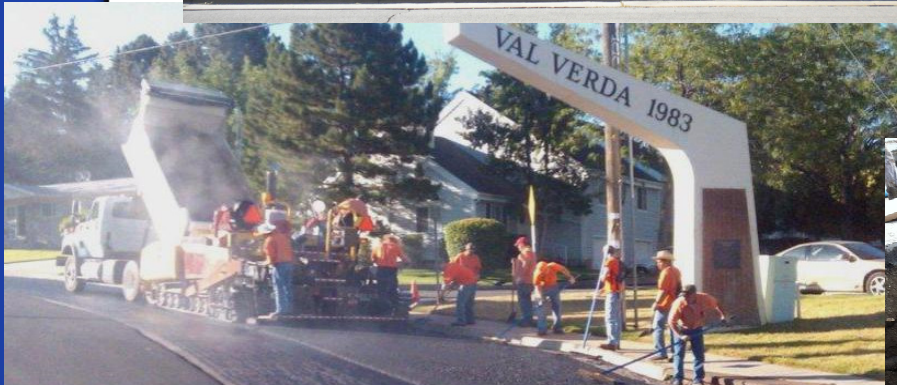


# CITY OF BOUNTIFUL, UTAH



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019



Mayor: Randy Lewis  
City Manager: Gary Hill

City Council: John Marc Knight  
Richard Higginson  
Kendalyn Harris  
Chris Simonsen  
Kate Bradshaw



**CITY OF BOUNTIFUL, UTAH**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**



**Prepared by:**

**Bountiful City Finance Department**

**Tyson Beck, CPA**  
**Finance Director**

**David Burgoyne**  
**Assistant Finance Director**

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

**CITY OF BOUNTIFUL  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For The Fiscal Year Ended June 30, 2019**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Introductory Section</b>	
Letter of Transmittal.....	i
Principal Officials.....	iv
Organizational Chart .....	v
Certificate of Achievement for Excellence in Financial Reporting .....	vi
 <b>Financial Section</b>	
Independent Auditor’s Report .....	1
Management’s Discussion and Analysis .....	3
 <b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	20
Statement of Activities .....	22
 Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	23
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	26
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	27
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Redevelopment Agency Special Revenue Fund.....	28
Statement of Net Position – Proprietary Funds.....	29
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.....	31
Statement of Cash Flows – Proprietary Funds.....	33
Statement of Fiduciary Net Position – OPEB Plans .....	35
Statement of Changes in Fiduciary Net Position – OPEB Plans.....	36
 Notes to the Financial Statements .....	 37
 <b>Required Supplementary Information:</b>	
Schedule of Changes in Fiduciary Net Position and Related Ratios - Public Safety Agent Pension Plan – Last Ten Fiscal Years .....	69
Schedule of the Proportionate Share of the Net Pension Liability – Last Ten Fiscal Years.....	70
Schedule of Contributions – Pension Plans – Last Ten Fiscal Years .....	71
Schedule of Changes in Fiduciary Net Position and Related Ratios - OPEB Plans – Last Ten Fiscal Years.....	72
Schedule of Contributions – OPEB Plans – Last Ten Fiscal Years.....	73
 Notes to Required Supplementary Information.....	 74
 <b>Supplemental Information:</b>	
Introduction.....	76
Nonmajor Governmental Funds Combining and Individual Fund Statements and Schedules: Combining Balance Sheet .....	77



**CITY OF BOUNTIFUL  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For The Fiscal Year Ended June 30, 2019**

**TABLE OF CONTENTS (Continued)**

	<u>Page</u>
<b>Financial Section (Continued)</b>	
<b>Supplemental Information (Continued):</b>	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	78
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Landfill Closure Special Revenue Fund.....	79
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – RAP Tax Special Revenue Fund.....	80
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Municipal Building Authority Special Revenue Fund .....	81
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Cemetery Perpetual Care Special Revenue Fund.....	82
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Service Fund.....	83
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Capital Projects Fund .....	84
Nonmajor Enterprise Funds Combining and Individual Fund Statements:	
Combining Statement of Net Position .....	85
Combining Statement of Revenues, Expenses and Changes in Net Position .....	87
Combining Statement of Cash Flows .....	89
Nonmajor Internal Service Funds Combining and Individual Fund Statements:	
Combining Statement of Net position.....	91
Combining Statement of Revenues, Expenses and Changes in Net Position .....	92
Combining Statement of Cash Flows .....	93
<b>Statistical Section</b>	
Introduction.....	94
Financial Trend:	
Table 1 – Net Position by Component.....	95
Table 2 – Changes in Net Position.....	96
Table 3 – Fund Balances of Governmental Funds.....	98
Table 4 – Changes in Fund Balances of Governmental Funds .....	99
Revenue Capacity:	
Table 5 – Governmental Activities Tax Revenues by Source.....	101
Table 6 – Assessed Value and Estimated Actual Value of Taxable Property.....	102
Table 7 – Property Tax Rates Direct and Overlapping Governments .....	103
Table 8 – Principal Property Tax Payers .....	104
Table 9 – Property Tax Levies and Collections .....	105
Table 10 – Light and Power Charges for Services.....	106
Debt Capacity:	
Table 11 – Ratios of Outstanding Debt by Type .....	107
Table 12 – Ratios of General Bond Debt Outstanding .....	108
Table 13 – Direct and Overlapping Governmental Activities Debt.....	109
Table 14 – Legal Debt Margin Information .....	110
Table 15 – Pledged Revenue Coverage .....	111
Demographic and Economic Information:	
Table 16 – Demographic and Economic Statistics.....	112
Table 17 – Principal Employers.....	113
Operating Information:	
Table 18 – Full-time Equivalent City Government Employees by Function.....	114
Table 19 – Capital Assets Statistics by Function.....	115
Table 20 – Operating Indicators by Program/Function.....	116

## **INTRODUCTORY SECTION**



# BOUNTIFUL

**RANDY C. LEWIS**  
**MAYOR**

**CITY COUNCIL**  
Kendalyn Harris  
Richard Higginson  
John Marc Knight  
Chris Simonsen  
Kate Bradshaw

**CITY MANAGER**  
Gary R. Hill

October 16, 2019

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, 2019.

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, 2019. 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 the City's financial statements for the fiscal year ended June 30, 2019. The independent auditor's report is presented as the first component of the financial section of this report.

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

## **Profile of the Government**

The City of Bountiful was incorporated December 14, 1892, under the laws of the Territory of Utah. The City is governed using a manager form of government. The City Manager is the chief administrative and budget officer of the City. The Mayor is part of a six-member elected body (five City Council Members) that develops policy and enacts local laws. The Mayor and Council Members are each elected for a four-year term to serve the citizens at large. The terms of office are staggered every two years (three council seats in one year and two council seats and mayor in the next election). The Council is organized into committees over the functional areas/departments of the City, typically including three elected officials in each committee. The City Manager and department directors comprise the Executive Management Team that operate the City day-to-day and recommend 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 30<sup>th</sup> of the current fiscal year. If the next fiscal year's budget includes a property tax increase the final budget must be adopted by August 17<sup>th</sup> that falls within the budgeted 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 recreation, and streets), public utilities (electricity, water, recycling, landfill and sanitation, and storm water), and general government (legislative, executive, legal, finance, information technology, human resource, and treasury). In addition, the City provides a cemetery and an 18-hole golf course.

The City limits cover an area of approximately 14 square miles. The City's population for 2019 is estimated at 44,098, with a potential for about 55,000 residents at final build-out, which should occur by approximately 2030.

### **Local economy**

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

### **Long-term financial planning**

Bountiful prides itself in conservative financial management and prudent financial planning. The City maintains a pay-as-you-go financing mechanism for the majority of capital facility needs, but also utilizes the debt markets as market conditions become favorable and need arises. The City prepares and annually 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, 2019, 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, 2019, there were two governmental funds with estimated revenues significantly less than expenditure appropriations. In such cases, the policy allows for the appropriation of fund balance to close the gap. The Redevelopment Agency and Capital Projects funds had final budgeted shortfalls of \$3,501,935 and \$5,120,371 respectively. Due to the delay of certain capital projects, measures taken during the year to control expenditures, and favorable surpluses in tax and other revenues, the City ultimately had an actual revenue-over-expenditure surplus of \$2,743,863 in the Capital Projects fund. Due to similar controls and results, the Redevelopment Agency fund reduced the budgeted shortfall of \$3,501,935 to be an actual shortfall of \$785,767.

### **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 2020 and 2021.

First, the City is working on bringing the current city hall building up to State code, correcting structural and mechanical problems, and renovating the inside of the building. This project budget has been estimated at \$8,300,000 including all temporary lease payments, moving costs, and built-in construction contingencies. This project began in fiscal year 2019 and will likely be completed in fiscal year 2020 or early 2021.

### **Major initiatives (Continued)**

Second, as part of its strategic plan, the Council envisions the revitalization of its Main Street/downtown area, which will begin with the creation of a downtown plaza to hold community events. At the end of fiscal year 2019 the downtown plaza project had spent \$2,440,824 of the estimated \$8,700,000 total project cost. This project is anticipated to be completed in December, 2019 (fiscal year 2020).

The third and final major project in progress, is the rebuild of the City's North-West substation. This project will replace all major components of the existing substation. The project is estimated to begin in fiscal year 2020 and be completed in fiscal year 2021. The project has a budget of \$1,500,000 and \$2,000,000 in fiscal years 2020 and 2021 respectively.

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

### **Awards and Acknowledgments**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bountiful for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. This was the thirty-eighth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR which satisfied both GAAP and applicable program requirements.

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

The City also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2019 budget for the third year. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

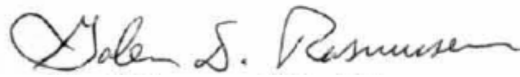
The preparation of this CAFR would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We appreciate all City departments for their assistance in providing the data necessary to prepare this report.

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

Respectfully submitted,



Tyson Beck, CPA  
Finance Director



Galen D. Rasmussen, MPA, CPA  
Assistant City Manager



**CITY OF BOUNTIFUL  
PRINCIPAL OFFICIALS  
As of June 30, 2019**

**ELECTED OFFICIALS**

Randy Lewis	Mayor
Kendalyn Harris	City Council Member
Richard Higginson	City Council Member
John Marc Knight	City Council Member
Chris Simonsen	City Council Member
Kate Bradshaw	City Council Member

**EXECUTIVE BUDGETARY AND LEGAL OFFICIALS**

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

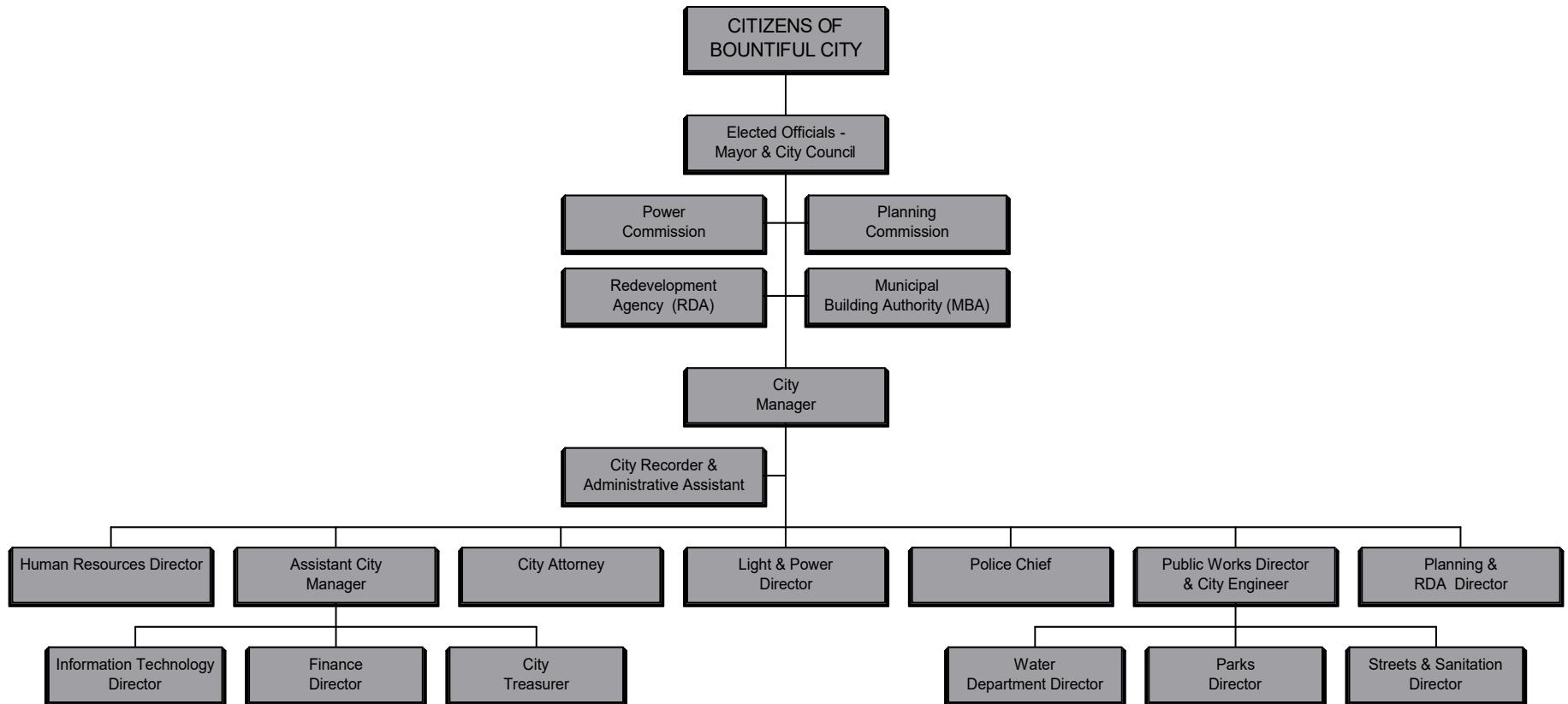
**STATUTORY APPOINTED OFFICIALS**

S. Ted Elder	City Treasurer
Shawna Andrus	City Recorder

**DEPARTMENT HEADS**

Gary Blowers	Streets & Sanitation Director
Francisco Astorga	Planning & Redevelopment Director
Brock Hill	Parks Director
Allen Johnson	Light & Power Director
Tom Ross	Police Chief
Lloyd Cheney	Public Works Director/City Engineer
Alan West	Information Technology Director
Mark Slagowski	Water Department Director
Tyson Beck	Finance Director
Shannon Cottam	Human Resources Director

**CITY OF BOUNTIFUL  
ORGANIZATIONAL CHART  
June 30, 2019**





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, 2018**

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**



KEDDINGTON & CHRISTENSEN, CPAS  
CERTIFIED PUBLIC ACCOUNTANTS

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

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bountiful, Utah as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Bountiful, Utah'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, Utah as of June 30, 2019, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Bountiful, Utah's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 and budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated October 16, 2019 on our consideration of the City of Bountiful, Utah'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 solely 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 effectiveness of the City of Bountiful, Utah's 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 the City of Bountiful, Utah's internal control over financial reporting and compliance.

*Keddington & Christensen, LLC*

October 16, 2019

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Fiscal Year Ended June 30, 2019**

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, 2019. 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, 2019 by \$254,305,362. Of this amount, unrestricted net position of \$91,490,745 may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net position increased by \$3,797,311 from the prior year.
- The total net position increased by \$4,574,543 from the prior year. The net increase was made up of a \$4,067,003 increase from governmental activities and a \$507,540 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 \$47,775,105, an increase of \$3,070,670 from the prior year. Of the current year fund balance amount, \$46,900,494 is unrestricted (the total of the committed, assigned, and unassigned components of fund balance) and available for spending. The remaining \$874,611 has been legally restricted by parties outside the financial reporting entity or is nonspendable in form.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$3,958,125, or 22.46% of total General Fund expenditures.
- As of the close of the current fiscal year, the City's only bonded debt obligations were the Light and Power Fund's Electric Revenue bonds. This bonded debt decreased by \$690,000 from the prior year.

**Overview of the Financial Statements**

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

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

The statement of net position presents information on all of the City's assets, deferred outflows of resources, deferred inflow of resources, and liabilities. The difference between the assets plus deferred outflows and the liabilities plus deferred inflows is 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 recreation, 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 Fiscal Year Ended June 30, 2019**

**Overview of the Financial Statements (Continued)**

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

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

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

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

The City adopts an annual budget for its General Fund, Capital Projects Fund, Redevelopment Agency Fund, Landfill Closure Fund, RAP Tax Fund, Municipal Building Authority Fund, Cemetery Perpetual Care Fund, and Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with the fiscal year 2019 budget.

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

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

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

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

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

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Fiscal Year Ended June 30, 2019**

**Overview of the Financial Statements (Continued)**

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

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

**Government-wide Overall Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2019, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$254,305,362.

<b>City of Bountiful's Net Position</b>						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 61,087,452	\$ 57,764,246	\$ 55,142,101	\$ 55,587,224	\$ 116,229,553	\$ 113,351,470
Capital assets	82,645,913	81,135,964	88,070,217	89,570,694	170,716,130	170,706,658
Total assets	<u>143,733,365</u>	<u>138,900,210</u>	<u>143,212,318</u>	<u>145,157,918</u>	<u>286,945,683</u>	<u>284,058,128</u>
Total deferred outflows of resources	<u>3,408,422</u>	<u>3,861,924</u>	<u>1,654,363</u>	<u>1,624,267</u>	<u>5,062,785</u>	<u>5,486,191</u>
Current liabilities	2,158,501	2,185,156	3,758,006	5,711,225	5,916,507	7,896,381
Long-term liabilities	11,929,608	9,304,679	15,409,941	14,675,227	27,339,549	23,979,906
Total liabilities	<u>14,088,109</u>	<u>11,489,835</u>	<u>19,167,947</u>	<u>20,386,452</u>	<u>33,256,056</u>	<u>31,876,287</u>
Total deferred inflows of resources	<u>4,175,432</u>	<u>6,461,056</u>	<u>271,618</u>	<u>1,476,157</u>	<u>4,447,050</u>	<u>7,937,213</u>
Net position:						
Net investment in capital assets	82,645,913	81,135,964	78,015,217	78,825,694	160,661,130	159,961,658
Restricted	1,503,841	1,457,025	649,646	618,702	2,153,487	2,075,727
Unrestricted	44,728,492	42,218,254	46,762,253	45,475,180	91,490,745	87,693,434
Total net position	<u>\$ 128,878,246</u>	<u>\$ 124,811,243</u>	<u>\$ 125,427,116</u>	<u>\$ 124,919,576</u>	<u>\$ 254,305,362</u>	<u>\$ 249,730,819</u>

By far the largest portion of the City's net position \$160,661,130 (63.18%) 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, \$2,153,487 (.85%), represents resources that are subject to external restrictions on how they may be used.

The remaining balance of \$91,490,745 (35.98%) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

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

**CITY OF BOUNTIFUL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Fiscal Year Ended June 30, 2019**

**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, 2019, the overall net position of the City increased \$4,574,543 (\$6,922,966 less the restatement of \$2,348,423), a 1.83% change, from the prior fiscal year. The increase from governmental activities of \$4,067,003 was \$1,121,834 less than the \$5,188,837 increase to net position of fiscal year 2018. The increase from business-type activities of \$507,540 was \$4,197,079 less than the \$4,704,619 increase to net position of fiscal year 2018.

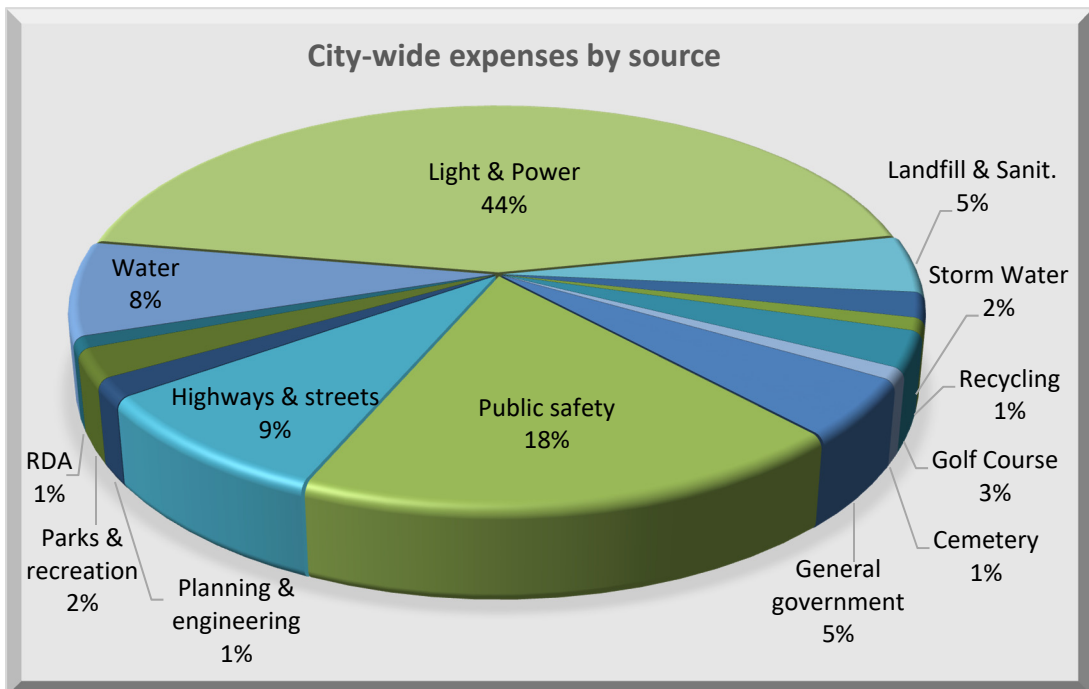
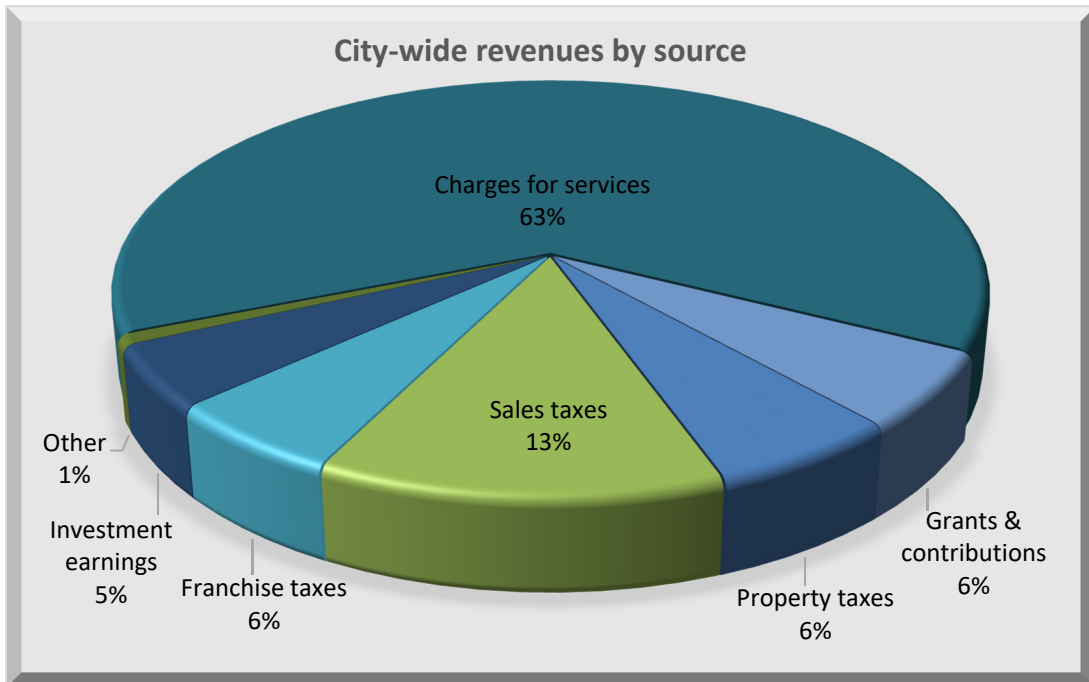
City of Bountiful's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 1,849,792	\$ 1,829,927	\$ 39,286,117	\$ 39,387,204	\$ 41,135,909	\$ 41,217,131
Operating grants and contributions	2,454,563	2,310,290	-	-	2,454,563	2,310,290
Capital grants and contributions	431,640	9,370	974,966	800,673	1,406,606	810,043
<b>General revenues:</b>						
Property taxes	3,969,296	3,617,496	-	-	3,969,296	3,617,496
Sales taxes	8,460,480	8,248,442	-	-	8,460,480	8,248,442
Franchise taxes	3,802,154	3,782,565	-	-	3,802,154	3,782,565
Other	1,841,172	834,992	1,801,978	951,297	3,643,150	1,786,289
Total revenues	<u>22,809,097</u>	<u>20,633,082</u>	<u>42,063,061</u>	<u>41,139,174</u>	<u>64,872,158</u>	<u>61,772,256</u>
<b>Expenses:</b>						
General government	2,756,678	3,016,861	-	-	2,756,678	3,016,861
Public safety	10,670,198	9,472,327	-	-	10,670,198	9,472,327
Highways and streets	5,058,822	4,425,284	-	-	5,058,822	4,425,284
Planning and engineering	893,628	859,976	-	-	893,628	859,976
Parks and recreation	1,375,540	1,219,344	-	-	1,375,540	1,219,344
Redevelopment	531,500	253,521	-	-	531,500	253,521
Interest on long-term debt	-	-	-	-	-	-
Water	-	-	4,413,045	3,818,230	4,413,045	3,818,230
Light and Power	-	-	25,588,771	24,157,027	25,588,771	24,157,027
Landfill and Sanitation	-	-	2,665,632	2,382,296	2,665,632	2,382,296
Storm Water	-	-	1,173,363	1,094,184	1,173,363	1,094,184
Recycling	-	-	585,331	475,457	585,331	475,457
Golf Course	-	-	1,692,390	1,569,171	1,692,390	1,569,171
Cemetery	-	-	544,294	523,846	544,294	523,846
Total expenses	<u>21,286,366</u>	<u>19,247,313</u>	<u>36,662,826</u>	<u>34,020,211</u>	<u>57,949,192</u>	<u>53,267,524</u>
Change in net position before trnsfr	1,522,731	1,385,769	5,400,235	7,118,963	6,922,966	8,504,732
Transfers	2,544,272	2,414,344	(2,544,272)	(2,414,344)	-	-
Increase (Decrease) in net position	4,067,003	3,800,113	2,855,963	4,704,619	6,922,966	8,504,732
Net position - beginning of year	124,811,243	119,622,406	124,919,576	120,214,957	249,730,819	239,837,363
Prior Period Adjustment	-	1,388,724	(2,348,423)	-	(2,348,423)	1,388,724
Net position - end of year	<u>\$ 128,878,246</u>	<u>\$ 124,811,243</u>	<u>\$ 125,427,116</u>	<u>\$ 124,919,576</u>	<u>\$ 254,305,362</u>	<u>\$ 249,730,819</u>



**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Fiscal Year Ended June 30, 2019**

**Government-wide Overall Financial Analysis (Continued)**

The graphs that follow present fiscal year 2019 City-wide revenue and expense information to highlight the magnitude of each revenue source and City services by function.



**CITY OF BOUNTIFUL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Fiscal Year Ended June 30, 2019**

**Financial Analysis of Governmental Activities**

For the period ended June 30, 2019, the City's governmental activities increased the City's net position by \$4,067,003. During the 2019 fiscal year the governmental activities of the City maintained the same, if not improved, level of service without any significant changes to the City's fee schedule, or obtaining long-term financing. The City did have a modest \$300,000 property tax increase to increase the service level of public safety and to replace lost sales taxes due to legislative changes. This is the first property tax increase in the past 18 years.

Although there were no significant fee structure or operational changes during the current fiscal year, there were many financial variances from fiscal year 2018. As indicated by the data in the table on page 6, the net change in the City's net position provided by current year governmental activities was \$1,121,834 less than last year's increase of \$5,188,837 due to the following four factors:

1. Fiscal year 2019 had no restatement of governmental activities' net position while there was a \$1,388,724 fiscal year 2018 restatement increasing net position. This acts as a reduced current year change in net position compared to the change in net position from fiscal year 2018.
2. Fiscal year 2019 reported a net increase in governmental activities revenue of \$2,176,015 from 2018, attributed to the underlined factors below:
  - Charge for service revenue had a net increase of \$19,865 due primarily to: 1) \$51,607 increase in land lease revenue for cell towers as service providers added new towers on City land in 2019; 2) \$40,000 increase in dispatching charges as the City began dispatching for Centerville City on July 1, 2018; 3) \$35,458 increase in street opening permit revenue for increased development in 2019; and 4) a net revenue increase of \$18,100 from various other charges for services. These outlined revenue increases were mostly offset by a \$125,300 decrease in building permit revenue as 2018 had more mid-sized construction projects requiring permits than 2019.
  - Operating grants and contributions revenue increased \$144,273 due primarily to: 1) \$94,353 in increased road fund allotments from the State; 2) \$25,000 in increased grant revenue from Davis County as the City was awarded a new Main Street Business Façade grant; and 3) a \$21,230 increase in 0.25% Davis County transportation sales tax collections due mainly to improvement in the local economy from 2018 generating additional sales tax.
  - Capital grants and contributions revenue increased \$422,270 principally due to an increase of developer capital asset donations as the City provided final inspection/approval to two new subdivisions in 2019 and none in 2018.
  - Property tax revenues increased \$351,800 due primarily to the City's property tax increase approved by the City Council in August of 2018.
  - Other tax revenues had a net increase of \$231,627 due to: 1) \$212,038 increase in sales tax collections due mainly to improvement in the local economy; 2) \$133,858 increase in Emergency 911 tax revenues because the City began receiving Centerville City's allocation once their dispatching was taken on by the City; those increases were partially offset by a \$114,269 decrease in franchise taxes due mainly to decreased telecommunications tax and natural gas tax collections.
  - Other revenue had a net increase of \$1,006,180 due significantly to: 1) \$737,365 positive swing from 2018's \$383,378 unrealized loss on fair value of the City's investments to 2019's \$353,987 unrealized gain (not realized gains/losses). This is due to the accounting required for bond market swings in interest rates and how they affected the City's held-to-maturity bond investments; 2) \$320,781 increase in interest earnings due primarily to improved interest rates from 2018 to 2019. Those increases in other revenue were offset by a net \$51,966 decrease. That net figure is the result of fairly routine transactions too numerous and small to warrant further explanation.
3. Governmental activity expenses increased by \$2,039,053 as explained by the following underlined factors:
  - General government expenses decreased \$260,183 due to the following 4 factors: 1) in 2018 there was a significant loss on the disposition of the City's Stoker School building in the fall of 2017. In 2019 there were no losses from general government capital asset dispositions, which is the main reason for decreased expenses of \$305,225; 2) expenses decreased by \$52,422 from 2018 as 2019 did not have a municipal election; 3) various small expenses decreased by a net \$23,174 that were fairly routine in nature; 4) the above decreases in expense were partially offset by a \$120,638 increase in pension and paid-time-off (PTO) expenses. The increase in PTO was fairly routine in nature; however, the increase in pension expense (\$72,142) is due to the pension plan suffering a significant loss in its plan asset portfolio in 2019, thus increasing the net pension liability and adversely affecting pension expense.
  - Public safety expenses increased \$1,197,871 due to the following 5 factors: 1) pension expense increased \$585,067 due to the pension plan suffering a significant loss in its plan asset portfolio in 2019, thus increasing the net pension liability and adversely affecting pension expense; 2) public safety salaries and wages increased by \$282,151. In

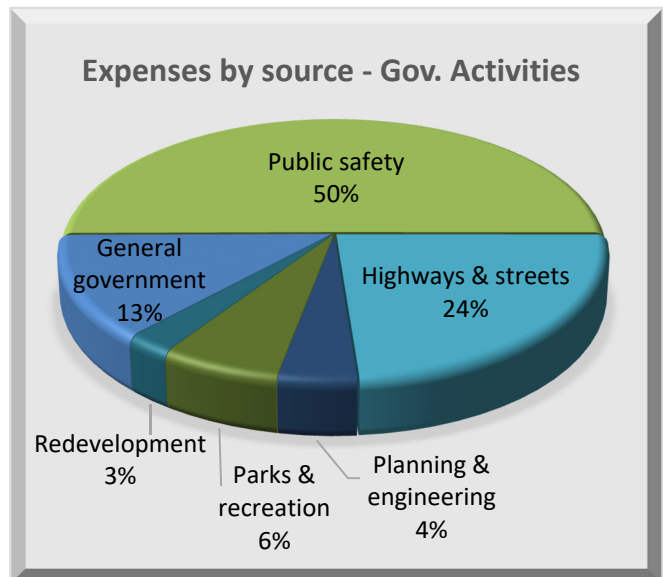
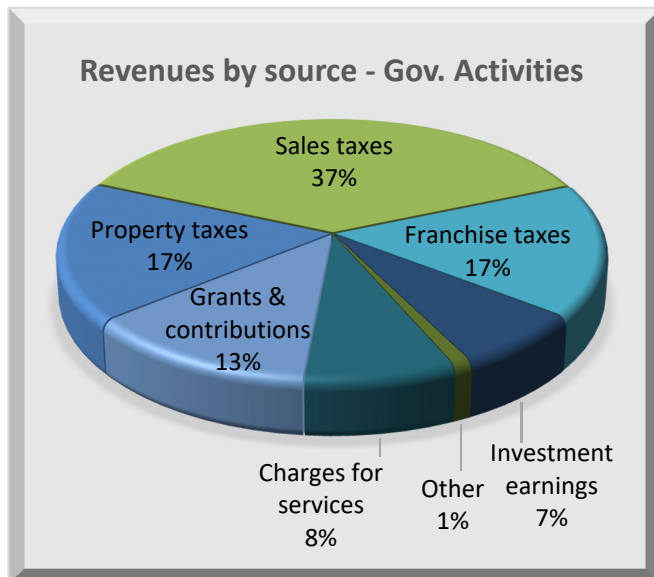
**CITY OF BOUNTIFUL  
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)  
For The Fiscal Year Ended June 30, 2019**

**Financial Analysis of Governmental Activities (Continued)**

2019 the City began dispatching for Centerville City and added two new full-time dispatchers to meet increased service level. Additionally, two new full-time officers were added in a planned expansion of public safety services. These were the principal reasons the salary and wages increased so much from 2018; 3) the medical insurance expenses increased \$110,312 mainly due to the new full-time employees but also due to increased premium costs; 4) there was a \$88,223 increase in PTO expenses, which fluctuation is fairly routine in nature; and 5) the remaining net increase to expense of \$132,118 comes from various routine smaller increases and decreases from the prior year.

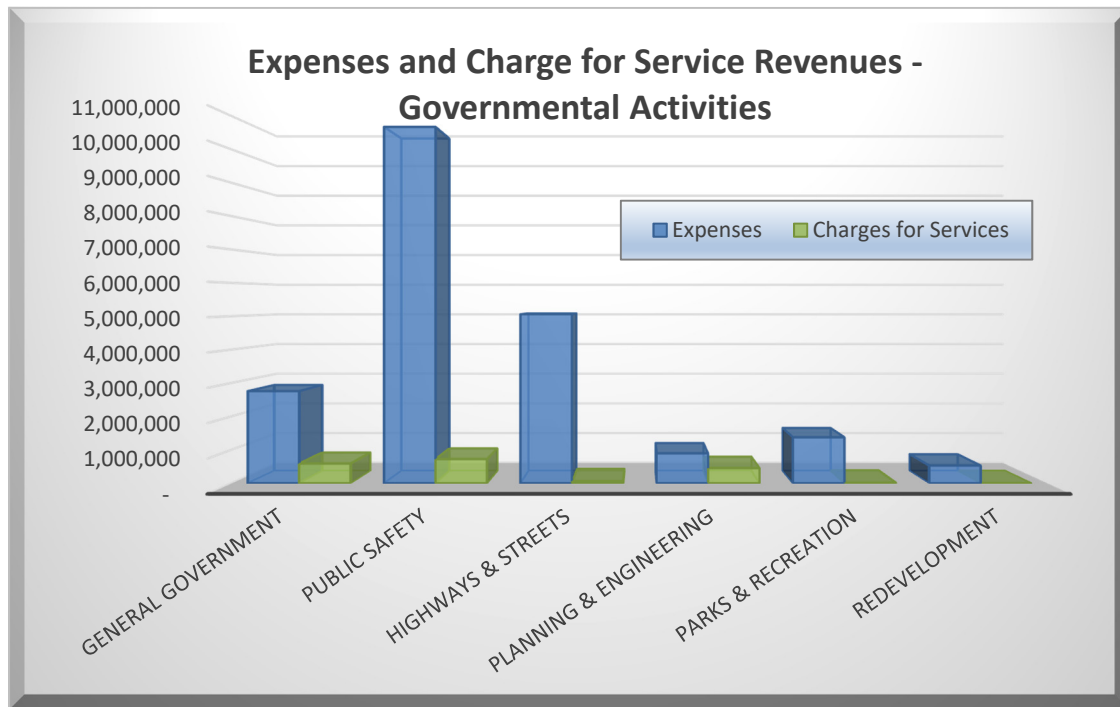
- Highways and Streets expenses increased \$633,538 due to the following 7 factors: 1) a \$201,568 increase in non-capital road expenses (e.g. the expenses were not removed in the government-wide conversion process) mainly coming from the current year having more asphalt overlay maintenance projects; 2) a \$147,077 increase in road salt purchases as the 2019 winter was a very heavy snow season; 3) a \$96,811 increase in salary and wages due principally to a 3% cost-of-living increase and some scheduled merit increases; 4) pension expenses increased \$52,732 due to the pension plan loss previously discussed; 5) a fairly routine \$52,008 increase in depreciation expense; 6) a \$46,866 increase in road striping costs; and 7) the remaining increase to expense of \$36,476 comes from the net of various smaller increases and decreases from the prior year.
  - Planning and Engineering expenses increased \$33,652. This net increase is the result of fairly routine transactions too numerous and small to warrant further explanation.
  - Parks and recreation expenses increased \$156,196 due to: 1) a fairly routine \$65,543 increase in depreciation expense mostly because of the Creekside Park assets getting their first full year of depreciation; 2) a \$55,167 increase in expense due to the 2019 reclassification of RAP Tax fund costs out of the General Government expenses and into Parks and recreation; and 3) a \$35,486 net increase in expense coming from various routine changes from 2018.
  - Redevelopment expenses increased by \$277,979 due mainly to a loss on the sale (\$238,792) of a historical home and land to a family that signed an agreement to improve the home and landscaping while preserving its historical appearance. There were no Redevelopment losses in 2018.
4. In fiscal year 2019, the transfers from business-type activities to governmental activities increased by \$129,928 from fiscal year 2018. This increase came from a \$34,271 increase in the Light and Power fund subsidy transfer the General Fund, and Light and Power also transferred to governmental activities traffic signal capital assets with a net book value of \$95,657.

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



**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Fiscal Year Ended June 30, 2019**

**Financial Analysis of Governmental Activities (Continued)**



**Financial Analysis of Business-type Activities**

For the period ended June 30, 2019, business-type activities increased the City's net position by \$507,540 (\$2,855,963 less the restatement of \$2,348,423). Although there were no significant operational changes during the current fiscal year, there were many financial variances from fiscal year 2018. As indicated by the data in the table on page 6, the net change in the City's net position provided by current year business-type activities was \$4,197,079 less than the \$4,704,619 increase for fiscal year 2018 due to the following four factors:

1. Fiscal year 2019 had a \$2,348,423 restatement reducing net position while fiscal year 2018 had no restatement. This restatement was necessary to correct a previously unamortized intangible asset of the Light and Power fund (Craig-Mona). This variance from the prior year was a negative swing in net position.
2. Business-type activities revenue had a net increase from fiscal year 2018 of \$923,887, attributed to the underlined factors below:
  - Business-type activities charge for service revenue decreased \$101,087. This overall net decrease is due to a Light and Power net increase of \$154,263, a Golf decrease of \$215,450, and a net increase of \$39,900 of the remaining enterprise funds. The Light and Power increase is the net of a \$392,726 new fiscal year 2019 street light fee revenue partially offset by a \$238,463 decrease in electric metered sales due to seasonal fluctuations and the City's only industrial customer having transformer problems resulting in significant reductions to their October and November 2018 power use. The Golf revenue decrease of \$215,450 is due primarily to an over application of growth inhibitor on 16 out of the 18 golf course's greens and collars. This caused significant damage to the course and despite maintenance staff's immediate remediation efforts they had to reduce greens fees 24% (\$35 instead of \$46) from September 2018 through the close of the season. The remaining enterprise fund's net increase of \$39,900 is due to typical revenue fluctuations in the Water, Landfill and Sanitation, Cemetery, Storm Water, and Recycle funds.
  - Capital grants and contributions revenue increased \$174,293 due principally to increased revenue from private developers donating infrastructure to the City to maintain, or paying the City to install required infrastructure.
  - Other revenue had a net increase of \$850,681 due to the following four factors: 1) \$774,767 positive swing from 2018's \$269,736 unrealized loss on fair value of the City's investments to 2019's \$505,031 unrealized gain (not realized gains/losses). This is due to the accounting required for bond market swings in interest rates and how they

**CITY OF BOUNTIFUL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Fiscal Year Ended June 30, 2019**

**Financial Analysis of Business-type Activities (Continued)**

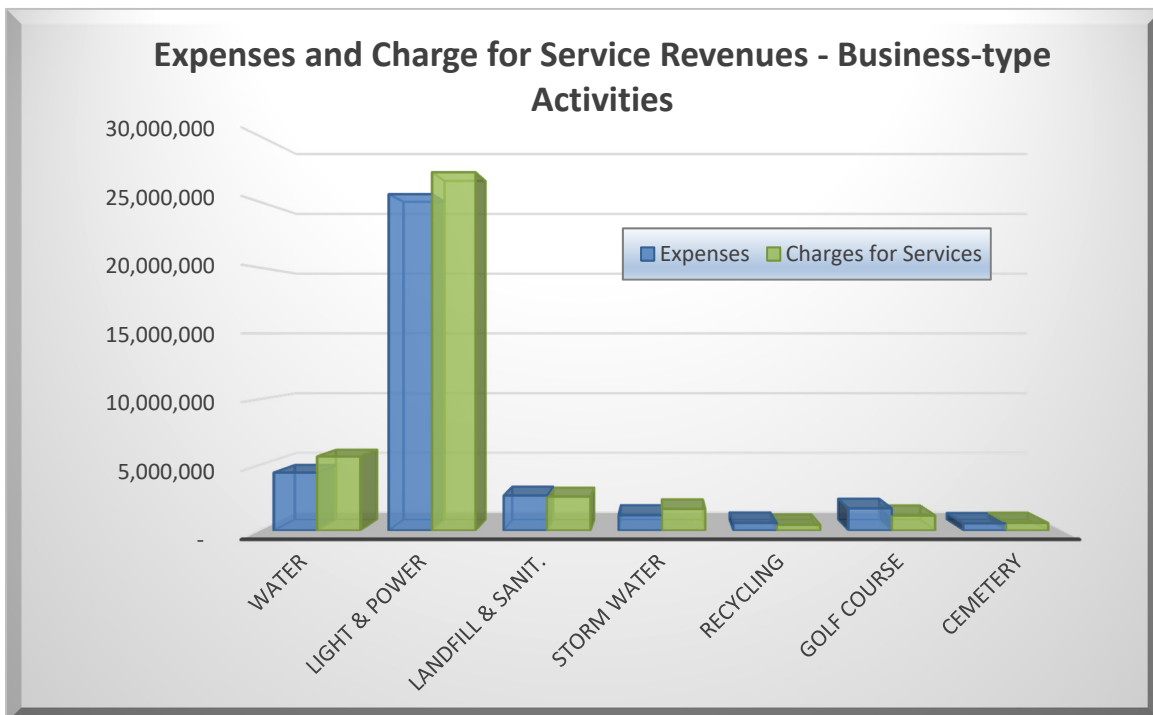
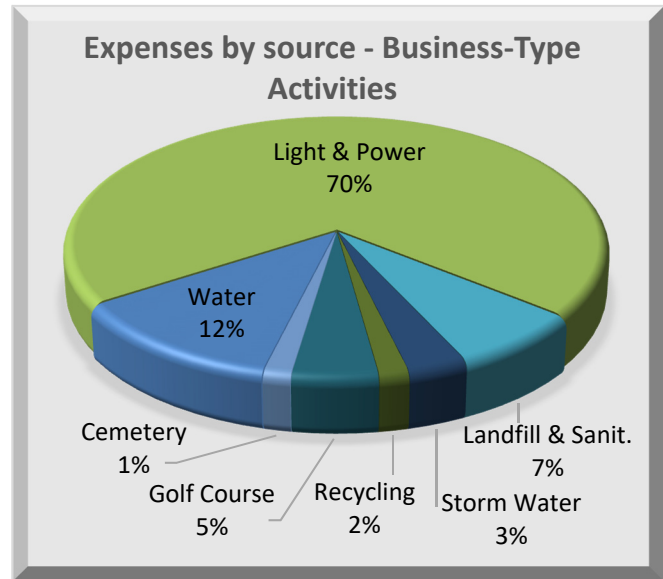
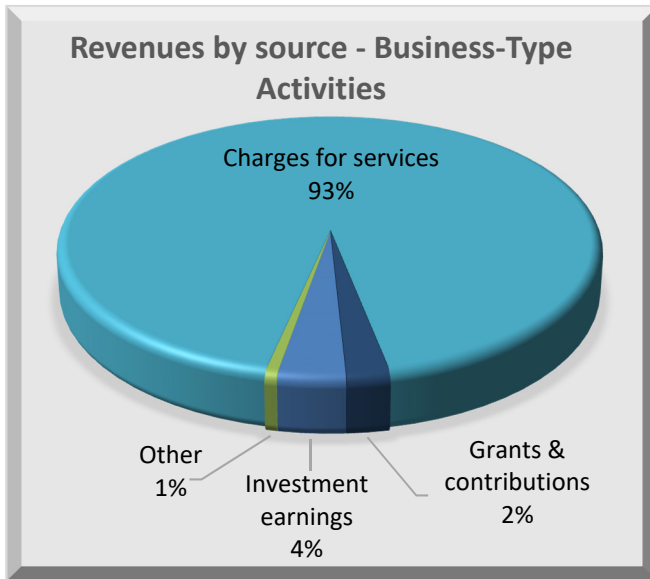
- affected the City's held-to-maturity bond investments; 2) \$202,682 increase in interest earnings due primarily to improved interest rates from 2018 to 2019; 3) \$105,829 decrease in gains from the sale of capital assets mainly from Light and Power's negative swing from a \$93,606 gain in 2018 to a \$28,145 loss in 2019; and 4) \$20,939 net decrease due to fairly routine transactions too numerous and small to warrant further explanation.
3. Current-year business-type activities expenses increased \$2,642,615 from fiscal 2018, which is explained by the underlined factors below:
- The Water fund expenses increased \$594,815 due the following five factors: 1) personnel wages and benefit expenses increased by \$190,534. This is due principally to the hiring of two new full-time employees as a planned expansion of in-house waterline replacement projects for cost efficiencies. Additionally, pension expenses also increased (\$64,843) due to the abnormal increase in the net pension liability; 2) street asphalt repairs and water main part purchases increased by \$193,973 associated with the additional in-house projects. In 2019 the City replaced 2,118 linear feet more in water mains than in 2018; 3) depreciation expense increased \$117,745 principally from the capitalization of the Mueller Park water treatment plant and the 1.5 million gallon culinary water tank; 4) water purchased from outside sources increased by \$54,178 due to the treatment plant not being in operation until much of the Spring runoff had passed; and 5) a net \$38,385 increase in regular operating expenses.
  - The Light and Power fund expenses increased \$1,431,744 due to the following 10 factors: 1) personnel wages and benefit expenses increased by \$277,982 mostly due to the 3% cost-of-living increase as well as merit increases. Additionally, pension expenses also increased (\$127,364) due to the abnormal increase in the net pension liability; 2) street light repairs and replacement expenses increased by \$425,146. In 2019 the City began a new \$2 per customer, per month, street light fee that provided funding to significantly increase the amount of street light repairs and replacements that could be done; 3) distribution power line repair and maintenance costs increased by \$233,395 mainly due to the City paying \$215,293 to test hundreds of power poles throughout the City to evaluate their structural integrity; 4) power plant repairs increased \$248,008 due to the replacement of an exhaust stack and turbine engine batteries; 5) general and administrative costs increased \$146,711 principally from purchasing new vehicle and dispatching radios; 6) depreciation expense increased \$98,906 mostly from the capitalization of the 138kV transmission substation in 2019; 7) amortization expense increased \$83,872 as the City began a sixteen-year amortization of its Craig-Mona intangible asset; 8) power purchase expenses decreased \$114,817. This decrease came from purchasing less power from the market as the hydro plant produced more power, management felt power generation with the City's natural gas power plant would be more cost effective than buying on the market, and because they had less power demand than in 2018 as illustrated by reduced electric metered sales; 9) generation expenses increased \$72,072 due to increased natural gas use at the power plant; 10) the remaining \$39,531 net decrease in Light and Power operating expenses stems mostly from reduced interest expense as the City's bond principal outstanding has reduced from 2018.
  - The Landfill and Sanitation fund expenses increased \$283,336 due to the following: 1) personnel wages and benefit expenses increased by \$97,123 due to the 3% cost-of-living increase as well as merit increases. Additionally, pension expenses also increased (\$40,796) due to the abnormal increase in the net pension liability; 2) contractual and professional services expense increased \$77,796 mainly due to increased contracted green waste grinding to keep up with the green waste dumping. Additionally, the City also had a special environmental study done at the landfill (\$14,900); 3) depreciation expense increased \$118,610 due to the new capitalized assets in 2019 as well as some catch-up depreciation on one asset that had mistakenly not been depreciated; and 4) a net \$10,193 decrease in regular operating expenses that is the result of fairly routine transactions too numerous and small to discuss.
  - The non-major enterprise fund expenses increased \$332,720, which is the net increase of various transactions in each individual fund that typically have small fluctuations from year-to-year. Much of this increase is due to the Recycle and Golf funds. Recycle expenses increased \$109,874 due to a sharp decline in the recycle items market forcing the City to not only pay the contractor to pick up and haul the items, but also paying the recycling company for the spread between what they sell and what they landfill. The Golf expenses increased \$123,219 due principally to the greens and collars repairs along with payments made to reshape several of the bunkers. The remaining \$99,627 increase comes from fairly routine increases from Storm Water (\$79,179) and Cemetery (\$20,448).
4. In fiscal year 2019, the transfers from business-type activities to governmental activities increased by \$129,928 from fiscal year 2018. This increase came from a \$34,271 increase in the Light and Power fund subsidy transfer the General Fund, and Light and Power also transferred to governmental activities traffic signal capital assets with a net book value of \$95,657.



**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Fiscal Year Ended June 30, 2019**

**Financial Analysis of Business-type Activities (Continued)**

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



**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Fiscal Year Ended June 30, 2019**

**Financial Analysis of Governmental Funds**

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

At June 30, 2019, the City's governmental funds reported combined ending fund balance of \$47,775,105, an increase of \$3,070,670 from the prior year ending fund balance. Of the current year fund balance, \$46,900,494 (98.17%) is available for spending; however, \$2,008,538 (4.20%) has been committed by the City Council and \$40,988,866 (85.80%) has been assigned by the City Manager for subsequent years' capital expenditures and other specified uses, leaving an unassigned amount of \$3,903,090 (8.17%). The remaining \$874,611 (1.83%) of fund balance is not available for spending because it is legally restricted by parties outside the financial reporting entity for future landfill closure costs.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,903,090. As a measure of the General Fund's liquidity, it may be useful to compare this amount to total fund expenditures of \$17,624,284 (22.15% or 81 calendar days). During the year ended June 30, 2019, the fund balance of the General Fund increased by \$715,113 from the prior fiscal year. This represents a positive 22.05% change in fund balance. This increase was \$915,788 more than last fiscal year's fund balance decrease of \$200,675 due to the following five reasons:

1. General Fund revenues increased by \$2,860,665 from fiscal year 2018, attributed to the following underlined factors:
  - \$2,712,776 increase in tax revenue from the following sources: 1) \$422,341 increase in property tax collections principally from the City's rate increase approved by the City Council in August of 2018; 2) \$2,270,846 increase in sales tax due mostly to the General Fund receiving a much larger allocation of sales tax. In 2019 the General Fund's Highways and Streets operations began paying for all non-capital road treatments (i.e. slurry seals, asphalt overlays, etc.) when in 2018 most of those expenditures were paid out of the Capital Projects Fund. So the General Fund received a much larger allocation of the sales tax in order to compensate for the additional expenditures; and 3) a \$19,589 increase in franchise tax due mainly to a \$133,858 increase in Emergency 911 tax revenues because the City began receiving Centerville City's allocation once their dispatching was taken on by the City; that increase was partially offset by a \$114,269 decrease in telecommunications tax and natural gas tax collections.
  - \$93,316 net decrease in licenses and permits revenue. This is due principally to a \$125,300 decrease in building permit revenue as 2018 had more mid-sized construction projects requiring permits than 2019. That decrease was partially offset by additional street-opening permit revenue tied to many of the mid-sized permits issued in 2018.
  - \$110,755 net increase in intergovernmental revenue due to: 1) \$94,353 in increased road fund allotments from the State; 2) a \$21,230 increase in 0.25% Davis County transportation sales tax collections due mainly to improvement in the local economy from 2018 generating additional sales tax; 3) a net \$3,690 increase in public safety grants; and 4) an offsetting \$8,518 decrease in promissory note payments from the South Davis Metro Fire Service Area (see Note 4 for further details).
  - \$102,691 increase in charge for service revenue from the following: 1) \$51,607 increase in land lease revenue for cell towers as service providers added new towers on City land in 2019; 2) \$40,000 increase in dispatching charges as the City began dispatching for Centerville City on July 1, 2018; and 3) \$11,084 net increase in revenue from various small increases and decreases.
  - \$66,656 increase in investment earnings revenue due to a positive swing from an unrealized loss on the fair value of the City's investments in 2018 to an unrealized gain in 2019 (not realized gains/losses).
  - \$38,897 net revenue decrease in fines and forfeiture and miscellaneous revenues. This net decrease comes from fairly routine decreases and increases too small and numerous to warrant further discussion.
2. General Fund expenditures increased by \$1,760,647 from 2018 attributed to the following underlined factors:
  - General government expenditures had a net decrease of \$422 due to the following four factors: 1) election expenses decreased by \$52,422 from 2018 as 2019 did not have a municipal election; 2) the Legal, Executive, HR, Treasury, IT, Gov. Bldg., and Finance departments reduced expenditures by a combined \$51,814 by added enterprise fund reimbursements for their administrative services; 3) there was an offsetting \$40,342 increase to expenditures from the personnel salaries and benefits mainly due to the 3% cost-of-living adjustment, merit increases, and medical insurance premium increases; 4) the remaining offsetting \$63,472 increase in expenditures is the net figure of various increases and decreases not significant enough to discuss further.

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Fiscal Year Ended June 30, 2019**

**Financial Analysis of Governmental Funds (Continued)**

- Public Safety expenditures increased \$671,414 due to the following four factors: 1) public safety salaries and wages increased by \$282,151. In 2019 the City began dispatching for Centerville City and added two new full-time dispatchers to meet increased service level. Additionally, two new full-time officers were added in a planned expansion of public safety services. This is the significant portion of the increase, but there was also the 3% cost-of-living adjustment and merit increases adding to the change from 2018; 2) employee benefit expenditures increased \$240,659 mainly due to the new full-time employees but also due to increased medical insurance premium costs; 3) fire and emergency medical expenditures increased \$74,560 as the fire district increased their fiscal year 2019 member assessments; 4) the remaining increase to expenditures of \$74,044 is the net increase of various other operating expenditures.
  - Highways and streets expenditures increased \$1,026,323 due to the following five factors: 1) street repair/maintenance expenditures increased \$719,475. Most of this increase is due to the General Fund's Highways and Streets operations paying for all non-capital road treatments (i.e. slurry seals, asphalt overlays, etc.) when in 2018 most of those expenditures were paid out of the Capital Projects Fund; however, the City also increased non-capital asphalt overlay projects by \$201,568 from 2018; 2) road salt purchases increased \$147,077 as the 2019 winter was a very heavy snow season; 3) salary and wages increased \$96,811 due principally to a 3% cost-of-living increase and some scheduled merit increases; 4) road striping costs increased \$46,866 due to increased paving; and 5) the remaining net increase to expenditures of \$16,094 comes from various smaller routine increases and decreases.
  - Planning and engineering and parks and recreation expenditures increased \$26,907 and \$36,425 respectively. These increases are the net result of various routine increases and decreases of operating expenditures too small and numerous to warrant a detailed explanation.
3. In 2019, the transfer in from the Light and Power Fund (other financing source) was \$3,822 lower than in 2018 due to reduced electric metered sales. This transfer is based on a percentage of those sales.
  4. General Fund sale of capital assets brought in \$10,746 (other financing source) less than the capital sales in 2018.
  5. In 2019 there were no restatements of fund balance. In 2018 fund balance was increased by \$169,662 through restatement. This has a negative 2019 swing when comparing to 2018.

The Capital Projects Fund has a total fund balance of \$31,742,528, 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, 2019, the fund balance in the Capital Projects Fund increased by \$2,743,863 or 9.46%. This Capital Projects fund balance increase was \$930,315 more than last fiscal year's increase of \$1,813,548 due to the following four reasons:

1. Capital Project fund revenues decreased \$1,317,310 from 2018 attributed to the following four factors: 1) \$2,077,180 decrease in sales tax revenue due mostly to the fund receiving a much smaller allocation of sales tax so that the General Fund could begin paying for all of the non-capital road expenditures, as previously discussed under the General Fund narrative; 2) \$478,244 increase in unrealized gain on investments due to a positive swing from an unrealized loss on the fair value of the City's investments in 2018 to an unrealized gain in 2019 (not realized gains/losses); 3) \$246,335 increase in interest earnings due primarily to improved interest rates from 2018 to 2019; and 4) \$35,291 net increase in miscellaneous revenue.
2. Capital Project fund expenditures decreased \$814,571 from 2018 attributed to the following underlined factors:
  - General government capital outlay expenditures increased \$952,730 due to: 1) the start of the City Hall remodel project with 2019 costs of \$649,025; 2) the downtown plaza design work increased with \$343,705 more being paid in 2019 than in 2018; and 3) the Information Technology department did not have any capital purchases in 2019 causing a decrease of \$40,000 in software and equipment expenditures.
  - Public Safety capital outlay expenditures increased \$53,429 coming mostly from a 2019 project to replace most of the office and workstations in the public safety building.
  - Highways and Streets capital outlay expenditures decreased \$1,078,259 due to the following: 1) street repair/maintenance expenditures decreased \$862,531. Most of this decrease is due to the General Fund's Highways and Streets operations paying for all non-capital road treatments rather than the Capital Projects Fund; 2) \$192,817 decrease coming from reduced vehicle and equipment expenditures, which is a routine fluctuation based on replacement cycles; and 3) a \$22,911 decrease in public works shop expenditures as 2019 did not have any projects.

**CITY OF BOUNTIFUL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Fiscal Year Ended June 30, 2019**

**Financial Analysis of Governmental Funds (Continued)**

- Planning and engineering capital outlay expenditures increased \$33,932 due to the purchase of a new truck in 2019.
  - Parks and recreation capital outlay expenditures decreased \$778,632 due mostly to \$871,389 in reduced park project costs as 2018 was finalizing the Creekside Park and there were no projects in 2019. That reduction was partially offset by a \$92,757 increase in vehicle and equipment purchases, which is a routine fluctuation based on replacement cycles.
  - The remaining increase in expenditures of \$2,229 comes from increased bank and investment fees.
3. Capital Project fund transfer in decreased \$63,039 due to a reduced Creekside Park reimbursement from the RAP Tax fund. This reimbursement transfer amount varies from year-to-year depending upon what is built into the budget.
  4. Capital Project fund transfers out decreased \$1,496,093 as the 2019 did not have a transfer out. 2018 had a one-time transfer to reimburse the Cemetery Perpetual Care Fund for money transferred into the fund in fiscal year 2017 as a contribution to help purchase the cemetery land.

The Redevelopment Agency fund (RDA) has a total fund balance of \$8,439,175, all of which has been assigned by the City Manager for eligible redevelopment projects. During the year ended June 30, 2019, the fund balance in the RDA fund decreased \$785,767 or -8.52%. This decrease was \$1,290,677 less than last fiscal year's increase of \$504,910. The \$1,290,677 negative variance consisted of the following three items:

1. RDA fund revenue decreased \$28,618 from fiscal year 2018 attributed to the following underlined factors:
  - Property tax increment revenue decreased \$70,541.
  - Intergovernmental revenue increased \$25,000 from a new grant revenue from Davis County as the City was awarded a Main Street Business Façade grant.
  - Investment earnings revenue increased \$216,826 due to the following: 1) \$147,212 increase in unrealized gain on investments due to a positive swing from an unrealized loss on the fair value of the City's investments in 2018 to an unrealized gain in 2019 (not realized gains/losses); 2) \$54,299 increase in interest earnings due primarily to improved interest rates from 2018 to 2019; and 3) \$15,315 net increase in interest revenue collected from the revolving business loan program.
  - Miscellaneous revenue decreased \$199,903 due to reduced principal payments received from the revolving loan program conducted by the RDA. In fiscal year 2018 there was a large loan that was repaid early increasing revenue.
2. RDA fund expenditures increased \$1,326,059 from fiscal year 2018 attributed to the following underlined factors:
  - Special RDA project expenditures increased \$1,584,988 due primarily to increased costs associated with the downtown plaza construction with most of the remainder stemming from \$45,725 paid out as grants to Main Street businesses to improve their façade.
  - Revolving loan expenditures decreased \$242,874 as there were two loans issued during 2018 and only one \$550,000 loan issued in 2019.
  - The remaining decrease in expenditures of \$16,055 is the net result of other transactions too numerous and small to warrant further explanation.
3. RDA sale of capital assets increased \$64,000 from fiscal year 2018 due to the sale of land and a historic home in 2019.

The non-major governmental funds all had positive current year changes in fund balance as follows: Landfill Closure \$23,874, RAP Tax \$69,131, MBA \$179,978, Cemetery Perpetual Care \$123,838, and Debt Service \$640.

**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 pages 10 and 11.

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 \$514,657, \$27,185,268, and \$15,390,640, respectively. The change in total net position from fiscal year 2019 for those same funds was \$1,613,115, net negative \$1,656,852, and \$485,691, respectively. The other four nonmajor enterprise funds each ended the current year with positive unrestricted net position. The Golf Course and Recycling enterprise funds ended with a negative changes in net position (i.e. net loss).

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Fiscal Year Ended June 30, 2019**

**General Fund Budgetary Highlights**

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

1. Legislative – Decrease in appropriated expenditures of \$63,000 from \$740,766 to \$677,766. Decrease in appropriation was needed to transfer appropriation to the Streets Department to cover road salt purchases due to adverse weather.
2. Police – Increase of \$104,000 from \$7,714,084 to \$7,818,084. Increase in appropriation was made to cover the increased costs resulting from officer overtime and equipment purchases.
3. Fire – Increase of \$25,000 from \$2,049,347 to \$2,074,347. Appropriation was increased to cover unexpected increases in cost of member assessments from the South Davis Metro Fire Service Area.
4. Highways and Streets – Increase \$1,137,000 from \$3,239,743 to \$4,376,743. Appropriation was increased due to increased road salt consumption and a budgetary and accounting reclassification from the Capital Projects Fund to the General Fund for non-capital street repair and maintenance costs.
5. Parks – Increase of \$8,000 from \$927,154 to \$935,154. Appropriation was increased to cover increased utility and related operations and maintenance costs.

Each year the City seeks to adopt budgets for revenues and expenditures that will be conservative estimates of what will ultimately transpire. Due to a variety of factors, revenues and expenditures will vary from budget. For the fiscal year 2019, 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 \$632,708 due to a sales tax revenue reallocation between the General Fund and the Capital Projects Fund. This reallocation was necessary in order to maintain the General Fund's unrestricted fund balance at the 25% maximum required by Utah State code. This reallocation left the General Fund sales tax revenues at \$4,633,317 which resulted in a \$632,708 unfavorable budget to actual variance.
2. Actual intergovernmental revenues came in \$211,809 higher than the final budget for the following reasons:
  - Class B&C Road funds from the State of Utah were budgeted at \$1,500,000 but came in at \$1,680,881 which resulted in a favorable \$180,881 budget to actual variance. The variance is due to a conservative budget philosophy.
  - The 0.25% transportation sales tax authorized during budget year 2016 by Davis County for the benefit of the County and its cities, showed a favorable variance for fiscal year 2019. A budget was set at \$575,000 and revenues came in at \$614,796 which delivered a favorable budget to actual variance of \$39,796 due to conservative budgeting.
  - The remaining \$8,868 negative variance between actual and budget is the net result of routine fluctuations of a variety of smaller grant and intergovernmental sources.
3. The Police department budget of \$7,818,084 was underspent by \$374,498 due principally to remaining Utah Retirement Systems pension and 401(k) contribution budget of \$203,360 and remaining medical insurance budget of \$140,043 from an overestimation of costs. The remaining \$31,095 favorable variance between actual and budget came from the net of numerous small under and over budget operating expenditures.
4. The Highways and streets department budget of \$4,376,743 was underspent by \$311,143 due principally to remaining street repair/maintenance budget. Due to an abnormally wet spring, this department was unable to repave the quantity of streets that had been anticipated in the budgeting process.

**CITY OF BOUNTIFUL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Fiscal Year Ended June 30, 2019**

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities at June 30, 2019, amounts to \$170,716,130 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, intangible asset power contracts, vehicles and equipment, furniture and fixtures, street lights, service lines, sidewalks, curb and gutter, roads, and similar infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$9,472 (change coming from a \$1,509,949 increase for governmental activities and a \$1,500,477 decrease for business-type activities). Major capital asset activity during the current fiscal year has been summarized in the following two tables:

<b>City of Bountiful's Capital Assets (Net of depreciation)</b>						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 50,794,922	\$ 50,875,660	\$ 8,842,460	\$ 8,842,460	\$ 59,637,382	\$ 59,718,120
Infrastructure	15,358,571	15,720,028	35,105,577	28,287,079	50,464,148	44,007,107
Buildings and other structures	6,157,170	6,580,671	14,885,540	11,417,459	21,042,710	17,998,130
Improvements other than buildings	3,715,644	3,877,578	1,216,491	1,259,461	4,932,135	5,137,039
Street light and traffic signal system	-	-	197,194	371,730	197,194	371,730
Machinery & equipment	2,927,934	2,493,406	21,884,860	21,332,662	24,812,794	23,826,068
Furniture & fixtures	872,129	905,060	89,346	103,092	961,475	1,008,152
Construction in progress (CIP)	2,819,543	683,561	953,961	9,417,432	3,773,504	10,100,993
Intangible asset - power projects	-	-	4,894,788	8,539,319	4,894,788	8,539,319
<b>Total</b>	<b>\$ 82,645,913</b>	<b>\$ 81,135,964</b>	<b>\$ 88,070,217</b>	<b>\$ 89,570,694</b>	<b>\$ 170,716,130</b>	<b>\$ 170,706,658</b>

<b>City of Bountiful's Schedule of Capital Asset Current Fiscal Year Additions (Retirements)</b>			
	Governmental Activities	Business-type Activities	Totals
Land purchases	\$ -	\$ -	\$ -
Land under city streets - developer donation	222,054	-	222,054
Improvements to Brickyard Park to create a dog park	42,682	-	42,682
Transfer of various traffic signals from Light & Power to Governmental Activities	619,191	(619,191)	-
Motor vehicle and heavy equipment purchases	646,441	1,028,964	1,675,405
New Streets, Curb, Gutter and Sidewalk Infrastructure	209,586	-	209,586
Computer network and storage upgrade	149,560	-	149,560
Fiscal 2019 Design and some demolition costs for City Hall remodel project (CIP project)	378,719	-	378,719
Fiscal 2019 Construction costs for City-center plaza (CIP project)	2,123,724	-	2,123,724
Water and Storm Water Infrastructure (water mains and storm drains)	-	1,790,352	1,790,352
Landfill wet-weather dumping 160' concrete pushing wall	-	52,976	52,976
Fiscal 2019 Construction costs for 1.5 million gallon culinary water reservoir	-	155,555	155,555
Fiscal 2019 Construction costs for Holbrook culinary water pump station (CIP project)	-	374,378	374,378
Fiscal 2019 costs on Mueller Park Canyon water treatment plant rebuild project	-	636,065	636,065
Fiscal 2019 costs on Light & Power 138 KV transmission substation rebuild project	-	1,684,384	1,684,384
Fiscal 2019 costs on Light & Power transmission & distribution system/line replacement	-	917,124	917,124
Less historical cost of current-year retired assets	(780,557)	(1,761,716)	(2,542,273)
Less current year change in accumulated depreciation	(2,101,451)	(2,114,837)	(4,216,288)
Less current year intangible asset amortization	-	(3,644,531)	(3,644,531)
<b>Total change in capital asset net book value from the previous year</b>	<b>\$ 1,509,949</b>	<b>\$ (1,500,477)</b>	<b>\$ 9,472</b>

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

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Fiscal Year Ended June 30, 2019**

**Capital Asset and Debt Administration (Continued)**

**Long-term debt.** At the end of the current fiscal year, the City had \$10,055,000 in outstanding bonded debt from the electric revenue bonds. All of the bonded debt was secured by those specific revenue sources.

<b>City of Bountiful's Outstanding Bonded Debt</b>						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Electric revenue bonds	\$ -	\$ -	\$ 10,055,000	\$ 10,745,000	\$ 10,055,000	\$ 10,745,000
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,055,000</u>	<u>\$ 10,745,000</u>	<u>\$ 10,055,000</u>	<u>\$ 10,745,000</u>

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

**Economic Factors, Next Year's Budgets and Rates**

The City reviews national and regional economic forecasts and also performs its own management analysis as a component in the process of developing the one-year operating, capital budgets, and the long-term capital plans of the City. The assumptions in the analysis are reviewed with the City Council as background for decisions about revenue projections and cost allocations. Weekly expenditure reports and monthly financial 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 2020 were developed based upon the following assumptions:

1. Economic activity in the region, not unlike the remainder of the broader economy, is continuing with a slow to moderate growth.
2. Development activity is very minimal. Bountiful continues its movement toward a build-out of housing stock and "maintenance mode" of existing services for the City. Subdivision of existing lots will be the main area of growth for the future. There is one known exception as one of the few large open parcels of land remaining in the City is being developed into fifty new single-family homes over the next two fiscal years.
3. Sales tax, which is shared with cities by the State of Utah, was projected conservatively with some growth based on increased overall economic activity and some from the proportionate share of distribution that the City receives based on increases in population.
4. There is no property tax rate increase built into the 2020 budget.
5. Franchise taxes were budgeted flat with no increase.
6. The City projected intergovernmental revenues with an estimated \$268,467 increase from the 2019 budget as Class B&C Road funds are expected increase and the City was awarded a \$150,000 recreation grant from the State to help fund the downtown plaza.
7. The budget includes increases in operating costs for personnel merit raises and a 2% cost-of-living adjustment. It also includes increases in operating costs for energy and general goods and services. Energy costs and health care costs have continued as "watch areas" and are expected to increase at a higher rate than the general level of inflation due to national trends and the composition of the City's workforce. The City continues to deal with increases in energy and health care costs through aggressive cost containment in all other cost centers. Health care costs have also been proactively managed through use of a City Wellness Program, and adoption of benefit program changes, including a Health Savings Account option along with traditional healthcare insurance plans to increase employee awareness of costs and to reduce utilization of high cost areas.
8. Governmental fund activity was budgeted conservatively with minimal increases in a few of its charge for service fees.
9. Each year City management performs evaluations, including market comparisons, of the adequacy of fees in the enterprise funds to ensure their ongoing viability and stability. Enterprise fund activity reflects only one increase in rates and fees charged that could have a significant impact on enterprise fund revenue as outlined below.

As adopted with the fiscal year 2020 budget, the following rate and fee increase will be effective July 1, 2019 and provide additional revenue for fiscal year 2020:

1. The Storm Water Equivalent Residential Unit (ERU) rate increased from \$7 to \$7.25. This is a 3.58% increase.

**CITY OF BOUNTIFUL  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Fiscal Year Ended June 30, 2019**

**Requests for Information**

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



## **BASIC FINANCIAL STATEMENTS**

**CITY OF BOUNTIFUL**  
**STATEMENT OF NET POSITION**  
**June 30, 2019**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 16,409,517	\$ 14,918,663	\$ 31,328,180
Receivables:			
Taxes	5,376,666	-	5,376,666
Accounts, net	368,977	5,023,725	5,392,702
Interest	117,151	106,558	223,709
Intergovernmental	459,590	-	459,590
Investments	32,536,295	29,617,649	62,153,944
Inventories	-	2,455,538	2,455,538
Prepaid expenses	8,780	110,608	119,388
<b>Total Current Assets</b>	<u>55,276,976</u>	<u>52,232,741</u>	<u>107,509,717</u>
<b>Noncurrent assets:</b>			
Internal balances	798,398	(798,398)	-
Notes receivable	2,531,929	-	2,531,929
Restricted assets:			
Cash and cash equivalents	2,173,796	3,521,803	5,695,599
Net other postemployment benefits asset	306,353	185,955	492,308
Capital assets, net:			
Land, land rights, and water rights	50,794,922	8,842,460	59,637,382
Buildings, wells, and reservoirs	6,157,170	14,885,540	21,042,710
Improvements other than buildings	3,715,644	1,216,491	4,932,135
Power & water transmission, distribution, and collection infrastructure	-	35,105,577	35,105,577
Street light system	-	197,194	197,194
Machinery and equipment	2,927,934	21,884,860	24,812,794
Furniture and fixtures	872,129	89,346	961,475
Infrastructure	15,358,571	-	15,358,571
Construction in progress	2,819,543	953,961	3,773,504
Intangible asset - power projects	-	4,894,788	4,894,788
<b>Total Noncurrent Assets</b>	<u>88,456,389</u>	<u>90,979,577</u>	<u>179,435,966</u>
<b>Total Assets</b>	<u>143,733,365</u>	<u>143,212,318</u>	<u>286,945,683</u>
<b>Deferred Outflows of Resources</b>			
Pensions	3,390,136	1,643,264	5,033,400
Other postemployment benefits plan	18,286	11,099	29,385
<b>Total Deferred Outflows of Resources</b>	<u>3,408,422</u>	<u>1,654,363</u>	<u>5,062,785</u>
<b>Total Assets and Deferred Outflows</b>	<u>\$ 147,141,787</u>	<u>\$ 144,866,681</u>	<u>\$ 292,008,468</u>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF NET POSITION (Continued)**  
**June 30, 2019**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 960,950	\$ 1,633,384	\$ 2,594,334
Accrued liabilities	664,034	549,138	1,213,172
Accrued interest payable	-	89,305	89,305
Retainage payable - restricted assets	101,337	367,331	468,668
Unearned revenue	-	181,689	181,689
Compensated absences	432,180	232,159	664,339
Bonds payable	-	705,000	705,000
<b>Total Current Liabilities</b>	<u>2,158,501</u>	<u>3,758,006</u>	<u>5,916,507</u>
<b>Noncurrent Liabilities:</b>			
Developer and customer deposits - restricted assets	680,348	1,030,147	1,710,495
Compensated absences	746,515	508,532	1,255,047
Bonds payable	-	9,350,000	9,350,000
Accrued landfill closure - restricted assets	-	1,362,351	1,362,351
Net pension liability	10,502,745	3,158,911	13,661,656
<b>Total Noncurrent Liabilities</b>	<u>11,929,608</u>	<u>15,409,941</u>	<u>27,339,549</u>
<b>Total Liabilities</b>	<u>14,088,109</u>	<u>19,167,947</u>	<u>33,256,056</u>
<b>Deferred Inflows of Resources</b>			
Deferred revenue-property taxes	3,563,719	-	3,563,719
Pensions	401,344	143,925	545,269
Other postemployment benefits plan	210,369	127,693	338,062
<b>Total Deferred Inflows of Resources</b>	<u>4,175,432</u>	<u>271,618</u>	<u>4,447,050</u>
<b>Net Position</b>			
Net investment in capital assets	82,645,913	78,015,217	160,661,130
Restricted for:			
Landfill closure	865,831	-	865,831
Debt Service	-	580,285	580,285
Regulatory required insurance deposit	523,740	-	523,740
Other postemployment benefits	114,270	69,361	183,631
Unrestricted	44,728,492	46,762,253	91,490,745
<b>Total Net Position</b>	<u>128,878,246</u>	<u>125,427,116</u>	<u>254,305,362</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<u>\$ 147,141,787</u>	<u>\$ 144,866,681</u>	<u>\$ 292,008,468</u>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF ACTIVITIES**  
**For The Fiscal Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Government Activities</b>							
General government	\$ 2,756,678	\$ 590,571	\$ 66,198	\$ -	\$ (2,099,909)	\$ -	\$ (2,099,909)
Public safety	10,670,198	721,114	67,688	-	(9,881,396)	-	(9,881,396)
Highways and streets	5,058,822	65,623	2,295,677	431,640	(2,265,882)	-	(2,265,882)
Planning and engineering	893,628	453,684	25,000	-	(414,944)	-	(414,944)
Parks and recreation	1,375,540	18,800	-	-	(1,356,740)	-	(1,356,740)
Redevelopment	531,500	-	-	-	(531,500)	-	(531,500)
<b>Total Governmental Activities</b>	<b>21,286,366</b>	<b>1,849,792</b>	<b>2,454,563</b>	<b>431,640</b>	<b>(16,550,371)</b>	<b>-</b>	<b>(16,550,371)</b>
<b>Business-type Activities</b>							
Water	4,413,045	5,639,247	-	356,160	-	1,582,362	1,582,362
Light and power	25,588,771	27,252,441	-	533,315	-	2,196,985	2,196,985
Landfill and sanitation	2,665,632	2,586,965	-	-	-	(78,667)	(78,667)
Storm water	1,173,363	1,643,847	-	85,491	-	555,975	555,975
Golf course	1,692,390	1,149,420	-	-	-	(542,970)	(542,970)
Recycling	585,331	434,547	-	-	-	(150,784)	(150,784)
Cemetery	544,294	579,650	-	-	-	35,356	35,356
<b>Total Business-type Activities</b>	<b>36,662,826</b>	<b>39,286,117</b>	<b>-</b>	<b>974,966</b>	<b>-</b>	<b>3,598,257</b>	<b>3,598,257</b>
<b>Total Government</b>	<b>\$ 57,949,192</b>	<b>\$ 41,135,909</b>	<b>\$ 2,454,563</b>	<b>\$ 1,406,606</b>	<b>\$ (16,550,371)</b>	<b>\$ 3,598,257</b>	<b>\$ (12,952,114)</b>
			<b>General Revenues</b>				
			Property taxes		\$ 3,969,296	\$ -	\$ 3,969,296
			Sales taxes		8,460,480	-	8,460,480
			Franchise taxes		3,802,154	-	3,802,154
			Investment earnings		1,625,239	1,528,309	3,153,548
			Miscellaneous		157,982	263,662	421,644
			Gain on sale of capital assets		57,951	10,007	67,958
			<b>Transfers</b>		<b>2,544,272</b>	<b>(2,544,272)</b>	<b>-</b>
			<b>Total General Revenues and Transfers</b>		<b>20,617,374</b>	<b>(742,294)</b>	<b>19,875,080</b>
			Changes in Net Position		4,067,003	2,855,963	6,922,966
			<b>Net Position, Beginning</b>		<b>124,811,243</b>	<b>124,919,576</b>	<b>249,730,819</b>
			<b>Prior Period Adjustment</b>		<b>-</b>	<b>(2,348,423)</b>	<b>(2,348,423)</b>
			<b>Net Position, Ending</b>		<b>\$ 128,878,246</b>	<b>\$ 125,427,116</b>	<b>\$ 254,305,362</b>

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, 2019**

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 460,294	\$ 10,953,598	\$ 2,900,040	\$ 925,021	\$ 15,238,953
Receivables:					
Taxes	4,222,914	-	1,048,134	105,618	5,376,666
Accounts - net	358,371	-	-	235	358,606
Interest	8,520	74,105	20,342	6,314	109,281
Intergovernmental	459,590	-	-	-	459,590
Investments	2,193,021	20,751,482	5,651,675	1,753,321	30,349,499
Prepaid expenditures	-	8,780	-	-	8,780
Restricted assets:					
Cash and cash equivalents	700,584	-	83,178	866,294	1,650,056
<b>Total Assets</b>	<u>\$ 8,403,294</u>	<u>\$ 31,787,965</u>	<u>\$ 9,703,369</u>	<u>\$ 3,656,803</u>	<u>\$ 53,551,431</u>
<b>Liabilities</b>					
Accounts payable	\$ 574,975	\$ 45,437	\$ 130,851	\$ 21,063	\$ 772,326
Retainage payable - restricted assets	17,696	-	83,178	463	101,337
Accrued liabilities	656,565	-	2,031	-	658,596
Developer and customer deposits - restricted assets	680,348	-	-	-	680,348
<b>Total Liabilities</b>	<u>1,929,584</u>	<u>45,437</u>	<u>216,060</u>	<u>21,526</u>	<u>2,212,607</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue-property taxes	2,515,585	-	1,048,134	-	3,563,719
<b>Total Deferred Inflows of Resources</b>	<u>2,515,585</u>	<u>-</u>	<u>1,048,134</u>	<u>-</u>	<u>3,563,719</u>
<b>Fund Balances</b>					
Nonspendable:					
Prepaid expenditure	-	8,780	-	-	8,780
Restricted:					
Landfill closure	-	-	-	865,831	865,831
Committed:					
Cemetery perpetual care	-	-	-	2,008,538	2,008,538
Assigned:					
Computer replacement	55,035	-	-	-	55,035
Capital projects	-	31,733,748	-	-	31,733,748
RDA fund	-	-	8,439,175	-	8,439,175
Recreation, parks, and arts	-	-	-	380,772	380,772
Debt service fund	-	-	-	20,626	20,626
MBA fund	-	-	-	359,510	359,510
Unassigned	3,903,090	-	-	-	3,903,090
<b>Total Fund Balances</b>	<u>3,958,125</u>	<u>31,742,528</u>	<u>8,439,175</u>	<u>3,635,277</u>	<u>47,775,105</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 8,403,294</u>	<u>\$ 31,787,965</u>	<u>\$ 9,703,369</u>	<u>\$ 3,656,803</u>	<u>\$ 53,551,431</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, 2019**

Amounts reported for governmental activities in the statement of net position (page 21) are different from the amounts reported in the governmental funds balance sheet (page 23) because:

<b>Total fund balances - governmental funds (page 23)</b>	<b>\$ 47,775,105</b>
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	82,645,913
The net OPEB asset resulting from OPEB trust assets being in excess of the total OPEB liability is not an available resource and, therefore, is not reported in the governmental funds.	306,353
The General, RDA, and Capital Project Fund's long-term notes receivable are not current financial resources and, therefore, are not reported in the governmental funds.	2,531,929
Deferred outflows of resources associated with the net pension liability and asset are not an available resource and, therefore, are not reported in the governmental funds.	3,390,136
Deferred outflows of resources associated with the net OPEB asset are not an available resource and, therefore, are not reported in the governmental funds.	18,286
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 governmental funds.	(11,681,440)
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 governmental funds.	(401,344)
Deferred inflows of resources associated with the net OPEB asset are not due and payable in the current period and, therefore, are not recorded in the governmental funds.	(210,369)
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.	3,705,279
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.	798,398
<b>Net Position of governmental activities</b>	<b>\$128,878,246</b>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – GOVERNMENTAL FUNDS**  
**For The Fiscal Year Ended June 30, 2019**

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Property taxes	\$ 2,949,288	\$ -	\$ -	\$ -	\$ 2,949,288
Sales taxes	4,633,317	3,258,588	-	568,575	8,460,480
Franchise taxes	3,802,154	-	-	-	3,802,154
Property tax increment contrib.	-	-	1,020,008	-	1,020,008
Licenses and permits	514,245	-	-	-	514,245
Intergovernmental	2,510,658	-	25,000	-	2,535,658
Charges for services	1,035,943	-	-	168,875	1,204,818
Fines and forfeitures	130,729	-	-	-	130,729
Investment earnings	200,604	986,278	329,057	109,300	1,625,239
Miscellaneous	55,893	43,316	195,436	61,995	356,640
<b>Total Revenues</b>	<b>15,832,831</b>	<b>4,288,182</b>	<b>1,569,501</b>	<b>908,745</b>	<b>22,599,259</b>
<b>Expenditures</b>					
Current:					
General government	2,177,436	20,068	-	1,619	2,199,123
Public safety	9,517,509	-	-	-	9,517,509
Highways and streets	4,065,600	-	-	-	4,065,600
Planning and engineering	900,866	-	-	-	900,866
Parks and recreation	962,873	-	-	97,849	1,060,722
Redevelopment	-	-	2,419,268	-	2,419,268
Capital outlay:					
General government	-	1,070,574	-	-	1,070,574
Public safety	-	438,755	-	-	438,755
Highways and streets	-	300,049	-	-	300,049
Planning and engineering	-	33,932	-	-	33,932
Parks and recreation	-	92,757	-	-	92,757
<b>Total Expenditures</b>	<b>17,624,284</b>	<b>1,956,135</b>	<b>2,419,268</b>	<b>99,468</b>	<b>22,099,155</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,791,453)</b>	<b>2,332,047</b>	<b>(849,767)</b>	<b>809,277</b>	<b>500,104</b>
<b>Other Financing Sources (Uses)</b>					
Transfer in	2,448,615	411,816	-	-	2,860,431
Transfer out	-	-	-	(411,816)	(411,816)
Sale of capital assets	57,951	-	64,000	-	121,951
<b>Total Other Financing Sources (Uses)</b>	<b>2,506,566</b>	<b>411,816</b>	<b>64,000</b>	<b>(411,816)</b>	<b>2,570,566</b>
<b>Net Change in Fund Balance</b>	<b>715,113</b>	<b>2,743,863</b>	<b>(785,767)</b>	<b>397,461</b>	<b>3,070,670</b>
<b>Fund Balance, Beginning</b>	<b>3,243,012</b>	<b>28,998,665</b>	<b>9,224,942</b>	<b>3,237,816</b>	<b>44,704,435</b>
<b>Fund Balance, Ending</b>	<b>\$ 3,958,125</b>	<b>\$ 31,742,528</b>	<b>\$ 8,439,175</b>	<b>\$ 3,635,277</b>	<b>\$ 47,775,105</b>

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



**CITY OF BOUNTIFUL**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For The Fiscal Year Ended June 30, 2019**

Amounts reported for governmental activities in the statement of activities (page 22) are different because:

<b>Net Change in Fund Balances - total governmental funds (page 25)</b>	<b>\$ 3,070,670</b>
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.	(2,050,432)
Governmental funds report capital outlays as expenditures. These expenditures are reported as capital assets in the statement of net position.	3,341,126
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.	431,640
Governmental funds do not account for enterprise fund contributions of capital assets that cannot be used as current financial resources. These contributions are reported as a transfer in the statement of activities.	95,657
The accrual effect of the sale/disposal of capital assets. The funds only report the proceeds.	(308,042)
In the statement of activities, current changes to the net OPEB asset act to decrease OPEB expense. Governmental funds do not recognize anything other than OPEB plan payments.	22,413
Proceeds from repayment of General, RDA, and Capital Project Fund's long-term notes receivable are recorded as revenue in the governmental funds; however, the repayment is recorded as a reduction of the loan principal in the statement of net position.	(279,753)
Amounts loaned by the RDA are recorded as expenditures in that governmental fund; however, the loan is recorded as a long-term note receivable for the statement of net position.	550,000
In the statement of activities, current changes to the net pension asset act to decrease pension expense. Governmental funds do not adjust pension contribution expenditures.	(1,326)
In the statement of activities, current changes to the net pension liability act to decrease pension expense. Governmental funds do not adjust pension contribution expenditures.	(2,444,568)
In the statement of activities, current changes to the deferred outflows of resources related to pensions act to increase pension expense. Governmental funds do not adjust pension contribution expenditures.	(451,353)
In the statement of activities, current changes to the deferred inflows of resources related to pensions act to increase pension expense. Governmental funds do not adjust pension contribution expenditures.	2,250,725
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.	(99,451)
The combined change in net position of internal service funds is reported within the governmental activities.	(159,361)
Internal service funds had a net current year loss. This loss was allocated at the government-wide level to applicable functional expenses adding to the fiscal year 2018 internal balance due to governmental activities from business-type activities.	99,058
<b>Change in net position of governmental activities</b>	<b>\$ 4,067,003</b>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – GENERAL FUND**  
**For The Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 2,864,769	\$ 2,864,769	\$ 2,949,288	\$ 84,519
Sales taxes	4,055,025	5,266,025	4,633,317	(632,708)
Franchise taxes	3,800,000	3,800,000	3,802,154	2,154
Licenses and permits	557,500	557,500	514,245	(43,255)
Intergovernmental revenues	2,298,849	2,298,849	2,510,658	211,809
Charges for services	1,039,177	1,039,177	1,035,943	(3,234)
Fines and forfeitures	130,000	130,000	130,729	729
Investment earnings	155,800	155,800	200,604	44,804
Miscellaneous	62,800	62,800	55,893	(6,907)
<b>Total Revenues</b>	<u>14,963,920</u>	<u>16,174,920</u>	<u>15,832,831</u>	<u>(342,089)</u>
<b>Expenditures</b>				
Current:				
General government:				
Legislative	740,766	677,766	552,109	125,657
Legal	330,355	330,355	298,484	31,871
Executive	191,265	191,265	164,967	26,298
Information technology	442,313	442,313	444,930	(2,617)
Finance	428,798	428,798	380,412	48,386
Human resources	149,963	149,963	142,382	7,581
Treasury	148,986	148,986	83,421	65,565
Government buildings	120,447	120,447	110,731	9,716
Public safety:				
Police	7,714,084	7,818,084	7,443,586	374,498
Fire	2,049,347	2,074,347	2,073,923	424
Highways and streets	3,239,743	4,376,743	4,065,600	311,143
Planning and engineering:				
Planning	288,910	288,910	248,239	40,671
Engineering	705,686	705,686	652,627	53,059
Parks	927,154	935,154	962,873	(27,719)
<b>Total Expenditures</b>	<u>17,477,817</u>	<u>18,688,817</u>	<u>17,624,284</u>	<u>1,064,533</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>(2,513,897)</u>	<u>(2,513,897)</u>	<u>(1,791,453)</u>	<u>722,444</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	2,490,000	2,490,000	2,448,615	(41,385)
Sale of capital assets	40,000	40,000	57,951	17,951
<b>Total Other Financing Sources (Uses)</b>	<u>2,530,000</u>	<u>2,530,000</u>	<u>2,506,566</u>	<u>(23,434)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 16,103</u>	<u>\$ 16,103</u>	715,113	<u>\$ 699,010</u>
<b>Fund Balance, Beginning</b>			<u>3,243,012</u>	
<b>Fund Balance, Ending</b>			<u>\$ 3,958,125</u>	

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – REDEVELOPMENT AGENCY SPECIAL**  
**REVENUE FUND**  
**For The Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property tax increment contribution	\$ 1,097,450	\$ 1,097,450	\$ 1,020,008	\$ (77,442)
Intergovernmental revenues	-	-	25,000	25,000
Investment earnings	99,968	99,968	329,057	229,089
Principal payments on notes receivable	180,792	180,792	195,436	14,644
<b>Total Revenues</b>	<u>1,378,210</u>	<u>1,378,210</u>	<u>1,569,501</u>	<u>191,291</u>
<b>Expenditures</b>				
Current:				
Redevelopment	4,829,145	4,880,145	2,419,268	2,460,877
<b>Total Expenditures</b>	<u>4,829,145</u>	<u>4,880,145</u>	<u>2,419,268</u>	<u>2,460,877</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,450,935)</u>	<u>(3,501,935)</u>	<u>(849,767)</u>	<u>2,652,168</u>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	-	-	64,000	64,000
<b>Total Other Financing</b>	<u>-</u>	<u>-</u>	<u>64,000</u>	<u>64,000</u>
<b>Net Change in Fund Balance *</b>	<u>\$ (3,450,935)</u>	<u>\$ (3,501,935)</u>	<u>(785,767)</u>	<u>\$ 2,716,168</u>
<b>Fund Balance, Beginning</b>			<u>9,224,942</u>	
<b>Fund Balance, Ending</b>			<u>\$ 8,439,175</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, 2019**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Enterprise</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Light and Power</b>	<b>Landfill and Sanitation</b>	<b>Other Enterprise Funds</b>		
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 783,897	\$ 7,620,441	\$ 4,921,885	\$ 1,592,440	\$ 14,918,663	\$ 1,170,564
Accounts receivable, net	857,715	3,492,922	347,703	325,385	5,023,725	10,371
Interest receivable	6,567	60,547	31,730	11,766	110,610	7,870
Investments	1,806,609	16,869,703	7,689,977	3,251,360	29,617,649	2,186,796
Inventories	285,867	2,114,678	-	54,993	2,455,538	-
Prepaid expenses	92,005	18,603	-	-	110,608	-
<b>Total Current Assets</b>	<b>3,832,660</b>	<b>30,176,894</b>	<b>12,991,295</b>	<b>5,235,944</b>	<b>52,236,793</b>	<b>3,375,601</b>
<b>Noncurrent Assets</b>						
Restricted assets:						
Cash and cash equivalents	169,814	1,864,958	1,362,351	124,680	3,521,803	523,740
Net other postemployment benefits asset	38,616	94,093	24,053	29,193	185,955	-
Due from other funds	-	-	2,738,090	-	2,738,090	-
Capital assets, net:						
Land, land rights and water rights	339,566	1,263,349	43,737	7,195,808	8,842,460	-
Buildings, wells and reservoirs	7,601,237	5,717,958	1,108,939	457,406	14,885,540	-
Improvements other than buildings	46,166	297,300	158,807	714,218	1,216,491	-
Power & water transmission, distribution, and collection infrastructure	14,518,056	16,553,799	-	4,033,722	35,105,577	-
Street light system	-	197,194	-	-	197,194	-
Machinery and equipment	2,394,202	17,527,458	1,182,746	780,454	21,884,860	-
Furniture and fixtures	-	89,346	-	-	89,346	-
Construction in progress	374,378	448,152	-	131,431	953,961	-
Intangible asset - power projects	-	4,894,788	-	-	4,894,788	-
<b>Total Noncurrent Assets</b>	<b>25,482,035</b>	<b>48,948,395</b>	<b>6,618,723</b>	<b>13,466,912</b>	<b>94,516,065</b>	<b>523,740</b>
<b>Total Assets</b>	<b>29,314,695</b>	<b>79,125,289</b>	<b>19,610,018</b>	<b>18,702,856</b>	<b>146,752,858</b>	<b>3,899,341</b>
<b>Deferred Outflows of Resources</b>						
Pensions	293,632	913,970	173,963	261,699	1,643,264	35,833
Other postemployment benefits plan	2,305	5,616	1,435	1,743	11,099	-
<b>Total Deferred Outflows</b>	<b>295,937</b>	<b>919,586</b>	<b>175,398</b>	<b>263,442</b>	<b>1,654,363</b>	<b>35,833</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 29,610,632</b>	<b>\$ 80,044,875</b>	<b>\$ 19,785,416</b>	<b>\$ 18,966,298</b>	<b>\$ 148,407,221</b>	<b>\$ 3,935,174</b>

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, 2019**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Light and Power</b>	<b>Landfill and Sanitation</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise</b>	
<b>Current Liabilities</b>						
Accounts payable	\$ 69,579	\$ 1,227,036	\$ 37,907	\$ 298,862	\$ 1,633,384	\$ 188,626
Accrued liabilities	66,814	344,022	45,741	92,561	549,138	5,438
Accrued Interest Payable	4,052	89,305	-	-	93,357	-
Retainage payable - restricted assets	13,575	345,372	-	8,384	367,331	-
Unearned revenue - restricted assets	121,221	1,866	-	58,602	181,689	-
Compensated absences	44,786	130,167	25,781	31,425	232,159	-
Revenue bond payable	-	705,000	-	-	705,000	-
<b>Total Current Liabilities</b>	<b>320,027</b>	<b>2,842,768</b>	<b>109,429</b>	<b>489,834</b>	<b>3,762,058</b>	<b>194,064</b>
<b>Noncurrent Liabilities</b>						
Developer and customer deposits - restricted assets	35,018	937,435	-	57,694	1,030,147	-
Compensated absences	98,136	278,055	53,628	78,713	508,532	-
Due to other funds	2,738,090	-	-	-	2,738,090	-
Revenue bond payable	-	9,350,000	-	-	9,350,000	-
Accrued landfill closure - restricted assets	-	-	1,362,351	-	1,362,351	-
Net pension liability	564,460	1,756,961	334,415	503,075	3,158,911	68,884
<b>Total Noncurrent Liabilities</b>	<b>3,435,704</b>	<b>12,322,451</b>	<b>1,750,394</b>	<b>639,482</b>	<b>18,148,031</b>	<b>68,884</b>
<b>Total Liabilities</b>	<b>3,755,731</b>	<b>15,165,219</b>	<b>1,859,823</b>	<b>1,129,316</b>	<b>21,910,089</b>	<b>262,948</b>
<b>Deferred Inflows of Resources</b>						
Pensions	25,718	80,050	15,236	22,921	143,925	3,138
Other postemployment benefits plan	26,517	64,613	16,517	20,046	127,693	-
<b>Total Deferred Inflows</b>	<b>52,235</b>	<b>144,663</b>	<b>31,753</b>	<b>42,967</b>	<b>271,618</b>	<b>3,138</b>
<b>Net Position</b>						
Net investment in capital assets	25,273,605	36,934,344	2,494,229	13,313,039	78,015,217	-
Restricted:						
Debt service	-	580,285	-	-	580,285	-
Regulatory required insurance deposit	-	-	-	-	-	523,740
Other postemployment benefits	14,404	35,096	8,971	10,890	69,361	-
Unrestricted	514,657	27,185,268	15,390,640	4,470,086	47,560,651	3,145,348
<b>Total Net Position</b>	<b>25,802,666</b>	<b>64,734,993</b>	<b>17,893,840</b>	<b>17,794,015</b>	<b>126,225,514</b>	<b>3,669,088</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 29,610,632</b>	<b>\$ 80,044,875</b>	<b>\$ 19,785,416</b>	<b>\$ 18,966,298</b>	<b>\$ 148,407,221</b>	<b>\$ 3,935,174</b>
<b>Net Position Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Net Position:</b>					\$ 126,225,514	
Adjustment for the cumulative internal balance from the net activity between internal service funds and enterprise funds					(798,398)	
					<b>\$ 125,427,116</b>	

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For The Fiscal Year Ended June 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Enterprise</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Light and Power</b>	<b>Landfill and Sanitation</b>	<b>Other Enterprise Funds</b>		
<b>Operating Revenues</b>						
Charges for services	\$ 5,615,477	\$ 27,105,976	\$ 2,586,965	\$ 2,433,014	\$ 37,741,432	\$ 636,978
Connection and servicing	23,770	92,265	-	-	116,035	-
Admissions and lesson fees	-	-	-	642,972	642,972	-
Equipment and facility rents	-	54,200	-	299,481	353,681	-
Concession and merchandise sales	-	-	-	210,867	210,867	-
Sale of cemetery burial plots	-	-	-	221,130	221,130	-
Miscellaneous	810	123,251	129,357	10,244	263,662	-
<b>Total Operating Revenues</b>	<b>5,640,057</b>	<b>27,375,692</b>	<b>2,716,322</b>	<b>3,817,708</b>	<b>39,549,779</b>	<b>636,978</b>
<b>Operating Expenses</b>						
Personnel wages and benefits	1,423,842	4,056,174	1,062,059	1,544,990	8,087,065	146,196
Materials and supplies	401,677	100,508	103,220	168,435	773,840	-
Repair and maintenance costs	408,546	2,606,555	538,254	535,609	4,088,964	-
Contractual and professional services	83,578	58,133	266,948	590,873	999,532	4,065
Power purchases	-	12,271,557	-	-	12,271,557	-
Power generation costs	-	1,152,264	-	-	1,152,264	-
General and administrative costs	1,051,541	1,095,115	263,850	630,443	3,040,949	434,189
Claims	-	-	-	-	-	320,816
Depreciation	1,032,832	2,406,715	422,911	513,296	4,375,754	-
Amortization	-	1,296,107	-	-	1,296,107	-
<b>Total Operating Expenses</b>	<b>4,402,016</b>	<b>25,043,128</b>	<b>2,657,242</b>	<b>3,983,646</b>	<b>36,086,032</b>	<b>905,266</b>
<b>Operating Income (Loss)</b>	<b>\$ 1,238,041</b>	<b>\$ 2,332,564</b>	<b>\$ 59,080</b>	<b>\$ (165,938)</b>	<b>\$ 3,463,747</b>	<b>\$ (268,288)</b>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS (Continued)**  
**For The Fiscal Year Ended June 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Enterprise</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Light and Power</b>	<b>Landfill and Sanitation</b>	<b>Other Enterprise Funds</b>		
<b>Nonoperating Revenues (Expenses)</b>						
Investment earnings	\$ 98,067	\$ 847,320	\$ 514,995	\$ 154,375	\$ 1,614,757	\$ 108,927
Interest expense	(86,488)	(544,868)	-	-	(631,356)	-
Gain (loss) from sale of capital assets	7,335	(28,145)	1,000	1,332	(18,478)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>18,914</u>	<u>274,307</u>	<u>515,995</u>	<u>155,707</u>	<u>964,923</u>	<u>108,927</u>
Income (loss) before contributions & transfers	1,256,955	2,606,871	575,075	(10,231)	4,428,670	(159,361)
<b>Capital Contributions</b>	356,160	533,315	-	85,491	974,966	-
<b>Transfers in</b>	-	-	-	89,384	89,384	-
<b>Transfers out</b>	<u>-</u>	<u>(2,448,615)</u>	<u>(89,384)</u>	<u>-</u>	<u>(2,537,999)</u>	<u>-</u>
<b>Change in Net Position</b>	1,613,115	691,571	485,691	164,644	2,955,021	(159,361)
<b>Net Position, Beginning</b>	24,189,551	66,391,845	17,408,149	17,629,371	125,618,916	3,828,449
<b>Prior Period Adjustment</b>	<u>-</u>	<u>(2,348,423)</u>	<u>-</u>	<u>-</u>	<u>(2,348,423)</u>	<u>-</u>
<b>Net Position, Ending</b>	<u>\$ 25,802,666</u>	<u>\$ 64,734,993</u>	<u>\$ 17,893,840</u>	<u>\$ 17,794,015</u>	<u>\$ 126,225,514</u>	<u>\$ 3,669,088</u>
<b>Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Activities:</b>					\$ 2,955,021	
Adjustment to eliminate the current fiscal year's internal service funds net loss from internal customers applicable to business-type activities					<u>(99,058)</u>	
<b>Changes in Net Position of Business-type activities (page 22)</b>					<u>\$ 2,855,963</u>	

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**For The Fiscal Year Ended June 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Light and Power</b>	<b>Landfill and Sanitation</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise</b>	
<b>Cash Flows From Operating Activities</b>						
Receipts from customers and users	\$ 5,699,437	\$ 27,781,758	\$ 2,667,651	\$ 3,767,325	\$ 39,916,171	\$ 636,783
Receipts from customer deposits	35,018	200,914	-	7,370	243,302	-
Payments to suppliers	(3,358,593)	(16,873,877)	(892,989)	(1,372,008)	(22,497,467)	(640,283)
Payments to employees and related benefits	(1,400,554)	(4,018,004)	(1,055,831)	(1,542,077)	(8,016,466)	(146,370)
Payments to other funds for services provided	(392,791)	(702,699)	(214,156)	(358,726)	(1,668,372)	-
Return of customer deposits	-	(149,097)	-	(22,040)	(171,137)	-
<b>Net cash flows from operating activities</b>	<b>582,517</b>	<b>6,238,995</b>	<b>504,675</b>	<b>479,844</b>	<b>7,806,031</b>	<b>(149,870)</b>
<b>Cash Flows From Non-Capital Financing Activities</b>						
Transfers from other funds	-	-	-	89,384	89,384	-
Transfers to other funds	-	(2,448,615)	(89,384)	-	(2,537,999)	-
<b>Net cash flows from non-capital financing activities</b>	<b>-</b>	<b>(2,448,615)</b>	<b>(89,384)</b>	<b>89,384</b>	<b>(2,448,615)</b>	<b>-</b>
<b>Cash Flows From Capital and Related Financing Activities</b>						
Capital contributions	301,087	533,315	-	24,263	858,665	-
Purchase of capital assets	(2,605,083)	(2,844,425)	(329,552)	(711,437)	(6,490,497)	-
Proceeds from sales of capital assets	-	67,512	1,000	-	68,512	-
Principal paid on capital debt	-	(690,000)	-	-	(690,000)	-
Interest paid on capital debt	(86,876)	(549,387)	-	-	(636,263)	-
Principal paid on interfund payable	(261,910)	-	-	-	(261,910)	-
<b>Net cash flows from capital and related financing activities</b>	<b>\$ (2,652,782)</b>	<b>\$ (3,482,985)</b>	<b>\$ (328,552)</b>	<b>\$ (687,174)</b>	<b>\$ (7,151,493)</b>	<b>\$ -</b>
<b>Cash Flows From Investing Activities</b>						
Investment earnings	\$ 83,763	\$ 660,267	\$ 429,078	\$ 118,891	\$ 1,291,999	\$ 85,084
Purchase of investments	(336,928)	(3,455,505)	(1,876,336)	(854,109)	(6,522,878)	(438,639)
Sale of investments	2,552,517	7,634,780	3,541,240	1,813,724	15,542,261	1,120,506
Principal paid on interfund receivable	-	-	261,910	-	261,910	-
<b>Net cash flows from investing activities</b>	<b>2,299,352</b>	<b>4,839,542</b>	<b>2,355,892</b>	<b>1,078,506</b>	<b>10,573,292</b>	<b>766,951</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>229,087</b>	<b>5,146,937</b>	<b>2,442,631</b>	<b>960,560</b>	<b>8,779,215</b>	<b>617,081</b>
<b>Cash and Cash Equivalents, Beginning</b>	<b>724,624</b>	<b>4,338,462</b>	<b>3,841,605</b>	<b>756,560</b>	<b>9,661,251</b>	<b>1,077,223</b>
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 953,711</b>	<b>\$ 9,485,399</b>	<b>\$ 6,284,236</b>	<b>\$ 1,717,120</b>	<b>\$ 18,440,466</b>	<b>\$ 1,694,304</b>

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



**CITY OF BOUNTIFUL**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)**  
**For The Fiscal Year Ended June 30, 2019**

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		
<b>Reconciliation of operating income to net cash flows from operating activities</b>						
Earnings (loss) from operations	\$ 1,238,041	\$ 2,332,564	\$ 59,080	\$ (165,938)	\$ 3,463,747	\$ (268,288)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:						
Depreciation and amortization	1,032,832	3,702,822	422,911	513,296	5,671,861	-
Changes in assets and liabilities						
Accounts receivable, net	100,489	431,677	(48,671)	(50,383)	433,112	(195)
Inventories	18,749	(26,050)	-	11,503	4,202	-
Prepaid expenses	(300)	3,544	-	-	3,244	-
Other postemployment benefits (OPEB) asset	(3,637)	(5,776)	(1,967)	(1,585)	(12,965)	-
Net pension asset	258	823	145	225	1,451	32
Deferred outflows - pensions	(6,508)	408	(13,244)	(11,749)	(31,093)	422
Deferred outflows - OPEB	141	560	109	187	997	-
Accounts payable	(1,655,237)	(604,290)	20,299	164,518	(2,074,710)	118,479
Accrued liabilities	8,418	(10,918)	3,872	9,343	10,715	35
Retainage payable	(177,672)	345,372	-	(4,432)	163,268	-
Unearned revenue	(41,109)	(25,611)	-	(1,891)	(68,611)	-
Developer and customer deposits	35,018	51,817	-	(14,670)	72,165	-
Compensated absences	15,741	32,007	(7,588)	5,046	45,206	-
Accrued landfill closure	-	-	40,956	-	40,956	-
Deferred inflows - pensions	(214,107)	(683,700)	(119,007)	(185,854)	(1,202,668)	(27,144)
Deferred inflows - OPEB	319	(1,534)	(25)	(631)	(1,871)	-
Net pension liability	231,081	695,280	147,805	212,859	1,287,025	26,789
<b>Net cash flows from operating activities</b>	<b>\$ 582,517</b>	<b>\$ 6,238,995</b>	<b>\$ 504,675</b>	<b>\$ 479,844</b>	<b>\$ 7,806,031</b>	<b>\$ (149,870)</b>
<b>Schedule of non-cash capital and related financing activities</b>						
Contributions of capital assets	\$ 55,073	\$ -	\$ -	\$ 61,228	\$ 116,301	\$ -
Purchase of capital assets through trade-in	\$ 30,000	\$ -	\$ -	\$ 3,000	\$ 33,000	\$ -
Capital assets contributed from/(to) other funds	\$ -	\$ (619,191)	\$ (89,208)	\$ 89,208	\$ (619,191)	\$ -

\* Assets with historical cost of \$619,191 and accumulated depreciation of \$523,534 were contributed from Light and Power to governmental activities

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

**CITY OF BOUNTIFUL  
STATEMENT OF FIDUCIARY NET POSITION  
OPEB PLANS  
June 30, 2019**

	<b>Other Postemployment Benefits Plan (OPEB) Trust</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 225,065
Interest receivable	2,329
Investments	429,427
<b>Total Assets</b>	<b>\$ 656,821</b>
<b>Net Position</b>	
Restricted net position - held in trust for OPEB	\$ 656,821
<b>Total Net Position</b>	<b>656,821</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 656,821</b>

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

**CITY OF BOUNTIFUL**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**OPEB PLANS**  
**For The Fiscal Year Ended June 30, 2019**

	<b>Other Postemployment Benefits Plan (OPEB) Trust</b>
<b>Additions</b>	
Interest earnings:	
Interest and dividends	\$ 14,968
Net increase/(decrease) in fair value	4,945
Investment expense	(874)
Net investment earnings	19,039
<b>Total Additions</b>	19,039
<b>Deductions</b>	
Benefits	30,359
<b>Total Deductions</b>	30,359
<b>Changes in Net Position</b>	(11,320)
<b>Net Position, Beginning</b>	668,141
<b>Net Position, Ending</b>	\$ 656,821

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

# CITY OF BOUNTIFUL

## NOTES TO THE FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### The Reporting Entity

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

#### Blended Component Units

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

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

#### Fiduciary Component Unit

The Bountiful City Council approved the creation of an integral-part trust to administer an other postemployment benefit (OPEB) plan to provide benefits to retired City employees. The integral-part trust is legally protected from City creditors, was funded exclusively by City contributions, its assets are dedicated to providing OPEB to retired City employees, and is irrevocable. In conformity with GAAP, the OPEB plan is considered a fiduciary component unit of the City. The OPEB plan financial statements are included on pages 35 and 36 of this report as the OPEB plan does not issue a separate report.

#### Basis of Presentation - Government-Wide and Fund Financial Statements

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Basis of Presentation - Government-Wide and Fund Financial Statements (Continued)

Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

Fund Financial Statements

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

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Financial Statements (Continued)

The City reports the following fiduciary fund:

1. The OPEB trust fund accounts for the activities of the City's OPEB Plan, which holds in reserve dedicated assets used exclusively for OPEB payments to eligible retired employees.

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

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

Additionally, the City reports the following nonmajor fund types:

- The City accounts for the Landfill Closure, RAP Tax, MBA, and Cemetery Perpetual Care Funds as special revenue funds. These funds account for the respective special revenue collections and provision of those services the residents of the City.
- 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 the Workers' Compensation and Risk Management internal service funds. These funds account for the City's self-insurance programs.

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

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

Proprietary funds Operating and Nonoperating Revenues and Expenses

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

Budgets

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Budgets (Continued)

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

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

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

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

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

Taxes

On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the certified tax rate, state law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget must be complete on or before August 17th. All property taxes levied by the City are assessed and collected by Davis County. Taxes are attached as an enforceable lien as of January 1, are levied on property owners on or before June 22, and are due by 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 30<sup>th</sup>.

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 30<sup>th</sup>.

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 30<sup>th</sup>, and are recorded as revenue.

Cash and cash equivalents

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 expenses/expenditures

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

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

Capital assets

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

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

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

Deferred outflows of resources

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

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



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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 40 to 80 hours of accrued vacation benefits each calendar year.

Compensation Time:

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

Sick Leave:

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

Pensions

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

Deferred inflows of resources

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

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

Fund equity

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

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund equity (Continued)

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

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

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

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

Fund balance and net position flow assumptions

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

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

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

Interfund transactions

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

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

**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, 2019, the fair value per share factor for investments in the PTIF was 1.00412782.

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, 2019, \$36,056,345 of the City's bank balances of \$37,382,772 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, 2019, \$61,583,372 of the City's \$62,583,372 in investments was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

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

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

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

**2. DEPOSITS AND INVESTMENTS (Continued)**

Following are the City's cash on hand, on deposit, and investments at June 30, 2019:

	Carrying Value	Fair Value Factor	Fair Value	Credit Rating (1)	Ave. Maturity (Years) (2)
<u>Bountiful City</u>					
Cash on hand and on deposit:					
Cash on hand	\$ 5,400	1	\$ 5,400	N/A	N/A
Cash on deposit	17,364,280	1	17,364,280	N/A	N/A
Bond Reserves	580,285	1	580,285	N/A	N/A
Regulatory Insurance Deposit	523,740	1	523,740	N/A	N/A
Utah State Treasurer's investment pool accounts	18,550,074	1.004128	18,626,645	N/A	0.14
Total cash on hand and deposit	<u>\$ 37,023,779</u>		<u>\$ 37,100,350</u>		
Investments:					
U.S. Agency bonds	\$ 36,168,299	1	\$ 36,168,299	AA+	2.00
Corporate bonds	25,985,645	1	25,985,645	A	1.49
Total Investments	<u>\$ 62,153,944</u>		<u>\$ 62,153,944</u>		<u>1.28</u>
<u>Fiduciary Fund - OPEB Trust</u>					
Cash on hand and on deposit:					
Cash on Deposit - OPEB	\$ 225,065	1	\$ 225,065	N/A	N/A
Total cash on hand and deposit	<u>\$ 225,065</u>		<u>\$ 225,065</u>		
Investments:					
U.S. Agency bonds - OPEB	\$ 239,083	1	\$ 239,083	AA	0.66
Corporate bonds - OPEB	190,344	1	323,385	AA	1.39
Total Investments	<u>\$ 429,427</u>		<u>\$ 562,468</u>		<u>1.03</u>

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

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

Fair value of investments

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

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

At June 30, 2019, the City's investments of \$62,153,944 had the following recurring fair value measurements:

- U.S. Agency bonds of \$15,307,786 are valued using quoted market prices (Level 1 inputs).
- Corporate bonds of \$11,337,533 are valued using quoted market prices (Level 1 inputs).
- U.S. Agency bonds of \$20,860,514 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 \$14,648,111 are valued using a matrix pricing model (Level 2 inputs).

At June 30, 2019, the fiduciary OPEB plan investments had U.S. Agency bonds of \$239,083 and corporate bonds of \$190,344 with fair value measurements using quoted market prices (Level 1 inputs).

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

**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	\$ 292,554	\$ -
Property taxes	2,546,861	-
Property tax increment contribution	-	1,048,134
Sales taxes	1,383,499	-
Total Taxes Receivable	<u>\$ 4,222,914</u>	<u>\$ 1,048,134</u>
Accounts Receivable:	\$ 365,187	\$ -
Less: allowance for uncollectibles	(6,816)	-
Total Accounts Receivable - Net	<u>\$ 358,371</u>	<u>\$ -</u>
Intergovernmental Receivable:		
State of Utah Class B&C Road Funds	\$ 345,741	\$ -
Local Option Transportation Tax	113,849	-
Total Intergovernmental	<u>\$ 459,590</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, 2019 is \$59,737.

**4. NOTES RECEIVABLE**

The Redevelopment Agency occasionally provides low cost building rehabilitation loans to businesses in the City. Additionally, the City has two outstanding promissory notes. The City has established notes receivable for these loans on the government-wide financial statements. The terms and outstanding balances of all the City notes receivable as of June 30, 2019 are as follows:

<u>Balance</u>	<u>Interest</u>	<u>Monthly Payments</u>		<u>Balloon Payments</u>	
<u>June 30, 2019</u>	<u>Rate</u>	<u>Amount</u>	<u>Due Through</u>	<u>Amount</u>	<u>Due</u>
<u>RDA Loans</u>					
\$ 183,297	3.00%	\$ 5,794	March 2022	\$ -	N/A
33,948	3.00%	567	November 2024	-	N/A
643,392	3.00%	9,317	October 2025	-	N/A
538,184	3.00%	3,050	December 2023	-	N/A
<u>Repayment Promissory Note</u>					
79,707	3.00%	1,000	May 2020	79,927	June 2020
1,053,401	N/A		June 2033 *	-	N/A
<u>\$ 2,531,929</u>		<u>\$ 19,728</u>		<u>\$ 79,927</u>	

\* The \$1,053,401 promissory note is paid through annual payments that range between \$74,440 and \$76,049 through June 2033.

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

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

**4. NOTES RECEIVABLE (Continued)**

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

**5. CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2019, is as follows:

	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 50,875,660	\$ 222,054	\$ 302,792	\$ -	\$ 50,794,922
Construction in progress	683,561	2,508,443	-	(372,461)	2,819,543
Total capital assets, not being depreciated	51,559,221	2,730,497	302,792	(372,461)	53,614,465
Capital assets, being depreciated					
Infrastructure	34,731,860	209,586	-	-	34,941,446
Buildings	21,303,828	-	-	-	21,303,828
Improvements other than buildings	8,343,362	42,682	35,000	719,951	9,070,995
Machinery and equipment	8,493,220	640,440	313,536	271,701	9,091,825
Furniture and fixtures	2,746,526	149,560	129,228	-	2,766,858
Total capital assets, being depreciated	75,618,796	1,042,268	477,764	991,652	77,174,952
Accumulated Depreciation					
Infrastructure	19,011,832	571,043	-	-	19,582,875
Buildings	14,723,157	423,501	-	-	15,146,658
Improvements other than buildings	4,465,784	295,023	29,749	624,293	5,355,351
Machinery and equipment	5,999,814	578,373	313,536	(100,760)	6,163,891
Furniture and fixtures	1,841,466	182,492	129,229	-	1,894,729
Total accumulated depreciation	46,042,053	2,050,432	472,514	523,533	48,143,504
Total capital assets, being depreciated, net	29,576,743	(1,008,164)	5,250	468,119	29,031,448
Governmental activities capital assets, net	\$ 81,135,964	\$ 1,722,333	\$ 308,042	\$ 95,658	\$ 82,645,913

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

General government	\$ 359,073
Public safety	265,247
Highways and public improvements	951,970
Parks	344,174
Redevelopment Agency	5,388
Planning & engineering	124,580
Total depreciation expense - governmental activities	<u>\$ 2,050,432</u>

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

**5. CAPITAL ASSETS (Continued)**

The Enterprise Funds' property, plant and equipment consist of the following at June 30, 2019:

	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Business-type Activities					
Capital assets, not being depreciated					
Land, land rights, and water rights	\$ 8,842,460	\$ -	\$ -	\$ -	\$ 8,842,460
Construction in progress	9,417,432	3,913,868	-	(12,377,339)	953,961
Intangible asset - power projects	8,539,319	-	3,644,531	-	4,894,788
<b>Total capital assets, not being depreciated</b>	<b>26,799,211</b>	<b>3,913,868</b>	<b>3,644,531</b>	<b>(12,377,339)</b>	<b>14,691,209</b>
Capital assets, being depreciated					
Buildings, wells and reservoirs	23,573,915	32,846	-	4,328,380	27,935,141
Improvements other than buildings	3,611,525	52,975	-	-	3,664,500
Power & water transmission, distrib., and collection infrastructure	74,027,406	1,651,950	1,449,607	6,637,080	80,866,829
Street light and traffic systems	2,985,522	-	-	(619,191)	2,366,331
Machinery and equipment	45,607,343	988,165	312,109	1,411,879	47,695,278
Furniture and fixtures	170,765	-	-	-	170,765
<b>Total capital assets, being depreciated</b>	<b>149,976,476</b>	<b>2,725,936</b>	<b>1,761,716</b>	<b>11,758,148</b>	<b>162,698,844</b>
Less accumulated depreciation for					
Buildings, wells and reservoirs	12,156,456	893,145	-	-	13,049,601
Improvements other than buildings	2,352,064	95,945	-	-	2,448,009
Power & water transmission, distrib., and collection infrastructure	45,740,327	1,461,298	1,440,373	-	45,761,252
Street light and traffic systems	2,613,792	78,878	-	(523,533)	2,169,137
Machinery and equipment	24,274,681	1,832,742	297,005	-	25,810,418
Furniture and fixtures	67,673	13,746	-	-	81,419
<b>Total accumulated depreciation</b>	<b>87,204,993</b>	<b>4,375,754</b>	<b>1,737,378</b>	<b>(523,533)</b>	<b>89,319,836</b>
<b>Total capital assets, being depreciated, net</b>	<b>62,771,483</b>	<b>(1,649,818)</b>	<b>24,338</b>	<b>12,281,681</b>	<b>73,379,008</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 89,570,694</b>	<b>\$ 2,264,050</b>	<b>\$ 3,668,869</b>	<b>\$ (95,658)</b>	<b>\$ 88,070,217</b>

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	\$ 1,032,832
Light and Power	2,406,715
Landfill and Sanitation	422,911
Storm Water	339,475
Golf Course	124,460
Cemetery	49,361
<b>Total depreciation expense - business-type activities</b>	<b>\$ 4,375,754</b>

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

**6. RESTRICTED ASSETS**

Certain assets are restricted to use as follows as of June 30, 2019:

Restricted for regulatory required insurance deposit	\$ 523,740
Restricted for funds received for closure of landfill	1,362,351
Restricted for landfill closure, post-closure and corrective actions	865,831
Restricted for bond payments	580,285
Restricted for customer utility deposits	937,435
Restricted for refundable performance bond deposits	773,060
Restricted for construction retention	468,668
Restricted for unearned revenue	181,689
Restricted for unremitted fees collected on behalf of other governments	2,540
Restricted for other postemployment benefits	<u>492,308</u>
Total restricted assets as shown on the Statement of Net Position	<u>\$ 6,187,907</u>

**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 \$15,349 during the fiscal year ended June 30, 2019. For fiscal year 2020, 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 \$3,544,184 during the fiscal year ended June 30, 2019. For fiscal year 2020, the budgeted amount for this contract is \$3,635,977.

On July 1, 1993, the Fund entered into an agreement with Utah Associated Municipal Power Systems (UAMPS) to purchase a five-megawatt intangible right to purchase power from the San Juan Unit No. 4 coal-fired power plant from Public Service of New Mexico for the sum of \$6,061,174. Under the terms of this agreement, the Fund is liable for a take-or-pay amount of 1.004% of the plant's production. During fiscal year 2019 \$1,212,235 of the intangible asset balance was amortized to expense as it is reasonably possible that when the plant's coal contract ends in June of 2022 that the plant will be shut down (3 year remaining life). At the end of fiscal year 2019 this asset's unamortized balance is \$3,636,704. The Fund purchased power totaling \$1,644,943 via this contract during the fiscal year ended June 30, 2019. For fiscal year 2020, the budgeted amount for this contract is \$2,341,627.

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 \$6,550,692 for the fiscal year ended June 30, 2019 for net power sales and purchases. For fiscal year 2020, the budgeted amount for this is a net purchase of \$7,336,796.

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' right to transmit power from Craig, Colorado to a substation in Mona, Utah. The Fund is responsible for its share of the operations and maintenance costs associated with the line. During fiscal year 2019 \$83,872 of the intangible asset balance was amortized to expense as contract is expected to end in January of 2034 (15 year remaining life). At the end of fiscal year 2019 this asset's unamortized balance is \$1,258,084.

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 \$865,510 via this contract during the fiscal year ended June 30, 2019. For fiscal year 2020, the budgeted amount for this contract is \$754,400.



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

**8. ACCRUED LIABILITIES**

Accrued liabilities of the City for the year ended June 30, 2019, were as follows:

Accrued Liabilities:	General Fund	Redevelopment Agency	Internal Service	Governmental Activities	
Employee benefits	\$ 628,150	\$ -	\$ -	\$ 628,150	
Employee payroll	25,793	2,031	5,438	33,262	
Other	2,622	-	-	2,622	
Total	<u>\$ 656,565</u>	<u>\$ 2,031</u>	<u>\$ 5,438</u>	<u>\$ 664,034</u>	

Accrued Liabilities:	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds	Business- Type Activities
Employee payroll	\$ 66,814	\$ 186,667	\$ 44,269	\$ 75,678	\$ 373,428
Sales taxes	-	157,355	1,472	16,883	175,710
Total	<u>\$ 66,814</u>	<u>\$ 344,022</u>	<u>\$ 45,741</u>	<u>\$ 92,561</u>	<u>\$ 549,138</u>

**9. DEVELOPER AND CUSTOMER DEPOSITS**

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

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

**10. LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2019:

	Balance at June 30, 2018	Additions	Reductions	Balance at June 30, 2019	Due within One Year
Governmental activities					
Compensated absences	\$ 1,079,244	\$ 780,794	\$ 681,343	\$ 1,178,695	\$ 432,180
Governmental activity long-term liabilities	<u>\$ 1,079,244</u>	<u>\$ 780,794</u>	<u>\$ 681,343</u>	<u>\$ 1,178,695</u>	<u>\$ 432,180</u>
Business-type activities					
Electric revenue bonds	\$ 10,745,000	\$ -	\$ 690,000	\$ 10,055,000	\$ 705,000
Compensated absences	695,485	488,261	443,055	740,691	232,159
Accrued landfill closure	1,321,395	40,956	-	1,362,351	-
Business-type activity long-term liabilities	<u>\$ 12,761,880</u>	<u>\$ 529,217</u>	<u>\$ 1,133,055</u>	<u>\$ 12,158,042</u>	<u>\$ 937,159</u>

The compensated absence liabilities pertaining to governmental activities are liquidated by the General Fund.

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 \$705,000 to \$1,015,000 through November 1, 2030, plus interest at 4.03% to 6.11%, payable semi-annually.

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

**10. LONG-TERM DEBT (Continued)**

Electric Revenue Bonds, Series 2010 (Continued)

The bonds are secured by a pledge of the Light and Power Fund revenues after provision has been made for the payment therefrom of operation and maintenance expenses. The bond indenture requires that the pledged net revenues equal 125% of the aggregate annual debt service requirement. The indenture requires a debt service reserve fund or equivalent debt service reserve insurance policy be established to cover any defaults in debt service payments not to exceed \$1,288,379. This requirement was satisfied by the City at the date of bond issuance with the purchase of an insurance policy covering the life of the bonds. The bond indenture also requires monthly transfers into a bond fund account of one-sixth of the interest and one-twelfth of the principal falling due on the bonds on the next succeeding interest and principal payment dates. At June 30, 2019, the bond fund account had a balance of \$580,285. Beyond the debt service reserve fund and bond fund requirements outlined, the bond indenture has no stipulated terms regarding events of default, termination triggers, or acceleration clauses.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 705,000	\$ 521,623	\$ 1,226,623
2021	720,000	492,550	1,212,550
2022	735,000	461,585	1,196,585
2023	755,000	428,010	1,183,010
2024	775,000	391,816	1,166,816
2025-2029	4,370,000	1,286,924	5,656,924
2030-2031	1,995,000	122,962	2,117,962
Total	<u>\$ 10,055,000</u>	<u>\$ 3,705,470</u>	<u>\$ 13,760,470</u>

Legal Debt Margin

The City is subject to a governmental funds debt limit that is 4 percent of the valuation of taxable property. Additionally, the City is subject to a proprietary funds debt limit that is 8 percent of the valuation of taxable property. At June 30, 2019 the City's total debt limit margins were as follows:

	<u>Governmental</u>	<u>Business-Type</u>
	<u>Activities</u>	<u>Activities</u>
Assessed Property Values (1)	\$ 3,115,283,701	
4% of Assessed Property Values	\$ 124,611,348	
8% of Assessed Property Values		\$ 249,222,696
Fiscal Year 2019 Outstanding Debt	-	(10,055,000)
Legal Debt Limit Margin	<u>\$ 124,611,348</u>	<u>\$ 239,167,696</u>
Legal Debt Limit Margin %	0.00%	4.03%

(1) All taxable property within the City is assessed on the basis of its market value. The assessed property value identified was provided by the Davis County Assessor's Office.

Accrued Landfill Closure

During the year ended June 30, 1990, the City and several surrounding municipalities entered into a settlement agreement regarding the City's Bay Area Refuse Disposal (BARD) landfill. 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. These funds contributed are accounted for in the Landfill Closure fund. As of June 30, 2019, the contributions total \$865,831 including accumulated interest and are held in a separate City-owned PTIF account being reserved until all claims are settled.

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

**10. LONG-TERM DEBT (Continued)**

Accrued Landfill Closure (Continued)

In addition to the funds arising from the settlement, the City has established a specific closure and post-closure reserve in the Landfill and Sanitation Fund, an enterprise fund, in accordance with GASB Statement No. 18.

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

The estimated liability for these costs is \$2,234,284 as of June 30, 2019. The City has reported and included in accrued liabilities \$1,362,351 as landfill closure and post-closure care liability at June 30, 2019, which is based on 60.97% 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 2019. The City estimates it will close the landfill in 31 years, or the year 2050. Actual cost at that time may be higher or lower due to inflation, changes in technology, or changes in regulations. The landfill life has increased due to the fact that the density of waste deposited there is higher than what was initially estimated. Inasmuch as the landfill life is based on the “volume” of space available to fill (measured in cubic yards) increasing the weight per cubic yard indicates better compaction and a change in the type of waste that the landfill is accepting.

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

The City is required by state and federal laws and regulations to make annual contributions to finance closure and post-closure care. The City is in compliance with these requirements, and, at June 30 2019, has investments (approximating fair value) of \$2,224,509 and \$865,831 held in PTIF accounts, for a combined total of \$3,090,340 held for these purposes. The City expects that future inflation costs will be paid from interest earnings on these account balances. 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.

**11. DEFERRED INFLOW OF RESOURCES - UNAVAILABLE PROPERTY TAXES**

In conjunction with the implementation of GASB Statement No. 33, “*Accounting and Financial Reporting for Nonexchange Transactions*”, the City has accrued a property tax receivable and a deferred inflow of resources for unavailable property tax revenue in the General Fund and Redevelopment Agency in the amounts of \$2,515,585 and \$1,048,134 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 property owners on or before June 22, and then are payable by November 30. Since the property tax to be levied on June 22, 2019, is not expected to be received within 60 days after the year ended June 30, 2019, 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 June 22, 2019.

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

**12. PENSION PLAN**

General information about the pension plan

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

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

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](http://www.urs.org).

Summary of benefits by system

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

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

\* Actuarial reductions are applied

\*\* 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 THE FINANCIAL STATEMENTS (Continued)**

**12. PENSION PLAN (Continued)**

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. Contribution rates as of June 30, 2019 are as follows:

	<u>Employee Paid</u>	<u>Employer Contribution Rate</u>	<u>Employer 401(k)</u>
Contributory System:			
Local Governmental Division Tier 1	6.00%	14.46%	N/A
Local Governmental Division Tier 2	N/A	15.54%	1.15%
Noncontributory System:			
Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety System:			
Contributory: Hybrid Public Safety Tier 2	N/A	38.23%	0.74%
Noncontributory: Bountiful with 2.5% COLA	N/A	50.38%	N/A
Tier 2 Defined Contribution Only:			
Local Government	N/A	6.69%	10.00%
Public Safety	N/A	26.97%	12.00%

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

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, 2019, the contributions to the Systems are as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory	\$ 1,239,699	N/A
Public Safety	861,011	-
Tier 2 Public Employees	427,003	-
Tier 2 Public Safety and Firefighter	171,896	-
Tier 2 DC Only	18,399	N/A
Tier 2 DC Public Safety and Firefighter	27,251	N/A
	<u>\$ 2,745,259</u>	<u>\$ -</u>

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

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

**12. PENSION PLAN (Continued)**

City-wide pension assets, liabilities, expense, and deferred outflows and deferred inflows of resources related to pensions

At June 30, 2019, the City reported a net pension asset of \$0 and a net pension liability of \$13,661,655. These balances, the City's percentage share of the Systems, and how they have changed from the previous measurement date are broken out by system as follows:

	Non- contributory System	Contributory System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter
<u>Proportion of The Net Pension Liability (Asset):</u>					
For year ending December 31, 2018	0.8192627%	0.0000000%	100.00%	0.2139319%	0.2992494%
For year ending December 31, 2017	0.8227739%	0.0000000%	100.00%	0.2090270%	0.2427410%
Change from Prior Measurement Date	-0.0035112%	0.0000000%	0.00%	0.0049049%	0.0565084%
<u>Proportionate Share of The Net Pension Liability (Asset):</u>					
For year ending December 31, 2018	\$ 6,032,824	\$ -	\$ 7,529,712	\$ 91,622	\$ 7,498
For year ending December 31, 2017	\$ 3,604,819	\$ -	\$ 6,280,025	\$ 18,430	\$ (2,809)
Change from Prior Measurement Date	\$ 2,428,005	\$ -	\$ 1,249,687	\$ 73,192	\$ 10,307

The net pension asset and liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2018 and rolled-forward using generally accepted actuarial procedures. The City's proportionate share of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year. The net pension liabilities pertaining to governmental activities are liquidated by the General Fund.

For the year ended June 30, 2019, the City recognized City-wide pension expense of \$3,446,202.

At June 30, 2019, the City-wide reported deferred outflows and deferred inflows of resources related to pensions are from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 239,451	\$ 397,352
Change in assumptions	1,453,063	1,921
Net difference between projected and actual earnings on pension plan investments	1,929,221	-
Changes in proportion and differences between contributions and proportionate share of contributions	54,416	145,996
Contributions subsequent to the measurement date	1,357,249	-
	<u>\$ 5,033,400</u>	<u>\$ 545,269</u>

\$1,357,249 reported as City-wide 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, 2018. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 1,529,076
2020	419,570
2021	238,953
2022	916,129
2023	3,350
Thereafter	23,804

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

**12. PENSION PLAN (Continued)**

Noncontributory System pension expense, and deferred outflows and deferred inflows of resources

For the year ended June 30, 2019, the City recognized pension expense of \$1,593,489 for this system. At June 30, 2019, this system's reported deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 77,591	\$ 112,518
Change in assumptions	808,166	-
Net difference between projected and actual earnings on pension plan investments	1,255,363	-
Changes in proportion and differences between contributions and proportionate share of contributions	25,802	144,615
Contributions subsequent to the measurement date	596,798	-
	<u>\$ 2,763,720</u>	<u>\$ 257,133</u>

\$596,798 reported as deferred outflows of resources related to pensions results from contributions made by the City for this system prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2019	\$ 838,427
2020	321,179
2021	155,389
2022	594,794
2023	-
Thereafter	-

Public Safety System (Agent Plan) pension expense, and deferred outflows and deferred inflows of resources

For the year ended June 30, 2019, the City recognized pension expense of \$1,572,472 for this system. At June 30, 2019, this system's reported deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 157,772	\$ 265,888
Change in assumptions	614,798	-
Net difference between projected and actual earnings on pension plan investments	638,737	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	432,261	-
	<u>\$ 1,843,568</u>	<u>\$ 265,888</u>

\$432,261 reported as deferred outflows of resources related to pensions results from contributions made by the City for this system prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

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

**12. PENSION PLAN (Continued)**

Public Safety System pension expense, and deferred outflows and deferred inflows of resources (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 <u>December 31,</u>	Net Deferred Outflows <u>(Inflows) of Resources</u>
2019	\$ 678,364
2020	89,334
2021	73,667
2022	304,054
2023	-
Thereafter	-

Tier 2 Public Employees System pension expense, and deferred outflows and deferred inflows of resources

For the year ended June 30, 2019, the City recognized pension expense of \$236,807 for this system. At June 30, 2019, this system's reported deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 643	\$ 18,936
Change in assumptions	22,965	1,646
Net difference between projected and actual earnings on pension plan investments	29,837	-
Changes in proportion and differences between contributions and proportionate share of contributions	27,712	-
Contributions subsequent to the measurement date	226,812	-
	<u>\$ 307,969</u>	<u>\$ 20,582</u>

\$226,812 reported as deferred outflows of resources related to pensions results from contributions made by the City for this system prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>December 31,</u>	Net Deferred Outflows <u>(Inflows) of Resources</u>
2019	\$ 10,373
2020	7,556
2021	8,276
2022	14,595
2023	2,741
Thereafter	17,034



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

**12. PENSION PLAN (Continued)**

Tier 2 Public Employees System pension expense, and deferred outflows and deferred inflows of resources

For the year ended June 30, 2019, the City recognized pension expense of \$43,433 for this system. At June 30, 2019, this system's reported deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 3,445	\$ 10
Change in assumptions	7,134	275
Net difference between projected and actual earnings on pension plan investments	5,284	-
Changes in proportion and differences between contributions and proportionate share of contributions	902	1,381
Contributions subsequent to the measurement date	101,378	-
	\$ 118,143	\$ 1,666

\$101,378 reported as deferred outflows of resources related to pensions results from contributions made by the City for this system prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 1,912
2020	1,501
2021	1,620
2022	2,686
2023	609
Thereafter	6,771

Actuarial assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2018, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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

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

**12. PENSION PLAN (Continued)**

Actuarial assumptions (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

Discount rate

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

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate

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

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory	\$ 12,364,033	\$ 6,032,824	\$ 760,599
Public Safety	11,131,858	7,529,712	4,554,737
Tier 2 Public Employees	367,057	91,622	(120,944)
Teir 2 Public Safety & Firefighter	56,553	7,498	(30,042)
	<u>\$ 23,919,501</u>	<u>\$ 13,661,656</u>	<u>\$ 5,164,350</u>

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

For the year ended June 30, 2019, the City had the following covered employees under the Public Safety-Agent, multiple employer, pension plan:

Covered Employees	Tier 1 Bountiful Public Safety
Inactive Employees or Beneficiaries Currently Receiving Benefits	44
Inactive Employees Entitled to But Not Yet Receiving Benefits	12
Active Employees	25
Total Agent Employer Tier 1 Plans Covered Employees	<u>81</u>

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

**12. PENSION PLAN (Continued)**

Public Safety-Agent, Multiple-Employer, Pension plan disclosures (Continued)

The following is the schedule of changes in the City's Agent net pension liability and plan fiduciary net position for the actuarial measurement date of December 31, 2018:

Total Pension Liability	12/31/2018	Plan Fiduciary Net Position	12/31/2018
Service cost	\$ 393,624	Contributions - employer	\$ 964,252
Interest	1,859,233	Contributions - member	-
Benefit changes	-	Net investment income	(76,451)
Difference between actual and expected experience	(90,081)	Benefit payments	(1,570,617)
Assumption changes	-	Administrative expense	(9,656)
Benefit payments	(1,570,617)	Other	34,944
Net Change in Total Pension Liability	592,159	Net Change in Plan Fiduciary Net Position	(657,528)
Total Pension Liability - Beginning	27,340,057	Plan Fiduciary Net Position - Beginning	21,060,032
Total Pension Liability - Ending (a)	<u>\$ 27,932,216</u>	Plan Fiduciary Net Position - Ending (b)	<u>\$ 20,402,504</u>

Total Pension Liability - Plan Fiduciary Net Position (a-b) = Net Pension Liability \$ 7,529,712

Payables to the pension plan

At June 30, 2019 the City had \$112,976 in its accrued liabilities balance payable to the Systems for pay periods falling within fiscal year 2019.

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

**13. RETIREMENT PLANS**

Systems' defined contribution plans

The City sponsors voluntary defined contribution plans. Some of these plans offered by the City are administered by the Systems and are generally supplemental plans to the basic retirement benefits of the Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue Code. The plans, available to all permanent full-time City employees, permit 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 contributions into these plans are not available to the City or its general creditors. The rate of City participation can be changed by the City Council. Contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment.

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

Defined Contribution System:	June 30,	Employee Contributions	Employer * Contributions
401(k) Plan	2019	\$ 134,038	\$ 113,639
	2018	107,156	110,149
	2017	106,791	97,956
457 Plan	2019	\$ 36,196	-
	2018	35,894	-
	2017	28,082	-
Roth IRA Plan	2019	\$ 41,347	N/A
	2018	20,983	N/A
	2017	1,550	N/A

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

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

**13. RETIREMENT PLANS (Continued)**

ICMA 401(k) defined contribution plan

The City sponsors a voluntary defined contribution plan administered by ICMA Retirement Corporation under Internal Revenue Code Section 401(k). The plan, available to all permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 401(k) contributions are not available to the City or its general creditors. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested from the date of employment. The City does not contribute for employees that start a new account after July 1, 2012. The rate of City participation can be changed by the City Council. During the year ended June 30, 2019, contributions totaling \$210,915 were made to the plan by employees and \$6,786 by the City.

**14. OTHER POSTEMPLOYMENT BENEFITS**

Plan description and plan benefits

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

Health insurance OPEB plan:

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

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

Life insurance OPEB plan:

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

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

Funding policy and contributions

As part of the OPEB offering the City Council determined that the City would pre-fund the total liability for the OPEB plans. In fiscal year 2009 the City established an OPEB trust with a \$1.6 million actuarially calculated balance. The City has not contributed additional amounts into the trust since that initial funding as it is expecting the trust balance plus investment earnings to cover the current and future OPEB plan expenses. Because of the overfunded status of the plan, the actuarial calculations show a \$0 actuarially determined contribution. The covered payroll as of June 30, 2019 was \$11,453,229.

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

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

At June 30, 2019, the City reported a net OPEB asset of \$492,308. The net OPEB asset was measured as of June 30, 2019 by an actuarial valuation using generally accepted actuarial procedures.

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

**14. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

At June 30, 2019, the reported deferred outflows and deferred inflows of resources related to OPEB are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 92,659
Change in assumptions	7,783	238,008
Net difference between projected and actual earnings on OPEB plan investments	21,602	7,395
	\$ 29,385	\$ 338,062

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

Year Ended June 30,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (53,421)
2021	(53,423)
2022	(63,337)
2023	(63,927)
2024	(62,080)
Thereafter	(12,489)

For the year ended June 30, 2019, the City recognized an actuarially calculated negative OPEB expense of \$36,253.

OPEB plan covered employees

For the year ended June 30, 2019, the City had the following covered employees under the OPEB plans:

Covered Employees	Single-Employer - Health Insurance OPEB Plan	Single-Employer - Life Insurance OPEB Plan
Inactive Employees Currently Receiving Benefits	2	98
Inactive Employees Entitled to But Not Yet Receiving Benefits	-	-
Active Employees	-	175
Total OPEB Plans Covered Employees	2	273

Actuarial assumptions

The actuarial valuation calculating the total net OPEB asset as of June 30, 2019, was determined using the following actuarial assumptions, applied to all periods included in the measurement dated June 30, 2019:

Inflation Rate	2.50%
Discount Rate	3.51%
Health Care Trend Rate	Starts at 8.0% decreasing 0.50% annually to an ultimate rate of 4.5%
Investment Rate of Return	1.50%

Mortality rates were developed from the SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018.

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

**14. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Actuarial assumptions (Continued)

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

<u>Asset Class</u>	<u>Current &amp; Assumed Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Debt Securities	65.734%	2.44%	1.00%
Cash and Cash Equivalents	34.266%	2.96%	0.50%
Totals	<u>100%</u>		<u>1.50%</u>

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

Discount rate

The discount rate used to measure the total OPEB liability was 3.51 percent. The projection of cash flows used to determine the discount rate assumed that there would be no additional employer contributions. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB asset calculated using the discount rate of 3.51 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.51 percent) or 1-percentage-point higher (4.51 percent) than the current rate:

	<u>1% Decrease (2.51%)</u>	<u>Discount Rate (3.51%)</u>	<u>1% Increase (4.51%)</u>
Net OPEB Asset as of June 30, 2019	\$ 479,208	\$ 492,308	\$ 503,377

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

The following presents the net OPEB asset calculated using the health care trend rate range from 8.00 to 4.50 percent, as well as what the net OPEB asset would be if it were calculated using a health care trend rate range that is 1-percentage-point lower (7.00 to 3.50 percent) or 1-percentage-point higher (9.00 to 5.50 percent) than the current rate range:

	<u>1% Decrease (7-3.5%)</u>	<u>Discount Rate (8-4.5%)</u>	<u>1% Increase (9-5.5%)</u>
Net OPEB Asset as of June 30, 2019	\$ 504,526	\$ 492,308	\$ 477,492

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

**14. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Net OPEB Asset and OPEB plan fiduciary net position

The following is the schedule of changes in the City's net OPEB asset and OPEB plan fiduciary net position for the actuarial measurement date of June 30, 2019:

	<u>6/30/2019</u>		<u>6/30/2019</u>
Total OPEB Liability		OPEB Plan Fiduciary Net Position	
Service cost	\$ 23,700	Contributions - member	\$ -
Interest	3,264	Contributions - employer	-
Benefit changes	-	Net investment income	19,039
Difference between actual and expected experience	(49,945)	Benefit payments	(30,359)
Assumption changes	8,895	Refunds	-
Benefit payments	(30,359)	Administrative expense	-
Net Change in Total OPEB Liability	(44,445)	Net Change in Plan Fiduciary Net Position	(11,320)
Total OPEB Liability - Beginning	208,958	Plan Fiduciary Net Position - Beginning	668,141
Total OPEB Liability - Ending (a)	<u>\$ 164,513</u>	Plan Fiduciary Net Position - Ending (b)	<u>\$ 656,821</u>

Total OPEB Liability - OPEB Plan Fiduciary Net Position (a-b) = Net OPEB Liability/(Asset) \$ (492,308)

**15. RISK MANAGEMENT**

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

- (1) For general liability risk the City is self-insured up to \$350,000, with commercial excess insurance from \$350,000 to \$10,000,000. To cover the self-insured portion of the risk, there is established a Risk Management Fund (an internal service fund). This covers municipal liability exposure including general liability, auto, public officials' errors and omissions and law enforcement.
- (2) The City has an all-risk property insurance policy with a total insured value of \$169,145,150 that includes various category limits, some of which are as follows: 1. buildings and contents limit of \$106,857,820 with a \$10,000 deductible per category, 2. equipment/electronic data processing limit of \$23,862,760 with a \$10,000 deductible, 3. Parked vehicles limit of \$5,570,000 with a \$10,000 deductible, 4. property in open limit of \$27,999,430 with a \$10,000 deductible, 5. mobile equipment/contractors equipment limit of \$865,010 with a \$10,000 deductible, 6. \$10,000,000 in earthquake coverage with a 2% minimum/\$100,000 deductible, 7. \$10,000,000 in flood coverage for facilities that are located outside the standard report zone with a \$100,000 deductible, 8. boiler & machinery property damage limit of \$50,000,000 with a \$50,000 deductible, and 9. cyber liability limit of \$2,000,000 with a \$50,000 deductible. The City is self-insured for property loss above the limits and below the retentions/deductibles. The operating departments of the General Fund or enterprise funds assume the financial responsibility for risk retained by the City for property damage.
- (3) The Treasurer is covered under a \$1,500,000 bond with a \$15,000 deductible. The City also has public employee dishonesty insurance (an employee blanket bond and commercial crime) with a \$500,000 limit per occurrence and a \$5,000 deductible.
- (4) For workers compensation coverage the City is self-insured up to \$450,000, with commercial excess insurance up to statutory limits plus a \$1,000,000 limit on employer's liability. To cover the self-insured portion there is established a Workers Compensation Fund (an internal service fund).

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

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

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

**15. RISK MANAGEMENT (Continued)**

A summary of changes in general liability claims payable for the years ended June 30, 2019 and 2018, are as follows:

	General Liability Claims Payable
Balance, June 30, 2017	\$ -
New claims incurred	28,021
Payments on claims	(28,021)
Balance, June 30, 2018	-
New claims incurred	70,375
Payments on claims	(70,375)
Balance, June 30, 2019	\$ -

The City also has a risk management program for workers' compensation. Premiums are paid to the Workers' Compensation Self-Insurance Fund (an internal service fund) and are available to pay these claims along with certain administrative expenses. A summary of changes in workers' compensation claims payable for the years ended June 30, 2019 and 2018 are as follows:

	Workers' Comp Claims Payable
Balance, June 30, 2017	\$ 68,713
New claims incurred	69,895
Payments on claims	(77,019)
Balance, June 30, 2018	61,589
New claims incurred	250,441
Payments on claims	(127,412)
Balance, June 30, 2019	\$ 184,618

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.

**16. LEASES**

In June 1996, the MBA entered into an operating lease agreement with the State of Utah whereby the State's Judicial Court (Court) will lease portions of the MBA's Public Safety building. As amended on April 16, 2009, the lease is renewable each year at the option of the MBA through June 30, 2019. The State Judicial Court leases approximately 48% of the building.

The MBA earned \$168,875 in rental income from this operating lease for the year ended June 30, 2019. The MBA's Public Safety building is included in the capital assets section of the financial statements with a cost of \$7,126,977 and associated accumulated depreciation of \$7,126,977. In July 2019 this lease was amended to extend the lease term through June 30, 2027. Future lease payments are as follows:

Year Ending June 30,	Annual Payments
2020	\$ 148,000
2021	150,960
2022	153,980
2023	157,060
2024	160,200
2025-2027	500,080
Total future minimum lease payments	\$ 1,270,280



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

**17. INTERGOVERNMENTAL REVENUE**

Intergovernmental revenue in the General Fund for the year ended June 30, 2019 consists of the following:

	General Fund	Redevelopment Agency
	Utah Class "C" Road allotment	\$ 1,680,881
Local Option Transportation Tax	614,796	-
Utah Liquor Law Enforcement Grant	39,142	-
Utah Victims Advocate Grant	22,062	-
Various State and Local Law Enforcement Grants	52,999	-
Various Federal Law Enforcement Grants	19,683	-
Davis County Main Street Facade Grant	-	25,000
SDMFSA bond tax levy reimbursement	81,095	-
Total Intergovernmental Revenue	<u>\$ 2,510,658</u>	<u>\$ 25,000</u>

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

**18. COMMITMENTS AND CONTINGENCIES**

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

The City had \$11,537,788 in outstanding construction commitments at June 30, 2019, as follows:

Contractor	Project	Contract Amount	Spent/Accrued Project-to-Date	Commitment Outstanding
Environmental Planning, LLC	Downtown Plaza Design	\$ 512,546	\$ 510,146	\$ 2,400
Hogan Construction	Downtown Plaza Construction	4,984,637	1,663,552	3,321,085
JRCA Architects	City Hall Remodel Design	420,826	340,674	80,152
Ascent Construction	City Hall Remodel Construction	7,184,110	7,500	7,176,610
Advanced Paving	200 North Road Reconstruction	350,836	-	350,836
C.T. Davis Excavation	Various 2019 Storm Drain Projects	382,696	130,632	252,064
Probuild Construction	Holbrook Booster Station	288,220	268,725	19,495
Hunt Electric	Powerline Underground Boring	653,897	318,751	335,146
Total Construction Commitments Outstanding		<u>\$ 14,777,768</u>	<u>\$ 3,239,980</u>	<u>\$ 11,537,788</u>

**19. FIRE AND EMERGENCY MEDICAL SERVICES**

The South Davis Metro Fire Service Area (SDMFSA) is a special service district organized on July 1, 2016. SDMFSA provides fire and emergency medical services to the cities of Bountiful, Centerville, North Salt Lake, West Bountiful, Woods Cross and the unincorporated areas of South Davis County. SDMFSA is governed by its own Board of Trustees made up of elected officials from each participating member entity. SDMFSA does levy taxes and collect impact fees to cover most capital expenditures; however, most of the SDMFSA's operations are funded by quarterly member assessments. For the year ended June 30, 2019, the City paid \$2,073,923 to SDMFSA for its member assessments.

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

**20. INTERNAL BALANCES AND INTERFUND TRANSFERS**

At June 30, 2019, the government-wide internal balances were as follows:

<u>Receivable Activity</u>	<u>Payable Activity</u>	<u>Amount</u>
Governmental Activities	Business-Type Activities	\$ 798,398

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, 2018) internal balance of \$699,340 due to governmental activities from business-type activities by \$99,058.

At June 30, 2019, the enterprise fund internal balances were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Landfill and Sanitation	Water	\$ 2,738,090

On June 12, 2018 the Landfill and Sanitation Fund loaned the Water Fund \$3,000,000 to be used for construction costs on the culinary water treatment plant. This interfund loan has the following terms: repayment over 10 years with the final payment due in June of 2028, no restrictions or penalties for early payoff, semi-annual principal and interest payments of \$174,393, and a 2.96% interest rate. During the fiscal year ended June 30, 2019, accrued interest payable of \$4,052 was recorded in the Water Fund with the offsetting accrued interest receivable in the Landfill and Sanitation Fund. Additionally, \$86,448 was recorded as interest expense in the Water Fund and the offsetting interest revenue was recorded in the Landfill and Sanitation Fund. All of these interfund transactions were eliminated to arrive at the Business-Type Activities numbers in the government-wide financials.

During the year transfers were made which will not be repaid. These transfers occurred primarily to finance programs, accounted for in one fund, with resources collected in other funds, in accordance with budgetary and statutory authorizations. Interfund transfers for the year ended June 30, 2019 were as follows:

<u>Individual Fund Reconciliation</u>			<u>Government-Wide Reconciliation</u>		
	<u>In</u>	<u>Out</u>		<u>Governmental In</u>	<u>Business- Type Out</u>
Governmental:					
General Fund	\$ 2,448,615	\$ -	General Fund	\$ 2,448,615	\$ -
Capital Projects Fund	411,816	-	Governmental Activities	95,657	-
RAP Tax	-	411,816	Light and Power Fund		2,544,272
Governmental Funds Total	\$ 2,860,431	\$ 411,816	Government-Wide Total	\$ 2,544,272	\$ 2,544,272
Enterprise:					
Recycle Fund	\$ 89,384	\$ -			
Light and Power Fund	-	2,448,615			
Landfill/Sanitation Fund		89,384			
Enterprise Funds Total	\$ 89,384	\$ 2,537,999			

Detailed descriptions of the interfund transfers for the year ended June 30, 2019 are as follows:

- General Fund transfer from the Light and Power Fund – This is an annual subsidy based on a percentage of each fiscal year’s electric metered sales.
- Capital Projects Fund transfer from the RAP Tax Fund – This is an annual budgeted transfer of RAP tax collections to reimburse the Capital Projects Fund for expenditures made in connection with the City’s Creekside Park.
- Recycle Fund transfer from Landfill & Sanitation Fund – This is a planned operations subsidy that is expected to continue until the recycling market can again cover the difference between the City’s recycling fees and the cost to haul and recycle the disposal items.
- Government-wide transfer from the Light and Power Fund to the Governmental Activities – During fiscal year 2019 the Light and Power Fund transferred traffic signal capital assets with a historical cost of \$619,191 and accumulated depreciation of \$523,534 (net value of \$95,657) to the Governmental Activities.

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

**21. REDEVELOPMENT AGENCY OF THE CITY OF BOUNTIFUL**

For the year ended June 30, 2019, the following activity occurred in the City's Redevelopment Agency:

<u>Tax increment collected from other taxing agencies for the Bountiful Project Area:</u>	
District #3	\$ 865,825
District #5	154,183
	<u>\$ 1,020,008</u>
 <u>Tax increment used by the Bountiful RDA:</u>	
Amounts loaned to local businesses for startup or redevelopment	\$ 550,000
Amounts expended on redevelopment/site improvement projects	1,765,570
Amounts expended for administrative costs	103,698
	<u>\$ 2,419,268</u>

**22. PRIOR PERIOD ADJUSTMENTS**

Light and Power Fund Intangible Asset Amortization

On January 20, 1989 Bountiful City entered into an agreement with Utah Associated Municipal Power Systems (UAMPS) to purchase an intangible right to transmit electricity on transmission lines from Craig, Colorado, to Mona, Utah, for the sum of \$3,690,379 (Craig-Mona intangible asset). This intangible asset was previously believed to have an indefinite life, thus through fiscal year 2018 the balance remained unamortized since inception.

In fiscal year 2019 it was discovered that the contract did have a termination date of January 30, 2034. This Craig-Mona intangible asset does have a definite life and should be amortized accordingly. Because the contract always had a termination date, a \$2,348,423 restatement to Light and Power net position and corresponding reduction in the intangible asset balance was necessary to reflect the many years of unrecognized amortization.

In fiscal year 2019 the proper annual amortization of \$83,872 was recognized on the Craig-Mona intangible asset. The annual amortization will continue over the 15 year remaining life of the intangible asset. At the end of fiscal year 2019 this asset's unamortized balance is \$1,258,084.

**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**

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

	Public Safety - Agent Plan					
	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013
Total Pension Liability						
Service cost	\$ 394	\$ 411	\$ 409	\$ 380	\$ 383	\$ 390
Interest	1,859	1,845	1,711	1,682	1,635	1,580
Benefit changes	-	-	-	-	-	-
Difference between actual and expected experience	(92)	(453)	383	652	297	(147)
Assumption changes	-	880	830	-	(229)	-
Benefit payments	(1,570)	(1,514)	(1,435)	(1,358)	(1,419)	(1,369)
Refunds	-	-	-	-	-	-
Net Change in Total Pension Liability	591	1,169	1,898	1,356	667	454
Total Pension Liability - Beginning	27,342	26,173	24,275	22,919	22,252	21,798
Total Pension Liability - Ending (a)	27,933	27,342	26,173	24,275	22,919	22,252
Plan Fiduciary Net Position						
Contributions - member	-	-	-	-	-	-
Contributions - employer	964	911	943	883	822	716
Net investment income	(78)	2,498	1,493	310	1,220	2,271
Benefit payments	(1,570)	(1,514)	(1,435)	(1,358)	(1,419)	(1,369)
Refunds	-	-	-	-	-	-
Administrative expense	(10)	(9)	(9)	(9)	(9)	(8)
Net transfers with affiliated systems	35	323	35	35	14	99
Net Change in Plan Fiduciary Net Position	(659)	2,209	1,027	(139)	628	1,709
Plan Fiduciary Net Position - Beginning	21,062	18,853	17,826	17,965	17,337	15,628
Plan Fiduciary Net Position - Ending (b)	20,403	21,062	18,853	17,826	17,965	17,337
Net Pension Liability/(Asset) - Ending (a-b)	7,530	6,280	7,320	6,449	4,954	4,915
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	73.04%	77.03%	72.03%	73.43%	78.38%	77.91%
Projected Covered Payroll	1,675	1,814	1,810	1,776	1,795	1,749
Net Pension Liability as a Percentage of Covered Payroll	449.55%	346.20%	404.42%	363.12%	275.99%	281.02%

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

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

	Noncontributory System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
<b>Proportion of The Net Pension Liability (Asset):</b>					
For year ending December 31, 2018	0.8192627%	0.0000000%	100.0000000%	2.1393190%	0.2992494%
For year ending December 31, 2017	0.8227739%	0.0000000%	100.0000000%	0.2090270%	0.2427410%
For year ending December 31, 2016	0.8614885%	0.2235533%	100.0000000%	0.2226893%	0.1948012%
For year ending December 31, 2015	0.8396157%	0.1454001%	100.0000000%	0.2250127%	0.2089784%
For year ending December 31, 2014	0.8696763%	0.1097845%	100.0000000%	0.2013398%	0.1025324%
<b>Proportionate Share of The Net Pension Liability (Asset):</b>					
For year ending December 31, 2018	\$ 6,032,824	\$ -	\$ 7,529,712	\$ 91,622	\$ 7,498
For year ending December 31, 2017	3,604,819	-	6,280,025	18,430	(2,809)
For year ending December 31, 2016	5,531,811	73,350	7,319,792	24,841	(1,691)
For year ending December 31, 2015	4,750,954	102,195	6,448,887	(491)	(3,053)
For year ending December 31, 2014	3,776,339	31,667	4,953,805	(6,101)	(1,517)
<b>Covered Payroll:</b>					
For year ending December 31, 2018	\$ 6,871,021	\$ -	\$ 1,821,365	\$ 2,496,386	\$ 399,848
For year ending December 31, 2017	6,923,955	-	1,852,769	2,044,414	259,614
For year ending December 31, 2016	7,338,845	53,639	2,029,038	1,826,232	160,952
For year ending December 31, 2015	6,965,806	61,953	1,919,301	1,453,817	124,361
For year ending December 31, 2014	7,329,748	58,661	1,933,601	988,127	42,386
<b>Proportionate Share of The Net Pension Liability (Asset) as a Percentage of its Covered Payroll:</b>					
For year ending December 31, 2018	87.80%	0.00%	413.41%	3.67%	1.88%
For year ending December 31, 2017	52.06%	0.00%	338.95%	0.90%	-1.08%
For year ending December 31, 2016	75.38%	136.75%	360.75%	1.36%	-1.05%
For year ending December 31, 2015	68.20%	164.96%	336.00%	-0.03%	-2.45%
For year ending December 31, 2014	51.52%	53.98%	256.20%	-0.62%	-3.58%
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset):</b>					
For year ending December 31, 2018	87.00%	0.00%	73.00%	90.80%	95.60%
For year ending December 31, 2017	91.90%	0.00%	77.00%	97.40%	103.00%
For year ending December 31, 2016	87.30%	92.90%	72.00%	95.10%	103.60%
For year ending December 31, 2015	87.80%	85.70%	73.40%	100.20%	110.70%
For year ending December 31, 2014	90.20%	94.00%	78.40%	103.50%	120.50%

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

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

System	Year Ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contrib.	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory	2019	\$ 1,239,699	\$ 1,239,699	\$ -	\$ 6,817,661	18.18%
	2018	1,292,595	1,292,595	-	7,102,501	18.20%
	2017	1,279,622	1,279,622	-	7,026,472	18.21%
	2016	1,284,463	1,284,463	-	7,041,664	18.24%
	2015	1,307,905	1,307,905	-	7,137,872	18.32%
	2014	1,281,508	1,281,508	-	7,460,346	17.18%
Contributory	2019	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2017	3,226	3,226	-	22,309	14.46%
	2016	9,287	9,287	-	64,226	14.46%
	2015	8,565	8,565	-	59,233	14.46%
	2014	11,493	11,493	-	86,340	13.31%
Public Safety	2019	\$ 861,011	\$ 861,011	-	\$ 1,853,847	46.44%
	2018	859,414	859,414	-	1,873,916	45.86%
	2017	841,719	841,719	-	1,917,440	43.90%
	2016	857,665	857,665	-	1,949,765	43.99%
	2015	836,649	836,649	-	1,897,832	44.08%
	2014	773,423	773,423	-	1,934,993	39.97%
Tier 2 Public Employees **	2019	\$ 427,003	\$ 427,003	-	\$ 2,747,765	15.54%
	2018	347,689	347,689	-	2,301,054	15.11%
	2017	283,365	283,365	-	1,900,504	14.91%
	2016	242,475	242,475	-	1,626,256	14.91%
	2015	179,721	179,721	-	1,202,985	14.94%
	2014	117,887	117,887	-	843,431	13.98%
Tier 2 Public Safety and Firefighter **	2019	\$ 171,896	\$ 171,896	-	\$ 449,635	38.23%
	2018	123,400	123,400	-	327,232	37.71%
	2017	71,661	71,661	-	201,125	35.63%
	2016	49,087	49,087	-	137,770	35.63%
	2015	28,274	28,274	-	79,243	35.68%
	2014	15,753	15,753	-	50,201	31.38%
Tier 2 Public Employees DC Only **	2019	\$ 18,399	\$ 18,399	-	\$ 275,026	6.69%
	2018	17,566	17,566	-	262,570	6.69%
	2017	13,735	13,735	-	205,314	6.69%
	2016	11,523	11,523	-	172,166	6.69%
	2015	9,546	9,546	-	142,059	6.72%
	2014	535	535	-	7,763	6.89%
Tier 2 Public Safety and Firefighter DC Only**	2019	\$ 27,251	\$ 27,251	-	\$ 101,042	26.97%
	2018	11,934	11,934	-	44,248	26.97%
	2017	10,511	10,511	-	42,113	24.96%
	2016	9,811	9,811	-	39,308	24.96%
	2015	4,262	4,262	-	15,840	26.91%
	2014	86	86	-	1,282	6.71%

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

\*\* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.

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

	Single-Employer Single-Employer OPEB Plan		
	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability			
Service cost	\$ 23,700	\$ 23,350	\$ 13,514
Interest	3,264	3,689	10,558
Benefit changes	-	-	-
Difference between actual and expected experience	(49,945)	(17,813)	(133,788)
Assumption changes	8,895	-	(357,013)
Benefit payments	(30,359)	(41,841)	(63,739)
Net Change in Total OPEB Liability	<u>\$ (44,445)</u>	<u>\$ (32,615)</u>	<u>\$ (530,468)</u>
Total OPEB Liability - Beginning	\$ 208,958	\$ 241,573	\$ 772,041
Total OPEB Liability - Ending (a)	\$ 164,513	\$ 208,958	\$ 241,573
Plan Fiduciary Net Position			
Contributions - member	\$ -	\$ -	\$ -
Contributions - employer	-	-	-
Net investment income	19,039	7,321	8,878
Benefit payments	(30,359)	(45,511)	(63,739)
Refunds	-	-	(130,306)
Administrative expense	-	-	-
Net Change in Plan Fiduciary Net Position	<u>\$ (11,320)</u>	<u>\$ (38,190)</u>	<u>\$ (185,167)</u>
Plan Fiduciary Net Position - Beginning	\$ 668,141	\$ 706,331	\$ 891,498
Plan Fiduciary Net Position - Ending (b)	\$ 656,821	\$ 668,141	\$ 706,331
Net OPEB Liability/(Asset) - Ending (a-b)	<u>\$ (492,308)</u>	<u>\$ (459,183)</u>	<u>\$ (464,758)</u>
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Asset	<u>399.25%</u>	<u>319.75%</u>	<u>292.39%</u>
Covered Payroll	<u>\$ 11,453,229</u>	<u>\$ 10,686,166</u>	<u>\$ 10,495,988</u>
Net OPEB Asset as a Percentage of Covered Payroll	-4.30%	-4.30%	-4.43%

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



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

Year Ended June 30,	Actuarial Determined Contributions**	Contributions in relation to the determined contrib.	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2019	\$ -	\$ -	\$ -	\$ 11,453,229	0.00%
2018	\$ -	\$ -	\$ -	\$ 10,686,166	0.00%
2017	\$ -	\$ -	\$ -	\$ 10,495,988	0.00%

\* The 10-year schedule will be built prospectively.

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

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

**RSI 1. PUBLIC SAFETY AGENT PENSION PLAN**

Schedule of contributions

Methods and Assumptions used to Determine Contribution Rates:

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

Other information:

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

**RSI 2. PENSION PLANS CHANGES IN ASSUMPTIONS**

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

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

**RSI 3. OPEB PLANS SCHEDULE OF CONTRIBUTIONS**

The actuarial valuation calculating the total net OPEB asset, deferred outflows and inflows of resources related to OPEB, OPEB expense, and the actuarially determined contributions for the year ended June 30, 2019, was determined using the following actuarial methods and assumptions:

Methods and Assumptions used for the Actuarially Determined contributions:

---

Actuarial Cost Method.....	Entry Age Normal									
Amortization Method.....	Level Percentage of Payroll									
Amortization Period.....	10 year period as of June 30, 2019									
Investment Rate of Return....	1.50%									
Discount Rate.....	3.51%									
Inflation.....	2.50%									
Mortality .....	SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH-2018 table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2018 using MP-2018)									
Health Care Trend Rates .....	<u>FYE</u>	<u>Medical</u>	<u>FYE</u>	<u>Medical</u>						
	2020	8.00%	2024	6.00%						
	2021	7.50%	2025	5.50%						
	2022	7.00%	2026	5.00%						
	2023	6.50%	2027+	4.50%						
Employee Turnover Rate .....	<u>Local Government</u>			<u>Public Safety</u>						
	<u>YOS</u>	<u>Male</u>	<u>Female</u>	<u>YOS</u>	<u>Male</u>	<u>Female</u>				
	0	17.00%	22.0%	0	12.00%	12.0%				
	5	7.00%	10.0%	5	4.50%	4.5%				
	10	4.50%	6.0%	10	3.00%	3.0%				
	15	2.75%	4.0%	15	1.50%	1.5%				
	20	2.00%	2.50%	20	1.00%	1.00%				
	25+	1.00%	1.00%	25+	1.00%	1.00%				
Retirement Rate .....	Local Government (Males)									
	<u>Tier 1 URS Plan</u>					<u>Tier 2 URS Plan</u>				
	<u>Age</u>	<u>4 YOS</u>	<u>10 YOS</u>	<u>20 YOS</u>	<u>25 YOS</u>	<u>30+</u>	<u>4 YOS</u>	<u>10 YOS</u>	<u>20 YOS</u>	<u>35 YOS</u>
	50	0.00%	0.00%	0.00%	0.03%	0.15%	0.00%	0.00%	0.00%	0.45%
	55	0.00%	0.00%	0.00%	0.03%	0.15%	0.00%	0.00%	0.00%	0.45%
	60	0.00%	0.00%	0.05%	0.05%	0.20%	0.00%	0.00%	0.02%	0.50%
	62	0.00%	0.11%	0.11%	0.11%	0.23%	0.00%	0.06%	0.06%	0.53%
	65	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%
	70	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%
	75+	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
	Local Government (Females)									
	<u>Tier 1 URS Plan</u>					<u>Tier 2 URS Plan</u>				
	<u>Age</u>	<u>4 YOS</u>	<u>10 YOS</u>	<u>20 YOS</u>	<u>25 YOS</u>	<u>30+</u>	<u>4 YOS</u>	<u>10 YOS</u>	<u>20 YOS</u>	<u>35 YOS</u>
	50	0.00%	0.00%	0.00%	0.04%	0.20%	0.00%	0.00%	0.00%	0.50%
	55	0.00%	0.00%	0.00%	0.04%	0.25%	0.00%	0.00%	0.00%	0.55%
	60	0.00%	0.00%	0.10%	0.10%	0.30%	0.00%	0.00%	0.02%	0.60%
	62	0.00%	0.13%	0.13%	0.13%	0.30%	0.00%	0.06%	0.06%	0.60%
	65	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
	70	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
	75+	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
	Public Safety (Unisex)									
	<u>Tier 1 URS Plan</u>					<u>Tier 2 URS Plan</u>				
	<u>Age</u>	<u>4 YOS</u>	<u>10 YOS</u>	<u>20 YOS</u>	<u>30+</u>	<u>4 YOS</u>	<u>10 YOS</u>	<u>20 YOS</u>	<u>25 YOS</u>	<u>30+</u>
	45	0.00%	0.00%	0.15%	0.15%	0.00%	0.00%	0.00%	0.09%	0.12%
	50	0.00%	0.00%	0.15%	0.15%	0.00%	0.00%	0.00%	0.09%	0.12%
	55	0.00%	0.00%	0.15%	0.15%	0.00%	0.00%	0.00%	0.09%	0.12%
	60	0.00%	0.12%	0.20%	0.20%	0.00%	0.00%	0.13%	0.25%	0.25%
	62	0.00%	0.12%	0.30%	0.35%	0.00%	0.06%	0.18%	0.35%	0.35%
	65	0.25%	0.25%	0.30%	0.35%	0.25%	0.25%	0.50%	0.50%	0.50%
	70+	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

**SUPPLEMENTAL INFORMATION**

**CITY OF BOUNTIFUL  
SUPPLEMENTAL INFORMATION  
INTRODUCTION**

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

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

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

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

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

### **Debt Service Fund**

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

**CITY OF BOUNTIFUL**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2019**

	Special Revenue Fund					Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Municipal Building Authority	Cemetery Perpetual Care	Debt Service	
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ 101,794	\$ 123,912	\$ 692,205	\$ 7,110	\$ 925,021
Receivables:						
Taxes	-	105,618	-	-	-	105,618
Accounts - net	-	-	-	235	-	235
Interest	-	697	848	4,722	47	6,314
Investments	-	193,726	234,750	1,311,376	13,469	1,753,321
Restricted assets:						
Cash and cash equivalents	865,831	463	-	-	-	866,294
<b>Total Assets</b>	<u>\$ 865,831</u>	<u>\$ 402,298</u>	<u>\$ 359,510</u>	<u>\$ 2,008,538</u>	<u>\$ 20,626</u>	<u>\$ 3,656,803</u>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 21,063	\$ -	\$ -	\$ -	\$ 21,063
Retainage payable - restricted assets	-	463	-	-	-	463
Unearned revenue	-	-	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>21,526</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,526</u>
<b>Fund Balances</b>						
Restricted	865,831	-	-	-	-	865,831
Committed	-	-	-	2,008,538	-	2,008,538
Assigned	-	380,772	359,510	-	20,626	760,908
<b>Total Fund Balances</b>	<u>865,831</u>	<u>380,772</u>	<u>359,510</u>	<u>2,008,538</u>	<u>20,626</u>	<u>3,635,277</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 865,831</u>	<u>\$ 402,298</u>	<u>\$ 359,510</u>	<u>\$ 2,008,538</u>	<u>\$ 20,626</u>	<u>\$ 3,656,803</u>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**For The Fiscal Year Ended June 30, 2019**

	Special Revenue Fund					Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Municipal Building Authority	Cemetery Perpetual Care	Debt Service	
<b>Revenues</b>						
Sales taxes	\$ -	\$ 568,575	\$ -	\$ -	\$ -	\$ 568,575
Charges for services	-	-	168,875	-	-	168,875
Investment earnings	23,874	10,221	11,407	63,144	654	109,300
Miscellaneous	-	-	-	61,995	-	61,995
<b>Total Revenues</b>	<u>23,874</u>	<u>578,796</u>	<u>180,282</u>	<u>125,139</u>	<u>654</u>	<u>908,745</u>
<b>Expenditures</b>						
General government	-	-	304	1,301	14	1,619
Parks and recreation	-	97,849	-	-	-	97,849
<b>Total Expenditures</b>	<u>-</u>	<u>97,849</u>	<u>304</u>	<u>1,301</u>	<u>14</u>	<u>99,468</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>23,874</u>	<u>480,947</u>	<u>179,978</u>	<u>123,838</u>	<u>640</u>	<u>809,277</u>
<b>Other Financing Sources (Uses)</b>						
Transfer out	-	(411,816)	-	-	-	(411,816)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(411,816)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(411,816)</u>
<b>Changes in Fund Balance</b>	23,874	69,131	179,978	123,838	640	397,461
<b>Fund Balance, Beginning</b>	<u>841,957</u>	<u>311,641</u>	<u>179,532</u>	<u>1,884,700</u>	<u>19,986</u>	<u>3,237,816</u>
<b>Fund Balance, Ending</b>	<u>\$ 865,831</u>	<u>\$ 380,772</u>	<u>\$ 359,510</u>	<u>\$ 2,008,538</u>	<u>\$ 20,626</u>	<u>\$ 3,635,277</u>



**CITY OF BOUNTIFUL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL –NONMAJOR LANDFILL CLOSURE FUND**  
**For The Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings	\$ 12,400	\$ 12,400	\$ 23,874	\$ 11,474
<b>Total Revenues</b>	<u>12,400</u>	<u>12,400</u>	<u>23,874</u>	<u>11,474</u>
<b>Expenditures</b>				
General government	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues     Over (Under) Expenditures</b>	<u>12,400</u>	<u>12,400</u>	<u>23,874</u>	<u>11,474</u>
<b>Net Change in Fund Balance</b>	<u>\$ 12,400</u>	<u>\$ 12,400</u>	<u>23,874</u>	<u>\$ 11,474</u>
<b>Fund Balance, Beginning</b>			<u>841,957</u>	
<b>Fund Balance, Ending</b>			<u>\$ 865,831</u>	

**CITY OF BOUNTIFUL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL –NONMAJOR RAP TAX**  
**SPECIAL REVENUE FUND**  
**For The Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Sales taxes	\$ 543,000	\$ 543,000	\$ 568,575	\$ 25,575
Investment earnings	5,000	5,000	10,221	5,221
<b>Total Revenues</b>	<u>548,000</u>	<u>548,000</u>	<u>578,796</u>	<u>30,796</u>
<b>Expenditures</b>				
Parks and recreation	434	434	437	(3)
Special Projects	76,020	76,020	42,682	33,338
RAP Tax Grant Award Payments	59,730	59,730	54,730	5,000
<b>Total Expenditures</b>	<u>136,184</u>	<u>136,184</u>	<u>97,849</u>	<u>38,335</u>
<b>Excess (Deficiency) of Revenues</b> <b>Over (Under) Expenditures</b>	<u>411,816</u>	<u>411,816</u>	<u>480,947</u>	<u>69,131</u>
<b>Other Financing Sources (Uses)</b>				
Transfer out	<u>(411,816)</u>	<u>(411,816)</u>	<u>(411,816)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(411,816)</u>	<u>(411,816)</u>	<u>(411,816)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	69,131	<u>\$ 69,131</u>
<b>Fund Balance, Beginning</b>			<u>311,641</u>	
<b>Fund Balance, Ending</b>			<u>\$ 380,772</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 Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services	\$ 168,875	\$ 168,875	\$ 168,875	\$ -
Investment earnings	3,000	3,000	11,407	8,407
<b>Total Revenues</b>	<u>171,875</u>	<u>171,875</u>	<u>180,282</u>	<u>8,407</u>
<b>Expenditures</b>				
General government	368	368	304	64
<b>Total Expenditures</b>	<u>368</u>	<u>368</u>	<u>304</u>	<u>64</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>171,507</u>	<u>171,507</u>	<u>179,978</u>	<u>8,471</u>
<b>Net Change in Fund Balance</b>	<u>\$ 171,507</u>	<u>\$ 171,507</u>	<u>179,978</u>	<u>\$ 8,471</u>
<b>Fund Balance, Beginning</b>			<u>179,532</u>	
<b>Fund Balance, Ending</b>			<u>\$ 359,510</u>	

**CITY OF BOUNTIFUL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR CEMETERY PERPETUAL**  
**CARE SPECIAL REVENUE FUND**  
**For The Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings	\$ 27,000	\$ 27,000	\$ 63,144	\$ 36,144
Miscellaneous	60,000	60,000	61,995	1,995
<b>Total Revenues</b>	<u>87,000</u>	<u>87,000</u>	<u>125,139</u>	<u>38,139</u>
<b>Expenditures</b>				
General government	1,400	1,400	1,301	99
<b>Total Expenditures</b>	<u>1,400</u>	<u>1,400</u>	<u>1,301</u>	<u>99</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>85,600</u>	<u>85,600</u>	<u>123,838</u>	<u>38,238</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 85,600</u>	<u>\$ 85,600</u>	<u>123,838</u>	<u>\$ 38,238</u>
<b>Fund Balance, Beginning</b>			<u>1,884,700</u>	
<b>Fund Balance, Ending</b>			<u>\$ 2,008,538</u>	

**CITY OF BOUNTIFUL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR DEBT SERVICE FUND**  
**For The Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings	\$ 300	\$ 300	\$ 654	\$ 354
<b>Total Revenues</b>	<u>300</u>	<u>300</u>	<u>654</u>	<u>354</u>
<b>Expenditures</b>				
General government	20	20	14	6
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total Expenditures</b>	<u>20</u>	<u>20</u>	<u>14</u>	<u>6</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>280</u>	<u>280</u>	<u>640</u>	<u>360</u>
<b>Net Change in Fund Balance</b>	<u>\$ 280</u>	<u>\$ 280</u>	<u>640</u>	<u>\$ 360</u>
<b>Fund Balance, Beginning</b>			<u>19,986</u>	
<b>Fund Balance, Ending</b>			<u>\$ 20,626</u>	

**CITY OF BOUNTIFUL**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – MAJOR CAPITAL PROJECTS FUND**  
**For The Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Sales taxes	\$ 3,508,029	\$ 2,373,029	\$ 3,258,588	\$ 885,559
Investment earnings	400,000	400,000	986,278	586,278
Miscellaneous	12,000	12,000	43,316	31,316
<b>Total Revenues</b>	<u>3,920,029</u>	<u>2,785,029</u>	<u>4,288,182</u>	<u>1,503,153</u>
<b>Expenditures</b>				
General Government:				
Finance	17,900	21,900	20,068	1,832
Capital outlay:				
General Government:				
Legislative	7,035,000	7,035,000	1,070,574	5,964,426
Public Safety:				
Police	443,000	443,000	438,755	4,245
Highways and Streets	1,792,000	653,000	300,049	352,951
Planning and engineering:				
Engineering	38,500	38,500	33,932	4,568
Parks and recreation	104,000	104,000	92,757	11,243
<b>Total Expenditures</b>	<u>9,430,400</u>	<u>8,295,400</u>	<u>1,956,135</u>	<u>6,339,265</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>(5,510,371)</u>	<u>(5,510,371)</u>	<u>2,332,047</u>	<u>7,842,418</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	390,000	390,000	411,816	21,816
<b>Total Other Financing Sources (Uses)</b>	<u>390,000</u>	<u>390,000</u>	<u>411,816</u>	<u>21,816</u>
<b>Net Change in Fund Balance *</b>	<u>\$ (5,120,371)</u>	<u>\$ (5,120,371)</u>	<u>2,743,863</u>	<u>\$ 7,864,234</u>
<b>Fund Balance, Beginning</b>			<u>28,998,665</u>	
<b>Fund Balance, Ending</b>			<u>\$ 31,742,528</u>	

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

## **NONMAJOR ENTERPRISE FUNDS**

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

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

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Nonmajor Enterprise Funds</b>
	<b>Storm Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Cemetery</b>	
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 881,431	\$ 479,300	\$ 6,294	\$ 225,415	\$ 1,592,440
Accounts receivable, net	235,163	278	60,086	29,858	325,385
Interest receivable	6,451	3,733	43	1,539	11,766
Investments	1,795,047	1,017,344	11,923	427,046	3,251,360
Inventories	-	54,993	-	-	54,993
<b>Total Current Assets</b>	<b>2,918,092</b>	<b>1,555,648</b>	<b>78,346</b>	<b>683,858</b>	<b>5,235,944</b>
<b>Noncurrent Assets:</b>					
Restricted assets:					
Cash and cash equivalents	66,078	58,602	-	-	124,680
Net other postemployment benefits asset	5,839	14,596	-	8,758	29,193
Capital assets, net:					
Land, land rights and water rights	-	1,997,619	-	5,198,189	7,195,808
Buildings, wells and reservoirs	162,702	294,704	-	-	457,406
Improvements other than buildings	-	344,487	-	369,731	714,218
Water transmission, distribution, and collection infrastructure	4,033,722	-	-	-	4,033,722
Machinery and equipment	444,971	210,729	-	124,754	780,454
Construction in progress	131,431	-	-	-	131,431
<b>Total Noncurrent Assets</b>	<b>4,844,743</b>	<b>2,920,737</b>	<b>-</b>	<b>5,701,432</b>	<b>13,466,912</b>
<b>Total Assets</b>	<b>7,762,835</b>	<b>4,476,385</b>	<b>78,346</b>	<b>6,385,290</b>	<b>18,702,856</b>
<b>Deferred Outflows of Resources</b>					
Pensions	88,228	121,492	-	51,979	261,699
Other postemployment benefits	349	871	-	523	1,743
<b>Total Deferred Outflows</b>	<b>88,577</b>	<b>122,363</b>	<b>-</b>	<b>52,502</b>	<b>263,442</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 7,851,412</b>	<b>\$ 4,598,748</b>	<b>\$ 78,346</b>	<b>\$ 6,437,792</b>	<b>\$ 18,966,298</b>



**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS (Continued)**  
**June 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Nonmajor Enterprise Funds</b>
	<b>Storm Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Cemetery</b>	
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts payable	\$ 177,945	\$ 39,209	\$ 77,037	\$ 4,671	\$ 298,862
Accrued liabilities	20,402	58,634	-	13,525	92,561
Retainage payable - restricted assets	8,384	-	-	-	8,384
Unearned revenue - restricted assets	-	58,602	-	-	58,602
Compensated absences	3,820	14,537	-	13,068	31,425
<b>Total Current Liabilities</b>	<b>210,551</b>	<b>170,982</b>	<b>77,037</b>	<b>31,264</b>	<b>489,834</b>
<b>Noncurrent Liabilities:</b>					
Developer and customer deposits - restricted assets	57,694	-	-	-	57,694
Compensated absences	6,501	54,806	-	17,406	78,713
Net pension liability	169,605	233,548	-	99,922	503,075
<b>Total Noncurrent Liabilities</b>	<b>233,800</b>	<b>288,354</b>	<b>-</b>	<b>117,328</b>	<b>639,482</b>
<b>Total Liabilities</b>	<b>444,351</b>	<b>459,336</b>	<b>77,037</b>	<b>148,592</b>	<b>1,129,316</b>
<b>Deferred Inflows of Resources</b>					
Pensions	7,727	10,641	-	4,553	22,921
Other postemployment benefits	4,009	10,023	-	6,014	20,046
<b>Total Deferred Inflows</b>	<b>11,736</b>	<b>20,664</b>	<b>-</b>	<b>10,567</b>	<b>42,967</b>
<b>Net Position</b>					
Net investment in capital assets	4,772,826	2,847,539	-	5,692,674	13,313,039
Restricted:					
Other postemployment benefits	2,179	5,444	-	3,267	10,890
Unrestricted	2,620,320	1,265,765	1,309	582,692	4,470,086
<b>Total Net Position</b>	<b>7,395,325</b>	<b>4,118,748</b>	<b>1,309</b>	<b>6,278,633</b>	<b>17,794,015</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 7,851,412</b>	<b>\$ 4,598,748</b>	<b>\$ 78,346</b>	<b>\$ 6,437,792</b>	<b>\$ 18,966,298</b>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**For The Fiscal Year Ended June 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Nonmajor Enterprise Funds</b>
	<b>Storm Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Cemetery</b>	
<b>Operating Revenues</b>					
Charges for services	\$ 1,643,847	\$ -	\$ 434,547	\$ 354,620	\$ 2,433,014
Admissions and lesson fees	-	642,972	-	-	642,972
Equipment and facility rents	-	295,581	-	3,900	299,481
Concession and merchandise sales	-	210,867	-	-	210,867
Sale of cemetery burial plots	-	-	-	221,130	221,130
Miscellaneous	5,800	1,594	-	2,850	10,244
<b>Total Operating Revenues</b>	<b>1,649,647</b>	<b>1,151,014</b>	<b>434,547</b>	<b>582,500</b>	<b>3,817,708</b>
<b>Operating Expenses</b>					
Personnel wages and benefits	470,740	762,235	-	312,015	1,544,990
Materials and supplies	4,072	156,821	-	7,542	168,435
Repair and maintenance costs	116,198	343,513	-	75,898	535,609
Contractual and professional services	75,794	7,976	506,539	564	590,873
General and administrative costs	162,812	291,774	78,792	97,065	630,443
Depreciation	339,475	124,460	-	49,361	513,296
<b>Total Operating Expenses</b>	<b>1,169,091</b>	<b>1,686,779</b>	<b>585,331</b>	<b>542,445</b>	<b>3,983,646</b>
<b>Operating Income (Loss)</b>	<b>\$ 480,556</b>	<b>\$ (535,765)</b>	<b>\$ (150,784)</b>	<b>\$ 40,055</b>	<b>\$ (165,938)</b>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS (Continued)**  
**For The Fiscal Year Ended June 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Nonmajor Enterprise Funds</b>
	<b>Storm Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Cemetery</b>	
<b>Nonoperating Revenues (Expenses)</b>					
Investment earnings	\$ 81,953	\$ 51,995	\$ 459	\$ 19,968	\$ 154,375
Gain (loss) from sale of capital assets	(340)	-	-	1,672	1,332
<b>Total Nonoperating Revenues (Expenses)</b>	<b>81,613</b>	<b>51,995</b>	<b>459</b>	<b>21,640</b>	<b>155,707</b>
Income (loss) before contributions & transfers	562,169	(483,770)	(150,325)	61,695	(10,231)
Capital contributions	85,491	-	-	-	85,491
Transfers in	-	-	89,384	-	89,384
<b>Changes in Net Position</b>	<b>647,660</b>	<b>(483,770)</b>	<b>(60,941)</b>	<b>61,695</b>	<b>164,644</b>
<b>Net Position, Beginning</b>	<b>6,747,665</b>	<b>4,602,518</b>	<b>62,250</b>	<b>6,216,938</b>	<b>17,629,371</b>
<b>Net Position, Ending</b>	<b>\$ 7,395,325</b>	<b>\$ 4,118,748</b>	<b>\$ 1,309</b>	<b>\$ 6,278,633</b>	<b>\$ 17,794,015</b>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For The Fiscal Year Ended June 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Nonmajor Enterprise Funds</b>
	<b>Storm Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Cemetery</b>	
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and users	\$ 1,621,958	\$ 1,150,736	\$ 414,856	\$ 579,775	\$ 3,767,325
Receipts from customer deposits	7,370	-	-	-	7,370
Payments to suppliers	(122,804)	(613,915)	(542,047)	(93,242)	(1,372,008)
Payments to employees and related benefits	(459,714)	(770,456)	-	(311,907)	(1,542,077)
Payments to other funds for services provided	(140,799)	(139,459)	-	(78,468)	(358,726)
Return of customer deposits	(22,040)	-	-	-	(22,040)
Net cash flows from operating activities	<u>883,971</u>	<u>(373,094)</u>	<u>(127,191)</u>	<u>96,158</u>	<u>479,844</u>
<b>Cash Flows From Non-Capital Financing Activities</b>					
Transfers from other funds	-	-	89,384	-	89,384
Net cash flows from non-capital financing activities	<u>-</u>	<u>-</u>	<u>89,384</u>	<u>-</u>	<u>89,384</u>
<b>Cash Flows From Capital and Related Financing</b>					
Capital contributions received	24,263	-	-	-	24,263
Purchase of capital assets	(637,478)	-	-	(73,959)	(711,437)
Net cash flows from capital and related financing activities	<u>(613,215)</u>	<u>-</u>	<u>-</u>	<u>(73,959)</u>	<u>(687,174)</u>
<b>Cash Flows From Investing Activities</b>					
Investment earnings	61,370	41,752	593	15,176	118,891
Purchase of investments	(563,381)	(189,731)	(2,224)	(98,773)	(854,109)
Sale of investments	812,391	770,808	37,255	193,270	1,813,724
Net cash flows from investing activities	<u>310,380</u>	<u>622,829</u>	<u>35,624</u>	<u>109,673</u>	<u>1,078,506</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	581,136	249,735	(2,183)	131,872	960,560
<b>Cash and Cash Equivalents, Beginning</b>	366,373	288,167	8,477	93,543	756,560
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 947,509</u>	<u>\$ 537,902</u>	<u>\$ 6,294</u>	<u>\$ 225,415</u>	<u>\$ 1,717,120</u>

**CITY OF BOUNTIFUL  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS (Continued)  
For The Fiscal Year Ended June 30, 2019**

	<u>Business-type Activities - Enterprise Funds</u>				<b>Total Nonmajor Enterprise Funds</b>
	<u>Storm Water</u>	<u>Golf Course</u>	<u>Recycling</u>	<u>Cemetery</u>	
<b>Reconciliation of operating income to net cash flows from operating activities</b>					
Earnings (loss) from operations	\$ 480,556	\$ (535,765)	\$ (150,784)	\$ 40,055	\$ (165,938)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:					
Depreciation	339,475	124,460	-	49,361	513,296
Changes in assets and liabilities					
Accounts receivable, net	(27,689)	(278)	(19,691)	(2,725)	(50,383)
Inventories	-	11,503	-	-	11,503
Other postemployment benefits asset	(317)	(792)	-	(476)	(1,585)
Net pension asset	71	108	-	46	225
Deferred outflows - pensions	(9,393)	(967)	-	(1,389)	(11,749)
Deferred outflows - OPEB	37	94	-	56	187
Accounts payable	97,855	19,998	43,284	3,381	164,518
Accrued liabilities	1,850	5,538	-	1,955	9,343
Retainage payable	(4,432)	-	-	-	(4,432)
Unearned revenue	-	(1,891)	-	-	(1,891)
Developer and customer deposits	(14,670)	-	-	-	(14,670)
Compensated absences	805	1,637	-	2,604	5,046
Deferred inflows - pensions	(58,121)	(90,030)	-	(37,703)	(185,854)
Deferred inflows - OPEB	(126)	(316)	-	(189)	(631)
Net pension liability	78,070	93,607	-	41,182	212,859
<b>Net cash flows from operating activities</b>	<u>\$ 883,971</u>	<u>\$ (373,094)</u>	<u>\$ (127,191)</u>	<u>\$ 96,158</u>	<u>\$ 479,844</u>
<b>Schedule of non-cash capital and related financing activities</b>					
Contributions of capital assets	\$ 61,228	\$ -	\$ -	\$ -	\$ 61,228
Purchase of capital assets through trade-in	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000
Capital assets contributed (to)/from other funds with a zero book value	\$ 89,208	\$ -	\$ -	\$ -	\$ 89,208

## **INTERNAL SERVICE FUNDS**

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

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

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2019**

	<b>Risk Management</b>	<b>Workers' Compensation Self-Insurance</b>	<b>Total Internal Service Funds</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 643,738	\$ 526,826	\$ 1,170,564
Interest receivable	4,389	3,481	7,870
Investments	1,219,556	967,240	2,186,796
Other receivables	-	10,371	10,371
<b>Total Current Assets</b>	<b>1,867,683</b>	<b>1,507,918</b>	<b>3,375,601</b>
<b>Noncurrent Assets</b>			
Restricted cash and cash equivalents	523,740	-	523,740
<b>Total Noncurrent Assets</b>	<b>523,740</b>	<b>-</b>	<b>523,740</b>
<b>Total Assets</b>	<b>2,391,423</b>	<b>1,507,918</b>	<b>3,899,341</b>
<b>Deferred Outflows of Resources</b>			
Pensions	21,546	14,287	35,833
<b>Total Deferred Outflows</b>	<b>21,546</b>	<b>14,287</b>	<b>35,833</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 2,412,969</b>	<b>\$ 1,522,205</b>	<b>\$ 3,935,174</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 3,971	\$ 184,655	\$ 188,626
Accrued liabilities	3,782	1,656	5,438
<b>Total Current Liabilities</b>	<b>7,753</b>	<b>186,311</b>	<b>194,064</b>
<b>Noncurrent Liabilities</b>			
Net pension liability	41,419	27,465	68,884
<b>Total Noncurrent Liabilities</b>	<b>41,419</b>	<b>27,465</b>	<b>68,884</b>
<b>Total Liabilities</b>	<b>49,172</b>	<b>213,776</b>	<b>262,948</b>
<b>Deferred Inflows of Resources</b>			
Pensions	1,887	1,251	3,138
<b>Total Deferred Inflows</b>	<b>1,887</b>	<b>1,251</b>	<b>3,138</b>
<b>Net Position</b>			
Restricted:			
Regulatory required deposit	523,740	-	523,740
Unrestricted	1,838,170	1,307,178	3,145,348
<b>Total Net Position</b>	<b>2,361,910</b>	<b>1,307,178</b>	<b>3,669,088</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 2,412,969</b>	<b>\$ 1,522,205</b>	<b>\$ 3,935,174</b>

**CITY OF BOUNTIFUL**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS**  
**For The Fiscal Year Ended June 30, 2019**

	<b>Risk Management</b>	<b>Workers' Compensation Self-Insurance</b>	<b>Total Internal Service Funds</b>
<b>Operating Revenues</b>			
Charges for services	\$ 368,364	\$ 268,614	\$ 636,978
<b>Total Operating Revenues</b>	<u>368,364</u>	<u>268,614</u>	<u>636,978</u>
<b>Operating Expenses</b>			
Personnel wages and benefits	85,077	61,119	146,196
Contractual and professional services	278	3,787	4,065
General and administrative costs	369,829	64,360	434,189
Claims	70,375	250,441	320,816
<b>Total Operating Expenses</b>	<u>525,559</u>	<u>379,707</u>	<u>905,266</u>
Operating Income (Loss)	<u>(157,195)</u>	<u>(111,093)</u>	<u>(268,288)</u>
<b>Nonoperating Revenues (Expense)</b>			
Investment earnings	62,625	46,302	108,927
<b>Total Nonoperating Revenues (Expense)</b>	<u>62,625</u>	<u>46,302</u>	<u>108,927</u>
<b>Changes in Net Position</b>	(94,570)	(64,791)	(159,361)
<b>Net Position, Beginning</b>	<u>2,456,480</u>	<u>1,371,969</u>	<u>3,828,449</u>
<b>Net Position, Ending</b>	<u>\$ 2,361,910</u>	<u>\$ 1,307,178</u>	<u>\$ 3,669,088</u>



**CITY OF BOUNTIFUL  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For The Fiscal Year Ended June 30, 2019**

	<b>Risk Management</b>	<b>Workers' Compensation Self-Insurance</b>	<b>Total Internal Service Funds</b>
<b>Cash Flows From Operating Activities</b>			
Receipts from interfund charges	\$ 368,364	\$ 268,419	\$ 636,783
Payments to suppliers	(442,838)	(197,445)	(640,283)
Payments to employees and related benefits	(85,522)	(60,848)	(146,370)
<b>Net cash flows from operating activities</b>	<b>(159,996)</b>	<b>10,126</b>	<b>(149,870)</b>
<b>Cash Flows From Investing Activities</b>			
Interest on investments	49,579	35,505	85,084
Purchase of investments	(227,444)	(211,195)	(438,639)
Sale of investments	682,759	437,747	1,120,506
<b>Net cash flows from investing activities</b>	<b>504,894</b>	<b>262,057</b>	<b>766,951</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>344,898</b>	<b>272,183</b>	<b>617,081</b>
<b>Cash and Cash Equivalents, Beginning</b>	<b>822,580</b>	<b>254,643</b>	<b>1,077,223</b>
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 1,167,478</b>	<b>\$ 526,826</b>	<b>\$ 1,694,304</b>
<b>Reconciliation of operating income to net cash flows from operating activities</b>			
Earnings (loss) from operations	\$ (157,195)	\$ (111,093)	\$ (268,288)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:			
Changes in assets and liabilities			
Accounts receivable	-	(195)	(195)
Accounts payable	(2,540)	121,019	118,479
Accrued liabilities	590	(555)	35
Net pension asset	20	12	32
Deferred outflows - pensions	1,168	(746)	422
Deferred inflows - pensions	(17,085)	(10,059)	(27,144)
Net pension liability	15,046	11,743	26,789
<b>Net cash flows from operating activities</b>	<b>\$ (159,996)</b>	<b>\$ 10,126</b>	<b>\$ (149,870)</b>

## **STATISTICAL SECTION**

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

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

**Contents**

Financial Trend Data (tables 1-4)

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

Revenue Capacity Data (tables 5-10)

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

Debt Capacity Data (tables 11-15)

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

Demographic and Economic Information (tables 16-17)

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

Operating Information (tables 18-20)

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

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

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 74,693,798	\$ 74,336,121	\$ 74,200,188	\$ 74,103,304	\$ 77,753,067	\$ 81,472,401	\$ 82,121,939	\$ 81,356,410	\$ 81,135,964	\$ 82,645,913
Restricted	4,227,165	4,228,147	4,257,860	3,663,738	3,393,773	3,112,341	1,671,755	1,463,046	1,457,025	1,503,841
Unrestricted	45,175,673	46,140,668	40,243,806	44,932,661	44,081,459	36,157,946	40,132,172	36,802,950	42,218,254	44,728,492
<b>Total governmental activities net position</b>	<b>\$ 124,096,636</b>	<b>\$ 124,704,936</b>	<b>\$ 118,701,854</b>	<b>\$ 122,699,703</b>	<b>\$ 125,228,299</b>	<b>\$ 120,742,688</b>	<b>\$ 123,925,866</b>	<b>\$ 119,622,406</b>	<b>\$ 124,811,243</b>	<b>\$ 128,878,246</b>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 45,629,028	\$ 40,191,046	\$ 53,747,875	\$ 52,073,365	\$ 50,089,185	\$ 49,827,165	\$ 65,576,188	\$ 70,987,081	\$ 78,825,694	\$ 78,015,217
Restricted	561,509.00	7,372,346.00	981,919	537,775	538,343	543,050	548,086	616,883	618,702	649,646
Unrestricted	38,730,430	42,368,839	48,579,751	53,111,351	58,237,995	59,483,812	47,268,834	48,610,993	45,475,180	46,762,253
<b>Total business-type activities net position</b>	<b>\$ 84,920,967</b>	<b>\$ 89,932,231</b>	<b>\$ 103,309,545</b>	<b>\$ 105,722,491</b>	<b>\$ 108,865,523</b>	<b>\$ 109,854,027</b>	<b>\$ 113,393,108</b>	<b>\$ 120,214,957</b>	<b>\$ 124,919,576</b>	<b>\$ 125,427,116</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 120,322,826	\$ 114,527,167	\$ 127,948,063	\$ 126,176,669	\$ 127,842,252	\$ 131,299,566	\$ 147,698,127	\$ 152,343,491	\$ 159,961,658	\$ 160,661,130
Restricted	4,788,674	11,600,493	5,239,779	4,201,513	3,932,116	3,655,391	2,219,841	2,079,929	2,075,727	2,153,487
Unrestricted	83,906,103	88,509,507	88,823,557	98,044,012	102,319,454	95,641,758	87,401,006	85,413,943	87,693,434	91,490,745
<b>Total primary government net position</b>	<b>\$ 209,017,603</b>	<b>\$ 214,637,167</b>	<b>\$ 222,011,399</b>	<b>\$ 228,422,194</b>	<b>\$ 234,093,822</b>	<b>\$ 230,596,715</b>	<b>\$ 237,318,974</b>	<b>\$ 239,837,363</b>	<b>\$ 249,730,819</b>	<b>\$ 254,305,362</b>

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Government Activities:</b>										
General governmental	\$ 3,388,685	\$ 3,503,127	\$ 3,289,872	\$ 3,581,400	\$ 4,252,481	\$ 3,437,814	\$ 3,341,296	\$ 7,192,448	\$ 3,016,861	\$ 2,756,678
Public safety (1)	8,506,721	8,387,664	8,514,389	9,000,597	8,960,236	9,375,233	9,866,805	12,489,219	9,472,327	10,670,198
Highways and streets	3,999,039	3,748,318	3,475,552	4,067,275	3,979,845	3,984,340	4,063,869	4,897,436	4,425,284	5,058,822
Planning and engineering	943,285	971,209	981,570	1,022,280	884,133	745,669	731,941	867,524	859,976	893,628
Parks	933,052	954,307	937,703	1,003,832	1,002,463	1,067,132	1,065,934	1,244,612	1,219,344	1,375,540
Redevelopment	685,492	841,626	707,565	600,355	601,424	1,371,281	251,093	204,313	253,521	531,500
Interest on long-term debt	241,190	198,454	144,060	102,623	19,760	26,339	10,817	9,638	-	-
<b>Total governmental activities expenses</b>	<b>18,697,464</b>	<b>18,604,705</b>	<b>18,050,711</b>	<b>19,378,362</b>	<b>19,700,342</b>	<b>20,007,808</b>	<b>19,331,755</b>	<b>26,905,190</b>	<b>19,247,313</b>	<b>21,286,366</b>
<b>Business-type Activities:</b>										
Water	3,131,777	3,309,367	3,234,152	3,371,663	3,597,648	3,494,082	3,631,578	3,869,619	3,818,230	4,413,045
Light and Power	20,557,495	20,837,040	21,895,461	23,015,562	22,924,477	23,688,812	22,315,745	23,243,493	24,157,027	25,588,771
Landfill and Sanitation	1,064,299	969,710	1,087,508	1,108,510	1,984,027	2,003,479	1,937,430	2,165,326	2,382,296	2,665,632
Storm Water	1,104,270	1,203,429	1,577,577	971,430	1,148,856	868,856	912,170	1,004,376	1,094,184	1,173,363
Golf Course	1,311,614	1,314,964	1,378,763	1,404,462	1,584,534	1,483,707	1,467,338	1,540,593	1,569,171	1,692,390
Recreation (2)	-	-	-	-	-	-	-	-	-	-
Recycling (3)	432,863	442,247	455,047	471,210	407,891	368,091	377,577	402,793.00	475,457.00	585,331.00
Sanitation (4)	841,277	806,551	773,031	802,742	-	-	-	-	-	-
Cemetery	352,574	348,443	328,892	325,056	370,992	394,069	407,908	483,845	523,846	544,294
<b>Total business-type activities expenses</b>	<b>28,796,169</b>	<b>29,231,751</b>	<b>30,730,431</b>	<b>31,470,635</b>	<b>32,018,425</b>	<b>32,301,096</b>	<b>31,049,746</b>	<b>32,710,045</b>	<b>34,020,211</b>	<b>36,662,826</b>
<b>Total primary government expenses</b>	<b>\$ 47,493,633</b>	<b>\$ 47,836,456</b>	<b>\$ 48,781,142</b>	<b>\$ 50,848,997</b>	<b>\$ 51,718,767</b>	<b>\$ 52,308,904</b>	<b>\$ 50,381,501</b>	<b>\$ 59,615,235</b>	<b>\$ 53,267,524</b>	<b>\$ 57,949,192</b>
<b>Program Revenues</b>										
<b>Government Activities:</b>										
<b>Charges for Services:</b>										
General Government	\$ 2,056,902	\$ 2,117,142	\$ 2,291,021	\$ 2,349,674	\$ 2,401,070	\$ 1,574,521	\$ 1,063,736	\$ 1,201,472	\$ 1,072,202	\$ 1,044,255
Culture and recreation (5)	16,100.00	15,450.00	15,775	14,725	15,050	16,260	19,050	16,550	20,890	18,800
Other activities (5)	708,025.00	698,977.00	698,279	711,658	733,684	776,226	785,777	797,307	736,835	786,737
Operating Grants and Contributions	1,427,842	1,414,463	1,623,572	1,624,716	1,333,065	1,411,005	1,607,310	2,341,078	2,310,290	2,454,563
Capital Grants and Contributions	271,222	309,910	369,124	66,843	103,235	459,557	546,698	419,547	9,370	431,640
<b>Total gov. activities program revenues</b>	<b>4,480,091</b>	<b>4,555,942</b>	<b>4,997,771</b>	<b>4,767,616</b>	<b>4,586,104</b>	<b>4,237,569</b>	<b>4,022,571</b>	<b>4,775,954</b>	<b>4,149,587</b>	<b>4,735,995</b>
<b>Business-type Activities:</b>										
<b>Charges for Services:</b>										
Water	2,846,366	2,878,003	2,968,922	3,026,573	4,056,749	3,937,063	4,035,730	4,099,364	5,609,766	5,639,247
Light and Power	24,871,593	25,915,599	26,288,025	27,086,113	26,627,796	25,719,743	25,824,251	26,506,316	27,098,178	27,252,441
Landfill and Sanitation	963,000	981,201	1,027,577	1,015,014	2,188,751	2,337,975	2,141,057	2,174,640	2,615,459	2,586,965
Storm Water	893,876	900,375	901,122	907,515	909,566	1,101,803	1,159,092	1,379,679	1,611,518	1,643,847
Golf Course	1,274,847	1,286,092	1,451,909	1,473,679	1,468,023	1,446,847	1,380,724	1,379,892	1,364,870	1,149,420
Recycling (3)	442,336	447,835	463,550	482,335	423,248	376,751	382,605	418,230	419,927	434,547
Sanitation (4)	845,858	849,615	847,367	851,060	-	-	-	-	-	-
Cemetery	288,181	330,785	333,490	329,765	423,503	514,595	530,805	540,969	667,486	579,650
Capital grants and contributions	27,605	238,801	1,259,961	694,943	745,806	656,541	627,167	4,979,663	800,673	974,966
<b>Total business-type act. program rev.</b>	<b>32,453,662</b>	<b>33,828,306</b>	<b>35,541,923</b>	<b>35,866,997</b>	<b>36,843,442</b>	<b>36,091,318</b>	<b>36,081,431</b>	<b>41,478,753</b>	<b>40,187,877</b>	<b>40,261,083</b>
<b>Total primary gov. program revenues</b>	<b>\$ 36,933,753</b>	<b>\$ 38,384,248</b>	<b>\$ 40,539,694</b>	<b>\$ 40,634,613</b>	<b>\$ 41,429,546</b>	<b>\$ 40,328,887</b>	<b>\$ 40,104,002</b>	<b>\$ 46,254,707</b>	<b>\$ 44,337,464</b>	<b>\$ 44,997,078</b>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (14,217,373)	\$ (14,048,763)	\$ (13,052,940)	\$ (14,610,746)	\$ (15,114,238)	\$ (15,770,239)	\$ (15,309,184)	\$ (22,129,236)	\$ (15,097,726)	\$ (16,550,371)
Business-type activities	3,657,493	4,596,555	4,811,492	4,396,362	4,825,017	3,790,222	5,031,685	8,768,708	6,167,666	3,598,257
<b>Total primary government net expense</b>	<b>\$ (10,559,880)</b>	<b>\$ (9,452,208)</b>	<b>\$ (8,241,448)</b>	<b>\$ (10,214,384)</b>	<b>\$ (10,289,221)</b>	<b>\$ (11,980,017)</b>	<b>\$ (10,277,499)</b>	<b>\$ (13,360,528)</b>	<b>\$ (8,930,060)</b>	<b>\$ (12,952,114)</b>

(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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 3,917,254	\$ 4,021,707	\$ 3,984,434	\$ 3,960,963	\$ 3,912,339	\$ 3,788,098	\$ 4,040,013	\$ 3,707,397	\$ 3,617,496	\$ 3,969,296
Sales taxes	5,761,400	5,813,476	6,210,568	6,456,991	6,782,369	7,134,825	7,623,749	7,877,935	8,248,442	8,460,480
Franchise taxes	3,864,173	4,172,300	3,608,703	4,008,695	3,945,634	3,681,671	3,664,256	3,770,244	3,782,565	3,802,154
Interest on investments	662,978	616,299	634,846	554,481	504,405	498,436	587,417	566,395	551,096	1,625,239
Miscellaneous	372,031	198,008	256,859	70,866	102,499	153,874	198,791	232,739	189,540	157,982
Gain (loss) on sale of capital assets	592	5,510	-	-	-	66,376.00	21,178	43,644	94,356	57,951
Transfers	2,189,079	(170,237)	(7,645,552)	2,314,400	2,395,588	2,164,845	2,356,958	2,357,317	2,414,344	2,544,272
Total governmental activities	16,767,507	14,657,063	7,049,858	17,366,396	17,642,834	17,488,125	18,492,362	18,555,671	18,897,839	20,617,374
Business-type Activities:										
Interest on investments	221,148	227,931	357,386	400,606	365,492	436,633	579,854	533,388	555,260	1,528,309
Gain (loss) on sale of capital assets	8,464.00	16,541.00	17,054	26,016	43,569	28,229	1,135	400	111,436	10,007
Special items/Miscellaneous	-	-	545,830.00	280,604.00	304,542.00	299,601	283,365	241,449	284,601	263,662
Transfers	(2,189,079)	170,237	7,645,552	(2,314,400)	(2,395,588)	(2,164,845)	(2,356,958)	(2,357,317)	(2,414,344)	(2,544,272)
Total business-type activities	(1,959,467)	414,709	8,565,822	(1,607,174)	(1,681,985)	(1,400,382)	(1,492,604)	(1,582,080)	(1,463,047)	(742,294)
Total primary government	\$ 14,808,040	\$ 15,071,772	\$ 15,615,680	\$ 15,759,222	\$ 15,960,849	\$ 16,087,743	\$ 16,999,758	\$ 16,973,591	\$ 17,434,792	\$ 19,875,080
Change in net position										
Governmental activities	\$ 2,550,134	\$ 608,300	\$ (6,003,082)	\$ 2,755,650	\$ 2,528,596	\$ 1,717,886	\$ 3,183,178	\$ (3,573,565)	\$ 3,800,113	\$ 4,067,003
Business-type activities	1,698,026	5,011,264	13,377,314	2,789,188	3,143,032	2,389,840	3,539,081	7,186,628	4,704,619	2,855,963
Total primary government	\$ 4,248,160	\$ 5,619,564	\$ 7,374,232	\$ 5,544,838	\$ 5,671,628	\$ 4,107,726	\$ 6,722,259	\$ 3,613,063	\$ 8,504,732	\$ 6,922,966

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									
	2010	2011 *	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 22,000									
Unreserved	2,224,136									
Nonspendable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted		48,000	66,133	84,734	87,637	84,588	51,134	38,784	-	-
Assigned		66,476	65,325	35,526	23,887	102	12,064	18,112	37,662	37,662
Unassigned		2,184,161	2,177,026	2,448,175	3,215,001	3,337,417	3,462,187	3,386,791	3,205,350	3,205,350
<b>Total General Fund</b>	<b>\$ 2,246,136</b>	<b>\$ 2,298,637</b>	<b>\$ 2,308,484</b>	<b>\$ 2,568,435</b>	<b>\$ 3,326,525</b>	<b>\$ 3,422,107</b>	<b>\$ 3,525,385</b>	<b>\$ 3,443,687</b>	<b>\$ 3,243,012</b>	<b>\$ 3,243,012</b>
All other governmental funds										
Reserved	\$ 2,789,611									
Unreserved, reported in:										
Capital projects funds	32,917,208									
Special revenue funds	4,697,785									
Debt service funds	-									
Nonspendable		\$ 558,358	\$ 558,358	\$ 558,358	\$ 558,358	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted		2,872,483	2,970,415	3,060,490	2,787,116	2,508,167	1,100,305	826,762	841,957	841,957
Committed		-	-	-	-	-	1,734,687	324,969	1,884,700	1,884,700
Assigned		37,903,826	31,475,159	34,606,690	32,658,253	32,199,536	35,544,447	36,245,936	38,734,766	38,734,766
Unassigned		-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 40,404,604</b>	<b>\$ 41,334,667</b>	<b>\$ 35,003,932</b>	<b>\$ 38,225,538</b>	<b>\$ 36,003,727</b>	<b>\$ 34,707,703</b>	<b>\$ 38,379,439</b>	<b>\$ 37,397,667</b>	<b>\$ 41,461,423</b>	<b>\$ 41,461,423</b>

\* 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues:</b>										
Taxes (see Table 5)	\$ 13,543,395	\$ 13,946,931	\$ 13,897,818	\$ 14,328,306	\$ 14,640,342	\$ 14,604,594	\$ 15,328,018	\$ 15,355,576	\$ 15,648,503	\$ 16,231,930
Licenses and permits	403,274	400,355	581,680	593,746	668,595	639,203	538,070	679,439	607,561	514,245
Intergovernmental	1,491,961	1,483,621	1,696,203	1,624,716	1,333,065	1,411,005	1,607,310	2,341,078	2,399,903	2,535,658
Charges for services	2,199,089	2,322,989	2,173,073	2,431,034	2,337,365	1,577,584	1,178,991	1,207,577	1,102,127	1,204,818
Fines and forfeitures	172,085	168,684	156,209	148,891	143,844	150,220	151,502	128,313	120,239	130,729
Investment earnings	618,772	584,963	591,918	514,069	471,769	498,435	587,417	566,395	551,096	1,625,239
Miscellaneous	750,461	625,364	839,847	828,478	743,655	956,055	1,442,347	1,067,640	592,904	356,640
<b>Total Revenues</b>	<b>19,179,037</b>	<b>19,532,907</b>	<b>19,936,748</b>	<b>20,469,240</b>	<b>20,338,635</b>	<b>19,837,096</b>	<b>20,833,655</b>	<b>21,346,018</b>	<b>21,022,333</b>	<b>22,599,259</b>
<b>Expenditures</b>										
General government	3,053,298	3,140,403	2,932,579	3,078,288	3,406,526	3,041,448	2,988,990	2,513,272	2,280,100	2,199,123
Public safety	7,312,540	7,352,120	7,614,549	7,925,807	7,482,444	8,519,714	8,946,888	8,935,881	8,846,095	9,517,509
Highways and streets	2,870,954	2,815,928	2,629,040	2,923,089	2,877,012	2,875,139	3,054,369	3,065,431	3,039,277	4,065,600
Planning and engineering	924,783	952,352	975,647	968,171	956,440	735,003	752,038	803,667	873,959	900,866
Parks	641,699	631,316	663,523	703,227	747,048	781,729	808,441	919,116	926,448	1,060,722
Redevelopment	1,826,659	1,332,794	1,378,736	1,050,868	2,337,206	1,636,222	248,744	605,556	1,093,209	2,419,268
Capital outlay	-	6,329	-	229,883	-	-	176,965	4,562,705	129,191	(687,609)
Capitalized capital outlay	1,239,935	1,243,066	1,501,101	1,494,677	5,077,488	4,737,261	2,230,839	3,188,084	2,623,676	2,623,676
Debt service:										
Bond issuance costs	52,500.00	-	-	-	22,681	-	-	-	-	-
Principal	756,000	757,000	788,000	829,000	2,000,000	908,000	212,000	220,000	-	-
Interest and fiscal charges	238,181	194,309	146,915	122,783	61,749	35,637	17,280	8,800	-	-
<b>Total expenditures</b>	<b>18,916,549</b>	<b>18,425,617</b>	<b>18,630,090</b>	<b>19,325,793</b>	<b>24,968,594</b>	<b>23,270,153</b>	<b>19,436,554</b>	<b>24,822,512</b>	<b>19,811,955</b>	<b>22,099,155</b>
Excess of revenues over (under) expenditures	\$ 262,488	\$ 1,107,290	\$ 1,306,658	\$ 1,143,447	\$ (4,629,959)	\$ (3,433,057)	\$ 1,397,101	\$ (3,476,494)	\$ 1,210,378	\$ 500,104

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Other financing sources (uses):</b>										
Transfers in	\$ 2,581,388	\$ 2,292,419	\$ 2,354,448	\$ 2,439,445	\$ 2,395,588	\$ 2,400,468	\$ 2,356,958	\$ 5,123,707	\$ 4,385,292	\$ 2,860,431
Transfers out	(329,309)	(2,462,656)	(10,000,000)	(125,045)	-	(235,623)	-	(2,766,390)	(1,970,948)	(411,816)
Bond/Loan proceeds	1,696,150	-	-	-	-	-	-	-	-	-
Bond refunding payment	(1,857,000)	-	-	-	-	-	-	-	-	-
Contributions	-	40,000	-	-	-	-	-	-	-	-
Sale of bonds	-	-	-	-	766,000	-	-	-	-	-
Sale of assets	592	5,510	18,006	23,710	4,650	24,700	20,955	55,707	68,697	121,951
Total other financing sources (uses)	<u>2,091,821</u>	<u>(124,727)</u>	<u>(7,627,546)</u>	<u>2,338,110</u>	<u>3,166,238</u>	<u>2,189,545</u>	<u>2,377,913</u>	<u>2,413,024</u>	<u>2,483,041</u>	<u>2,570,566</u>
Net change in fund balances	<u>\$ 2,354,309</u>	<u>\$ 982,563</u>	<u>\$ (6,320,888)</u>	<u>\$ 3,481,557</u>	<u>\$ (1,463,721)</u>	<u>\$ (1,243,512)</u>	<u>\$ 3,775,014</u>	<u>\$ (1,063,470)</u>	<u>\$ 3,693,419</u>	<u>\$ 3,070,670</u>
 Debt service as a percentage of non-capital expenditures	 5.62%	 5.54%	 5.46%	 5.34%	 10.37%	 5.09%	 1.33%	 1.06%	 N/A	 N/A

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

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Fees in Lieu of Property Tax</b>	<b>Sales and Use Taxes</b>	<b>Recreation &amp; Parks Taxes (1)</b>	<b>Franchise Taxes</b>	<b>Total</b>
2010	\$ 3,660,658	\$ 256,596	\$ 5,407,808	\$ 353,592	\$ 3,336,534	\$ 13,015,188
2011	3,787,668	234,039	5,455,596	357,881	3,584,109	13,419,293
2012	3,768,350	216,084	5,824,824	385,743	3,114,625	13,309,626
2013	3,743,390	217,573	6,058,549	398,441	3,416,274	13,834,227
2014	3,701,049	211,290	6,346,757	435,612	3,945,634	14,640,342
2015	3,577,649	210,449	6,672,517	462,308	3,681,671	14,604,594
2016	3,824,710	215,303	7,107,293	516,456	3,664,256	15,328,018
2017	3,493,781	213,616	7,350,405	527,530	3,770,244	15,355,576
2018	3,415,826	201,670	7,698,239	550,203	3,782,565	15,648,503
2019	3,751,875	217,421	7,891,905	568,575	3,802,154	16,231,930

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

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

Fiscal Year Ended June 30.	Real Property		Personal Property		Total Taxable Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property (2)	Mobile Homes	Other				
2010	\$ 1,816,905	\$ 425,365	\$ 113	\$ 64,805	\$ 2,307,189	0.012593	\$ 4,148,847	55.61%
2011	1,716,469	394,201	211	67,812	2,178,693	0.013916	4,138,174	52.65%
2012	1,719,091	390,209	187	63,005	2,172,491	0.014002	3,582,185	60.65%
2013	1,762,165	399,036	187	64,841	2,226,229	0.013632	3,582,185	62.15%
2014	1,668,062	379,160	160	60,040	2,107,421	0.012809	3,666,320	57.48%
2015	2,074,866	326,681	124	60,559	2,462,229	0.013101	4,091,095	60.19%
2016	2,135,735	494,329	79	73,273	2,703,415	0.012387	4,642,505	58.23%
2017	2,224,216	393,297	35	70,390	2,687,938	0.012288	4,453,396	60.36%
2018	2,405,742	410,184	16	61,045	2,876,987	0.012200	4,767,051	60.35%
2019	2,616,287	440,306	19	58,672	3,115,284	0.011869	5,178,287	60.16%

(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
2010	0.012593	0.001037	0.007860	0.002213	0.000207	0.000097	0.000122	0.000315	0.000363	-	0.000379
2011	0.013916	0.001093	0.008861	0.002383	0.000217	0.000104	0.000130	0.000329	0.000392	-	0.000407
2012	0.014002	0.001094	0.008941	0.002391	0.000215	0.000105	0.000131	0.000330	0.000396	-	0.000399
2013	0.013632	0.001063	0.008710	0.002331	0.000210	0.000103	0.000128	0.000324	0.000389	-	0.000374
2014	0.012809	0.000946	0.008259	0.002161	0.000199	0.000124	0.000120	0.000301	0.000361	-	0.000338
2015	0.012853	0.000957	0.008555	0.001905	0.000196	0.000122	0.000120	0.000303	0.000361	-	0.000334
2016	0.012387	0.000890	0.008125	0.002014	0.000187	0.000116	0.000110	0.000287	0.000342	0.000010	0.000306
2017	0.012288	0.000832	0.007575	0.002210	0.000174	0.000107	0.000103	0.000264	0.000376	0.000368	0.000279
2018	0.012200	0.000880	0.007701	0.002046	0.000164	0.000119	0.000096	0.000245	0.000349	0.000343	0.000257
2019	0.011869	0.000814	0.007808	0.001760	0.000153	0.000112	0.000089	0.000234	0.000329	0.000328	0.000242

(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**

<u>Taxpayer</u>	<u>December 31, 2018 taxable valuation</u>			<u>December 31, 2009 taxable valuation</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Hospital Corporation of Utah	\$ 37,437,568	1	1.20 %	\$ 28,786,733	1	1.18 %
IHC Health Services, Inc.	22,963,396	2	0.74	-		-
Village Glen Main & Seniors LLC	18,985,981	3	0.61	13,235,009	5	0.54
G&E Healthcare Ret/Renaissance LLC	16,600,000	4	0.53	18,688,126.00	2	0.77
Questar Gas	16,498,772	5	0.53	7,900,334	7	0.32
MABEK Co	12,927,117	6	0.41	16,374,647	3	0.67
Century Link (Qwest Corp. -2015)	10,354,194	7	0.33	15,611,804	4	0.64
WBC Partners LC & Commons at West Bountiful LC	9,343,417	8	0.30	-		-
Miller/Horne Carrington Place LLC	7,645,006	9	0.25	-		-
Hepworth Investment Group LLC	7,121,923	10	0.23	-		-
Colonial Lakeview Aprtments LLC-ETAL	7,032,788	11	0.23	-		-
Olson 500 West/South/Main St. LLC	6,847,917	12	0.22	8,394,003	6	0.34
HCP Lakeview MOB LLC (Tegra Lakeview Associates LC)	6,084,750	13	0.20	-		-
Bountiful Corner LLC	5,985,100	14	0.19	-		-
Bountiful Plaza Holdings	5,854,703	15	0.19	-		-
TC Windgate LLC-ETAL	5,816,247	16	0.19	-		-
Hidden Hollow Circle	5,722,193	17	0.18	-		-
Reynolds, Robert Gary & Barabara Ellen-Trustees	5,237,610	18	0.17	-		-
Health Care Property Investors Inc	5,100,100	19	0.16	-		-
Renaissance #6 & #7 LLC	4,999,260	20	0.16	-		-
New Albertson's Inc (Albertson's 2005)	-		-	6,939,558	8	0.28
Winegar, Richard T. & Karleen A	-		-	6,250,688	9	0.26
Tegra Lakeview Associates	-		-	6,237,632	10	0.26
	<u>\$218,558,042</u>		<u>7.02 %</u>	<u>\$ 122,180,902</u>		<u>5.27 %</u>
Taxable Value			\$ 3,115,284,000			\$ 2,437,016,000

Source : Davis County Clerk Auditors Office

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

<b>Fiscal Year Ended June 30,</b>	<b>Total Tax Levy for Fiscal Year</b> (2)	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collection in Subsequent Years</b> (1)	<b>Total Collections to Date</b>	
		<b>Amount</b> (1)	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2010	\$ 2,422,258	\$ 2,308,004	95.28 %	\$ 84,223	\$ 2,392,227	98.76 %
2011	2,445,006	2,345,918	95.95	109,003	2,454,921	100.41
2012	2,456,415	2,302,118	93.72	97,391	2,399,509	97.68
2013	2,452,020	2,360,398	96.26	88,804	2,449,202	99.89
2014	2,442,814	2,353,263	96.33	82,112	2,435,375	99.70
2015	2,520,959	2,312,056	91.71	112,197	2,424,253	96.16
2016	2,580,854	2,391,210	92.65	86,549	2,477,759	96.01
2017	2,581,960	2,426,593	93.98	47,153	2,473,746	95.81
2018	2,576,944	2,337,008	90.69	73,962	2,410,970	93.56
2019	2,932,394	2,391,507	81.55	49,777	2,441,284	83.25

(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**

<b>Fiscal Year Ended June 30,</b>	<b>Electric Metered Sales</b>	<b>Industrial Customer Sales (1)</b>	<b>Miscellaneous (2)</b>	<b>Total Charges for Services</b>	<b>Residential Charge Per Kilowatt Hour (3)</b>
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 (4)
2012	23,544,475	2,520,834	44,087	26,965,809	0.0925
2013	24,394,453	2,568,479	2,877	26,510,311	0.0925
2014	23,955,880	2,545,129	9,302	25,719,743	0.0925
2015	23,202,093	2,401,930	115,720	25,719,743	0.0925
2016	23,521,610	2,197,020	105,621	25,824,251	0.0925
2017	23,949,727	2,412,459	144,130	26,506,316	0.0925
2018	24,579,348	2,390,156	128,674	27,098,178	0.0925
2019	24,966,059	2,195,750	90,632	27,252,441	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					
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	456
2012	-	1,023,000	2,380,000	14,655,000	-	18,058,000	1.74	1,038,092,000	422
2013	-	848,237	1,772,675	14,025,000	-	16,645,912	1.56	1,066,010,000	388
2014	-	1,028,301	322,000	13,385,000	-	14,735,301	1.30	1,137,211,066	343
2015	-	454,534	-	12,740,000	-	13,194,534	1.15	1,146,190,300	305
2016	-	227,513	-	12,085,000	-	12,312,513	1.02	1,204,921,063	282
2017	-	-	-	11,420,000	-	11,420,000	0.88	1,303,221,396	260
2018	-	-	-	10,745,000	-	10,745,000	0.80	1,342,009,968	244
2019	-	-	-	10,055,000	-	10,055,000	0.75	1,342,009,968 (3)	228

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).

(3) The most recent household personal income data available at the time of printing is from the 2017 tax year.

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

<b>Fiscal Year Ended June 30,</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available In Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-

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

**CITY OF BOUNTIFUL**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2019**  
**Table 13**

	Total Debt	Applicable to City		City Debt Ratios (2)		
		Percentage	Amount	To assessed value of: \$ 3,115,284,000	To fair value of: \$5,178,287,000	To population of: (per capita) 44,098
Direct Governmental-Activities City debt:						
Governmental-Activities debt	\$ -	100.00%	\$ -	0.00%	0.00%	\$ 0
Total direct debt	<u>\$ -</u>		<u>\$ -</u>			
Overlapping debt:						
State of Utah (1)	\$ -		\$ -			
Weber Basin Water Conservancy District	149,269,073	12.70%	18,960,985	0.61%	0.37%	\$ 430
Davis County	48,580,000	12.71%	6,175,045	0.20%	0.12%	\$ 140
Davis School District	539,425,000	12.71%	68,566,768	2.20%	1.32%	\$ 1,555
South Davis Recreation District	8,815,000	36.50%	3,217,076	0.10%	0.06%	\$ 73
Total Overlapping debt	<u>\$ 746,089,073</u>		<u>\$ 96,919,874</u>			
Total direct and overlapping debt applicable to the City			<u>\$ 96,919,874</u>	3.11%	1.87%	\$ 2,198

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**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Assessed value (1)	\$ 2,307,189	\$ 2,178,693	\$ 2,172,491	\$ 2,226,229	\$ 2,107,421	\$ 2,462,229	\$ 2,703,415	\$ 2,687,938	\$ 2,876,987	\$ 3,115,284
<b>Governmental Debt Limit</b>										
4% of total assessed value	92,288	87,148	86,900	89,049	84,297	98,489	108,137	107,518	115,079	124,611
Debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Special Assessment Bonds	1,388	1,209	1,023	848	1,028	455	228			
Revenue Bonds	3,560	2,982	2,380	1,773	322	-	-	-	-	-
<b>Total Governmental debt applicable to limit</b>	<b>4,948</b>	<b>4,191</b>	<b>3,403</b>	<b>2,621</b>	<b>1,350</b>	<b>455</b>	<b>228</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Governmental Legal Debt Margin</b>	<b>\$ 87,340</b>	<b>\$ 82,957</b>	<b>\$ 83,497</b>	<b>\$ 86,428</b>	<b>\$ 82,947</b>	<b>\$ 98,034</b>	<b>\$ 107,909</b>	<b>\$ 107,518</b>	<b>\$ 115,079</b>	<b>\$ 124,611</b>
Total net debt applicable to the limit as a percentage of debt limit	6%	5%	4%	3%	2%	0%	0%	0%	0%	0%
<b>Business-Type Debt Limit</b>										
8% of total assessed value	184,575	174,295	173,799	178,098	168,594	196,978	216,273	215,035	230,159	249,223
Debt applicable to limit:										
2010 Power Revenue Bonds		15,280	14,655	14,025	13,385	12,740	12,085	11,420	10,745	10,055
<b>Total Business-Type debt applicable to limit</b>	<b>-</b>	<b>15,280</b>	<b>14,655</b>	<b>14,025</b>	<b>13,385</b>	<b>12,740</b>	<b>12,085</b>	<b>11,420</b>	<b>10,745</b>	<b>10,055</b>
<b>Business-Type Legal Debt Margin</b>	<b>\$ 92,288</b>	<b>\$ 87,148</b>	<b>\$ 86,900</b>	<b>\$ 89,049</b>	<b>\$ 84,297</b>	<b>\$ 98,489</b>	<b>\$ 108,137</b>	<b>\$ 107,518</b>	<b>\$ 115,079</b>	<b>\$ 239,168</b>
Total net debt applicable to the limit as a percentage of debt limit	0%	9%	8%	8%	8%	6%	6%	5%	5%	4%

(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		
<b>Revenue Bonds - Governmental Activities</b>											
2010	\$ 619,992	\$ 1,650	\$ 618,342	\$ 553,000	\$ 161,769	0.87 %	\$ 271,222	\$ 203,000	\$ 76,412	0.97 %	
2011	618,996	4,223	614,773	578,000	141,569	0.85	269,910	179,000	52,740	1.16	
2012	618,516	-	618,516	602,000	100,440	0.88	269,509	186,000	46,475	1.16	
2013	621,277	4,150	617,127	638,000	82,818	0.86	267,438	191,000	39,965	1.16	
2014*	597,678	24,331	573,347	688,000	28,469	0.80	267,557	197,000	33,280	1.16	
2015**	598,016	4,150	593,866	705,000	10,237	0.83	266,219	203,000	25,400	1.17	
2016	-	-	-	-	-	-	270,403	212,000	17,280	1.18	
2017	-	-	-	-	-	-	251,465	220,000	8,800	1.10	
2018	-	-	-	-	-	-	-	-	-	-	
2019	-	-	-	-	-	-	-	-	-	-	

\* Fiscal year 2014 expenses represent cost of issuance for refunding

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

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

2011***	\$ 25,915,599	\$ 20,611,707	\$ 5,303,892	\$ -	\$ 425,395	12.47 %	\$ -	\$ -	\$ -	- %
2012	26,640,119	21,421,319	5,218,800	625,000	685,379	3.98	-	-	-	-
2013	28,049,427	25,773,767	2,275,660	630,000	652,753	1.77	-	-	-	-
2014	27,433,112	24,607,639	2,825,472	640,000	641,542	2.20	-	-	-	-
2015	26,585,700	20,966,677	5,619,023	645,000	628,372	4.41	-	-	-	-
2016	26,733,206	19,432,143	7,301,063	655,000	612,396	5.76	-	-	-	-
2017	27,251,210	20,272,758	6,978,452	665,000	593,242	5.55	-	-	-	-
2018	28,039,563	21,258,547	6,781,016	675,000	570,799	5.44	-	-	-	-
2019	28,728,182	21,340,306	7,387,876	690,000	544,868	5.98	-	-	-	-

\*\*\* 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**

<b>Fiscal Year Ended June 30,</b>	<b>Population</b>		<b>Personal Income (amounts expressed in thousands) (2)</b>	<b>Per Capita Personal Income</b>	<b>Number of residents 18 years and older</b>		<b>School Enrollment</b>	<b>Unemployment Rate (4)</b>	
2010	42,552	(7)	\$ 1,044,846	\$ 24,555	31,403	(5)	10,062	(3)	7.40 %
2011	42,665	(1)	1,001,687	23,478	31,403	(6)	10,062	(6)	6.20
2012	42,842	(1)	1,038,092	24,231	30,996	(6)	9,931	(6)	5.30
2013	42,892	(1)	1,066,010	24,853	31,659	(6)	10,144	(6)	4.20
2014	42,927	(1)	1,137,211	26,492	30,607	(1)	10,144	(6)	3.60
2015	43,285	(1),(2)	1,146,190	26,480	30,862	(1)	11,191	(3)	3.60
2016	43,608	(1),(2)	1,204,921	27,631	31,005	(1)	11,303	(3)	3.30
2017	43,943	(1),(2)	1,303,221	29,657	31,331	(1)	11,600	(3)	3.10
2018	44,107	(1)	1,342,010	30,426	30,809	(1)	10,974	(3)	3.00
2019	44,098	(1)	1,342,010 (8)	30,432	30,886	(1)	10,941	(3)	2.70

(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 2019.

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

(6) City Estimates.

(7) Census 2010.

(8) The most recent personal income data available at the time of printing is from the 2017 tax year.

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

Taxpayer (1)	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
South Davis Community Hospital	500 - 999	1	2.26 - 4.52 %	500 - 999	2	4.24 - 8.47 %
Lakeview Hospital	250 - 499	2	1.13 - 2.26	500 - 999	1	4.24 - 8.47
Smith's Marketplace	250 - 499	3	1.13 - 2.26	100 - 249	9	0.85 - 2.11
South Davis Recreation Center	250 - 499	4	1.13 - 2.26	100 - 249	10	0.85 - 2.11
ARIIX	100 - 249	5	0.45 - 1.13	N/A	N/A	N/A
Bountiful Health Center	100 - 249	6	0.45 - 1.13	N/A	N/A	N/A
Bountiful High School	100 - 249	7	0.45 - 1.13	100 - 249	3	0.85 - 2.11
Bountiful Medical Investors LTD	100 - 249	8	0.45 - 1.13	N/A	N/A	N/A
Brighton Rehabilitation	100 - 249	9	0.45 - 1.13	N/A	N/A	N/A
Viewmont High School	100 - 249	10	0.45 - 1.13	100 - 249	11	0.85 - 2.11
City First Mortgage Services, L.L.C.	N/A	N/A	N/A	100 - 249	4	0.85 - 2.11
Developers Investment Company	N/A	N/A	N/A	100 - 249	5	0.85 - 2.11
Dick's Market	N/A	N/A	N/A	100 - 249	6	0.85 - 2.11
Intermountain Temporaries	N/A	N/A	N/A	100 - 249	7	0.85 - 2.11
Lexington Law Firm	N/A	N/A	N/A	100 - 249	8	0.85 - 2.11
<b>Total</b>	<b>1,850 - 3,990</b>		<b>8.35 - 18.08 %</b>	<b>1,900 - 4,239</b>		<b>16.13 - 35.93 %</b>

(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**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Department</b>										
<b>General Fund</b>										
Legislative	6	6	6	6	6	6	6	6	6	6
Legal	3	3	3	3	3	3	2	3	4	4
Executive	3	3	2	2	3	2	2	2	2	2
Human Resources					2	2	2	2	2	2
Information Systems	4	4	4	4	4	3	4	4	3	4
Administrative	6	6	6	6	5	5	5	5	5	5
Treasurer	6	6	7	7	7	7	7	7	7	7
Government Buildings	2	2	2	2	2	2	2	1	2	1
Police	93	92	94	95	90	77	80	80	56	61
Streets	21	22	21	19	20	23	21	22	22	22
Engineering	8	8	8	8	7	8	8	7	8	8
Parks	14	18	18	20	13	23	21	19	28	28
Planning	4	4	4	4	4	5	4	5	6	4
<b>General Fund Total</b>	<b>170</b>	<b>174</b>	<b>175</b>	<b>176</b>	<b>166</b>	<b>166</b>	<b>164</b>	<b>163</b>	<b>151</b>	<b>154</b>
<b>Enterprise Funds</b>										
Storm Water (1)	3	3	3	3	2	3	3	2	4	4
Water	19	19	13	18	16	16	15	16	19	19
Light and Power	39	38	39	37	38	36	34	37	37	35
Golf	40	39	43	46	47	46	49	43	51	45
Landfill (1)	10	8	9	9	11	9	9	10	11	11
Sanitation	6	5	6	5	6	6	5	5	6	5
Cemetery	7	9	9	11	8	7	8	8	7	7
<b>Enterprise Fund Total</b>	<b>124</b>	<b>121</b>	<b>122</b>	<b>129</b>	<b>128</b>	<b>123</b>	<b>123</b>	<b>121</b>	<b>135</b>	<b>126</b>
<b>Internal Service Funds</b>										
Risk Management (1)	-	-	-	-	-	-	-	-	-	-
Workers Compensation (1)	-	-	-	-	-	-	-	-	-	-
<b>Internal Service Fund Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Redevelopment Agency</b>										
Redevelopment Agency (1)	-	-	-	-	-	-	-	-	-	-
<b>Total Positions</b>	<b>294</b>	<b>295</b>	<b>297</b>	<b>305</b>	<b>294</b>	<b>289</b>	<b>287</b>	<b>284</b>	<b>286</b>	<b>280</b>

(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**

<b>Function</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Fire protection:</b>										
Number of stations (1)	2	2	2	2	2	2	2	2	2	2
<b>Police protection:</b>										
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	24
<b>Highways and streets:</b>										
Number of street lights	2,150	2,151	2,135	2,144	2,145	2,142	2,145	2,140	2,140	2,056
Number of traffic signals	14	13	13	15	15	15	15	15	15	15
Miles of streets	158.98	158.98	159.06	159.06	159.06	159.06	159.06	159.71	159.75	159.96
<b>Public Services:</b>										
<b>Recreation and culture:</b>										
Number of municipal parks	13	13	13	13	13	13	13	16	16	16
Number of municipal picnic areas	19	19	19	19	19	19	19	19	22	20
Number of municipal tennis courts	24	24	24	24	20	20	20	20	20	22
Number of municipal soccer fields	5	5	5	5	6	6	6	6	6	6
Number of municipal ball diamonds	10	10	10	10	10	10	10	10	10	10
Number of Trail Heads	2	2	2	2	2	2	2	2	2	2
Number of municipal golf courses	1	1	1	1	1	1	1	1	1	1
Number of ice arenas (3)	1	1	1	1	1	1	1	1	1	1
Number of swimming pools (3)	1	1	1	1	1	1	1	1	1	1
<b>Municipal power plants:</b>										
Number of distribution substations	5	5	5	5	5	5	5	5	5	5
Miles of distribution and transmission lines	228.52	228.52	228.52	229.12	229.12	229.16	229.36	229.61	230.72	232.86
<b>Municipal water plants:</b>										
Number of fire hydrants	1,567	1,571	1,588	1,599	1,612	1,618	1,629	1,644	1,659	1,671
Miles of water mains	175.46	175.46	175.70	175.85	176.31	176.38	176.40	176.60	177.43	178.22
Max instantaneous water source capacity (gallons per minute)	9,100	9,100	8,900	8,900	9,000	9,000	9,500	9,500	9,500	9,500
<b>Sanitation utilities:</b>										
Number of collection trucks	11	12	12	13	13	13	13	13	13	13
Number of sanitary landfills	1	1	1	1	1	1	1	1	1	1
<b>Storm water utility:</b>										
Miles of storm water lines (encased)	74.65	75.49	71.20	71.14	71.16	69.65	70.14	70.80	70.80	71.89
Miles of storm water lines (concrete lined)	4.21	4.20	1.40	1.40	1.32	1.32	1.32	1.32	1.33	1.32
Public Libraries (2)	1	1	1	1	1	1	1	1	1	1

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

(2) Owned and operated by Davis County.

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

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

**Miscellaneous Statistics - Most current information only**

    Date of Incorporation: December 14, 1892

    Form of government: Manager

Election data

    Registered (active voters), August 2019: 24,838

    Number of votes cast in 2019 primary election: 7,045

    Percentage of registered voters voting: 28.36%

Sources: Various City of Bountiful Departments.

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

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>General Governmental:</b>										
Ordinances passed	13	10	13	8	14	28	12	11	9	11
Resolutions passed	13	11	8	10	14	11	14	20	12	7
<b>Public Safety:</b>										
Hazardous citations written	3,082	2,617	1,973	1,973	2,142	2,258	2,215	1,975	1,707	1,431
Non-hazardous citations written	1,894	1,300	1,353	1,353	1,005	1,469	1,458	1,339	1,094	799
Arrests	1,688	1,260	1,448	1,448	1,611	1,086	1,382	1,130	1,107	946
<b>Highways and Streets:</b>										
Miles of street overlaid	4.50	5.19	5.50	5.60	6	7	5.18	7.14	17.56	5.20
Miles of street reconstructed	0.40	0.00	0.35	0.09	0	0.39	0.60	0.00	0.44	0.14
<b>Planning and Engineering:</b>										
Building Permits Issued	40	65	125	57	88	62	81	169	134	79
<b>Municipal water:</b>										
Average daily gallons consumed	3,995,000	3,992,000	3,994,000	4,491,000	4,492,000	4,185,000	3,729,000	3,968,000	4,389,454	4,442,000
<b>Municipal power:</b>										
Kilowatt hours sold	285,706,670	282,073,618	285,476,544	298,186,064	294,130,877	277,674,203	278,780,541	283,037,185	283,555,713	280,753,086
<b>Storm water:</b>										
Miles of storm drains inspected	4.98	2.71	4.06	5.13	4.70	4.78	2.92	4.61	5.52	7.56
Miles of streets cleaned	158.98	158.98	159.06	159.06	159.08	158.36	159.64	159.71	159.75	159.96
<b>Sanitation utilities:</b>										
Tons of waste collected and landfilled	49,685	45,365	54,194	55,426	52,354	68,795	64,640	56,848	79,880	97,974
Tons of recyclables collected (1)	2,415	2,983	2,896	2,812	2,713	2,384	2,549	2,618	2,587	3,087

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

Sources: Various City of Bountiful departments.

**CITY OF BOUNTIFUL  
BOUNTIFUL, UTAH**

**SUPPLEMENTARY REPORTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**



**Keddington & Christensen, LLC**  
Certified Public Accountants

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**CITY OF BOUNTIFUL  
SUPPLEMENTARY REPORTS  
TABLE OF CONTENTS  
For The Fiscal Year Ended June 30, 2019**

	<u>Page</u>
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	1
Independent Auditor’s Report on Compliance and Report on internal Control over Compliance As Required by the <i>State Compliance Audit Guide</i> .....	3
Schedule of Findings and Recommendations .....	5



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2019, and the related notes to the financial statements, which collectively comprise the City of Bountiful's (the City) basic financial statements, and have issued our report thereon dated October 16, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be *material weaknesses* or *significant deficiencies* and therefore, *material weaknesses* or *significant deficiencies* may exist that have not been identified. We did identify one deficiency in internal control, described in the accompanying *Schedule of Findings and Recommendations* that we consider to be a significant deficiency. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be *material weaknesses*. However, *material weaknesses* may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying *Schedule of Findings and Recommendations*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Keddington & Christensen, LLC*

October 16, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE***

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

**Report on Compliance**

We have audited the City of Bountiful's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2019.

State compliance requirements were tested for the year ended June 30, 2019 in the following areas:

Budgetary Compliance	Fund Balance
Utah Retirement Systems	Restricted Taxes
Open and Public Meetings Act	Treasurer's Bond
Cash Management	Impact Fees

**Management's Responsibility**

Management is responsible for compliance with the state requirements referred to above.

**Auditor's Responsibility**

Our responsibility is to express an opinion on Bountiful City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance of each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

**Opinion on Compliance**

In our opinion, Bountiful City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2019.

**Other Matters**

The results of our auditing procedures disclosed one area of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompanying schedule of findings and recommendations. Our opinion on compliance is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and recommendations. The City's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted a matter involving internal control over compliance which we are submitting for your consideration. This matter is described in the accompanying schedule of findings and recommendations.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

*Keddington & Christensen, LLC*

October 16, 2019

**CITY OF BOUNTIFUL  
SCHEDULE OF FINDING AND RECOMMENDATIONS  
For The Fiscal Year Ended June 30, 2019**

**Utah State Compliance**

**Budget Compliance**

**Finding**

Utah State Code 10-6-123 indicates that City may not make or incur expenditures/expenses in excess of the total budgeted amount. During our audit procedures we noted the expenses for the Landfill Fund exceeded the final budgeted by \$111,901, Workers Compensation Fund by \$89,189, and the Golf Fund by \$23,737.

**Recommendation**

We recommend the City continually monitor the expenditures in each fund to ensure each funds expenditures do not exceed the final adopted budget.

**City Response:**

The annual practice followed by City management in assessing the status of budget versus actual is to provide each department director with data to assist them in projecting their budgets to yearend and the inquiring of each department as to whether they anticipate exceeding their originally adopted budget amounts. Additionally, the Assistant City Manager and Finance Director review potential budget overages due to yearend accounting journal entries or potentially overlooked overages by department directors. On occasion, there can be instances where budget overages can occur even with these safeguards in place.

The budget overage in the Workers Compensation Fund occurred as a result of an accounting adjustment that was discovered as necessary after the Fiscal Year 2018-2019 budget had been closed. This accounting adjustment increased the Workers Compensation claims expense due to delayed insurance open claim reports and was not anticipated during the City's annual budget reviews and did not allow for any amendment to the budget.

The Landfill and Golf fund budget overages were due to department directors not requesting any or sufficient budget amendments to cover the actual expenses. It is believed that this is due to inaccurate or limited projecting of remaining Fiscal Year 2018-2019 expenses by the department directors. When the secondary review by the Assistant City Manager and Finance Director occurred, it appeared that these funds would have sufficient budget. Additional budget training to instruct department directors in budgeting laws, establishment/amendment, and projection tools will be given in November 2019 in an effort to improve City budgeting and to work toward no future budget overages.

The City will also implement an enhanced budget amendment process beginning with fiscal year 2019-2020 with direct City Manager review of each department's amendment requests.