4 coal-fired power plant from Public Service of New Mexico for the sum of \$6,061,174. Under the terms of this agreement, the Fund is liable for a take-or-pay amount of 1.004% of the plant’s production. The Fund purchased power totaling \$1,880,344 via this contract during the fiscal year ended June 30, 2017. For fiscal year 2018, the budgeted amount for this contract is \$2,562,933.

The Fund purchases power from, and sells power to, UAMPS and other members through the UAMPS PX system. The Fund is responsible for its budgeted share of UAMPS’ operations and maintenance. The Fund paid a net \$6,400,483 for the fiscal year ended June 30, 2017 for net power sales and purchases. For fiscal year 2018, the budgeted amount for this is a net purchase of \$7,132,573.

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

The Fund has a contract with BP Energy Company for the supply of natural gas for the Fund’s power plant. The Fund purchased natural gas totaling \$675,387 via this contract during the fiscal year ended June 30, 2017. For fiscal year 2018, the budgeted amount for this contract is \$550,000.

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

NOTE 9 LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2017:

	Balance at June 30, 2016	Additions	Reductions	Balance at June 30, 2017	Due within One Year
Governmental activities					
Sales tax revenue bond	\$ 220,000	\$ -	\$ 220,000	\$ -	\$ -
Plus unamortized premium	7,513	-	7,513	-	-
Compensated absences	1,078,599	734,774	715,877	1,097,496	405,128
Governmental activity long-term liabilities	<u>\$ 1,306,112</u>	<u>\$ 734,774</u>	<u>\$ 943,390</u>	<u>\$ 1,097,496</u>	<u>\$ 405,128</u>
Business-type activities					
Electric revenue bonds	\$ 12,085,000	\$ -	\$ 665,000	\$ 11,420,000	\$ 675,000
Compensated absences	657,157	398,917	401,412	654,662	209,653
Business-type activity long-term liabilities	<u>\$ 12,742,157</u>	<u>\$ 398,917</u>	<u>\$ 1,066,412</u>	<u>\$ 12,074,662</u>	<u>\$ 884,653</u>

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

Sales Tax Revenue Refunding Bonds Series 2009

In 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 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 through a reduced interest rate of 4%. These bonds were completely paid off during fiscal year 2017.

Electric Revenue Bonds, Series 2010

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

The bonds are secured by a pledge of the Light and Power Fund revenues after provision has been made for the payment therefrom of operation and maintenance expenses. The bond indenture requires that the pledged net revenues equal 125% of the aggregate annual debt service requirement. The indenture requires a debt service reserve fund or equivalent debt service reserve insurance policy be established to cover any defaults in debt service payments not to exceed \$1,288,379. This requirement was satisfied by the City at the date of bond issuance with the purchase of an insurance policy covering the life of the bonds. The bond indenture also requires monthly transfers into a bond fund account of one-sixth of the interest and one-twelfth of the principal falling due on the bonds on the next succeeding interest and principal payment dates. At June 30, 2017, the bond fund account had a balance of \$552,796.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT (Continued)

Electric Revenue Bonds, Series 2010 (Continued)

The annual debt service requirements to maturity, including principal and interest for the Electric Revenue Bonds, Series 2010 as of June 30, 2017, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 675,000	\$ 574,725	\$ 1,249,725
2019	690,000	549,388	1,239,388
2020	705,000	521,623	1,226,623
2021	720,000	492,550	1,212,550
2022	735,000	461,585	1,196,585
2023-2027	4,030,000	1,747,787	5,777,787
2028-2031	3,865,000	481,925	4,346,925
Total	<u>\$ 11,420,000</u>	<u>\$ 4,829,583</u>	<u>\$ 16,249,583</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 \$2,201,330 and \$1,113,113 respectively.

Property taxes in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 60 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on October 1, and then are due and payable at November 30. Since the property tax to be levied on October 1, 2017, is not expected to be received within 60 days after the year ended June 30, 2017, 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, 2017.

NOTE 11 PENSION PLAN

General information about the pension plan

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

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, retirement systems.
- Public Employees Contributory Retirement System (Contributory System) is a multiple employer, cost sharing, retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employees, retirement systems.
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employees, retirement systems.

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSION PLAN (Continued)

General information about the pension plan (continued)

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

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

Summary of benefits by system

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

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

* with actuarial reductions

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

Contributions

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

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

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSION PLAN (Continued)

Contributions (continued)

Contribution rates as of June 30, 2017 are as follows:

	<u>Employee Paid</u>	<u>Employer Contribution Rate</u>	<u>Employer 401(k)</u>
Contributory System:			
Local Governmental Division Tier 1	6.00%	14.46%	N/A
Local Governmental Division Tier 2	N/A	14.91%	1.78%
Noncontributory System:			
Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety System:			
Defined Benefit Hybrid Tier 2	N/A	35.63%	1.33%
Other Division A Noncontributory Tier 1	N/A	47.33%	N/A
Tier 2 Defined Contribution Only:			
Local Government	N/A	6.69%	10.00%
Public Safety	N/A	24.96%	12.00%

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

For the fiscal year ended June 30, 2017, the contributions to the Systems are as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory	\$ 1,279,622	N/A
Contributory	3,226	-
Public Safety	841,719	-
Tier 2 Public Employees	283,365	-
Tier 2 Public Safety and Firefighter	71,661	-
Tier 2 DC Only	13,735	N/A
Tier 2 DC Public Safety and Firefighter	10,511	N/A
	<u>\$ 2,503,839</u>	<u>\$ -</u>

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

At June 30, 2017, the City reported a net pension asset of \$1,691 and a net pension liability of \$12,949,794. These balances are broken out by system as follows:

	<u>Proportionate Share</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Noncontributory System	0.8614885%	\$ -	\$ 5,531,811
Contributory System	0.2235533%	-	73,350
Public Safety System	100.0000000%	-	7,319,792
Tier 2 Public Employees System	0.2226893%	-	24,841
Teir 2 Public Safety and Firefighter System	0.1948012%	1,691	-
Total Net Pension Asset/Liability		<u>\$ 1,691</u>	<u>\$ 12,949,794</u>

The net pension asset and liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2016 and rolled-forward using generally accepted actuarial procedures.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSION PLAN (Continued)

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

The City's proportionate share of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year. The following table shows the net pension liability, net pension asset, and the City's percentage share of the Systems totals and how they have changed from the previous actuarial measurement date:

	Non- contributory System	Contributory System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter
<u>Proportion of The Net Pension Liability (Asset):</u>					
For year ending December 31, 2016	0.8614885%	0.2235533%	100.00%	0.2226893%	0.1948012%
For year ending December 31, 2015	0.8396157%	0.1454001%	100.00%	0.2250127%	0.2089784%
Change from Prior Measurement Date	0.0218728%	0.0781532%	0.00%	-0.0023234%	-0.0141772%
<u>Proportionate Share of The Net Pension Liability (Asset):</u>					
For year ending December 31, 2016	\$ 5,531,811	\$ 73,350	\$ 7,319,792	\$ 24,841	\$ (1,691)
For year ending December 31, 2015	4,750,954	102,195	6,448,887	(491)	(3,053)
Change from Prior Measurement Date	\$ 780,857	\$ (28,845)	\$ 870,905	\$ 25,332	\$ 1,362

At June 30, 2017, the reported deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 872,039	\$ 171,697
Change in assumptions	1,389,216	264,720
Net difference between projected and actual earnings on pension plan investments	1,909,891	557,804
Changes in proportion and differences between contributions and proportionate share of contributions	84,005	94,565
Contributions subsequent to the measurement date	1,141,697	-
	<u>\$ 5,396,848</u>	<u>\$ 1,088,786</u>

\$1,141,697 reported as deferred outflows of resources related to pensions, results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2016. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2017	\$ 1,059,087
2018	1,059,193
2019	1,069,796
2020	(32,085)
2021	861
Thereafter	9,516

For the year ended June 30, 2017, the City recognized pension expense of \$3,499,529. Of that total, \$1,460,663 pertained to the Public-Safety Agent pension plan.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSION PLAN (Continued)

Actuarial assumptions

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.35-10.35 percent, average, including inflation
Investment Rate of Return	7.20 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2016, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2013.

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

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity Securities	40%	7.06%	2.82%
Debt Securities	20%	0.80%	0.16%
Real Assets	13%	5.10%	0.66%
Private Equity	9%	11.30%	1.02%
Absolute Return	18%	3.15%	0.57%
Cash and Cash Equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
	Inflation		2.60%
	Expected Arithmetic Nominal Return		7.83%

The 7.20% assumed investment rate of return is comprised of an inflation rate of 2.60%, a real return of 4.60% that is net of investment expense.

Discount rate

The discount rate used to measure the total pension liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the Systems' Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate was reduced to 7.20 percent from 7.50 percent from the prior measurement period.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSION PLAN (Continued)

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate
The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

<u>System</u>	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Noncontributory	\$ 11,458,254	\$ 5,531,811	\$ 586,518
Contributory	176,579	73,350	(13,610)
Public Safety	10,671,389	7,319,792	4,545,260
Tier 2 Public Employees	169,083	24,841	(84,892)
Teir 2 Public Safety & Firefighter	11,831	(1,691)	(12,082)
	<u>\$ 22,487,136</u>	<u>\$ 12,948,103</u>	<u>\$ 5,021,194</u>

Pension plan fiduciary net position

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

Public Safety-Agent Pension plan disclosures

For the year ended June 30, 2017, the City had the following covered employees under the Public Safety-Agent pension plan:

<u>Covered Employees</u>	<u>Tier 1 Bountiful Public Safety</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	42
Inactive Employees Entitled to But Not Yet Receiving Benefits	8
Active Employees	30
Total Agent Employer Tier 1 Plans Covered Employees	<u>80</u>

The following is the schedule of changes in the City's Agent net pension liability and plan fiduciary net position for the actuarial measurement date of December 31, 2016:

	<u>12/31/2016</u>		<u>12/31/2016</u>
Total Pension Liability		Plan Fiduciary Net Position	
Service cost	\$ 408,990	Contributions - member	\$ -
Interest	1,710,949	Contributions - employer	943,052
Benefit changes	-	Net investment income	1,493,220
Difference between actual and expected experience	383,015	Benefit payments	(1,432,757)
Assumption changes	830,022	Administrative expense	(8,832)
Benefit payments	(1,432,757)	Other	34,631
Net Change in Total Pension Liability	1,900,219	Net Change in Plan Fiduciary Net Position	1,029,314
Total Pension Liability - Beginning	24,275,064	Plan Fiduciary Net Position - Beginning	17,826,177
Total Pension Liability - Ending (a)	<u>\$ 26,175,283</u>	Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,855,491</u>

Total Pension Liability - Plan Fiduciary Net Position (a-b) = Net Pension Liability \$ 7,319,792

Payables to the pension plan

At June 30, 2017 the City had \$181,638 in its accrued liabilities balance payable to the Systems for pay periods falling within fiscal year 2017.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 RETIREMENT PLANS

Systems' 401(k) and 457 defined contribution plans

The City sponsors a voluntary defined contribution deferred compensation plan, through the Systems, under Internal Revenue Code Section 401(k). The plan, available to all permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 401(k) deferred compensation monies are not available to the City or its general creditors. The rate of City participation can be changed by the City Council. Contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment.

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

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

<u>Defined Contribution System:</u>	<u>Year Ended June 30,</u>	<u>Employee Contributions</u>	<u>Employer * Contributions</u>
401(k) Plan	2017	\$ 106,791	\$ 97,956
	2016	103,008	87,432
	2015	102,737	67,364
457 Plan	2017	\$ 28,082	\$ -
	2016	25,900	-
	2015	24,073	-

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

ICMA 401(k) defined contribution plan

The City sponsors a voluntary defined contribution deferred compensation plan administered by ICMA Retirement Corporation under Internal Revenue Code Section 401(k). The plan, available to all permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 401(k) deferred compensation monies are not available to the City or its general creditors. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested from the date of employment. The City does not contribute for employees that start a new account after July 1, 2012. The rate of City participation can be changed by the City Council. During the year ended June 30, 2017, contributions totaling \$216,354 were made to the plan by employees and \$6,556 by the City.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS

Plan description and plan benefits

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

Health insurance OPEB plan:

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

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

Life insurance OPEB plan:

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

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

Funding policy and contributions

As part of the OPEB offering the City Council determined that the City would pre-fund the total liability for the OPEB plans. In fiscal year 2009 the City established an OPEB trust with a \$1.6 million actuarially calculated balance. The City has not contributed additional amounts into the trust since that initial funding as it is expecting the trust balance plus investment earnings to cover the current and future OPEB plan expenses. Because of the overfunded status of the plan, the actuarial calculations show a \$0 actuarially determined contribution. The covered employee payroll as of June 30, 2017 was \$10,495,988.

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

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

At June 30, 2017, the City reported a net OPEB asset of \$464,758. The net OPEB asset was measured as of June 30, 2017 by an actuarial valuation using generally accepted actuarial procedures.

At June 30, 2017, the reported deferred outflows of resources and deferred inflows of resources related to OPEB are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 49,836
Change in assumptions	-	333,212
Net difference between projected and actual earnings on OPEB plan investments	39,654	-
	<u>\$ 39,654</u>	<u>\$ 383,048</u>

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Year Ended June 30,	Net Deferred Outflows (Inflows) of Resources
2018	\$ (17,447)
2019	(17,447)
2020	(17,448)
2021	(17,448)
2022	(27,361)
Thereafter	(246,243)

For the year ended June 30, 2017, the City recognized an actuarially calculated negative OPEB expense of \$5,669.

OPEB plan covered employees

For the year ended June 30, 2017, the City had the following covered employees under the OPEB plans:

Covered Employees	Single-Employer - Health Insurance OPEB Plan	Single-Employer - Life Insurance OPEB Plan
Inactive Employees Currently Receiving Benefits	4	97
Inactive Employees Entitled to But Not Yet Receiving Benefits	0	0
Active Employees	0	167
Total OPEB Plans Covered Employees	4	264

Actuarial assumptions

The actuarial valuation calculating the total net OPEB asset as of June 30, 2017, was determined using the following actuarial assumptions, applied to all periods included in the measurement dated June 30, 2017:

Inflation Rate	1.30 %	
Discount Rate	1.50 %	
Health Care Trend Rate	Starts at 9 % decreasing 0.50 % annually to an ultimate rate of 5.00 %	
Investment Rate of Return	1.50 %	

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

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

Asset Class	Current & Assumed Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Debt Securities	98.996%	1.60%	1.50%
Cash and Cash Equivalents	1.004%	0.00%	0.00%
Totals	100%		1.50%

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount rate

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

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

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

	1% Decrease (.50%)	Discount Rate (1.50%)	1% Increase (2.50%)
Net OPEB Asset as of June 30, 2017	\$ 449,046	\$ 464,758	\$ 477,738

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

The following presents the net OPEB asset calculated using the health care trend rate range from 9.00 to 5.00 percent, as well as what the net OPEB asset would be if it were calculated using a health care trend rate range that is 1-percentage-point lower (8.00 to 4.00 percent) or 1-percentage-point higher (10.00 to 6.00 percent) than the current rate range:

	1% Decrease (8-4%)	Discount Rate (9-5%)	1% Increase (10-6%)
Net OPEB Asset as of June 30, 2017	\$ 481,361	\$ 464,758	\$ 444,659

Net OPEB Asset and OPEB plan fiduciary net position

The following is the schedule of changes in the City's net OPEB asset and OPEB plan fiduciary net position for the actuarial measurement date of June 30, 2017:

	6/30/2017		6/30/2017
Total OPEB Liability		OPEB Plan Fiduciary Net Position	
Service cost	\$ 13,514	Contributions - member	\$ -
Interest	10,558	Contributions - employer	-
Benefit changes	-	Net investment income	10,074
Difference between actual and expected experience	(133,788)	Benefit payments	(63,739)
Assumption changes	(357,013)	Refunds	(130,306)
Benefit payments	(63,739)	Administrative expense	(1,196)
Net Change in Total OPEB Liability	(530,468)	Net Change in Plan Fiduciary Net Position	(185,167)
Total OPEB Liability - Beginning	772,041	Plan Fiduciary Net Position - Beginning	891,498
Total OPEB Liability - Ending (a)	\$ 241,573	Plan Fiduciary Net Position - Ending (b)	\$ 706,331

Total OPEB Liability - OPEB Plan Fiduciary Net Position **(a-b)** = Net OPEB Liability/(Asset) \$ (464,758)

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 RISK MANAGEMENT

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

- (1) For general liability risk the City is self-insured up to \$350,000, with commercial excess insurance from \$350,000 to \$10,000,000. To cover the self-insured portion of the risk, there is established a Risk Management Fund (an internal service fund). This covers municipal liability exposure including general liability, auto, public officials' errors and omissions and law enforcement.
- (2) The City has an all-risk property insurance policy with a total insured value of \$165,701,303 that includes various category limits, some of which are as follows: 1. buildings and contents limit of \$111,928,023 with a \$10,000 deductible per category, 2. equipment/electronic data processing limit of \$21,342,320 with a \$10,000 deductible, 3. property in open limit of \$27,743,760 with a \$10,000 deductible, 4. mobile equipment/contractors equipment limit of \$865,010 with a \$10,000 deductible, 5. \$10,000,000 in earthquake coverage with a 2% minimum/\$100,000 deductible, 6. \$10,000,000 in flood coverage for facilities that are located outside the standard report zone with a \$100,000 deductible, 7. generators/transformers limit of \$50,000,000 with a \$50,000 deductible, and 8. cyber liability limit of \$2,000,000 with a \$50,000 deductible. The City is self-insured for property loss above the limits and below the retentions/deductibles. The operating departments of the General Fund or enterprise funds assume the financial responsibility for risk retained by the City for property damage.
- (3) The Treasurer is covered under a \$1,500,000 bond with a \$15,000 deductible. The City also has public employee dishonesty insurance (an employee blanket bond and commercial crime) with a \$500,000 limit per occurrence and a \$5,000 deductible.
- (4) For workers compensation coverage the City is self-insured up to \$450,000, with commercial excess insurance up to statutory limits plus a \$1,000,000 limit on employer's liability. To cover the self-insured portion there is established a Workers Compensation Fund (an internal service fund).

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

A summary of changes in general liability claims for the years ended June 30, 2017 and 2016, are as follows:

	General Liability Claims
Balance, June 30, 2015	\$ -
Additions	70,773
Deletions	(100,773)
Balance, June 30, 2016	(30,000)
Additions	58,777
Deletions	(28,777)
Balance, June 30, 2017	\$ -

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 RISK MANAGEMENT (Continued)

A summary of changes in workers' compensation claims for the years ended June 30, 2017 and 2016 are as follows:

	Workers' Comp Claims
Balance, June 30, 2015	\$ 57,035
Additions	112,900
Deletions	(278,939)
Balance, June 30, 2016	(109,004)
Additions	26,650
Deletions	13,641
Balance, June 30, 2017	\$ (68,713)

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, if unpaid by year end, are included in accounts payable of the Internal Service Funds.

NOTE 15 LEASES

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

The lease agreement allowed the State to lease the space in 2009, 2010, and 2019 without any lease payments, with the payments for the years 2011 through 2018 increased to make up the difference. By the end of fiscal year 2017, the MBA had collected more in lease payments than it could recognize into revenue based on the straight-line rent approach applied under the guidance of GASB statement number 13, and an unearned revenue from operating leases was booked in the amount of \$124,440.

The future minimum rental payments to be received by the MBA from this operating lease are as follows:

2018	\$ 213,310
2019	-
Total future minimum lease payments	\$ 213,310

The MBA earned \$168,875 in rental income from this operating lease for the year ended June 30, 2017. The MBA's Public Safety building is included in the capital assets section of the financial statements with a cost of \$7,126,977 and associated accumulated depreciation of \$6,948,803. The State Judicial Court leases approximately 48% of the building.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 16 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 \$3,958,428 in outstanding construction commitments at June 30, 2017, as follows:

Contractor	Project	Contract Amount	Spent-to Date	Commitment Outstanding
MGB+A, Inc.	Creekside Park Design	\$ 235,695	\$ 219,957	\$ 15,738
Travelers Casualty & Surety	Creekside Park Construction	2,247,351	1,536,555	710,796
M.C. Green & Sons, Inc.	Power Department Parking Lot	271,019	244,303	26,716
Hogan Construction	Water Treatment Plant	247,764	-	247,764
J-U-B Engineers	Water Treatment Plant	329,948	177,512	152,436
Wigen Water Technologies	Water Treatment Plant	1,284,734	-	1,284,734
Nickerson Company Inc.	Stoneridge Booster Station	32,006	16,003	16,003
Electrical Consultants, Inc.	Power Transmission Line	88,800	39,604	49,196
Electrical Consultants, Inc.	Power 138 KV Transmission Sub.	389,500	24,324	365,176
M.C. Green & Sons, Inc.	2017 Storm Drain Projects	628,431	53,788	574,643
M.C. Green & Sons, Inc.	2017 Waterline Projects	679,735	468,649	211,086
Post Construction	Asphalt Overlay Projects	304,140	-	304,140
Total Construction Commitments Outstanding		<u>\$ 6,739,123</u>	<u>\$ 2,780,695</u>	<u>\$ 3,958,428</u>

NOTE 17 INTERGOVERNMENTAL REVENUE

Intergovernmental revenue for the year ended June 30, 2017 consists of the following:

	<u>General Fund</u>
Utah Class "C" Road allotment	\$ 1,676,087
Local Option Transportation Tax	564,924
Utah Liquor Law Enforcement Grant	39,024
Various State and Local Law Enforcement Grants	40,740
Various Federal Law Enforcement Grants	20,303
Total Intergovernmental Revenue	<u>\$ 2,341,078</u>

NOTE 18 FIRE AND EMERGENCY MEDICAL SERVICES

The South Davis Metro Fire Service Area (SDMFSA) is a special service district organized on July 1, 2016. SDMFSA provides fire and emergency medical services to the cities of Bountiful, Centerville, North Salt Lake, West Bountiful, Woods Cross and the unincorporated areas of South Davis County. SDMFSA is governed by its own Board of Trustees made up of elected officials from each participating member entity. SDMFSA does levy taxes and collect impact fees to cover most capital expenditures; however, most of the SDMFSA's operations are funded by quarterly member assessments. For the year ended June 30, 2017, the City paid \$2,070,707 to SDMFSA for its member assessments.

As part of the formation of the SDMFSA all of the capital assets that were owned by the City but utilized by the previous South Davis Metro Fire Agency (organized under an interlocal agreement) were transferred in fee simple and at no cost to the SDMFSA. On July 26, 2016 the City Council approved an interlocal agreement to transfer title and ownership of two fire stations and related assets such as fire engines, furniture, and fixtures contained in the fire stations to the SDMFSA. During the fiscal year ended June 30, 2017, these assets with a historical cost of \$5,108,291 and accumulated depreciation of \$2,836,946, were removed from the asset listings creating a net loss on disposition of \$2,271,345.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 19 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, 2017, \$826,762 is being held in its own PTIF account until all claims are settled.

In addition to the funds arising from the settlement, the City has established a specific closure and post-closure reserve in the Landfill 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 \$2,141,247 as of June 30, 2017. The City has reported and included in accrued liabilities \$1,308,509.46 as landfill closure and post-closure care liability at June 30, 2017, which is based on 61.11% 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 2017. The City estimates it will close the landfill in 33 years, or the year 2050. Actual cost at that time may be higher or lower due to inflation, changes in technology, or changes in regulations. The landfill life has increased due to the fact that the density of waste deposited there is higher than what was initially estimated. Inasmuch as the landfill life is based on the "volume" of space available to fill, measured in cubic yards, increasing the weight per cubic yard indicates better compaction and a change in the type of waste that the landfill is accepting. 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 2017, has investments (at cost) of \$2,124,131 and \$826,762 held in PTIF accounts, for a combined total of \$2,950,893 held for these purposes. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

NOTE 20 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, 2017, there was one series of Industrial Revenue Bonds outstanding, having an outstanding principal balance of \$1,835,000.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 21 INTERNAL BALANCES AND INTERFUND TRANSFERS

At June 30, 2017, the government-wide internal balances were as follows:

<u>Receivable Activity</u>	<u>Payable Activity</u>	<u>Amount</u>
Governmental Activities	Business-Type Activities	\$ 681,357
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	OPEB Trust	\$ 3,671

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, 2016) internal balance of \$667,905 due to governmental activities from business-type activities by \$13,452.

The General Fund pays the premiums associated with the OPEB insurances. At 6/30/2017 the General Fund had not been reimbursed by the OPEB Trust for the June 2017 premium payment. As such a receivable was recorded from the OPEB Trust.

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, 2017 are as follows:

	<u>In</u>	<u>Out</u>
Government		
General Fund	\$ 2,357,317	\$ -
Debt Service Fund	-	257,000
Municipal Building Authority Fund	-	650,000
Capital Projects Fund	2,766,390	-
RAP Tax	-	401,390
Cemetery Perpetual Care	-	1,458,000
Enterprise		
Light and Power Fund	-	2,357,317
	<u>\$ 5,123,707</u>	<u>\$ 5,123,707</u>

Subsequent event

In August 2017 the City Council had the Capital Projects Fund reimburse the Cemetery Perpetual Care Fund for the fiscal year 2017 \$1,458,000 transfer.

NOTE 22 REDEVELOPMENT AGENCY OF THE CITY OF BOUNTIFUL

For the year ended June 30, 2017, the following activity occurred in the City's Redevelopment Agency:

<u>Tax increment collected from other taxing agencies for the Bountiful Project Area:</u>	
District #3	\$ 918,290
District #5	<u>179,160</u>
	<u>\$ 1,097,450</u>
 <u>Tax increment used by the Bountiful RDA:</u>	
Amounts expended for site improvements and preparation costs	\$ 188,767
Amounts expended for acquisition of property	302,792
Amounts expended for administrative costs	<u>113,997</u>
	<u>\$ 605,556</u>

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 23 PRIOR PERIOD ADJUSTMENTS

GASB 75

In fiscal year ended June 30, 2017, the City early implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, the City has established the following at the government-wide and proprietary fund financial statement level to account for its two Other Postemployment Benefits (OPEB) plans: net OPEB asset, deferred outflows of resources – OPEB, and deferred inflows of resources – OPEB.

The net effect of this accounting required a prior period adjustment reducing net position to governmental activities by \$565,684 and business-type activities by \$364,779. The business-type reduction of \$364,779 is broken out by fund as follows: Water \$66,370, Light and Power \$216,527, Landfill and Sanitation \$35,938, Storm Water \$8,278, Golf Course \$23,870, and Cemetery \$13,796.

Special Improvement District (SID) note receivable

In fiscal year 2003 the City issued special assessment debt to provide funds for the construction of improvements to the area surrounding the Renaissance Towne Center. It was agreed that these bonds and interest were to be repaid by property owners benefited by this construction through annual special assessments. In 2003 the City established a SID note receivable on the government-wide financial statements for the total of the special assessments (i.e. debt service payments).

In fiscal year 2009 the City refunded the 2003 series bonds and used the \$266,092 balance in the bond fund to reduce the outstanding principal balance of the 2003 series bonds. Because the \$266,092 bond fund was established with the bond proceeds and the full debt service was established as a SID note receivable by the City, there should have been a 2009 reduction of the SID note receivable to reflect the use of the bond fund. The City did not adjust the government-wide note receivable as part of the 2009 refunding. When the SID note receivable was paid off during fiscal year 2017, the City's accounting for the SID note receivable still showed \$266,092 as an outstanding balance. In order to properly state the government-wide reporting for fiscal year 2017, a prior period adjustment reducing both the SID note receivable and net position by \$266,092 was posted.

Promissory note

In fiscal year 2015 a City resident accidentally destroyed some City infrastructure and a promissory note was signed to repay the City the \$134,459 in restoration costs. It was discovered during fiscal year 2017 that this promissory note had not been recognized as a governmental-activities note receivable even though the City had completed the restoration work in 2015 and the resident had been paying back the note according to the stipulated terms. This left the note receivable and net position lines on the Statement of Net Position understated. In order accurately state this note receivable as part of the government-wide financial statements in fiscal year 2017, it was necessary to post a prior period adjustment to establish the June 30, 2016 ending note receivable balance of \$101,881 which was offset with an increase to net position.

Net prior period adjustment

The net effect of these three prior period adjustments reduced the overall net position of governmental-activities by \$729,895 and of business-type activities by \$364,779.

This page intentionally left blank

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

CITY OF BOUNTIFUL
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION AND RELATED RATIOS
PUBLIC SAFETY AGENT PENSION PLAN (PRESENTED IN THOUSANDS)
LAST TEN FISCAL YEARS *
For The Year Ended June 30, 2017

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

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

CITY OF BOUNTIFUL
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS *
For The Year Ended June 30, 2017

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

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

CITY OF BOUNTIFUL
SCHEDULE OF CONTRIBUTIONS - PENSION PLANS
LAST TEN FISCAL YEARS *
For The Year Ended June 30, 2017

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

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

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

CITY OF BOUNTIFUL
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
LAST TEN FISCAL YEARS *
For The Year Ended June 30, 2017

	Single-Employer OPEB Plan 6/30/2017
Total OPEB Liability	
Service cost	\$ 13,514
Interest	10,558
Benefit changes	-
Difference between actual and expected experience	(133,788)
Assumption changes	(357,013)
Benefit payments	(63,739)
Net Change in Total OPEB Liability	(530,468)
Total OPEB Liability - Beginning	772,041
Total OPEB Liability - Ending (a)	241,573
Plan Fiduciary Net Position	
Contributions - member	-
Contributions - employer	-
Net investment income	10,074
Benefit payments	(63,739)
Refunds	(130,306)
Administrative expense	(1,196)
Net Change in Plan Fiduciary Net Position	(185,167)
Plan Fiduciary Net Position - Beginning	891,498
Plan Fiduciary Net Position - Ending (b)	706,331
Net OPEB Liability/(Asset) - Ending (a-b)	(464,758)
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Asset	292.39%
Covered Employee Payroll	10,495,988
Net OPEB Asset as a Percentage of Covered Employee Payroll	-4.43%

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

CITY OF BOUNTIFUL
SCHEDULE OF CONTRIBUTIONS - OPEB PLANS
LAST TEN FISCAL YEARS *
For The Year Ended June 30, 2017

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

* The 10-year schedule will be built prospectively.

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

CITY OF BOUNTIFUL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RSI)
For The Year Ended June 30, 2017

RSI NOTE 1 – PUBLIC SAFETY AGENT PENSION PLAN

Schedule of contributions

	Methods and Assumptions used to Determine Contribution Rates:
Actuarial Cost Method.....	Entry Age Normal
Amortization Method.....	Level Percentage of Payroll
Amortization Period.....	Open 20-year period as of January 1, 2015
Asset Valuation Method...	5-year smoothing
Investment Rate of Return.	7.20%
Inflation	2.60%
Salary increases.....	Composed of 2.60% inflation, plus 0.75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service
Mortality	Male: RP-2000 with White Collar adjustments, projected with Scale AA from the year 2000. Female: 120% constructed mortality table based on actual experience of female educations, projected with Scale AA from year 2000.

Other information:

The actuarially determined contribution rates are calculated as of January 1 and become effective on July 1 of the following year, which is 18 months after the valuation date. The Utah Retirement Systems' Board certifies the contribution rates that employers are contractually required to contribute to the Retirement System. According to Section 49-11-301(5) of the Utah Code, if the funded ratio of the plan is less than 110 percent, then the Board is permitted to maintain the prior year's contribution rate if the actuarially determined contribution is lower. The Board has historically followed this policy.

RSI NOTE 2 – PENSION PLANS CHANGES IN ASSUMPTIONS

The following actuarial assumption changes were adopted January 1, 2016. The assumed investment return assumption was decreased from 7.50% to 7.20% and the assumed inflation rate was decreased from 2.75% to 2.60%. With the decrease in the assumed rate of inflation, both the payroll growth and wage inflation assumptions were decreased by .15% from the prior year's assumption.

CITY OF BOUNTIFUL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RSI) – (Continued)
For The Year Ended June 30, 2017

RSI NOTE 3 – OPEB PLAN SCHEDULE OF CONTRIBUTIONS

The actuarial valuation calculating the total net OPEB asset, deferred outflows and inflows of resources related to OPEB, OPEB expense, and the actuarially determined contributions for the year ended June 30, 2017, was determined using the following actuarial methods and assumptions:

Methods and Assumptions used for the Actuarially Determined contributions:							
Actuarial Cost Method.....	Entry Age Normal						
Amortization Method.....	Level Percentage of Payroll						
Amortization Period.....	13 year period as of June 30, 2017						
Investment Rate of Return...	1.50%						
Inflation.....	1.30%						
Mortality	RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015 (RPH-2015 table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2015 using MP-2015 improvement.)						
Health Care Trend Rates	<u>FYE</u>	<u>Medical</u>	<u>FYE</u>	<u>Medical</u>			
	2018	9.00%	2023	6.50%			
	2019	8.50%	2024	6.00%			
	2020	8.00%	2025	5.50%			
	2021	7.50%	2026+	5.00%			
	2022	7.00%					
Employee Turnover Rate	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>			
	25	5.29%	40	4.19%			
	30	5.07%	45	3.54%			
	35	4.70%					
Retirement Rate	Public Safety:				General Employees:		
	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
	45-49	30.00%	60-64	38.00%	45	3.50%	3.50%
	50-54	33.00%	65+	100.00%	50	2.50%	2.50%
	55-59	35.00%					
					55	22.00%	35.00%
					60	25.00%	40.00%
					65	50.00%	50.00%
					70+	100.00%	100.00%

SUPPLEMENTAL INFORMATION

CITY OF BOUNTIFUL
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

	Special Revenue Fund					Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Municipal Building Authority	Cemetery Perpetual Care	Debt Service	
Assets						
Cash and cash equivalents	\$ -	\$ 40,709	\$ 24,219	\$ 59,911	\$ 3,670	\$ 128,509
Receivables:						
Taxes	-	93,135	-	-	-	93,135
Interest	-	524	314	773	47	1,658
Investments	-	179,579	106,837	264,285	16,193	566,894
Restricted assets:						
Cash and cash equivalents	826,762	-	-	-	-	826,762
Total Assets	<u>\$ 826,762</u>	<u>\$ 313,947</u>	<u>\$ 131,370</u>	<u>\$ 324,969</u>	<u>\$ 19,910</u>	<u>\$ 1,616,958</u>
Liabilities						
Unearned revenue	\$ -	\$ -	\$ 124,440	\$ -	\$ -	\$ 124,440
Total Liabilities	<u>-</u>	<u>-</u>	<u>124,440</u>	<u>-</u>	<u>-</u>	<u>124,440</u>
Fund Balances						
Restricted	826,762	-	-	-	-	826,762
Committed	-	-	-	324,969	-	324,969
Assigned	-	313,947	6,930	-	19,910	340,787
Total Fund Balances	<u>826,762</u>	<u>313,947</u>	<u>6,930</u>	<u>324,969</u>	<u>19,910</u>	<u>1,492,518</u>
Total Liabilities and Fund Balance	<u>\$ 826,762</u>	<u>\$ 313,947</u>	<u>\$ 131,370</u>	<u>\$ 324,969</u>	<u>\$ 19,910</u>	<u>\$ 1,616,958</u>

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2017

	Special Revenue Fund					Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Municipal Building Authority	Cemetery Perpetual Care	Debt Service	
Revenues						
Sales taxes	\$ -	\$ 527,530	\$ -	\$ -	\$ -	\$ 527,530
Charges for services	-	-	168,875	-	-	168,875
Investment earnings	9,485	5,314	2,554	5,365	1,040	23,758
Miscellaneous	-	-	-	43,380	251,465	294,845
Total Revenues	<u>9,485</u>	<u>532,844</u>	<u>171,429</u>	<u>48,745</u>	<u>252,505</u>	<u>1,015,008</u>
Expenditures						
General government	-	100,495	286	463	4,487	105,731
Debt service:						
Principal	-	-	-	-	220,000	220,000
Interest	-	-	-	-	8,800	8,800
Total Expenditures	<u>-</u>	<u>100,495</u>	<u>286</u>	<u>463</u>	<u>233,287</u>	<u>334,531</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,485</u>	<u>432,349</u>	<u>171,143</u>	<u>48,282</u>	<u>19,218</u>	<u>680,477</u>
Other Financing Sources (Uses)						
Transfer out	-	(401,390)	(650,000)	(1,458,000)	(257,000)	(2,766,390)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(401,390)</u>	<u>(650,000)</u>	<u>(1,458,000)</u>	<u>(257,000)</u>	<u>(2,766,390)</u>
Changes in Fund Balance	9,485	30,959	(478,857)	(1,409,718)	(237,782)	(2,085,913)
Fund Balance, Beginning	<u>817,277</u>	<u>282,988</u>	<u>485,787</u>	<u>1,734,687</u>	<u>257,692</u>	<u>3,578,431</u>
Fund Balance, Ending	<u>\$ 826,762</u>	<u>\$ 313,947</u>	<u>\$ 6,930</u>	<u>\$ 324,969</u>	<u>\$ 19,910</u>	<u>\$ 1,492,518</u>

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL –NONMAJOR DEBT SERVICE FUND
For The Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
Revenues				
Special Assessments	\$ 247,500	\$ 247,500	\$ 251,465	\$ 3,965
Investment earnings	1,400	1,400	1,040	(360)
Total Revenues	248,900	248,900	252,505	3,605
Expenditures				
General government	5,400	5,400	4,487	913
Debt service:				
Principal	220,000	203,000	220,000	(17,000)
Interest	8,800	8,800	8,800	-
Total Expenditures	234,200	217,200	233,287	(16,087)
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,700	31,700	19,218	(12,482)
Other Financing Sources (Uses)				
Transfer out	-	(17,000)	(257,000)	(240,000)
Total Other Financing Sources (Uses)	-	(17,000)	(257,000)	(240,000)
Net Change in Fund Balance	\$ 14,700	\$ 14,700	(237,782)	\$ (252,482)
Fund Balance, Beginning			257,692	
Fund Balance, Ending			\$ 19,910	

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales taxes	\$ 450,000	\$ 450,000	\$ 527,530	\$ 77,530
Investment earnings	1,000	1,000	5,314	4,314
Total Revenues	<u>451,000</u>	<u>451,000</u>	<u>532,844</u>	<u>81,844</u>
Expenditures				
General government	-	-	491	(491)
Special Projects	49,610	49,610	20,695	28,915
Centerville City RDA Payments	-	80,000	79,309	691
Total Expenditures	<u>49,610</u>	<u>129,610</u>	<u>100,495</u>	<u>29,115</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>401,390</u>	<u>321,390</u>	<u>432,349</u>	<u>110,959</u>
Other Financing Sources (Uses)				
Transfer out	<u>(401,390)</u>	<u>(401,390)</u>	<u>(401,390)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(401,390)</u>	<u>(401,390)</u>	<u>(401,390)</u>	<u>-</u>
Net Change in Fund Balance *	<u>\$ -</u>	<u>\$ (80,000)</u>	30,959	<u>\$ 110,959</u>
Fund Balance, Beginning			<u>282,988</u>	
Fund Balance, Ending			<u>\$ 313,947</u>	

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

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – NONMAJOR MUNICIPAL BUILDING
AUTHORITY SPECIAL REVENUE FUND
For The Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 205,777	\$ 205,777	\$ 168,875	\$ (36,902)
Investment earnings	3,000	3,000	2,554	(446)
Total Revenues	<u>208,777</u>	<u>208,777</u>	<u>171,429</u>	<u>(37,348)</u>
Expenditures				
General government	-	-	286	(286)
Total Expenditures	<u>-</u>	<u>-</u>	<u>286</u>	<u>(286)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>208,777</u>	<u>208,777</u>	<u>171,143</u>	<u>(37,634)</u>
Other Financing Sources (Uses)				
Transfer out	-	(442,000)	(650,000)	(208,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(442,000)</u>	<u>(650,000)</u>	<u>(208,000)</u>
Net Change in Fund Balance *	<u><u>\$ 208,777</u></u>	<u><u>\$ (233,223)</u></u>	<u>(478,857)</u>	<u><u>\$ (245,634)</u></u>
Fund Balance, Beginning			<u>485,787</u>	
Fund Balance, Ending			<u><u>\$ 6,930</u></u>	

* The net change in fund balance for the original budget was intended to increase fund balance. The net change in fund balance for the final budget was included in the budget as an appropriation (i.e., spend down) of fund balance.

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – MAJOR CAPITAL PROJECTS FUND
For The Year Ended June 30, 2017

	<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				
Sales taxes	\$ 2,990,830	\$ 2,990,830	\$ 4,650,885	\$ 1,660,055
Investment earnings	250,000	250,000	270,393	20,393
Miscellaneous	12,000	12,000	5,880	(6,120)
Total Revenues	<u>3,252,830</u>	<u>3,252,830</u>	<u>4,927,158</u>	<u>1,674,328</u>
Expenditures				
General Government:				
Finance	-	18,000	17,291	709
Capital outlay:				
General Government:				
Legislative	950,000	4,950,000	4,129,178	820,822
Information Systems	55,000	55,000	49,696	5,304
Government Buildings	25,000	25,000	17,919	7,081
Public Safety:				
Police	532,000	532,000	319,248	212,752
Highways and Streets	1,561,560	1,561,560	1,225,128	336,432
Parks	3,250,000	3,250,000	2,009,620	1,240,380
Total Expenditures	<u>6,373,560</u>	<u>10,391,560</u>	<u>7,768,080</u>	<u>2,623,480</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(3,120,730)</u>	<u>(7,138,730)</u>	<u>(2,840,922)</u>	<u>4,297,808</u>
Other Financing Sources (Uses)				
Transfer in	401,390	401,390	2,766,390	2,365,000
Total Other Financing Sources (Uses)	<u>401,390</u>	<u>401,390</u>	<u>2,766,390</u>	<u>2,365,000</u>
Net Change in Fund Balance *	<u>\$ (2,719,340)</u>	<u>\$ (6,737,340)</u>	<u>(74,532)</u>	<u>\$ 6,662,808</u>
Fund Balance, Beginning			<u>27,259,649</u>	
Fund Balance, Ending			<u>\$ 27,185,117</u>	

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

CITY OF BOUNTIFUL
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2017

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Assets					
Current Assets:					
Cash and cash equivalents	\$ 305,918	\$ 302,546	\$ 20,899	\$ 78,816	\$ 708,179
Accounts receivable, net	185,554	-	35,778	23,644	244,976
Interest receivable	4,433	4,736	269	1,017	10,455
Investments	1,521,163	1,612,321	92,193	347,819	3,573,496
Inventories	-	63,024	-	-	63,024
Total Current Assets	2,017,068	1,982,627	149,139	451,296	4,600,130
Noncurrent Assets:					
Restricted assets:					
Cash and cash equivalents	38,912	63,849	-	17,521	120,282
Net other postemployment benefits asset	5,589	13,971	-	8,383	27,943
Net pension asset	43	65	-	27	135
Capital assets, net:					
Land, land rights and water rights	-	1,997,619	-	5,183,189	7,180,808
Buildings, wells and reservoirs	201,501	372,151	-	-	573,652
Improvements other than buildings	-	441,134	-	354,932	796,066
Power & water transmission, distribution, and collection infrastructure	3,643,951	-	-	-	3,643,951
Machinery and equipment	372,298	258,812	-	109,107	740,217
Furniture and fixtures	-	1,499	-	-	1,499
Construction in progress	130,297	-	-	-	130,297
Total Noncurrent Assets	4,392,591	3,149,100	-	5,673,159	13,214,850
Total Assets	6,409,659	5,131,727	149,139	6,124,455	17,814,980
Deferred Outflows of Resources					
Pensions	75,900	116,038	-	48,707	240,645
Other postemployment benefits	477	1,192	-	715	2,384
Total Deferred Outflows	76,377	117,230	-	49,422	243,029
Total Assets and Deferred Outflows	\$ 6,486,036	\$ 5,248,957	\$ 149,139	\$ 6,173,877	\$ 18,058,009

CITY OF BOUNTIFUL
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Continued)
June 30, 2017

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Liabilities					
Current Liabilities:					
Accounts payable	\$ 81,402	\$ 29,668	\$ 32,559	\$ 1,374	\$ 145,003
Accrued liabilities	16,119	48,627	-	10,283	75,029
Retainage payable - restricted assets	4,048	-	-	30	4,078
Compensated absences	4,245	13,340	-	9,130	26,715
Total Current Liabilities	105,814	91,635	32,559	20,817	250,825
Noncurrent Liabilities:					
Unearned revenue - restricted assets	-	63,849	-	-	63,849
Developer and customer deposits - restricted assets	34,864	-	-	-	34,864
Compensated absences	9,965	46,733	-	15,582	72,280
Net pension liability	142,232	217,449	-	91,274	450,955
Total Noncurrent Liabilities	187,061	328,031	-	106,856	621,948
Total Liabilities	292,875	419,666	32,559	127,673	872,773
Deferred Inflows of Resources					
Pensions	20,860	31,891	-	13,386	66,137
Other postemployment benefits	4,606	11,515	-	6,909	23,030
Total Deferred Inflows	25,466	43,406	-	20,295	89,167
Net Position					
Net investment in capital assets	4,348,047	3,071,215	-	5,647,228	13,066,490
Restricted:					
Pensions	43	65	-	27	135
Other postemployment benefits	1,460	3,648	-	2,189	7,297
Cemetery statue	-	-	-	17,491	17,491
Unrestricted	1,818,145	1,710,957	116,580	358,974	4,004,656
Total Net Position	6,167,695	4,785,885	116,580	6,025,909	17,096,069
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 6,486,036	\$ 5,248,957	\$ 149,139	\$ 6,173,877	\$ 18,058,009

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For The Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Operating Revenues					
Charges for services	\$ 1,379,679	\$ -	\$ 418,230	\$ 320,254	\$ 2,118,163
Admissions and lesson fees	-	808,834	-	-	808,834
Equipment and facility rents	-	358,633	-	3,900	362,533
Concession and merchandise sales	-	212,425	-	-	212,425
Sale of cemetery burial plots	-	-	-	216,815	216,815
Miscellaneous	1,902	11,655	-	2,740	16,297
Total Operating Revenues	1,381,581	1,391,547	418,230	543,709	3,735,067
Operating Expenses					
Personnel wages and benefits	407,443	765,594	-	275,712	1,448,749
Materials and supplies	12,289	152,076	-	6,178	170,543
Repair and maintenance costs	142,038	263,273	-	87,271	492,582
Contractual and professional services	55,930	2,336	385,965	348	444,579
General and administrative costs	91,245	180,370	16,828	70,434	358,877
Depreciation	296,924	178,921	-	44,745	520,590
Total Operating Expenses	1,005,869	1,542,570	402,793	484,688	3,435,920
Operating Income (Loss)	\$ 375,712	\$ (151,023)	\$ 15,437	\$ 59,021	\$ 299,147

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Year Ended June 30, 2017

	<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>Cemetery</u>	
Nonoperating Revenues (Expenses)					
Investment earnings	\$ 17,947	\$ 20,995	\$ 1,084	\$ 5,421	\$ 45,447
Total Nonoperating Revenues (Expenses)	<u>17,947</u>	<u>20,995</u>	<u>1,084</u>	<u>5,421</u>	<u>45,447</u>
Income (loss) before contributions & transfers	393,659	(130,028)	16,521	64,442	344,594
Capital contributions	106,466	-	-	4,053,149	4,159,615
Changes in Net Position	500,125	(130,028)	16,521	4,117,591	4,504,209
Net Position, Beginning	5,675,848	4,939,783	100,059	1,922,114	12,637,804
Prior Period Adjustment	(8,278)	(23,870)	-	(13,796)	(45,944)
Net Position, Ending	<u>\$ 6,167,695</u>	<u>\$ 4,785,885</u>	<u>\$ 116,580</u>	<u>\$ 6,025,909</u>	<u>\$ 17,096,069</u>

CITY OF BOUNTIFUL
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For The Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Cash Flows From Operating Activities					
Receipts from customers and users	\$ 1,379,666	\$ 1,391,547	\$ 432,907	\$ 559,155	\$ 3,763,275
Receipts from customer deposits	13,840	-	-	-	13,840
Payments to suppliers	(248,179)	(540,250)	(401,826)	(130,354)	(1,320,609)
Payments to employees and related benefits	(396,272)	(771,121)	-	(284,727)	(1,452,120)
Payments to other funds for services provided	(69,986)	(47,265)	-	(50,707)	(167,958)
Return of customer deposits	(5,820)	-	-	-	(5,820)
Net cash flows from operating activities	<u>673,249</u>	<u>32,911</u>	<u>31,081</u>	<u>93,367</u>	<u>830,608</u>
Cash Flows From Capital and Related Financing					
Capital contributions received	1,878	-	-	17,111	18,989
Purchase of capital assets	(475,841)	(57,459)	-	(1,038,328)	(1,571,628)
Net cash flows from capital and related financing activities	<u>(473,963)</u>	<u>(57,459)</u>	<u>-</u>	<u>(1,021,217)</u>	<u>(1,552,639)</u>
Cash Flows From Investing Activities					
Investment earnings	25,054	29,126	1,473	9,282	64,935
Purchase of investments	(1,234,164)	(1,138,515)	(89,418)	(245,607)	(2,707,704)
Sale of investments	977,206	1,045,985	59,225	947,974	3,030,390
Net cash flows from investing activities	<u>(231,904)</u>	<u>(63,404)</u>	<u>(28,720)</u>	<u>711,649</u>	<u>387,621</u>
Net Increase (Decrease) In Cash and Cash Equivalents	<u>(32,618)</u>	<u>(87,952)</u>	<u>2,361</u>	<u>(216,201)</u>	<u>(334,410)</u>
Cash and Cash Equivalents, Beginning	<u>377,448</u>	<u>454,347</u>	<u>18,538</u>	<u>312,538</u>	<u>1,162,871</u>
Cash and Cash Equivalents, Ending	<u>\$ 344,830</u>	<u>\$ 366,395</u>	<u>\$ 20,899</u>	<u>\$ 96,337</u>	<u>\$ 828,461</u>

CITY OF BOUNTIFUL
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Year Ended June 30, 2017

	<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>Cemetery</u>	
Reconciliation of operating income to net cash flows from operating activities					
Earnings (loss) from operations	\$ 375,712	\$ (151,023)	\$ 15,437	\$ 59,021	\$ 299,147
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:					
Depreciation	296,924	178,921	-	44,745	520,590
Changes in assets and liabilities					
Accounts receivable, net	(1,915)	-	14,677	15,446	28,208
Inventories	-	(4,096)	-	-	(4,096)
Other postemployment benefits asset	(4,198)	(10,492)	-	(6,297)	(20,987)
Net pension asset	49	87	-	39	175
Deferred outflows - pensions	(11,849)	(10,288)	-	(2,845)	(24,982)
Deferred outflows - OPEB	(477)	(1,192)	-	(715)	(2,384)
Accounts payable	2,248	(13,695)	967	(16,614)	(27,094)
Accrued liabilities	2,782	2,853	-	449	6,084
Retainage payable	(21,693)	-	-	(4,507)	(26,200)
Unearned revenue	-	13,821	-	-	13,821
Developer and customer deposits	8,020	-	-	-	8,020
Compensated absences	2,783	2,982	-	(4,651)	1,114
Deferred inflows - pensions	4,393	4,704	-	1,595	10,692
Deferred inflows - OPEB	4,606	11,515	-	6,909	23,030
Net pension liability	15,864	8,814	-	792	25,470
Net cash flows from operating activities	<u>\$ 673,249</u>	<u>\$ 32,911</u>	<u>\$ 31,081</u>	<u>\$ 93,367</u>	<u>\$ 830,608</u>
Schedule of non-cash capital and related financing activities					
Contributions of capital assets	\$ 104,588	\$ -	\$ -	\$ 4,036,038	\$ 4,140,626

CITY OF BOUNTIFUL
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2017

	<u>Governmental Immunity</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 379,128	\$ 272,702	\$ 651,830
Interest receivable	4,884	3,219	8,103
Investments	1,672,460	1,102,257	2,774,717
Other receivables	-	8,139	8,139
Total Current Assets	<u>2,056,472</u>	<u>1,386,317</u>	<u>3,442,789</u>
Noncurrent Assets			
Restricted cash and cash equivalents	521,041	-	521,041
Restricted net pension asset	12	7	19
Total Noncurrent Assets	<u>521,053</u>	<u>7</u>	<u>521,060</u>
Total Assets	<u>2,577,525</u>	<u>1,386,324</u>	<u>3,963,849</u>
Deferred Outflows of Resources			
Pensions	21,868	13,037	34,905
Total Deferred Outflows	<u>21,868</u>	<u>13,037</u>	<u>34,905</u>
Total Assets and Deferred Outflows	<u>\$ 2,599,393</u>	<u>\$ 1,399,361</u>	<u>\$ 3,998,754</u>
Liabilities			
Current Liabilities			
Accounts payable	\$ 6,849	\$ 72,607	\$ 79,456
Accrued liabilities	2,852	1,257	4,109
Total Current Liabilities	<u>9,701</u>	<u>73,864</u>	<u>83,565</u>
Noncurrent Liabilities			
Net pension liability	40,980	24,430	65,410
Total Noncurrent Liabilities	<u>40,980</u>	<u>24,430</u>	<u>65,410</u>
Total Liabilities	<u>50,681</u>	<u>98,294</u>	<u>148,975</u>
Deferred Inflows of Resources			
Pensions	6,010	3,583	9,593
Total Deferred Inflows	<u>6,010</u>	<u>3,583</u>	<u>9,593</u>
Net Position			
Restricted:			
Regulatory required deposit	521,041	-	521,041
Pensions	12	7	19
Unrestricted	2,021,649	1,297,477	3,319,126
Total Net Position	<u>2,542,702</u>	<u>1,297,484</u>	<u>3,840,186</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 2,599,393</u>	<u>\$ 1,399,361</u>	<u>\$ 3,998,754</u>

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
For The Year Ended June 30, 2017

	Governmental Immunity	Workers' Compensation Self-Insurance	Total Internal Service Funds
Operating Revenues			
Charges for services	\$ 351,585	\$ 257,773	\$ 609,358
Total Operating Revenues	<u>351,585</u>	<u>257,773</u>	<u>609,358</u>
Operating Expenses			
Personnel wages and benefits	71,142	51,467	122,609
Contractual and professional services	7,799	5,451	13,250
General and administrative costs	353,961	67,741	421,702
Claims	58,777	26,650	85,427
Total Operating Expenses	<u>491,679</u>	<u>151,309</u>	<u>642,988</u>
Operating Income (Loss)	<u>(140,094)</u>	<u>106,464</u>	<u>(33,630)</u>
Nonoperating Revenues (Expense)			
Investment earnings	23,075	13,901	36,976
Total Nonoperating Revenues (Expense)	<u>23,075</u>	<u>13,901</u>	<u>36,976</u>
Changes in Net Position	(117,019)	120,365	3,346
Net Position, Beginning	<u>2,659,721</u>	<u>1,177,119</u>	<u>3,836,840</u>
Net Position, Ending	<u>\$ 2,542,702</u>	<u>\$ 1,297,484</u>	<u>\$ 3,840,186</u>

CITY OF BOUNTIFUL
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended June 30, 2017

	Governmental Immunity	Workers' Compensation Self-Insurance	Total Internal Service Funds
Cash Flows From Operating Activities			
Receipts from interfund charges	\$ 351,585	\$ 257,526	\$ 609,111
Payments to suppliers	(447,963)	(139,804)	(587,767)
Payments to employees and related benefits	(73,125)	(51,746)	(124,871)
Net cash flows from operating activities	<u>(169,503)</u>	<u>65,976</u>	<u>(103,527)</u>
Cash Flows From Investing Activities			
Interest on investments	31,778	19,256	51,034
Purchase of investments	(1,180,981)	(827,860)	(2,008,841)
Sale of investments	1,195,441	708,098	1,903,539
Net cash flows from investing activities	<u>46,238</u>	<u>(100,506)</u>	<u>(54,268)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	(123,265)	(34,530)	(157,795)
Cash and Cash Equivalents, Beginning	<u>1,023,434</u>	<u>307,232</u>	<u>1,330,666</u>
Cash and Cash Equivalents, Ending	<u>\$ 900,169</u>	<u>\$ 272,702</u>	<u>\$ 1,172,871</u>
Reconciliation of operating income to net cash flows from operating activities			
Earnings (loss) from operations	\$ (140,094)	\$ 106,464	\$ (33,630)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:			
Changes in assets and liabilities			
Accounts receivable	-	(247)	(247)
Accounts payable	(28,357)	(40,266)	(68,623)
Accrued liabilities	218	93	311
Net pension asset	19	11	30
Deferred outflows - pensions	(395)	(797)	(1,192)
Deferred inflows - pensions	490	436	926
Net pension liability	(1,384)	282	(1,102)
Net cash flows from operating activities	<u>\$ (169,503)</u>	<u>\$ 65,976</u>	<u>\$ (103,527)</u>

STATISTICAL SECTION

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

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

Contents

Financial Trend Data (tables 1-4)

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

Revenue Capacity Data (tables 5-10)

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

Debt Capacity Data (tables 11-15)

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

Demographic and Economic Information (tables 16-17)

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

Operating Information (tables 18-20)

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

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

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net investment in capital assets	\$ 73,635,745	\$ 74,805,745	\$ 74,693,798	\$ 74,336,121	\$ 74,200,188	\$ 74,103,304	\$ 77,753,067	\$ 81,472,401	\$ 82,121,939	\$ 81,356,410
Restricted	3,430,494	3,558,657	4,227,165	4,228,147	4,257,860	3,663,738	3,393,773	3,112,341	1,671,755	1,463,046
Unrestricted	39,740,965	43,182,100	45,175,673	46,140,668	40,243,806	44,932,661	44,081,459	36,157,946	40,132,172	36,802,950
Total governmental activities net position	<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>	<u>\$ 125,228,299</u>	<u>\$ 120,742,688</u>	<u>\$ 123,925,866</u>	<u>\$ 119,622,406</u>
Business-type Activities										
Net investment in capital assets	\$ 47,617,828	\$ 47,821,640	\$ 45,629,028	\$ 40,191,046	\$ 53,747,875	\$ 52,073,365	\$ 50,089,185	\$ 49,827,165	\$ 65,576,188	\$ 70,987,081
Restricted	-	-	561,509.00	7,372,346	981,919	537,775	538,343	543,050	548,086	616,883
Unrestricted	33,157,778	35,401,301	38,730,430	42,368,839	48,579,751	53,111,351	58,237,995	59,483,812	47,268,834	48,610,993
Total business-type activities net position	<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>	<u>\$ 108,865,523</u>	<u>\$ 109,854,027</u>	<u>\$ 113,393,108</u>	<u>\$ 120,214,957</u>
Primary Government										
Net investment in capital assets	\$ 121,253,573	\$ 122,627,385	\$ 120,322,826	\$ 114,527,167	\$ 127,948,063	\$ 126,176,669	\$ 127,842,252	\$ 131,299,566	\$ 147,698,127	\$ 152,343,491
Restricted	3,430,494	3,558,657	4,788,674	11,600,493	5,239,779	4,201,513	3,932,116	3,655,391	2,219,841	2,079,929
Unrestricted	72,898,743	78,583,401	83,906,103	88,509,507	88,823,557	98,044,012	102,319,454	95,641,758	87,401,006	85,413,943
Total primary government net position	<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>	<u>\$ 234,093,822</u>	<u>\$ 230,596,715</u>	<u>\$ 237,318,974</u>	<u>\$ 239,837,363</u>

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

Table 2

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Government Activities:										
General governmental	\$ 3,065,154	\$ 3,417,691	\$ 3,388,685	\$ 3,503,127	\$ 3,289,872	\$ 3,581,400	\$ 4,252,481	\$ 3,437,814	\$ 3,341,296	\$ 7,192,448
Public safety (1)	8,057,551	8,463,184	8,506,721	8,387,664	8,514,389	9,000,597	8,960,236	9,375,233	9,866,805	12,489,219
Highways and streets	3,785,827	4,455,182	3,999,039	3,748,318	3,475,552	4,067,275	3,979,845	3,984,340	4,063,869	4,897,436
Planning and engineering	1,069,709	1,011,654	943,285	971,209	981,570	1,022,280	884,133	745,669	731,941	867,524
Parks	876,037	1,078,688	933,052	954,307	937,703	1,003,832	1,002,463	1,067,132	1,065,934	1,244,612
Redevelopment	791,486	639,800	685,492	841,626	707,565	600,355	601,424	1,371,281	251,093	204,313
Interest on long-term debt	306,165	282,736	241,190	198,454	144,060	102,623	19,760	26,339	10,817	9,638
Total governmental activities expenses	17,951,929	19,348,935	18,697,464	18,604,705	18,050,711	19,378,362	19,700,342	20,007,808	19,331,755	26,905,190
Business-type Activities:										
Water	4,037,688	3,593,952	3,131,777	3,309,367	3,234,152	3,371,663	3,597,648	3,494,082	3,631,578	3,869,619
Light and Power	22,425,787	21,282,022	20,557,495	20,837,040	21,895,461	23,015,562	22,924,477	23,688,812	22,315,745	23,243,493
Landfill and Sanitation	1,100,696	925,116	1,064,299	969,710	1,087,508	1,108,510	1,984,027	2,003,479	1,937,430	2,165,326
Storm Water	981,119	1,071,562	1,104,270	1,203,429	1,577,577	971,430	1,148,856	868,856	912,170	1,004,376
Golf Course	1,221,144	1,267,184	1,311,614	1,314,964	1,378,763	1,404,462	1,584,534	1,483,707	1,467,338	1,540,593
Recreation (2)	3,438	7,454	-	-	-	-	-	-	-	-
Recycling (3)	-	-	432,863	442,247	455,047	471,210	407,891	368,091	377,577.00	402,793.00
Sanitation (4)	896,572	855,234	841,277	806,551	773,031	802,742	-	-	-	-
Cemetery	339,247	370,211	352,574	348,443	328,892	325,056	370,992	394,069	407,908	483,845
Total business-type activities expenses	31,005,691	29,372,735	28,796,169	29,231,751	30,730,431	31,470,635	32,018,425	32,301,096	31,049,746	32,710,045
Total primary government expenses	\$ 48,957,620	\$ 48,721,670	\$ 47,493,633	\$ 47,836,456	\$ 48,781,142	\$ 50,848,997	\$ 51,718,767	\$ 52,308,904	\$ 50,381,501	\$ 59,615,235
Program Revenues										
Government Activities:										
Charges for Services:										
General Government	\$ 3,079,654	\$ 2,987,909	\$ 2,056,902	\$ 2,117,142	\$ 2,291,021	\$ 2,349,674	\$ 2,401,070	\$ 1,574,521	\$ 1,063,736	\$ 1,201,472
Culture and recreation (5)	-	-	16,100.00	15,450	15,775	14,725	15,050	16,260	19,050	16,550
Other activities (5)	-	-	708,025.00	698,977	698,279	711,658	733,684	776,226	785,777	797,307
Operating Grants and Contributions	1,619,956	1,295,260	1,427,842	1,414,463	1,623,572	1,624,716	1,333,065	1,411,005	1,607,310	2,341,078
Capital Grants and Contributions	-	1,646,784	271,222	309,910	369,124	66,843	103,235	459,557	546,698	419,547
Total gov. activities program revenues	4,699,610	5,929,953	4,480,091	4,555,942	4,997,771	4,767,616	4,586,104	4,237,569	4,022,571	4,775,954
Business-type Activities:										
Charges for Services:										
Water	2,187,631	2,992,204	2,846,366	2,878,003	2,968,922	3,026,573	4,056,749	3,937,063	4,035,730	4,099,364
Light and Power	23,654,814	26,089,014	24,871,593	25,915,599	26,288,025	27,086,113	26,627,796	25,719,743	25,824,251	26,506,316
Landfill and Sanitation	1,390,305	1,130,734	963,000	981,201	1,027,577	1,015,014	2,188,751	2,337,975	2,141,057	2,174,640
Storm Water	699,480	894,317	893,876	900,375	901,122	907,515	909,566	1,101,803	1,159,092	1,379,679
Golf Course	1,303,578	1,344,182	1,274,847	1,286,092	1,451,909	1,473,679	1,468,023	1,446,847	1,380,724	1,379,892
Recreation (2)	6	-	-	-	-	-	-	-	-	-
Recycling (3)	-	-	442,336	447,835	463,550	482,335	423,248	376,751	382,605	418,230
Sanitation (4)	811,950	828,211	845,858	849,615	847,367	851,060	-	-	-	-
Cemetery	288,699	391,069	288,181	330,785	333,490	329,765	423,503	514,595	530,805	540,969
Capital grants and contributions	308,939	505,219	27,605	238,801	1,259,961	694,943	745,806	656,541	627,167	4,979,663
Total business-type act. program rev.	30,645,402	34,174,950	32,453,662	33,828,306	35,541,923	35,866,997	36,843,442	36,091,318	36,081,431	41,478,753
Total primary gov. program revenues	\$ 35,345,012	\$ 40,104,903	\$ 36,933,753	\$ 38,384,248	\$ 40,539,694	\$ 40,634,613	\$ 41,429,546	\$ 40,328,887	\$ 40,104,002	\$ 46,254,707
Net (expense)/revenue										
Governmental activities	\$ (13,252,319)	\$ (13,418,982)	\$ (14,217,373)	\$ (14,048,763)	\$ (13,052,940)	\$ (14,610,746)	\$ (15,114,238)	\$ (15,770,239)	\$ (15,309,184)	\$ (22,129,236)
Business-type activities	(360,289)	4,802,215	3,657,493	4,596,555	4,811,492	4,396,362	4,825,017	3,790,222	5,031,685	8,768,708
Total primary government net expense	\$ (13,612,608)	\$ (8,616,767)	\$ (10,559,880)	\$ (9,452,208)	\$ (8,241,448)	\$ (10,214,384)	\$ (10,289,221)	\$ (11,980,017)	\$ (10,277,499)	\$ (13,360,528)

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

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 3,713,077	\$ 3,904,321	\$ 3,917,254	\$ 4,021,707	\$ 3,984,434	\$ 3,960,963	\$ 3,912,339	\$ 3,788,098	\$ 4,040,013	\$ 3,707,397
Sales taxes	6,720,519	6,159,989	5,761,400	5,813,476	6,210,568	6,456,991	6,782,369	7,134,825	7,623,749	7,877,935
Franchise taxes	3,789,022	3,969,294	3,864,173	4,172,300	3,608,703	4,008,695	3,945,634	3,681,671	3,664,256	3,770,244
Interest on investments	1,970,897	1,241,243	662,978	616,299	634,846	554,481	504,405	498,436	587,417	566,395
Miscellaneous	207,473	284,854	372,031	198,008	256,859	70,866	102,499	153,874	198,791	232,739
Gain (loss) on sale of capital assets	11,130.00	377,136	592	5,510	-	-	-	66,376	21,178	43,644
Transfers	2,325,656	2,902,051	2,189,079	(170,237)	(7,645,552)	2,314,400	2,395,588	2,164,845	2,356,958	2,357,317
Total governmental activities	18,737,774	18,838,888	16,767,507	14,657,063	7,049,858	17,366,396	17,642,834	17,488,125	18,492,362	18,555,671
Business-type Activities:										
Interest on investments	1,214,638	547,987	221,148	227,931	357,386	400,606	365,492	436,633	579,854	533,388
Gain (loss) on sale of capital assets	-	-	8,464.00	16,541	17,054	26,016	43,569	28,229	1,135	400
Special items/Miscellaneous	-	-	-	-	545,830.00	280,604.00	304,542	299,601	283,365	241,449
Transfers	(2,325,656)	(2,902,051)	(2,189,079)	170,237	7,645,552	(2,314,400)	(2,395,588)	(2,164,845)	(2,356,958)	(2,357,317)
Total business-type activities	(1,111,018)	(2,354,064)	(1,959,467)	414,709	8,565,822	(1,607,174)	(1,681,985)	(1,400,382)	(1,492,604)	(1,582,080)
Total primary government	\$ 17,626,756	\$ 16,484,824	\$ 14,808,040	\$ 15,071,772	\$ 15,615,680	\$ 15,759,222	\$ 15,960,849	\$ 16,087,743	\$ 16,999,758	\$ 16,973,591
Change in net position										
Governmental activities	\$ 5,485,455	\$ 5,419,906	\$ 2,550,134	\$ 608,300	\$ (6,003,082)	\$ 2,755,650	\$ 2,528,596	\$ 1,717,886	\$ 3,183,178	\$ (3,573,565)
Business-type activities	(1,471,307)	2,448,151	1,698,026	5,011,264	13,377,314	2,789,188	3,143,032	2,389,840	3,539,081	7,186,628
Total primary government	\$ 4,014,148	\$ 7,868,057	\$ 4,248,160	\$ 5,619,564	\$ 7,374,232	\$ 5,544,838	\$ 5,671,628	\$ 4,107,726	\$ 6,722,259	\$ 3,613,063

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									
	2008	2009	2010	2011 *	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ -	\$ 52,470.00	\$ 22,000							
Unreserved	2,329,130	2,206,184	2,224,136							
Nonspendable				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted				48,000	66,133	84,734	87,637	84,588	51,134	38,784
Assigned				66,476	65,325	35,526	23,887	102	12,064	18,112
Unassigned				2,184,161	2,177,026	2,448,175	3,215,001	3,337,417	3,462,187	3,386,791
Total General Fund	<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>	<u>\$ 3,326,525</u>	<u>\$ 3,422,107</u>	<u>\$ 3,525,385</u>	<u>\$ 3,443,687</u>
All other governmental funds										
Reserved	\$ 2,920,622	\$ 2,993,891	\$ 2,789,611							
Unreserved, reported in:										
Capital projects funds	28,767,895	30,637,462	32,917,208							
Special revenue funds	2,799,117	4,469,424	4,697,785							
Debt service funds	-	-	-							
Nonspendable				\$ 558,358	\$ 558,358	\$ 558,358	\$ 558,358	\$ -	\$ -	\$ -
Restricted				2,872,483	2,970,415	3,060,490	2,787,116	2,508,167	1,100,305	826,762
Committed				-	-	-	-	-	1,734,687	324,969
Assigned				37,903,826	31,475,159	34,606,690	32,658,253	32,199,536	35,544,447	36,245,936
Unassigned				-	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 36,003,727</u>	<u>\$ 34,707,703</u>	<u>\$ 38,379,439</u>	<u>\$ 37,397,667</u>

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

This page intentionally left blank

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Taxes (see Table 5)	\$ 14,162,294	\$ 14,010,011	\$ 13,543,395	\$ 13,946,931	\$ 13,897,818	\$ 14,328,306	\$ 14,640,342	\$ 14,604,594	\$ 15,328,018	\$ 15,355,576
Licenses and permits	633,117	534,007	403,274	400,355	581,680	593,746	668,595	639,203	538,070	679,439
Intergovernmental	1,694,825	1,370,892	1,491,961	1,483,621	1,696,203	1,624,716	1,333,065	1,411,005	1,607,310	2,341,078
Charges for services	2,356,294	2,314,094	2,199,089	2,322,989	2,173,073	2,431,034	2,337,365	1,577,584	1,178,991	1,207,577
Fines and forfeitures	149,662	161,749	172,085	168,684	156,209	148,891	143,844	150,220	151,502	128,313
Investment earnings	1,716,266	1,111,674	618,772	584,963	591,918	514,069	471,769	498,435	587,417	566,395
Miscellaneous	299,587	564,727	750,461	625,364	839,847	828,478	743,655	956,055	1,442,347	1,067,640
Total Revenues	21,012,045	20,067,154	19,179,037	19,532,907	19,936,748	20,469,240	20,338,635	19,837,096	20,833,655	21,346,018
Expenditures										
General government	2,673,661	2,925,280	3,053,298	3,140,403	2,932,579	3,078,288	3,406,526	3,041,448	2,988,990	2,513,272
Public safety	7,161,401	7,418,339	7,312,540	7,352,120	7,614,549	7,925,807	7,482,444	8,519,714	8,946,888	8,935,881
Highways and streets	2,747,214	2,496,819	2,870,954	2,815,928	2,629,040	2,923,089	2,877,012	2,875,139	3,054,369	3,065,431
Planning and engineering	1,045,173	1,107,182	924,783	952,352	975,647	968,171	956,440	735,003	752,038	803,667
Parks	653,456	846,255	641,699	631,316	663,523	703,227	747,048	781,729	808,441	919,116
Redevelopment	776,795	863,502	1,826,659	1,332,794	1,378,736	1,050,868	2,337,206	1,636,222	248,744	605,556
Capital outlay	-	-	-	6,329	-	229,883	-	-	176,965	4,562,705
Capitalized capital outlay	2,845,430	3,370,107	1,239,935	1,243,066	1,501,101	1,494,677	5,077,488	4,737,261	2,230,839	3,188,084
Debt service:										
Bond issuance costs	-	-	52,500	-	-	-	22,681	-	-	-
Principal	678,000	696,000	756,000	757,000	788,000	829,000	2,000,000	908,000	212,000	220,000
Interest and fiscal charges	299,852	276,640	238,181	194,309	146,915	122,783	61,749	35,637	17,280	8,800
Total expenditures	18,880,982	20,000,124	18,916,549	18,425,617	18,630,090	19,325,793	24,968,594	23,270,153	19,436,554	24,822,512
Excess of revenues over (under) expenditures	\$ 2,131,063	\$ 67,030	\$ 262,488	\$ 1,107,290	\$ 1,306,658	\$ 1,143,447	\$ (4,629,959)	\$ (3,433,057)	\$ 1,397,101	\$ (3,476,494)

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other financing sources (uses):										
Transfers in	\$ 2,325,656	\$ 4,032,302	\$ 2,581,388	\$ 2,292,419	\$ 2,354,448	\$ 2,439,445	\$ 2,395,588	\$ 2,400,468	\$ 2,356,958	\$ 5,123,707
Transfers out	-	(1,130,251)	(329,309)	(2,462,656)	(10,000,000)	(125,045)	-	(235,623)	-	(2,766,390)
Bond/Loan proceeds	-	-	1,696,150	-	-	-	-	-	-	-
Bond refunding payment	-	-	(1,857,000)	-	-	-	-	-	-	-
Contributions	-	-	-	40,000	-	-	-	-	-	-
Sale of bonds	-	-	-	-	-	-	766,000	-	-	-
Sale of assets	11,130	377,136	592	5,510	18,006	23,710	4,650	24,700	20,955	55,707
Total other financing sources (uses)	<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>	<u>3,166,238</u>	<u>2,189,545</u>	<u>2,377,913</u>	<u>2,413,024</u>
Net change in fund balances	<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>	<u>\$ (1,463,721)</u>	<u>\$ (1,243,512)</u>	<u>\$ 3,775,014</u>	<u>\$ (1,063,470)</u>
 Debt service as a percentage of non-capital expenditures	6.10%	5.85%	5.62%	5.54%	5.46%	5.34%	10.37%	5.09%	1.33%	1.06%

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
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
2014	3,701,049	6,346,757	435,612	3,945,634	211,290	14,640,342
2015	3,577,649	6,672,517	462,308	3,681,671	210,449	14,604,594
2016	3,824,710	7,107,293	516,456	3,664,256	215,303	15,328,018
2017	3,493,781	7,350,405	527,530	3,770,244	213,616	15,355,576

(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, Arts, and Parks tax was levied and collected, 90% of which is paid to the Agency per that agreement. This agreement ended on April 1, 2016 when the City reauthorized this tax.

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

Table 6

Fiscal Year Ended June 30,	Real Property		Personal Property		Total Taxable Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property (2)	Mobile Homes	Other				
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%
2014	1,668,062	379,160	160	60,040	2,107,421	0.012809	3,666,320	57.48%
2015	2,074,866	326,681	124	60,559	2,462,229	0.013101	4,091,095	60.19%
2016	2,135,735	494,329	79	73,273	2,703,415	0.012387	4,642,505	58.23%
2017	2,224,216	393,297	35	70,390	2,687,938	0.012288	4,453,396	60.36%

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

(2) Includes centrally assessed property.

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

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

Fiscal Year	Total Direct	City of Bountiful	Overlapping Rates								
			Davis County School District	Davis County (1)	Weber Basin Water	Mosquito Abatement District	Bountiful Water Subconservancy District	South Davis Sewer District	Davis County Library	South Davis Metro Fire Service Area (2)	South Davis Recreation District
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
2014	0.012809	0.000946	0.008259	0.002161	0.000199	0.000124	0.000120	0.000301	0.000361	-	0.000338
2015	0.012853	0.000957	0.008555	0.001905	0.000196	0.000122	0.000120	0.000303	0.000361	-	0.000334
2016	0.012387	0.000890	0.008125	0.002014	0.000187	0.000116	0.000110	0.000287	0.000342	0.000010	0.000306
2017	0.012288	0.000832	0.007575	0.002210	0.000174	0.000107	0.000103	0.000264	0.000376	0.000368	0.000279

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

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

Source: Property Tax Division, Utah State Tax Commission

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

Taxpayer	December 31, 2016 taxable valuation			December 31, 2007 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	\$ 38,625,647	1	1.44 %	\$ 25,868,730	1	1.08 %
Village on Main Street	18,009,793	2	0.67			-
G&E Healthcare Ret/Renaissance LLC	16,112,000	3	0.60			-
Questar Gas	11,476,361	4	0.43	7,148,139	5	0.30
MABEK Co	10,453,117	5	0.39	13,986,541	2	0.58
IHC Health Services, Inc.	9,493,438	6	0.35	5,102,139	9	0.21
Century Link (Qwest Corp. -2015)	8,103,846	7	0.30	13,048,558	3	0.54
WBC Partners & Commons @ West Bountiful	7,683,942	8	0.29			-
Bill Olson Investment LTD-ETHAL	7,628,050	9	0.28	5,318,880	8	0.22
Miller/Horne Carrington Place LLC	6,558,627	10	0.24			
HCP Lakeview MOB LLC (Tegra Lakeview Associates LC)	5,795,000	11	0.22	6,183,540	6	
Colonial Lakeview Aprtments LLC-ETAL	5,770,765	12	0.21			
Orvis, Jason & Orvis Family Company	5,765,515	13	0.21			
Bountiful Corner LLC	5,447,100	14	0.20			
Bountiful Plaza Holdings	5,381,531	15	0.20			-
Hepworth Investment Group LLC	5,290,146	16	0.20			
Heritage Place Owner LLC	5,230,914	17	0.19			-
Reynolds, Robert Gary & Barbara Ellen-Trustees	4,988,200	18	0.19			-
Windgate at Bountiful LLC	4,889,334	19	0.18			-
Main Street Investment LLC	4,790,000	20	0.18			-
RTC Mountainwest Medical	-		-	12,018,493	4	0.50
New Albertson's Inc (Albertson's 2005)	-		-	5,504,063	7	0.23
Winegar, Richard T. & Karleen A	-		-	5,046,595	10	0.21
	<u>\$187,493,326</u>		<u>6.98 %</u>	<u>\$ 99,225,678</u>		<u>3.87 %</u>
Taxable Value			\$ 2,687,939,184			\$ 2,405,252,803

Source : Davis County Clerk Auditors Office

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

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year (2)	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years (1)	Total Collections to Date	
		Amount (1)	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 2,428,220	\$ 2,245,833	92.49 %	\$ 95,519	\$ 2,341,352	96.42 %
2009	2,431,751	2,318,633	95.35	107,494	2,426,127	99.77
2010	2,422,258	2,308,004	95.28	84,223	2,392,227	98.76
2011	2,445,006	2,345,918	95.95	109,003	2,454,921	100.41
2012	2,456,415	2,302,118	93.72	97,386	2,399,504	97.68
2013	2,452,020	2,360,398	96.26	88,553	2,448,951	99.87
2014	2,442,814	2,353,263	96.33	79,794	2,433,057	99.60
2015	2,520,959	2,312,056	91.71	106,997	2,419,053	95.96
2016	2,580,854	2,380,164	92.22	80,173	2,460,337	95.33
2017	2,581,960	2,418,403	93.67	75,371	2,493,774	96.58

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

Payments are not considered delinquent until after November 30.

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

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

Fiscal Year Ended June 30,	Electric Metered Sales	Industrial Customer Sales (1)	Miscellaneous (2)	Total Charges for Services	Residential Charge Per Kilowatt Hour (3)
2008	\$ 21,142,331	\$ 2,317,081	\$ 46,277	\$ 25,455,970	0.0816
2009	22,706,488	2,697,896	51,586	24,554,011	0.0881
2010	22,115,396	2,393,724	44,891	25,356,773	0.0881
2011	22,924,190	2,389,668	42,915	26,109,396	0.0925
2012	23,544,475	2,520,834	44,087	26,965,809	0.0925 (4)
2013	24,394,453	2,568,479	2,877	26,510,311	0.0925
2014	23,955,880	2,545,129	9,302	25,719,743	0.0925
2015	23,202,093	2,401,930	115,720	25,719,743	0.0925
2016	23,521,610	2,197,020	105,621	25,824,251	0.0925
2017	23,949,727	2,412,459	144,130	26,506,316	0.0925

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Household Personal Income (2)	Debt Per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	All Outstanding Debt					
2008	\$ -	\$2,023,000	\$ 4,643,000	\$ -		\$ 6,666,000	0.63 %	\$ 1,065,715,977	152
2009	-	1,857,000	4,113,000	-		5,970,000	0.52	1,155,731,198	134
2010	-	1,388,000	3,560,000	-		4,948,000	0.47	1,044,846,224	116
2011	-	1,209,000	2,982,000	15,280,000		19,471,000	1.94	1,001,686,733	458
2012	-	1,023,000	2,380,000	14,655,000		18,058,000	1.74	1,038,092,000	430
2013	-	848,237	1,772,675	14,025,000		16,645,912	1.56	1,066,010,000	388
2014	-	1,028,301	322,000	13,385,000		14,735,301	1.30	1,137,211,066	343
2015	-	454,534	-	12,740,000		13,194,534	1.15	1,146,190,300	307
2016	-	227,513	-	12,085,000		12,312,513	1.02	1,204,921,063	281
2017	-	-	-	11,420,000		11,420,000	0.88	1,303,221,396	259

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

(1) See Table 16 for population details

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

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

Fiscal Year Ended June 30,	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-

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

CITY OF BOUNTIFUL
Direct and Overlapping Governmental Activities Debt
As of June 30, 2017
Table 13

	Total Debt	Applicable to City		City Debt Ratios (2)		
		Percentage	Amount	To assessed value of: \$ 2,687,938,000	To fair value of: \$4,453,396,000	To population of: (per capita) 44,078
Direct Governmental-Activities City debt:						
Sales Tax Revenue Bonds	-	100.00%	-	0.00%	0.00%	\$ 0
Total direct debt	<u>\$ -</u>		<u>\$ -</u>			
Overlapping debt:						
State of Utah (1)	\$ -		\$ -			
Weber Basin Water Conservancy District	19,862,674	13.15%	2,612,417	0.10%	0.06%	\$ 59
Davis County	64,422,000	13.15%	8,472,406	0.32%	0.19%	\$ 192
Davis School District	460,010,000	13.15%	60,497,832	2.25%	1.36%	\$ 1,373
South Davis Recreation District	10,590,000	34.27%	3,629,311	0.14%	0.08%	\$ 82
Total Overlapping debt	<u>554,884,674</u>		<u>75,211,965</u>			
Total direct and overlapping debt applicable to the City			<u>\$ 75,211,965</u>	2.80%	1.69%	\$ 1,706

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assessed value (1)	\$ 2,554,694	\$ 2,437,016	\$ 2,307,189	\$ 2,178,693	\$ 2,172,499	\$ 2,226,229	\$ 2,107,421	\$ 2,462,229	\$ 2,703,415	\$ 2,687,938
Debt Limit - 12% of total assessed value	306,563	292,442	276,863	261,443	260,700	267,147	252,891	295,468	324,410	322,553
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>\$ 306,563</u>	<u>\$ 292,442</u>	<u>\$ 276,863</u>	<u>\$ 261,443</u>	<u>\$ 260,700</u>	<u>\$ 267,147</u>	<u>\$ 252,891</u>	<u>\$ 295,468</u>	<u>\$ 324,410</u>	<u>\$ 322,553</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

Fiscal Year Ended June 30,	Revenue Bonds						Special Assessment Bonds				
	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage	Special Assessments Collections	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
Revenue Bonds - Governmental Activities											
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	
2014*	597,678	24,331	573,347	688,000	28,469	0.80	267,557	197,000	33,280	1.16	
2015**	598,016	4,150	593,866	705,000	10,237	0.83	266,219	203,000	25,400	1.17	
2016	-	-	-	-	-	-	270,403	212,000	17,280	1.18	
2017	-	-	-	-	-	-	251,465	220,000	8,800	1.10	

* Fiscal year 2014 expenses represent cost of issuance for refunding

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

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

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

*** 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)
2008	43,780	(1)	1,065,716	26,522	32,310	(5)	10,149	(3)	3.20 %
2009	44,442	(1)	1,155,731	23,866	32,798	(5)	10,268	(3)	7.00
2010	42,552	(7)	1,044,846	22,539	31,403	(5)	10,062	(3)	7.40
2011	42,895	(1)	1,001,687	24,396	31,403	(6)	10,062	(6)	6.20
2012	43,013	(1)	1,038,092	25,052	30,996	(6)	9,931	(6)	5.30
2013	42,898	(1)	1,066,010	24,850	31,659	(6)	10,144	(6)	4.20
2014	42,898	(1)	1,137,211	26,510	30,586	(1)	10,144	(6)	3.60
2015	43,023	(1),(2)	1,146,190	26,641	30,675	(1)	11,191	(3)	3.60
2016	43,784	(1),(2)	1,204,921	27,520	31,130	(1)	11,303	(3)	3.30
2017	44,078	(1),(2)	1,303,221	29,566	31,428	(1)	11,600	(3)	3.20

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

(2) Utah State Tax Commission.

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

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

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

(6) City Estimates.

(7) Census 2010.

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

Taxpayer (1)	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
South Davis Community Hospital	500 - 999	1	2.48 - 4.96 %	500 - 999	2	7.68 - 8.62 %
Lakeview Hospital	250 - 499	2	1.24 - 2.48	500 - 999	1	7.68 - 8.62
Smith's Marketplace	250 - 499	3	1.24 - 2.48	100 - 249	9	1.72 - 1.91
Bountiful Health Center	100 - 249	4	1.20 - 2.40	N/A	N/A	N/A
Bountiful High School	100 - 249	5	0.48 - 1.19	100 - 249	3	1.72 - 1.91
Bountiful Medical Investors LTD	100 - 249	6	0.48 - 1.19	N/A	N/A	N/A
Brighton Rehabilitation	100 - 249	7	0.48 - 1.19	N/A	N/A	N/A
South Davis Recreation Center	100 - 249	8	0.48 - 1.19	100 - 249	10	1.72 - 1.91
Toyota Bountiful	100 - 249	9	0.48 - 1.19	N/A	N/A	N/A
Viewmont High School	100 - 249	10	0.48 - 1.19	100 - 249	4	1.72 - 1.91
Developers Investment Company	N/A	N/A	N/A	100 - 249	5	1.72 - 1.91
Dick's Market	N/A	N/A	N/A	100 - 249	6	1.72 - 1.91
Intermountain Temporaries	N/A	N/A	N/A	100 - 249	7	1.72 - 1.91
Menlove-Johnson, Inc.	N/A	N/A	N/A	100 - 249	8	1.72 - 1.91
Total	1,700 - 3,740		8.43 - 18.56 %	1,800 - 3,990		29.12 - 32.52 %

(1) Listed alphabetically within each employee range.

Source: Utah Department of Workforce Services

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Department										
General Fund										
Legislative	6	6	6	6	6	6	6	6	6	6
Legal	3	3	3	3	3	3	3	3	2	3
Executive	4	3	3	3	2	2	3	2	2	2
Human Resources							2	2	2	2
Information Systems	4	4	4	4	4	4	4	3	4	4
Administrative	6	6	6	6	6	6	5	5	5	5
Treasurer	9	7	6	6	7	7	7	7	7	7
Government Buildings	1	1	2	2	2	2	2	2	2	1
Police	94	96	93	92	94	95	90	77	80	80
Streets	23	22	21	22	21	19	20	23	21	22
Engineering	11	8	8	8	8	8	7	8	8	7
Parks	24	24	14	18	18	20	13	23	21	19
Planning	5	5	4	4	4	4	4	5	4	5
General Fund Total	190	185	170	174	175	176	166	166	164	163
Enterprise Funds										
Storm Water (1)	2	2	3	3	3	3	2	3	3	2
Water	24	19	19	19	13	18	16	16	15	16
Light and Power	43	38	39	38	39	37	38	36	34	37
Golf	45	43	40	39	43	46	47	46	49	43
Landfill (1)	9	9	10	8	9	9	11	9	9	10
Sanitation	6	5	6	5	6	5	6	6	5	5
Cemetery	12	9	7	9	9	11	8	7	8	8
Enterprise Fund Total	141	125	124	121	122	129	128	123	123	121
Internal Service Funds										
Risk Management (1)	-	-	-	-	-	-	-	-	-	-
Workers Compensation (1)	-	-	-	-	-	-	-	-	-	-
Internal Service Fund Total	-	-	-	-	-	-	-	-	-	-
Redevelopment Agency										
Redevelopment Agency (1)	-	-	-	-	-	-	-	-	-	-
Total Positions	331	310	294	295	297	305	294	289	287	284

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

Source: City of Bountiful Human Resource Office

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fire protection:										
Number of stations (1)	2	2	2	2	2	2	2	2	2	2
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	22	22	22	22	22	22	22	22	22	22
Highways and streets:										
Number of street lights	2,145	2,135	2,150	2,151	2,135	2,144	2,145	2,142	2,145	2,140
Number of traffic signals	N/A	14	14	13	13	15	15	15	15	15
Miles of streets	158.00	158.98	158.98	158.98	159.06	159.06	159.06	159.06	159.06	159.71
Public Services:										
Recreation and culture:										
Number of municipal parks	16	13	13	13	13	13	13	13	13	16
Number of municipal picnic areas	21	19	19	19	19	19	19	19	19	19
Number of municipal tennis courts	24	24	24	24	24	24	20	20	20	20
Number of municipal soccer fields	5	5	5	5	5	5	6	6	6	6
Number of municipal ball diamonds	10	10	10	10	10	10	10	10	10	10
Number of Trail Heads	2	2	2	2	2	2	2	2	2	2
Number of municipal golf courses	1	1	1	1	1	1	1	1	1	1
Number of ice arenas (3)	1	1	1	1	1	1	1	1	1	1
Number of swimming pools (3)	1	1	1	1	1	1	1	1	1	1
Municipal power plants:										
Number of distribution substations	5	5	5	5	5	5	5	5	5	5
Miles of distribution and transmission lines	228.01	228.37	228.52	228.52	228.52	229.12	229.12	229.16	229.36	229.61
Municipal water plants:										
Number of fire hydrants	N/A	1,580	1,567	1,571	1,588	1,599	1,612	1,618	1,629	1,644
Miles of water mains	171.00	172.96	175.46	175.46	175.70	175.85	176.31	176.38	176.40	176.60
Max instantaneous water source capacity (gallons per minute)	N/A	9,100	9,100	9,100	8,900	8,900	9,000	9,000	9,500	9,500
Sanitation utilities:										
Number of collection trucks	13	13	11	12	12	13	13	13	13	13
Number of sanitary landfills	1	1	1	1	1	1	1	1	1	1
Storm water utility:										
Miles of storm water lines (encased)	74.00	74.74	74.65	75.49	71.20	71.14	71.16	69.65	70.14	70.80
Miles of storm water lines (concrete lined)	4.00	4.21	4.21	4.20	1.40	1.40	1.32	1.32	1.32	1.32
Public Libraries (2)	1	1	1	1	1	1	1	1	1	1

(1) Fire operations were transferred to South Davis Metro Fire Agency on January 1, 2005.

(2) Owned and operated by Davis County.

(3) Owned and operated by the South Davis Recreation District beginning in the first quarter of 2007.

(4) It was discovered in fiscal year 2012 that the County owned and operated significant portions of the storm water system within the City

Miscellaneous Statistics - Most current information only

Date of Incorporation: December 14, 1892

Form of government: Manager

Election data

Registered (active voters), August 2017: 23,812

Number of votes cast in 2017 primary election: 9,557

Percentage of registered voters voting: 40.14%

Sources: Various City of Bountiful Departments.

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function/Program										
General Governmental:										
Ordinances passed	12	10	13	10	13	8	14	28	12	11
Resolutions passed	11	11	13	11	8	10	14	11	14	20
Public Safety:										
Hazardous citations written	2,540	2,839	3,082	2,617	1,973	1,973	2,142	2,258	2,215	1,975
Non-hazardous citations written	2,186	2,776	1,894	1,300	1,353	1,353	1,005	1,469	1,458	1,339
Arrests	1,674	1,657	1,688	1,260	1,448	1,448	1,611	1,086	1,382	1,130
Highways and Streets:										
Miles of street overlaid	8.00	5.16	4.50	5.19	5.50	5.60	6	7	5.18	7.14
Miles of street reconstructed	0.30	0.68	0.40	0.00	0.35	0.09	0	0.39	0.60	0.00
Planning and Engineering:										
Building Permits Issued	55	40	40	65	125	57	88	62	81	169
Municipal water:										
Average daily gallons consumed	4,147,800	4,178,570	3,995,000	3,992,000	3,994,000	4,491,000	4,492,000	4,185,000	3,729,000	3,968,000
Municipal power:										
Kilowatt hours sold	305,271,698	295,756,259	285,706,670	282,073,618	285,476,544	298,186,064	294,130,877	277,674,203	278,780,541	283,037,185
Storm water:										
Miles of storm drains inspected	4.00	5.42	4.98	2.71	4.06	5.13	4.70	4.78	2.92	4.61
Miles of streets cleaned	158.00	158.98	158.98	158.98	159.06	159.06	159.08	158.36	159.64	159.71
Sanitation utilities:										
Tons of waste collected and landfilled	75,687	64,680	49,685	45,365	54,194	55,426	52,354	68,795	64,640	56,848
Tons of recyclables collected (1)	0	1,533	2,415	2,983	2,896	2,812	2,713	2,384	2,549	2,618

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

Sources: Various City of Bountiful departments.