

BOUNTIFUL CITY, UTAH



ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021



Mayor: Randy Lewis
City Manager: Gary Hill

City Council: Millie Segura Bahr
Kate Bradshaw
Kendalyn Harris
Richard Higginson
Chris Simonsen



BOUNTIFUL CITY, UTAH

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**



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**

BOUNTIFUL CITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2021

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INTRODUCTORY SECTION



BOUNTIFUL

RANDY C. LEWIS
MAYOR

CITY COUNCIL
Millie Segura Bahr
Kate Bradshaw
Kendalyn Harris
Richard Higginson
Chris Simonsen

CITY MANAGER
Gary R. Hill

November 17, 2021

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 and to the duty we owe to the citizens of Bountiful, we hereby issue the annual comprehensive financial report of Bountiful City (the City) for the fiscal year ended June 30, 2021.

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, 2021. 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, 2021. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the fiscal year 2021 financial statements also included a federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. This additional auditing was triggered by the CARES Act grant money and disaster recovery grant money (FEMA) received during the fiscal year. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports can be found in a supplemental report dated November 17, 2021.

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 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 election and two council seats and mayor in the next).

Profile of the Government (Continued)

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.

The City Council is required to adopt a final budget for the next fiscal year no later than June 30th of the current fiscal year. If the next fiscal year's budget includes a property tax increase the final budget must be adopted by August 17th 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 resources, 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 2021 is estimated at 45,762, with a potential for an estimated 55,000 residents at final build-out, which should occur by approximately 2030.

Local economy

Bountiful is located in south Davis County and is predominantly a residential community. The City is host to a large regional hospital, some sizable commercial companies, 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

The City has adopted a formal fund balance/reserve policy to ensure the continuity of the City's operations and ability to continue as a self-financing entity. Additional information on this policy can be found in Note 22 of this report.

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, 2021, there were three governmental funds with estimated revenues significantly less than expenditure appropriations. In such cases, the policy allows for the appropriation of fund balance to close the gap. The Capital Projects, RAP Tax, and MBA funds had final budgeted shortfalls of \$8,560,681, \$256,509 and \$364,625, 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 reduced the actual revenue shortfall in the Capital Projects fund to be \$5,393,688. Due to similar controls and results, the RAP Tax fund ended with an actual revenue surplus of \$149,476. The MBA did end with a revenue shortfall of \$368,176 as this was a planned transfer of all MBA assets due to the closure of that fund.

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 8 major projects in progress that are expected to be completed or initiated in fiscal years 2022 and 2023 as follows:

1. In fiscal year 2021 the City purchased approximately 10 acres of land from the Davis County School District where the District tore down its Washington Elementary building. The City plans involve issuing a general obligation bond to reimburse the Capital Projects fund for the land cost as well as fund the estimated \$2.5 million to develop this property into a new City park. These development costs are budgeted in fiscal year 2022.

Major initiatives (Continued)

2. The City has recently completed a trails master plan process. The capital budgets for fiscal years 2022 to 2024 include \$2 million to expand the City's trail system as guided by the master plan. The funding for these trail projects will be provided by the general obligation bond previously discussed.
3. A road reconstruction project for 1000 North was just started in fiscal year 2021. The budget for this project in 2022 is set at \$1,200,000.
4. A new road construction project to connect Eagle Ridge Drive to Bountiful Boulevard began in fiscal year 2021. The budget for the majority of the design and construction work is included in 2022 totaling \$1,000,000.
5. The City's Redevelopment Agency (RDA) has budgeted \$3,980,000 in 2022 to build a second parking structure at the Renaissance Town Center project area (~1500 to 1800 South on Main Street) as part of a planned mixed residential and commercial development.
6. A project to rehabilitate a City culinary water well (Calder Well) is budgeted at \$300,000 in 2022 and \$300,000 in 2023.
7. The Light and Power department has started a project to expand their inventory yard and build a security wall. This project is anticipated to cost \$1,400,000 with \$200,000 budgeted in 2022 and \$1,200,000 in 2023.
8. The final major project is the rebuild of the Light and Power department's North-West substation. This project will replace all major components of the existing substation. The project is estimated to begin in fiscal year 2023 and be completed in fiscal year 2025. The project has a budget of \$300,000 in 2023 with a combined budget of \$4,300,000.

All of these major initiatives discussed, with the exception of numbers 1 & 2, are anticipated 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 Bountiful City for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. This was the fortieth 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 ACFR 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 ACFR 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 2021 budget for the fifth 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 ACFR 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

**BOUNTIFUL CITY
PRINCIPAL OFFICIALS
As of June 30, 2021**

ELECTED OFFICIALS

Randy Lewis
Millie Segura Bahr
Kate Bradshaw
Kendalyn Harris
Richard Higginson
Chris Simonsen

Mayor
City Council Member
City Council Member
City Council Member
City Council Member
City Council Member

EXECUTIVE BUDGETARY AND LEGAL OFFICIALS

Gary Hill
Clinton Drake
Galen Rasmussen

City Manager
City Attorney
Assistant City Manager

STATUTORY APPOINTED OFFICIALS

S. Ted Elder
Shawna Andrus

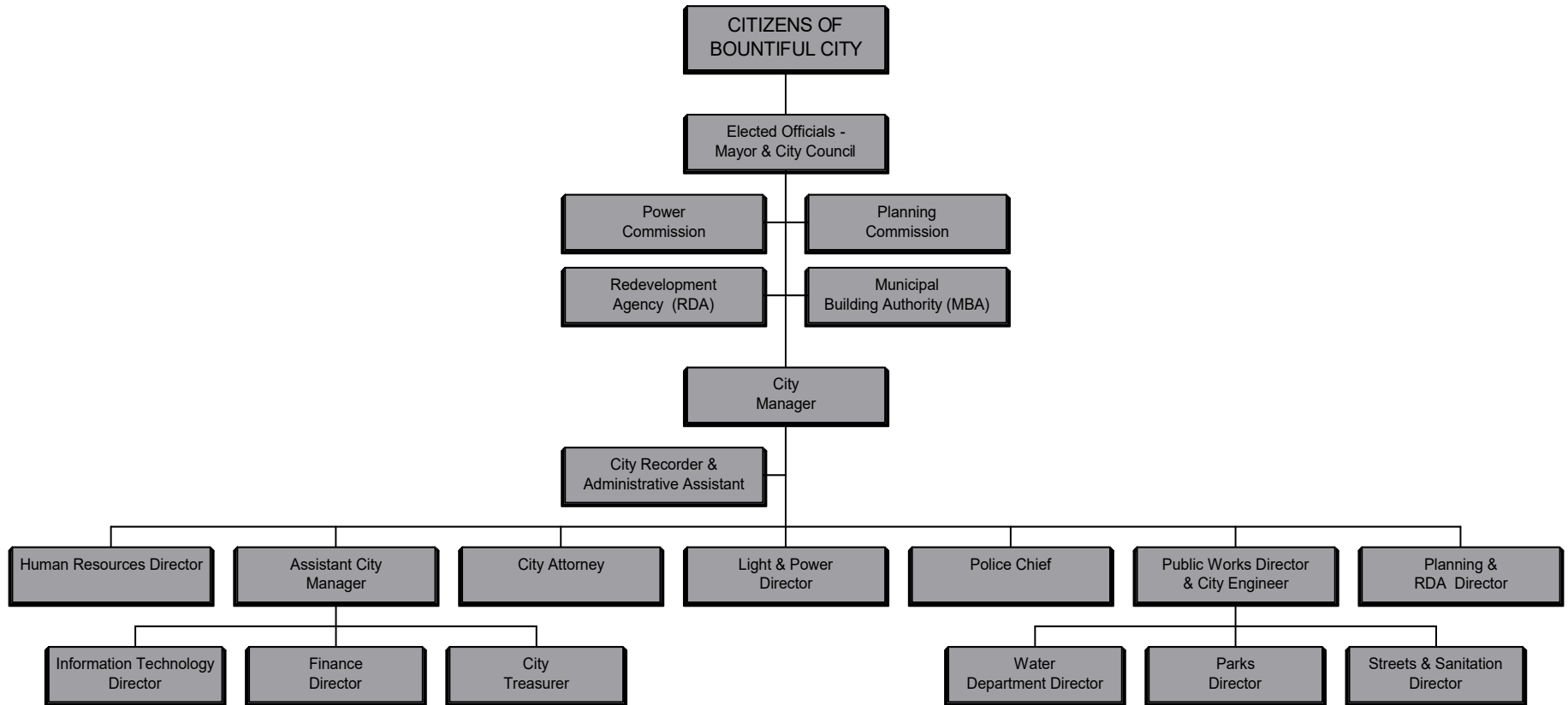
City Treasurer
City Recorder

DEPARTMENT HEADS

Charles Benson
Francisco Astorga
Brock Hill
Allen Johnson
Edward Biehler
Lloyd Cheney
Alan West
Kraig Christensen
Tyson Beck
Shannon Cottam

Streets & Sanitation Director
Planning & Redevelopment Director
Parks Director
Light & Power Director
Police Chief
Public Works Director/City Engineer
Information Technology Director
Water Department Director
Finance Director
Human Resources Director

**BOUNTIFUL CITY
ORGANIZATIONAL CHART
June 30, 2021**





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, 2020

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
Bountiful City
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 Bountiful City, Utah as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Bountiful City, Utah 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 Bountiful City, Utah as of June 30, 2021, 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 Bountiful City, Utah 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 November 17, 2021, on our consideration of the Bountiful City, Utah internal controls 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 Bountiful City, Utah internal controls 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 Bountiful City, Utah internal controls over financial reporting and compliance.

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City, Utah
November 17, 2021

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2021

As management of Bountiful City (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, 2021. 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 on June 30, 2021, by \$271,959,250. Of this amount, unrestricted net position of \$83,423,372 may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net position decreased by \$4,401,432 from the prior year.
- The total net position increased by \$12,624,246 from the prior year. The net increase was made up of a \$7,707,281 increase from governmental activities and a \$4,916,965 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 \$42,975,044, a decrease of \$1,984,518 from the prior year. Of the current year fund balance amount, \$42,086,608 is unrestricted (the total of the committed, assigned, and unassigned components of fund balance) and available for spending. The remaining \$888,436 has been legally restricted by parties outside the financial reporting entity.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$6,560,687, or 34.20% of total General Fund expenditures.
- During the current fiscal year, the City paid off its only bonded debt obligations. The City used cash reserves to redeem the \$9,350,000 outstanding balance on the Light and Power Fund's Electric Revenue bonds. As of June 30, 2021, the City had no bonded debt.

Overview of the Financial Statements

This discussion and analysis are 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. On June 8, 2021, the MBA Board/City Council approved articles of dissolution for the MBA effectively discontinuing all MBA operations. Fiscal year 2021 will be the final reporting year of the MBA fund.

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021

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. 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 2021 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.

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021

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

On June 30, 2021, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$271,959,250. This is the City's net position at the close of the current fiscal year.

| Bountiful City Net Position | | | | | | |
|--------------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Current and other assets | \$ 55,749,580 | \$ 59,202,201 | \$ 52,293,561 | \$ 56,052,400 | \$ 108,043,141 | \$ 115,254,601 |
| Capital assets | 101,589,508 | 91,946,665 | 85,544,496 | 86,659,072 | 187,134,004 | 178,605,737 |
| Total assets | <u>157,339,088</u> | <u>151,148,866</u> | <u>137,838,057</u> | <u>142,711,472</u> | <u>295,177,145</u> | <u>293,860,338</u> |
| Total deferred outflows of resources | <u>1,408,960</u> | <u>1,538,889</u> | <u>837,869</u> | <u>853,671</u> | <u>2,246,829</u> | <u>2,392,560</u> |
| Current liabilities | 2,312,337 | 3,345,865 | 3,771,139 | 4,694,475 | 6,083,476 | 8,040,340 |
| Long-term liabilities | 7,319,334 | 9,199,180 | 3,446,655 | 13,141,601 | 10,765,989 | 22,340,781 |
| Total liabilities | <u>9,631,671</u> | <u>12,545,045</u> | <u>7,217,794</u> | <u>17,836,076</u> | <u>16,849,465</u> | <u>30,381,121</u> |
| Total deferred inflows of resources | <u>6,801,063</u> | <u>5,534,677</u> | <u>1,814,196</u> | <u>1,002,096</u> | <u>8,615,259</u> | <u>6,536,773</u> |
| Net position: | | | | | | |
| Net investment in capital assets | 101,589,508 | 91,946,665 | 85,234,823 | 77,309,072 | 186,824,331 | 169,255,737 |
| Restricted | 1,599,918 | 1,564,641 | 111,629 | 689,822 | 1,711,547 | 2,254,463 |
| Unrestricted | 39,125,888 | 41,096,727 | 44,297,484 | 46,728,077 | 83,423,372 | 87,824,804 |
| Total net position | <u>\$ 142,315,314</u> | <u>\$ 134,608,033</u> | <u>\$ 129,643,936</u> | <u>\$ 124,726,971</u> | <u>\$ 271,959,250</u> | <u>\$ 259,335,004</u> |

By far the largest portion of the City's net position \$186,824,331 (68.70%) 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, \$1,711,547 (.63%), represents resources that are subject to external restrictions on how they may be used.

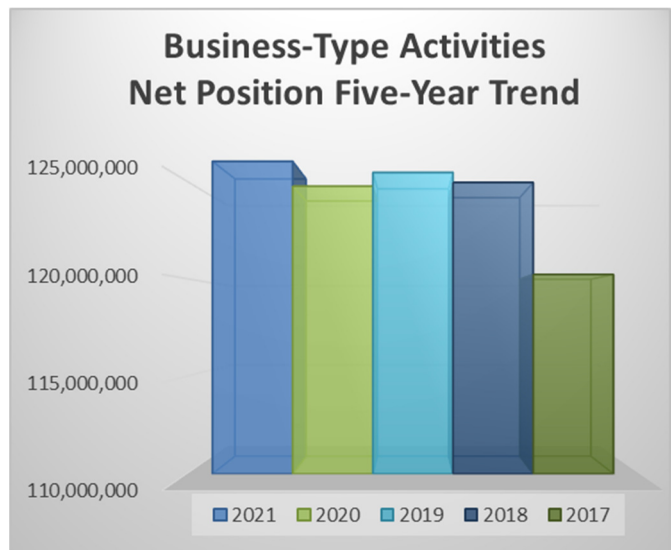
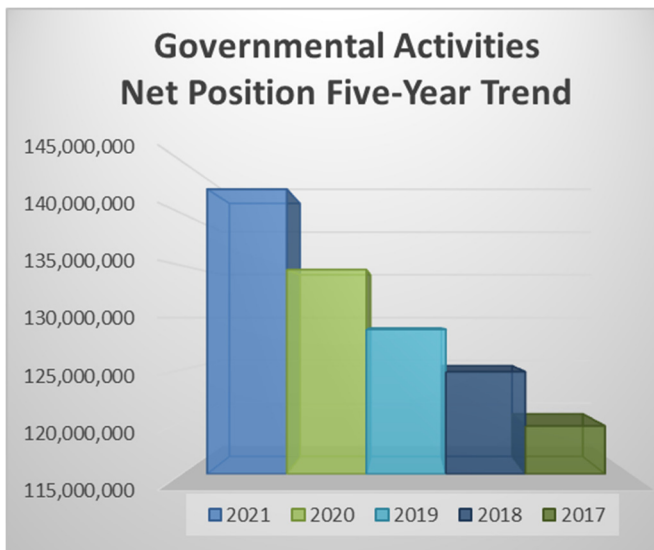
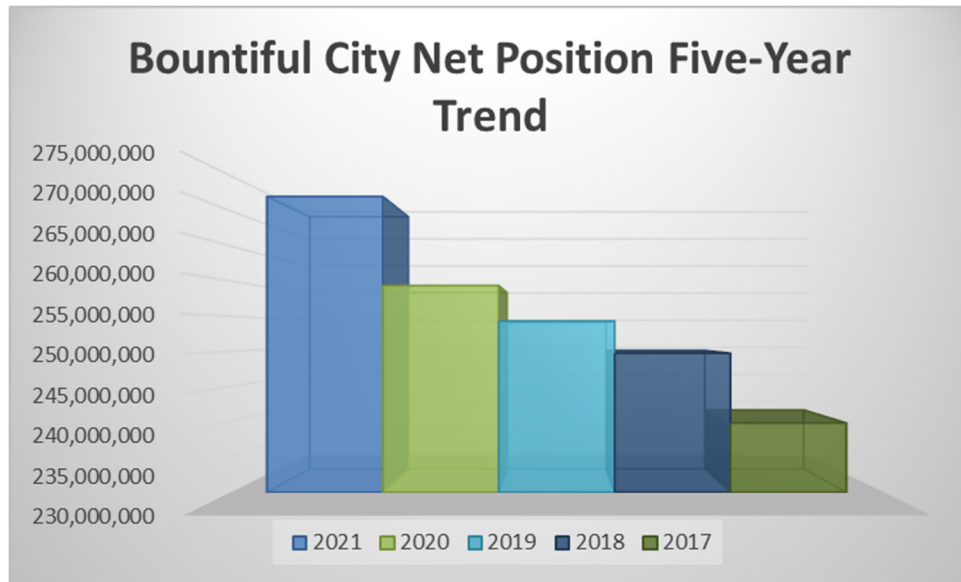
The remaining balance of \$83,423,372 (30.67%) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

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.

**BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021**

Government-wide Overall Financial Analysis (Continued)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following graphs present the City's historical balances of net position that can aid in this type of trend analysis:



BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021

Government-wide Overall Financial Analysis (Continued)

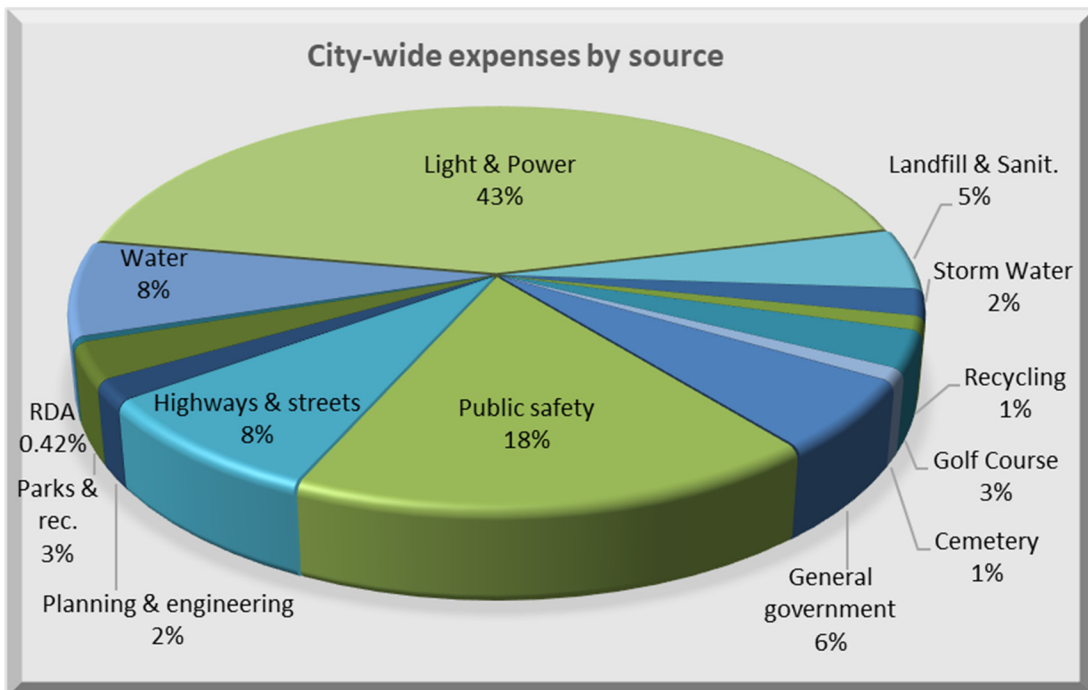
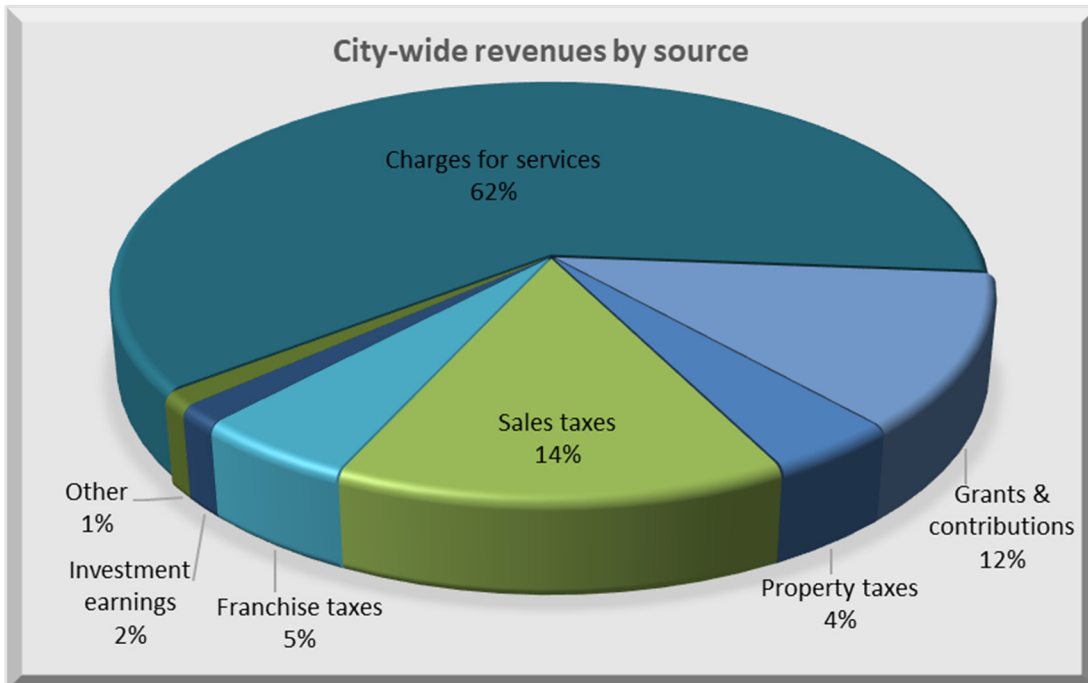
In addition to reviewing the City-wide net position, an analysis of the year-over-year change in net position is representative of the unique financial activity that has taken place over the course of the fiscal year. During the year ended June 30, 2021, the overall net position of the City increased \$12,624,246, a 4.87% change, from the prior fiscal year. The increase from governmental activities of \$7,707,281 is \$1,977,494 more than the \$5,729,787 increase to net position of fiscal year 2020. The increase from business-type activities of \$4,916,965 is \$5,617,110 more than the \$700,145 net decrease to net position of fiscal year 2020.

| Bountiful City Changes in Net Position | | | | | | |
|---|--------------------------------|-----------------------|---------------------------------|-----------------------|-----------------------|-----------------------|
| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1,899,560 | \$ 1,714,651 | \$ 42,091,697 | \$ 39,423,488 | \$ 43,991,257 | \$ 41,138,139 |
| Operating grants and contributions | 5,742,276 | 5,797,259 | 854,579 | 42,575 | 6,596,855 | 5,839,834 |
| Capital grants and contributions | 934,741 | 15,000 | 1,116,124 | 655,433 | 2,050,865 | 670,433 |
| General revenues: | | | | | | |
| Property taxes | 2,954,441 | 2,928,484 | - | - | 2,954,441 | 2,928,484 |
| Sales taxes | 10,297,567 | 8,937,963 | - | - | 10,297,567 | 8,937,963 |
| Franchise taxes | 3,681,339 | 3,642,291 | - | - | 3,681,339 | 3,642,291 |
| Other | 913,892 | 1,470,152 | 921,241 | 1,301,994 | 1,835,133 | 2,772,146 |
| Total revenues | 26,423,816 | 24,505,800 | 44,983,641 | 41,423,490 | 71,407,457 | 65,929,290 |
| Expenses: | | | | | | |
| General government | 3,421,476 | 2,931,729 | - | - | 3,421,476 | 2,931,729 |
| Public safety | 10,384,978 | 10,353,927 | - | - | 10,384,978 | 10,353,927 |
| Highways and streets | 4,923,386 | 5,243,263 | - | - | 4,923,386 | 5,243,263 |
| Planning and engineering | 985,748 | 951,735 | - | - | 985,748 | 951,735 |
| Parks and recreation | 1,739,662 | 1,445,627 | - | - | 1,739,662 | 1,445,627 |
| Redevelopment | 249,706 | 264,816 | - | - | 249,706 | 264,816 |
| Water | - | - | 4,534,515 | 4,611,958 | 4,534,515 | 4,611,958 |
| Light and Power | - | - | 25,621,368 | 28,016,154 | 25,621,368 | 28,016,154 |
| Landfill and Sanitation | - | - | 2,885,808 | 2,811,880 | 2,885,808 | 2,811,880 |
| Storm Water | - | - | 1,270,552 | 1,244,172 | 1,270,552 | 1,244,172 |
| Golf Course | - | - | 1,781,220 | 1,785,364 | 1,781,220 | 1,785,364 |
| Recycling | - | - | 652,993 | 650,384 | 652,993 | 650,384 |
| Cemetery | - | - | 568,098 | 588,639 | 568,098 | 588,639 |
| Total expenses | 21,704,956 | 21,191,097 | 37,314,554 | 39,708,551 | 59,019,510 | 60,899,648 |
| Change in net position before transfers | 4,718,860 | 3,314,703 | 7,669,087 | 1,714,939 | 12,387,947 | 5,029,642 |
| Transfers | 2,752,122 | 2,415,084 | (2,752,122) | (2,415,084) | - | - |
| Increase (Decrease) in net position | 7,470,982 | 5,729,787 | 4,916,965 | (700,145) | 12,387,947 | 5,029,642 |
| Net position - beginning of year | 134,608,033 | 128,878,246 | 124,726,971 | 125,427,116 | 259,335,004 | 254,305,362 |
| Prior Period Adjustment | 236,299 | - | - | - | 236,299 | - |
| Net position - end of year | \$ 142,315,314 | \$ 134,608,033 | \$ 129,643,936 | \$ 124,726,971 | \$ 271,959,250 | \$ 259,335,004 |

**BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021**

Government-wide Overall Financial Analysis (Continued)

The graphs that follow present fiscal year 2021 City-wide revenue and expense information to highlight the magnitude of each revenue source and City services by function.



BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021

Financial Analysis of Governmental Activities

For the period ended June 30, 2021, the City's governmental activities increased the City's net position by \$7,707,281 (\$7,470,982 plus a restatement of \$236,299). During the 2021 fiscal year the governmental activities of the City maintained the same, if not improved, level of service without any tax rate increases, significant changes to the City's fee schedule, or obtaining long-term financing.

Although there were no significant fee structure or operational changes during the current fiscal year, there were many financial variances from fiscal year 2020. As indicated by the data in the table on page 7, the net change in the City's net position provided by current year governmental activities is \$1,977,494 more than last year's increase of \$5,729,787 due to the following 4 factors:

1. Fiscal year 2021 reported a net increase in governmental activities revenue of \$1,918,016 from fiscal year 2020, attributed to the underlined reasons below:
 - Charges for services revenue had a net increase of \$184,909 due primarily to a \$163,154 increase in building permit fee revenue. During the current year there were three significant residential developments (Cottages on Main, Towns at 5th & Orchard, and Stone Creek Estates Phase 1) bringing in most of that increase in permit fees. The previous year did not have large developments. The remaining \$21,755 increase in charges for services revenue was the net increase of various other routine fluctuations in charges for services.
 - Operating grants and contributions revenue decreased by a net \$54,983 due to the following 7 factors: **1)** The current year recognized \$354,939 less (decreasing revenue) than the previous year in Federal CARES Act grant money for eligible expenditures to mitigate and respond to the COVID-19 pandemic; **2)** Intergovernmental contributed property tax increment revenue decreased \$153,298. \$76,791 of that decrease is due to reclassifying tax increment levied by the City to be property tax revenue and not an intergovernmental grant revenue. The remaining \$76,507 decrease is just a decrease in how much increment was collected and remitted to the City; **3)** State of Utah recreation grant revenue dropped \$122,500. The prior year had grant money from its Town Square project and historic preservation while the current year had no such grants; **4)** \$119,686 increase in 0.25% Davis County transportation sales tax collections due mainly to fiscal year 2021 generating additional sales taxes; **5)** \$145,043 increase in road fund allotments from the State also due to increased sales taxes; **6)** \$314,687 increase in disaster recovery grants through FEMA to reimburse damage sustained during the September 8, 2020, windstorm that hit the City and surrounding communities; and **7)** \$3,662 net decrease in various other routine changes in revenue.
 - Capital grants and contributions revenue increased \$919,741 predominantly due to a \$772,245 developer capital asset contribution. In fiscal year 2021 the City accepted the Stone Creek Estates Phase 1 subdivision where the developer contributed the infrastructure (e.g. road, sidewalk, etc.) and underlying land. In the current year the City provided final inspection/approval of a subdivision and began ownership and maintenance of those assets. The remaining increase of \$147,496 was due predominantly to a vehicle replacement grant for air quality received from the State of Utah and some CARES Act grant revenue to purchase sanitation equipment for the Parks department.
 - Property tax revenues had a net increase of \$25,957. The current year had a \$76,791 increase due to the reclassification from intergovernmental property tax increment mentioned previously. The current year also had an increase of \$30,538 which is a fairly normal fluctuation. These increases were mostly offset by a \$81,372 decrease. This was a change in accounting recognition. Previously, property tax levied by the City on behalf of the City's RDA were recorded as a revenue and expenditure in the General Fund and also as a revenue in the RDA Fund. In order to not double count those transactions, only the RDA Fund will account for that property tax.
 - Sales tax revenues increased \$1,359,604. This 15.21% increase from 2020 was due to a variety of factors that are difficult to quantify. Overall, the State of Utah and the local economy have not been significantly affected by the COVID-19 pandemic. In many ways it aided the City's sales tax base as more items were being purchased online as well as local grocery and supply stores were selling abnormally high quantities due to customer concerns of supply chain deficits or mandatory shutdowns. The Federal government also provided various rounds of stimulus money to both individuals and small businesses that encouraged consumer spending. The City did also see a modest size retailer move into the City in the last quarter of fiscal 2021 in a building that had been vacant for many years.
 - Franchise tax revenues increased by a net \$39,048 due to the following 3 factors: **1)** \$110,840 increase (6.98%) in municipal energy sales and use taxes due to a 6.94% increase in electric metered sales in the current fiscal year; **2)** \$61,615 decrease in telecommunications tax, which has been a continuing trend over the past eight fiscal years; and **3)** a net decrease of \$10,177 from routine fluctuations in cable and natural gas franchise taxes as well as emergency 911 telephone taxes.

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021

Financial Analysis of Governmental Activities (Continued)

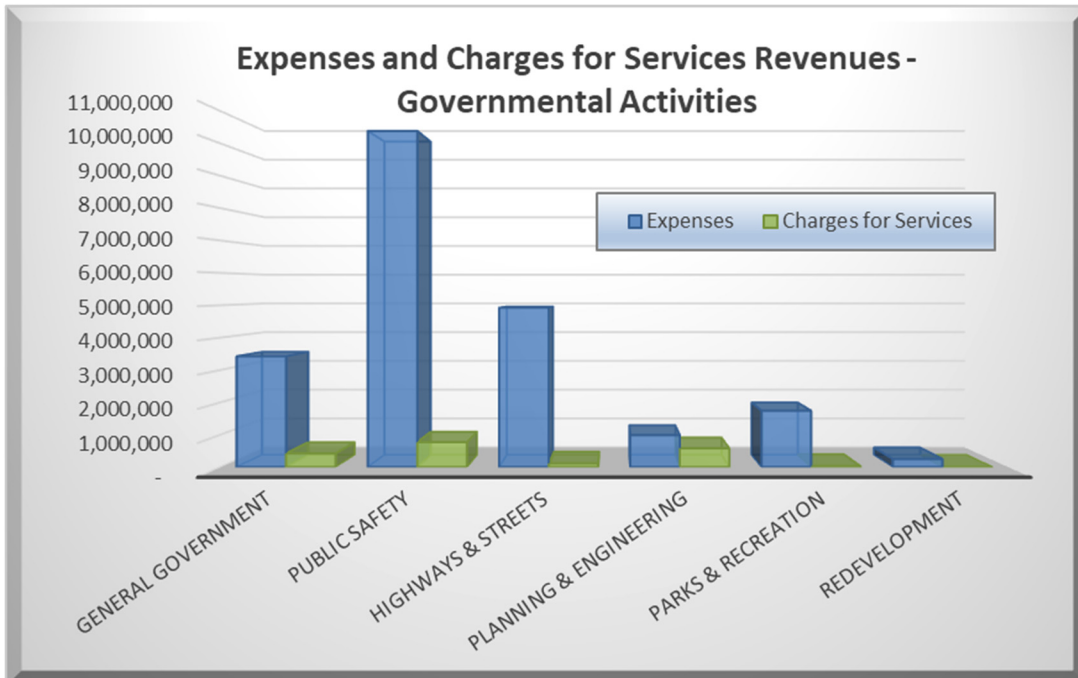
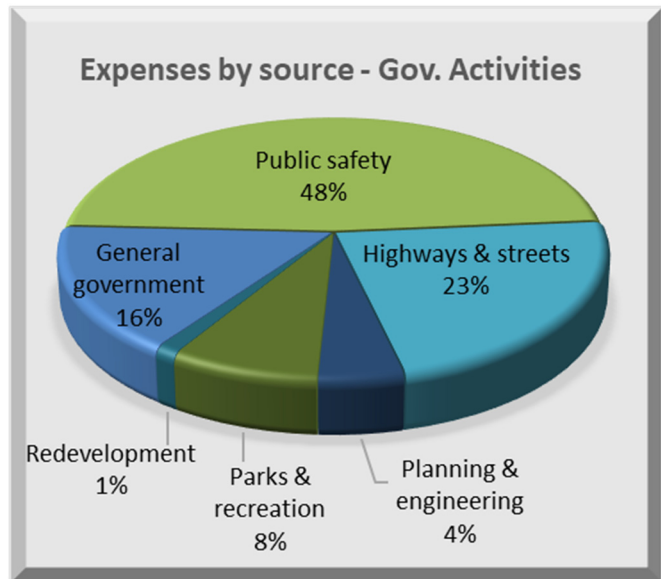
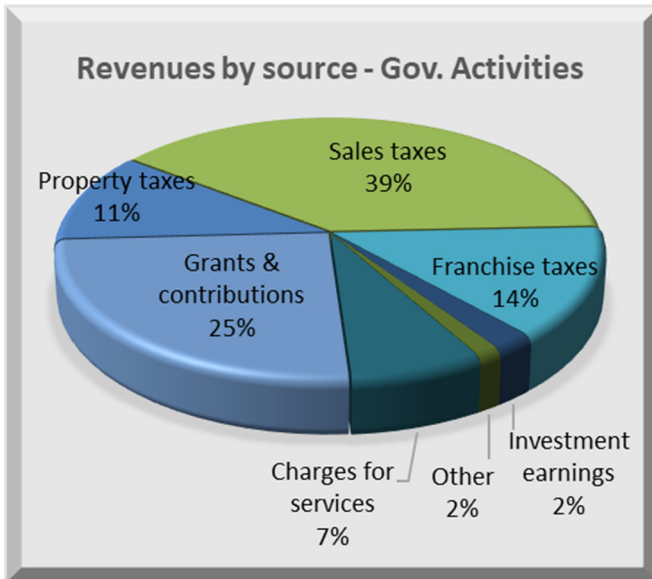
- Other revenue had a net decrease of \$556,260 due to these 4 factors: **1)** \$537,065 decrease in interest earnings due to reduced cash balances from fairly significant capital purchases and the overall investment market reducing interest rates. This stems mostly from a down national economy and the Federal Reserve maintaining low interest rates to stimulate the economy. Also in the City's specific portfolio, the high-yield bonds were being called as they could refinance at much lower rates; **2)** \$82,662 decrease in unrealized gains on the fair value of the City's investments. Again, this is due to the overall investment market being down; **3)** \$100,805 increase in gain on the sale of capital assets. This is mainly due to the Police Department being able again to obtain new vehicles and sell the old vehicles. During much of fiscal year 2020 they were unable to purchase new vehicles, due to backorder, forcing them to keep the older vehicles rather than sell them on the regular rotation; and **4)** \$37,338 net decrease in various miscellaneous revenues that were routine in nature.
- 2. Fiscal year 2021 reported that governmental activity expenses increased by a net \$513,859 from fiscal year 2020 as explained by the following underlined factors:
 - General government expenses increased \$489,747 due to the following **8** factors: **1)** \$116,445 increase in personnel salaries and benefits due principally to a City-wide 2% cost of living adjustment (COLA) in wages, earned merit increases to wages, and increased medical insurance premiums; **2)** election expenses decreased by \$71,152 as the current fiscal year did not have the rotating municipal election whereas the prior fiscal year did; **3)** expenses decreased by \$45,460 due to a revised administrative services charge to enterprise funds to reimburse the General Fund for services provided; **4)** \$226,504 increase in expenses predominantly due to increased depreciation from the current year adding \$8.2 million of new depreciable assets; **5)** \$540,647 in new expense as the City paid sub-grantees that amount of CARES Act grant money to aid other governmental agencies and provide some utility customer hardship grants; **6)** \$80,836 in reduced expense stemming from change in property tax accounting recognition mentioned previously; **7)** \$235,761 in reduced pension expense resulting from the adjustments to the City's net pension liability (large decrease in 2021); and **8)** \$39,360 net increase in various expenses that were fairly routine in nature.
 - Public safety expenses increased \$31,051 due to the following **3** factors: **1)** pension expense decreased \$375,694 due to the adjustments to the City's net pension liability (large decrease in 2021); **2)** \$320,999 increase in personnel salaries and benefits due principally to a City-wide 2% COLA, earned merit increases to wages, increased medical insurance premiums, and in 2021 the City added 401k contribution expense as it began contributing the same rates for employees in the lower tier of the Utah Retirement System as those of the higher tier (i.e., making all retirement contributions equal); and **3)** the remaining net increase to expense of \$85,746 comes from various routine smaller increases and decreases from the prior year.
 - Highways and Streets expenses decreased \$319,877 due to the following **5** factors: **1)** \$185,395 decrease in road maintenance expenses due to fairly routine fluctuation in quantity of road projects completed; **2)** \$157,831 decrease in pension expense due to the adjustments to the City's net pension liability (large decrease in 2021); **3)** \$137,567 decrease in road salt purchases as the 2020-2021 winter was extremely light for snowfall; **4)** \$147,929 increase in road, curb and gutter, and sidewalk repairs due to the damage caused by the September 2020 wind storm; and **5)** the remaining increase to expense of \$12,987 comes from the net of various smaller changes from the prior year.
 - Planning and Engineering expenses had a net increase of \$34,013 due to the following **3** factors: **1)** \$120,347 increase in personnel wage and benefit expense. This increase is due to the Planning department hiring a new full-time employee, retirement cash out of vacation and compensation time for an Engineering employee, 2% COLA for all employees, and increased medical insurance premiums; **2)** \$91,457 decrease in pension expense due to the adjustments to the City's net pension liability (large decrease in 2021); and **3)** \$5,123 net increase that is the result of fairly routine transactions too numerous and small to warrant further explanation.
 - Parks and recreation expenses increased \$294,035 due to the following **4** factors: **1)** \$157,813 increase in expense predominantly due to increased depreciation from the current year's \$8.78 million of new depreciable assets; **2)** \$106,002 increase in park's ground maintenance expenses. This is predominately due to sprinkler/irrigation equipment for the newly purchased Washington Elementary school land and playground resurfacing at Creekside Park; **3)** \$38,274 increase in utilities due principally to the new utilities begun at Town Square park; **4)** \$50,805 decrease in pension expense due to the adjustments to the City's net pension liability (large decrease in 2021); and a net \$42,751 increase in fairly routine fluctuations in various expenses.
 - Redevelopment expenses decreased by \$15,110 which is the net result of fairly routine transactions too numerous and small to warrant further explanation.

**BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021**

Financial Analysis of Governmental Activities (Continued)

3. In fiscal year 2021, the transfers from business-type activities to governmental activities increased by \$337,038 from fiscal year 2020. This increase came from increased Light and Power fund subsidy to the General Fund as this subsidy is calculated as 10% of electric metered sales. As electric metered sales increased during the current year so did the subsidy transfer to the General Fund.
4. In fiscal year 2021 a \$236,299 restatement of net position was recorded to reestablish some RDA land back on the City's asset listing that had erroneously been removed in fiscal year 2019. Fiscal year 2020 did not have any restatements.

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.



BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021

Financial Analysis of Business-type Activities

For the period ended June 30, 2021, business-type activities increased the City's net position by \$4,916,965. Although there were no significant operational changes during the current fiscal year, there were many financial variances from fiscal year 2020. As indicated by the data in the table on page 7, the net change in the City's net position provided by current year business-type activities was \$5,617,110 more than the \$700,145 decrease for fiscal year 2020 due to the following 3 factors:

1. Fiscal year 2021 reported an increase in business-type activity revenue of \$3,560,151 from fiscal year 2020, attributed to the underlined reasons below:
 - Charges for services revenue increased \$2,668,209. This overall increase is made up of increases from Light and Power of \$1,813,333, Landfill and Sanitation of \$228,342, Golf of \$215,440, Cemetery of \$181,716, Storm Water of \$133,765, and a net increase of \$95,613 of the remaining enterprise funds.
 - The Light and Power increase is due to increased Electric Metered Sales (EMS). The fiscal year 2021 EMS was the highest on City record and increased by 6.86% (\$1,786,180) from the prior year. EMS revenue is heavily affected by the weather. The Summer and Fall months are always the largest revenue months due to air conditioning. Utah's weather for the July-September 2020 and the May-June 2021 months (all in fiscal year 2021) were some of the highest average temperatures on record (source: *National Centers for Environmental Information*). There were some other contributing factors to the record EMS revenue such as: a newly implemented tiered power rate structure, small increases in each customer's monthly base fee, additional customers coming mostly from increased density, and more residents working from home in the City than ever before; however, the principal reason for the increased revenue is the hotter weather.
 - The Landfill and Sanitation increase is simply a function of increased use of the City's landfill as well as some additional sanitation customers. There were no rate changes in the current year nor were there any operational changes. Although no study has been performed, it is believed that the pandemic's stay-at-home and limit-travel orders have motivated more home/yard projects thus necessitating disposing of waste at the landfill.
 - The COVID-19 pandemic is having a significant effect on Golf charge-for-service revenues. Golf admission fees and cart rentals are significantly up as individuals are seeking outdoor recreation with pandemic concerns and health department mandates. The current year's revenues were the highest that have been recorded at the course. A contributing factor to the improved revenues is that during the current year the course began requiring all online tee times to be prepaid with an eight percent cancellation fee, and no refunds are given within 2 hours of the tee time.
 - The Cemetery current year increase was due to higher lot sales and interment fees. The nature of these operations can cause significant swings from one fiscal year to the next. There were no rate changes in the current year nor were there any operational changes. It is unknown if the pandemic affected this increase.
 - The Storm Water increase was anticipated as the rate was increased by 6.90% in the current year. This rate increase and some population growth account for the overall increase of 7.71% from the prior fiscal year.
 - The remaining enterprise fund's net increase of \$95,613 is due to fairly typical revenue fluctuations in the Water and Recycle funds.
 - Operating grants and contributions revenue increased \$812,004 due to: 1) \$743,895 in new disaster recovery grant revenue through FEMA to reimburse damage sustained during the September 8, 2020, windstorm that hit the City and surrounding communities; and 2) \$68,109 net increase in various other Federal and State grants too small and numerous to warrant further discussion.
 - Capital grants and contributions revenue increased \$460,691 due to these 3 factors: 1) \$482,649 increase in donations from private developers donating infrastructure to the City or paying the City to install the required infrastructure that the City will own and maintain. During the current year there were three significant residential developments (Cottages on Main, Towns at 5th & Orchard, and Stone Creek Estates Phase 1) bringing in most of that increase; 2) \$120,108 increase in water impact fee revenue due again to those three large projects; and 3) \$142,066 reduction in Federal bond interest expense subsidy revenue. This decrease is due to the City redeeming all those outstanding bonds in the current year and Federal sequestration reductions to the grant program.
 - Other revenue had a net decrease of \$380,753 due to these 4 factors: 1) \$640,742 decrease in interest earnings due to reduced cash balances mainly from the Electric Revenue bonds redemption, and the overall investment market reducing interest rates. This stems mostly from a down economy and the Federal Reserve maintaining low interest rates to stimulate the economy; 2) \$87,075 decrease in unrealized gains on the fair value of the City's investments. Again, this is due to the overall investment market being down from the prior year; 3) \$264,674 increase in the gain

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021

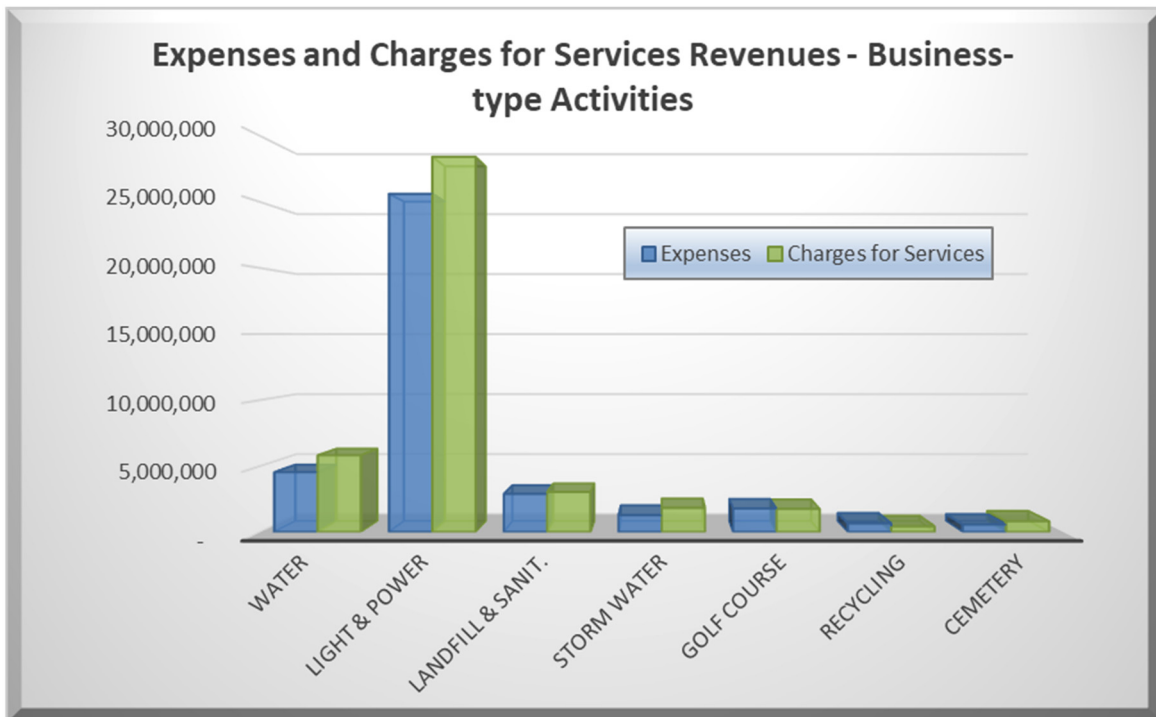
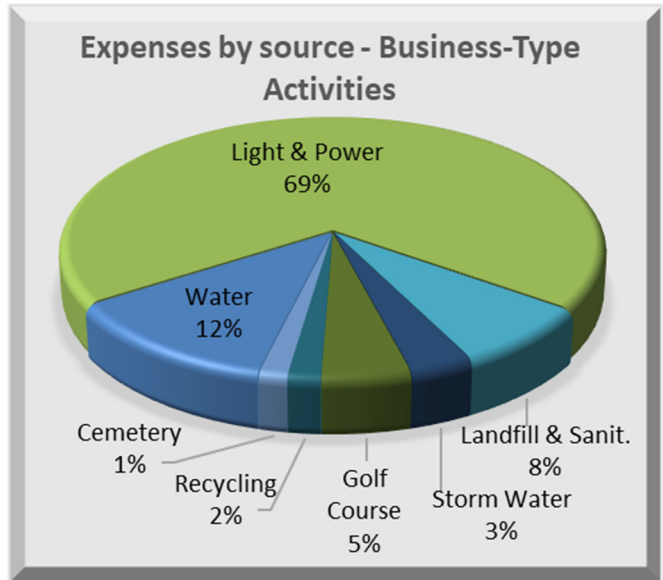
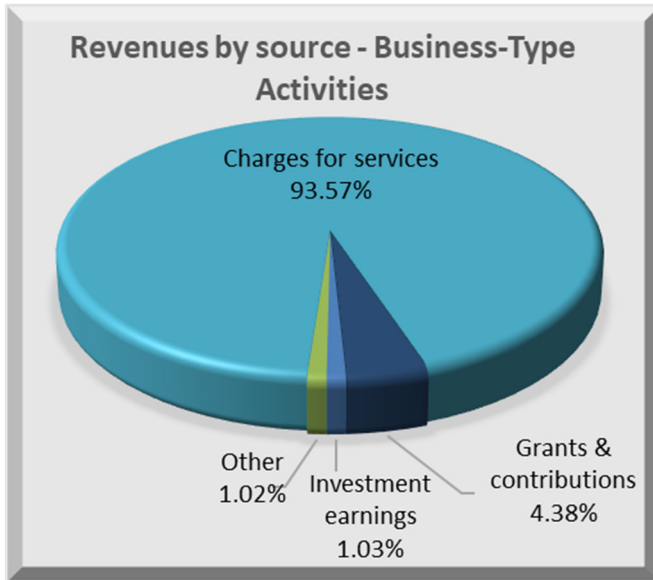
Financial Analysis of Business-type Activities (Continued)

- on sale of capital assets due to principally to a large gain on sale of some land held by the Water Fund; and **4**) \$82,390 net increase in fairly routine fluctuations too numerous and small to warrant further explanation.
2. Fiscal year 2021 reported that business-type expenses decreased by \$2,393,997 from fiscal year 2020 as explained by the following underlined factors:
- The Water fund expenses decreased \$77,443 due the following **5** factors: **1)** depreciation expense increased \$86,327 which is a fairly routine increase as the department continues its replacement of fully depreciated waterlines; **2)** general and administrative expenses increased by \$98,669 not because the current year saw a large increase but because the prior year had a significant Light and Power utility reimbursement for prior years of overbilled kilowatt hours; **3)** the current year had no loss on deletion of capital assets whereas the prior year had a \$67,560 loss (decrease in expense) due to a water line installation project that required the removal of existing piping with a larger book value; **4)** \$150,937 decrease in personnel wage and benefit expense. The majority of that decrease came from reduced pension expense due to the adjustments to the City's net pension liability (large decrease in 2021), with some decrease coming from replacing the top two managers of the department due to retirement; and **5)** a net \$43,942 decrease in fairly routine swings in operating expenses.
 - The Light and Power fund expenses decreased \$2,394,786 due to the following **6** factors: **1)** \$142,008 decrease in personnel wages and benefits. The current year had reduced pension expense of \$214,268 due to the adjustments to the City's net pension liability (large decrease in 2021). That decrease was partially offset by a \$72,260 increase due principally to a City-wide 2% COLA, earned merit increases to wages, and increased medical insurance premiums; **2)** repairs and maintenance expense decreased \$2,751,940. The current year's expenses were fairly routine. The cause for the decrease was the prior year was abnormally large with significant repairs to the natural gas power plant and the two hydro plants; **3)** interest expense dropped by \$337,134 as the City only had to make one semi-annual interest payment before the outstanding bonds were fully redeemed in November 2020; **4)** power purchase expenses increased \$743,407 (6.6% increase). This increase came from purchasing more power from the market because there was more power demand than in fiscal year 2020 as illustrated by a \$1,786,180 (6.86%) increase in electric metered sales; **5)** power generation expenses increased \$166,279. Of that increase \$146,923 came from increased natural gas purchased to generate electricity at the City's power plant rather than purchase off the market during peak periods. The remaining \$19,356 increase came from operating expenses at the City's two hydro plants. Again, the majority of that is due to increased demand for power; **6)** the remaining \$73,390 net decrease in Light and Power operating expenses is due to fairly typical fluctuations that are too small and numerous to warrant further explanation.
 - The Landfill and Sanitation fund expenses increased \$73,928 due to the following **3** items: **1)** \$100,814 increase in contractual and professional services expense. The cause of the increase was the abnormally high contracted green waste grinding to dispose of all the September 8, 2020, windstorm debris hauled to the landfill; **2)** repair and maintenance expense decreased \$68,444. The current year was fairly normal. The real decrease is due to the prior year having significant repairs to a landfill loader; and **3)** a net \$41,558 increase in other operating expenses that are fairly routine transactions too numerous and small to discuss.
 - The non-major enterprise fund expenses increased \$4,304. This net increase is broken down by fund as follows: Storm Water \$26,380 increase, Golf Course \$4,144 decrease, Recycling \$2,609 increase, and Cemetery \$20,541 decrease. These changes from the prior year are all fairly normal operational cost fluctuations and need no further discussion.
3. In fiscal year 2021, the transfers from business-type activities to governmental activities increased by \$337,038 from fiscal year 2020. This increase came from increased Light and Power fund subsidy to the General Fund as this subsidy is calculated as 10% of electric metered sales. As electric metered sales increased during the current year so did the subsidy transfer to the General Fund.

**BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021**

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 business-type activities are covered by charges for services revenue.



BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021

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.

On June 30, 2021, the City's governmental funds reported combined ending fund balance of \$42,975,044, decrease of \$1,984,518 from the prior year ending fund balance. Of the current year fund balance, \$42,086,608 (97.93%) is available for spending; however, \$30,550,778 (71.09%) has been committed by the City Council and \$9,691,871 (22.55%) has been assigned by the City Manager for subsequent years' capital expenditures and other specified uses, leaving an unassigned amount of \$1,843,959 (4.29%). The remaining \$888,436 (2.07%) 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, fund balance of \$6,560,687 in the General Fund was segmented as \$4,686,000 in committed, \$30,728 in assigned, and \$1,843,959 in unassigned. The General Fund's largest portion of fund balance is committed by a reserve policy adopted by the City Council. That committed balance is to be limited in use to unanticipated and non-recurring needs. It is important to note that the State of Utah does not allow the City's General Fund to maintain a fund balance in excess of 35% of the fund's total revenues. To maintain that maximum requirement, sales taxes are allocated to the Capital Projects Fund that otherwise could have been recorded in the General Fund. A complete analysis of the General Fund's fund balance should also consider the balance in the Capital Projects Fund.

During the year ended June 30, 2021, the fund balance of the General Fund increased by \$2,683,186. This represents a positive 69.20% change in fund balance. The current year increase is a \$2,763,810 increase from the prior fiscal year's \$80,624 decrease to fund balance. This change from fiscal year 2020 is due to the following 4 reasons:

1. General Fund revenues increased by \$3,107,482 from fiscal year 2020, attributed to the following underlined factors:
 - \$2,795,516 increase in tax revenue from the following 3 sources: **1)** \$50,834 decrease in property tax revenue principally due to the change in property tax increment revenue recognition mentioned on page 9 of this report; **2)** \$2,807,302 increase in sales tax due to the General Fund receiving a much larger allocation of the City's overall sales tax dollars in the current year. During the current year the Utah Legislature passed a bill increasing the maximum fund balance allowed in a General Fund from 25 to 35 percent. This allowed a larger amount of sales taxes to remain in the General Fund and remain within the 35 percent max. City-wide sales tax collections were also up from 2020; and **3)** a net \$39,048 increase in franchise tax. This increased by \$110,840 from increased municipal energy sales and uses tax as the electric power taxes jumped up along with the electric metered sales already discussed. This increase was partially offset by a \$71,792 decrease principally from reduced telecommunications tax, which has been similarly trending down for the past eight fiscal years without any known explanation.
 - \$117,187 increase in licenses and permits revenue due mainly to three larger developments happening during the current year while the previous year was more of a typical development year for the City.
 - \$219,584 net increase in intergovernmental revenue due to the following 4 reasons: **1)** a \$264,729 increase in 0.25% Davis County transportation tax and "Class B&C Road" allotment from the State (\$119,686 and \$145,043, respectively). These are both sales tax derived revenues and increased due mainly to improvement in the local economy; **2)** \$314,687 in new Federal disaster grant revenue from FEMA for the windstorm; **3)** \$356,547 decrease in CARES Act grant revenue from the prior year as the grant was finalized in the current year; **4)** a net \$3,285 decrease in various other fairly routine swings in grant and contribution revenue.
 - \$61,170 increase in charges for services revenue principally from increased charges for the City's emergency dispatching services provided to neighboring cities and the South Davis Metro Fire Service Area (SDMFSA).
 - \$85,975 net revenue decrease in all other General Fund revenues. This net decrease comes mainly from reduced interest earnings due to the overall investment market reducing interest rates.
2. General Fund expenditures increased by \$1,046,138 from 2020 attributed to the following underlined factors:
 - General government expenditures had a net increase of \$507,260 due to the following 5 factors: **1)** election expenditures decreased by \$71,152 as 2021 was not a rotational municipal election fiscal year; **2)** personnel wages and benefits increased \$116,749 mainly due to the 2% COLA, scheduled merit increases, and medical insurance premium increases; **3)** \$45,460 reduction in expenditures due to an increase in the General Fund reimbursement

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021

Financial Analysis of Governmental Funds (Continued)

- from the enterprise funds for administrative services provided; **4)** \$540,647 in new expense as the City paid sub-grantees that amount of CARES Act grant money to aid other governmental agencies and provide some utility customer hardship grants; **5)** \$80,836 in reduced expense stemming from change in property tax accounting recognition mentioned previously; and **6)** the remaining offsetting \$47,312 increase in expenditures is the net figure of various increases and decreases not significant enough to discuss further.
- Public Safety expenditures increased \$418,346 due to the following **3** factors: **1)** public safety wage and benefit expenditures increased by \$320,170. \$129,912 of that increase came mainly from a new benefit in the current year adding elective pension/retirement contributions for URS tier 2 employees (those hired after June of 2011) in order to compensate both tier 1 and tier 2 employees equally. The remaining \$190,258 comes from the 2% COLA, scheduled merit increases, and medical insurance premium increases; **2)** \$67,297 increase in member assessment charges from the SDMFSA that provides emergency medical and fire services to City residents; and **3)** the remaining net increase to expenditures of \$30,879 comes from routine fluctuations in various other operating expenditures.
 - Highways and streets expenditures decreased \$165,264 due to the following **5** factors: **1)** street repair/maintenance expenditures decreased \$237,877 mostly due to fewer in-house asphalt overlay and contracted slurry seal projects. There was also less road striping projects that contributed to the decrease; **2)** road salt purchases decreased \$137,567 as the fiscal year 2021 winter had significantly less snow than 2020; **3)** concrete repair expenditures increased by \$147,929 primarily due to significant curb, gutter, and sidewalk repairs done after the September 2020 windstorm; **4)** street signal and sign expenditures increased \$80,580 due principally to a run-away dump truck accident that caused significant damage to City infrastructure; **5)** the remaining net decrease to expenditures of \$18,329 comes from various smaller routine increases and decreases.
 - Planning and engineering expenditures increased \$146,922 due principally to increased personnel wages and benefits. This is the combination of the Planning Department adding a full-time position during the current year, 2% COLA and medical increases, and retirement cash out of vacation and sick leave for a long-term Engineering employee.
 - Parks and recreation expenditures increased \$138,874 due mostly to the increased property maintenance and utility costs of two new parks (Washington Elementary land and Town Square). Additionally, the Washington Elementary property required significant repairs/replacement of the irrigation system.
3. In fiscal year 2021, the transfer in (other financing source) was \$707,409 higher than in 2020. There was a one-time transfer in of \$370,371 from the MBA Fund to close out its operations. Additionally, the transfer in from the Light and Power Fund was \$337,038 higher than the prior year due to increased electric metered sales. This subsidy transfer is based on 10% of those sales.
 4. General Fund sale of capital assets brought in \$4,943 (other financing source) less than the capital sales in fiscal year 2020. This is a fairly routine fluctuation for the General Fund operations.

The Capital Projects Fund has a total fund balance of \$24,451,883, 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, 2021, the fund balance in the Capital Projects Fund decreased by \$5,393,688 or -18.07%. This Capital Projects fund balance decrease was \$3,496,731 more than last fiscal year's decrease of \$1,896,957 due to the following **4** reasons:

1. Capital Project fund revenues decreased \$1,743,504 from fiscal year 2020 attributed to the following **5** factors: **1)** \$1,532,040 decrease in sales tax revenue due mostly to the fund receiving a much smaller allocation of sales tax, as previously discussed under the General Fund narrative; **2)** \$375,726 decrease due to reduced cash balances (down \$5,710,665 from 2020 due to fairly significant capital purchases) and the overall investment market reducing interest rates; **3)** \$55,487 decrease in unrealized gains on the fair value of the City's investments for reasons previously explained; **4)** \$57,253 increase in miscellaneous revenue as a note receivable was paid off during the current year; and **5)** \$162,496 in new Federal grant revenue. \$45,573 came from sanitation equipment purchased with CARES Act money and \$116,923 was received through a State subrecipient grant from the EPA to replace old vehicles to improve air quality and fuel efficiency.
2. Capital Project fund expenditures increased \$1,738,206 from fiscal year 2020 attributed to the following underlined factors:

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021

Financial Analysis of Governmental Funds (Continued)

- General government capital outlay expenditures increased a net \$15,390 due to the following: 1) decreased City Hall remodel project expenditures from fiscal year 2020 of \$723,350 as the project was wrapping up; 2) decreased Town Square expenditures of \$3,308,281 from fiscal year 2020 also due to project wrap up; 3) during the current year the City purchased land costing \$3,963,299 when there was no land purchased in 2020. \$3,472,954 of that land was purchased from the Davis School District where they tore down the Washington Elementary school. \$490,345 of that total was for land purchased in North Canyon to build a trailhead/parking lot; and 4) \$83,722 increased capital expenditures predominantly for an articulating man-lift for the Buildings department.
 - Public Safety capital outlay expenditures increased \$190,453 due mainly to the Police Department again being able to obtain new vehicles in the current year. The prior year was abnormally low as previously mentioned.
 - Highways and Streets capital outlay expenditures increased \$1,510,661 mostly due to increased construction costs for the project to replace the existing equipment garage and wash bay at the public works building. This project was mostly completed in the current year.
 - Planning and engineering capital outlay expenditures increased \$18,895 as Engineering purchased a large format copier/scanner machine in the current year and there were no expenditures for these departments in the prior year.
 - Parks and recreation capital outlay expenditures increased a net \$1,175 which is the result of fairly routine cost fluctuations in regular asset replacements.
 - The remaining increase in expenditures of \$1,632 comes from increased bank and investment fees.
3. Capital Project fund transfer in decreased \$125,793 due to a decreased 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 or available in RAP Tax fund balance.
4. Gain on sale of capital assets increased \$110,772 mostly due to the Police Department being able again to obtain new vehicles and sell the old vehicles. During much of fiscal year 2020 they were unable to purchase new vehicles, due to backorder, forcing them to keep the older vehicles rather than sell them on the regular rotation.

The Redevelopment Agency fund (RDA) has a total fund balance of \$8,266,610, all of which has been assigned by the City Manager for eligible redevelopment projects. During the year ended June 30, 2021, the fund balance in the RDA fund increased \$820,096 or 11.01%. This increase was \$1,812,757 more than last fiscal year's decrease of \$992,661. The \$1,812,757 positive variance consisted of the following 3 items:

1. RDA fund revenue decreased \$157,783 from fiscal year 2020 attributed to the following underlined factors:
 - Intergovernmental property tax increment contribution revenue decreased \$153,298. \$76,791 of that decrease is due to reclassifying tax increment levied by the City to be property tax revenue and not an intergovernmental grant revenue. The remaining \$76,507 decrease is just a decrease in how much increment was collected and remitted to the City.
 - Property tax revenue increased \$76,791 as described above.
 - Intergovernmental revenue decreased \$120,892 due to the current year receiving only \$1,608 in CARES Act grant money while the prior fiscal year had \$122,500 in one-time State grants.
 - Investment earnings revenue decreased \$92,829 due to: 1) \$80,348 decrease in investment earnings and a \$12,481 decrease in unrealized gain on investments for the same reasons already explained with other funds of the City.
 - Miscellaneous revenue increased \$132,445 due principally to increased principal payments received from the business loan program. A large portion of that current year increase stems from the two loans that were paid off early.
2. RDA fund expenditures decreased \$1,943,951 from fiscal year 2020 attributed to the following underlined factors:
 - Special RDA project expenditures decreased \$2,476,243 due primarily to decreased costs associated with the Town Square construction as that project was wrapped up in the current year with only minimal expenditures.
 - Land purchase expenditures increased \$542,397 as the RDA purchased a land and building off of Main Street near Town Square for additional parking for the downtown area. There was no land purchased in fiscal year 2020.
 - The remaining decrease in expenditures of \$10,105 is the net result of other routine transactions too numerous and small to warrant further explanation.
3. RDA sale of capital assets increased \$26,589 from fiscal year 2020 as the RDA sold .041 acres of land in the current year that was connected to a historic home that was sold to the purchaser back in fiscal year 2019. In fiscal 2020 there were no sales of assets.

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021

Financial Analysis of Governmental Funds (Continued)

The non-major governmental funds all had positive current year changes in fund balance, with the exception of the MBA Fund, as follows: Landfill Closure \$4,351, RAP Tax \$149,476, Cemetery Perpetual Care \$120,026, and Debt Service \$211. The MBA Fund current year loss of \$368,176 was due to the MBA closure and transfer of all assets to the General Fund.

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 12 and 13.

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 \$5,593,864, \$22,132,138, and \$12,385,044, respectively. The changes in total net position from fiscal year 2020 for those same funds were positive \$4,446,235, positive \$1,517,627, and negative \$2,059,235, respectively. The principal reason for the large positive change in Water and large negative change in Landfill and Sanitation net position is a \$2,468,371 transfer from the Landfill & Sanitation Fund to the Water Fund. This was an interfund loan forgiveness transfer.

The other four nonmajor enterprise funds each ended the current year with positive unrestricted net position. The non-major enterprise funds all had positive current year changes in fund balance as follows: Storm Water \$898,446, Golf Course \$57,413, Recycling \$14,973, and Cemetery \$280,257.

General Fund Budgetary Highlights

During the year there were increases in appropriations between the General Fund's original and final amended budgeted expenditures totaling \$726,300 for the following departments:

1. Legislative - \$564,000. When the original budget was created it was not anticipated that the City would be providing subgrants of CARES Act money to various governmental entities.
2. Legal - \$10,000. Court ordered public defender costs in excess of those routinely anticipated.
3. Executive - \$19,100. The original budget did not include any COLA wage adjustments for employees as the City was anticipating a 10% hit to sales tax revenues due to the pandemic. After monitoring sales tax revenues closely for six months and seeing only increasing tax revenues, the City Council authorized a retroactive 2% COLA. The City Council also authorized a one-time vacation sale for employees that would lose vacation hours over the limit of 240 due to travel restrictions from the pandemic. The Executive amendment included \$7,600 for the retroactive COLA and one-time vacation sale. It also included \$6,500 to cover unanticipated part-time intern costs and \$5,000 for unanticipated City Hall equipment costs.
4. Information Technology - \$8,000. Increase in appropriation was necessitated for additional network equipment that was unanticipated until staff returned to remodeled City Hall.
5. Human Resources - \$5,000. The original budget did not anticipate the retirement costs of an employee.
6. Government Buildings - \$13,300. Unanticipated retroactive COLA and significant repair costs to department truck.
7. Highways and Streets - \$18,800. Unanticipated concrete repairs due to the windstorm and additional insurance costs.
8. Planning - \$8,000. Unanticipated retroactive COLA.
9. Engineering - \$38,500. Combination of unanticipated: retroactive COLA and one-time vacation sale, contracted building inspection fees to cover for several weeks of a sick employee, and the retirement costs of an employee.
10. Parks - \$41,600. Increase in appropriation was made mostly to cover unanticipated costs of repairing a greenhouse ventilation system and additional flowers for City flower beds.

The General Fund *Budget and Actual* statement presents the original and final budget amounts as well as how those compare to the current year actual expenditures. That statement can be reviewed on page 29 of this report.

BOUNTIFUL CITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021

General Fund Budgetary Highlights (Continued)

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 the final budget. For the fiscal year 2021, 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 \$740,898 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 fund balance at the 35% maximum required by State of Utah code. This reallocation left the General Fund sales tax revenues at \$5,179,674 which resulted in the unfavorable budget to actual variance.
2. Actual intergovernmental revenues came in \$1,964,979 higher than the final budget for the following reasons:
 - CARES Act grant funding came in at \$1,655,629 and there was no budget set for that revenue creating the positive budget variance.
 - The “Class B&C” road funds from the State and the 0.25% County-option transportation sales tax came in \$307,588 higher than budget. This favorable variance was due to conservative budgeting philosophy amplified by an unanticipated large increase in sales taxes. Both of those revenues are derived from sales taxes.
 - Federal grants were budgeted at \$335,000 with a specific grant to purchase emergency generators in mind. That grant application was denied and the grant was not awarded as planned. The final ongoing Federal grants total came in at \$10,000, which created this negative \$325,000 budget variance.
 - During the current year the General Fund received \$314,687 of unbudgeted disaster recovery grants to aid in the September 2020, windstorm event.
 - The remaining \$12,075 positive variance between actual and budget is the net result of routine fluctuations of a variety of smaller grant and intergovernmental sources.
3. The Legislative department budget of \$1,312,486 was underspent by \$291,255. The majority of this variance comes from a \$130,350 “contingency” budget that was unspent along with a \$90,000 budget for RDA increment expenditure that went un-journalized due to a change in property tax accounting recognition mentioned previously.
4. The Police department budget of \$8,156,852 was underspent by \$220,383. The personnel wages and benefits expenditures came in \$331,432 less than budgeted in the following 4 areas: **1)** \$101,296 remaining Utah Retirement Systems (URS) pension and 401(k) contribution budget; **2)** \$102,457 remaining in salaries and wage budget; **3)** \$103,090 remaining medical insurance budget; and **4)** \$24,589 remaining in payroll taxes and other benefits. These favorable personnel expenditure variances stem mostly from the inability of the department to hire and retain all of the positions budgeted for full-time officers and dispatchers. The offsetting negative variance of \$111,049 between actual and budget came from the net of numerous over and under budget operating expenditures. These were fairly routine in nature.
5. The Highways and streets department budget of \$4,509,633 was underspent by \$520,897 due principally to remaining street repair/maintenance budget. The department was unable to perform as many street overlay/treatment projects as had been anticipated in the budgeting process. An additional underspent area was road salt purchases due to a very light snow season.

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities on June 30, 2021, amounts to \$187,134,004 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, intangible asset power contracts, vehicles and equipment, furniture/fixtures/office equipment, streetlights, 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 \$8,528,267 (change coming from a \$9,642,843 increase for governmental activities and a \$1,114,576 decrease for business-type activities). Major capital asset activity during the current fiscal year has been summarized in the following two tables:

| Bountiful City Capital Assets (Net of depreciation) | | | | | | |
|--|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Land | \$ 55,922,950 | \$ 50,794,922 | \$ 8,844,394 | \$ 8,842,460 | \$ 64,767,344 | \$ 59,637,382 |
| Infrastructure | 15,335,021 | 15,137,278 | 35,837,000 | 35,505,765 | 51,172,021 | 50,643,043 |
| Buildings and other structures | 14,468,963 | 5,744,345 | 13,650,528 | 14,239,491 | 28,119,491 | 19,983,836 |
| Improvements other than buildings | 9,964,647 | 3,483,948 | 1,724,392 | 1,678,436 | 11,689,039 | 5,162,384 |
| Street light and traffic signal system | - | - | 39,439 | 118,316 | 39,439 | 118,316 |
| Machinery & equipment | 3,174,454 | 2,851,919 | 22,016,824 | 21,699,282 | 25,191,278 | 24,551,201 |
| Furniture, fixtures, & office equip. | 937,656 | 690,890 | 73,725 | 75,601 | 1,011,381 | 766,491 |
| Construction in progress (CIP) | 1,785,817 | 13,243,363 | 1,055,620 | 901,040 | 2,841,437 | 14,144,403 |
| Intangible asset - power projects | - | - | 2,302,574 | 3,598,681 | 2,302,574 | 3,598,681 |
| Total | \$ 101,589,508 | \$ 91,946,665 | \$ 85,544,496 | \$ 86,659,072 | \$ 187,134,004 | \$ 178,605,737 |

| Bountiful City Schedule of Capital Asset Current Fiscal Year Additions (Retirements) | | | |
|---|----------------------------|-----------------------------|---------------------|
| | Governmental Activities | Business-type Activities | Totals |
| Land purchases - North Canyon property | \$ 490,345 | \$ - | \$ 490,345 |
| Land purchases - Washington Elementary School property | 3,472,954 | - | 3,472,954 |
| Land purchases - dance studio property near Town Square | 542,396 | - | 542,396 |
| Land restatement - prior period adjustment to add land that was erroneously disposed | 236,299 | - | 236,299 |
| Land purchases - tax sale purchases adjacent to city property | - | 1,933 | 1,933 |
| Land under city streets donation - developer contribution | 402,500 | - | 402,500 |
| Motor vehicle purchases | 715,896 | 567,015 | 1,282,911 |
| Equipment/machinery purchases | 201,402 | 1,482,728 | 1,684,130 |
| Reconstruction of streets, curb, gutter and sidewalk Infrastructure | 665,250 | - | 665,250 |
| Computer network and storage upgrade | 66,388 | - | 66,388 |
| Fiscal 2021 construction costs for Town Square park (final costs) | 175,279 | - | 175,279 |
| Fiscal 2021 construction costs for City Hall remodel project (final costs) | 3,515,184 | - | 3,515,184 |
| Fiscal 2021 reconstruction costs for streets, curb, gutter and sidewalk (CIP) | 167,544 | - | 167,544 |
| Fiscal 2021 construction costs for garage/wash bay building replacement (CIP) | 1,565,608 | 143,312 | 1,708,920 |
| Water and Storm Water Infrastructure (water mains and storm drains) | - | 1,944,600 | 1,944,600 |
| Fiscal 2021 construction costs for 400 N. culinary water pump station (final costs) | - | 9,497 | 9,497 |
| Fiscal 2021 costs for culinary SCADA, equipment, and control panel upgrades (final cost) | - | 95,466 | 95,466 |
| Landscaping and fencing costs for cemetery plat "R" opening | - | 126,957 | 126,957 |
| Fiscal 2020 costs on Light & Power inventory yard expansion project (CIP) | - | 19,503 | 19,503 |
| Fiscal 2021 costs on Light & Power transmission & distribution system/line replacement | - | 699,129 | 699,129 |
| Less historical cost of current-year retired assets | (914,101) | (1,098,192) | (2,012,293) |
| Less current year change in accumulated depreciation | (1,660,101) | (3,810,417) | (5,470,518) |
| Less current year intangible asset amortization | - | (1,296,107) | (1,296,107) |
| Total change in capital asset net book value from the previous year | \$ 9,642,843 | \$ (1,114,576) | \$ 8,528,267 |

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

BOUNTIFUL CITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2021

Capital Asset and Debt Administration (Continued)

Long-term debt. At the end of the current fiscal year, the City had no outstanding bonded debt.

| Bountiful City Outstanding Bonded Debt | | | | | | |
|---|-------------------------|-------------|--------------------------|---------------------|-------------|---------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Electric revenue bonds | \$ - | \$ - | \$ - | \$ 9,350,000 | \$ - | \$ 9,350,000 |
| Total | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,350,000</u> | <u>\$ -</u> | <u>\$ 9,350,000</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 considers regional and national economic forecasts and performs its own management analysis as a component in the process of developing the one-year operating and capital budgets, along with 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. Budgets for fiscal year 2022 were developed based upon the following criteria and assumptions:

1. Economic activity in the State of Utah and the local region has withstood the pandemic with surprising resilience due to the diverse nature of the State’s economy. No economic downturns were estimated in this budget.
2. Development activity is very minimal within City boundaries. 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.
3. Taxes are the main source of revenue for the governmental funds (64% in fiscal year 2021). For the 2022 budget: 1) Sales tax was projected conservatively with an expected decrease of \$284,613 from the fiscal year 2021 actual as it is believed that 2021’s sales might be difficult to match; 2) On August 11, 2021, the City Council did approve a \$950,000 property tax increase, which equates to a 36.6% rate increase; 3) Franchise taxes were budgeted with a small decrease to true up the budget with recent year’s results.
4. The City projected intergovernmental revenues with an estimated \$257,200 decrease from the 2021 budget mostly due to the removal of the 2021 budgeted \$324,000 emergency preparedness grant to purchase generators.
5. The budget includes a 2% cost-of-living adjustment for personnel and scheduled merit raises per the City’s pay scale for those employees that are eligible.
6. The Parks department was authorized to hire two new full-time employees in order to maintain all of the newly added park space. The 2022 budget includes added personnel costs as well as equipment/supply costs for the new hires.
7. The Information Technology department was authorized to hire a new full-time employee in order to meet expanded demand on that department. The 2022 budget includes added personnel costs as well as supply costs for the new hire.
8. The budget for employee benefits did not significantly increase. This budget does not include any premium increase for health care coverage for employees as the providers were able to keep the rates the same.
9. The budget includes inflationary increases in operating costs for energy and general goods and services.
10. The City’s 2022 budgeted expenditures for the Capital Projects Fund totals \$7,475,800. Most of that budget is fairly routine in nature. The 2022 budget does anticipate \$2.5 million to develop the Washington Elementary land.
11. 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 two increases in rates and fees charged that could have a significant impact on enterprise fund revenue as outlined below:
 - i. The Storm Water Equivalent Residential Unit (ERU) rate increased from \$7.75 to \$8.25. This is a 6.45% increase.
 - ii. Recycle per can rate for residential customers increased from \$2.75 per month to \$3.75. This is a 36.36% increase.

Requests for Information

This financial report is designed to provide a general overview of the City’s finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to the Finance Director or the Assistant Finance Director, Bountiful City, 150 N. Main Street (suite 101), Bountiful, Utah 84010.

BASIC FINANCIAL STATEMENTS

BOUNTIFUL CITY
STATEMENT OF NET POSITION
June 30, 2021

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|-----------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 18,345,896 | \$ 18,765,247 | \$ 37,111,143 |
| Receivables: | | | |
| Taxes | 6,450,486 | - | 6,450,486 |
| Accounts, net | 488,385 | 6,024,063 | 6,512,448 |
| Interest | 29,633 | 28,878 | 58,511 |
| Intergovernmental | 885,441 | 743,895 | 1,629,336 |
| Investments | 23,351,904 | 22,694,286 | 46,046,190 |
| Inventories | - | 2,370,106 | 2,370,106 |
| Prepaid expenses | - | 137,616 | 137,616 |
| Total Current Assets | <u>49,551,745</u> | <u>50,764,091</u> | <u>100,315,836</u> |
| Noncurrent assets: | | | |
| Internal balances | 1,270,936 | (1,270,936) | - |
| Notes receivable | 1,876,746 | - | 1,876,746 |
| Restricted assets: | | | |
| Cash and cash equivalents | 2,733,942 | 2,610,250 | 5,344,192 |
| Net other postemployment benefits asset | 316,211 | 190,156 | 506,367 |
| Capital assets, net: | | | |
| Land, land rights, and water rights | 55,922,950 | 8,844,394 | 64,767,344 |
| Buildings, wells, and reservoirs | 14,468,963 | 13,650,528 | 28,119,491 |
| Improvements other than buildings | 9,964,647 | 1,724,392 | 11,689,039 |
| Power & water transmission, distribution, and collection infrastructure | - | 35,837,000 | 35,837,000 |
| Street light system | - | 39,439 | 39,439 |
| Machinery and equipment | 3,174,454 | 22,016,824 | 25,191,278 |
| Furniture, fixtures and office equipment | 937,656 | 73,725 | 1,011,381 |
| Infrastructure | 15,335,021 | - | 15,335,021 |
| Construction in progress | 1,785,817 | 1,055,620 | 2,841,437 |
| Intangible asset - power projects | - | 2,302,574 | 2,302,574 |
| Total Noncurrent Assets | <u>107,787,343</u> | <u>87,073,966</u> | <u>194,861,309</u> |
| Total Assets | <u>157,339,088</u> | <u>137,838,057</u> | <u>295,177,145</u> |
| Deferred Outflows of Resources | | | |
| Pensions | 1,396,707 | 830,501 | 2,227,208 |
| Other postemployment benefits plan | 12,253 | 7,368 | 19,621 |
| Total Deferred Outflows of Resources | <u>1,408,960</u> | <u>837,869</u> | <u>2,246,829</u> |
| Total Assets and Deferred Outflows | <u>\$ 158,748,048</u> | <u>\$ 138,675,926</u> | <u>\$ 297,423,974</u> |

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

BOUNTIFUL CITY
STATEMENT OF NET POSITION (Continued)
June 30, 2021

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|-----------------------|
| Liabilities | | | |
| Current Liabilities: | | | |
| Accounts payable | \$ 841,386 | \$ 2,638,785 | \$ 3,480,171 |
| Accrued liabilities | 686,505 | 619,214 | 1,305,719 |
| Accrued interest payable | - | 6,805 | 6,805 |
| Retainage payable - restricted assets | 313,866 | 78,685 | 392,551 |
| Unearned revenue | 8,378 | 112,850 | 121,228 |
| Compensated absences | 462,202 | 242,402 | 704,604 |
| Lease payable | - | 72,398 | 72,398 |
| Total Current Liabilities | <u>2,312,337</u> | <u>3,771,139</u> | <u>6,083,476</u> |
| Noncurrent Liabilities: | | | |
| Developer and customer deposits - restricted assets | 989,378 | 989,532 | 1,978,910 |
| Compensated absences | 821,180 | 561,488 | 1,382,668 |
| Lease payable | - | 230,470 | 230,470 |
| Accrued landfill closure - restricted assets | - | 1,429,183 | 1,429,183 |
| Net pension liability | 5,508,776 | 235,982 | 5,744,758 |
| Total Noncurrent Liabilities | <u>7,319,334</u> | <u>3,446,655</u> | <u>10,765,989</u> |
| Total Liabilities | <u>9,631,671</u> | <u>7,217,794</u> | <u>16,849,465</u> |
| Deferred Inflows of Resources | | | |
| Deferred revenue-property taxes | 3,617,532 | - | 3,617,532 |
| Pensions | 3,040,697 | 1,728,301 | 4,768,998 |
| Other postemployment benefits plan | 142,834 | 85,895 | 228,729 |
| Total Deferred Inflows of Resources | <u>6,801,063</u> | <u>1,814,196</u> | <u>8,615,259</u> |
| Net Position | | | |
| Net investment in capital assets | 101,589,508 | 85,234,823 | 186,824,331 |
| Restricted for: | | | |
| Landfill closure | 888,436 | - | 888,436 |
| Regulatory required insurance deposit | 525,852 | - | 525,852 |
| Other postemployment benefits | 185,630 | 111,629 | 297,259 |
| Unrestricted | 39,125,888 | 44,297,484 | 83,423,372 |
| Total Net Position | <u>142,315,314</u> | <u>129,643,936</u> | <u>271,959,250</u> |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>\$ 158,748,048</u> | <u>\$ 138,675,926</u> | <u>\$ 297,423,974</u> |

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

BOUNTIFUL CITY
STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2021

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---------------------------------------|----------------------|----------------------|---|----------------------------------|---|--------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Government Activities | | | | | | | |
| General government | \$ 3,421,476 | \$ 422,167 | \$ 368,308 | \$ - | \$ (2,631,001) | \$ - | \$ (2,631,001) |
| Public safety | 10,384,978 | 768,205 | 1,739,953 | - | (7,876,820) | - | (7,876,820) |
| Highways and streets | 4,923,386 | 107,276 | 2,642,588 | 889,168 | (1,284,354) | - | (1,284,354) |
| Planning and engineering | 985,748 | 577,962 | - | - | (407,786) | - | (407,786) |
| Parks and recreation | 1,739,662 | 23,950 | - | 45,573 | (1,670,139) | - | (1,670,139) |
| Redevelopment | 249,706 | - | 991,427 | - | 741,721 | - | 741,721 |
| Total Governmental Activities | 21,704,956 | 1,899,560 | 5,742,276 | 934,741 | (13,128,379) | - | (13,128,379) |
| Business-type Activities | | | | | | | |
| Water | 4,534,515 | 5,810,603 | 15,688 | 425,868 | - | 1,717,644 | 1,717,644 |
| Light and power | 25,621,368 | 28,428,125 | 532,197 | 425,213 | - | 3,764,167 | 3,764,167 |
| Landfill and sanitation | 2,885,808 | 3,030,533 | 277,162 | - | - | 421,887 | 421,887 |
| Storm water | 1,270,552 | 1,819,937 | 5,244 | 265,043 | - | 819,672 | 819,672 |
| Golf course | 1,781,220 | 1,743,628 | 11,533 | - | - | (26,059) | (26,059) |
| Recycling | 652,993 | 440,046 | - | - | - | (212,947) | (212,947) |
| Cemetery | 568,098 | 818,825 | 12,755 | - | - | 263,482 | 263,482 |
| Total Business-type Activities | 37,314,554 | 42,091,697 | 854,579 | 1,116,124 | - | 6,747,846 | 6,747,846 |
| Total Government | \$ 59,019,510 | \$ 43,991,257 | \$ 6,596,855 | \$ 2,050,865 | \$ (13,128,379) | \$ 6,747,846 | \$ (6,380,533) |
| | | | General Revenues | | | | |
| | | | Property taxes | | \$ 2,954,441 | \$ - | \$ 2,954,441 |
| | | | Sales taxes | | 10,297,567 | - | 10,297,567 |
| | | | Franchise taxes | | 3,681,339 | - | 3,681,339 |
| | | | Investment earnings | | 572,469 | 462,287 | 1,034,756 |
| | | | Miscellaneous | | 235,074 | 187,399 | 422,473 |
| | | | Gain on sale of capital assets | | 106,349 | 271,555 | 377,904 |
| | | | Transfers | | 2,752,122 | (2,752,122) | - |
| | | | Total General Revenues and Transfers | | 20,599,361 | (1,830,881) | 18,768,480 |
| | | | Changes in Net Position | | 7,470,982 | 4,916,965 | 12,387,947 |
| | | | Net Position, Beginning | | 134,608,033 | 124,726,971 | 259,335,004 |
| | | | Prior Period Adjustment | | 236,299 | - | 236,299 |
| | | | Net Position, Ending | | \$ 142,315,314 | \$ 129,643,936 | \$ 271,959,250 |

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

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BOUNTIFUL CITY
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2021

| | General | Capital Projects | Redevelopment Agency | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------|-------------------------|--------------------------------|--------------------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ 1,513,779 | \$ 10,564,261 | \$ 3,776,090 | \$ 1,225,126 | \$ 17,079,256 |
| Receivables: | | | | | |
| Taxes | 5,218,326 | 1,019,423 | 77,000 | 135,737 | 6,450,486 |
| Accounts - net | 374,689 | 99,275 | - | 280 | 474,244 |
| Interest | 4,676 | 15,509 | 5,701 | 1,849 | 27,735 |
| Intergovernmental | 885,441 | - | - | - | 885,441 |
| Investments | 3,000,007 | 12,913,512 | 4,488,844 | 1,456,374 | 21,858,737 |
| Restricted assets: | | | | | |
| Cash and cash equivalents | 1,020,855 | 298,799 | - | 888,436 | 2,208,090 |
| Total Assets | \$ 12,017,773 | \$ 24,910,779 | \$ 8,347,635 | \$ 3,707,802 | \$ 48,983,989 |
| Liabilities | | | | | |
| Accounts payable | \$ 228,081 | \$ 160,097 | \$ 174 | \$ 11,938 | \$ 400,290 |
| Retainage payable - restricted assets | 15,067 | 298,799 | - | - | 313,866 |
| Accrued liabilities | 675,650 | - | 3,851 | - | 679,501 |
| Unearned revenues | 8,378 | - | - | - | 8,378 |
| Developer and customer deposits - restricted assets | 989,378 | - | - | - | 989,378 |
| Total Liabilities | 1,916,554 | 458,896 | 4,025 | 11,938 | 2,391,413 |
| Deferred Inflows of Resources | | | | | |
| Unavailable revenue-property taxes | 3,540,532 | - | 77,000 | - | 3,617,532 |
| Total Deferred Inflows of Resources | 3,540,532 | - | 77,000 | - | 3,617,532 |
| Fund Balances | | | | | |
| Restricted: | | | | | |
| Landfill closure | - | - | - | 888,436 | 888,436 |
| Committed: | | | | | |
| Operating reserve | 4,686,000 | 11,605,000 | - | - | 16,291,000 |
| Emergency reserve | - | 12,000,000 | - | - | 12,000,000 |
| Cemetery perpetual care | - | - | - | 2,259,778 | 2,259,778 |
| Assigned: | | | | | |
| Computer replacement | 30,728 | - | - | - | 30,728 |
| Capital projects | - | 846,883 | - | - | 846,883 |
| RDA fund | - | - | 8,266,610 | - | 8,266,610 |
| Recreation, parks, and arts | - | - | - | 526,312 | 526,312 |
| Debt service fund | - | - | - | 21,338 | 21,338 |
| Unassigned | 1,843,959 | - | - | - | 1,843,959 |
| Total Fund Balances | 6,560,687 | 24,451,883 | 8,266,610 | 3,695,864 | 42,975,044 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 12,017,773 | \$ 24,910,779 | \$ 8,347,635 | \$ 3,707,802 | \$ 48,983,989 |

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

BOUNTIFUL CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
June 30, 2021

Amounts reported for governmental activities in the statement of net position (page 23) are different from the amounts reported in the governmental funds balance sheet (page 25) because:

| | |
|--|------------------------------|
| Total fund balances - governmental funds (page 25) | <u>\$ 42,975,044</u> |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. | <u>101,589,508</u> |
| 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. | <u>316,211</u> |
| 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. | <u>1,876,746</u> |
| Deferred outflows of resources associated with the net pension liability and asset are not an available resource and, therefore, are not reported in the governmental funds. | <u>1,396,707</u> |
| Deferred outflows of resources associated with the net OPEB asset are not an available resource and, therefore, are not reported in the governmental funds. | <u>12,253</u> |
| The compensated absences liability is not due and payable in the current period and, therefore, is not recorded in the governmental funds. | <u>(1,283,382)</u> |
| The net pension long-term liability is not due and payable in the current period and, therefore, is not recorded in the governmental funds. | <u>(5,508,776)</u> |
| Deferred inflows of resources associated with the net pension liability are not due and payable in the current period and, therefore, are not recorded in the governmental funds. | <u>(3,040,697)</u> |
| Deferred inflows of resources associated with the net OPEB asset are not due and payable in the current period and, therefore, are not recorded in the governmental funds. | <u>(142,834)</u> |
| Internal service funds are used by management to charge the cost of insurance for workers' compensation and governmental immunity. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | <u>2,853,598</u> |
| Internal service funds had a net current year loss. This loss was eliminated at the government-wide level creating an internal balance due to governmental activities from business-type activities. This current year loss was added to the accumulated total of previous net losses. | <u>1,270,936</u> |
| Net Position of governmental activities | <u><u>\$ 142,315,314</u></u> |

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

BOUNTIFUL CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2021

| | <u>General</u> | <u>Capital Projects</u> | <u>Redevelopment Agency</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|-------------------------|-----------------------------|---------------------------------|---------------------------------|
| Revenues | | | | | |
| Property taxes | \$ 2,877,650 | \$ - | \$ 76,791 | \$ - | \$ 2,954,441 |
| Sales taxes | 5,179,674 | 4,422,009 | - | 695,884 | 10,297,567 |
| Franchise taxes | 3,681,339 | - | - | - | 3,681,339 |
| Licenses and permits | 625,681 | - | - | - | 625,681 |
| Intergovernmental | 4,832,931 | 162,496 | 1,608 | - | 4,997,035 |
| Intergov. property tax increment | - | - | 989,819 | - | 989,819 |
| Charges for services | 1,154,482 | - | - | - | 1,154,482 |
| Fines and forfeitures | 119,397 | - | - | - | 119,397 |
| Investment earnings | 143,070 | 276,208 | 118,780 | 34,409 | 572,467 |
| Miscellaneous | 130,825 | 68,480 | 279,061 | 98,085 | 576,451 |
| Total Revenues | <u>18,745,049</u> | <u>4,929,193</u> | <u>1,466,059</u> | <u>828,378</u> | <u>25,968,679</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 2,893,691 | 17,914 | - | 1,725 | 2,913,330 |
| Public safety | 10,079,173 | - | - | - | 10,079,173 |
| Highways and streets | 3,988,736 | - | - | - | 3,988,736 |
| Planning and engineering | 1,056,119 | - | - | - | 1,056,119 |
| Parks and recreation | 1,167,237 | - | - | 89,937 | 1,257,174 |
| Redevelopment | - | - | 672,552 | - | 672,552 |
| Capital outlay: | | | | | |
| General government | - | 7,913,748 | - | - | 7,913,748 |
| Public safety | - | 297,672 | - | - | 297,672 |
| Highways and streets | - | 2,516,207 | - | - | 2,516,207 |
| Planning and engineering | - | 18,895 | - | - | 18,895 |
| Parks and recreation | - | 129,674 | - | - | 129,674 |
| Total Expenditures | <u>19,184,956</u> | <u>10,894,110</u> | <u>672,552</u> | <u>91,662</u> | <u>30,843,280</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(439,907)</u> | <u>(5,964,917)</u> | <u>793,507</u> | <u>736,716</u> | <u>(4,874,601)</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfer in | 3,122,493 | 460,457 | - | - | 3,582,950 |
| Transfer out | - | - | - | (830,828) | (830,828) |
| Sale of capital assets | 600 | 110,772 | 26,589 | - | 137,961 |
| Total Other Financing Sources (Uses) | <u>3,123,093</u> | <u>571,229</u> | <u>26,589</u> | <u>(830,828)</u> | <u>2,890,083</u> |
| Net Change in Fund Balance | 2,683,186 | (5,393,688) | 820,096 | (94,112) | (1,984,518) |
| Fund Balance, Beginning | <u>3,877,501</u> | <u>29,845,571</u> | <u>7,446,514</u> | <u>3,789,976</u> | <u>44,959,562</u> |
| Fund Balance, Ending | <u>\$ 6,560,687</u> | <u>\$ 24,451,883</u> | <u>\$ 8,266,610</u> | <u>\$ 3,695,864</u> | <u>\$ 42,975,044</u> |

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

BOUNTIFUL CITY
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, 2021

Amounts reported for governmental activities in the statement of activities (page 24) are different because:

| | |
|--|----------------------------|
| Net Change in Fund Balances - total governmental funds (page 27) | <u>\$ (1,984,518)</u> |
| Governmental funds have reported capital outlays, past and present, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | <u>(2,515,199)</u> |
| Governmental funds report capital outlays as expenditures. These expenditures are reported as capital assets in the statement of net position. | <u>11,208,499</u> |
| 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. | <u>772,245</u> |
| The accrual effect of the sale/disposal of capital assets. The funds only report the proceeds. | <u>(59,001)</u> |
| 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. | <u>35,556</u> |
| Proceeds from repayment of General Fund, 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. | <u>(423,457)</u> |
| In the statement of activities, current changes to the net pension liability and associated deferred outflows and inflows of resources act to decrease pension expense. Governmental funds recognize actual pension contribution expenditures. | <u>632,999</u> |
| The accrued compensated absences for employees does not require the use of current financial resources and therefore is not recorded as an expenditure in the governmental funds. | <u>(15,565)</u> |
| The internal service funds had current year losses. These funds are eliminated at the government-wide level and their associated losses are reallocated to applicable functional expenses adding to the governmental activities expenses. | <u>(180,577)</u> |
| Change in net position of governmental activities | <u><u>\$ 7,470,982</u></u> |

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

BOUNTIFUL CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For The Fiscal Year Ended June 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>final budget</u> |
|---|-------------------------|--------------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Property taxes | \$ 2,906,519 | \$ 2,906,519 | \$ 2,877,650 | \$ (28,869) |
| Sales taxes | 5,194,272 | 5,920,572 | 5,179,674 | (740,898) |
| Franchise taxes | 3,786,000 | 3,786,000 | 3,681,339 | (104,661) |
| Licenses and permits | 540,000 | 540,000 | 625,681 | 85,681 |
| Intergovernmental revenues | 2,867,952 | 2,867,952 | 4,832,931 | 1,964,979 |
| Charges for services | 1,133,254 | 1,133,254 | 1,154,482 | 21,228 |
| Fines and forfeitures | 115,000 | 115,000 | 119,397 | 4,397 |
| Investment earnings | 158,000 | 158,000 | 143,070 | (14,930) |
| Miscellaneous | 67,200 | 67,200 | 130,825 | 63,625 |
| Total Revenues | <u>16,768,197</u> | <u>17,494,497</u> | <u>18,745,049</u> | <u>1,250,552</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government: | | | | |
| Legislative | 748,486 | 1,312,486 | 1,021,231 | 291,255 |
| Legal | 384,407 | 394,407 | 392,197 | 2,210 |
| Executive | 180,854 | 199,954 | 198,929 | 1,025 |
| Information technology | 512,174 | 520,174 | 511,442 | 8,732 |
| Finance | 401,887 | 401,887 | 397,634 | 4,253 |
| Human resources | 149,500 | 154,500 | 154,496 | 4 |
| Treasury | 100,658 | 100,658 | 87,284 | 13,374 |
| Government buildings | 117,771 | 131,071 | 130,478 | 593 |
| Public safety: | | | | |
| Police | 8,156,852 | 8,156,852 | 7,936,469 | 220,383 |
| Fire | 2,175,000 | 2,175,000 | 2,142,704 | 32,296 |
| Highways and streets | 4,490,833 | 4,509,633 | 3,988,736 | 520,897 |
| Planning and engineering: | | | | |
| Planning | 320,695 | 328,695 | 324,318 | 4,377 |
| Engineering | 697,434 | 735,934 | 731,801 | 4,133 |
| Parks | 1,040,469 | 1,082,069 | 1,167,237 | (85,168) |
| Total Expenditures | <u>19,477,020</u> | <u>20,203,320</u> | <u>19,184,956</u> | <u>1,018,364</u> |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | <u>(2,708,823)</u> | <u>(2,708,823)</u> | <u>(439,907)</u> | <u>2,268,916</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer in | 2,641,000 | 2,641,000 | 3,122,493 | 481,493 |
| Sale of capital assets | 50,000 | 50,000 | 600 | (49,400) |
| Total Other Financing Sources (Uses) | <u>2,691,000</u> | <u>2,691,000</u> | <u>3,123,093</u> | <u>432,093</u> |
| Net Change in Fund Balance * | <u>\$ (17,823)</u> | <u>\$ (17,823)</u> | 2,683,186 | <u>\$ 2,701,009</u> |
| Fund Balance, Beginning | | | <u>3,877,501</u> | |
| Fund Balance, Ending | | | <u>\$ 6,560,687</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.

BOUNTIFUL CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – REDEVELOPMENT AGENCY SPECIAL
REVENUE FUND
For The Fiscal Year Ended June 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with final budget</u> |
|--|-------------------------|-----------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Property taxes | \$ - | \$ - | \$ 76,791 | \$ 76,791 |
| Intergovernmental revenues | 37,500 | 37,500 | 1,608 | (35,892) |
| Property tax increment contribution | 1,143,117 | 1,143,117 | 989,819 | (153,298) |
| Investment earnings | 163,816 | 163,816 | 118,780 | (45,036) |
| Principal payments on notes receivable | 190,914 | 190,914 | 279,061 | 88,147 |
| Total Revenues | <u>1,535,347</u> | <u>1,535,347</u> | <u>1,466,059</u> | <u>(69,288)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Redevelopment | <u>2,739,588</u> | <u>3,589,588</u> | <u>672,552</u> | <u>2,917,036</u> |
| Total Expenditures | <u>2,739,588</u> | <u>3,589,588</u> | <u>672,552</u> | <u>2,917,036</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,204,241)</u> | <u>(2,054,241)</u> | <u>793,507</u> | <u>2,847,748</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of capital assets | <u>-</u> | <u>-</u> | <u>26,589</u> | <u>26,589</u> |
| Total Other Financing | <u>-</u> | <u>-</u> | <u>26,589</u> | <u>26,589</u> |
| Net Change in Fund Balance * | <u>\$ (1,204,241)</u> | <u>\$ (2,054,241)</u> | <u>820,096</u> | <u>\$ 2,874,337</u> |
| Fund Balance, Beginning | | | <u>7,446,514</u> | |
| Fund Balance, Ending | | | <u>\$ 8,266,610</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.

BOUNTIFUL CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2021

| | Business-type Activities - Enterprise Funds | | | | Total Enterprise | Governmental Activities - Internal Service Funds |
|--|--|----------------------------|------------------------------------|---------------------------------------|-----------------------------|---|
| | Water | Light and Power | Landfill and Sanitation | Other Enterprise Funds | | |
| Assets | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | \$ 2,123,148 | \$ 8,087,126 | \$ 6,029,576 | \$ 2,525,397 | \$ 18,765,247 | \$ 1,266,640 |
| Receivables: | | | | | | |
| Accounts receivable, net | 941,492 | 4,370,054 | 300,803 | 411,714 | 6,024,063 | 14,141 |
| Interest receivable | 3,317 | 13,684 | 7,862 | 4,015 | 28,878 | 1,898 |
| Intergovernmental receivable | 10,326 | 500,403 | 205,453 | 27,713 | 743,895 | - |
| Investments | 2,602,662 | 10,774,260 | 6,153,701 | 3,163,663 | 22,694,286 | 1,493,167 |
| Inventories | 315,644 | 2,004,541 | - | 49,921 | 2,370,106 | - |
| Prepaid expenses | 126,100 | 11,516 | - | - | 137,616 | - |
| Total Current Assets | 6,122,689 | 25,761,584 | 12,697,395 | 6,182,423 | 50,764,091 | 2,775,846 |
| Noncurrent Assets | | | | | | |
| Restricted assets: | | | | | | |
| Cash and cash equivalents | 66,355 | 976,859 | 1,430,204 | 136,832 | 2,610,250 | 525,852 |
| Net other postemployment benefits asset | 40,632 | 95,435 | 24,983 | 29,106 | 190,156 | - |
| Capital assets, net: | | | | | | |
| Land, land rights and water rights | 340,009 | 1,263,349 | 43,737 | 7,197,299 | 8,844,394 | - |
| Buildings, wells and reservoirs | 7,408,812 | 5,080,037 | 813,688 | 347,991 | 13,650,528 | - |
| Improvements other than buildings | 88,744 | 705,407 | 158,351 | 771,890 | 1,724,392 | - |
| Power & water transmission, distribution, and collection infrastructure | 15,839,709 | 15,462,486 | - | 4,534,805 | 35,837,000 | - |
| Street light system | - | 39,439 | - | - | 39,439 | - |
| Machinery and equipment | 2,364,229 | 15,775,758 | 2,560,444 | 1,316,393 | 22,016,824 | - |
| Furniture, fixtures and office equipment | - | 73,725 | - | - | 73,725 | - |
| Construction in progress | 8,172 | 848,123 | 73,262 | 126,063 | 1,055,620 | - |
| Intangible asset - power projects | - | 2,302,574 | - | - | 2,302,574 | - |
| Total Noncurrent Assets | 26,156,662 | 42,623,192 | 5,104,669 | 14,460,379 | 88,344,902 | 525,852 |
| Total Assets | 32,279,351 | 68,384,776 | 17,802,064 | 20,642,802 | 139,108,993 | 3,301,698 |
| Deferred Outflows of Resources | | | | | | |
| Pensions | 148,157 | 450,887 | 94,574 | 136,883 | 830,501 | 17,086 |
| Other postemployment benefits plan | 1,574 | 3,698 | 968 | 1,128 | 7,368 | - |
| Total Deferred Outflows | 149,731 | 454,585 | 95,542 | 138,011 | 837,869 | 17,086 |
| Total Assets and Deferred Outflows | \$ 32,429,082 | \$ 68,839,361 | \$ 17,897,606 | \$ 20,780,813 | \$ 139,946,862 | \$ 3,318,784 |

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

BOUNTIFUL CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2021

| | Business-type Activities - Enterprise Funds | | | | Total Enterprise | Governmental Activities - Internal Service Funds |
|--|--|----------------------------|------------------------------------|---------------------------------------|-----------------------------|---|
| | Water | Light and Power | Landfill and Sanitation | Other Enterprise Funds | | |
| Current Liabilities | | | | | | |
| Accounts payable | \$ 130,697 | \$ 2,172,753 | \$ 34,897 | \$ 300,438 | \$ 2,638,785 | \$ 441,100 |
| Accrued liabilities | 72,739 | 376,924 | 57,998 | 111,553 | 619,214 | 7,004 |
| Accrued Interest Payable | - | - | - | 6,805 | 6,805 | - |
| Retainage payable - restricted assets | 57,174 | 73 | 1,021 | 20,417 | 78,685 | - |
| Unearned revenue - restricted assets | 9,181 | 34,098 | - | 69,571 | 112,850 | - |
| Compensated absences | 36,644 | 137,674 | 31,738 | 36,346 | 242,402 | - |
| Lease payable | - | - | - | 72,398 | 72,398 | - |
| Total Current Liabilities | 306,435 | 2,721,522 | 125,654 | 617,528 | 3,771,139 | 448,104 |
| Noncurrent Liabilities | | | | | | |
| Developer and customer deposits - restricted assets | - | 942,688 | - | 46,844 | 989,532 | - |
| Compensated absences | 86,484 | 326,554 | 58,607 | 89,843 | 561,488 | - |
| Lease payable | - | - | - | 230,470 | 230,470 | - |
| Accrued landfill closure - restricted assets | - | - | 1,429,183 | - | 1,429,183 | - |
| Net pension liability | 42,098 | 128,116 | 26,873 | 38,895 | 235,982 | 4,855 |
| Total Noncurrent Liabilities | 128,582 | 1,397,358 | 1,514,663 | 406,052 | 3,446,655 | 4,855 |
| Total Liabilities | 435,017 | 4,118,880 | 1,640,317 | 1,023,580 | 7,217,794 | 452,959 |
| Deferred Inflows of Resources | | | | | | |
| Pensions | 308,320 | 938,312 | 196,812 | 284,857 | 1,728,301 | 35,555 |
| Other postemployment benefits plan | 18,353 | 43,109 | 11,285 | 13,148 | 85,895 | - |
| Total Deferred Inflows | 326,673 | 981,421 | 208,097 | 298,005 | 1,814,196 | 35,555 |
| Net Position | | | | | | |
| Net investment in capital assets | 26,049,675 | 41,550,898 | 3,649,482 | 13,984,768 | 85,234,823 | - |
| Restricted: | | | | | | |
| Regulatory required insurance deposit | - | - | - | - | - | 525,852 |
| Other postemployment benefits | 23,853 | 56,024 | 14,666 | 17,086 | 111,629 | - |
| Unrestricted | 5,593,864 | 22,132,138 | 12,385,044 | 5,457,374 | 45,568,420 | 2,304,418 |
| Total Net Position | 31,667,392 | 63,739,060 | 16,049,192 | 19,459,228 | 130,914,872 | 2,830,270 |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | \$ 32,429,082 | \$ 68,839,361 | \$ 17,897,606 | \$ 20,780,813 | \$ 139,946,862 | \$ 3,318,784 |
| Net Position Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Net Position: | | | | | \$ 130,914,872 | |
| Adjustment for the cumulative internal balance from the net activity between internal service funds and enterprise funds | | | | | (1,270,936) | |
| | | | | | \$ 129,643,936 | |

Net Position of Business-type activities (page 23)

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

BOUNTIFUL CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For The Fiscal Year Ended June 30, 2021

| | Business-type Activities - Enterprise Funds | | | | Total Enterprise | Governmental Activities - Internal Service Funds |
|---------------------------------------|--|------------------------|--------------------------------|-------------------------------|-------------------------|---|
| | Water | Light and Power | Landfill and Sanitation | Other Enterprise Funds | | |
| Operating Revenues | | | | | | |
| Charges for services | \$ 5,787,955 | \$ 28,245,764 | \$ 3,030,533 | \$ 2,687,833 | \$ 39,752,085 | \$ 708,841 |
| Connection and servicing | 22,648 | 115,713 | - | - | 138,361 | - |
| Admissions and lesson fees | - | - | - | 1,000,507 | 1,000,507 | - |
| Equipment and facility rents | - | 66,648 | - | 471,648 | 538,296 | - |
| Merchandise and concession sales | - | - | - | 271,473 | 271,473 | - |
| Sale of cemetery burial plots | - | - | - | 390,975 | 390,975 | - |
| Miscellaneous | 6,094 | 123,432 | 45,148 | 12,725 | 187,399 | - |
| Total Operating Revenues | 5,816,697 | 28,551,557 | 3,075,681 | 4,835,161 | 42,279,096 | 708,841 |
| Operating Expenses | | | | | | |
| Personnel wages and benefits | 1,287,953 | 4,208,722 | 1,103,706 | 1,594,925 | 8,195,306 | 157,579 |
| Materials and supplies | 426,286 | 71,281 | 125,781 | 195,479 | 818,827 | - |
| Repair and maintenance costs | 363,521 | 2,505,158 | 527,446 | 577,248 | 3,973,373 | - |
| Contractual and professional services | 93,791 | 31,356 | 327,726 | 656,146 | 1,109,019 | 42,726 |
| Power purchases | - | 12,013,077 | - | - | 12,013,077 | - |
| Power generation costs | - | 1,603,579 | - | - | 1,603,579 | - |
| General and administrative costs | 1,069,800 | 1,018,334 | 297,341 | 631,573 | 3,017,048 | 484,737 |
| Claims | - | - | - | - | - | 474,070 |
| Depreciation | 1,264,344 | 2,541,499 | 479,757 | 576,333 | 4,861,933 | - |
| Amortization | - | 1,296,107 | - | - | 1,296,107 | - |
| Total Operating Expenses | 4,505,695 | 25,289,113 | 2,861,757 | 4,231,704 | 36,888,269 | 1,159,112 |
| Operating Income (Loss) | \$ 1,311,002 | \$ 3,262,444 | \$ 213,924 | \$ 603,457 | \$ 5,390,827 | \$ (450,271) |

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

BOUNTIFUL CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS (Continued)
For The Fiscal Year Ended June 30, 2021

| | Business-type Activities - Enterprise Funds | | | | Total Enterprise | Governmental Activities - Internal Service Funds |
|--|--|------------------------|--------------------------------|-------------------------------|-------------------------|---|
| | Water | Light and Power | Landfill and Sanitation | Other Enterprise Funds | | |
| Nonoperating Revenues (Expenses) | | | | | | |
| Investment earnings | \$ 43,801 | \$ 229,649 | \$ 142,170 | \$ 57,760 | \$ 473,380 | \$ 30,943 |
| Intergovernmental - Grants | 15,688 | 532,197 | 277,162 | 29,532 | 854,579 | - |
| Interest expense | (11,093) | (179,754) | - | (7,780) | (198,627) | - |
| Gain (loss) from sale of capital assets | 192,598 | - | 3,800 | 75,157 | 271,555 | - |
| Total Nonoperating Revenues (Expenses) | 240,994 | 582,092 | 423,132 | 154,669 | 1,400,887 | 30,943 |
| Income (loss) before contributions & transfers | 1,551,996 | 3,844,536 | 637,056 | 758,126 | 6,791,714 | (419,328) |
| Capital Contributions | 425,868 | 425,213 | - | 265,043 | 1,116,124 | - |
| Transfers in | 2,468,371 | - | - | 227,920 | 2,696,291 | - |
| Transfers out | - | (2,752,122) | (2,696,291) | - | (5,448,413) | - |
| Change in Net Position | 4,446,235 | 1,517,627 | (2,059,235) | 1,251,089 | 5,155,716 | (419,328) |
| Net Position, Beginning | 27,221,157 | 62,221,433 | 18,108,427 | 18,208,139 | 125,759,156 | 3,249,598 |
| Net Position, Ending | \$ 31,667,392 | \$ 63,739,060 | \$ 16,049,192 | \$ 19,459,228 | \$ 130,914,872 | \$ 2,830,270 |
| Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Activities: | | | | | \$ 5,155,716 | |
| Adjustment to eliminate the current fiscal year's internal service funds net loss from internal customers applicable to business-type activities | | | | | (238,751) | |
| Changes in Net Position of Business-type activities (page 24) | | | | | \$ 4,916,965 | |

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

BOUNTIFUL CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For The Fiscal Year Ended June 30, 2021

| | Business-type Activities - Enterprise Funds | | | | Total Enterprise | Governmental Activities - Internal Service Funds |
|---|--|------------------------|--------------------------------|-------------------------------|-------------------------|---|
| | Water | Light and Power | Landfill and Sanitation | Other Enterprise Funds | | |
| Cash Flows From Operating Activities | | | | | | |
| Receipts from customers and users | \$ 5,746,971 | \$ 27,959,604 | \$ 3,073,501 | \$ 4,751,746 | \$ 41,531,822 | \$ 705,239 |
| Receipts from customer deposits | - | 187,186 | - | 24,060 | 211,246 | - |
| Payments to suppliers | (1,665,247) | (16,684,669) | (1,079,199) | (1,480,006) | (20,909,121) | (916,616) |
| Payments to employees and related benefits | (1,420,905) | (4,481,850) | (1,150,267) | (1,689,854) | (8,742,876) | (171,499) |
| Payments to other funds for services provided | (407,577) | (755,467) | (235,799) | (360,165) | (1,759,008) | - |
| Return of customer deposits | - | (168,412) | - | - | (168,412) | - |
| Net cash flows from operating activities | 2,253,242 | 6,056,392 | 608,236 | 1,245,781 | 10,163,651 | (382,876) |
| Cash Flows From Non-Capital Financing Activities | | | | | | |
| Transfers from other funds | - | - | - | 227,920 | 227,920 | - |
| Transfers to other funds | - | (2,752,122) | (227,920) | - | (2,980,042) | - |
| Grants received | 5,362 | 31,794 | 71,709 | 1,819 | 110,684 | - |
| Net cash flows from non-capital financing activities | 5,362 | (2,720,328) | (156,211) | 229,739 | (2,641,438) | - |
| Cash Flows From Capital and Related Financing Activities | | | | | | |
| Capital contributions | 425,868 | 425,213 | - | 58,262 | 909,343 | - |
| Purchase of capital assets | (1,604,831) | (1,199,796) | (909,953) | (728,418) | (4,442,998) | - |
| Proceeds from sales of capital assets | 229,772 | - | 3,800 | 27,660 | 261,232 | - |
| Principal paid on capital debt | - | (9,350,000) | - | (80,496) | (9,430,496) | - |
| Interest paid on capital debt | (14,746) | (264,324) | - | (975) | (280,045) | - |
| Net cash flows from capital and related financing activities | \$ (963,937) | \$ (10,388,907) | \$ (906,153) | \$ (723,967) | \$ (12,982,964) | \$ - |
| Cash Flows From Investing Activities | | | | | | |
| Investment earnings | \$ 36,741 | \$ 213,920 | \$ 133,016 | \$ 50,159 | \$ 433,836 | \$ 28,177 |
| Purchase of investments | (1,524,085) | (2,101,891) | (1,658,302) | (1,396,151) | (6,680,429) | (298,362) |
| Sale of investments | 859,054 | 5,917,161 | 2,031,136 | 1,044,222 | 9,851,573 | 540,423 |
| Net cash flows from investing activities | (628,290) | 4,029,190 | 505,850 | (301,770) | 3,604,980 | 270,238 |
| Net Increase (Decrease) In Cash and Cash Equivalents | 666,377 | (3,023,653) | 51,722 | 449,783 | (1,855,771) | (112,638) |
| Cash and Cash Equivalents, Beginning | 1,523,126 | 12,087,638 | 7,408,058 | 2,212,446 | 23,231,268 | 1,905,130 |
| Cash and Cash Equivalents, Ending | \$ 2,189,503 | \$ 9,063,985 | \$ 7,459,780 | \$ 2,662,229 | \$ 21,375,497 | \$ 1,792,492 |

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

BOUNTIFUL CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
For The Fiscal Year Ended June 30, 2021

| | Business-type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|---|--|----------------------------|------------------------------------|---------------------------------------|----------------------|---|
| | Water | Light and Power | Landfill and Sanitation | Other Enterprise Funds | Totals | |
| Reconciliation of operating income to net cash flows from operating activities | | | | | | |
| Earnings (loss) from operations | \$ 1,311,002 | \$ 3,262,444 | \$ 213,924 | \$ 603,457 | \$ 5,390,827 | \$ (450,271) |
| Adjustments to reconcile earnings (loss) to net cash flows from operating activities: | | | | | | |
| Depreciation and amortization | 1,264,344 | 3,837,606 | 479,757 | 576,333 | 6,158,040 | - |
| Changes in assets and liabilities | | | | | | |
| Accounts receivable, net | (71,640) | (587,644) | (2,180) | (83,415) | (744,879) | (3,602) |
| Inventories | 50,363 | (13,409) | - | 9,816 | 46,770 | - |
| Prepaid expenses | (22,500) | 3,544 | - | - | (18,956) | - |
| Other postemployment benefits (OPEB) asset | (1,091) | (1,070) | (545) | 38 | (2,668) | - |
| Deferred outflows - pensions | 3,201 | 14,488 | (1,469) | 25 | 16,245 | 1,037 |
| Deferred outflows - OPEB | (113) | (212) | (66) | (52) | (443) | - |
| Accounts payable | (174,403) | (148,787) | (59,506) | 169,368 | (213,328) | 83,147 |
| Accrued liabilities | 2,813 | (15,298) | 1,786 | 5,276 | (5,423) | (467) |
| Retainage payable | 24,301 | (23,354) | 1,021 | 19,262 | 21,230 | - |
| Unearned revenue | 1,914 | (4,309) | - | (789) | (3,184) | - |
| Developer and customer deposits | - | 18,774 | - | 24,060 | 42,834 | - |
| Compensated absences | (38,191) | 20,418 | 6,973 | 2,933 | (7,867) | - |
| Accrued landfill closure | - | - | 19,995 | - | 19,995 | - |
| Deferred inflows - pensions | 147,679 | 444,395 | 97,997 | 139,553 | 829,624 | 16,320 |
| Deferred inflows - OPEB | (3,458) | (8,943) | (2,195) | (2,928) | (17,524) | - |
| Net pension liability | (240,979) | (742,251) | (147,256) | (217,156) | (1,347,642) | (29,040) |
| Net cash flows from operating activities | \$ 2,253,242 | \$ 6,056,392 | \$ 608,236 | \$ 1,245,781 | \$ 10,163,651 | \$ (382,876) |
| Schedule of non-cash capital and related financing activities | | | | | | |
| Contributions of capital assets | \$ - | \$ - | \$ - | \$ 206,781 | \$ 206,781 | \$ - |
| Purchase of capital assets on account | - | - | - | 383,362 | 383,362 | - |
| Purchase of capital assets through trade-in | - | - | - | 57,000 | 57,000 | - |
| Capital assets contributed from/(to) other funds | - | (23,969) | - | - | (23,969) | - |
| Interfund forgiveness of capital loan | 2,468,371 | - | (2,468,371) | - | - | - |

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

BOUNTIFUL CITY
STATEMENT OF FIDUCIARY NET POSITION
OPEB PLANS
June 30, 2021

| | Other Postemployment Benefits Plan (OPEB) Trust |
|---|--|
| Assets | |
| Cash and cash equivalents | \$ 400,524 |
| Interest receivable | 239 |
| Investments: corporate bonds | 210,779 |
| Total Assets | \$ 611,542 |
| Net position - Restricted for OPEB | \$ 611,542 |
| Total Net Position - Restricted for OPEB | 611,542 |
| Total Liabilities and Net Position | \$ 611,542 |

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

BOUNTIFUL CITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OPEB PLANS
For The Fiscal Year Ended June 30, 2021

| | Other Postemployment Benefits Plan (OPEB) Trust |
|---------------------------------------|--|
| Additions | |
| Interest earnings: | |
| Interest and dividends | \$ 5,619 |
| Net increase/(decrease) in fair value | 707 |
| Investment expense | (394) |
| Net investment earnings | 5,932 |
| Total Additions | 5,932 |
| Deductions | |
| Benefits | 32,727 |
| Total Deductions | 32,727 |
| Changes in Net Position | (26,795) |
| Net Position, Beginning | 638,337 |
| Net Position, Ending | \$ 611,542 |

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

BOUNTIFUL CITY

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bountiful City (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 RDA does not issue any other separate financial reports.

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. On June 8, 2021, the MBA Board/City Council approved articles of dissolution for the MBA effectively discontinuing all MBA operations. Fiscal year 2021 will be the final reporting year of the MBA fund.

Fiduciary Component Unit

The Bountiful City Council approved the creation of an integral-part trust to administer a 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 and not combined with the primary government. The OPEB plan financial statements are included on pages 37 and 38 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 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.

BOUNTIFUL CITY
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.

BOUNTIFUL CITY
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 has a Workers' Compensation and a Risk Management internal service fund. 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.

BOUNTIFUL CITY
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 35% 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 monthly.

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

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

Utility Billing Revenue

The City records utility revenues billed to its customers when meters are read on a monthly basis. An accrual has been made for all utility revenues due and payable for the period ended June 30th.

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 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.

BOUNTIFUL CITY
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 monthly 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 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, fixtures and office equipment | 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.

BOUNTIFUL CITY
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 includes 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. This time is eligible for future paid leave, payment at the department head discretion, or payment 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.

BOUNTIFUL CITY
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 funds 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.

BOUNTIFUL CITY
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, 2021, the fair value per share factor for investments in the PTIF was 1.00335237.

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, 2021, \$42,379,504 of the City's bank balances of \$43,462,118 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, 2021, \$45,256,969 of the City's \$46,256,969 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.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Following are the City's cash on hand, on deposit, and investments on June 30, 2021:

| | 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 | \$ 4,700 | 1 | \$ 4,700 | N/A | N/A |
| Cash on deposit | 18,301,070 | 1 | 18,301,070 | N/A | N/A |
| Regulatory Insurance Deposit | 525,852 | 1 | 525,852 | N/A | N/A |
| Utah State Treasurer's investment pool accounts (3) | <u>23,623,713</u> | 1.003352 | <u>23,702,908</u> | N/A | 0.18 |
| Total cash on hand and deposit | <u>\$ 42,455,335</u> | | <u>\$ 42,534,530</u> | | |
| Investments: | | | | | |
| U.S. Agency bonds | \$ 4,249,447 | 1 | \$ 4,249,447 | AAA | 4.86 |
| Certificates of deposit | 479,523 | 1 | 479,523 | AA- | 3.33 |
| Municipal bonds | 112,894 | 1 | 112,894 | AA | 0.79 |
| Corporate bonds | <u>41,204,326</u> | 1 | <u>41,204,326</u> | A | <u>1.13</u> |
| Total Investments | <u>\$ 46,046,190</u> | | <u>\$ 46,046,190</u> | | <u>2.53</u> |
| <u>Fiduciary Fund - OPEB Trust</u> | | | | | |
| Cash on hand and on deposit: | | | | | |
| Cash on Deposit - OPEB | <u>\$ 400,524</u> | 1 | <u>\$ 400,524</u> | N/A | N/A |
| Total cash on hand and deposit | <u>\$ 400,524</u> | | <u>\$ 400,524</u> | | |
| Investments: | | | | | |
| Corporate bonds - OPEB | <u>\$ 210,779</u> | 1 | <u>\$ 210,779</u> | A- | <u>1.17</u> |
| Total Investments | <u>\$ 210,779</u> | | <u>\$ 210,779</u> | | <u>1.17</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

(3) The State investment pool terms of use are those of a depository account. The pool does have a fair value calculation and it would be a level 2 investment if it were classified as an investment.

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, 2021, the City's investments of \$46,046,190 had the following recurring fair value measurements:

- U.S. Agency bonds of \$250,132 are valued using quoted market prices (Level 1 inputs)
- Corporate bonds of \$25,105,260 are valued using quoted market prices (Level 1 inputs)
- Certificates of deposit of \$479,523 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
- Municipal bonds of \$112,894 are valued using a matrix pricing model (Level 2 inputs)
- U.S. Agency bonds of \$3,999,316 are valued using a matrix pricing model (Level 2 inputs)
- Corporate bonds of \$16,099,065 are valued using a matrix pricing model (Level 2 inputs)

At June 30, 2021, the fiduciary OPEB plan investments had corporate bonds of \$210,779 with fair value measurements using quoted market prices (Level 1 inputs).

BOUNTIFUL CITY
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>Capital Projects</u> | <u>Redevelopment Agency</u> |
|------------------------------------|---------------------|-------------------------|-----------------------------|
| Taxes Receivable: | | | |
| Franchise taxes | \$ 826,891 | \$ - | \$ - |
| Property taxes | 3,570,817 | - | 77,000 |
| Sales taxes | 820,618 | 1,019,423 | - |
| Total Taxes Receivable | <u>\$ 5,218,326</u> | <u>\$ 1,019,423</u> | <u>\$ 77,000</u> |
| Accounts Receivable: | \$ 382,349 | \$ 99,275 | \$ - |
| Less: allowance for uncollectibles | (7,660) | - | - |
| Total Accounts Receivable - Net | <u>\$ 374,689</u> | <u>\$ 99,275</u> | <u>\$ -</u> |
| Intergovernmental Receivable: | | | |
| State of Utah Class B&C Road Funds | \$ 403,609 | \$ - | \$ - |
| Local Option Transportation Tax | 167,145 | - | - |
| FEMA disaster recovery grant | 314,687 | - | - |
| Total Intergovernmental | <u>\$ 885,441</u> | <u>\$ -</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, 2021 is \$65,860. The General Fund is the only other fund with an estimated allowance at \$7,660.

4. NOTES RECEIVABLE

The Redevelopment Agency occasionally provides low-cost building and grounds 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, 2021 are as follows:

| <u>Balance</u> | <u>Interest</u> | <u>Monthly Payments</u> | | <u>Balloon Payments</u> | |
|----------------------------------|-----------------|-------------------------|--------------------|-------------------------|---------------|
| <u>June 30, 2021</u> | <u>Rate</u> | <u>Amount</u> | <u>Due Through</u> | <u>Amount</u> | <u>Due</u> |
| <u>RDA Loans</u> | | | | | |
| \$ 477,401 | 3.00% | \$ 9,317 | January 2026 | \$ - | N/A |
| 497,876 | 3.00% | 3,050 | December 2023 | 441,698 | December 2023 |
| <u>Repayment Promissory Note</u> | | | | | |
| 901,469 | 3-5% | * | June 2033 * | - | N/A |
| <u>\$ 1,876,746</u> | | <u>\$ 12,367</u> | | <u>\$ 441,698</u> | |

* The \$901,469 promissory note is paid through annual payments that range between \$74,415 and \$75,776 through June 2033.

During fiscal year 2021 there were two RDA loans that were paid off early.

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. NOTES RECEIVABLE (Continued)

payments for existing bonds issued under the old interlocal agency. In November 2017, the SDMFSAs 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, SDMFSAs has agreed to pay the City an estimated \$1,219,062 in annual tax collections over a 15-year period ending June of 2033. The current estimate of the remaining balance is \$901,469.

5. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2021, is as follows:

| | Balance June 30, 2020 | Additions | Deletions | Transfers | Balance June 30, 2021 |
|--|--------------------------|--------------|-----------|--------------|--------------------------|
| Governmental activities | | | | | |
| Capital assets, not being depreciated | | | | | |
| Land | \$ 50,794,922 | \$ 4,654,149 | \$ 26,466 | \$ 500,345 | \$ 55,922,950 |
| Construction in progress | 13,243,363 | 6,209,464 | - | (17,667,010) | 1,785,817 |
| Total capital assets, not being depreciated | 64,038,285 | 10,863,613 | 26,466 | (17,166,665) | 57,708,767 |
| Capital assets, being depreciated | | | | | |
| Infrastructure | 35,266,795 | 369,745 | 29,589 | 413,608 | 36,020,559 |
| Buildings | 19,715,008 | - | 78,269 | 9,328,858 | 28,965,597 |
| Improvements other than buildings | 9,077,478 | - | 79,362 | 6,884,455 | 15,882,571 |
| Machinery and equipment | 9,614,389 | 898,403 | 581,886 | 173,117 | 10,104,023 |
| Furniture, fixtures and office equip. | 2,720,844 | 85,283 | 118,529 | 390,596 | 3,078,194 |
| Total capital assets, being depreciated | 76,394,514 | 1,353,431 | 887,635 | 17,190,634 | 94,050,944 |
| Accumulated Depreciation | | | | | |
| Infrastructure | 20,129,517 | 585,610 | 29,589 | - | 20,685,538 |
| Buildings | 13,970,663 | 604,240 | 78,269 | - | 14,496,634 |
| Improvements other than buildings | 5,593,530 | 403,756 | 79,362 | - | 5,917,924 |
| Machinery and equipment | 6,762,470 | 716,801 | 573,671 | 23,969 | 6,929,569 |
| Furniture, fixtures and office equip. | 2,029,954 | 204,792 | 94,208 | - | 2,140,538 |
| Total accumulated depreciation | 48,486,134 | 2,515,199 | 855,099 | 23,969 | 50,170,203 |
| Total capital assets, being depreciated, net | 27,908,380 | (1,161,768) | 32,536 | 17,166,665 | 43,880,741 |
| Governmental activities capital assets, net | \$ 91,946,665 | \$ 9,701,845 | \$ 59,002 | \$ - | \$ 101,589,508 |

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

| | |
|--|--------------|
| Governmental activities | |
| General government | \$ 533,933 |
| Public safety | 284,870 |
| Highways and public improvements | 1,057,576 |
| Parks and recreation | 505,613 |
| Planning & engineering | 8,626 |
| Redevelopment Agency | 124,581 |
| Total depreciation expense - governmental activities | \$ 2,515,199 |

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

The Enterprise Funds' property, plant and equipment consist of the following at June 30, 2021:

| | Balance June 30, 2020 | Additions | Deletions | Transfers | Balance June 30, 2021 |
|---|--------------------------|-------------------|---------------------|------------------|--------------------------|
| Business-type Activities | | | | | |
| Capital assets, not being depreciated | | | | | |
| Land, land rights, and water rights | \$ 8,842,460 | \$ 1,934 | \$ - | \$ - | \$ 8,844,394 |
| Construction in progress | 901,040 | 1,150,200 | - | (995,620) | 1,055,620 |
| Intangible asset - power projects | 3,598,681 | - | 1,296,107 | - | 2,302,574 |
| Total capital assets, not being depreciated | 13,342,181 | 1,152,134 | 1,296,107 | (995,620) | 12,202,588 |
| Capital assets, being depreciated | | | | | |
| Buildings, wells and reservoirs | 28,223,293 | - | - | 366,249 | 28,589,542 |
| Improvements other than buildings | 4,183,857 | 147,368 | - | 24,995 | 4,356,220 |
| Power & water transmission, distrib., and collection infrastructure | 82,624,792 | 1,687,908 | 58,728 | 307,594 | 84,561,566 |
| Street light and traffic systems | 2,366,331 | - | - | - | 2,366,331 |
| Machinery and equipment | 49,355,820 | 2,090,237 | 1,039,464 | 272,813 | 50,679,406 |
| Furniture, fixtures and office equip. | 170,765 | 12,494 | - | - | 183,259 |
| Total capital assets, being depreciated | 166,924,858 | 3,938,007 | 1,098,192 | 971,651 | 170,736,324 |
| Less accumulated depreciation for | | | | | |
| Buildings, wells and reservoirs | 13,983,802 | 955,212 | - | - | 14,939,014 |
| Improvements other than buildings | 2,505,421 | 126,407 | - | - | 2,631,828 |
| Power & water transmission, distrib., and collection infrastructure | 47,119,027 | 1,653,329 | 47,790 | - | 48,724,566 |
| Street light and traffic systems | 2,248,015 | 78,877 | - | - | 2,326,892 |
| Machinery and equipment | 27,656,538 | 2,033,738 | 1,003,725 | (23,969) | 28,662,582 |
| Furniture, fixtures and office equip. | 95,164 | 14,370 | - | - | 109,534 |
| Total accumulated depreciation | 93,607,967 | 4,861,933 | 1,051,515 | (23,969) | 97,394,416 |
| Total capital assets, being depreciated, net | 73,316,891 | (923,926) | 46,677 | 995,620 | 73,341,908 |
| Business-type activities capital assets, net | \$ 86,659,072 | \$ 228,208 | \$ 1,342,784 | \$ - | \$ 85,544,496 |

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

| | |
|--|---------------------|
| Business-type Activities | |
| Water | \$ 1,264,344 |
| Light and Power | 2,541,499 |
| Landfill and Sanitation | 479,757 |
| Storm Water | 391,208 |
| Golf Course | 125,255 |
| Cemetery | 59,870 |
| Total depreciation expense - business-type activities | \$ 4,861,933 |

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2021:

| | |
|---|----------------------------|
| Restricted for regulatory required insurance deposit | \$ 525,852 |
| Restricted for funds received for closure of landfill | 1,429,183 |
| Restricted for landfill closure, post-closure and corrective actions | 888,436 |
| Restricted for customer utility deposits | 942,688 |
| Restricted for refundable performance bond deposits | 1,036,222 |
| Restricted for construction retention | 392,551 |
| Restricted for unearned revenue | 121,228 |
| Restricted for unremitted fees collected on behalf of other governments | 8,032 |
| Restricted for other postemployment benefits | <u>506,367</u> |
| Total restricted assets as shown on the Statement of Net Position | <u><u>\$ 5,850,559</u></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. In the current year the Fund purchased power via this contract totaling \$17,604. For fiscal year 2022, the budget for this contract is \$18,000.

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 is part of the Colorado River Storage Project (CRSP). This contract was revised October 1989 and will be in force until September 30, 2024. In the current year the Fund purchased power via this contract totaling \$3,390,838. For fiscal year 2022, the budget for this contract is \$3,493,095.

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 2021 \$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 (1 year remaining life). At the end of fiscal year 2021 this asset's unamortized balance is \$1,212,235. In the current year, the Fund purchased power totaling \$1,602,042 via this contract. For fiscal year 2022, the budget for this contract is \$1,865,983.

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. In the current year, the Fund paid a net \$6,904,393 for power sales and purchases. For fiscal year 2022, the budget amount for UAMPS net purchases is \$6,859,789.

The Fund, through UAMPS, purchased a \$3,690,380 intangible right to transmit power through the Craig-Mona 345 kV transmission line. UAMPS owns 15% of the total line and the Fund has a 22.3% entitlement of UAMPS' 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 2021 \$83,872 of the intangible asset balance was amortized to expense as contract is expected to end in January of 2034 (13-year remaining life). At the end of fiscal year 2021 this asset's unamortized balance is \$1,090,339.

Additionally, the Fund has a contract with BP Energy Company for the supply of natural gas for the Fund's power plant. In the current year, the Fund purchased natural gas totaling \$744,506 via this contract. For fiscal year 2022, the budget for this contract is \$609,919.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACCRUED LIABILITIES

Accrued liabilities of the City for the year ended June 30, 2021, were as follows:

| Accrued Liabilities: | General Fund | Redevelopment Agency | Internal Service | Governmental Activities | |
|----------------------|-------------------|----------------------|------------------|-------------------------|--|
| Employee payroll | \$ 674,702 | \$ 3,851 | \$ 7,004 | \$ 685,557 | |
| Other | 948 | - | - | 948 | |
| Total | <u>\$ 675,650</u> | <u>\$ 3,851</u> | <u>\$ 7,004</u> | <u>\$ 686,505</u> | |

| Accrued Liabilities: | Water | Light and Power | Landfill and Sanitation | Other Enterprise Funds | Business-Type Activities |
|----------------------|------------------|-------------------|-------------------------|------------------------|--------------------------|
| Employee payroll | \$ 72,739 | \$ 236,573 | \$ 56,362 | \$ 91,551 | \$ 457,225 |
| Sales taxes | - | 140,351 | 1,636 | 20,002 | 161,989 |
| Total | <u>\$ 72,739</u> | <u>\$ 376,924</u> | <u>\$ 57,998</u> | <u>\$ 111,553</u> | <u>\$ 619,214</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.

Deposits in the enterprise funds 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, 2021:

| | Balance at June 30, 2020 | Additions | Reductions | Balance at June 30, 2021 | Due within One Year |
|--|--------------------------|-------------------|---------------------|--------------------------|---------------------|
| Governmental activities | | | | | |
| Compensated absences | \$ 1,267,817 | \$ 865,048 | \$ 849,483 | \$ 1,283,382 | \$ 462,202 |
| Governmental activity long-term liabilities | <u>\$ 1,267,817</u> | <u>\$ 865,048</u> | <u>\$ 849,483</u> | <u>\$ 1,283,382</u> | <u>\$ 462,202</u> |
| Business-type activities | | | | | |
| Electric revenue bonds | \$ 9,350,000 | \$ - | \$ 9,350,000 | \$ - | \$ - |
| Lease payable | - | 383,364 | 80,496 | 302,868 | 72,398 |
| Compensated absences | 811,757 | 453,561 | 461,428 | 803,890 | 242,402 |
| Accrued landfill closure | 1,409,188 | 19,995 | - | 1,429,183 | - |
| Business-type activity long-term liabilities | <u>\$ 11,570,945</u> | <u>\$ 856,920</u> | <u>\$ 9,891,924</u> | <u>\$ 2,535,941</u> | <u>\$ 314,800</u> |

The compensated absence liabilities pertaining to governmental activities are liquidated by the General Fund. The City has no direct borrowings or direct placement debt as defined by GASB statement 88. Additionally, the City has no unused lines of credit.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. LONG-TERM DEBT (Continued)

Electric Revenue Bonds, Series 2010

The Electric Revenue Bonds, Series 2010 were issued November 10, 2010 to finance the design and construction of an upgrade of the City's electric power plant. The original maturity of the \$15,280,000 bond issue was over a 20 year period ending in November 2030. In November 2020 the City used cash reserves and redeemed the outstanding \$9,350,000 in bonds. With that final payment all of the requirements of the bond indenture were satisfied, and all debt service reserve and bond funds were closed out.

Golf Equipment Capital Lease

On September 1, 2020, the City entered into a capital lease agreement for nine pieces of mowing and grounds maintenance equipment. The leased equipment had a market value at the lease agreement date of \$440,364 and were capitalized at that value in the machinery and equipment category. The City traded in twelve pieces of equipment as part of this transaction for a value of \$57,000 leaving the financed balance at \$383,364. The lease carries a 3% fixed interest rate and has five annual principal and interest payments of \$81,471 due on October 1st. At the end of the lease term the equipment has a bargain purchase option of \$1.

The first principal and interest payment of \$81,471 came due on October 1, 2020, which brought the outstanding lease obligation to \$302,868 as of the end of fiscal year 2021. The City's future lease payments are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|-------------------|------------------|-------------------|
| 2022 | \$ 72,398 | \$ 9,073 | \$ 81,471 |
| 2023 | 74,567 | 6,905 | 81,472 |
| 2024 | 76,801 | 4,671 | 81,472 |
| 2025 | 79,102 | 2,370 | 81,472 |
| Total | <u>\$ 302,868</u> | <u>\$ 23,019</u> | <u>\$ 325,887</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. On June 30, 2021, the City's total debt limit margins were as follows:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|--|------------------------------------|-------------------------------------|
| Assessed Property Values (1) <u>\$ 3,510,529,861</u> | | |
| 4% of Assessed Property Values | \$ 140,421,194 | |
| 8% of Assessed Property Values | | \$ 280,842,389 |
| Fiscal Year 2021 Outstanding Debt | - | <u>(302,868)</u> |
| Legal Debt Limit Margin | <u>\$ 140,421,194</u> | <u>\$ 280,539,521</u> |
| Legal Debt Limit Margin % | 0.00% | 0.11% |

(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, 2021, the contributions total \$888,436 including accumulated interest and are held in a separate City-owned PTIF account being reserved until all claims are settled.

BOUNTIFUL CITY
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 \$2,302,925 as of June 30, 2021. The City has reported and included in accrued liabilities \$1,429,183 as landfill closure and post-closure care liability at June 30, 2021, which is based on 62.06% usage (filled capacity) 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 2021. The City estimates it will close the landfill in 29 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 over initial expectations due to the density of waste deposited there being higher than what was initially estimated. Because 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, which significantly increases the City’s landfill 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 2021, has investments (approximating fair value) of \$2,282,585 and \$888,436 held in PTIF accounts, for a combined total of \$3,171,021 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 \$3,540,532 and \$77,000 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, 2021, is not expected to be received within 60 days after the year ended June 30, 2021, 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, 2021.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PENSION PLAN

General information about the pension plan

The City participates in and contributes to various multiple-employer, cost-sharing, defined benefit plans. Additionally, the City contributes to a public safety multiple-employer, agent defined benefit plan. All 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 (Tier 1 Noncontributory System) is a multiple employer, cost sharing, 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 Public Safety Retirement System (Tier 1 Public Safety System) is an agent, multiple-employer, 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/general/publications

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 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 2.00% per year July 1, 2020 to present | 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.

BOUNTIFUL CITY
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, 2021 are as follows:

| | Employee Paid | Employer Contribution Rate | Employer 401(k) |
|---|------------------|----------------------------------|--------------------|
| Contributory System: | | | |
| 11 Local Governmental Division Tier 1 | 6.00% | 14.46% | N/A |
| 111 Local Governmental Division Tier 2 | N/A | 15.80% | 0.89% |
| Noncontributory System: | | | |
| 15 Local Governmental Division Tier 1 | N/A | 18.47% | N/A |
| Public Safety System: | | | |
| Contributory: 122 Hybrid Public Safety Tier 2 | 2.27% | 40.97% | N/A |
| Noncontributory: 48 Bountiful with 2.5% COLA | N/A | 50.38% | N/A |
| Tier 2 Defined Contribution Only: | | | |
| 211 Local Government | N/A | 6.69% | 10.00% |
| 222 Public Safety | N/A | 26.97% | 14.00% |

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, 2021, the contributions to the Systems are as follows:

| System | Employer Contributions | Employee Contributions |
|---|---------------------------|---------------------------|
| Noncontributory | \$ 1,223,263 | N/A |
| Public Safety | 864,681 | - |
| Tier 2 Public Employees | 543,363 | - |
| Tier 2 Public Safety and Firefighter | 266,387 | 15,023 |
| Tier 2 DC Only | 22,095 | N/A |
| Tier 2 DC Public Safety and Firefighter | 17,875 | N/A |
| | \$ 2,937,664 | \$ 15,023 |

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.

BOUNTIFUL CITY
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

On June 30, 2021, the City reported a net pension asset of \$0 and a net pension liability of \$5,744,758. 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:</u> | | | | | |
| For year ending December 31, 2020 | 0.7974886% | 0.0000000% | 100.00% | 0.1997604% | 0.2779554% |
| For year ending December 31, 2019 | 0.8028175% | 0.0000000% | 100.00% | 0.2107284% | 0.2825558% |
| Change from Prior Measurement Date | -0.0053289% | 0.0000000% | 0.00% | -0.0109680% | -0.0046004% |
| <u>Proportionate Share of The Net Pension Liability:</u> | | | | | |
| For year ending December 31, 2020 | \$ 409,066 | \$ - | \$ 5,282,030 | \$ 28,731 | \$ 24,931 |
| For year ending December 31, 2019 | \$ 3,025,714 | \$ - | \$ 6,051,891 | \$ 47,394 | \$ 26,578 |
| Change from Prior Measurement Date | \$ (2,616,648) | \$ - | \$ (769,861) | \$ (18,663) | \$ (1,647) |

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 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, 2021, the City recognized City-wide pension expense of \$1,790,516.

On June 30, 2021, the reported City-wide 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 | \$ 633,222 | \$ 17,718 |
| Change in assumptions | 63,589 | 57,224 |
| Net difference between projected and actual earnings on pension plan investments | - | 4,625,189 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 43,615 | 68,867 |
| Contributions subsequent to the measurement date | 1,486,782 | - |
| | <u>\$ 2,227,208</u> | <u>\$ 4,768,998</u> |

\$1,486,782 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, 2020. 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 |
|----------------------------|---|
| 2021 | \$ (1,146,867) |
| 2022 | (572,335) |
| 2023 | (1,617,991) |
| 2024 | (758,648) |
| 2025 | 10,730 |
| Thereafter | 56,539 |

BOUNTIFUL CITY
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, 2021, the City recognized pension expense of \$312,457 for this system. On June 30, 2021, 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 | \$ 548,791 | \$ - |
| Change in assumptions | - | 53,508 |
| Net difference between projected and actual earnings on pension plan investments | - | 2,987,024 |
| Changes in proportion and differences between contributions and proportionate share of contributions | - | 67,670 |
| Contributions subsequent to the measurement date | 599,078 | - |
| | <u>\$ 1,147,869</u> | <u>\$ 3,108,202</u> |

\$599,078 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, 2020. 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> |
|------------------------------------|---|
| 2021 | \$ (705,025) |
| 2022 | (318,455) |
| 2023 | (1,040,723) |
| 2024 | (495,208) |
| 2025 | - |
| Thereafter | - |

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

For the year ended June 30, 2021, the City recognized pension expense of \$1,121,322 for this system. On June 30, 2021, 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 | \$ 45,092 | \$ 4,554 |
| Change in assumptions | 21,454 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 1,538,251 |
| Changes in proportion and differences between contributions and proportionate share of contributions | - | - |
| Contributions subsequent to the measurement date | 443,247 | - |
| | <u>\$ 509,793</u> | <u>\$ 1,542,805</u> |

\$443,247 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, 2020. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PENSION PLAN (Continued)

Public Safety System (Agent Plan) 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> |
|-----------------------------------|--|
| 2021 | \$ (424,043) |
| 2022 | (242,972) |
| 2023 | (553,362) |
| 2024 | (255,882) |
| 2025 | - |
| Thereafter | - |

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

For the year ended June 30, 2021, the City recognized pension expense of \$281,001 for this system. On June 30, 2021, 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 | \$ 26,448 | \$ 13,156 |
| Change in assumptions | 36,341 | 1,045 |
| Net difference between projected and actual earnings on pension plan investments | - | 83,981 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 40,397 | - |
| Contributions subsequent to the measurement date | 289,708 | - |
| | <u>\$ 392,894</u> | <u>\$ 98,182</u> |

\$289,708 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, 2020. 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> |
|-----------------------------------|--|
| 2021 | \$ (14,624) |
| 2022 | (8,723) |
| 2023 | (19,792) |
| 2024 | (5,975) |
| 2025 | 9,511 |
| Thereafter | 44,607 |

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PENSION PLAN (Continued)

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

For the year ended June 30, 2021, the City recognized pension expense of \$75,737 for this system. On June 30, 2021, 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 | \$ 12,891 | \$ 8 |
| Change in assumptions | 5,794 | 2,671 |
| Net difference between projected and actual earnings on pension plan investments | - | 15,933 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 3,218 | 1,197 |
| Contributions subsequent to the measurement date | 154,749 | - |
| | \$ 176,652 | \$ 19,809 |

\$154,749 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, 2020. 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 |
|----------------------------|---|
| 2021 | \$ (3,175) |
| 2022 | (2,185) |
| 2023 | (4,114) |
| 2024 | (1,583) |
| 2025 | 1,219 |
| Thereafter | 11,932 |

Actuarial assumptions

The total pension liability in the December 31, 2020, 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 adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

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.

BOUNTIFUL CITY
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 | 37% | 6.30% | 2.33% |
| Debt Securities | 20% | 0.00% | 0.00% |
| Real Assets | 15% | 6.19% | 0.93% |
| Private Equity | 12% | 9.50% | 1.14% |
| Absolute Return | 16% | 2.75% | 0.44% |
| Cash and Cash Equivalents | 0% | 0.00% | 0.00% |
| Totals | <u>100%</u> | | <u>4.84%</u> |
| | Inflation | | 2.50% |
| | <u>Expected Arithmetic Nominal Return</u> | | <u>7.34%</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 remained unchanged at 6.95 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 | \$ 7,091,991 | \$ 409,066 | \$ (5,162,157) |
| Public Safety | 9,062,545 | 5,282,030 | 2,157,619 |
| Tier 2 Public Employees | 483,459 | 28,731 | (319,123) |
| Teir 2 Public Safety & Firefighter | 117,542 | 24,931 | (48,932) |
| | <u>\$ 16,755,537</u> | <u>\$ 5,744,758</u> | <u>\$ (3,372,593)</u> |

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

For the year ended June 30, 2021, 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 | 24 |
| Total Agent Employer Tier 1 Plans Covered Employees | <u>80</u> |

BOUNTIFUL CITY
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, 2020:

| | <u>12/31/2020</u> | | <u>12/31/2020</u> |
|--|----------------------|---|----------------------|
| Total Pension Liability | | Plan Fiduciary Net Position | |
| Service cost | \$ 416,406 | Contributions - employer | \$ 1,031,851 |
| Interest | 1,965,920 | Contributions - member | - |
| Benefit changes | - | Net investment income | 2,822,968 |
| Difference between actual and expected experience | (7,400) | Benefit payments | (1,613,814) |
| Assumption changes | 34,862 | Administrative expense | (9,218) |
| Benefit payments | (1,613,814) | Other | (665,952) |
| Net Change in Total Pension Liability | <u>795,974</u> | Net Change in Plan Fiduciary Net Position | <u>1,565,835</u> |
| Total Pension Liability - Beginning | 28,885,322 | Plan Fiduciary Net Position - Beginning | 22,833,431 |
| Total Pension Liability - Ending (a) | <u>\$ 29,681,296</u> | Plan Fiduciary Net Position - Ending (b) | <u>\$ 24,399,266</u> |

Total Pension Liability - Plan Fiduciary Net Position **(a-b)** = Net Pension Liability \$ 5,282,030

Payables to the pension plan

On June 30, 2021, the City had \$148,986 in its accrued liabilities balance payable to the Systems for pay periods falling within fiscal year 2021.

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.

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:

| <u>Defined Contribution System:</u> | <u>June 30,</u> | <u>Employee</u> | <u>Employer *</u> |
|-------------------------------------|-----------------|----------------------|----------------------|
| | | <u>Contributions</u> | <u>Contributions</u> |
| 401(k) Plan | 2021 | \$ 139,742 | \$ 211,438 |
| | 2020 | 142,201 | 111,514 |
| | 2019 | 134,038 | 113,639 |
| 457 Plan | 2021 | \$ 74,001 | \$ - |
| | 2020 | 44,656 | - |
| | 2019 | 36,196 | - |
| Roth IRA Plan | 2021 | \$ 58,629 | N/A |
| | 2020 | 51,720 | N/A |
| | 2019 | 41,347 | N/A |

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

BOUNTIFUL CITY
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, 2021, contributions totaling \$199,734 were made to the plan by employees and \$6,998 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 is administered through a trust that pays for two separate postemployment benefits. These 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 benefit:

The health insurance OPEB was 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. At the end of fiscal year 2021 there were only two participants receiving this benefit. In September of 2022, this benefit will expire as all participants will have reached the age of 65.

Life insurance benefit:

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

The City's OPEB plan administering these benefits 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 plan. 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, 2021 was \$12,235,226.

The OPEB trust has been set up to be irrevocably used for the OPEB plan, to be protected from the City's creditors, and has been and will be used exclusively to provide the benefits detailed in the OPEB plan. 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

On June 30, 2021, the City reported a net OPEB asset of \$506,367. The net OPEB asset was measured as of June 30, 2021 by an actuarial valuation using generally accepted actuarial procedures.

BOUNTIFUL CITY
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)

On June 30, 2021, 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 | \$ - | \$ 83,185 |
| Change in assumptions | 19,621 | 142,804 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 2,740 |
| | \$ 19,621 | \$ 228,729 |

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 |
|------------------------|---|
| 2022 | \$ (64,478) |
| 2023 | (65,068) |
| 2024 | (63,222) |
| 2025 | (7,705) |
| 2026 | (6,168) |
| Thereafter | (2,467) |

For the year ended June 30, 2021, the City recognized an actuarially calculated negative OPEB expense of \$56,192.

OPEB plan covered employees

For the year ended June 30, 2021, the City had the following covered employees under the OPEB plan:

| Covered Employees | Single-Employer - Health Insurance OPEB Benefit | Single-Employer - Life Insurance OPEB Benefit |
|---|---|---|
| Inactive Employees Currently Receiving Benefits | 2 | 104 |
| Active Employees | - | 183 |
| Total OPEB Plan Covered Employees | 2 | 287 |

Actuarial assumptions

The actuarial valuation calculating the total net OPEB asset as of June 30, 2021, was determined using the following actuarial assumptions, applied to all periods included in the measurement dated June 30, 2021:

| | |
|---------------------------|--|
| Inflation Rate | 2.50% |
| Discount Rate | 2.19% |
| Health Care Trend Rate | Starts at 8% decreasing 0.50% annually to an ultimate rate of 4.5% |
| Investment Rate of Return | 1.50% |

Mortality rates were developed from the SOA Pub-2010 Weighted Mortality Table fully generational using Scale MP-2020.

BOUNTIFUL CITY
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 two fiscal years. The assumed allocation of the portfolio for the OPEB plan investments and best estimates of its arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Current & Assumed Asset Allocation</u> | <u>Real Return Arithmetic Basis</u> | <u>Long-Term Expected Portfolio Real Rate of Return</u> |
|---------------------------|---|---|---|
| Debt Securities | 34.506% | 0.32% | 1.00% |
| Cash and Cash Equivalents | 65.494% | 0.36% | 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 2.19 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 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 2.19 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 (1.19 percent) or 1-percentage-point higher (3.19 percent) than the current rate:

| | <u>1% Decrease (1.19%)</u> | <u>Discount Rate (2.19%)</u> | <u>1% Increase (3.19%)</u> |
|------------------------------------|--------------------------------|----------------------------------|--------------------------------|
| Net OPEB Asset as of June 30, 2021 | \$ 491,493 | \$ 506,367 | \$ 518,642 |

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 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 to 3.50 percent) or 1-percentage-point higher (9 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, 2021 | \$ 520,289 | \$ 506,367 | \$ 488,877 |

BOUNTIFUL CITY
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, 2021:

| | <u>6/30/2021</u> | | <u>6/30/2021</u> |
|--|-------------------|---|-------------------|
| Total OPEB Liability | | OPEB Plan Fiduciary Net Position | |
| Service cost | \$ 4,238 | Contributions - member | \$ - |
| Interest | 3,486 | Contributions - employer | - |
| Benefit changes | - | Net investment income | 5,932 |
| Difference between actual and expected experience | (18,425) | Benefit payments | (32,727) |
| Assumption changes | 6,975 | Refunds | - |
| Benefit payments | (32,727) | Administrative expense | - |
| Net Change in Total OPEB Liability | <u>(36,453)</u> | Net Change in Plan Fiduciary Net Position | <u>(26,795)</u> |
| Total OPEB Liability - Beginning | 141,628 | Plan Fiduciary Net Position - Beginning | 638,337 |
| Total OPEB Liability - Ending (a) | <u>\$ 105,175</u> | Plan Fiduciary Net Position - Ending (b) | <u>\$ 611,542</u> |

Total OPEB Liability - OPEB Plan Fiduciary Net Position (a-b) = Net OPEB Liability/(Asset) \$ (506,367)

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 \$181,561,500 that includes various category limits, some of which are as follows: 1. buildings and contents limit of \$176,461,500 with a \$25,000 deductible per category, 2. Parked vehicles limit of \$11,870,000 with a \$10,000 deductible, 3. interruption of services limit of \$1,000,000 with a \$100,000 deductible, 4. mobile equipment/contractors equipment limit of \$897,000 with a \$25,000 deductible, 5. \$20,000,000 in earthquake coverage with a \$100,000 deductible, 6. \$10,000,000 in flood coverage for facilities that are located outside the standard report zone with a \$50,000 deductible, and 7. 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 twelve 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.

BOUNTIFUL CITY
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, 2021 and 2020, are as follows:

| | General Liability Claims Payable |
|------------------------|-------------------------------------|
| Balance, June 30, 2019 | \$ - |
| New claims incurred | 32,977 |
| Payments on claims | (32,977) |
| Balance, June 30, 2020 | - |
| New claims incurred | 33,599 |
| Payments on claims | (33,599) |
| Balance, June 30, 2021 | \$ - |

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, 2021 and 2020 are as follows:

| | Workers' Comp Claims Payable |
|------------------------|---------------------------------|
| Balance, June 30, 2019 | \$ 184,618 |
| New claims incurred | 516,226 |
| Payments on claims | (353,084) |
| Balance, June 30, 2020 | 347,760 |
| New claims incurred | 440,471 |
| Payments on claims | (356,314) |
| Balance, June 30, 2021 | \$ 431,917 |

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 City entered into an operating lease agreement with the State of Utah whereby the State's Judicial Court (Court) will lease portions of the City's Public Safety building. The most recent amendment to the original lease happened on July 8, 2019, which extended the lease term through June 30, 2027. The State Judicial Court leases approximately 48% of the building.

The City earned \$150,960 in rental income from this operating lease for the year ended June 30, 2021. The 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. Future lease payments are as follows:

| Year Ending June 30, | Annual Payments |
|-------------------------------------|-----------------|
| 2022 | \$ 153,979 |
| 2023 | 157,059 |
| 2024 | 160,200 |
| 2025 | 163,404 |
| 2026 | 166,672 |
| 2027 | 170,005 |
| Total future minimum lease payments | \$ 971,319 |

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. INTERGOVERNMENTAL REVENUE

Intergovernmental revenue in the governmental funds for the year ended June 30, 2021 consists of the following:

| | General Fund | Capital Projects | RDA |
|--|---------------------|-------------------|-------------------|
| Utah Class "B&C" Road allotment | \$ 1,783,079 | \$ - | \$ - |
| Local Option Transportation Tax | 859,509 | - | - |
| Utah Liquor Law Enforcement Grant | 36,358 | - | - |
| Various State and Local Law Enforcement Grants | 50,503 | - | - |
| SDMFSA bond tax levy reimbursement | 82,082 | - | - |
| Property Tax Increment Contributions | - | - | 989,819 |
| Federal CARES Act Grant - subrecipient of State | 1,655,629 | 45,573 | 1,608 |
| Federal disaster recovery grant - subrecipient of State | 314,687 | - | - |
| Federal Victims Advocate Grant - subrecipient of State | 30,245 | - | - |
| Federal Diesel Emission Reduction Act grant - subrecipient | - | 116,923 | - |
| Various Federal Law Enforcement Grants - subrecipient | 20,839 | - | - |
| Total Intergovernmental Revenue | <u>\$ 4,832,931</u> | <u>\$ 162,496</u> | <u>\$ 991,427</u> |

The General Fund intergovernmental revenue listed differs from the Statement of Activities operating grants and contribution revenue by the \$82,082 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 \$3,103,136 in outstanding construction commitments on June 30, 2021, as follows:

| Contractor | Project | Contract Amount | Spent/Accrued Project-to-Date | Commitment Outstanding |
|--|-----------------------------------|---------------------|-------------------------------|------------------------|
| MGB+A | Washington Park design services | \$ 106,650 | \$ - | \$ 106,650 |
| M.C. Green & Sons, Inc. | 1000 North road reconstruction | 1,532,219 | 160,479 | 1,371,740 |
| Wadman Corporation | Garage/wash bay building constr. | 1,867,448 | 1,661,678 | 205,770 |
| Black Forest Paving | Various 2021 asphalt overlays | 533,755 | 293,422 | 240,333 |
| Paragon Construction | Various 2020 storm drain projects | 389,697 | 276,676 | 113,021 |
| Electrical Consultants, Inc. | N.W. Substation rebuild designs | 318,694 | 16,686 | 302,008 |
| JRCA Architects, Inc. | Inventory lot expansion designs | 77,837 | 16,000 | 61,837 |
| Americom Technology, Inc. | Underground boring - 575 feeder | 261,077 | 194,073 | 67,004 |
| B&M Energy & Infrastructure | Underground boring - 272 feeder | 370,610 | 352,080 | 18,530 |
| Black and McDonald | 3100 S. overhead power lines | 616,243 | - | 616,243 |
| Total Construction Commitments Outstanding | | <u>\$ 6,074,230</u> | <u>\$ 2,971,094</u> | <u>\$ 3,103,136</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, 2021, the City paid \$2,142,704 to SDMFSA for its member assessments.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. INTERNAL BALANCES AND INTERFUND TRANSFERS

On June 30, 2021, the government-wide internal balances were as follows:

| | | |
|----------------------------|--------------------------|---------------|
| <u>Receivable Activity</u> | <u>Payable Activity</u> | <u>Amount</u> |
| Governmental Activities | Business-Type Activities | \$ 1,270,936 |

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, 2020) internal balance of \$1,032,185 due to governmental activities from business-type activities by \$238,751.

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. On August 25, 2020, the City Council forgave this interfund loan. During the fiscal year ended June 30, 2021, \$11,093 was recorded as interest expense in the Water Fund and the offsetting interest revenue was recorded in the Landfill and Sanitation Fund. 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, 2021 were as follows:

| Individual Fund Reconciliation | | | Government-Wide Reconciliation | | | |
|--------------------------------|--------------|--------------|--------------------------------|--------------------|-----------------------|--|
| | In | Out | | Governmental In | Business- Type Out | |
| Governmental: | | | | | | |
| General Fund | \$ 3,122,493 | \$ - | | | | |
| Municipal Building Auth. | - | 370,371 | | | | |
| Capital Projects Fund | 460,457 | - | General Fund | \$ 2,752,122 | \$ - | |
| RAP Tax | - | 460,457 | Light and Power Fund | - | 2,752,122 | |
| Governmental Funds Total | \$ 3,582,950 | \$ 830,828 | Government-Wide Total | \$ 2,752,122 | \$ 2,752,122 | |
| Enterprise: | | | | | | |
| Recycle Fund | \$ 227,920 | \$ - | | | | |
| Water Fund | 2,468,371 | - | | | | |
| Light and Power Fund | - | 2,752,122 | | | | |
| Landfill/Sanitation Fund | - | 2,696,291 | | | | |
| Enterprise Funds Total | \$ 2,696,291 | \$ 5,448,413 | | | | |

Detailed descriptions of the interfund transfers for the year ended June 30, 2021 are as follows:

- \$2,752,122 General Fund transfer from the Light and Power Fund – This is an annual subsidy based on 10% of each fiscal year’s electric metered sales. This transfer also is reflected unchanged at the government-wide Statement of Activities.
- \$370,371 General Fund transfer from the Municipal Building Authority (MBA) – On June 8, 2021, the MBA Board/City Council approved articles of dissolution for the MBA effectively discontinuing all MBA operations. The MBA fund had fulfilled its originally designed purpose and will not be used again as a bond funding mechanism due to the legislature expanding bonding options since the MBA’s inception. This transfer collapses the assets and fund balance of the MBA into the General Fund.
- \$460,457 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 to construct Creekside Park.
- \$227,920 Recycle Fund transfer from the 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.
- \$2,468,371 Water Fund transfer from the Landfill & Sanitation Fund – This is the interfund loan forgiveness transfer effectively removing the Water Fund’s interfund payable.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. REDEVELOPMENT AGENCY OF BOUNTIFUL CITY

The City’s Redevelopment Agency is the recipient of property tax increment levied by many governmental agencies throughout Davis County. This increment is contributed to the Redevelopment Agency to perform redevelopment projects within specific boundaries (i.e. districts). This is done as an investment by the taxing entities to enhance their own tax base. For the year ended June 30, 2021, the following activity occurred in the City's Redevelopment Agency:

| Tax increment collected from other taxing agencies for the Bountiful Project Area | |
|---|------------|
| District #3 (RDA 8010) | \$ 830,050 |
| District #5 (RDA 9010) | 159,769 |
| Total Tax Increment | \$ 989,819 |
| Tax increment used by the Bountiful Redevelopment Agency | |
| Amounts expended on redevelopment/site improvement projects | |
| | \$ 26,683 |
| Amounts expended for acquisition of property | 542,397 |
| Amounts expended for administrative costs | 103,472 |
| Total Expenditures | \$ 672,552 |

22. FUND BALANCE AND NET POSITION

Committed fund balance policy

On June 16, 2020, the City Council adopted through ordinance a financial policy to maintain a committed portion of the unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the General Fund and Capital Projects Fund. These committed fund balances are intended to provide fiscal stability when economic downturns and other unexpected events occur.

In the General Fund the target level is a range between 23 and 25 percent of the current fiscal year’s total revenues. On June 30, 2021, that committed balance totaled \$4,686,000. Its use is limited to unanticipated and non-recurring needs. If this committed balance falls below the minimum 23 percent level because it has been used, essentially as a “revenue” source, the policy provides for actions to replenish the amount to the minimum target level. The replenishment is to occur within a three-year period.

In the Capital Projects Fund there are two levels of committed fund balance. The first level is intended to be a capital reserve and is calculated as an average of two years of capital expenditures (rolling ten-year average). The second level is an emergency-only reserve of \$12 million dollars. On June 30, 2021, those committed balances were \$11,605,000 and \$12,000,000, respectively. The capital reserve is limited in use to large and infrequent (20 to 30-year lifecycle assets) capital projects. The emergency reserve is limited in use to City-wide financial emergencies or natural disasters. If this committed balance falls below the outlined thresholds because it has been used, essentially as a “revenue” source, the policy provides for actions to replenish the amount to the minimum target level. The replenishment is to occur within a five-year period.

Minimum unrestricted net position policy

The financial policy adopted by the City Council also establishes minimum balances of unrestricted net position in each of the enterprise funds. The policy established two levels of minimum unrestricted net position in each fund. The first level is intended to be an operating reserve and is calculated as six months of current operating expenses. The second level is a capital reserve and is calculated as one year of average capital expenses (rolling ten-year average). The policy does provide some exception criteria from the required reserves that only the Recycle Fund met during the current fiscal year.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. FUND BALANCE AND NET POSITION (Continued)

Minimum unrestricted net position policy (continued)

On June 30, 2021, the combined reserves, or minimum unrestricted net position, in each required enterprise fund were as follows: Water \$3,653,000, Light and Power \$17,142,000, Landfill and Sanitation \$1,687,000, Storm Water \$806,000, Golf \$863,000, and Cemetery \$434,000.

The operating reserves in each fund are limited in use to unanticipated and non-recurring needs. The capital reserves in each fund are limited in use to large and infrequent (20 to 30-year lifecycle assets) capital projects. If the reserved balances fall below the outlined thresholds because they have been used, essentially as a “revenue” source, the policy provides for actions to replenish the amount to the minimum target level. The replenishment is to occur within a five-year period.

23. PRIOR PERIOD ADJUSTMENT

RDA land restatement

In fiscal year 2019, the City sold a home and some land out of its RDA fund. At the time it was believed by the Finance department that the home and the entire parcel of land surrounding the home had been sold. The accounting in that fiscal year reflected a loss of \$238,792 for the asset disposition on the Statement of Activities. In fiscal year 2021 it was discovered that only a portion of the land was sold along with the home. Based on management’s estimates the fiscal year 2019 loss on disposition was overstated by \$236,299.

In fiscal year 2021 a \$236,299 restatement of net position was recorded to reestablish the unsold RDA land back on the City’s asset listing.

24. SUBSEQUENT EVENTS

On July 7, 2021, the City received a \$2,602,589 distribution of grant money from the American Rescue Plan Act (ARPA). The City is a subrecipient of these funds through State of Utah. The State of Utah has also estimated that the City will receive an additional \$2,602,589 in ARPA funds, assuming the State receives its full allocation from the US Treasury. The ARPA funds received by the City must be used in accordance with Federal guidelines in responding to the Coronavirus Disease 2019 (COVID-19) pandemic. The funds must be incurred for eligible expenditures by December 31, 2024. As of the date of this report the City has not finalized its plans for grant expenditure.

On August 11, 2021, the City Council did approve a \$950,000 property tax increase for the 2021 tax year (fiscal 2022). This increase bumped the City’s tax rate from .000708 to .000967, which equates to a 36.6% property tax rate increase. This increase was adopted to cover the costs of three new full-time positions, recapture some of the lost buying power of the City’s property tax, and to correct negative financial trends that have been eroding the Capital Project Fund’s fund balance.

On October 12, 2021, the City’s RDA Board authorized an agreement with a developer. Per this agreement a sum of \$1,020,000 of RDA funds were to be paid to aid the developer proceed with the specified project. The agreement stipulates that this payment will be a grant with no repayment as long as within 18 months the development’s road and related infrastructure are constructed, and within seven years the developer has substantially constructed four of the overall development’s buildings. If these construction stipulations are not met, then the unfinished portions of the project will be converted into an RDA loan bearing a 10-year repayment term with a 3% fixed interest rate. The City issued the \$1,020,000 check to the developer on October 20, 2021.

On October 12, 2021, the City’s RDA Board authorized a \$330,000 RDA loan with the same developer for a related project to the one described above. The loan is issued to aid in security upgrades needed to an existing parking facility located on the development. The RDA loan has a 10-year repayment term with a 3% fixed interest rate. The loan is secured by a lien and security interest in the developer’s right to make assessments to lot owners on the property. The City initiated the loan on October 20, 2021, by issuing the \$330,000 check to the developer.

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

BOUNTIFUL CITY
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 | | | | | | | |
|--|----------------------------|------------|------------|------------|------------|------------|------------|------------|
| | 12/31/2020 | 12/31/2019 | 12/31/2018 | 12/31/2017 | 12/31/2016 | 12/31/2015 | 12/31/2014 | 12/31/2013 |
| Total Pension Liability | | | | | | | | |
| Service cost | \$ 416 | \$ 402 | \$ 394 | \$ 411 | \$ 409 | \$ 380 | \$ 383 | \$ 390 |
| Interest | 1,966 | 1,903 | 1,859 | 1,845 | 1,711 | 1,682 | 1,635 | 1,580 |
| Benefit changes | - | - | - | - | - | - | - | - |
| Difference between actual and expected experience | (5) | 166 | (92) | (453) | 383 | 652 | 297 | (147) |
| Assumption changes | 35 | - | - | 880 | 830 | - | (229) | - |
| Benefit payments | (1,613) | (1,521) | (1,570) | (1,514) | (1,435) | (1,358) | (1,419) | (1,369) |
| Refunds | - | - | - | - | - | - | - | - |
| Net Change in Total Pension Liability | 799 | 950 | 591 | 1,169 | 1,898 | 1,356 | 667 | 454 |
| Total Pension Liability - Beginning | 28,883 | 27,933 | 27,342 | 26,173 | 24,275 | 22,919 | 22,252 | 21,798 |
| Total Pension Liability - Ending (a) | 29,682 | 28,883 | 27,933 | 27,342 | 26,173 | 24,275 | 22,919 | 22,252 |
| Plan Fiduciary Net Position | | | | | | | | |
| Contributions - member | - | - | - | - | - | - | - | - |
| Contributions - employer | 1,032 | 1,033 | 964 | 911 | 943 | 883 | 822 | 716 |
| Net investment income | 2,825 | 2,889 | (78) | 2,498 | 1,493 | 310 | 1,220 | 2,271 |
| Benefit payments | (1,613) | (1,521) | (1,570) | (1,514) | (1,435) | (1,358) | (1,419) | (1,369) |
| Refunds | - | - | - | - | - | - | - | - |
| Administrative expense | (9) | (9) | (10) | (9) | (9) | (9) | (9) | (8) |
| Net transfers with affiliated systems | (666) | 36 | 35 | 323 | 35 | 35 | 14 | 99 |
| Net Change in Plan Fiduciary Net Position | 1,569 | 2,428 | (659) | 2,209 | 1,027 | (139) | 628 | 1,709 |
| Plan Fiduciary Net Position - Beginning | 22,831 | 20,403 | 21,062 | 18,853 | 17,826 | 17,965 | 17,337 | 15,628 |
| Plan Fiduciary Net Position - Ending (b) | 24,400 | 22,831 | 20,403 | 21,062 | 18,853 | 17,826 | 17,965 | 17,337 |
| Net Pension Liability/(Asset) - Ending (a-b) | 5,282 | 6,052 | 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 | 82.20% | 79.05% | 73.04% | 77.03% | 72.03% | 73.43% | 78.38% | 77.91% |
| Projected Covered Payroll | 1,780 | 1,707 | 1,675 | 1,814 | 1,810 | 1,776 | 1,795 | 1,749 |
| Net Pension Liability as a Percentage of Covered Payroll | 296.74% | 354.54% | 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.

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

| | Noncontributory System | Contributory System | Public Safety System | Tier 2 Public Employees System | Tier 2 Public Safety and Firefighter System |
|---|---------------------------|------------------------|-------------------------|--------------------------------------|---|
| Proportion of The Net Pension Liability (Asset): | | | | | |
| For year ending December 31, 2020 | 0.7974886% | 0% | 100% | 0.1997604% | 0.2779554% |
| For year ending December 31, 2019 | 0.8028175% | 0% | 100% | 0.2107284% | 0.2825558% |
| For year ending December 31, 2018 | 0.8192627% | 0% | 100% | 0.2139319% | 0.2992494% |
| For year ending December 31, 2017 | 0.8227739% | 0% | 100% | 0.2090270% | 0.2427410% |
| For year ending December 31, 2016 | 0.8614885% | 0.2235533% | 100% | 0.2226893% | 0.1948012% |
| For year ending December 31, 2015 | 0.8396157% | 0.1454001% | 100% | 0.2250127% | 0.2089784% |
| For year ending December 31, 2014 | 0.8696763% | 0.1097845% | 100% | 0.2013398% | 0.1025324% |
| Proportionate Share of The Net Pension Liability (Asset): | | | | | |
| For year ending December 31, 2020 | \$ 409,066 | \$ - | \$ 5,282,030 | \$ 28,731 | \$ 24,931 |
| For year ending December 31, 2019 | 3,025,714 | - | 6,051,891 | 47,394 | 26,578 |
| 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) |
| Covered Payroll: | | | | | |
| For year ending December 31, 2020 | \$ 6,756,911 | \$ - | \$ 1,846,664 | \$ 3,193,297 | \$ 551,002 |
| For year ending December 31, 2019 | 6,790,850 | - | 1,888,977 | 2,928,738 | 465,737 |
| 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 |
| Proportionate Share of The Net Pension Liability (Asset) as a Percentage of its Covered Payroll: | | | | | |
| For year ending December 31, 2020 | 6.05% | 0% | 286.03% | 0.90% | 4.52% |
| For year ending December 31, 2019 | 44.56% | 0% | 320.38% | 1.62% | 5.71% |
| For year ending December 31, 2018 | 87.80% | 0% | 413.41% | 3.67% | 1.88% |
| For year ending December 31, 2017 | 52.06% | 0% | 338.95% | 0.90% | -1.08% |
| For year ending December 31, 2016 | 75.38% | 136.75% | 360.75% | 1.36% | -1.05% |
| For year ending December 31, 2015 | 68.20% | 164.96% | 336.00% | -0.03% | -2.45% |
| For year ending December 31, 2014 | 51.52% | 53.98% | 256.20% | -0.62% | -3.58% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset): | | | | | |
| For year ending December 31, 2020 | 99.20% | 0% | 82.20% | 98.30% | 93.10% |
| For year ending December 31, 2019 | 93.70% | 0% | 79.00% | 96.50% | 89.60% |
| For year ending December 31, 2018 | 87.00% | 0% | 73.00% | 90.80% | 95.60% |
| For year ending December 31, 2017 | 91.90% | 0% | 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.

BOUNTIFUL CITY
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 | 2021 | \$ 1,223,263 | \$ 1,223,263 | \$ - | \$ 6,696,221 | 18.27% |
| | 2020 | 1,248,171 | 1,248,171 | - | 6,845,990 | 18.23% |
| | 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 | 2021-'18 | \$ - | \$ - | \$ - | \$ - | 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 | 2021 | \$ 864,681 | \$ 864,681 | \$ - | \$ 1,795,564 | 48.16% |
| | 2020 | 882,824 | 882,824 | - | 1,900,841 | 46.44% |
| | 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 ** | 2021 | \$ 543,363 | \$ 543,363 | \$ - | \$ 3,438,857 | 15.80% |
| | 2020 | 477,199 | 477,199 | - | 3,047,255 | 15.66% |
| | 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 ** | 2021 | \$ 266,387 | \$ 266,387 | \$ - | \$ 650,474 | 40.95% |
| | 2020 | 189,657 | 189,657 | - | 496,785 | 38.18% |
| | 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 ** | 2021 | \$ 22,095 | \$ 22,095 | \$ - | \$ 333,129 | 6.63% |
| | 2020 | 17,895 | 17,895 | - | 267,492 | 6.69% |
| | 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** | 2021 | \$ 17,875 | \$ 17,875 | \$ - | \$ 66,276 | 26.97% |
| | 2020 | 30,745 | 30,745 | - | 113,998 | 26.97% |
| | 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. Tier 2 began July 1, 2011

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

| | Single-Employer OPEB Plan | | | | |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|
| | 6/30/2021 | 6/30/2020 | 6/30/2019 | 6/30/2018 | 6/30/2017 |
| Total OPEB Liability | | | | | |
| Service cost | \$ 4,238 | \$ 3,568 | \$ 23,700 | \$ 23,350 | \$ 13,514 |
| Interest | 3,486 | 5,342 | 3,264 | 3,689 | 10,558 |
| Benefit changes | - | - | - | - | - |
| Difference between actual and expected experience | (18,425) | (7,440) | (49,945) | (17,813) | (133,788) |
| Assumption changes | 6,975 | 10,613 | 8,895 | - | (357,013) |
| Benefit payments | (32,727) | (34,968) | (30,359) | (41,841) | (63,739) |
| Net Change in Total OPEB Liability | <u>\$ (36,453)</u> | <u>\$ (22,885)</u> | <u>\$ (44,445)</u> | <u>\$ (32,615)</u> | <u>\$ (530,468)</u> |
| Total OPEB Liability - Beginning | \$ 141,628 | \$ 164,513 | \$ 208,958 | \$ 241,573 | \$ 772,041 |
| Total OPEB Liability - Ending (a) | \$ 105,175 | \$ 141,628 | \$ 164,513 | \$ 208,958 | \$ 241,573 |
| Plan Fiduciary Net Position | | | | | |
| Contributions - member | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions - employer | - | - | - | - | - |
| Net investment income | 5,932 | 13,586 | 19,039 | 7,321 | 8,878 |
| Benefit payments | (32,727) | (32,070) | (30,359) | (45,511) | (63,739) |
| Refunds | - | - | - | - | (130,306) |
| Administrative expense | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | <u>\$ (26,795)</u> | <u>\$ (18,484)</u> | <u>\$ (11,320)</u> | <u>\$ (38,190)</u> | <u>\$ (185,167)</u> |
| Plan Fiduciary Net Position - Beginning | \$ 638,337 | \$ 656,821 | \$ 668,141 | \$ 706,331 | \$ 891,498 |
| Plan Fiduciary Net Position - Ending (b) | \$ 611,542 | \$ 638,337 | \$ 656,821 | \$ 668,141 | \$ 706,331 |
| Net OPEB Liability/(Asset) - Ending (a-b) | <u>\$ (506,367)</u> | <u>\$ (496,709)</u> | <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>581.45%</u> | <u>450.71%</u> | <u>399.25%</u> | <u>319.75%</u> | <u>292.39%</u> |
| Covered Payroll | <u>\$ 12,235,226</u> | <u>\$ 11,857,997</u> | <u>\$ 11,453,229</u> | <u>\$ 10,686,166</u> | <u>\$ 10,495,988</u> |
| Net OPEB Asset as a Percentage of Covered Payroll | -4.14% | -4.19% | -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.

**BOUNTIFUL CITY
SCHEDULE OF CONTRIBUTIONS - OPEB PLAN
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 |
|---------------------------|--|--|--|--------------------|--|
| 2021 | \$ - | \$ - | \$ - | \$ 12,235,226 | 0.00% |
| 2020 | \$ - | \$ - | \$ - | \$ 11,857,997 | 0.00% |
| 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.

BOUNTIFUL CITY
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

There were a number of demographic assumptions (e.g., rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the URS Board as a result of an Actuarial Experience Study performed for the URS. In the URS aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability of as December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the "Retirement Office" column using the "Reports and Stats" tab.

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

RSI 3. OPEB SINGLE-EMPLOYER PLAN METHODS AND ASSUMPTIONS

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, 2021, 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..... | 9 year period as of June 30, 2021 | | | | | | | | | |
| Investment Rate of Return.... | 1.50% | | | | | | | | | |
| Discount Rate..... | 2.19% | | | | | | | | | |
| Inflation..... | 2.50% | | | | | | | | | |
| Mortality | General Employees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020 | | | | | | | | | |
| | Public Safety: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020 | | | | | | | | | |
| | Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020 | | | | | | | | | |
| Health Care Trend Rates | FYE | Medical | FYE | Medical | | | | | | |
| | 2022 | 8.00% | 2026 | 6.00% | | | | | | |
| | 2023 | 7.50% | 2027 | 5.50% | | | | | | |
| | 2024 | 7.00% | 2028 | 5.00% | | | | | | |
| | 2025 | 6.50% | 2029+ | 4.50% | | | | | | |
| Employee Turnover Rate | Local Government | | | Public Safety | | | | | | |
| | YOS | Male | Female | YOS | Male | Female | | | | |
| | 0 | 18.00% | 24.0% | 0 | 15.00% | 15.0% | | | | |
| | 5 | 7.00% | 9.5% | 5 | 4.50% | 4.5% | | | | |
| | 10 | 4.00% | 5.5% | 10 | 2.50% | 2.5% | | | | |
| | 15 | 2.75% | 4.0% | 15 | 1.75% | 1.8% | | | | |
| | 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) | | | | | | | | | |
| | Tier 1 URS Plan | | | | | Tier 2 URS Plan | | | | |
| | Age | 4 YOS | 10 YOS | 20 YOS | 30 YOS | 35+YOS | 4 YOS | 10 YOS | 20 YOS | 35+YOS |
| | 50 | 0.0% | 0.0% | 0.0% | 15.0% | 15.0% | 0.0% | 0.0% | 0.0% | 15.0% |
| | 55 | 0.0% | 0.0% | 0.0% | 15.0% | 15.0% | 0.0% | 0.0% | 0.0% | 15.0% |
| | 60 | 0.0% | 0.0% | 4.0% | 20.0% | 20.0% | 0.0% | 0.0% | 2.0% | 20.0% |
| | 62 | 0.0% | 10.0% | 10.0% | 23.0% | 23.0% | 0.0% | 6.0% | 6.0% | 23.0% |
| | 65 | 23.0% | 23.0% | 23.0% | 23.0% | 23.0% | 23.0% | 23.0% | 23.0% | 23.0% |
| | 70 | 22.0% | 22.0% | 22.0% | 22.0% | 22.0% | 22.0% | 22.0% | 22.0% | 22.0% |
| | 75+ | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| | Local Government (Females) | | | | | | | | | |
| | Tier 1 URS Plan | | | | | Tier 2 URS Plan | | | | |
| | Age | 4 YOS | 10 YOS | 20 YOS | 30 YOS | 35+YOS | 4 YOS | 10 YOS | 20 YOS | 35 YOS |
| | 50 | 0.0% | 0.0% | 0.0% | 12.0% | 12.0% | 0.0% | 0.0% | 0.0% | 12.0% |
| | 55 | 0.0% | 0.0% | 0.0% | 15.0% | 15.0% | 0.0% | 0.0% | 0.0% | 15.0% |
| | 60 | 0.0% | 0.0% | 10.0% | 20.0% | 20.0% | 0.0% | 2.0% | 2.0% | 20.0% |
| | 62 | 0.0% | 13.0% | 13.0% | 28.0% | 28.0% | 0.0% | 6.0% | 6.0% | 28.0% |
| | 65 | 28.0% | 28.0% | 28.0% | 28.0% | 28.0% | 28.0% | 28.0% | 28.0% | 28.0% |
| | 70 | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% |
| | 75+ | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| | Public Safety (Unisex) | | | | | | | | | |
| | Tier 1 URS Plan | | | | | Tier 2 URS Plan | | | | |
| | Age | 5 YOS | 10 YOS | 20 YOS | 30+YOS | 5 YOS | 10 YOS | 20 YOS | 25 YOS | 30+YOS |
| | 45 | 0.0% | 0.0% | 15.0% | 15.0% | 0.0% | 0.0% | 0.0% | 15.0% | 15.0% |
| | 50 | 0.0% | 0.0% | 15.0% | 15.0% | 0.0% | 0.0% | 0.0% | 15.0% | 15.0% |
| | 55 | 0.0% | 0.0% | 15.0% | 15.0% | 0.0% | 0.0% | 0.0% | 15.0% | 15.0% |
| | 60 | 14.0% | 14.0% | 20.0% | 20.0% | 5.0% | 5.0% | 5.0% | 20.0% | 20.0% |
| | 63 | 14.0% | 14.0% | 30.0% | 30.0% | 10.0% | 10.0% | 10.0% | 30.0% | 30.0% |
| | 65 | 28.0% | 28.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% |
| | 70+ | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

SUPPLEMENTAL INFORMATION

**BOUNTIFUL CITY
SUPPLEMENTAL INFORMATION
INTRODUCTION**

This part of the Bountiful City Annual Comprehensive Financial Report (ACFR) 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 ACFR 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 ACFR 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. The MBA was dissolved in fiscal year 2021.
- 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.

BOUNTIFUL CITY
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

| | Special Revenue Fund | | | | Debt Service | Total Nonmajor Governmental Funds |
|---|-------------------------|-------------------|------------------------------------|-------------------------------|------------------|--|
| | Landfill Closure | RAP Tax | Municipal Building Authority | Cemetery Perpetual Care | | |
| Assets | | | | | | |
| Cash and cash equivalents | \$ - | \$ 183,774 | \$ - | \$ 1,031,608 | \$ 9,744 | \$ 1,225,126 |
| Receivables: | | | | | | |
| Taxes | - | 135,737 | - | - | - | 135,737 |
| Accounts - net | - | - | - | 280 | - | 280 |
| Interest | - | 277 | - | 1,560 | 12 | 1,849 |
| Investments | - | 218,462 | - | 1,226,330 | 11,582 | 1,456,374 |
| Restricted assets: | | | | | | |
| Cash and cash equivalents | 888,436 | - | - | - | - | 888,436 |
| Total Assets | <u>\$ 888,436</u> | <u>\$ 538,250</u> | <u>\$ -</u> | <u>\$ 2,259,778</u> | <u>\$ 21,338</u> | <u>\$ 3,707,802</u> |
| Liabilities | | | | | | |
| Accounts payable | \$ - | \$ 11,938 | \$ - | \$ - | \$ - | \$ 11,938 |
| Total Liabilities | <u>-</u> | <u>11,938</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>11,938</u> |
| Fund Balances | | | | | | |
| Restricted | 888,436 | - | - | - | - | 888,436 |
| Committed | - | - | - | 2,259,778 | - | 2,259,778 |
| Assigned | - | 526,312 | - | - | 21,338 | 547,650 |
| Total Fund Balances | <u>888,436</u> | <u>526,312</u> | <u>-</u> | <u>2,259,778</u> | <u>21,338</u> | <u>3,695,864</u> |
| Total Liabilities and Fund Balance | <u>\$ 888,436</u> | <u>\$ 538,250</u> | <u>\$ -</u> | <u>\$ 2,259,778</u> | <u>\$ 21,338</u> | <u>\$ 3,707,802</u> |

BOUNTIFUL CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2021

| | Special Revenue Fund | | | | | Total Nonmajor Governmental Funds |
|--|-------------------------|-------------------|------------------------------------|-------------------------------|------------------|--|
| | Landfill Closure | RAP Tax | Municipal Building Authority | Cemetery Perpetual Care | Debt Service | |
| Revenues | | | | | | |
| Sales taxes | \$ - | \$ 695,884 | \$ - | \$ - | \$ - | \$ 695,884 |
| Investment earnings | 4,351 | 3,986 | 2,357 | 23,489 | 226 | 34,409 |
| Miscellaneous | - | - | - | 98,085 | - | 98,085 |
| Total Revenues | <u>4,351</u> | <u>699,870</u> | <u>2,357</u> | <u>121,574</u> | <u>226</u> | <u>828,378</u> |
| Expenditures | | | | | | |
| General government | - | - | 162 | 1,548 | 15 | 1,725 |
| Parks and recreation | - | 89,937 | - | - | - | 89,937 |
| Total Expenditures | <u>-</u> | <u>89,937</u> | <u>162</u> | <u>1,548</u> | <u>15</u> | <u>91,662</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>4,351</u> | <u>609,933</u> | <u>2,195</u> | <u>120,026</u> | <u>211</u> | <u>736,716</u> |
| Other Financing Sources (Uses) | | | | | | |
| Transfer out | - | (460,457) | (370,371) | - | - | (830,828) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(460,457)</u> | <u>(370,371)</u> | <u>-</u> | <u>-</u> | <u>(830,828)</u> |
| Changes in Fund Balance | 4,351 | 149,476 | (368,176) | 120,026 | 211 | (94,112) |
| Fund Balance, Beginning | <u>884,085</u> | <u>376,836</u> | <u>368,176</u> | <u>2,139,752</u> | <u>21,127</u> | <u>3,789,976</u> |
| Fund Balance, Ending | <u>\$ 888,436</u> | <u>\$ 526,312</u> | <u>\$ -</u> | <u>\$ 2,259,778</u> | <u>\$ 21,338</u> | <u>\$ 3,695,864</u> |

BOUNTIFUL CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL –NONMAJOR LANDFILL CLOSURE FUND
For The Fiscal Year Ended June 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with final budget</u> |
|--|-------------------------|------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Investment earnings | \$ 20,000 | \$ 20,000 | \$ 4,351 | \$ (15,649) |
| Total Revenues | <u>20,000</u> | <u>20,000</u> | <u>4,351</u> | <u>(15,649)</u> |
| Expenditures | | | | |
| General government | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>20,000</u> | <u>20,000</u> | <u>4,351</u> | <u>(15,649)</u> |
| Net Change in Fund Balance | <u>\$ 20,000</u> | <u>\$ 20,000</u> | <u>4,351</u> | <u>\$ (15,649)</u> |
| Fund Balance, Beginning | | | <u>884,085</u> | |
| Fund Balance, Ending | | | <u>\$ 888,436</u> | |

BOUNTIFUL CITY
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, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>final budget</u> |
|--|-------------------------|---------------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Sales taxes | \$ 613,942 | \$ 613,942 | \$ 695,884 | \$ 81,942 |
| Investment earnings | 8,000 | 8,000 | 3,986 | (4,014) |
| Miscellaneous | - | - | - | - |
| Total Revenues | <u>621,942</u> | <u>621,942</u> | <u>699,870</u> | <u>77,928</u> |
| Expenditures | | | | |
| Administrative fees | 460 | 460 | 585 | (125) |
| Parks and recreation projects | 350,000 | 350,000 | 16,274 | 333,726 |
| RAP tax grant award payments | 67,534 | 67,534 | 73,078 | (5,544) |
| Total Expenditures | <u>417,994</u> | <u>417,994</u> | <u>89,937</u> | <u>328,057</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>203,948</u> | <u>203,948</u> | <u>609,933</u> | <u>405,985</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer out | (460,457) | (460,457) | (460,457) | - |
| Total Other Financing Sources (Uses) | <u>(460,457)</u> | <u>(460,457)</u> | <u>(460,457)</u> | - |
| Net Change in Fund Balance * | <u>\$ (256,509)</u> | <u>\$ (256,509)</u> | 149,476 | <u>\$ 405,985</u> |
| Fund Balance, Beginning | | | <u>376,836</u> | |
| Fund Balance, Ending | | | <u>\$ 526,312</u> | |

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

BOUNTIFUL CITY
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, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>final budget</u> |
|---|-------------------------|---------------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Investment earnings | \$ 6,000 | \$ 6,000 | \$ 2,357 | \$ (3,643) |
| Total Revenues | <u>6,000</u> | <u>6,000</u> | <u>2,357</u> | <u>(3,643)</u> |
| Expenditures | | | | |
| Administrative fees | 253 | 253 | 162 | 91 |
| Total Expenditures | <u>253</u> | <u>253</u> | <u>162</u> | <u>91</u> |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | <u>5,747</u> | <u>5,747</u> | <u>2,195</u> | <u>(3,552)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer out | - | (370,372) | (370,371) | 1 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(370,372)</u> | <u>(370,371)</u> | <u>1</u> |
| Net Change in Fund Balance * | <u>\$ 5,747</u> | <u>\$ (364,625)</u> | <u>(368,176)</u> | <u>\$ (3,551)</u> |
| Fund Balance, Beginning | | | <u>368,176</u> | |
| Fund Balance, Ending | | | <u>\$ -</u> | |

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

BOUNTIFUL CITY
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, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>final budget</u> |
|--|-------------------------|------------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Investment earnings | \$ 37,000 | \$ 37,000 | \$ 23,489 | \$ (13,511) |
| Miscellaneous | 62,000 | 62,200 | 98,085 | 35,885 |
| Total Revenues | <u>99,000</u> | <u>99,200</u> | <u>121,574</u> | <u>22,374</u> |
| Expenditures | | | | |
| Administrative fees | 1,390 | 1,590 | 1,548 | 42 |
| Total Expenditures | <u>1,390</u> | <u>1,590</u> | <u>1,548</u> | <u>42</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>97,610</u> | <u>97,610</u> | <u>120,026</u> | <u>22,416</u> |
| Net Change in Fund Balance | <u>\$ 97,610</u> | <u>\$ 97,610</u> | <u>120,026</u> | <u>\$ 22,416</u> |
| Fund Balance, Beginning | | | <u>2,139,752</u> | |
| Fund Balance, Ending | | | <u>\$ 2,259,778</u> | |

BOUNTIFUL CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – NONMAJOR DEBT SERVICE FUND
For The Fiscal Year Ended June 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>final budget</u> |
|--|-------------------------|---------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Investment earnings | \$ 400 | \$ 400 | \$ 226 | \$ (174) |
| Total Revenues | <u>400</u> | <u>400</u> | <u>226</u> | <u>(174)</u> |
| Expenditures | | | | |
| Administrative fees | 25 | 25 | 15 | 10 |
| Total Expenditures | <u>25</u> | <u>25</u> | <u>15</u> | <u>10</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>375</u> | <u>375</u> | <u>211</u> | <u>(164)</u> |
| Net Change in Fund Balance | <u>\$ 375</u> | <u>\$ 375</u> | <u>211</u> | <u>\$ (164)</u> |
| Fund Balance, Beginning | | | <u>21,127</u> | |
| Fund Balance, Ending | | | <u>\$ 21,338</u> | |

BOUNTIFUL CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – MAJOR CAPITAL PROJECTS FUND
For The Fiscal Year Ended June 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>final budget</u> |
|---|-------------------------|-----------------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Sales taxes | \$ 2,025,728 | \$ 3,180,728 | \$ 4,422,009 | \$ 1,241,281 |
| Investment earnings | 600,000 | 600,000 | 276,208 | (323,792) |
| Intergovernmental | - | - | 162,496 | 162,496 |
| Miscellaneous | 24,000 | 24,000 | 68,480 | 44,480 |
| Total Revenues | <u>2,649,728</u> | <u>3,804,728</u> | <u>4,929,193</u> | <u>1,124,465</u> |
| Expenditures | | | | |
| General Government: | | | | |
| Finance | 19,000 | 19,000 | 17,914 | 1,086 |
| Capital outlay: | | | | |
| General Government: | | | | |
| Legislative | 3,590,800 | 7,909,800 | 7,810,359 | 99,441 |
| Information Systems | - | 50,000 | 49,534 | 466 |
| Finance | 22,000 | 22,000 | 4,219 | 17,781 |
| Government Buildings | - | 50,000 | 49,636 | 364 |
| Public Safety: | | | | |
| Police | 432,000 | 800,000 | 297,672 | 502,328 |
| Highways and Streets | 3,774,500 | 3,774,500 | 2,516,207 | 1,258,293 |
| Engineering | 20,000 | 20,000 | 18,895 | 1,105 |
| Parks and recreation | 135,000 | 180,566 | 129,674 | 50,892 |
| Total Expenditures | <u>7,993,300</u> | <u>12,825,866</u> | <u>10,894,110</u> | <u>1,931,756</u> |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | <u>(5,343,572)</u> | <u>(9,021,138)</u> | <u>(5,964,917)</u> | <u>3,056,221</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer in | 460,457 | 460,457 | 460,457 | - |
| Sale of capital assets | - | - | 110,772 | 110,772 |
| Total Other Financing Sources (Uses) | <u>460,457</u> | <u>460,457</u> | <u>571,229</u> | <u>110,772</u> |
| Net Change in Fund Balance * | <u>\$ (4,883,115)</u> | <u>\$ (8,560,681)</u> | <u>(5,393,688)</u> | <u>\$ 3,166,993</u> |
| Fund Balance, Beginning | | | <u>29,845,571</u> | |
| Fund Balance, Ending | | | <u>\$ 24,451,883</u> | |

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

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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.

BOUNTIFUL CITY
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2021

| | Business-type Activities - Enterprise Funds | | | | Total Nonmajor Enterprise Funds |
|--|--|---------------------|------------------|---------------------|--|
| | Storm Water | Golf Course | Recycling | Cemetery | |
| Assets | | | | | |
| Current Assets: | | | | | |
| Cash and cash equivalents | \$ 1,468,431 | \$ 595,039 | \$ - | \$ 461,927 | \$ 2,525,397 |
| Receivables: | | | | | |
| Accounts receivable, net | 308,477 | 7,608 | 71,529 | 24,100 | 411,714 |
| Interest | 2,309 | 1,002 | - | 704 | 4,015 |
| Intergovernmental | 3,425 | 11,533 | - | 12,755 | 27,713 |
| Investments | 1,819,616 | 788,987 | - | 555,060 | 3,163,663 |
| Inventories | - | 49,921 | - | - | 49,921 |
| Total Current Assets | 3,602,258 | 1,454,090 | 71,529 | 1,054,546 | 6,182,423 |
| Noncurrent Assets: | | | | | |
| Restricted assets: | | | | | |
| Cash and cash equivalents | 62,261 | 69,571 | - | 5,000 | 136,832 |
| Net other postemployment benefits asset | 5,821 | 14,553 | - | 8,732 | 29,106 |
| Capital assets, net: | | | | | |
| Land, land rights and water rights | 1,491 | 1,997,619 | - | 5,198,189 | 7,197,299 |
| Buildings, wells and reservoirs | 123,903 | 224,088 | - | - | 347,991 |
| Improvements other than buildings | - | 298,744 | - | 473,146 | 771,890 |
| Water transmission, distribution, and collection infrastructure | 4,534,805 | - | - | - | 4,534,805 |
| Machinery and equipment | 649,954 | 581,812 | - | 84,627 | 1,316,393 |
| Construction in progress | 126,063 | - | - | - | 126,063 |
| Total Noncurrent Assets | 5,504,298 | 3,186,387 | - | 5,769,694 | 14,460,379 |
| Total Assets | 9,106,556 | 4,640,477 | 71,529 | 6,824,240 | 20,642,802 |
| Deferred Outflows of Resources | | | | | |
| Pensions | 49,119 | 61,830 | - | 25,934 | 136,883 |
| Other postemployment benefits | 226 | 564 | - | 338 | 1,128 |
| Total Deferred Outflows | 49,345 | 62,394 | - | 26,272 | 138,011 |
| Total Assets and Deferred Outflows | \$ 9,155,901 | \$ 4,702,871 | \$ 71,529 | \$ 6,850,512 | \$ 20,780,813 |

BOUNTIFUL CITY
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Continued)
June 30, 2021

| | Business-type Activities - Enterprise Funds | | | | Total Nonmajor Enterprise Funds |
|---|--|---------------------|------------------|---------------------|--|
| | Storm Water | Golf Course | Recycling | Cemetery | |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | \$ 110,677 | \$ 44,761 | \$ 47,537 | \$ 97,463 | \$ 300,438 |
| Accrued liabilities | 25,097 | 69,395 | - | 17,061 | 111,553 |
| Accrued Interest Payable | - | 6,805 | - | - | 6,805 |
| Retainage payable - restricted assets | 15,417 | - | - | 5,000 | 20,417 |
| Unearned revenue - restricted assets | - | 69,571 | - | - | 69,571 |
| Compensated absences | 5,414 | 19,137 | - | 11,795 | 36,346 |
| Lease Payable | - | 72,398 | - | - | 72,398 |
| Total Current Liabilities | 156,605 | 282,067 | 47,537 | 131,319 | 617,528 |
| Noncurrent Liabilities: | | | | | |
| Developer and customer deposits - restricted assets | 46,844 | - | - | - | 46,844 |
| Compensated absences | 7,753 | 60,109 | - | 21,981 | 89,843 |
| Lease Payable | - | 230,470 | - | - | 230,470 |
| Net pension liability | 13,957 | 17,569 | - | 7,369 | 38,895 |
| Total Noncurrent Liabilities | 68,554 | 308,148 | - | 29,350 | 406,052 |
| Total Liabilities | 225,159 | 590,215 | 47,537 | 160,669 | 1,023,580 |
| Deferred Inflows of Resources | | | | | |
| Pensions | 102,217 | 128,671 | - | 53,969 | 284,857 |
| Other postemployment benefits | 2,630 | 6,574 | - | 3,944 | 13,148 |
| Total Deferred Inflows | 104,847 | 135,245 | - | 57,913 | 298,005 |
| Net Position | | | | | |
| Net investment in capital assets | 5,436,216 | 2,792,590 | - | 5,755,962 | 13,984,768 |
| Restricted: | | | | | |
| Other postemployment benefits | 3,417 | 8,543 | - | 5,126 | 17,086 |
| Unrestricted | 3,386,262 | 1,176,278 | 23,992 | 870,842 | 5,457,374 |
| Total Net Position | 8,825,895 | 3,977,411 | 23,992 | 6,631,930 | 19,459,228 |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | \$ 9,155,901 | \$ 4,702,871 | \$ 71,529 | \$ 6,850,512 | \$ 20,780,813 |

BOUNTIFUL CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For The Fiscal Year Ended June 30, 2021

| | Business-type Activities - Enterprise Funds | | | | Total Nonmajor Enterprise Funds |
|---------------------------------------|--|--------------------|---------------------|-------------------|--|
| | Storm Water | Golf Course | Recycling | Cemetery | |
| Operating Revenues | | | | | |
| Charges for services | \$ 1,819,937 | \$ - | \$ 440,046 | \$ 427,850 | \$ 2,687,833 |
| Admissions and lesson fees | - | 1,000,507 | - | - | 1,000,507 |
| Equipment and facility rents | - | 471,648 | - | - | 471,648 |
| Merchandise and concession sales | - | 271,473 | - | - | 271,473 |
| Sale of cemetery burial plots | - | - | - | 390,975 | 390,975 |
| Miscellaneous | 6,800 | 3,950 | - | 1,975 | 12,725 |
| Total Operating Revenues | 1,826,737 | 1,747,578 | 440,046 | 820,800 | 4,835,161 |
| Operating Expenses | | | | | |
| Personnel wages and benefits | 458,230 | 819,680 | - | 317,015 | 1,594,925 |
| Materials and supplies | 6,908 | 181,229 | - | 7,342 | 195,479 |
| Repair and maintenance costs | 189,861 | 312,584 | - | 74,803 | 577,248 |
| Contractual and professional services | 75,879 | 8,065 | 571,893 | 309 | 656,146 |
| General and administrative costs | 137,237 | 309,935 | 81,100 | 103,301 | 631,573 |
| Depreciation | 391,208 | 125,255 | - | 59,870 | 576,333 |
| Total Operating Expenses | 1,259,323 | 1,756,748 | 652,993 | 562,640 | 4,231,704 |
| Operating Income (Loss) | \$ 567,414 | \$ (9,170) | \$ (212,947) | \$ 258,160 | \$ 603,457 |

BOUNTIFUL CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Fiscal Year Ended June 30, 2021

| | Business-type Activities - Enterprise Funds | | | | Total Nonmajor Enterprise Funds |
|--|--|---------------------|------------------|---------------------|--|
| | Storm Water | Golf Course | Recycling | Cemetery | |
| Nonoperating Revenues (Expenses) | | | | | |
| Investment earnings | \$ 33,085 | \$ 15,333 | \$ - | \$ 9,342 | \$ 57,760 |
| Intergovernmental - Grants | 5,244 | 11,533 | - | 12,755 | 29,532 |
| Interest expense | - | (7,780) | - | - | (7,780) |
| Gain (loss) from sale of capital assets | 27,660 | 47,497 | - | - | 75,157 |
| Total Nonoperating Revenues (Expenses) | 65,989 | 66,583 | - | 22,097 | 154,669 |
| Income (loss) before contributions & transfers | 633,403 | 57,413 | (212,947) | 280,257 | 758,126 |
| Capital contributions | 265,043 | - | - | - | 265,043 |
| Transfers in | - | - | 227,920 | - | 227,920 |
| Changes in Net Position | 898,446 | 57,413 | 14,973 | 280,257 | 1,251,089 |
| Net Position, Beginning | 7,927,449 | 3,919,998 | 9,019 | 6,351,673 | 18,208,139 |
| Net Position, Ending | \$ 8,825,895 | \$ 3,977,411 | \$ 23,992 | \$ 6,631,930 | \$ 19,459,228 |

BOUNTIFUL CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For The Fiscal Year Ended June 30, 2021

| | Business-type Activities - Enterprise Funds | | | | Total Nonmajor Enterprise Funds |
|--|--|--------------------|------------------|-------------------|--|
| | Storm Water | Golf Course | Recycling | Cemetery | |
| Cash Flows From Operating Activities | | | | | |
| Receipts from customers and users | \$ 1,752,214 | \$ 1,741,351 | \$ 425,799 | \$ 832,382 | \$ 4,751,746 |
| Receipts from customer deposits | 24,060 | - | - | - | 24,060 |
| Payments to suppliers | (212,973) | (612,917) | (653,719) | (397) | (1,480,006) |
| Payments to employees and related benefits | (483,520) | (865,447) | - | (340,887) | (1,689,854) |
| Payments to other funds for services provided | (121,363) | (154,825) | - | (83,977) | (360,165) |
| Net cash flows from operating activities | <u>958,418</u> | <u>108,162</u> | <u>(227,920)</u> | <u>407,121</u> | <u>1,245,781</u> |
| Cash Flows From Non-Capital Financing Activities | | | | | |
| Transfers from other funds | - | - | 227,920 | - | 227,920 |
| Grants received | 1,819 | - | - | - | 1,819 |
| Net cash flows from non-capital financing activities | <u>1,819</u> | <u>-</u> | <u>227,920</u> | <u>-</u> | <u>229,739</u> |
| Cash Flows From Capital and Related Financing | | | | | |
| Capital contributions received | 58,262 | - | - | - | 58,262 |
| Purchase of capital assets | (601,462) | - | - | (126,956) | (728,418) |
| Proceeds from sales of capital assets | 27,660 | - | - | - | 27,660 |
| Principal paid on capital lease | - | (80,496) | - | - | (80,496) |
| Interest paid on capital lease | - | (975) | - | - | (975) |
| Net cash flows from capital and related financing activities | <u>(515,540)</u> | <u>(81,471)</u> | <u>-</u> | <u>(126,956)</u> | <u>(723,967)</u> |
| Cash Flows From Investing Activities | | | | | |
| Investment earnings | 28,701 | 13,616 | - | 7,842 | 50,159 |
| Purchase of investments | (809,879) | (258,962) | - | (327,310) | (1,396,151) |
| Sale of investments | 600,596 | 260,419 | - | 183,207 | 1,044,222 |
| Net cash flows from investing activities | <u>(180,582)</u> | <u>15,073</u> | <u>-</u> | <u>(136,261)</u> | <u>(301,770)</u> |
| Net Increase (Decrease) In Cash and Cash Equivalents | 264,115 | 41,764 | - | 143,904 | 449,783 |
| Cash and Cash Equivalents, Beginning | <u>1,266,577</u> | <u>622,846</u> | <u>-</u> | <u>323,023</u> | <u>2,212,446</u> |
| Cash and Cash Equivalents, Ending | <u>\$ 1,530,692</u> | <u>\$ 664,610</u> | <u>\$ -</u> | <u>\$ 466,927</u> | <u>\$ 2,662,229</u> |

BOUNTIFUL CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Fiscal Year Ended June 30, 2021

| | Business-type Activities - Enterprise Funds | | | | Total Nonmajor Enterprise Funds |
|---|--|--------------------|---------------------|-------------------|--|
| | Storm Water | Golf Course | Recycling | Cemetery | |
| Reconciliation of operating income to net cash flows from operating activities | | | | | |
| Earnings (loss) from operations | \$ 567,414 | \$ (9,170) | \$ (212,947) | \$ 258,160 | \$ 603,457 |
| Adjustments to reconcile earnings (loss) to net cash flows from operating activities: | | | | | |
| Depreciation | 391,208 | 125,255 | - | 59,870 | 576,333 |
| Changes in assets and liabilities | | | | | |
| Accounts receivable, net | (74,523) | (6,227) | (14,247) | 11,582 | (83,415) |
| Inventories | - | 9,816 | - | - | 9,816 |
| Other postemployment benefits asset | 8 | 19 | - | 11 | 38 |
| Deferred outflows - pensions | (1,161) | 250 | - | 936 | 25 |
| Deferred outflows - OPEB | (11) | (26) | - | (15) | (52) |
| Accounts payable | 60,631 | 15,635 | (726) | 93,828 | 169,368 |
| Accrued liabilities | 656 | 4,177 | - | 443 | 5,276 |
| Retainage payable | 14,262 | - | - | 5,000 | 19,262 |
| Unearned revenue | - | 1,511 | - | (2,300) | (789) |
| Developer and customer deposits | 24,060 | - | - | - | 24,060 |
| Compensated absences | 877 | 4,138 | - | (2,082) | 2,933 |
| Deferred inflows - pensions | 51,318 | 62,784 | - | 25,451 | 139,553 |
| Deferred inflows - OPEB | (585) | (1,464) | - | (879) | (2,928) |
| Net pension liability | (75,736) | (98,536) | - | (42,884) | (217,156) |
| Net cash flows from operating activities | \$ 958,418 | \$ 108,162 | \$ (227,920) | \$ 407,121 | \$ 1,245,781 |
| Schedule of non-cash capital and related financing activities | | | | | |
| Contributions of capital assets | \$ 206,781 | \$ - | \$ - | \$ - | \$ 206,781 |
| Purchase of capital assets on account | - | 383,362 | - | - | 383,362 |
| Purchase of capital assets through trade-in | - | 57,000 | - | - | 57,000 |

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.

BOUNTIFUL CITY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2021

| | <u>Risk Management</u> | <u>Workers' Compensation Self-Insurance</u> | <u>Total Internal Service Funds</u> |
|---|----------------------------|---|---|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 745,419 | \$ 521,221 | \$ 1,266,640 |
| Receivables: | | | |
| Interest receivable | 1,125 | 773 | 1,898 |
| Other receivables | 900 | 13,241 | 14,141 |
| Investments | 886,120 | 607,047 | 1,493,167 |
| Total Current Assets | <u>1,633,564</u> | <u>1,142,282</u> | <u>2,775,846</u> |
| Noncurrent Assets | | | |
| Restricted cash and cash equivalents | 525,852 | - | 525,852 |
| Total Noncurrent Assets | <u>525,852</u> | <u>-</u> | <u>525,852</u> |
| Total Assets | <u>2,159,416</u> | <u>1,142,282</u> | <u>3,301,698</u> |
| Deferred Outflows of Resources | | | |
| Pensions | 9,959 | 7,127 | 17,086 |
| Total Deferred Outflows | <u>9,959</u> | <u>7,127</u> | <u>17,086</u> |
| Total Assets and Deferred Outflows | <u>\$ 2,169,375</u> | <u>\$ 1,149,409</u> | <u>\$ 3,318,784</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts payable | \$ 8,392 | \$ 432,708 | \$ 441,100 |
| Accrued liabilities | 4,904 | 2,100 | 7,004 |
| Total Current Liabilities | <u>13,296</u> | <u>434,808</u> | <u>448,104</u> |
| Noncurrent Liabilities | | | |
| Net pension liability | 2,830 | 2,025 | 4,855 |
| Total Noncurrent Liabilities | <u>2,830</u> | <u>2,025</u> | <u>4,855</u> |
| Total Liabilities | <u>16,126</u> | <u>436,833</u> | <u>452,959</u> |
| Deferred Inflows of Resources | | | |
| Pensions | 20,724 | 14,831 | 35,555 |
| Total Deferred Inflows | <u>20,724</u> | <u>14,831</u> | <u>35,555</u> |
| Net Position | | | |
| Restricted: | | | |
| Regulatory required deposit | 525,852 | - | 525,852 |
| Unrestricted | 1,606,673 | 697,745 | 2,304,418 |
| Total Net Position | <u>2,132,525</u> | <u>697,745</u> | <u>2,830,270</u> |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>\$ 2,169,375</u> | <u>\$ 1,149,409</u> | <u>\$ 3,318,784</u> |

BOUNTIFUL CITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
For The Fiscal Year Ended June 30, 2021

| | Risk Management | Workers' Compensation Self-Insurance | Total Internal Service Funds |
|--|----------------------------|---|---|
| Operating Revenues | | | |
| Charges for services | \$ 414,790 | \$ 294,051 | \$ 708,841 |
| Total Operating Revenues | <u>414,790</u> | <u>294,051</u> | <u>708,841</u> |
| Operating Expenses | | | |
| Personnel wages and benefits | 92,691 | 64,888 | 157,579 |
| Contractual and professional services | 32,497 | 10,229 | 42,726 |
| General and administrative costs | 417,297 | 67,440 | 484,737 |
| Claims | 33,599 | 440,471 | 474,070 |
| Total Operating Expenses | <u>576,084</u> | <u>583,028</u> | <u>1,159,112</u> |
| Operating Income (Loss) | <u>(161,294)</u> | <u>(288,977)</u> | <u>(450,271)</u> |
| Nonoperating Revenues (Expense) | | | |
| Investment earnings | 18,406 | 12,537 | 30,943 |
| Total Nonoperating Revenues (Expense) | <u>18,406</u> | <u>12,537</u> | <u>30,943</u> |
| Changes in Net Position | (142,888) | (276,440) | (419,328) |
| Net Position, Beginning | <u>2,275,413</u> | <u>974,185</u> | <u>3,249,598</u> |
| Net Position, Ending | <u>\$ 2,132,525</u> | <u>\$ 697,745</u> | <u>\$ 2,830,270</u> |

BOUNTIFUL CITY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Fiscal Year Ended June 30, 2021

| | Risk Management | Workers' Compensation Self-Insurance | Total Internal Service Funds |
|---|----------------------------|---|---|
| Cash Flows From Operating Activities | | | |
| Receipts from interfund charges | \$ 413,890 | \$ 291,349 | \$ 705,239 |
| Payments to suppliers | (482,484) | (434,132) | (916,616) |
| Payments to employees and related benefits | (100,903) | (70,596) | (171,499) |
| Net cash flows from operating activities | (169,497) | (213,379) | (382,876) |
| Cash Flows From Investing Activities | | | |
| Interest on investments | 16,706 | 11,471 | 28,177 |
| Purchase of investments | (179,937) | (118,425) | (298,362) |
| Sale of investments | 292,479 | 247,944 | 540,423 |
| Net cash flows from investing activities | 129,248 | 140,990 | 270,238 |
| Net Increase (Decrease) In Cash and Cash Equivalents | (40,249) | (72,389) | (112,638) |
| Cash and Cash Equivalents, Beginning | 1,311,520 | 593,610 | 1,905,130 |
| Cash and Cash Equivalents, Ending | \$ 1,271,271 | \$ 521,221 | \$ 1,792,492 |
| Reconciliation of operating income to net cash flows from operating activities | | | |
| Earnings (loss) from operations | \$ (161,294) | \$ (288,977) | \$ (450,271) |
| Adjustments to reconcile earnings (loss) to net cash flows from operating activities: | | | |
| Changes in assets and liabilities | | | |
| Accounts receivable | (900) | (2,702) | (3,602) |
| Accounts payable | (435) | 83,582 | 83,147 |
| Accrued liabilities | 345 | (812) | (467) |
| Deferred outflows - pensions | 813 | 224 | 1,037 |
| Deferred inflows - pensions | 9,291 | 7,029 | 16,320 |
| Net pension liability | (17,317) | (11,723) | (29,040) |
| Net cash flows from operating activities | \$ (169,497) | \$ (213,379) | \$ (382,876) |

STATISTICAL SECTION

BOUNTIFUL CITY
STATISTICAL SECTION
INTRODUCTION
(Unaudited)

This part of the Bountiful City Annual Comprehensive 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 annual comprehensive financial reports for the relevant years.

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

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 74,200,188 | \$ 74,103,304 | \$ 77,753,067 | \$ 81,472,401 | \$ 82,121,939 | \$ 81,356,410 | \$ 81,135,964 | \$ 82,645,913 | \$ 91,946,665 | \$ 101,589,508 |
| Restricted | 4,257,860 | 3,663,738 | 3,393,773 | 3,112,341 | 1,671,755 | 1,463,046 | 1,457,025 | 1,503,841 | 1,564,641 | 1,599,918 |
| Unrestricted | 40,243,806 | 44,932,661 | 44,081,459 | 36,157,946 | 40,132,172 | 36,802,950 | 42,218,254 | 44,728,492 | 41,096,727 | 39,125,888 |
| Total governmental activities net position | <u>\$ 118,701,854</u> | <u>\$ 122,699,703</u> | <u>\$ 125,228,299</u> | <u>\$ 120,742,688</u> | <u>\$ 123,925,866</u> | <u>\$ 119,622,406</u> | <u>\$ 124,811,243</u> | <u>\$ 128,878,246</u> | <u>\$ 134,608,033</u> | <u>\$ 142,315,314</u> |
| Business-type Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 53,747,875 | \$ 52,073,365 | \$ 50,089,185 | \$ 49,827,165 | \$ 65,576,188 | \$ 70,987,081 | \$ 78,825,694 | \$ 78,015,217 | \$ 77,309,072 | \$ 85,234,823 |
| Restricted | 981,919.00 | 537,775 | 538,343 | 543,050 | 548,086 | 616,883 | 618,702 | 649,646 | 689,822 | 111,629 |
| Unrestricted | 48,579,751 | 53,111,351 | 58,237,995 | 59,483,812 | 47,268,834 | 48,610,993 | 45,475,180 | 46,762,253 | 46,728,077 | 44,297,484 |
| Total business-type activities net position | <u>\$ 103,309,545</u> | <u>\$ 105,722,491</u> | <u>\$ 108,865,523</u> | <u>\$ 109,854,027</u> | <u>\$ 113,393,108</u> | <u>\$ 120,214,957</u> | <u>\$ 124,919,576</u> | <u>\$ 125,427,116</u> | <u>\$ 124,726,971</u> | <u>\$ 129,643,936</u> |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets | \$ 127,948,063 | \$ 126,176,669 | \$ 127,842,252 | \$ 131,299,566 | \$ 147,698,127 | \$ 152,343,491 | \$ 159,961,658 | \$ 160,661,130 | \$ 169,255,737 | \$ 186,824,331 |
| Restricted | 5,239,779 | 4,201,513 | 3,932,116 | 3,655,391 | 2,219,841 | 2,079,929 | 2,075,727 | 2,153,487 | 2,254,463 | 1,711,547 |
| Unrestricted | 88,823,557 | 98,044,012 | 102,319,454 | 95,641,758 | 87,401,006 | 85,413,943 | 87,693,434 | 91,490,745 | 87,824,804 | 83,423,372 |
| Total primary government net position | <u>\$ 222,011,399</u> | <u>\$ 228,422,194</u> | <u>\$ 234,093,822</u> | <u>\$ 230,596,715</u> | <u>\$ 237,318,974</u> | <u>\$ 239,837,363</u> | <u>\$ 249,730,819</u> | <u>\$ 254,305,362</u> | <u>\$ 259,335,004</u> | <u>\$ 271,959,250</u> |

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

| | Fiscal Year | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Expenses | | | | | | | | | | |
| Government Activities: | | | | | | | | | | |
| General governmental | \$ 3,289,872 | \$ 3,581,400 | \$ 4,252,481 | \$ 3,437,814 | \$ 3,341,296 | \$ 7,192,448 | \$ 3,016,861 | \$ 2,756,678 | \$ 2,931,729 | \$ 3,421,476 |
| Public safety | 8,514,389 | 9,000,597 | 8,960,236 | 9,375,233 | 9,866,805 | 12,489,219 | 9,472,327 | 10,670,198 | 10,353,927 | 10,384,978 |
| Highways and streets | 3,475,552 | 4,067,275 | 3,979,845 | 3,984,340 | 4,063,869 | 4,897,436 | 4,425,284 | 5,058,822 | 5,243,263 | 4,923,386 |
| Planning and engineering | 981,570 | 1,022,280 | 884,133 | 745,669 | 731,941 | 867,524 | 859,976 | 893,628 | 951,735 | 985,748 |
| Parks and recreation | 937,703 | 1,003,832 | 1,002,463 | 1,067,132 | 1,065,934 | 1,244,612 | 1,219,344 | 1,375,540 | 1,445,627 | 1,739,662 |
| Redevelopment | 707,565 | 600,355 | 601,424 | 1,371,281 | 251,093 | 204,313 | 253,521 | 531,500 | 264,816 | 249,706 |
| Interest on long-term debt | 144,060 | 102,623 | 19,760 | 26,339 | 10,817 | 9,638 | - | - | - | - |
| Total governmental activities expenses | 18,050,711 | 19,378,362 | 19,700,342 | 20,007,808 | 19,331,755 | 26,905,190 | 19,247,313 | 21,286,366 | 21,191,097 | 21,704,956 |
| Business-type Activities: | | | | | | | | | | |
| Water | 3,234,152 | 3,371,663 | 3,597,648 | 3,494,082 | 3,631,578 | 3,869,619 | 3,818,230 | 4,413,045 | 4,611,958 | 4,534,515 |
| Light and Power | 21,895,461 | 23,015,562 | 22,924,477 | 23,688,812 | 22,315,745 | 23,243,493 | 24,157,027 | 25,588,771 | 28,016,154 | 25,621,368 |
| Landfill and Sanitation | 1,087,508 | 1,108,510 | 1,984,027 | 2,003,479 | 1,937,430 | 2,165,326 | 2,382,296 | 2,665,632 | 2,811,880 | 2,885,808 |
| Storm Water | 1,577,577 | 971,430 | 1,148,856 | 868,856 | 912,170 | 1,004,376 | 1,094,184 | 1,173,363 | 1,244,172 | 1,270,552 |
| Golf Course | 1,378,763 | 1,404,462 | 1,584,534 | 1,483,707 | 1,467,338 | 1,540,593 | 1,569,171 | 1,692,390 | 1,785,364 | 1,781,220 |
| Recycling | 455,047 | 471,210 | 407,891 | 368,091 | 377,577 | 402,793 | 475,457 | 585,331 | 650,384 | 652,993 |
| Sanitation (1) | 773,031 | 802,742 | - | - | - | - | - | - | - | - |
| Cemetery | 328,892 | 325,056 | 370,992 | 394,069 | 407,908 | 483,845 | 523,846 | 544,294 | 588,639 | 568,098 |
| Total business-type activities expenses | 30,730,431 | 31,470,635 | 32,018,425 | 32,301,096 | 31,049,746 | 32,710,045 | 34,020,211 | 36,662,826 | 39,708,551 | 37,314,554 |
| Total primary government expenses | \$ 48,781,142 | \$ 50,848,997 | \$ 51,718,767 | \$ 52,308,904 | \$ 50,381,501 | \$ 59,615,235 | \$ 53,267,524 | \$ 57,949,192 | \$ 60,899,648 | \$ 59,019,510 |
| Program Revenues | | | | | | | | | | |
| Government Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | \$ 2,291,021 | \$ 2,349,674 | \$ 2,401,070 | \$ 1,574,521 | \$ 1,063,736 | \$ 1,201,472 | \$ 1,072,202 | \$ 1,044,255 | \$ 877,529 | \$ 1,000,129 |
| Parks, culture and recreation | 15,775.00 | 14,725 | 15,050 | 16,260 | 19,050 | 16,550 | 20,890 | 18,800 | 13,550 | 23,950 |
| Public safety and highways/streets | 698,279.00 | 711,658 | 733,684 | 776,226 | 785,777 | 797,307 | 736,835 | 786,737 | 823,572 | 875,481 |
| Operating Grants and Contributions (2) | 1,623,572 | 1,624,716 | 1,333,065 | 1,411,005 | 1,607,310 | 2,341,078 | 2,310,290 | 2,454,563 | 5,797,259 | 5,742,276 |
| Capital Grants and Contributions | 369,124 | 66,843 | 103,235 | 459,557 | 546,698 | 419,547 | 9,370 | 431,640 | 15,000 | 934,741 |
| Total gov. activities program revenues | 4,997,771 | 4,767,616 | 4,586,104 | 4,237,569 | 4,022,571 | 4,775,954 | 4,149,587 | 4,735,995 | 7,526,910 | 8,576,577 |
| Business-type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Water | 2,968,922 | 3,026,573 | 4,056,749 | 3,937,063 | 4,035,730 | 4,099,364 | 5,609,766 | 5,639,247 | 5,731,483 | 5,810,603 |
| Light and Power | 26,288,025 | 27,086,113 | 26,627,796 | 25,719,743 | 25,824,251 | 26,506,316 | 27,098,178 | 27,252,441 | 26,614,792 | 28,428,125 |
| Landfill and Sanitation | 1,027,577 | 1,015,014 | 2,188,751 | 2,337,975 | 2,141,057 | 2,174,640 | 2,615,459 | 2,586,965 | 2,802,191 | 3,030,533 |
| Storm Water | 901,122 | 907,515 | 909,566 | 1,101,803 | 1,159,092 | 1,379,679 | 1,611,518 | 1,643,847 | 1,686,172 | 1,819,937 |
| Golf Course | 1,451,909 | 1,473,679 | 1,468,023 | 1,446,847 | 1,380,724 | 1,379,892 | 1,364,870 | 1,149,420 | 1,528,188 | 1,743,628 |
| Recycling | 463,550 | 482,335 | 423,248 | 376,751 | 382,605 | 418,230 | 419,927 | 434,547 | 423,553 | 440,046 |
| Sanitation (1) | 847,367 | 851,060 | - | - | - | - | - | - | - | - |
| Cemetery | 333,490 | 329,765 | 423,503 | 514,595 | 530,805 | 540,969 | 667,486 | 579,650 | 637,109 | 818,825 |
| Operating Grants and Contributions | - | - | - | - | - | - | - | - | 42,575 | 854,579 |
| Capital grants and Contributions | 1,259,961 | 694,943 | 745,806 | 656,541 | 627,167 | 4,979,663 | 800,673 | 974,966 | 655,433 | 1,116,124 |
| Total business-type act. program rev. | 35,541,923 | 35,866,997 | 36,843,442 | 36,091,318 | 36,081,431 | 41,478,753 | 40,187,877 | 40,261,083 | 40,121,496 | 44,062,400 |
| Total primary gov. program revenues | \$ 40,539,694 | \$ 40,634,613 | \$ 41,429,546 | \$ 40,328,887 | \$ 40,104,002 | \$ 46,254,707 | \$ 44,337,464 | \$ 44,997,078 | \$ 47,648,406 | \$ 52,638,977 |
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | \$ (13,052,940) | \$ (14,610,746) | \$ (15,114,238) | \$ (15,770,239) | \$ (15,309,184) | \$ (22,129,236) | \$ (15,097,726) | \$ (16,550,371) | \$ (13,664,187) | \$ (13,128,379) |
| Business-type activities | 4,811,492 | 4,396,362 | 4,825,017 | 3,790,222 | 5,031,685 | 8,768,708 | 6,167,666 | 3,598,257 | 412,945 | 6,747,846 |
| Total primary government net expense | \$ (8,241,448) | \$ (10,214,384) | \$ (10,289,221) | \$ (11,980,017) | \$ (10,277,499) | \$ (13,360,528) | \$ (8,930,060) | \$ (12,952,114) | \$ (13,251,242) | \$ (6,380,533) |

(1) This fund was consolidated with the Landfill fund in fiscal year 2014.

(2) In fiscal year 2020 Operating Grants and Contributions revenue began including RDA property tax increment contributions instead of where it was previously included as property tax revenue.

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

| | Fiscal Year | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| General Revenues and Other Changes in net position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes (2) | \$ 3,984,434 | \$ 3,960,963 | \$ 3,912,339 | \$ 3,788,098 | \$ 4,040,013 | \$ 3,707,397 | \$ 3,617,496 | \$ 3,969,296 | \$ 2,928,484 | \$ 2,954,441 |
| Sales taxes | 6,210,568 | 6,456,991 | 6,782,369 | 7,134,825 | 7,623,749 | 7,877,935 | 8,248,442 | 8,460,480 | 8,937,963 | 10,297,567 |
| Franchise taxes | 3,608,703 | 4,008,695 | 3,945,634 | 3,681,671 | 3,664,256 | 3,770,244 | 3,782,565 | 3,802,154 | 3,642,291 | 3,681,339 |
| Interest on investments | 634,846 | 554,481 | 504,405 | 498,436 | 587,417 | 566,395 | 551,096 | 1,625,239 | 1,211,323 | 572,469 |
| Miscellaneous | 256,859 | 70,866 | 102,499 | 153,874 | 198,791 | 232,739 | 189,540 | 157,982 | 253,286 | 235,074 |
| Gain (loss) on sale of capital assets | - | - | - | 66,376.00 | 21,178.00 | 43,644 | 94,356 | 57,951 | 5,543 | 106,349 |
| Transfers | (7,645,552) | 2,314,400 | 2,395,588 | 2,164,845 | 2,356,958 | 2,357,317 | 2,414,344 | 2,544,272 | 2,415,084 | 2,752,122 |
| Total governmental activities | <u>7,049,858</u> | <u>17,366,396</u> | <u>17,642,834</u> | <u>17,488,125</u> | <u>18,492,362</u> | <u>18,555,671</u> | <u>18,897,839</u> | <u>20,617,374</u> | <u>19,393,974</u> | <u>20,599,361</u> |
| Business-type Activities: | | | | | | | | | | |
| Interest on investments | 357,386 | 400,606 | 365,492 | 436,633 | 579,854 | 533,388 | 555,260 | 1,528,309 | 1,190,104 | 462,287 |
| Gain (loss) on sale of capital assets | 17,054.00 | 26,016 | 43,569 | 28,229 | 1,135 | 400 | 111,436 | 10,007 | 6,881 | 271,555 |
| Special items/Miscellaneous | 545,830.00 | 280,604.00 | 304,542.00 | 299,601.00 | 283,365 | 241,449 | 284,601 | 263,662 | 105,009 | 187,399 |
| Transfers | 7,645,552 | (2,314,400) | (2,395,588) | (2,164,845) | (2,356,958) | (2,357,317) | (2,414,344) | (2,544,272) | (2,415,084) | (2,752,122) |
| Total business-type activities | <u>8,565,822</u> | <u>(1,607,174)</u> | <u>(1,681,985)</u> | <u>(1,400,382)</u> | <u>(1,492,604)</u> | <u>(1,582,080)</u> | <u>(1,463,047)</u> | <u>(742,294)</u> | <u>(1,113,090)</u> | <u>(1,830,881)</u> |
| Total primary government | <u>\$ 15,615,680</u> | <u>\$ 15,759,222</u> | <u>\$ 15,960,849</u> | <u>\$ 16,087,743</u> | <u>\$ 16,999,758</u> | <u>\$ 16,973,591</u> | <u>\$ 17,434,792</u> | <u>\$ 19,875,080</u> | <u>\$ 18,280,884</u> | <u>\$ 18,768,480</u> |
| Change in net position | | | | | | | | | | |
| Governmental activities | \$ (6,003,082) | \$ 2,755,650 | \$ 2,528,596 | \$ 1,717,886 | \$ 3,183,178 | \$ (3,573,565) | \$ 3,800,113 | \$ 4,067,003 | \$ 5,729,787 | \$ 7,470,982 |
| Business-type activities | 13,377,314 | 2,789,188 | 3,143,032 | 2,389,840 | 3,539,081 | 7,186,628 | 4,704,619 | 2,855,963 | (700,145) | 4,916,965 |
| Total primary government | <u>\$ 7,374,232</u> | <u>\$ 5,544,838</u> | <u>\$ 5,671,628</u> | <u>\$ 4,107,726</u> | <u>\$ 6,722,259</u> | <u>\$ 3,613,063</u> | <u>\$ 8,504,732</u> | <u>\$ 6,922,966</u> | <u>\$ 5,029,642</u> | <u>\$ 12,387,947</u> |

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

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

| | Fiscal Year | | | | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | 66,133 | 84,734 | 87,637 | 84,588 | 51,134 | 38,784 | - | - | - | - |
| Committed (1) | - | - | - | - | - | - | - | - | 3,606,000 | 4,686,000 |
| Assigned | 65,325 | 35,526 | 23,887 | 102 | 12,064 | 18,112 | 37,662 | 55,035 | 44,432 | 30,728 |
| Unassigned | 2,177,026 | 2,448,175 | 3,215,001 | 3,337,417 | 3,462,187 | 3,386,791 | 3,205,350 | 3,903,090 | 227,069 | 1,843,959 |
| Total General Fund | <u>\$ 2,308,484</u> | <u>\$ 2,568,435</u> | <u>\$ 3,326,525</u> | <u>\$ 3,422,107</u> | <u>\$ 3,525,385</u> | <u>\$ 3,443,687</u> | <u>\$ 3,243,012</u> | <u>\$ 3,958,125</u> | <u>\$ 3,877,501</u> | <u>\$ 6,560,687</u> |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | \$ 558,358 | \$ 558,358 | \$ 558,358 | \$ - | \$ - | \$ - | \$ - | \$ 8,780 | \$ - | \$ - |
| Restricted | 2,970,415 | 3,060,490 | 2,787,116 | 2,508,167 | 1,100,305 | 826,762 | 841,957 | 865,831 | 889,085 | 888,436 |
| Committed (1) | - | - | - | - | 1,734,687 | 324,969 | 1,884,700 | 2,008,538 | 24,271,582 | 25,864,778 |
| Assigned | 31,475,159 | 34,606,690 | 32,658,253 | 32,199,536 | 35,544,447 | 36,245,936 | 38,734,766 | 40,933,831 | 15,921,394 | 9,661,143 |
| Unassigned | - | - | - | - | - | - | - | - | - | - |
| Total all other governmental funds | <u>\$ 35,003,932</u> | <u>\$ 38,225,538</u> | <u>\$ 36,003,727</u> | <u>\$ 34,707,703</u> | <u>\$ 38,379,439</u> | <u>\$ 37,397,667</u> | <u>\$ 41,461,423</u> | <u>\$ 43,816,980</u> | <u>\$ 41,082,061</u> | <u>\$ 36,414,357</u> |

(1) In fiscal year 2020 the City Council adopted a fund balance reserve policy committing funds for specific operating and capital expenditures

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

| | Fiscal Year | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Revenues: | | | | | | | | | | |
| Taxes (see Table 5) | \$ 13,897,818 | \$ 14,328,306 | \$ 14,640,342 | \$ 14,604,594 | \$ 15,328,018 | \$ 15,355,576 | \$ 15,648,503 | \$ 16,231,930 | \$ 15,508,738 | \$ 16,933,347 |
| Licenses and permits | 581,680 | 593,746 | 668,595 | 639,203 | 538,070 | 679,439 | 607,561 | 514,245 | 508,494 | 625,681 |
| Intergovernmental (1) | 1,696,203 | 1,624,716 | 1,333,065 | 1,411,005 | 1,607,310 | 2,341,078 | 2,399,903 | 2,535,658 | 5,878,964 | 5,986,854 |
| Charges for services | 2,173,073 | 2,431,034 | 2,337,365 | 1,577,584 | 1,178,991 | 1,207,577 | 1,102,127 | 1,204,818 | 1,093,312 | 1,154,482 |
| Fines and forfeitures | 156,209 | 148,891 | 143,844 | 150,220 | 151,502 | 128,313 | 120,239 | 130,729 | 112,845 | 119,397 |
| Investment earnings | 591,918 | 514,069 | 471,769 | 498,435 | 587,417 | 566,395 | 551,096 | 1,625,239 | 1,211,323 | 572,467 |
| Miscellaneous | 839,847 | 828,478 | 743,655 | 956,055 | 1,442,347 | 1,067,640 | 592,904 | 356,640 | 418,305 | 576,451 |
| Total Revenues | 19,936,748 | 20,469,240 | 20,338,635 | 19,837,096 | 20,833,655 | 21,346,018 | 21,022,333 | 22,599,259 | 24,731,981 | 25,968,679 |
| Expenditures: | | | | | | | | | | |
| General government | 2,932,579 | 3,078,288 | 3,406,526 | 3,041,448 | 2,988,990 | 2,513,272 | 2,280,100 | 2,199,123 | 2,404,208 | 2,913,330 |
| Public safety | 7,614,549 | 7,925,807 | 7,482,444 | 8,519,714 | 8,946,888 | 8,935,881 | 8,846,095 | 9,517,509 | 9,660,827 | 10,079,173 |
| Highways and streets | 2,629,040 | 2,923,089 | 2,877,012 | 2,875,139 | 3,054,369 | 3,065,431 | 3,039,277 | 4,065,600 | 4,154,000 | 3,988,736 |
| Planning and engineering | 975,647 | 968,171 | 956,440 | 735,003 | 752,038 | 803,667 | 873,959 | 900,866 | 909,197 | 1,056,119 |
| Parks and recreation | 663,523 | 703,227 | 747,048 | 781,729 | 808,441 | 919,116 | 926,448 | 1,060,722 | 1,083,794 | 1,257,174 |
| Redevelopment | 1,378,736 | 1,050,868 | 2,337,206 | 1,636,222 | 248,744 | 605,556 | 1,093,209 | 2,419,268 | 2,616,503 | 672,552 |
| Capital outlay (2) | - | 229,883 | - | - | 176,965 | 4,562,705 | 129,191 | (1,405,059) | (2,319,170) | (332,303) |
| Capitalized capital outlay | 1,501,101 | 1,494,677 | 5,077,488 | 4,737,261 | 2,230,839 | 3,188,084 | 2,623,676 | 3,341,126 | 11,458,792 | 11,208,499 |
| Debt service: | | | | | | | | | | |
| Bond issuance costs | - | - | 22,681 | - | - | - | - | - | - | - |
| Principal | 788,000 | 829,000 | 2,000,000 | 908,000 | 212,000 | 220,000 | - | - | - | - |
| Interest and fiscal charges | 146,915 | 122,783 | 61,749 | 35,637 | 17,280 | 8,800 | - | - | - | - |
| Total expenditures | 18,630,090 | 19,325,793 | 24,968,594 | 23,270,153 | 19,436,554 | 24,822,512 | 19,811,955 | 22,099,155 | 29,968,151 | 30,843,280 |
| Excess of revenues over (under) expenditures | \$ 1,306,658 | \$ 1,143,447 | \$ (4,629,959) | \$ (3,433,057) | \$ 1,397,101 | \$ (3,476,494) | \$ 1,210,378 | \$ 500,104 | \$ (5,236,170) | \$ (4,874,601) |

(1) In fiscal year 2020 Intergovernment revenue began including RDA property tax increment contributions instead of where it was previously included as property tax revenue.

(2) This line may show a negative expenditure if capital expenditures were paid out of the Redevelopment Agency or other governmental funds where expenditures are coded by function.

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

| | Fiscal Year | | | | | | | | | |
|--|-----------------------|---------------------|-----------------------|-----------------------|---------------------|-----------------------|---------------------|---------------------|-----------------------|-----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Other financing sources (uses): | | | | | | | | | | |
| Transfers in | \$ 2,354,448 | \$ 2,439,445 | \$ 2,395,588 | \$ 2,400,468 | \$ 2,356,958 | \$ 5,123,707 | \$ 4,385,292 | \$ 2,860,431 | \$ 3,001,334 | \$ 3,582,950 |
| Transfers out | (10,000,000) | (125,045) | - | (235,623) | - | (2,766,390) | (1,970,948) | (411,816) | (586,250) | (830,828) |
| Sale of bonds | - | - | 766,000 | - | - | - | - | - | - | - |
| Sale of assets | 18,006 | 23,710 | 4,650 | 24,700 | 20,955 | 55,707 | 68,697 | 121,951 | 5,543 | 137,961 |
| Total other financing sources (uses) | <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> | <u>2,420,627</u> | <u>2,890,083</u> |
| Net change in fund balances | <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> | <u>\$ (2,815,543)</u> | <u>\$ (1,984,518)</u> |
| Debt service as a percentage of non-capital expenditures | 5.46% | 5.34% | 10.37% | 5.09% | 1.33% | 1.06% | N/A | N/A | N/A | N/A |

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

| Fiscal Year | Property Taxes | Fees in Lieu of Property Tax | Sales and Use Taxes | Recreation & Parks Taxes (2) | Franchise Taxes | Total |
|--------------------|-----------------------|-------------------------------------|----------------------------|---|------------------------|---------------|
| 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 |
| 2020 (1) | 2,729,398 | 199,086 | 8,326,421 | 611,542 | 3,642,291 | 15,508,738 |
| 2021 | 2,749,290 | 205,151 | 9,601,683 | 695,884 | 3,681,339 | 16,933,347 |

(1) In fiscal year 2020 the property tax increment contributions received by the Redevelopment Agency were displayed as Intergovernmental revenue instead of where it was previously included as property tax revenue.

(2) 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.

BOUNTIFUL CITY
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 | | | | |
| 2012 | \$ 1,719,091 | \$ 390,209 | \$ 187 | \$ 63,005 | \$ 2,172,491 | 0.001094 | \$ 3,582,185 | 60.65% |
| 2013 | 1,762,165 | 399,036 | 187 | 64,841 | 2,226,229 | 0.001063 | 3,582,185 | 62.15% |
| 2014 | 1,668,062 | 379,160 | 160 | 60,040 | 2,107,421 | 0.000946 | 3,666,320 | 57.48% |
| 2015 | 2,074,866 | 326,681 | 124 | 60,559 | 2,462,229 | 0.000957 | 4,091,095 | 60.19% |
| 2016 | 2,135,735 | 494,329 | 79 | 73,273 | 2,703,415 | 0.000890 | 4,642,505 | 58.23% |
| 2017 | 2,224,216 | 393,297 | 35 | 70,390 | 2,687,938 | 0.000832 | 4,453,396 | 60.36% |
| 2018 | 2,405,742 | 410,184 | 16 | 61,045 | 2,876,987 | 0.000880 | 4,767,051 | 60.35% |
| 2019 | 2,616,287 | 440,306 | 19 | 58,672 | 3,115,284 | 0.000814 | 5,178,287 | 60.16% |
| 2020 | 2,862,151 | 480,876 | 24 | 72,962 | 3,416,013 | 0.000789 | 5,677,646 | 60.17% |
| 2021 | 2,964,503 | 472,078 | 23 | 73,926 | 3,510,530 | 0.000967 | 5,835,949 | 60.15% |

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

(2) Includes centrally assessed property.

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

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

| Fiscal Year | Total Direct & Overlapping Rate | Direct Rate | | | Overlapping Rates | | | | | | |
|-------------|---------------------------------|--------------------|------------------------------|------------------|-------------------|-----------------------------|---|----------------------------|----------------------|---|---------------------------------|
| | | Bountiful City (1) | Davis County School District | Davis County (2) | Weber Basin Water | Mosquito Abatement District | Bountiful Water Subconservancy District | South Davis Sewer District | Davis County Library | South Davis Metro Fire Service Area (3) | South Davis Recreation District |
| 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 |
| 2020 | 0.011874 | 0.000789 | 0.007670 | 0.001896 | 0.000146 | 0.000110 | 0.000183 | 0.000226 | 0.000319 | 0.000317 | 0.000218 |
| 2021 | 0.012195 | 0.000967 | 0.007642 | 0.001608 | 0.000132 | 0.000099 | 0.000078 | 0.000296 | 0.000578 | 0.000585 | 0.000210 |

(1) Bountiful City only has one general-purpose property tax levy and only one rate. This rate is the same for all commercial, industrial, or residential residents.

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

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

Source: Property Tax Division, Utah State Tax Commission

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

| <u>Taxpayer</u> | <u>December 31, 2020 taxable valuation</u> | | | <u>December 31, 2011 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 | \$ 30,031,343 | 1 | 0.86 % | \$ 28,447,002 | 1 | 1.31 % |
| IHC Health Services Inc. | 25,526,980 | 2 | 0.73 | 7,337,258 | 7 | 0.34 |
| Questar Gas | 20,329,503 | 3 | 0.58 | 8,134,653 | 6 | 0.37 |
| Village Glen Main & Seniors LLC | 17,504,400 | 4 | 0.50 | 11,887,572 | 5 | 0.55 |
| G&E Healthcare Reit Renaissance LLC | 17,405,131 | 5 | 0.50 | 16,337,000 | 3 | 0.75 |
| Columbia Lakeview Hospital | 14,789,211 | 6 | 0.42 | - | - | - |
| MABEK Co. | 13,152,162 | 7 | 0.37 | 16,393,856 | 2 | 0.75 |
| Creekside Senior Living LLC | 10,240,170 | 8 | 0.29 | - | - | - |
| CenturyLink | 9,081,901 | 9 | 0.26 | 14,034,016 | 4 | 0.64 |
| Horne Carrington Place LLC | 8,417,752 | 10 | 0.24 | - | - | - |
| Colonial Lakeview Apartments LLC-ETAL | 7,782,330 | 11 | 0.22 | - | - | - |
| Community Centers of America-Auburn LLC | 7,152,202 | 12 | 0.20 | - | - | - |
| HCP Lakeview MOB LLC | 6,414,076 | 13 | 0.18 | - | - | - |
| Hidden Hollow Circle | 6,187,735 | 14 | 0.18 | - | - | - |
| TC Windgate LLC-ETAL | 6,155,720 | 15 | 0.18 | - | - | - |
| Bountiful Corner LLC | 5,705,079 | 16 | 0.16 | - | - | - |
| Health Care Property Investors Inc. | 5,106,740 | 17 | 0.15 | - | - | - |
| Air Products Manufacturing Corporation | 4,888,492 | 18 | 0.14 | - | - | - |
| Reynolds, Barbara Ellen & Gary Robert-Trustees | 4,865,102 | 19 | 0.14 | - | - | - |
| CJO Holdings LLC | 4,421,683 | 20 | 0.13 | - | - | - |
| Bountiful Fitness Partners | - | - | - | 6,846,412 | 8 | 0.31 |
| Bill Olson Investment LTD_ETAL | - | - | - | 6,427,932 | 9 | 0.30 |
| WBC Partners & Commons | - | - | - | 5,592,732 | 10 | 0.26 |
| | <u>\$ 225,157,712</u> | | <u>6.41 %</u> | <u>\$ 121,438,433</u> | | <u>5.57 %</u> |
| Taxable Value | | | \$ 3,510,530,000 | | | \$ 2,178,692,525 |

Source : Davis County Clerk Auditors Office

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

| Fiscal Year Ended June 30, | Total Tax Levy for Fiscal Year (2) | Collected within the Fiscal Year of the Levy | | Collection in Subsequent Years (1) | Total Collections to Date | |
|---|---|---|-------------------------------|---|----------------------------------|-------------------------------|
| | | Amount (1) | Percentage of Levy | | Amount | Percentage of Levy |
| 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 | 88,371 | 2,479,581 | 96.08 |
| 2017 | 2,581,960 | 2,426,593 | 93.98 | 51,409 | 2,478,002 | 95.97 |
| 2018 | 2,576,944 | 2,337,008 | 90.69 | 83,668 | 2,420,676 | 93.94 |
| 2019 | 2,932,394 | 2,681,062 | 91.43 | 61,712 | 2,742,774 | 93.53 |
| 2020 | 2,962,566 | 2,727,653 | 92.07 | 67,763 | 2,795,416 | 94.36 |
| 2021 | 2,937,547 | 2,798,781 | 95.28 | 53,006 | 2,851,786 | 97.08 |

(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.

Source : Davis County

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

| Fiscal Year Ended June 30, | Electric Metered Sales | Industrial Customer Sales (1) | Miscellaneous (2) | Total Charges for Services | Residential Charge Per Kilowatt Hour (3) |
|-----------------------------------|-------------------------------|--------------------------------------|--------------------------|-----------------------------------|---|
| 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 |
| 2020 | 24,557,700 | 1,934,393 | 122,699 | 26,614,792 | 0.0925 |
| 2021 | 26,224,198 | 2,080,247 | 123,680 | 28,428,125 | 0.0800 (4) |

(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 \$0.0800 for the first 400 KWH beginning in Fiscal Year 2021.

BOUNTIFUL CITY
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 | Revenue Bonds | Lease Debt | | | | |
| 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 | 283 |
| 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 | 1,402,764,622 | 228 |
| 2020 | - | - | - | 9,350,000 | - | 9,350,000 | 0.67 | 1,401,665,337 | 213 |
| 2021 | - | - | - | - | 302,868 | 302,868 | 0.02 | 1,468,135,823 | 7 |

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).

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

| Fiscal Year Ended June 30, | General Obligation Bonds | Less: Amounts Available In Service Fund | Amounts In Debt Total | Percentage of Estimated Actual Taxable Value of Property | Per Capita |
|---|---|--|--------------------------------------|---|-----------------------|
| 2012 | - | - | - | - | - |
| 2013 | - | - | - | - | - |
| 2014 | - | - | - | - | - |
| 2015 | - | - | - | - | - |
| 2016 | - | - | - | - | - |
| 2017 | - | - | - | - | - |
| 2018 | - | - | - | - | - |
| 2019 | - | - | - | - | - |
| 2020 | - | - | - | - | - |
| 2021 | - | - | - | - | - |

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

BOUNTIFUL CITY
Direct and Overlapping Governmental Activities Debt
June 30, 2020
Table 13

| | <u>Total Debt</u> | <u>Applicable to City</u> | | <u>City Debt Ratios (2)</u> | | |
|--|-----------------------|---------------------------|----------------------|-----------------------------|---|--|
| | | | <u>Percentage</u> | <u>Amount</u> | <u>To assessed value of: \$ 3,510,530,000</u> | <u>To fair value of: \$5,835,949,000</u> |
| 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 | 133,034,000 | 12.37% | 16,453,288 | 0.47% | 0.28% | \$ 360 |
| Davis County | 57,035,000 | 12.01% | 6,848,248 | 0.20% | 0.12% | \$ 150 |
| Davis School District | 552,700,000 | 12.01% | 66,363,225 | 1.89% | 1.14% | \$ 1,450 |
| South Davis Recreation District | 6,890,000 | 34.01% | 2,343,110 | 0.07% | 0.04% | \$ 51 |
| Total Overlapping debt | <u>\$ 749,659,000</u> | | <u>\$ 92,007,870</u> | | | |
| Total direct and overlapping debt applicable to the City | | | <u>\$ 92,007,870</u> | 2.62% | 1.58% | \$ 2,011 |

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

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

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Assessed value (1) | \$ 2,172,491 | \$ 2,226,229 | \$ 2,107,421 | \$ 2,462,229 | \$ 2,703,415 | \$ 2,687,938 | \$ 2,876,987 | \$ 3,115,284 | \$ 3,416,013 | \$ 3,510,530 |
| Governmental Debt Limit | | | | | | | | | | |
| 4% of total assessed value | 86,900 | 89,049 | 84,297 | 98,489 | 108,137 | 107,518 | 115,079 | 124,611 | 136,641 | 140,421 |
| Debt applicable to limit: | | | | | | | | | | |
| General obligation bonds | - | - | - | - | - | - | - | - | - | - |
| Special Assessment Bonds | 1,023 | 848 | 1,028 | 455 | 228 | - | - | - | - | - |
| Revenue Bonds | 2,380 | 1,773 | 322 | - | - | - | - | - | - | - |
| Total Governmental debt applicable to limit | 3,403 | 2,621 | 1,350 | 455 | 228 | - | - | - | - | - |
| Governmental Legal Debt Margin | \$ 83,497 | \$ 86,428 | \$ 82,947 | \$ 98,034 | \$ 107,909 | \$ 107,518 | \$ 115,079 | \$ 124,611 | \$ 136,641 | \$ 140,421 |
| Total net debt applicable to the limit as a percentage of debt limit | 4% | 3% | 2% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Business-Type Debt Limit | | | | | | | | | | |
| 8% of total assessed value | 178,098 | 168,594 | 196,978 | 216,273 | 215,035 | 230,159 | 249,223 | 273,281 | 273,281 | 280,842 |
| Debt applicable to limit: | | | | | | | | | | |
| 2010 Power Revenue Bonds | 14,655 | 14,025 | 13,385 | 12,740 | 12,085 | 11,420 | 10,745 | 10,055 | 9,350 | - |
| 2021 Golf Lease Debt | - | - | - | - | - | - | - | - | - | 303 |
| Total Business-Type debt applicable to limit | 14,655 | 14,025 | 13,385 | 12,740 | 12,085 | 11,420 | 10,745 | 10,055 | 9,350 | 303 |
| Business-Type Legal Debt Margin | \$ 89,049 | \$ 84,297 | \$ 98,489 | \$ 108,137 | \$ 107,518 | \$ 115,079 | \$ 124,611 | \$ 136,641 | \$ 263,931 | \$ 280,539 |
| Total net debt applicable to the limit as a percentage of debt limit | 8.23% | 8.32% | 6.80% | 5.89% | 5.62% | 4.96% | 4.31% | 3.68% | 3.42% | 0.11% |

(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

BOUNTIFUL CITY
Pledged Revenue Coverage
Last Ten Fiscal Years
Table 15

| Fiscal Year Ended June 30, | Revenue Bonds | | | | | | Special Assessment Bonds | | | |
|--|-------------------|--------------------------------|------------------------------|--------------|------------|----------|---------------------------------------|--------------|-----------|----------|
| | Gross Revenues | Less: Operating Expenses | Net Available Revenues | Debt Service | | Coverage | Special Assessments Collections | Debt Service | | Coverage |
| | | | | Principal | Interest | | | Principal | Interest | |
| Revenue Bonds - Governmental Activities | | | | | | | | | | |
| 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 | - | - | - | - | - | - | - | - | - | - |
| 2020 | - | - | - | - | - | - | - | - | - | - |
| 2021 | - | - | - | - | - | - | - | - | - | - |

* 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)

| | | | | | | |
|---------|---------------|---------------|--------------|------------|------------|---------|
| 2012 | \$ 26,640,119 | \$ 21,421,319 | \$ 5,218,800 | \$ 625,000 | \$ 685,379 | 12.47 % |
| 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 |
| 2020 | 27,741,133 | 23,519,461 | 4,221,672 | 705,000 | 516,888 | 3.46 |
| 2021*** | 29,206,419 | 21,451,507 | 7,754,912 | 9,350,000 | 179,754 | 0.81 |

*** In Fiscal Year 2021 the Light & Power Fund Bond was paid off.

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

| Fiscal Year Ended June 30, | Population | | Personal Income (amounts expressed in thousands) (2) | Per Capita Personal Income | Number of residents 18 years and older | | School Enrollment | | Unemployment Rate (4) |
|---|-------------------|---------|---|---|---|-----|------------------------------|-----|----------------------------------|
| 2012 | 42,840 | (1) | 1,038,092 | 24,232 | 30,996 | (5) | 9,931 | (5) | 5.30 % |
| 2013 | 42,898 | (1) | 1,066,010 | 24,850 | 31,659 | (5) | 10,144 | (5) | 4.20 |
| 2014 | 42,920 | (1) | 1,137,211 | 26,496 | 30,607 | (1) | 10,144 | (5) | 3.60 |
| 2015 | 43,279 | (1),(2) | 1,146,190 | 26,484 | 30,862 | (1) | 11,191 | (3) | 3.60 |
| 2016 | 43,583 | (1),(2) | 1,204,921 | 27,647 | 31,005 | (1) | 11,303 | (3) | 3.30 |
| 2017 | 43,908 | (1),(2) | 1,303,221 | 29,681 | 31,331 | (1) | 11,600 | (3) | 3.10 |
| 2018 | 43,998 | (1) | 1,342,010 | 30,502 | 30,809 | (1) | 10,974 | (3) | 3.00 |
| 2019 | 44,025 | (1) | 1,402,764 | 31,863 | 30,886 | (1) | 10,941 | (3) | 2.70 |
| 2020 | 43,981 | (1) | 1,401,665 | 31,870 | 31,139 | (1) | 10,570 | (3) | 4.10 |
| 2021 | 45,762 | (1) | 1,468,136 | 32,082 | 33,008 | (1) | 10,682 | (3) | 2.20 |

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

(2) Utah State Tax Commission.

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

(4) Utah Department of Workforce Services -All rates are annual, except for the final year, which rate is as of July 2021.

(5) City Estimates.

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

| Employer (1) | 2021 | | | 2012 | | |
|--------------------------------------|----------------------|------|-------------------------------------|----------------------|------|-------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Lakeview Hospital | 250 - 499 | 1 | 1.13 - 2.25 % | 500 - 999 | 1 | 2.55 - 5.09 % |
| Smith's Marketplace | 250 - 499 | 2 | 1.13 - 2.25 | 100 - 249 | 9 | 0.51 - 1.27 |
| South Davis Recreation Center | 250 - 499 | 3 | 1.13 - 2.25 | N/A | N/A | N/A |
| Western Peaks Community Hospital | 250 - 499 | 4 | 1.13 - 2.25 | 500 - 999 | 2 | 2.55 - 5.09 |
| Bountiful Health Center | 100 - 249 | 5 | 0.45 - 1.12 | N/A | N/A | N/A |
| Bountiful High School | 100 - 249 | 6 | 0.45 - 1.12 | 100 - 249 | 4 | 0.51 - 1.27 |
| One Call Locators | 100 - 249 | 7 | 0.45 - 1.12 | N/A | N/A | N/A |
| Performance Ford Lincoln Bountiful | 100 - 249 | 8 | 0.45 - 1.12 | N/A | N/A | N/A |
| Viewmont High School | 100 - 249 | 9 | 0.45 - 1.12 | 100 - 249 | 10 | 0.51 - 1.27 |
| Youth Health Associates, Inc. | 100 - 249 | 10 | 0.45 - 1.12 | N/A | N/A | N/A |
| Lexington Law Firm | N/A | N/A | N/A | 250 - 499 | 3 | 1.27 - 2.54 |
| City First Mortgage Services, L.L.C. | N/A | N/A | N/A | 100 - 249 | 5 | 0.51 - 1.27 |
| Developers Investment Company | N/A | N/A | N/A | 100 - 249 | 6 | 0.51 - 1.27 |
| Dick's Market | N/A | N/A | N/A | 100 - 249 | 7 | 0.51 - 1.27 |
| Intermountain Temporaries | N/A | N/A | N/A | 100 - 249 | 8 | 0.51 - 1.27 |
| Total | 1,850 - 3,990 | | 7.22 - 15.72 % | 1,900 - 4,239 | | 9.29 - 20.74 % |

(1) Listed alphabetically within each employee range.

Source: Utah Department of Workforce Services

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

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------------------|------|------|------|------|------|------|------|------|------|------|
| Department | | | | | | | | | | |
| General Fund | | | | | | | | | | |
| Legislative | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 |
| Legal | 3 | 3 | 3 | 3 | 2 | 3 | 4 | 4 | 4 | 4 |
| Executive | 2 | 2 | 3 | 2 | 2 | 2 | 2 | 2 | 3 | 4 |
| Human Resources | | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Information Systems | 4 | 4 | 4 | 3 | 4 | 4 | 3 | 4 | 4 | 3 |
| Administrative | 6 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Treasurer | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Government Buildings | 2 | 2 | 2 | 2 | 2 | 1 | 2 | 1 | 2 | 1 |
| Police | 94 | 95 | 90 | 77 | 80 | 80 | 56 | 61 | 61 | 78 |
| Streets | 21 | 19 | 20 | 23 | 21 | 22 | 22 | 22 | 22 | 22 |
| Engineering | 8 | 8 | 7 | 8 | 8 | 7 | 8 | 8 | 9 | 9 |
| Parks | 18 | 20 | 13 | 23 | 21 | 19 | 28 | 28 | 32 | 28 |
| Planning | 4 | 4 | 4 | 5 | 4 | 5 | 6 | 4 | 4 | 5 |
| General Fund Total | 175 | 176 | 166 | 166 | 164 | 163 | 151 | 154 | 161 | 176 |
| Enterprise Funds | | | | | | | | | | |
| Storm Water (1) | 3 | 3 | 2 | 3 | 3 | 2 | 4 | 4 | 3 | 3 |
| Water | 13 | 18 | 16 | 16 | 15 | 16 | 19 | 19 | 17 | 18 |
| Light and Power | 39 | 37 | 38 | 36 | 34 | 37 | 37 | 35 | 36 | 37 |
| Golf | 43 | 46 | 47 | 46 | 49 | 43 | 51 | 45 | 43 | 43 |
| Landfill (1) | 9 | 9 | 11 | 9 | 9 | 10 | 11 | 11 | 12 | 11 |
| Sanitation | 6 | 5 | 6 | 6 | 5 | 5 | 6 | 5 | 5 | 5 |
| Cemetery | 9 | 11 | 8 | 7 | 8 | 8 | 7 | 7 | 8 | 6 |
| Enterprise Fund Total | 122 | 129 | 128 | 123 | 123 | 121 | 135 | 126 | 124 | 123 |
| Internal Service Funds | | | | | | | | | | |
| Risk Management (1) | - | - | - | - | - | - | - | - | - | - |
| Workers Compensation (1) | - | - | - | - | - | - | - | - | - | - |
| Internal Service Fund Total | - | - | - | - | - | - | - | - | - | - |
| Redevelopment Agency | | | | | | | | | | |
| Redevelopment Agency (1) | - | - | - | - | - | - | - | - | - | - |
| Total Positions | 297 | 305 | 294 | 289 | 287 | 284 | 286 | 280 | 285 | 299 |

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

Source: City of Bountiful Human Resource Office

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

| Function | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Fire protection: | | | | | | | | | | |
| Number of stations (1) | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Police protection: | | | | | | | | | | |
| Number of stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of patrol units | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 24 | 24 | 24 |
| Highways and streets: | | | | | | | | | | |
| Number of street lights | 2,135 | 2,039 | 2,042 | 2,037 | 2,037 | 2,035 | 2,035 | 2,056 | 2,054 | 2,070 |
| Number of traffic signals | 13 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Miles of streets | 159.06 | 159.06 | 159.06 | 159.06 | 159.06 | 159.71 | 159.75 | 159.96 | 159.96 | 160.25 |
| Public Services: | | | | | | | | | | |
| Recreation and culture: | | | | | | | | | | |
| Number of municipal parks | 13 | 13 | 13 | 13 | 13 | 16 | 16 | 16 | 17 | 18 |
| Number of municipal picnic areas | 19 | 19 | 19 | 19 | 19 | 19 | 22 | 22 | 29 | 29 |
| Number of municipal tennis courts | 24 | 24 | 20 | 20 | 20 | 20 | 20 | 20 | 18 | 18 |
| Number of municipal soccer fields | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 9 |
| Number of municipal ball diamonds | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 8 | 9 |
| Number of Trail Heads | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Number of municipal golf courses | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of ice arenas (3) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Municipal power plants: | | | | | | | | | | |
| Number of distribution substations | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Miles of distribution and transmission lines | 228.52 | 229.12 | 229.12 | 229.16 | 229.36 | 229.61 | 230.72 | 232.86 | 235.05 | 236.89 |
| Municipal water plants: | | | | | | | | | | |
| Number of fire hydrants | 1,588 | 1,599 | 1,612 | 1,618 | 1,629 | 1,644 | 1,659 | 1,671 | 1,683 | 1,696 |
| Miles of water mains | 175.70 | 175.85 | 176.31 | 176.38 | 176.40 | 176.60 | 177.43 | 178.22 | 179.18 | 179.48 |
| Max instantaneous water source capacity (gallons per minute) | 8,900 | 8,900 | 9,000 | 9,000 | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 | 10,000 |
| Sanitation utilities: | | | | | | | | | | |
| Number of collection trucks | 12 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Number of sanitary landfills | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Storm water utility: | | | | | | | | | | |
| Miles of storm water lines (encased) | 71.20 | 71.14 | 71.16 | 69.65 | 70.14 | 70.80 | 70.80 | 71.89 | 72.30 | 73.06 |
| Miles of storm water lines (concrete lined) | 1.40 | 1.40 | 1.32 | 1.32 | 1.32 | 1.32 | 1.33 | 1.32 | 1.31 | 1.37 |
| 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) In FY 2021, the Bountiful Town Square Ice Ribbon opened, it is operated by the South Davis Recreation District.

Miscellaneous Statistics - Most current information only

Date of Incorporation: December 14, 1892

Form of government: Manager

Election data

Registered (active voters), August 2021: 26,872

Number of votes cast in 2021 primary election: 10,595

Percentage of registered voters voting: 39.43%

Sources: Various City of Bountiful Departments.

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

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Function/Program | | | | | | | | | | |
| General Governmental: | | | | | | | | | | |
| Ordinances passed | 13 | 8 | 14 | 28 | 12 | 11 | 9 | 11 | 8 | 13 |
| Resolutions passed | 8 | 10 | 14 | 11 | 14 | 20 | 12 | 7 | 16 | 29 |
| Public Safety: | | | | | | | | | | |
| Hazardous citations written | 1,973 | 1,973 | 2,142 | 2,258 | 2,215 | 1,975 | 1,707 | 1,431 | 3,088 | 11,785 |
| Non-hazardous citations written | 1,353 | 1,353 | 1,005 | 1,469 | 1,458 | 1,339 | 1,094 | 799 | 736 | 368 |
| Arrests | 1,448 | 1,448 | 1,611 | 1,086 | 1,382 | 1,130 | 1,107 | 946 | 875 | 915 |
| Highways and Streets: | | | | | | | | | | |
| Miles of street overlaid | 5.50 | 5.60 | 6.43 | 7.00 | 5 | 7 | 17.56 | 5.20 | 6.60 | 5.18 |
| Miles of street reconstructed | 0.35 | 0.09 | 0.00 | 0.39 | 1 | 0.00 | 0.44 | 0.14 | 0.44 | 0.42 |
| Planning and Engineering: | | | | | | | | | | |
| Building Permits Issued | 125 | 57 | 88 | 62 | 81 | 169 | 134 | 79 | 33 | 67 |
| Municipal water: | | | | | | | | | | |
| Average daily gallons consumed | 3,994,000 | 4,491,000 | 4,492,000 | 4,185,000 | 3,729,000 | 3,968,000 | 4,389,454 | 4,442,000 | 4,127,000 | 3,688,380 |
| Municipal power: | | | | | | | | | | |
| Kilowatt hours sold | 285,476,544 | 298,186,064 | 294,130,877 | 277,674,203 | 278,780,541 | 283,037,185 | 283,555,713 | 280,753,086 | 267,283,693 | 277,070,477 |
| Storm water: | | | | | | | | | | |
| Miles of storm drains inspected | 4.06 | 5.13 | 4.70 | 4.78 | 2.92 | 4.61 | 5.52 | 7.56 | 4.02 | 7.11 |
| Miles of streets cleaned | 159.06 | 159.06 | 159.08 | 158.36 | 159.64 | 159.71 | 159.75 | 159.96 | 159.96 | 160.25 |
| Sanitation utilities: | | | | | | | | | | |
| Tons of waste collected and landfilled | 54,194 | 55,426 | 52,354 | 68,795 | 64,640 | 56,848 | 79,880 | 97,974 | 98,704 | 109,984 |
| Tons of recyclables collected | 2,896 | 2,812 | 2,713 | 2,384 | 2,549 | 2,618 | 2,587 | 3,087 | 2,797 | 2,273 |

Sources: Various City of Bountiful departments.

**BOUNTIFUL CITY
BOUNTIFUL, UTAH**

SUPPLEMENTARY REPORTS

INCLUDING SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



Keddington & Christensen, LLC
Certified Public Accountants

BOUNTIFUL CITY
SUPPLEMENTARY REPORTS
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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 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
Bountiful City
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 Bountiful City, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Bountiful City's (the City) basic financial statements, and have issued our report thereon dated November 17, 2021.

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*. 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*.

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

Keddington & Christensen, LLC
Salt Lake City, Utah
November 17, 2021



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 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
Bountiful City
Bountiful, Utah

Report on Compliance

We have audited Bountiful City'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, 2021.

State compliance requirements were tested for the year ended June 30, 2021 in the following areas:

| | |
|------------------------------|-----------------------|
| Budgetary Compliance | Fund Balance |
| Restricted Taxes | Fraud Risk Assessment |
| Governmental Fees | Enterprise Transfer |
| Tax Levy Revenue Recognition | |

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, 2021.

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 this matter.

The City's response to the noncompliance finding 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 one 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

Keddington & Christensen, LLC
Salt Lake City, Utah
November 17, 2021

BOUNTIFUL CITY
SCHEDULE OF FINDING AND RECOMMENDATIONS
For the Fiscal Year Ended June 30, 2021

Utah State Compliance

Transfer Compliance

Finding

During the budgeting process for the original budget for the fiscal year ending June 30, 2021, the city was required to hold a second public hearing related to the budget because of a notification issue. Since the budget contained a transfer of funds from an enterprise fund to the General Fund, the city was required to send a notice of adoption of the transfer in the budget subsequent to the approval. After the original public hearing the city did send the subsequent notification, however, the city failed to send the subsequent notification after the second public hearing.

Recommendation

We recommend the City ensure all required notifications are sent out.

City Response:

As noted in the finding, the City did send out all required initial and subsequent notices on the original budget and transfer adoption. As to the second public hearing, all initial notices were sent out as required. Management evaluated the need for a repeat subsequent notice of adoption since the city council adopted the exact same transfers as were originally noticed. Management decided not to send a repeat notice of adoption on the second public hearing given that nothing changed from the initial notice of adoption, and it was felt that the noticing requirements had been fulfilled. Moving forward, if we ever have a similarly required secondary public hearing adoption process, we will send out an adoption notification that meets the requirements.

SINGLE AUDIT



KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited Bountiful City, Utah’s (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City’s major federal program for the year ended June 30, 2021. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on the compliance for the City’s major federal programs based on our audit of the types of 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program 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 for each major federal program. However, our audit does not provide a legal determination of the City’s compliance.

Opinion on Each Major Federal Program

In our opinion, Bountiful City, Utah, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each of the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each of the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 type of compliance requirement of a federal program 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 material 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 have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bountiful City, Utah, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 17, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City, Utah
November 17, 2021

BOUNTIFUL CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2021

| <u>Federal Grantor/Pass-Through Grantor/ Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Passed Through to Subrecipients</u> | <u>Federal Expenditures</u> |
|--|------------------------------------|---|--|---------------------------------|
| <i>Passed through the State of Utah</i> | | | | |
| Department of the Treasury | | | | |
| Coronavirus Relief Funds (CRF) | 21.019 | None | \$ 503,165 | \$ 1,741,785 |
| Department of Homeland Security | | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | FM-5292-02R | - | 1,058,582 |
| Emergency Management Performance Grant (EMP) | 97.042 | EMPG-2020-DEM-002 | - | 10,000 |
| Total Department of Homeland Security | | | - | 1,068,582 |
| Environmental Protection Agency (EPA) | | | | |
| Diesel Emission Reduction Act (DERA) | 66.039 | DE-96846501-1 | - | 116,923 |
| Department of Justice | | | | |
| Justice Assistance Grant (JAG) | 16.738 | 19A106 | - | 7,246 |
| JAG - Bulletproof vest grant | 16.738 | 207881 | - | 3,593 |
| Victims of Crime Act (VOCA) | 16.575 | 20VOCA023 | - | 30,245 |
| Total Department of Justice | | | - | 41,084 |
| Total Expenditures of Federal Awards | | | \$ 503,165 | \$ 2,968,374 |

BOUNTIFUL CITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2021

A. Basis of Accounting

The schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting.

B. Indirect Cost Rate

The city did not use the 10 percent de minimis indirect cost rate.

BOUNTIFUL CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|---|------------|
| 1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified? | No |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| 1. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified? | None reported |

2. Type of auditor's report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

4. Identification of major federal program:

| <i>CFDA Number</i> | <i>Name of Federal Program or Cluster</i> |
|--------------------|---|
| 21.019 | Coronavirus Relief Funds (CRF) |
| 97.036 | Disaster Grants - Public Assistance (Presidentially Declared Disasters) |

5. Dollar threshold used to distinguish between type A and type B programs: \$750,000

6. Auditee qualified as low-risk auditee? No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None