

# BOUNTIFUL CITY, UTAH



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT FOR THE  
FISCAL YEAR ENDED  
JUNE 30, 2020



Mayor: Randy Lewis  
City Manager: Gary Hill

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



**BOUNTIFUL CITY, UTAH**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**



**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**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For The Fiscal Year Ended June 30, 2020**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Introductory Section</b>	
Letter of Transmittal.....	i
Principal Officials.....	iv
Organizational Chart .....	v
Certificate of Achievement for Excellence in Financial Reporting .....	vi
 <b>Financial Section</b>	
Independent Auditor’s Report .....	1
Management’s Discussion and Analysis .....	3
 <b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	22
Statement of Activities .....	24
 Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	25
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	26
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	28
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	29
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Redevelopment Agency Special Revenue Fund.....	30
Statement of Net Position – Proprietary Funds.....	31
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.....	33
Statement of Cash Flows – Proprietary Funds.....	35
Statement of Fiduciary Net Position – OPEB Plans .....	37
Statement of Changes in Fiduciary Net Position – OPEB Plans.....	38
 Notes to the Financial Statements .....	 39
 <b>Required Supplementary Information:</b>	
Schedule of Changes in Fiduciary Net Position and Related Ratios - Public Safety Agent Pension Plan – Last Ten Fiscal Years.....	72
Schedule of the Proportionate Share of the Net Pension Liability – Last Ten Fiscal Years.....	73
Schedule of Contributions – Pension Plans – Last Ten Fiscal Years .....	74
Schedule of Changes in Fiduciary Net Position and Related Ratios - OPEB Plans – Last Ten Fiscal Years.....	75
Schedule of Contributions – OPEB Plans – Last Ten Fiscal Years.....	76
 Notes to Required Supplementary Information.....	 77
 <b>Supplemental Information:</b>	
Introduction.....	79
Nonmajor Governmental Funds Combining and Individual Fund Statements and Schedules: Combining Balance Sheet .....	80

**BOUNTIFUL CITY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For The Fiscal Year Ended June 30, 2020**

**TABLE OF CONTENTS (Continued)**

	<u>Page</u>
<b>Financial Section (Continued)</b>	
<b>Supplemental Information (Continued):</b>	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	81
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Landfill Closure Special Revenue Fund.....	82
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – RAP Tax Special Revenue Fund.....	83
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Municipal Building Authority Special Revenue Fund .....	84
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Cemetery Perpetual Care Special Revenue Fund.....	85
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Service Fund.....	86
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Capital Projects Fund .....	87
Nonmajor Enterprise Funds Combining and Individual Fund Statements:	
Combining Statement of Net Position .....	88
Combining Statement of Revenues, Expenses and Changes in Net Position .....	90
Combining Statement of Cash Flows .....	92
Nonmajor Internal Service Funds Combining and Individual Fund Statements:	
Combining Statement of Net position.....	94
Combining Statement of Revenues, Expenses and Changes in Net Position .....	95
Combining Statement of Cash Flows .....	96
<b>Statistical Section</b>	
Introduction.....	97
Financial Trend:	
Table 1 – Net Position by Component.....	98
Table 2 – Changes in Net Position.....	99
Table 3 – Fund Balances of Governmental Funds.....	101
Table 4 – Changes in Fund Balances of Governmental Funds .....	102
Revenue Capacity:	
Table 5 – Governmental Activities Tax Revenues by Source.....	104
Table 6 – Assessed Value and Estimated Actual Value of Taxable Property.....	105
Table 7 – Property Tax Rates Direct and Overlapping Governments .....	106
Table 8 – Principal Property Tax Payers .....	107
Table 9 – Property Tax Levies and Collections .....	108
Table 10 – Light and Power Charges for Services.....	109
Debt Capacity:	
Table 11 – Ratios of Outstanding Debt by Type .....	110
Table 12 – Ratios of General Bond Debt Outstanding .....	111
Table 13 – Direct and Overlapping Governmental Activities Debt.....	112
Table 14 – Legal Debt Margin Information .....	113
Table 15 – Pledged Revenue Coverage .....	114
Demographic and Economic Information:	
Table 16 – Demographic and Economic Statistics.....	115
Table 17 – Principal Employers.....	116
Operating Information:	
Table 18 – Full-time Equivalent City Government Employees by Function.....	117
Table 19 – Capital Assets Statistics by Function.....	118
Table 20 – Operating Indicators by Program/Function.....	119

## **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 5, 2020

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 comprehensive annual financial report of Bountiful City (the City) for the fiscal year ended June 30, 2020.

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, 2020. 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, 2020. 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 2020 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 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 5, 2020.

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**

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

### **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 30<sup>th</sup> of the current fiscal year. If the next fiscal year's budget includes a property tax increase the final budget must be adopted by August 17<sup>th</sup> that falls within the budgeted fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Upon approval by the City Manager, department directors may transfer resources within a department. Transfers between departments, however, need special approval from the governing body. Departments are the City's legal level of budgetary control.

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

The City limits cover an area of approximately 14 square miles. The City's population for 2020 is estimated at 43,981, 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**

During the year ended June 30, 2020, there was one significant change in the City's financial policies as a new fund balance/reserve policy was adopted 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, 2020, there were two governmental funds with estimated revenues significantly less than expenditure appropriations. In such cases, the policy allows for the appropriation of fund balance to close the gap. The Capital Projects and Redevelopment Agency funds had final budgeted shortfalls of \$5,918,625 and \$3,604,386, respectively. Due to the delay or interfund reallocation 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 budgeted shortfall in the Capital Projects fund of \$5,918,625 to be an actual shortfall of \$1,896,957. Due to similar controls and results, the Redevelopment Agency fund reduced the budgeted shortfall of \$3,604,386 to be an actual shortfall of \$992,661.

### **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 6 major projects in progress that are expected to be completed in fiscal years 2021 and 2022 as follows:

1. The City is working on bringing the current City Hall building up to State code, correcting structural and mechanical problems, and renovating the inside of the building. This project budget has been estimated at \$8,300,000 including all temporary lease payments, moving costs, and construction contingencies. This project began in fiscal year 2019 and has cost \$4,953,794 through the end of fiscal year 2020. There is another

**Major initiatives (Continued)**

- \$3,324,000 budgeted in fiscal year 2021 to close out this project. Completion is expected in December 2020.
2. An old equipment garage and wash bay building located behind the Public Works building is scheduled to be replaced. The fiscal year 2021 budget for this replacement project is \$1,922,000.
  3. A street reconstruction project for 1000 North is planned for fiscal year 2021. The budget for this project is set at \$1,200,000.
  4. The Light and Power department issued a \$15,280,000 revenue bond in November of 2010 to construct a natural gas power plant. The bond terms stipulated that the bonds could not be redeemed before November 1, 2020. It is the City's intent to pay off those bonds in November 2020 and accordingly, \$9,350,000 has been budgeted in fiscal year 2021. This will bring the City to be completely debt free.
  5. 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 \$1,100,000 as budgeted in fiscal year 2021.
  6. 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 2021 and be completed in fiscal year 2022. The project has a budget of \$1,500,000 and \$2,000,000 in fiscal years 2021 and 2022, respectively.

All of these major initiatives discussed 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 comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the thirty-ninth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR which satisfied both GAAP and applicable program requirements.

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

The City also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2020 budget for the fourth year. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

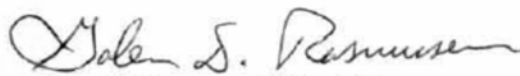
The preparation of this CAFR would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We appreciate all City departments for their assistance in providing the data necessary to prepare this report.

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

Respectfully submitted,



Tyson Beck, CPA  
Finance Director



Galen D. Rasmussen, MPA, CPA  
Assistant City Manager



**BOUNTIFUL CITY  
PRINCIPAL OFFICIALS  
As of June 30, 2020**

**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

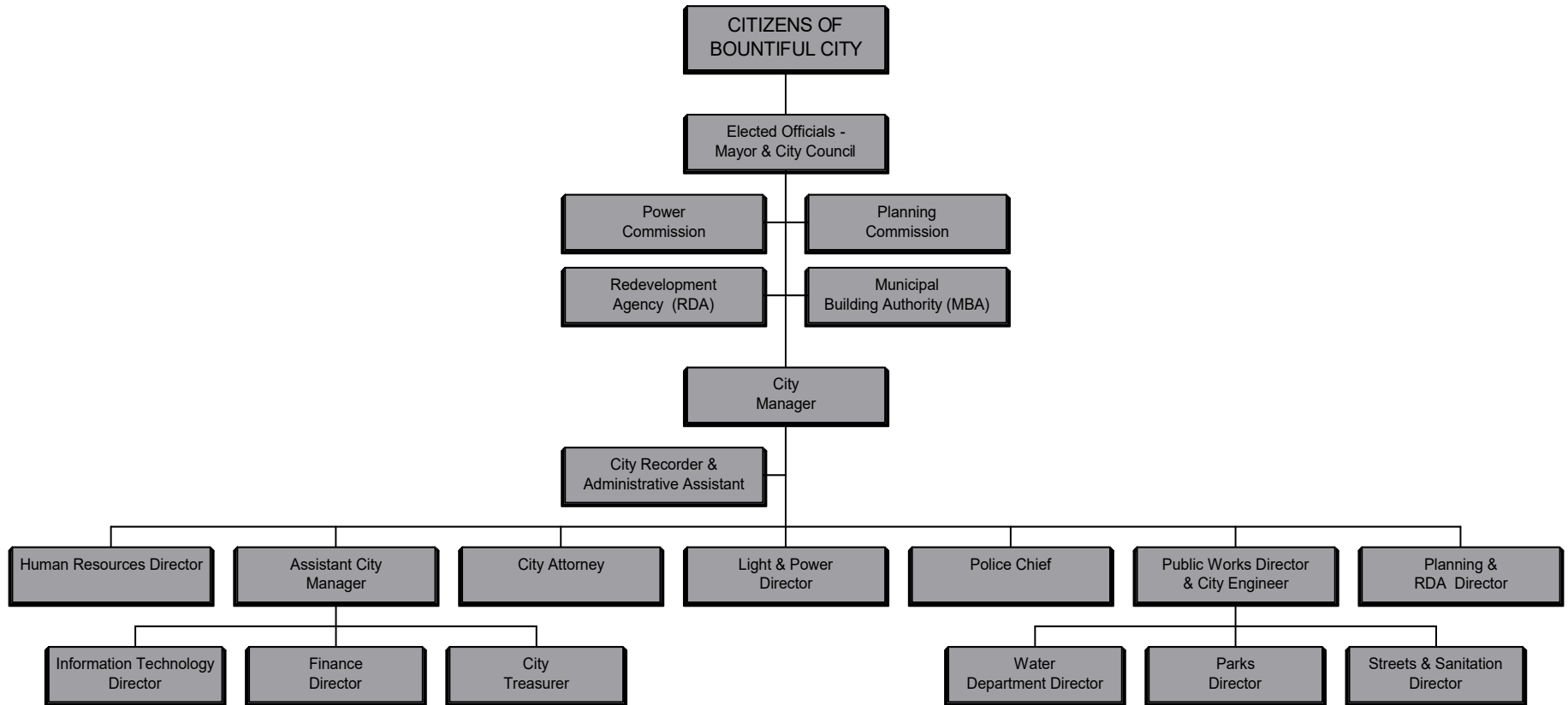
City Treasurer  
City Recorder

**DEPARTMENT HEADS**

Gary Blowers  
Francisco Astorga  
Brock Hill  
Allen Johnson  
Tom Ross  
Lloyd Cheney  
Alan West  
Mark Slagowski  
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, 2020**





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, 2019**

*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, 2020, 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, 2020, 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 5, 2020 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 5, 2020

**BOUNTIFUL CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For The Fiscal Year Ended June 30, 2020**

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, 2020. 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, 2020 by \$259,335,004. Of this amount, unrestricted net position of \$87,824,804 may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net position decreased by \$3,665,941 from the prior year.
- The total net position increased by \$5,029,642 from the prior year. The net increase was made up of a \$5,729,787 increase from governmental activities and a \$700,145 decrease 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 \$44,959,562, a decrease of \$2,815,543 from the prior year. Of the current year fund balance amount, \$44,070,477 is unrestricted (the total of the committed, assigned, and unassigned components of fund balance) and available for spending. The remaining \$889,085 has been legally restricted by parties outside the financial reporting entity.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$3,877,501, or 21.38% of total General Fund expenditures.
- As of the close of the current fiscal year, the City's only bonded debt obligations were the Light and Power Fund's Electric Revenue bonds with an outstanding balance of \$9,350,000. This bonded debt decreased by \$705,000 from the prior year.

**Overview of the Financial Statements**

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

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

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

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

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

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

**BOUNTIFUL CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Fiscal Year Ended June 30, 2020**

**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 2020 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, 2020**

**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, 2020, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$259,335,004. This is the City's net position at the close of the current fiscal year.

<b>Bountiful City Net Position</b>						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 59,202,201	\$ 61,087,452	\$ 56,052,400	\$ 55,142,101	\$ 115,254,601	\$ 116,229,553
Capital assets	91,946,665	82,645,913	86,659,072	88,070,217	178,605,737	170,716,130
Total assets	<u>151,148,866</u>	<u>143,733,365</u>	<u>142,711,472</u>	<u>143,212,318</u>	<u>293,860,338</u>	<u>286,945,683</u>
Total deferred outflows of resources	<u>1,538,889</u>	<u>3,408,422</u>	<u>853,671</u>	<u>1,654,363</u>	<u>2,392,560</u>	<u>5,062,785</u>
Current liabilities	3,345,865	2,158,501	4,694,475	3,758,006	8,040,340	5,916,507
Long-term liabilities	9,199,180	11,929,608	13,141,601	15,409,941	22,340,781	27,339,549
Total liabilities	<u>12,545,045</u>	<u>14,088,109</u>	<u>17,836,076</u>	<u>19,167,947</u>	<u>30,381,121</u>	<u>33,256,056</u>
Total deferred inflows of resources	<u>5,534,677</u>	<u>4,175,432</u>	<u>1,002,096</u>	<u>271,618</u>	<u>6,536,773</u>	<u>4,447,050</u>
Net position:						
Net investment in capital assets	91,946,665	82,645,913	77,309,072	78,015,217	169,255,737	160,661,130
Restricted	1,564,641	1,503,841	689,822	649,646	2,254,463	2,153,487
Unrestricted	41,096,727	44,728,492	46,728,077	46,762,253	87,824,804	91,490,745
Total net position	<u>\$ 134,608,033</u>	<u>\$ 128,878,246</u>	<u>\$ 124,726,971</u>	<u>\$ 125,427,116</u>	<u>\$ 259,335,004</u>	<u>\$ 254,305,362</u>

By far the largest portion of the City's net position \$169,255,737 (65.27%) reflects its investment in capital assets, less any related debt that is still outstanding and which was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$2,254,463 (.87%), represents resources that are subject to external restrictions on how they may be used.

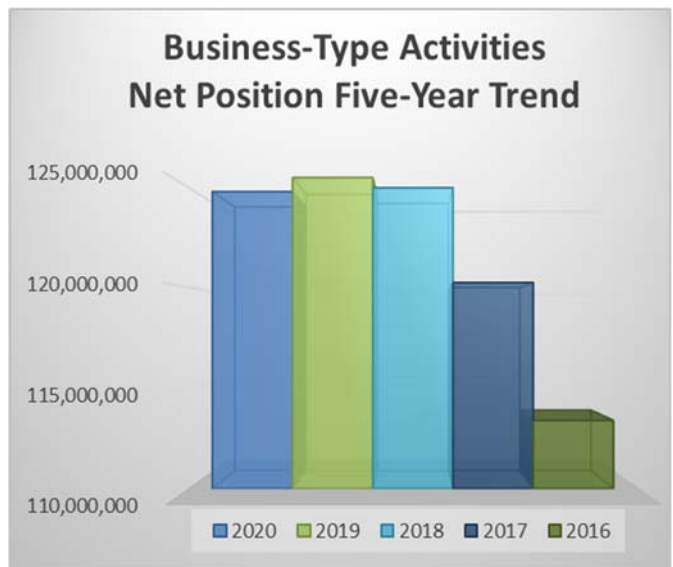
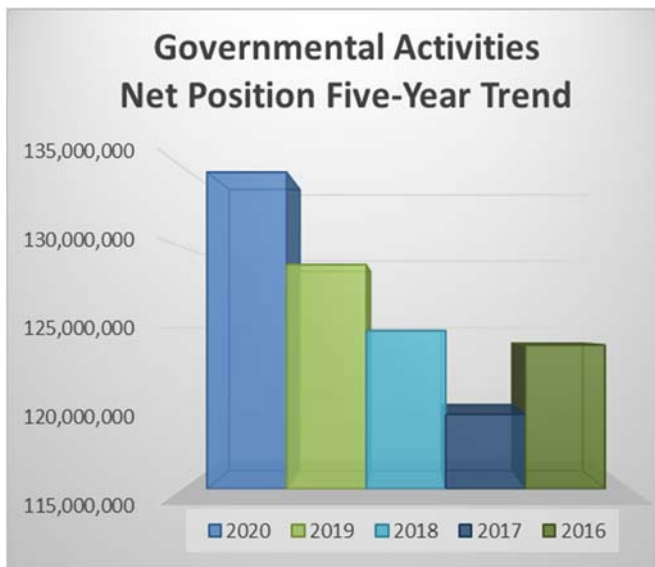
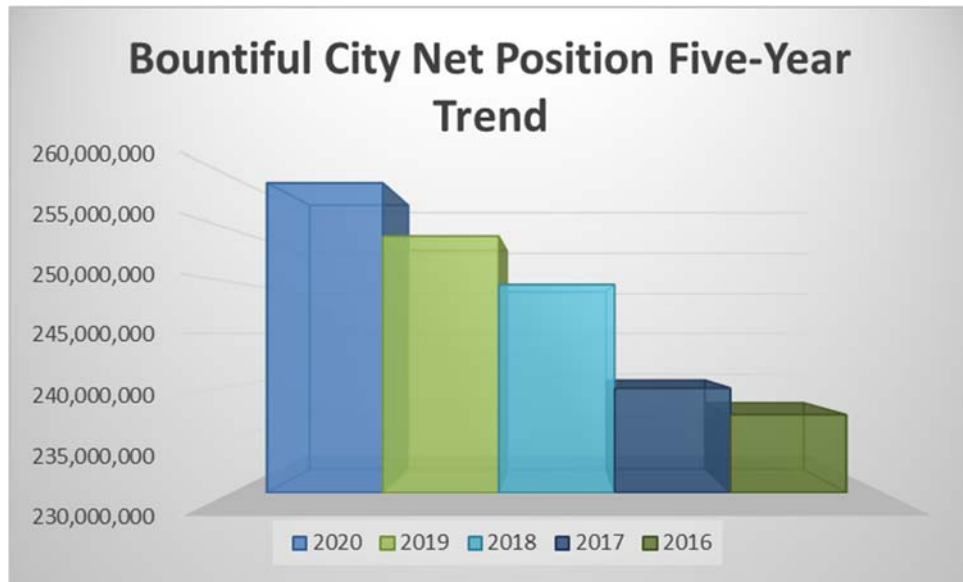
The remaining balance of \$87,824,804 (33.87%) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

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, 2020**

**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, 2020**

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

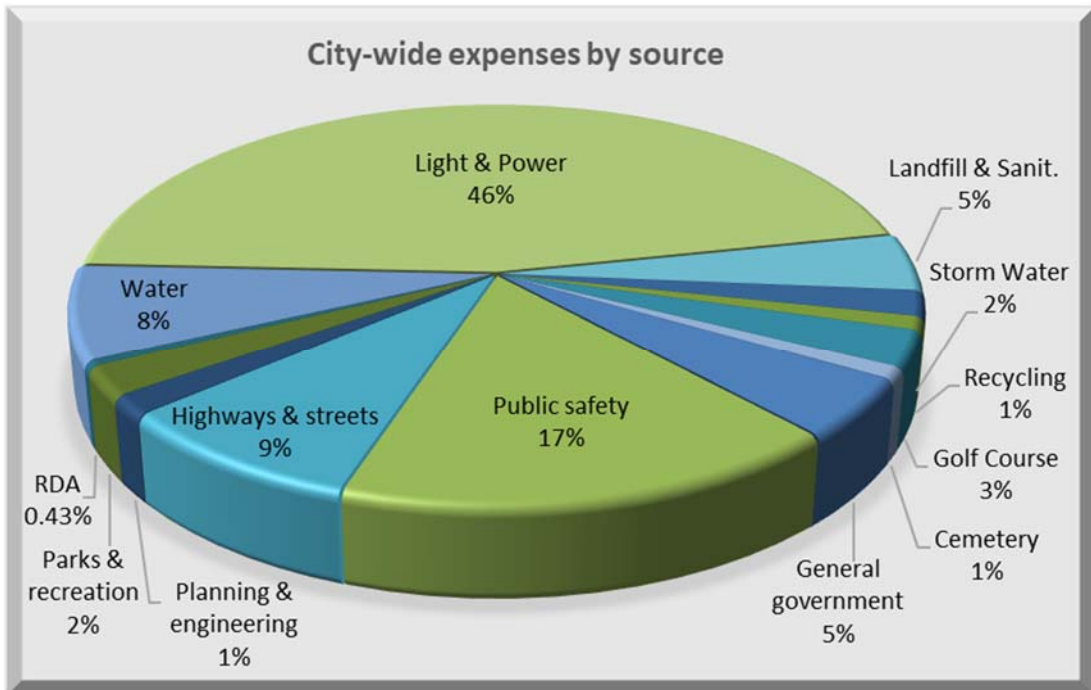
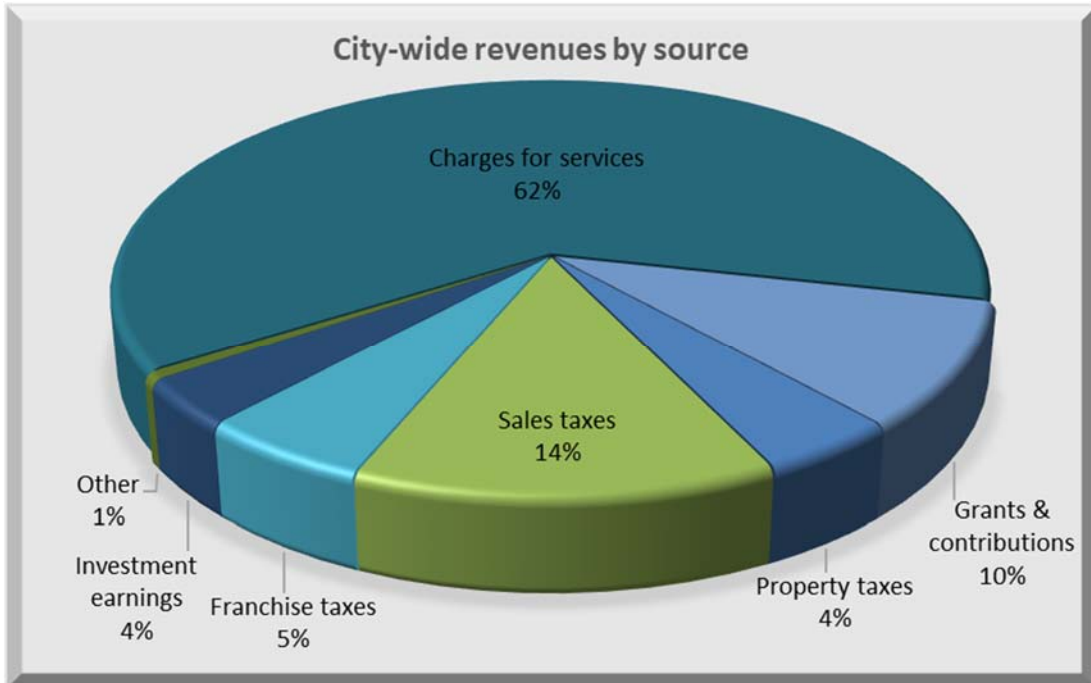
In addition to reviewing the City-wide net position, an analysis of the year-over-year change in net position is representative of the unique financial activity that has taken place over the course of the fiscal year. During the year ended June 30, 2020, the overall net position of the City increased \$5,029,642, a 1.98% change, from the prior fiscal year. The increase from governmental activities of \$5,729,787 is \$1,662,784 more than the \$4,067,003 increase to net position of fiscal year 2019. The decrease from business-type activities of \$700,145 is \$1,207,685 less than the \$507,540 net increase to net position of fiscal year 2019.

<b>Bountiful City Changes in Net Position</b>						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 1,714,651	\$ 1,849,792	\$ 39,423,488	\$ 39,286,117	\$ 41,138,139	\$ 41,135,909
Operating grants and contributions	5,797,259	2,454,563	42,575	-	5,839,834	2,454,563
Capital grants and contributions	15,000	431,640	655,433	974,966	670,433	1,406,606
<b>General revenues:</b>						
Property taxes	2,928,484	3,969,296	-	-	2,928,484	3,969,296
Sales taxes	8,937,963	8,460,480	-	-	8,937,963	8,460,480
Franchise taxes	3,642,291	3,802,154	-	-	3,642,291	3,802,154
Other	1,470,152	1,841,172	1,301,994	1,801,978	2,772,146	3,643,150
Total revenues	<u>24,505,800</u>	<u>22,809,097</u>	<u>41,423,490</u>	<u>42,063,061</u>	<u>65,929,290</u>	<u>64,872,158</u>
<b>Expenses:</b>						
General government	2,931,729	2,756,678	-	-	2,931,729	2,756,678
Public safety	10,353,927	10,670,198	-	-	10,353,927	10,670,198
Highways and streets	5,243,263	5,058,822	-	-	5,243,263	5,058,822
Planning and engineering	951,735	893,628	-	-	951,735	893,628
Parks and recreation	1,445,627	1,375,540	-	-	1,445,627	1,375,540
Redevelopment	264,816	531,500	-	-	264,816	531,500
Water	-	-	4,611,958	4,413,045	4,611,958	4,413,045
Light and Power	-	-	28,016,154	25,588,771	28,016,154	25,588,771
Landfill and Sanitation	-	-	2,811,880	2,665,632	2,811,880	2,665,632
Storm Water	-	-	1,244,172	1,173,363	1,244,172	1,173,363
Golf Course	-	-	1,785,364	1,692,390	1,785,364	1,692,390
Recycling	-	-	650,384	585,331	650,384	585,331
Cemetery	-	-	588,639	544,294	588,639	544,294
Total expenses	<u>21,191,097</u>	<u>21,286,366</u>	<u>39,708,551</u>	<u>36,662,826</u>	<u>60,899,648</u>	<u>57,949,192</u>
Change in net position before transfers	3,314,703	1,522,731	1,714,939	5,400,235	5,029,642	6,922,966
Transfers	2,415,084	2,544,272	(2,415,084)	(2,544,272)	-	-
Increase (Decrease) in net position	5,729,787	4,067,003	(700,145)	2,855,963	5,029,642	6,922,966
Net position - beginning of year	128,878,246	124,811,243	125,427,116	124,919,576	254,305,362	249,730,819
Prior Period Adjustment	-	-	-	(2,348,423)	-	(2,348,423)
Net position - end of year	<u>\$ 134,608,033</u>	<u>\$ 128,878,246</u>	<u>\$ 124,726,971</u>	<u>\$ 125,427,116</u>	<u>\$ 259,335,004</u>	<u>\$ 254,305,362</u>

**BOUNTIFUL CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Fiscal Year Ended June 30, 2020**

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

The graphs that follow present fiscal year 2020 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, 2020**

**Financial Analysis of Governmental Activities**

For the period ended June 30, 2020, the City's governmental activities increased the City's net position by \$5,729,787. During the 2020 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 2019. 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 \$1,662,784 more than last year's increase of \$4,067,003 due to the following three factors:

1. Fiscal year 2020 reported a net increase in governmental activities revenue of \$1,696,703 from fiscal year 2019, attributed to the underlined reasons below:
  - Charges for services revenue had a net decrease of \$135,141 due primarily to a \$148,875 decrease in lease revenue. The Utah State Court system has leased a portion of the City's public safety building since it was built. Fiscal year 2020 was the first year of a renewed lease agreement where the lease terms did not also include a debt service component, thus decreasing the monthly lease amount. This decrease in charges for services revenue was partially offset by a net revenue increase of \$13,734 from various other routine fluctuations in charges for services.
  - Operating grants and contributions revenue increased \$3,342,696 due to the following 7 factors: 1) The current year recognized \$2,012,176 in Federal CARES Act grant money for eligible expenditures to mitigate and respond to the COVID-19 pandemic; 2) The current year reported \$1,143,117 in property tax increment as an intergovernmental operating contribution. In fiscal year 2019 that increment contribution was reported as property tax revenue; 3) a \$125,027 increase in 0.25% Davis County transportation sales tax collections due mainly to fiscal year 2020 generating additional sales taxes; 4) \$97,500 in increased Utah State grant revenue principally from the City receiving a recreation grant tied to its Town Square (downtown plaza) project; 5) \$28,870 increase in miscellaneous State of Utah grants mostly due to a fire remediation grant tied to the mountain fire within City limits during the current year; 6) \$42,845 in decreased road fund allotments from the State; and 7) \$21,149 net decrease in various other routine revenue fluctuations.
  - Capital grants and contributions revenue decreased \$416,640 predominantly due to a decrease of developer capital asset contributions. In fiscal year 2020 there were no subdivisions accepted by the City where the developer contributed the underlying infrastructure (e.g. road, sidewalk, etc.). In the prior fiscal year there were two subdivisions where the City provided final inspection/approval and began ownership and maintenance of those assets.
  - Property tax revenues decreased \$1,040,812 due primarily to the reclassification of intergovernmental property tax increment contributions as operating contribution revenue instead of property tax revenue levied by the City.
  - Sales tax revenues increased \$477,483. This increase was due mainly to improvement in the local economy for eight months and then interestingly the COVID-19 pandemic 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.
  - Franchise tax revenues decreased by a net \$159,863 due to the following 4 factors: 1) \$75,533 decrease in Emergency 911 tax revenues. The current fiscal year tax revenue came in as expected, the drop really comes from the prior fiscal year being abnormally high with back payments from Centerville City's taxes being reallocated from prior years; 2) \$61,630 decrease in telecommunications tax, which has been a continuing trend over the past few fiscal years; 3) \$43,935 decrease in municipal energy sales and use taxes due mainly to reduced electric metered sales in the current fiscal year; and 4) a net increase of \$21,235 from routine fluctuations in cable and natural gas franchise taxes.
  - Other revenue had a net decrease of \$371,020 due to these 4 factors: 1) \$208,563 decrease in interest earnings due to the overall investment market reducing interest rates. This stems mostly from a down economy and the Federal Reserve dropping their interest rates to stimulate the economy; 2) \$207,243 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; and 3) \$52,408 decrease in gain on the sale of capital assets. This is mainly due to the inability of the Police Department to obtain new vehicles during much of fiscal year 2020, due to backorder, forcing them to keep the older vehicles rather than sell them; 4) \$97,194 net increase in various miscellaneous revenues with the largest increase coming from a health insurance provider refunding prior year premiums paid.

**BOUNTIFUL CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Fiscal Year Ended June 30, 2020**

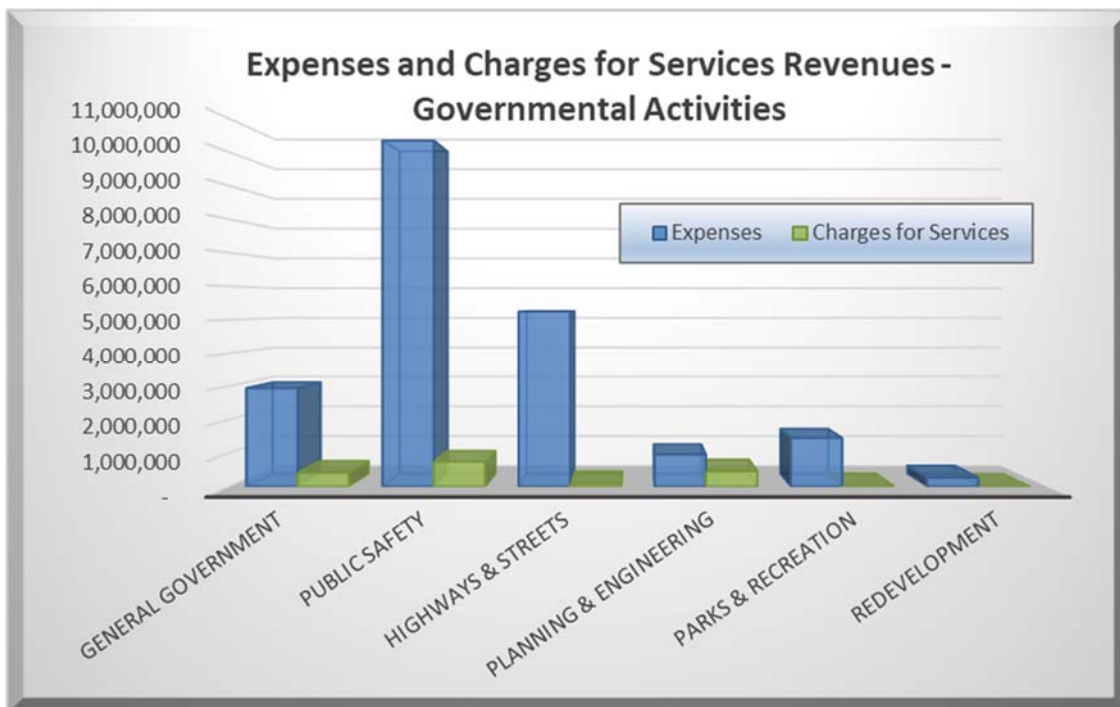
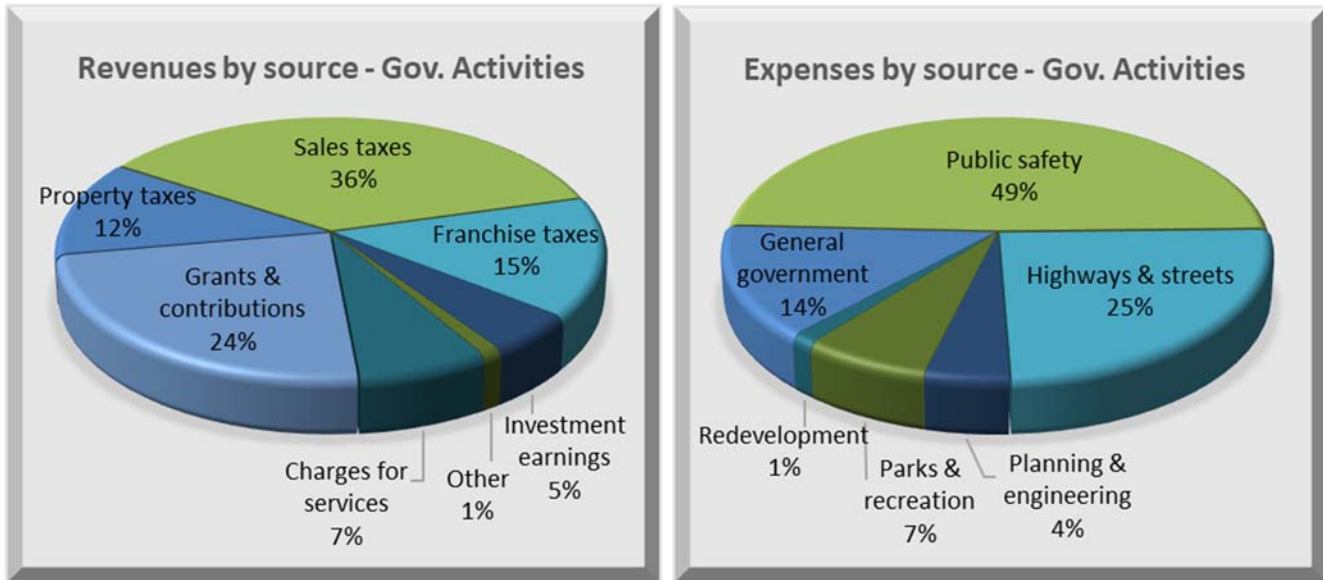
**Financial Analysis of Governmental Activities (Continued)**

2. Fiscal year 2020 reported that governmental activity expenses decreased by a net \$95,269 from fiscal year 2019 as explained by the following underlined factors:
  - General government expenses increased \$175,051 due to the following 5 factors: 1) \$207,806 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 increased by \$71,522 as the current fiscal year was the rotating municipal election year whereas the prior fiscal year was not; 3) expenses decreased by \$44,561 due to a revised administrative services charge to enterprise funds to reimburse the General Fund for services provided; 4) travel and training expenses decreased by \$34,801 due to COVID-19 travel restrictions and conference/training cancelations; and 5) \$24,915 net decrease in various expenses that were fairly routine in nature.
  - Public safety expenses decreased \$316,271 due to the following 5 factors: 1) pension expense decreased \$304,353 due mainly to an abnormally large pension expense in the prior fiscal year due to the pension plan suffering a significant loss in its plan asset portfolio increasing the net pension liability and adversely affecting pension expense; 2) there was a \$58,135 decrease in paid-time-off (PTO) expenses, which fluctuation is fairly routine; 3) \$149,566 decrease in expenses due primarily to less furniture and office equipment purchases as the prior fiscal year was abnormally high due to project to replace almost all the furniture in the public safety building; 4) \$168,207 increase in personnel salaries and benefits due principally to a City-wide 2% COLA, earned merit increases to wages, and increased medical insurance premiums; and 5) the remaining net increase to expense of \$27,576 comes from various routine smaller increases and decreases from the prior year.
  - Highways and Streets expenses increased \$184,441 due to the following 6 factors: 1) \$80,076 increase in depreciation expense mainly coming from the current year equipment purchases; 2) \$78,099 increase in additional road striping projects and paint costs in the current year; 3) \$61,128 increase equipment repairs expense mainly due to a major repair to the City's street paving machine; 4) \$22,390 increase in personnel salaries and wages due principally to a City-wide 2% COLA and earned merit increases to wages; 5) \$70,576 decrease in road salt purchases as the 2020 winter was fairly normal snowfall whereas the 2019 winter was a very heavy snow season; and 6) the remaining increase to expense of \$13,324 comes from the net of various smaller increases and decreases from the prior year.
  - Planning and Engineering expenses increased \$58,107. This net increase is the result of fairly routine transactions too numerous and small to warrant further explanation.
  - Parks and recreation expenses increased \$70,087 due to: 1) a fairly routine \$51,638 increase in park fencing and equipment purchases below the City's capitalization threshold; 2) a \$63,369 increase in personnel salaries and wages due principally to increased wages for seasonal employees; 3) a net \$44,920 decrease in fairly routine fluctuations in various expenses.
  - Redevelopment expenses decreased by \$266,684 from a \$238,792 decrease in loss on sale of capital assets due to an abnormally loss on the sale of a historical home/land to preserve its historical appearance. There were no Redevelopment losses in the current fiscal year. The remaining \$27,892 decrease is the net result of fairly routine transactions too numerous and small to warrant further explanation.
3. In fiscal year 2020, the transfers from business-type activities to governmental activities decreased by \$129,188 from fiscal year 2019. \$33,531 of this decrease came from decreased Light and Power fund subsidy to the General Fund as this subsidy is calculated as 10% of electric metered sales. As electric metered sales decreased during the current year so did the subsidy transfer to the General Fund. The remaining \$95,657 in decreased transfer is due to no capital assets being transferred from business-type activities to governmental activities in the current year, while the prior fiscal year transferred traffic signal capital assets with a \$95,657 net book value.

**BOUNTIFUL CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Fiscal Year Ended June 30, 2020**

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

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





**BOUNTIFUL CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Fiscal Year Ended June 30, 2020**

**Financial Analysis of Business-type Activities**

For the period ended June 30, 2020, business-type activities decreased the City's net position by \$700,145. Although there were no significant operational changes during the current fiscal year, there were many financial variances from fiscal year 2019. 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 \$1,207,685 less than the \$507,540 net increase (\$2,855,963 less the restatement of \$2,348,423) for fiscal year 2019 due to the following four factors:

1. Fiscal year 2020 had no net position restatements while fiscal year 2019 had a \$2,348,423 restatement reducing net position. This variance from the prior year was a positive swing in net position.
2. Fiscal year 2020 reported a net decrease in business-type activity revenue of \$639,571 from fiscal year 2019, attributed to the underlined reasons below:
  - Charges for services revenue increased \$137,371. This overall net increase is due to a Light and Power decrease of \$637,649, a Golf increase of \$378,768, and a net increase of \$396,252 of the remaining enterprise funds.
    - The Light and Power decrease is due to reduced electric metered sales. This decrease is due to routine fluctuations in weather and the coronavirus pandemic. The City's largest electric customers are an industrial business, the Davis County School District, and the Church of Jesus Christ of Latter-Day Saints. Due to COVID-19 each of those largest customers had to shut down their normal operations for varying amounts of time from March 2020 through the end of the fiscal year either due to the State of Utah mandate or internal decisions. This was also true for various other commercial customers causing significant reductions in kilowatt hours sold.
    - Interestingly, the COVID-19 pandemic is having the opposite effect on the Golf revenues. Golf operations were allowed to remain open amidst the State mandated shutdowns and patrons swarmed the golf course causing admission fees and cart rentals to hit revenue levels that have not been seen in at least the past thirteen fiscal years. Another reason why there was such a large increase in revenue from fiscal year 2019 was that 2019 was an abnormally low revenue year due to an over application of growth inhibitor on 16 out of the course's 18 greens and collars causing shutdowns and reduced greens fees.
    - The remaining enterprise fund's net increase of \$396,252 is due to fairly typical revenue fluctuations in the Water, Landfill and Sanitation, Cemetery, Storm Water, and Recycle funds.
  - Operating grants and contributions revenue increased \$42,575 due to: 1) \$22,219 in new Federal CARES Act grant money for eligible expenditures to mitigate and respond to the COVID-19 pandemic; and 2) \$20,356 in miscellaneous State of Utah grants mostly due to a fire remediation grant tied to the mountain fire within and near City limits during the current year. There was no revenue recognized in operating grants in the prior fiscal year.
  - Capital grants and contributions revenue decreased \$319,533 due principally to decreased revenue from private developers donating infrastructure to the City or paying the City to install the required infrastructure that the City will own and maintain.
  - Other revenue had a net decrease of \$499,984 due to these 3 factors: 1) \$146,469 decrease in interest earnings due to the overall investment market reducing interest rates. This stems mostly from a down economy and the Federal Reserve dropping their interest rates to stimulate the economy; 2) \$191,376 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; and 3) \$162,139 net decrease in fairly routine transactions too numerous and small to warrant further explanation.
3. Fiscal year 2020 reported that business-type expenses increased by a net \$3,045,725 from fiscal year 2019 as explained by the following underlined factors:
  - The Water fund expenses increased \$198,913 due the following five factors: 1) depreciation expense increased \$145,185 principally from the Mueller Park water treatment plant and the 1.5 million gallon culinary water tank getting a full year of depreciation, whereas in the prior year they only received a half year; 2) loss on deletion of capital assets increased by \$74,895 due to a current-year water line installation project that required the removal of existing piping with a larger than normal book value; 3) materials and supplies expenses increased \$74,773 due mainly to increased water meter and other operating supply purchases; 4) general and administrative expenses decreased by \$80,410 principally due to a Light and Power utility reimbursement for prior years of overbilled kilowatts on a few of the department's wells; 5) repair and maintenance expense decreased \$57,744 mainly from a reduction in street asphalt repairs associated with waterline projects; and 5) a net \$42,214 increase in regular operating expenses.

**BOUNTIFUL CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Fiscal Year Ended June 30, 2020**

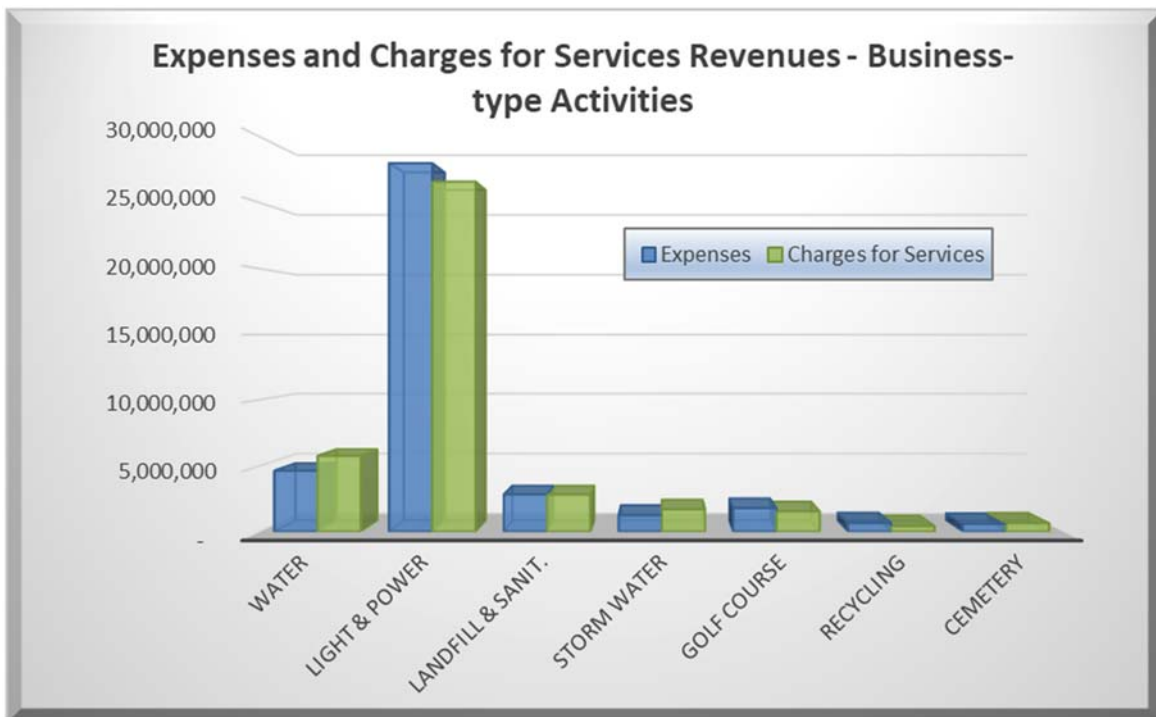
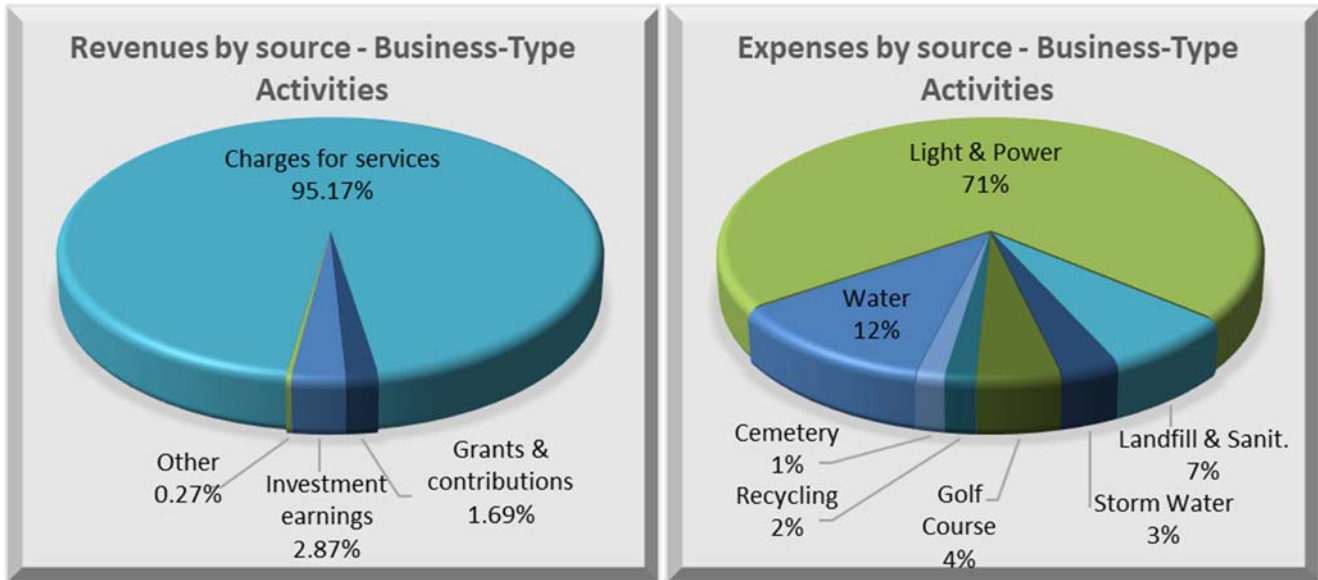
**Financial Analysis of Business-type Activities (Continued)**

- The Light and Power fund expenses increased \$2,427,383 due to the following 6 factors: 1) \$294,556 increase in personnel salaries and benefits due principally to a City-wide 2% COLA, earned merit increases to wages, and increased medical insurance premiums; 2) repairs and maintenance expense increased \$2,933,848. This large increase is due to unanticipated significant repairs on two natural gas turbine engines at the power plant, significant concrete and turbine repairs at the Echo hydro plant, and repairs to the actuators/values at the Pineview hydro plant; 3) depreciation expense increased \$133,450 mostly from the 138kV transmission substation capital assets getting a full year of depreciation expense verses only a half year in fiscal 2019; 4) power purchase expenses decreased \$581,560. This decrease came from purchasing less power from the market because there was less power demand than in fiscal year 2019 as illustrated by a \$683,846 reduction in electric metered sales; 5) power generation expenses decreased \$418,596. Of that drop \$174,723 came from reduced natural gas purchased for the power plant and \$243,873 in reduced operating expenses at the City's two hydro plants. Again, much of that is due to decreased demand for power but it also is due to down time for repairs and fiscal year 2019 having an abnormally high year with the replacement of an exhaust stack at the power plant; 6) the remaining \$65,685 net increase 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 \$146,248 due to the following: 1) \$64,939 increase in personnel salaries and benefits due principally to a City-wide 2% COLA, earned merit increases to wages, and increased medical insurance premiums; 2) repair and maintenance expense increased \$57,636 due to significant repairs to a landfill loader beyond the typical annual repairs; 3) contractual and professional services expense decreased \$40,036. The current year was fairly routine. The main cause of the decrease was the prior year was abnormally high with extra contracted green waste grinding and a special environmental study done at the landfill; and 4) a net \$63,709 increase in other operating expenses that are fairly routine transactions too numerous and small to discuss.
  - The non-major enterprise fund expenses increased \$273,181. This increase is broken down by fund as follows: Storm Water \$70,809, Golf Course \$92,974, Recycling \$65,053, and Cemetery \$44,345. These increases are all fairly normal operational cost increases except Recycling. The Recycling increase was on top of an already record high fiscal year in 2019 for contracted recycling services due to a sharp decline in the marketability of recyclables. This forces the City to not only pay the contractor to pick up and haul the items, but also paying the recycling company for the spread between what they sell to the market and what they landfill. The current fiscal year had a full twelve months of these higher recycling services while the prior fiscal year only had seven months.
4. In fiscal year 2020, the transfers from business-type activities to governmental activities decreased by \$129,188 from fiscal year 2019. \$33,531 of this decrease came from decreased Light and Power fund subsidy to the General Fund as this subsidy is calculated as 10% of electric metered sales. As electric metered sales decreased during the current year so did the subsidy transfer to the General Fund. The remaining \$95,657 in decreased transfer is due to no capital assets being transferred from business-type activities to governmental activities in the current year, while the prior fiscal year transferred traffic signal capital assets with a \$95,657 net book value.

**BOUNTIFUL CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Fiscal Year Ended June 30, 2020**

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

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



**BOUNTIFUL CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Fiscal Year Ended June 30, 2020**

**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, 2020, the City's governmental funds reported combined ending fund balance of \$44,959,562, a decrease of \$2,815,543 from the prior year ending fund balance. Of the current year fund balance, \$44,070,477 (98.02%) is available for spending; however, \$27,877,582 (62.01%) has been committed by the City Council and \$15,965,826 (35.51%) has been assigned by the City Manager for subsequent years' capital expenditures and other specified uses, leaving an unassigned amount of \$227,069 (.51%). The remaining \$889,085 (1.98%) 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 \$3,877,501 in the General Fund was segmented as \$3,606,000 in committed, \$44,432 in assigned, and \$227,069 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 25% 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, 2020, the fund balance of the General Fund decreased by \$80,624. This represents a negative 2.04% change in fund balance. The current year decrease is a \$795,737 reduction from the prior fiscal year's \$715,113 increase to fund balance. This change from fiscal year 2019 is due to the following 4 reasons:

1. General Fund revenues decreased by \$195,264 from fiscal year 2019, attributed to the following underlined factors:
  - \$2,441,612 decrease in tax revenue from the following sources: 1) \$20,804 decrease in property tax collections; 2) \$2,260,945 decrease in sales tax due to the General Fund receiving a much smaller allocation of sales tax. In 2020 the General Fund received \$2,012,176 in CARES Act grant revenue causing the General Fund to receive a much smaller allocation of the sales tax in order to remain within the 25% maximum fund balance. City-wide sales tax collections were actually up from 2019; and 3) a \$159,863 decrease in franchise tax due mainly to a \$75,533 decrease in Emergency 911 tax revenues as the prior year was abnormally high because the City received back taxes for starting the dispatching for Centerville City police. The remaining \$61,630 is from decreased telecommunications tax, which has been similarly trending down for the past seven fiscal years without any known explanation.
  - \$2,102,689 net increase in intergovernmental revenue due principally to: 1) \$2,012,176 CARES Act new grant revenue recognized in the current year; 2) a \$125,027 increase in 0.25% Davis County transportation sales tax collections due mainly to improvement in the local economy from 2019 generating additional sales tax; 3) a net \$34,514 decrease in various other fairly routine swings in grant and contribution revenue.
  - \$57,369 increase in charges for services revenue principally from a renegotiated lease agreement from the State Courts.
  - \$86,290 net revenue increase in all other General Fund revenues. This net increase comes from fairly routine decreases and increases too small and numerous to warrant further discussion.
2. General Fund expenditures increased by \$514,534 from 2019 attributed to the following underlined factors:
  - General government expenditures had a net increase of \$208,995 due to the following 5 factors: 1) election expenditures increased by \$71,522 as 2020 was the rotational municipal election fiscal year; 2) personnel wages and benefits increased \$213,673 mainly due to the 2% COLA, scheduled merit increases, and medical insurance premium increases; 3) those increases were partially offset by an increase in the General Fund reimbursement from the enterprise fund for administrative services provided by a combined \$44,561; 4) Another offsetting reduction to expenditures came from travel and training. The current year was \$34,801 less in these expenditures due to the travel restrictions and cancelations from COVID-19; 4) the remaining offsetting \$3,162 increase in expenditures is the net figure of various increases and decreases not significant enough to discuss further.

**BOUNTIFUL CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Fiscal Year Ended June 30, 2020**

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

- Public Safety expenditures increased \$143,318 due to the following 4 factors: 1) public safety wage and benefit expenditures increased by \$170,484 mainly due to the 2% COLA, scheduled merit increases, and medical insurance premium increases; 2) telecommunication expenditures increased by \$48,690 due primarily to increased service level in dispatch with a full fiscal year of two new dispatchers and dispatching for Centerville City; 3) these expenditure increases were partially offset by a \$79,318 reduction to expenditures coming from travel and training due to the travel restrictions and cancellations from COVID-19; and 4) the remaining net increase to expenditures of \$3,462 comes from routine fluctuations in various other operating expenditures.
  - Highways and streets expenditures increased \$88,400 due to the following 5 factors: 1) street repair/maintenance expenditures increased \$80,572. Most of this increase is due to additional road striping projects along with increased cost of paint; 2) equipment repair expenditures increased by \$61,128 primarily due to significant repairs done on the City's paving machine; 3) personnel wage and benefit expenditures increased \$24,167 due principally to the 2% COLA and some scheduled merit increases; 4) road salt purchases decreased \$70,576 as the fiscal year 2020 winter was more mild than 2019; 5) the remaining net decrease to expenditures of \$6,891 comes from various smaller routine increases and decreases.
  - Planning and engineering and parks and recreation expenditures increased \$8,331 and \$65,490 respectively. These increases are the net result of various routine increases and decreases of operating expenditures too small and numerous to warrant a detailed explanation.
3. In fiscal year 2020, the transfer in from the Light and Power Fund (other financing source) was \$33,531 lower than in 2019 due to reduced electric metered sales. This transfer is based on 10% of those sales.
  4. General Fund sale of capital assets brought in \$52,408 (other financing source) less than the capital sales in fiscal year 2019. This is predominantly due to the inability of the Police Department to obtain new vehicles during much of fiscal year 2020, due to backorder, and sell the older vehicles.

The Capital Projects Fund has a total fund balance of \$29,845,571, 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, 2020, the fund balance in the Capital Projects Fund decreased by \$1,896,957 or 5.98%. This Capital Projects fund balance decrease was \$4,640,820 less than last fiscal year's increase of \$2,743,863 due to the following 3 reasons:

1. Capital Project fund revenues increased \$2,384,515 from fiscal year 2019 attributed to the following 4 factors: 1) \$2,695,461 increase in sales tax revenue due mostly to the fund receiving a much larger allocation of sales tax, as previously discussed under the General Fund narrative; 2) \$130,129 decrease in interest earnings due to the overall investment market reducing interest rates. This stems mostly from a down economy and the Federal Reserve dropping their interest rates to stimulate the economy; 3) \$148,728 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; and 4) \$32,089 net decrease in miscellaneous revenue.
2. Capital Project fund expenditures increased \$7,199,769 from fiscal year 2019 attributed to the following underlined factors:
  - General government capital outlay expenditures increased \$6,827,784 due to: 1) increased City Hall remodel project expenditures from fiscal year 2019 of \$3,152,373; 2) increased Town Square (downtown plaza) expenditures of \$3,655,744 from fiscal year 2019; and 3) increased capital expenditures for the Information Technology department (IT) of \$19,667 for a network storage project. IT did not have any capital purchases in fiscal year 2019.
  - Public Safety capital outlay expenditures decreased \$331,536 due to: 1) the current fiscal year had very few office furniture and equipment purchases, whereas, fiscal year 2019 had many causing a decrease of \$172,345 in expenditures; 2) police vehicle and equipment purchases dropped by \$159,191 predominantly due to the inability of the Police Department to obtain back ordered vehicles during much of fiscal year 2020.
  - Highways and Streets capital outlay expenditures increased \$705,497 due to the following: 1) street reconstruction expenditures increased \$472,037 as the current fiscal year had the 100 and 200 North reconstruction projects while the prior fiscal year had none; 2) \$159,766 increase coming from increased vehicle and equipment expenditures, which is a routine fluctuation based on replacement cycles; and 3) a \$73,694 increase in architect fees for a new project to replace the existing equipment garage and wash bay at the public works building.

**BOUNTIFUL CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Fiscal Year Ended June 30, 2020**

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

- Planning and engineering capital outlay expenditures decreased \$33,932 due to no expenditures in the current year and the purchase of a new truck in fiscal year 2019.
  - Parks and recreation capital outlay expenditures increased \$35,742 due mostly to increased park expenditures of \$68,896 for a new irrigation line at the Foss-Lewis park and some additional fencing at the dog park. Those new park projects were partially offset by a \$33,154 decrease in vehicle and equipment purchases, which is a routine fluctuation based on replacement cycles.
  - The remaining decrease in expenditures of \$3,786 comes from decreased bank and investment fees.
3. Capital Project fund transfer in increased \$174,434 due to an increased 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 fund balance.

The Redevelopment Agency fund (RDA) has a total fund balance of \$7,446,514, all of which has been assigned by the City Manager for eligible redevelopment projects. During the year ended June 30, 2020, the fund balance in the RDA fund decreased \$992,661 or -11.76%. This decrease was \$206,894 less than last fiscal year's decrease of \$785,767. The \$206,894 negative variance consisted of the following 3 items:

1. RDA fund revenue increased \$54,341 from fiscal year 2019 attributed to the following underlined factors:
  - Intergovernmental property tax increment contribution revenue increased \$123,109.
  - Intergovernmental revenue increased \$97,500 due to the current year receiving two State of Utah grants of \$112,500 recreation grant for the Town Square project and a \$10,000 historic preservation grant, while the prior fiscal year only received \$25,000 in grant revenue from Davis County for the Main Street Business Façade grant.
  - Investment earnings revenue decreased \$117,448 due to: 1) \$77,206 decrease in investment earnings and a \$40,242 decrease in unrealized gain on investments for the same reasons already explained with other funds of the City, and some interest deferred on two RDA business loans that received interest-free payment deferrals for three months (April-June) during shutdowns of the pandemic.
  - Miscellaneous revenue decreased \$48,820 due principally to reduced principal payments received from the business loan program. A large portion of that current year decrease stems from the two loans that received payment deferrals for the months of April, May, and June.
2. RDA fund expenditures increased \$197,235 from fiscal year 2019 attributed to the following underlined factors:
  - Special RDA project expenditures increased \$732,450 due primarily to increased costs associated with the Town Square construction.
  - Revolving loan expenditures decreased \$550,000 as there were no loans issued in the current year and one in fiscal year 2019.
  - The remaining increase in expenditures of \$14,785 is the net result of other transactions too numerous and small to warrant further explanation.
3. RDA sale of capital assets decreased \$64,000 from fiscal year 2019 as there were no current year sales of capital assets and one sale of land and a historic home in fiscal year 2019.

The non-major governmental funds all had positive current year changes in fund balance, with the exception of RAP Tax, as follows: Landfill Closure \$18,254, MBA \$8,666, Cemetery Perpetual Care \$131,214, and Debt Service \$501. The RAP Tax current year loss was a planned spend down to increase the reimbursement to the Capital Projects Fund for the Creekside park.

**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 \$1,455,604, \$26,738,098, and \$14,877,281, respectively. The changes in total net position from fiscal year 2020 for those same funds were positive \$1,418,491, negative \$2,513,560, and positive \$214,587, respectively. The other four nonmajor enterprise funds each ended the current year with positive unrestricted net position. The Golf Course was the only nonmajor enterprise fund that reported a negative change in net position (i.e. net loss).

**BOUNTIFUL CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Fiscal Year Ended June 30, 2020**

**General Fund Budgetary Highlights**

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

1. Information Technology – Increase in appropriated expenditures of \$18,160 from \$469,222 to \$487,382. Increase in appropriation was necessitated for additional server operating licenses and consulting costs to perform cyber security analysis.
2. Parks – Increase of \$55,000 from \$972,945 to \$1,027,945. Increase in appropriation was made mostly to cover additional part-time and seasonal wages due to wage increases to attract needed help. The department also originally underbudgeted their utilities expenditures.

Each year the City seeks to adopt budgets for revenues and expenditures that will be conservative estimates of what will ultimately transpire. Due to a variety of factors, revenues and expenditures will vary from budget. For the fiscal year 2020, 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 \$2,827,292 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 25% maximum required by State of Utah code. This reallocation left the General Fund sales tax revenues at \$2,372,372 which resulted in a \$2,827,292 unfavorable budget to actual variance.
2. Actual intergovernmental revenues came in \$2,046,031 higher than the final budget for the following reasons:
  - CARES Act grant funding came in at \$2,012,176 and there was no budget set for that revenue creating the positive budget variance.
  - The 0.25% transportation sales tax authorized during budget year 2016 by Davis County for the benefit of the County and its cities, showed a favorable variance for fiscal year 2020. A budget was set at \$600,000 and revenues came in at \$739,823 which delivered a favorable budget to actual variance of \$139,823 due to conservative budgeting philosophy and a great sales tax year.
  - State of Utah grants were budgeted at \$185,000 and the final total came in at \$26,233 for a negative budget variance of \$158,767. The fiscal year 2020 General Fund budget anticipated a \$150,000 State of Utah recreation grant for the Town Square project. That grant revenue was recorded in the RDA as many of those project costs were paid out of that fund.
  - The remaining \$52,799 positive variance between actual and budget is the net result of routine fluctuations of a variety of smaller grant and intergovernmental sources.
3. The Police department budget of \$7,889,728 was underspent by \$304,308. The personnel wages and benefits expenditures came in \$417,301 less than budgeted in the following 4 areas: 1) \$204,318 remaining Utah Retirement Systems (URS) pension and 401(k) contribution budget; 2) \$114,005 remaining in salaries and wage budget; 3) \$70,413 remaining medical insurance budget; and 4) \$28,565 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. The offsetting negative variance of \$112,993 between actual and budget came from the net of numerous over and under budget operating expenditures. These were fairly routine in nature.
4. The Highways and streets department budget of \$4,399,494 was underspent by \$245,494 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.

**BOUNTIFUL CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Fiscal Year Ended June 30, 2020**

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities on June 30, 2020, amounts to \$178,605,737 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, intangible asset power contracts, vehicles and equipment, furniture and fixtures, streetlights, service lines, sidewalks, curb and gutter, roads, and similar infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$7,889,607 (change coming from a \$9,300,752 increase for governmental activities and a \$1,411,145 decrease for business-type activities). Major capital asset activity during the current fiscal year has been summarized in the following two tables:

<b>Bountiful City Capital Assets (Net of depreciation)</b>						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 50,794,922	\$ 50,794,922	\$ 8,842,460	\$ 8,842,460	\$ 59,637,382	\$ 59,637,382
Infrastructure	15,137,278	15,358,571	35,505,765	35,105,577	50,643,043	50,464,148
Buildings and other structures	5,744,345	6,157,170	14,239,491	14,885,540	19,983,836	21,042,710
Improvements other than buildings	3,483,948	3,715,644	1,678,436	1,216,491	5,162,384	4,932,135
Street light and traffic signal system	-	-	118,316	197,194	118,316	197,194
Machinery & equipment	2,851,919	2,927,934	21,699,282	21,884,860	24,551,201	24,812,794
Furniture & fixtures	690,890	872,129	75,601	89,346	766,491	961,475
Construction in progress (CIP)	13,243,363	2,819,543	901,040	953,961	14,144,403	3,773,504
Intangible asset - power projects	-	-	3,598,681	4,894,788	3,598,681	4,894,788
<b>Total</b>	<b>\$ 91,946,665</b>	<b>\$ 82,645,913</b>	<b>\$ 86,659,072</b>	<b>\$ 88,070,217</b>	<b>\$ 178,605,737</b>	<b>\$ 170,716,130</b>

<b>Bountiful City Schedule of Capital Asset Current Fiscal Year Additions (Retirements)</b>			
	Governmental Activities	Business-type Activities	Totals
Land purchases - earnest money on North Canyon property	\$ 10,000	\$ -	\$ 10,000
Replace irrigation line at Lewis Park and Golf Course, new fencing at Brickyard Dog Park	60,396	19,680	80,076
Motor vehicle purchases	179,528	166,155	345,683
Equipment/machinery purchases	420,444	1,519,055	1,939,499
Reconstruction of streets, curb, gutter and sidewalk Infrastructure	354,938	-	354,938
Computer network and storage upgrade	19,667	-	19,667
Fiscal 2020 construction costs for Town Square park (CIP)	6,051,256	468,550	6,519,806
Fiscal 2020 design and construction costs for City Hall remodel project (CIP project)	4,191,795	-	4,191,795
Fiscal 2020 reconstruction costs for streets, curb, gutter and sidewalk (CIP)	118,103	-	118,103
Fiscal 2020 design costs for Public Works garage/wash bay building replacement (CIP)	52,665	-	52,665
Water and Storm Water Infrastructure (water mains and storm drains)	-	1,455,570	1,455,570
Landfill asphalt pad at the base of the wet-weather pushing wall	-	24,703	24,703
Fiscal 2020 construction costs for Holbrook culinary water pump station	-	62,371	62,371
Fiscal 2020 construction costs for 400 N. culinary water pump station (CIP)	-	396,752	396,752
Fiscal 2020 costs for culinary SCADA, equipment, and control panel upgrades (CIP)	-	146,304	146,304
Fiscal 2020 costs for a cemetery column barium/urn burial wall (CIP)	-	24,995	24,995
Fiscal 2020 costs on Light & Power inventory yard expansion project (CIP)	-	11,594	11,594
Fiscal 2020 costs on Light & Power transmission & distribution system/line replacement	-	343,678	343,678
Less historical cost of current-year retired assets	(1,815,410)	(466,314)	(2,281,724)
Less current year change in accumulated depreciation	(342,630)	(4,288,131)	(4,630,761)
Less current year intangible asset amortization	-	(1,296,107)	(1,296,107)
<b>Total change in capital asset net book value from the previous year</b>	<b>\$ 9,300,752</b>	<b>\$ (1,411,145)</b>	<b>\$ 7,889,607</b>

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, 2020**

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

**Long-term debt.** At the end of the current fiscal year, the City had \$9,350,000 in outstanding bonded debt from the electric revenue bonds. The bonded debt was secured by those specific revenue sources.

<b>Bountiful City Outstanding Bonded Debt</b>						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Electric revenue bonds	\$ -	\$ -	\$ 9,350,000	\$ 10,055,000	\$ 9,350,000	\$ 10,055,000
Total	\$ -	\$ -	\$ 9,350,000	\$ 10,055,000	\$ 9,350,000	\$ 10,055,000

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

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

The City reviews 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 2021 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. Despite this resilience an economic downturn was 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 (63% in fiscal year 2020). For the 2021 budget: 1) Sales tax was projected to decline 10% from the fiscal year 2020 budget due to the anticipated downturn in the economy; 2) There is no property tax rate increase; 3) Franchise taxes were budgeted flat with no increase.
4. The City projected intergovernmental revenues with an estimated \$300,636 increase from the 2020 budget mostly due to an anticipated \$324,000 emergency preparedness grant to purchase generators. This grant ultimately was not awarded; however, the generators also were not purchased to offset that lack of funding.
5. The budget does not include any cost-of-living adjustment for personnel but does include scheduled merit raises per the City’s pay scale for those employees that are eligible.
6. The budget for employee benefits did increase. The budget includes an estimated 6% premium increase for health care coverage for employees. The 2021 budget is also the first budget to add 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.
7. The budget includes inflationary increases in operating costs for energy and general goods and services.
8. The City’s 2021 budgeted expenditures for the Capital Projects Fund dropped by \$1,722,700 from 2020 due mostly to the estimated completion of the City Hall remodel and Town Square project that have been significant, non-routine projects over the past few fiscal years.
9. It is the City’s intent to pay off the Light and Power revenue bonds in November 2020. Accordingly, \$9,350,000 has been budgeted in fiscal year 2021.
10. Each year City management performs evaluations, including market comparisons, of the adequacy of fees in the enterprise funds to ensure their ongoing viability and stability. Enterprise fund activity reflects only one increase in rates and fees charged that could have a significant impact on enterprise fund revenue as outlined below:
  - i. The Storm Water Equivalent Residential Unit (ERU) rate increased from \$7.25 to \$7.75. This is a 6.90% increase.
  - ii. Light and Power increased all flat monthly customer fees by \$2 and began a new tiered system for residential customers. Instead of charging a single \$.0925 for all kilowatt hours, now the first 400 kilowatt hours are charged \$.08 and any hour beyond 400 is charged \$.1022. It is not anticipated that this will significantly increase revenues.

**BOUNTIFUL CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Fiscal Year Ended June 30, 2020**

**Requests for Information**

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

**BASIC FINANCIAL STATEMENTS**

**BOUNTIFUL CITY**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 19,334,343	\$ 20,103,065	\$ 39,437,408
Receivables:			
Taxes	5,495,576	-	5,495,576
Accounts, net	338,132	5,279,184	5,617,316
Interest	53,520	52,403	105,923
Intergovernmental	1,139,678	-	1,139,678
Due from OPEB trust	2,898	-	2,898
Investments	26,327,743	25,798,706	52,126,449
Inventories	-	2,416,876	2,416,876
Prepaid expenses	-	118,660	118,660
<b>Total Current Assets</b>	<b>52,691,890</b>	<b>53,768,894</b>	<b>106,460,784</b>
<b>Noncurrent assets:</b>			
Internal balances	1,032,185	(1,032,185)	-
Notes receivable	2,300,205	-	2,300,205
Restricted assets:			
Cash and cash equivalents	2,868,700	3,128,203	5,996,903
Net other postemployment benefits asset	309,221	187,488	496,709
Capital assets, net:			
Land, land rights, and water rights	50,794,922	8,842,460	59,637,382
Buildings, wells, and reservoirs	5,744,345	14,239,491	19,983,836
Improvements other than buildings	3,483,948	1,678,436	5,162,384
Power & water transmission, distribution, and collection infrastructure	-	35,505,765	35,505,765
Street light system	-	118,316	118,316
Machinery and equipment	2,851,919	21,699,282	24,551,201
Furniture and fixtures	690,890	75,601	766,491
Infrastructure	15,137,278	-	15,137,278
Construction in progress	13,243,363	901,040	14,144,403
Intangible asset - power projects	-	3,598,681	3,598,681
<b>Total Noncurrent Assets</b>	<b>98,456,976</b>	<b>88,942,578</b>	<b>187,399,554</b>
<b>Total Assets</b>	<b>151,148,866</b>	<b>142,711,472</b>	<b>293,860,338</b>
<b>Deferred Outflows of Resources</b>			
Pensions	1,527,468	846,746	2,374,214
Other postemployment benefits plan	11,421	6,925	18,346
<b>Total Deferred Outflows of Resources</b>	<b>1,538,889</b>	<b>853,671</b>	<b>2,392,560</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 152,687,755</b>	<b>\$ 143,565,143</b>	<b>\$ 296,252,898</b>

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

**BOUNTIFUL CITY**  
**STATEMENT OF NET POSITION (Continued)**  
**June 30, 2020**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 1,592,619	\$ 2,852,113	\$ 4,444,732
Accrued liabilities	663,139	624,637	1,287,776
Accrued interest payable	-	84,570	84,570
Retainage payable - restricted assets	610,653	57,455	668,108
Unearned revenue	40,033	116,034	156,067
Compensated absences	439,421	239,666	679,087
Bonds payable	-	720,000	720,000
<b>Total Current Liabilities</b>	<u>3,345,865</u>	<u>4,694,475</u>	<u>8,040,340</u>
<b>Noncurrent Liabilities:</b>			
Developer and customer deposits - restricted assets	802,831	946,698	1,749,529
Compensated absences	828,396	572,091	1,400,487
Bonds payable	-	8,630,000	8,630,000
Accrued landfill closure - restricted assets	-	1,409,188	1,409,188
Net pension liability	7,567,953	1,583,624	9,151,577
<b>Total Noncurrent Liabilities</b>	<u>9,199,180</u>	<u>13,141,601</u>	<u>22,340,781</u>
<b>Total Liabilities</b>	<u>12,545,045</u>	<u>17,836,076</u>	<u>30,381,121</u>
<b>Deferred Inflows of Resources</b>			
Deferred revenue-property taxes	3,607,146	-	3,607,146
Pensions	1,756,963	898,677	2,655,640
Other postemployment benefits plan	170,568	103,419	273,987
<b>Total Deferred Inflows of Resources</b>	<u>5,534,677</u>	<u>1,002,096</u>	<u>6,536,773</u>
<b>Net Position</b>			
Net investment in capital assets	91,946,665	77,309,072	169,255,737
Restricted for:			
Landfill closure	884,085	-	884,085
Debt Service	-	598,828	598,828
Regulatory required insurance deposit	525,482	-	525,482
Other postemployment benefits	150,074	90,994	241,068
North Canyon trails donation	5,000	-	5,000
Unrestricted	41,096,727	46,728,077	87,824,804
<b>Total Net Position</b>	<u>134,608,033</u>	<u>124,726,971</u>	<u>259,335,004</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<u>\$ 152,687,755</u>	<u>\$ 143,565,143</u>	<u>\$ 296,252,898</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, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Government Activities</b>							
General government	\$ 2,931,729	\$ 417,159	\$ 86,381	\$ -	\$ (2,428,189)	\$ -	\$ (2,428,189)
Public safety	10,353,927	740,394	2,067,402	-	(7,546,131)	-	(7,546,131)
Highways and streets	5,243,263	83,178	2,377,859	-	(2,782,226)	-	(2,782,226)
Planning and engineering	951,735	460,370	-	-	(491,365)	-	(491,365)
Parks and recreation	1,445,627	13,550	122,500	15,000	(1,294,577)	-	(1,294,577)
Redevelopment	264,816	-	1,143,117	-	878,301	-	878,301
<b>Total Governmental Activities</b>	<b>21,191,097</b>	<b>1,714,651</b>	<b>5,797,259</b>	<b>15,000</b>	<b>(13,664,187)</b>	<b>-</b>	<b>(13,664,187)</b>
<b>Business-type Activities</b>							
Water	4,611,958	5,731,483	2,949	262,132	-	1,384,606	1,384,606
Light and power	28,016,154	26,614,792	33,012	383,780	-	(984,570)	(984,570)
Landfill and sanitation	2,811,880	2,802,191	2,701	-	-	(6,988)	(6,988)
Storm water	1,244,172	1,686,172	-	9,521	-	451,521	451,521
Golf course	1,785,364	1,528,188	3,913	-	-	(253,263)	(253,263)
Recycling	650,384	423,553	-	-	-	(226,831)	(226,831)
Cemetery	588,639	637,109	-	-	-	48,470	48,470
<b>Total Business-type Activities</b>	<b>39,708,551</b>	<b>39,423,488</b>	<b>42,575</b>	<b>655,433</b>	<b>-</b>	<b>412,945</b>	<b>412,945</b>
<b>Total Government</b>	<b>\$ 60,899,648</b>	<b>\$ 41,138,139</b>	<b>\$ 5,839,834</b>	<b>\$ 670,433</b>	<b>\$ (13,664,187)</b>	<b>\$ 412,945</b>	<b>\$ (13,251,242)</b>
			<b>General Revenues</b>				
			Property taxes		\$ 2,928,484	\$ -	\$ 2,928,484
			Sales taxes		8,937,963	-	8,937,963
			Franchise taxes		3,642,291	-	3,642,291
			Investment earnings		1,211,323	1,190,104	2,401,427
			Miscellaneous		253,286	105,009	358,295
			Gain on sale of capital assets		5,543	6,881	12,424
			<b>Transfers</b>		<b>2,415,084</b>	<b>(2,415,084)</b>	<b>-</b>
			<b>Total General Revenues and Transfers</b>		<b>19,393,974</b>	<b>(1,113,090)</b>	<b>18,280,884</b>
			Changes in Net Position		5,729,787	(700,145)	5,029,642
			<b>Net Position, Beginning</b>		<b>128,878,246</b>	<b>125,427,116</b>	<b>254,305,362</b>
			<b>Net Position, Ending</b>		<b>\$ 134,608,033</b>	<b>\$ 124,726,971</b>	<b>\$ 259,335,004</b>

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

**BOUNTIFUL CITY**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**June 30, 2020**

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 932,335	\$ 12,623,914	\$ 3,174,157	\$ 1,224,289	\$ 17,954,695
Receivables:					
Taxes	2,858,544	1,486,281	1,035,627	115,124	5,495,576
Accounts - net	327,033	-	-	560	327,593
Interest	6,981	31,115	8,740	3,168	50,004
Intergovernmental	1,139,678	-	-	-	1,139,678
Due from OPEB trust	2,898	-	-	-	2,898
Investments	2,283,758	16,481,186	4,274,205	1,557,750	24,596,899
Restricted assets:					
Cash and cash equivalents	873,183	382,137	198,813	889,085	2,343,218
<b>Total Assets</b>	<u>\$ 8,424,410</u>	<u>\$ 31,004,633</u>	<u>\$ 8,691,542</u>	<u>\$ 3,789,976</u>	<u>\$ 51,910,561</u>
<b>Liabilities</b>					
Accounts payable	\$ 449,819	\$ 776,925	\$ 7,924	\$ -	\$ 1,234,668
Retainage payable - restricted assets	29,703	382,137	198,813	-	610,653
Accrued liabilities	653,004	-	2,664	-	655,668
Unearned revenues	40,033	-	-	-	40,033
Developer and customer deposits - restricted assets	802,831	-	-	-	802,831
<b>Total Liabilities</b>	<u>1,975,390</u>	<u>1,159,062</u>	<u>209,401</u>	<u>-</u>	<u>3,343,853</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue-property taxes	2,571,519	-	1,035,627	-	3,607,146
<b>Total Deferred Inflows of Resources</b>	<u>2,571,519</u>	<u>-</u>	<u>1,035,627</u>	<u>-</u>	<u>3,607,146</u>
<b>Fund Balances</b>					
Restricted:					
Landfill closure	-	-	-	884,085	884,085
North Canyon trails donation	-	-	-	5,000	5,000
Committed:					
Operating and capital reserves	3,606,000	22,131,830	-	-	25,737,830
Cemetery perpetual care	-	-	-	2,139,752	2,139,752
Assigned:					
Computer replacement	44,432	-	-	-	44,432
Capital projects	-	7,713,741	-	-	7,713,741
RDA fund	-	-	7,446,514	-	7,446,514
Recreation, parks, and arts	-	-	-	371,836	371,836
Debt service fund	-	-	-	21,127	21,127
MBA fund	-	-	-	368,176	368,176
Unassigned	227,069	-	-	-	227,069
<b>Total Fund Balances</b>	<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>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 8,424,410</u>	<u>\$ 31,004,633</u>	<u>\$ 8,691,542</u>	<u>\$ 3,789,976</u>	<u>\$ 51,910,561</u>

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, 2020**

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:

<b>Total fund balances - governmental funds (page 25)</b>	<b>\$ 44,959,562</b>
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	91,946,665
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.	309,221
The General, RDA, and Capital Project Fund's long-term notes receivable are not current financial resources and, therefore, are not reported in the governmental funds.	2,300,205
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.	1,527,468
Deferred outflows of resources associated with the net OPEB asset are not an available resource and, therefore, are not reported in the governmental funds.	11,421
The compensated absences liability is not due and payable in the current period and, therefore, is not recorded in the governmental funds.	(1,267,817)
The net pension long-term liability is not due and payable in the current period and, therefore, is not recorded in the governmental funds.	(7,567,953)
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.	(1,756,963)
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.	(170,568)
Internal service funds are used by management to charge the cost of insurance for workers' compensation and governmental immunity. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	3,284,607
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.	1,032,185
<b>Net Position of governmental activities</b>	<b>\$ 134,608,033</b>

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, 2020**

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Property taxes	\$ 2,928,484	\$ -	\$ -	\$ -	\$ 2,928,484
Sales taxes	2,372,372	5,954,049	-	611,542	8,937,963
Franchise taxes	3,642,291	-	-	-	3,642,291
Licenses and permits	508,494	-	-	-	508,494
Intergovernmental	4,613,347	-	122,500	-	4,735,847
Intergov. property tax increment	-	-	1,143,117	-	1,143,117
Charges for services	1,093,312	-	-	-	1,093,312
Fines and forfeitures	112,845	-	-	-	112,845
Investment earnings	202,300	707,421	211,609	89,993	1,211,323
Miscellaneous	164,122	11,227	146,616	96,340	418,305
<b>Total Revenues</b>	<u>15,637,567</u>	<u>6,672,697</u>	<u>1,623,842</u>	<u>797,875</u>	<u>24,731,981</u>
<b>Expenditures</b>					
Current:					
General government	2,386,431	16,282	-	1,495	2,404,208
Public safety	9,660,827	-	-	-	9,660,827
Highways and streets	4,154,000	-	-	-	4,154,000
Planning and engineering	909,197	-	-	-	909,197
Parks and recreation	1,028,363	-	-	55,431	1,083,794
Redevelopment	-	-	2,616,503	-	2,616,503
Capital outlay:					
General government	-	7,898,358	-	-	7,898,358
Public safety	-	107,219	-	-	107,219
Highways and streets	-	1,005,546	-	-	1,005,546
Parks and recreation	-	128,499	-	-	128,499
<b>Total Expenditures</b>	<u>18,138,818</u>	<u>9,155,904</u>	<u>2,616,503</u>	<u>56,926</u>	<u>29,968,151</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,501,251)</u>	<u>(2,483,207)</u>	<u>(992,661)</u>	<u>740,949</u>	<u>(5,236,170)</u>
<b>Other Financing Sources (Uses)</b>					
Transfer in	2,415,084	586,250	-	-	3,001,334
Transfer out	-	-	-	(586,250)	(586,250)
Sale of capital assets	5,543	-	-	-	5,543
<b>Total Other Financing Sources (Uses)</b>	<u>2,420,627</u>	<u>586,250</u>	<u>-</u>	<u>(586,250)</u>	<u>2,420,627</u>
<b>Net Change in Fund Balance</b>	<u>(80,624)</u>	<u>(1,896,957)</u>	<u>(992,661)</u>	<u>154,699</u>	<u>(2,815,543)</u>
<b>Fund Balance, Beginning</b>	<u>3,958,125</u>	<u>31,742,528</u>	<u>8,439,175</u>	<u>3,635,277</u>	<u>47,775,105</u>
<b>Fund Balance, Ending</b>	<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>

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, 2020**

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

<b>Net Change in Fund Balances - total governmental funds</b> (page 27)	<u>\$ (2,815,543)</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>(2,146,600)</u>
Governmental funds report capital outlays as expenditures. These expenditures are reported as capital assets in the statement of net position.	<u>11,458,792</u>
The accrual effect of the sale/disposal of capital assets. The funds only report the proceeds.	<u>(11,440)</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>35,804</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>(231,724)</u>
In the statement of activities, current changes to the net pension liability and associated deferred outflows and inflows of resources act to increase pension expense. Governmental funds recognize actual pension contribution expenditures.	<u>(284,677)</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>(89,122)</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>(185,703)</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ 5,729,787</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 2,908,733	\$ 2,908,733	\$ 2,928,484	\$ 19,751
Sales taxes	5,199,664	5,199,664	2,372,372	(2,827,292)
Franchise taxes	3,734,000	3,734,000	3,642,291	(91,709)
Licenses and permits	557,500	557,500	508,494	(49,006)
Intergovernmental revenues	2,567,316	2,567,316	4,613,347	2,046,031
Charges for services	1,070,446	1,070,446	1,093,312	22,866
Fines and forfeitures	120,000	120,000	112,845	(7,155)
Investment earnings	156,000	156,000	202,300	46,300
Miscellaneous	67,500	140,660	164,122	23,462
<b>Total Revenues</b>	<u>16,381,159</u>	<u>16,454,319</u>	<u>15,637,567</u>	<u>(816,752)</u>
<b>Expenditures</b>				
Current:				
General government:				
Legislative	810,618	810,618	667,499	143,119
Legal	366,788	366,788	359,250	7,538
Executive	179,796	179,796	171,923	7,873
Information technology	469,222	487,382	484,196	3,186
Finance	423,671	423,671	395,433	28,238
Human resources	142,343	142,343	139,416	2,927
Treasury	94,201	94,201	58,840	35,361
Government buildings	118,191	118,191	109,874	8,317
Public safety:				
Police	7,889,728	7,889,728	7,585,420	304,308
Fire	2,100,000	2,100,000	2,075,407	24,593
Highways and streets	4,399,494	4,399,494	4,154,000	245,494
Planning and engineering:				
Planning	290,205	290,205	263,456	26,749
Engineering	670,929	670,929	645,741	25,188
Parks	972,945	1,027,945	1,028,363	(418)
<b>Total Expenditures</b>	<u>18,928,131</u>	<u>19,001,291</u>	<u>18,138,818</u>	<u>862,473</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>(2,546,972)</u>	<u>(2,546,972)</u>	<u>(2,501,251)</u>	<u>45,721</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	2,490,000	2,490,000	2,415,084	(74,916)
Sale of capital assets	40,000	40,000	5,543	(34,457)
<b>Total Other Financing Sources (Uses)</b>	<u>2,530,000</u>	<u>2,530,000</u>	<u>2,420,627</u>	<u>(109,373)</u>
<b>Net Change in Fund Balance *</b>	<u>\$ (16,972)</u>	<u>\$ (16,972)</u>	<u>(80,624)</u>	<u>\$ (63,652)</u>
<b>Fund Balance, Beginning</b>			<u>3,958,125</u>	
<b>Fund Balance, Ending</b>			<u>\$ 3,877,501</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property tax increment contribution	\$ 1,020,008	\$ 1,020,008	\$ 1,143,117	\$ 123,109
Intergovernmental revenues	-	-	122,500	122,500
Investment earnings	79,482	79,482	211,609	132,127
Principal payments on notes receivable	185,247	185,247	146,616	(38,631)
<b>Total Revenues</b>	<u>1,284,737</u>	<u>1,284,737</u>	<u>1,623,842</u>	<u>339,105</u>
<b>Expenditures</b>				
Current:				
Redevelopment	4,889,123	4,889,123	2,616,503	2,272,620
<b>Total Expenditures</b>	<u>4,889,123</u>	<u>4,889,123</u>	<u>2,616,503</u>	<u>2,272,620</u>
<b>Excess (Deficiency) of Revenues</b> <b>Over (Under) Expenditures</b>	<u>(3,604,386)</u>	<u>(3,604,386)</u>	<u>(992,661)</u>	<u>2,611,725</u>
<b>Net Change in Fund Balance *</b>	<u>\$ (3,604,386)</u>	<u>\$ (3,604,386)</u>	<u>(992,661)</u>	<u>\$ 2,611,725</u>
<b>Fund Balance, Beginning</b>			<u>8,439,175</u>	
<b>Fund Balance, Ending</b>			<u>\$ 7,446,514</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, 2020**

	Business-type Activities - Enterprise Funds				Total Enterprise	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 1,482,986	\$ 10,503,062	\$ 5,998,870	\$ 2,118,147	\$ 20,103,065	\$ 1,379,648
Accounts receivable, net	869,852	3,782,410	298,623	328,299	5,279,184	10,539
Interest receivable	3,920	29,571	16,873	5,692	56,056	3,516
Investments	1,929,968	14,557,914	6,508,370	2,802,454	25,798,706	1,730,844
Inventories	366,007	1,991,132	-	59,737	2,416,876	-
Prepaid expenses	103,600	15,060	-	-	118,660	-
<b>Total Current Assets</b>	<b>4,756,333</b>	<b>30,879,149</b>	<b>12,822,736</b>	<b>5,314,329</b>	<b>53,772,547</b>	<b>3,124,547</b>
<b>Noncurrent Assets</b>						
Restricted assets:						
Cash and cash equivalents	40,140	1,584,576	1,409,188	94,299	3,128,203	525,482
Net other postemployment benefits asset	39,541	94,365	24,438	29,144	187,488	-
Due from other funds	-	-	2,468,371	-	2,468,371	-
Capital assets, net:						
Land, land rights and water rights	339,566	1,263,349	43,737	7,195,808	8,842,460	-
Buildings, wells and reservoirs	7,478,524	5,398,998	961,314	400,655	14,239,491	-
Improvements other than buildings	98,025	741,486	161,306	677,619	1,678,436	-
Power & water transmission, distribution, and collection infrastructure	14,855,693	16,269,730	-	4,380,342	35,505,765	-
Street light system	-	118,316	-	-	118,316	-
Machinery and equipment	2,347,221	16,541,835	2,052,929	757,297	21,699,282	-
Furniture and fixtures	-	75,601	-	-	75,601	-
Construction in progress	627,333	180,712	-	92,995	901,040	-
Intangible asset - power projects	-	3,598,681	-	-	3,598,681	-
<b>Total Noncurrent Assets</b>	<b>25,826,043</b>	<b>45,867,649</b>	<b>7,121,283</b>	<b>13,628,159</b>	<b>92,443,134</b>	<b>525,482</b>
<b>Total Assets</b>	<b>30,582,376</b>	<b>76,746,798</b>	<b>19,944,019</b>	<b>18,942,488</b>	<b>146,215,681</b>	<b>3,650,029</b>
<b>Deferred Outflows of Resources</b>						
Pensions	151,358	465,375	93,105	136,908	846,746	18,123
Other postemployment benefits plan	1,461	3,486	902	1,076	6,925	-
<b>Total Deferred Outflows</b>	<b>152,819</b>	<b>468,861</b>	<b>94,007</b>	<b>137,984</b>	<b>853,671</b>	<b>18,123</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 30,735,195</b>	<b>\$ 77,215,659</b>	<b>\$ 20,038,026</b>	<b>\$ 19,080,472</b>	<b>\$ 147,069,352</b>	<b>\$ 3,668,152</b>

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

**BOUNTIFUL CITY**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)**  
**June 30, 2020**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Light and Power</b>	<b>Landfill and Sanitation</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise</b>	
<b>Current Liabilities</b>						
Accounts payable	\$ 305,100	\$ 2,321,540	\$ 94,403	\$ 131,070	\$ 2,852,113	\$ 357,953
Accrued liabilities	69,926	392,222	56,212	106,277	624,637	7,471
Accrued Interest Payable	3,653	84,570	-	-	88,223	-
Retainage payable - restricted assets	32,873	23,427	-	1,155	57,455	-
Unearned revenue - restricted assets	7,267	38,407	-	70,360	116,034	-
Compensated absences	46,501	130,802	29,864	32,499	239,666	-
Revenue bond payable	-	720,000	-	-	720,000	-
<b>Total Current Liabilities</b>	<b>465,320</b>	<b>3,710,968</b>	<b>180,479</b>	<b>341,361</b>	<b>4,698,128</b>	<b>365,424</b>
<b>Noncurrent Liabilities</b>						
Developer and customer deposits - restricted assets	-	923,914	-	22,784	946,698	-
Compensated absences	114,818	313,008	53,508	90,757	572,091	-
Due to other funds	2,468,371	-	-	-	2,468,371	-
Revenue bond payable	-	8,630,000	-	-	8,630,000	-
Accrued landfill closure - restricted assets	-	-	1,409,188	-	1,409,188	-
Net pension liability	283,077	870,367	174,129	256,051	1,583,624	33,895
<b>Total Noncurrent Liabilities</b>	<b>2,866,266</b>	<b>10,737,289</b>	<b>1,636,825</b>	<b>369,592</b>	<b>15,609,972</b>	<b>33,895</b>
<b>Total Liabilities</b>	<b>3,331,586</b>	<b>14,448,257</b>	<b>1,817,304</b>	<b>710,953</b>	<b>20,308,100</b>	<b>399,319</b>
<b>Deferred Inflows of Resources</b>						
Pensions	160,641	493,917	98,815	145,304	898,677	19,235
Other postemployment benefits plan	21,811	52,052	13,480	16,076	103,419	-
<b>Total Deferred Inflows</b>	<b>182,452</b>	<b>545,969</b>	<b>112,295</b>	<b>161,380</b>	<b>1,002,096</b>	<b>19,235</b>
<b>Net Position</b>						
Net investment in capital assets	25,746,362	34,838,708	3,219,286	13,504,716	77,309,072	-
Restricted:						
Debt service	-	598,828	-	-	598,828	-
Regulatory required insurance deposit	-	-	-	-	-	525,482
Other postemployment benefits	19,191	45,799	11,860	14,144	90,994	-
Unrestricted	1,455,604	26,738,098	14,877,281	4,689,279	47,760,262	2,724,116
<b>Total Net Position</b>	<b>27,221,157</b>	<b>62,221,433</b>	<b>18,108,427</b>	<b>18,208,139</b>	<b>125,759,156</b>	<b>3,249,598</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 30,735,195</b>	<b>\$ 77,215,659</b>	<b>\$ 20,038,026</b>	<b>\$ 19,080,472</b>	<b>\$ 147,069,352</b>	<b>\$ 3,668,152</b>
<b>Net Position Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Net Position:</b>					<b>\$ 125,759,156</b>	
Adjustment for the cumulative internal balance from the net activity between internal service funds and enterprise funds					<u>(1,032,185)</u>	
					<u><b>\$ 124,726,971</b></u>	

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, 2020**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Enterprise</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Light and Power</b>	<b>Landfill and Sanitation</b>	<b>Other Enterprise Funds</b>		
<b>Operating Revenues</b>						
Charges for services	\$ 5,712,689	\$ 26,457,368	\$ 2,802,191	\$ 2,444,491	\$ 37,416,739	\$ 657,386
Connection and servicing	18,794	94,835	-	-	113,629	-
Admissions and lesson fees	-	-	-	915,097	915,097	-
Equipment and facility rents	-	62,589	-	409,470	472,059	-
Concession and merchandise sales	-	-	-	206,709	206,709	-
Sale of cemetery burial plots	-	-	-	299,255	299,255	-
Miscellaneous	523	69,747	23,237	11,502	105,009	-
<b>Total Operating Revenues</b>	<b>5,732,006</b>	<b>26,684,539</b>	<b>2,825,428</b>	<b>4,286,524</b>	<b>39,528,497</b>	<b>657,386</b>
<b>Operating Expenses</b>						
Personnel wages and benefits	1,438,890	4,350,730	1,126,998	1,616,523	8,533,141	154,918
Materials and supplies	476,450	85,256	134,427	172,686	868,819	-
Repair and maintenance costs	350,802	5,257,098	595,890	583,672	6,787,462	-
Contractual and professional services	99,203	41,253	226,912	655,167	1,022,535	17,460
Power purchases	-	11,269,670	-	-	11,269,670	-
Power generation costs	-	1,437,300	-	-	1,437,300	-
General and administrative costs	971,131	1,078,154	278,999	671,613	2,999,897	435,613
Claims	-	-	-	-	-	549,203
Depreciation	1,178,017	2,540,165	423,235	533,692	4,675,109	-
Amortization	-	1,296,107	-	-	1,296,107	-
<b>Total Operating Expenses</b>	<b>4,514,493</b>	<b>27,355,733</b>	<b>2,786,461</b>	<b>4,233,353</b>	<b>38,890,040</b>	<b>1,157,194</b>
<b>Operating Income (Loss)</b>	<b>\$ 1,217,513</b>	<b>\$ (671,194)</b>	<b>\$ 38,967</b>	<b>\$ 53,171</b>	<b>\$ 638,457</b>	<b>\$ (499,808)</b>

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, 2020**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Enterprise</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Light and Power</b>	<b>Landfill and Sanitation</b>	<b>Other Enterprise Funds</b>		
<b>Nonoperating Revenues (Expenses)</b>						
Investment earnings	\$ 82,124	\$ 665,933	\$ 407,460	\$ 113,254	\$ 1,268,771	\$ 80,318
Intergovernmental - Grants	2,949	33,012	2,701	3,913	42,575	-
Interest expense	(78,667)	(516,888)	-	-	(595,555)	-
Gain (loss) from sale of capital assets	(67,560)	6,881	-	(276)	(60,955)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(61,154)</b>	<b>188,938</b>	<b>410,161</b>	<b>116,891</b>	<b>654,836</b>	<b>80,318</b>
Income (loss) before contributions & transfers	1,156,359	(482,256)	449,128	170,062	1,293,293	(419,490)
<b>Capital Contributions</b>	262,132	383,780	-	9,521	655,433	-
<b>Transfers in</b>	-	-	-	234,541	234,541	-
<b>Transfers out</b>	-	(2,415,084)	(234,541)	-	(2,649,625)	-
<b>Change in Net Position</b>	<b>1,418,491</b>	<b>(2,513,560)</b>	<b>214,587</b>	<b>414,124</b>	<b>(466,358)</b>	<b>(419,490)</b>
<b>Net Position, Beginning</b>	<b>25,802,666</b>	<b>64,734,993</b>	<b>17,893,840</b>	<b>17,794,015</b>	<b>126,225,514</b>	<b>3,669,088</b>
<b>Net Position, Ending</b>	<b>\$ 27,221,157</b>	<b>\$ 62,221,433</b>	<b>\$ 18,108,427</b>	<b>\$ 18,208,139</b>	<b>\$ 125,759,156</b>	<b>\$ 3,249,598</b>
<b>Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Activities:</b>					\$ (466,358)	
Adjustment to eliminate the current fiscal year's internal service funds net loss from internal customers applicable to business-type activities					(233,787)	
<b>Changes in Net Position of Business-type activities (page 24)</b>					<b>\$ (700,145)</b>	

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, 2020**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Enterprise</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Light and Power</b>	<b>Landfill and Sanitation</b>	<b>Other Enterprise Funds</b>		
<b>Cash Flows From Operating Activities</b>						
Receipts from customers and users	\$ 5,605,915	\$ 26,431,592	\$ 2,874,508	\$ 4,283,610	\$ 39,195,625	\$ 657,218
Receipts from customer deposits	-	195,770	-	4,560	200,330	-
Payments to suppliers	(1,328,889)	(17,504,032)	(898,898)	(1,874,283)	(21,606,102)	(831,528)
Payments to employees and related benefits	(1,429,466)	(4,349,977)	(1,121,773)	(1,623,225)	(8,524,441)	(155,488)
Payments to other funds for services provided	(402,501)	(716,851)	(223,526)	(346,430)	(1,689,308)	-
Return of customer deposits	(35,018)	(209,291)	-	(39,470)	(283,779)	-
<b>Net cash flows from operating activities</b>	<b>2,410,041</b>	<b>3,847,211</b>	<b>630,311</b>	<b>404,762</b>	<b>7,292,325</b>	<b>(329,798)</b>
<b>Cash Flows From Non-Capital Financing Activities</b>						
Transfers from other funds	-	-	-	234,541	234,541	-
Transfers to other funds	-	(2,415,084)	(234,541)	-	(2,649,625)	-
Grants received	2,949	33,012	2,701	3,913	42,575	-
<b>Net cash flows from non-capital financing activities</b>	<b>2,949</b>	<b>(2,382,072)</b>	<b>(231,840)</b>	<b>238,454</b>	<b>(2,372,509)</b>	<b>-</b>
<b>Cash Flows From Capital and Related Financing Activities</b>						
Capital contributions	262,132	383,780	-	9,521	655,433	-
Purchase of capital assets	(1,728,334)	(1,035,636)	(1,148,292)	(727,145)	(4,639,407)	-
Proceeds from sales of capital assets	10,000	6,881	-	1,500	18,381	-
Principal paid on capital debt	-	(705,000)	-	-	(705,000)	-
Interest paid on capital debt	(79,066)	(521,623)	-	-	(600,689)	-
Principal paid on interfund payable	(269,719)	-	-	-	(269,719)	-
<b>Net cash flows from capital and related financing activities</b>	<b>\$ (1,804,987)</b>	<b>\$ (1,871,598)</b>	<b>\$ (1,148,292)</b>	<b>\$ (716,124)</b>	<b>\$ (5,541,001)</b>	<b>\$ -</b>
<b>Cash Flows From Investing Activities</b>						
Investment earnings	\$ 73,266	\$ 610,122	\$ 383,518	\$ 102,622	\$ 1,169,528	\$ 74,354
Purchase of investments	(1,916,807)	(11,216,338)	(4,866,379)	(2,244,840)	(20,244,364)	(1,275,445)
Sale of investments	1,804,953	13,614,914	6,086,785	2,710,452	24,217,104	1,741,715
Principal paid on interfund receivable	-	-	269,719	-	269,719	-
<b>Net cash flows from investing activities</b>	<b>(38,588)</b>	<b>3,008,698</b>	<b>1,873,643</b>	<b>568,234</b>	<b>5,411,987</b>	<b>540,624</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>569,415</b>	<b>2,602,239</b>	<b>1,123,822</b>	<b>495,326</b>	<b>4,790,802</b>	<b>210,826</b>
<b>Cash and Cash Equivalents, Beginning</b>	<b>953,711</b>	<b>9,485,399</b>	<b>6,284,236</b>	<b>1,717,120</b>	<b>18,440,466</b>	<b>1,694,304</b>
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 1,523,126</b>	<b>\$ 12,087,638</b>	<b>\$ 7,408,058</b>	<b>\$ 2,212,446</b>	<b>\$ 23,231,268</b>	<b>\$ 1,905,130</b>

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, 2020**

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		
<b>Reconciliation of operating income to net cash flows from operating activities</b>						
Earnings (loss) from operations	\$ 1,217,513	\$ (671,194)	\$ 38,967	\$ 53,171	\$ 638,457	\$ (499,808)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:						
Depreciation and amortization	1,178,017	3,836,272	423,235	533,692	5,971,216	-
Changes in assets and liabilities						
Accounts receivable, net	(12,137)	(289,488)	49,080	(2,914)	(255,459)	(168)
Inventories	(80,140)	123,546	-	(4,744)	38,662	-
Prepaid expenses	(11,595)	3,543	-	-	(8,052)	-
Other postemployment benefits (OPEB) asset	(925)	(272)	(385)	49	(1,533)	-
Net pension asset	-	-	-	-	-	-
Deferred outflows - pensions	142,274	448,595	80,858	124,791	796,518	17,710
Deferred outflows - OPEB	844	2,130	533	667	4,174	-
Accounts payable	235,521	1,094,504	56,496	(167,792)	1,218,729	169,327
Accrued liabilities	3,112	48,200	10,471	13,716	75,499	2,033
Retainage payable	19,298	(321,945)	-	(7,229)	(309,876)	-
Unearned revenue	(113,954)	36,541	-	11,758	(65,655)	-
Developer and customer deposits	(35,018)	(13,521)	-	(34,910)	(83,449)	-
Compensated absences	18,397	35,588	3,963	13,118	71,066	-
Accrued landfill closure	-	-	46,837	-	46,837	-
Deferred inflows - pensions	134,923	413,867	83,579	122,383	754,752	16,097
Deferred inflows - OPEB	(4,706)	(12,561)	(3,037)	(3,970)	(24,274)	-
Net pension liability	(281,383)	(886,594)	(160,286)	(247,024)	(1,575,287)	(34,989)
<b>Net cash flows from operating   activities</b>	<b>\$ 2,410,041</b>	<b>\$ 3,847,211</b>	<b>\$ 630,311</b>	<b>\$ 404,762</b>	<b>\$ 7,292,325</b>	<b>\$ (329,798)</b>
<b>Schedule of non-cash capital and related financing activities</b>						
Capital assets contributed from/(to) other funds	\$ -	\$ -	\$ (198,689)	\$ 198,689	\$ -	\$ -

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

**BOUNTIFUL CITY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**OPEB PLANS**  
**June 30, 2020**

	<b>Other Postemployment Benefits Plan (OPEB) Trust</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 367,509
Interest receivable	655
Investments	273,071
<b>Total Assets</b>	<b>\$ 641,235</b>
<b>Liabilities</b>	
Due to sponsoring government	\$ 2,898
<b>Total Liabilities</b>	<b>2,898</b>
<b>Net position - Restricted for OPEB</b>	<b>\$ 638,337</b>
<b>Total Net Position - Restricted for OPEB</b>	<b>638,337</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 641,235</b>

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, 2020**

	<b>Other Postemployment Benefits Plan (OPEB) Trust</b>
<b>Additions</b>	
Interest earnings:	
Interest and dividends	\$ 13,870
Net increase/(decrease) in fair value	175
Investment expense	(459)
Net investment earnings	13,586
<b>Total Additions</b>	13,586
<b>Deductions</b>	
Benefits	32,070
<b>Total Deductions</b>	32,070
<b>Changes in Net Position</b>	(18,484)
<b>Net Position, Beginning</b>	656,821
<b>Net Position, Ending</b>	\$ 638,337

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

#### Fiduciary Component Unit

The Bountiful City Council approved the creation of an integral-part trust to administer an other postemployment benefit (OPEB) plan to provide benefits to retired City employees. The integral-part trust is legally protected from City creditors, was funded exclusively by City contributions, its assets are dedicated to providing OPEB to retired City employees, and is irrevocable. In conformity with GAAP, the OPEB plan is considered a fiduciary component unit of the City. The OPEB plan financial statements are included on pages 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 25% of the current year's total revenues.

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

Taxes

On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the certified tax rate, state law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget must be complete on or before August 17th. All property taxes levied by the City are assessed and collected by Davis County. Taxes are attached as an enforceable lien as of January 1, are levied on property owners on or before June 22, and are due by November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. If, after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County 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 30<sup>th</sup>.

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

Utility Billing Revenue

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

Cash and cash equivalents

The City considers all cash on hand, demand deposits, and investments with original maturities of three months or less to be cash and cash equivalents. For the 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 and dividend earnings, realized gains and losses, and unrealized gains and losses.

Inventories and prepaid expenses/expenditures

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

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

Capital assets

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

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

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

Deferred outflows of resources

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

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

**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, 2020, the fair value per share factor for investments in the PTIF was 1.00244845.

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, 2020, \$44,254,141 of the City's bank balances of \$45,768,275 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, 2020, \$51,399,520 of the City's \$52,399,520 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, 2020:

	Carrying Value	Fair Value Factor	Fair Value	Credit Rating (1)	Ave. Maturity (Years) (2)
<u>Bountiful City</u>					
Cash on hand and on deposit:					
Cash on hand	\$ 5,400	1	\$ 5,400	N/A	N/A
Cash on deposit	15,183,497	1	15,183,497	N/A	N/A
Bond Reserves	598,828	1	598,828	N/A	N/A
Regulatory Insurance Deposit	525,482	1	525,482	N/A	N/A
Utah State Treasurer's investment pool accounts (3)	<u>29,121,104</u>	1.002448	<u>29,192,406</u>	N/A	0.11
Total cash on hand and deposit	<u>\$ 45,434,311</u>		<u>\$ 45,505,613</u>		
Investments:					
U.S. Agency bonds	\$ 1,501,217	1	\$ 1,501,216	AAA	4.55
Certificates of deposit	958,409	1	958,409	AA	4.36
Corporate bonds	<u>49,666,823</u>	1	<u>49,666,823</u>	A	<u>1.66</u>
Total Investments	<u>\$ 52,126,449</u>		<u>\$ 52,126,448</u>		<u>3.52</u>
<u>Fiduciary Fund - OPEB Trust</u>					
Cash on hand and on deposit:					
Cash on Deposit - OPEB	<u>\$ 367,509</u>	1	<u>\$ 367,509</u>	N/A	N/A
Total cash on hand and deposit	<u>\$ 367,509</u>		<u>\$ 367,509</u>		
Investments:					
Corporate bonds - OPEB	<u>\$ 273,071</u>	1	<u>\$ 273,071</u>	A	<u>1.37</u>
Total Investments	<u>\$ 273,071</u>		<u>\$ 273,071</u>		<u>1.37</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, 2020, the City's investments of \$52,126,449 had the following recurring fair value measurements:

- U.S. Agency bonds of \$1,501,217 are valued using quoted market prices (Level 1 inputs).
- Corporate bonds of \$30,085,834 are valued using quoted market prices (Level 1 inputs).
- Certificates of deposit of \$958,409 are valued using a matrix pricing model (Level 2 inputs). Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.
- Corporate bonds of \$19,580,989 are valued using a matrix pricing model (Level 2 inputs).

At June 30, 2020, the fiduciary OPEB plan investments had corporate bonds of \$273,071 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	\$ 263,528	\$ -	\$ -
Property taxes	2,595,016	-	-
Property tax increment contribution	-	-	1,035,627
Sales taxes	-	1,486,281	-
Total Taxes Receivable	<u>\$ 2,858,544</u>	<u>\$ 1,486,281</u>	<u>\$ 1,035,627</u>
Accounts Receivable:			
Less: allowance for uncollectibles	(6,951)	-	-
Total Accounts Receivable - Net	<u>\$ 327,033</u>	<u>\$ -</u>	<u>\$ -</u>
Intergovernmental Receivable:			
State of Utah Class B&C Road Funds	\$ 278,164	\$ -	\$ -
Local Option Transportation Tax	135,684	-	-
CARES Act expenditure grant	725,830	-	-
Total Intergovernmental	<u>\$ 1,139,678</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, 2020 is \$54,399. The General Fund is the only other fund with an estimated allowance at \$6,951.

**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, 2020 are as follows:

Balance June 30, 2020	Interest Rate	Monthly Payments		Balloon Payments	
		Amount	Due Through	Amount	Due
<u>RDA Loans</u>					
\$ 134,795	3.00%	\$ 5,794	June 2022	\$ -	N/A
27,031	3.00%	567	November 2024	-	N/A
573,317	3.00%	9,317	January 2026	-	N/A
519,196	3.00%	3,050	December 2023	-	N/A
<u>Repayment Promissory Note</u>					
68,480	3.00%	2,000	October 2021	14,000	March 2021
977,386	3-5%	*	June 2033 *	-	N/A
<u>\$ 2,300,205</u>		<u>\$ 20,728</u>		<u>\$ 14,000</u>	

\* The \$977,386 promissory note is paid through annual payments that range between \$74,415 and \$75,760 through June 2033.

2015 Promissory Note - In 2015 a City resident accidentally destroyed some City infrastructure and a promissory note was signed to repay the City the \$134,459 in restoration costs. The current outstanding balance is \$68,480.

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

**4. NOTES RECEIVABLE (Continued)**

South Davis Metro Fire Service Area (SDMFSA) Promissory Note – On July 1, 2016, the SDMFSA that provides the City’s emergency medical and fire services, became its own taxing district. As part of the interlocal agreements to establish this new taxing district, the City donated capital assets to the SDMFSA with a net book value of \$2,271,345 with the stipulation that the City would not have to participate in any of the debt service payments for existing bonds issued under the old interlocal agency. In November 2017, the SDMFSA levied a tax, affecting City residents, to pay for debt service on those existing bonds. In an effort to make the City whole and as part of the signed interlocal agreements, SDMFSA has agreed to pay the City an estimated \$1,219,062 in annual tax collections over a 15-year period ending June of 2033. The current outstanding balance is \$977,386.

**5. CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2020, is as follows:

	Balance June 30, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 50,794,922	\$ -	\$ -	\$ -	\$ 50,794,922
Construction in progress	2,819,543	10,423,820	-	-	13,243,363
Total capital assets, not being depreciated	53,614,465	10,423,820	-	-	64,038,285
Capital assets, being depreciated					
Infrastructure	34,941,446	354,938	29,589	-	35,266,795
Buildings	21,303,828	-	1,588,820	-	19,715,008
Improvements other than buildings	9,070,995	60,396	53,913	-	9,077,478
Machinery and equipment	9,091,825	599,972	77,408	-	9,614,389
Furniture and fixtures	2,766,858	19,667	65,681	-	2,720,844
Total capital assets, being depreciated	77,174,952	1,034,973	1,815,411	-	76,394,514
Accumulated Depreciation					
Infrastructure	19,582,875	576,231	29,589	-	20,129,517
Buildings	15,146,658	412,202	1,588,197	-	13,970,663
Improvements other than buildings	5,355,351	292,092	53,913	-	5,593,530
Machinery and equipment	6,163,891	675,987	77,408	-	6,762,470
Furniture and fixtures	1,894,729	190,088	54,863	-	2,029,954
Total accumulated depreciation	48,143,504	2,146,600	1,803,970	-	48,486,134
Total capital assets, being depreciated, net	29,031,448	(1,111,627)	11,441	-	27,908,380
Governmental activities capital assets, net	\$ 82,645,913	\$ 9,312,193	\$ 11,441	\$ -	\$ 91,946,665

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

Governmental activities	
General government	\$ 354,370
Public safety	284,479
Highways and public improvements	1,023,833
Parks	351,656
Redevelopment Agency	124,581
Planning & engineering	7,681
Total depreciation expense - governmental activities	\$ 2,146,600

**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, 2020:

	Balance June 30, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
<b>Business-type Activities</b>					
<b>Capital assets, not being depreciated</b>					
Land, land rights, and water rights	\$ 8,842,460	\$ -	\$ -	\$ -	\$ 8,842,460
Construction in progress	953,961	1,211,192	-	(1,264,113)	901,040
Intangible asset - power projects	4,894,788	-	1,296,107	-	3,598,681
<b>Total capital assets, not being depreciated</b>	<b>14,691,209</b>	<b>1,211,192</b>	<b>1,296,107</b>	<b>(1,264,113)</b>	<b>13,342,181</b>
<b>Capital assets, being depreciated</b>					
Buildings, wells and reservoirs	27,935,141	-	16,770	304,922	28,223,293
Improvements other than buildings	3,664,500	512,934	53,000	59,423	4,183,857
Power & water transmission, distrib., and collection infrastructure	80,866,829	1,333,932	326,666	750,697	82,624,792
Street light and traffic systems	2,366,331	-	-	-	2,366,331
Machinery and equipment	47,695,278	1,581,349	69,878	149,071	49,355,820
Furniture and fixtures	170,765	-	-	-	170,765
<b>Total capital assets, being depreciated</b>	<b>162,698,844</b>	<b>3,428,215</b>	<b>466,314</b>	<b>1,264,113</b>	<b>166,924,858</b>
<b>Less accumulated depreciation for</b>					
Buildings, wells and reservoirs	13,049,601	950,971	16,770	-	13,983,802
Improvements other than buildings	2,448,009	110,412	53,000	-	2,505,421
Power & water transmission, distrib., and collection infrastructure	45,761,252	1,605,105	247,330	-	47,119,027
Street light and traffic systems	2,169,137	78,878	-	-	2,248,015
Machinery and equipment	25,810,418	1,915,998	69,878	-	27,656,538
Furniture and fixtures	81,419	13,745	-	-	95,164
<b>Total accumulated depreciation</b>	<b>89,319,836</b>	<b>4,675,109</b>	<b>386,978</b>	<b>-</b>	<b>93,607,967</b>
<b>Total capital assets, being depreciated, net</b>	<b>73,379,008</b>	<b>(1,246,894)</b>	<b>79,336</b>	<b>1,264,113</b>	<b>73,316,891</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 88,070,217</b>	<b>\$ (35,702)</b>	<b>\$ 1,375,443</b>	<b>\$ -</b>	<b>\$ 86,659,072</b>

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

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

<b>Business-type Activities</b>	
Water	\$ 1,178,017
Light and Power	2,540,165
Landfill and Sanitation	423,235
Storm Water	357,645
Golf Course	119,613
Cemetery	56,434
<b>Total depreciation expense - business-type activities</b>	<b>\$ 4,675,109</b>



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

**6. RESTRICTED ASSETS**

Certain assets are restricted to use as follows as of June 30, 2020:

Restricted for regulatory required insurance deposit	\$ 525,482
Restricted for funds received for closure of landfill	1,409,188
Restricted for landfill closure, post-closure and corrective actions	884,085
Restricted for bond payments	598,828
Restricted for customer utility deposits	923,914
Restricted by grantors for trails	5,000
Restricted for refundable performance bond deposits	825,615
Restricted for construction retention	668,108
Restricted for unearned revenue	156,068
Restricted for unremitted fees collected on behalf of other governments	615
Restricted for other postemployment benefits	<u>496,709</u>
Total restricted assets as shown on the Statement of Net Position	<u><u>\$ 6,493,612</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 \$17,235. For fiscal year 2021, the budget for this contract is \$17,040.

The Fund has a contract with Western Area Power Administration to provide a prorated share of the actual hydropower capacity from the Salt Lake City Area Integrated Projects. This contract was revised October 1989 and will be in force until September 30, 2024. In the current year the Fund purchased power via this contract totaling \$3,561,759. For fiscal year 2021, the budget for this contract is \$3,525,669.

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 2020 \$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 (2 year remaining life). At the end of fiscal year 2020 this asset's unamortized balance is \$2,424,469. In the current year, the Fund purchased power totaling \$1,639,859 via this contract. For fiscal year 2021, the budget for this contract is \$2,120,939.

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 \$5,945,853 for power sales and purchases. For fiscal year 2021, the budget amount for UAMPS net purchases is \$7,016,536.

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 2020 \$83,872 of the intangible asset balance was amortized to expense as contract is expected to end in January of 2034 (14-year remaining life). At the end of fiscal year 2020 this asset's unamortized balance is \$1,174,212. 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 \$681,962 via this contract. For fiscal year 2021, the budget for this contract is \$558,727.

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

**8. ACCRUED LIABILITIES**

Accrued liabilities of the City for the year ended June 30, 2020, were as follows:

Accrued Liabilities:	General Fund	Redevelopment Agency	Internal Service	Governmental Activities		
	Employee payroll	\$ 650,603	\$ 2,664	\$ 7,471	\$ 660,738	
Other	2,401	-	-	2,401		
Total	<u>\$ 653,004</u>	<u>\$ 2,664</u>	<u>\$ 7,471</u>	<u>\$ 663,139</u>		

Accrued Liabilities:	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds	Business-Type Activities
	Employee payroll	\$ 69,926	\$ 214,952	\$ 54,832	\$ 87,202
Sales taxes	-	177,270	1,380	19,075	197,725
Total	<u>\$ 69,926</u>	<u>\$ 392,222</u>	<u>\$ 56,212</u>	<u>\$ 106,277</u>	<u>\$ 624,637</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, 2020:

	Balance at June 30, 2019	Additions	Reductions	Balance at June 30, 2020	Due within One Year
Governmental activities					
Compensated absences	\$ 1,178,695	\$ 795,590	\$ 706,468	\$ 1,267,817	\$ 439,421
Governmental activity long-term liabilities	<u>\$ 1,178,695</u>	<u>\$ 795,590</u>	<u>\$ 706,468</u>	<u>\$ 1,267,817</u>	<u>\$ 439,421</u>
Business-type activities					
Electric revenue bonds	\$ 10,055,000	\$ -	\$ 705,000	\$ 9,350,000	\$ 720,000
Compensated absences	740,691	488,280	417,214	811,757	239,666
Accrued landfill closure	1,362,351	46,837	-	1,409,188	-
Business-type activity long-term liabilities	<u>\$ 12,158,042</u>	<u>\$ 535,117</u>	<u>\$ 1,122,214</u>	<u>\$ 11,570,945</u>	<u>\$ 959,666</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.

Electric Revenue Bonds, Series 2010

The Electric Revenue Bonds, Series 2010 were issued November 10, 2010 to finance the design and construction of an upgrade of the City’s electric power plant. The \$15,280,000 revenue bonds are due in annual principal installments of \$720,000 to \$1,015,000 through November 1, 2030, plus interest at 4.03% to 6.11%, payable semi-annually.

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

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

Electric Revenue Bonds, Series 2010 (Continued)

The bonds are secured by a pledge of the Light and Power Fund revenues after provision has been made for the payment therefrom of operation and maintenance expenses. The bond indenture requires that the pledged net revenues equal 125% of the aggregate annual debt service requirement. The indenture requires a debt service reserve fund or equivalent debt service reserve insurance policy be established to cover any defaults in debt service payments not to exceed \$1,288,379. This requirement was satisfied by the City at the date of bond issuance with the purchase of an insurance policy covering the life of the bonds. The bond indenture also requires monthly transfers into a bond fund account of one-sixth of the interest and one-twelfth of the principal falling due on the bonds on the next succeeding interest and principal payment dates. On June 30, 2020, the bond fund account had a balance of \$598,828. Beyond the debt service reserve fund and bond fund requirements outlined, the bond indenture has no stipulated terms regarding events of default, termination triggers, or acceleration clauses.

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

Year Ending June 30,	Principal	Interest	Total
2021	\$ 720,000	\$ 492,550	\$ 1,212,550
2022	735,000	461,585	1,196,585
2023	755,000	428,010	1,183,010
2024	775,000	391,816	1,166,816
2025	795,000	353,105	1,148,105
2026-2030	4,555,000	1,025,775	5,580,775
2031	1,015,000	31,006	1,046,006
Total	<u>\$ 9,350,000</u>	<u>\$ 3,183,847</u>	<u>\$ 12,533,847</u>

Subsequent event note: on October 5, 2020, the City notified bond holders of its intent to early redeem the electric revenue bonds in November 2020. \$9,350,000 has been budgeted in fiscal year 2021 for the redemption.

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, 2020, the City's total debt limit margins were as follows:

	Governmental Activities	Business-Type Activities
Assessed Property Values (1) <u>\$ 3,416,013,118</u>		
4% of Assessed Property Values	\$ 136,640,525	
8% of Assessed Property Values		\$ 273,281,049
Fiscal Year 2020 Outstanding Debt	-	(9,350,000)
Legal Debt Limit Margin	<u>\$ 136,640,525</u>	<u>\$ 263,931,049</u>
Legal Debt Limit Margin %	0.00%	3.42%

(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, 2020, the contributions total \$884,085 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 \$2,290,141 as of June 30, 2020. The City has reported and included in accrued liabilities \$1,409,188 as landfill closure and post-closure care liability at June 30, 2020, which is based on 61.53% 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 2020. The City estimates it will close the landfill in 30 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 2020, has investments (approximating fair value) of \$2,271,407 and \$884,085 held in PTIF accounts, for a combined total of \$3,155,492 held for these purposes. The City expects that future inflation costs will be paid from interest earnings on these account balances. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

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

In conjunction with the implementation of GASB Statement No. 33, “*Accounting and Financial Reporting for Nonexchange Transactions*”, the City has accrued a property tax receivable and a deferred inflow of resources for unavailable property tax revenue in the General Fund and Redevelopment Agency in the amounts of \$2,571,519 and \$1,035,627 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, 2020, is not expected to be received within 60 days after the year ended June 30, 2020, 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, 2020.

**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](http://www.urs.org/general/publications)

Summary of benefits by system

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

<u>System</u>	<u>Final Average Salary</u>	<u>Years of Service Required and/or age eligible for benefit</u>	<u>Benefit Percent per Year of Service</u>	<u>COLA **</u>
Noncontributory	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.00% per year over 20 years	Up to 2.5% or 4% depending on the employer
Tier 2 Public Employees	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years 2.00% per year July 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, 2020 are as follows:

	Employee Paid	Employer Contribution Rate	Employer 401(k)
Contributory System:			
Local Governmental Division Tier 1	6.00%	14.46%	N/A
Local Governmental Division Tier 2	N/A	15.66%	1.03%
Noncontributory System:			
Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety System:			
Contributory: Hybrid Public Safety Tier 2	N/A	38.27%	0.70%
Noncontributory: Bountiful with 2.5% COLA	N/A	50.38%	N/A
Tier 2 Defined Contribution Only:			
Local Government	N/A	6.69%	10.00%
Public Safety	N/A	26.97%	12.00%

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

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

For the fiscal year ended June 30, 2020, the contributions to the Systems are as follows:

System	Employer Contributions	Employee Contributions
Noncontributory	\$ 1,248,171	N/A
Public Safety	882,824	-
Tier 2 Public Employees	477,199	-
Tier 2 Public Safety and Firefighter	189,657	-
Tier 2 DC Only	17,895	N/A
Tier 2 DC Public Safety and Firefighter	30,745	N/A
	\$ 2,846,491	\$ -

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, 2020, the City reported a net pension asset of \$0 and a net pension liability of \$9,151,577. 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, 2019	0.8028175%	0.0000000%	100.00%	0.2107284%	0.2825558%
For year ending December 31, 2018	0.8192627%	0.0000000%	100.00%	0.2139319%	0.2992494%
Change from Prior Measurement Date	-0.0164452%	0.0000000%	0.00%	-0.0032035%	-0.0166936%
<u>Proportionate Share of The Net Pension Liability:</u>					
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
Change from Prior Measurement Date	\$ (3,007,110)	\$ -	\$ (1,477,821)	\$ (44,228)	\$ 19,080

The net pension asset and liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019 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, 2020, the City recognized City-wide pension expense of \$3,105,602.

On June 30, 2020, 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	\$ 405,976	\$ 172,602
Change in assumptions	517,161	1,602
Net difference between projected and actual earnings on pension plan investments	-	2,356,857
Changes in proportion and differences between contributions and proportionate share of contributions	43,128	124,579
Contributions subsequent to the measurement date	1,407,949	-
	<u>\$ 2,374,214</u>	<u>\$ 2,655,640</u>

\$1,407,949 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, 2019. 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
2020	\$ (346,110)
2021	(538,265)
2022	43,288
2023	(890,664)
2024	5,695
Thereafter	36,681

**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, 2020, the City recognized pension expense of \$1,443,751 for this system. On June 30, 2020, 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	\$ 275,224	\$ 43,462
Change in assumptions	320,458	-
Net difference between projected and actual earnings on pension plan investments	-	1,530,130
Changes in proportion and differences between contributions and proportionate share of contributions	6,561	123,290
Contributions subsequent to the measurement date	608,859	-
	<u>\$ 1,211,102</u>	<u>\$ 1,696,882</u>

\$608,859 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, 2019. 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>
2020	\$ (192,945)
2021	(354,495)
2022	34,531
2023	(581,730)
2024	-
Thereafter	-

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

For the year ended June 30, 2020, the City recognized pension expense of \$1,317,242 for this system. On June 30, 2020, 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	\$ 109,547	\$ 112,865
Change in assumptions	170,153	-
Net difference between projected and actual earnings on pension plan investments	-	783,762
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	437,147	-
	<u>\$ 716,847</u>	<u>\$ 896,627</u>

\$437,147 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, 2019. 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 December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (147,296)
2021	(178,723)
2022	6,572
2023	(297,480)
2024	-
Thereafter	-

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

For the year ended June 30, 2020, the City recognized pension expense of \$266,377 for this system. On June 30, 2020, 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	\$ 13,259	\$ 16,266
Change in assumptions	20,237	1,362
Net difference between projected and actual earnings on pension plan investments	-	36,432
Changes in proportion and differences between contributions and proportionate share of contributions	33,896	-
Contributions subsequent to the measurement date	247,714	-
	<u>\$ 315,106</u>	<u>\$ 54,060</u>

\$247,714 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, 2019. 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
2020	\$ (5,130)
2021	(4,421)
2022	1,804
2023	(9,873)
2024	4,703
Thereafter	26,249

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

**12. PENSION PLAN (Continued)**

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

For the year ended June 30, 2020, the City recognized pension expense of \$78,232 for this system. On June 30, 2020, 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	\$ 7,946	\$ 9
Change in assumptions	6,313	240
Net difference between projected and actual earnings on pension plan investments	-	6,533
Changes in proportion and differences between contributions and proportionate share of contributions	2,671	1,289
Contributions subsequent to the measurement date	114,229	-
	\$ 131,159	\$ 8,071

\$114,229 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, 2019. 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
2020	\$ (738)
2021	(626)
2022	381
2023	(1,581)
2024	992
Thereafter	10,431

Actuarial assumptions

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2019, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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

**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	40%	6.15%	2.46%
Debt Securities	20%	0.40%	0.08%
Real Assets	15%	5.75%	0.86%
Private Equity	9%	9.95%	0.90%
Absolute Return	16%	2.85%	0.46%
Cash and Cash Equivalents	0%	0.00%	0.00%
Totals	<u>100%</u>		<u>4.76%</u>
	<u>Inflation</u>		<u>2.50%</u>
	<u>Expected Arithmetic Nominal Return</u>		<u>7.25%</u>

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

Discount rate

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the Systems' Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate 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	\$ 9,450,358	\$ 3,025,714	\$ (2,332,372)
Public Safety	9,726,591	6,051,891	3,012,559
Tier 2 Public Employees	408,703	47,394	(231,831)
Teir 2 Public Safety & Firefighter	93,891	26,578	(23,390)
	<u>\$ 19,679,543</u>	<u>\$ 9,151,577</u>	<u>\$ 424,966</u>

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

For the year ended June 30, 2020, 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	45
Inactive Employees Entitled to But Not Yet Receiving Benefits	12
Active Employees	24
Total Agent Employer Tier 1 Plans Covered Employees	<u>81</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, 2019:

Total Pension Liability	<u>12/31/2019</u>	Plan Fiduciary Net Position	<u>12/31/2019</u>
Service cost	\$ 401,861	Contributions - employer	\$ 1,032,716
Interest	1,902,501	Contributions - member	-
Benefit changes	-	Net investment income	2,889,751
Difference between actual and expected experience	166,796	Benefit payments	(1,518,051)
Assumption changes	-	Administrative expense	(9,008)
Benefit payments	<u>(1,518,051)</u>	Other	35,519
Net Change in Total Pension Liability	953,107	Net Change in Plan Fiduciary Net Position	<u>2,430,927</u>
Total Pension Liability - Beginning	27,932,215	Plan Fiduciary Net Position - Beginning	20,402,504
Total Pension Liability - Ending <b>(a)</b>	<u>\$ 28,885,322</u>	Plan Fiduciary Net Position - Ending <b>(b)</b>	<u>\$ 22,833,431</u>

Total Pension Liability - Plan Fiduciary Net Position **(a-b)** = Net Pension Liability \$ 6,051,891

Payables to the pension plan

On June 30, 2020, the City had \$131,126 in its accrued liabilities balance payable to the Systems for pay periods falling within fiscal year 2020.

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

**13. RETIREMENT PLANS**

Systems' defined contribution plans

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

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

<u>Defined Contribution System:</u>	<u>June 30,</u>	<u>Employee</u>	<u>Employer *</u>
		<u>Contributions</u>	<u>Contributions</u>
401(k) Plan	2020	\$ 142,201	\$ 11,514
	2019	134,038	113,639
	2018	107,156	110,149
457 Plan	2020	\$ 44,656	\$ -
	2019	36,196	-
	2018	35,894	-
Roth IRA Plan	2020	\$ 51,720	N/A
	2019	41,347	N/A
	2018	20,983	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, 2020, contributions totaling \$211,174 were made to the plan by employees and \$7,186 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 2020 there were only three 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, 2020 was \$11,857,997.

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, 2020, the City reported a net OPEB asset of \$496,709. The net OPEB asset was measured as of June 30, 2020 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, 2020, 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	\$ -	\$ 83,580
Change in assumptions	15,957	190,407
Net difference between projected and actual earnings on OPEB plan investments	2,389	-
	\$ 18,346	\$ 273,987

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
2021	\$ (53,816)
2022	(63,730)
2023	(64,320)
2024	(62,474)
2025	(6,958)
Thereafter	(4,343)

For the year ended June 30, 2020, the City recognized an actuarially calculated negative OPEB expense of \$54,538.

OPEB plan covered employees

For the year ended June 30, 2030, 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	3	101
Active Employees	-	178
Total OPEB Plan Covered Employees	3	279

Actuarial assumptions

The actuarial valuation calculating the total net OPEB asset as of June 30, 2020, was determined using the following actuarial assumptions, applied to all periods included in the measurement dated June 30, 2020:

Inflation Rate	2.50%
Discount Rate	2.66%
Health Care Trend Rate	Starts at 7.50% decreasing 0.50% annually to an ultimate rate of 4.5%
Investment Rate of Return	1.50%

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

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

<u>Asset Class</u>	<u>Current &amp; Assumed Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Debt Securities	42.687%	1.47%	1.00%
Cash and Cash Equivalents	57.313%	1.18%	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 2.66 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 2.66 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 (1.66 percent) or 1-percentage-point higher (3.66 percent) than the current rate:

	<u>1% Decrease (1.66%)</u>	<u>Discount Rate (2.66%)</u>	<u>1% Increase (3.66%)</u>
Net OPEB Asset as of June 30, 2020	\$ 481,934	\$ 496,709	\$ 509,035

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 7.50 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 (6.50 to 3.50 percent) or 1-percentage-point higher (8.50 to 5.50 percent) than the current rate range:

	<u>1% Decrease (6.5-3.5%)</u>	<u>Discount Rate (7.5-4.5%)</u>	<u>1% Increase (8.5-5.5%)</u>
Net OPEB Asset as of June 30, 2020	\$ 511,868	\$ 496,709	\$ 478,033

**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, 2020:

	6/30/2020		6/30/2020
Total OPEB Liability		OPEB Plan Fiduciary Net Position	
Service cost	\$ 3,568	Contributions - member	\$ -
Interest	5,342	Contributions - employer	-
Benefit changes	-	Net investment income	13,586
Difference between actual and expected experience	(7,440)	Benefit payments	(32,070)
Assumption changes	10,613	Refunds	-
Benefit payments	(34,968)	Administrative expense	-
Net Change in Total OPEB Liability	(22,885)	Net Change in Plan Fiduciary Net Position	(18,484)
Total OPEB Liability - Beginning	164,513	Plan Fiduciary Net Position - Beginning	656,821
Total OPEB Liability - Ending <b>(a)</b>	\$ 141,628	Plan Fiduciary Net Position - Ending <b>(b)</b>	\$ 638,337

Total OPEB Liability - OPEB Plan Fiduciary Net Position **(a-b)** = Net OPEB Liability/(Asset) \$ (496,709)

**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 \$167,800,000 that includes various category limits, some of which are as follows: 1. buildings and contents limit of \$162,891,000 with a \$25,000 deductible per category, 2. Parked vehicles limit of \$11,070,000 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, 2020 and 2019, are as follows:

	General Liability Claims Payable
Balance, June 30, 2018	\$ -
New claims incurred	70,375
Payments on claims	(70,375)
Balance, June 30, 2019	-
New claims incurred	32,977
Payments on claims	(32,977)
Balance, June 30, 2020	\$ -

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, 2020 and 2019 are as follows:

	Workers' Comp Claims Payable
Balance, June 30, 2018	\$ 61,589
New claims incurred	250,441
Payments on claims	(127,412)
Balance, June 30, 2019	184,618
New claims incurred	516,226
Payments on claims	(353,084)
Balance, June 30, 2020	\$ 347,760

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 \$148,000 in rental income from this operating lease for the year ended June 30, 2020. 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
2021	\$ 150,960
2022	153,980
2023	157,060
2024	160,200
2025	163,404
2026-2027	336,676
Total future minimum lease payments	\$ 1,122,280

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

**17. INTERGOVERNMENTAL REVENUE**

Intergovernmental revenue in the governmental funds for the year ended June 30, 2020 consists of the following:

	General Fund	RDA
Utah Class "C" Road allotment	\$ 1,638,036	\$ -
Federal CARES Act Grant	2,012,176	
Local Option Transportation Tax	739,823	-
Utah Liquor Law Enforcement Grant	36,304	-
Utah Victims Advocate Grant	25,778	-
Various State and Local Law Enforcement Grants	37,064	-
Various Federal Law Enforcement Grants	13,591	-
SDMFSA reimbursement for fire response	28,870	-
SDMFSA bond tax levy reimbursement	81,705	-
Utah Historical Grant	-	10,000
Utah Outdoor Recreation Grant	-	112,500
Property Tax Increment Contributions	-	1,143,117
Total Intergovernmental Revenue	\$ 4,613,347	\$ 1,265,617

The General Fund intergovernmental revenue listed differs from the Statement of Activities operating grants and contribution revenue by the \$81,705 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 \$4,726,452 in outstanding construction commitments on June 30, 2020, as follows:

Contractor	Project	Contract Amount	Spent/Accrued Project-to-Date	Commitment Outstanding
Hogan Construction	Downtown Plaza Construction	\$ 8,006,759	\$ 7,846,241	\$ 160,518
JRCA Architects	City Hall Remodel Design	442,426	429,215	13,211
Nicholson Professional Con.	City Hall Remodel Construction	7,184,110	4,086,377	3,097,733
Line 29 Architecture	Garage/Wash bay Building Designs	68,000	47,880	20,120
Wadman Corporation	Garage/Wash bay Building Constr.	211,911	-	211,911
Precision Concrete Cutting	Sidewalk Trip Hazard Removal Pjcts	79,850	37,781	42,069
Black Forest Paving	100 North Road Reconstruction	379,150	115,972	263,178
C.T. Davis Excavation	Various Storm Drain Projects	346,600	305,737	40,863
Black Sheep Oilfield Services	Various Culinary Waterline Projects	692,085	321,250	370,835
Electrical Consultants, Inc.	N.W. Substation Rebuild Designs	318,694	15,803	302,891
Americom Technology, Inc.	Various Underground Boring Pjcts	261,077	227,014	34,063
MICA Steelworks, Inc.	Steel Power Poles- Feeder Wire 575	169,060	-	169,060
Total Construction Commitments Outstanding		\$ 18,159,722	\$ 13,433,270	\$ 4,726,452

**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, 2020, the City paid \$2,075,407 to SDMFSA for its member assessments.

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

**20. INTERNAL BALANCES AND INTERFUND TRANSFERS**

On June 30, 2020, the government-wide internal balances were as follows:

Receivable Activity	Payable Activity	Amount
Governmental Activities	Business-Type Activities	\$ 1,032,185

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, 2019) internal balance of \$798,398 due to governmental activities from business-type activities by \$233,787.

On June 30, 2020, the enterprise fund internal balances were as follows:

Receivable Fund	Payable Fund	Amount
Landfill and Sanitation	Water	\$ 2,468,371

On June 12, 2018, the Landfill and Sanitation Fund loaned the Water Fund \$3,000,000 to be used for construction costs on the culinary water treatment plant. This interfund loan has the following terms: repayment over 10 years with the final payment due in June of 2028, no restrictions or penalties for early payoff, semi-annual principal and interest payments of \$174,393, and a 2.96% interest rate. During the fiscal year ended June 30, 2020, accrued interest payable of \$3,653 was recorded in the Water Fund with the offsetting accrued interest receivable in the Landfill and Sanitation Fund. Additionally, \$78,667 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.

Subsequent event note: on August 25, 2020, the City Council forgave this interfund loan.

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, 2020 were as follows:

Individual Fund Reconciliation			Government-Wide Reconciliation		
	In	Out		Governmental In	Business- Type Out
Governmental:					
General Fund	\$ 2,415,084	\$ -	General Fund	\$ 2,415,084	\$ -
Capital Projects Fund	586,250	-	Light and Power Fund	-	2,415,084
RAP Tax	-	586,250	Government-Wide Total	\$ 2,415,084	\$ 2,415,084
Governmental Funds Total	\$ 3,001,334	\$ 586,250			
Enterprise:					
Recycle Fund	\$ 234,541	\$ -			
Light and Power Fund	-	2,415,084			
Landfill/Sanitation Fund	-	234,541			
Enterprise Funds Total	\$ 234,541	\$ 2,649,625			

Detailed descriptions of the interfund transfers for the year ended June 30, 2020 are as follows:

- 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.
- 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.
- Recycle Fund transfer from Landfill & Sanitation Fund – This is a planned operations subsidy that is expected to continue until the recycling market can again cover the difference between the City’s recycling fees and the cost to haul and recycle the disposal items.

**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, 2020, the following activity occurred in the City's Redevelopment Agency:

Tax increment collected from other taxing agencies for the Bountiful Project Area	
District #3	\$ 967,721
District #5	175,396
Total Tax Increment	\$ 1,143,117
Tax increment used by the Bountiful Redevelopment Agency	
Amounts expended on redevelopment/site improvement projects	
	\$ 2,520,540
Amounts expended for administrative costs	
	95,963
Total Expenditures	\$ 2,616,503

**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, 2020, that committed balance totaled \$3,606,000. 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, 2020, those committed balances were \$10,131,830 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, 2020, the combined reserves, or minimum unrestricted net position, in each required enterprise fund were as follows: Light and Power \$18,916,000, Landfill and Sanitation \$1,623,000, Storm Water \$761,000, Golf \$865,000, and Cemetery \$446,000. The Water Fund did not have sufficient unrestricted net position to meet its \$3,821,000 required reserve, and financial plans are in place to achieve that target level per the policy guidelines.

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. SUBSEQUENT EVENTS**

During fiscal year 2020 the City was paid subrecipient CARES Act grants totaling \$1,305,616. Subsequent to yearend the City received two additional CARES Act payments from the State of Utah totaling \$2,467,615. The City does not anticipate receiving any further CARES Act funds. The CARES Act funds received by the City must be used in accordance with Federal guidelines in responding to the Coronavirus Disease 2019 (COVID-19) pandemic.

On September 9, 2020, the City and surrounding communities in Davis County experienced a severe wind storm with high velocity winds at times in excess of 90 MPH. The winds and wind borne debris caused approximately \$1.4 million dollars in damage or remediation expenses for the City. The majority of those expenses came from debris collection, removal, and grinding along with power distribution system repairs. The City has applied for disaster grants from the Federal Emergency Management Agency (FEMA) but as of the date of this report there have been no final determinations made by FEMA.

**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						
	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013
Total Pension Liability							
Service cost	\$ 402	\$ 394	\$ 411	\$ 409	\$ 380	\$ 383	\$ 390
Interest	1,903	1,859	1,845	1,711	1,682	1,635	1,580
Benefit changes	-	-	-	-	-	-	-
Difference between actual and expected experience	166	(92)	(453)	383	652	297	(147)
Assumption changes	-	-	880	830	-	(229)	-
Benefit payments	(1,521)	(1,570)	(1,514)	(1,435)	(1,358)	(1,419)	(1,369)
Refunds	-	-	-	-	-	-	-
Net Change in Total Pension Liability	<u>950</u>	<u>591</u>	<u>1,169</u>	<u>1,898</u>	<u>1,356</u>	<u>667</u>	<u>454</u>
Total Pension Liability - Beginning	27,933	27,342	26,173	24,275	22,919	22,252	21,798
Total Pension Liability - Ending (a)	28,883	27,933	27,342	26,173	24,275	22,919	22,252
Plan Fiduciary Net Position							
Contributions - member	-	-	-	-	-	-	-
Contributions - employer	1,033	964	911	943	883	822	716
Net investment income	2,889	(78)	2,498	1,493	310	1,220	2,271
Benefit payments	(1,521)	(1,570)	(1,514)	(1,435)	(1,358)	(1,419)	(1,369)
Refunds	-	-	-	-	-	-	-
Administrative expense	(9)	(10)	(9)	(9)	(9)	(9)	(8)
Net transfers with affiliated systems	36	35	323	35	35	14	99
Net Change in Plan Fiduciary Net Position	<u>2,428</u>	<u>(659)</u>	<u>2,209</u>	<u>1,027</u>	<u>(139)</u>	<u>628</u>	<u>1,709</u>
Plan Fiduciary Net Position - Beginning	20,403	21,062	18,853	17,826	17,965	17,337	15,628
Plan Fiduciary Net Position - Ending (b)	22,831	20,403	21,062	18,853	17,826	17,965	17,337
Net Pension Liability/(Asset) - Ending (a-b)	<u>6,052</u>	<u>7,530</u>	<u>6,280</u>	<u>7,320</u>	<u>6,449</u>	<u>4,954</u>	<u>4,915</u>
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	<u>79.05%</u>	<u>73.04%</u>	<u>77.03%</u>	<u>72.03%</u>	<u>73.43%</u>	<u>78.38%</u>	<u>77.91%</u>
Projected Covered Payroll	<u>1,707</u>	<u>1,675</u>	<u>1,814</u>	<u>1,810</u>	<u>1,776</u>	<u>1,795</u>	<u>1,749</u>
Net Pension Liability as a Percentage of Covered Payroll	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 Retirement System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
<b>Proportion of The Net Pension Liability (Asset):</b>					
For year ending December 31, 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%
<b>Proportionate Share of The Net Pension Liability (Asset):</b>					
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)
<b>Covered Payroll:</b>					
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
<b>Proportionate Share of The Net Pension Liability (Asset) as a Percentage of its Covered Payroll:</b>					
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%
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset):</b>					
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	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	2020	\$ -	\$ -	\$ -	\$ -	0.00%
	2019	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2017	3,226	3,226	-	22,309	14.46%
	2016	9,287	9,287	-	64,226	14.46%
	2015	8,565	8,565	-	59,233	14.46%
	2014	11,493	11,493	-	86,340	13.31%
Public Safety	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 **	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 **	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 **	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**	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 systems were created 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			
	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability				
Service cost	\$ 3,568	\$ 23,700	\$ 23,350	\$ 13,514
Interest	5,342	3,264	3,689	10,558
Benefit changes	-	-	-	-
Difference between actual and expected experience	(7,440)	(49,945)	(17,813)	(133,788)
Assumption changes	10,613	8,895	-	(357,013)
Benefit payments	(34,968)	(30,359)	(41,841)	(63,739)
Net Change in Total OPEB Liability	<u>\$ (22,885)</u>	<u>\$ (44,445)</u>	<u>\$ (32,615)</u>	<u>\$ (530,468)</u>
Total OPEB Liability - Beginning	\$ 164,513	\$ 208,958	\$ 241,573	\$ 772,041
Total OPEB Liability - Ending (a)	\$ 141,628	\$ 164,513	\$ 208,958	\$ 241,573
Plan Fiduciary Net Position				
Contributions - member	\$ -	\$ -	\$ -	\$ -
Contributions - employer	-	-	-	-
Net investment income	13,586	19,039	7,321	8,878
Benefit payments	(32,070)	(30,359)	(45,511)	(63,739)
Refunds	-	-	-	(130,306)
Administrative expense	-	-	-	-
Net Change in Plan Fiduciary Net Position	<u>\$ (18,484)</u>	<u>\$ (11,320)</u>	<u>\$ (38,190)</u>	<u>\$ (185,167)</u>
Plan Fiduciary Net Position - Beginning	\$ 656,821	\$ 668,141	\$ 706,331	\$ 891,498
Plan Fiduciary Net Position - Ending (b)	\$ 638,337	\$ 656,821	\$ 668,141	\$ 706,331
Net OPEB Liability/(Asset) - Ending (a-b)	<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>450.71%</u>	<u>399.25%</u>	<u>319.75%</u>	<u>292.39%</u>
Covered Payroll	<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	-4.19%	-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
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**

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

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

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

The actuarial valuation calculating the total net OPEB asset, deferred outflows and inflows of resources related to OPEB, OPEB expense, and the actuarially determined contributions for the year ended June 30, 2020, was determined using the following actuarial methods and assumptions:

Methods and Assumptions used for the Actuarially Determined contributions:

---

Actuarial Cost Method.....	Entry Age Normal
Amortization Method.....	Level Percentage of Payroll
Amortization Period.....	10 year period as of June 30, 2020
Investment Rate of Return....	1.50%
Discount Rate.....	2.66%
Inflation.....	2.50%
Mortality .....	SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH-2018 table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2018 using MP-2018)

Health Care Trend Rates .....	<u>FYE</u>	<u>Medical</u>	<u>FYE</u>	<u>Medical</u>
	2021	7.50%	2025	5.50%
	2022	7.00%	2026	5.00%
	2023	6.50%	2027+	4.50%
	2024	6.00%		

Employee Turnover Rate .....	<u>Local Government</u>			<u>Public Safety</u>		
	<u>YOS</u>	<u>Male</u>	<u>Female</u>	<u>YOS</u>	<u>Male</u>	<u>Female</u>
	0	17.00%	22.0%	0	12.00%	12.0%
	5	7.00%	10.0%	5	4.50%	4.5%
	10	4.50%	6.0%	10	3.00%	3.0%
	15	2.75%	4.0%	15	1.50%	1.5%
	20	2.00%	2.50%	20	1.00%	1.00%
	25+	1.00%	1.00%	25+	1.00%	1.00%

Retirement Rate .....	<u>Local Government (Males)</u>										
		<u>Tier 1 URS Plan</u>					<u>Tier 2 URS Plan</u>				
	<u>Age</u>	<u>4 YOS</u>	<u>10 YOS</u>	<u>20 YOS</u>	<u>25 YOS</u>	<u>30+</u>	<u>4 YOS</u>	<u>10 YOS</u>	<u>20 YOS</u>	<u>35 YOS</u>	
	50	0.00%	0.00%	0.00%	0.03%	0.15%	0.00%	0.00%	0.00%	0.45%	
	55	0.00%	0.00%	0.00%	0.03%	0.15%	0.00%	0.00%	0.00%	0.45%	
	60	0.00%	0.00%	0.10%	0.05%	0.20%	0.00%	0.00%	0.02%	0.50%	
	62	0.00%	0.11%	0.11%	0.11%	0.23%	0.00%	0.06%	0.06%	0.53%	
	65	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	
	70	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	
	75+	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
		<u>Local Government (Females)</u>									
		<u>Tier 1 URS Plan</u>					<u>Tier 2 URS Plan</u>				
	<u>Age</u>	<u>4 YOS</u>	<u>10 YOS</u>	<u>20 YOS</u>	<u>25 YOS</u>	<u>30+</u>	<u>4 YOS</u>	<u>10 YOS</u>	<u>20 YOS</u>	<u>35 YOS</u>	
	50	0.00%	0.00%	0.00%	0.04%	0.20%	0.00%	0.00%	0.00%	0.50%	
	55	0.00%	0.00%	0.00%	0.04%	0.25%	0.00%	0.00%	0.00%	0.55%	
60	0.00%	0.00%	0.10%	0.10%	0.30%	0.00%	0.00%	0.02%	0.60%		
62	0.00%	0.13%	0.13%	0.13%	0.30%	0.00%	0.06%	0.06%	0.60%		
65	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%		
70	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%		
75+	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%		
	<u>Public Safety (Unisex)</u>										
	<u>Tier 1 URS Plan</u>					<u>Tier 2 URS Plan</u>					
<u>Age</u>	<u>4 YOS</u>	<u>10 YOS</u>	<u>20 YOS</u>	<u>30+</u>	<u>4 YOS</u>	<u>10 YOS</u>	<u>20 YOS</u>	<u>25 YOS</u>	<u>30+</u>		
45	0.00%	0.00%	0.15%	0.15%	0.00%	0.00%	0.00%	0.09%	0.12%		
50	0.00%	0.00%	0.15%	0.15%	0.00%	0.00%	0.00%	0.09%	0.12%		
55	0.00%	0.00%	0.15%	0.15%	0.00%	0.00%	0.00%	0.09%	0.12%		
60	0.00%	0.12%	0.20%	0.20%	0.00%	0.00%	0.13%	0.25%	0.25%		
62	0.00%	0.12%	0.30%	0.35%	0.00%	0.06%	0.18%	0.35%	0.35%		
65	0.25%	0.25%	0.30%	0.35%	0.25%	0.25%	0.50%	0.50%	0.50%		
70+	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%		

**SUPPLEMENTAL INFORMATION**

**BOUNTIFUL CITY  
SUPPLEMENTAL INFORMATION  
INTRODUCTION**

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

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

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

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

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

### **Debt Service Fund**

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



**BOUNTIFUL CITY**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2020**

	Special Revenue Fund					Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Municipal Building Authority	Cemetery Perpetual Care	Debt Service	
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ 110,303	\$ 162,208	\$ 942,469	\$ 9,309	\$ 1,224,289
Receivables:						
Taxes	-	115,124	-	-	-	115,124
Accounts - net	-	-	-	560	-	560
Interest	-	297	420	2,429	22	3,168
Investments	-	146,112	205,548	1,194,294	11,796	1,557,750
Restricted assets:						
Cash and cash equivalents	884,085	5,000	-	-	-	889,085
<b>Total Assets</b>	<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>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	-	-	-	-	-	-
<b>Fund Balances</b>						
Restricted	884,085	-	-	-	-	884,085
North Canyon trails donation	-	5,000	-	-	-	5,000
Committed	-	-	-	2,139,752	-	2,139,752
Assigned	-	371,836	368,176	-	21,127	761,139
<b>Total Fund Balances</b>	<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>
<b>Total Liabilities and Fund Balance</b>	<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>

**BOUNTIFUL CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**For The Fiscal Year Ended June 30, 2020**

	Special Revenue Fund				Debt Service	Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Municipal Building Authority	Cemetery Perpetual Care		
<b>Revenues</b>						
Sales taxes	\$ -	\$ 611,542	\$ -	\$ -	\$ -	\$ 611,542
Charges for services	-	-	-	-	-	-
Investment earnings	18,254	11,203	8,943	51,080	513	89,993
Miscellaneous	-	15,000	-	81,340	-	96,340
<b>Total Revenues</b>	<u>18,254</u>	<u>637,745</u>	<u>8,943</u>	<u>132,420</u>	<u>513</u>	<u>797,875</u>
<b>Expenditures</b>						
General government	-	-	277	1,206	12	1,495
Parks and recreation	-	55,431	-	-	-	55,431
<b>Total Expenditures</b>	<u>-</u>	<u>55,431</u>	<u>277</u>	<u>1,206</u>	<u>12</u>	<u>56,926</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>18,254</u>	<u>582,314</u>	<u>8,666</u>	<u>131,214</u>	<u>501</u>	<u>740,949</u>
<b>Other Financing Sources (Uses)</b>						
Transfer out	-	(586,250)	-	-	-	(586,250)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(586,250)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(586,250)</u>
<b>Changes in Fund Balance</b>	18,254	(3,936)	8,666	131,214	501	154,699
<b>Fund Balance, Beginning</b>	<u>865,831</u>	<u>380,772</u>	<u>359,510</u>	<u>2,008,538</u>	<u>20,626</u>	<u>3,635,277</u>
<b>Fund Balance, Ending</b>	<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>

**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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings	\$ 18,000	\$ 18,000	\$ 18,254	\$ 254
<b>Total Revenues</b>	<u>18,000</u>	<u>18,000</u>	<u>18,254</u>	<u>254</u>
<b>Expenditures</b>				
General government	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues     Over (Under) Expenditures</b>	<u>18,000</u>	<u>18,000</u>	<u>18,254</u>	<u>254</u>
<b>Net Change in Fund Balance</b>	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>18,254</u>	<u>\$ 254</u>
<b>Fund Balance, Beginning</b>			<u>865,831</u>	
<b>Fund Balance, Ending</b>			<u>\$ 884,085</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>Revenues</b>				
Sales taxes	\$ 555,000	\$ 555,000	\$ 611,542	\$ 56,542
Investment earnings	6,000	6,000	11,203	5,203
Miscellaneous	-	-	15,000	15,000
<b>Total Revenues</b>	561,000	561,000	637,745	76,745
<b>Expenditures</b>				
Administrative fees	434	434	493	(59)
Parks and recreation projects	150,000	150,000	10,438	139,562
RAP tax grant award payments	61,050	61,050	44,500	16,550
<b>Total Expenditures</b>	211,484	211,484	55,431	156,053
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	349,516	349,516	582,314	232,798
<b>Other Financing Sources (Uses)</b>				
Transfer out	(586,250)	(586,250)	(586,250)	-
<b>Total Other Financing Sources (Uses)</b>	(586,250)	(586,250)	(586,250)	-
<b>Net Change in Fund Balance *</b>	\$ (236,734)	\$ (236,734)	(3,936)	\$ 232,798
<b>Fund Balance, Beginning</b>			380,772	
<b>Fund Balance, Ending</b>			\$ 376,836	

\* 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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	6,000	6,000	8,943	2,943
<b>Total Revenues</b>	<u>6,000</u>	<u>6,000</u>	<u>8,943</u>	<u>2,943</u>
<b>Expenditures</b>				
Administrative fees	372	372	277	95
<b>Total Expenditures</b>	<u>372</u>	<u>372</u>	<u>277</u>	<u>95</u>
<b>Excess (Deficiency) of Revenues</b> <b>Over (Under) Expenditures</b>	<u>5,628</u>	<u>5,628</u>	<u>8,666</u>	<u>3,038</u>
<b>Net Change in Fund Balance</b>	<u>\$ 5,628</u>	<u>\$ 5,628</u>	<u>8,666</u>	<u>\$ 3,038</u>
<b>Fund Balance, Beginning</b>			<u>359,510</u>	
<b>Fund Balance, Ending</b>			<u>\$ 368,176</u>	

**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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings	\$ 35,000	\$ 35,000	\$ 51,080	\$ 16,080
Miscellaneous	60,000	60,000	81,340	21,340
<b>Total Revenues</b>	<u>95,000</u>	<u>95,000</u>	<u>132,420</u>	<u>37,420</u>
<b>Expenditures</b>				
Administrative fees	1,500	1,500	1,206	294
<b>Total Expenditures</b>	<u>1,500</u>	<u>1,500</u>	<u>1,206</u>	<u>294</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>93,500</u>	<u>93,500</u>	<u>131,214</u>	<u>37,714</u>
<b>Net Change in Fund Balance</b>	<u>\$ 93,500</u>	<u>\$ 93,500</u>	<u>131,214</u>	<u>\$ 37,714</u>
<b>Fund Balance, Beginning</b>			<u>2,008,538</u>	
<b>Fund Balance, Ending</b>			<u>\$ 2,139,752</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings	\$ 400	\$ 400	\$ 513	\$ 113
<b>Total Revenues</b>	<u>400</u>	<u>400</u>	<u>513</u>	<u>113</u>
<b>Expenditures</b>				
Administrative fees	25	25	12	13
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total Expenditures</b>	<u>25</u>	<u>25</u>	<u>12</u>	<u>13</u>
<b>Excess (Deficiency) of Revenues     Over (Under) Expenditures</b>	<u>375</u>	<u>375</u>	<u>501</u>	<u>126</u>
<b>Net Change in Fund Balance</b>	<u>\$ 375</u>	<u>\$ 375</u>	<u>501</u>	<u>\$ 126</u>
<b>Fund Balance, Beginning</b>			<u>20,626</u>	
<b>Fund Balance, Ending</b>			<u>\$ 21,127</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Sales taxes	\$ 2,721,293	\$ 2,721,293	\$ 5,954,049	\$ 3,232,756
Investment earnings	475,000	657,000	707,421	50,421
Miscellaneous	90,927	90,927	11,227	(79,700)
<b>Total Revenues</b>	<u>3,287,220</u>	<u>3,469,220</u>	<u>6,672,697</u>	<u>3,203,477</u>
<b>Expenditures</b>				
General Government:				
Finance	23,000	23,000	16,282	6,718
Capital outlay:				
General Government:				
Legislative	7,880,800	7,880,800	7,878,691	2,109
Information Systems	25,000	25,000	19,667	5,333
Finance	22,000	22,000	-	22,000
Government Buildings	-	50,000	-	50,000
Public Safety:				
Police	737,000	737,000	107,219	629,781
Highways and Streets	995,000	1,095,000	1,005,546	89,454
Parks and recreation	115,000	147,000	128,499	18,501
<b>Total Expenditures</b>	<u>9,797,800</u>	<u>9,979,800</u>	<u>9,155,904</u>	<u>823,896</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(6,510,580)</u>	<u>(6,510,580)</u>	<u>(2,483,207)</u>	<u>4,027,373</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	591,955	591,955	586,250	(5,705)
<b>Total Other Financing Sources (Uses)</b>	<u>591,955</u>	<u>591,955</u>	<u>586,250</u>	<u>(5,705)</u>
<b>Net Change in Fund Balance *</b>	<u>\$ (5,918,625)</u>	<u>\$ (5,918,625)</u>	<u>(1,896,957)</u>	<u>\$ 4,021,668</u>
<b>Fund Balance, Beginning</b>			<u>31,742,528</u>	
<b>Fund Balance, Ending</b>			<u>\$ 29,845,571</u>	

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



## **NONMAJOR ENTERPRISE FUNDS**

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

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

**BOUNTIFUL CITY**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2020**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Nonmajor Enterprise Funds</b>
	<b>Storm Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Cemetery</b>	
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 1,242,638	\$ 554,786	\$ -	\$ 320,723	\$ 2,118,147
Accounts receivable, net	233,954	1,381	57,282	35,682	328,299
Interest receivable	3,260	1,601	-	831	5,692
Investments	1,604,998	788,126	-	409,330	2,802,454
Inventories	-	59,737	-	-	59,737
<b>Total Current Assets</b>	<b>3,084,850</b>	<b>1,405,631</b>	<b>57,282</b>	<b>766,566</b>	<b>5,314,329</b>
<b>Noncurrent Assets:</b>					
Restricted assets:					
Cash and cash equivalents	23,939	68,060	-	2,300	94,299
Net other postemployment benefits asset	5,829	14,572	-	8,743	29,144
Capital assets, net:					
Land, land rights and water rights	-	1,997,619	-	5,198,189	7,195,808
Buildings, wells and reservoirs	143,302	257,353	-	-	400,655
Improvements other than buildings	-	330,403	-	347,216	677,619
Water transmission, distribution, and collection infrastructure	4,380,342	-	-	-	4,380,342
Machinery and equipment	427,537	211,284	-	118,476	757,297
Construction in progress	68,000	-	-	24,995	92,995
<b>Total Noncurrent Assets</b>	<b>5,048,949</b>	<b>2,879,291</b>	<b>-</b>	<b>5,699,919</b>	<b>13,628,159</b>
<b>Total Assets</b>	<b>8,133,799</b>	<b>4,284,922</b>	<b>57,282</b>	<b>6,466,485</b>	<b>18,942,488</b>
<b>Deferred Outflows of Resources</b>					
Pensions	47,958	62,080	-	26,870	136,908
Other postemployment benefits	215	538	-	323	1,076
<b>Total Deferred Outflows</b>	<b>48,173</b>	<b>62,618</b>	<b>-</b>	<b>27,193</b>	<b>137,984</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 8,181,972</b>	<b>\$ 4,347,540</b>	<b>\$ 57,282</b>	<b>\$ 6,493,678</b>	<b>\$ 19,080,472</b>

**BOUNTIFUL CITY**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS (Continued)**  
**June 30, 2020**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Nonmajor Enterprise Funds</b>
	<b>Storm Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Cemetery</b>	
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts payable	\$ 50,046	\$ 29,126	\$ 48,263	\$ 3,635	\$ 131,070
Accrued liabilities	24,441	65,218	-	16,618	106,277
Retainage payable - restricted assets	1,155	-	-	-	1,155
Unearned revenue - restricted assets	-	68,060	-	2,300	70,360
Compensated absences	4,161	15,963	-	12,375	32,499
<b>Total Current Liabilities</b>	<b>79,803</b>	<b>178,367</b>	<b>48,263</b>	<b>34,928</b>	<b>341,361</b>
<b>Noncurrent Liabilities:</b>					
Developer and customer deposits - restricted assets	22,784	-	-	-	22,784
Compensated absences	8,129	59,145	-	23,483	90,757
Net pension liability	89,693	116,105	-	50,253	256,051
<b>Total Noncurrent Liabilities</b>	<b>120,606</b>	<b>175,250</b>	<b>-</b>	<b>73,736</b>	<b>369,592</b>
<b>Total Liabilities</b>	<b>200,409</b>	<b>353,617</b>	<b>48,263</b>	<b>108,664</b>	<b>710,953</b>
<b>Deferred Inflows of Resources</b>					
Pensions	50,899	65,887	-	28,518	145,304
Other postemployment benefits	3,215	8,038	-	4,823	16,076
<b>Total Deferred Inflows</b>	<b>54,114</b>	<b>73,925</b>	<b>-</b>	<b>33,341</b>	<b>161,380</b>
<b>Net Position</b>					
Net investment in capital assets	5,019,181	2,796,659	-	5,688,876	13,504,716
Restricted:					
Other postemployment benefits	2,829	7,072	-	4,243	14,144
Unrestricted	2,905,439	1,116,267	9,019	658,554	4,689,279
<b>Total Net Position</b>	<b>7,927,449</b>	<b>3,919,998</b>	<b>9,019</b>	<b>6,351,673</b>	<b>18,208,139</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 8,181,972</b>	<b>\$ 4,347,540</b>	<b>\$ 57,282</b>	<b>\$ 6,493,678</b>	<b>\$ 19,080,472</b>

**BOUNTIFUL CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**For The Fiscal Year Ended June 30, 2020**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Nonmajor Enterprise Funds</b>
	<b>Storm Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Cemetery</b>	
<b>Operating Revenues</b>					
Charges for services	\$ 1,686,172	\$ -	\$ 423,553	\$ 334,766	\$ 2,444,491
Admissions and lesson fees	-	915,097	-	-	915,097
Equipment and facility rents	-	406,382	-	3,088	409,470
Concession and merchandise sales	-	206,709	-	-	206,709
Sale of cemetery burial plots	-	-	-	299,255	299,255
Miscellaneous	5,800	3,402	-	2,300	11,502
<b>Total Operating Revenues</b>	<b>1,691,972</b>	<b>1,531,590</b>	<b>423,553</b>	<b>639,409</b>	<b>4,286,524</b>
<b>Operating Expenses</b>					
Personnel wages and benefits	481,058	809,452	-	326,013	1,616,523
Materials and supplies	3,980	160,249	-	8,457	172,686
Repair and maintenance costs	168,458	322,290	-	92,924	583,672
Contractual and professional services	75,137	7,868	571,894	268	655,167
General and administrative costs	145,571	348,698	78,490	98,854	671,613
Depreciation	357,645	119,613	-	56,434	533,692
<b>Total Operating Expenses</b>	<b>1,231,849</b>	<b>1,768,170</b>	<b>650,384</b>	<b>582,950</b>	<b>4,233,353</b>
<b>Operating Income (Loss)</b>	<b>\$ 460,123</b>	<b>\$ (236,580)</b>	<b>\$ (226,831)</b>	<b>\$ 56,459</b>	<b>\$ 53,171</b>

**BOUNTIFUL CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS (Continued)**  
**For The Fiscal Year Ended June 30, 2020**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Nonmajor Enterprise Funds</b>
	<b>Storm Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Cemetery</b>	
<b>Nonoperating Revenues (Expenses)</b>					
Investment earnings	\$ 62,756	\$ 33,917	\$ -	\$ 16,581	\$ 113,254
Intergovernmental - Grants	-	3,913	-	-	3,913
Gain (loss) from sale of capital assets	(276)	-	-	-	(276)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>62,480</b>	<b>37,830</b>	<b>-</b>	<b>16,581</b>	<b>116,891</b>
Income (loss) before contributions & transfers	522,603	(198,750)	(226,831)	73,040	170,062
Capital contributions	9,521	-	-	-	9,521
Transfers in	-	-	234,541	-	234,541
<b>Changes in Net Position</b>	<b>532,124</b>	<b>(198,750)</b>	<b>7,710</b>	<b>73,040</b>	<b>414,124</b>
<b>Net Position, Beginning</b>	<b>7,395,325</b>	<b>4,118,748</b>	<b>1,309</b>	<b>6,278,633</b>	<b>17,794,015</b>
<b>Net Position, Ending</b>	<b>\$ 7,927,449</b>	<b>\$ 3,919,998</b>	<b>\$ 9,019</b>	<b>\$ 6,351,673</b>	<b>\$ 18,208,139</b>

**BOUNTIFUL CITY**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For The Fiscal Year Ended June 30, 2020**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Nonmajor Enterprise Funds</b>
	<b>Storm Water</b>	<b>Golf Course</b>	<b>Recycling</b>	<b>Cemetery</b>	
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and users	\$ 1,693,181	\$ 1,530,487	\$ 426,357	\$ 633,585	\$ 4,283,610
Receipts from customer deposits	4,560	-	-	-	4,560
Payments to suppliers	(404,936)	(678,586)	(679,158)	(111,603)	(1,874,283)
Payments to employees and related benefits	(476,209)	(820,617)	-	(326,399)	(1,623,225)
Payments to other funds for services provided	(119,299)	(146,787)	-	(80,344)	(346,430)
Return of customer deposits	(39,470)	-	-	-	(39,470)
Net cash flows from operating activities	<u>657,827</u>	<u>(115,503)</u>	<u>(252,801)</u>	<u>115,239</u>	<u>404,762</u>
<b>Cash Flows From Non-Capital Financing Activities</b>					
Transfers from other funds	-	-	234,541	-	234,541
Grants received	-	3,913	-	-	3,913
Net cash flows from non-capital financing activities	<u>-</u>	<u>3,913</u>	<u>234,541</u>	<u>-</u>	<u>238,454</u>
<b>Cash Flows From Capital and Related Financing</b>					
Capital contributions received	9,521	-	-	-	9,521
Purchase of capital assets	(605,776)	(68,733)	-	(52,636)	(727,145)
Proceeds from sales of capital assets	1,500	-	-	-	1,500
Net cash flows from capital and related financing activities	<u>(594,755)</u>	<u>(68,733)</u>	<u>-</u>	<u>(52,636)</u>	<u>(716,124)</u>
<b>Cash Flows From Investing Activities</b>					
Investment earnings	56,379	31,351	43	14,849	102,622
Purchase of investments	(1,301,416)	(580,765)	-	(362,659)	(2,244,840)
Sale of investments	1,501,033	814,681	11,923	382,815	2,710,452
Net cash flows from investing activities	<u>255,996</u>	<u>265,267</u>	<u>11,966</u>	<u>35,005</u>	<u>568,234</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	319,068	84,944	(6,294)	97,608	495,326
<b>Cash and Cash Equivalents, Beginning</b>	947,509	537,902	6,294	225,415	1,717,120
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 1,266,577</u>	<u>\$ 622,846</u>	<u>\$ -</u>	<u>\$ 323,023</u>	<u>\$ 2,212,446</u>

**BOUNTIFUL CITY**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS (Continued)**  
**For The Fiscal Year Ended June 30, 2020**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Total Nonmajor Enterprise Funds</u>
	<u>Storm Water</u>	<u>Golf Course</u>	<u>Recycling</u>	<u>Cemetery</u>	
<b>Reconciliation of operating income to net cash flows from operating activities</b>					
Earnings (loss) from operations	\$ 460,123	\$ (236,580)	\$ (226,831)	\$ 56,459	\$ 53,171
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:					
Depreciation	357,645	119,613	-	56,434	533,692
Changes in assets and liabilities					
Accounts receivable, net	1,209	(1,103)	2,804	(5,824)	(2,914)
Inventories	-	(4,744)	-	-	(4,744)
Other postemployment benefits asset	10	24	-	15	49
Net pension asset	-	-	-	-	-
Deferred outflows - pensions	40,270	59,412	-	25,109	124,791
Deferred outflows - OPEB	134	333	-	200	667
Accounts payable	(127,899)	(10,083)	(28,774)	(1,036)	(167,792)
Accrued liabilities	4,039	6,584	-	3,093	13,716
Retainage payable	(7,229)	-	-	-	(7,229)
Unearned revenue	-	9,458	-	2,300	11,758
Developer and customer deposits	(34,910)	-	-	-	(34,910)
Compensated absences	1,969	5,765	-	5,384	13,118
Deferred inflows - pensions	43,172	55,246	-	23,965	122,383
Deferred inflows - OPEB	(794)	(1,985)	-	(1,191)	(3,970)
Net pension liability	(79,912)	(117,443)	-	(49,669)	(247,024)
<b>Net cash flows from operating activities</b>	<u>\$ 657,827</u>	<u>\$ (115,503)</u>	<u>\$ (252,801)</u>	<u>\$ 115,239</u>	<u>\$ 404,762</u>
<b>Schedule of non-cash capital and related financing activities</b>					
Capital assets contributed (to)/from other funds with a zero book value	\$ 198,689	\$ -	\$ -	\$ -	\$ 198,689

## **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, 2020**

	<b>Risk Management</b>	<b>Workers' Compensation Self-Insurance</b>	<b>Total Internal Service Funds</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 786,038	\$ 593,610	\$ 1,379,648
Interest receivable	2,023	1,493	3,516
Investments	996,064	734,780	1,730,844
Other receivables	-	10,539	10,539
<b>Total Current Assets</b>	<b>1,784,125</b>	<b>1,340,422</b>	<b>3,124,547</b>
<b>Noncurrent Assets</b>			
Restricted cash and cash equivalents	525,482	-	525,482
<b>Total Noncurrent Assets</b>	<b>525,482</b>	<b>-</b>	<b>525,482</b>
<b>Total Assets</b>	<b>2,309,607</b>	<b>1,340,422</b>	<b>3,650,029</b>
<b>Deferred Outflows of Resources</b>			
Pensions	10,772	7,351	18,123
<b>Total Deferred Outflows</b>	<b>10,772</b>	<b>7,351</b>	<b>18,123</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 2,320,379</b>	<b>\$ 1,347,773</b>	<b>\$ 3,668,152</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 8,827	\$ 349,126	\$ 357,953
Accrued liabilities	4,559	2,912	7,471
<b>Total Current Liabilities</b>	<b>13,386</b>	<b>352,038</b>	<b>365,424</b>
<b>Noncurrent Liabilities</b>			
Net pension liability	20,147	13,748	33,895
<b>Total Noncurrent Liabilities</b>	<b>20,147</b>	<b>13,748</b>	<b>33,895</b>
<b>Total Liabilities</b>	<b>33,533</b>	<b>365,786</b>	<b>399,319</b>
<b>Deferred Inflows of Resources</b>			
Pensions	11,433	7,802	19,235
<b>Total Deferred Inflows</b>	<b>11,433</b>	<b>7,802</b>	<b>19,235</b>
<b>Net Position</b>			
Restricted:			
Regulatory required deposit	525,482	-	525,482
Unrestricted	1,749,931	974,185	2,724,116
<b>Total Net Position</b>	<b>2,275,413</b>	<b>974,185</b>	<b>3,249,598</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 2,320,379</b>	<b>\$ 1,347,773</b>	<b>\$ 3,668,152</b>

**BOUNTIFUL CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS**  
**For The Fiscal Year Ended June 30, 2020**

	<b>Risk Management</b>	<b>Workers' Compensation Self-Insurance</b>	<b>Total Internal Service Funds</b>
<b>Operating Revenues</b>			
Charges for services	\$ 371,786	\$ 285,600	\$ 657,386
<b>Total Operating Revenues</b>	<u>371,786</u>	<u>285,600</u>	<u>657,386</u>
<b>Operating Expenses</b>			
Personnel wages and benefits	91,021	63,897	154,918
Contractual and professional services	6,472	10,988	17,460
General and administrative costs	374,031	61,582	435,613
Claims	32,977	516,226	549,203
<b>Total Operating Expenses</b>	<u>504,501</u>	<u>652,693</u>	<u>1,157,194</u>
Operating Income (Loss)	<u>(132,715)</u>	<u>(367,093)</u>	<u>(499,808)</u>
<b>Nonoperating Revenues (Expense)</b>			
Investment earnings	46,218	34,100	80,318
<b>Total Nonoperating Revenues (Expense)</b>	<u>46,218</u>	<u>34,100</u>	<u>80,318</u>
<b>Changes in Net Position</b>	(86,497)	(332,993)	(419,490)
<b>Net Position, Beginning</b>	<u>2,361,910</u>	<u>1,307,178</u>	<u>3,669,088</u>
<b>Net Position, Ending</b>	<u><u>\$ 2,275,413</u></u>	<u><u>\$ 974,185</u></u>	<u><u>\$ 3,249,598</u></u>

**BOUNTIFUL CITY**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For The Fiscal Year Ended June 30, 2020**

	<b>Risk Management</b>	<b>Workers' Compensation Self-Insurance</b>	<b>Total Internal Service Funds</b>
<b>Cash Flows From Operating Activities</b>			
Receipts from interfund charges	\$ 371,786	\$ 285,432	\$ 657,218
Payments to suppliers	(407,554)	(423,974)	(831,528)
Payments to employees and related benefits	(92,266)	(63,222)	(155,488)
<b>Net cash flows from operating activities</b>	<b>(128,034)</b>	<b>(201,764)</b>	<b>(329,798)</b>
<b>Cash Flows From Investing Activities</b>			
Interest on investments	42,646	31,708	74,354
Purchase of investments	(733,992)	(541,453)	(1,275,445)
Sale of investments	963,422	778,293	1,741,715
<b>Net cash flows from investing activities</b>	<b>272,076</b>	<b>268,548</b>	<b>540,624</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>144,042</b>	<b>66,784</b>	<b>210,826</b>
<b>Cash and Cash Equivalents, Beginning</b>	<b>1,167,478</b>	<b>526,826</b>	<b>1,694,304</b>
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 1,311,520</b>	<b>\$ 593,610</b>	<b>\$ 1,905,130</b>
<b>Reconciliation of operating income to net cash flows from operating activities</b>			
Earnings (loss) from operations	\$ (132,715)	\$ (367,093)	\$ (499,808)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:			
Changes in assets and liabilities			
Accounts receivable	-	(168)	(168)
Accounts payable	4,856	164,471	169,327
Accrued liabilities	777	1,256	2,033
Deferred outflows - pensions	10,774	6,936	17,710
Deferred inflows - pensions	9,546	6,551	16,097
Net pension liability	(21,272)	(13,717)	(34,989)
<b>Net cash flows from operating activities</b>	<b>\$ (128,034)</b>	<b>\$ (201,764)</b>	<b>\$ (329,798)</b>

## **STATISTICAL SECTION**

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

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

**Contents**

Financial Trend Data (tables 1-4)

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

Revenue Capacity Data (tables 5-10)

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

Debt Capacity Data (tables 11-15)

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

Demographic and Economic Information (tables 16-17)

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

Operating Information (tables 18-20)

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

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

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net investment in capital assets	\$ 74,336,121	\$ 74,200,188	\$ 74,103,304	\$ 77,753,067	\$ 81,472,401	\$ 82,121,939	\$ 81,356,410	\$ 81,135,964	\$ 82,645,913	\$ 91,946,665
Restricted	4,228,147	4,257,860	3,663,738	3,393,773	3,112,341	1,671,755	1,463,046	1,457,025	1,503,841	1,564,641
Unrestricted	46,140,668	40,243,806	44,932,661	44,081,459	36,157,946	40,132,172	36,802,950	42,218,254	44,728,492	41,096,727
Total governmental activities net position	<u>\$ 124,704,936</u>	<u>\$ 118,701,854</u>	<u>\$ 122,699,703</u>	<u>\$ 125,228,299</u>	<u>\$ 120,742,688</u>	<u>\$ 123,925,866</u>	<u>\$ 119,622,406</u>	<u>\$ 124,811,243</u>	<u>\$ 128,878,246</u>	<u>\$ 134,608,033</u>
Business-type Activities										
Net investment in capital assets	\$ 40,191,046	\$ 53,747,875	\$ 52,073,365	\$ 50,089,185	\$ 49,827,165	\$ 65,576,188	\$ 70,987,081	\$ 78,825,694	\$ 78,015,217	\$ 77,309,072
Restricted	7,372,346.00	981,919.00	537,775	538,343	543,050	548,086	616,883	618,702	649,646	689,822
Unrestricted	42,368,839	48,579,751	53,111,351	58,237,995	59,483,812	47,268,834	48,610,993	45,475,180	46,762,253	46,728,077
Total business-type activities net position	<u>\$ 89,932,231</u>	<u>\$ 103,309,545</u>	<u>\$ 105,722,491</u>	<u>\$ 108,865,523</u>	<u>\$ 109,854,027</u>	<u>\$ 113,393,108</u>	<u>\$ 120,214,957</u>	<u>\$ 124,919,576</u>	<u>\$ 125,427,116</u>	<u>\$ 124,726,971</u>
Primary Government										
Net investment in capital assets	\$ 114,527,167	\$ 127,948,063	\$ 126,176,669	\$ 127,842,252	\$ 131,299,566	\$ 147,698,127	\$ 152,343,491	\$ 159,961,658	\$ 160,661,130	\$ 169,255,737
Restricted	11,600,493	5,239,779	4,201,513	3,932,116	3,655,391	2,219,841	2,079,929	2,075,727	2,153,487	2,254,463
Unrestricted	88,509,507	88,823,557	98,044,012	102,319,454	95,641,758	87,401,006	85,413,943	87,693,434	91,490,745	87,824,804
Total primary government net position	<u>\$ 214,637,167</u>	<u>\$ 222,011,399</u>	<u>\$ 228,422,194</u>	<u>\$ 234,093,822</u>	<u>\$ 230,596,715</u>	<u>\$ 237,318,974</u>	<u>\$ 239,837,363</u>	<u>\$ 249,730,819</u>	<u>\$ 254,305,362</u>	<u>\$ 259,335,004</u>

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Government Activities:</b>										
General governmental	\$ 3,503,127	\$ 3,289,872	\$ 3,581,400	\$ 4,252,481	\$ 3,437,814	\$ 3,341,296	\$ 7,192,448	\$ 3,016,861	\$ 2,756,678	\$ 2,931,729
Public safety (1)	8,387,664	8,514,389	9,000,597	8,960,236	9,375,233	9,866,805	12,489,219	9,472,327	10,670,198	10,353,927
Highways and streets	3,748,318	3,475,552	4,067,275	3,979,845	3,984,340	4,063,869	4,897,436	4,425,284	5,058,822	5,243,263
Planning and engineering	971,209	981,570	1,022,280	884,133	745,669	731,941	867,524	859,976	893,628	951,735
Parks	954,307	937,703	1,003,832	1,002,463	1,067,132	1,065,934	1,244,612	1,219,344	1,375,540	1,445,627
Redevelopment	841,626	707,565	600,355	601,424	1,371,281	251,093	204,313	253,521	531,500	264,816
Interest on long-term debt	198,454	144,060	102,623	19,760	26,339	10,817	9,638	-	-	-
<b>Total governmental activities expenses</b>	<b>18,604,705</b>	<b>18,050,711</b>	<b>19,378,362</b>	<b>19,700,342</b>	<b>20,007,808</b>	<b>19,331,755</b>	<b>26,905,190</b>	<b>19,247,313</b>	<b>21,286,366</b>	<b>21,191,097</b>
<b>Business-type Activities:</b>										
Water	3,309,367	3,234,152	3,371,663	3,597,648	3,494,082	3,631,578	3,869,619	3,818,230	4,413,045	4,611,958
Light and Power	20,837,040	21,895,461	23,015,562	22,924,477	23,688,812	22,315,745	23,243,493	24,157,027	25,588,771	28,016,154
Landfill and Sanitation	969,710	1,087,508	1,108,510	1,984,027	2,003,479	1,937,430	2,165,326	2,382,296	2,665,632	2,811,880
Storm Water	1,203,429	1,577,577	971,430	1,148,856	868,856	912,170	1,004,376	1,094,184	1,173,363	1,244,172
Golf Course	1,314,964	1,378,763	1,404,462	1,584,534	1,483,707	1,467,338	1,540,593	1,569,171	1,692,390	1,785,364
Recycling (2)	442,247	455,047	471,210	407,891	368,091	377,577	402,793	475,457	585,331	650,384
Sanitation (3)	806,551	773,031	802,742	-	-	-	-	-	-	-
Cemetery	348,443	328,892	325,056	370,992	394,069	407,908	483,845	523,846	544,294	588,639
<b>Total business-type activities expenses</b>	<b>29,231,751</b>	<b>30,730,431</b>	<b>31,470,635</b>	<b>32,018,425</b>	<b>32,301,096</b>	<b>31,049,746</b>	<b>32,710,045</b>	<b>34,020,211</b>	<b>36,662,826</b>	<b>39,708,551</b>
<b>Total primary government expenses</b>	<b>\$ 47,836,456</b>	<b>\$ 48,781,142</b>	<b>\$ 50,848,997</b>	<b>\$ 51,718,767</b>	<b>\$ 52,308,904</b>	<b>\$ 50,381,501</b>	<b>\$ 59,615,235</b>	<b>\$ 53,267,524</b>	<b>\$ 57,949,192</b>	<b>\$ 60,899,648</b>
<b>Program Revenues</b>										
<b>Government Activities:</b>										
<b>Charges for Services:</b>										
General Government	\$ 2,117,142	\$ 2,291,021	\$ 2,349,674	\$ 2,401,070	\$ 1,574,521	\$ 1,063,736	\$ 1,201,472	\$ 1,072,202	\$ 1,044,255	\$ 877,529
Culture and recreation	15,450.00	15,775.00	14,725	15,050	16,260	19,050	16,550	20,890	18,800	13,550
Other activities	698,977.00	698,279.00	711,658	733,684	776,226	785,777	797,307	736,835	786,737	823,572
Operating Grants and Contributions (4)	1,414,463	1,623,572	1,624,716	1,333,065	1,411,005	1,607,310	2,341,078	2,310,290	2,454,563	5,797,259
Capital Grants and Contributions	309,910	369,124	66,843	103,235	459,557	546,698	419,547	9,370	431,640	15,000
<b>Total gov. activities program revenues</b>	<b>4,555,942</b>	<b>4,997,771</b>	<b>4,767,616</b>	<b>4,586,104</b>	<b>4,237,569</b>	<b>4,022,571</b>	<b>4,775,954</b>	<b>4,149,587</b>	<b>4,735,995</b>	<b>7,526,910</b>
<b>Business-type Activities:</b>										
<b>Charges for Services:</b>										
Water	2,878,003	2,968,922	3,026,573	4,056,749	3,937,063	4,035,730	4,099,364	5,609,766	5,639,247	5,731,483
Light and Power	25,915,599	26,288,025	27,086,113	26,627,796	25,719,743	25,824,251	26,506,316	27,098,178	27,252,441	26,614,792
Landfill and Sanitation	981,201	1,027,577	1,015,014	2,188,751	2,337,975	2,141,057	2,174,640	2,615,459	2,586,965	2,802,191
Storm Water	900,375	901,122	907,515	909,566	1,101,803	1,159,092	1,379,679	1,611,518	1,643,847	1,686,172
Golf Course	1,286,092	1,451,909	1,473,679	1,468,023	1,446,847	1,380,724	1,379,892	1,364,870	1,149,420	1,528,188
Recycling (2)	447,835	463,550	482,335	423,248	376,751	382,605	418,230	419,927	434,547	423,553
Sanitation (3)	849,615	847,367	851,060	-	-	-	-	-	-	-
Cemetery	330,785	333,490	329,765	423,503	514,595	530,805	540,969	667,486	579,650	637,109
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	42,575
Capital Grants and Contributions	238,801	1,259,961	694,943	745,806	656,541	627,167	4,979,663	800,673	974,966	655,433
<b>Total business-type act. program rev.</b>	<b>33,828,306</b>	<b>35,541,923</b>	<b>35,866,997</b>	<b>36,843,442</b>	<b>36,091,318</b>	<b>36,081,431</b>	<b>41,478,753</b>	<b>40,187,877</b>	<b>40,261,083</b>	<b>40,121,496</b>
<b>Total primary gov. program revenues</b>	<b>\$ 38,384,248</b>	<b>\$ 40,539,694</b>	<b>\$ 40,634,613</b>	<b>\$ 41,429,546</b>	<b>\$ 40,328,887</b>	<b>\$ 40,104,002</b>	<b>\$ 46,254,707</b>	<b>\$ 44,337,464</b>	<b>\$ 44,997,078</b>	<b>\$ 47,648,406</b>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (14,048,763)	\$ (13,052,940)	\$ (14,610,746)	\$ (15,114,238)	\$ (15,770,239)	\$ (15,309,184)	\$ (22,129,236)	\$ (15,097,726)	\$ (16,550,371)	\$ (13,664,187)
Business-type activities	4,596,555	4,811,492	4,396,362	4,825,017	3,790,222	5,031,685	8,768,708	6,167,666	3,598,257	412,945
<b>Total primary government net expense</b>	<b>\$ (9,452,208)</b>	<b>\$ (8,241,448)</b>	<b>\$ (10,214,384)</b>	<b>\$ (10,289,221)</b>	<b>\$ (11,980,017)</b>	<b>\$ (10,277,499)</b>	<b>\$ (13,360,528)</b>	<b>\$ (8,930,060)</b>	<b>\$ (12,952,114)</b>	<b>\$ (13,251,242)</b>

(1) The City transferred all public safety fire operations to the South Davis Metro Fire Agency January 1, 2005 (See Note 20).

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

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

(4) 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in net position										
Governmental activities:										
Taxes										
Property taxes (4)	\$ 4,021,707	\$ 3,984,434	\$ 3,960,963	\$ 3,912,339	\$ 3,788,098	\$ 4,040,013	\$ 3,707,397	\$ 3,617,496	\$ 3,969,296	\$ 2,928,484
Sales taxes	5,813,476	6,210,568	6,456,991	6,782,369	7,134,825	7,623,749	7,877,935	8,248,442	8,460,480	8,937,963
Franchise taxes	4,172,300	3,608,703	4,008,695	3,945,634	3,681,671	3,664,256	3,770,244	3,782,565	3,802,154	3,642,291
Interest on investments	616,299	634,846	554,481	504,405	498,436	587,417	566,395	551,096	1,625,239	1,211,323
Miscellaneous	198,008	256,859	70,866	102,499	153,874	198,791	232,739	189,540	157,982	253,286
Gain (loss) on sale of capital assets	5,510	-	-	-	66,376.00	21,178.00	43,644	94,356	57,951	5,543
Transfers	(170,237)	(7,645,552)	2,314,400	2,395,588	2,164,845	2,356,958	2,357,317	2,414,344	2,544,272	2,415,084
Total governmental activities	14,657,063	7,049,858	17,366,396	17,642,834	17,488,125	18,492,362	18,555,671	18,897,839	20,617,374	19,393,974
Business-type Activities:										
Interest on investments	227,931	357,386	400,606	365,492	436,633	579,854	533,388	555,260	1,528,309	1,190,104
Gain (loss) on sale of capital assets	16,541.00	17,054.00	26,016	43,569	28,229	1,135	400	111,436	10,007	6,881
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
Transfers	170,237	7,645,552	(2,314,400)	(2,395,588)	(2,164,845)	(2,356,958)	(2,357,317)	(2,414,344)	(2,544,272)	(2,415,084)
Total business-type activities	414,709	8,565,822	(1,607,174)	(1,681,985)	(1,400,382)	(1,492,604)	(1,582,080)	(1,463,047)	(742,294)	(1,113,090)
Total primary government	\$ 15,071,772	\$ 15,615,680	\$ 15,759,222	\$ 15,960,849	\$ 16,087,743	\$ 16,999,758	\$ 16,973,591	\$ 17,434,792	\$ 19,875,080	\$ 18,280,884
Change in net position										
Governmental activities	\$ 608,300	\$ (6,003,082)	\$ 2,755,650	\$ 2,528,596	\$ 1,717,886	\$ 3,183,178	\$ (3,573,565)	\$ 3,800,113	\$ 4,067,003	\$ 5,729,787
Business-type activities	5,011,264	13,377,314	2,789,188	3,143,032	2,389,840	3,539,081	7,186,628	4,704,619	2,855,963	(700,145)
Total primary government	\$ 5,619,564	\$ 7,374,232	\$ 5,544,838	\$ 5,671,628	\$ 4,107,726	\$ 6,722,259	\$ 3,613,063	\$ 8,504,732	\$ 6,922,966	\$ 5,029,642

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	48,000	66,133	84,734	87,637	84,588	51,134	38,784	-	-	-
Committed (1)	-	-	-	-	-	-	-	-	-	3,606,000
Assigned	66,476	65,325	35,526	23,887	102	12,064	18,112	37,662	55,035	44,432
Unassigned	2,184,161	2,177,026	2,448,175	3,215,001	3,337,417	3,462,187	3,386,791	3,205,350	3,903,090	227,069
Total General Fund	<u>\$ 2,298,637</u>	<u>\$ 2,308,484</u>	<u>\$ 2,568,435</u>	<u>\$ 3,326,525</u>	<u>\$ 3,422,107</u>	<u>\$ 3,525,385</u>	<u>\$ 3,443,687</u>	<u>\$ 3,243,012</u>	<u>\$ 3,958,125</u>	<u>\$ 3,877,501</u>
All other governmental funds										
Nonspendable	\$ 558,358	\$ 558,358	\$ 558,358	\$ 558,358	\$ -	\$ -	\$ -	\$ -	\$ 8,780	\$ -
Restricted	2,872,483	2,970,415	3,060,490	2,787,116	2,508,167	1,100,305	826,762	841,957	865,831	889,085
Committed (1)	-	-	-	-	-	1,734,687	324,969	1,884,700	2,008,538	24,271,582
Assigned	37,903,826	31,475,159	34,606,690	32,658,253	32,199,536	35,544,447	36,245,936	38,734,766	40,933,831	15,921,394
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 41,334,667</u>	<u>\$ 35,003,932</u>	<u>\$ 38,225,538</u>	<u>\$ 36,003,727</u>	<u>\$ 34,707,703</u>	<u>\$ 38,379,439</u>	<u>\$ 37,397,667</u>	<u>\$ 41,461,423</u>	<u>\$ 43,816,980</u>	<u>\$ 41,082,061</u>

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

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
Taxes (see Table 5)	\$ 13,946,931	\$ 13,897,818	\$ 14,328,306	\$ 14,640,342	\$ 14,604,594	\$ 15,328,018	\$ 15,355,576	\$ 15,648,503	\$ 16,231,930	\$ 15,508,738
Licenses and permits	400,355	581,680	593,746	668,595	639,203	538,070	679,439	607,561	514,245	508,494
Intergovernmental (1)	1,483,621	1,696,203	1,624,716	1,333,065	1,411,005	1,607,310	2,341,078	2,399,903	2,535,658	5,878,964
Charges for services	2,322,989	2,173,073	2,431,034	2,337,365	1,577,584	1,178,991	1,207,577	1,102,127	1,204,818	1,093,312
Fines and forfeitures	168,684	156,209	148,891	143,844	150,220	151,502	128,313	120,239	130,729	112,845
Investment earnings	584,963	591,918	514,069	471,769	498,435	587,417	566,395	551,096	1,625,239	1,211,323
Miscellaneous	625,364	839,847	828,478	743,655	956,055	1,442,347	1,067,640	592,904	356,640	418,305
Total Revenues	<u>19,532,907</u>	<u>19,936,748</u>	<u>20,469,240</u>	<u>20,338,635</u>	<u>19,837,096</u>	<u>20,833,655</u>	<u>21,346,018</u>	<u>21,022,333</u>	<u>22,599,259</u>	<u>24,731,981</u>
<b>Expenditures:</b>										
General government	3,140,403	2,932,579	3,078,288	3,406,526	3,041,448	2,988,990	2,513,272	2,280,100	2,199,123	2,404,208
Public safety	7,352,120	7,614,549	7,925,807	7,482,444	8,519,714	8,946,888	8,935,881	8,846,095	9,517,509	9,660,827
Highways and streets	2,815,928	2,629,040	2,923,089	2,877,012	2,875,139	3,054,369	3,065,431	3,039,277	4,065,600	4,154,000
Planning and engineering	952,352	975,647	968,171	956,440	735,003	752,038	803,667	873,959	900,866	909,197
Parks	631,316	663,523	703,227	747,048	781,729	808,441	919,116	926,448	1,060,722	1,083,794
Redevelopment	1,332,794	1,378,736	1,050,868	2,337,206	1,636,222	248,744	605,556	1,093,209	2,419,268	2,616,503
Capital outlay (2)	6,329	-	229,883	-	-	176,965	4,562,705	129,191	(1,405,059)	(2,319,170)
Capitalized capital outlay	1,243,066	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
Debt service:										
Bond issuance costs	-	-	-	22,681	-	-	-	-	-	-
Principal	757,000	788,000	829,000	2,000,000	908,000	212,000	220,000	-	-	-
Interest and fiscal charges	194,309	146,915	122,783	61,749	35,637	17,280	8,800	-	-	-
Total expenditures	<u>18,425,617</u>	<u>18,630,090</u>	<u>19,325,793</u>	<u>24,968,594</u>	<u>23,270,153</u>	<u>19,436,554</u>	<u>24,822,512</u>	<u>19,811,955</u>	<u>22,099,155</u>	<u>29,968,151</u>
Excess of revenues over (under) expenditures	<u>\$ 1,107,290</u>	<u>\$ 1,306,658</u>	<u>\$ 1,143,447</u>	<u>\$ (4,629,959)</u>	<u>\$ (3,433,057)</u>	<u>\$ 1,397,101</u>	<u>\$ (3,476,494)</u>	<u>\$ 1,210,378</u>	<u>\$ 500,104</u>	<u>\$ (5,236,170)</u>

(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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Other financing sources (uses):</b>										
Transfers in	\$ 2,292,419	\$ 2,354,448	\$ 2,439,445	\$ 2,395,588	\$ 2,400,468	\$ 2,356,958	\$ 5,123,707	\$ 4,385,292	\$ 2,860,431	\$ 3,001,334
Transfers out	(2,462,656)	(10,000,000)	(125,045)	-	(235,623)	-	(2,766,390)	(1,970,948)	(411,816)	(586,250)
Bond/Loan proceeds	-	-	-	-	-	-	-	-	-	-
Bond refunding payment	-	-	-	-	-	-	-	-	-	-
Contributions	40,000	-	-	-	-	-	-	-	-	-
Sale of bonds	-	-	-	766,000	-	-	-	-	-	-
Sale of assets	5,510	18,006	23,710	4,650	24,700	20,955	55,707	68,697	121,951	5,543
Total other financing sources (uses)	(124,727)	(7,627,546)	2,338,110	3,166,238	2,189,545	2,377,913	2,413,024	2,483,041	2,570,566	2,420,627
Net change in fund balances	\$ 982,563	\$ (6,320,888)	\$ 3,481,557	\$ (1,463,721)	\$ (1,243,512)	\$ 3,775,014	\$ (1,063,470)	\$ 3,693,419	\$ 3,070,670	\$ (2,815,543)
Debt service as a percentage of non-capital expenditures	5.54%	5.46%	5.34%	10.37%	5.09%	1.33%	1.06%	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**

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Fees in Lieu of Property Tax</b>	<b>Sales and Use Taxes</b>	<b>Recreation &amp; Parks Taxes (2)</b>	<b>Franchise Taxes</b>	<b>Total</b>
2011	\$ 3,787,668	\$ 234,039	\$ 5,455,596	\$ 357,881	\$ 3,584,109	\$ 13,419,293
2012	3,768,350	216,084	5,824,824	385,743	3,114,625	13,309,626
2013	3,743,390	217,573	6,058,549	398,441	3,416,274	13,834,227
2014	3,701,049	211,290	6,346,757	435,612	3,945,634	14,640,342
2015	3,577,649	210,449	6,672,517	462,308	3,681,671	14,604,594
2016	3,824,710	215,303	7,107,293	516,456	3,664,256	15,328,018
2017	3,493,781	213,616	7,350,405	527,530	3,770,244	15,355,576
2018	3,415,826	201,670	7,698,239	550,203	3,782,565	15,648,503
2019	3,751,875	217,421	7,891,905	568,575	3,802,154	16,231,930
2020 (1)	2,729,398	199,086	8,326,421	611,542	3,642,291	15,508,738

(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				
2011	\$ 1,716,469	\$ 394,201	\$ 211	\$ 67,812	\$ 2,178,693	0.013916	\$ 4,138,174	52.65%
2012	1,719,091	390,209	187	63,005	2,172,491	0.014002	3,582,185	60.65%
2013	1,762,165	399,036	187	64,841	2,226,229	0.013632	3,582,185	62.15%
2014	1,668,062	379,160	160	60,040	2,107,421	0.012809	3,666,320	57.48%
2015	2,074,866	326,681	124	60,559	2,462,229	0.013101	4,091,095	60.19%
2016	2,135,735	494,329	79	73,273	2,703,415	0.012387	4,642,505	58.23%
2017	2,224,216	393,297	35	70,390	2,687,938	0.012288	4,453,396	60.36%
2018	2,405,742	410,184	16	61,045	2,876,987	0.012200	4,767,051	60.35%
2019	2,616,287	440,306	19	58,672	3,115,284	0.011869	5,178,287	60.16%
2020	2,862,151	480,876	24	72,962	3,416,013	0.011874	5,677,646	60.17%

(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	Davis County School District	Davis County (1)	Weber Basin Water	Mosquito Abatement District	Bountiful Water Subconservancy District	South Davis Sewer District	Davis County Library	South Davis Metro Fire Service Area (2)	South Davis Recreation District
2011	0.013916	0.001093	0.008861	0.002383	0.000217	0.000104	0.000130	0.000329	0.000392	-	0.000407
2012	0.014002	0.001094	0.008941	0.002391	0.000215	0.000105	0.000131	0.000330	0.000396	-	0.000399
2013	0.013632	0.001063	0.008710	0.002331	0.000210	0.000103	0.000128	0.000324	0.000389	-	0.000374
2014	0.012809	0.000946	0.008259	0.002161	0.000199	0.000124	0.000120	0.000301	0.000361	-	0.000338
2015	0.012853	0.000957	0.008555	0.001905	0.000196	0.000122	0.000120	0.000303	0.000361	-	0.000334
2016	0.012387	0.000890	0.008125	0.002014	0.000187	0.000116	0.000110	0.000287	0.000342	0.000010	0.000306
2017	0.012288	0.000832	0.007575	0.002210	0.000174	0.000107	0.000103	0.000264	0.000376	0.000368	0.000279
2018	0.012200	0.000880	0.007701	0.002046	0.000164	0.000119	0.000096	0.000245	0.000349	0.000343	0.000257
2019	0.011869	0.000814	0.007808	0.001760	0.000153	0.000112	0.000089	0.000234	0.000329	0.000328	0.000242
2020	0.011874	0.000789	0.007670	0.001896	0.000146	0.000110	0.000183	0.000226	0.000319	0.000317	0.000218

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

(2) 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**

Taxpayer	December 31, 2019 taxable valuation			December 31, 2010 taxable valuation		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hospital Corporation of Utah	\$ 42,940,972	1	1.26 %	\$ 28,338,533	1	1.23 %
Questar Gas	35,878,564	2	1.05	\$ 8,264,054	6	0.36
IHC Health Services, Inc.	27,079,999	3	0.79	7,412,293	7	0.32
Village Glen Main & Seniors LLC	21,520,031	4	0.63	10,519,327	5	0.46
G&E Healthcare Ret/Renaissance LLC	17,405,131	5	0.51	17,305,000	2	0.75
MABEK Co	12,854,804	6	0.38	13,002,774	4	0.56
WBC Partners LC & Commons at West Bountiful LC	10,535,033	7	0.31			
Hepworth Investment Group LLC	9,539,011	8	0.28			
Century Link (Qwest Corp. -2015)	8,891,835	9	0.26	14,087,501	3	0.61
Creekside Senior Living LLC	8,562,989	10	0.25	-		-
Horne Carrington Place LLC	8,417,752	11	0.25	-		-
Colonial Lakeview Aprtms LLC-ETAL	7,782,330	12	0.23	-		-
Olson 500 West/South/Main St. LLC	7,228,407	13	0.21	7,107,073	8	0.31
Community Centers of America-Auburn LLC	7,019,101	14	0.21	-		-
Hidden Hollow Circle	6,558,153	15	0.19			
HCP Lakeview MOB LLC (Tegra Lakeview Associates LC)	6,414,076	16	0.19	-		-
TC Windgate LLC-ETAL	6,155,720	17	0.18			
Bountiful Corner LLC	5,896,713	18	0.17	-		-
Health Care Property Investors Inc.	5,115,802	19	0.15	-		-
Reynolds, Barbara Ellen & Gary Robert-Trustees	4,865,102	20	0.14	-		-
Bountiful Fitness Partners	-		-	5,789,112	9	0.25
Winegar, Richard T. & Karleen A	-		-	5,777,503	10	0.25
	<u>\$260,661,525</u>		<u>7.63 %</u>	<u>\$ 117,603,170</u>		<u>5.10 %</u>
Taxable Value			\$ 3,416,013,000			\$ 2,307,189,000

Source : Davis County Clerk Auditors Office

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

<b>Fiscal Year Ended June 30,</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collection in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2011	\$ 2,445,006	\$ 2,345,918	95.95 %	\$ 109,003	\$ 2,454,921	100.41 %
2012	2,456,415	2,302,118	93.72	97,391	2,399,509	97.68
2013	2,452,020	2,360,398	96.26	88,804	2,449,202	99.89
2014	2,442,814	2,353,263	96.33	82,112	2,435,375	99.70
2015	2,520,959	2,312,056	91.71	112,197	2,424,253	96.16
2016	2,580,854	2,391,210	92.65	88,372	2,479,582	96.08
2017	2,581,960	2,426,593	93.98	49,539	2,476,132	95.90
2018	2,576,944	2,337,008	90.69	80,658	2,417,666	93.82
2019	2,932,394	2,681,062	91.43	55,477	2,736,539	93.32
2020	2,962,566	2,727,653	92.07	52,645	2,780,298	93.85

(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**

<b>Fiscal Year Ended June 30,</b>	<b>Electric Metered Sales</b>	<b>Industrial Customer Sales (1)</b>	<b>Miscellaneous (2)</b>	<b>Total Charges for Services</b>	<b>Residential Charge Per Kilowatt Hour (3)</b>
2011	\$ 22,924,190	\$ 2,389,668	\$ 42,915	\$ 26,109,396	0.0925 (4)
2012	23,544,475	2,520,834	44,087	26,965,809	0.0925
2013	24,394,453	2,568,479	2,877	26,510,311	0.0925
2014	23,955,880	2,545,129	9,302	25,719,743	0.0925
2015	23,202,093	2,401,930	115,720	25,719,743	0.0925
2016	23,521,610	2,197,020	105,621	25,824,251	0.0925
2017	23,949,727	2,412,459	144,130	26,506,316	0.0925
2018	24,579,348	2,390,156	128,674	27,098,178	0.0925
2019	24,966,059	2,195,750	90,632	27,252,441	0.0925
2020	24,557,700	1,934,393	122,699	26,614,792	0.0925

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

**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	All Outstanding Debt				
2011	\$ -	\$1,209,000	\$ 2,982,000	\$ 15,280,000	\$ 19,471,000	1.94 %	\$ 1,001,686,733	\$ 456
2012	-	1,023,000	2,380,000	14,655,000	18,058,000	1.74	1,038,092,000	422
2013	-	848,237	1,772,675	14,025,000	16,645,912	1.56	1,066,010,000	388
2014	-	1,028,301	322,000	13,385,000	14,735,301	1.30	1,137,211,066	343
2015	-	454,534	-	12,740,000	13,194,534	1.15	1,146,190,300	305
2016	-	227,513	-	12,085,000	12,312,513	1.02	1,204,921,063	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	1,402,764,622 (3)	213

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

(1) See Table 16 for population details

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

(3) The most recent household personal income data available at the time of printing is from the 2019 tax year.

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

<b>Fiscal Year Ended June 30,</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available In Service Fund</b>	<b>Amounts In Debt Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-

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**

	Total Debt	Applicable to City		City Debt Ratios (2)		
		Percentage	Amount	To assessed value of: \$ 3,416,013,000	To fair value of: \$5,677,646,000	To population of: (per capita) 43,981
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	143,232,792	12.72%	18,219,235	0.53%	0.32%	\$ 414
Davis County	56,070,000	12.72%	7,131,636	0.21%	0.13%	\$ 162
Davis School District	552,670,000	12.72%	70,295,011	2.06%	1.24%	\$ 1,598
South Davis Recreation District	7,875,000	34.79%	2,739,386	0.08%	0.05%	\$ 62
Total Overlapping debt	<u>\$ 759,847,792</u>		<u>\$ 98,385,268</u>			
Total direct and overlapping debt applicable to the City			<u>\$ 98,385,268</u>	2.88%	1.73%	\$ 2,237

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**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed value (1)	\$ 2,178,693	\$ 2,172,491	\$ 2,226,229	\$ 2,107,421	\$ 2,462,229	\$ 2,703,415	\$ 2,687,938	\$ 2,876,987	\$ 3,115,284	\$ 3,416,013
Governmental Debt Limit										
4% of total assessed value	87,148	86,900	89,049	84,297	98,489	108,137	107,518	115,079	124,611	136,641
Debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Special Assessment Bonds	1,209	1,023	848	1,028	455	228				
Revenue Bonds	2,982	2,380	1,773	322	-	-	-	-	-	-
Total Governmental debt applicable to limit	4,191	3,403	2,621	1,350	455	228	-	-	-	-
Governmental Legal Debt Margin	\$ 82,957	\$ 83,497	\$ 86,428	\$ 82,947	\$ 98,034	\$ 107,909	\$ 107,518	\$ 115,079	\$ 124,611	\$ 136,641
Total net debt applicable to the limit as a percentage of debt limit	5%	4%	3%	2%	0%	0%	0%	0%	0%	0%
Business-Type Debt Limit										
8% of total assessed value	174,295	173,799	178,098	168,594	196,978	216,273	215,035	230,159	249,223	273,281
Debt applicable to limit:										
2010 Power Revenue Bonds	15,280	14,655	14,025	13,385	12,740	12,085	11,420	10,745	10,055	9,350
Total Business-Type debt applicable to limit	15,280	14,655	14,025	13,385	12,740	12,085	11,420	10,745	10,055	9,350
Business-Type Legal Debt Margin	\$ 87,148	\$ 86,900	\$ 89,049	\$ 84,297	\$ 98,489	\$ 108,137	\$ 107,518	\$ 115,079	\$ 124,611	\$ 263,931
Total net debt applicable to the limit as a percentage of debt limit	9%	8%	8%	8%	6%	6%	5%	5%	4%	3%

(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	
<b>Revenue Bonds - Governmental Activities</b>										
2011	\$ 618,996	\$ 4,223	\$ 614,773	\$ 578,000	\$ 141,569	0.85	\$ 269,910	\$ 179,000	\$ 52,740	1.16 %
2012	618,516	-	618,516	602,000	100,440	0.88	269,509	186,000	46,475	1.16
2013	621,277	4,150	617,127	638,000	82,818	0.86	267,438	191,000	39,965	1.16
2014*	597,678	24,331	573,347	688,000	28,469	0.80	267,557	197,000	33,280	1.16
2015**	598,016	4,150	593,866	705,000	10,237	0.83	266,219	203,000	25,400	1.17
2016	-	-	-	-	-	-	270,403	212,000	17,280	1.18
2017	-	-	-	-	-	-	251,465	220,000	8,800	1.10
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-

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

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

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

2011***	\$ 25,915,599	\$ 20,611,707	\$ 5,303,892	\$ -	\$ 425,395	12.47 %
2012	26,640,119	21,421,319	5,218,800	625,000	685,379	3.98
2013	28,049,427	25,773,767	2,275,660	630,000	652,753	1.77
2014	27,433,112	24,607,639	2,825,472	640,000	641,542	2.20
2015	26,585,700	20,966,677	5,619,023	645,000	628,372	4.41
2016	26,733,206	19,432,143	7,301,063	655,000	612,396	5.76
2017	27,251,210	20,272,758	6,978,452	665,000	593,242	5.55
2018	28,039,563	21,258,547	6,781,016	675,000	570,799	5.44
2019	28,728,182	21,340,306	7,387,876	690,000	544,868	5.98
2020	27,741,133	23,519,461	4,221,672	705,000	516,888	3.46

\*\*\* Business-type activities did not have any revenue bonds before fiscal year 2011.

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

<b>Fiscal Year Ended June 30,</b>	<b>Population</b>		<b>Personal Income (amounts expressed in thousands) (2)</b>	<b>Per Capita Personal Income</b>	<b>Number of residents 18 years and older</b>		<b>School Enrollment</b>		<b>Unemployment Rate (4)</b>
2011	42,672	(1)	\$ 1,001,687	\$ 23,474	31,403	(6)	10,062	(6)	6.20 %
2012	42,840	(1)	1,038,092	24,232	30,996	(6)	9,931	(6)	5.30
2013	42,898	(1)	1,066,010	24,850	31,659	(6)	10,144	(6)	4.20
2014	42,920	(1)	1,137,211	26,496	30,607	(1)	10,144	(6)	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)	1,402,764 (8)	31,895	31,139	(1)	10,570	(3)	4.80

(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 2020.

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

(6) City Estimates.

(7) Census 2010.

(8) The most recent personal income data available at the time of printing is from the 2019 tax year.

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

Taxpayer (1)	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
South Davis Community Hospital	500 - 999	1	2.29 - 4.57 %	500 - 999	2	2.44 - 4.88 %
Lakeview Hospital	250 - 499	2	1.14 - 2.28	500 - 999	1	2.44 - 4.88
Smith's Marketplace	250 - 499	3	1.14 - 2.28	100 - 249	9	0.49 - 1.22
South Davis Recreation Center	250 - 499	4	1.14 - 2.28	100 - 249	10	0.49 - 1.22
202 Bountiful House	100 - 249	5	0.46 - 1.14	N/A	N/A	N/A
Bountiful Health Center	100 - 249	6	0.46 - 1.14	N/A	N/A	N/A
Bountiful High School	100 - 249	7	0.46 - 1.14	100 - 249	3	0.49 - 1.22
One Call Locators	100 - 249	8	0.46 - 1.14	N/A	N/A	N/A
Performance Ford Lincoln Bountiful	100 - 249	9	0.46 - 1.14	N/A	N/A	N/A
Viewmont High School	100 - 249	10	0.46 - 1.14	100 - 249	11	0.49 - 1.22
City First Mortgage Services, L.L.C.	N/A	N/A	N/A	100 - 249	4	0.49 - 1.22
Developers Investment Company	N/A	N/A	N/A	100 - 249	5	0.49 - 1.22
Dick's Market	N/A	N/A	N/A	100 - 249	6	0.49 - 1.22
Intermountain Temporaries	N/A	N/A	N/A	100 - 249	7	0.49 - 1.22
Lexington Law Firm	N/A	N/A	N/A	100 - 249	8	0.49 - 1.22
<b>Total</b>	<b>1,850 - 3,990</b>		<b>8.47 - 18.28 %</b>	<b>1,900 - 4,239</b>		<b>9.29 - 20.74 %</b>

(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**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Department</b>										
<b>General Fund</b>										
Legislative	6	6	6	6	6	6	6	6	6	6
Legal	3	3	3	3	3	2	3	4	4	4
Executive	3	2	2	3	2	2	2	2	2	3
Human Resources				2	2	2	2	2	2	2
Information Systems	4	4	4	4	3	4	4	3	4	4
Administrative	6	6	6	5	5	5	5	5	5	5
Treasurer	6	7	7	7	7	7	7	7	7	7
Government Buildings	2	2	2	2	2	2	1	2	1	2
Police	92	94	95	90	77	80	80	56	61	61
Streets	22	21	19	20	23	21	22	22	22	22
Engineering	8	8	8	7	8	8	7	8	8	9
Parks	18	18	20	13	23	21	19	28	28	32
Planning	4	4	4	4	5	4	5	6	4	4
<b>General Fund Total</b>	<b>174</b>	<b>175</b>	<b>176</b>	<b>166</b>	<b>166</b>	<b>164</b>	<b>163</b>	<b>151</b>	<b>154</b>	<b>161</b>
<b>Enterprise Funds</b>										
Storm Water (1)	3	3	3	2	3	3	2	4	4	3
Water	19	13	18	16	16	15	16	19	19	17
Light and Power	38	39	37	38	36	34	37	37	35	36
Golf	39	43	46	47	46	49	43	51	45	43
Landfill (1)	8	9	9	11	9	9	10	11	11	12
Sanitation	5	6	5	6	6	5	5	6	5	5
Cemetery	9	9	11	8	7	8	8	7	7	8
<b>Enterprise Fund Total</b>	<b>121</b>	<b>122</b>	<b>129</b>	<b>128</b>	<b>123</b>	<b>123</b>	<b>121</b>	<b>135</b>	<b>126</b>	<b>124</b>
<b>Internal Service Funds</b>										
Risk Management (1)	-	-	-	-	-	-	-	-	-	-
Workers Compensation (1)	-	-	-	-	-	-	-	-	-	-
<b>Internal Service Fund Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Redevelopment Agency</b>										
Redevelopment Agency (1)	-	-	-	-	-	-	-	-	-	-
<b>Total Positions</b>	<b>295</b>	<b>297</b>	<b>305</b>	<b>294</b>	<b>289</b>	<b>287</b>	<b>284</b>	<b>286</b>	<b>280</b>	<b>285</b>

(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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Fire protection:</b>										
Number of stations (1)	2	2	2	2	2	2	2	2	2	2
<b>Police protection:</b>										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	22	22	22	22	22	22	22	22	24	24
<b>Highways and streets:</b>										
Number of street lights	2,151	2,135	2,144	2,145	2,142	2,145	2,140	2,140	2,164	2,162
Number of traffic signals	13	13	15	15	15	15	15	15	15	15
Miles of streets	158.98	159.06	159.06	159.06	159.06	159.06	159.71	159.75	159.96	159.96
<b>Public Services:</b>										
<b>Recreation and culture:</b>										
Number of municipal parks	13	13	13	13	13	13	16	16	16	17
Number of municipal picnic areas	19	19	19	19	19	19	19	22	22	29
Number of municipal tennis courts	24	24	24	20	20	20	20	20	20	18
Number of municipal soccer fields	5	5	5	6	6	6	6	6	6	6
Number of municipal ball diamonds	10	10	10	10	10	10	10	10	10	8
Number of Trail Heads	2	2	2	2	2	2	2	2	2	2
Number of municipal golf courses	1	1	1	1	1	1	1	1	1	1
Number of ice arenas (3)	1	1	1	1	1	1	1	1	1	1
Number of swimming pools (3)	1	1	1	1	1	1	1	1	1	1
<b>Municipal power plants:</b>										
Number of distribution substations	5	5	5	5	5	5	5	5	5	5
Miles of distribution and transmission lines	228.52	228.52	229.12	229.12	229.16	229.36	229.61	230.72	232.86	235.05
<b>Municipal water plants:</b>										
Number of fire hydrants	1,571	1,588	1,599	1,612	1,618	1,629	1,644	1,659	1,671	1,683
Miles of water mains	175.46	175.70	175.85	176.31	176.38	176.40	176.60	177.43	178.22	179.18
Max instantaneous water source capacity (gallons per minute)	9,100	8,900	8,900	9,000	9,000	9,500	9,500	9,500	9,500	9,500
<b>Sanitation utilities:</b>										
Number of collection trucks	12	12	13	13	13	13	13	13	13	13
Number of sanitary landfills	1	1	1	1	1	1	1	1	1	1
<b>Storm water utility:</b>										
Miles of storm water lines (encased)	75.49	71.20	71.14	71.16	69.65	70.14	70.80	70.80	71.89	72.30
Miles of storm water lines (concrete lined)	4.20	1.40	1.40	1.32	1.32	1.32	1.32	1.33	1.32	1.31
Public Libraries (2)	1	1	1	1	1	1	1	1	1	1

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

(2) Owned and operated by Davis County.

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

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

**Miscellaneous Statistics - Most current information only**

Date of Incorporation: December 14, 1892

Form of government: Manager

Election data

Registered (active voters), March 2020: 25,226

Number of votes cast in 2020 primary election: 10,926

Percentage of registered voters voting: 43.31%

Sources: Various City of Bountiful Departments.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Function/Program</b>										
General Governmental:										
Ordinances passed	10	13	8	14	28	12	11	9	11	8
Resolutions passed	11	8	10	14	11	14	20	12	7	16
Public Safety:										
Hazardous citations written	2,617	1,973	1,973	2,142	2,258	2,215	1,975	1,707	1,431	3,088
Non-hazardous citations written	1,300	1,353	1,353	1,005	1,469	1,458	1,339	1,094	799	736
Arrests	1,260	1,448	1,448	1,611	1,086	1,382	1,130	1,107	946	875
Highways and Streets:										
Miles of street overlaid	5.19	5.50	5.60	6.43	7	5	7.14	17.56	5.20	6.60
Miles of street reconstructed	0.00	0.35	0.09	0.00	0	0.60	0.00	0.44	0.14	0.44
Planning and Engineering:										
Building Permits Issued	65	125	57	88	62	81	169	134	79	33
Municipal water:										
Average daily gallons consumed	3,992,000	3,994,000	4,491,000	4,492,000	4,185,000	3,729,000	3,968,000	4,389,454	4,442,000	4,127,000
Municipal power:										
Kilowatt hours sold	282,073,618	285,476,544	298,186,064	294,130,877	277,674,203	278,780,541	283,037,185	283,555,713	280,753,086	267,283,693
Storm water:										
Miles of storm drains inspected	2.71	4.06	5.13	4.70	4.78	2.92	4.61	5.52	7.56	4.02
Miles of streets cleaned	158.98	159.06	159.06	159.08	158.36	159.64	159.71	159.75	159.96	159.96
Sanitation utilities:										
Tons of waste collected and landfilled	45,365	54,194	55,426	52,354	68,795	64,640	56,848	79,880	97,974	98,704
Tons of recyclables collected (1)	2,983	2,896	2,812	2,713	2,384	2,549	2,618	2,587	3,087	2,797

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

Sources: Various City of Bountiful departments.

**BOUNTIFUL CITY  
BOUNTIFUL, UTAH**

**SUPPLEMENTARY REPORTS**

**INCLUDING SINGLE AUDIT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**



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

---

**BOUNTIFUL CITY**  
**SUPPLEMENTARY REPORTS**  
**TABLE OF CONTENTS**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Page</u>
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	1
Independent Auditor’s Report on Compliance and Report on internal Control over Compliance As Required by the <i>State Compliance Audit Guide</i> .....	3
Schedule of Findings and Recommendations .....	5
Single Audit	
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the <i>Uniform Guidance</i> .....	6
Schedule of Expenditures of Federal Awards.....	8
Notes to the Schedule of Expenditures of Federal Awards .....	9
Schedule of Findings and Questioned Costs.....	10



**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, 2020, 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 5, 2020.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be *material weaknesses* or *significant deficiencies* and therefore, *material weaknesses* or *significant deficiencies* may exist that have not been identified.

We did identify one deficiency in internal control, described in the accompanying *Schedule of Findings and Recommendations* that we consider to be a significant deficiency. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be *material weaknesses*. However, *material weaknesses* may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Keddington & Christensen, LLC*

Keddington & Christensen, LLC  
Salt Lake City, Utah  
November 5, 2020



**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, 2020.

State compliance requirements were tested for the year ended June 30, 2020 in the following areas:

Budgetary Compliance	Fund Balance
Utah Retirement Systems	Restricted Taxes
Open and Public Meetings Act	Fraud Risk Assessment
Cash Management	Impact Fees

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Compliance**

In our opinion, Bountiful City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2020.

**Other Matters**

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

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



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

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

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

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

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

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

*Keddington & Christensen, LLC*

Keddington & Christensen, LLC  
Salt Lake City, Utah  
November 5, 2020

**BOUNTIFUL CITY**  
**SCHEDULE OF FINDING AND RECOMMENDATIONS**  
**For the Fiscal Year Ended June 30, 2020**

**Utah State Compliance**

**Budget Compliance**

**Finding**

Utah State Code 10-6-123 indicates that City may not make or incur expenditures/expenses in excess of the total budgeted amount. During our audit procedures we noted the expenses for the Workers Compensation Fund exceeded the final budgeted by \$147,182.

**Recommendation**

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

**City Response:**

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

The budget overage in the Workers Compensation Fund occurred as a result of an accounting adjustment to significantly increase the Workers Compensation claims expense. This adjustment was not able to be calculated until after the Fiscal Year 2019-2020 budget had already been closed. The City relies on a third-party provider to process Workers Compensation claims and this accrual adjustment uses their reports to calculate open claims at fiscal yearend. Unfortunately, the third-party reporting is delayed one month so the June reports are not available until July, thus creating the inability to calculate the needed accrual until after the fiscal year budget has been closed.

Because this has occurred in two consecutive fiscal years, the City will begin to include a contingency budget within the Workers Compensation fund for unanticipated open claims such as these.

## SINGLE AUDIT



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 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, 2020. The City's major federal program is 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 program 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 the 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 its major federal program for the year ended June 30, 2020.

## **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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for 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.

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 5, 2020

**BOUNTIFUL CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2020**

<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>
<b>Pass-Through State of Utah</b>				
<u>Department of the Treasury</u>				
State of Utah - Governor's Office Coronavirus Relief Funds (CRF)	21.019		None	\$ 2,031,446
<u>Department of Justice</u>				
Justice Assistance Grant (JAG)	16.738	2018-DJ-BX-0832		7,003
JAG - bulletproof vest grant	16.738	207881		1,088
Total Department of Justice				<u>8,091</u>
<u>Department of Homeland Security/FEMA</u>				
Emergency Management Performance Grant (EMPG)	97.042	EMD-2018-EP-00004-S01 through agreement EMPG-2019-DDM-002		5,500
<b>Total Pass-Through State of Utah</b>				<u><u>\$ 2,045,037</u></u>

**BOUNTIFUL CITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2020**

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, 2020**

**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

- |   |           |
|---|-----------|
| 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*