

BOUNTIFUL CITY, UTAH



ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED June 30, 2023



MAYOR

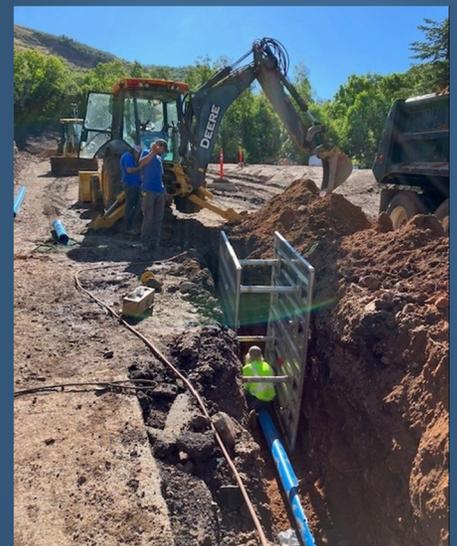
Kendalyn Harris

CITY COUNCIL

Millie Segura Bahr
Jesse Bell
Kate Bradshaw
Richard Higginson
Cecilee Price-Huish

CITY MANAGER

Gary R. Hill



BOUNTIFUL CITY, UTAH

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**



Prepared by:

Bountiful City Finance Department

**Tyson Beck, CPA
Finance Director**

**David Burgoyne
Assistant Finance Director**

**Dallin Fredrickson
Accountant/Treasurer**

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

BOUNTIFUL CITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2023

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INTRODUCTORY SECTION



BOUNTIFUL CITY

KENDALYN HARRIS
MAYOR

CITY COUNCIL
Millie Segura Bahr
Jesse Bell
Kate Bradshaw
Richard Higginson
Cecilee Price-Huish

CITY MANAGER
Gary R. Hill

November 8, 2023

To the Mayor, City Council and Citizens of Bountiful City:

State law requires that all local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement and to the duty we owe to the citizens of Bountiful, we hereby issue the annual comprehensive financial report of Bountiful City (the City) for the fiscal year ended June 30, 2023.

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, 2023. 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, 2023. 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 2023 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 American Rescue Plan Act (ARPA) grant money of \$2,602,590 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 8, 2023.

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

Profile of the Government

The City was incorporated December 14, 1892, under the laws of the Territory of Utah. The City is governed using a manager form of government. The City Manager is the chief administrative and budget officer of the City. The Mayor is part of a six-member elected body (five City Council Members) that develops policy and enacts local laws. The Mayor and Council Members are each elected for a four-year term to serve the citizens at large. The terms of office are staggered every two years (three council seats in one election and two council seats and mayor in the next).

Profile of the Government (Continued)

The Council is organized into committees over the functional areas/departments of the City, typically including three elected officials in each committee. The City Manager and department directors comprise the Executive Management Team that operate the City day-to-day and recommend priorities to the Mayor and City Council.

The City Council is required to adopt a final budget for the next fiscal year no later than June 30th of the current fiscal year. If the next fiscal year's budget includes a property tax increase the final budget must be adopted by August 17th that falls within the budgeted fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Upon approval by the City Manager, department directors may transfer resources within a department. Transfers between departments, however, need special approval from the governing body. Departments are the City's legal level of budgetary control.

The City provides the following services: public safety, public works (engineering, planning, parks and recreation, and streets), public utilities (electricity, water, recycling and refuse collection, landfill, storm water, and a new fiber-optic network utility), and general government (legislative, executive, legal, finance, information technology, human resources, and treasury). The City also provides economic and redevelopment services through a legally separate, though financially and operationally dependent, Redevelopment Agency (RDA). 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 2023 is estimated at 45,496, with a potential for an estimated 55,000 residents at final build-out, which should occur by approximately 2030.

Local economy

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

Long-term financial planning

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

Relevant financial policies

The City has adopted a formal fund balance/reserve policy adopted by City ordinance 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).

Major initiatives

As the City is nearing its final build-out, the City's major initiatives are mostly focused on maintaining basic services and infrastructure. There are 8 major projects in progress that are expected to be completed or initiated in fiscal years 2024 and 2025 as follows:

1. In fiscal year 2022 the City began converting the Washington Elementary land into a 10 acre park with many amenities. Through fiscal year 2023 the park costs totaled \$3,355,412 and the budgeted fiscal year 2024 for final completion costs was set at \$350,000. The funding for this project was provided by the 2022 General Obligation bond issued on July 7, 2022.
2. The City has recently completed a trails master plan process. During fiscal year 2023 \$671,234 was spent on design and construction of many of these trails. The capital budgets for fiscal years 2024 and 2025 include \$1.23 million to continue the expansion of the City's trail system as guided by the master plan. The funding for these projects is from the 2022 General Obligation bond issued on July 7, 2022.
3. A project to rehabilitate a City culinary water well (Calder Well) is budgeted at \$557,000 in 2024.

Major initiatives (Continued)

4. A project to replace the City's Millcreek Reservoir is budgeted at \$2,000,000 in 2025.
5. During fiscal year 2023 the City Council approved a \$45,432,000 construction contract with UTOPIA Fiber to install a fiber-optic network throughout the City. This initiative was done to offer residents a fiber-network utility through which residents could contract broadband internet and telecommunications services with many mainstream internet service providers (ISP) at a reasonable price. Through the end of fiscal 2023 the City had already paid UTOPIA \$4,341,000 of the contract amount. The buildout of the network is estimated to be between 24 to 36 months. Funding for this project is from 2023 Sales Tax Revenue bonds, though it is the City's intent to repay the bonds with fiber subscription revenues. See Note 24 for further information on the bonds.
6. The City and the RDA have been involved financially in the large Renaissance Town Center development (~1500 to 1800 South on Main Street). This development will be built in phases but is planned as a mixed residential and commercial development that will bring several hundred new apartments to the City. It is unlikely that the City will have further financial investment, but this remains a significant initiative for the City.
7. The RDA has planned significant upgrades to downtown infrastructure to continue revitalize its downtown. The 2024 and 2025 capital plans have \$1,825,000 and \$2,350,000 included for these upgrades.
8. The final major project is the rebuilding 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 2024 and be completed in fiscal year 2025. The project has a budget of \$615,000 in 2024 and \$3,000,000 in 2025.

Almost all of these major initiatives discussed are anticipated to be completed without any external financing.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Bountiful City for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. This was the 42nd consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR which satisfied both GAAP and applicable program requirements.

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

The City also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2022 budget for the 6th consecutive year. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

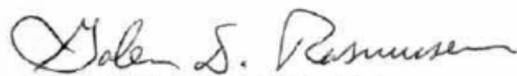
The preparation of this ACFR would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We appreciate all City departments for their assistance in providing the data necessary to prepare this report.

We also express our sincere appreciation to Mayor Kendalyn Harris, each member of the City Council, and City Manager Gary Hill for the many hours they spend in helping to run the City and to maintain the quality of life enjoyed by the 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, 2023**

ELECTED OFFICIALS

Kendalyn Harris	Mayor
Millie Segura Bahr	City Council Member
Jesse Bell	City Council Member
Kate Bradshaw	City Council Member
Richard Higginson	City Council Member
Cecilee Price-Huish	City Council Member

EXECUTIVE BUDGETARY AND LEGAL OFFICIALS

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

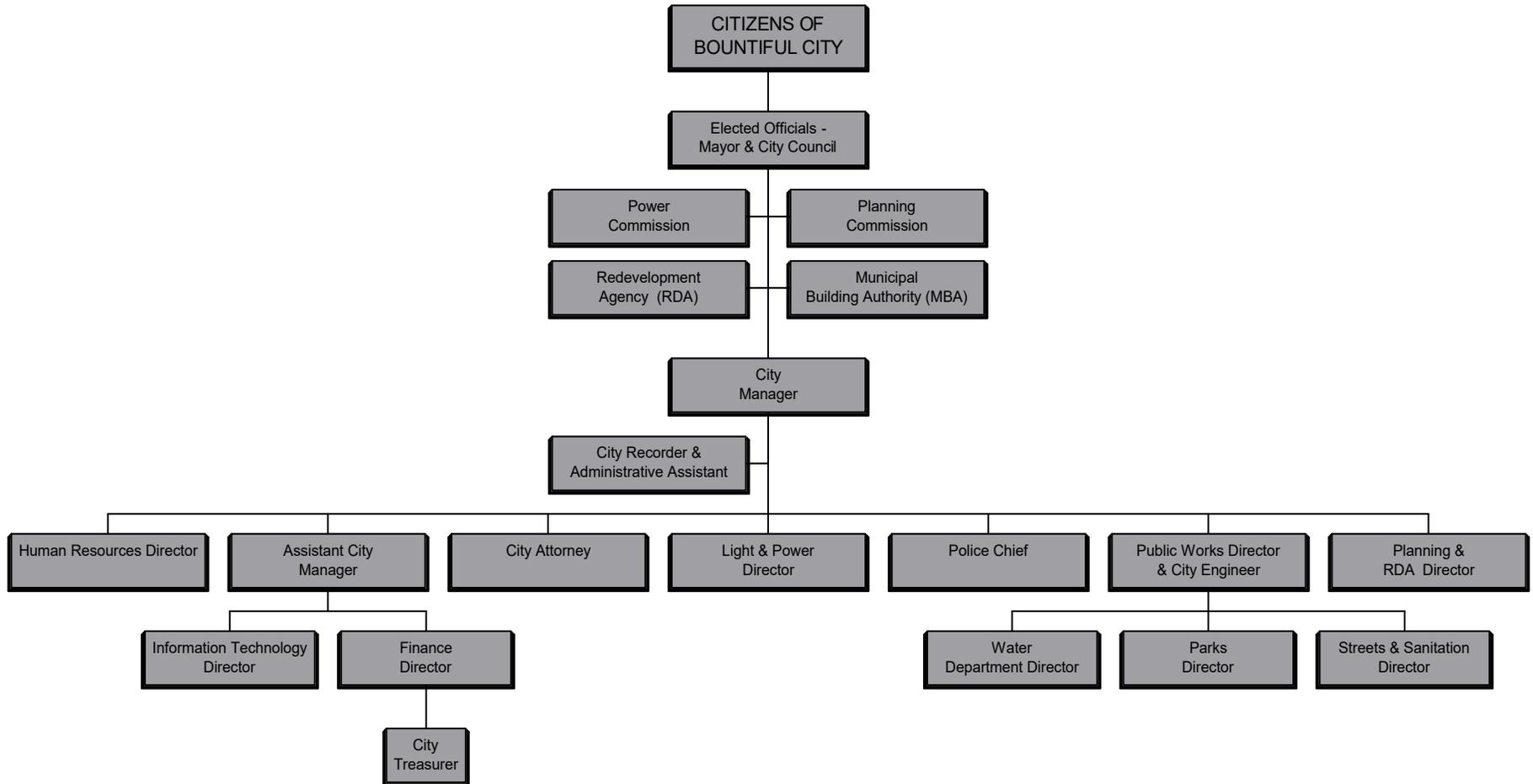
DEPARTMENT HEADS

Charles Benson	Streets & Sanitation Director
Francisco Astorga	Planning & Redevelopment Director
Brock Hill	Parks Director
Allen Johnson	Light & Power Director
Edward Biehler	Police Chief
Lloyd Cheney	Public Works Director/City Engineer
Greg Martin	Information Technology Director
Kraig Christensen	Water Department Director
Tyson Beck	Finance Director
Shannon Cottam	Human Resources Director

STATUTORY APPOINTED OFFICIALS

S. Ted Elder	City Treasurer
Shawna Andrus	City Recorder

**BOUNTIFUL CITY
ORGANIZATIONAL CHART
June 30, 2023**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Bountiful City
Utah

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

To the Mayor and City Council
Bountiful City
Bountiful, Utah

Report on the Audit of the Financial Statements

Opinions

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 (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and the Redevelopment Agency Special Revenue Fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The accompanying combining and individual nonmajor fund financial statement, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2023, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

K&C, CPA_s

K&C, Certified Public Accountants
Woods Cross City, Utah
November 8, 2023

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2023

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, 2023. 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, 2023, by \$289,038,742. Of this amount, unrestricted net position of \$98,664,560 may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net position increased by \$10,349,239 from the prior year.
- The total net position increased by \$11,889,481 from the prior year. The increase was made up of a \$9,951,850 increase from governmental activities and a \$1,937,631 increase from business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$58,530,852, an increase of \$13,904,273 from the prior year. Of the current year fund balance amount, \$56,150,481 is unrestricted (the total of the committed, assigned, and unassigned components of fund balance) and available for spending. \$2,365,633 of the fund balance has been legally restricted while the remaining \$14,738 is non-spendable.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$7,052,942, or 32.64% of total General Fund expenditures.
- As of the close of the current fiscal year, the City's only bonded debt obligations were General Obligation bonds with an outstanding balance of \$7,225,000.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all 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 a fiber-optic network, culinary water, light and power, sanitation services of refuse and recycle collection and a landfill, storm water, 18-hole golf course, and a cemetery.

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

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.

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023

Overview of the Financial Statements (Continued)

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 City'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 seven 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 four 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, 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 2023 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 Fiber, Water, Light and Power, and the Sanitation funds, which are considered major funds. Data from the other three 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 plan.

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

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

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023

Overview of the Financial Statements (Continued)

Other information (Continued) - 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, 2023, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$289,038,742. This is the City's net position at the close of the current fiscal year.

Bountiful City Net Position						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 74,527,414	\$ 62,506,508	\$ 48,512,539	\$ 54,840,555	\$ 123,039,953	\$ 117,347,063
Capital and intangible assets	106,458,085	102,825,474	94,192,894	84,628,163	200,650,979	187,453,637
Total assets	<u>180,985,499</u>	<u>165,331,982</u>	<u>142,705,433</u>	<u>139,468,718</u>	<u>323,690,932</u>	<u>304,800,700</u>
Total deferred outflows of resources	<u>2,437,379</u>	<u>1,848,361</u>	<u>1,455,821</u>	<u>1,069,347</u>	<u>3,893,200</u>	<u>2,917,708</u>
Current liabilities	3,470,091	2,542,823	7,801,128	3,763,189	11,271,219	6,306,012
Long-term liabilities	15,668,453	3,923,975	4,732,025	3,682,643	20,400,478	7,606,618
Total liabilities	<u>19,138,544</u>	<u>6,466,798</u>	<u>12,533,153</u>	<u>7,445,832</u>	<u>31,671,697</u>	<u>13,912,630</u>
Total deferred inflows of resources	<u>6,795,154</u>	<u>13,176,215</u>	<u>78,539</u>	<u>3,480,302</u>	<u>6,873,693</u>	<u>16,656,517</u>
Net position:						
Net investment in capital assets	98,466,871	102,661,451	88,481,755	84,257,406	186,948,626	186,918,857
Restricted	3,224,984	1,670,855	200,572	244,228	3,425,556	1,915,083
Unrestricted	55,797,325	43,205,024	42,867,235	45,110,297	98,664,560	88,315,321
Total net position	<u>\$ 157,489,180</u>	<u>\$ 147,537,330</u>	<u>\$ 131,549,562</u>	<u>\$ 129,611,931</u>	<u>\$ 289,038,742</u>	<u>\$ 277,149,261</u>

Current and other assets increased in total by \$5,692,890 from the prior year. This large swing is due predominantly to a \$3,941,391 increase in cash and investments, a \$899,408 increase in receivables, a \$5,198,201 new interfund receivable, and the complete reduction of the prior fiscal year's \$4,627,339 net pension asset.

The increase in cash and investments is the result of the fiscal year 2023 operations. The swing in receivables is a fairly normal fluctuation. The interfund receivable was created to provide startup funding to the new Fiber operations that began in fiscal year 2023. The net pension asset decrease was the result of a significant change in the Utah Retirement Systems (URS) funded status of the total pension liabilities. In fiscal year 2023 the URS return on investments was a 5.02% loss decreasing the total pension assets. In comparison the fiscal year 2022 return was 17.46%, which created the prior year net pension asset.

Long-term liabilities increased in total by \$12,793,860 from the prior year. This is predominantly due to the issuance of the GO bonds Series 2022 increasing the long-term liabilities by \$7,461,853. Additionally, the net pension liability increased by \$4,237,021 due to the reasons already mentioned.

By far the largest portion of the City's net position \$186,948,626 (64.68%) 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.

Restricted net position, \$3,425,556 (1.19%), entails resources that are subject to external restrictions on how they may be used.

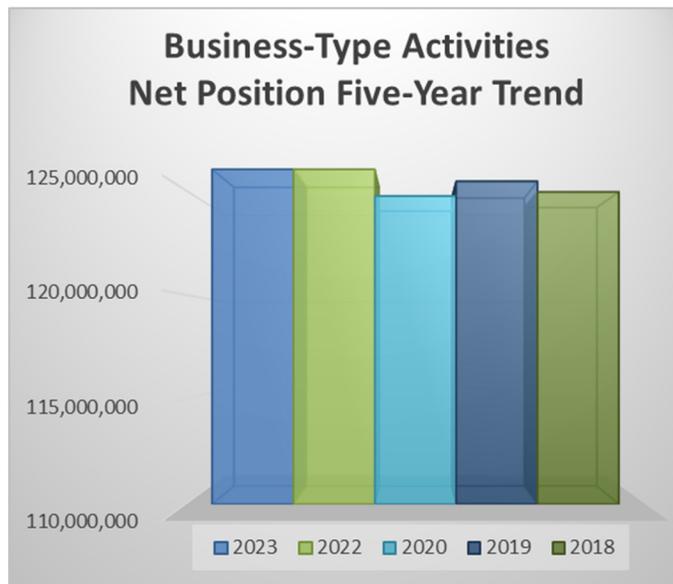
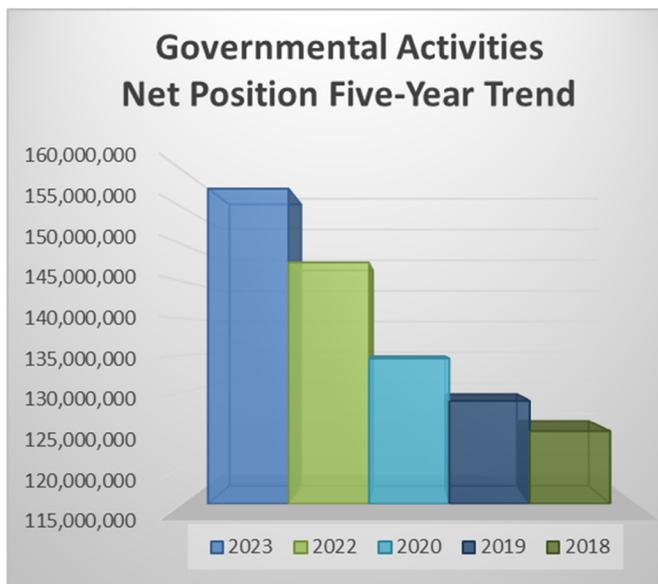
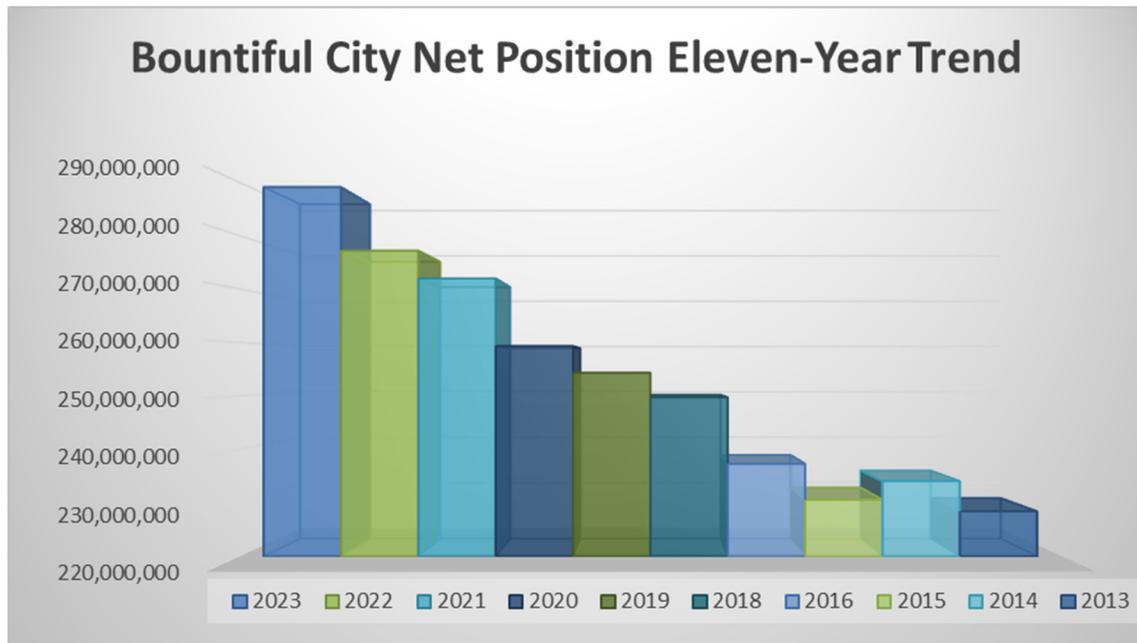
**BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023**

Government-wide Overall Financial Analysis (Continued)

The remaining balance of \$98,664,560 (34.14%) 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 with the exception of the Fiber Fund. The Fiber Fund is in the start-up stages with very little subscriber revenue, so having a negative net position was anticipated.

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, 2023

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 fiscal year ended June 30, 2023, the overall net position of the City increased \$11,889,481 (including a restatement of net position of \$5,029), a 4.29% change, from the prior fiscal year.

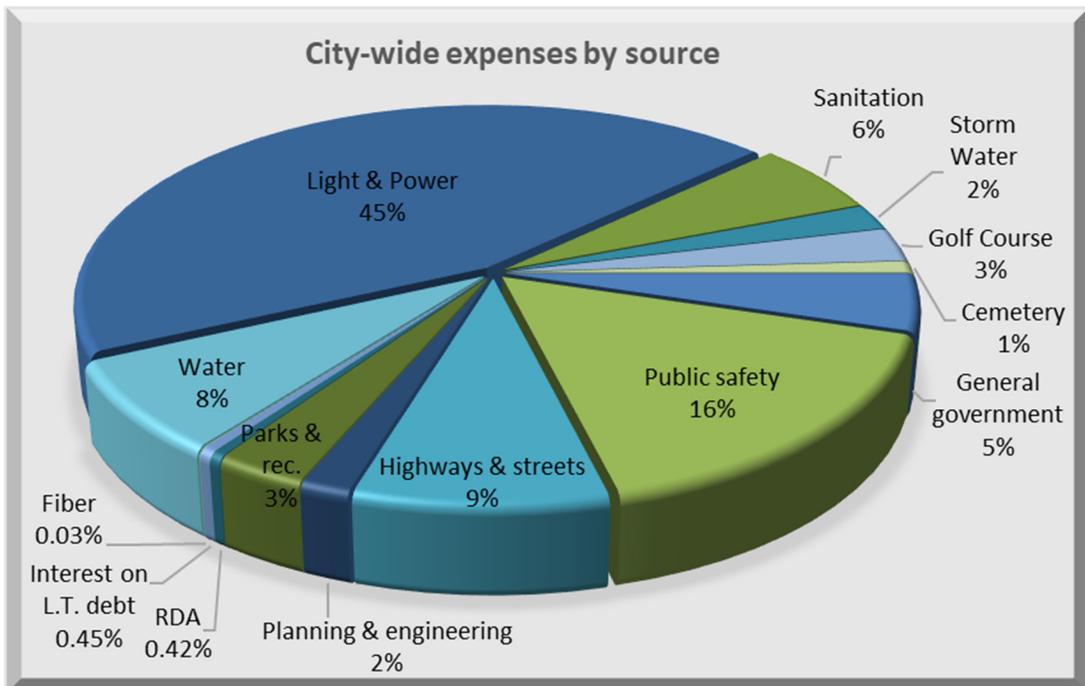
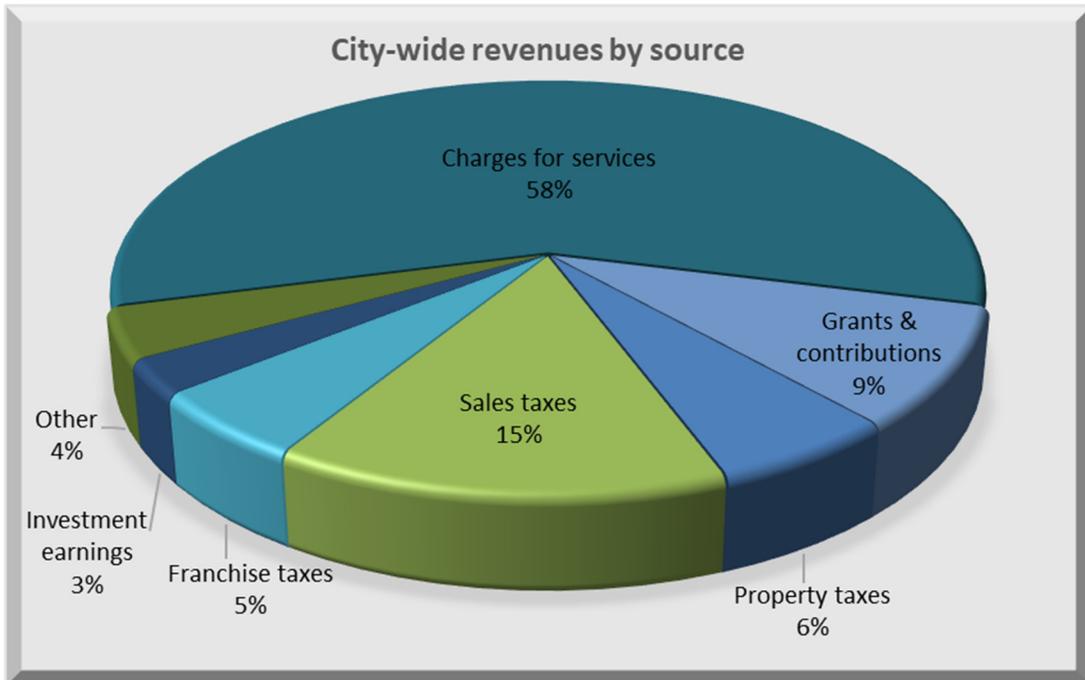
The increase from governmental activities of \$9,951,850 is \$4,729,834 more than the \$5,222,016 increase to net position of fiscal year 2022. The increase from business-type activities of \$1,937,631 is \$1,969,636 more than the net \$32,005 decrease to net position of fiscal year 2022.

Bountiful City Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 1,960,336	\$ 2,176,875	\$ 44,290,555	\$ 41,628,141	\$ 46,250,891	\$ 43,805,016
Operating grants and contributions	6,679,007	6,748,873	-	142,730	6,679,007	6,891,603
Capital grants and contributions	341,331	213,010	478,223	419,375	819,554	632,385
General revenues:						
Property taxes	4,742,917	4,057,728	-	-	4,742,917	4,057,728
Sales taxes	11,643,379	11,471,705	-	-	11,643,379	11,471,705
Franchise taxes	4,313,583	3,770,664	-	-	4,313,583	3,770,664
Other	1,630,058	(129,188)	3,693,007	(384,029)	5,323,065	(513,217)
Total revenues	<u>31,310,611</u>	<u>28,309,667</u>	<u>48,461,785</u>	<u>41,806,217</u>	<u>79,772,396</u>	<u>70,115,884</u>
Expenses:						
General government	3,189,018	3,283,145	-	-	3,189,018	3,283,145
Public safety	11,126,163	9,377,051	-	-	11,126,163	9,377,051
Highways and streets	5,888,282	4,934,614	-	-	5,888,282	4,934,614
Planning and engineering	1,160,009	900,243	-	-	1,160,009	900,243
Parks and recreation	2,136,461	1,868,699	-	-	2,136,461	1,868,699
Redevelopment	283,315	5,239,087	-	-	283,315	5,239,087
Interest on long-term debt	304,921	-	-	-	304,921	-
Fiber	-	-	18,098	-	18,098	-
Water	-	-	5,176,103	4,531,550	5,176,103	4,531,550
Light and Power	-	-	30,471,547	26,988,227	30,471,547	26,988,227
Sanitation	-	-	4,117,748	3,680,104	4,117,748	3,680,104
Storm Water	-	-	1,443,112	1,336,011	1,443,112	1,336,011
Golf Course	-	-	1,915,209	1,695,138	1,915,209	1,695,138
Recycling	-	-	-	581,666	-	581,666
Cemetery	-	-	657,958	571,228	657,958	571,228
Total expenses	<u>24,088,169</u>	<u>25,602,839</u>	<u>43,799,775</u>	<u>39,383,924</u>	<u>67,887,944</u>	<u>64,986,763</u>
Change in net position before transfers	7,222,442	2,706,828	4,662,010	2,422,293	11,884,452	5,129,121
Transfers	2,724,379	2,515,188	(2,724,379)	(2,515,188)	-	-
Increase (Decrease) in net position	9,946,821	5,222,016	1,937,631	(92,895)	11,884,452	5,129,121
Net position - beginning of year	147,537,330	142,315,314	129,611,931	129,643,936	277,149,261	271,959,250
Prior Period Adjustment	5,029	-	-	60,890	5,029	60,890
Net position - end of year	<u>\$ 157,489,180</u>	<u>\$ 147,537,330</u>	<u>\$ 131,549,562</u>	<u>\$ 129,611,931</u>	<u>\$ 289,038,742</u>	<u>\$ 277,149,261</u>

**BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023**

Government-wide Overall Financial Analysis (Continued)

The graphs that follow present fiscal year 2023 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, 2023

Financial Analysis of Governmental Activities

For the period ended June 30, 2023, the City's governmental activities increased the City's net position by \$9,951,850. During the 2023 fiscal year, the governmental activities and operations of the City were mostly unchanged with the exception of some expanded services and asset acquisitions in parks and recreation. In order to finance the new assets a new debt service property tax levy was implemented, and some long-term financing was obtained. There were no other significant changes to the City's fee schedule or financing.

Although there were no significant fee structure or operational changes during the current fiscal year, there were many financial variances from fiscal year 2022. 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 \$4,729,834 more than last year's increase of \$5,222,016 due to the following 4 factors:

1. Fiscal year 2023 reported a net increase in governmental activities revenue of \$3,000,944 from fiscal year 2022, attributed to the underlined reasons below:
 - Charges for services revenue had a net decrease of \$216,539 due to the following 4 factors: **1)** Building permit fee revenue decreased by \$167,691. The current year's permitting fees were fairly normal, it was predominately fiscal year 2022 being so high that led to this decrease. During fiscal year 2022 a building permit was paid for one of the largest residential/mixed use developments for the City in many years (Renaissance Town Center), which was the main reason for the elevated permit fees; **2)** a \$152,974 decrease in zoning and subdivision application fees. The current year did not have any new subdivisions or large-sized applications, so again, this decrease was mainly due to a higher-than-normal prior year; **3)** During the current year the City's Information Technology department increased their software and hardware charges to other departments of the City by \$48,355 to cover expanded services requested and increased costs; **4)** The remaining net increase of \$55,771 came from fairly routine revenue increases across various revenue streams.
 - Operating grants and contributions revenue decreased by a net \$69,866 due to the following 6 factors: **1)** Federal grant revenue through FEMA decreased by \$94,131 in disaster recovery for damage sustained during the September 8, 2020, windstorm that hit the City. The current year had no such grant revenue while fiscal year 2022 had the final reimbursement payments of \$94,131; **2)** \$90,433 reduction in additional miscellaneous Federal grant revenue. The current fiscal year was a fairly routine year with these grants totaling \$13,137. The prior fiscal year was abnormally high with a \$87,445 revenue for a Hazard Mitigation Grant Program (HMGP) award for a fuels reduction project that occurred on September 11, 2021; **3)** Intergovernmental contributed property tax increment revenue for the City's RDA decreased by \$54,177. This revenue has had similar declines each for the past three fiscal years due to how the tax increment is calculated per the Taxing Committee agreement; **4)** State of Utah grant revenue increased by \$63,151 mostly due to increased grant awards for the City's Public Safety Answering Point (PSAP); **5)** \$100,794 increase in transportation sales tax collections and remittances from the State of Utah's road fund allotments and the 0.25% Davis County local-option tax. This is due mainly to fiscal year 2023 generating additional sales taxes; **6)** the remaining net increase in this revenue of \$4,930 is due to various other small and routine fluctuations.
 - Capital grants and contributions revenue increased \$128,321 predominantly due to an increase of developer capital contributions of \$251,852. The current fiscal year had \$281,331 in donated infrastructure (e.g. road, sidewalk, underlying land, etc.) while the prior fiscal year only had \$29,479. In fiscal year 2023 the City accepted the Joe & Bette Eggett subdivision infrastructure after the City provided final inspection/approval and began ownership and maintenance of those assets. Additionally during the current fiscal year, the City did not have any capital grants from the Federal government. In the prior year the City received \$119,021 from a Federal EPA grant to cover 25% of the cost to replace older dump/snowplow trucks with new fuel-efficient trucks. The remaining net decrease to this revenue from the prior year of \$4,510 is the net decrease of various fluctuations in grant revenues.
 - Property tax revenues had an increase of \$685,189. In the November 2020 election the Bountiful City residents approved a bond proposition allowing a \$8 million General Obligation (GO) bond to be issued for the construction of a park and trail system expansion. The bond proposition also authorized a new debt service levy to pay the debt service on the GO bonds over the 20-year life. The current fiscal year was the first year of this new debt service levy and it brought in \$748,493 in property taxes. This property tax increase was offset by a \$63,304 reduced collection on the City's operating tax levy, which is a fairly normal fluctuation in property tax collections due to changes in delinquent tax and fee-in-lieu collections.
 - Sales tax revenues increased \$171,674. This 1.50% increase from 2022 was due to a variety of factors that are difficult to quantify as the State Tax Commission collects all sales taxes charged in the State and then redistributes them based on a 50% point-of-service and 50% population allocation. Overall, the State of Utah and the local

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023

Financial Analysis of Governmental Activities (Continued)

- economy have been very stable throughout the fiscal year and have continued to grow, likely being a contributing factor to the increased revenue. Additionally, throughout fiscal year 2023 there has been significant inflation causing sales prices to exceed where they were in the prior fiscal year with a corresponding increase in sales taxes.
- Franchise tax revenues increased by a net \$542,919 due primarily to increased Municipal Energy Sales and Use (MESU) taxes on electric metered sales (\$371,981) and natural gas sales (\$149,284). As mentioned previously, inflation was very significant throughout the fiscal year and especially in fuel resources causing prices and associated taxes to increase from the prior year. The current year's natural gas MESU tax revenue of \$1,295,459 was the highest recorded and was 40.28% higher than the prior year. The 2022/2023 winter in Utah was also a record year for snowfall and longer than typical winters. This spiked demand for natural gas to heat homes and businesses and the providers also spiked their rates throughout these winter months for the increased demand.
 - Other revenue had a net increase of \$1,759,246 due to these 3 factors: **1)** \$1,196,903 increase in actual investment earnings (i.e., returns before recognition of unrealized losses) across all the governmental funds. This was possible mainly because the investment rates of return were significantly higher than the prior year as the Federal Reserve continued to fight inflation by raising their internal borrowing rate by 350 basis points during the current fiscal year. The city's investment pool overall had actual investment earnings of \$3,012,366 in fiscal year 2023 as compared to \$958,520 in fiscal year 2022, bringing in an additional \$2,045,294 in revenue. Additionally, the governmental funds almost all had increases in their investible cash balances. Across all those Funds the cash and investment balances increased by \$8,931,467 from fiscal yearend 2022 to fiscal yearend 2023; **2)** During the current fiscal year the City's governmental funds recorded a \$387,680 unrealized loss from recording the investments at fair value. This was a \$605,884 decreased loss (positive swing) from the prior year's \$993,564 loss. Unrealized gains or losses reflect the variance between the investment's carrying value and its value if it were to be sold (i.e., fair value). For all of fiscal year 2023, interest rates were rising in the bond market, principally due to the Federal Reserve increasing the internal borrowing rate. The market value of the current-year investments in the City's overall portfolio continued to see devaluation resulting in another fiscal year of a net unrealized loss (\$781,482 over the whole portfolio). This unrealized loss was far better than the prior-year net loss of \$2,054,740 which ultimately drove the fiscal year 2022 investment earnings negative for the first time ever. It should be noted that these unrealized losses are likely only a temporary accounting loss as the City does not intend to sell those investments before maturity nor are the investments likely to default as they are all highly rated; and **3)** \$43,541 net decrease in various miscellaneous revenues that were fairly routine in nature.
2. Fiscal year 2023 reported that governmental activity expenses increased by a net \$1,514,670 from fiscal year 2022 as explained by the following underlined factors:
- General government expenses decreased \$94,127 due to the following **8** factors: **1)** \$173,705 increase in personnel salaries and benefits (excluding pension and paid-time-off (PTO) discussed below) due principally to a City-wide 3% cost of living adjustment (COLA) in wages, earned merit increases to wages, and increased medical insurance premiums (7%); **2)** \$215,405 in increased pension expense (actuarially calculated) resulting from the adjustments to the City's Net Pension liability (NPL). This increase to the NPL was due to the pension plan's investment results. Overall the Utah Retirement Systems (URS) plan assets returned 17% during the prior fiscal year timeframe while in the fiscal 2023 timeframe they had a loss of 5.02% decreasing the entire pension plan assets. This was illustrated by Bountiful's city-wide NPL totaling \$6,205,525 for fiscal 2023 as compared to fiscal 2022 that had a total NPL of \$1,968,504 with a net pension asset for some of the retirement plans of \$4,627,339. This is a negative \$8,864,360 swing between fiscal years. Despite this large setback the URS funded status still ranks in the top 16% of the U.S. public pension plans and is a stable retirement system; **3)** PTO accrued expenses decreased by \$88,985 mostly due to a change in estimating the PTO liability. The current-year PTO liability calculations did not include any retirement burden on the estimated paid leave. Previously management included a retirement burden percentage in the PTO liability, but since pension liabilities are already included in the City's NPL it would be recorded twice if included. The retirement burden percentage used previously was 18.47%, so leaving it out reduced the overall PTO liability. **4)** election expenses decreased by \$74,672 as the current fiscal year did not have the rotating municipal election and the prior fiscal year did; **5)** expenses decreased by \$64,753 due to a revised administrative services charge to enterprise funds to reimburse the General Fund for services provided; **6)** \$239,740 decrease in expenses predominantly due reduced repair costs to the City's various capital assets; **7)** \$85,126 decrease in professional services as the current year had normal service costs while fiscal 2022 had significant costs related to a fiber-optic network feasibility study and a cell signal boosting project; and **8)** \$70,039 net increase in various expenses that were fairly routine in nature.

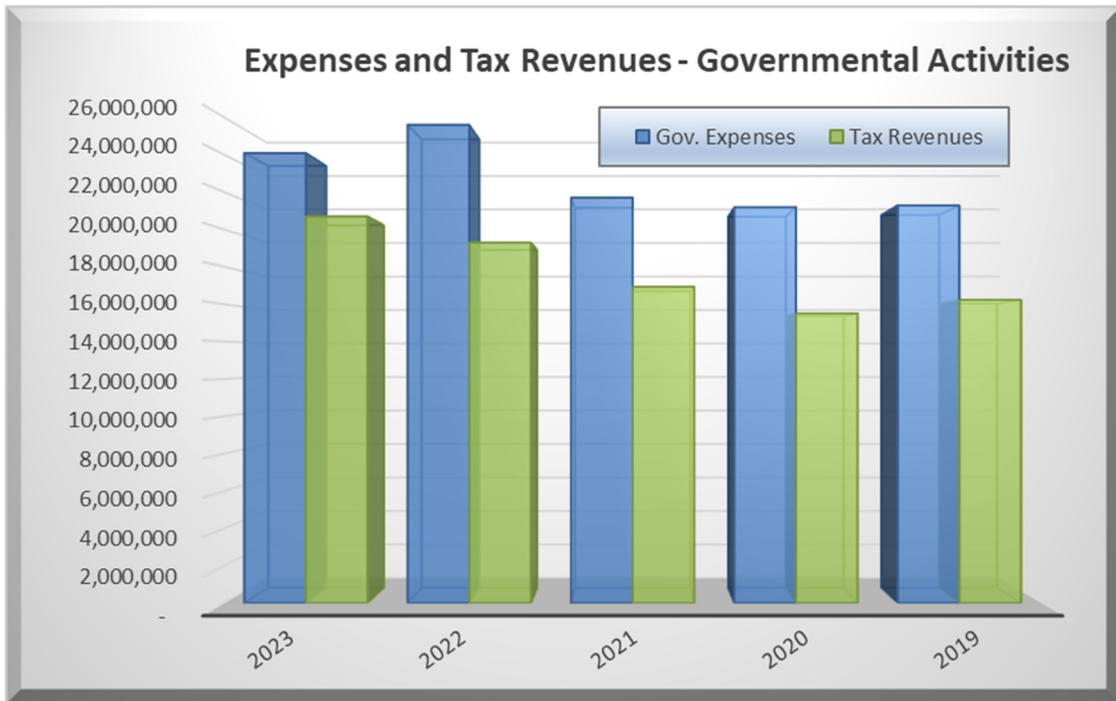
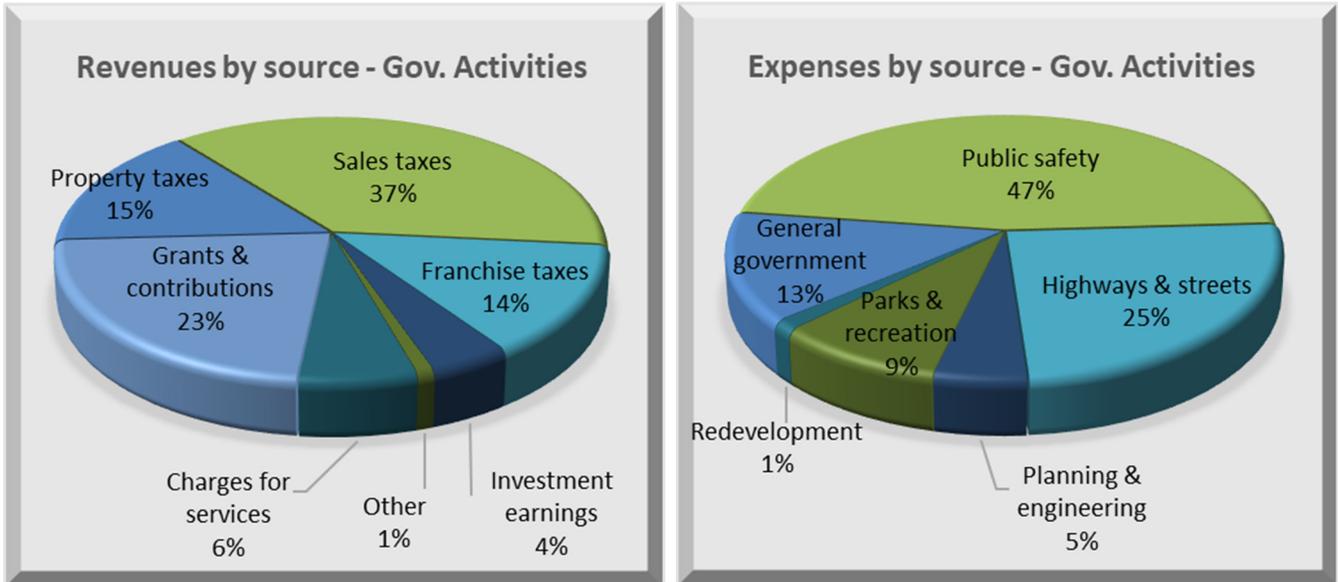
BOUNTIFUL CITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023

Financial Analysis of Governmental Activities (Continued)

- Public safety expenses increased \$1,749,112 due to the following **5** factors: **1)** pension expense increased \$1,214,434 due to the current-year adjustments to the City’s NPL already discussed in General Government expenses section. These changes hit Public Safety expense particularly hard as it is the largest governmental department and the police officer retirement plans have better benefits than most plans thus increasing their cost; **2)** \$451,269 increase in personnel salaries and benefits (excluding pension benefits already discussed and accrued PTO). To begin the current fiscal year there was a City-wide 3% COLA, throughout the fiscal year there were earned 5% merit increases to wages (26 out of 58 full-time employees), and this was the first full fiscal year of market-study wage increases provided mid-fiscal 2022 to all sworn employees ranging from 10% to 20%; **3)** PTO accrued expenses decreased by \$318,643 mostly due to the change in estimating the PTO liability previously mentioned. This was very significant for Public Safety as the fiscal 22 retirement burden percentage used was 50.38% for officers and only 18.47% for non-sworn personnel. So even though Public Safety wages increased this change in estimate reduced the overall accrued PTO expense by \$318,346 from fiscal 2022; **4)** \$284,854 increase in member assessment payments to the South Davis Metro Fire Service Area (SDMFSA) that provides residents fire and emergency medical services. This increase was larger than normal as the SDMFSA purchased a new “station alert system” and passed along those costs to each member entity; and **5)** the remaining net increase to expense of \$117,198 comes from various routine smaller increases and decreases from the prior year.
 - Highways and Streets expenses increased by a net \$953,668 due to the following **6** factors: **1)** \$65,641 decrease in road maintenance expenses due mainly to reduced road striping costs as fewer striping projects were contracted out during fiscal 2023; **2)** \$208,038 increase in personnel salaries and benefits (excluding pension benefits). The increase is due to the 3% COLA, 11 of the 20 full-time employees received a 5% merit increase, and a significant increase in overtime wages. The 2022/2023 winter was a record year for snowfall, the snowplow drivers were called out so frequently that the City paid \$111,429 in overtime just from the end of December 2022 through February 2023, which far exceeded overtime hours in fiscal 2022; **3)** \$172,388 increase in pension expense due to the NPL adjustments already discussed; **4)** \$425,724 increase in road salt purchases for snowplowing. During fiscal 2023 the City purchased \$622,991 in salt, which was the highest recorded; **5)** \$201,939 increase in equipment/vehicle repairs and maintenance and fuel expense. Due to the increased snowplowing the plows had to be repaired more and plow blades replaced more frequently. Additionally, this caused the fuel purchases that totaled \$874,344 for the prior year to jump to \$1,017,792 in fiscal 2023, an increase of \$143,448; and **6)** the remaining \$11,220 net increase from the prior year comes from various fluctuations that were fairly routine in nature.
 - Planning and Engineering expenses had a net increase of \$259,766. This increase was due principally to the abnormally low prior year for personnel expenses. During fiscal 2022 the Planning department was down one full-time employee throughout the entire fiscal year due to turnover and a tight job market. Fiscal 2023 was fully staffed, had the 3% COLA, merit increases, and the large increase in URS pension expense.
 - Parks and recreation expenses increased \$267,762 due to the following **4** factors: **1)** \$140,311 increase in trail and other recreation project expenses that could not be capitalized as they were on US Forest Service land; **2)** \$140,382 was paid in bond issuance costs on the Series 2022 GO bond issued during the current fiscal year. There were no such costs in the prior year; **3)** \$62,091 decrease in personnel expenses as the department was down one full-time position for a few months of the current fiscal year and seasonal help was scarce so less part-time wages were paid; and **4)** a net \$49,160 increase in fairly routine fluctuations in various expenses.
 - Redevelopment expenses decreased \$4,955,772. This large decrease is due predominantly to the RDA providing \$5,000,000 to the developer of the Renaissance Town Center project area (~1500 to 1800 South on Main Street) in the prior year. There was no such grant in the current year.
 - Interest on long-term debt increased \$304,921. On July 7, 2022, the City issued the GO Bonds Series 2022 to finance the construction of Washington Park and trail system expansion. During the current fiscal year the first debt service payments were made on the bonds with the net interest expense totaling \$304,921. There was no bonded debt outstanding during the prior fiscal year.
3. In fiscal year 2023, the transfers from business-type activities to governmental activities increased by \$209,191 from fiscal year 2022. This increase came from additional Light and Power fund subsidy to the General Fund as this subsidy is calculated as 10% of electric metered sales. As electric metered sales increased during the current year so did the subsidy transfer to the General Fund.
4. In the current fiscal year there was a restatement of net position of \$5,029 for the implementation of GASB 96 regarding subscription-based software. In fiscal year 2022 there were no restatements of net position.

**BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023**

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 tax revenue.



Financial Analysis of Business-type Activities

For the period ended June 30, 2023, business-type activities increased the City's net position by \$1,937,631. Near the end of the current fiscal year a new fiber-optic network utility was added to the City's operations. Those operations were accounted for in a new enterprise fund named Fiber. For the remaining enterprise funds there were no significant operational changes during the current fiscal year. Despite the consistency in service offerings, there were many financial variances from fiscal year 2022. 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 \$1,969,636 more than the \$32,005 decrease for fiscal year 2022 due to the following 4 factors:

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023

Financial Analysis of Business-type Activities (Continued)

1. Fiscal year 2023 reported an increase in business-type activity revenue of \$6,655,568 from fiscal year 2022, attributed to the underlined reasons below:
 - Charges for services revenue increased \$2,662,414. This overall net increase is made up of increases from Light and Power of \$2,488,669, Water of \$128,287, Fiber of \$3,104, Golf of \$137,645, and Storm Water of \$122,285. These increases were partially offset with decreases from Sanitation of \$64,961 and Cemetery of \$152,615.
 - The Light and Power increase is due to a significant increase (\$2,483,466 or 9.09%) in Electric Metered Sales (EMS) from the prior year. Fiscal year 2023 EMS (\$29,813,258) was the highest on City record after seeing fiscal 2021 record a new high with fiscal 2022 only slightly lower. The fiscal 2023 EMS revenues were the highest on record mostly due to increased demand for electric power and a 3% rate increase to begin the fiscal year. The City's customer base has remained fairly consistent, and the fiscal 2023 summer/fall weather was fairly typical. The increased demand is believed to be more work-from-home employees, increased home electronics, electric vehicle charging, and the City's only industrial customer not have any significant operational downtime in fiscal 2023 as opposed to fiscal 2022.
 - The Water increase is due to increased metered water sales of \$135,605 (2.56%). This increase was not due to any change in rates or customer base but simply that the prior year was abnormally low. Fiscal year 2022 had culinary water restrictions in place for 25% of City residents that do not access to secondary water. These restrictions were due to a multi-year drought and the restrictions significantly reduced the metered water sales in fiscal 2022. Fiscal 2023 was still not back to pre-restriction metered water sales as residents became more cognizant of water use and the Spring and Summer of fiscal 2023 were very wet.
 - As mentioned, the Fiber utility began during the current fiscal year, so any current-year revenue was an increase from fiscal 2022. In June 2023 the City purchased existing fiber-optic cable and conduit installed by UTOPIA Fiber within City boundaries. The fiscal 2023 revenues came from the June internet charges to the 29 businesses or governmental entities that were utilizing existing fiber lines purchased by the City.
 - The fiscal year 2023 Golf revenues were the highest year on record for admissions/green fees, rental of golf carts, and pro shop merchandise sales. This new record revenue was due to three straight years of increasing admissions and cart fee rates, a new pre-payment requirement for tee-time scheduling, good weather, and fairly consistent demand for golf services. Despite the record revenues, Golf operations still reported a net loss of \$44,256 for the current fiscal year.
 - The Storm Water increase in charge for service revenues was \$122,285 or 6.33%. This increase was anticipated as the rate was increased by 6.06% for fiscal 2023 (Equivalent Residential Unit rate increased from \$8.25 to \$8.75 per month).
 - The Sanitation charge for service revenues had an overall net decrease of \$64,961 (1.65%). There were no rate changes and the City's customer base is very stable. The Fund's revenues that were down were landfill dumping fees. Fiscal 2022 was one of the highest years of dumping fees, so the current year decrease appears to be a return to normal dumping levels by residents.
 - Cemetery charge for service revenues were down by \$152,615 (17.28%). For many years the City Council and staff have seen increasing sales of cemetery plots and interments to nonresidents of the City. This is believed to be happening due to plot availability becoming more scarce in the Salt Lake and Davis County areas. In an effort to preserve cemetery land for residents, the fiscal 2023 nonresident grave opening fees had increases ranging from 11% up to 167%. The fiscal 2023 grave opening fees did drop by \$79,760 from fiscal year 2022; however, some of this decrease was just a natural fluctuation in these types of revenues. The nature of these operations can cause significant swings from one fiscal year to the next.
 - Operating grants and contributions revenue decreased \$142,730 due to the current fiscal year having no operating grants, which is typical for the City's enterprise funds. The fiscal 2022 operating grants all came from the wrap-up payments from FEMA to reimburse damage sustained during the September 8, 2020, windstorm.
 - Capital grants and contributions revenue increased \$58,848 due to these 3 factors: **1)** \$199,963 increase in donations from private developers contributing infrastructure to the City or paying the City to install the required infrastructure that the City will own and maintain. The current fiscal year was closer to normal while fiscal 2022 had relatively few developer projects reaching the donation stage of completion; **2)** \$67,824 decrease in Water and Storm Water impact fee revenue due to reduced projects getting ready for the permitting stage. These revenues do fluctuate based on the construction environment; and **3)** \$73,291 decrease in State grant revenue as the current fiscal year did not have any such revenue. The prior fiscal year had grant revenue for the purchase of a sanitation truck.

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023

Financial Analysis of Business-type Activities (Continued)

- Other revenue had a net increase of \$4,077,036 due to these 4 factors: **1)** \$815,870 increase in actual investment earnings (i.e., returns before recognition of unrealized losses) across all the enterprise funds. This was possible mainly because the investment rates of return were significantly higher than the prior year due to the reasons already explained on page 10 as it is the same as governmental activities. The investment return increases were somewhat reduced from what they could have been as enterprise funds almost all had decreases in their investible cash balances. Across all those funds the cash and investment balances decreased by \$4,990,074 from fiscal yearend 2022 to fiscal yearend 2023; **2)** During the current fiscal year the City's enterprise funds recorded a \$371,658 unrealized loss from recording the investments at fair value. This was a \$634,595 decreased loss (positive swing) from the prior year's \$1,006,253 loss. See explanation for decreased loss on page 10; **3)** Gains on disposition of capital asset increased by \$2,681,551 from the prior fiscal year. Fiscal 2023 had a combined gain on disposition of capital assets of \$2,696,855 as compared to fiscal 2022 with only \$15,304. This \$2,681,551 increase in gain is predominately from the Light and Power Fund. In fiscal 2023 the Light and Power Fund recorded a \$2,709,041 gain on the disposition of two of its natural gas turbine engines at its power generation plant. The two turbine engines had a net book value of \$2,896,549 which was traded-in on the purchase of two new turbine engines for a value of \$5,605,590. This resulted in the gain of \$2,709,041. The trade-in credit was so high because the company wanted to study the engines due to the unique utilization by the City as compared to other turbine customers; and **4)** \$54,980 net decrease in gain-on-disposition revenues that were routine fluctuations based on asset lifecycles.
- 2. Fiscal year 2023 reported that business-type expenses increased by \$4,415,851 from fiscal year 2022 as explained by the following underlined factors:
 - The Fiber fund's initial year of operating expenses totaled \$18,098. These included \$10,897 of depreciation expense from the purchased fiber lines and \$7,201 in accrued interest expense on the interfund payable.
 - The Water fund expenses increased \$644,553 due the following 5 factors: **1)** \$262,469 increase in personnel wage and benefit expense. The majority of that increase (\$142,703) came from increased pension expense already explained in the General Government expenses section on page 10. The remaining \$119,766 increase coming from the 3% COLA, 8 of 15 employees getting a 5% merit increase, and increased OT due to water leaks; **2)** Fiscal 2023 had \$199,500 more materials and supplies expenses than the prior year. This was due principally to \$198,682 more in water meter purchases than in fiscal 2022. In fiscal 2023 the department started a project to change out water meter lids from metal to plastic. Additionally, they are replacing expensive more frequently 1 inch and larger meters that are more far expensive; **3)** Current fiscal year had \$152,677 more in vehicle, equipment, and water system repairs than fiscal year 2022. This a fairly routine fluctuation; **4)** general and administrative expenses increased by \$67,731. Fiscal 2023 utility expenses were \$89,928 higher than the prior year due to: increased natural gas bills, the City's 3% increase in power rates with increased kwh used, and fiscal 2022 was an abnormally low fiscal year in regards to power use as well pumps were run less due to reduced demand with the drought water restrictions; and **5)** a net \$37,824 decrease in fairly routine swings to various operating expenses.
 - The Light and Power fund expenses increased \$3,483,320 due to the following 7 factors: **1)** electric power purchases increased by \$3,089,797 (23.22%) from fiscal 2022, which was already one of the highest on record. The power market continues to charge extremely high prices during peak hours and the hot months. The City's power purchase avenues were again limited in the current year, forcing many purchases off the regular power market. The City's ability to purchase power through its access to the Colorado River Storage Project (CRSP) declined in fiscal 2023 from an already decades low fiscal 2022. Drought and regulation made this hydro-power resource less able to supply power. This, along with delays in the City's solar-power resource projects has required the city to seek alternate, more expensive, power resources as demand was still very high (as discussed in the revenue section it was highest EMS ever). During fiscal 2023 the city had to call back even more of its power from the Intermountain Power Project (IPP) as compared to fiscal 2022 when it first began drawing back power that it normally sells to California cities. The City also had to increase its power purchases off the market (through UAMPS) at extremely high rates during peak months and hours of the day. Significant inflation also affected the power market driving kWh rates much higher than they were in fiscal 2022. This combination of limited cheap power, inflated kWh rates, and greater reliance on the power market skyrocketed the City's power costs in fiscal year 2023; **2)** Power generation costs increased \$1,423,626 (58.57%) from an already abnormally high fiscal 2022. Natural gas rates spiked during the 2022/2023 winter as demand was abnormally high with a very long winter recording record snowfall, this made natural gas purchases far more expensive for the City's natural-gas fired power plant. During this timeframe (November-March) the Power fund paid \$811,475 more in fiscal 2023 than in fiscal 2022. It was also due to the need to run the natural gas turbines for longer periods of time trying to avoid purchasing power off at the high

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023

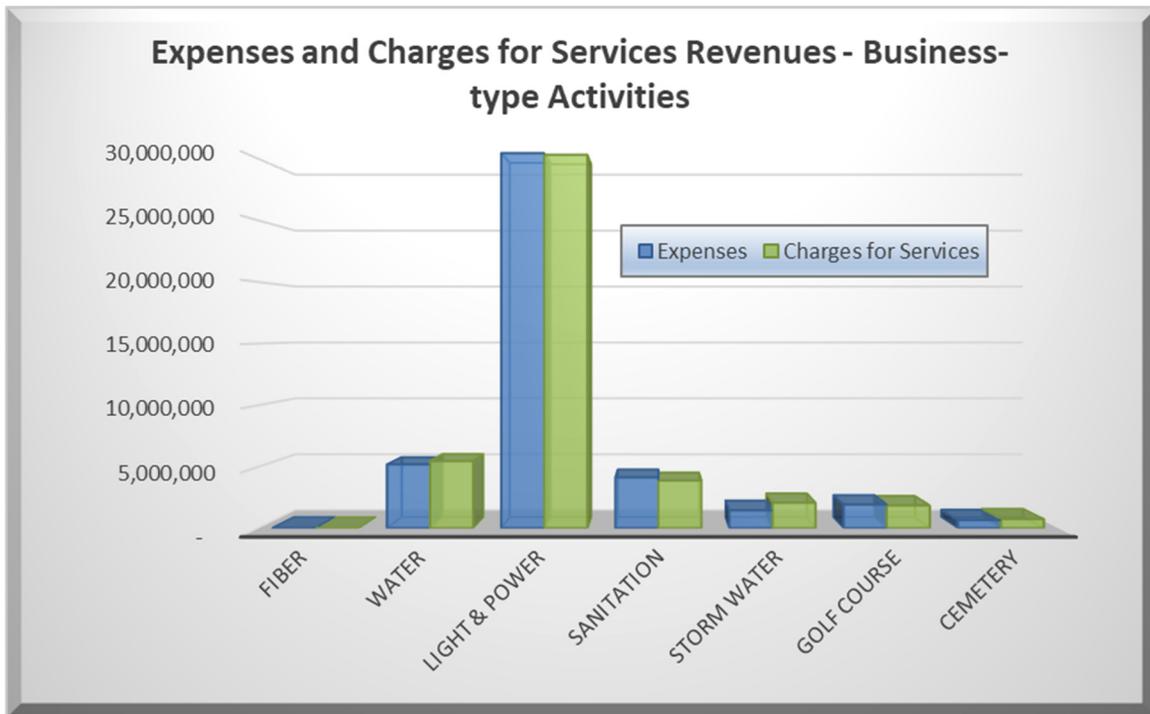
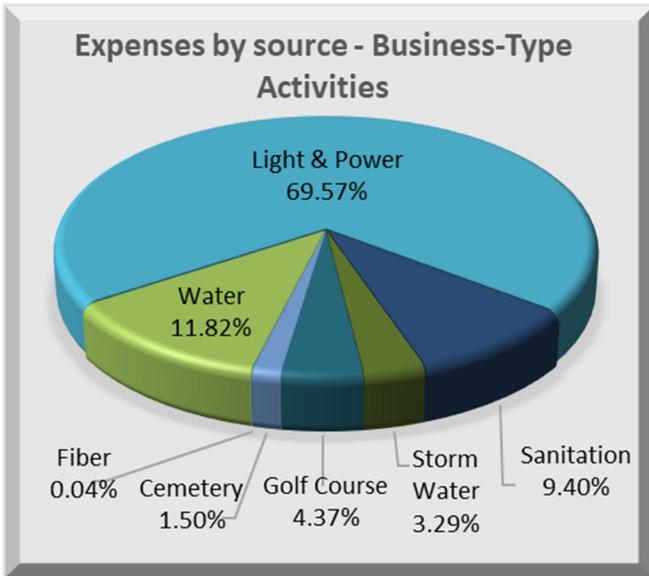
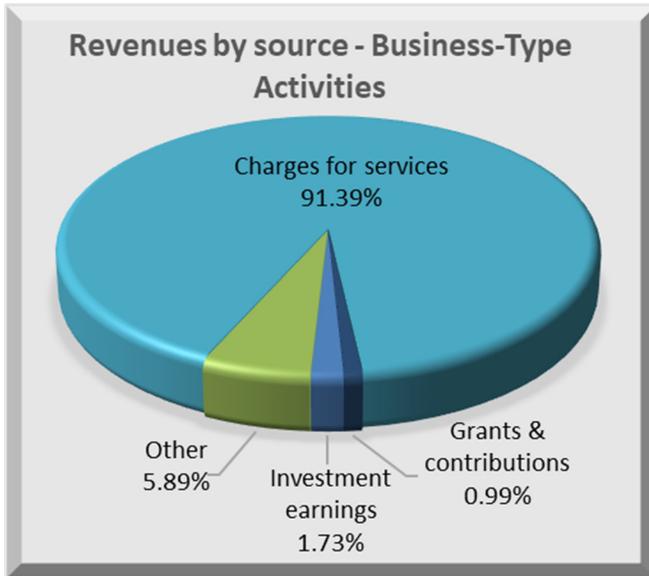
Financial Analysis of Business-type Activities (Continued)

- market rates; **3)** \$379,407 increase in personnel wages and benefits due predominately to the pension expense increase of \$378,123 for the reasons already explained; **4)** repairs and maintenance expense decreased \$275,372. This is mostly due to reduced repair costs at the City's hydro generation plant at Echo Reservoir. In fiscal 2022 the hydro turbines needed their thrust bearings replaced costing nearly \$300,000. Some of that reduced expense from fiscal 2022 was offset by an increase in payments for contracted tree trimming (\$109,944 more than fiscal 2022); **5)** general and administrative expenses increased by \$100,753 mostly due to increased administrative services charges from the General Fund during the current fiscal year; **6)** amortization expense dropped by \$1,171,687 as the current fiscal year did not have any San Juan Power Plant intangible asset amortization (\$1,212,235) as it was fully amortized by the end of fiscal 2022; **7)** the remaining \$63,204 net decrease in Light and Power operating expenses is due to fairly typical fluctuations that are too small and numerous to warrant further explanation.
- The Sanitation fund expenses (including the Recycle Fund that was reported separately in fiscal 2022) decreased by a net \$144,022 due to the following 4 items: **1)** \$308,126 net increase in personnel wages and benefits. The current year had increased pension expense of \$103,237. Additionally, beginning in December of 2022 the Sanitation Fund did not renew contracted recycle collection services and took those services in-house as it could save money and already was performing refuse collection operations. Two new full-time employees were hired and reserve refuse collection trucks were repurposed to be recycle trucks. The personnel expenses for these two new employees from December of 2022 to June of 2023 added an additional \$84,840 to the personnel expenses. The remaining \$111,717 increase personnel expenses came from the 3% COLA and merit increases for the rest of the employees; **2)** repair and maintenance expenses had a net decrease of \$202,354. The principal portion of that decrease (\$322,763) pertained to the prior fiscal year being abnormally high due to landfill closure/post closure expense. In the prior year significant changes in the landfill closure/post closure cost estimates increased the closure liability with a corresponding increase to expense. The partially offsetting increase in repair and maintenance expense of \$120,409 was predominately due to the new costs of recycle collection trucks; **3)** \$287,351 decrease in contractual and professional services expense. This was mostly due to a \$203,370 decrease in contracted recycle collection fees as the City only paid five months of those fees and then began the in-house collection. Additionally, contracted green waste grinding at the landfill decreased by \$71,216 as the prior fiscal year was abnormally high due to the remaining debris from the September 2020, windstorm; and **5)** a net \$37,557 increase in other operating expenses that are fairly routine transactions too numerous and small to discuss.
- The non-major enterprise fund expenses increased \$413,902. This increase is broken down by fund as follows: Storm Water \$107,101 (8.02% increase), Golf Course \$220,071 (12.98% increase), and Cemetery \$86,730 (15.18% increase) decrease. Each of these funds saw personnel expenses increase due primarily to the change in the net pension liability. The Golf fund had an unusual, but ongoing, operating expense increase for irrigating water. The Bountiful Irrigation District changed their rate structure for large parcel properties, so the Golf irrigation bill went from \$26,430 in fiscal 2022 to \$81,559 in fiscal 2023 (\$55,129 increase). All other expense changes for these funds from the prior year are fairly normal operational cost fluctuations and need no further discussion.
3. In fiscal year 2023, the transfers out from business-type activities to governmental activities increased by \$209,191 from fiscal year 2022. This increase came from increased Light and Power fund subsidy to the General Fund as this subsidy is calculated as 10% of electric metered sales. As electric metered sales increased during the current year so did the subsidy transfer to the General Fund.
4. In the current fiscal year, there were no restatements of net position for business-type activities. In the prior year a \$60,890 restatement of net position was recorded during the process of implementing GASB 87, *Leases*. The accounting for that standard necessitated an increase to net position, which caused the.

**BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023**

Financial Analysis of Business-type Activities (Continued)

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



BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023

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, 2023, the City's governmental funds reported combined ending fund balance of \$58,530,852, increase of \$13,904,273 from the prior year ending fund balance. Of the current year fund balance, \$56,150,481 (95.93%) is available for spending; however, \$31,387,474 (53.63%) has been committed by the City Council for financial reserves and \$24,374,395 (41.64%) has been assigned by the City Manager for subsequent years' capital expenditures and other specified uses, leaving an unassigned amount of \$388,612 (0.66%). The remaining \$2,380,371 (4.07%) of fund balance is not available for spending because it is legally restricted by parties outside the City or is nonspendable in form (i.e., prepaids).

General Fund Analysis

The General Fund is the City's chief operating fund. At the end of the current fiscal year, fund balance of \$7,067,680 in the General Fund was segmented as \$6,664,000 in committed, \$14,738 in nonspendable, \$330 in assigned, and \$388,612 in unassigned. The General Fund's largest portion of fund balance is committed by a reserve policy adopted by the City Council. That committed balance is to be limited in use to unanticipated and non-recurring needs. It is important to note that the State of Utah does not allow the City's General Fund to maintain a fund balance in excess of 35% of the fund's total revenues. To maintain that maximum requirement, sales taxes are allocated to the Capital Projects Fund that otherwise could have been recorded in the General Fund. A complete analysis of the General Fund's fund balance should also consider the balance in the Capital Projects Fund.

During the year ended June 30, 2023, the fund balance of the General Fund increased by \$1,327,776. This represents a positive 23.13% change in fund balance. The current year increase is a \$2,148,559 increase from the prior fiscal year's \$820,783 decrease to fund balance. This change from fiscal year 2022 is due to the following 3 reasons:

1. General Fund revenues increased by \$3,800,516 from fiscal year 2022, attributed to the following underlined factors:
 - \$3,722,610 increase in tax revenue from the following 3 sources: 1) \$83,536 decrease in property tax revenue from fairly common swings in delinquent taxes and fee-in-lieu collections; 2) \$3,263,227 increase in sales tax due to the General Fund receiving a much larger allocation of the City's overall sales tax dollars in the current year. As mentioned previously, in order to keep the General Fund fund balance within statutory limits sales taxes are recorded in the Capital Projects fund. During the current fiscal year the General Fund expenditures increased by \$1,881,168 (increase predominantly from the Public Safety (\$936,010) and Highway and Streets (\$771,119) departments), thus necessitating more of the sales tax dollars remain in the General Fund in order to operate.; and 3) Franchise taxes increased by \$542,919 tax due primarily to increased Municipal Energy Sales and Use (MESU) taxes on natural gas and electric metered sales. Natural gas MESU taxes increased by \$371,981 due to spiked demand driving up natural gas rates/sales from a record snowfall year that extended the winter. Electric metered MESU taxes increased by \$149,284 due to a 3% rate increase by the Light and Power Fund and increased demand for electricity (fiscal 2023 was a record year for electric metered sales at the City).
 - \$175,436 decrease in licenses and permits revenue due mainly to fairly typical revenues in the current fiscal year compared against a very high prior fiscal year. The fiscal 2022 permitting fees were unusually high due to one of the largest developments for the City in recent years (Renaissance Town Center - mixed residential and commercial project).
 - \$15,436 decrease in intergovernmental revenue due to the following 3 reasons: 1) a \$100,794 increase in 0.25% Davis County transportation tax and "Class B&C Road" allotment from the State. These are both sales tax derived contributions to the City so the increase is mainly due to the overall increase in sales taxes; 2) \$121,413 net decrease in Federal and State grant revenue. See page 9 of this report for more detailed description of this change in operating grant revenue; and 3) a net \$5,183 increase in various other fairly routine swings in grant and contribution revenue.
 - \$47,644 decrease in charges for services revenue principally due to a fairly normal fluctuation in subdivision permitting and land use application fees.
 - \$316,422 net revenue increase in all other General Fund revenues. This net increase comes from: increased investment earnings (\$167,349), decreased unrealized loss from recording investments at fair value (\$160,994), and a remaining net decrease in various other miscellaneous revenues that tend to have slight fluctuations from year-to-year (\$11,921).

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023

Financial Analysis of Governmental Funds (Continued)

2. General Fund expenditures increased by \$1,881,168 from 2022 attributed to the following underlined factors:
 - General government expenditures had an increase of \$40,252. These changes were outlined on page 10 of this report under the bullets **1), 4), 5),** and **7)** with the remaining net increase of \$78,860 coming from routine fluctuations in various other operating expenditures. Bullets **2), 3),** and **6)** only pertain to accrual accounting adjustments that are not applicable in the governmental accounting for the General Fund.
 - Public Safety expenditures increased \$936,010. The majority of this net increase was outlined on page 11 of this report under the bullets **2)** and **4)**. The remaining net increase of \$45,460 comes from fairly routine fluctuations in various other operating expenditures.
 - Highways and streets expenditures increased \$771,119. The majority of this net increase was outlined on page 11 of this report under the bullets **1), 2), 4)** and **5)**. The remaining net increase of \$17,176 comes from routine fluctuations in various other operating expenditures.
 - Planning and engineering expenditures increased \$170,840. The majority of this increase was outlined on page 11 of this report explaining the personnel expenditures increase. The other increase of \$36,660 comes from routine fluctuations in various other operating expenditures.
 - Parks and recreation expenditures decreased \$37,053 due mostly to a \$62,091 decrease in personnel expenses as the department was down one full-time position for a few months of the current fiscal year and seasonal help was scarce so less part-time wages were paid. This was partially offset by a \$40,896 increase in payments to Bountiful Irrigation for park watering. The remaining net decrease of \$15,858 comes from other fairly routine operating expenditure fluctuations.
3. In fiscal year 2023, the transfer in (other financing source) was \$229,211 higher than in 2022. The increase from 2022 was due to 2023 having a one-time transfer in of \$20,020 from the Debt Service Fund to close out its prior transactions before a new issuance. Additionally, the transfer in from the Light and Power Fund was \$209,191 higher than the prior year due to increased electric metered sales. This subsidy transfer is based on 10% of those electric metered sales.

Capital Project Fund Analysis

The Capital Projects Fund has a total fund balance of \$42,733,185, 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, 2023, the fund balance in the Capital Projects Fund increased by \$11,719,053 or 37.79%. This Capital Projects fund balance increase was \$5,156,804 more than last fiscal year's increase of \$6,562,249 due to the following **5** reasons:

1. Capital Project fund revenues decreased \$1,976,421 from fiscal year 2022 attributed to the following **5** factors: **1)** \$3,102,117 decrease in sales tax revenue due mostly to the General Fund receiving a much larger allocation of sales tax to operate; **2)** \$360,707 decrease in unrealized loss on the fair value of the City's investments for reasons previously explained; **3)** \$874,161 increase in investment earnings due to increased interest rates and investible cash through much of the current year; **4)** \$119,021 decrease in Federal grant revenue as the current fiscal year did not have any grant revenue; and **5)** \$9,839 net decrease in revenues that routinely fluctuate and are too small to warrant further discussion.
2. Capital Project fund expenditures increased \$2,129,484 from fiscal year 2022 attributed to the following underlined factors:
 - General government capital outlay expenditures increased a net \$2,094,332 due to the following **4** reasons: **1)** increased improvement other-than-buildings expenditures of \$2,964,324 from fiscal year 2022 due to Washington Park construction occurring mostly during fiscal 2023 while fiscal 2022 was just the beginning costs for that project; **2)** decreased land expenditures of \$874,101 from fiscal year 2022 as the current year had no land purchases; **3)** the current fiscal year increased public art expenditures by \$58,932; and **4)** \$54,823 decreased capital expenditures across several departments that were routine changes in capital purchases.
 - Public Safety capital outlay expenditures decreased \$466,345. The current fiscal year Public Safety capital expenditures were the routine vehicle purchases. The prior year expenditures were abnormally large with a building chiller replacement and significant software implementation costs.
 - Highways and Streets capital outlay expenditures decreased \$209,278. This decrease was a fairly normal capital expenditure fluctuation. Machinery and equipment purchases decreased \$248,756 just due to asset retirement cycles. Road expenditures had a net increase of \$69,690, which is pretty routine as old road projects finalize and new ones begin. The remaining net decrease of \$30,212 was due to normal capital expenditure fluctuations.

BOUNTIFUL CITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023

Financial Analysis of Governmental Funds (Continued)

- Parks and recreation capital outlay expenditures increased \$710,259. Fiscal year 2023 was the first full year of the City’s new trails operation within the Parks and recreation department. The trails expenditures increased by \$542,553 from the initial year of operation as projects went from design phase to actual construction. Fiscal 2023 had a unique expenditure of \$140,382 for the bond issuance costs on the GO Bond issuance. The remaining net increase in Parks and recreation expenditures of \$27,324 is the result of fairly routine cost fluctuations in regular asset replacements.
- The remaining increase in expenditures of \$516 comes from increased bank and investment fees.
- 3. Capital Project fund’s transfer in increased \$391,640 due to increased RAP Tax revenues available to transfer for prior fiscal years expenditures in the Capital Project’s fund for Creekside Park and Town Square. This transfer amount varies from year-to-year depending upon what is built into the budget or available in RAP Tax fund balance.
- 4. During the current fiscal year, there was an \$8,834,837 increase other financing source revenue from 2022. In fiscal 2023 the City received General Obligation (GO) bonds proceeds of \$7,994,837 and note payable proceeds of \$1,000,000. There was only \$160,000 in a “good-faith” payment recorded during the prior fiscal year.
- 5. Gain on sale of capital assets increased \$36,232, which is a fairly routine swing in this revenue due to asset retirement cycles.

Redevelopment Fund (RDA) Analysis

The RDA has a total fund balance of \$5,038,157, all of which has been assigned by the City Manager for eligible redevelopment projects. During the year ended June 30, 2023, the fund balance in the RDA fund increased \$1,066,932 or 26.87%. This increase was \$5,362,317 more than last fiscal year’s decrease of \$4,295,385. The \$5,362,317 increase from the prior fiscal year consisted of the following 2 items:

1. RDA fund revenue increased \$70,417 from fiscal year 2022 attributed to the following underlined factors:
 - Intergovernmental property tax increment contribution revenue decreased \$54,177. This decrease is a function of the RDA’s agreement with the taxing entities that levy the tax and has Davis County remit the increment to the RDA. The calculations are such that in years where there is little new growth in the redevelopment area, a slightly reduced tax increment is anticipated. Such has been the case for several fiscal years.
 - Investment earnings revenue increased \$115,406 due to: 1) \$73,211 increase in investment earnings due to higher average interest rates, and a \$42,195 decrease in unrealized loss on investments for the same reasons already explained with other funds of the City.
 - Miscellaneous revenue increased \$9,188 from several routine swings in miscellaneous revenues.
2. RDA fund expenditures decreased \$5,291,900 from fiscal year 2022 attributed to the following underlined factors:
 - Special RDA project expenditures decreased \$4,960,667. This significant decrease was outlined on page 11 of this report (Renaissance Town Center development grants).
 - RDA business loan expenditures decreased \$330,000 as the current year had no RDA loans as opposed to the prior year with the loan to aid the Renaissance Town Center development.
 - The remaining decrease in expenditures of \$1,233 is the net result of other routine transactions too numerous and small to warrant further explanation.

The non-major governmental funds had the following current year changes in fund balance: Landfill Closure increase of \$34,281, RAP Tax decrease of \$377,122, Cemetery Perpetual Care increase of \$134,374, and Debt Service decrease of \$1,021. The RAP Tax and Debt Service Fund current year losses were planned spend-downs of fund balance through the budgeting process.

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 through 15.

Unrestricted net position, or the amount available for spending, of the Fiber, Water, Light and Power, and Sanitation Funds (all Major Funds) at the end of the current year were \$3,104, \$5,875,881, \$21,316,041, and \$11,183,624, respectively. The changes in total net position from fiscal year 2022 for those same funds were: loss of \$14,994, income of \$464,040, income of \$843,858, and income of \$97,652, respectively.

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023

Financial Analysis of Proprietary funds (Continued)

The other four nonmajor enterprise funds each ended the current year with positive unrestricted net position. The non-major enterprise funds had the current year changes in net position as follows: Storm Water income of \$724,563, Golf Course decrease of \$44,256, and Cemetery income of \$95,203.

General Fund Budgetary Highlights

During the year there were increases in appropriations between the General Fund's original and final amended budgeted expenditures totaling \$797,000 for the following departments:

1. Legislative - \$72,000. Additional legal consultation costs leading up to an agreement with UTOPIA Fiber.
2. Legal - \$28,000. Various operating expenditures estimated to exceed original budget. The largest of those expected overruns was \$15,000 for additional fees from a contracted public defender due to increased case loads.
3. Executive - \$6,000. The original budget for personnel expenditures was estimated to not be sufficient and an amendment was authorized but ultimately not needed.
4. Information Technology - \$39,000. Replacement firewall equipment that was unanticipated in the original budget.
5. Fire - \$107,000. Unbudgeted charge from the Fire District for new alert system.
6. Highways and streets - \$545,000. Unbudgeted road salt and plow supplies/repair expenditures due to record snow year.

The General Fund *Budget and Actual* statement presents the original and final budget amounts as well as how those compare to the current year actual expenditures. That statement can be reviewed on page 31 of this report.

Each year the City seeks to adopt budgets for revenues and expenditures that will be conservative estimates of what will ultimately transpire. Due to a variety of factors, revenues and expenditures will vary from the final budget. For the fiscal year 2023, the following analysis is offered as explanation of significant variances greater than \$150,000:

1. Actual sales tax revenues allocated to the General Fund were lower than the final budget by \$3,403,748 due to a sales tax revenue reallocation between the General Fund and the Capital Projects Fund. The General Fund budget did not include the \$2,602,590 in Federal COVID-19 recovery grant revenue (ARPA) that was received allowing more sales tax dollars to be allocated to the Capital Projects Fund. The final sales tax budget was not adjusted to reflect the reduced need leaving the unfavorable budget to actual variance.
2. The franchise tax revenue was budgeted based on conservative average collections over the recent past. Actual revenues were higher than the final budget by \$743,583. This favorable variance was principally due to franchise taxes from natural gas and electric metered sales coming in much higher than budgeted (see page 10 for further information).
3. Actual intergovernmental revenues came in \$3,073,958 higher than the final budget for the following reasons:
 - During fiscal year 2023 the City received \$2,602,590 in American Rescue Plan Act (ARPA) grant funding as part of the pandemic response. There was no budget set for that revenue creating the positive budget variance.
 - The "Class B&C" road funds from the State and the 0.25% County-option transportation sales tax came in \$302,922 higher than budget. This favorable variance was due to conservative budgeting philosophy amplified by an unanticipated increase in sales taxes. Both of those revenues are derived from sales taxes.
 - Miscellaneous State grants were budgeted at \$2,500 with only fairly routine public safety grants in mind. Actual miscellaneous grants came in at \$170,674 creating a positive variance of \$168,174. This favorable variance came predominantly from unbudgeted grants of \$128,000 from the Utah Communications Authority.
 - The remaining \$272 positive variance between actual and budget is the net result of routine fluctuations of a variety of smaller grant and intergovernmental sources.
4. The investment earnings revenue was budgeted based on conservative average collections over the recent past. Actual revenues were higher than the final budget by \$176,986. This favorable variance was principally due to average interest and investment rates being much higher than anticipated during the budgeting process.
5. The Public Safety department budget of \$9,494,470 was underspent by \$490,689 principally due to excess personnel budget of \$381,266 and excess telephone budget of \$105,060. The personnel variance was not due to changes in quantity of employees but mostly due to overestimating employee medical coverage and URS pension payments.
6. The Highways and streets department budget of \$5,120,560 was underspent by \$306,781 due principally to remaining street repair/maintenance budget. The department was unable to perform as many street concrete repairs and overlay/treatment projects as had been anticipated in the budgeting process. A partially offsetting overspent area was equipment supplies and maintenance due to a record snow season with increased snowplowing, thus repairs and fuel costs.

**BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023**

General Fund Budgetary Highlights (Continued)

7. The Parks and recreation department budget of \$1,420,815 was underspent by \$176,350 due principally to underspent personnel expenditures due to far less seasonal help than budgeted and the vacancy in the Assistant Parks Director position for multiple months. There were some offsetting budget overruns in utility expenditures as the new Town Square and Washington parks incurred higher than anticipated electric power and culinary water costs. Additionally, irrigation water expenditures exceeded budget due to Bountiful Irrigation rate changes for large parcels of land.
8. The transfer in revenue came in \$294,399 higher than the final budget due to electric metered sales coming in much higher than anticipated. This subsidy transfer is 10% of electric metered sales.

Capital Asset and Debt Administration

Capital assets

The City's investment in capital assets for its governmental and business-type activities on June 30, 2023, amounts to \$200,650,979 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, intangible asset power contracts and lease agreements, vehicles and equipment, furniture/fixtures/office equipment, streetlights, service lines, sidewalks, curb and gutter, roads, and similar infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$13,197,342 (change coming from a \$3,632,611 increase for governmental activities and a \$9,564,731 increase for business-type activities). Major capital asset activity during the current fiscal year has been summarized in the following two tables:

Bountiful City Capital and Intangible Assets (Net of depreciation & amortization)						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 56,983,185	\$ 56,808,185	\$ 9,029,944	\$ 9,029,944	\$ 66,013,129	\$ 65,838,129
Infrastructure	16,465,541	16,420,421	39,570,241	37,014,938	56,035,782	53,435,359
Buildings and other structures	14,443,258	15,293,817	12,390,103	13,366,680	26,833,361	28,660,497
Improvements other than buildings	9,025,568	9,490,161	1,512,989	1,641,646	10,538,557	11,131,807
Machinery & equipment	3,196,788	3,384,181	25,418,998	21,637,634	28,615,786	25,021,815
Furniture, fixtures, & office equip.	686,403	774,150	43,735	58,730	730,138	832,880
Construction in progress (CIP)	5,619,545	654,559	4,695,128	360,569	10,314,673	1,015,128
Intangible asset - power projects	-	-	922,595	1,006,467	922,595	1,006,467
Intangible right-to-use leased assets	-	-	609,161	511,555	609,161	511,555
Intangible right-to-use subscr.assets	37,797	-	-	-	37,797	-
Total capital and intangible assets	\$ 106,458,085	\$ 102,825,474	\$ 94,192,894	\$ 84,628,163	\$ 200,650,979	\$ 187,453,637

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023

Capital Asset and Debt Administration (Continued)

Bountiful City Schedule of Capital Asset Current Fiscal Year Additions (Retirements)			
	Governmental Activities	Business-type Activities	Totals
Land under city streets donation - developer contribution	\$ 175,000	\$ -	\$ 175,000
Infrastructure - developer contributions	106,331	30,295	136,626
Motor vehicle purchases	185,423	427,572	612,995
Equipment/machinery purchases	419,278	960,173	1,379,451
Reconstruction of streets, curb, gutter and sidewalk Infrastructure	560,321	-	560,321
Office Furniture and Equipment purchases	64,191	-	64,191
Construction and design costs for Washington Elementary park (Fiscal 2023 CIP)	3,159,925	-	3,159,925
Construction and design costs for a trailhead and a new mountain trails (Fiscal 2023 CIP)	620,889	-	620,889
Design and installation costs for Police Legacy Data access software (Fiscal 2023 CIP)	14,000	-	14,000
Artwork acquisition and installations	52,457	-	52,457
Eagle Ridge Drive extension construction costs (Fiscal 2023 CIP)	1,077,967	-	1,077,967
Cheese Park Pickleball court costs (Fiscal 2023 CIP)	236,685	-	236,685
Replacement of two natural-gas fired turbine engines for City's electric generation plant	-	7,589,778	7,589,778
Water and Storm Water Infrastructure (water mains and storm drains)	-	2,618,807	2,618,807
Existing fiber-optic infrastructure purchased from UTOPIA Fiber	-	850,000	850,000
Fiber-optic network infrastructure (Fiscal 2023 CIP)	-	4,341,000	4,341,000
Light & Power transmission & distribution system/line construction and replacement	-	733,395	733,395
Intangible right-to-use asset - powerline land leases	-	221,619	221,619
Intangible right-to-use asset - subscription-based software leases	48,857	-	48,857
Total current fiscal year additions	\$ 6,721,324	\$ 17,772,639	\$ 24,493,963
Less historical cost of current-year retired assets	(841,870)	(8,360,278)	(9,202,148)
Less current year change in accumulated depreciation	(2,235,783)	360,254	(1,875,529)
Less current year intangible asset reduction and change in accumulated amortization	(11,060)	(207,884)	(218,944)
Total change in capital asset net book value from the previous year	\$ 3,632,611	\$ 9,564,731	\$ 13,197,342

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

Long-term debt

At the end of the current fiscal year, the City had issued General Obligation bonded debt with a par amount of \$7,625,000 and a premium amount of \$529,837. These bonds were issued on July 7, 2022, to finance the purchase of the former Washington Elementary School site, improve it as a City park, and to expand and improve the City's trail system. The City had no other bonded debt outstanding at June 30, 2023.

Bountiful City Outstanding Bonded Debt						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation bonds, Series '22	\$ 7,225,000	\$ 160,000	\$ -	\$ -	\$ 7,225,000	\$ 160,000
Plus unamortized bond premium	503,345	-	-	-	503,345	-
Total	\$ 7,728,345	\$ 160,000	\$ -	\$ -	\$ 7,728,345	\$ 160,000

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

BOUNTIFUL CITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2023

Economic Factors, Next Year’s Budgets and Rates

The City considers regional and national economic forecasts and performs its own management analysis as a component in the process of developing the one-year operating and capital budgets, along with the long-term capital plans of the City. The assumptions in the analysis are reviewed with the City Council as background for decisions about revenue projections and cost allocations. Budgets for fiscal year 2024 were developed based upon the following criteria and assumptions:

1. Economic activity in the State of Utah and the local region was projected to remain strong due to the diverse nature of the State’s economy. No economic downturns were estimated in this budget.
2. Development activity is very minimal within City boundaries. Bountiful continues its movement toward a build-out of housing stock and “maintenance mode” of existing services for the City. Subdivision of existing lots will be the main area of growth for the future.
3. Taxes are the main source of revenue for the governmental funds (66% in fiscal year 2023). For the 2024 budget: 1) Sales tax was projected with an 3.28% increase (\$358,120) from the fiscal year 2023 actual; 2) There was no increase in the general property tax levy rate and those revenues were budgeted flat; 3) Franchise taxes were budgeted with a \$67,000 increase to true up the budget with recent year’s results.
4. The City projected intergovernmental revenues with a \$248,200 increase mostly due to fairly consistent Federal and State grant funding that had not been included in the budget in prior fiscal years.
5. The City budgeted licenses and permits revenue fairly flat.
6. The budget includes a 5% cost-of-living adjustment for personnel and scheduled merit raises per the City’s pay scale for those employees that are eligible.
7. The budget does not include any new full-time employees but does add a part-time employee (Legal/Public Safety).
8. The budget for employee benefits included a 7% increase for the increased premiums for health care coverage.
9. The fiber-optic network is estimated to be approximately 50% installed by the end of fiscal year 2024 at a cost of \$23,250,000. Interest expense on the construction bonds was budgeted at \$2,081,285. Both of these along with some Fiber Fund operating expenses were included in the fiscal 2024 budget.
10. The budget includes inflationary increases in operating costs for energy and general goods and services.
11. The City’s 2023 budgeted expenditures for the Capital Projects Fund totals \$5,188,367. The infrequent projects included in that budget include \$730,000 for the new Trails department to construct various trails included in the master plan project, \$220,000 for emergency generators, \$350,000 for the completion of Washington Park, and \$1,440,000 for the reconstruction of 400 and 300 South roads. The remaining budget of \$2,448,367 comes from Public Safety, Streets, and other department vehicles and other machinery purchases that are fairly routine annual expenditures.
12. 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. For the fiscal year 2024 budget there were three enterprise funds with rate and fees increases that could have a significant impact on enterprise fund revenue as outlined below:
 - i. All Light and Power kilowatt usage rates and fees and associated customer charges were increased by 15%. All connection, deactivation, and deposit rates and fees remained unchanged. The budget for electric metered sales was increased by \$4,746,557 predominately estimated based on that 15% rate increase. This large increase was done based on anticipated power purchase and generation costs as seen during fiscal year 2023.
 - ii. All Water rates for metered water sales increased by 5%. Additionally, a new tier 5 was added for heavy water users (400,000 plus gallons per month) with high rates to encourage water conservation. These increases are the principal reason behind the \$240,000 increase in Water’s operating revenue budget.
 - iii. The new Fiber Fund is anticipated to have residential and non-residential customers. These new rates were adopted in the fiscal 2024 budget. As the fiber network will be built throughout fiscal 2024 and 2025 and total Fiber revenues for fiscal 2024 were budgeted conservatively with only \$181,000 in subscriber revenues.
 - iv. The monthly per can recycle rate was increased from \$3.75 to \$4.00. This is a 6.67% increase; however, the corresponding revenue was budgeted conservatively to only increase 3.47% (\$47,499).
 - v. The Cemetery burial spaces and grave opening fees all had increases with a wider disparity between non-resident and resident rates. Burial spaces were also limited to at-time-of-need. These increases were designed to preserve cemetery space for residents and to cover increased operating costs. Fiscal 2024 operating revenues are estimated to drop due to these changes by \$14,500.

Requests for Information

This financial report is designed to provide a general overview of the City’s finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to the Finance Director or the Assistant Finance Director, Bountiful City, 795 South Main Street, Bountiful, Utah 84010.

BASIC FINANCIAL STATEMENTS

BOUNTIFUL CITY
STATEMENT OF NET POSITION
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 8,803,506	\$ 6,411,193	\$ 15,214,699
Receivables:			
Taxes	6,093,501	-	6,093,501
Accounts, net	406,298	6,098,892	6,505,190
Interest	231,792	210,281	442,073
Intergovernmental	638,213	-	638,213
Leases	242,100	-	242,100
Due from OPEB trust	215	-	215
Due from other funds	5,198,201	-	5,198,201
Investments	42,308,044	30,347,818	72,655,862
Inventories	-	3,555,361	3,555,361
Prepaid expenses	14,738	139,744	154,482
Notes receivable	663,212	-	663,212
Total Current Assets	64,599,820	46,763,289	111,363,109
Noncurrent assets:			
Internal balances	1,839,744	(1,839,744)	-
Notes receivable	1,111,933	-	1,111,933
Leases receivable	1,897,802	-	1,897,802
Restricted assets:			
Cash and cash equivalents	3,122,799	3,388,422	6,511,221
Investments	1,088,750	-	1,088,750
Receivables	535,810	-	535,810
Net other postemployment benefits asset	330,756	200,572	531,328
Capital assets, net:			
Land, land rights, and water rights	56,983,185	9,029,944	66,013,129
Buildings, wells, and reservoirs	14,443,258	12,390,103	26,833,361
Improvements other than buildings	9,025,568	1,512,989	10,538,557
Transmission, distribution, and collection infrastructure	-	39,570,241	39,570,241
Machinery and equipment	3,196,788	25,418,998	28,615,786
Furniture, fixtures and office equipment	686,403	43,735	730,138
Infrastructure	16,465,541	-	16,465,541
Construction in progress	5,619,545	4,695,128	10,314,673
Intangible asset - power projects	-	922,595	922,595
Intangible right-to-use leased assets	-	609,161	609,161
Intangible right-to-use subscription assets	37,797	-	37,797
Total Noncurrent Assets	116,385,679	95,942,144	212,327,823
Total Assets	180,985,499	142,705,433	323,690,932
Deferred Outflows of Resources			
Pensions	2,423,784	1,447,578	3,871,362
Other postemployment benefits plan	13,595	8,243	21,838
Total Deferred Outflows of Resources	2,437,379	1,455,821	3,893,200
Total Assets and Deferred Outflows	\$ 183,422,878	\$ 144,161,254	\$ 327,584,132

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

BOUNTIFUL CITY
STATEMENT OF NET POSITION (Continued)
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Liabilities			
Current Liabilities:			
Accounts payable	\$ 2,033,529	\$ 1,709,155	\$ 3,742,684
Accrued liabilities	527,386	335,203	862,589
Accrued interest payable	1,028	8,535	9,563
Due to other funds	-	5,198,201	5,198,201
Retainage payable - restricted assets	228,805	93,846	322,651
Unearned revenue	8,885	123,228	132,113
Compensated absences	394,494	211,799	606,293
Leases payable	9,472	121,161	130,633
Bonds payable	266,492	-	266,492
Total Current Liabilities	<u>3,470,091</u>	<u>7,801,128</u>	<u>11,271,219</u>
Noncurrent Liabilities:			
Developer and customer deposits - restricted assets	1,082,667	1,071,806	2,154,473
Compensated absences	682,768	473,794	1,156,562
Leases payable	24,592	297,931	322,523
Note payable	1,000,000	-	1,000,000
Bonds payable	7,461,853	-	7,461,853
Accrued landfill closure - restricted assets	-	2,099,542	2,099,542
Net pension liability	5,416,573	788,952	6,205,525
Total Noncurrent Liabilities	<u>15,668,453</u>	<u>4,732,025</u>	<u>20,400,478</u>
Total Liabilities	<u>19,138,544</u>	<u>12,533,153</u>	<u>31,671,697</u>
Deferred Inflows of Resources			
Deferred revenue-property taxes	4,151,240	-	4,151,240
Deferred revenue-lease payments	2,139,902	-	2,139,902
Pensions	430,817	34,153	464,970
Other postemployment benefits plan	73,195	44,386	117,581
Total Deferred Inflows of Resources	<u>6,795,154</u>	<u>78,539</u>	<u>6,873,693</u>
Net Position			
Net investment in capital assets	98,466,871	88,481,755	186,948,626
Restricted for:			
Landfill closure	927,160	-	927,160
Debt Service	19,997	-	19,997
Regulatory required insurance deposit	528,595	-	528,595
Other postemployment benefits	330,756	200,572	531,328
Trials construction	1,418,476	-	1,418,476
Unrestricted	55,797,325	42,867,235	98,664,560
Total Net Position	<u>157,489,180</u>	<u>131,549,562</u>	<u>289,038,742</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 183,422,878</u>	<u>\$ 144,161,254</u>	<u>\$ 327,584,132</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, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities							
General government	\$ 3,189,018	\$ 503,083	\$ 13,137	\$ -	\$ (2,672,798)	\$ -	\$ (2,672,798)
Public safety	11,126,163	849,208	2,865,359	-	(7,411,596)	-	(7,411,596)
Highways and streets	5,888,282	63,856	2,927,922	281,331	(2,615,173)	-	(2,615,173)
Planning and engineering	1,160,009	524,509	-	-	(635,500)	-	(635,500)
Parks and recreation	2,136,461	19,680	-	60,000	(2,056,781)	-	(2,056,781)
Redevelopment	283,315	-	872,589	-	589,274	-	589,274
Interest on long-term debt	304,921	-	-	-	(304,921)	-	(304,921)
Total Governmental Activities	24,088,169	1,960,336	6,679,007	341,331	(15,107,495)	-	(15,107,495)
Business-type Activities							
Fiber	18,098	3,104	-	-	-	(14,994)	(14,994)
Water	5,176,103	5,451,116	-	78,285	-	353,298	353,298
Light and power	30,471,547	30,352,580	-	367,903	-	248,936	248,936
Sanitation	4,117,748	3,864,283	-	-	-	(253,465)	(253,465)
Storm water	1,443,112	2,055,540	-	32,035	-	644,463	644,463
Golf course	1,915,209	1,833,257	-	-	-	(81,952)	(81,952)
Cemetery	657,958	730,675	-	-	-	72,717	72,717
Total Business-type Activities	43,799,775	44,290,555	-	478,223	-	969,003	969,003
Total Government	\$ 67,887,944	\$ 46,250,891	\$ 6,679,007	\$ 819,554	\$ (15,107,495)	\$ 969,003	\$ (14,138,492)
			General Revenues				
			Property taxes		\$ 4,742,917	\$ -	\$ 4,742,917
			Sales taxes		11,643,379	-	11,643,379
			Franchise taxes		4,313,583	-	4,313,583
			Investment earnings		1,348,912	840,534	2,189,446
			Miscellaneous		217,471	155,618	373,089
			Gain on disposal of capital assets		63,675	2,696,855	2,760,530
			Transfers		2,724,379	(2,724,379)	-
			Total General Revenues and Transfers		25,054,316	968,628	26,022,944
			Changes in Net Position		9,946,821	1,937,631	11,884,452
			Net Position, Beginning		147,537,330	129,611,931	277,149,261
			Prior Period Adjustment		5,029	-	5,029
			Net Position, Ending		\$ 157,489,180	\$ 131,549,562	\$ 289,038,742

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

BOUNTIFUL CITY
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 1,334,163	\$ 5,779,093	\$ 864,276	\$ 429,443	\$ 8,406,975
Receivables:					
Taxes	3,871,540	1,975,812	86,000	160,149	6,093,501
Accounts - net	386,082	15,000	-	-	401,082
Interest	48,266	127,769	28,744	14,484	219,263
Intergovernmental	638,213	-	-	-	638,213
Leases	2,139,902	-	-	-	2,139,902
Due from other funds	-	5,198,201	-	-	5,198,201
Due from OPEB trust	215	-	-	-	215
Investments	5,428,932	28,795,586	4,148,708	2,126,556	40,499,782
Prepaid expenditures	14,738	-	-	-	14,738
Restricted assets:					
Cash and cash equivalents	33,895	1,615,531	918	943,860	2,594,204
Investments	1,075,992	-	-	12,758	1,088,750
Receivables	-	-	-	535,810	535,810
Total Assets	<u>\$ 14,971,938</u>	<u>\$ 43,506,992</u>	<u>\$ 5,128,646</u>	<u>\$ 4,223,060</u>	<u>\$ 67,830,636</u>
Liabilities					
Accounts payable	\$ 597,651	\$ 562,711	\$ 2,297	\$ -	\$ 1,162,659
Accrued Interest Payable	1,028	-	-	-	1,028
Retainage payable - restricted assets	16,791	211,096	918	-	228,805
Accrued liabilities	523,324	-	1,274	-	524,598
Unearned revenues	8,885	-	-	-	8,885
Developer and customer deposits - restricted assets	1,082,667	-	-	-	1,082,667
Total Liabilities	<u>2,230,346</u>	<u>773,807</u>	<u>4,489</u>	<u>-</u>	<u>3,008,642</u>
Deferred Inflows of Resources					
Unavailable revenue-property taxes	3,534,010	-	86,000	531,230	4,151,240
Unavailable revenue-lease payments	2,139,902	-	-	-	2,139,902
Total Deferred Inflows of Resources	<u>5,673,912</u>	<u>-</u>	<u>86,000</u>	<u>531,230</u>	<u>6,291,142</u>
Fund Balances					
Nonspendable:					
Prepaid expenditures	14,738	-	-	-	14,738
Restricted:					
Landfill closure	-	-	-	927,160	927,160
Debt service	-	-	-	19,997	19,997
Trails construction	-	1,404,435	-	14,041	1,418,476
Committed:					
Operating reserve	6,664,000	10,259,000	-	-	16,923,000
Emergency reserve	-	12,000,000	-	-	12,000,000
Cemetery perpetual care	-	-	-	2,464,474	2,464,474
Assigned:					
Computer replacement	330	-	-	-	330
Capital projects	-	19,069,750	-	-	19,069,750
RDA fund	-	-	5,038,157	-	5,038,157
Recreation, parks, and arts	-	-	-	266,158	266,158
Unassigned	388,612	-	-	-	388,612
Total Fund Balances	<u>7,067,680</u>	<u>42,733,185</u>	<u>5,038,157</u>	<u>3,691,830</u>	<u>58,530,852</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,971,938</u>	<u>\$ 43,506,992</u>	<u>\$ 5,128,646</u>	<u>\$ 4,223,060</u>	<u>\$ 67,830,636</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, 2023

Amounts reported for governmental activities in the *statement of net position* (page 25) are different from the amounts reported in the governmental funds balance sheet (page 27) because:

Total fund balances - governmental funds (page 27)	\$ 58,530,852
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	106,458,085
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.	330,756
The General Fund and RDA Fund's long-term notes receivable are not current financial resources and, therefore, are not reported in the governmental funds.	1,775,145
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.	2,423,784
Deferred outflows of resources associated with the net OPEB asset are not an available resource and, therefore, are not reported in the governmental funds.	13,595
The compensated absences liability is not due and payable in the current period and, therefore, is not recorded in the governmental funds.	(1,077,262)
The bonds payable long-term liability is not due and payable in the current period and, therefore, is not recorded in the governmental funds.	(7,728,345)
The notes payable long-term liability is not due and payable in the current period and, therefore, is not recorded in the governmental funds.	(1,000,000)
The leases payable long-term liability is not due and payable in the current period and, therefore, is not recorded in the governmental funds.	(34,064)
The net pension long-term liability is not due and payable in the current period and, therefore, is not recorded in the governmental funds.	(5,416,573)
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.	(430,817)
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.	(73,195)
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.	1,877,475
Internal service funds had net current year losses. These losses were eliminated at the government-wide level creating an internal balance due to governmental activities from business-type activities. These losses were added to the accumulated total of previous net losses.	1,839,744
Net Position of governmental activities	\$ 157,489,180

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, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes	\$ 3,903,516	\$ -	\$ 90,908	\$ 748,493	\$ 4,742,917
Sales taxes	3,733,706	7,169,905	-	739,768	11,643,379
Franchise taxes	4,313,583	-	-	-	4,313,583
Licenses and permits	615,623	-	-	-	615,623
Intergovernmental	5,888,758	-	-	-	5,888,758
Intergov. property tax increment	-	-	872,589	-	872,589
Charges for services	1,225,124	-	-	-	1,225,124
Fines and forfeitures	119,589	-	-	-	119,589
Investment earnings	291,186	859,488	110,607	87,631	1,348,912
Miscellaneous	102,416	30,000	153,393	138,235	424,044
Total Revenues	<u>20,193,501</u>	<u>8,059,393</u>	<u>1,227,497</u>	<u>1,714,127</u>	<u>31,194,518</u>
Expenditures					
Current:					
General government	2,700,387	17,357	-	2,208	2,719,952
Public safety	11,651,121	-	-	-	11,651,121
Highways and streets	4,813,779	-	-	-	4,813,779
Planning and engineering	1,200,372	-	-	-	1,200,372
Parks and recreation	1,244,465	-	-	294,855	1,539,320
Redevelopment	-	-	160,565	-	160,565
Debt service:					
Principal	-	-	-	400,000	400,000
Interest	-	-	-	331,413	331,413
Capital outlay:					
General government	-	3,232,972	-	-	3,232,972
Public safety	-	162,720	-	-	162,720
Highways and streets	-	1,926,013	-	-	1,926,013
Parks and recreation	-	930,182	-	-	930,182
Total Expenditures	<u>21,610,124</u>	<u>6,269,244</u>	<u>160,565</u>	<u>1,028,476</u>	<u>29,068,409</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,416,623)</u>	<u>1,790,149</u>	<u>1,066,932</u>	<u>685,651</u>	<u>2,126,109</u>
Other Financing Sources (Uses)					
Transfer in	2,744,399	875,119	-	-	3,619,518
Transfer out	-	-	-	(895,139)	(895,139)
Bonds issued	-	7,465,000	-	-	7,465,000
Premium on bonds issued	-	529,837	-	-	529,837
Note payable issued	-	1,000,000	-	-	1,000,000
Sale of capital assets	-	58,948	-	-	58,948
Total Other Financing Sources (Uses)	<u>2,744,399</u>	<u>9,928,904</u>	<u>-</u>	<u>(895,139)</u>	<u>11,778,164</u>
Net Change in Fund Balance	<u>1,327,776</u>	<u>11,719,053</u>	<u>1,066,932</u>	<u>(209,488)</u>	<u>13,904,273</u>
Fund Balance, Beginning	<u>5,739,904</u>	<u>31,014,132</u>	<u>3,971,225</u>	<u>3,901,318</u>	<u>44,626,579</u>
Fund Balance, Ending	<u>\$ 7,067,680</u>	<u>\$ 42,733,185</u>	<u>\$ 5,038,157</u>	<u>\$ 3,691,830</u>	<u>\$ 58,530,852</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, 2023

Amounts reported for governmental activities in the *statement of activities* (page 26) are different because:

Net Change in Fund Balances - total governmental funds (page 29)	\$ 13,904,273
Governmental funds have reported capital outlays, past and present, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	(2,863,230)
Governmental funds report capital outlays as expenditures. These expenditures are reported as capital assets in the statement of net position.	6,114,215
Governmental funds do not account for developer donations of capital assets that cannot be used as current financial resources. These donations are reported as capital grants and contributions in the statement of activities.	281,331
The accrual effect of the sale/disposal of capital assets. The funds only report cash proceeds and do not consider the net book value or trade-in value of the disposed assets.	62,498
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.	44,256
Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	400,000
Governmental funds report issuance of long-term bonds payable as other financing sources rather than as a liability, as shown in the statement of net position.	(7,994,837)
Governmental funds report issuance of long-term notes payable as other financing sources rather than as a liability, as shown in the statement of net position.	(1,000,000)
Proceeds from repayment of General Fund and RDA 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.	(228,913)
In the statement of activities, amortization of premiums and deferred charge on refunding of debt is recorded.	26,492
Repayment of lease principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	9,764
The amortization of subscription-based intangible assets is not an expenditure in the funds; however, in the statement of activities the cost of those assets is amortized to expense over the life of the subscription term.	(11,060)
In the statement of activities, current changes to the net pension asset and associated deferred outflows and inflows of resources act to decrease pension expense. Governmental funds recognize only the actual pension contribution expenditures.	(2,112,817)
In the statement of activities, current changes to the net pension liability and associated deferred outflows and inflows of resources act to decrease pension expense. Governmental funds recognize only the actual pension contribution expenditures.	3,191,047
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.	294,172
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.	(170,370)
Change in net position of governmental activities	\$ 9,946,821

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 3,925,761	\$ 3,925,761	\$ 3,903,516	\$ (22,245)
Sales taxes	7,137,454	7,137,454	3,733,706	(3,403,748)
Franchise taxes	3,570,000	3,570,000	4,313,583	743,583
Licenses and permits	628,150	628,150	615,623	(12,527)
Intergovernmental revenues	2,814,800	2,814,800	5,888,758	3,073,958
Charges for services	1,238,012	1,238,012	1,225,124	(12,888)
Fines and forfeitures	120,000	120,000	119,589	(411)
Investment earnings	114,200	114,200	291,186	176,986
Miscellaneous	95,700	95,700	102,416	6,716
Total Revenues	<u>19,644,077</u>	<u>19,644,077</u>	<u>20,193,501</u>	<u>549,424</u>
Expenditures				
Current:				
General government:				
Legislative	708,725	780,725	636,852	143,873
Legal	405,503	433,503	405,023	28,480
Executive	217,517	223,517	216,158	7,359
Information technology	589,520	628,520	575,583	52,937
Finance	456,922	456,922	445,041	11,881
Human resources	187,050	187,050	180,863	6,187
Treasury	137,163	137,163	124,046	13,117
Government buildings	134,004	134,004	116,821	17,183
Public safety:				
Police	9,494,470	9,494,470	9,003,781	490,689
Fire	2,541,250	2,648,250	2,647,340	910
Highways and streets	4,575,560	5,120,560	4,813,779	306,781
Planning and engineering:				
Planning	357,844	357,844	359,238	(1,394)
Engineering	891,423	891,423	841,134	50,289
Parks and recreation	1,420,815	1,420,815	1,244,465	176,350
Total Expenditures	<u>22,117,766</u>	<u>22,914,766</u>	<u>21,610,124</u>	<u>1,304,642</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(2,473,689)</u>	<u>(3,270,689)</u>	<u>(1,416,623)</u>	<u>1,854,066</u>
Other Financing Sources (Uses)				
Transfer in	2,450,000	2,450,000	2,744,399	294,399
Sale of capital assets	500	500	-	(500)
Total Other Financing Sources (Uses)	<u>2,450,500</u>	<u>2,450,500</u>	<u>2,744,399</u>	<u>293,899</u>
Net Change in Fund Balance *	<u>\$ (23,189)</u>	<u>\$ (820,189)</u>	<u>1,327,776</u>	<u>\$ 2,147,965</u>
Fund Balance, Beginning			<u>5,739,904</u>	
Fund Balance, Ending			<u>\$ 7,067,680</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ -	\$ -	\$ 90,908	\$ 90,908
Property tax increment contribution	980,000	980,000	872,589	(107,411)
Investment earnings	72,752	72,752	110,607	37,855
Principal payments on notes receivable	153,393	153,393	153,393	-
Total Revenues	<u>1,206,145</u>	<u>1,206,145</u>	<u>1,227,497</u>	<u>21,352</u>
Expenditures				
Current:				
Redevelopment	<u>2,309,427</u>	<u>2,309,427</u>	<u>160,565</u>	<u>2,148,862</u>
Total Expenditures	<u>2,309,427</u>	<u>2,309,427</u>	<u>160,565</u>	<u>2,148,862</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,103,282)</u>	<u>(1,103,282)</u>	<u>1,066,932</u>	<u>2,170,214</u>
Net Change in Fund Balance *	<u>\$ (1,103,282)</u>	<u>\$ (1,103,282)</u>	<u>1,066,932</u>	<u>\$ 2,170,214</u>
Fund Balance, Beginning			<u>3,971,225</u>	
Fund Balance, Ending			<u>\$ 5,038,157</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, 2023

	Business-type Activities - Enterprise Funds					Total Enterprise	Governmental Activities - Internal Service Funds
	Fiber	Water	Light and Power	Sanitation	Other Enterprise Funds		
Assets							
Current Assets							
Cash and cash equivalents	\$ -	\$ 709,589	\$ 1,770,980	\$ 2,996,762	\$ 933,862	\$ 6,411,193	\$ 396,531
Receivables:							
Accounts receivable, net	3,104	882,084	4,515,911	409,524	288,269	6,098,892	5,216
Interest receivable	-	26,518	94,289	54,058	35,416	210,281	12,529
Investments	-	3,827,253	13,608,478	7,802,084	5,110,003	30,347,818	1,808,262
Inventories	-	547,206	2,920,907	-	87,248	3,555,361	-
Prepaid expenses	-	122,580	4,429	12,735	-	139,744	-
Total Current Assets	3,104	6,115,230	22,914,994	11,275,163	6,454,798	46,763,289	2,222,538
Noncurrent Assets							
Restricted assets:							
Cash and cash equivalents	-	88,667	1,067,507	2,099,542	132,706	3,388,422	528,595
Net other postemployment benefits asset	-	43,168	96,351	29,836	31,217	200,572	-
Capital assets, net:							
Land, land rights and water rights	-	525,559	1,263,349	43,737	7,197,299	9,029,944	-
Buildings, wells and reservoirs	-	6,547,855	4,544,909	588,037	709,302	12,390,103	-
Improvements other than buildings	-	70,181	633,250	110,936	698,622	1,512,989	-
Transmission, distribution, and collection infrastructure	839,103	17,562,944	16,154,689	-	5,013,505	39,570,241	-
Machinery and equipment	-	2,299,817	18,227,247	3,939,974	951,960	25,418,998	-
Furniture, fixtures and office equipment	-	-	43,735	-	-	43,735	-
Construction in progress	4,341,000	290,602	63,526	-	-	4,695,128	-
Intangible asset - power projects	-	-	922,595	-	-	922,595	-
Intangible right-to-use leased assets	-	-	187,391	-	421,770	609,161	-
Total Noncurrent Assets	5,180,103	27,428,793	43,204,549	6,812,062	15,156,381	97,781,888	528,595
Total Assets	5,183,207	33,544,023	66,119,543	18,087,225	21,611,179	144,545,177	2,751,133
Deferred Outflows of Resources							
Pensions	-	253,252	768,133	177,756	248,437	1,447,578	30,862
Other postemployment benefits plan	-	1,774	3,961	1,225	1,283	8,243	-
Total Deferred Outflows	-	255,026	772,094	178,981	249,720	1,455,821	30,862
Total Assets and Deferred Outflows	\$ 5,183,207	\$ 33,799,049	\$ 66,891,637	\$ 18,266,206	\$ 21,860,899	\$ 146,000,998	\$ 2,781,995

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

BOUNTIFUL CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2023

	Business-type Activities - Enterprise Funds					Total Enterprise	Governmental Activities - Internal Service Funds
	Fiber	Water	Light and Power	Sanitation	Other Enterprise Funds		
Current Liabilities							
Accounts payable	\$ -	\$ 287,633	\$ 1,320,710	\$ 61,242	\$ 39,570	\$ 1,709,155	\$ 870,874
Accrued liabilities	-	29,799	213,628	30,602	61,174	335,203	2,788
Accrued Interest Payable	-	-	3,369	-	5,166	8,535	-
Due to other funds	5,198,201	-	-	-	-	5,198,201	-
Retainage payable - restricted assets	-	88,667	52	-	5,127	93,846	-
Unearned revenue - restricted assets	-	-	62,569	-	60,659	123,228	-
Compensated absences	-	32,536	117,794	28,233	33,236	211,799	-
Leases payable	-	-	2,990	-	118,171	121,161	-
Total Current Liabilities	5,198,201	438,635	1,721,112	120,077	323,103	7,801,128	873,662
Noncurrent Liabilities							
Developer and customer deposits - restricted	-	-	1,004,886	-	66,920	1,071,806	-
Compensated absences	-	79,520	257,510	42,766	93,998	473,794	-
Leases payable	-	-	218,830	-	79,101	297,931	-
Accrued landfill closure - restricted assets	-	-	-	2,099,542	-	2,099,542	-
Net pension liability	-	138,026	418,644	96,880	135,402	788,952	16,820
Total Noncurrent Liabilities	-	217,546	1,899,870	2,239,188	375,421	4,732,025	16,820
Total Liabilities	5,198,201	656,181	3,620,982	2,359,265	698,524	12,533,153	890,482
Deferred Inflows of Resources							
Pensions	-	5,975	18,122	4,195	5,861	34,153	728
Other postemployment benefits plan	-	9,553	21,322	6,602	6,909	44,386	-
Total Deferred Inflows	-	15,528	39,444	10,797	12,770	78,539	728
Net Position							
Net investment in capital assets	(18,098)	27,208,291	41,818,819	4,682,684	14,790,059	88,481,755	-
Restricted:							
Regulatory required insurance deposit	-	-	-	-	-	-	528,595
Other postemployment benefits	-	43,168	96,351	29,836	31,217	200,572	-
Unrestricted	3,104	5,875,881	21,316,041	11,183,624	6,328,329	44,706,979	1,362,190
Total Net Position	(14,994)	33,127,340	63,231,211	15,896,144	21,149,605	133,389,306	1,890,785
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 5,183,207	\$ 33,799,049	\$ 66,891,637	\$ 18,266,206	\$ 21,860,899	\$ 146,000,998	\$ 2,781,995
Net Position Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Net Position:						\$ 133,389,306	
Adjustment for the cumulative internal balance from the net activity between internal service funds and enterprise funds						(1,839,744)	
						\$ 131,549,562	

Net Position of Business-type activities (page 24)

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, 2023

	Business-type Activities - Enterprise Funds					Total Enterprise	Governmental Activities - Internal Service Funds
	Fiber	Water	Light and Power	Sanitation	Other Enterprise Funds		
Operating Revenues							
Charges for services	\$ 3,104	\$ 5,434,174	\$ 30,187,837	\$ 3,864,283	\$ 2,450,350	\$ 41,939,748	\$ 913,296
Connection and servicing	-	16,942	95,257	-	-	112,199	-
Admissions and lesson fees	-	-	-	-	1,019,570	1,019,570	-
Equipment and facility rents	-	-	69,486	-	493,117	562,603	-
Merchandise and concession sales	-	-	-	-	320,570	320,570	-
Sale of cemetery burial plots	-	-	-	-	335,865	335,865	-
Miscellaneous	-	1,739	106,903	36,674	10,302	155,618	19,489
Total Operating Revenues	3,104	5,452,855	30,459,483	3,900,957	4,629,774	44,446,173	932,785
Operating Expenses							
Personnel wages and benefits	-	1,372,592	4,210,751	1,434,002	1,649,541	8,666,886	170,042
Materials and supplies	-	640,206	70,791	198,051	254,666	1,163,714	-
Repair and maintenance costs	-	527,370	1,870,256	962,967	659,526	4,020,119	-
Contractual and professional services	-	111,158	30,668	470,258	138,137	750,221	86,185
Power purchases	-	-	16,396,750	-	-	16,396,750	-
Power generation costs	-	-	3,854,281	-	-	3,854,281	-
General and administrative costs	-	1,187,833	1,258,823	388,192	562,626	3,397,474	684,181
Claims	-	-	-	-	-	-	432,620
Depreciation	10,897	1,267,517	2,501,827	638,515	625,093	5,043,849	-
Amortization	-	-	124,420	-	89,785	214,205	-
Total Operating Expenses	10,897	5,106,676	30,318,567	4,091,985	3,979,374	43,507,499	1,373,028
Operating Income (Loss)	\$ (7,793)	\$ 346,179	\$ 140,916	\$ (191,028)	\$ 650,400	\$ 938,674	\$ (440,243)

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, 2023

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Fiber	Water	Light and Power	Sanitation	Other Enterprise Funds	Total Enterprise	
Nonoperating Revenues (Expenses)							
Investment earnings	\$ -	\$ 82,094	\$ 373,842	\$ 284,180	\$ 100,418	\$ 840,534	\$ 41,438
Interest expense	(7,201)	-	(6,779)	-	(6,920)	(20,900)	-
Gain (loss) from disposal of capital assets	-	(42,518)	2,692,355	4,500	(423)	2,653,914	-
Total Nonoperating Revenues (Expenses)	(7,201)	39,576	3,059,418	288,680	93,075	3,473,548	41,438
Income (loss) before contributions & transfers	(14,994)	385,755	3,200,334	97,652	743,475	4,412,222	(398,805)
Capital Contributions	-	78,285	367,903	-	32,035	478,223	-
Transfers out	-	-	(2,724,379)	-	-	(2,724,379)	-
Change in Net Position	(14,994)	464,040	843,858	97,652	775,510	2,166,066	(398,805)
Net Position, Beginning	-	32,663,300	62,387,353	15,798,492	20,374,095	131,223,240	2,289,590
Net Position, Ending	<u>\$(14,994)</u>	<u>\$33,127,340</u>	<u>\$ 63,231,211</u>	<u>\$ 15,896,144</u>	<u>\$ 21,149,605</u>	<u>\$ 133,389,306</u>	<u>\$ 1,890,785</u>

Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Activities: \$ 2,166,066
Adjustment to eliminate the current fiscal year's internal service funds
net loss from internal customers applicable to business-type activities (228,435)

Changes in Net Position of Business-type activities (page 25) \$ 1,937,631

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, 2023

	Business-type Activities - Enterprise Funds					Total Enterprise	Governmental Activities - Internal Service Funds
	Fiber	Water	Light and Power	Sanitation	Other Enterprise Funds		
Cash Flows From Operating Activities							
Receipts from customers and users	\$ -	\$ 5,272,852	\$ 29,626,650	\$ 3,887,129	\$ 4,631,866	\$ 43,418,497	\$ 922,633
Receipts from customer deposits	-	-	221,856	-	15,406	237,262	-
Other receipts	-	-	-	-	-	-	19,489
Payments to suppliers	-	(2,206,373)	(23,498,567)	(1,812,954)	(1,565,816)	(29,083,710)	(928,665)
Payments to employees and related benefits	-	(1,485,126)	(4,555,152)	(1,436,119)	(1,774,899)	(9,251,296)	(186,372)
Payments to other funds for services provided	-	(455,744)	(899,785)	(252,142)	(376,731)	(1,984,402)	-
Return of customer deposits	-	-	(172,479)	-	(4,560)	(177,039)	-
Net cash flows from operating activities	<u>-</u>	<u>1,125,609</u>	<u>722,523</u>	<u>385,914</u>	<u>925,266</u>	<u>3,159,312</u>	<u>(172,915)</u>
Cash Flows From Non-Capital Financing Activities							
Transfers to other funds	-	-	(2,724,379)	-	-	(2,724,379)	-
Grants received	-	2,498	100,293	121,833	6,796	231,420	-
Net cash flows from non-capital financing activities	<u>-</u>	<u>2,498</u>	<u>(2,624,086)</u>	<u>121,833</u>	<u>6,796</u>	<u>(2,492,959)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities							
Capital contributions	-	78,285	367,903	-	1,740	447,928	-
Purchase of capital assets	(5,191,000)	(2,188,844)	(2,740,584)	(1,048,551)	(746,158)	(6,724,137)	-
Proceeds from sales of capital assets	-	-	-	4,500	-	4,500	-
Principal paid on leases	-	-	(2,708)	-	(113,364)	(116,072)	-
Interest paid on leases	-	-	(6,820)	-	(10,046)	(16,866)	-
Proceeds from interfund payable	5,191,000	-	-	-	-	-	-
Net cash flows from capital and related financing activities	<u>\$ -</u>	<u>\$ (2,110,559)</u>	<u>\$ (2,382,209)</u>	<u>\$ (1,044,051)</u>	<u>\$ (867,828)</u>	<u>\$ (6,404,647)</u>	<u>\$ -</u>
Cash Flows From Investing Activities							
Investment earnings	\$ -	\$ 117,664	\$ 502,473	\$ 355,571	\$ 144,171	\$ 1,119,879	\$ 57,492
Purchase of investments	-	(1,673,213)	(5,949,408)	(3,422,074)	(2,394,972)	(13,439,667)	(825,376)
Sale of investments	-	2,437,898	9,260,178	4,639,476	2,274,030	18,611,582	957,561
Net cash flows from investing activities	<u>-</u>	<u>882,349</u>	<u>3,813,243</u>	<u>1,572,973</u>	<u>23,229</u>	<u>6,291,794</u>	<u>189,677</u>
Net Increase (Decrease) In Cash and Cash Equivalents	<u>-</u>	<u>(100,103)</u>	<u>(470,529)</u>	<u>1,036,669</u>	<u>87,463</u>	<u>553,500</u>	<u>16,762</u>
Cash and Cash Equivalents, Beginning	<u>-</u>	<u>898,359</u>	<u>3,309,016</u>	<u>4,059,635</u>	<u>979,105</u>	<u>9,246,115</u>	<u>908,364</u>
Cash and Cash Equivalents, Ending	<u>\$ -</u>	<u>\$ 798,256</u>	<u>\$ 2,838,487</u>	<u>\$ 5,096,304</u>	<u>\$ 1,066,568</u>	<u>\$ 9,799,615</u>	<u>\$ 925,126</u>

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, 2023

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Fiber	Water	Light and Power	Sanitation	Other Enterprise Funds	Totals	
Reconciliation of operating income to net cash flows from operating activities							
Earnings (loss) from operations	\$ (7,793)	\$ 346,179	\$ 140,916	\$ (191,028)	\$ 650,400	\$ 946,467	\$ (440,243)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:							
Depreciation and amortization	10,897	1,267,517	2,626,247	638,515	714,878	5,247,157	-
Changes in assets and liabilities							
Accounts receivable, net	(3,104)	(155,103)	(809,888)	(13,828)	2,092	(976,727)	9,337
Inventories	-	(135,160)	(360,924)	-	(5,404)	(501,488)	-
Prepaid expenses	-	6,299	3,544	(12,735)	-	(2,892)	-
Other postemployment benefits (OPEB) asset	-	(2,904)	(121)	(3,396)	(1,289)	(7,710)	-
Net pension asset	-	437,160	1,325,959	287,368	411,834	2,462,321	52,201
Deferred outflows - pensions	-	(65,591)	(198,934)	(54,396)	(71,647)	(390,568)	(8,453)
Deferred outflows - OPEB	-	802	2,195	466	631	4,094	-
Accounts payable	-	(81,011)	(404,902)	(80,265)	(244,636)	(810,814)	273,901
Accrued liabilities	-	(49,328)	(154,553)	(40,565)	(55,614)	(300,060)	(4,854)
Retainage payable	-	63,650	52	(1,021)	(28,956)	33,725	-
Unearned revenue	-	(24,900)	(22,945)	-	(11,003)	(58,848)	-
Developer and customer deposits	-	-	49,377	-	10,846	60,223	-
Compensated absences	-	(15,557)	(60,115)	(17,128)	(13,755)	(106,555)	-
Accrued landfill closure	-	-	-	173,798	-	173,798	-
Deferred inflows - pensions	-	(599,941)	(1,819,695)	(394,105)	(564,954)	(3,378,695)	(71,624)
Deferred inflows - OPEB	-	(4,529)	(12,334)	(2,646)	(3,559)	(23,068)	-
Net pension liability	-	138,026	418,644	96,880	135,402	788,952	16,820
Net cash flows from operating activities	\$ -	\$ 1,125,609	\$ 722,523	\$ 385,914	\$ 925,266	\$ 3,159,312	\$ (172,915)
Schedule of non-cash capital and related financing activities							
Contributions of capital assets	\$ -	\$ -	\$ -	\$ -	\$ 30,295	\$ 30,295	\$ -
Leasing of assets	-	-	221,618	-	-	221,618	-
Purchase of capital assets through trade-in	-	-	5,605,590	-	-	5,605,590	-

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

BOUNTIFUL CITY
STATEMENT OF FIDUCIARY NET POSITION
OPEB PLANS
June 30, 2023

	Other Postemployment Benefits Plan (OPEB) Trust
Assets	
Cash and cash equivalents	\$ 309,058
Interest receivable	3,217
Investments:	
Corporate bonds	154,845
Agency bonds	147,093
Total Assets	\$ 614,213
Liabilities	
Due to sponsoring government	\$ 215
Total Liabilities	215
Net position - Restricted for OPEB	\$ 613,998
Total Net Position - Restricted for OPEB	613,998
Total Liabilities and Net Position	\$ 614,213

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, 2023

	Other Postemployment Benefits Plan (OPEB) Trust
Additions	
Interest earnings:	
Interest and dividends	\$ 22,353
Net increase/(decrease) in fair value	291
Investment expense	(461)
Net investment earnings	22,183
Total Additions	22,183
Deductions	
Benefits	3,367
Total Deductions	3,367
Changes in Net Position	18,816
Net Position, Beginning	595,182
Net Position, Ending	\$ 613,998

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 unit, 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 Unit

The Bountiful City Redevelopment Agency (RDA) serves all the citizens of the City and is governed by a board comprised of the members of the City Council. Additionally, the RDA is managed by City employees and therefore has operational responsibility for the RDA. In conformity with GAAP, the financial statements of the RDA have been included in the financial reporting entity as a blended component unit. The RDA does not issue any other separate financial reports.

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 and not combined with the primary government. The OPEB plan financial statements are included on pages 39 and 40 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: a fiber-optic network (Fiber), culinary water, light and power, refuse/recycle collection and landfilling (Sanitation), storm water, 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.

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.

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)

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 principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through 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 from taxing entities throughout Davis County for the purposes of development and economic activity. 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 four enterprise funds as major, as follows:

1. The Fiber Fund accounts for the activities of a City-owned fiber-optic network offering the fiber lines to residents for the provision of broadband internet and other telecommunication services. This is a new City utility for the current fiscal year and was still in the beginning stages of startup by fiscal yearend.
2. The Water Fund accounts for the activities of the City's culinary water source and distribution system.
3. The Light and Power Fund accounts for the activities of the City's electricity generation, transmission, and distribution systems.
4. The Sanitation Fund accounts for the activities of the City's refuse and recycle collection services as well as landfill operations. During the fiscal year it became more economical to provide recycle collection services with Sanitation employees and equipment rather than contract it out; thus, the previously reported nonmajor Recycle Fund was consolidated into the Sanitation Fund.

Additionally, the City reports the following nonmajor fund types:

- The City accounts for the Landfill Closure, RAP Tax, and Cemetery Perpetual Care Funds as special revenue funds. These funds account for the respective special revenue collections and provision of those services to 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 and Cemetery Funds account for the provision of those 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 and Power, and Sanitation 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.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the Mayor and City Council for operating within the budget for their department. All annual budgets lapse at yearend. With the consent of the City Manager, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. By Utah State law any City Council budget amendments that exceed the original budgeted expenditures requires a public hearing before final adoption.

Utah State law prohibits the appropriation of the sum of unassigned, assigned, and committed General Fund balance until it exceeds 5% of the General Fund revenues. Until the sum of the stated fund balance categories is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures and to cover unanticipated deficits. Utah State law also prohibits the accumulation of the stated fund balance categories in the General Fund in any amount greater than 35% of the current year's total revenues (i.e., mandated fund balance maximum).

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

Taxes

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

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

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

Utility Billing Revenue

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

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

Investments

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

Inventories and prepaid expenses/expenditures

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

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

Capital assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, water mains, power lines, 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. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The City's other tangible and intangible property, plant, equipment, the right to use leased equipment, and infrastructure are depreciated/amortized using the straight-line method over the following estimated useful lives:

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

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts.

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 assets that applies to future periods 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.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred outflows of resources (continued)

The deferred outflows from pensions and OPEB are reported in the government-wide *statement of net position* and the enterprise funds *statement of net position*. These outflows result from the differences in the estimates and assumptions used to calculate the net pension liability 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.

Compensated absences

The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. 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 or 80 hours, depending upon position, 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 or 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, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) including additions to and deductions from URS's fiduciary net position, have been determined on the same basis as they are 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 includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three 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 governmental funds and government-wide *statement of net position* report deferred inflows from unavailable/deferred lease payment revenues where the City is the lessor. This amount is deferred and recognized as an inflow of resources in the period in which the amount becomes available/earned.
3. 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 applicable fund.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Lessee agreements: The City is a lessee for noncancellable leases of golf course equipment, land leases for power transmission lines, and some subscription-based software. For these agreements, the City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life or lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the *statement of net position*.

Lessor agreements: The City is a lessor for noncancellable leases of a building, a concessionaire building, and various land leases for cell towers. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the implicit interest rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund equity (Continued)

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

Restricted fund balance classifications are restricted 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, 2023, the fair value per share factor for investments in the PTIF was 1.00007516.

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, 2023, \$20,988,834 of the City's bank balances of \$22,170,486 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, 2023, \$71,358,233 of the City's \$74,046,550 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, 2023:

	Carrying Value	Fair Value Factor	Fair Value	Credit Rating (1)	Ave. Maturity (Years) (2)
<u>Bountiful City</u>					
Cash on hand and on deposit:					
Cash on hand	\$ 4,700	1	\$ 4,700	N/A	N/A
Cash on deposit	7,437,147	1	7,437,147	N/A	N/A
Regulatory Insurance Deposit	528,595	1	528,595	N/A	N/A
Utah State Treasurer's investment pool accounts (3):					
Operating	12,366,043	1.000075	12,366,972	N/A	0.33
Bond proceeds	1,389,435	1.000075	1,389,539	N/A	0.33
Total cash on hand and deposit	<u>\$ 21,725,920</u>		<u>\$ 21,726,954</u>		
Investments:					
U.S. Agency bonds	\$ 39,306,791	1	\$ 39,306,791	AA+	2.14
Certificates of deposit	1,886,380	1	1,886,380	N/A	3.76
Corporate bonds	32,551,441	1	32,551,441	A	1.15
Total Investments	<u>\$ 73,744,612</u>		<u>\$ 73,744,612</u>		<u>1.76</u>
<u>Fiduciary Fund - OPEB Trust</u>					
Cash on hand and on deposit:					
Cash on Deposit - OPEB	\$ 309,058	1	\$ 309,058	N/A	N/A
Total cash on hand and deposit	<u>\$ 309,058</u>		<u>\$ 309,058</u>		
Investments:					
U.S. Agency bonds - OPEB	\$ 147,093	1	\$ 147,093	AAA	2.66
Corporate bonds - OPEB	\$ 154,845	1	\$ 154,845	AA-	1.39
Total Investments	<u>\$ 301,938</u>		<u>\$ 301,938</u>		<u>1.39</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, 2023, the City's investments of \$73,744,612 had the following recurring fair value measurements:

- U.S. Agency bonds of \$39,306,791 are valued using quoted market prices (Level 2 inputs). Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.
- Corporate bonds of \$32,551,441 are valued using quoted market prices (Level 2 inputs)
- Certificates of deposit of \$1,886,380 are valued using a matrix pricing model (Level 2 inputs)

At June 30, 2023, the fiduciary OPEB plan investments had U.S. Agency bonds of \$147,093 and corporate bonds of \$154,845 with fair value measurements using quoted market prices (Level 1 inputs).

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

The City's investments are carried at fair value and changes in fair value affect the amount of investment income reported even if the change is unrealized. The calculation of an investment's realized gains and losses is entirely separate from the net change in the fair value. Unrealized gains or losses reflect the variance between the investment's carrying value and its value if it were sold. For the all of fiscal year 2023 interest rates were rising in the bond market, principally due to the Federal Reserve increasing the internal borrowing rate (350 basis points over those twelve months), causing the market value of the City's investments to devalue resulting in large unrealized losses. These unrealized losses reduced the City's overall net investment earnings. The following schedule breaks out the City's net investment earnings for the fiscal year ending June 30, 2023:

	Governmental Activities	Business-type Activities	Total
Interest and net realized gains/(losses)	\$ 1,736,592	\$ 1,212,192	\$ 2,948,784
Unrealized gains/(losses)	(387,680)	(371,658)	(759,338)
Total net investment earnings/(loss)	<u>\$ 1,348,912</u>	<u>\$ 840,534</u>	<u>\$ 2,189,446</u>

The City's investment policy stipulates the purchase of highly rated investments, and its investment practice is to hold investments to maturity; thus, it is unlikely that the unrealized losses reported during the fiscal year will be realized. Any investments that were sold during the current fiscal year did include realized gains or losses that included changes in fair value (i.e., unrealized). Some of that change in fair value actually occurred in prior periods and the realization of the change in fair value upon sale or maturity was included as part of the net change in the fair value of investments reported.

3. RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Governmental fund receivable amounts are aggregated by category for presentation on the balance sheet. Below is the detail of the various receivables for the major governmental funds:

	General Fund	Capital Projects	Redevelopment Agency
Taxes Receivable:			
Franchise taxes	\$ 282,480	\$ -	\$ -
Property taxes	3,551,147	-	86,000
Sales taxes	37,913	1,975,812	-
Total Taxes Receivable	<u>\$ 3,871,540</u>	<u>\$ 1,975,812</u>	<u>\$ 86,000</u>
Accounts Receivable:	\$ 393,497	\$ 15,000	\$ -
Less: allowance for uncollectibles	(7,415)	-	-
Total Accounts Receivable - Net	<u>\$ 386,082</u>	<u>\$ 15,000</u>	<u>\$ -</u>
Intergovernmental Receivable:			
State of Utah Class B&C Road Funds	\$ 449,912	\$ -	\$ -
Local Option Transportation Tax	188,301	-	-
Total Intergovernmental	<u>\$ 638,213</u>	<u>\$ -</u>	<u>\$ -</u>
Leases Receivable:			
City Building Lease to State of Utah			
Justice Courts	\$ 632,729	\$ -	\$ -
City Building Lease to Consessionaire	58,834	-	-
City Land Leases to Cell Tower Owners	1,448,339	-	-
Total Leases	<u>\$ 2,139,902</u>	<u>\$ -</u>	<u>\$ -</u>

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS (Continued)

The accounts receivable balances in the enterprise funds are shown net of the associated allowance for doubtful accounts. Below is the detail for all enterprise fund receivables at June 30, 2023:

	Fiber	Water	Light and Power	Sanitation	Nonmajor Enterprise Funds
Accounts receivable	\$ 3,104	\$ 887,901	\$ 4,561,732	\$ 411,843	\$ 289,839
Less: allowance for uncollectibles	-	(5,817)	(45,821)	(2,319)	(1,570)
Total Accounts Receivable - Net	<u>\$ 3,104</u>	<u>\$ 882,084</u>	<u>\$ 4,515,911</u>	<u>\$ 409,524</u>	<u>\$ 288,269</u>

4. NOTES RECEIVABLE

The Redevelopment Agency occasionally provides low-cost building and grounds rehabilitation loans to businesses in the City. Additionally, the City has one outstanding promissory note. 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, 2023, are as follows:

Balance June 30, 2023	Short-term portion	Interest Rate	Monthly Payments		Balloon Payments	
			Amount	Due Through	Amount	Due
<u>RDA Loans</u>						
\$ 276,728	\$ 104,937	3.00%	\$ 9,317	January 2026	\$ -	N/A
453,273	453,273	3.00%	3,050	December 2023	443,639	December 2023
294,947	29,779	3.00%	3,186	February 2023	-	N/A
<u>Repayment Promissory Note</u>						
750,197	75,223	3-5%	*	June 2033 *	-	N/A
<u>\$ 1,775,145</u>	<u>\$ 663,212</u>		<u>\$ 15,553</u>		<u>\$ 443,639</u>	

* The \$750,197 promissory note is paid through annual payments that range between \$74,415 and \$75,776 through June 2033.

South Davis Metro Fire Service Area (SDMFSA) Promissory Note

On July 1, 2016, 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 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, 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 estimate of the remaining balance is \$750,197.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS

A summary of changes in governmental funds capital assets for the year ended June 30, 2023, is as follows:

	Balance June 30, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Governmental activities					
<u>Capital assets, not being depreciated</u>					
Land	\$ 56,808,185	\$ 175,000	\$ -	\$ -	\$ 56,983,185
Construction in progress	654,559	5,677,244	151,379	(560,879)	5,619,545
Total capital assets, not being depreciated	57,462,744	5,852,244	151,379	(560,879)	62,602,730
<u>Capital assets, being depreciated</u>					
Infrastructure	37,680,715	106,330	33,720	560,879	38,314,204
Buildings	30,535,523	-	-	-	30,535,523
Improvements other than buildings	15,927,371	45,000	-	-	15,972,371
Machinery and equipment	10,757,478	604,701	318,313	-	11,043,866
Furniture, fixtures and office equip.	3,112,584	64,191	338,458	-	2,838,317
Total capital assets, being depreciated	98,013,671	820,222	690,491	560,879	98,704,281
Accumulated Depreciation					
Infrastructure	21,260,294	621,970	33,601	-	21,848,663
Buildings	15,241,706	850,559	-	-	16,092,265
Improvements other than buildings	6,437,210	509,593	-	-	6,946,803
Machinery and equipment	7,373,297	734,321	260,540	-	7,847,078
Furniture, fixtures and office equip.	2,338,434	146,787	333,307	-	2,151,914
Total accumulated depreciation	52,650,941	2,863,230	627,448	-	54,886,723
Total capital assets, being depreciated, net	45,362,730	(2,043,008)	63,043	560,879	43,817,558
<u>Capital assets, being amortized</u>					
Intangible assets - right to use subscription-based software	\$ 56,837	\$ -	\$ -	\$ -	\$ 56,837
Total amortized assets	56,837	-	-	-	56,837
Less accumulated amortization for					
Intangible assets - right to use subscription-based software	7,980	11,060	-	-	19,040
Total accumulated amortization	7,980	11,060	-	-	19,040
Total capital assets, being amortized, net	\$ 48,857	\$ (11,060)	\$ -	\$ -	\$ 37,797
Governmental activities capital assets, net	<u>\$ 102,874,331</u>	<u>\$ 3,798,176</u>	<u>\$ 214,422</u>	<u>\$ -</u>	<u>\$ 106,458,085</u>

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

Governmental activities	Dep. Expense	Amort. Expense
General government	\$ 656,874	\$ 6,440
Public safety	271,474	4,620
Highways and public improvements	1,136,755	-
Parks and recreation	663,975	-
Planning & engineering	9,571	-
Redevelopment Agency	124,581	-
Total Dep. & Amort. expense - gov. act.	<u>\$ 2,863,230</u>	<u>\$ 11,060</u>

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

A summary of changes in business-type funds capital assets for the year ended June 30, 2023, is as follows:

	Balance June 30, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Business-type Activities:					
<u>Capital assets, not being depreciated</u>					
Land, land rights, and water rights	\$ 9,029,944	\$ -	\$ -	\$ -	\$ 9,029,944
Construction in progress	360,569	6,682,684	16,686	(2,331,439)	4,695,128
Total capital assets, not being depreciated	<u>\$ 9,390,513</u>	<u>\$ 6,682,684</u>	<u>\$ 16,686</u>	<u>\$ (2,331,439)</u>	<u>\$ 13,725,072</u>
<u>Capital assets, being depreciated</u>					
Buildings, wells and reservoirs	29,243,462	-	-	-	29,243,462
Improvements other than buildings	4,403,068	-	-	-	4,403,068
Power & water transmission, distrib., and collection infrastructure	87,144,591	2,009,410	146,976	2,331,439	91,338,464
Street light and traffic systems	2,366,331	-	-	-	2,366,331
Machinery and equipment	51,271,680	8,858,926	8,196,616	-	51,933,990
Furniture, fixtures and office equip.	183,259	-	-	-	183,259
Total capital assets, being depreciated	174,612,391	10,868,336	8,343,592	2,331,439	179,468,574
Less accumulated depreciation for					
Buildings, wells and reservoirs	15,876,782	976,577	-	-	16,853,359
Improvements other than buildings	2,761,422	128,657	-	-	2,890,079
Power & water transmission, distrib., and collection infrastructure	50,129,653	1,742,606	104,036	-	51,768,223
Street light and traffic systems	2,366,331	-	-	-	2,366,331
Machinery and equipment	29,634,046	2,181,014	5,300,068	-	26,514,992
Furniture, fixtures and office equip.	124,529	14,995	-	-	139,524
Total accumulated depreciation	100,892,763	5,043,849	5,404,104	-	100,532,508
Total capital assets, being depreciated, net	<u>\$ 73,719,628</u>	<u>\$ 5,824,487</u>	<u>\$ 2,939,488</u>	<u>\$ 2,331,439</u>	<u>\$ 78,936,066</u>
<u>Capital assets, being amortized</u>					
Intangible asset - right to use leases	\$ 760,604	\$ 221,619	\$ -	\$ -	\$ 982,223
Intangible asset - power projects	3,690,380	-	-	-	3,690,380
Total amortized assets	4,450,984	221,619	-	-	4,672,603
Less accumulated amortization for					
Intangible asset - right to use leases	242,729	130,333	-	-	373,062
Intangible asset - power projects	2,683,913	83,872	-	-	2,767,785
Total accumulated amortization	2,926,642	214,205	-	-	3,140,847
Total capital assets, being amortized, net	<u>\$ 1,524,342</u>	<u>\$ 7,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,531,756</u>
Total Business-type activities net capital assets	<u>\$ 84,634,483</u>	<u>\$ 12,514,585</u>	<u>\$ 2,956,174</u>	<u>\$ -</u>	<u>\$ 94,192,894</u>

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

Business-type Activities	Dep. Expense	Amort. Expense
Fiber	\$ 10,897	\$ -
Water	1,267,517	-
Light and Power	2,501,827	124,420
Sanitation	638,515	-
Storm Water	462,247	-
Golf Course	101,749	89,785
Cemetery	61,097	-
Total expense - business-type act.	<u>\$ 5,043,849</u>	<u>\$ 214,205</u>

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

Intangible Right-To-Use Assets

Intangible right-to-use assets (e.g., subscription-based software) are distinguished from tangible capital assets (e.g., buildings); however, there is no substantive difference in accounting and financial reporting between the two capital assets. Intangible right-to-use assets are amortized on a straight-line basis over the shorter of the asset's useful life or noncancelable lease term.

A detailed breakout of intangible right-to-use leased assets for the year ended June 30, 2023, is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
<u>Intangible right-to-use leased capital assets being amortized</u>				
Machinery and equipment leases:				
Golf Toro grounds equipment	\$ 440,364	\$ -	\$ -	\$ 440,364
Golf Yamaha golf carts	320,240	-	-	320,240
Land leases:				
Power transmission lines	-	221,619	-	221,619
Total leased capital assets being amortized	760,604	221,619	-	982,223
Less accumulated amortization for				
Machinery and equipment leases:				
Golf course grounds equipment	\$ 66,055	\$ 44,036	\$ -	\$ 110,091
Golf course golf carts	182,994	45,749	-	228,743
Land leases:				
Power transmission lines	-	34,228	-	34,228
Total accumulated amortization	249,049	124,013	-	373,062
Total, net right-to-use capital asset	\$ 511,555	\$ 97,606	\$ -	\$ 609,161

A detailed breakout of intangible right-to-use subscription-based assets for the year ended June 30, 2023, is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
<u>Intangible right-to-use subscription-based capital assets being amortized</u>				
Public Safety software	\$ 24,638	\$ -	\$ -	\$ 24,638
Engineering & Planning software	32,199	-	-	32,199
Total subscription-based capital assets being amortized	56,837	-	-	56,837
Less accumulated amortization for subscription-based capital assets:				
Public Safety software	\$ 1,540	\$ 4,620	\$ -	\$ 6,160
Engineering & Planning software	6,440	6,440	-	12,880
Total accumulated amortization	7,980	11,060	-	19,040
Total, net right-to-use capital asset	\$ 48,857	\$ (11,060)	\$ -	\$ 37,797

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2023:

Restricted for regulatory required insurance deposit	\$ 528,595
Restricted for landfill closure and post-closure costs	2,099,542
Restricted settlement funds received for landfill closure/post-closure	927,160
Restricted for bond payments	551,229
Restricted for customer utility deposits	1,004,886
Restricted by donors for trails	29,041
Restricted bond proceeds for construction of trails	1,389,435
Restricted for refundable performance bond deposits	1,149,587
Restricted for construction retention	322,647
Restricted for unearned revenue	132,114
Restricted for unremitted fees collected on behalf of other governments	1,545
Restricted for other postemployment benefits	531,328
	<hr/>
Total restricted assets as shown on the Statement of Net Position	<u>\$ 8,667,109</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 \$1,189,741. For fiscal year 2024, the budget for this contract is \$1,559,999.

The Fund has a contract with Western Area Power Administration to provide a prorated share of the actual hydropower capacity from the Salt Lake City Area Integrated Projects. This is part of the Colorado River Storage Project (CRSP). This contract was revised October 1989 and will be in force until September 30, 2024. In the current year the Fund purchased power via this contract totaling \$3,122,905. For fiscal year 2024, the budget for this contract is \$3,168,861.

On July 1, 1993, the Fund entered into an agreement with Utah Associated Municipal Power Systems (UAMPS) for a five-megawatt power allotment from the San Juan Unit No. 4 coal-fired power plant from Public Service of New Mexico. Under the terms of this agreement, the Fund is liable for a take-or-pay amount of 1.004% of the plant's production. It is anticipated that this power plant will be shutdown during fiscal year 2024. During the current fiscal year, the Fund purchased power totaling \$852,931 via this agreement. For fiscal year 2024, the budget for this agreement is \$193,200 for power purchases.

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 \$11,138,630 for power sales and purchases. For fiscal year 2024, the budget amount for UAMPS net purchases is \$10,769,212.

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 2023 \$83,872 of the intangible asset balance was amortized to expense as the contract is expected to end in January of 2034 (11-year remaining life). This brought the accumulated amortization balance to \$2,767,785 at the end of fiscal year 2023.

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 \$2,222,032 via this contract. For fiscal year 2024, the budget for this contract is \$1,619,513.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACCRUED LIABILITIES

Accrued liabilities of the City for the year ended June 30, 2023, were as follows:

Accrued Liabilities:	General Fund	Redevelopment Agency	Internal Service	Governmental Activities	
Employee payroll	\$ 521,779	\$ 1,274	\$ 2,788	\$ 525,841	
Other	1,545	-	-	1,545	
Total	<u>\$ 523,324</u>	<u>\$ 1,274</u>	<u>\$ 2,788</u>	<u>\$ 527,386</u>	

Accrued Liabilities:	Water	Light and Power	Sanitation	Other Enterprise Funds	Business- Type Activities
Employee payroll	\$ 29,799	\$ 87,313	\$ 28,448	\$ 34,690	\$ 180,250
Sales taxes	-	126,315	2,154	26,484	154,953
Total	<u>\$ 29,799</u>	<u>\$ 213,628</u>	<u>\$ 30,602</u>	<u>\$ 61,174</u>	<u>\$ 335,203</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 LIABILITIES

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2023:

	Balance at June 30, 2022	Additions	Reductions	Balance at June 30, 2023	Due within One Year
Governmental activities					
General obligation bond	\$ 160,000	\$ 7,465,000	\$ 400,000	\$ 7,225,000	\$ 240,000
Plus unamortized premium	-	529,837	26,492	503,345	26,492
Notes payable	-	1,000,000	-	1,000,000	-
Leases payable	43,828	-	9,764	34,064	9,472
Compensated absences	1,371,434	466,807	760,979	1,077,262	394,494
Governmental activity long-term liabilities	<u>\$ 1,575,262</u>	<u>\$ 9,461,644</u>	<u>\$ 1,197,235</u>	<u>\$ 9,839,671</u>	<u>\$ 670,458</u>
Business-type activities					
Leases payable	\$ 310,636	\$ 225,124	\$ 116,668	\$ 419,092	\$ 121,161
Compensated absences	792,148	429,188	535,743	685,593	211,799
Accrued landfill closure	1,925,744	173,798	-	2,099,542	-
Business-type activity long-term liabilities	<u>\$ 3,028,528</u>	<u>\$ 828,110</u>	<u>\$ 652,411</u>	<u>\$ 3,204,227</u>	<u>\$ 332,960</u>

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. LONG-TERM LIABILITIES (Continued)

A detailed breakout of lease payable for the year ended June 30, 2023, is as follows:

	June 30, 2022	Additions	Reductions	June 30, 2023	Due within One Year
<u>Governmental activities</u>					
Subscription-based software lease:					
Public Safety software	\$ 22,971	\$ -	\$ 4,716	\$ 18,255	\$ 4,315
Engineering & Planning softwr.	20,857	-	5,048	15,809	5,157
Total governmental activities	<u>\$ 43,828</u>	<u>\$ -</u>	<u>\$ 9,764</u>	<u>\$ 34,064</u>	<u>\$ 9,472</u>
<u>Business-type activities</u>					
Golf Toro Mower lease	\$ 230,470	\$ -	\$ 74,567	\$ 155,903	\$ 76,801
Golf Yamaha cart lease	80,166	-	38,796	41,370	41,370
Light & Power land leases:					
Transmission line - Echo Hydro	-	194,480	3,305	191,175	2,976
Transmission line - Pineview H.	-	30,644	-	30,644	14
Total business-type activities	<u>\$ 310,636</u>	<u>\$ 225,124</u>	<u>\$ 116,668</u>	<u>\$ 419,092</u>	<u>\$ 121,161</u>

General Obligations Bond

On July 7, 2022, the City issued General Obligation Bonds, Series 2022 with a par amount of \$7,625,000 and a premium of \$529,837. These bonds financed the purchase of the former Washington Elementary School land, improve it as a City park, and to expand and improve the City's trail system.

The \$7,625,000 in par value is to be repaid in annual principal installments due January 1st beginning in 2023 continuing until 2042. Interest payments are also due semiannually on January and July 1st. The bonds carry interest rates at 4.00% to 5.00% depending upon their maturity. The true interest cost, factoring in the issuance premium, over the scheduled life of the bonds to the City is 3.69%. The bonds are only eligible for early redemption on or after January 1, 2032.

The City's future minimum bond payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 240,000	\$ 327,200	\$ 567,200
2025	250,000	315,200	565,200
2026	265,000	302,700	567,700
2027	280,000	289,450	569,450
2028	290,000	275,450	565,450
2029-2033	1,695,000	1,144,000	2,839,000
2034-2038	2,145,000	689,100	2,834,100
2039-2042	2,060,000	210,000	2,270,000
Total	<u>\$ 7,225,000</u>	<u>\$ 3,553,100</u>	<u>\$ 10,778,100</u>

On June 21, 2022, the City Council authorized Davis County to begin the debt service property tax levy that will cover all of the principal and interest costs for the repayment of the General Obligation Bonds, Series 2022. Fiscal year 2023 was the first year of this new property tax levy. Those tax revenues were and will continue to be recognized in the Debt Service Fund.

Note Payable

On January 12, 2021, the City and Davis County entered into an interlocal agreement where Davis County would loan the City \$1,000,000 to aid in the construction costs to extend Eagle Ridge Drive road. Per the terms of the agreement this \$1,000,000 note is interest-free and will be repaid in full at the earlier of fifteen years or when the City is repaid for construction costs by the developer of the surrounding properties. The agreement further stipulates that the city cannot issue any building permits for the surrounding properties before the note is repaid.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. LONG-TERM LIABILITIES (Continued)

Golf Grounds Equipment Lease

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

The City's future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 76,801	\$ 4,671	\$ 81,472
2025	79,102	2,370	81,472
Total	<u>\$ 155,903</u>	<u>\$ 7,041</u>	<u>\$ 162,944</u>

Golf Carts Lease

On July 1, 2018, the City entered into a lease agreement for sixty-nine golf carts. The leased equipment had a market value at the lease agreement date of \$320,240 and was capitalized at that value as an intangible right-to-use asset. The City traded in sixty-nine golf carts as part of this transaction at a value of \$89,850 leaving the financed balance at \$230,390. The lease carries a 3.8% fixed interest rate (used as the discount rate) and has five annual principal and interest payments due on July 1st. At the end of the lease term the golf carts have a purchase option of \$42,780.

The City's future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 41,370	\$ 1,663	\$ 43,033
Total	<u>\$ 41,370</u>	<u>\$ 1,663</u>	<u>\$ 43,033</u>

Light and Power Land Lease

The City has long-term lease agreements with the US Forest Service to lease land for power poles and transmission lines to the City's Echo and Pineview hydro-electric generation plants. The intangible right-to-use leased land had a combined value of \$221,619 and was capitalized at that value to be amortized over the term of the agreements. The current year annual lease payments totaled \$8,581 and \$947 with annual CPI increases going through the end dates of 2048 and 2064, respectively. The present value of the total lease payments, or the leases payable, totals \$194,480 and \$30,644 using discount rates of 3.03% and 3.11% at the measurement date.

The City's future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,990	\$ 6,738	\$ 9,728
2025	3,283	6,648	9,931
2026	3,589	6,548	10,137
2027	3,908	6,440	10,348
2028	4,242	6,321	10,563
2029-2033	26,744	29,461	56,205
2034-2038	37,514	24,785	62,299
2039-2043	50,721	18,334	69,055
2044-2048	66,834	9,711	76,545
2049-2053	4,899	3,134	8,033
2054-2058	6,550	2,274	8,824
2059-2063	8,557	1,135	9,692
2064	1,988	62	2,050
Total	<u>\$ 221,819</u>	<u>\$ 121,591</u>	<u>\$ 343,410</u>

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. LONG-TERM LIABILITIES (Continued)

Subscription-Based Software Lease Agreements

During the current year the City implemented GASB statement 96, *Subscription-Based Information Technology Arrangements*. The City has long-term Public Safety and Engineering/Planning subscription-based software lease agreements. The intangible right-to-use leased software had values of \$24,638 and \$32,199 and was capitalized at that value to be amortized over the term of the agreements. The annual lease payments total \$5,000 and \$5,500 going through the end dates of July 1, 2026, and July 1, 2025, respectively. The present value of the total lease payments, or the leases payable, totaled \$24,638 and \$32,199 using discount rates of 3.69% and 2.17% at the measurement date. The outstanding leases payable at June 30, 2023, total \$18,255 and \$15,809, respectively.

The City's future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 9,472	\$ 1,028	\$ 10,500
2025	9,746	754	10,500
2026	10,028	472	10,500
2027	4,818	182	5,000
Total	<u>\$ 34,064</u>	<u>\$ 2,436</u>	<u>\$ 36,500</u>

Legal Debt Margin

The City is subject to a governmental funds debt limit that is 4 percent of the valuation of taxable property. Additionally, the City is subject to a proprietary funds debt limit that is 8 percent of the valuation of taxable property. On June 30, 2023, the City's total debt limit margins were as follows:

	<u>Governmental</u>	<u>Business-Type</u>
<u>Assessed Property Values (1)</u>	<u>Activities</u>	<u>Activities</u>
\$ 8,636,745,320		
4% of Assessed Property Values	\$ 345,469,813	N/A
8% of Assessed Property Values	N/A	\$ 690,939,626
Fiscal Year 2023 Outstanding Debt	<u>(8,259,064)</u>	<u>(419,092)</u>
Legal Debt Limit Margin (debt capacity)	<u>\$ 337,210,749</u>	<u>\$ 690,520,534</u>
Legal Debt Limit Margin % (used capacity)	2.3907%	0.0607%

(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, 2023, the contributions including accumulated interest totaled \$927,160 and are held in a separate City-owned PTIF account being reserved for the eventual closure costs. 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.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. LONG-TERM LIABILITIES (Continued)

Accrued Landfill Closure (Continued)

The estimated liability for these costs is \$4,344,970 as of June 30, 2023. The City has reported and included in accrued liabilities \$2,099,542 as landfill closure and post-closure care liability at June 30, 2023, which is based on 48.32% 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 2023.

The City estimates it will close the landfill in 57 years, or fiscal year 2080. Actual cost at that time may be higher or lower due to inflation, changes in technology, changes in refuse materials accepted, or changes in regulations.

The City is required by state and federal laws and regulations to make annual reserve contributions to finance closure and post-closure care. The City is in compliance with these requirements, and, at June 30 2023, has investments (approximating fair value) of \$3,468,615 and \$927,160 held in PTIF accounts, for a combined total of \$4,395,775 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, Debt Service Fund, and Redevelopment Agency in the amounts of \$3,534,010, \$531,230, and \$86,000 respectively. The property tax receivable and deferred inflow directly offset resulting in no current-year income statement affect for this accounting treatment.

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, 2023, is not expected to be received within 60 days after the year ended June 30, 2023, 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, 2023.

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 (URS). Eligible plan participants are provided with pensions through the URS. The URS 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 URS, are members of the Tier 2 Retirement System.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PENSION PLAN (Continued)

The URS are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The URS' 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 URS under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The URS are fiduciary funds defined as pension (and other employee benefit) trust funds. The URS 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 URS issue a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102, or visiting the website: www.urs.org/general/publications

Summary of benefits by system

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

System	Final Average Salary	Years of Service Required and/or age eligible for benefit	Benefit Percent per Year of Service	COLA**
Noncontributory	Highest 3 years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Public Safety	Highest 3 years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years; 2.00% per year over 20 years	Up to 2.5% or 4% depending upon 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 to June 30, 2020 2.00% per year July 1, 2020 to present	Up to 2.5%

* Actuarial reductions are applied

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

Contributions

As a condition of participation in the URS, 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. For the fiscal year ended June 30, 2023, the contributions to the URS are as follows:

System	Employer Contributions	Employee Contributions
Noncontributory	\$ 1,133,469	\$ -
Public Safety	918,990	-
Tier 2 Public Employees	821,297	-
Tier 2 Public Safety and Firefighter	426,598	26,969
Tier 2 DC Only	13,616	-
Tier 2 DC Public Safety and Firefighter	39,630	-
	\$ 3,353,600	\$ 26,969

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PENSION PLAN (Continued)

Contributions (continued)

Contribution rates as of June 30, 2023, are as follows:

	<u>Employee Paid</u>	<u>Employer Rate</u>	<u>Employer 401(k)</u>
Contributory System:			
11 Local Governmental Division Tier 1	6.00%	13.96%	-
111 Local Governmental Division Tier 2	-	16.01%	0.18%
Noncontributory System:			
15 Local Governmental Division Tier 1	-	17.97%	-
Public Safety System:			
Contributory: 122 Hybrid Public Safety Tier 2	2.59%	40.97%	-
Noncontributory: 48 Bountiful with 2.5% COLA	-	50.38%	-
Tier 2 Defined Contribution Only:			
211 Local Government	-	6.19%	10.00%
222 Public Safety	-	26.97%	14.00%

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

Contributions reported are the URS Board approved required contributions by System. The contribution requirements of the URS are adopted in the City's annual budget and are fully covered by the City without any required contributions from employees.

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

On June 30, 2023, the City reported a net pension asset of \$0 and a net pension liability of \$6,205,525. These balances, the City's percentage share of the URS, and how they have changed from the previous measurement date are broken out by system as follows:

	<u>Non- contributory System</u>	<u>Contributory System</u>	<u>Public Safety System</u>	<u>Tier 2 Public Employees System</u>	<u>Tier 2 Public Safety and Firefighter</u>
<u>Proportion of The Net Pension Liability:</u>					
For year ending December 31, 2022	0.7349684%	0.0000000%	100.00%	0.2118860%	0.3019258%
For year ending December 31, 2021	0.7901484%	0.0000000%	100.00%	0.2051706%	0.3015128%
Change from Prior Measurement Date	-0.0551800%	0.0000000%	0.00%	0.0067154%	0.0004130%
<u>Proportionate Share of The Net Pension Liability/(Asset):</u>					
For year ending December 31, 2022	\$ 1,258,816	\$ -	\$ 4,690,800	\$ 230,721	\$ 25,188
For year ending December 31, 2021	\$ (4,525,264)	\$ -	\$ 1,968,504	\$ (86,836)	\$ (15,239)
Change from Prior Measurement Date	\$ 5,784,080	\$ -	\$ 2,722,296	\$ 317,557	\$ 40,427

The net pension asset and liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022, 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 URS during the plan year. The net pension liabilities pertaining to governmental activities are liquidated by the General Fund.

For the year ended June 30, 2023, the City recognized City-wide pension expense of \$1,734,473.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PENSION PLAN (Continued)

On June 30, 2023, 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	\$ 517,050	\$ 403,442
Change in assumptions	337,143	8,137
Net difference between projected and actual earnings on pension plan investments	1,318,975	-
Changes in proportion and differences between contributions and proportionate share of contributions	46,319	53,391
Contributions subsequent to the measurement date	1,651,875	-
	<u>\$ 3,871,362</u>	<u>\$ 464,970</u>

\$1,651,875 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, 2022. 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
2023	\$ (912,030)
2024	(45,005)
2025	555,303
2026	2,046,360
2027	21,271
Thereafter	88,617

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

For the year ended June 30, 2023, the City recognized pension expense of \$546,131 for this system. On June 30, 2023, 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	\$ 426,969	\$ -
Change in assumptions	206,303	5,027
Net difference between projected and actual earnings on pension plan investments	830,328	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	39,043
Contributions subsequent to the measurement date	550,974	-
	<u>\$ 2,014,574</u>	<u>\$ 44,070</u>

\$550,974 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, 2022. 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
2023	\$ (211,907)
2024	22,800
2025	333,510
2026	1,275,128

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

For the year ended June 30, 2023, the City recognized pension expense of \$636,758 for this system. On June 30, 2023, 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	\$ -	\$ 385,932
Change in assumptions	40,008	-
Net difference between projected and actual earnings on pension plan investments	369,494	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	425,023	-
	\$ 834,525	\$ 385,932

\$425,023 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, 2022. 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
2023	\$ (715,678)
2024	(100,766)
2025	169,362
2026	670,652

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

For the year ended June 30, 2023, the City recognized pension expense of \$442,355 for this system. On June 30, 2023, 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	\$ 77,929	\$ 9,154
Change in assumptions	74,903	587
Net difference between projected and actual earnings on pension plan investments	93,019	-
Changes in proportion and differences between contributions and proportionate share of contributions	40,985	10,670
Contributions subsequent to the measurement date	431,608	-
	\$ 718,444	\$ 20,411

\$431,608 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, 2022. 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
2023	\$ 13,278
2024	27,934
2025	44,360
2026	83,977
2027	19,811
Thereafter	77,065

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PENSION PLAN (Continued)

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

For the year ended June 30, 2023, the City recognized pension expense of \$109,229 for this system. On June 30, 2023, 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	\$ 12,150	\$ 8,353
Change in assumptions	15,930	2,523
Net difference between projected and actual earnings on pension plan investments	26,134	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,334	3,681
Contributions subsequent to the measurement date	244,271	-
	<u>\$ 303,819</u>	<u>\$ 14,557</u>

\$244,271 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, 2022. 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>
2023	\$ 2,277
2024	5,027
2025	8,071
2026	16,598
2027	1,460
Thereafter	11,558

Actuarial assumptions

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.25-9.25 percent, average, including inflation
Investment Rate of Return	6.85 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2022, valuation were based on the results of an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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	35%	6.58%	2.30%
Debt Securities	20%	1.08%	0.22%
Real Assets	18%	5.72%	1.03%
Private Equity	12%	9.80%	1.18%
Absolute Return	15%	2.91%	0.44%
Cash and Cash Equivalents	0%	-0.11%	0.00%
Totals	<u>100%</u>		<u>5.17%</u>
		Inflation	2.50%
	Expected Arithmetic	Nominal Return	<u>7.67%</u>

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount rate

The discount rate used to measure the total pension liability was 6.85%. 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 URS 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.

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 6.85%, 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 (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory	\$ 7,933,482	\$ 1,258,816	\$ (4,318,218)
Public Safety	8,519,446	4,690,800	1,524,963
Tier 2 Public Employees	1,008,126	230,721	(368,170)
Teir 2 Public Safety & Firefighter	201,623	25,188	(115,036)
	<u>\$ 17,662,677</u>	<u>\$ 6,205,525</u>	<u>\$ (3,276,461)</u>

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

For the year ended June 30, 2023, the City had the following covered employees under the Public Safety-Agent, multiple employer, pension plan:

Covered Employees	Tier 1 Bountiful Public Safety
Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	13
Active employees	21
Total Agent Employer Tier 1 Plans Covered Employees	<u>78</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, 2022:

Total Pension Liability	<u>12/31/2022</u>	Plan Fiduciary Net Position	<u>12/31/2022</u>
Service cost	\$ 405,294	Contributions - employer	\$ 1,244,459
Interest	2,020,152	Contributions - member	-
Benefit changes	-	Net investment income	(1,461,272)
Difference between actual and expected experience	(572,946)	Benefit payments	(1,544,191)
Assumption changes	-	Administrative expense	(9,022)
Benefit payments	(1,544,191)	Other	(643,961)
Net Change in Total Pension Liability	<u>308,309</u>	Net Change in Plan Fiduciary Net Position	<u>(2,413,987)</u>
Total Pension Liability - Beginning	30,060,732	Plan Fiduciary Net Position - Beginning	28,092,228
Total Pension Liability - Ending (a)	<u>\$ 30,369,041</u>	Plan Fiduciary Net Position - Ending (b)	<u>\$ 25,678,241</u>

Total Pension Liability - Plan Fiduciary Net Position **(a-b)** = Net Pension Liability \$ 4,690,800
Pension Plan Fiduciary Net Position **(b)** as a percentage of the total Total Pension Liability **(a)** 84.55%

Payables to the pension plan

On June 30, 2023, the City had \$184,528 in its accrued liabilities balance payable to the URS for pay periods falling within fiscal year 2023.

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

13. RETIREMENT PLANS

URS' defined contribution plans

The City sponsors voluntary defined contribution plans. Some of these plans offered by the City are administered by the URS and are generally supplemental plans to the basic retirement benefits of the URS 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 URS 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	2023	\$ 162,190	\$ 231,694
	2022	154,541	213,622
	2021	139,742	211,438
457 Plan	2023	\$ 68,906	\$ -
	2022	60,292	-
	2021	74,001	-
Roth IRA Plan	2023	\$ 57,466	N/A
	2022	63,484	N/A
	2021	58,629	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)

Mission Square Retirement 401(k) defined contribution plan

The City sponsors a voluntary defined contribution plan administered by Mission Square 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, 2023, contributions totaling \$187,746 were made to the plan by employees and \$8,310 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 postemployment benefits. These benefits include paying 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.

Life insurance benefit description:

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, 2023, was \$13,704,018.

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, 2023, the City reported a net OPEB asset of \$531,328. The net OPEB asset was measured as of June 30, 2023, 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, 2023, 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	\$ 8,838	\$ 48,892
Change in assumptions	13,000	64,032
Net difference between projected and actual earnings on OPEB plan investments	-	4,657
	\$ 21,838	\$ 117,581

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
2024	\$ (65,810)
2025	(10,293)
2026	(8,755)
2027	(5,477)
2028	(3,171)
Thereafter	(2,237)

For the year ended June 30, 2023, the City recognized an actuarially calculated negative OPEB expense of \$70,939.

OPEB plan covered employees

For the year ended June 30, 2023, the City had the following covered employees under the OPEB plan:

Covered Employees	Single-Employer - Life Insurance OPEB Benefit
Inactive Employees Currently Receiving Benefits	111
Active Employees	188
Total OPEB Plan Covered Employees	299

Actuarial assumptions

The actuarial valuation calculating the total net OPEB asset as of June 30, 2023, was determined using the following actuarial assumptions, applied to all periods included in the measurement dated June 30, 2023:

Inflation Rate	2.50%
Payroll Productivity Rate	0.75%
Discount Rate	4.13%
Investment Rate of Return	1.50%

Mortality rates were developed from the SOA Pub-2010 Weighted Mortality Table fully generational using Scale MP-2021.

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

<u>Asset Class</u>	<u>Current & Assumed Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Debt Securities	49.682%	5.57%	1.00%
Cash and Cash Equivalents	50.318%	5.11%	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 life insurance premium trends. 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 4.13%. 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 4.13%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13%) or 1-percentage-point higher (5.13%) than the current rate:

	<u>1% Decrease (3.13%)</u>	<u>Discount Rate (4.13%)</u>	<u>1% Increase (5.13%)</u>
Net OPEB Asset as of June 30, 2023	\$ 521,238	\$ 531,328	\$ 539,784

Sensitivity of the net OPEB asset to changes in the life insurance premium trend rate

The following presents the net OPEB asset calculated using the life insurance premium rate as compared to the 1.00% annual increase rate used in the study. This schedule illustrates what the net OPEB asset would be if it were calculated using a premium increase rate that is 1-percentage-point lower (0.00%) or 1-percentage-point higher (2.00%) than the current rate of 1.00%:

	<u>1% Decrease (0.00%)</u>	<u>Increase Trend (1.00%)</u>	<u>1% Increase (2.00%)</u>
Net OPEB Asset as of June 30, 2023	\$ 540,735	\$ 531,328	\$ 519,777

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, 2023:

	6/30/2023		6/30/2023
Total OPEB Liability		OPEB Plan Fiduciary Net Position	
Service cost	\$ 2,139	Contributions - member	\$ -
Interest	3,481	Contributions - employer	-
Benefit changes	-	Net investment income	22,183
Difference between actual and expected experience	(4,048)	Benefit payments	(3,367)
Assumption changes	(167)	Refunds	-
Benefit payments	(3,367)	Administrative expense	-
Net Change in Total OPEB Liability	(1,962)	Net Change in Plan Fiduciary Net Position	18,816
Total OPEB Liability - Beginning	84,632	Plan Fiduciary Net Position - Beginning	595,182
Total OPEB Liability - Ending (a)	\$ 82,670	Plan Fiduciary Net Position - Ending (b)	\$ 613,998

Total OPEB Liability - OPEB Plan Fiduciary Net Position **(a-b)** = Net OPEB Liability/(Asset) \$ (531,328)

OPEB Plan Fiduciary Net Position **(b)** as a percentage of the total OPEB liability **(a)** 742.71%

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 \$500,000, with commercial excess insurance from \$500,000 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 \$226,155,215 that includes various category limits, some of which are as follows: 1. Buildings, contents, and equipment limit of \$200,735,872 with a \$50,000 deductible per category, 2. Parked vehicles limit of \$15,045,000 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 \$1,210,215 with a \$50,000 deductible, 5. \$10,000,000 in earthquake coverage with a \$250,000 deductible, 6. \$10,000,000 in flood coverage for facilities that are located outside the standard report zone with a \$250,000 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 \$1,700,000 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 \$750,000, 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 fourteen 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, 2023, and 2022, are as follows:

	General Liability Claims Payable
Balance, June 30, 2021	\$ -
New claims incurred	348,674
Payments on claims	(513,674)
Balance, June 30, 2022	(165,000)
New claims incurred	45,672
Payments on claims	(45,672)
Balance, June 30, 2023	\$ (165,000)

The City also has a risk management program for workers' compensation. Premiums are paid to the Workers' Compensation Self-Insurance Fund (an internal service fund) and are available to pay these claims along with certain administrative expenses. A summary of changes in workers' compensation claims payable for the years ended June 30, 2023, and 2022 are as follows:

	Workers' Comp Claims Payable
Balance, June 30, 2021	\$ 431,917
New claims incurred	194,920
Payments on claims	(206,968)
Balance, June 30, 2022	419,869
New claims incurred	386,948
Payments on claims	(117,524)
Balance, June 30, 2023	\$ 689,293

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 – LESSOR ACTIVITIES

GASB statement 87, *Leases* requires governmental-activity lease receivables (i.e., where the City acts as the lessor) to be reflected as an asset on the *statement of net position* offset by a deferred inflow of resources. This represents the future lease payments to be paid by the lessee. On June 30, 2023, the *statement of net position* reports such a lease receivable and deferred inflow totaling \$2,139,902. That is the combined balance of a Public Safety building lease receivable of \$632,729, cell tower leases receivable of \$1,448,339, and a concession building lease receivable of \$58,834.

Public Safety Building Lease

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 lease has a stated 2% inflator rate that is used as the discount rate for the lease receivable calculations. The State Judicial Court leases approximately 48% of the building. The City recognized \$142,617 in rental income and \$14,442 in interest income from this lease for the year ended June 30, 2023.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. LEASES – LESSOR ACTIVITIES (Continued)

Land Leases – Telecommunication Towers

The City has over many years entered into various telecom tower lease agreements with some ongoing since 1996. In these leases the City leases land to the telecommunication providers. As of the end of fiscal year 2023 the City has 8 active leases, with the most recent agreement beginning in 2021. The agreements have end dates ranging between fiscal years 2023 and 2046. Annual payments to the City range from \$10,236 to \$19,599 with interest rates ranging from 2% to 5% (used as the discount rates). The City recognized \$141,040 in rental income and \$35,445 in interest income from these leases for the year ended June 30, 2023.

Concession Building Lease

In May 2023, the City entered into an operating lease agreement with the a drink concessionaire where the lessor will lease a concession building at the City’s Town Square park. The monthly lease payment is \$1,000 per month and the term is through December 31, 2028. The lease does not have a stated interest rate so the City’s current borrowing rate of 3.69% was used as the discount rate for the lease receivable calculation. The City recognized \$4,649 in rental income and \$1,351 in interest income from this lease for the year ended June 30, 2023.

17. INTERGOVERNMENTAL REVENUE

Intergovernmental revenue in the governmental funds for the year ended June 30, 2023, consists of the following:

	General Fund	RDA
Utah Class "B&C" Road allotment	\$ 1,943,693	\$ -
Local Option Transportation Tax	984,229	-
Utah Liquor Law Enforcement Grant	43,827	-
Various State and Local Law Enforcement Grants	185,178	-
SDMFSA bond tax levy reimbursement	82,340	-
Property Tax Increment Contributions	-	872,589
Federal ARPA Grant - subrecipient of State	2,602,590	-
Federal Victims Advocate Grant - subrecipient of State	24,586	-
Federal hazard mitigation grant - fuels reduction	6,512	-
Various Federal Law Enforcement Grants - subrecipient	15,803	-
Total Intergovernmental Revenue	\$ 5,888,758	\$ 872,589

The General Fund intergovernmental revenue listed differs from the *statement of activities* operating grants and contribution revenue by the \$82,340 SDMFSA payment. The government-wide accrual basis of accounting treats that SDMFSA payment as a reduction of a note receivable rather than a revenue.

18. FIRE AND EMERGENCY MEDICAL SERVICES

The South Davis Metro Fire Service Area (SDMFSA) is a special service district organized on July 1, 2016. SDMFSA provides fire and emergency medical services to the cities of Bountiful, Centerville, North Salt Lake, West Bountiful, Woods Cross and the unincorporated areas of South Davis County. SDMFSA is governed by its own Board of Trustees made up of elected officials from each participating member entity. SDMFSA does levy taxes and collect impact fees to cover most capital expenditures; however, most of the SDMFSA’s operations are funded by quarterly member assessments. For the year ended June 30, 2023, the City paid \$2,647,340 to SDMFSA for its member assessments.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. 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 \$47,860,407 in outstanding construction commitments on June 30, 2023, as follows:

<u>Fund</u>	<u>Contractor</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Expensed</u>	<u>Commitment Outstanding</u>
Capital Projects	Miller Paving	300 South & 400 S	\$ 712,671	\$ -	\$ 712,671
Capital Projects	M.C. Green & Sons, Inc.	Eagle Ridge Dr. Extension	1,685,400	1,043,000	642,400
Capital Projects	Stapp Construction	Skate Park Construction	705,112	232,989	472,123
Capital Projects	Rock Solid Trail Contracting	Holbrook to Ward - Set C	391,917	-	391,917
Capital Projects	Northend Builders	Mueller Park - Bridges 2&3	354,319	-	354,319
Capital Projects	Motorola	Body-cam purchase	284,756	-	284,756
Capital Projects	Launch Construction	Washington Park Construction	2,832,779	2,596,114	236,665
Capital Projects	3XL, Inc.	North Canyon Trailhead	506,046	290,350	215,696
Capital Projects	Hunt Electric	2600 S 200 W traffic signal replace	190,080	-	190,080
Capital Projects	Motorola/Spillman	Motorola/Spillman Software	367,039	183,520	183,519
Capital Projects	Avid Trails	Set A - Mueller Park	122,336	11,625	110,711
Capital Projects	Avid Trails	Holbrook to Ward Canyon trail	256,332	226,178	30,154
Fiber	UTOPIA Fiber	Fiber Network	45,432,000	4,341,000	41,091,000
Light and Power	Americom Technology	Various boring projects 572/574 Feed	209,345	118,475	90,870
Light and Power	Salt Lake Valley Chrysler	2023 RAM line crew truck	74,667	-	74,667
Light and Power	Mountain States Industrial	2023 RAM line crew truck	46,238	23,000	23,238
RAP Tax Fund	Parkin Tennis	Cheese Park Pickleball Court	295,400	236,320	59,080
Water	M.C. Green & Sons	2023 Waterline Projects	1,987,541	66,188	1,921,353
Water	Widdison Turbine Service	Calder Well Rehabilitation	775,188	-	775,188
Total Construction Commitments Outstanding			<u>\$ 57,229,166</u>	<u>\$ 9,368,759</u>	<u>\$ 47,860,407</u>

20. 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, 2023, the following activity occurred in the City's Redevelopment Agency:

<u>Tax increment collected from other taxing agencies for the Bountiful Project Area</u>	
District #3 (RDA 8010)	\$ 732,522
District #5 (RDA 9010)	140,067
Total Tax Increment	<u>\$ 872,589</u>

<u>Tax increment used by the Bountiful Redevelopment Agency</u>	
Amounts loaned to local businesses for startup or redevelopment	\$ -
Amounts expended on redevelopment/site improvement projects	49,540
Amounts expended for administrative costs	111,025
Total Expenditures	<u>\$ 160,565</u>

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. INTERNAL BALANCES AND INTERFUND TRANSFERS

On June 30, 2023, the government-wide internal balances were as follows:

<u>Receivable Activity</u>	<u>Payable Activity</u>	<u>Amount</u>
Governmental Activities	Business-Type Activities	\$ 1,839,744
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	OPEB Trust	\$ 215
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects Fund	Fiber Fund	\$ 5,198,201

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, 2022) internal balance of \$1,839,744 due to governmental activities from business-type activities by \$228,435.

On June 21, 2023, the Capital Projects Fund loaned the Fiber Fund \$5,191,000 to fund a payment to UTOPIA Fiber for the purchase of some existing fiber-optic lines within the City and to pay UTOPIA for design work and fiber inventory to begin installation of the City’s new fiber-optic network. This interfund receivable/payable was gap funding until bonds could be issued for the project. The interfund agreement included an interest rate of 5.06% and at June 30, 2023, there was accrued interest of \$7,201 that was added to the interfund loan bringing the ending balance to \$5,198,201. Subsequent to fiscal yearend this payable was repaid by the Fiber Fund when the bonds were issued on August 3, 2023.

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, 2023, were as follows:

	Individual Fund Reconciliation		Government-Wide Reconciliation	
	In	Out		
Governmental:			Governmental	Business-
General Fund	\$ 2,744,399	\$ -	In	Type Out
Capital Projects Fund	875,119	-	General Fund	\$ -
RAP Tax	-	875,119	Light and Power Fund	2,724,379
Debt Service Fund	-	20,020		
Governmental Funds Total	\$ 3,619,518	\$ 895,139	Government-Wide Total	\$ 2,724,379
Enterprise:				
Light and Power Fund	\$ -	\$ 2,724,379		
Enterprise Funds Total	\$ -	\$ 2,724,379		

Detailed descriptions of the interfund transfers for the year ended June 30, 2023, are as follows:

- \$2,724,379 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*.
- \$875,119 Capital Projects Fund transfer from the RAP Tax Fund – The Capital Projects Fund constructed two City parks out of its reserves with a plan to utilize future RAP taxes to annually replenish some of those reserves as RAP tax revenues would permit. The \$875,119 is the transfer of current-year RAP taxes available, after other RAP tax expenditures, to the Capital Projects Fund.
- \$20,020 Debt Service Fund transfer to the General Fund – This is a transfer of residual-unrestricted funds out of the Debt Service Fund and into the General Fund to clear out the Debt Service Fund before the City began debt service payments and property tax collection for the Series 2022, GO Bonds.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. FUND BALANCE AND NET POSITION

Committed fund balance policy

The City Council has adopted through ordinance the City’s ongoing 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 30 and 35 percent of the current fiscal year’s total revenues. It is management’s intent to always keep the maximum allowed by law (35%) in the General Fund’s fund balance. On June 30, 2023, that committed balance totaled \$6,664,000. Its use is limited to unanticipated and non-recurring needs. If this committed balance falls below the minimum 30 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, 2023, those committed balances were \$10,259,000 and \$12,000,000, respectively. The capital reserve is limited in use to large and infrequent (20 to 30-year lifecycle assets) capital projects. The emergency reserve is limited in use to City-wide financial emergencies or natural disasters. If this committed balance falls below the outlined thresholds because it has been used, essentially as a “revenue” source, the policy provides for actions to replenish the amount to the minimum target level. The replenishment is to occur within a five-year period.

Minimum unrestricted net position policy

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

On June 30, 2023, the combined reserves, or minimum unrestricted net position, in each required enterprise fund were as follows: Water \$4,016,000, Light and Power \$16,446,000, Sanitation \$2,038,000, Storm Water \$943,000, Golf \$941,000, and Cemetery \$486,000.

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

23. PRIOR PERIOD ADJUSTMENT

Public Safety and Engineering/Planning subscription-based software leases GASB 96 restatement

In fiscal year 2023, the City implemented GASB 96, *Subscription-Based Information Technology Arrangements*. The accounting for that standard necessitated a net credit to net position of \$5,029. The prior accounting expensed the payments to software providers as an operating expense rather than capitalizing an intangible right-to-use asset, amortizing that asset, and recognizing a lease liability. The governmental-activities net position already included the previous year’s software payments, which exceeded the amortization expense that would have been recognized under GASB 96 treatment, thus necessitating the increase to net position of \$5,029.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. SUBSEQUENT EVENTS

Fiber Fund Sales-Tax Revenue Bonds

On May 23, 2023, the City Council approved an agreement with UTOPIA Fiber to design and install a fiber-optic network throughout the City boundaries for a total of \$45,432,000. That total includes 7,497 customer installations with any additional installations being an additional charge. Also as part of this agreement the City purchased some existing fiber-optic lines within the City from UTOPIA Fiber for \$850,000.

Subsequent to yearend, the City issued Sales Tax Revenue Bonds, Series 2023 with a par amount of \$45,525,000 and a premium of \$1,859,665. These bonds were issued on August 3, 2023, to finance the design, construction, and customer installation costs for the City's new fiber-optic network along with the purchase of existing fiber lines. Closing costs on the bonds totaled \$380,314. Despite sales taxes being the security for the bonds, the City anticipates Fiber Fund revenues to be sufficient to cover all debt service over the life of the bonds.

The \$45,525,000 in par value is to be repaid in annual principal installments due July 1st beginning in 2024 continuing until 2053 (30-year term). Interest payments are also due semiannually on January and July 1st, beginning January 1, 2024. The bonds carry interest/coupon rates at 5.00% through 2043 and 4.00% through maturity on July 1, 2054. The true interest cost, factoring in the issuance premium, over the scheduled life of the bonds to the City is 4.06%. The bonds are only eligible for early redemption on or after July 1, 2034.

Sanitation Fund recycle can purchase

On July 5, 2023, the Sanitation Fund paid the prior recycling contractor \$522,600 to purchase the 13,065 recycling cans spread throughout the City. This was done as the used cans were much cheaper than new cans, and it saved the Sanitation employees the time to deliver those cans to the various locations.

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									
	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013
Total Pension Liability										
Service cost	\$ 405	\$ 390	\$ 416	\$ 402	\$ 394	\$ 411	\$ 409	\$ 380	\$ 383	\$ 390
Interest	2,020	2,021	1,966	1,903	1,859	1,845	1,711	1,682	1,635	1,580
Benefit changes	-	-	-	-	-	-	-	-	-	-
Difference between actual and expected experience	(574)	(787)	(5)	166	(92)	(453)	383	652	297	(147)
Assumption changes	-	341	35	-	-	880	830	-	(229)	-
Benefit payments	(1,542)	(1,586)	(1,613)	(1,521)	(1,570)	(1,514)	(1,435)	(1,358)	(1,419)	(1,369)
Refunds	-	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	309	379	799	950	591	1,169	1,898	1,356	667	454
Total Pension Liability - Beginning	30,061	29,682	28,883	27,933	27,342	26,173	24,275	22,919	22,252	21,798
Total Pension Liability - Ending (a)	30,370	30,061	29,682	28,883	27,933	27,342	26,173	24,275	22,919	22,252
Plan Fiduciary Net Position										
Contributions - member	-	-	-	-	-	-	-	-	-	-
Contributions - employer	1,244	1,090	1,032	1,033	964	911	943	883	822	716
Net investment income	(1,462)	4,161	2,825	2,889	(78)	2,498	1,493	310	1,220	2,271
Benefit payments	(1,542)	(1,586)	(1,613)	(1,521)	(1,570)	(1,514)	(1,435)	(1,358)	(1,419)	(1,369)
Refunds	-	-	-	-	-	-	-	-	-	-
Administrative expense	(9)	(9)	(9)	(9)	(10)	(9)	(9)	(9)	(9)	(8)
Net transfers with affiliated systems	(644)	36	(666)	36	35	323	35	35	14	99
Net Change in Plan Fiduciary Net Position	(2,413)	3,692	1,569	2,428	(659)	2,209	1,027	(139)	628	1,709
Plan Fiduciary Net Position - Beginning	28,092	24,400	22,831	20,403	21,062	18,853	17,826	17,965	17,337	15,628
Plan Fiduciary Net Position - Ending (b)	25,679	28,092	24,400	22,831	20,403	21,062	18,853	17,826	17,965	17,337
Net Pension Liability/(Asset) - Ending (a-b)	4,691	1,969	5,282	6,052	7,530	6,280	7,320	6,449	4,954	4,915
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	84.55%	93.45%	82.20%	79.05%	73.04%	77.03%	72.03%	73.43%	78.38%	77.91%
Projected Covered Payroll	1,728	1,688	1,780	1,707	1,675	1,814	1,810	1,776	1,795	1,749
Net Pension Liability as a Percentage of Covered Payroll	271.47%	116.65%	296.74%	354.54%	449.55%	346.20%	404.42%	363.12%	275.99%	281.02%

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

	Noncontributory System	Contributory System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of The Net Pension Liability/(Asset):					
For year ending December 31, 2022	0.7349684%	0%	100%	0.2118860%	0.3019258%
For year ending December 31, 2021	0.7901484%	0%	100%	0.2051706%	0.3015128%
For year ending December 31, 2020	0.7974886%	0%	100%	0.1997604%	0.2779554%
For year ending December 31, 2019	0.8028175%	0%	100%	0.2107284%	0.2825558%
For year ending December 31, 2018	0.8192627%	0%	100%	0.2139319%	0.2992494%
For year ending December 31, 2017	0.8227739%	0%	100%	0.2090270%	0.2427410%
For year ending December 31, 2016	0.8614885%	0.2235533%	100%	0.2226893%	0.1948012%
For year ending December 31, 2015	0.8396157%	0.1454001%	100%	0.2250127%	0.2089784%
For year ending December 31, 2014	0.8696763%	0.1097845%	100%	0.2013398%	0.1025324%
Proportionate Share of The Net Pension Liability/(Asset):					
For year ending December 31, 2022	\$ 1,258,816	\$ -	\$ 4,690,800	\$ 230,721	\$ 25,188
For year ending December 31, 2021	(4,525,264)	-	1,968,504	(86,836)	(15,239)
For year ending December 31, 2020	409,066	-	5,282,030	28,731	24,931
For year ending December 31, 2019	3,025,714	-	6,051,891	47,394	26,578
For year ending December 31, 2018	6,032,824	-	7,529,712	91,622	7,498
For year ending December 31, 2017	3,604,819	-	6,280,025	18,430	(2,809)
For year ending December 31, 2016	5,531,811	73,350	7,319,792	24,841	(1,691)
For year ending December 31, 2015	4,750,954	102,195	6,448,887	(491)	(3,053)
For year ending December 31, 2014	3,776,339	31,667	4,953,805	(6,101)	(1,517)
Covered Payroll:					
For year ending December 31, 2022	\$ 6,361,146	\$ -	\$ 1,921,573	\$ 4,620,133	\$ 928,692
For year ending December 31, 2021	6,642,332	-	1,742,817	3,806,772	721,036
For year ending December 31, 2020	6,756,911	-	1,846,664	3,193,297	551,002
For year ending December 31, 2019	6,790,850	-	1,888,977	2,928,738	465,737
For year ending December 31, 2018	6,871,021	-	1,821,365	2,496,386	399,848
For year ending December 31, 2017	6,923,955	-	1,852,769	2,044,414	259,614
For year ending December 31, 2016	7,338,845	53,639	2,029,038	1,826,232	160,952
For year ending December 31, 2015	6,965,806	61,953	1,919,301	1,453,817	124,361
For year ending December 31, 2014	7,329,748	58,661	1,933,601	988,127	42,386
Proportionate Share of The Net Pension Liability/(Asset) as a Percentage of its Covered Payroll:					
For year ending December 31, 2022	19.79%	0%	244.11%	4.99%	2.71%
For year ending December 31, 2021	-68.13%	0%	112.95%	-2.28%	-2.11%
For year ending December 31, 2020	6.05%	0%	286.03%	0.90%	4.52%
For year ending December 31, 2019	44.56%	0%	320.38%	1.62%	5.71%
For year ending December 31, 2018	87.80%	0%	413.41%	3.67%	1.88%
For year ending December 31, 2017	52.06%	0%	338.95%	0.90%	-1.08%
For year ending December 31, 2016	75.38%	136.75%	360.75%	1.36%	-1.05%
For year ending December 31, 2015	68.20%	164.96%	336.00%	-0.03%	-2.45%
For year ending December 31, 2014	51.52%	53.98%	256.20%	-0.62%	-3.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset):					
For year ending December 31, 2022	97.50%	0%	84.60%	92.30%	96.40%
For year ending December 31, 2021	108.70%	0%	93.50%	103.80%	102.80%
For year ending December 31, 2020	99.20%	0%	82.20%	98.30%	93.10%
For year ending December 31, 2019	93.70%	0%	79.00%	96.50%	89.60%
For year ending December 31, 2018	87.00%	0%	73.00%	90.80%	95.60%
For year ending December 31, 2017	91.90%	0%	77.00%	97.40%	103.00%
For year ending December 31, 2016	87.30%	92.90%	72.00%	95.10%	103.60%
For year ending December 31, 2015	87.80%	85.70%	73.40%	100.20%	110.70%
For year ending December 31, 2014	90.20%	94.00%	78.40%	103.50%	120.50%

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

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	2023	\$ 1,133,469	\$ 1,133,469	\$ -	\$ 6,394,837	17.72%
	2022	1,174,400	1,174,400	-	6,438,217	18.24%
	2021	1,223,263	1,223,263	-	6,696,221	18.27%
	2020	1,248,171	1,248,171	-	6,845,990	18.23%
	2019	1,239,699	1,239,699	-	6,817,661	18.18%
	2018	1,292,595	1,292,595	-	7,102,501	18.20%
	2017	1,279,622	1,279,622	-	7,026,472	18.21%
	2016	1,284,463	1,284,463	-	7,041,664	18.24%
	2015	1,307,905	1,307,905	-	7,137,872	18.32%
	2014	1,281,508	1,281,508	-	7,460,346	17.18%
Contributory	2023-'18	\$ -	\$ -	\$ -	\$ -	0.00%
	2017	3,226	3,226	-	22,309	14.46%
	2016	9,287	9,287	-	64,226	14.46%
	2015	8,565	8,565	-	59,233	14.46%
	2014	11,493	11,493	-	86,340	13.31%
Public Safety	2023	\$ 918,990	\$ 918,990	\$ -	\$ 1,824,116	50.38%
	2022	906,195	906,195	-	1,798,718	50.38%
	2021	864,681	864,681	-	1,795,564	48.16%
	2020	882,824	882,824	-	1,900,841	46.44%
	2019	861,011	861,011	-	1,853,847	46.44%
	2018	859,414	859,414	-	1,873,916	45.86%
	2017	841,719	841,719	-	1,917,440	43.90%
	2016	857,665	857,665	-	1,949,765	43.99%
	2015	836,649	836,649	-	1,897,832	44.08%
	2014	773,423	773,423	-	1,934,993	39.97%
Tier 2 Public Employees **	2023	\$ 821,297	\$ 821,297	\$ -	\$ 5,129,904	16.01%
	2022	674,280	674,280	-	4,195,894	16.07%
	2021	543,363	543,363	-	3,438,857	15.80%
	2020	477,199	477,199	-	3,047,255	15.66%
	2019	427,003	427,003	-	2,747,765	15.54%
	2018	347,689	347,689	-	2,301,054	15.11%
	2017	283,365	283,365	-	1,900,504	14.91%
	2016	242,475	242,475	-	1,626,256	14.91%
	2015	179,721	179,721	-	1,202,985	14.94%
	2014	117,887	117,887	-	843,431	13.98%

BOUNTIFUL CITY
SCHEDULE OF CONTRIBUTIONS - PENSION PLANS
LAST TEN FISCAL YEARS * (Continued)

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
Tier 2 Public Safety and Firefighter **	2023	\$ 426,598	\$ 426,598	\$ -	\$ 1,041,245	40.97%
	2022	327,507	327,507	-	799,385	40.97%
	2021	266,387	266,387	-	650,474	40.95%
	2020	189,657	189,657	-	496,785	38.18%
	2019	171,896	171,896	-	449,635	38.23%
	2018	123,400	123,400	-	327,232	37.71%
	2017	71,661	71,661	-	201,125	35.63%
	2016	49,087	49,087	-	137,770	35.63%
	2015	28,274	28,274	-	79,243	35.68%
	2014	15,753	15,753	-	50,201	31.38%
Tier 2 Public Employees DC Only **	2023	\$ 13,616	\$ 13,616	\$ -	\$ 219,966	6.19%
	2022	16,716	16,716	-	249,858	6.69%
	2021	22,095	22,095	-	333,129	6.63%
	2020	17,895	17,895	-	267,492	6.69%
	2019	18,399	18,399	-	275,026	6.69%
	2018	17,566	17,566	-	262,570	6.69%
	2017	13,735	13,735	-	205,314	6.69%
	2016	11,523	11,523	-	172,166	6.69%
	2015	9,546	9,546	-	142,059	6.72%
	2014	535	535	-	7,763	6.89%
Tier 2 Public Safety and Firefighter DC Only**	2023	\$ 39,630	\$ 39,630	\$ -	\$ 146,943	26.97%
	2022	30,523	30,523	-	113,175	26.97%
	2021	17,875	17,875	-	66,276	26.97%
	2020	30,745	30,745	-	113,998	26.97%
	2019	27,251	27,251	-	101,042	26.97%
	2018	11,934	11,934	-	44,248	26.97%
	2017	10,511	10,511	-	42,113	24.96%
	2016	9,811	9,811	-	39,308	24.96%
	2015	4,262	4,262	-	15,840	26.91%
	2014	86	86	-	1,282	6.71%

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

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

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

	Single-Employer OPEB Plan						
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability							
Service cost	\$ 2,139	\$ 3,331	\$ 4,238	\$ 3,568	\$ 23,700	\$ 23,350	\$ 13,514
Interest	3,481	2,200	3,486	5,342	3,264	3,689	10,558
Benefit changes	-	-	-	-	-	-	-
Difference between actual and expected experience	(4,048)	11,786	(18,425)	(7,440)	(49,945)	(17,813)	(133,788)
Assumption changes	(167)	(21,716)	6,975	10,613	8,895	-	(357,013)
Benefit payments	(3,367)	(16,144)	(32,727)	(34,968)	(30,359)	(41,841)	(63,739)
Net Change in Total OPEB Liability	<u>\$ (1,962)</u>	<u>\$ (20,543)</u>	<u>\$ (36,453)</u>	<u>\$ (22,885)</u>	<u>\$ (44,445)</u>	<u>\$ (32,615)</u>	<u>\$ (530,468)</u>
Total OPEB Liability - Beginning	\$ 84,632	\$ 105,175	\$ 141,628	\$ 164,513	\$ 208,958	\$ 241,573	\$ 772,041
Total OPEB Liability - Ending (a)	\$ 82,670	\$ 84,632	\$ 105,175	\$ 141,628	\$ 164,513	\$ 208,958	\$ 241,573
Plan Fiduciary Net Position							
Contributions - member	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - employer	-	-	-	-	-	-	-
Net investment income	22,183	(216)	5,932	13,586	19,039	7,321	8,878
Benefit payments	(3,367)	(16,144)	(32,727)	(32,070)	(30,359)	(45,511)	(63,739)
Refunds	-	-	-	-	-	-	(130,306)
Administrative expense	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	<u>\$ 18,816</u>	<u>\$ (16,360)</u>	<u>\$ (26,795)</u>	<u>\$ (18,484)</u>	<u>\$ (11,320)</u>	<u>\$ (38,190)</u>	<u>\$ (185,167)</u>
Plan Fiduciary Net Position - Beginning	\$ 595,182	611,542	638,337	\$ 656,821	\$ 668,141	\$ 706,331	\$ 891,498
Plan Fiduciary Net Position - Ending (b)	\$ 613,998	\$ 595,182	\$ 611,542	\$ 638,337	\$ 656,821	\$ 668,141	\$ 706,331
Net OPEB Liability/(Asset) - Ending (a-b)	<u>\$ (531,328)</u>	<u>\$ (510,550)</u>	<u>\$ (506,367)</u>	<u>\$ (496,709)</u>	<u>\$ (492,308)</u>	<u>\$ (459,183)</u>	<u>\$ (464,758)</u>
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Asset	<u>742.71%</u>	<u>703.26%</u>	<u>581.45%</u>	<u>450.71%</u>	<u>399.25%</u>	<u>319.75%</u>	<u>292.39%</u>
Covered Payroll	<u>\$ 13,704,018</u>	<u>\$ 12,910,227</u>	<u>\$ 12,235,226</u>	<u>\$ 11,857,997</u>	<u>\$ 11,453,229</u>	<u>\$ 10,686,166</u>	<u>\$ 10,495,988</u>
Net OPEB Asset as a Percentage of Covered Payroll	-3.88%	-3.95%	-4.14%	-4.19%	-4.30%	-4.30%	-4.43%

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

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

Year Ended June 30,	Actuarial Determined Contributions**	Contributions in relation to the determined contrib.	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2023	\$ -	\$ -	\$ -	\$ 13,704,018	0.00%
2022	\$ -	\$ -	\$ -	\$ 12,910,227	0.00%
2021	\$ -	\$ -	\$ -	\$ 12,235,226	0.00%
2020	\$ -	\$ -	\$ -	\$ 11,857,997	0.00%
2019	\$ -	\$ -	\$ -	\$ 11,453,229	0.00%
2018	\$ -	\$ -	\$ -	\$ 10,686,166	0.00%
2017	\$ -	\$ -	\$ -	\$ 10,495,988	0.00%

* The 10-year schedule will be built prospectively.

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

BOUNTIFUL CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RSI)

RSI 1. PUBLIC SAFETY AGENT PENSION PLAN

Schedule of contributions

Actuarially determined contribution rates are calculated as of January 1 and become effective on July 1 of the following year; 18 months after the valuation date.

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...	6.85%
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 2020 PR UTAH Retiree Mortality Table for males, projected with 80% of the ultimate rates from the MP-2019 mortality improvement scale using a base year of 2020. Female: 110% of the 2020 PR UTAH Retiree Mortality Table for females, projected with 80% of the ultimate rates from the MP-2019 mortality improvement scale using a base year of 2020.

Other information:

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

RSI 2. PENSION PLANS CHANGES IN ASSUMPTIONS

There were no changes made in actuarial assumptions from the prior year's valuation.

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

RSI 3. OPEB SINGLE-EMPLOYER PLAN METHODS AND ASSUMPTIONS

The actuarial valuation calculating the total net OPEB asset, deferred outflows and inflows of resources related to OPEB, OPEB expense, and the actuarially determined contributions for the year ended June 30, 2023, 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.....	8-year period									
Investment Rate of Return.	1.50%									
Discount Rate.....	4.13%									
Inflation.....	2.50%									
Mortality	General Employees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021									
	Public Safety: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021									
	Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021									
Employee Turnover Rate ...	Local Government			Public Safety						
	YOS	Male	Female	YOS	Male	Female				
	0	18.00%	24.0%	0	15.00%	15.0%				
	5	7.00%	9.5%	5	4.50%	4.50%				
	10	4.00%	5.5%	10	2.50%	2.50%				
	15	2.75%	4.0%	15	1.75%	1.75%				
	20	2.00%	2.50%	20	1.00%	1.00%				
	25+	1.00%	1.00%	25+	1.00%	1.00%				
Retirement Rate	Local Government (Males)									
	Tier 1 URS Plan					Tier 2 URS Plan				
	Age	4 YOS	10 YOS	20 YOS	30 YOS	35+YOS	4 YOS	10 YOS	20 YOS	35+YOS
	50	0.0%	0.0%	0.0%	15.0%	15.0%	0.0%	0.0%	0.0%	15.0%
	55	0.0%	0.0%	0.0%	15.0%	15.0%	0.0%	0.0%	0.0%	15.0%
	60	0.0%	0.0%	4.0%	20.0%	20.0%	0.0%	0.0%	2.0%	20.0%
	62	0.0%	10.0%	10.0%	23.0%	23.0%	0.0%	6.0%	6.0%	23.0%
	65	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
	70	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
	75+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Local Government (Females)									
	Tier 1 URS Plan					Tier 2 URS Plan				
	Age	4 YOS	10 YOS	20 YOS	30 YOS	35+YOS	4 YOS	10 YOS	20 YOS	35 YOS
	50	0.0%	0.0%	0.0%	12.0%	12.0%	0.0%	0.0%	0.0%	12.0%
	55	0.0%	0.0%	0.0%	15.0%	15.0%	0.0%	0.0%	0.0%	15.0%
	60	0.0%	0.0%	10.0%	20.0%	20.0%	0.0%	2.0%	2.0%	20.0%
	62	0.0%	13.0%	13.0%	28.0%	28.0%	0.0%	6.0%	6.0%	28.0%
	65	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
	70	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
	75+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Public Safety (Unisex)									
	Tier 1 URS Plan					Tier 2 URS Plan				
	Age	5 YOS	10 YOS	20 YOS	30+YOS	5 YOS	10 YOS	20 YOS	25 YOS	30+YOS
	45	0.0%	0.0%	15.0%	15.0%	0.0%	0.0%	0.0%	7.5%	15.0%
	50	0.0%	0.0%	15.0%	15.0%	0.0%	0.0%	0.0%	7.5%	15.0%
	55	0.0%	0.0%	15.0%	15.0%	0.0%	0.0%	0.0%	7.5%	15.0%
	60	14.0%	14.0%	20.0%	20.0%	5.0%	5.0%	5.0%	15.0%	20.0%
	63	14.0%	14.0%	30.0%	30.0%	10.0%	10.0%	10.0%	25.0%	25.0%
	65	28.0%	28.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
	70+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SUPPLEMENTAL INFORMATION

**BOUNTIFUL CITY
SUPPLEMENTAL INFORMATION
INTRODUCTION**

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

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

- Landfill Closure – to account for funds paid to the City in 1990 from several surrounding municipalities as a settlement of their estimated liability to aid in the closure and post-closure costs of the City’s landfill. This fund also accounts for any expenditures of those 1990 funds used in connection with closure or post-closure costs.
- RAP Tax – to account for collections and expenditures of the City’s Recreation, Arts, and Parks (RAP) sales tax levy.
- 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, 2023

	Special Revenue Fund			Debt Service	Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Cemetery Perpetual Care		
Assets					
Cash and cash equivalents	\$ -	\$ 6,600	\$ 422,843	\$ -	\$ 429,443
Receivables:					
Taxes	-	160,149	-	-	160,149
Interest	-	432	14,052	-	14,484
Investments	-	98,977	2,027,579	-	2,126,556
Restricted assets:					
Cash and cash equivalents	927,160	14,041	-	2,659	943,860
Investments	-	-	-	12,758	12,758
Receivables	-	-	-	535,810	535,810
Total Assets	\$ 927,160	\$ 280,199	\$ 2,464,474	\$ 551,227	\$ 4,223,060
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-
Deferred Inflows of Resources					
Unavailable revenue-property taxes	-	-	-	531,230	531,230
Total Deferred Inflows	-	-	-	531,230	531,230
Fund Balances					
Restricted:					
Landfill Closure	927,160	-	-	-	927,160
Debt service	-	-	-	19,997	19,997
Trails construction	-	14,041	-	-	14,041
Committed	-	-	2,464,474	-	2,464,474
Assigned	-	266,158	-	-	266,158
Total Fund Balances	927,160	280,199	2,464,474	19,997	3,691,830
Total Liabilities and Fund Balance	\$ 927,160	\$ 280,199	\$ 2,464,474	\$ 551,227	\$ 4,223,060

BOUNTIFUL CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2023

	Special Revenue Fund				Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Cemetery Perpetual Care	Debt Service	
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ 748,493	\$ 748,493
Sales taxes	-	739,768	-	-	739,768
Investment earnings	34,281	8,084	42,344	2,922	87,631
Miscellaneous	-	45,000	93,235	-	138,235
Total Revenues	<u>34,281</u>	<u>792,852</u>	<u>135,579</u>	<u>751,415</u>	<u>1,714,127</u>
Expenditures					
General government	-	-	1,205	1,003	2,208
Parks and recreation	-	294,855	-	-	294,855
Debt service:					
Principal	-	-	-	400,000	400,000
Interest	-	-	-	331,413	331,413
Total Expenditures	<u>-</u>	<u>294,855</u>	<u>1,205</u>	<u>732,416</u>	<u>1,028,476</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>34,281</u>	<u>497,997</u>	<u>134,374</u>	<u>18,999</u>	<u>685,651</u>
Other Financing Sources (Uses)					
Transfer out	-	(875,119)	-	(20,020)	(895,139)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(875,119)</u>	<u>-</u>	<u>(20,020)</u>	<u>(895,139)</u>
Changes in Fund Balance	34,281	(377,122)	134,374	(1,021)	(209,488)
Fund Balance, Beginning	<u>892,879</u>	<u>657,321</u>	<u>2,330,100</u>	<u>21,018</u>	<u>3,901,318</u>
Fund Balance, Ending	<u>\$ 927,160</u>	<u>\$ 280,199</u>	<u>\$ 2,464,474</u>	<u>\$ 19,997</u>	<u>\$ 3,691,830</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 4,800	\$ 4,800	\$ 34,281	\$ 29,481
Total Revenues	<u>4,800</u>	<u>4,800</u>	<u>34,281</u>	<u>29,481</u>
Expenditures				
General government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,800</u>	<u>4,800</u>	<u>34,281</u>	<u>29,481</u>
Net Change in Fund Balance	<u>\$ 4,800</u>	<u>\$ 4,800</u>	<u>34,281</u>	<u>\$ 29,481</u>
Fund Balance, Beginning			<u>892,879</u>	
Fund Balance, Ending			<u>\$ 927,160</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales taxes	\$ 710,000	\$ 710,000	\$ 739,768	\$ 29,768
Investment earnings	4,000	4,000	8,084	4,084
Miscellaneous	-	-	45,000	45,000
Total Revenues	<u>714,000</u>	<u>714,000</u>	<u>792,852</u>	<u>78,852</u>
Expenditures				
Administrative fees	620	620	642	(22)
Parks and recreation projects	350,000	709,000	243,178	465,822
RAP tax grant award payments	78,000	78,000	51,035	26,965
Total Expenditures	<u>428,620</u>	<u>787,620</u>	<u>294,855</u>	<u>492,765</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>285,380</u>	<u>(73,620)</u>	<u>497,997</u>	<u>571,617</u>
Other Financing Sources (Uses)				
Transfer out	(875,119)	(875,119)	(875,119)	-
Total Other Financing Sources (Uses)	<u>(875,119)</u>	<u>(875,119)</u>	<u>(875,119)</u>	<u>-</u>
Net Change in Fund Balance *	<u>\$ (589,739)</u>	<u>\$ (948,739)</u>	<u>(377,122)</u>	<u>\$ 571,617</u>
Fund Balance, Beginning			<u>657,321</u>	
Fund Balance, Ending			<u>\$ 280,199</u>	

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

BOUNTIFUL CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – NONMAJOR CEMETERY PERPETUAL
CARE SPECIAL REVENUE FUND
For The Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 22,000	\$ 22,000	\$ 42,344	\$ 20,344
Miscellaneous	100,000	100,000	93,235	(6,765)
Total Revenues	<u>122,000</u>	<u>122,000</u>	<u>135,579</u>	<u>13,579</u>
Expenditures				
Administrative fees	1,740	1,740	1,205	535
Total Expenditures	<u>1,740</u>	<u>1,740</u>	<u>1,205</u>	<u>535</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>120,260</u>	<u>120,260</u>	<u>134,374</u>	<u>14,114</u>
Net Change in Fund Balance	<u>\$ 120,260</u>	<u>\$ 120,260</u>	<u>134,374</u>	<u>\$ 14,114</u>
Fund Balance, Beginning			<u>2,330,100</u>	
Fund Balance, Ending			<u>\$ 2,464,474</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 679,604	\$ 679,604	\$ 748,493	\$ 68,889
Investment earnings	300	300	2,922	2,622
Total Revenues	<u>679,904</u>	<u>679,904</u>	<u>751,415</u>	<u>71,511</u>
Expenditures				
Administrative fees	25	25	1,003	(978)
Debt service:				
Principal	410,000	410,000	400,000	10,000
Interest	269,604	269,604	331,413	(61,809)
Bond issue costs	108,000	108,000	-	108,000
Total Expenditures	<u>787,629</u>	<u>787,629</u>	<u>732,416</u>	<u>55,213</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(107,725)</u>	<u>(107,725)</u>	<u>18,999</u>	<u>126,724</u>
Other Financing Sources (Uses)				
Transfer out	-	-	(20,020)	(20,020)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(20,020)</u>	<u>(20,020)</u>
Net Change in Fund Balance *	<u>\$ (107,725)</u>	<u>\$ (107,725)</u>	<u>(1,021)</u>	<u>\$ 106,704</u>
Fund Balance, Beginning			<u>21,018</u>	
Fund Balance, Ending			<u>\$ 19,997</u>	

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

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales taxes	\$ 3,691,135	\$ 3,691,135	\$ 7,169,905	\$ 3,478,770
Investment earnings	200,000	200,000	859,488	659,488
Intergovernmental	500,000	500,000	-	(500,000)
Miscellaneous	-	-	30,000	30,000
Total Revenues	<u>4,391,135</u>	<u>4,391,135</u>	<u>8,059,393</u>	<u>3,668,258</u>
Expenditures				
General Government:				
Finance	19,000	19,000	17,357	1,643
Capital outlay:				
General Government:				
Legislative	3,317,800	3,370,800	3,224,272	146,528
Government Buildings	10,500	10,500	8,700	1,800
Public Safety:				
Police	877,635	877,635	162,720	714,915
Highways and Streets	2,992,500	2,992,500	1,926,013	1,066,487
Parks and recreation	825,000	966,000	930,182	35,818
Total Expenditures	<u>8,042,435</u>	<u>8,236,435</u>	<u>6,269,244</u>	<u>1,967,191</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(3,651,300)</u>	<u>(3,845,300)</u>	<u>1,790,149</u>	<u>5,635,449</u>
Other Financing Sources (Uses)				
Transfer in	875,119	875,119	875,119	-
Bonds issued	8,000,000	8,000,000	7,465,000	(535,000)
Premium on bonds issued	-	-	529,837	529,837
Note payable issued	-	-	1,000,000	1,000,000
Sale of capital assets	50,000	50,000	58,948	8,948
Total Other Financing Sources (Uses)	<u>8,925,119</u>	<u>8,925,119</u>	<u>9,928,904</u>	<u>1,003,785</u>
Net Change in Fund Balance	<u>\$ 5,273,819</u>	<u>\$ 5,079,819</u>	<u>11,719,053</u>	<u>\$ 6,639,234</u>
Fund Balance, Beginning			<u>31,014,132</u>	
Fund Balance, Ending			<u>\$ 42,733,185</u>	

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.
- 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, 2023

	Business-type Activities - Enterprise Funds			Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Cemetery	
Assets				
Current Assets:				
Cash and cash equivalents	\$ 618,566	\$ 129,933	\$ 185,363	\$ 933,862
Receivables:				
Accounts receivable, net	280,466	278	7,525	288,269
Interest	22,956	6,302	6,158	35,416
Investments	3,311,569	909,596	888,838	5,110,003
Inventories	-	87,248	-	87,248
Total Current Assets	4,233,557	1,133,357	1,087,884	6,454,798
Noncurrent Assets:				
Restricted assets:				
Cash and cash equivalents	72,047	60,659	-	132,706
Net other postemployment benefits asset	8,358	14,287	8,572	31,217
Capital assets, net:				
Land, land rights and water rights	1,491	1,997,619	5,198,189	7,197,299
Buildings, wells and reservoirs	126,863	345,589	236,850	709,302
Improvements other than buildings	-	238,309	460,313	698,622
Water transmission, distribution, and collection infrastructure	5,013,505	-	-	5,013,505
Machinery and equipment	722,031	166,860	63,069	951,960
Intangible right-to-use leased assets	-	421,770	-	421,770
Total Noncurrent Assets	5,944,295	3,245,093	5,966,993	15,156,381
Total Assets	10,177,852	4,378,450	7,054,877	21,611,179
Deferred Outflows of Resources				
Pensions	91,606	109,636	47,195	248,437
Other postemployment benefits	344	587	352	1,283
Total Deferred Outflows	91,950	110,223	47,547	249,720
Total Assets and Deferred Outflows	\$ 10,269,802	\$ 4,488,673	\$ 7,102,424	\$ 21,860,899

BOUNTIFUL CITY
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Continued)
June 30, 2023

	Business-type Activities - Enterprise Funds			Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Cemetery	
Liabilities				
Current Liabilities:				
Accounts payable	\$ 5,930	\$ 29,814	\$ 3,826	\$ 39,570
Accrued liabilities	8,353	46,374	6,447	61,174
Accrued Interest Payable	-	5,166	-	5,166
Retainage payable - restricted assets	5,127	-	-	5,127
Unearned revenue - restricted assets	-	60,659	-	60,659
Compensated absences	7,990	16,750	8,496	33,236
Leases Payable	-	118,171	-	118,171
Total Current Liabilities	27,400	276,934	18,769	323,103
Noncurrent Liabilities:				
Developer and customer deposits - restricted assets	66,920	-	-	66,920
Compensated absences	6,922	64,722	22,354	93,998
Leases Payable	-	79,101	-	79,101
Net pension liability	49,927	59,753	25,722	135,402
Total Noncurrent Liabilities	123,769	203,576	48,076	375,421
Total Liabilities	151,169	480,510	66,845	698,524
Deferred Inflows of Resources				
Pensions	2,161	2,587	1,113	5,861
Other postemployment benefits	1,850	3,162	1,897	6,909
Total Deferred Inflows	4,011	5,749	3,010	12,770
Net Position				
Net investment in capital assets	5,858,763	2,972,875	5,958,421	14,790,059
Restricted:				
Other postemployment benefits	8,358	14,287	8,572	31,217
Unrestricted	4,247,501	1,015,252	1,065,576	6,328,329
Total Net Position	10,114,622	4,002,414	7,032,569	21,149,605
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 10,269,802	\$ 4,488,673	\$ 7,102,424	\$ 21,860,899

BOUNTIFUL CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION
NONMAJOR ENTERPRISE FUNDS
For The Fiscal Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds			Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Cemetery	
Operating Revenues				
Charges for services	\$ 2,055,540	\$ -	\$ 394,810	\$ 2,450,350
Admissions and lesson fees	-	1,019,570	-	1,019,570
Equipment and facility rents	-	493,117	-	493,117
Merchandise and concession sales	-	320,570	-	320,570
Sale of cemetery burial plots	-	-	335,865	335,865
Miscellaneous	6,456	3,806	40	10,302
Total Operating Revenues	2,061,996	1,837,063	730,715	4,629,774
Operating Expenses				
Personnel wages and benefits	492,818	819,594	337,129	1,649,541
Materials and supplies	10,234	237,253	7,179	254,666
Repair and maintenance costs	195,938	326,476	137,112	659,526
Contractual and professional services	129,681	8,124	332	138,137
General and administrative costs	141,543	310,757	110,326	562,626
Depreciation	462,247	101,749	61,097	625,093
Amortization	-	89,785	-	89,785
Total Operating Expenses	1,432,461	1,893,738	653,175	3,979,374
Operating Income (Loss)	\$ 629,535	\$ (56,675)	\$ 77,540	\$ 650,400
Nonoperating Revenues (Expenses)				
Investment earnings	\$ 63,416	\$ 19,339	\$ 17,663	\$ 100,418
Interest expense	-	(6,920)	-	(6,920)
Gain (loss) from disposal of capital assets	(423)	-	-	(423)
Total Nonoperating Revenues (Expenses)	62,993	12,419	17,663	93,075
Income (loss) before contributions & transfers	692,528	(44,256)	95,203	743,475
Capital contributions	32,035	-	-	32,035
Changes in Net Position	724,563	(44,256)	95,203	775,510
Net Position, Beginning	9,390,059	4,046,670	6,937,366	20,374,095
Net Position, Ending	\$ 10,114,622	\$ 4,002,414	\$ 7,032,569	\$ 21,149,605

BOUNTIFUL CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For The Fiscal Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds			Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Cemetery	
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 2,049,337	\$ 1,840,179	\$ 742,350	\$ 4,631,866
Receipts from customer deposits	15,406	-	-	15,406
Payments to suppliers	(576,436)	(756,014)	(233,366)	(1,565,816)
Payments to employees and related benefits	(531,976)	(881,373)	(361,550)	(1,774,899)
Payments to other funds for services provided	(128,433)	(162,201)	(86,097)	(376,731)
Return of customer deposits	(4,560)	-	-	(4,560)
Net cash flows from operating activities	<u>823,338</u>	<u>40,591</u>	<u>61,337</u>	<u>925,266</u>
Cash Flows From Non-Capital Financing Activities				
Transfers from other funds	-	-	-	-
Grants received	814	2,951	3,031	6,796
Net cash flows from non-capital financing activities	<u>814</u>	<u>2,951</u>	<u>3,031</u>	<u>6,796</u>
Cash Flows From Capital and Related Financing				
Capital contributions received	1,740	-	-	1,740
Purchase of capital assets	(656,613)	(59,044)	(30,501)	(746,158)
Principal paid on equipment lease	-	(113,364)	-	(113,364)
Interest paid on equipment lease	-	(10,046)	-	(10,046)
Net cash flows from capital and related financing activities	<u>(654,873)</u>	<u>(182,454)</u>	<u>(30,501)</u>	<u>(867,828)</u>
Cash Flows From Investing Activities				
Investment earnings	91,427	27,534	25,210	144,171
Purchase of investments	(1,581,862)	(397,661)	(415,449)	(2,394,972)
Sale of investments	1,398,220	500,522	375,288	2,274,030
Net cash flows from investing activities	<u>(92,215)</u>	<u>130,395</u>	<u>(14,951)</u>	<u>23,229</u>
Net Increase (Decrease) In Cash and Cash Equivalents	77,064	(8,517)	18,916	87,463
Cash and Cash Equivalents, Beginning	<u>613,549</u>	<u>199,109</u>	<u>166,447</u>	<u>979,105</u>
Cash and Cash Equivalents, Ending	<u>\$ 690,613</u>	<u>\$ 190,592</u>	<u>\$ 185,363</u>	<u>\$ 1,066,568</u>

BOUNTIFUL CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Fiscal Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds			Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Cemetery	
Reconciliation of operating income to net cash flows from operating activities				
Earnings (loss) from operations	\$ 629,535	\$ (56,675)	\$ 77,540	\$ 650,400
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:				
Depreciation and amortization	462,247	191,534	61,097	714,878
Changes in assets and liabilities				
Accounts receivable, net	(12,659)	3,116	11,635	2,092
Inventories	-	(5,404)	-	(5,404)
Prepaid expenses	-	-	-	-
Other postemployment benefits asset	(1,475)	116	70	(1,289)
Net pension asset	147,753	184,621	79,460	411,834
Deferred outflows - pensions	(28,179)	(30,383)	(13,085)	(71,647)
Deferred outflows - OPEB	96	334	201	631
Accounts payable	(186,345)	(6,017)	(52,274)	(244,636)
Accrued liabilities	(17,172)	(26,460)	(11,982)	(55,614)
Retainage payable	(23,956)	-	(5,000)	(28,956)
Unearned revenue	-	(11,003)	-	(11,003)
Developer and customer deposits	10,846	-	-	10,846
Compensated absences	(4,093)	(7,762)	(1,900)	(13,755)
Deferred inflows - pensions	(202,630)	(253,303)	(109,021)	(564,954)
Deferred inflows - OPEB	(557)	(1,876)	(1,126)	(3,559)
Net pension liability	49,927	59,753	25,722	135,402
Net cash flows from operating activities	\$ 823,338	\$ 40,591	\$ 61,337	\$ 925,266
Schedule of non-cash capital and related financing activities				
Contributions of capital assets	\$ 30,295	\$ -	\$ -	\$ 30,295

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 \$500,000 with an excess insurance policy covering from \$500,000 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 \$600,000 for workers’ compensation claims with and excess insurance policy covering from \$600,000 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, 2023

	<u>Risk Management</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 186,755	\$ 209,776	\$ 396,531
Receivables:			
Interest receivable	6,205	6,324	12,529
Other receivables	-	5,216	5,216
Investments	895,515	912,747	1,808,262
Total Current Assets	<u>1,088,475</u>	<u>1,134,063</u>	<u>2,222,538</u>
Noncurrent Assets			
Restricted cash and cash equivalents	528,595	-	528,595
Total Noncurrent Assets	<u>528,595</u>	<u>-</u>	<u>528,595</u>
Total Assets	<u>1,617,070</u>	<u>1,134,063</u>	<u>2,751,133</u>
Deferred Outflows of Resources			
Pensions	18,488	12,374	30,862
Total Deferred Outflows	<u>18,488</u>	<u>12,374</u>	<u>30,862</u>
Total Assets and Deferred Outflows	<u>\$ 1,635,558</u>	<u>\$ 1,146,437</u>	<u>\$ 2,781,995</u>
Liabilities			
Current Liabilities			
Accounts payable	\$ 180,795	\$ 690,079	\$ 870,874
Accrued liabilities	1,944	844	2,788
Total Current Liabilities	<u>182,739</u>	<u>690,923</u>	<u>873,662</u>
Noncurrent Liabilities			
Net pension liability	10,076	6,744	16,820
Total Noncurrent Liabilities	<u>10,076</u>	<u>6,744</u>	<u>16,820</u>
Total Liabilities	<u>192,815</u>	<u>697,667</u>	<u>890,482</u>
Deferred Inflows of Resources			
Pensions	436	292	728
Total Deferred Inflows	<u>436</u>	<u>292</u>	<u>728</u>
Net Position			
Restricted:			
Regulatory required deposit	528,595	-	528,595
Unrestricted	913,712	448,478	1,362,190
Total Net Position	<u>1,442,307</u>	<u>448,478</u>	<u>1,890,785</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 1,635,558</u>	<u>\$ 1,146,437</u>	<u>\$ 2,781,995</u>

BOUNTIFUL CITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
For The Fiscal Year Ended June 30, 2023

	<u>Risk Management</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Operating Revenues			
Charges for services	\$ 591,497	\$ 321,799	\$ 913,296
Miscellaneous	-	19,489	19,489
Total Operating Revenues	<u>591,497</u>	<u>341,288</u>	<u>932,785</u>
Operating Expenses			
Personnel wages and benefits	103,224	66,818	170,042
Contractual and professional services	79,486	6,699	86,185
General and administrative costs	592,356	91,825	684,181
Claims	45,672	386,948	432,620
Total Operating Expenses	<u>820,738</u>	<u>552,290</u>	<u>1,373,028</u>
Operating Income (Loss)	<u>(229,241)</u>	<u>(211,002)</u>	<u>(440,243)</u>
Nonoperating Revenues (Expense)			
Investment earnings	23,784	17,654	41,438
Total Nonoperating Revenues (Expense)	<u>23,784</u>	<u>17,654</u>	<u>41,438</u>
Changes in Net Position	(205,457)	(193,348)	(398,805)
Net Position, Beginning	<u>1,647,764</u>	<u>641,826</u>	<u>2,289,590</u>
Net Position, Ending	<u>\$ 1,442,307</u>	<u>\$ 448,478</u>	<u>\$ 1,890,785</u>

BOUNTIFUL CITY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Fiscal Year Ended June 30, 2023

	Risk Management	Workers' Compensation Self-Insurance	Total Internal Service Funds
Cash Flows From Operating Activities			
Receipts from interfund charges	\$ 591,497	\$ 331,136	\$ 922,633
Other receipts	-	19,489	19,489
Payments to suppliers	(712,061)	(216,604)	(928,665)
Payments to employees and related benefits	(113,464)	(72,908)	(186,372)
Net cash flows from operating activities	(234,028)	61,113	(172,915)
Cash Flows From Investing Activities			
Interest on investments	32,112	25,380	57,492
Purchase of investments	(391,505)	(433,871)	(825,376)
Sale of investments	572,178	385,383	957,561
Net cash flows from investing activities	212,785	(23,108)	189,677
Net Increase (Decrease) In Cash and Cash Equivalents	(21,243)	38,005	16,762
Cash and Cash Equivalents, Beginning	736,593	171,771	908,364
Cash and Cash Equivalents, Ending	\$ 715,350	\$ 209,776	\$ 925,126
Reconciliation of operating income to net cash flows from operating activities			
Earnings (loss) from operations	\$ (229,241)	\$ (211,002)	\$ (440,243)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:			
Changes in assets and liabilities			
Accounts receivable	-	9,337	9,337
Accounts payable	5,193	268,708	273,901
Accrued liabilities	(3,334)	(1,520)	(4,854)
Net pension asset	30,751	21,450	52,201
Deferred outflows - pensions	(5,287)	(3,166)	(8,453)
Deferred inflows - pensions	(42,186)	(29,438)	(71,624)
Net pension liability	10,076	6,744	16,820
Net cash flows from operating activities	\$ (234,028)	\$ 61,113	\$ (172,915)

STATISTICAL SECTION

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

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

Contents

Financial Trend Data (tables 1-4)

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

Revenue Capacity Data (tables 5-10)

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

Debt Capacity Data (tables 11-15)

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

Demographic and Economic Information (tables 16-17)

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

Operating Information (tables 18-20)

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

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in										
capital assets	\$ 77,753,067	\$ 81,472,401	\$ 82,121,939	\$ 81,356,410	\$ 81,135,964	\$ 82,645,913	\$ 91,946,665	\$ 101,589,508	\$ 102,661,451	\$ 98,466,871
Restricted	3,393,773	3,112,341	1,671,755	1,463,046	1,457,025	1,503,841	1,564,641	1,599,918	1,670,855	3,224,984
Unrestricted	44,081,459	36,157,946	40,132,172	36,802,950	42,218,254	44,728,492	41,096,727	39,125,888	43,205,024	55,797,325
Total governmental activities net position	\$ 125,228,299	\$ 120,742,688	\$ 123,925,866	\$ 119,622,406	\$ 124,811,243	\$ 128,878,246	\$ 134,608,033	\$ 142,315,314	\$ 147,537,330	\$ 157,489,180
Business-type Activities										
Net investment in										
capital assets	\$ 50,089,185	\$ 49,827,165	\$ 65,576,188	\$ 70,987,081	\$ 78,825,694	\$ 78,015,217	\$ 77,309,072	\$ 85,234,823	\$ 84,257,406	\$ 88,481,755
Restricted	538,343	543,050	548,086	616,883	618,702	649,646	689,822	111,629	244,228	200,572
Unrestricted	58,237,995	59,483,812	47,268,834	48,610,993	45,475,180	46,762,253	46,728,077	44,297,484	45,110,297	42,867,235
Total business-type activities net position	\$ 108,865,523	\$ 109,854,027	\$ 113,393,108	\$ 120,214,957	\$ 124,919,576	\$ 125,427,116	\$ 124,726,971	\$ 129,643,936	\$ 129,611,931	\$ 131,549,562
Primary Government										
Net investment in										
capital assets	\$ 127,842,252	\$ 131,299,566	\$ 147,698,127	\$ 152,343,491	\$ 159,961,658	\$ 160,661,130	\$ 169,255,737	\$ 186,824,331	\$ 186,918,857	\$ 186,948,626
Restricted	3,932,116	3,655,391	2,219,841	2,079,929	2,075,727	2,153,487	2,254,463	1,711,547	1,915,083	3,425,556
Unrestricted	102,319,454	95,641,758	87,401,006	85,413,943	87,693,434	91,490,745	87,824,804	83,423,372	88,315,321	98,664,560
Total primary government net position	\$ 234,093,822	\$ 230,596,715	\$ 237,318,974	\$ 239,837,363	\$ 249,730,819	\$ 254,305,362	\$ 259,335,004	\$ 271,959,250	\$ 277,149,261	\$ 289,038,742

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

Table 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Government Activities:										
General governmental	\$ 4,252,481	\$ 3,437,814	\$ 3,341,296	\$ 7,192,448	\$ 3,016,861	\$ 2,756,678	\$ 2,931,729	\$ 3,421,476	\$ 3,283,145	\$ 3,189,018
Public safety	8,960,236	9,375,233	9,866,805	12,489,219	9,472,327	10,670,198	10,353,927	10,384,978	9,377,051	11,126,163
Highways and streets	3,979,845	3,984,340	4,063,869	4,897,436	4,425,284	5,058,822	5,243,263	4,923,386	4,934,614	5,888,282
Planning and engineering	884,133	745,669	731,941	867,524	859,976	893,628	951,735	985,748	900,243	1,160,009
Parks and recreation	1,002,463	1,067,132	1,065,934	1,244,612	1,219,344	1,375,540	1,445,627	1,739,662	1,868,699	2,136,461
Redevelopment	601,424	1,371,281	251,093	204,313	253,521	531,500	264,816	249,706	5,239,087	283,315
Interest on long-term debt	19,760	26,339	10,817	9,638	-	-	-	-	-	304,921
Total governmental activities expenses	<u>19,700,342</u>	<u>20,007,808</u>	<u>19,331,755</u>	<u>26,905,190</u>	<u>19,247,313</u>	<u>21,286,366</u>	<u>21,191,097</u>	<u>21,704,956</u>	<u>25,602,839</u>	<u>24,088,169</u>
Business-type Activities:										
Fiber (1)	-	-	-	-	-	-	-	-	-	18,098
Water	3,597,648	3,494,082	3,631,578	3,869,619	3,818,230	4,413,045	4,611,958	4,534,515	4,531,550	5,176,103
Light and Power	22,924,477	23,688,812	22,315,745	23,243,493	24,157,027	25,588,771	28,016,154	25,621,368	26,988,227	30,471,547
Sanitation	1,984,027	2,003,479	1,937,430	2,165,326	2,382,296	2,665,632	2,811,880	2,885,808	3,680,104	4,117,748
Storm Water	1,148,856	868,856	912,170	1,004,376	1,094,184	1,173,363	1,244,172	1,270,552	1,336,011	1,443,112
Golf Course	1,584,534	1,483,707	1,467,338	1,540,593	1,569,171	1,692,390	1,785,364	1,781,220	1,695,138	1,915,209
Recycling (2)	407,891	368,091	377,577	402,793	475,457	585,331	650,384	652,993	581,666	-
Cemetery	370,992	394,069	407,908	483,845	523,846	544,294	588,639	568,098	571,228	657,958
Total business-type activities expenses	<u>32,018,425</u>	<u>32,301,096</u>	<u>31,049,746</u>	<u>32,710,045</u>	<u>34,020,211</u>	<u>36,662,826</u>	<u>39,708,551</u>	<u>37,314,554</u>	<u>39,383,924</u>	<u>43,799,775</u>
Total primary government expenses	<u>\$ 51,718,767</u>	<u>\$ 52,308,904</u>	<u>\$ 50,381,501</u>	<u>\$ 59,615,235</u>	<u>\$ 53,267,524</u>	<u>\$ 57,949,192</u>	<u>\$ 60,899,648</u>	<u>\$ 59,019,510</u>	<u>\$ 64,986,763</u>	<u>\$ 67,887,944</u>
Program Revenues										
Government Activities:										
Charges for Services:										
General Government	\$ 2,401,070	\$ 1,574,521	\$ 1,063,736	\$ 1,201,472	\$ 1,072,202	\$ 1,044,255	\$ 877,529	\$ 1,000,129	\$ 1,300,266	\$ 1,027,592
Parks, culture and recreation	15,050	16,260	19,050	16,550	20,890	18,800	13,550	23,950	20,632	19,680
Public safety and highways/streets	733,684	776,226	785,777	797,307	736,835	786,737	823,572	875,481	855,977	913,064
Operating Grants and Contributions (3)	1,333,065	1,411,005	1,607,310	2,341,078	2,310,290	2,454,563	5,797,259	5,742,276	6,748,873	6,679,007
Capital Grants and Contributions	103,235	459,557	546,698	419,547	9,370	431,640	15,000	934,741	213,010	341,331
Total gov. activities program revenues	<u>4,586,104</u>	<u>4,237,569</u>	<u>4,022,571</u>	<u>4,775,954</u>	<u>4,149,587</u>	<u>4,735,995</u>	<u>7,526,910</u>	<u>8,576,577</u>	<u>9,138,758</u>	<u>8,980,674</u>
Business-type Activities:										
Charges for Services:										
Fiber (1)	-	-	-	-	-	-	-	-	-	3,104
Water	4,056,749	3,937,063	4,035,730	4,099,364	5,609,766	5,639,247	5,731,483	5,810,603	5,322,829	5,451,116
Light and Power	26,627,796	25,719,743	25,824,251	26,506,316	27,098,178	27,252,441	26,614,792	28,428,125	27,863,911	30,352,580
Sanitation	2,188,751	2,337,975	2,141,057	2,174,640	2,615,459	2,586,965	2,802,191	3,030,533	3,344,036	3,864,283
Storm Water	909,566	1,101,803	1,159,092	1,379,679	1,611,518	1,643,847	1,686,172	1,819,937	1,933,255	2,055,540
Golf Course	1,468,023	1,446,847	1,380,724	1,379,892	1,364,870	1,149,420	1,528,188	1,743,628	1,695,612	1,833,257
Recycling	423,248	376,751	382,605	418,230	419,927	434,547	423,553	440,046	585,208	-
Cemetery	423,503	514,595	530,805	540,969	667,486	579,650	637,109	818,825	883,290	730,675
Operating Grants and Contributions	-	-	-	-	-	-	42,575	854,579	142,730	-
Capital grants and Contributions	745,806	656,541	627,167	4,979,663	800,673	974,966	655,433	1,116,124	419,375	478,223
Total business-type act. program rev.	<u>36,843,442</u>	<u>36,091,318</u>	<u>36,081,431</u>	<u>41,478,753</u>	<u>40,187,877</u>	<u>40,261,083</u>	<u>40,121,496</u>	<u>44,062,400</u>	<u>42,190,246</u>	<u>44,768,778</u>
Total primary gov. program revenues	<u>\$ 41,429,546</u>	<u>\$ 40,328,887</u>	<u>\$ 40,104,002</u>	<u>\$ 46,254,707</u>	<u>\$ 44,337,464</u>	<u>\$ 44,997,078</u>	<u>\$ 47,648,406</u>	<u>\$ 52,638,977</u>	<u>\$ 51,329,004</u>	<u>\$ 53,749,452</u>
Net (expense)/revenue										
Governmental activities	\$ (15,114,238)	\$ (15,770,239)	\$ (15,309,184)	\$ (22,129,236)	\$ (15,097,726)	\$ (16,550,371)	\$ (13,664,187)	\$ (13,128,379)	\$ (16,464,081)	\$ (15,107,495)
Business-type activities	4,825,017	3,790,222	5,031,685	8,768,708	6,167,666	3,598,257	412,945	6,747,846	2,806,322	969,003
Total primary government net expense	<u>\$ (10,289,221)</u>	<u>\$ (11,980,017)</u>	<u>\$ (10,277,499)</u>	<u>\$ (13,360,528)</u>	<u>\$ (8,930,060)</u>	<u>\$ (12,952,114)</u>	<u>\$ (13,251,242)</u>	<u>\$ (6,380,533)</u>	<u>\$ (13,657,759)</u>	<u>\$ (14,138,492)</u>

(1) This fund began operations as a new City utility in fiscal year 2023.

(2) This fund's operations were consolidated into the Sanitation Fund in fiscal year 2023.

(3) 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)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Revenues and Other Changes in net position										
Governmental activities:										
Taxes										
Property taxes (2)	\$ 3,912,339	\$ 3,788,098	\$ 4,040,013	\$ 3,707,397	\$ 3,617,496	\$ 3,969,296	\$ 2,928,484	\$ 2,954,441	\$ 4,057,728	\$ 4,742,917
Sales taxes	6,782,369	7,134,825	7,623,749	7,877,935	8,248,442	8,460,480	8,937,963	10,297,567	11,471,705	11,643,379
Franchise taxes	3,945,634	3,681,671	3,664,256	3,770,244	3,782,565	3,802,154	3,642,291	3,681,339	3,770,664	4,313,583
Interest on investments	504,405	498,436	587,417	566,395	551,096	1,625,239	1,211,323	572,469	(453,049)	1,348,912
Miscellaneous	102,499	153,874	198,791	232,739	189,540	157,982	253,286	235,074	257,045	217,471
Gain (loss) on sale of capital assets	-	66,376.00	21,178.00	43,644	94,356	57,951	5,543	106,349	66,816	63,675
Transfers	2,395,588	2,164,845	2,356,958	2,357,317	2,414,344	2,544,272	2,415,084	2,752,122	2,515,188	2,724,379
Total governmental activities	17,642,834	17,488,125	18,492,362	18,555,671	18,897,839	20,617,374	19,393,974	20,599,361	21,686,097	25,054,316
Business-type Activities:										
Interest on investments	365,492	436,633	579,854	533,388	555,260	1,528,309	1,190,104	462,287	(609,931)	840,534
Gain (loss) on sale of capital assets	43,569	28,229	1,135	400	111,436	10,007	6,881	271,555	15,304	2,696,855
Miscellaneous	304,542	299,601	283,365	241,449	284,601	263,662	105,009	187,399	210,598	155,618
Transfers	(2,395,588)	(2,164,845)	(2,356,958)	(2,357,317)	(2,414,344)	(2,544,272)	(2,415,084)	(2,752,122)	(2,515,188)	(2,724,379)
Total business-type activities	(1,681,985)	(1,400,382)	(1,492,604)	(1,582,080)	(1,463,047)	(742,294)	(1,113,090)	(1,830,881)	(2,899,217)	968,628
Total primary government	\$ 15,960,849	\$ 16,087,743	\$ 16,999,758	\$ 16,973,591	\$ 17,434,792	\$ 19,875,080	\$ 18,280,884	\$ 18,768,480	\$ 18,786,880	\$ 26,022,944
Change in net position										
Governmental activities	\$ 2,528,596	\$ 1,717,886	\$ 3,183,178	\$ (3,573,565)	\$ 3,800,113	\$ 4,067,003	\$ 5,729,787	\$ 7,470,982	\$ 5,222,016	\$ 9,946,821
Business-type activities	3,143,032	2,389,840	3,539,081	7,186,628	4,704,619	2,855,963	(700,145)	4,916,965	(92,895)	1,937,631
Total primary government	\$ 5,671,628	\$ 4,107,726	\$ 6,722,259	\$ 3,613,063	\$ 8,504,732	\$ 6,922,966	\$ 5,029,642	\$ 12,387,947	\$ 5,129,121	\$ 11,884,452

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,738
Restricted	87,637	84,588	51,134	38,784	-	-	-	-	-	-
Committed (1)	-	-	-	-	-	-	3,606,000	4,686,000	5,410,000	6,664,000
Assigned	23,887	102	12,064	18,112	37,662	55,035	44,432	30,728	1,055	330
Unassigned	3,215,001	3,337,417	3,462,187	3,386,791	3,205,350	3,903,090	227,069	1,843,959	328,849	388,612
Total General Fund	\$ 3,326,525	\$ 3,422,107	\$ 3,525,385	\$ 3,443,687	\$ 3,243,012	\$ 3,958,125	\$ 3,877,501	\$ 6,560,687	\$ 5,739,904	\$ 7,067,680
All other governmental funds										
Nonspendable	\$ 558,358	\$ -	\$ -	\$ -	\$ -	\$ 8,780	\$ -	\$ -	\$ -	\$ -
Restricted	2,787,116	2,508,167	1,100,305	826,762	841,957	865,831	889,085	888,436	917,879	2,365,633
Committed (1)	-	-	1,734,687	324,969	1,884,700	2,008,538	24,271,582	25,864,778	24,430,100	24,723,474
Assigned	32,658,253	32,199,536	35,544,447	36,245,936	38,734,766	40,933,831	15,921,394	9,661,143	13,538,696	24,374,065
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 36,003,727	\$ 34,707,703	\$ 38,379,439	\$ 37,397,667	\$ 41,461,423	\$ 43,816,980	\$ 41,082,061	\$ 36,414,357	\$ 38,886,675	\$ 51,463,172

(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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes (see Table 5)	\$ 14,640,342	\$ 14,604,594	\$ 15,328,018	\$ 15,355,576	\$ 15,648,503	\$ 16,231,930	\$ 15,508,738	\$ 16,933,347	\$ 19,300,097	\$ 20,699,879
Licenses and permits	668,595	639,203	538,070	679,439	607,561	514,245	508,494	625,681	791,059	615,623
Intergovernmental (1)	1,333,065	1,411,005	1,607,310	2,341,078	2,399,903	2,535,658	5,878,964	5,986,854	6,987,481	6,761,347
Charges for services	2,337,365	1,577,584	1,178,991	1,207,577	1,102,127	1,204,818	1,093,312	1,154,482	1,272,768	1,225,124
Fines and forfeitures	143,844	150,220	151,502	128,313	120,239	130,729	112,845	119,397	113,048	119,589
Investment earnings	471,769	498,435	587,417	566,395	551,096	1,625,239	1,211,323	572,467	(453,049)	1,348,912
Miscellaneous	743,655	956,055	1,442,347	1,067,640	592,904	356,640	418,305	576,451	397,722	424,044
Total Revenues	20,338,635	19,837,096	20,833,655	21,346,018	21,022,333	22,599,259	24,731,981	25,968,679	28,409,126	31,194,518
Expenditures:										
General government	3,406,526	3,041,448	2,988,990	2,513,272	2,280,100	2,199,123	2,404,208	2,913,330	2,678,673	2,719,952
Public safety	7,482,444	8,519,714	8,946,888	8,935,881	8,846,095	9,517,509	9,660,827	10,079,173	10,715,111	11,651,121
Highways and streets	2,877,012	2,875,139	3,054,369	3,065,431	3,039,277	4,065,600	4,154,000	3,988,736	4,042,660	4,813,779
Planning and engineering	956,440	735,003	752,038	803,667	873,959	900,866	909,197	1,056,119	1,029,532	1,200,372
Parks and recreation	747,048	781,729	808,441	919,116	926,448	1,060,722	1,083,794	1,257,174	1,414,135	1,539,320
Redevelopment	2,337,206	1,636,222	248,744	605,556	1,093,209	2,419,268	2,616,503	672,552	5,452,465	160,565
Capital outlay (2)	-	-	176,965	4,562,705	129,191	(1,405,059)	(2,319,170)	(332,303)	80,493	137,672
Capitalized capital outlay	5,077,488	4,737,261	2,230,839	3,188,084	2,623,676	3,341,126	11,458,792	11,208,499	4,042,426	6,114,215
Debt service:										
Bond issuance costs	22,681	-	-	-	-	-	-	-	-	-
Principal	2,000,000	908,000	212,000	220,000	-	-	-	-	-	400,000
Interest and fiscal charges	61,749	35,637	17,280	8,800	-	-	-	-	-	331,413
Total expenditures	24,968,594	23,270,153	19,436,554	24,822,512	19,811,955	22,099,155	29,968,151	30,843,280	29,455,495	29,068,409
Excess of revenues over (under) expenditures	\$ (4,629,959)	\$ (3,433,057)	\$ 1,397,101	\$ (3,476,494)	\$ 1,210,378	\$ 500,104	\$ (5,236,170)	\$ (4,874,601)	\$ (1,046,369)	\$ 2,126,109

(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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other financing sources (uses):										
Transfers in	\$ 2,395,588	\$ 2,400,468	\$ 2,356,958	\$ 5,123,707	\$ 4,385,292	\$ 2,860,431	\$ 3,001,334	\$ 3,582,950	\$ 2,998,667	\$ 3,619,518
Transfers out	-	(235,623)	-	(2,766,390)	(1,970,948)	(411,816)	(586,250)	(830,828)	(483,479)	(895,139)
Bonds issued	766,000	-	-	-	-	-	-	-	160,000	7,465,000
Premium on bonds issued	-	-	-	-	-	-	-	-	-	529,837
Notes payable issued	-	-	-	-	-	-	-	-	-	1,000,000
Sale of assets	4,650	24,700	20,955	55,707	68,697	121,951	5,543	137,961	22,716	58,948
Total other financing sources (uses)	3,166,238	2,189,545	2,377,913	2,413,024	2,483,041	2,570,566	2,420,627	2,890,083	2,697,904	11,778,164
Net change in fund balances	<u>\$ (1,463,721)</u>	<u>\$ (1,243,512)</u>	<u>\$ 3,775,014</u>	<u>\$ (1,063,470)</u>	<u>\$ 3,693,419</u>	<u>\$ 3,070,670</u>	<u>\$ (2,815,543)</u>	<u>\$ (1,984,518)</u>	<u>\$ 1,651,535</u>	<u>\$ 13,904,273</u>
Debt service as a percentage of non-capital expenditures	10.37%	5.09%	1.33%	1.06%	N/A	N/A	N/A	N/A	N/A	3.19%

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

Fiscal Year	Property Taxes	Fees in Lieu of Property Tax	Sales and Use Taxes	Recreation & Parks Taxes (2)	Franchise Taxes	Total
2014	\$ 3,701,049	\$ 211,290	\$ 6,346,757	\$ 435,612	\$ 3,945,634	\$ 14,640,342
2015	3,577,649	210,449	6,672,517	462,308	3,681,671	14,604,594
2016	3,824,710	215,303	7,107,293	516,456	3,664,256	15,328,018
2017	3,493,781	213,616	7,350,405	527,530	3,770,244	15,355,576
2018	3,415,826	201,670	7,698,239	550,203	3,782,565	15,648,503
2019	3,751,875	217,421	7,891,905	568,575	3,802,154	16,231,930
2020 (1)	2,729,398	199,086	8,326,421	611,542	3,642,291	15,508,738
2021	2,749,290	205,151	9,601,683	695,884	3,681,339	16,933,347
2022	3,796,066	261,662	10,742,501	729,204	3,770,664	19,300,097
2023	4,530,292	212,625	10,903,611	739,768	4,313,583	20,699,879

(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				
2014	\$ 1,668,062	\$ 379,160	\$ 160	\$ 60,040	\$ 2,107,421	0.001063	\$ 3,666,320	57.48%
2015	2,074,866	326,681	124	60,559	2,462,229	0.000946	4,091,095	60.19%
2016	2,135,735	494,329	79	73,273	2,703,416	0.000957	4,642,505	58.23%
2017	2,224,216	393,297	35	70,390	2,687,938	0.000890	4,453,396	60.36%
2018	2,405,742	410,184	16	61,045	2,876,987	0.000832	4,767,051	60.35%
2019	2,616,287	440,306	19	58,672	3,115,284	0.000880	5,178,287	60.16%
2020	2,862,151	480,876	24	72,962	3,416,013	0.000814	5,677,646	60.17%
2021	2,964,503	472,078	23	73,926	3,510,530	0.000789	5,835,949	60.15%
2022	3,369,265	496,551	32	81,356	3,947,204	0.000967	6,593,020	59.87%
2023	4,505,949	516,599	40	80,458	5,103,045	0.000889	8,621,722	59.19%

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

(2) Includes centrally assessed property.

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

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

Fiscal Year	Total Direct & Overlapping Rate	Direct Rate		Overlapping Rates								
		Bountiful City (1)	Bountiful City Debt Service (1)	Davis County School Dist.	Davis County (2)	Weber Basin Water	Mosquito Abatement District	Bntfl Water Subcons. District	South Davis Sewer District	Davis County Library	South Davis Metro Fire Service A. (3)	South Davis Recreation District
2014	0.013632	0.001063	-	0.008710	0.002331	0.000210	0.000103	0.000128	0.000324	0.000389	-	0.000374
2015	0.012809	0.000946	-	0.008259	0.002161	0.000199	0.000124	0.000120	0.000301	0.000361	-	0.000338
2016	0.012853	0.000957	-	0.008555	0.001905	0.000196	0.000122	0.000120	0.000303	0.000361	-	0.000334
2017	0.012387	0.000890	-	0.008125	0.002014	0.000187	0.000116	0.000110	0.000287	0.000342	0.000010	0.000306
2018	0.012288	0.000832	-	0.007575	0.002210	0.000174	0.000107	0.000103	0.000264	0.000376	0.000368	0.000279
2019	0.012200	0.000880	-	0.007701	0.002046	0.000164	0.000119	0.000096	0.000245	0.000349	0.000343	0.000257
2020	0.011869	0.000814	-	0.007808	0.001760	0.000153	0.000112	0.000089	0.000234	0.000329	0.000328	0.000242
2021	0.011874	0.000789	-	0.007670	0.001896	0.000146	0.000110	0.000183	0.000226	0.000319	0.000317	0.000218
2022	0.012195	0.000967	-	0.007642	0.001608	0.000132	0.000099	0.000078	0.000296	0.000578	0.000585	0.000210
2023	0.010033	0.000749	0.000140	0.006424	0.001233	0.000167	0.000096	0.000061	0.000306	0.000229	0.000475	0.000153

(1) Bountiful City only a general-purpose property tax levy and, beginning in FY23, a debt service tax levy. These rates are the same for all commercial, industrial, or residential residents.

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

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

Source: Property Tax Division, Utah State Tax Commission

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

Taxpayer	December 31, 2023 taxable valuation			December 31, 2013 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	\$ 30,201,663	1	0.59 %	\$ 28,629,667	1	1.29 %
IHC Health Services Inc.	26,991,039	2	0.53	7,212,786		0.32
Village Glen Main & Seniors LLC	26,668,042	3	0.52	11,360,605	3	0.51
Questar Gas	22,626,098	4	0.44	9,699,912	5	0.44
Providential BBA Property LLC	19,657,480	5	0.39	-		-
G&E Healthcare Reit Renaissance LLC	18,927,023	6	0.37	15,376,000	2	0.69
Columbia Lakeview Hospital	15,004,204	7	0.29	-		-
MABEK Co.	14,100,545	8	0.28	10,011,096	4	0.45
Horne Carrington Place LLC	13,668,055	9	0.27	-		-
Hepworth Investment Group LLC	11,237,709	10	0.22	-		-
Colonial Lakeview Apartments LLC-ETAL	11,019,691	11	0.22	-		-
Creekside Senior Living LLC	11,081,436	12	0.22	-		-
D U Company Inc	9,762,393	13	0.19	-		-
Lumen Technologies Inc	9,676,372	14	0.19	8,727,244	6	0.39
WBC Partners LLC	9,544,323	15	0.19	5,592,732	9	0.25
Wilson Properties & Associates	9,048,936	16	0.18	-		-
Community Centers of America-Auburn LLC	8,430,221	17	0.17	-		-
HCP Lakeview MOB LLC	8,198,548	18	0.16	-		-
TC Windgate LLC-ETAL	7,981,051	19	0.16	-		-
Hidden Hollow Circle	7,944,413	20	0.16	-		-
Bill Olson Investment LTD_ETAL	-		-	5,692,500	8	0.26
Bountiful Plaza Holdings	-		-	5,477,255	10	0.25
	<u>\$291,769,242</u>		<u>5.72 %</u>	<u>\$ 107,779,797</u>		<u>4.86 %</u>
Taxable Value			\$ 5,103,044,944			\$ 2,219,865,171

Source : Davis County Clerk Auditors Office

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

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 2,442,814	\$ 2,353,263	96.33 %	\$ 82,112	\$ 2,435,375	99.70 %
2015	2,520,959	2,312,056	91.71	112,197	2,424,253	96.16
2016	2,580,854	2,391,210	92.65	88,371	2,479,581	96.08
2017	2,581,960	2,426,593	93.98	51,413	2,478,006	95.97
2018	2,576,944	2,337,008	90.69	85,941	2,422,949	94.02
2019	2,932,394	2,681,062	91.43	65,329	2,746,391	93.66
2020	2,962,566	2,727,653	92.07	72,072	2,799,725	94.50
2021	2,937,547	2,798,781	95.28	68,529	2,867,310	97.61
2022	4,022,386	3,860,554	95.98	111,103	3,971,657	98.74
2023	4,807,137	4,567,887	95.02	86,012	4,653,899	96.81

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

Payments are not considered delinquent until after November 30.

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

Source : Davis County

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

Fiscal Year Ended June 30,	Electric Metered Sales	Industrial Customer Sales (1)	Miscellaneous (2)	Total Charges for Services	Residential Charge Per Kilowatt Hour (3)
2014	\$ 23,955,880	\$ 2,545,129	\$ 9,302	\$ 25,719,743	0.0925
2015	23,202,093	2,401,930	115,720	25,719,743	0.0925
2016	23,521,610	2,197,020	105,621	25,824,251	0.0925
2017	23,949,727	2,412,459	144,130	26,506,316	0.0925
2018	24,579,348	2,390,156	128,674	27,098,178	0.0925
2019	24,966,059	2,195,750	90,632	27,252,441	0.0925
2020	24,557,700	1,934,393	122,699	26,614,792	0.0925
2021	26,224,198	2,080,247	123,680	28,428,125	0.0800 (4)
2022	25,566,969	2,174,261	122,681	27,863,911	0.0800
2023	27,655,152	2,569,471	127,956	30,352,580	0.0824

- (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) Beginning in Fiscal year 2021 a new tiered rate structure was implemented. Under the new rates a residential customer power rate was \$0.0800 for the first 400 KWH with additional KWH charged at a rate of \$0.1022

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 (3)	Special Assessment Bonds	Revenue Bonds	Other Debt	Revenue Bonds	Lease Debt				
2014	\$ -	\$1,028,301	\$ 322,000	\$ -	\$13,385,000	\$ -	14,735,301	1.10%	\$ 1,344,044,013	343
2015	-	454,534	-	-	12,740,000	-	13,194,534	1.00%	1,320,472,651	305
2016	-	227,513	-	-	12,085,000	-	12,312,513	0.92%	1,343,706,868	283
2017	-	-	-	-	11,420,000	-	11,420,000	0.79%	1,441,660,352	260
2018	-	-	-	-	10,745,000	-	10,745,000	0.70%	1,545,305,837	244
2019	-	-	-	-	10,055,000	-	10,055,000	0.60%	1,681,023,211	228
2020	-	-	-	-	9,350,000	-	9,350,000	0.55%	1,708,182,073	213
2021	-	-	-	-	-	302,868	302,868	0.02%	1,771,393,546	7
2022	160,000	-	-	-	-	310,636	470,636	0.03%	1,855,465,460	10
2023	7,225,000	-	-	1,034,064	-	419,092	8,678,156	0.36%	2,409,477,876	191

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 - State Statistics of Income (AGI).

(3) The City issued a General Obligation Bond for \$7,625,000 on July 7th, 2022, and received a good faith payment of \$160,000 on June 28th, 2022.

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

Fiscal Year Ended June 30,	General Obligation Bonds (1)	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2014	\$ -	\$ -	\$ -	0%	\$ -
2015	-	-	-	0%	-
2016	-	-	-	0%	-
2017	-	-	-	0%	-
2018	-	-	-	0%	-
2019	-	-	-	0%	-
2020	-	-	-	0%	-
2021	-	-	-	0%	-
2022	160,000	-	160,000	0.004%	3.49
2023	7,225,000	-	7,225,000	0.141%	158.81

Residents estimate source: Davis County and Utah State Tax Commission, Property Tax Division

(1) The City issued a General Obligation Bond for \$7,625,000 on July 7th, 2022, and received a good faith payment of \$160,000 on June 28th, 2022.

BOUNTIFUL CITY
Direct and Overlapping Governmental Activities Debt
June 30, 2022
Table 13

	<u>Total Debt</u>	<u>Applicable to City</u>		<u>City Debt Ratios (2)</u>		
			<u>Percentage</u>	<u>Amount</u>	<u>To assessed value of: \$ 5,103,044,944</u>	<u>To fair value of: \$8,621,722,000</u>
Direct Governmental-Activities City debt:						
Governmental-Activities debt (3)	<u>\$ 7,225,000</u>	100.00%	<u>\$ 7,225,000</u>	0.14%	0.08%	\$ 158.81
Total direct debt	<u>\$ 7,225,000</u>		<u>\$ 7,225,000</u>			
Overlapping debt:						
State of Utah (1)	\$ -		\$ -			
Weber Basin Water Conservancy District	145,439,000	4.46%	6,491,787	0.13%	0.08%	\$ 143
Davis County	83,340,000	12.35%	10,295,287	0.20%	0.12%	\$ 226
Davis School District	463,417,000	12.35%	57,247,554	1.12%	0.66%	\$ 1,258
South Davis Recreation District	4,770,000	35.50%	1,693,236	0.03%	0.02%	\$ 37
Total Overlapping debt	<u>\$ 696,966,000</u>		<u>\$ 75,727,864</u>			
Total direct and overlapping debt applicable to the City			<u>\$ 82,952,864</u>	1.63%	0.96%	\$ 1,823

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.
- (3) The City issued a General Obligation Bond for \$7,625,000 on July 7th, 2022, and received a good faith payment of \$160,000 on June 28th, 2022.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed value (1)	\$ 3,679,505	\$ 4,103,401	\$ 4,153,601	\$ 4,453,396	\$ 4,779,007	\$ 5,191,204	\$ 5,689,454	\$ 5,847,008	\$ 6,607,668	\$ 8,636,745
Governmental Debt Limit										
4% of total assessed value	147,180	164,136	166,144	178,136	191,160	207,648	227,578	233,880	264,307	345,470
Debt applicable to limit:										
General obligation bonds (2)	-	-	-	-	-	-	-	-	160	7,225
Special Assessment Bonds	1,028	455	228	-	-	-	-	-	-	-
Revenue Bonds	322	-	-	-	-	-	-	-	-	-
Other Governmental Debt	-	-	-	-	-	-	-	-	-	1,034
Total Governmental debt applicable to limit	1,350	455	228	-	-	-	-	-	160	8,259
Governmental Legal Debt Margin	\$ 145,830	\$ 163,681	\$ 165,916	\$ 178,136	\$ 191,160	\$ 207,648	\$ 227,578	\$ 233,880	\$ 264,147	\$ 337,211
Total net debt applicable to the limit as a percentage of debt limit	1%	0%	0%	0%	0%	0%	0%	0%	0.06%	2.39%
Business-Type Debt Limit										
8% of total assessed value	294,360	328,272	332,288	356,272	382,321	415,296	455,156	467,761	528,613	690,940
Debt applicable to limit:										
2010 Power Revenue Bonds	13,385	12,740	12,085	11,420	10,745	10,055	9,350	-	-	-
2021 Golf Lease Debt	-	-	-	-	-	-	-	303	311	197
2014 & 2019 Power Lease Debt	-	-	-	-	-	-	-	-	-	222
Total Business-Type debt applicable to limit	13,385	12,740	12,085	11,420	10,745	10,055	9,350	303	311	419
Business-Type Legal Debt Margin	\$ 280,975	\$ 315,532	\$ 320,203	\$ 344,852	\$ 371,576	\$ 405,241	\$ 445,806	\$ 467,458	\$ 528,303	\$ 690,521
Total net debt applicable to the limit as a percentage of debt limit	4.55%	3.88%	3.64%	3.21%	2.81%	2.42%	2.05%	0.06%	0.06%	0.06%

(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) The City issued a General Obligation Bond for \$7,625,000 on July 7th, 2022, and received a good faith payment of \$160,000 on June 28th, 2022.

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: Debt Expenses	Net Available Revenues	Debt Service		Coverage	Special Assessments Collections	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
Revenue Bonds - Governmental Activities											
2014*	\$ 597,678	\$ 24,331	\$ 573,347	\$ 688,000	\$ 28,469	80.0%	\$ 267,557	\$ 197,000	\$ 33,280	116.2%	
2015**	598,016	4,150	593,866	705,000	10,237	83.0%	266,219	203,000	25,400	116.6%	
2016	-	-	-	-	-	0.0%	270,403	212,000	17,280	117.9%	
2017	-	-	-	-	-	0.0%	251,465	220,000	8,800	109.9%	
2018	-	-	-	-	-	0.0%	-	-	-	-	
2019	-	-	-	-	-	0.0%	-	-	-	-	
2020	-	-	-	-	-	0.0%	-	-	-	-	
2021	-	-	-	-	-	0.0%	-	-	-	-	
2022	-	-	-	-	-	0.0%	-	-	-	-	
2023	-	-	-	-	-	0.0%	-	-	-	-	

* 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)

2014	\$ 27,433,112	\$ 24,607,639	\$ 2,825,472	\$ 640,000	\$ 641,542	220.5%
2015	26,585,700	20,966,677	5,619,023	645,000	628,372	441.3%
2016	26,733,206	19,432,143	7,301,063	655,000	612,396	576.1%
2017	27,251,210	20,272,758	6,978,452	665,000	593,242	554.6%
2018	28,039,563	21,258,547	6,781,016	675,000	570,799	544.3%
2019	28,728,182	21,340,306	7,387,876	690,000	544,868	598.3%
2020	27,741,133	23,519,461	4,221,672	705,000	516,888	345.5%
2021***	29,206,419	21,451,507	7,754,912	9,350,000	179,754	81.4%
2022	-	-	-	-	-	0.0%
2023	-	-	-	-	-	0.0%

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

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

Fiscal Year Ended June 30,	Population		Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income	Number of residents 18 years and older		School Enrollment		Unemployment Rate (4)
2014	42,920	(1)	1,344,044	31,315	30,607	(1)	10,144	(3)	3.60 %
2015	43,279	(1),(2)	1,320,473	30,511	30,862	(1)	10,144	(3)	3.60
2016	43,583	(1),(2)	1,343,707	30,831	31,005	(1)	11,191	(3)	3.30
2017	43,908	(1),(2)	1,441,660	32,834	31,331	(1)	11,303	(3)	3.10
2018	43,998	(1)	1,545,306	35,122	30,809	(1)	11,600	(3)	3.00
2019	44,025	(1)	1,681,023	38,183	30,886	(1)	10,974	(3)	2.70
2020	43,981	(1)	1,708,182	38,839	31,139	(1)	10,941	(3)	4.10
2021	45,762	(5)	1,771,394	38,709	33,008	(1)	10,570	(3)	2.40
2022	45,811	(1)	1,855,465	40,503	32,343	(1)	10,682	(3)	1.80
2023	45,496	(1)	2,409,478	52,960	31,985	(1)	10,699	(3)	2.40

(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 2023.

(5) 2020 Census

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

Employer (1)	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lakeview Hospital	250 - 499	1	1.08 - 2.15 %	500 - 999	1	2.43 - 4.86 %
Smith's Marketplace	250 - 499	2	1.08 - 2.15	250 - 499	4	2.43 - 4.86
Western Peaks Community Hospital	250 - 499	3	1.08 - 2.15	500 - 999	3	2.43 - 4.86
Bountiful Health Center	100 - 249	4	0.43 - 1.07	100 - 249	5	0.49 - 1.21
Bountiful High School	100 - 249	5	0.43 - 1.07	100 - 249	6	0.49 - 1.21
One Call Locators	100 - 249	6	0.43 - 1.07	N/A	N/A	N/A
Performance Ford Lincoln Bountiful	100 - 249	7	0.43 - 1.07	100 - 249	8	0.49 - 1.21
South Davis Recreation Center	100 - 249	8	0.43 - 1.07	100 - 249	9	0.49 - 1.21
Viewmont High School	100 - 249	9	0.43 - 1.07	100 - 249	10	0.49 - 1.21
Youth Health Associates, Inc.	100 - 249	10	0.43 - 1.07	N/A	N/A	N/A
Lexington Law Firm	N/A	N/A	N/A	500 - 999	2	2.43 - 4.86
Brighton Rehabilitation	N/A	N/A	N/A	100 - 249	7	0.49 - 1.21
Total	1,450 - 3,240		6.25 - 13.94 %	2,350 - 4,990		12.66 - 26.70 %

(1) Listed alphabetically within each employee range.

Source: Utah Department of Workforce Services

BOUNTIFUL CITY
June Employee Count - City Government Employees by Function
Last Ten Fiscal Years
Table 18

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Department										
General Fund										
Legislative	6	6	6	6	6	6	6	7	7	7
Legal	3	3	2	3	4	4	4	4	4	5
Executive	3	2	2	2	2	2	3	4	3	4
Human Resources	2	2	2	2	2	2	2	3	2	2
Information Systems	4	3	4	4	3	4	4	3	4	4
Administrative	5	5	5	5	5	5	5	5	5	5
Treasurer	7	7	7	7	7	7	7	7	7	7
Government Buildings	2	2	2	1	2	1	2	1	1	1
Police	90	77	80	80	56	61	61	78	61	61
Streets	20	23	21	22	22	22	22	22	20	23
Engineering	7	8	8	7	8	8	9	9	9	9
Parks	13	23	21	19	28	28	32	28	23	29
Planning	4	5	4	5	6	4	4	5	4	5
General Fund Total	166	166	164	163	151	154	161	176	150	162
Enterprise Funds										
Storm Water (1)	2	3	3	2	4	4	3	3	4	4
Water	16	16	15	16	19	19	17	18	16	18
Light and Power	38	36	34	37	37	35	36	37	37	37
Golf	47	46	49	43	51	45	43	43	41	39
Landfill (1)	11	9	9	10	11	11	12	11	11	10
Sanitation	6	6	5	5	6	5	5	5	5	6
Cemetery	8	7	8	8	7	7	8	6	7	8
Enterprise Fund Total	128	123	123	121	135	126	124	123	121	122
Internal Service Funds										
Risk Management (1)	-	-	-	-	-	-	-	-	-	-
Workers Compensation (1)	-	-	-	-	-	-	-	-	-	-
Internal Service Fund Total	-									
Redevelopment Agency										
Redevelopment Agency (1)	-	-	-	-	-	-	-	-	-	-
Total Positions	294	289	287	284	286	280	285	299	271	284

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

Source: City of Bountiful Human Resource Office. These numbers are accumulated based on the number of employees paid in late June of each fiscal year. It does not represent full-time equivalents.

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fire protection:										
Number of stations (1)	2	2	2	2	2	2	2	2	2	2
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	22	22	22	22	22	24	24	24	24	24
Highways and streets:										
Number of street lights	2,042	2,037	2,037	2,035	2,035	2,056	2,054	2,070	2,073	2,099
Number of traffic signals	15	15	15	15	15	15	15	15	15	15
Miles of streets	159.06	159.06	159.06	159.71	159.75	159.96	159.96	160.25	160.27	160.27
Public Services:										
Recreation and culture:										
Number of municipal parks	13	13	13	16	16	16	17	18	18	18
Number of municipal picnic areas	19	19	19	19	22	22	29	29	29	29
Number of municipal tennis courts	20	20	20	20	20	20	18	18	18	18
Number of municipal soccer fields	6	6	6	6	6	6	6	9	9	12
Number of municipal ball diamonds	10	10	10	10	10	10	8	9	9	12
Number of Trail Heads	2	2	2	2	2	2	2	3	3	9
Number of municipal golf courses	1	1	1	1	1	1	1	1	1	1
Number of ice arenas (3)	0	0	0	0	0	0	0	1	1	1
Municipal power plants:										
Number of distribution substations	5	5	5	5	5	5	5	5	5	5
Miles of distribution and transmission lines	229.12	229.16	229.36	229.61	230.72	232.86	235.05	236.89	249.00	267.00
Municipal water plants:										
Number of fire hydrants	1,612	1,618	1,629	1,644	1,659	1,671	1,683	1,696	1,707	1,716
Miles of water mains	176.31	176.38	176.40	176.60	177.43	178.22	179.18	179.48	180.16	180.25
Max instantaneous water source capacity (gallons per minute)	9,000	9,000	9,500	9,500	9,500	9,500	9,500	10,000	10,000	10,000
Sanitation utilities:										
Number of collection trucks	13	13	13	13	13	13	13	13	14	15
Number of sanitary landfills	1	1	1	1	1	1	1	1	1	1
Storm water utility:										
Miles of storm water lines (encased)	71.16	69.65	70.14	70.80	70.80	71.89	72.30	73.06	72.74	72.86
Miles of storm water lines (concrete lined)	1.32	1.32	1.32	1.32	1.33	1.32	1.31	1.37	1.37	1.37
Public Libraries (2)	1	1	1	1	1	1	1	1	1	1

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

(2) Owned and operated by Davis County.

(3) In FY 2021, the Bountiful Town Square Ice Ribbon opened, it is operated by the South Davis Recreation District.

Miscellaneous Statistics - Most current information only

Date of Incorporation: December 14, 1892

Form of government: Manager

Election data

Registered (active voters), November 2022: 26,295

Number of votes cast in 2022 General election: 18,624

Percentage of registered voters voting: 70.83%

Sources: Various City of Bountiful Departments.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program										
General Governmental:										
Ordinances passed	14	28	12	11	9	11	8	13	11	7
Resolutions passed	14	11	14	20	12	7	16	29	22	18
Public Safety:										
Hazardous citations written	2,142	2,258	2,215	1,975	1,707	1,431	3,088	1,785	2,460	2,734
Non-hazardous citations written	1,005	1,469	1,458	1,339	1,094	799	736	368	580	623
Arrests	1,611	1,086	1,382	1,130	1,107	946	875	915	877	890
Highways and Streets:										
Miles of street overlaid	6.43	7.00	5.18	7.14	18	5	6.60	5.18	4.20	4.50
Miles of street reconstructed	0.00	0.39	0.60	0.00	0	0.14	0.44	0.42	0.39	0.47
Planning and Engineering:										
Building Permits Issued	88	62	81	169	134	79	33	67	66	11
Municipal water:										
Average daily gallons consumed	4,492,000	4,185,000	3,729,000	3,968,000	4,389,454	4,442,000	4,127,000	3,688,380	3,366,819	3,512,670
Municipal power:										
Kilowatt hours sold	294,130,877	277,674,203	278,780,541	283,037,185	283,555,713	280,753,086	267,283,693	277,070,477	273,365,941	291,431,986
Storm water:										
Miles of storm drains inspected	4.70	4.78	2.92	4.61	5.52	7.56	4.02	7.11	6.96	1.43
Miles of streets cleaned	159.08	158.36	159.64	159.71	159.75	159.96	159.96	160.25	160.27	160.27
Sanitation utilities:										
Tons of waste collected and landfilled	52,354	68,795	64,640	56,848	79,880	97,974	98,704	109,984	89,508	67,540
Tons of recyclables collected	2,713	2,384	2,549	2,618	2,587	3,087	2,797	2,273	2,072	1,955

Sources: Various City of Bountiful departments.

**BOUNTIFUL CITY
BOUNTIFUL, UTAH**

SUPPLEMENTARY REPORTS

INCLUDING SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



**CERTIFIED PUBLIC
ACCOUNTANTS**

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

**BOUNTIFUL CITY
SUPPLEMENTARY REPORTS
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CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

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

To the Mayor and City Council
Bountiful City
Bountiful, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bountiful City, Utah (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated November 8, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on 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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross City, Utah
November 8, 2023

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1455 West 2200 South, Suite 201
Salt Lake City, Utah 84119



CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

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

To the Mayor and City Council
Bountiful City
Bountiful, Utah

Report on Compliance

We have audited Bountiful City, Utah's (the City) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended June 30, 2023.

State compliance requirements were tested for the year ended June 30, 2023 in the following areas:

- Budgetary Compliance
- Fund Balance
- Restricted Taxes and Related Restricted Revenue
- Fraud Risk Assessment
- Governmental Fees
- Cash Management
- Open and Public Meetings Act

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, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the *State Compliance Audit Guide* (Guide). Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Guide and which is described in the accompanying *Schedule of Findings and Recommendations*. Our opinion on compliance is not modified with respect to this matter.

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our audit described in the accompanying *Schedule of Findings and Recommendations*. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report On Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 to detect and correct noncompliance with a state 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 state 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 state 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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*.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross City, Utah
November 8, 2023

BOUNTIFUL CITY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Fiscal Year Ended June 30, 2023

Utah State Compliance

2023-01 – Open and Public Meetings Act

Condition: During our testing of compliance over the Open and Public Meetings Act, we noted that the public notice for the 6/21/2022 original budget adoption was uploaded to the Utah Public Notice Website on 6/16/2022 only five days prior to the meeting.

Criteria: Utah Code Annotated (UCA) 10-6-113 states “At the meeting at which each tentative budget is adopted, the governing body shall establish the time and place of a public hearing to consider its adoption and shall order that notice of the public hearing be published for the city or metro township, as a class A notice under Section 63G-30-102, for at least seven days before the day of the hearing.” Utah Code Annotated (UCA) 63G-30-102(1)(a) states “A public body or a government official that is required to provide a class A notice: shall publish the public notice on the Utah Public Notice Website.”

Cause: The public notices were not posted for the required amount of time prior to the meeting.

Effect: The City did not follow Utah State Code.

Recommendation: We recommend that the City ensures that budgetary adoption/amendment meeting notices are posted to the Utah Public Notice Website at least 7 days prior to the meeting.

Response: This instance was a one-time oversight in performing a timely upload of data for the City. The budget notice for the Bountiful RDA was uploaded within the required time period and staff mistakenly believed that they uploaded the City’s budget notice immediately following the RDA budget notice to the Public Notice Website. The City is very aware of this public noticing requirement and will ensure the proper advanced noticing is performed for every budget hearing.

SINGLE AUDIT



CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, 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

To the Mayor and City Council
Bountiful City
Bountiful, Utah

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bountiful City, Utah's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We issued our report thereon dated November 8, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross City, Utah
November 8, 2023

BOUNTIFUL CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>Department of the Treasury</u>				
State of Utah - Governor's Office Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	UT0601	\$ -	\$ 2,602,589.50
<u>Department of Justice</u>				
Justice Assistance Grant (JAG)	16.738	Subrecipient of the State of Utah - 19A106	-	6,778.00
JAG - bulletproof vest grant	16.738	Subrecipient of the State of Utah - 207881	-	2,400.00
Victims of Crime Act (VOCA)	16.575	Subrecipient of the State of Utah - 20VOCA023	-	24,586.22
Total Department of Justice			<u>-</u>	<u>33,764.22</u>
<u>Department of Homeland Security/FEMA</u>				
Emergency Management Performance Grant (EMPG)	97.042	Subrecipient of the State of Utah's EMD-2022-EP-00001- S01. State agreement number of DEM-EMPG-2022-006	-	6,625.00
Hazard Mitigation Grant Program (HMPG)	97.039	Subrecipient of the State of Utah's FM-5292-02R	-	6,512.39
Total Department of Homeland Security/FEMA			<u>-</u>	<u>13,137.39</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 2,649,491.11</u>

BOUNTIFUL CITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

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, 2023

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>Federal Assistance Listing Number</i>	<i>Name of Federal Program or Cluster</i>
21.027	Coronavirus State and Local Fiscal Recovery 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