

CITY OF BOUNTIFUL, UTAH



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED June 30, 2016



MAYOR

Randy C. Lewis

CITY COUNCIL

Kendalyn Harris
Richard Higginson
Beth Holbrook
John Marc Knight
John Pitt

CITY MANAGER

Gary R. Hill



CITY OF BOUNTIFUL, UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016



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**

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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

November 2, 2016

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, 2016.

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, 2016. 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, 2016. 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 report, provides a narrative introduction, overview, and analysis of the basic financial statements. 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, and administrative services). In addition, the City provides a cemetery and an 18-hole golf course.

The City limits cover an area of approximately 14 square miles. The City's population for 2016 is 43,784, with a potential for about 45,000 residents at final build-out, which should occur by approximately 2020.

Local economy

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

Long-term financial planning

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

Relevant financial policies

During the year ended June 30, 2016, 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, 2016, there were two funds with estimated revenues significantly less than appropriations. In such cases, the policy allows for the appropriation of fund balance to close the gap. The Redevelopment Agency and the Capital Projects funds had final budgeted shortfalls of \$627,000 and \$1,825,112, respectively. However, thanks to measures taken during the year to control expenditures and favorable surpluses in tax revenues, the City ultimately had actual budget surpluses of \$2,290,639 in the Redevelopment Agency fund and \$843,018 in the Capital Projects fund for the year.

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 three major projects in progress that are expected to be completed in fiscal years 2017 and 2018. First, the City is going to install a new 1 million gallon water reservoir and has budgeted \$1,100,000 in fiscal 2017 to complete that project. Second, the Water Department is also doing studies and pilot testing for the upgrade of its 30 year-old water treatment plant. The fiscal year 2017 budget only includes study and analysis costs and the main project will be budgeted in fiscal 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 is budgeted to cost \$3,175,000 in fiscal 2017 and completion is expected in the spring of 2017.

Awards and Acknowledgments

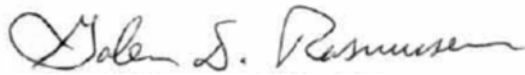
The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bountiful for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. This was the thirty-fifth 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 preparation of this report 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 CAFR. Their assistance has enabled us to bring together the data necessary to complete the 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,



Galen D. Rasmussen, MPA, CPA
Assistant City Manager



Tyson Beck, CPA
Finance Director

**CITY OF BOUNTIFUL
PRINCIPAL OFFICIALS
June 30, 2016**

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

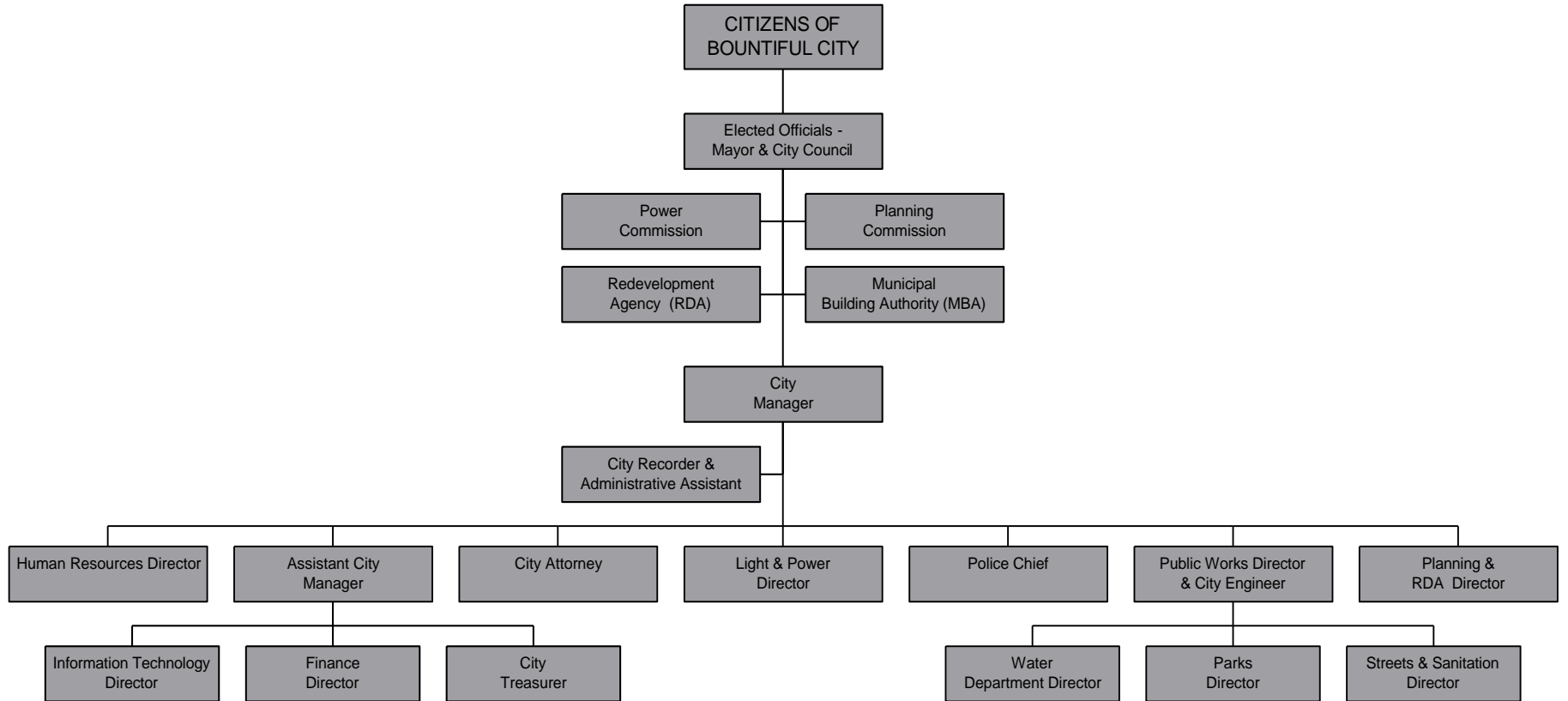
STATUTORY APPOINTED OFFICIALS

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, 2016**





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, 2015

Executive Director/CEO

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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, 2016, 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, 2016, 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, budgetary comparison information, schedule of proportionate share of the net pension liability, schedule of contributions, and the related notes to the required supplementary information, as noted on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Bountiful's financial statements 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 November 2, 2016 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

November 2, 2016

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2016**

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, 2016. 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, 2016 by \$237,318,974. Of this amount, unrestricted net position of \$87,401,006 may be used to meet the City's ongoing obligations to citizens and creditors.
- The total net position increased by \$6,722,259 from the prior year. The total increase was made up of a \$3,183,178 increase from governmental activities and a \$3,539,081 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 \$41,904,824, an increase of \$3,775,014 over the prior year. Of this amount, \$40,753,385 is unrestricted (the total of the committed, assigned, and unassigned components of fund balance) and available for spending. The remaining \$1,151,439 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 \$3,474,251, or 21.35% of total General Fund expenditures.
- The City's bonded debt obligations decreased by \$882,021. The decrease was attributable to principal payments and bond premium amortization of \$227,021 on Sales Tax Revenue bonds, and a principal payment of \$655,000 on the Electric Utility Revenue bonds.

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, 2016**

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 two categories, governmental funds and proprietary funds.

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

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

The City maintains eight individual governmental funds. Information is presented separately in the governmental funds balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, 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 2016 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.

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

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016**

Overview of the Financial Statements (Continued)

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) concerning the City's pension and other post-employment benefits (OPEB) plans offered to its employees. The RSI deals with the City's progress in funding its obligations, 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, 2016, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$237,318,974.

City of Bountiful's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 54,123,679	\$ 52,694,472	\$ 55,503,931	\$ 58,183,011	\$ 109,627,610	\$ 110,877,483
Capital assets	82,340,368	81,908,766	77,661,188	72,318,719	160,001,556	154,227,485
Total assets	136,464,047	134,603,238	133,165,119	130,501,730	269,629,166	265,104,968
Total deferred outflows of resources	3,014,040	1,086,187	1,412,923	470,912	4,426,963	1,557,099
Current liabilities	1,957,507	2,550,689	3,986,793	4,021,080	5,944,300	6,571,769
Long-term liabilities	9,851,597	8,468,668	16,834,891	16,812,913	26,686,488	25,281,581
Total liabilities	11,809,104	11,019,357	20,821,684	20,833,993	32,630,788	31,853,350
Total deferred inflows of resources	3,743,117	3,927,380	363,250	284,622	4,106,367	4,212,002
Net position:						
Net investment in capital assets	82,121,939	81,472,401	65,576,188	49,827,165	147,698,127	131,299,566
Restricted	1,671,755	3,112,341	548,086	543,050	2,219,841	3,655,391
Unrestricted	40,132,172	36,157,946	47,268,834	59,483,812	87,401,006	95,641,758
Total net position	<u>\$ 123,925,866</u>	<u>\$ 120,742,688</u>	<u>\$ 113,393,108</u>	<u>\$ 109,854,027</u>	<u>\$ 237,318,974</u>	<u>\$ 230,596,715</u>

By far the largest portion of the City's net position \$147,698,127 (62.24%) 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, \$2,219,841 (.93%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$87,401,006 (36.83%) 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, 2016

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, 2016, the net position of the City increased \$6,722,259, a 2.92% change, from the prior fiscal year. The increase from governmental activities of \$3,183,178 was \$7,668,789 more than the net \$4,485,611 decrease to net position of fiscal year 2015. The increase from business-type activities of \$3,539,081 was \$2,550,077 more than the net \$989,004 increase to net position of fiscal year 2015.

City of Bountiful's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 1,868,563	\$ 2,367,007	\$ 35,454,264	\$ 35,434,777	\$ 37,322,827	\$ 37,801,784
Operating grants and contributions	1,607,310	1,411,005	-	-	1,607,310	1,411,005
Capital grants and contributions	546,698	459,557	627,167	656,541	1,173,865	1,116,098
General revenues:						
Property taxes	4,040,013	3,788,098	-	-	4,040,013	3,788,098
Other taxes	11,288,005	10,816,496	-	-	11,288,005	10,816,496
Other	807,386	718,686	864,354	764,463	1,671,740	1,483,149
Total revenues	<u>20,157,975</u>	<u>19,560,849</u>	<u>36,945,785</u>	<u>36,855,781</u>	<u>57,103,760</u>	<u>56,416,630</u>
Expenses:						
General government	3,341,296	3,437,814	-	-	3,341,296	3,437,814
Public safety	9,866,805	9,375,233	-	-	9,866,805	9,375,233
Highways and streets	4,063,869	3,984,340	-	-	4,063,869	3,984,340
Planning and engineering	731,941	745,669	-	-	731,941	745,669
Parks	1,065,934	1,067,132	-	-	1,065,934	1,067,132
Redevelopment	251,093	1,371,281	-	-	251,093	1,371,281
Interest on long-term debt	10,817	26,339	-	-	10,817	26,339
Water	-	-	3,631,578	3,494,082	3,631,578	3,494,082
Light and Power	-	-	22,315,745	23,688,812	22,315,745	23,688,812
Landfill and Sanitation	-	-	1,937,430	2,003,479	1,937,430	2,003,479
Storm Water	-	-	912,170	868,856	912,170	868,856
Recycling	-	-	377,577	368,091	377,577	368,091
Golf Course	-	-	1,467,338	1,483,707	1,467,338	1,483,707
Cemetery	-	-	407,908	394,069	407,908	394,069
Total expenses	<u>19,331,755</u>	<u>20,007,808</u>	<u>31,049,746</u>	<u>32,301,096</u>	<u>50,381,501</u>	<u>52,308,904</u>
Change in net position before transfers	826,220	(446,959)	5,896,039	4,554,685	6,722,259	4,107,726
Transfers	2,356,958	2,164,845	(2,356,958)	(2,164,845)	-	-
Increase (Decrease) in net position	3,183,178	1,717,886	3,539,081	2,389,840	6,722,259	4,107,726
Net position - beginning of year	120,742,688	125,228,299	109,854,027	108,865,023	230,596,715	234,093,322
Prior Period Adjustment	-	(6,203,497)	-	(1,400,836)	-	(7,604,333)
Net position - end of year	<u>\$ 123,925,866</u>	<u>\$ 120,742,688</u>	<u>\$ 113,393,108</u>	<u>\$ 109,854,027</u>	<u>\$ 237,318,974</u>	<u>\$ 230,596,715</u>

CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016

Financial Analysis of Governmental Activities

For the period ended June 30, 2016, the City's governmental activities increased the City's net position by \$3,183,178. This increase was achieved while maintaining the same, if not improved, level of services without any significant changes to the City's fee schedule, property tax rates, or obtaining new long-term financing during the current year.

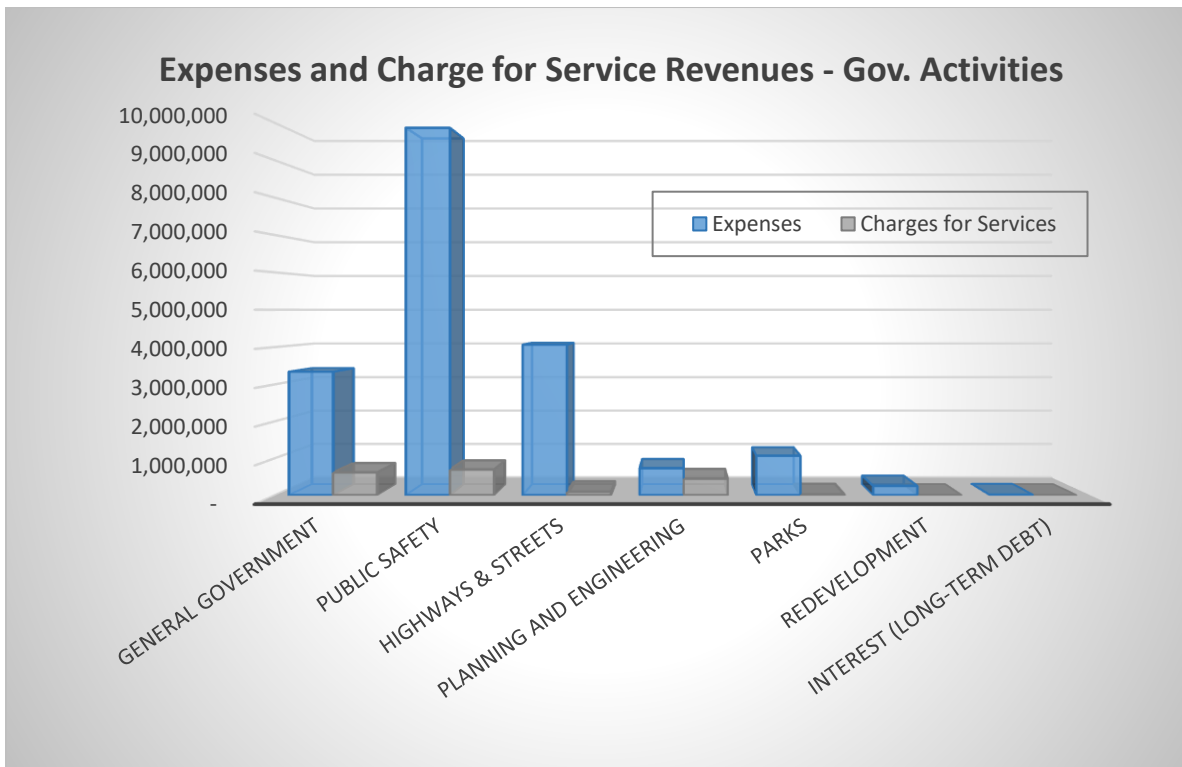
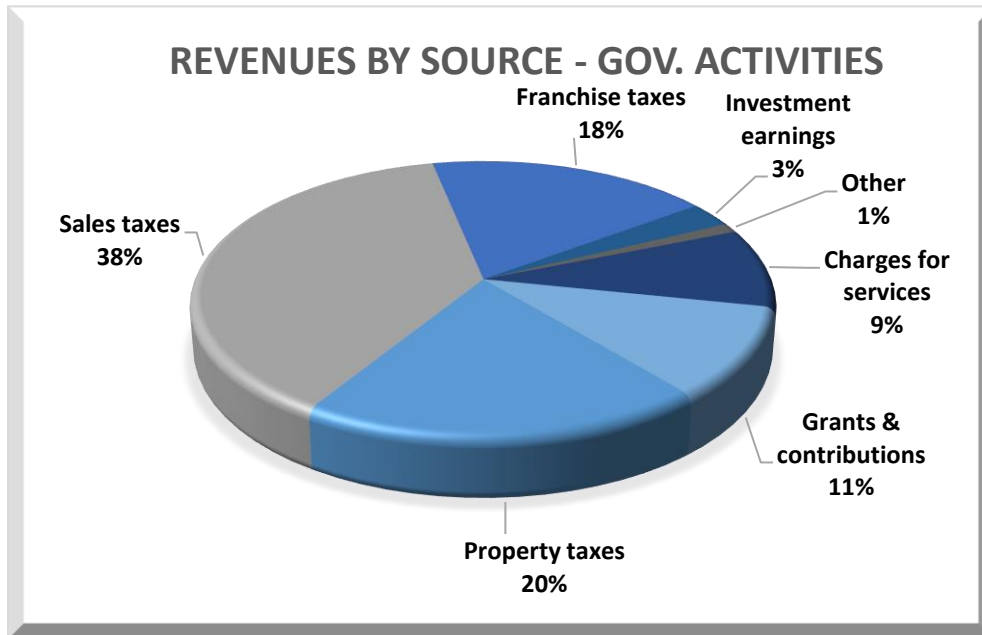
Although there were no significant fee structure or operational changes during the current fiscal year, there were many financial variances from fiscal year 2015. As indicated by the data in the table on page 6, the change in the City's net position provided by current year governmental activities was \$7,668,789 more than last year's net decrease of \$4,485,611 due to the following four factors:

1. In fiscal year 2015 GASB 68 was implemented and a prior period adjustment, decreasing net position by \$6,246,567, was made in compliance with the reporting requirements for employee pension plans. Additionally, an offsetting prior period adjustment increasing net position by \$43,070 correcting utility billing revenues was also posted. The net decrease to net position for governmental activities was \$6,203,497. In the current fiscal year there was no such entry.
2. Fiscal year 2016 reported a net increase in governmental activities revenue of \$597,126, attributed to the following factors:
 - Governmental activities charge for service revenue decreased by \$498,444, due primarily to reductions in street opening permits paid by developers and tenant lease payments.
 - Operating grants and contributions revenue increased \$196,305 from 2015, due primarily to \$144,909 in new Davis County contributions and a net \$51,396 increase in public safety grants.
 - Capital grants and contributions revenue increased \$87,141 from 2015, due to an increase of developer capital asset donations.
 - Overall property and other tax revenues increased \$723,424 from 2015, due to the following: property taxes increased by \$251,915, sales taxes increased by \$488,924, and franchise taxes decreased by \$17,415 from 2015.
 - Other revenue increased by \$88,700, due principally to increased investment earnings.
3. Current-year governmental activities expenses decreased by \$676,053, attributed to the following factors:
 - General government expenses decreased \$96,518 from 2015 due largely to a \$149,721 decrease in RAP tax expenditures for payments to the Centerville City Redevelopment Agency per an interlocal agreement to aid in the construction of a local performance theatre. This reduction was offset by a net increase of \$53,203 in various increases and decreases in general governmental expenses that were fairly routine in nature.
 - Public safety expenses increased \$491,572 from 2015, due principally to increases that will be explained under the Financial Analysis of Governmental Funds section. The conversion for this function from governmental fund expenditures to governmental activities expenses was fairly comparable to 2015.
 - Highways and Streets expenses increased \$79,529 from 2015, due to \$179,230 in increases that will be explained under the Financial Analysis of Governmental Funds section offset by \$99,701 in reduced conversion expense from 2015. In 2015 the conversion for this function from governmental fund expenditures to governmental activities expenses added \$99,701 more expenses than current year principally from capital asset conversions.
 - Planning and Engineering and Parks expenses decreased by \$14,926, which is the net result of other transactions too numerous and small to warrant further explanation.
 - Redevelopment expenses decreased by \$1,120,188 from 2015 due to a \$2,168,907 increase that will be explained under the Financial Analysis of Governmental Funds section that was partially offset by a net \$1,048,719 in reduced conversion expenses. In 2015 the conversion for this function from governmental fund expenditures to governmental activities expenses added \$1,048,719 more expenses than the current year principally from capital asset conversions where the costs for a building purchased and a building remodeled were capitalized out of expense. In the current year the capital costs were significantly less, and thus the conversion less.
 - Interest on long-term debt decreased by \$15,522 from 2015 due to the final payment on the sales tax revenue refunding bonds, series 2013, falling in fiscal year 2015. This left only the series 2009 sales tax revenue bonds outstanding during the current fiscal year.
4. In fiscal year 2016, the transfer from the Light and Power fund and the General Fund was \$192,113 higher than in fiscal year 2015.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016**

Financial Analysis of Governmental 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.



CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016

Financial Analysis of Business-type Activities

For the period ended June 30, 2016, business-type activities increased the City's net position by \$3,539,081. This increase was achieved while maintaining the same, if not improved, level of services without any significant changes to the City's fee schedule or obtaining any new long-term financing.

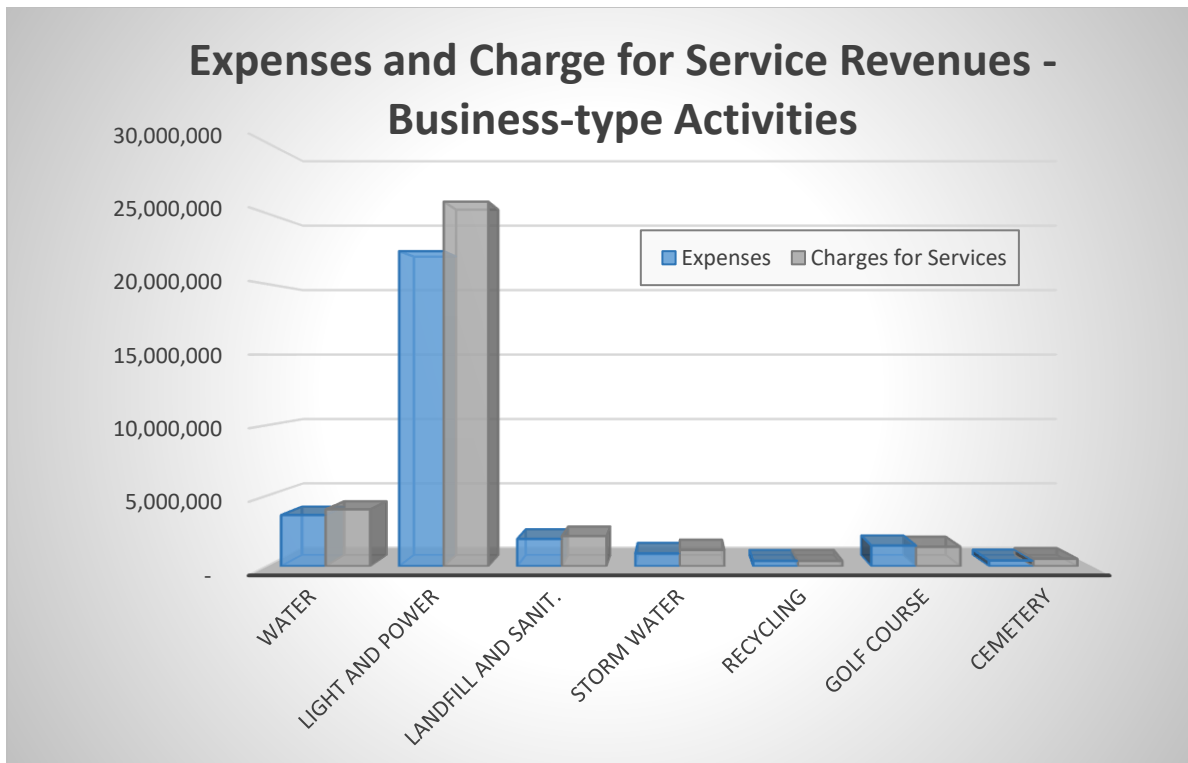
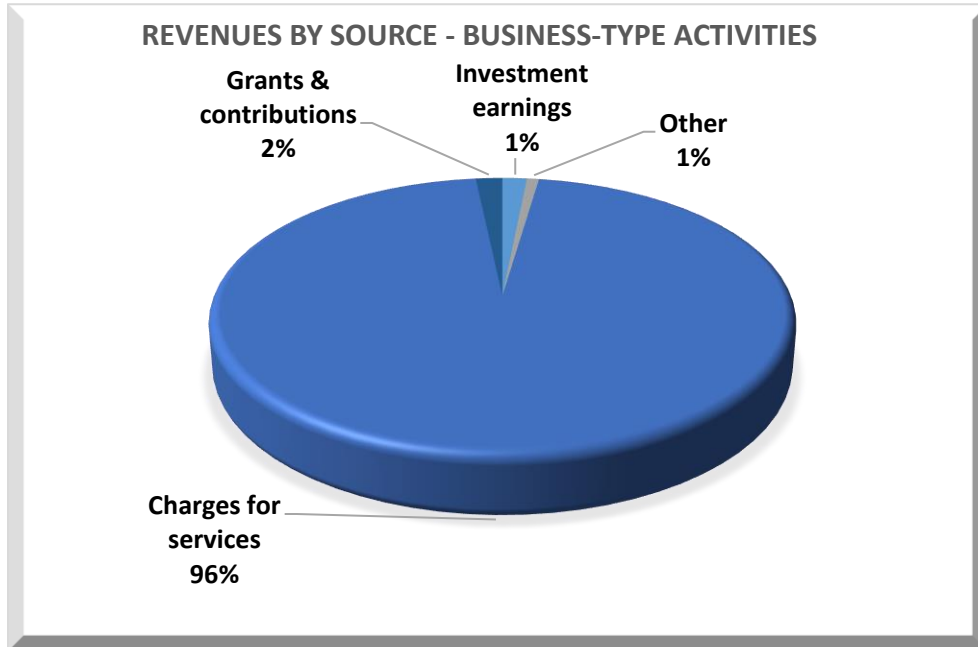
Although there were no significant fee structure or operational changes during the current fiscal year, there were many financial variances from fiscal year 2015. As indicated by the data in the table on page 6, the change in the City's net position provided by current year business-type activities was \$2,550,077 more than last year's net increase of \$989,004 due to the following four factors:

1. In fiscal year 2015 GASB 68 was implemented and a prior period adjustment, decreasing net position by \$2,314,934, was made in compliance with the reporting requirements for employee pension plans. Additionally, an offsetting prior period adjustment increasing net position by \$914,098 correcting utility billing revenues was also posted. The net decrease to net position for business-type activities in 2015 was \$1,400,836. In the current fiscal year there was no such entry.
2. Net increase in business-type activities revenue was \$90,004, attributed to the following factors:
 - Business-type activities charge for service revenue increased by \$19,487 from 2015. This increase is the net result of smaller increases and decreases throughout the various enterprise funds. The changes from 2015 were due to customer demand fluctuations and not caused by fee schedule changes or service offering changes, as both remained the same from 2015.
 - Grants and contributions revenue decreased \$29,374 from 2015 due to the following: \$36,326 decrease in water impact fees partially offset by a \$9,403 increase in water capital asset contributions, a net \$1,136 increase of Light and Power capital asset contributions, a \$8,357 decrease in Storm Water capital asset contributions partially offset by a \$4,390 increase in Storm Water impact fees, and an \$380 increase in Cemetery capital donations.
 - Other revenue increased by \$99,891, due to changes from 2015 of: increased investment earnings of \$143,221 principally due to increased interest rates, decreased miscellaneous revenue of \$16,236, and decreased gain on sale of capital assets of \$27,094.
3. Current-year business-type activities expenses decreased by \$1,251,350, attributed to the following factors:
 - The Water fund expenses increased by \$137,496 from 2015, due the following: a \$69,873 increase in personnel wage and benefit expenses due primarily to a 2% COLA, a net \$31,157 increase in operating expenses, an \$40,307 increase in depreciation expense, and a \$3,841 decrease in government-wide conversion expense for the elimination of the City's internal service fund net loss.
 - The Light and Power fund expenses decreased by \$1,373,067 due to changes from 2015 of: a \$138,854 increase in personnel wage and benefit expenses due primarily to a 2% COLA, a net \$1,312,609 decrease in operating expenses principally from a 2015 \$1,045,012 repair of a power plant turbine engine, an \$184,868 increase in depreciation expense, a \$148,709 decrease in electric power purchases and a net \$215,070 decrease in electric power generation costs due principally to weather changes causing less customer demand, a net increase in expenses of \$15,829 coming from various smaller transactions, and a \$36,230 decrease in government-wide conversion expense for the elimination of the City's internal service fund net loss.
 - The Landfill and Sanitation fund expenses decreased by \$66,049 from 2015, which is the net decrease of various transactions that typically have small fluctuations from year-to-year, and are too small and numerous to discuss.
 - The Storm Water fund expenses increased by \$43,314 from 2015, which is the net increase of various transactions that typically have small fluctuations from year-to-year, and are too small and numerous to discuss.
 - The Recycling fund expenses increased by \$9,486 from 2015, due principally to an increase in contracted collection fees of \$9,441.
 - The Golf Course fund expenses decreased by \$16,369 from 2015, which is the net decrease of various transactions that typically have small fluctuations from year-to-year, and are too small and numerous to discuss.
 - The Cemetery fund expenses increased \$13,839 from 2015, which is the net increase of various transactions that typically have small fluctuations from year-to-year, and are too small and numerous to discuss.
4. Light and Power fund transfers to the General fund increased by \$192,113 from 2015.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016**

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.



CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016

Financial Analysis of Governmental Funds

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

At June 30, 2016, the City's governmental funds reported combined ending fund balance of \$41,904,824, an increase of \$3,775,014 over the prior year. \$40,753,385 (97.25%) is available for spending; however, \$1,734,687 (4.14%) has been committed by the City Council and \$35,556,511 (84.85%) has been assigned by the City Manager for subsequent years' capital expenditures and other specified uses, leaving an unassigned amount of \$3,462,187 (8.26%). The remaining \$1,151,439 of fund balance is not available for spending because it is legally restricted by parties outside the financial reporting entity for 1) future landfill closure costs (\$817,277), 2) debt service (\$40), 3) recreation and arts programs (\$282,988), and 4) City sponsored communities that care program expenditures (\$51,134).

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 \$3,462,187. As a measure of the General Fund's liquidity, it may be useful to compare this amount to total fund expenditures of \$16,271,917 (21.28% or 78 calendar days). During the year ended June 30, 2016, the fund balance of the General Fund increased \$103,278 from the prior fiscal year. This represents a 3.02% change in fund balance. This increase was \$7,696 more than last fiscal year's fund balance increase of \$95,582 due to the following five reasons:

1. General Fund revenues increased by \$588,924 from 2015, attributed to the following factors:
 - \$389,747 increase in tax revenue from the following sources: \$210,479 increase in property tax because of increased property values and collection rates, \$196,683 increase in sales tax, and a \$17,415 decrease in franchise tax.
 - \$101,133 decrease in licenses and permits revenue.
 - \$197,305 increase in intergovernmental revenue, primarily from \$144,909 in new revenue received as part of a .25% Davis County sales tax increase with a municipal share requirement that began April 1, 2016 to be used for transportation expenditures.
 - \$29,037 increase in charge for service revenue.
 - \$73,968 combined increase in: fines and forfeitures, investment earnings, and miscellaneous.
2. General Fund expenditures increased by \$753,149, attributed to the following factors:
 - General government expenditures increased by \$102,998, primarily due to an \$85,276 increase in the Legal Department's expenditures caused by the cash-out of accumulated compensated absences of the City Attorney at retirement and professional prosecutor fees paid during interval of not having a City Prosecutor. The remaining increase to expenditures from the general government of \$17,722 is the net figure of various increases and decreases not significant enough to discuss further.
 - Public Safety expenditures increased \$427,174 from 2015, due to the following: \$151,618 increase in assessments paid to the South Davis Metro Fire Agency for fire and emergency responder services, \$290,664 increase in police wages, benefits, and retirement contributions mostly due to a 2% COLA adjustment, \$56,771 increase for police software upgrades, and a net decrease in various operating expenditures of \$71,879.
 - Highways and streets expenditures had a net increase of \$179,230 due principally to a \$94,780 increase in wages, benefits, and retirement contributions associated with a 2% COLA adjustment.
 - Planning and engineering and parks expenditures had a net increase of \$43,747 that is the result of increases and decreases too numerous and small to warrant a detailed explanation.
3. In fiscal year 2016, the transfer in from the Light and Power fund (other financing source) was \$192,113 higher than in fiscal year 2015, and transfers out of the general fund (other financing use) were less by \$26,623 creating a combined increase from 2015 of \$218,736.
4. General Fund sale of capital assets decreased by \$3,745 (other financing source) from 2015.
5. Lastly, in fiscal year 2015 there was posted a prior period adjustment increasing net position by \$43,070 to correct utility billing revenues. In the current fiscal year there was no such adjustment causing a \$43,070 decrease from 2015.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016**

Financial Analysis of Governmental Funds (Continued)

The Capital Projects Fund has a total fund balance of \$27,259,649, 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, 2016, the fund balance in the Capital Projects Fund increased by \$843,018 or 3.19%. This Capital Projects fund balance increase was \$1,601,622 more than last fiscal year's decrease of \$758,604 due to the following three reasons:

1. Capital Project fund revenues increased by \$289,217 from 2015, attributed to the following factors: \$238,093 increase in sales tax revenue, \$53,418 increase in investment earnings, and \$2,294 decrease in miscellaneous revenue.
2. Capital Project fund expenditures decreased by \$1,548,028 from 2015, attributed to the following factors:
 - General government capital outlays decreased by \$436,378 from 2015 due to land purchases decreasing by \$345,740 as there were no purchases during the current fiscal year with the remaining net \$90,638 decrease coming from fewer building and equipment expenditures for the Legislative and IT departments.
 - Public Safety capital outlays decreased by \$55,542 from 2015 coming from fewer equipment expenditures.
 - Highways and Streets capital outlays decreased by \$1,051,897 due to the following: \$107,517 decrease in road repaving and miscellaneous repairs, \$862,853 decrease in costs coming from the reconstruction of 400 East from 1600 North to 400 North, and an \$81,527 decrease coming from fewer equipment expenditures.
 - The remaining decrease in capital outlays of \$4,211 is the net result of other increases and decreases in expenditures too numerous and small to warrant further explanation.
3. Capital Project fund transfers in decreased by \$235,623 from 2015 as the Capital Projects fund in 2015 purchased additional land for a new City park and was reimbursed by transfers from the RAP Tax and General Funds in the amounts of \$209,000 and \$26,623, respectively. There were no transfers into the Capital Projects fund in the current year.

The Redevelopment Agency fund (RDA) has a total fund balance of \$7,541,359, all of which has been assigned by the City Manager for eligible redevelopment projects. During the year ended June 30, 2016, the fund balance in the RDA fund increased \$2,290,639 or 43.63%. This increase was \$2,636,318 more than last fiscal year's decrease of \$345,679. The \$2,636,318 positive change consisted of the following two items:

1. RDA fund revenue increased by \$467,411 from 2015, attributed to the following factors:
 - Property tax increment revenue increased by \$41,436 from 2015 because of increased property values and collection rates.
 - Intergovernmental and interest on investment revenue had a decrease of \$6,433 from 2015.
 - Miscellaneous revenue increased by \$432,408 from 2015, due primarily to increased principal payments received from the revolving loan program conducted by the RDA (the long-term notes receivables are only recognized in the Statement of Net Position as the RDA is a governmental fund with a current-financial resources focus).
2. RDA fund expenditures decreased by \$2,168,907 from 2015, attributed to the following factors:
 - Bad debt expenditures decreased by \$167,410 from 2015, as 2015 had a defaulted loan while there were none in the current year.
 - Special project expenditures decreased by \$1,061,714 from 2015 as 2015 had \$1,150,562 in project expenditures primarily from the remodel of the Bountiful Davis Arts Center building and purchase of the Bountiful Historical Society building, while the current year only had \$88,848 in project expenditures primarily from remodel costs for the purchased Bountiful Historical Society building.
 - RDA Renaissance Towne Centre parking structure lease payments made to the City's Municipal Building Authority (MBA) stopped in fiscal year 2015 when the MBA made the final bond payment. This decreased the RDA's current year expenditures by \$387,902 from 2015.
 - Miscellaneous expenditures decreased \$558,358 from 2015, as the RDA in 2015 deeded over land with a carrying value of \$558,358 to a local business as part of a redevelopment agreement. There were no miscellaneous expenditures in the current year.
 - The remaining increase in expenditures of \$6,477 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, 2016

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 \$3,600,961, \$25,726,184, and \$13,846,996, respectively. The increase in total net position from fiscal year 2015 was \$547,623, \$2,150,060, and \$496,953 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 was a \$305,000 increase in appropriations between the original and final amended budgeted expenditures. Following are the components of the increase:

1. An increase of \$116,000 for a pass through of the property tax increment from the General Fund to the City's RDA as well as the West Bountiful City's RDA to be used for the tax levy purposes.
2. An increase of \$90,000 to account for retirement costs of the former City Attorney and separation costs for the former City Prosecutor (Legal).
3. An increase of 15,000 for interim work of a contracted City Prosecutor (Legal).
4. An increase of \$74,000 to cover Police costs for the following areas:
 - \$25,000 in officer wages in connection with grant programs.
 - \$8,000 in training costs for the Communities That Care and grant programs.
 - \$14,000 in grant funded equipment.
 - \$27,000 in equipment costs for the Emergency Operations Center and camera equipment.
5. An increase of \$10,000 to fund costs for a FEMA Flood Map appeal and increased costs for payment of interest on performance bonds held by the City to guarantee contractor performance.

The increase in expenditure appropriations was possible because of \$116,000 in additional property tax increment and sales and use taxes collections of \$189,000.

Each year the City seeks to adopt budgets for revenues and expenditures that will be conservative estimates of what will ultimately transpire. Due to a variety of factors, revenues and expenditures will vary from budget. For the fiscal year 2016, 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 \$1,028,749 due to a sales tax fund reallocation at year end in the amount of \$1,471,209 to maintain the General Fund's fund balance at the 25% maximum required by Utah State code and to support current and future capital project needs. This reallocation left General Fund Sales Tax revenues at \$4,159,775 which resulted in a \$1,028,749 unfavorable budget to actual variance.
2. Actual franchise taxes were down by \$150,744 due to lower than budgeted amounts from municipal telecommunications, electricity, natural gas and E911, moderated somewhat by cable franchise tax collections exceeding budget by \$13,419.
3. Actual intergovernmental revenues came in \$284,310 higher than the final budget for the following reasons:
 - State and interlocal public safety funds were budgeted at \$0 with revenues coming in at \$88,694 or a \$88,694 favorable variance due to reclassification of budget reporting categories and additional revenues received.
 - Class C Road funds from the State of Utah were budgeted at \$1,240,000 but came in at \$1,305,921 which resulted in a favorable \$65,921 budget to actual variance. The variance is due to a conservative budget philosophy and a legislative revision to the funding formula from the State of Utah.
 - County Highway Transit Taxes were newly authorized during the budget year by Davis County for the benefit of cities. No budget was set but revenues came in at \$144,909 to deliver a favorable budget to actual variance of \$144,909.
 - The balance of the variance between actual and budget came from a variety of smaller grants and intergovernmental sources.

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016**

General Fund Budgetary Highlights (Continued)

4. Legislative underspent their budget of \$841,307 by \$160,587 which was largely accomplished through cancellation of the municipal election and budgeted expenses due to election of unopposed candidates and a savings in contingency funds not spent for snowplowing due to a favorable winter weather season.
5. Finance's budget of \$598,237 was underspent by \$189,758 through management of salary and benefit costs and administrative reimbursements from the Enterprise Funds of the City in the amount of \$165,408.
6. The Treasury department budget of \$580,337 was underspent by \$289,427 largely through administrative reimbursements from the Enterprise Funds of the City in the amount of \$264,637.
7. The Police department budget of \$7,074,240 was underspent by \$183,838 due to careful management of salaries and benefits cost categories by Police administration.
8. Engineering department's budget of \$790,218 was underspent by \$238,828 due to management of salaries and benefits costs but primarily through administrative reimbursements from the Enterprise Funds of the City in the amount of \$216,972.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities at June 30, 2016, amounts to \$160,001,556 (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 \$5,774,071 (change coming from a \$431,602 increase for governmental activities and a \$5,342,469 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	
	2016	2015	2016	2015	2016	2015
Land	\$ 50,328,466	\$ 50,065,846	\$ 3,372,357	\$ 3,120,089	\$ 53,700,823	\$ 53,185,935
Infrastructure	16,402,775	15,045,018	23,083,436	22,515,714	39,486,211	37,560,732
Buildings and other structures	9,650,635	10,494,147	12,944,296	11,409,294	22,594,931	21,903,441
Improvements other than buildings	1,908,854	2,088,170	974,291	983,868	2,883,145	3,072,038
Street light and traffic signal system	-	-	550,117	642,649	550,117	642,649
Machinery & equipment	2,398,567	2,138,665	21,963,065	22,823,500	24,361,632	24,962,165
Furniture & fixtures	921,784	895,956	133,082	3,498	1,054,866	899,454
Construction in progress	729,287	1,180,964	4,888,990	1,068,553	5,618,277	2,249,517
Intangible asset - power projects	-	-	9,751,554	9,751,554	9,751,554	9,751,554
Total	\$ 82,340,368	\$ 81,908,766	\$ 77,661,188	\$ 72,318,719	\$ 160,001,556	\$ 154,227,485

CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016

Capital Asset and Debt Administration (Continued)

City of Bountiful's Schedule of Capital Asset Current Fiscal Year Additions (Retirements)			
	Governmental Activities	Business-type Activities	Totals
Land Purchases	\$ -	\$ 252,268	\$ 252,268
Land Under City Streets - Developer Donation	262,620	-	262,620
Improvements to Police Building	76,675	-	76,675
Improvements to Cheese Park	50,580	-	50,580
Various purchases of office equipment	178,936	137,456	316,392
Motor Vehicle and Heavy Equipment Purchases	719,241	834,090	1,553,331
New Streets, Curb, Gutter and Sidewalk Infrastructure	960,969	65,403	1,026,372
Developer Donations of Streets, Curb, Gutter and Sidewalk Infrastructure	251,474	-	251,474
Construction on Historical Museum Remodel, Creekside Park Design, Server Upgrade	244,439	-	244,439
Golf Course Cart Path Improvements	-	30,604	30,604
Light and Power Building Remodel	-	2,238,117	2,238,117
New Water and Storm Water Infrastructure (water mains and storm drains)	-	1,760,241	1,760,241
Developer Donations of Storm Water Infrastructure (storm drains)	-	64,891	64,891
Construction on Zesiger Well Pumphouse Rebuild & Bountiful Boulevard Waterline	-	537,249	537,249
Construction on Light & Power Southwest Substation Rebuild & Power Plant Controls	-	3,398,108	3,398,108
Construction on Cemetery Expansion Project	-	47,446	47,446
Less Book Value of Current Year Retired Assets	(6,938)	(148,940)	(155,878)
Less Change in Accumulated Depreciation	(2,306,394)	(3,874,464)	(6,180,858)
Total Change in Capital Asset Carrying Value From the Previous Year	<u>\$ 431,602</u>	<u>\$ 5,342,469</u>	<u>\$ 5,774,071</u>

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

Long-term debt. At the end of the current fiscal year, the City had \$12,312,513 in outstanding bonded debt consisting of sales tax and 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	
	2016	2015	2016	2015	2016	2015
Sales Tax revenue bonds	\$ 220,000	\$ 432,000	\$ -	\$ -	\$ 220,000	\$ 432,000
Unamortized premium	7,513	22,534	-	-	7,513	22,534
Electric revenue bonds	-	-	12,085,000	12,740,000	12,085,000	12,740,000
Total	<u>\$ 227,513</u>	<u>\$ 454,534</u>	<u>\$ 12,085,000</u>	<u>\$ 12,740,000</u>	<u>\$ 12,312,513</u>	<u>\$ 13,194,534</u>

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

**CITY OF BOUNTIFUL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016**

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 2017 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. Specific watch areas continue to be housing starts, existing home sales, commercial construction, vehicle sales, retail sales in general, and credit market and interest rate uncertainty.
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. Existing developments (including those with mixed use) such as the Renaissance Towne Centre, 500 South and the traditional main street areas of the City, will be focus areas of growth for the near future.
3. Sales tax, which is shared with cities by the State of Utah, was projected conservatively with a slight growth level based on overall economic activity and the proportionate share of distribution that the City receives based on population.
4. The City has budgeted \$520,000 in new revenue associated with the County Highway Transit Tax authorized by Davis County. This .25% increase in sales tax began the last quarter of fiscal year 2016 but will be in effect for all of 2017.
5. The City has budgeted an additional \$230,000 in 2017 intergovernmental revenue through the Class B&C Road funds from the State. The State increased the gas tax an additional \$.05 to increase funding of this grant.
6. The budget includes increases in operating costs for personnel merit raises, energy and general goods and services, and cost-of-living increases. Energy costs and health care costs have continued as "watch areas" and are expected to increase at a higher rate than the general level of inflation due to national trends 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 introduction of a Health Savings Account option along with traditional healthcare insurance plans to increase employee awareness of costs and to reduce utilization of high cost areas.
7. Enterprise fund activity reflects some increases in rates and fees charged as outlined below. A further evaluation of the adequacy of fees in the Recycling, Storm Water, Landfill and Sanitation, Power, and Cemetery funds of the City will be made in future budget years to ensure ongoing viability and stability of these Enterprise funds.

As adopted with the 2016-2017 budget, the following rate and fee increases will be effective July 1, 2017 and provide additional revenue for fiscal year 2017:

1. The Storm Water Equivalent Residential Unit (ERU) rate increased from \$5 to \$6. This is a 16.67% increase.
2. 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. The flat fees are determined based on type of customer (i.e., residential, commercial, municipal, etc.). The various flat fees ranged from \$4.20 to \$26.25 for fiscal year 2016 and were increased for fiscal year 2017 to range from \$6 to \$54. The increase percentages range from 14.29% to 42.86%. The rates per kWh remain unchanged.
3. The Light and Power fund also increased their seasonal service connection fees from \$190 to \$260. This is a 36.84% increase.
4. The Landfill and Sanitation fund sells compost and wood chips. The fees for compost increased by \$5 per ton (25% increase) and \$3 per bag (150% increase). The fee for wood chips increased \$5 per ton (25% increase).
5. The curbside recycling rate increased from \$2.50 per month to \$2.75. This is a 10% increase.
6. The Cemetery's grave opening fees for non-residents increased. Adult grave opening fees increased from \$800 to \$1,800 (125% increase) and baby grave opening fees increased from \$200 to \$300 (50% increase).

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.

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BASIC FINANCIAL STATEMENTS

CITY OF BOUNTIFUL
STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 9,418,348	\$ 10,156,552	\$ 19,574,900
Receivables:			
Taxes	4,859,098	-	4,859,098
Accounts, net	338,212	5,087,660	5,425,872
Interest	99,476	103,866	203,342
Intergovernmental	353,358	-	353,358
Investments	33,797,010	35,348,519	69,145,529
Inventories	-	1,969,654	1,969,654
Prepaid expenses	-	112,704	112,704
Noncurrent assets:			
Internal balances	667,905	(667,905)	-
Notes receivable	1,702,768	-	1,702,768
Restricted assets:			
Cash and cash equivalents	2,008,994	2,982,479	4,991,473
Investments	147,536	-	147,536
Receivables	91,673	-	91,673
Other postemployment benefits asset	637,792	408,367	1,046,159
Net pension asset	1,509	2,035	3,544
Capital assets, net:			
Land, land rights, and water rights	50,328,466	3,372,357	53,700,823
Buildings, wells, and reservoirs	9,650,635	12,944,296	22,594,931
Improvements other than buildings	1,908,854	974,291	2,883,145
Power & water transmission, distribution, and collection infrastructure	-	23,083,436	23,083,436
Street light and traffic signal system	-	550,117	550,117
Machinery and equipment	2,398,567	21,963,065	24,361,632
Furniture and fixtures	921,784	133,082	1,054,866
Infrastructure	16,402,775	-	16,402,775
Construction in progress	729,287	4,888,990	5,618,277
Intangible asset - power projects	-	9,751,554	9,751,554
Total Assets	136,464,047	133,165,119	269,629,166
Deferred Outflows of Resources			
Deferred charge on refunding	9,084	-	9,084
Pensions	3,004,956	1,412,923	4,417,879
Total Deferred Outflows of Resources	3,014,040	1,412,923	4,426,963
Total Assets and Deferred Outflows	\$ 139,478,087	\$ 134,578,042	\$ 274,056,129

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

CITY OF BOUNTIFUL
STATEMENT OF NET POSITION (Continued)
June 30, 2016

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current Liabilities:			
Accounts payable	\$ 811,732	\$ 2,245,785	\$ 3,057,517
Accrued liabilities	516,632	460,619	977,251
Accrued interest payable	733	101,120	101,853
Retainage payable - restricted assets	3,342	299,522	302,864
Compensated absences	397,555	214,747	612,302
Bonds payable	227,513	665,000	892,513
Noncurrent Liabilities:			
Unearned revenue	82,993	50,028	133,021
Developer and customer deposits - restricted assets	573,106	868,874	1,441,980
Compensated absences	681,044	442,410	1,123,454
Bonds payable	-	11,420,000	11,420,000
Accrued landfill closure - restricted assets	-	1,265,997	1,265,997
Net pension liability	8,514,454	2,787,582	11,302,036
Total Liabilities	11,809,104	20,821,684	32,630,788
Deferred Inflows of Resources			
Deferred revenue-property taxes	3,342,818	-	3,342,818
Pensions	400,299	363,250	763,549
Total Deferred Inflows of Resources	3,743,117	363,250	4,106,367
Net Position			
Net investment in capital assets	82,121,939	65,576,188	147,698,127
Restricted for:			
Landfill closure	817,277	-	817,277
Debt Service	40	547,706	547,746
Cemetery statue	-	380	380
Regulatory required insurance deposit	520,316	-	520,316
Recreation and arts	282,988	-	282,988
Communities that care	51,134	-	51,134
Unrestricted	40,132,172	47,268,834	87,401,006
Total Net Position	123,925,866	113,393,108	237,318,974
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 139,478,087	\$ 134,578,042	\$ 274,056,129

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, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities							
General government	\$ 3,341,296	\$ 616,701	\$ 34,922	\$ 32,603	\$ (2,657,070)	\$ -	\$ (2,657,070)
Public safety	9,866,805	694,822	121,558	-	(9,050,425)	-	(9,050,425)
Highways and streets	4,063,869	90,955	1,450,830	514,095	(2,007,989)	-	(2,007,989)
Planning and engineering	731,941	447,035	-	-	(284,906)	-	(284,906)
Parks	1,065,934	19,050	-	-	(1,046,884)	-	(1,046,884)
Redevelopment	251,093	-	-	-	(251,093)	-	(251,093)
Interest on long-term debt	10,817	-	-	-	(10,817)	-	(10,817)
Total Governmental Activities	19,331,755	1,868,563	1,607,310	546,698	(15,309,184)	-	(15,309,184)
Business-type Activities							
Water	3,631,578	4,035,730	-	85,411	-	489,563	489,563
Light and power	22,315,745	25,824,251	-	470,463	-	3,978,969	3,978,969
Landfill and sanitation	1,937,430	2,141,057	-	-	-	203,627	203,627
Storm water	912,170	1,159,092	-	70,913	-	317,835	317,835
Golf course	1,467,338	1,380,724	-	-	-	(86,614)	(86,614)
Recycling	377,577	382,605	-	-	-	5,028	5,028
Cemetery	407,908	530,805	-	380	-	123,277	123,277
Total Business-type Activities	31,049,746	35,454,264	-	627,167	-	5,031,685	5,031,685
Total Government	\$ 50,381,501	\$ 37,322,827	\$ 1,607,310	\$ 1,173,865	\$ (15,309,184)	\$ 5,031,685	\$ (10,277,499)
			General Revenues				
			Property taxes		\$ 4,040,013	\$ -	\$ 4,040,013
			Sales taxes		7,623,749	-	7,623,749
			Franchise taxes		3,664,256	-	3,664,256
			Investment earnings		587,417	579,854	1,167,271
			Miscellaneous		198,791	283,365	482,156
			Gain on sale of capital assets		21,178	1,135	22,313
			Transfers		2,356,958	(2,356,958)	-
			Total General Revenues and Transfers		18,492,362	(1,492,604)	16,999,758
			Changes in Net Position		3,183,178	3,539,081	6,722,259
			Net Position, Beginning		120,742,688	109,854,027	230,596,715
			Net Position, Ending		\$ 123,925,866	\$ 113,393,108	\$ 237,318,974

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

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CITY OF BOUNTIFUL
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2016

	<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	\$ 26,255	\$ 6,265,838	\$ 1,731,172	\$ 584,733	\$ 8,607,998
Receivables:					
Taxes	3,695,076	-	1,164,022	-	4,859,098
Accounts - net	330,300	-	-	20	330,320
Interest	9,868	58,760	17,158	5,798	91,584
Intergovernmental	353,358	-	-	-	353,358
Investments	2,192,609	21,116,053	5,834,096	1,970,568	31,113,326
Restricted assets:					
Cash and cash equivalents	627,582	-	-	861,096	1,488,678
Investments	-	-	-	147,536	147,536
Receivables	-	-	-	91,673	91,673
Total Assets	<u>\$ 7,235,048</u>	<u>\$ 27,440,651</u>	<u>\$ 8,746,448</u>	<u>\$ 3,661,424</u>	<u>\$ 47,083,571</u>
Liabilities					
Accounts payable	\$ 444,292	\$ 181,002	\$ 38,360	\$ -	\$ 663,654
Retainage payable - restricted assets	3,342	-	-	-	3,342
Accrued liabilities	510,127	-	2,707	-	512,834
Unearned revenues	-	-	-	82,993	82,993
Developer and customer deposits - restricted assets	573,106	-	-	-	573,106
Total Liabilities	<u>1,530,867</u>	<u>181,002</u>	<u>41,067</u>	<u>82,993</u>	<u>1,835,929</u>
Deferred Inflows of Resources					
Unavailable revenue-property taxes	2,178,796	-	1,164,022	-	3,342,818
Total Deferred Inflows of Resources	<u>2,178,796</u>	<u>-</u>	<u>1,164,022</u>	<u>-</u>	<u>3,342,818</u>
Fund Balances					
Restricted:					
Landfill closure	-	-	-	817,277	817,277
Debt service	-	-	-	40	40
Recreation and arts	-	-	-	282,988	282,988
Communities that care	51,134	-	-	-	51,134
Committed:					
Cemetery perpetual care	-	-	-	1,734,687	1,734,687
Assigned:					
Computer replacement	12,064	-	-	-	12,064
Capital projects	-	27,259,649	-	-	27,259,649
RDA fund	-	-	7,541,359	-	7,541,359
Debt service fund	-	-	-	257,652	257,652
MBA fund	-	-	-	485,787	485,787
Unassigned	3,462,187	-	-	-	3,462,187
Total Fund Balances	<u>3,525,385</u>	<u>27,259,649</u>	<u>7,541,359</u>	<u>3,578,431</u>	<u>41,904,824</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,235,048</u>	<u>\$ 27,440,651</u>	<u>\$ 8,746,448</u>	<u>\$ 3,661,424</u>	<u>\$ 47,083,571</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, 2016

Amounts reported for governmental activities in the statement of net position (page 18) are different because:

Total fund balances - governmental funds (page 20)	\$ 41,904,824
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	82,340,368
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.	637,792
The net pension asset resulting from pension assets exceeding pension liabilities is not an available resource and, therefore, is not reported in the funds.	1,509
RDA and Debt Service Fund's long-term notes receivable are not current financial resources and, therefore, are not reported in the funds.	1,702,768
Deferred outflows of resources coming from deferred charges on refunding of long-term debt are amortized to expense over the life of the outstanding debt in the statement of activities.	9,084
Deferred outflows of resources associated with the net pension liability and asset are not an available resource and, therefore, are not reported in the funds.	3,004,956
Accrued interest expense is not due and payable in the current period and therefore is not recorded in the funds.	(733)
The compensated absences, bonds payable, and net pension long-term liabilities are not due and payable in the current period and therefore are not recorded in the funds.	(9,820,566)
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.	(400,299)
Internal service funds are used by management to charge the cost of insurance for workers' compensation and governmental immunity. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	3,878,258
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.	667,905
Net Position of governmental activities	\$ 123,925,866

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, 2016

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes	\$ 2,599,097	\$ -	\$ -	\$ -	\$ 2,599,097
Sales taxes	4,159,775	2,947,518	-	516,456	7,623,749
Franchise taxes	3,664,256	-	-	-	3,664,256
Property tax increment	-	-	1,440,916	-	1,440,916
Licenses and permits	538,070	-	-	-	538,070
Intergovernmental	1,607,310	-	-	-	1,607,310
Charges for services	1,012,565	-	-	166,426	1,178,991
Fines and forfeitures	151,502	-	-	-	151,502
Investment earnings	143,425	294,909	115,100	33,983	587,417
Miscellaneous	121,282	8,395	983,367	329,303	1,442,347
Total Revenues	13,997,282	3,250,822	2,539,383	1,046,168	20,833,655
Expenditures					
Current:					
General government	2,710,181	-	-	278,809	2,988,990
Public safety	8,946,888	-	-	-	8,946,888
Highways and streets	3,054,369	-	-	-	3,054,369
Planning and engineering	752,038	-	-	-	752,038
Parks	808,441	-	-	-	808,441
Redevelopment	-	-	248,744	-	248,744
Debt service:					
Principal	-	-	-	212,000	212,000
Interest	-	-	-	17,280	17,280
Capital outlay:					
General government	-	167,055	-	-	167,055
Public safety	-	334,560	-	-	334,560
Highways and streets	-	1,656,231	-	-	1,656,231
Parks	-	249,958	-	-	249,958
Total Expenditures	16,271,917	2,407,804	248,744	508,089	19,436,554
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,274,635)	843,018	2,290,639	538,079	1,397,101
Other Financing Sources (Uses)					
Transfer in	2,356,958	-	-	-	2,356,958
Sale of capital assets	20,955	-	-	-	20,955
Total Other Financing Sources (Uses)	2,377,913	-	-	-	2,377,913
Net Change in Fund Balance	103,278	843,018	2,290,639	538,079	3,775,014
Fund Balance, Beginning	3,422,107	26,416,631	5,250,720	3,040,352	38,129,810
Fund Balance, Ending	\$ 3,525,385	\$ 27,259,649	\$ 7,541,359	\$ 3,578,431	\$ 41,904,824

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, 2016

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

Net Change in Fund Balances - total governmental funds (page 22)	\$ 3,775,014
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.	(2,306,394)
Governmental funds report capital outlays as expenditures. These expenditures are reported as capital assets in the statement of net position.	2,230,839
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.	514,095
The accrual effect of the sale/disposal of capital assets. The funds only report the proceeds.	(6,938)
In the statement of activities, the annual cost of OPEB liabilities is recorded.	(33,956)
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.	(1,696)
Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	212,000
Proceeds from repayment of RDA and Debt Service 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.	(1,210,954)
Amounts loaned by the RDA are recorded as expenditures in the Governmental Funds. However, the loan is recorded as a long-term note receivable for the statement of net position.	40,000
In the statement of activities, amortization of premiums and deferred charge on refunding of debt is recorded.	5,936
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expense is reported when due.	527
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.	(1,915,926)
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.	1,913,979
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.	(5,514)
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.	11,467
The combined change in net position of internal service funds is reported within the governmental activities.	(126,990)
Internal service funds had a net current year loss. This loss was eliminated at the government-wide level adding to the fiscal year 2015 internal balance due to governmental activities from business-type activities with associated changes in current year expenses.	87,689
Change in net position of governmental activities	\$ 3,183,178

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 2,435,282	\$ 2,551,282	\$ 2,599,097	\$ 47,815
Sales taxes	4,999,524	5,188,524	4,159,775	(1,028,749)
Franchise taxes	3,815,000	3,815,000	3,664,256	(150,744)
Licenses and permits	445,000	445,000	538,070	93,070
Intergovernmental revenues	1,323,000	1,323,000	1,607,310	284,310
Charges for services	929,984	929,984	1,012,565	82,581
Fines and forfeitures	145,000	145,000	151,502	6,502
Investment earnings	100,278	100,278	143,425	43,147
Miscellaneous	41,000	41,000	121,282	80,282
Total Revenues	<u>14,234,068</u>	<u>14,539,068</u>	<u>13,997,282</u>	<u>(541,786)</u>
Expenditures				
Current:				
General government:				
Legislative	725,307	841,307	680,720	160,587
Legal	357,076	462,076	410,556	51,520
Executive	275,542	275,542	215,416	60,126
Information systems	531,982	531,982	466,673	65,309
Finance	598,237	598,237	408,479	189,758
Human resources	189,901	189,901	116,799	73,102
Treasury	580,337	580,337	290,910	289,427
Government buildings	122,136	122,136	120,628	1,508
Public safety:				
Police	7,000,240	7,074,240	6,890,402	183,838
Fire	2,058,000	2,058,000	2,056,486	1,514
Highways and streets	3,153,258	3,153,258	3,054,369	98,889
Planning and engineering:				
Planning	233,820	233,820	200,648	33,172
Engineering	780,218	790,218	551,390	238,828
Parks	809,501	809,501	808,441	1,060
Total Expenditures	<u>17,415,555</u>	<u>17,720,555</u>	<u>16,271,917</u>	<u>1,448,638</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(3,181,487)</u>	<u>(3,181,487)</u>	<u>(2,274,635)</u>	<u>906,852</u>
Other Financing Sources (Uses)				
Transfer in	2,380,000	2,380,000	2,356,958	(23,042)
Sale of capital assets	4,000	4,000	20,955	16,955
Total Other Financing Sources (Uses)	<u>2,384,000</u>	<u>2,384,000</u>	<u>2,377,913</u>	<u>(6,087)</u>
Net Change in Fund Balance *	<u>\$ (797,487)</u>	<u>\$ (797,487)</u>	103,278	<u>\$ 900,765</u>
Fund Balance, Beginning			<u>3,422,107</u>	
Fund Balance, Ending			<u>\$ 3,525,385</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 REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – REDEVELOPMENT AGENCY SPECIAL
REVENUE FUND
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property tax increment	\$ 1,399,480	\$ 1,399,480	\$ 1,440,916	\$ 41,436
Investment earnings	80,459	80,459	115,100	34,641
Principal payments on notes receivable	458,862	458,862	983,367	524,505
Total Revenues	<u>1,938,801</u>	<u>1,938,801</u>	<u>2,539,383</u>	<u>600,582</u>
Expenditures				
Current:				
Redevelopment	<u>2,565,801</u>	<u>2,565,801</u>	<u>248,744</u>	<u>2,317,057</u>
Total Expenditures	<u>2,565,801</u>	<u>2,565,801</u>	<u>248,744</u>	<u>2,317,057</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(627,000)</u>	<u>(627,000)</u>	<u>2,290,639</u>	<u>2,917,639</u>
Other Financing Sources (Uses)				
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance *	<u>\$ (627,000)</u>	<u>\$ (627,000)</u>	<u>2,290,639</u>	<u>\$ 2,917,639</u>
Fund Balance, Beginning			<u>5,250,720</u>	
Fund Balance, Ending			<u>\$ 7,541,359</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, 2016

	Business-type Activities - Enterprise Funds				Total Enterprise	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		
Assets						
Current Assets						
Cash and cash equivalents	\$ 725,697	\$ 4,533,461	\$ 3,792,025	\$ 1,105,369	\$ 10,156,552	\$ 810,350
Accounts receivable, net	663,838	3,859,502	291,136	273,184	5,087,660	7,892
Interest receivable	7,978	55,051	29,308	11,529	103,866	7,892
Investments	2,691,687	18,774,832	9,967,404	3,914,596	35,348,519	2,683,684
Inventories	173,582	1,737,144	-	58,928	1,969,654	-
Prepaid expenses	83,470	29,234	-	-	112,704	-
Total Current Assets	4,346,252	28,989,224	14,079,873	5,363,606	52,778,955	3,509,818
Noncurrent Assets						
Restricted cash and cash equivalents	73,116	1,585,864	1,265,997	57,502	2,982,479	520,316
Other postemployment benefits asset	75,184	238,780	41,503	52,900	408,367	-
Net pension asset	368	1,159	198	310	2,035	49
Capital assets, net:						
Land, land rights and water rights	339,566	744,284	43,737	2,244,770	3,372,357	-
Buildings, wells and reservoirs	4,085,448	6,674,839	1,551,814	632,195	12,944,296	-
Improvements other than buildings	63,707	-	161,142	749,442	974,291	-
Power & water transmission, distribution, and collection infrastructure	12,392,644	7,020,096	-	3,670,696	23,083,436	-
Street light and traffic signal systems	-	550,117	-	-	550,117	-
Machinery and equipment	555,964	19,971,183	908,140	527,778	21,963,065	-
Furniture and fixtures	-	130,583	-	2,499	133,082	-
Construction in progress	537,249	4,304,295	-	47,446	4,888,990	-
Intangible asset - power projects	-	9,751,554	-	-	9,751,554	-
Total Noncurrent Assets	18,123,246	50,972,754	3,972,531	7,985,538	81,054,069	520,365
Total Assets	22,469,498	79,961,978	18,052,404	13,349,144	133,833,024	4,030,183
Deferred Outflows of Resources						
Pensions	255,636	804,214	137,410	215,663	1,412,923	33,713
Total Deferred Outflows	255,636	804,214	137,410	215,663	1,412,923	33,713
Total Assets and Deferred Outflows	\$ 22,725,134	\$ 80,766,192	\$ 18,189,814	\$ 13,564,807	\$ 135,245,947	\$ 4,063,896

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, 2016

	Business-type Activities - Enterprise Funds				Total Enterprise	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		
Liabilities						
Current Liabilities						
Accounts payable	\$ 343,662	\$ 1,724,359	\$ 5,667	\$ 172,097	\$ 2,245,785	\$ 148,079
Accrued liabilities	44,442	316,712	30,520	68,945	460,619	3,798
Accrued Interest Payable	-	101,120	-	-	101,120	-
Retainage payable - restricted assets	73,116	196,128	-	30,278	299,522	-
Compensated absences	36,108	121,774	27,040	29,825	214,747	-
Revenue bond payable	-	665,000	-	-	665,000	-
Total Current Liabilities	<u>497,328</u>	<u>3,125,093</u>	<u>63,227</u>	<u>301,145</u>	<u>3,986,793</u>	<u>151,877</u>
Noncurrent Liabilities						
Unearned revenue	-	-	-	50,028	50,028	-
Developer and customer deposits - restricted assets	-	842,030	-	26,844	868,874	-
Compensated absences	82,196	249,824	42,334	68,056	442,410	-
Revenue bond payable	-	11,420,000	-	-	11,420,000	-
Accrued landfill closure - restricted assets	-	-	1,265,997	-	1,265,997	-
Net pension liability	504,349	1,586,648	271,100	425,485	2,787,582	66,512
Total Noncurrent Liabilities	<u>586,545</u>	<u>14,098,502</u>	<u>1,579,431</u>	<u>570,413</u>	<u>16,834,891</u>	<u>66,512</u>
Total Liabilities	<u>1,083,873</u>	<u>17,223,595</u>	<u>1,642,658</u>	<u>871,558</u>	<u>20,821,684</u>	<u>218,389</u>
Deferred Inflows of Resources						
Pensions	65,722	206,756	35,327	55,445	363,250	8,667
Total Deferred Inflows	<u>65,722</u>	<u>206,756</u>	<u>35,327</u>	<u>55,445</u>	<u>363,250</u>	<u>8,667</u>
Net Position						
Net investment in capital assets	17,974,578	37,061,951	2,664,833	7,874,826	65,576,188	-
Restricted:						
Debt service	-	547,706	-	-	547,706	-
Regulatory required insurance deposit	-	-	-	-	-	520,316
Cemetery statue	-	-	-	380	380	-
Unrestricted	3,600,961	25,726,184	13,846,996	4,762,598	47,936,739	3,316,524
Total Net Position	<u>21,575,539</u>	<u>63,335,841</u>	<u>16,511,829</u>	<u>12,637,804</u>	<u>114,061,013</u>	<u>3,836,840</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 22,725,134</u>	<u>\$ 80,766,192</u>	<u>\$ 18,189,814</u>	<u>\$ 13,564,807</u>	<u>\$ 135,245,947</u>	<u>\$ 4,063,896</u>
Net Position Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Net Position:					\$ 114,061,013	
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time					(667,905)	
Net Position of Business-type activities (page 18)					<u>\$ 113,393,108</u>	

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

CITY OF BOUNTIFUL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For The Year Ended June 30, 2016

	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	\$ 4,010,025	\$ 25,682,313	\$ 2,141,057	\$ 1,784,587	\$ 33,617,982	\$ 584,186
Connection and servicing	25,705	116,041	-	-	141,746	-
Admissions and lesson fees	-	-	-	812,052	812,052	-
Equipment and facility rents	-	25,897	-	361,419	387,316	-
Concession and merchandise sales	-	-	-	211,153	211,153	-
Sale of cemetery burial plots	-	-	-	284,015	284,015	-
Miscellaneous	4,180	142,056	129,563	7,566	283,365	-
Total Operating Revenues	4,039,910	25,966,307	2,270,620	3,460,792	35,737,629	584,186
Operating Expenses						
Personnel wages and benefits	1,206,172	3,707,469	772,655	1,323,054	7,009,350	142,970
Materials and supplies	294,736	1,266,160	103,031	157,214	1,821,141	-
Repair and maintenance costs	392,593	356,346	382,028	421,860	1,552,827	-
Contractual and professional services	65,304	31,979	132,254	432,906	662,443	17,693
Power purchases	-	12,347,692	-	-	12,347,692	-
Power generation costs	-	904,336	-	-	904,336	-
General and administrative costs	806,535	818,161	181,078	257,880	2,063,654	407,920
Claims	-	-	-	-	-	183,673
Depreciation	809,910	2,181,649	361,837	521,067	3,874,463	-
Total Operating Expenses	3,575,250	21,613,792	1,932,883	3,113,981	30,235,906	752,256
Operating Income (Loss)	\$ 464,660	\$ 4,352,515	\$ 337,737	\$ 346,811	\$ 5,501,723	\$ (168,070)

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, 2016

	<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	\$ 46,107	\$ 316,787	\$ 159,216	\$ 57,744	\$ 579,854	\$ 41,080
Interest expense	-	(612,396)	-	-	(612,396)	-
Gain (loss) from sale of capital assets	(48,555)	(20,351)	-	(43,714)	(112,620)	-
Total Nonoperating Revenues (Expenses)	<u>(2,448)</u>	<u>(315,960)</u>	<u>159,216</u>	<u>14,030</u>	<u>(145,162)</u>	<u>41,080</u>
Income (loss) before transfers	462,212	4,036,555	496,953	360,841	5,356,561	(126,990)
Capital Contributions	85,411	470,463	-	71,293	627,167	-
Transfers out	<u>-</u>	<u>(2,356,958)</u>	<u>-</u>	<u>-</u>	<u>(2,356,958)</u>	<u>-</u>
Change in Net Position	547,623	2,150,060	496,953	432,134	3,626,770	(126,990)
Net Position, Beginning	<u>21,027,916</u>	<u>61,185,781</u>	<u>16,014,876</u>	<u>12,205,670</u>	<u>110,434,243</u>	<u>3,963,830</u>
Net Position, Ending	<u>\$ 21,575,539</u>	<u>\$ 63,335,841</u>	<u>\$ 16,511,829</u>	<u>\$ 12,637,804</u>	<u>\$ 114,061,013</u>	<u>\$ 3,836,840</u>
Changes in Net Position Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Activities:					\$ 3,626,770	
Adjustment to eliminate the current fiscal year's internal service funds net loss from internal customers applicable to business-type activities					(87,689)	
Changes in Net Position of Business-type activities (page 19)					<u>\$ 3,539,081</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, 2016

	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	\$ 3,972,734	\$ 25,903,781	\$ 2,264,637	\$ 3,460,987	\$ 35,602,139	\$ 582,883
Payments to suppliers	(936,018)	(15,339,633)	(630,019)	(1,136,726)	(18,042,396)	(615,489)
Payments to employees and related benefits	(1,234,247)	(3,806,194)	(788,139)	(1,364,244)	(7,192,824)	(147,919)
Payments to other funds for services provided	(287,453)	(572,602)	(149,505)	(106,378)	(1,115,938)	-
Net cash flows from operating activities	1,515,016	6,185,352	696,974	853,639	9,250,981	(180,525)
Cash Flows From Non-Capital Financing Activities						
Transfers out	-	(2,356,958)	-	-	(2,356,958)	-
Net cash flows from non-capital financing activities	-	(2,356,958)	-	-	(2,356,958)	-
Cash Flows From Capital and Related Financing Activities						
Capital contributions	85,411	470,463	-	6,402	562,276	-
Purchase of capital assets	(1,991,494)	(6,207,964)	(256,150)	(845,373)	(9,300,981)	-
Proceeds from sales of capital assets	28,038	7,147	-	1,135	36,320	-
Principal paid on capital debt	-	(655,000)	-	-	(655,000)	-
Interest paid on capital debt	-	(615,234)	-	-	(615,234)	-
Net cash flows from capital and related financing activities	\$ (1,878,045)	\$ (7,000,588)	\$ (256,150)	\$ (837,836)	\$ (9,972,619)	\$ -

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, 2016

	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 Investing Activities						
Investment earnings	\$ 38,790	\$ 266,592	\$ 132,116	\$ 47,068	\$ 484,566	\$ 33,864
Purchase of investments	(1,414,881)	(5,875,278)	(16,060,983)	(5,345,732)	(28,696,874)	(2,473,934)
Sale of investments	1,261,940	5,240,192	14,324,877	4,767,887	25,594,896	2,206,515
Net cash flows from investing activities	(114,151)	(368,494)	(1,603,990)	(530,777)	(2,617,412)	(233,555)
Net Increase (Decrease) In Cash and Cash Equivalents	(477,180)	(3,540,688)	(1,163,166)	(514,974)	(5,696,008)	(414,080)
Cash and Cash Equivalents, Beginning	1,275,993	9,660,013	6,221,188	1,677,845	18,835,039	1,744,746
Cash and Cash Equivalents, Ending	\$ 798,813	\$ 6,119,325	\$ 5,058,022	\$ 1,162,871	\$ 13,139,031	\$ 1,330,666

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, 2016

	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	\$ 464,660	\$ 4,352,515	\$ 337,737	\$ 346,811	\$ 5,501,723	\$ (168,070)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:						
Depreciation	809,910	2,181,649	361,837	521,067	3,874,463	-
Changes in assets and liabilities						
Accounts receivable, net	(67,176)	(62,526)	(5,983)	195	(135,490)	(1,303)
Inventories	17,341	192,059	-	(3,568)	205,832	-
Prepaid expenses	(5,300)	3,543	-	-	(1,757)	-
Other postemployment benefits asset	3,999	12,709	2,210	2,818	21,736	-
Net pension asset	428	1,326	224	350	2,328	50
Deferred outflows - pensions	(169,589)	(535,969)	(91,979)	(144,474)	(942,011)	(22,959)
Accounts payable	242,855	(644,502)	(7,545)	(7,694)	(416,886)	(7,182)
Accrued liabilities	7,773	37,649	6,100	13,532	65,054	45
Retainage payable	73,028	196,128	-	28,961	298,117	-
Unearned revenue	-	-	-	(1,499)	(1,499)	-
Developer and customer deposits	-	27,562	-	(17,914)	9,648	-
Compensated absences	17,361	33,727	5,408	6,715	63,211	-
Accrued landfill closure	-	-	20,312	-	20,312	-
Deferred inflows - pensions	13,715	44,628	7,868	12,417	78,628	2,167
Net pension liability	106,011	344,854	60,785	95,922	607,572	16,727
Net cash flows from operating activities	<u>\$ 1,515,016</u>	<u>\$ 6,185,352</u>	<u>\$ 696,974</u>	<u>\$ 853,639</u>	<u>\$ 9,250,981</u>	<u>\$ (180,525)</u>
Schedule of non-cash capital and related financing activities						
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 64,891	\$ 64,891	\$ -
Capital assets contributed to other funds with a zero book value	\$ 27,241	\$ -	\$ -	\$ -	\$ 27,241	\$ -

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.

Government-Wide and Fund Financial Statements

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

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

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

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

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

The financial resources used to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than expenditures in the government-wide financial statements. Bond premiums and discounts are amortized over the life of the applicable debt. Bond issuance costs are charged to expenditures/expenses as incurred.

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.

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 and proprietary - 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:

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

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

The Bountiful City Redevelopment Agency is a special revenue fund. Special revenue funds are used to account for specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. This fund is used to account for the property tax increment received. Accounting and financial reporting for General and special revenue funds are identical.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major enterprise funds:

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

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

The Landfill 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.

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 may include activities overlapping several fiscal years. The level of the City's budgetary control (that is, the

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets (Continued)

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.

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.

By ordinance, the City Council can amend the budget to any extent, provided the amended budget does not exceed the original budgeted expenditures, in which case a public hearing must be held. With the consent of the City Manager, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year.

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

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

Taxes

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

Sales taxes and 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 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 systems 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 Enterprise Fund are valued by specific identification.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. 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	10-33
Power & Water transmission, distribution, and collection systems	15-50
Infrastructure	30-50
Street light and traffic signal systems	20-30
Machinery and equipment	3-25
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, a deferred charge on the refunding of bonds outflow, and a net pension liability and 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 outflow from a deferred charge on refunding is reported in the government-wide statement of net position and results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The deferred outflows from pensions 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 used to calculate the net pension liability and 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 items that qualify for reporting in this category:

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.

The City's government-wide and proprietary fund statements of net position report deferred inflows from pensions. These deferred inflows result from the differences in the estimates used to calculate the net pension liability and 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 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.

Fund equity

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

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

Restricted fund balance classifications are restricted by enabling legislation. 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 formal action of the City Council, which constraints remain binding unless removed in the same manner.

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

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund equity (Continued)

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.

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 use restricted amounts first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balance, such as grant agreements that require a dollar match. Additionally, the City would then use committed and assigned until lastly the unrestricted fund balance would be applied when expending funds. For the enterprise fund's the City has the same policy to consider restricted net position (i.e. fund equity) to have been depleted before unrestricted net position is applied.

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.

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, 2016, the fair value per share factor for investments in the PTIF was 1.004557.

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, 2016, \$25,405,285 of the City's bank balances of \$26,383,871 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, 2016, \$68,786,612 of the City's \$70,036,612 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 Utah Public Treasurer's Investment Fund and qualified institutions that are diversified have 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, 2016:

	<u>Carrying Value</u>	<u>Fair Value Factor</u>	<u>Fair Value</u>	<u>Credit Rating (1)</u>	<u>Ave. Maturity (Years) (2)</u>
Cash on hand and on deposit:					
Cash on hand	\$ 5,318	1	\$ 5,318.00	N/A	N/A
Cash on deposit	3,844,926	1	3,844,926	N/A	N/A
Cash on Deposit - OPEB	145,108	1	145,108	N/A	N/A
Bond Reserves	547,747	1	547,747	N/A	N/A
Regulatory Insurance Deposit	520,316	1	520,316	N/A	N/A
Utah State Treasurer's investment pool accounts	<u>19,648,066</u>	1.004557	<u>19,737,603</u>	N/A	N/A
Total cash on hand and deposit	<u>\$24,711,481</u>		<u>\$24,801,018</u>		
			(145,108) Less OPEB cash (Net OPEB Asset)		
			\$24,566,373		Total cash as reported on the Statement of Net Position
Investments					
Certificates of deposit	\$ 3,033,790	1.000000	\$ 3,033,790	N/A	0.75
U.S. Agency bonds	36,715,919	1.000000	36,715,919	AA	3.36
U.S. Agency bonds - OPEB	531,038	1.000000	531,038	AA	2.90
U.S. Treasury Bills	516,095	1.000000	516,095	AAA	1.50
Corporate bonds	29,027,261	1.000000	29,027,261	AA-	0.99
Corporate bonds - OPEB	<u>212,510</u>	1.000000	<u>212,510</u>	AA	<u>1.59</u>
Total Investments	<u>\$70,036,613</u>		<u>\$70,036,613</u>		<u>1.85</u>
			(743,548) Less OPEB investments (Net OPEB Asset)		
			\$69,293,065		Total Investments as reported on the Statement of Net P.

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

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

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, 2016, the City's investments of \$70,036,613 had the following recurring fair value measurements:

- Certificates of deposit of \$3,033,790 are valued using quoted market prices (Level 1 inputs).
- U.S. Agency bonds of \$22,038,015 are valued using quoted market prices (Level 1 inputs).
- U.S. Treasury securities of \$516,095 are valued using quoted market prices (Level 1 inputs).
- Corporate bonds of \$13,459,171 are valued using quoted market prices (Level 1 inputs).
- U.S. Agency bonds of \$15,208,942 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 \$15,780,600 are valued using a matrix pricing model (Level 2 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:

	<u>General Fund</u>	<u>Redevelopment Agency</u>
Taxes Receivable:		
Franchise taxes	\$ 290,513	\$ -
Property taxes	2,198,089	-
Property tax increment	-	1,164,022
Sales taxes	<u>1,206,474</u>	<u>-</u>
Total Taxes Receivable	<u>\$ 3,695,076</u>	<u>\$ 1,164,022</u>
Accounts Receivable:	\$ 332,071	\$ -
Less: allowance for uncollectibles	<u>(1,771)</u>	<u>-</u>
Total Accounts Receivable - Net	<u>\$ 330,300</u>	<u>\$ -</u>
Intergovernmental Receivable:		
State of Utah Class B&C Road Funds	\$ 254,263	\$ -
Local Option Transportation Tax	<u>99,095</u>	<u>-</u>
Total Intergovernmental	<u>\$ 353,358</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, 2016 is \$41,391.

NOTE 4 NOTES RECEIVABLE

The Redevelopment Agency has made low cost building rehabilitation loans to businesses in the City. 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, 2016 are as follows:

Balance	Interest	Monthly Payments		Balloon Payments	
<u>June 30, 2016</u>	<u>Rate</u>	<u>Amount</u>	<u>Due Through</u>	<u>Amount</u>	<u>Due</u>
\$ 867	3.00%	\$ 869	July 2016	\$ -	N/A
362,580	3.00%	9,317	December 2019	-	N/A
171,073 *	3.00%	3,862	November 2016	154,603	December 2016
366,762	3.00%	5,794	March 2022	-	N/A
115,961 *	3.00%	4,672	April 2018	17,088	May 2018
130,617	3.00%	1,690	August 2018	95,493	September 2018
37,567	3.00%	300	May 2020	27,302	June 2020
<u>38,851</u>	3.00%	<u>386</u>	February 2026	<u>-</u>	N/A
<u>\$ 1,224,278</u>		<u>\$ 26,890</u>		<u>\$ 294,486</u>	

* During July 2016 these notes receivable were paid off early

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. These bonds will be repaid from amounts levied against the property owners benefited by this construction. The City has established a note receivable on the government-wide financial statements of \$478,490 for the amounts levied, which will be collected in the next fiscal year as the debt service payments come due. Both the special assessment collections and the debt service payments are accounted for within the debt service fund.

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, 2016, is as follows:

	Balance June 30, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 50,065,846	\$ 262,620	\$ -	\$ -	\$ 50,328,466
Construction in progress	1,180,964	1,168,881	-	(1,620,558)	729,287
Total capital assets, not being depreciated	51,246,810	1,431,501	-	(1,620,558)	51,057,753
Capital assets, being depreciated					
Infrastructure	32,454,940	288,000	54,596	1,620,558	34,308,902
Buildings	25,344,416	76,676	18,439	-	25,402,653
Improvements other than buildings	5,917,553	50,580	-	-	5,968,133
Machinery and equipment	8,709,687	728,140	263,645	27,241	9,201,423
Furniture and fixtures	2,524,261	170,037	11,196	-	2,683,102
Total capital assets, being depreciated	74,950,857	1,313,433	347,876	1,647,799	77,564,213
Infrastructure	17,409,922	548,868	52,663	-	17,906,127
Buildings	14,850,269	917,422	15,673	-	15,752,018
Improvements other than buildings	3,829,383	229,896	-	-	4,059,279
Machinery and equipment	6,571,022	468,238	263,645	27,241	6,802,856
Furniture and fixtures	1,628,305	141,970	8,957	-	1,761,318
Total accumulated depreciation	44,288,901	2,306,394	340,938	27,241	46,281,598
Total capital assets, being depreciated, net	30,661,956	(992,961)	6,938	1,620,558	31,282,615
Governmental activities capital assets, net	\$ 81,908,766	\$ 438,540	\$ 6,938	\$ -	\$ 82,340,368

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

Governmental activities	
General government	\$ 392,938
Public safety	710,029
Highways and public improvements	838,290
Parks	261,685
Redevelopment Agency	100,357
Planning & engineering	3,095
Total depreciation expense - governmental activities	<u>\$ 2,306,394</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, 2016:

	Balance June 30, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Business-type Activities					
Capital assets, not being depreciated					
Land, land rights, and water rights	\$ 3,120,089	\$ 252,268	\$ -	\$ -	\$ 3,372,357
Construction in progress	1,068,553	5,905,600	-	(2,085,163)	4,888,990
Intangible asset - power projects	9,751,554	-	-	-	9,751,554
Total capital assets, not being depreciated	<u>13,940,196</u>	<u>6,157,868</u>	<u>-</u>	<u>(2,085,163)</u>	<u>18,012,901</u>
Capital assets, being depreciated					
Buildings, wells and reservoirs	21,410,601	315,318	151,856	2,085,163	23,659,226
Improvements other than buildings	2,968,720	116,007	-	-	3,084,727
Transmission, distribution, and collection infrastructure	65,631,401	1,805,133	700,651	-	66,735,883
Street light and traffic systems	2,985,522	-	-	-	2,985,522
Machinery and equipment	43,938,473	834,090	142,119	(27,241)	44,603,203
Furniture and fixtures	43,304	137,456	-	-	180,760
Total capital assets, being depreciated	<u>136,978,021</u>	<u>3,208,004</u>	<u>994,626</u>	<u>2,057,922</u>	<u>141,249,321</u>
Less accumulated depreciation for					
Buildings, wells and reservoirs	10,001,307	801,046	87,423	-	10,714,930
Improvements other than buildings	1,984,852	125,584	-	-	2,110,436
Transmission, distribution and collection systems	43,115,687	1,152,904	616,144	-	43,652,447
Street light and traffic systems	2,342,873	92,532	-	-	2,435,405
Machinery and equipment	21,114,973	1,694,525	142,119	(27,241)	22,640,138
Furniture and fixtures	39,806	7,872	-	-	47,678
Total accumulated depreciation	<u>78,599,498</u>	<u>3,874,463</u>	<u>845,686</u>	<u>(27,241)</u>	<u>81,601,034</u>
Total capital assets, being depreciated, net	<u>58,378,523</u>	<u>(666,459)</u>	<u>148,940</u>	<u>2,085,163</u>	<u>59,648,287</u>
Business-type activities capital assets, net	<u>\$ 72,318,719</u>	<u>\$ 5,491,409</u>	<u>\$ 148,940</u>	<u>\$ -</u>	<u>\$ 77,661,188</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	\$ 809,910
Light and Power	2,181,649
Landfill and Sanitation	361,837
Storm Water	306,341
Golf Course	178,917
Cemetery	35,809
Total depreciation expense - business-type activities	<u>\$ 3,874,463</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, 2016:

Restricted for regulatory required insurance deposit	\$ 520,316
Restricted for funds received for closure of landfill	1,265,997
Restricted for landfill closure, post-closure and corrective actions	817,277
Restricted for bond payments	547,746
Restricted for customer utility deposits	842,030
Restricted for refundable performance bond deposits	599,950
Restricted for recreation, arts, and/or parks projects (unspent RAP taxes)	282,988
Restricted for the public safety communities that care program	51,134
Restricted for construction retention	302,864
Restricted for cemetery statue	380
Total	\$ 5,230,682

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 \$16,536 during the fiscal year ended June 30, 2016. For fiscal year 2017, 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 \$3,534,608 during the fiscal year ended June 30, 2016. For fiscal year 2017, 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 \$1,856,610 via this contract during the fiscal year ended June 30, 2016. For fiscal year 2017, the budgeted amount for this contract is \$2,550,412.

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 \$6,696,604 for the fiscal year ended June 30, 2016 for net power sales and purchases. For fiscal year 2017, the budgeted amount for this is a net purchase of \$7,260,428.

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 \$617,539 via this contract during the fiscal year ended June 30, 2016. For fiscal year 2017, the budgeted amount for this contract is \$565,000.

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, 2016:

	Balance at June 30, 2015	Additions	Reductions	Balance at June 30, 2016	Due within One Year
Governmental activities					
Sales tax revenue bond	\$ 432,000	\$ -	\$ 212,000	\$ 220,000	\$ 220,000
Plus unamortized premium	22,534	-	15,021	7,513	7,513
Compensated absences	1,090,066	646,192	657,659	1,078,599	397,555
Governmental activity long-term liabilities	<u>\$ 1,544,600</u>	<u>\$ 646,192</u>	<u>\$ 884,680</u>	<u>\$ 1,306,112</u>	<u>\$ 625,068</u>
Business-type activities					
Electric revenue bonds	\$ 12,740,000	\$ -	\$ 655,000	\$ 12,085,000	\$ 665,000
Compensated absences	593,946	454,702	391,491	657,157	214,747
Business-type activity long-term liabilities	<u>\$ 13,333,946</u>	<u>\$ 454,702</u>	<u>\$ 1,046,491</u>	<u>\$ 12,742,157</u>	<u>\$ 879,747</u>

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

Sales Tax Revenue Refunding Bonds Series 2009

In the year 2009 the City issued \$1,591,000 in Sales Tax Revenue Refunding Bonds, Series 2009 with an average interest rate of 3.89% to refund \$1,857,000 of Special Assessment Bonds, Series 2003 with an average interest rate of 5.20%. The sales tax revenue bonds are due in annual principal installments of \$203,000 to \$220,000 through June 1, 2017, plus interest 4.0%, payable annually. The City completed the refunding to reduce its total debt service payments over the next eight years by approximately \$214,000 and to obtain an economic gain of approximately \$189,000. These bonds will be repaid from special assessments levied against the benefited property owners of the original special assessment.

The annual debt service requirements to maturity, including principal and interest for the Sales Tax Revenue Refunding Bonds, Series 2009 as of June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 220,000	\$ 8,800	\$ 228,800
	220,000	8,800	228,800
Plus unamortized premium	7,513		
Total	<u>\$ 227,513</u>		

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 LONG-TERM DEBT (Continued)

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 \$645,000 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 also 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, 2016, the bond fund account had a balance of \$547,706.

The annual debt service requirements to maturity, including principal and interest for the Electric Revenue Bonds, Series 2010 as of June 30, 2016, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 665,000	\$ 596,612	\$ 1,261,612
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
2022-2026	3,880,000	1,946,184	5,826,184
2027-2031	4,750,000	745,113	5,495,113
Total	<u>\$ 12,085,000</u>	<u>\$ 5,426,195</u>	<u>\$ 17,511,195</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 \$2,178,796 and \$1,164,022 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, 2016, is not expected to be received within 60 days after the year ended June 30, 2016, 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, 2016.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSION PLAN

General Information about the Pension Plan

Plan description: The City participates in and contributes to the cost-sharing and the public-safety agent multiple employer defined benefit plans. 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.

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.

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. For the fiscal year ended June 30, 2016, the contributions to the Systems are as follows:

<u>System</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>
Noncontributory	N/A	\$ 1,284,463
Contributory	-	9,287
Public Safety	-	857,665
Tier 2 Public Employees	-	242,475
Tier 2 Public Safety and Firefighter	-	49,087
Tier 2 DC Only	N/A	11,523
Tier 2 DC Public Safety and Firefighter	N/A	9,811
	<u>\$ -</u>	<u>\$ 2,464,311</u>

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSION PLAN (Continued)

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.

Contribution rates are as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rate
Contributory System:			
Local Governmental Division Tier 1	6.00%	N/A	14.46%
Local Governmental Division Tier 2	N/A	N/A	16.67%
Noncontributory System:			
Local Governmental Division Tier 1	N/A	N/A	18.47%
Public Safety System:			
Other Division A Noncontributory Tier 1	N/A	N/A	47.33%
Tier 2 Defined Contribution Only:			
Local Government	N/A	N/A	6.69%
Public Safety	N/A	N/A	24.96%

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

Benefits provided

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%
Contributory	Highest 5 years	30 years any age 25 years age 60* 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	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% to 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.

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 Pensions

At June 30, 2016, the City reported a net pension asset of \$3,544 and a net pension liability of \$11,302,036. 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	0.8396157%	\$ -	\$ 4,750,954
Contributory System	0.1454001%	-	102,195
Public Safety System	100.0000000%	-	6,448,887
Tier 2 Public Employees System	0.2250127%	491	-
Teir 2 Public Safety and Firefighter System	0.2089784%	3,053	-
Total Net Pension Asset/Liability		<u>\$ 3,544</u>	<u>\$11,302,036</u>

The net pension asset and liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015 and rolled-forward using generally accepted actuarial procedures. The proportion 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.

For the year ended June 30, 2016, the City recognized pension expense of \$2,215,983.

At June 30, 2016, the reported deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 674,725	\$ 233,660
Change in assumptions	-	399,477
Net difference between projected and actual earnings on pension plan investments	2,499,797	-
Changes in proportion and differences between contributions and proportionate share of contributions	14,957	130,412
Contributions subsequent to the measurement date	1,228,400	-
	<u>\$ 4,417,879</u>	<u>\$ 763,549</u>

\$1,228,400 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, 2015. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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
2016	\$ 606,438
2017	606,530
2018	606,322
2019	614,437
2020	(1,367)
Thereafter	(6,420)

Actuarial assumptions

The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary Increases	3.50-10.50 percent, average, including inflation
Investment Rate of Return	7.50 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, 2015, 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. 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	<u>100%</u>		<u>5.23%</u>
		<u>Inflation</u>	<u>2.75%</u>
		<u>Expected Arithmetic Nominal Return</u>	<u>7.98%</u>

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PENSION PLAN (Continued)

Actuarial assumptions (Continued)

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.50 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.

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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

<u>System</u>	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Noncontributory	\$ 10,038,294	\$ 4,750,954	\$ 337,085
Contributory	179,975	102,195	36,895
Public Safety	9,518,574	6,448,887	3,903,949
Tier 2 Public Employees	90,078	(491)	(69,134)
<u>Teir 2 Public Safety & Firefighter</u>	<u>5,190</u>	<u>(3,053)</u>	<u>(9,383)</u>
	<u>\$ 19,832,111</u>	<u>\$ 11,298,492</u>	<u>\$ 4,199,412</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.

Payables to the pension plan

At June 30, 2016 the City had \$176,909 in its accrued liabilities balance payable to the Systems for pay periods falling within fiscal year 2016.

NOTE 12 RETIREMENT PLANS

Systems' 401(k) defined contribution plan

The City sponsors a 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.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 RETIREMENT PLANS (Continued)

Systems' 457 deferred compensation plan

The City offers its employees a 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:

Defined Contribution System:	Year Ended June 30,	Employee paid Contributions	Employer paid for Employee Contribution
401(k) Plan *	2016	\$ 103,008	\$ 87,432
	2015	102,737	67,364
	2014	94,913	43,778
457 Plan	2016	\$ 25,900	\$ -
	2015	24,073	-
	2014	21,705	-

* 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 defined contribution deferred compensation plan administered by ICMA Retirement Corporation and Western Reserve Life Assurance Company of Ohio under Internal Revenue Code Section 401(k) for City employees covered by the State's contributory and noncontributory retirement plans. The plan, available to all permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 401(k) deferred compensation monies are not available to the City or its general creditors. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. The rate of City participation can be changed by the City Council. During the year ended June 30, 2016, contributions totaling \$202,039 were made to the plan by employees and \$7,045 by the City.

ICMA 457 deferred compensation plans

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, administered by ICMA Retirement Corporation. The plan, available to all permanent 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. During the year ended June 30, 2016, contributions totaling \$66,386 were made to the plan by employees and \$0 by the City.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 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 \$159,157,610 that includes various category limits, some of which are as follows: (1) buildings and contents limit of \$108,489,240 with a \$10,000 deductible per category, (2) equipment/electronic data processing limit of \$20,630,580 with a \$10,000 deductible, (3) property in open limit of \$25,425,610 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 proprietary funds assume the financial responsibility for risk retained by the City for property damage.
- (3) The Treasurer is covered under a \$1,500,000 bond with a \$15,000 deductible. The City also has public employee dishonesty insurance (an employee blanket bond and commercial crime) with a \$500,000 limit per occurrence and a \$5,000 deductible.
- (4) For workers compensation coverage the City is self-insured up to \$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 eight 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, 2016 and 2015, are as follows:

	General Liability Claims
Balance, June 30, 2014	\$ -
Additions	128,695
Deletions	(128,695)
Balance, June 30, 2015	-
Additions	70,773
Deletions	(100,773)
Balance, June 30, 2016	\$ (30,000)

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 13 RISK MANAGEMENT (Continued)

A summary of changes in workers' compensation claims for the years ended June 30, 2016 and 2015 are as follows:

	Workers' Comp Claims
Balance, June 30, 2014	\$ 102,397
Additions	130,749
Deletions	(176,111)
Balance, June 30, 2015	57,035
Additions	112,900
Deletions	(278,939)
Balance, June 30, 2016	\$ (109,004)

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 14 OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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

Annual OPEB Cost and Net OPEB Asset – The City’s annual OPEB cost (expense) is calculated based on the employer’s annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years. For the fiscal year ended June 30, 2016, the City’s OPEB cost (expense) was \$55,692 and the ARC was \$0.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (Continued)

The following table shows the components of the City's annual OPEB cost, the year, the amount actually contributed to the plan, and changes in the City's net OPEB asset as of June 30, 2016:

Annual required contribution (ARC)	\$ -
Less interest on net OPEB Obligation (NOO)	(52,090)
Adjustments to ARC	<u>107,782</u>
Annual OPEB cost (expense)	55,692
Contributions made (payments out of OPEB asset)	<u>55,692</u>
Decrease in net OPEB asset	55,692
Net OPEB asset - beginning of year	<u>1,101,851</u>
Net OPEB asset - end of year	<u><u>\$ 1,046,159</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for the year ended June 30, 2016, are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset Fiscal Year Ended
June 30, 2016	\$ 55,692	\$ 55,692	100.0%	\$ 1,046,159
June 30, 2015	\$ 55,694	\$ 55,694	100.0%	\$ 1,101,851
June 30, 2014	\$ 46,173	\$ 46,173	100.0%	\$ 1,157,545
June 30, 2013	\$ 46,173	\$ 46,173	100.0%	\$ 1,203,718
June 30, 2012	\$ 46,174	\$ 46,174	100.0%	\$ 1,249,891
June 30, 2011	\$ 142,465	\$ 142,465	100.0%	\$ 1,296,065
June 30, 2010	\$ 142,465	\$ 142,465	100.0%	\$ 1,438,530
June 30, 2009	\$ 142,465	\$ 1,723,460	1,209.7%	\$ 1,580,995

Funded status and Funding Progress – The funded status of the City's plan as of the date of the most recent actuarial valuation (July 1, 2014) is as follows:

Actuarial valuation date	July 1, 2014
Actuarial accrued liability (AAL) July 1, 2014	\$ 826,536
Actuarial value of plan assets at July 1, 2014	<u>1,058,637</u>
Overfunded actuarial accrued liability	<u><u>\$ 232,101</u></u>
Funded ratio (Value of plan assets /AAL)	128.1%
Covered payroll (July 1, 2014 valuation date) (plan closed)	N/A
Unfunded AAL as a percentage of covered payroll	N/A

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 annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, shown as required supplementary information following the notes to the financial statements, presents the results of the most recent OPEB actuarial valuation as of July 1, 2014.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

In the July 1, 2014 actuarial valuation, the cost method used was the projected unit credit with linear proration to decrement. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5% after ten years. Covered payroll included a 3% inflation assumption. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll over fifteen years based on a closed group. The amortization method used for the UAAL was the level dollar method.

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 2016, 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 a deferred revenue from operating leases was booked in the amount of \$82,993.

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

2017	\$	208,323
2018		213,310
2019		-
Total future minimum lease payments	\$	<u>421,633</u>

The MBA earned \$166,426 in rental income from this operating lease for the year ended June 30, 2016. 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 \$6,592,454. 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 \$3,375,757 in outstanding construction commitments at June 30, 2016, as follows:

<u>Contractor</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Spent-to Date</u>	<u>Commitment Outstanding</u>
Entelen Design-Build, LLC	Bountiful History Museum Building Remodel	\$ 314,053	\$ 33,068	\$ 280,985
MGB+A, Inc.	Creekside Park Design	209,555	186,613	22,942
Cracar Construction	Creekside Park Construction	2,239,765	-	2,239,765
Corrio Construction, Inc.	Zesiger Well Pumphouse Reconstruction	196,217	170,128	26,089
M.C. Green & Sons, Inc.	2015 Waterline Projects	965,912	578,509	387,403
Solar Turbine, Inc.	Power Plant Engine Control System Upgrade	478,203	59,630	418,573
Total Construction Commitments Outstanding		<u>\$ 4,403,705</u>	<u>\$ 1,027,948</u>	<u>\$ 3,375,757</u>

NOTE 17 INTERGOVERNMENTAL REVENUE

Intergovernmental revenue for the year ended June 30, 2016 consists of the following:

	<u>General Fund</u>
Utah Class "C" Road allotment	\$ 1,305,921
Local Option Transportation Tax	144,909
Utah Liquor Law Enforcement Grant	36,986
Various State and Local Law Enforcement Grants	88,694
Various Federal Law Enforcement Grants	30,800
Total Intergovernmental Revenue	<u>\$ 1,607,310</u>

NOTE 18 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, 2016, \$817,277 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.

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 18 LANDFILL CLOSURE (Continued)

The estimated liability for these costs is \$2,113,798 as of June 30, 2016. The City has reported and included in accrued liabilities \$1,265,997 as landfill closure and post-closure care liability at June 30, 2016, which is based on 59.89% 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 2016. The City estimates it will close the landfill in or after the year 2051. 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 2016, has investments (at cost) of \$2,099,761 and \$817,277 held in PTIF accounts, for a combined total of \$2,917,038 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 19 INTERNAL BALANCES AND INTERFUND TRANSFERS

At June 30, 2016, the government-wide internal balances were as follows:

Receivable Activity	Payable Activity	Amount
Governmental Activities	Business-Type Activities	\$ 667,905

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, 2015) internal balance of \$580,216 due to governmental activities from business-type activities by \$87,689.

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, 2016 are as follows:

	In	Out
Government		
General Fund	\$ 2,356,958	\$ -
Enterprise		
Light and Power Fund	-	2,356,958
	\$ 2,356,958	\$ 2,356,958

CITY OF BOUNTIFUL
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 20 INTERLOCAL AGREEMENT

The South Davis Metro Fire Agency (Fire Agency) was organized in October 2004, in accordance with the Interlocal Cooperation Act (the Act), by the cities of Bountiful (the City), West Bountiful, Centerville, North Salt Lake, and Woods Cross and Davis County, with a governing body comprised of officials from those entities. The Fire Agency was created for the purpose of providing fire protection and ambulance and paramedic emergency services, and commenced operations on January 1, 2005. Under the agreement, the Fire Agency has full access to, and use of, the City’s fire department assets. As of June 30, 2016, those assets are being reported on the City’s government-wide Statement of Net position in the amount of \$2,336,193 net of \$2,772,098 accumulated depreciation. Related depreciation expense of \$129,696 is reported in the City’s government-wide Statement of Activities. The City retains ownership of those assets. In the event the Fire Agency becomes a Special District with taxing authority, the interlocal agreement would be dissolved and a separate legal entity would be created with its own governing body. Ownership of the assets would transfer to the Special District at that time. As of December 31, 2015, the date of the Fire Agency’s most recent audited year-end, the Fire Agency reported total assets of \$13,193,583 with net position of \$8,622,091 comprised of: \$5,776,574 net investment in capital assets, \$311,490 restricted net position, and \$2,534,027 unrestricted net position.

The Fire Agency is operated with funding supplied by the six member entities. Each entity shares proportionately in the Fire Agency’s operating expenses based on its total property tax-assessed valuation. During the calendar year ended December 31, 2015, these entities provided the following revenues to the Fire Agency for its operations:

Bountiful City	\$ 1,989,937
Centerville City	849,791
Davis County	419,533
North Salt Lake City	1,219,509
West Bountiful City	459,765
Woods Cross City	561,871
	\$ 5,500,406

During its fiscal year ended June 30, 2016, the City reported a General Fund public safety expenditure in the amount of \$2,056,486 related to the above revenue schedule.

The Fire Agency reported total debt of \$3,274,000 at December 31, 2015. This debt represents bonds secured solely by specified revenue sources. Under the terms of the Act, the City is not responsible for any of the Fire Agency’s debt. The Fire Agency’s debt decreased by \$133,000 during the current fiscal year due to scheduled payments on the Ambulance Service Revenue Bonds, Series 2006. The Fire Agency has no outstanding general obligation debt.

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

Subsequent Event

By unanimous vote of all member entities, on July 1, 2016 the Fire Agency became a Special Service District with taxing authority. The new South Davis Metro Fire Service Area (SDMFSA) is governed by its own Board of Trustees made up of elected officials from each participating member entity. SDMFSA will now have taxes and impact fees to cover most capital expenditures; however, most operations will continue to be funded by quarterly member assessments.

As part of the formation of the new District all of the capital assets that were owned by the City but utilized by the Fire Agency 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

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

NOTE 20 INTERLOCAL AGREEMENT (Continued)

Subsequent Event (Continued)

related assets such as fire engines, furniture, and fixtures contained in the fire stations to the SDMFA. As of June 30, 2016 these assets are being reported on the City's government-wide Statement of Net position with a historical cost of \$5,108,291 and accumulated depreciation of \$2,772,098 for a net book value of \$2,336,193.

NOTE 21 CONDUIT DEBT OBLIGATIONS

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

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

As of June 30, 2016, there was one series of Industrial Revenue Bonds outstanding, having an outstanding principal balance of \$2,510,000.

NOTE 22 REDEVELOPMENT AGENCY OF THE CITY OF BOUNTIFUL

For the year ended June 30, 2016, the following activity occurred in the City's Redevelopment Agency:

Tax increment collected from other taxing agencies for Project Area:

<u>Project Area 1</u>	
District #3	\$ 756,864
District #5	213,930
<u>Project Area 2</u>	
District #3	105,441
<u>Project Area 3</u>	
District #3	364,681
	<u>\$ 1,440,916</u>
Amounts loaned to local businesses for startup costs	\$ 40,000
Debt payments on outstanding loans to finance RDA projects	1,009
Amounts expended for site improvements and preparation costs	88,848
Amounts expended for administrative costs	118,887
	<u>\$ 248,744</u>

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BOUNTIFUL
SCHEDULE OF CHANGES IN NET POSITION AND RELATED RATIOS
PUBLIC SAFETY AGENT PLAN (PRESENTED IN THOUSANDS)
For The Year Ended June 30, 2016

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

CITY OF BOUNTIFUL
SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY – LAST TEN FISCAL YEARS*
For The Year Ended June 30, 2016

	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, 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, 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, 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, 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, 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
LAST TEN FISCAL YEARS*
For The Year Ended June 30, 2016**

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	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	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	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 **	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 **	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 **	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**	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
OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS AND
EMPLOYER CONTRIBUTIONS
For The Year Ended June 30, 2016**

The Actuarial Accrued Liability (AAL) as of the actuarial valuation date of July 1, 2014 was \$826,536. During the fiscal year ended June 30, 2009 the City funded 100% of the obligation. The value of the plan assets as of June 30, 2016 is \$888,656. The annual required contribution for the fiscal year ending June 30, 2016 was \$0.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Level Dollar (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Accrued Percentage of Covered Payroll (b-a)/c
July 1, 2014	\$ 1,058,637	\$ 826,536	\$ (232,101)	128%	N/A	N/A
July 1, 2011	\$ 1,410,777	\$ 1,371,005	\$ (39,772)	100%	N/A	N/A
July 1, 2008	\$ -	\$ 1,527,304	\$ 1,527,304	0.0%	\$ 9,159,758	16.7%

Schedule of Employer Contributions

Fiscal Year	Employer Contribution	Annual Required Contribution (ARC)	% of ARC Contributed
July 1, 2014	\$ -	\$ -	N/A
July 1, 2011	\$ -	\$ 4,782	0.00%
July 1, 2008	1,723,460	142,465	1,209.7%

CITY OF BOUNTIFUL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended June 30, 2016

REQUIRED SUPPLEMENTARY INFORMATION NOTE – 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, 2014
Asset Valuation Method....	5-year smoothing
Investment Rate of Return.	7.50%
Inflation.....	2.75%
Salary increases.....	Composed of 2.75% 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.

REQUIRED SUPPLEMENTARY INFORMATION NOTE – PUBLIC SAFETY AGENT PENSION PLAN COVERED EMPLOYEES

Covered Employees	Tier 1 Bountiful Public Safety
Inactive Employees or Beneficiaries Currently Receiving Benefits	42
Inactive Employees Entitled to But Not Yet Receiving Benefits	5
Active Employees	30
Total Agent Employer Tier 1 Plans Covered Employees	77

REQUIRED SUPPLEMENTARY INFORMATION NOTE – PENSION PLANS CHANGES IN ASSUMPTIONS

The following assumption changes were adopted from the most recent actuarial experience study. There was a decrease in the wage inflation assumption for all employee groups from 3.75% to 3.50%. Also there was a modification to the rate of salary increases for most groups. The payroll growth assumption was decreased from 3.5% to 3.25%. There was an improvement in the post-retirement mortality assumption for female educators and minor adjustments to the pre-retirement mortality assumption.

There were additional changes to certain demographic assumptions that generally resulted in: (1) more members are anticipated to terminate employment prior to retirement, (2) slightly fewer members are expected to become disabled, and (3) members are expected to retire at a slightly later age.

SUPPLEMENTAL INFORMATION

CITY OF BOUNTIFUL
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016

	Special Revenue					Total Nonmajor Governmental Funds
	Fund					
	Landfill Closure	RAP Tax	Municipal Building Authority	Cemetery Perpetual Care	Debt Service	
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ 129,860	\$ 396,048	\$ 58,825	\$ 584,733
Receivables:						
Accounts - net	-	-	-	20	-	20
Interest	-	-	1,289	3,926	583	5,798
Investments	-	-	437,631	1,334,693	198,244	1,970,568
Restricted assets:						
Cash and cash equivalents	817,277	43,779	-	-	40	861,096
Investments	-	147,536	-	-	-	147,536
Receivables	-	91,673	-	-	-	91,673
Total Assets	\$ 817,277	\$ 282,988	\$ 568,780	\$ 1,734,687	\$ 257,692	\$ 3,661,424
Liabilities						
Unearned revenue	\$ -	\$ -	\$ 82,993	\$ -	\$ -	\$ 82,993
Total Liabilities	-	-	82,993	-	-	82,993
Fund Balances						
Restricted:						
Landfill closure	817,277	-	-	-	-	817,277
Debt service	-	-	-	-	40	40
Recreation and arts	-	282,988	-	-	-	282,988
Committed	-	-	-	1,734,687	-	1,734,687
Assigned	-	-	485,787	-	257,652	743,439
Total Fund Balances	817,277	282,988	485,787	1,734,687	257,692	3,578,431
Total Liabilities and Fund Balance	\$ 817,277	\$ 282,988	\$ 568,780	\$ 1,734,687	\$ 257,692	\$ 3,661,424

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2016

	Special Revenue Fund				Debt Service	Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Municipal Building Authority	Cemetery Perpetual Care		
Revenues						
Sales taxes	\$ -	\$ 516,456	\$ -	\$ -	\$ -	\$ 516,456
Charges for services	-	-	166,426	-	-	166,426
Investment earnings	6,050	534	5,180	19,223	2,996	33,983
Miscellaneous	-	-	-	58,900	270,403	329,303
Total Revenues	<u>6,050</u>	<u>516,990</u>	<u>171,606</u>	<u>78,123</u>	<u>273,399</u>	<u>1,046,168</u>
Expenditures						
General government	-	274,356	-	-	4,453	278,809
Debt service:						
Principal	-	-	-	-	212,000	212,000
Interest	-	-	-	-	17,280	17,280
Total Expenditures	<u>-</u>	<u>274,356</u>	<u>-</u>	<u>-</u>	<u>233,733</u>	<u>508,089</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,050</u>	<u>242,634</u>	<u>171,606</u>	<u>78,123</u>	<u>39,666</u>	<u>538,079</u>
Other Financing Sources (Uses)						
Transfer out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Fund Balance	6,050	242,634	171,606	78,123	39,666	538,079
Fund Balance, Beginning	<u>811,227</u>	<u>40,354</u>	<u>314,181</u>	<u>1,656,564</u>	<u>218,026</u>	<u>3,040,352</u>
Fund Balance, Ending	<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>

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$ 266,000	\$ 266,000	\$ 270,403	\$ 4,403
Investment earnings	1,400	1,400	2,996	1,596
Total Revenues	<u>267,400</u>	<u>267,400</u>	<u>273,399</u>	<u>5,999</u>
Expenditures				
General government	5,400	5,400	4,453	947
Debt service:				
Principal	212,000	212,000	212,000	-
Interest	17,280	17,280	17,280	-
Total Expenditures	<u>234,680</u>	<u>234,680</u>	<u>233,733</u>	<u>947</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>32,720</u>	<u>32,720</u>	<u>39,666</u>	<u>6,946</u>
Other Financing Sources (Uses)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 32,720</u>	<u>\$ 32,720</u>	39,666	<u>\$ 6,946</u>
Fund Balance, Beginning			<u>218,026</u>	
Fund Balance, Ending			<u>\$ 257,692</u>	

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL –NONMAJOR RAP TAX
SPECIAL REVENUE FUND
For The Year Ended June 30, 2016

	<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	\$ 516,456	\$ 66,456
Investment earnings	1,600	1,600	534	(1,066)
Total Revenues	<u>451,600</u>	<u>451,600</u>	<u>516,990</u>	<u>65,390</u>
Expenditures				
Special Projects	38,000	38,000	8,000	30,000
Centerville City RDA Payments	337,500	337,500	266,356	71,144
Total Expenditures	<u>375,500</u>	<u>375,500</u>	<u>274,356</u>	<u>101,144</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>76,100</u>	<u>76,100</u>	<u>242,634</u>	<u>166,534</u>
Other Financing Sources (Uses)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 76,100</u>	<u>\$ 76,100</u>	242,634	<u>\$ 166,534</u>
Fund Balance, Beginning			<u>40,354</u>	
Fund Balance, Ending			<u>\$ 282,988</u>	

CITY OF BOUNTIFUL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – NONMAJOR MUNICIPAL BUILDING
AUTHORITY SPECIAL REVENUE FUND
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 205,365	\$ 205,365	\$ 166,426	\$ (38,939)
Investment earnings	2,100	2,100	5,180	3,080
Total Revenues	<u>207,465</u>	<u>207,465</u>	<u>171,606</u>	<u>(35,859)</u>
Expenditures				
General government	1,650	1,650	-	1,650
Total Expenditures	<u>1,650</u>	<u>1,650</u>	<u>-</u>	<u>1,650</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>205,815</u>	<u>205,815</u>	<u>171,606</u>	<u>(34,209)</u>
Other Financing Sources (Uses)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 205,815</u>	<u>\$ 205,815</u>	171,606	<u>\$ (34,209)</u>
Fund Balance, Beginning			<u>314,181</u>	
Fund Balance, Ending			<u>\$ 485,787</u>	

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales taxes	\$ 1,675,476	\$ 1,675,476	\$ 2,947,518	\$ 1,272,042
Investment earnings	230,000	230,000	294,909	64,909
Miscellaneous	-	-	8,395	8,395
Total Revenues	<u>1,905,476</u>	<u>1,905,476</u>	<u>3,250,822</u>	<u>1,345,346</u>
Expenditures				
Capital outlay:				
General Government:				
Legislative	550,000	550,000	46,386	503,614
Information Systems	65,000	65,000	67,410	(2,410)
Finance	20,000	20,000	19,059	941
Government Buildings	35,000	35,000	34,200	800
Public Safety:				
Police	540,000	594,000	334,560	259,440
Highways and Streets	2,082,588	2,082,588	1,656,231	426,357
Parks	1,184,000	384,000	249,958	134,042
Total Expenditures	<u>4,476,588</u>	<u>3,730,588</u>	<u>2,407,804</u>	<u>1,322,784</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,571,112)</u>	<u>(1,825,112)</u>	<u>843,018</u>	<u>2,668,130</u>
Other Financing Sources (Uses)				
Transfer in	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance *	<u>\$ (2,571,112)</u>	<u>\$ (1,825,112)</u>	<u>843,018</u>	<u>\$ 2,668,130</u>
Fund Balance, Beginning			<u>26,416,631</u>	
Fund Balance, Ending			<u>\$ 27,259,649</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, 2016**

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Assets					
Current Assets:					
Cash and cash equivalents	\$ 324,863	\$ 454,347	\$ 18,538	\$ 307,621	\$ 1,105,369
Accounts receivable, net	183,639	-	50,455	39,090	273,184
Interest receivable	3,733	4,526	184	3,086	11,529
Investments	1,272,012	1,528,132	62,474	1,051,978	3,914,596
Inventories	-	58,928	-	-	58,928
Total Current Assets	1,784,247	2,045,933	131,651	1,401,775	5,363,606
Noncurrent Assets:					
Restricted cash and cash equivalents	52,585	-	-	4,917	57,502
Other postemployment benefits asset	9,669	27,349	-	15,882	52,900
Net pension asset	92	152	-	66	310
Capital assets, net:					
Land, land rights and water rights	-	1,997,619	-	247,151	2,244,770
Buildings, wells and reservoirs	220,900	411,295	-	-	632,195
Improvements other than buildings	-	527,588	-	221,854	749,442
Power & water transmission, distribution, and collection infrastructure	3,670,696	-	-	-	3,670,696
Machinery and equipment	172,946	253,676	-	101,156	527,778
Furniture and fixtures	-	2,499	-	-	2,499
Construction in progress	-	-	-	47,446	47,446
Total Noncurrent Assets	4,126,888	3,220,178	-	638,472	7,985,538
Total Assets	5,911,135	5,266,111	131,651	2,040,247	13,349,144
Deferred Outflows of Resources					
Pensions	64,051	105,750	-	45,862	215,663
Total Deferred Outflows	64,051	105,750	-	45,862	215,663
Total Assets and Deferred Outflows	\$ 5,975,186	\$ 5,371,861	\$ 131,651	\$ 2,086,109	\$ 13,564,807

CITY OF BOUNTIFUL
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Continued)
June 30, 2016

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Liabilities					
Current Liabilities:					
Accounts payable	\$ 79,154	\$ 43,363	\$ 31,592	\$ 17,988	\$ 172,097
Accrued liabilities	13,337	45,774	-	9,834	68,945
Retainage payable - restricted assets	25,741	-	-	4,537	30,278
Compensated absences	3,619	14,582	-	11,624	29,825
Total Current Liabilities	121,851	103,719	31,592	43,983	301,145
Noncurrent Liabilities:					
Unearned revenue	-	50,028	-	-	50,028
Developer and customer deposits - restricted assets	26,844	-	-	-	26,844
Compensated absences	7,808	42,509	-	17,739	68,056
Net pension liability	126,368	208,635	-	90,482	425,485
Total Noncurrent Liabilities	161,020	301,172	-	108,221	570,413
Total Liabilities	282,871	404,891	31,592	152,204	871,558
Deferred Inflows of Resources					
Pensions	16,467	27,187	-	11,791	55,445
Total Deferred Inflows	16,467	27,187	-	11,791	55,445
Net Position					
Net investment in capital assets	4,064,542	3,192,677	-	617,607	7,874,826
Restricted for cemetery statue	-	-	-	380	380
Unrestricted	1,611,306	1,747,106	100,059	1,304,127	4,762,598
Total Net Position	5,675,848	4,939,783	100,059	1,922,114	12,637,804
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 5,975,186	\$ 5,371,861	\$ 131,651	\$ 2,086,109	\$ 13,564,807

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For The Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Operating Revenues					
Charges for services	\$ 1,159,092	\$ -	\$ 382,605	\$ 242,890	\$ 1,784,587
Admissions and lesson fees	-	812,052	-	-	812,052
Equipment and facility rents	-	357,519	-	3,900	361,419
Concession and merchandise sales	-	211,153	-	-	211,153
Sale of cemetery burial plots	-	-	-	284,015	284,015
Miscellaneous	1,223	4,293	-	2,050	7,566
Total Operating Revenues	1,160,315	1,385,017	382,605	532,855	3,460,792
Operating Expenses					
Personnel wages and benefits	339,320	716,765	-	266,969	1,323,054
Materials and supplies	2,980	147,898	-	6,336	157,214
Repair and maintenance costs	97,877	257,676	-	66,307	421,860
Contractual and professional services	55,678	1,276	375,634	318	432,906
General and administrative costs	63,278	161,369	1,943	31,290	257,880
Depreciation	306,341	178,917	-	35,809	521,067
Total Operating Expenses	865,474	1,463,901	377,577	407,029	3,113,981
Operating Income (Loss)	\$ 294,841	\$ (78,884)	\$ 5,028	\$ 125,826	\$ 346,811

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Nonoperating Revenues (Expenses)					
Investment earnings	\$ 18,176	\$ 22,649	\$ 723	\$ 16,196	\$ 57,744
Gain (loss) from sale of capital assets	(44,849)	1,135	-	-	(43,714)
Total Nonoperating Revenues (Expenses)	(26,673)	23,784	723	16,196	14,030
Income (loss) before transfers	268,168	(55,100)	5,751	142,022	360,841
Capital contributions	70,913	-	-	380	71,293
Changes in Net Position	339,081	(55,100)	5,751	142,402	432,134
Net Position, Beginning	5,336,767	4,994,883	94,308	1,779,712	12,205,670
Net Position, Ending	\$ 5,675,848	\$ 4,939,783	\$ 100,059	\$ 1,922,114	\$ 12,637,804

CITY OF BOUNTIFUL
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For The Year Ended June 30, 2016

	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	\$ 1,158,130	\$ 1,385,017	\$ 395,027	\$ 522,813	\$ 3,460,987
Payments to suppliers	(162,353)	(521,153)	(376,901)	(76,319)	(1,136,726)
Payments to employees and related benefits	(341,047)	(739,537)	-	(283,660)	(1,364,244)
Payments to other funds for services provided	(45,068)	(45,085)	-	(16,225)	(106,378)
Net cash flows from operating activities	<u>609,662</u>	<u>79,242</u>	<u>18,126</u>	<u>146,609</u>	<u>853,639</u>
Cash Flows From Capital and Related Financing					
Capital contributions received	6,022	-	-	380	6,402
Purchase of capital assets	(585,973)	(91,552)	-	(167,848)	(845,373)
Proceeds from sales of capital assets	-	1,135	-	-	1,135
Net cash flows from capital and related financing activities	<u>(579,951)</u>	<u>(90,417)</u>	<u>-</u>	<u>(167,468)</u>	<u>(837,836)</u>
Cash Flows From Investing Activities					
Investment earnings	14,693	18,476	551	13,348	47,068
Purchase of investments	(1,885,413)	(1,981,569)	(194,163)	(1,284,587)	(5,345,732)
Sale of investments	1,681,610	1,767,372	173,175	1,145,730	4,767,887
Net cash flows from investing activities	<u>(189,110)</u>	<u>(195,721)</u>	<u>(20,437)</u>	<u>(125,509)</u>	<u>(530,777)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	<u>(159,399)</u>	<u>(206,896)</u>	<u>(2,311)</u>	<u>(146,368)</u>	<u>(514,974)</u>
Cash and Cash Equivalents, Beginning	<u>536,847</u>	<u>661,243</u>	<u>20,849</u>	<u>458,906</u>	<u>1,677,845</u>
Cash and Cash Equivalents, Ending	<u>\$ 377,448</u>	<u>\$ 454,347</u>	<u>\$ 18,538</u>	<u>\$ 312,538</u>	<u>\$ 1,162,871</u>

CITY OF BOUNTIFUL
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Year Ended June 30, 2016

	<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	\$ 294,841	\$ (78,884)	\$ 5,028	\$ 125,826	\$ 346,811
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:					
Depreciation	306,341	178,917	-	35,809	521,067
Changes in assets and liabilities					
Accounts receivable, net	(2,185)	-	12,422	(10,042)	195
Inventories	-	(3,568)	-	-	(3,568)
Other postemployment benefits asset	512	1,459	-	847	2,818
Net pension asset	101	179	-	70	350
Deferred outflows - pensions	(43,165)	(69,993)	-	(31,316)	(144,474)
Accounts payable	1,890	(11,209)	676	949	(7,694)
Accrued liabilities	3,992	7,116	-	2,424	13,532
Retainage payable	24,424	-	-	4,537	28,961
Unearned revenue	-	(1,499)	-	-	(1,499)
Developer and customer deposits	(17,914)	-	-	-	(17,914)
Compensated absences	7,305	8,045	-	(8,635)	6,715
Deferred inflows - pensions	3,843	5,575	-	2,999	12,417
Net pension liability	29,677	43,104	-	23,141	95,922
Net cash flows from operating activities	<u>\$ 609,662</u>	<u>\$ 79,242</u>	<u>\$ 18,126</u>	<u>\$ 146,609</u>	<u>\$ 853,639</u>
Schedule of non-cash capital and related financing activities					
Contributions of capital assets	\$ 64,891	\$ -	\$ -	\$ -	\$ 64,891

CITY OF BOUNTIFUL
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2016

	Governmental Immunity	Workers' Compensation Self-Insurance	Total Internal Service Funds
Assets			
Current Assets			
Cash and cash equivalents	\$ 503,118	\$ 307,232	\$ 810,350
Interest receivable	4,986	2,906	7,892
Investments	1,695,521	988,163	2,683,684
Other receivables	-	7,892	7,892
Total Current Assets	2,203,625	1,306,193	3,509,818
Noncurrent Assets			
Restricted cash and cash equivalents	520,316	-	520,316
Net pension asset	31	18	49
Total Noncurrent Assets	520,347	18	520,365
Total Assets	2,723,972	1,306,211	4,030,183
Deferred Outflows of Resources			
Pensions	21,473	12,240	33,713
Total Deferred Outflows	21,473	12,240	33,713
Total Assets and Deferred Outflows	\$ 2,745,445	\$ 1,318,451	\$ 4,063,896
Liabilities			
Current Liabilities			
Accounts payable	\$ 35,206	\$ 112,873	\$ 148,079
Accrued liabilities	2,634	1,164	3,798
Total Current Liabilities	37,840	114,037	151,877
Noncurrent Liabilities			
Net pension liability	42,364	24,148	66,512
Total Noncurrent Liabilities	42,364	24,148	66,512
Total Liabilities	80,204	138,185	218,389
Deferred Inflows of Resources			
Pensions	5,520	3,147	8,667
Total Deferred Inflows	5,520	3,147	8,667
Net Position			
Restricted for regulatory required deposit	520,316	-	520,316
Unrestricted	2,139,405	1,177,119	3,316,524
Total Net Position	2,659,721	1,177,119	3,836,840
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 2,745,445	\$ 1,318,451	\$ 4,063,896

CITY OF BOUNTIFUL
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
For The Year Ended June 30, 2016

	Governmental Immunity	Workers' Compensation Self-Insurance	Total Internal Service Funds
Operating Revenues			
Charges for services	\$ 335,709	\$ 248,477	\$ 584,186
Total Operating Revenues	<u>335,709</u>	<u>248,477</u>	<u>584,186</u>
Operating Expenses			
Personnel wages and benefits	89,478	53,492	142,970
Contractual and professional services	12,021	5,672	17,693
General and administrative costs	338,950	68,970	407,920
Claims	70,773	112,900	183,673
Total Operating Expenses	<u>511,222</u>	<u>241,034</u>	<u>752,256</u>
Operating Income (Loss)	<u>(175,513)</u>	<u>7,443</u>	<u>(168,070)</u>
Nonoperating Income (Expense)			
Investment earnings	27,080	14,000	41,080
Total Nonoperating Income (Expense)	<u>27,080</u>	<u>14,000</u>	<u>41,080</u>
Changes in Net Position	(148,433)	21,443	(126,990)
Net Position, Beginning	<u>2,808,154</u>	<u>1,155,676</u>	<u>3,963,830</u>
Net Position, Ending	<u>\$ 2,659,721</u>	<u>\$ 1,177,119</u>	<u>\$ 3,836,840</u>

CITY OF BOUNTIFUL
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended June 30, 2016

	<u>Governmental Immunity</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Cash Flows From Operating Activities			
Receipts from interfund charges	\$ 335,709	\$ 247,174	\$ 582,883
Payments to suppliers	(454,706)	(160,783)	(615,489)
Payments to employees and related benefits	(92,337)	(55,582)	(147,919)
Net cash flows from operating activities	<u>(211,334)</u>	<u>30,809</u>	<u>(180,525)</u>
Cash Flows From Investing Activities			
Interest on investments	22,542	11,322	33,864
Purchase of investments	(981,871)	(1,492,063)	(2,473,934)
Sale of investments	875,736	1,330,779	2,206,515
Net cash flows from investing activities	<u>(83,593)</u>	<u>(149,962)</u>	<u>(233,555)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	(294,927)	(119,153)	(414,080)
Cash and Cash Equivalents, Beginning	<u>1,318,361</u>	<u>426,385</u>	<u>1,744,746</u>
Cash and Cash Equivalents, Ending	<u>\$ 1,023,434</u>	<u>\$ 307,232</u>	<u>\$ 1,330,666</u>
Reconciliation of operating income to net cash flows from operating activities			
Earnings (loss) from operations	\$ (175,513)	\$ 7,443	\$ (168,070)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:			
Changes in assets and liabilities			
Accounts receivable	-	(1,303)	(1,303)
Accounts payable	(33,785)	26,603	(7,182)
Accrued liabilities	312	(267)	45
Net pension asset	32	18	50
Deferred outflows - pensions	(14,673)	(8,286)	(22,959)
Deferred inflows - pensions	1,410	757	2,167
Net pension liability	10,883	5,844	16,727
Net cash flows from operating activities	<u>\$ (211,334)</u>	<u>\$ 30,809</u>	<u>\$ (180,525)</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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net investment in capital assets	\$ 72,416,321	\$ 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
Restricted	3,282,662	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
Unrestricted	35,622,767	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
Total governmental activities net position	<u>\$ 111,321,750</u>	<u>\$ 116,807,204</u>	<u>\$ 121,546,502</u>	<u>\$ 124,096,636</u>	<u>\$ 124,704,936</u>	<u>\$ 118,701,854</u>	<u>\$ 122,699,703</u>	<u>\$ 125,228,299</u>	<u>\$ 120,742,688</u>	<u>\$ 123,925,866</u>
Business-type Activities										
Net investment in capital assets	\$ 47,670,598	\$ 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
Restricted	-	-	-	561,509.00	7,372,346	981,919	537,775	538,343	543,050	548,086
Unrestricted	34,576,315	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
Total business-type activities net position	<u>\$ 82,246,913</u>	<u>\$ 80,775,606</u>	<u>\$ 83,222,941</u>	<u>\$ 84,920,967</u>	<u>\$ 89,932,231</u>	<u>\$ 103,309,545</u>	<u>\$ 105,722,491</u>	<u>\$ 108,865,523</u>	<u>\$ 109,854,027</u>	<u>\$ 113,393,108</u>
Primary Government										
Net investment in capital assets	\$ 120,086,919	\$ 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
Restricted	3,282,662	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
Unrestricted	70,199,082	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
Total primary government net position	<u>\$ 193,568,663</u>	<u>\$ 197,582,810</u>	<u>\$ 204,769,443</u>	<u>\$ 209,017,603</u>	<u>\$ 214,637,167</u>	<u>\$ 222,011,399</u>	<u>\$ 228,422,194</u>	<u>\$ 234,093,822</u>	<u>\$ 230,596,715</u>	<u>\$ 237,318,974</u>

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Government Activities:										
General governmental	\$ 2,994,503	\$ 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
Public safety (1)	7,689,386	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
Highways and streets	3,555,738	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
Planning and engineering	1,038,121	1,069,709	1,011,654	943,285	971,209	981,570	1,022,280	884,133	745,669	731,941
Parks	761,014	876,037	1,078,688	933,052	954,307	937,703	1,003,832	1,002,463	1,067,132	1,065,934
Redevelopment	3,595,301	791,486	639,800	685,492	841,626	707,565	600,355	601,424	1,371,281	251,093
Interest on long-term debt	327,906	306,165	282,736	241,190	198,454	144,060	102,623	19,760	26,339	10,817
Total governmental activities expenses	19,961,969	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
Business-type Activities:										
Water	2,934,761	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
Light and Power	20,388,969	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
Landfill and Sanitation	900,325	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
Storm Water	1,095,165	981,119	1,071,562	1,104,270	1,203,429	1,577,577	971,430	1,148,856	868,856	912,170
Golf Course	1,200,691	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
Recreation (2)	910,196	3,438	7,454	-	-	-	-	-	-	-
Recycling (3)	-	-	-	432,863	442,247	455,047	471,210	407,891	368,091	377,577.00
Sanitation (4)	828,299	896,572	855,234	841,277	806,551	773,031	802,742	-	-	-
Cemetery	326,840	339,247	370,211	352,574	348,443	328,892	325,056	370,992	394,069	407,908
Total business-type activities expenses	28,585,246	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
Total primary government expenses	\$ 48,547,215	\$ 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
Program Revenues										
Government Activities:										
Charges for Services:										
General Government	\$ 3,258,134	\$ 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
Culture and recreation (5)	-	-	-	16,100.00	15,450	15,775	14,725	15,050	16,260	19,050
Other activities (5)	-	-	-	708,025.00	698,977	698,279	711,658	733,684	776,226	785,777
Operating Grants and Contributions	1,414,754	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
Capital Grants and Contributions	63,426	-	1,646,784	271,222	309,910	369,124	66,843	103,235	459,557	546,698
Total gov. activities program revenues	4,736,314	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
Business-type Activities:										
Charges for Services:										
Water	2,150,143	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
Light and Power	22,876,122	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
Landfill and Sanitation	1,518,175	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
Storm Water	727,274	699,480	894,317	893,876	900,375	901,122	907,515	909,566	1,101,803	1,159,092
Golf Course	1,344,969	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
Recreation (2)	104,628	6	-	-	-	-	-	-	-	-
Recycling (3)	-	-	-	442,336	447,835	463,550	482,335	423,248	376,751	382,605
Sanitation (4)	800,914	811,950	828,211	845,858	849,615	847,367	851,060	-	-	-
Cemetery	359,076	288,699	391,069	288,181	330,785	333,490	329,765	423,503	514,595	530,805
Capital grants and contributions	2,728,585	308,939	505,219	27,605	238,801	1,259,961	694,943	745,806	656,541	627,167
Total business-type act. program rev.	32,609,886	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
Total primary gov. program revenues	\$ 37,346,200	\$ 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
Net (expense)/revenue										
Governmental activities	\$ (15,225,655)	\$ (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)
Business-type activities	4,024,640	(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
Total primary government net expense	\$ (11,201,015)	\$ (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)

(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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 3,507,105	\$ 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
Sales taxes	6,254,318	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
Franchise taxes	3,715,208	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
Interest on investments	1,919,796	1,970,897	1,241,243	662,978	616,299	634,846	554,481	504,405	498,436	587,417
Miscellaneous	210,809	207,473	284,854	372,031	198,008	256,859	70,866	102,499	153,874	198,791
Gain (loss) on sale of capital assets	-	11,130.00	377,136	592	5,510	-	-	-	66,376.00	21,178.00
Special items	-	-	-	-	-	-	-	-	-	-
Transfers	2,488,329	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
Total governmental activities	18,095,565	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
Business-type Activities:										
Interest on investments	1,478,239	1,214,638	547,987	221,148	227,931	357,386	400,606	365,492	436,633	579,854
Gain (loss) on sale of capital assets	-	-	-	8,464.00	16,541	17,054	26,016	43,569	28,229	1,135
Special items/Miscellaneous	-	-	-	-	-	545,830.00	280,604.00	304,542	299,601	283,365
Transfers	(2,488,329)	(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)
Total business-type activities	(1,010,090)	(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)
Total primary government	\$ 17,085,475	\$ 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
Change in net position										
Governmental activities	\$ 2,869,910	\$ 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
Business-type activities	3,014,550	(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
Total primary government	\$ 5,884,460	\$ 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

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									
	2007	2008	2009	2010	2011 *	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ -	\$ -	\$ 52,470.00	\$ 22,000						
Unreserved	2,269,106	2,329,130	2,206,184	2,224,136						
Nonspendable					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted					48,000	66,133	84,734	87,637	84,588	51,134
Assigned					66,476	65,325	35,526	23,887	102	12,064
Unassigned					2,184,161	2,177,026	2,448,175	3,215,001	3,337,417	3,462,187
Total General Fund	<u>\$ 2,269,106</u>	<u>\$ 2,329,130</u>	<u>\$ 2,258,654</u>	<u>\$ 2,246,136</u>	<u>\$ 2,298,637</u>	<u>\$ 2,308,484</u>	<u>\$ 2,568,435</u>	<u>\$ 3,326,525</u>	<u>\$ 3,422,107</u>	<u>\$ 3,525,385</u>
All other governmental funds										
Reserved	\$ 3,109,233	\$ 2,920,622	\$ 2,993,891	\$ 2,789,611						
Unreserved, reported in:										
Capital projects funds	25,351,897	28,767,895	30,637,462	32,917,208						
Special revenue funds	5,936,165	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
Committed					-	-	-	-	-	1,734,687
Assigned					37,903,826	31,475,159	34,606,690	32,658,253	32,199,536	35,544,447
Unassigned					-	-	-	-	-	-
Total all other governmental funds	<u>\$ 34,397,295</u>	<u>\$ 34,487,634</u>	<u>\$ 38,100,777</u>	<u>\$ 40,404,604</u>	<u>\$ 41,334,667</u>	<u>\$ 35,003,932</u>	<u>\$ 38,225,538</u>	<u>\$ 36,003,727</u>	<u>\$ 34,707,703</u>	<u>\$ 38,379,439</u>

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

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes (see Table 5)	\$ 13,288,736	\$ 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
Licenses and permits	881,988	633,117	534,007	403,274	400,355	581,680	593,746	668,595	639,203	538,070
Intergovernmental	1,480,425	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
Charges for services	2,407,171	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
Fines and forfeitures	129,968	149,662	161,749	172,085	168,684	156,209	148,891	143,844	150,220	151,502
Investment earnings	1,628,912	1,716,266	1,111,674	618,772	584,963	591,918	514,069	471,769	498,435	587,417
Miscellaneous	391,408	299,587	564,727	750,461	625,364	839,847	828,478	743,655	956,055	1,442,347
Total Revenues	<u>20,208,608</u>	<u>21,012,045</u>	<u>20,067,154</u>	<u>19,179,037</u>	<u>19,532,907</u>	<u>19,936,748</u>	<u>20,469,240</u>	<u>20,338,635</u>	<u>19,837,096</u>	<u>20,833,655</u>
Expenditures										
General government	2,569,487	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
Public safety	6,746,188	7,183,092	7,418,339	7,312,540	7,352,120	7,614,549	7,925,807	8,210,175	8,519,714	8,946,888
Highways and streets	2,605,986	2,812,727	3,552,516	2,870,954	2,815,928	2,629,040	2,923,089	2,877,012	2,875,139	3,054,369
Planning and engineering	1,013,028	1,045,173	1,107,182	924,783	952,352	975,647	968,171	956,440	735,003	752,038
Parks	569,948	653,456	846,255	641,699	631,316	663,523	703,227	747,048	781,729	808,441
Redevelopment	3,581,945	776,795	863,502	1,826,660	1,332,794	1,549,874	1,050,868	2,337,206	2,417,651	248,744
Capital outlay	3,428,120	2,758,226	2,314,410	1,239,934	1,249,395	1,329,963	1,724,560	4,349,757	3,955,832	2,407,804
Debt service:										
Bond issuance costs	-	-	-	52,500	-	-	-	22,681	-	-
Principal	651,000	678,000	696,000	756,000	757,000	788,000	829,000	2,000,000	908,000	212,000
Interest and fiscal charges	320,279	299,852	276,640	238,181	194,309	146,915	122,783	61,749	35,637	17,280
Total expenditures	<u>21,485,981</u>	<u>18,880,982</u>	<u>20,000,124</u>	<u>18,916,549</u>	<u>18,425,617</u>	<u>18,630,090</u>	<u>19,325,793</u>	<u>24,968,594</u>	<u>23,270,153</u>	<u>19,436,554</u>
Excess of revenues over (under) expenditures	<u>\$ (1,277,373)</u>	<u>\$ 2,131,063</u>	<u>\$ 67,030</u>	<u>\$ 262,488</u>	<u>\$ 1,107,290</u>	<u>\$ 1,306,658</u>	<u>\$ 1,143,447</u>	<u>\$ (4,629,959)</u>	<u>\$ (3,433,057)</u>	<u>\$ 1,397,101</u>

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other financing sources (uses):										
Transfers in	\$ 2,488,329	\$ 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
Transfers out	(500,000)	-	(1,130,251)	(329,309)	(2,462,656)	(10,000,000)	(125,045)	-	(235,623)	-
Bond/Loan proceeds	2,947,732	-	-	1,696,150	-	-	-	-	-	-
Bond refunding payment	-	-	-	(1,857,000)	-	-	-	-	-	-
Contributions	-	-	-	-	40,000	-	-	-	-	-
Sale of bonds	-	-	-	-	-	-	-	766,000	-	-
Sale of assets	9,000	11,130	377,136	592	5,510	18,006	23,710	4,650	24,700	20,955
Total other financing sources (uses)	<u>4,945,061</u>	<u>2,336,786</u>	<u>3,279,187</u>	<u>2,091,821</u>	<u>(124,727)</u>	<u>(7,627,546)</u>	<u>2,338,110</u>	<u>3,166,238</u>	<u>2,189,545</u>	<u>2,377,913</u>
Net change in fund balances	<u>\$ 3,667,688</u>	<u>\$ 4,467,849</u>	<u>\$ 3,346,217</u>	<u>\$ 2,354,309</u>	<u>\$ 982,563</u>	<u>\$ (6,320,888)</u>	<u>\$ 3,481,557</u>	<u>\$ (1,463,721)</u>	<u>\$ (1,243,512)</u>	<u>\$ 3,775,014</u>
Debt service as a percentage of non-capital expenditures	5.38%	6.07%	5.50%	5.62%	5.54%	5.40%	5.41%	10.00%	4.89%	1.35%

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
2007	\$ 3,245,271	\$ 6,254,318	\$ -	\$ 3,270,918	\$ 261,833	\$ 13,032,340
2008	3,408,546	6,611,494	109,025	3,284,408	304,531	13,718,004
2009	3,641,990	5,782,606	377,383	3,441,087	262,331	13,505,397
2010	3,660,658	5,407,808	353,592	3,336,534	256,596	13,015,188
2011	3,787,668	5,455,596	357,881	3,584,109	234,039	13,419,293
2012	3,768,350	5,824,824	385,743	3,114,625	216,084	13,309,626
2013	3,743,390	6,058,549	398,441	3,416,274	217,573	13,834,227
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

(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				
2007	\$ 2,044,931	\$ 301,273	223	\$ 58,825	\$ 2,405,253	0.011761	\$ 4,094,867	58.74%
2008	2,045,417	442,665	169	66,443	2,554,694	0.010985	4,307,996	59.30%
2009	1,950,327	421,771	113	64,805	2,437,016	0.011542	4,103,685	59.39%
2010	1,816,905	425,365	113	64,805	2,307,189	0.012593	4,148,847	55.61%
2011	1,716,469	394,201	211	67,812	2,178,693	0.013916	4,138,174	52.65%
2012	1,719,091	390,209	187	63,005	2,172,491	0.014002	3,582,185	60.65%
2013	1,762,165	399,036	187	64,841	2,226,229	0.013632	3,582,185	62.15%
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%

(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
2007	0.011761	0.000912	0.007176	0.002189	0.000200	0.000099	0.000115	0.000305	0.000375	-	0.000390
2008	0.010985	0.000903	0.006764	0.001997	0.000181	0.000088	0.000110	0.000270	0.000332	-	0.000340
2009	0.011542	0.000948	0.007098	0.002108	0.000188	0.000093	0.000113	0.000290	0.000348	-	0.000356
2010	0.012593	0.001037	0.007860	0.002213	0.000207	0.000097	0.000122	0.000315	0.000363	-	0.000379
2011	0.013916	0.001093	0.008861	0.002383	0.000217	0.000104	0.000130	0.000329	0.000392	-	0.000407
2012	0.014002	0.001094	0.008941	0.002391	0.000215	0.000105	0.000131	0.000330	0.000396	-	0.000399
2013	0.013632	0.001063	0.008710	0.002331	0.000210	0.000103	0.000128	0.000324	0.000389	-	0.000374
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

(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, 2015 taxable valuation			December 31, 2006 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	\$ 33,169,991	1	1.33 %	\$ 29,500,676	1	1.55 %
G&E Healthcare Ret/Renaissance LLC	15,376,000	2	0.62			-
Village on Main Street	11,925,455	3	0.48			-
MABEK Co	10,453,117	4	0.42	13,961,700	2	0.73
Questar Gas	10,299,419	5	0.41	7,088,676	5	0.37
Qwest Corporation	9,795,462	6	0.39	13,327,666	3	0.70
Bill Olson Investment LTD-ETHAL	7,990,646	7	0.32	5,681,560	6	0.30
IHC Health Services, Inc.	7,713,512	8	0.31	4,742,867	9	0.25
Orvis, Jason & Orvis Family Company	5,752,015	9	0.23			-
Bountiful Plaza Holdings	5,610,600	10	0.22			
WBC Partners & Commons @ West Bountiful	5,592,732	11	0.22			
HCP Lakeview MOB LLC (Tegra Lakeview Associates LC)	5,125,000	12	0.21	4,677,270	10	
Miller/Horne Carrington Place LLC	5,104,023	13	0.20			
Bountiful Corner LLC	5,068,025	14	0.20			
Heritage Place Owner LLC	4,993,780	15	0.20			-
Colonial Lakeview Aprtments LLC-ETAL	4,840,007	16	0.19			
Hepworth Investment Group LLC	4,732,512	17	0.20			-
Van De Merwe LTD	4,589,531	18	0.18			-
Bountiful Fitness Partners LLC	4,555,000	19	0.18			-
Health Care Property Investors, Inc.	4,325,000	20	0.17			-
RTC Mountainwest Medical	-		-	11,317,860	4	0.59
Winegar, Richard T. & Karleen A	-		-	5,267,795	7	0.28
MBA Properties	-		-	4,902,520	8	0.26
	<u>\$167,011,827</u>		<u>6.70 %</u>	<u>\$ 100,468,590</u>		<u>5.03 %</u>
Taxable Value			\$ 2,499,075,040			\$ 1,904,663,000

Source : Davis County Clerk Auditors Office

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

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year (2)	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years (1)	Total Collections to Date	
		Amount (1)	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 2,301,226	\$ 2,199,574	95.58 %	\$ 67,724	\$ 2,267,344	98.53 %
2008	2,428,220	2,245,833	92.49	95,519	2,341,433	96.43
2009	2,431,751	2,318,633	95.35	107,494	2,426,196	99.77
2010	2,422,258	2,308,004	95.28	83,898	2,388,959	98.63
2011	2,445,006	2,345,918	95.95	108,742	2,442,538	99.90
2012	2,456,415	2,302,118	93.72	97,169	2,379,225	96.86
2013	2,452,020	2,360,398	96.26	88,180	2,419,881	98.69
2014	2,442,814	2,353,263	96.33	74,698	2,351,714	96.27
2015	2,520,959	2,312,056	91.71	107,322	2,419,378	95.97
2016	2,580,854	2,380,164	92.22	67,014	2,447,178	94.82

(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)
2007	\$ 20,241,626	\$ 2,238,864	\$ 50,812	\$ 23,505,689	0.0800
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

(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					
2007	\$ -	\$2,184,000	\$ 5,160,000	\$ -		\$ 7,344,000	0.75 %	\$ 981,834,117	\$ 169
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

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
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-

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, 2016
Table 13

	<u>Total Debt</u>	<u>Applicable to City</u>		<u>City Debt Ratios (2)</u>		
		<u>Percentage</u>	<u>Amount</u>	<u>To assessed value of: \$ 2,703,415,000</u>	<u>To fair value of: \$4,642,505,000</u>	<u>To population of: (per capita) 43,784</u>
Direct City debt:						
Sales Tax Revenue Bonds	227,513	100.00%	227,513	0.01%	0.00%	\$ 5
Total direct debt	<u>\$ 227,513</u>		<u>\$ 227,513</u>			
Overlapping debt:						
State of Utah (1)	\$ -		\$ -			
Weber Basin Water Conservancy District	21,139,452	14.33%	3,028,852	0.11%	0.07%	\$ 69
Davis County	68,504,000	14.33%	9,814,234	0.36%	0.21%	\$ 224
Davis School District	420,660,000	14.33%	60,265,908	2.23%	1.30%	\$ 1,376
South Davis Recreation District	11,440,000	37.67%	4,309,728	0.16%	0.09%	\$ 98
Total Overlapping debt	<u>521,743,452</u>		<u>77,418,722</u>			
Total direct and overlapping debt applicable to the City			<u>\$ 77,646,235</u>	2.87%	1.67%	\$ 1,773

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed value (1)	\$ 2,405,253	\$ 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
Debt Limit - 12% of total assessed value	288,630	306,563	292,442	276,863	261,443	260,700	267,147	252,891	295,468	324,410
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	\$ 288,630	\$ 306,563	\$ 292,442	\$ 276,863	\$ 261,443	\$ 260,700	\$ 267,147	\$ 252,891	\$ 295,468	\$ 324,410
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											
2007	\$ 741,561	\$ 1,651	\$ 739,910	\$ 495,000	\$ 213,148	1.04 %	\$ 269,714	\$ 156,000	\$ 107,131	1.03 %	
2008	738,160	1,650	736,510	517,000	197,682	1.03	269,499	161,000	102,170	1.02	
2009	672,053	5,900	666,153	530,000	179,992	0.94	272,111	166,000	96,648	1.04	
2010	619,992	1,650	618,342	553,000	161,769	0.87	271,222	203,000	76,412	0.97	
2011	618,996	4,223	614,773	578,000	141,569	0.85	269,910	179,000	52,740	1.16	
2012	618,516	-	618,516	602,000	100,440	0.88	269,509	186,000	46,475	1.16	
2013	621,277	4,150	617,127	638,000	82,818	0.86	267,438	191,000	39,965	1.16	
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	

* 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	-	-	-	-

*** 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)
2007	43,576	(1)	\$ 981,834	24,684	28,320	(6)	10,046	(3)	2.50 %
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	42,552	(6)	1,001,687	24,396	31,403	(6)	10,062	(6)	6.20
2012	42,000	(6)	1,038,092	25,052	30,996	(6)	9,931	(6)	5.30
2013	42,898	(6)	1,066,010	24,850	31,659	(6)	10,144	(6)	4.20
2014	42,898	(1),(2)	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)	11,314	(3)	3.30

(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 2016.

(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)	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
South Davis Community Hospital	500 - 999	1	2.41- 4.81 %	500 - 999	2	7.68 - 8.62 %
Lakeview Hospital	250 - 499	2	2.41- 4.81	500 - 999	1	7.68 - 8.62
Smith's Marketplace	250 - 499	3	2.41- 4.81	100 - 249	8	1.72 - 1.91
South Davis Recreation Center	250 - 499	4	1.20 - 2.40	N/A	N/A	N/A
Bountiful Health Center	100 - 249	5	1.20 - 2.40	N/A	N/A	N/A
Bountiful High School	100 - 249	6	0.48 - 1.19	100 - 249	5	1.72 - 1.91
Bountiful Medical Investors LTD	100 - 249	7	0.48 - 1.19	N/A	N/A	N/A
Brighton Rehabilitation	100 - 249	8	0.48 - 1.19	N/A	N/A	N/A
Smith's Food & Drug Centers	100 - 249	9	0.48 - 1.19	N/A	N/A	N/A
Toyota Bountiful	100 - 249	10	0.48 - 1.19	N/A	N/A	N/A
Viewmont High School	100 - 249	11	0.48 - 1.19	100 - 249	6	1.72 - 1.91
BCBU, Inc	N/A	N/A	N/A	250 - 499	3	3.84 - 4.31
Bountiful City Corporation	N/A	N/A	N/A	250 - 499	4	3.84 - 4.31
Dick's Market	N/A	N/A	N/A	100 - 249	7	1.72 - 1.91
WSI Personnel	N/A	N/A	N/A	100 - 249	9	1.72 - 1.91
Developers Investment Company	N/A	N/A	N/A	100 - 249	10	1.72 - 1.91
Total	1,950 - 4,239		12.99 - 27.56 %	2,100 - 4,490		32.36 - 36.09 %

(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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Department										
General Fund										
Legislative	6	6	6	6	6	6	6	6	6	6
Legal	3	3	3	3	3	3	3	3	3	2
Executive	4	4	3	3	3	2	2	3	2	2
Human Resources								2	2	2
Information Systems	4	4	4	4	4	4	4	4	3	4
Administrative	6	6	6	6	6	6	6	5	5	5
Treasurer	8	9	7	6	6	7	7	7	7	7
Government Buildings	1	1	1	2	2	2	2	2	2	2
Police	85	94	96	93	92	94	95	90	77	80
Streets	21	23	22	21	22	21	19	20	23	21
Engineering	10	11	8	8	8	8	8	7	8	8
Parks	20	24	24	14	18	18	20	13	23	21
Planning	4	5	5	4	4	4	4	4	5	4
General Fund Total	172	190	185	170	174	175	176	166	166	164
Enterprise Funds										
Storm Water (1)	2	2	2	3	3	3	3	2	3	3
Water	21	24	19	19	19	13	18	16	16	15
Light and Power	43	43	38	39	38	39	37	38	36	34
Golf	41	45	43	40	39	43	46	47	46	49
Landfill (1)	9	9	9	10	8	9	9	11	9	9
Sanitation	5	6	5	6	5	6	5	6	6	5
Cemetery	11	12	9	7	9	9	11	8	7	8
Enterprise Fund Total	132	141	125	124	121	122	129	128	123	123
Internal Service Funds										
Risk Management (1)	-	-	-	-	-	-	-	-	-	-
Workers Compensation (1)	-	-	-	-	-	-	-	-	-	-
Internal Service Fund Total	-	-	-	-	-	-	-	-	-	-
Redevelopment Agency										
Redevelopment Agency (1)	-	-	-	-	-	-	-	-	-	-
Total Positions	304	331	310	294	295	297	305	294	289	287

(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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	2,120	2,145	2,135	2,150	2,151	2,135	2,144	2,145	2,142	2,145
Number of traffic signals	N/A	N/A	14	14	13	13	15	15	15	15
Miles of streets	158.00	158.00	158.98	158.98	158.98	159.06	159.06	159.06	159.06	159.06
Public Services:										
Recreation and culture:										
Number of municipal parks	16	16	13	13	13	13	13	13	13	13
Number of municipal picnic areas	21	21	19	19	19	19	19	19	19	19
Number of municipal tennis courts	23	24	24	24	24	24	24	20	20	20
Number of municipal soccer fields	5	5	5	5	5	5	5	6	6	6
Number of municipal ball diamonds	10	10	10	10	10	10	10	10	10	10
Number of Trail Heads	1	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	228.00	228.01	228.37	228.52	228.52	228.52	229.12	229.12	229.16	229.36
Municipal water plants:										
Number of fire hydrants	N/A	N/A	1,580	1,567	1,571	1,588	1,599	1,612	1,618	1,629
Miles of water mains	171.00	171.00	172.96	175.46	175.46	175.70	175.85	176.31	176.38	176.40
Max instantaneous water source capacity (gallons per minute)	N/A	N/A	9,100	9,100	9,100	8,900	8,900	9,000	9,000	9,500
Sanitation utilities:										
Number of collection trucks	12	13	13	11	12	12	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)	73.00	74.00	74.74	74.65	75.49	71.20	71.14	71.16	69.65	70.14
Miles of storm water lines (concrete lined)	4.00	4.00	4.21	4.21	4.20	1.40	1.40	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), November 2015: 22,146

Number of votes cast in 2015 election: 10,183

Percentage of registered voters voting: 45.98%

Sources: Various City of Bountiful Departments.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function/Program										
General Governmental:										
Ordinances passed	15	12	10	13	10	13	8	14	28	12
Resolutions passed	3	11	11	13	11	8	10	14	11	14
Public Safety:										
Hazardous citations written	2,062	2,540	2,839	3,082	2,617	1,973	1,973	2,142	2,258	2,215
Non-hazardous citations written	1,826	2,186	2,776	1,894	1,300	1,353	1,353	1,005	1,469	1,458
Arrests	1,855	1,674	1,657	1,688	1,260	1,448	1,448	1,611	1,086	1,382
Highways and Streets:										
Miles of street overlaid	5.00	8.00	5.16	4.50	5.19	5.50	5.60	6	7	5.18
Miles of street reconstructed	1.00	0.30	0.68	0.40	0.00	0.35	0.09	0	0.39	0.60
Planning and Engineering:										
Building Permits Issued	60	55	40	40	65	125	57	88	62	81
Municipal water:										
Average daily gallons consumed	4,198,928	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
Municipal power:										
Kilowatt hours sold	301,405,855	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
Storm water:										
Miles of storm drains inspected	4.00	4.00	5.42	4.98	2.71	4.06	5.13	4.70	4.78	2.92
Miles of streets cleaned	316.00	158.00	158.98	158.98	158.98	159.06	159.06	159.08	158.36	159.64
Sanitation utilities:										
Tons of waste collected and landfilled	65,098	75,687	64,680	49,685	45,365	54,194	55,426	52,354	68,795	64,640
Tons of recyclables collected (1)	0	0	1,533	2,415	2,983	2,896	2,812	2,713	2,384	2,549

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

Sources: Various City of Bountiful departments.