BOUNTIFUL CITY, UTAH

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Mayor: Kendalyn Harris

City Manager: Gary Hill

City Council: Kate Bradshaw
Beth Child
Richard Higginson
Matt Murri
Cecilee Price-Huish

BOUNTIFUL
EST. 1847

BOUNTIFUL CITY, UTAH

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Prepared by:

Bountiful City Finance Department

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Finance Director

David Burgoyne
Assistant Finance Director

Kevin McFadden
Accountant/Treasurer

With assistance from:
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Assistant City Manager

BOUNTIFUL CITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2025

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INTRODUCTORY SECTION

BOUNTIFUL CITY

KENDALYN HARRIS
MAYOR

CITY COUNCIL
Kate Bradshaw
Beth Child
Richard Higginson
Cecilee Price-Huish
Matt Murri

CITY MANAGER
Gary R. Hill

November 7, 2025

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, 2025.

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.

K&C CPA's, a firm of certified public accountants, has audited the City's financial statements for the fiscal year ended June 30, 2025. 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, 2025. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City 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). 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 policy and priorities to the Mayor and City Council.

Profile of the Government (Continued)
The City Council is required to adopt a final budget for the next fiscal year no later than June 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 through budget amendment. 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 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 2025 is estimated at 45,024, with a potential for an estimated 55,000 residents at final build-out, which should occur by approximately 2035.

Local economy
Bountiful is located in south Davis County and is predominantly a residential community. The City is host to a large regional hospital, two specialty hospitals, 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 its 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 and expenditures/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 21 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 6 major projects outside of the regular maintenance projects that are expected to be completed or initiated in fiscal years 2026 and 2027 as follows:

1. For many years now the City has been improving its trail network in accordance with its trails master plan. During fiscal year (FY) 2025 $587,866 was spent to design and construct some of these trails. The capital budget for fiscal year 2026 includes $176,125 to continue the expansion of the City's trail system and fiscal year 2027 includes $300,000 for a North Canyon trailhead bathroom. The funding for these projects is from donations, grants, and RAP taxes.
2. In-house engineering studies have been performed to ensure the maximum life of the City's sanitary landfill. The plan stemming from these studies will increase the height of the landfill but will also require an expansion of the landfill's water basin. During FY2025 $35,955 was spent in pond-expansion permitting and the actual expansion is budgeted in FY26 for a cost of $475,000.
3. One of the City's culinary water wells (Viewmont) has been declining in its water production. In order to preserve this crucial City resource, a well rehabilitation project began during FY2025 with $132,528 in initial costs. The FY2026 budget includes $750,000 to finalize that project.
4. During FY2024 The RDA purchased a building on Main Street with the intent to remodel it into a restaurant and lease out the building. The FY2025 architectural and remodel costs totaled $405,766 with project completion expected in FY2026 with an additional $750,000. A lease agreement with a Utah pizza franchiser

Major initiatives (Continued)

was signed and it is anticipated they will open the restaurant in early calendar year 2026.

5. During fiscal years 2023, 2024, and 2025 the City has been installing a fiber-optic network throughout the City. This initiative was done to offer residents a fiber network to contract broadband internet and telecommunications services with many mainstream internet service providers (ISP) at a reasonable price. The construction and network operating contract was signed with UTOPIA Fiber to install the network throughout the City and operate it for a 10-year period. By the end of FY 2025 the City had already paid or accrued payment to UTOPIA for $37,622,907 of the $45,432,000 construction/connection contract amount. The substantial buildout of the network was complete in May of 2025, making subscription available throughout the City. The remaining $7.8 million of the UTOPIA contract is for subscriber network-connection costs. It is estimated to take another 3-5 fiscal years before the contracted 40% of total City connections are established and UTOPIA is fully paid. It is also estimated that in those same 3-5 fiscal years the fiber utility will reach sufficient subscribership to turn a profit. Funding for this project came from the 2023 Sales Tax Revenue bonds (see Note 10 for bond specifics), though it is the City's intent to repay the bonds with subscription revenues. The Fiber fund is currently borrowing from the Capital Projects fund for debt service payments.
6. The final major project is the rebuilding of the Light and Power department's North-West substation that is over 50 years old. This project will replace all major components of the existing substation. The project design began in FY2024 with $139,928 in costs, added $1,716,609 in design and material costs during FY2025, and is estimated to be completed in FY2026 with the final install costs of $5,150,000.

All of these major initiatives, with the exception of the fiber network, 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, 2024. This was the 44th 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.

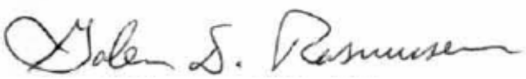
The Certificate of Achievement is valid for a period of one year only. However, we believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2026 budget for the 10th 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, 2025

ELECTED OFFICIALS

Kendalyn Harris	Mayor
Kate Bradshaw	City Council Member
Beth Child	City Council Member
Richard Higginson	City Council Member
Matt Murri	City Council Member
Cecilee Price-Huish	City Council Member

EXECUTIVE BUDGETARY AND LEGAL OFFICIALS

Gary Hill	City Manager
Brad Jeppsen	City Attorney
Galen Rasmussen	Assistant City Manager

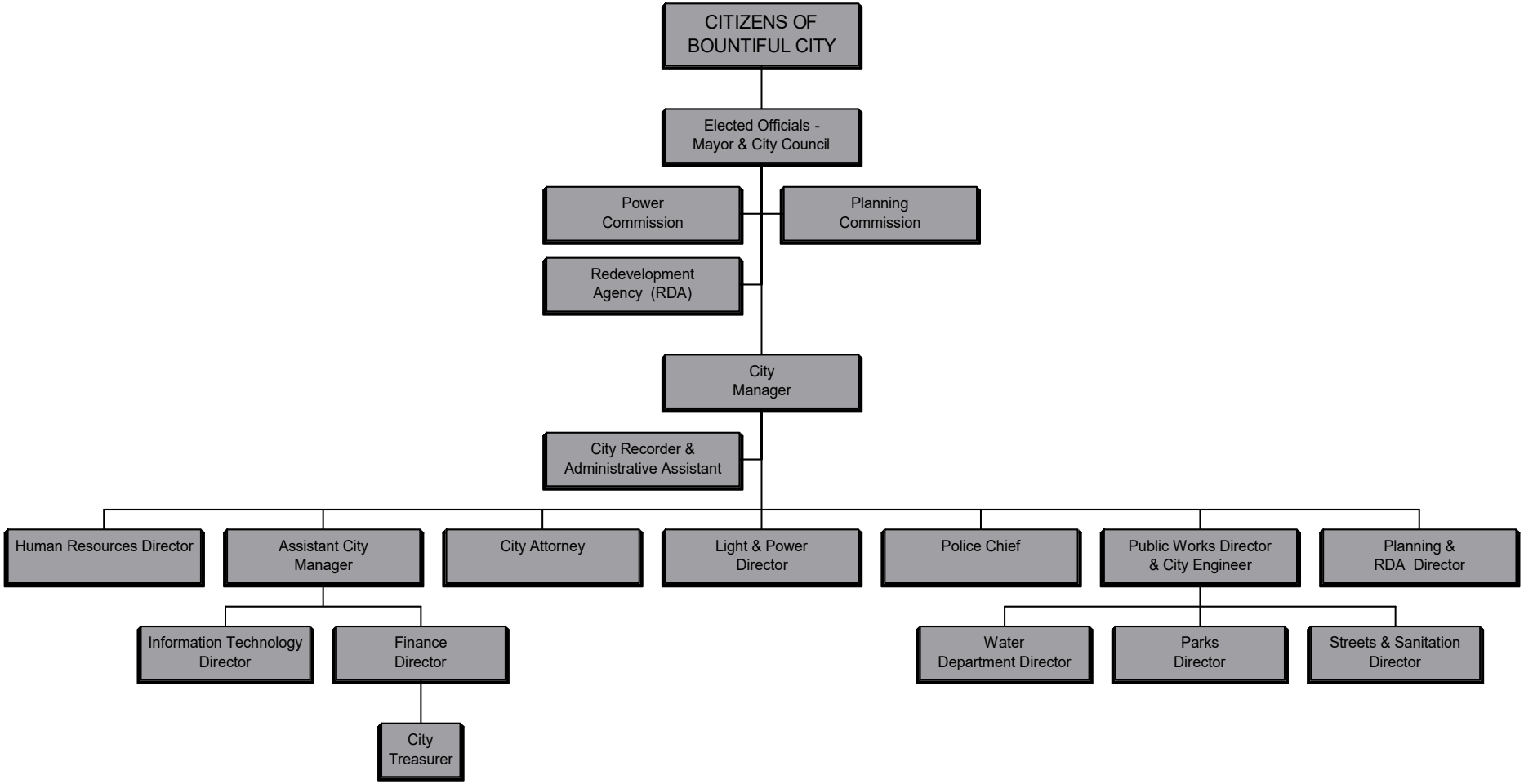
DEPARTMENT HEADS

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
Jessica Sims	Human Resources Director

STATUTORY APPOINTED OFFICIALS

Vacant position	City Treasurer
Sophia Ward	City Recorder

BOUNTIFUL CITY
ORGANIZATIONAL CHART
June 30, 2025



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, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

INDEPENDENT AUDITOR'S REPORT

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, 2025, 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 the Bountiful City, Utah, as of June 30, 2025, and the respective changes in financial position 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 the 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, the respective budgetary comparison for the General Fund and the Redevelopment Agency Special Revenue Fund, 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 statements and other schedules as noted on the table of contents 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 and other supplemental schedules listed in the table of contents 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 7, 2025, 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, CPAs

K&C, Certified Public Accountants
Woods Cross City, Utah
November 7, 2025

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2025

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, 2025. 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, 2025, by $321,766,925. Of this amount, unrestricted net position of $125,103,859 may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net position increased by $11,200,780 from the prior year.
- The total net position increased by $13,241,125 (4%) from the prior year. The increase was made up of a $4,466,314 increase from governmental activities and a $8,774,811 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 $67,755,617, an increase of $2,190,220 from the prior year. Of the current year fund balance amount, $66,557,501 is unrestricted (the total of the committed, assigned, and unassigned components of fund balance) and available for spending. $1,193,116 of the fund balance has been legally restricted while the remaining $5,000 is non-spendable.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was $7,634,558, or 33% of total General Fund expenditures.
- At June 30, 2025, the City has bonded debt outstanding in sales tax revenue bonds (Series 2023 - fiber network construction) and General Obligation bonds (Series 2022 - parks and trails). Those debt obligations had outstanding balances of $46,570,687 and $7,185,361 respectively.

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, 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.

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 2025 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.

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 plans, the balances of the City's assets and liabilities associated with these plans, and the required contributions to these plans.

The combining statements referred to earlier in connection with nonmajor funds and internal service funds are presented immediately after the RSI on pensions. 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 RSI section.

Overview of the Financial Statements (Continued)

Government-wide Financial Summary

On June 30, 2025, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by $321,766,925. 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	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 84,507,930	$ 80,052,280	$ 72,463,659	$ 82,525,005	$ 156,971,589	$ 162,577,285
Capital assets	112,797,102	112,360,421	130,126,628	111,688,648	242,923,730	224,049,069
Total assets	197,305,032	192,412,701	202,590,287	194,213,653	399,895,319	386,626,354
Total deferred outflows of resources	3,227,814	3,251,573	2,015,708	1,923,475	5,243,522	5,175,048
Current liabilities	3,589,481	3,212,524	6,908,091	6,935,416	10,497,572	10,147,940
Long-term liabilities	15,485,649	15,354,485	51,456,390	51,730,143	66,942,039	67,084,628
Total liabilities	19,075,130	18,567,009	58,364,481	58,665,559	77,439,611	77,232,568
Total deferred inflows of resources	5,921,364	6,027,227	10,941	15,807	5,932,305	6,043,034
Net position:						
Net investment in capital assets	104,305,361	104,316,677	90,624,929	88,287,825	194,930,290	192,604,502
Restricted	1,732,776	2,018,219	-	-	1,732,776	2,018,219
Unrestricted	69,498,215	64,735,142	55,605,644	49,167,937	125,103,859	113,903,079
Total net position	$ 175,536,352	$ 171,070,038	$ 146,230,573	$ 137,455,762	$ 321,766,925	$ 308,525,800

Current and other assets decreased in total by $5,605,696 from the prior year. This large swing is due predominantly to a $9,416,396 decrease in cash and investments partially offset by a $1,891,153 increase in notes receivable and a $1,205,281 increase in receivables.

The decrease in cash and investments is predominately the result of fiber-network construction spending of the Sales Tax Revenue Bond, Series 2023 proceeds. The City also loaned out $1.3 million in small-business RDA loans during the current fiscal year. Most of the fiscal year 2025 operations increased cash balances partially offsetting the large construction draws and RDA loans.

Current and long-term liabilities overall increased by a net total of $207,043 from the prior year. The City did not issue any additional long-term debt during fiscal year 2025. The increase overall came from the current liabilities and is a typical fluctuation for those short-term liabilities based on payment cycles and City operations or projects.

By far the largest portion of the City's net position $194,930,290 (60.58%) 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.

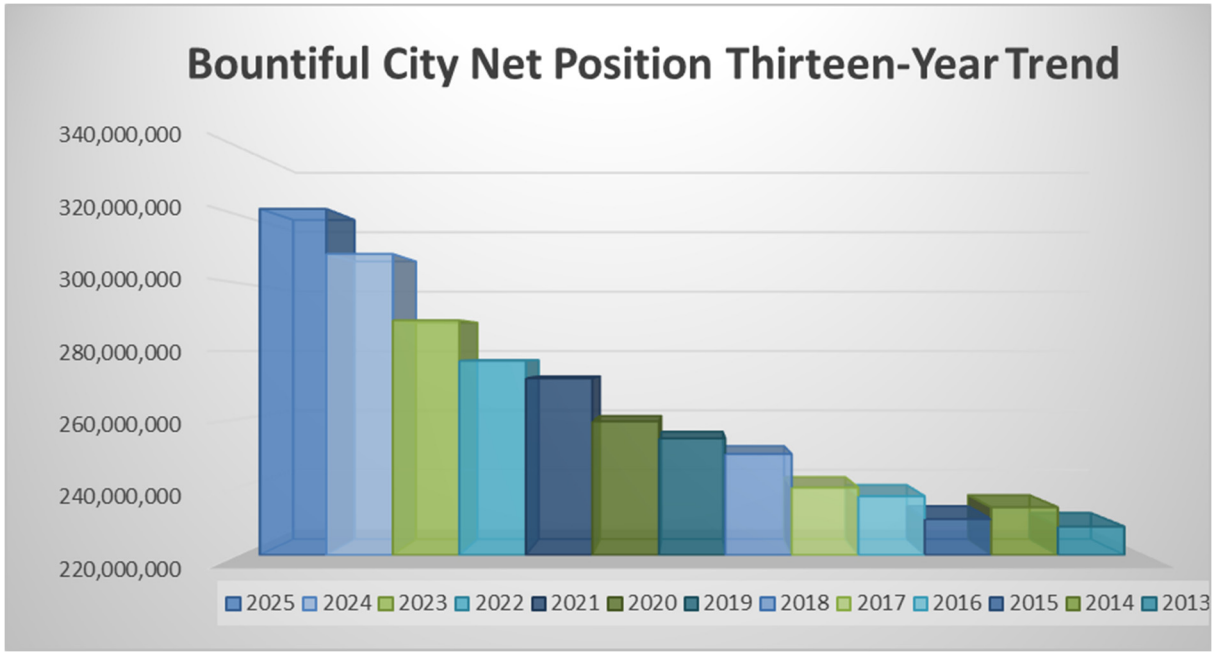
Restricted net position, $1,732,776 (0.54%), entails resources that are subject to external restrictions on how they may be used.

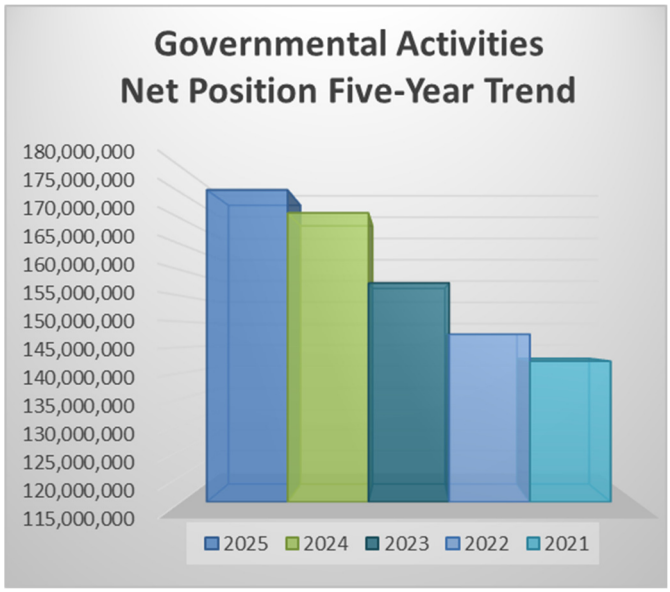
The remaining balance of $125,103,859 (38.88%) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

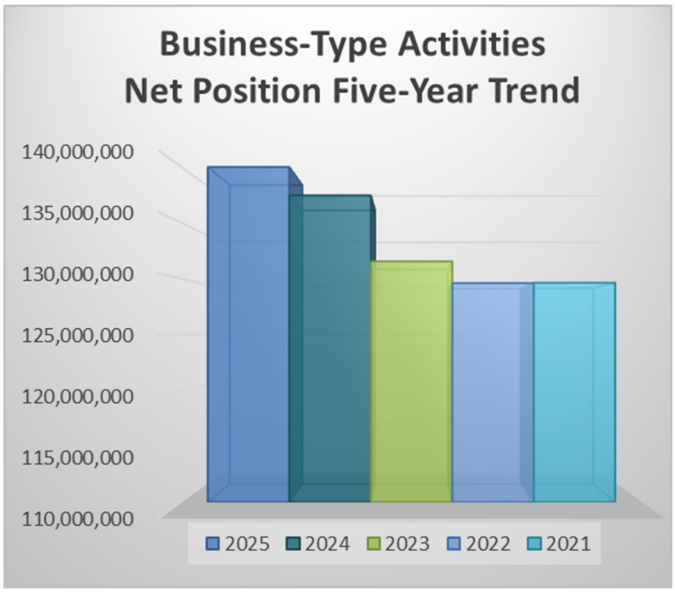
Government-wide Financial Summary (Continued)

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:







Government-wide Financial Summary (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, 2025, the overall net position of the City increased $13,241,125, a 4.29% change, from the prior fiscal year.

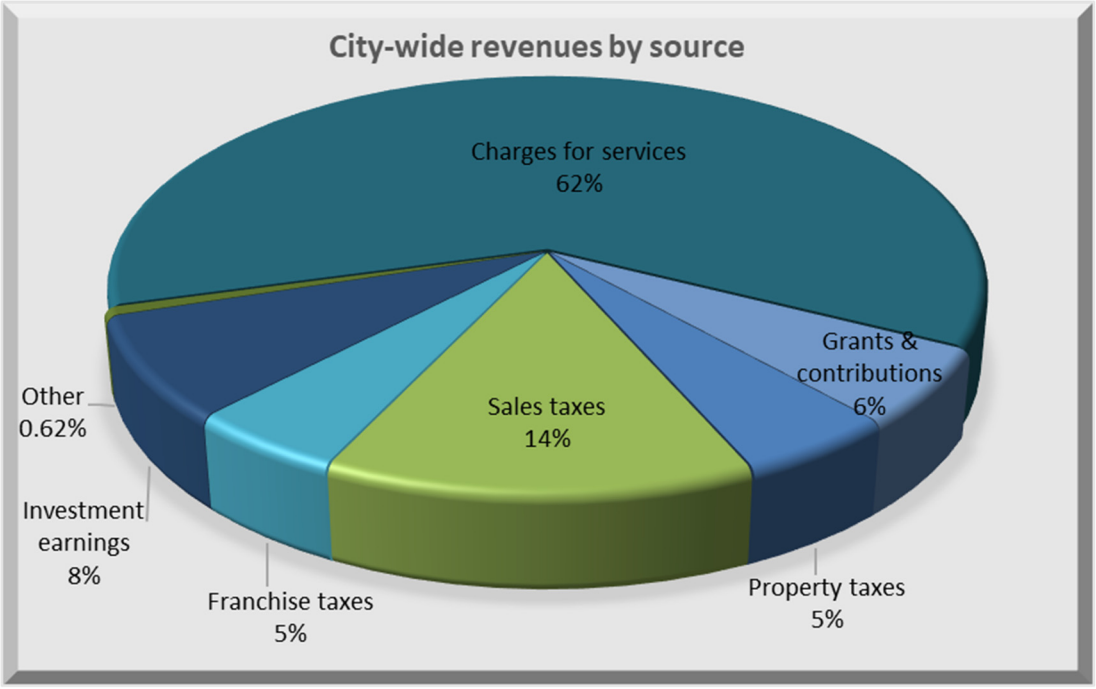
The increase from governmental activities of $4,466,314 is $9,114,544 less than the $13,580,858 increase to net position of fiscal year 2024. The increase from business-type activities of $8,774,811 is $2,868,611 more than the $5,906,200 increase to net position of fiscal year 2024.

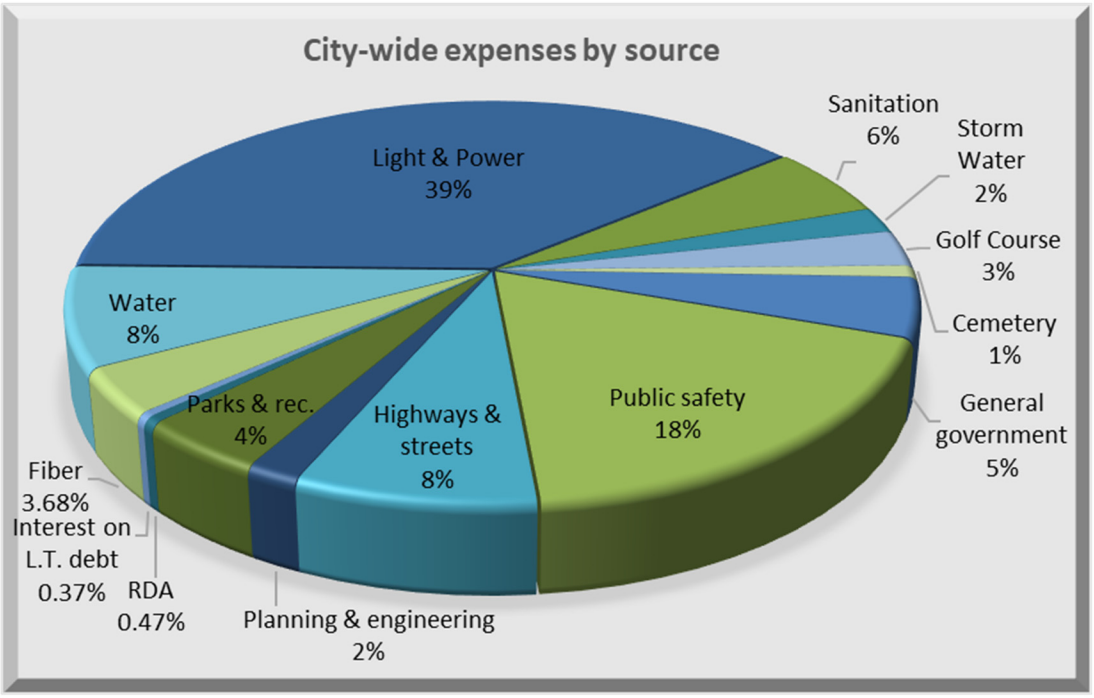
Bountiful City Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 2,573,171	$ 2,469,521	$ 52,218,657	$ 47,824,159	$ 54,791,828	$ 50,293,680
Operating grants and contributions	4,465,939	4,334,320	-	-	4,465,939	4,334,320
Capital grants and contributions	68,411	1,895,665	723,238	652,488	791,649	2,548,153
General revenues:						
Property taxes	4,484,484	4,545,694	-	-	4,484,484	4,545,694
Sales taxes	12,215,233	11,856,450	-	-	12,215,233	11,856,450
Franchise taxes	4,477,713	4,445,299	-	-	4,477,713	4,445,299
Other	3,683,509	3,516,795	3,901,765	4,461,006	7,585,274	7,977,801
Total revenues	31,968,460	33,063,744	56,843,660	52,937,653	88,812,120	86,001,397
Expenses:						
General government	3,619,448	3,305,109	-	-	3,619,448	3,305,109
Public safety	13,738,389	11,687,268	-	-	13,738,389	11,687,268
Streets	6,088,973	5,812,225	-	-	6,088,973	5,812,225
Planning and engineering	1,338,089	1,222,372	-	-	1,338,089	1,222,372
Parks and recreation	3,302,608	2,993,457	-	-	3,302,608	2,993,457
Redevelopment	354,832	287,651	-	-	354,832	287,651
Interest on long-term debt	282,458	294,708	-	-	282,458	294,708
Fiber	-	-	2,784,750	2,474,830	2,784,750	2,474,830
Water	-	-	6,110,342	5,422,078	6,110,342	5,422,078
Light and Power	-	-	29,192,761	27,297,327	29,192,761	27,297,327
Sanitation	-	-	4,316,941	4,693,729	4,316,941	4,693,729
Storm Water	-	-	1,554,698	1,474,402	1,554,698	1,474,402
Golf Course	-	-	2,189,059	2,037,565	2,189,059	2,037,565
Cemetery	-	-	697,647	651,793	697,647	651,793
Total expenses	28,724,797	25,602,790	46,846,198	44,051,724	75,570,995	69,654,514
Change in net position before trnsfr	3,243,663	7,460,954	9,997,462	8,885,929	13,241,125	16,346,883
Transfers	1,222,651	3,624,352	(1,222,651)	(2,979,729)	-	644,623
Increase (Decrease) in net position	4,466,314	11,085,306	8,774,811	5,906,200	13,241,125	16,991,506
Net position - beginning of year	171,070,038	157,489,180	137,455,762	131,549,562	308,525,800	289,038,742
Restatement of net position	-	2,495,552	-	-	-	2,495,552
Net position - end of year	$ 175,536,352	$ 171,070,038	$ 146,230,573	$ 137,455,762	$ 321,766,925	$ 308,525,800

Government-wide Financial Summary (Continued)

The graphs that follow present fiscal year 2025 City-wide revenue and expense information to highlight the magnitude of each revenue source and City services by function.





Financial Analysis of Governmental Activities

For the period ended June 30, 2025, the City's governmental activities increased the City's net position by $4,466,314. During the current fiscal year, the governmental activities and operations of the City were mostly unchanged. There were no significant changes to the governmental activities' fee schedule, property taxes, or other financing.

Although there were no significant fee structure or operational changes during the current fiscal year, there were many financial variances from fiscal year 2024. This section will identify the financial variances but will only analyze the variances that had, or will have, a significant impact on the City's operations. 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 $9,114,544 less than last year's increase of $13,580,858 (including a $2,495,552 restatement of net position) due to the following **4** factors:

1. Fiscal year 2025 reported a net decrease in governmental activities revenue of $1,095,284 from fiscal year 2024, attributed to the underlined reasons below:
   - <u>Charges for services revenue had a net increase of $103,650</u> due to the following **3** factors: **1)** Building permit fee revenue decreased by $237,551. The current year's permitting fee revenues were historically normal. The prior year's revenues were elevated as they included the permitting for one of the largest residential/mixed use developments for the City in many years (Renaissance Town Center); **2)** a $154,334 increase in emergency dispatching fees. Fiscal year 2025 included six months of new revenue in dispatching for Kaysville and Farmington cities. These expanded services were contracted through January 2030 and include quarterly dispatching fees and their allocation of State-provided E911 taxes; **3)** The remaining net increase of $186,867 came from fairly routine revenue increases across various revenue streams.
   - <u>Operating grants and contributions revenue increased by a net $131,619</u> due to the following **4** factors: **1)** Federal grant revenue through FEMA decreased by $117,204. The prior year included a one-time public-safety protective supplies grant, while the current year only had the more ongoing Federal grant revenue; **2)** The current fiscal year road funding from the State increased by $324,481. This road funding is a gasoline-based sales tax that can fluctuate from year-to-year based on gas prices, consumption, or legislative changes. As Utah's population has continued to grow the City has continued to see these revenues increase each year; **3)** The current year did not receive a dispatch center grant, which was the main reason for the City's State operating grant revenue to decrease by $126,984. It is unknown at this point if this grant will be received moving forward; **4)** The remaining net increase in this revenue of $51,326 is due to various other small and routine fluctuations.
   - <u>Capital grants and contributions revenue decreased $1,827,254</u> due to the following **4** factors: **1)** During the current fiscal year the City's trails grant revenue dropped by $960,000 from the prior year. The current year trail construction projects slowed down from the prior year when bond proceeds allowed the funding of a large trailhead and various new trails. Those larger prior year projects qualified the City for larger trails grants from the State and Davis County. The City did receive $40,000 in trails grant revenue; however, that was much lower than the $1,000,000 received in the prior year; **2)** A $716,062 decrease in developer capital contributions. In the current fiscal year the City did not receive any donated infrastructure (e.g. road, sidewalk, underlying land, etc.). The prior year had $716,062 in infrastructure assets as the City accepted the Stone Creek Phase 3 and Creekside Views subdivisions infrastructure; **3)** During the current fiscal year, the City did not receive any Federal capital grants. In the prior year the City received $157,710 in an emergency generator grant; **4)** The remaining net increase to this revenue from the prior year of $6,518 is from increased individual donations to the City's trail system.
   - <u>Property tax revenues had a net decrease of $61,210</u>. The City's debt service levy brought in $51,543 less than in the prior fiscal year. This is due principally to the City purposefully reducing the debt levy rate as it has over collected in prior years above the debt service payments. Additionally, The City's operating property tax levy also decreased by a net $9,667 due to reduced collections, which is a fairly normal fluctuation in property tax collections due to changes in delinquent tax and fee-in-lieu collections.
   - <u>Sales tax revenues increased $358,783</u>. This 3.03% increase from 2024 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 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 2025 there has been general price inflation causing sales prices to exceed where they were in the prior fiscal year with a corresponding increase in sales taxes.
   - <u>Franchise tax revenues increased by a net $32,414</u> due to the following **4** factors: **1)** Increased Municipal Energy Sales and Use (MESU) taxes on electric metered sales ($173,721). The current year's MESU tax on electricity of $2,158,097 was the highest recorded and was 8.75% higher than the prior year. For fiscal year 2025, the City

Financial Analysis of Governmental Activities (Continued)

increased its electric power rates by 5% and also had an increase on the amount kilowatt hours sold; these increased the MESU tax revenue charged and collected; **2)** As mentioned under the charges for services revenue, the City received new E911 tax revenues as a part of the agreements to dispatch for Kaysville and Farmington cities. These expanded services brought in an additional $287,283 in E911 taxes; **3)** Natural gas MESU tax came in $398,834 lower than the prior year. The current fiscal year was a fairly normal collection year. The prior two years had been abnormally high due to the natural gas market being exceptionally high in Utah with back-to-back cold and heavy snow winter seasons; and, **4)** The other franchise tax revenues had a net decrease of $29,756 due to normal fluctuations.

- Other revenue had a net increase of $166,714 due to these **3** factors: **1)** $346,486 increase in actual investment earnings (i.e., returns before recognition of unrealized losses) across the governmental funds. This was possible mainly because the governmental funds had higher investible cash balances than the prior year. The City's investment portfolio averaged a rate of return of 4.71% during fiscal 2025, which was down 35 basis points from the prior year average. During 2025, the Federal Reserve dropped their internal borrowing rate by 100 basis points bringing down the general rate of return in the market. The city's investment pool overall had actual investment earnings of $6,142,449 in fiscal year 2025 as compared to $6,320,035 in fiscal year 2024, for a City-wide reduction of $177,586 in investment earnings revenue; **2)** During the current fiscal year the City's governmental funds recorded a $538,814 unrealized gain from recording the investments at fair value. This was a $185,579 decrease (negative swing) from the prior year's $724,393 gain. 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). The market value of the current-year investments in the City's overall portfolio continued to appreciate as older and lower-interest-rate bonds matured and were replaced, and many lower-interest-rate bonds got closer to their maturity dates bringing their value back to the stated par value. The $185,579 decrease from 2024 is mostly due to the prior year's significant portfolio fair value appreciation after major unrealized losses in fiscal 2023. The City's portfolio unrealized appreciation resulted in significant unrealized gains during the current fiscal year ($983,106 over the whole portfolio). It should be noted that these unrealized gains are likely only a temporary accounting gain 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)** $5,807 net increase in various miscellaneous revenues that were fairly routine in nature.

2. Fiscal year 2025 reported that governmental activity expenses increased by a net $3,122,007 from fiscal year 2024 as explained by the following underlined factors:

- General government expenses increased $314,339 due to the following **4** factors: **1)** $222,269 increase (7.93%) in personnel salaries and benefits (excluding pension benefit as discussed below) due principally to a City-wide 6% cost of living adjustment (COLA) in wages, earned merit increases to wages, and increased medical insurance premiums (10.5%). There were no increases in staffing; **2)** $166,003 in increased pension expense (actuarially calculated) resulting from the adjustments to the City's Net Pension liability (NPL); **3)** expenses decreased by $77,194 due to a revised administrative services charge to enterprise funds to reimburse the General Fund for services provided; and **4)** $3,261 net increase in various expenses that were fairly routine in nature.
- Public safety expenses increased $2,051,121 due to the following **3** factors: **1)** $1,184,647 increase in pension expense (actuarially calculated) resulting from the adjustments to the City's Net Pension liability (NPL); **2)** $572,974 increase (9%) in personnel salaries and benefits. This is mostly due to the same reasons explained in the General Government expenses above; however, the Kaysville and Farmington dispatching expansion necessitated the hiring of four additional dispatchers also driving up these costs; **3)** $329,118 increase in repairs and maintenance expense due principally to remodel costs for the public safety building's public bathrooms and a chiller replacement; and **7)** the remaining net decrease to expense of $35,618 comes from various routine smaller increases and decreases from the prior year.
- Streets expenses increased by $276,748. These operations did not significantly change during the current year. This net expense increase from the prior year comes from various fluctuations that were routine in nature.
- Planning and Engineering expenses had an increase of $115,717. These operations did not significantly change during the current year. This net expense increase from the prior year comes from various fluctuations that were routine in nature.
- Parks and recreation expenses increased $309,151. These operations did not significantly change during the current year. This net expense increase from the prior year comes from various fluctuations that were routine in nature.
- Redevelopment expenses increased $67,181. These operations did not significantly change during the current year. This net expense increase from the prior year comes from various fluctuations that were routine in nature.

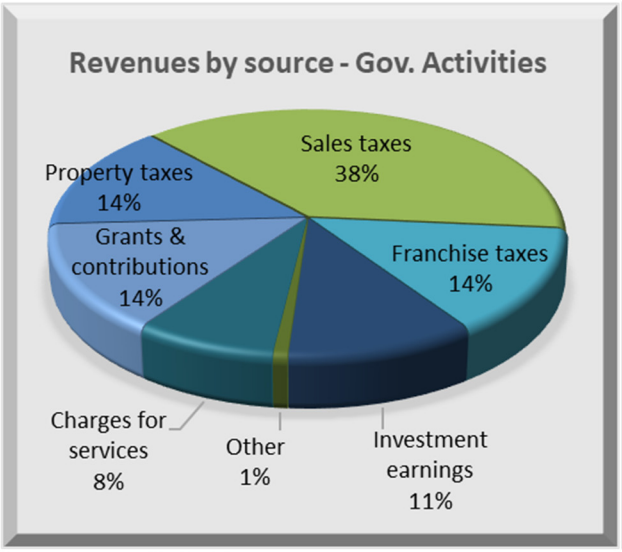
Financial Analysis of Governmental Activities (Continued)

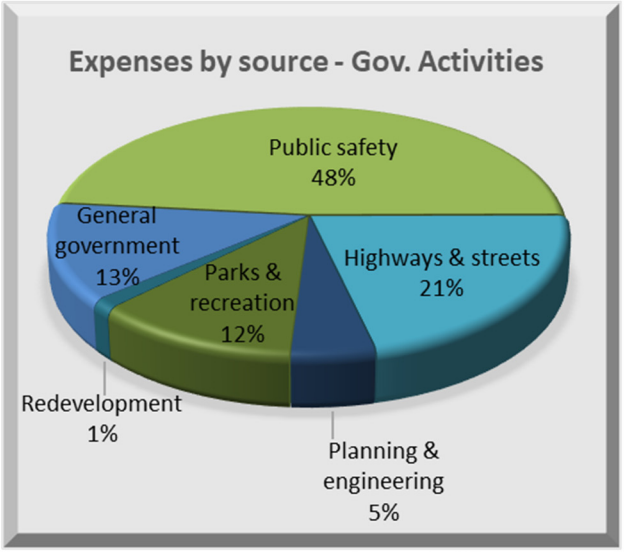
- Interest on long-term debt decreased $12,250. This is the interest expense on the City's GO Bonds, Series 2022. The decrease is due to reduced outstanding principal as the City made its scheduled principal payment in 2025.

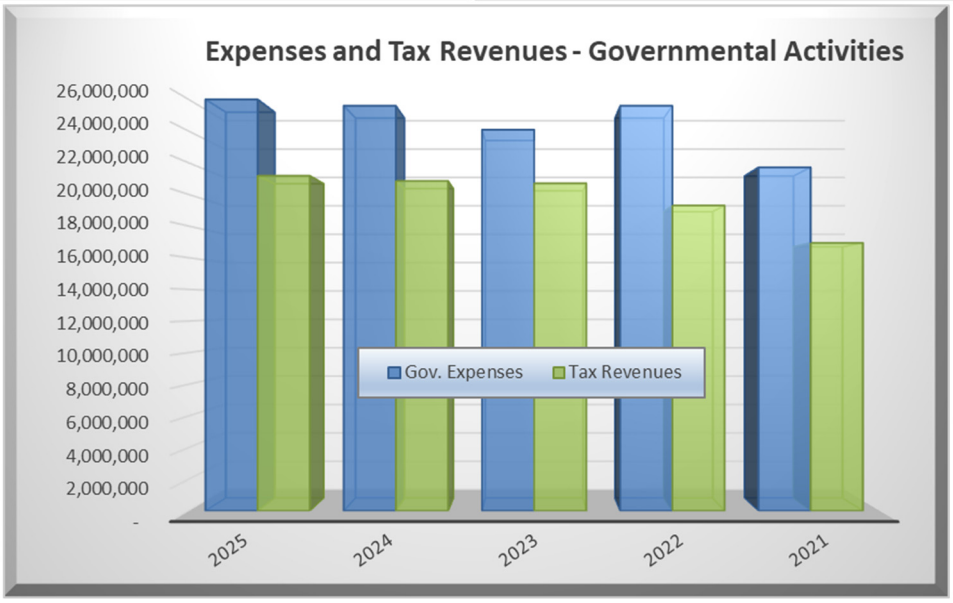
3. In fiscal year 2025, the transfers from business-type activities to governmental activities decreased by $2,401,701 from fiscal year 2024 due to the following **3** factors: **1)** During the current year there was a one-time $2,000,000 transfer from the Capital Projects Fund to the Water Fund to partially fund the future reconstruction of the Millcreek culinary water reservoir; **2)** Current year transfers-in were down by $644,623 from 2024 due to the prior year including a one-time transfer-in from the City's OPEB trust fiduciary component unit. The OPEB trust was dissolved during the prior year; and **3)** The General Fund transfer-in from the Light and Power fund increased by $242,922. The increase came from additional 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. The current fiscal year did not require any restatements of net position. In fiscal year 2024 there was a restatement of $2,495,552 to record a land donation from a developer. This was a prior-year increase to net position.

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

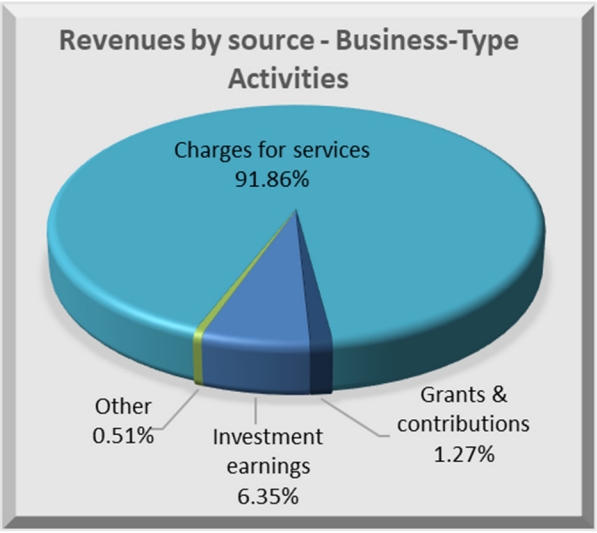
For the period ended June 30, 2025, business-type activities increased the City's net position by $8,774,811. Most of the enterprise funds making up the business-type activities did not have significant operational changes during the current fiscal year. The newly created fiber-optic network did have significant changes as it is still in the start-up stages. The network construction did reach substantial completion during the current fiscal year. Despite the general consistency in service offerings, there were many financial variances from fiscal year 2024. This section will identify the financial variances but will only analyze the variances that had, or will have, a significant impact on the City's operations. 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 $2,868,611 more than the $5,906,200 increase for fiscal year 2024 due to the following **3** factors:

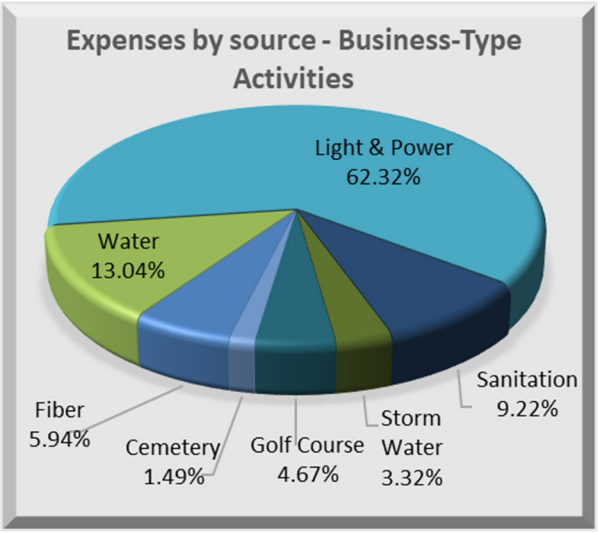
1. Fiscal year 2025 reported an increase in business-type activity revenue of $3,906,007 from fiscal year 2024, attributed to the underlined reasons below:
   - <u>Charges for services revenue increased $4,394,498</u>. This combined revenue increase is made up of the following increases: Fiber of $172,426, Water of $396,921, Light and Power of $2,925,821, Sanitation of $452,695, Golf of $295,685, Cemetery of $142,060, and Storm Water of $8,890.
     - As mentioned previously, the Fiber utility completed the backbone of the fiber network towards the end of the current fiscal year. This opened up all areas of the City for fiber subscribers. So, significant increases in subscriber revenues are expected during these start-up years. The $172,426 in increased revenues (201.06%) are monthly fiber infrastructure and network refresh fees coming from nonresidential customers (government or business) and residential customers.
     - The Water increase is due to increased metered water sales of $394,719 (6.65%). The fiscal year 2025 increase was due primarily to a 2% overall rate increase and variance in gallons consumed.
     - The Light and Power increase is due to a significant increase ($2,923,659 or 8.98%) in Electric Metered Sales (EMS) from the prior year. Fiscal year 2025 EMS ($35,482,058) was the highest on City record after seeing fiscal 2024 break the prior record. The fiscal 2025 EMS revenues were the highest on record due to a 5% rate increase to begin the fiscal year with increased kilowatt hours consumed over the prior year. The City's customer base continues to be very consistent for all of the City's utilities.
     - The Sanitation charge for service revenues had an overall increase of $452,695 (4.56%). The monthly refuse can collection rate did increase by $2 from $6 (33%), which was the reason for the increased overall revenue. The additional refuse collection revenues were partially offset by some landfill revenues that had some smaller declines from the prior year.
     - The fiscal year 2025 Golf charge-for-service revenues were the highest year on record for admissions/green fees and rental of golf carts/equipment. This was an increase of $295,685 (13.83%) from a prior year record high of $2,137,524. This new record revenue was due mostly to four straight years (January of 2021 – March of 2024) of increasing admissions and cart fee rates, a new pre-payment requirement for tee-time scheduling, good weather, and consistent demand for golf services.
     - Cemetery charge for service revenues were up by $142,060 (26.43%). The cemetery's various grave opening and overtime fees were raised between 17% and 67% to begin fiscal year 2025. The rate increases are the main driver of the current year's increase.
     - The Storm Water charge for service revenues increased by $8,890. There were no rate changes and operations were substantially unchanged from the prior year.
   - <u>Capital grants and contributions revenue increased $70,750</u> due to these **3** factors: **1)** $338,746 increase in private developers paying the City to install the required infrastructure that the City will own and maintain. These revenues can significantly fluctuate as project completion and progression can greatly vary; **2)** $32,184 decrease in Water and Storm Water impact fee revenue. These revenues do fluctuate based on the construction environment as well; and **3)** $235,812 decrease in grant revenue as the City's enterprise funds did not receive any Federal grant revenue during the current year. In the prior year these funds recorded $235,812 in grant revenue through FEMA for the purchase of emergency generators.
   - <u>Other revenue had a net decrease of $559,241</u> due to these **2** factors: **1)** $522,386 decrease in actual investment earnings (i.e., returns before recognition of unrealized losses) across all the enterprise funds. This was due mainly because the Fiber fund utilized $17.7 million of its construction escrow account for planned network construction, thus dropping its investible cash balance. The Fiber investment earnings revenue dropped by $955,979 from the prior fiscal year. Most of the other enterprise funds increased their cash balances and investment earnings, which partially offset the reduced Fiber investment earnings; and **2)** $36,855 net increase in miscellaneous revenues that were routine fluctuations.

Financial Analysis of Business-type Activities (Continued)

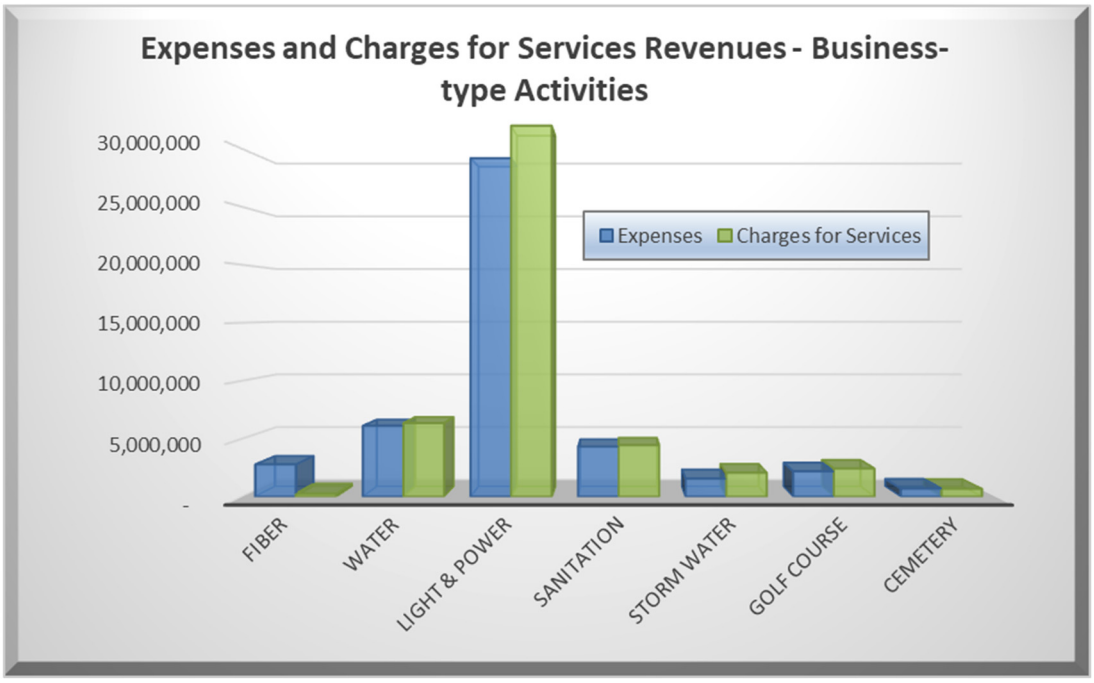
2. Fiscal year 2025 reported that business-type expenses increased by $2,794,474 from fiscal year 2024 as explained by the following underlined factors:
   - The Fiber fund expenses increased $309,920 (12.52%) due the following **3** factors: **1)** As previously mentioned, the fiber network reached substantial completion and most of the network began being depreciated. The current fiscal year's depreciation expense totaled $530,588, which is a $508,793 increase from the prior year; **2)** The current fiscal year did not issue any bonds. The prior year had $379,814 in bond issuance costs, thus the decrease in expense from 2024; and **3)** $180,941 net increase in various other routine expenses for the Fiber operations.
   - The Water fund expenses increased $688,264 (12.69%) These operations did not significantly change during the current year. This net increase from the prior year comes from various fluctuations that were routine in nature.
   - The Light and Power fund expenses increased $1,895,434 (6.94%) due to the following **4** factors: **1)** electric power purchases increased by $598,228 (4.36%) from fiscal 2024. The principal reason was due to increased kilowatt hours consumed by utility customers with some fluctuation in the power rates when purchasing off the power market; **2)** $411,550 increase in personnel wages and benefits (8.32%). There were no staffing changes, the increase was due predominately to the aforementioned increases to pay and medical insurance premiums. Additionally, pension expense increased by $214,393 due to the actuarial adjustments to the City's Net Pension liability (NPL); **3)** general and administrative expenses increased by a net $609,638. During the current year there was a fire that burnt down about 6% of the transmission line from the City's hydro-electric generation plant at the Echo Reservoir. It cost the City $688,734 to rebuild that line due to the mountainous terrain. This is the primary reason for the increased expense; **4)** the remaining $276,018 net increase in Light and Power operating expenses is due to fairly typical fluctuations that are too small and numerous to warrant further explanation.
   - The Sanitation fund expenses decreased by a net $376,788 (-8.03%) due to the following **2** items: **1)** $512,487 decrease in materials and supplies expense. The current year's expenses in this category were fairly normal. This decrease is mostly due to an abnormally high prior year in recycle expenses. In 2024 the City paid $522,600 to the prior recycling service provider to purchase all of their existing recycle carts that the City had been leasing from them since those services were brought in-house; and **2)** a net $135,699 increase in other operating expenses that are fairly routine transactions too numerous and small to discuss.
   - The non-major enterprise fund expenses increased by a net $277,644. This net increase is broken down by fund as follows: Storm Water $80,296 (5.45% increase), Golf Course $151,494 (7.44% increase), and Cemetery $45,854 (7.04% increase). All expense changes for these funds from the prior year are fairly normal operational cost fluctuations and need no further discussion.
3. In fiscal year 2025, the transfer out from business-type activities to governmental activities decreased by $1,757,078 from fiscal year 2024. This decrease was explained previously on page 11, bullet #3.

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.





Financial Analysis of Business-type Activities (Continued)



Detailed Financial Analysis of Major 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, 2025, the City's governmental funds reported combined ending fund balance of $67,755,617, increase of $2,190,220 from the prior year ending fund balance. Of the current year fund balance, $66,557,501 (98.23%) is available for spending; however, $32,206,359 (47.53%) has been committed by the City Council for financial reserves and $33,923,863 (50.07%) has been assigned by the City Manager for subsequent years' capital expenditures and other specified uses, leaving an unassigned amount of $427,279 (0.63%). The remaining $1,198,116 (1.77%) 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 Detailed Analysis

The General Fund is the City's chief operating fund. At the end of the current fiscal year, fund balance of $7,639,558 in the General Fund was segmented as $7,203,000 in committed, $5,000 in nonspendable, $4,279 in assigned, and $427,279 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 fund balance analysis of the General Fund should also consider the fund balance in the Capital Projects Fund.

During the year ended June 30, 2025, the fund balance of the General Fund increased by $1,628,986. This represents a 27.10% change in fund balance. The current year increase is a $2,686,094 increase from the prior fiscal year's $1,057,108 decrease to fund balance. This change from fiscal year 2024 is due to the following **4** reasons:

1. General Fund revenues increased by $4,528,841 from fiscal year 2024, attributed to the following underlined factors:
   - $4,415,298 increase in tax revenue from the following **3** sources: **1)** $2,718 increase in property tax revenue from fairly common swings in delinquent taxes and fee-in-lieu collections; **2)** $4,380,166 increase in sales tax due to the

Detailed Financial Analysis of Major Governmental Funds (Continued)

General Fund receiving a much larger allocation of the City's overall sales tax dollars in the current year than in the prior 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 instead of the General Fund. During the current fiscal year the General Fund expenditures increased by $1,442,926 from 2024, thus necessitating more of the sales tax dollars be recorded in the General Fund for operational use. The remaining sales tax dollars were recorded in the Capital Projects fund to remain compliant; and **3)** Franchise taxes increased by $32,414 tax due primarily to increased Municipal Energy Sales and Use (MESU) taxes on electric metered sales, additional E911 taxes, and lower natural gas MESU taxes. See the franchise tax revenue bullet on pages 9 and 10 for additional details.

- $202,327 decrease in licenses and permits revenue due principally to building permit fee revenue that decreased by $237,551. The current year's permitting fees were fairly normal. The prior year included many permits for one of the largest residential/mixed use developments for the City in many years.
- $129,179 increase in intergovernmental revenue due to the following **3** reasons: **1)** a $324,481 increase in 0.25% Davis County transportation tax and "Class B&C Road" allotment from the State. See page 9 (operating grants bullet) for additional details; **2)** $126,984 decrease in dispatching grant revenue. See page 9 (operating grants bullet) for more details; **3)** $117,204 decrease in various Federal grant revenues with the largest coming from a public safety grant. See page 9 (operating grants bullet) for more details of this change in operating grant revenue; and **3)** a net $48,886 increase in various other fairly routine swings in grant and contribution revenue.
- $247,939 increase in charges for services revenue principally due to a $154,334 increase in emergency dispatching fees (see page 9, charge for services bullet, factor number 2).
- $61,248 net revenue decrease in all other General Fund revenues. This net decrease comes from fairly routine transactions too numerous and small to discuss.

2. General Fund expenditures increased by $1,442,926 from 2024, attributed to the following underlined factors:

- General government expenditures had a net increase of $104,746 (3.87%) due to the following **3** factors: **1)** $211,722 increase in personnel salaries and benefits due principally to a City-wide 6% cost of living adjustment (COLA) in wages, earned merit increases to wages, and increased medical insurance premiums (10.5%); **2)** Expenses decreased by $77,194 due to a revised administrative services charge to enterprise funds to reimburse the General Fund for services provided; and **3)** the remaining net decrease of $29,782 coming from routine fluctuations in various other operating expenditures.
- Public Safety expenditures increased $733,421 (6.11%). The majority of this net increase was outlined on page 10 of this report under the bullet **2)** for personnel expenditures that increased by $720,416 from prior year. Also during the current year the member assessments paid to the South Davis Metro Fire Service Area for fire and emergency medical services went up by $109,752. The remaining net expenditure decrease of $96,747 comes from fairly routine fluctuations in various other operating expenditures.
- Streets expenditures increased $97,938 (2.13%). The majority of this net increase was from regular increases to operating costs. The department did spend $147,405 more than the prior year on road overlay projects due to increased material costs and scope of the projects. This was partially offset by a $137,440 reduction in supplies and equipment maintenance. The remaining net increase of $87,973 comes from routine fluctuations in various other operating expenditures.
- Planning and engineering expenditures increased $56,650 (4.65%). These operations did not significantly change during the current year. This net expenditure increase from the prior year comes from various fluctuations that were routine in nature.
- Parks and recreation expenditures increased $450,171 (31.27%) due to the following **3** factors: **1)** a $142,081 increase in personnel expenditures. There were no staffing changes, just the aforementioned increases and one employee retiring and cashing out ~$10,000 in PTO; **2)** The department also had $285,463 more in building and grounds maintenance expenditures. The main drivers of this increase were some significant repair and remodel costs to 13 different park bathroom facilities ($158,695), and some service costs for clearing debris from Creekside Park ($86,500) as part of a fuels mitigation grant; **3)** The remaining net increase of $22,627 comes from other fairly routine operating expenditure fluctuations.

3. In fiscal year 2025, the transfer in (other financing source) was $401,701 lower than in 2024. The only transfer into the General Fund in the current year was the subsidy transfer from Light and Power, which increased by $242,922. This subsidy transfer 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. The prior year transfer in was still higher as it included a one-time

Detailed Financial Analysis of Major Governmental Funds (Continued)

transfer from the City's OPEB trust fiduciary component unit in the amount of $644,623 as the OPEB trust was dissolved.

4. The current year had $1,880 in revenue from the sale of some small equipment. There were no such proceeds in the prior year.

Capital Project Fund Analysis

The Capital Projects Fund has a total fund balance of $52,707,333, 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, 2025, the fund balance in the Capital Projects Fund increased by $3,047,331 or 6.14%. This Capital Projects fund balance increase was $3,879,486 less than last fiscal year's increase of $6,926,817 due to the following **6** reasons:

1. Capital Project fund revenues decreased $4,841,824 from fiscal year 2024 attributed to the following **6** factors: **1)** $4,053,934 decrease in sales tax revenue due mostly to the General Fund receiving a much larger allocation of sales tax. Overall the City's sales tax revenue shared between these two funds increased by $326,232 (2.95%); **2)** $128,734 decrease in investment unrealized gains from the prior year. See page 10 (other revenue bullet, factor number 2) for explanation; **3)** $414,515 increase in investment earnings due to increased investible cash through much of the current year; **4)** $157,710 decrease in Federal grant revenue as the current fiscal year had no grant revenue while the prior year had the $157,710 in grant revenue for emergency generators; **5)** During the current fiscal year the State and local trails grants dropped by $960,000. See page 9 (capital grants bullet, factor number 1) for explanation; and **6)** $44,039 net decrease in revenues that routinely fluctuate and are too small to warrant further discussion.
2. Capital Project fund expenditures decreased $3,165,971 from fiscal year 2024, attributed to the following underlined factors:
   - General government capital outlay expenditures decreased a net $464,404 due to the following **3** reasons: **1)** decreased improvement other-than-buildings expenditures of $548,438 from fiscal year 2024 as the current year had no such projects and 2024 was the finishing work of the Washington Park construction project; **2)** $125,503 spent during the current year on an project to replace 56 I.T. network switches. There was no such project in the prior year; **3)** $41,469 decrease in public art acquisitions with the current year only spending $1,200.
   - Public Safety capital outlay expenditures decreased $177,774. The current fiscal year Public Safety capital expenditure decrease from the prior year expenditures included **2** non-routine items: **1)** $589,764 decrease in office and building equipment mostly due to the current year returning to normal expenditures and the prior year including non-routine public safety dispatching software ($284,711), recording of a multi-year subscription-based software agreement ($194,561), and an emergency generator purchase ($115,014); **2)** That decrease was partially offset by a $411,990 in increased in building expenditures as the public safety building dispatch area and bathroom remodel costs increased.
   - Streets capital outlay expenditures decreased $1,384,325. This increase was a fairly normal capital expenditure fluctuation due to asset lifecycles. Machinery and equipment purchases decreased $585,310 mostly due to the current year having to replace one less snowplow than the prior year. Road expenditures decreased by $685,234, which is pretty routine as old road projects finalize and new ones begin. The prior year did have a non-routine project to replace a traffic signal costing $233,009, no such project in the current year. The partially offsetting increase of $119,228 was mainly due a non-routine capital expenditure to build a brine plant to be used to activate road salt in order to melt snow and ice quicker.
   - Planning and engineering capital outlay expenditures decreased $214,750. This was a prior year expenditure for an emergency generator and office copier. There were no current year expenditures for these departments.
   - Parks and recreation capital outlay expenditures decreased $935,094. Trails and trailhead expenditures decreased by $899,272 from the prior year as a major trailhead project was complete in the prior year and fewer trail systems were ongoing or started. The remaining net decrease in Parks and recreation expenditures of $35,822 is the result of fairly routine cost fluctuations in regular asset replacements.
   - The remaining increase in expenditures of $10,376 comes from increased bank analysis and processing fees. Steps were taken during the current year to minimize idle cash. This did increase bank fees but was more than offset by increased investment earnings.
3. Capital Project fund's transfers in increased $18,855 due to increased RAP Tax revenues available to transfer for prior fiscal years expenditures in the Capital Project's fund for Town Square. During the current year the planned RAP Tax

Detailed Financial Analysis of Major Governmental Funds (Continued)

reimbursement for Town Square expenditures was completed. It is likely that these RAP Tax transfers to the Capital Projects fund will be significantly reduced unless future capital projects are budgeted with RAP Tax revenues.

4. Capital Project fund had a current year $2,000,000 transfer out. See page 11 (bullet 3, factor number 1) for explanation.
5. The other financing sources decreased by $194,561. In the prior year the City entered into a software subscription agreement and recognized that associated revenue. There were no new subscription agreements in the current year.
6. Gain on sale of capital assets decreased $27,927, which is a fairly routine swing in this revenue due to asset retirement cycles.

Redevelopment Agency (RDA) Analysis

The RDA has a total fund balance of $2,924,220, all of which has been assigned by the City Manager for eligible redevelopment projects. During the year ended June 30, 2025, the fund balance in the RDA fund decreased $2,866,531 or -49.50%. This decrease was $3,619,125 less than last fiscal year's increase of $752,594. The $3,619,125 decrease from the prior fiscal year increase in fund balance consisted of the following **2** items:

1. RDA fund revenue increased $19,966 from fiscal year 2024 attributed to the following underlined factors:
   - Investment earnings revenue decreased $52,144 (22.18%) due to a significant drop in investible cash. During the current year the RDA loaned out $1.3 million in small-business RDA loans and purchased a Main Street building and land for $2.4 million.
   - New lease revenue in the amount of $62,793. During the current year the RDA leased back the purchased Main Street property to the original owner for a three-year term until they are able to build their new building. This is a new revenue stream for the RDA.
   - Various other revenues had a net increase of $9,317 from several routine swings in RDA revenues.
2. RDA fund expenditures increased $3,639,091 from fiscal year 2024 attributed to the following underlined factors:
   - Special RDA project expenditures increased $2,288,619. The increase from prior year came from the $2,411,492 property purchase mentioned previously, and $405,766 spent in remodel costs on a different Main Street property purchased in 2024 with the intent to convert the building into a restaurant. In the prior year the RDA purchased the aforementioned building and had some design costs totaling $528,639, thus the $2,288,619 increase in expenditures from the prior year.
   - RDA small-business loans increased by $1,340,000. Two new RDA loans were issued to local businesses during the current year. There were none issued in the prior fiscal year. For additional information on the terms of the new loans see footnote number 4 in the basic financial statements section of this report.
   - The remaining increase in expenditure of $10,472 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 $48,226, RAP Tax increase of $150,814, Cemetery Perpetual Care increase of $213,462, and Debt Service decrease of $32,068. The Debt Service current year loss was a planned spend-downs of fund balance through the budgeting process to ensure the City is not over collecting on its debt service levy.

Detailed Financial Analysis of Major Proprietary Funds

The City's proprietary funds provide the same accounting 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 14.

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 ($1,818,720), $7,036,947, $34,221,775, and $10,454,526, respectively. The changes in total net position from fiscal year 2024 for those same funds were: decrease (loss) of $1,506,424, increase of $2,819,800, increase of $5,740,338, and increase of $750,845, respectively.

The other three 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 increase of $787,401, Golf Course increase of $328,404, and Cemetery increase of $36,268.

Capital Asset and Long-Term Financing Activities

Capital assets

The City's investment in capital assets for its governmental and business-type activities on June 30, 2025, amounts to $242,923,730 (net of accumulated depreciation or amortization). 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, fiber lines and conduit, and similar infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was $18,874,661 (change coming from a $436,681 increase for governmental activities and a $18,437,980 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 Assets (Net of depreciation & amortization)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 59,770,850	$ 59,842,681	$ 9,029,944	$ 9,029,944	$ 68,800,794	$ 68,872,625
Infrastructure	18,481,231	18,576,206	76,682,227	40,320,275	95,163,458	58,896,481
Buildings and other structures	14,812,139	14,110,215	11,760,947	11,724,288	26,573,086	25,834,503
Improvements other than buildings	13,407,003	13,895,216	2,063,389	2,206,173	15,470,392	16,101,389
Machinery & equipment	3,770,161	4,102,491	25,982,952	25,310,343	29,753,113	29,412,834
Furniture, fixtures, & office equip.	1,063,833	977,566	13,745	28,740	1,077,578	1,006,306
Construction in progress (CIP)	1,323,121	626,572	3,401,221	21,679,665	4,724,342	22,306,237
Intangible asset - power projects	-	-	754,851	838,723	754,851	838,723
Intangible right-to-use lease assets	-	-	437,352	550,497	437,352	550,497
Intangible right-to-use subscr.assets	168,764	229,474	-	-	168,764	229,474
Total capital and intangible assets	$ 112,797,102	$ 112,360,421	$ 130,126,628	$ 111,688,648	$ 242,923,730	$ 224,049,069

Bountiful City Schedule of Capital Asset Current Fiscal Year Additions (Retirements)

	Governmental Activities	Business-type Activities	Totals
Land purchases - Main Street land	$ 802,270	$ -	$ 802,270
Building purchase - Main Street	1,609,222	-	1,609,222
Motor vehicle purchases	505,923	455,776	961,699
Equipment/machinery purchases	279,659	2,469,150	2,748,809
Reconstruction of streets, curb, gutter and sidewalk infrastructure	584,534	-	584,534
Office equipment, furniture and fixture purchases	225,067	-	225,067
Construction and design costs for a trailhead and new mountain trails	190,565	-	190,565
Parking lot for 100 North Main Street	29,551	-	29,551
Remodel of building on Main Street (FY2025 CIP)	405,766	-	405,766
Brine plant building for Streets department	42,473	-	42,473
Water and Storm Water infrastructure (water mains and storm drains)	-	3,448,650	3,448,650
Fiber-optic buildings, routing equipment, and network infrastructure	-	16,298,524	16,298,524
Landfill design and permitting for retention pond expansion	-	35,955	35,955
Light & Power transmission & distribution system/line construction and replacement	-	469,204	469,204
Light & Power design costs to rebuild the Northwest substation (Fiscal 2025 CIP)	-	1,716,609	1,716,609
Total current fiscal year additions	$ 4,675,030	$ 24,893,868	$ 29,568,898
Less historical cost of current-year retired assets	(1,380,842)	(580,876)	(1,961,718)
Less current year change in accumulated depreciation	(2,796,797)	(5,677,995)	(8,474,792)
Less current year intangible asset change in accumulated amortization	(60,710)	(197,017)	(257,727)
Total change in capital asset net book value from the previous year	$ 436,681	$ 18,437,980	$ 18,874,661

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

Capital Asset and Long-Term Financing Activities (Continued)

Long-term debt
The current year operations were not funded with any additional long-term debt. All required debt payments were made per the debt agreements. The City does not have any debt limitations that have changed its planned facilities or services.

At the end of the current fiscal year, the City had outstanding bonded debt totaling $53,756,048. These bonds were issued to finance the construction of the City's new fiber-optic network (Series 2023), Washington park (Series 2022), and expand its trail network (Series 2022). The following is a detailed breakout of those bonds by fiscal year:

Bountiful City Outstanding Bonded Debt

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General Obligation bonds, Series '22	$ 6,735,000	$ 6,985,000	$ -	$ -	$ 6,735,000	$ 6,985,000
Plus unamortized bond premium	450,361	476,853	-	-	450,361	476,853
Sales Tax revenue bonds, Series '23	-	-	44,835,000	45,525,000	44,835,000	45,525,000
Plus unamortized bond premium	-	-	1,735,687	1,797,676	1,735,687	1,797,676
Total	$ 7,185,361	$ 7,461,853	$ 46,570,687	$ 47,322,676	$ 53,756,048	$ 54,784,529

The City's bond rating was Aa1/AA+ as of the most recent issuer comment report dated January 24, 2025. This rating has remained unchanged since the issuance of these bonds.

At the end of the current fiscal year, the City had long-term debt from note and lease payable totaling $1,559,158. The following is a detailed breakout of those payables by fiscal year:

Bountiful City Outstanding Note Payable & Lease Debt

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Note Payable	$ 1,000,000	$ 1,000,000	$ -	$ -	$ 1,000,000	$ 1,000,000
Lease Payable - software subscrip.	163,638	219,153	-	-	163,638	219,153
Lease Payable - land and equipment	-	-	231,882	329,963	395,520	329,963
Total	$ 1,163,638	$ 1,219,153	$ 231,882	$ 329,963	$ 1,559,158	$ 1,549,116

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

Currently Known Facts, Decisions, or Conditions

Economic and Demographic Factors – Fiscal Year 2026 Budget
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. The budgets for fiscal year 2026 were developed based upon the following economic and demographic assumptions:

- 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 and the Davis County area. No economic downturn was estimated in this budget.
- 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. No significant expansion of City services was estimated in this budget.
- The budget includes some inflationary increases in operating costs for energy and general goods and services.

Significant Budgetary Revenue and Expenditure Assumptions/Factors – Fiscal Year 2026 Budget
Budgets for fiscal year 2026 were developed based upon the following criteria and assumptions:

- Taxes are the main source of revenue for the governmental funds (66% in fiscal year 2025). For the fiscal 2026 budget:

Currently Known Facts, Decisions, or Conditions (Continued)

1) Sales tax was projected with an 0.91% increase ($103,826) from the fiscal year 2025 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 an increase of 3.65% ($163,377).

- The City projected intergovernmental revenues flat mostly due to consistent State grant funding and some small Federal grants that are normally included in the budget.
- The City budgeted licenses and permits revenue flat.
- 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.
- The budget does include increased costs (e.g., wages, benefits, misc. equipping items, etc.) for one new full-time assistant golf superintendent employee. The new assistant golf superintendent is going to be hired to improve delivery of services at the City's golf course. There is an estimated increase in revenue within the Golf Fund from increased weekend green fees rates to cover those additional Golf Fund costs.
- The budget for employee benefits included a 6.51% increase for the increased premiums for health care coverage.
- The City's 2026 budgeted expenditures for the Capital Projects Fund totals $4,197,793. The infrequent projects in that budget include: a $240,000 data network refresh, $545,000 for some public safety building remodel projects, $350,000 in Davis Blvd. bridge repairs, and $475,000 for repairs to a steep slope eroding the sidewalk along 1800 South. The remaining budget of $2,587,793 comes from street replacement/repairs, vehicles and other machinery purchases, and other City property improvements that are fairly routine annual expenditures.
- The City's 2026 budgeted expenses for capital items through the enterprise funds totals $25,553,670. The infrequent projects in that budget include: $13,068,670 in fiber network construction and connection costs (about $5 million of that budget was already paid out in fiscal year 2025 with the expedited network completion. The rest would be dependent upon network connections through subscription orders), $750,000 Viewmont well rehab project, $5,150,000 North West substation rebuild project, and $400,000 hydro-electric plant controls replacement. The remaining budget of $6,185,000 comes from fairly routine annual expenditures.

Rate Adjustments – Fiscal Year 2026 Budget

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 2026 budget there are six enterprise funds with rate and fees increases that could have a significant impact on enterprise fund revenue as outlined below:

- All Light and Power kilowatt usage rates and fees and associated customer charges were increased by 3%. Most connection, deactivation, and miscellaneous fees had a 10% increase.
- All Water rates for metered water sales increased by 20%. This abnormally large rate increase was put in place so that over a number of years three aging water reservoirs could be replaced without external financing.
- The Storm Water equivalent residential unit (ERU) rate increased by $0.50 (5.71% increase).
- The 2026 Golf budget includes increases in weekend green fees of $2 per-9 holes ($4 per 18 holes).
- The Landfill rates for accepting mattresses and box springs increased $5; there was a $10 per ton increase for commercial haulers and construction waste; and a $5 increase in the minimum fee for commercial haulers, and commercial waste accepted.
- The Cemetery increased the rates for niche burials by $400 (single) and $500 (companion) spaces in residential and non-residential categories.

Significant Budgeted Changes to Fund Balance or Net Position – Fiscal Year 2026 Budget

The budget for fiscal year 2026 is management's financial estimate, at the time of adoption, of the next twelve months of operating results. Assuming these estimates are realized, the following funds would have these significant changes to fund balance/net position:

- Start-up Fiber operations, excluding capital outlay, would result in a $1,715,009 loss (88.54% decrease to net position).
- Water operations, excluding capital outlay, would result in $2,532,628 net earnings (6.85% increase to net position).
- Power operations, excluding capital outlay, would result in $1,425,463 net earnings (1.94% increase to net position).

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, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 12,814,860	$ 10,177,079	$ 22,991,939
Receivables:			
Taxes	6,081,810	-	6,081,810
Accounts, net	538,492	7,591,259	8,129,751
Interest	304,604	285,059	589,663
Intergovernmental	686,779	-	686,779
Leases	320,524	-	320,524
Investments	50,576,017	40,355,191	90,931,208
Inventories	-	4,303,251	4,303,251
Prepaid expenses	5,000	146,440	151,440
Notes receivable	1,596,208	-	1,596,208
Total Current Assets	72,924,294	62,858,279	135,782,573
Noncurrent assets:			
Internal balances	4,876,342	(4,876,342)	-
Notes receivable	1,843,395	-	1,843,395
Leases receivable	1,465,598	-	1,465,598
Restricted assets:			
Cash and cash equivalents	1,687,419	14,481,722	16,169,141
Investments	1,237,495	-	1,237,495
Receivables	473,387	-	473,387
Capital assets, net:			
Land, land rights, and water rights	59,770,850	9,029,944	68,800,794
Buildings, wells, and reservoirs	14,812,139	11,760,947	26,573,086
Improvements other than buildings	13,407,003	2,063,389	15,470,392
Transmission, distribution, and collection infrastructure	-	76,682,227	76,682,227
Machinery and equipment	3,770,161	25,982,952	29,753,113
Furniture, fixtures and office equipment	1,063,833	13,745	1,077,578
Infrastructure	18,481,231	-	18,481,231
Construction in progress	1,323,121	3,401,221	4,724,342
Intangible asset - power projects	-	754,851	754,851
Intangible right-to-use lease assets	-	437,352	437,352
Intangible right-to-use subscription assets	168,764	-	168,764
Total Noncurrent Assets	124,380,738	139,732,008	264,112,746
Total Assets	197,305,032	202,590,287	399,895,319
Deferred Outflows of Resources			
Pensions	3,227,814	2,015,708	5,243,522
Total Deferred Outflows of Resources	3,227,814	2,015,708	5,243,522
Total Assets and Deferred Outflows	$ 200,532,846	$ 204,605,995	$ 405,138,841

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

BOUNTIFUL CITY
STATEMENT OF NET POSITION (Continued)
June 30, 2025

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current Liabilities:			
Accounts payable	$ 1,563,754	$ 4,071,484	$ 5,635,238
Accrued liabilities	1,022,664	507,260	1,529,924
Accrued interest payable	158,033	1,012,367	1,170,400
Retainage payable - restricted assets	56,277	124,423	180,700
Unearned revenue	16,907	125,396	142,303
Compensated absences	422,694	260,248	682,942
Leases payable	57,660	19,924	77,584
Bonds payable	291,492	786,989	1,078,481
Total Current Liabilities	3,589,481	6,908,091	10,497,572
Noncurrent Liabilities:			
Developer and customer deposits - restricted assets	1,114,077	1,275,960	2,390,037
Compensated absences	687,452	496,671	1,184,123
Leases payable	105,978	211,958	317,936
Note payable	1,000,000	-	1,000,000
Bonds payable	6,893,869	45,783,698	52,677,567
Accrued landfill closure - restricted assets	-	2,191,665	2,191,665
Net pension liability	5,684,273	1,496,438	7,180,711
Total Noncurrent Liabilities	15,485,649	51,456,390	66,942,039
Total Liabilities	19,075,130	58,364,481	77,439,611
Deferred Inflows of Resources			
Deferred revenue-property taxes	4,112,742	-	4,112,742
Deferred revenue-lease payments	1,786,122	-	1,786,122
Pensions	22,500	10,941	33,441
Total Deferred Inflows of Resources	5,921,364	10,941	5,932,305
Net Position			
Net investment in capital assets	104,305,361	90,624,929	194,930,290
Restricted for:			
Landfill closure	1,027,034	-	1,027,034
Debt Service	166,082	-	166,082
Regulatory required insurance deposit	539,660	-	539,660
Unrestricted	69,498,215	55,605,644	125,103,859
Total Net Position	175,536,352	146,230,573	321,766,925
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 200,532,846	$ 204,605,995	$ 405,138,841

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, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Government Activities							
General government	$ 3,619,448	$ 590,055	$ -	$ -	$ (3,029,393)	$ -	$ (3,029,393)
Public safety	13,738,389	1,071,375	253,095	-	(12,413,919)	-	(12,413,919)
Streets	6,088,973	57,065	3,301,395	-	(2,730,513)	-	(2,730,513)
Planning and engineering	1,338,089	772,113	-	-	(565,976)	-	(565,976)
Parks and recreation	3,302,608	19,770	-	68,411	(3,214,427)	-	(3,214,427)
Redevelopment	354,832	62,793	911,449	-	619,410	-	619,410
Interest on long-term debt	282,458	-	-	-	(282,458)	-	(282,458)
Total Governmental Activities	28,724,797	2,573,171	4,465,939	68,411	(21,617,276)	-	(21,617,276)
Business-type Activities							
Fiber	2,784,750	258,185	-	-	-	(2,526,565)	(2,526,565)
Water	6,110,342	6,343,510	-	268,756	-	501,924	501,924
Light and power	29,192,761	35,996,967	-	449,082	-	7,253,288	7,253,288
Sanitation	4,316,941	4,445,084	-	-	-	128,143	128,143
Storm water	1,554,698	2,062,132	-	5,400	-	512,834	512,834
Golf course	2,189,059	2,433,209	-	-	-	244,150	244,150
Cemetery	697,647	679,570	-	-	-	(18,077)	(18,077)
Total Business-type Activities	46,846,198	52,218,657	-	723,238	-	6,095,697	6,095,697
Total Government	$ 75,570,995	$ 54,791,828	$ 4,465,939	$ 791,649	$ (21,617,276)	$ 6,095,697	$ (15,521,579)
			General Revenues				
			Property taxes		$ 4,484,484	$ -	$ 4,484,484
			Sales taxes		12,215,233	-	12,215,233
			Franchise taxes		4,477,713	-	4,477,713
			Investment earnings		3,425,896	3,612,305	7,038,201
			Miscellaneous		205,470	256,366	461,836
			Gain on disposal of capital assets		52,143	33,094	85,237
			Transfers		1,222,651	(1,222,651)	-
			Total General Revenues and Transfers		26,083,590	2,679,114	28,762,704
			Changes in Net Position		4,466,314	8,774,811	13,241,125
			Net Position, Beginning		171,070,038	137,455,762	308,525,800
			Net Position, Ending		$ 175,536,352	$ 146,230,573	$ 321,766,925

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

BOUNTIFUL CITY
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2025

	General	Capital Projects	Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 1,765,207	$ 9,516,836	$ 591,111	$ 623,588	$ 12,496,742
Receivables:					
Taxes	3,909,283	1,944,493	79,000	149,034	6,081,810
Accounts - net	477,261	40,000	12,000	-	529,261
Interest	38,732	229,445	14,357	14,802	297,336
Intergovernmental	686,779	-	-	-	686,779
Leases	1,649,915	-	136,207	-	1,786,122
Due from other funds	-	2,753,410	-	-	2,753,410
Investments	6,135,469	38,281,175	2,426,716	2,503,966	49,347,326
Prepaid expenditures	5,000	-	-	-	5,000
Restricted assets:					
Cash and cash equivalents	58,804	16,719	13,241	1,058,995	1,147,759
Investments	1,109,157	-	-	128,338	1,237,495
Receivables	-	-	-	473,387	473,387
Total Assets	$ 15,835,607	$ 52,782,078	$ 3,272,632	$ 4,952,110	$ 76,842,427
Liabilities					
Accounts payable	$ 807,533	$ 58,026	$ 117,086	$ -	$ 982,645
Retainage payable - restricted assets	26,317	16,719	13,241	-	56,277
Accrued liabilities	1,015,162	-	2,878	-	1,018,040
Unearned revenues	16,907	-	-	-	16,907
Developer and customer deposits - restricted assets	1,114,077	-	-	-	1,114,077
Total Liabilities	2,979,996	74,745	133,205	-	3,187,946
Deferred Inflows of Resources					
Unavailable revenue-property taxes	3,566,138	-	79,000	467,604	4,112,742
Unavailable revenue-lease payments	1,649,915	-	136,207	-	1,786,122
Total Deferred Inflows of Resources	5,216,053	-	215,207	467,604	5,898,864
Fund Balances					
Nonspendable:					
Prepaid expenditures	5,000	-	-	-	5,000
Restricted:					
Landfill closure	-	-	-	1,027,034	1,027,034
Debt service	-	-	-	166,082	166,082
Committed:					
Operating reserve	7,203,000	10,132,000	-	-	17,335,000
Emergency reserve	-	12,000,000	-	-	12,000,000
Cemetery perpetual care	-	-	-	2,871,359	2,871,359
Assigned:					
Computer replacement	4,279	-	-	-	4,279
Capital projects	-	30,575,333	-	-	30,575,333
RDA fund	-	-	2,924,220	-	2,924,220
Recreation, parks, and arts	-	-	-	420,031	420,031
Unassigned	427,279	-	-	-	427,279
Total Fund Balances	7,639,558	52,707,333	2,924,220	4,484,506	67,755,617
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 15,835,607	$ 52,782,078	$ 3,272,632	$ 4,952,110	$ 76,842,427

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, 2025

Amounts reported for governmental activities in the *statement of net position* (page 22) are different from the amounts reported in the governmental funds balance sheet (page 24) because:

Total fund balances - governmental funds (page 24)	$ 67,755,617
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	112,797,102
The General Fund, Capital Projects Fund, and RDA Fund long-term notes receivable are not current financial resources and, therefore, are not reported in the governmental funds.	3,439,603
Deferred outflows of resources associated with the net pension liability are not an available resource and, therefore, are not reported in the governmental funds.	3,227,814
The compensated absences liability is not due and payable in the current period and, therefore, is not recorded in the governmental funds.	(1,110,146)
The bonds payable long-term liability is not due and payable in the current period and, therefore, is not recorded in the governmental funds.	(7,185,361)
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.	(163,638)
Accrued interest expense is not due and payable in the current period and therefore is not recorded in the funds.	(158,033)
The net pension long-term liability is not due and payable in the current period and, therefore, is not recorded in the governmental funds.	(5,684,273)
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.	(22,500)
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.	1,517,235
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.	2,122,932
Net Position of governmental activities	$ 175,536,352

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, 2025

	General	Capital Projects	Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 3,888,571	$ -	$ 71,500	$ 524,413	$ 4,484,484
Sales taxes	6,742,091	4,643,884	-	829,258	12,215,233
Franchise taxes	4,477,713	-	-	-	4,477,713
Licenses and permits	769,351	-	-	-	769,351
Intergovernmental	3,638,425	40,000	-	-	3,678,425
Intergov. property tax increment	-	-	911,449	-	911,449
Charges for services	1,588,921	-	62,793	-	1,651,714
Fines and forfeitures	152,106	-	-	-	152,106
Investment earnings	446,803	2,552,342	208,942	217,809	3,425,896
Miscellaneous	123,597	65,932	211,464	72,800	473,793
Total Revenues	21,827,578	7,302,158	1,466,148	1,644,280	32,240,164
Expenditures					
Current:					
General government	2,814,569	14,344	-	1,556	2,830,469
Public safety	12,743,227	-	-	-	12,743,227
Streets	4,700,430	-	-	-	4,700,430
Planning and engineering	1,275,248	-	-	-	1,275,248
Parks and recreation	1,889,649	-	-	83,335	1,972,984
Redevelopment	-	-	4,332,679	-	4,332,679
Debt service:					
Principal	-	-	-	250,000	250,000
Interest	-	-	-	315,200	315,200
Capital outlay:					
General government	-	187,574	-	-	187,574
Public safety	-	874,715	-	-	874,715
Streets	-	1,195,357	-	-	1,195,357
Parks and recreation	-	655,715	-	-	655,715
Total Expenditures	23,423,123	2,927,705	4,332,679	650,091	31,333,598
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,595,545)	4,374,453	(2,866,531)	994,189	906,566
Other Financing Sources (Uses)					
Transfer in	3,222,651	613,755	-	-	3,836,406
Transfer out	-	(2,000,000)	-	(613,755)	(2,613,755)
Sale of capital assets	1,880	59,123	-	-	61,003
Total Other Financing Sources (Uses)	3,224,531	(1,327,122)	-	(613,755)	1,283,654
Net Change in Fund Balance	1,628,986	3,047,331	(2,866,531)	380,434	2,190,220
Fund Balance, Beginning	6,010,572	49,660,002	5,790,751	4,104,072	65,565,397
Fund Balance, Ending	$ 7,639,558	$ 52,707,333	$ 2,924,220	$ 4,484,506	$ 67,755,617

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, 2025

Amounts reported for governmental activities in the *statement of activities* (page 23) are different because:

Net Change in Fund Balances - total governmental funds (page 26)	$ 2,190,220
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.	(3,350,478)
Governmental funds report capital outlays as expenditures. These expenditures are reported as capital assets in the statement of net position.	4,752,807
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.	(29,938)
Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	250,000
In the statement of activities, amortization of bond premium is recorded.	26,492
In the statement of activities, interest is accrued on outstanding bonds and leases, whereas in governmental funds, interest expense is recorded when it is paid.	7,580
Proceeds from repayment of General Fund, Capital Projects Fund, and RDA Fund 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.	(323,847)
Amounts loaned by the RDA are recorded as expenditures in that governmental fund; however, the loan is recorded as a long-tern note receivable for the statement of net position.	1,340,000
Repayment of lease principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	55,515
The amortization of subscription-based intangible assets is not an expenditure in the funds; however, the in the statement of activities the cost of those assets is amortized to expense over the life of the subscription term.	(60,710)
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.	(227,963)
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.	(86,912)
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.	(76,452)
Change in net position of governmental activities	$ 4,466,314

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

BOUNTIFUL CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2025

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Fiber	Water	Light and Power	Sanitation	Other Enterprise Funds	Total Enterprise	
Assets							
Current Assets							
Cash and cash equivalents	$ 11,573	$ 935,441	$ 4,604,605	$ 3,329,620	$ 1,295,840	$ 10,177,079	$ 318,118
Receivables:							
Accounts receivable, net	51,180	1,062,461	5,705,742	465,381	306,495	7,591,259	9,231
Interest receivable	46,803	25,154	136,057	39,836	37,209	285,059	7,268
Investments	46,472	4,253,090	23,004,366	6,739,192	6,312,071	40,355,191	1,228,691
Inventories	-	680,531	3,537,583	-	85,137	4,303,251	-
Prepaid expenses	-	145,025	-	1,415	-	146,440	-
Total Current Assets	156,028	7,101,702	36,988,353	10,575,444	8,036,752	62,858,279	1,563,308
Noncurrent Assets							
Restricted assets:							
Cash and cash equivalents	10,764,278	123,850	1,124,909	2,191,665	277,020	14,481,722	539,660
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	1,009,400	5,721,217	3,899,775	287,903	842,652	11,760,947	-
Improvements other than buildings	-	754,098	561,093	81,153	667,045	2,063,389	-
Transmission, distribution, and collection infrastructure	36,372,085	19,805,263	14,993,539	-	5,511,340	76,682,227	-
Machinery and equipment	528,143	2,783,231	15,816,132	5,747,171	1,108,275	25,982,952	-
Furniture, fixtures and office equipment	-	-	13,745	-	-	13,745	-
Construction in progress	-	1,029,253	2,129,849	35,955	206,164	3,401,221	-
Intangible asset - power projects	-	-	754,851	-	-	754,851	-
Intangible right-to-use lease assets	-	-	195,152	-	242,200	437,352	-
Total Noncurrent Assets	48,673,906	30,742,471	40,752,394	8,387,584	16,051,995	144,608,350	539,660
Total Assets	48,829,934	37,844,173	77,740,747	18,963,028	24,088,747	207,466,629	2,102,968
Deferred Outflows of Resources							
Pensions	-	626,186	695,664	266,935	426,923	2,015,708	42,377
Total Deferred Outflows	-	626,186	695,664	266,935	426,923	2,015,708	42,377
Total Assets and Deferred Outflows	$ 48,829,934	$ 38,470,359	$ 78,436,411	$ 19,229,963	$ 24,515,670	$ 209,482,337	$ 2,145,345

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

BOUNTIFUL CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2025

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Fiber	Water	Light and Power	Sanitation	Other Enterprise Funds	Total Enterprise	
Current Liabilities							
Accounts payable	$ 434,169	$ 749,038	$ 2,524,723	$ 61,953	$ 301,601	$ 4,071,484	$ 581,114
Accrued liabilities	-	50,784	321,540	46,885	88,051	507,260	4,624
Accrued Interest Payable	1,008,650	-	3,717	-	-	1,012,367	-
Due to other funds	2,753,410	-	-	-	-	2,753,410	-
Retainage payable - restricted assets	-	112,893	411	-	11,119	124,423	-
Unearned revenue - restricted assets	-	10,957	34,279	-	80,160	125,396	-
Compensated absences	-	38,585	142,002	35,096	44,565	260,248	-
Leases payable	-	-	19,924	-	-	19,924	-
Revenue bond payable	786,989	-	-	-	-	786,989	-
Total Current Liabilities	4,983,218	962,257	3,046,596	143,934	525,496	9,661,501	585,738
Noncurrent Liabilities							
Developer and customer deposits - restricted	-	-	1,090,219	-	185,741	1,275,960	-
Compensated absences	-	75,191	268,076	44,301	109,103	496,671	-
Leases payable	-	-	211,958	-	-	211,958	-
Revenue bond payable	45,783,698	-	-	-	-	45,783,698	-
Accrued landfill closure - restricted assets	-	-	-	2,191,665	-	2,191,665	-
Net pension liability	-	464,873	516,453	198,169	316,943	1,496,438	31,460
Total Noncurrent Liabilities	45,783,698	540,064	2,086,706	2,434,135	611,787	51,456,390	31,460
Total Liabilities	50,766,916	1,502,321	5,133,302	2,578,069	1,137,283	61,117,891	617,198
Deferred Inflows of Resources							
Pensions	-	3,399	3,776	1,449	2,317	10,941	230
Total Deferred Inflows	-	3,399	3,776	1,449	2,317	10,941	230
Net Position							
Net investment in capital assets	(118,262)	29,927,692	39,077,558	6,195,919	15,542,022	90,624,929	-
Restricted:							
Regulatory required insurance deposit	-	-	-	-	-	-	539,660
Unrestricted	(1,818,720)	7,036,947	34,221,775	10,454,526	7,834,048	57,728,576	988,257
Total Net Position	(1,936,982)	36,964,639	73,299,333	16,650,445	23,376,070	148,353,505	1,527,917
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 48,829,934	$ 38,470,359	$ 78,436,411	$ 19,229,963	$ 24,515,670	$ 209,482,337	$ 2,145,345

Net Position Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Net Position:	$ 148,353,505
Adjustment for the cumulative internal balance from the net activity between internal service funds and enterprise funds	(2,122,932)
Net Position of Business-type activities (page 22)	$ 146,230,573

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, 2025

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Fiber	Water	Light and Power	Sanitation	Other Enterprise Funds	Total Enterprise	
Operating Revenues							
Charges for services	$ 258,185	$ 6,323,553	$ 35,823,229	$ 4,445,084	$ 2,631,852	$ 49,481,903	$ 1,020,160
Connection and servicing	-	19,957	91,941	-	-	111,898	-
Admissions and greens fees	-	-	-	-	1,415,880	1,415,880	-
Equipment and facility rents	-	-	81,797	-	673,035	754,832	-
Merchandise and concession sales	-	-	-	-	344,294	344,294	-
Sale of cemetery burial plots	-	-	-	-	109,850	109,850	-
Miscellaneous	-	1,076	214,192	28,562	12,536	256,366	61,908
Total Operating Revenues	258,185	6,344,586	36,211,159	4,473,646	5,187,447	52,475,023	1,082,068
Operating Expenses							
Personnel wages and benefits	-	1,788,671	5,355,467	1,799,703	1,956,747	10,900,588	199,085
Materials and supplies	-	697,877	107,950	256,660	270,488	1,332,975	-
Repair and maintenance costs	980	788,459	2,086,537	825,431	725,312	4,426,719	-
Contractual and professional services	4,464	130,497	29,436	274,479	99,828	538,704	136,691
Power purchases	-	-	14,317,040	-	-	14,317,040	-
Power generation costs	-	-	2,487,613	-	-	2,487,613	-
General and administrative costs	201,477	1,263,519	1,849,888	346,214	598,026	4,259,124	742,371
Claims	-	-	-	-	-	-	349,548
Depreciation	530,588	1,387,445	2,706,011	807,682	689,055	6,120,781	-
Amortization	-	-	107,231	-	89,785	197,016	-
Total Operating Expenses	737,509	6,056,468	29,047,173	4,310,169	4,429,241	44,580,560	1,427,695
Operating Income (Loss)	$ (479,324)	$ 288,118	$ 7,163,986	$ 163,477	$ 758,206	$ 7,894,463	$ (345,627)

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, 2025

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Fiber	Water	Light and Power	Sanitation	Other Enterprise Funds	Total Enterprise	
Noncapital Subsidies							
Transfers in	$ -	$ 2,000,000	$ -	$ -	$ -	$ 2,000,000	$ -
Transfers out	-	-	(3,222,651)	-	-	(3,222,651)	-
Total Noncapital Subsidies	-	2,000,000	(3,222,651)	-	-	(1,222,651)	-
Operating Income (Loss) and Subsidies	(479,324)	2,288,118	3,941,335	163,477	758,206	6,671,812	(345,627)
Other Nonoperating Revenues (Expenses)							
Investment earnings	1,017,960	293,615	1,345,522	587,368	367,840	3,612,305	87,354
Interest expense	(2,045,060)	-	(7,476)	-	(592)	(2,053,128)	-
Gain (loss) from disposal of capital assets	-	(30,689)	11,875	-	21,219	2,405	-
Capital Contributions	-	268,756	449,082	-	5,400	723,238	-
Total Nonoperating Revenues (Expenses)	(1,027,100)	531,682	1,799,003	587,368	393,867	2,284,820	87,354
Change in Net Position	(1,506,424)	2,819,800	5,740,338	750,845	1,152,073	8,956,632	(258,273)
Net Position, Beginning	(430,558)	34,144,839	67,558,995	15,899,600	22,223,997	139,396,873	1,786,190
Net Position, Ending	$ (1,936,982)	$ 36,964,639	$ 73,299,333	$ 16,650,445	$ 23,376,070	$ 148,353,505	$ 1,527,917

Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Activities:	$ 8,956,632
Adjustment to eliminate the current fiscal year's internal service funds net loss from internal customers applicable to business-type activities	(181,821)
Changes in Net Position of Business-type activities (page 23)	$ 8,774,811

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, 2025

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Fiber	Water	Light and Power	Sanitation	Other Enterprise Funds	Total Enterprise	
Cash Flows From Operating Activities							
Receipts from customers and users	$ 210,923	$ 6,268,589	$ 35,421,794	$ 4,478,867	$ 5,182,766	$ 51,562,939	$ 1,018,203
Receipts from customer deposits	-	-	26,488	-	86,656	113,144	-
Payments to suppliers	(8,825)	(2,381,839)	(19,978,074)	(2,688,237)	(1,363,830)	(26,420,805)	(1,196,263)
Payments to employees and related benefits	-	(1,751,352)	(5,119,684)	(658,385)	(1,912,890)	(9,442,311)	(193,459)
Payments to other funds for services provided	(198,096)	(491,492)	(945,570)	(117,057)	(391,730)	(2,143,945)	-
Return of customer deposits	-	-	(458)	-	(46,335)	(46,793)	-
Net cash flows from operating activities	4,002	1,643,906	9,404,496	1,015,188	1,554,637	13,622,229	(371,519)
Cash Flows From Non-Capital Financing Activities							
Transfers to other funds	-	-	(3,222,651)	-	-	(3,222,651)	-
Grants received	-	71,755	-	6,556	6,556	84,867	-
Net cash flows from non-capital financing activities	-	71,755	(3,222,651)	6,556	6,556	(3,137,784)	-
Cash Flows From Capital and Related Financing Activities							
Capital contributions	-	268,756	449,082	-	5,400	723,238	-
Transfers from other funds	-	2,000,000	-	-	-	2,000,000	-
Purchase of capital assets	(17,622,202)	(2,572,125)	(2,207,121)	(2,109,291)	(1,063,951)	(25,574,690)	-
Proceeds from sales of capital assets	-	29,165	11,875	-	21,675	62,715	-
Principal paid on leases	-	-	(18,979)	-	(79,102)	(98,081)	-
Interest paid on leases	-	-	(7,952)	-	(2,369)	(10,321)	-
Principal paid on interfund payable	(1,012,728)	-	-	-	-	(1,012,728)	-
Interest paid on interfund payable	(86,589)	-	-	-	-	(86,589)	-
Proceeds from interfund payable	2,714,134	-	-	-	-	2,714,134	-
Principal paid on bonds	(690,000)	-	-	-	-	(690,000)	-
Interest paid on bonds	(2,034,550)	-	-	-	-	(2,034,550)	-
Net cash flows from capital and related financing activities	$ (18,731,935)	$ (274,204)	$ (1,773,095)	$ (2,109,291)	$ (1,118,347)	$ (24,006,872)	$ -
Cash Flows From Investing Activities							
Investment earnings	$ 1,106,817	$ 237,079	$ 1,053,908	$ 511,251	$ 291,179	$ 3,200,234	$ 74,076
Purchase of investments	(57,600)	(2,905,833)	(12,944,587)	(2,959,872)	(3,023,820)	(21,891,712)	(645,572)
Maturity or sale of investments	15,838	1,449,376	7,839,473	3,271,450	2,209,415	14,785,552	822,407
Net cash flows from investing activities	1,065,055	(1,219,378)	(4,051,206)	822,829	(523,226)	(3,905,926)	250,911
Net Increase (Decrease) In Cash and Cash Equivalents	(17,662,878)	222,079	357,544	(264,718)	(80,380)	(17,428,353)	(120,608)
Cash and Cash Equivalents, Beginning	28,438,729	837,212	5,371,970	5,786,003	1,653,240	42,087,154	978,386
Cash and Cash Equivalents, Ending	$ 10,775,851	$ 1,059,291	$ 5,729,514	$ 5,521,285	$ 1,572,860	$ 24,658,801	$ 857,778

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, 2025

	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	$ (479,324)	$ 288,118	$ 7,163,986	$ 163,477	$ 758,206	$ 7,894,463	$ (345,627)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:							
Depreciation and amortization	530,588	1,387,445	2,813,242	807,682	778,840	6,317,797	-
Changes in assets and liabilities							
Accounts receivable, net	(47,262)	(75,316)	(791,182)	5,221	(4,681)	(913,220)	(1,957)
Inventories	-	(62,730)	(857,999)	-	24,678	(896,051)	-
Prepaid expenses	-	(17,305)	886	5,660	-	(10,759)	80,894
Deferred outflows - pensions	-	(159,800)	147,780	(23,062)	(57,151)	(92,233)	(1,151)
Accounts payable	-	70,498	860,483	(45,470)	(108,674)	776,837	(112,635)
Accrued liabilities	-	13,060	(48,724)	4,789	14,598	(16,277)	872
Retainage payable	-	3,498	174	-	(7,887)	(4,215)	-
Unearned revenue	-	(681)	1,817	-	(4,185)	(3,049)	-
Developer and customer deposits	-	-	26,030	-	40,321	66,351	-
Compensated absences	-	(4,114)	50,705	9,548	13,033	69,172	-
Accrued landfill closure	-	-	-	27,360	-	27,360	-
Deferred inflows - pensions	-	(434)	(3,155)	(555)	(722)	(4,866)	(109)
Net pension liability	-	201,667	40,453	60,538	108,261	410,919	8,194
Net cash flows from operating activities	$ 4,002	$ 1,643,906	$ 9,404,496	$ 1,015,188	$ 1,554,637	$ 13,622,229	$ (371,519)
Schedule of non-cash capital and related financing activities							
Purchase of capital assets on account	$ 434,169	$ 690,929	$ 318,045	$ -	$ 232,953	$ 1,676,096	

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.

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, 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and proprietary 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 lease 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 and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. The City reports 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.

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 and network construction reached the substantial completion stage by fiscal year end. The City is divided up into ten fiber network footprints and all were orderable by fiscal year end.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 a City-owned landfill operation.

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 Fiber, 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 or out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Proprietary funds Operating and Nonoperating Revenues and Expenses

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

Budgets

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Supply 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, watermains, 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 lease equipment, and infrastructure are depreciated/amortized using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Lives
Buildings, wells, and reservoirs	10-40
Improvements other than buildings	10-50
Fiber, Power, and Water transmission, distribution, and collection infrastructure	15-50
Street light and traffic signal systems	20-30
Machinery and equipment	4-50
Furniture, fixtures, and office equipment	3-20
Intangible assets Other than Software	4-50
Intangible assets – software subscriptions	3-5

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 a net pension liability related outflow that qualifies for reporting in this category.

The deferred outflow from pensions is reported in the government-wide *statement of net position* and the enterprise funds *statement of net position*. This outflow results from the differences in the estimates and assumptions used to calculate the net pension liability reported in each fund, as well as any pension contributions made after the pension actuarial measurement date and the end of the fiscal year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences

The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. 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 accumulated 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 accumulated sick benefits, less leave used, each calendar year given they have 120 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. This deferred inflow results from the differences in the estimates and assumptions used to calculate the net pension liability reported in each applicable fund.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lessee agreements (continued):
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 portion of its public-safety building, a concessionaire building, a Main Street 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 for these leases.

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 are 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund equity (Continued)

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

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

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

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

Fund balance and net position flow assumptions

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

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

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

Interfund transactions

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

Newly implemented GASB standards

During the current fiscal year there were two GASB pronouncements that were applicable to City operations and implemented. Those statements were 101 regarding compensated absences and 103 regarding financial reporting model improvements. Neither implementation required any restatements of fund balance or net position.

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 year end. 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, 2025, the fair value per share factor for investments in the PTIF was 1.001985.

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, 2025, $38,313,714 of the City's bank balances of $39,256,006 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, 2025, $89,045,331 of the City's $92,168,703 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.

2. DEPOSITS AND INVESTMENTS (Continued)

Following are the City's cash on hand, on deposit, and investments on June 30, 2025:

	Carrying Value	Fair Value Factor	Fair Value	Credit Rating (1)	Ave. Maturity (Years) (2)
Bountiful City					
Cash on hand and on deposit:					
Cash on hand	$ 5,100	1	$ 5,100	N/A	N/A
Cash on deposit	3,880,115	1	3,880,115	N/A	N/A
Regulatory Insurance Deposit	539,660	1	539,660	N/A	N/A
Utah State Treasurer's investment pool accounts (3):					
Operating	23,971,927	1.001985	24,019,521	N/A	0.18
Bond proceeds	8,976,966	1.001985	8,994,789	N/A	0.18
Bond debt service	1,787,312	1.001985	1,790,861	N/A	0.18
Total cash on hand and deposit	$ 39,161,080		$ 39,230,046		
Investments:					
U.S. Agency bonds	$ 43,755,878	1	$ 43,755,878	AA+	2.64
Certificates of deposit	2,623,372	1	2,623,372	N/A	1.66
Corporate bonds	45,789,453	1	45,789,453	A	1.79
Total Investments	$ 92,168,703		$ 92,168,703		1.52

(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, 2025, the City's investments of $92,168,703 had the following recurring fair value measurements:

- U.S. Agency bonds of $43,755,878 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 $45,789,453 are valued using quoted market prices (Level 2 inputs)
- Certificates of deposit of $2,623,372 are valued using a matrix pricing model (Level 2 inputs)

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 to be sold. Fiscal year 2025 saw interest rates decrease in the bond market, principally due to the Federal Reserve decreasing the internal borrowing rate (100 basis points over that twelve-month period after multiple years of increasing rates to combat inflation). These swings in interest rates cause the market value of the City's investment portfolio to fluctuate during fiscal year 2025 resulting in significant unrealized gains. These unrealized gains increased the City's overall net investment earnings.

2. DEPOSITS AND INVESTMENTS (Continued)

The following schedule breaks out the City's net investment earnings for the fiscal year ending June 30, 2025:

	Governmental Activities	Business-type Activities	Total
Interest and net realized gains or loss	$ 2,887,082	$ 3,181,151	$ 6,068,233
Unrealized gains	538,814	431,154	969,968
Total net investment earnings	$ 3,425,896	$ 3,612,305	$ 7,038,201

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 gains 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 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	$ 268,453	$ -	$ -
Property taxes	3,598,137	-	79,000
Sales taxes	42,693	1,944,493	-
Total Taxes Receivable	$ 3,909,283	$ 1,944,493	$ 79,000
Accounts Receivable:	$ 486,856	$ 40,000	$ 12,000
Less: allowance for uncollectibles	(9,595)	-	-
Total Accounts Receivable - Net	$ 477,261	$ 40,000	$ 12,000
Intergovernmental Receivable:			
State of Utah Class B&C Road Funds	$ 443,683	$ -	$ -
Local Option Transportation Tax	185,141	-	-
Federal emergency preparedness grant	57,955	-	-
Total Intergovernmental	$ 686,779	$ -	$ -
Leases Receivable:			
City Building Lease to State of Utah Justice Courts	$ 329,194	$ -	$ -
City Building Lease to Consessionaire	38,465	-	-
City Land Leases to Cell Tower Owners	1,282,256	-	-
City Main St. Building Lease to Business	-	-	136,207
Total Leases	$ 1,649,915	$ -	$ 136,207

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, 2025:

	Fiber	Water	Light and Power	Sanitation	Nonmajor Enterprise Funds
Accounts receivable	$ 51,511	$1,068,969	$ 5,762,713	$ 468,410	$ 308,285
Less: allowance for uncollectibles	(331)	(6,508)	(56,971)	(3,029)	(1,790)
Total Accounts Receivable - Net	$ 51,180	$1,062,461	$ 5,705,742	$ 465,381	$ 306,495

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, 2025, are as follows:

Balance June 30, 2025	Short-term portion	Interest Rate	Monthly Payments Amount	Monthly Payments Due Through	Balloon Payments Amount	Balloon Payments Due
RDA Loans						
$ 63,661	$ 63,661	3.00%	$ 9,317	January 2026	$ -	N/A
425,655	425,655	7.00%	3,424	December 2025	422,372	December 2025
234,446	31,637	3.00%	3,186	February 2032	-	N/A
857,523	33,970	3.00%	4,936	August 1, 2044	-	N/A
420,726	40,069	3.00%	4,345	July 1, 2029	245,554	July 1, 2029
Repayment Promissory Notes						
600,113	75,776	3-5%	*	June 2033 *	-	N/A
837,479	50,440	3.50%	6,255	July 2039	-	N/A
$ 3,439,603	$ 721,208		$ 31,463		$ 667,926	

* The $600,113 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 $1,266,468 in annual tax collections over a 15-year period ending June of 2033. The current estimate of the remaining balance is $600,113.

Land Sale Promissory Note

On July 1, 2024, the City's Capital Projects fund sold land with a historical cost of $874,101 to a local business to relocate their operations from downtown Main Street to City property further North. The Main Street building/land was purchased by the City and the City's other property was sold via promissory note to the business in the amount of $875,000. The terms of the note include monthly payments of $6,255, an interest rate of 3.5%, and a term of 15 years. This promissory note is secured by a lien on the property.

5. CAPITAL ASSETS

A summary of changes in governmental funds capital assets for the year ended June 30, 2025, is as follows:

	Balance June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Governmental activities					
Capital assets, not being depreciated					
Land	$ 59,842,681	$ 802,270	$ 874,101	$ -	$ 59,770,850
Construction in progress	626,572	792,056	-	(95,507)	1,323,121
Total capital assets, not being depreciated	60,469,253	1,594,326	874,101	(95,507)	61,093,971
Capital assets, being depreciated					
Infrastructure	41,026,203	584,534	29,640	-	41,581,097
Buildings	31,022,766	1,651,695	-	-	32,674,461
Improvements other than buildings	21,455,116	220,116	-	-	21,675,232
Machinery and equipment	12,479,571	526,327	357,246	(77,781)	12,570,871
Furniture, fixtures and office equip.	2,935,982	175,809	119,854	95,507	3,087,444
Total capital assets, being depreciated	108,919,638	3,158,481	506,740	17,726	111,589,105
Accumulated Depreciation					
Infrastructure	22,449,997	679,509	29,640	-	23,099,866
Buildings	16,912,551	949,771	-	-	17,862,322
Improvements other than buildings	7,559,900	708,329	-	-	8,268,229
Machinery and equipment	8,377,080	848,898	347,487	(77,781)	8,800,710
Furniture, fixtures and office equip.	1,958,416	163,971	98,776	-	2,023,611
Total accumulated depreciation	57,257,944	3,350,478	475,903	(77,781)	60,054,738
Total capital assets, being depreciated, net	51,661,694	(191,997)	30,837	95,507	51,534,367
Capital assets, being amortized					
Intangible assets - right to use subscription-based software	$ 305,086	$ -	$ -	$ -	$ 305,086
Total amortized assets	305,086	-	-	-	305,086
Less accumulated amortization for Intangible assets - right to use subscription-based software	75,612	60,710	-	-	136,322
Total accumulated amortization	75,612	60,710	-	-	136,322
Total capital assets, being amortized, net	$ 229,474	$ (60,710)	$ -	$ -	$ 168,764
Governmental activities capital assets, net	$ 112,360,421	$ 1,341,619	$ 904,938	$ -	$ 112,797,102

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

Governmental activities	Dep. Expense	Amort. Expense
General government	$ 607,861	$ -
Public safety	336,235	54,270
Highways and public improvements	1,287,560	-
Parks and recreation	909,155	-
Planning & engineering	3,887	6,440
Redevelopment Agency	205,780	-
Total Dep. & Amort. expense - gov. act.	$ 3,350,478	$ 60,710

5. CAPITAL ASSETS (Continued)

A summary of changes in business-type funds capital assets for the year ended June 30, 2025, is as follows:

	Balance June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Business-type Activities:					
Capital assets, not being depreciated					
Land, land rights, and water rights	$ 9,029,944	$ -	$ -	$ -	$ 9,029,944
Construction in progress	21,679,665	19,661,189	-	(37,939,633)	3,401,221
Total capital assets, not being depreciated	$ 30,709,609	$ 19,661,189	$ -	$(37,939,633)	$ 12,431,165
Capital assets, being depreciated					
Buildings, wells and reservoirs	29,399,421	-	-	1,030,000	30,429,421
Improvements other than buildings	5,231,113	-	-	-	5,231,113
Power & water transmission, distrib., and collection infrastructure	93,803,617	2,624,478	177,648	36,026,908	132,277,355
Street light and traffic systems	2,366,331	-	-	-	2,366,331
Machinery and equipment	53,886,097	2,530,420	403,228	960,506	56,973,795
Furniture, fixtures and office equip.	183,259	-	-	-	183,259
Total capital assets, being depreciated	184,869,838	5,154,898	580,876	38,017,414	227,461,274
Less accumulated depreciation for:					
Buildings, wells and reservoirs	17,675,133	993,341	-	-	18,668,474
Improvements other than buildings	3,024,940	142,784	-	-	3,167,724
Power & water transmission, distrib., and collection infrastructure	53,483,342	2,229,125	117,339		55,595,128
Street light and traffic systems	2,366,331	-	-	-	2,366,331
Machinery and equipment	28,575,754	2,740,536	403,228	77,781	30,990,843
Furniture, fixtures and office equip.	154,519	14,995	-	-	169,514
Total accumulated depreciation	105,280,019	6,120,781	520,567	77,781	110,958,014
Total capital assets, being depreciated, net	$ 79,589,819	$ (965,883)	$ 60,309	$ 37,939,633	$ 116,503,260
Capital assets, being amortized					
Intangible asset - power projects	$ 3,690,380	$ -	$ -	$ -	$ 3,690,380
Intangible asset - right to use leases	982,223	-	-	-	982,223
Intangible asset - subscription softw.	49,031	-			49,031
Total amortized assets	4,721,634	-	-	-	4,721,634
Less accumulated amortization for:					
Intangible asset - power projects	2,851,657	83,872			2,935,529
Intangible asset - right to use leases	469,861	96,800	-	-	566,661
Intangible asset - subscription softw.	10,896	16,345			27,241
Total accumulated amortization	3,332,414	197,017	-	-	3,529,431
Total capital assets, being amortized, net	$ 1,389,220	$ (197,017)	$ -	$ -	$ 1,192,203
Total Business-type activities net capital assets	$ 111,688,648	$ 18,498,289	$ 60,309	$ -	$ 130,126,628

5. CAPITAL ASSETS (Continued)

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

Business-type Activities	Dep. Expense	Amort. Expense
Fiber	$ 530,588	$ -
Water	1,387,445	-
Light and Power	2,706,011	107,232
Sanitation	807,682	-
Storm Water	506,519	-
Golf Course	130,345	89,785
Cemetery	52,191	-
Total expense - business-type act.	$ 6,120,781	$ 197,017

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 business-type funds intangible right-to-use lease assets for the year ended June 30, 2025, is as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Intangible right-to-use lease capital assets being amortized				
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
Software Subscription lease:				
Light and Power software	49,031	-	-	49,031
Total lease capital assets being amortized	1,031,254	-	-	1,031,254
Less accumulated amortization for				
Machinery and equipment leases:				
Golf course grounds equipment	$ 154,126	$ 44,037	$ -	$ 198,163
Golf course golf carts	274,492	45,748	-	320,240
Land leases:				
Power transmission lines	41,243	7,015	-	48,258
Software Subscription lease:				
Light and Power software	10,896	16,345	-	27,241
Total accumulated amortization	480,757	113,145	-	593,902
Total, net right-to-use capital asset	$ 550,497	$ (113,145)	$ -	$ 437,352

5. CAPITAL ASSETS (Continued)

A detailed breakout of governmental funds intangible right-to-use subscription-based assets for the year ended June 30, 2025, is as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Intangible right-to-use subscription-based capital assets being amortized				
Public Saftey software	$ 272,887	$ -	$ -	$ 272,887
Engineering & Planning software	32,199	-	-	32,199
Total subscription-based capital assets being amortized	305,086	-	-	305,086
Less accumulated amortization for subscription-based capital assets:				
Public Saftey software	$ 56,292	$ 54,270	$ -	$ 110,562
Engineering & Planning software	19,320	6,440	-	25,760
Total accumulated amortization	75,612	60,710	-	136,322
Total, net right-to-use capital asset	$ 229,474	$ (60,710)	$ -	$ 168,764

6. RESTRICTED ASSETS

Certain assets are restricted in use. Government-wide restricted assets as follows as of June 30, 2025:

Restricted for regulatory required insurance deposit	$ 539,660
Restricted for landfill closure and post-closure costs	2,191,665
Restricted settlement funds received for landfill closure/post-closure	1,027,034
Restricted for bond payments	2,420,998
Restricted for customer utility deposits	1,090,219
Restricted bond proceeds for construction of fiber optic network	8,976,966
Restricted for refundable performance bond deposits and interest	1,299,818
Restricted for construction retention	180,699
Restricted for unearned revenue	142,304
Restricted for unremitted fees collected on behalf of other governments	10,660
Total restricted assets as shown on the Statement of Net Position	$ 17,880,023

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 to purchase an amount of approximately 1.3% of power 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 $1,672,014. For fiscal year 2026, the budget for this contract is $25,200 as it is anticipated that more power will be sold to the California cities than in the current fiscal year.

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 in October 2017 and will be in force until September 30, 2057. In the current year the Fund purchased power via this contract totaling $3,249,391. For fiscal year 2026, the budget for this contract is $3,268,567.

7. INTANGIBLE ASSET - POWER PROJECTS, AND RELATED CONTRACTS (Continued)

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. This power plant is in the process of being decommissioned. During the current fiscal year, the Fund purchased power totaling $47,166 via this agreement. For fiscal year 2026, 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 $9,229,542 for power sales and purchases. For fiscal year 2026, the budget amount for UAMPS net purchases is $12,333,491.

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 2025, $83,872 of the intangible asset balance was amortized to expense as the contract is expected to end in January of 2034 (9-year remaining life). This brought the accumulated amortization balance to $2,935,529 at the end of fiscal year 2025.

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 $606,333 via this contract. For fiscal year 2026, the budget for this contract is $1,179,453.

8. ACCRUED LIABILITIES

Accrued liabilities of the City for the year ended June 30, 2025, were as follows:

Accrued Liabilities:	General Fund	Redevelopment Agency	Internal Service	Governmental Activities
Employee payroll	$ 1,010,288	$ 2,878	$ 4,624	$ 1,017,790
Other	4,874	-	-	4,874
Total	$ 1,015,162	$ 2,878	$ 4,624	$ 1,022,664

Accrued Liabilities:	Water	Light and Power	Sanitation	Other Enterprise Funds	Business-Type Activities
Employee payroll	$ 50,784	$ 151,357	$ 44,805	$ 56,465	$ 303,411
Sales taxes	-	170,183	2,080	31,586	203,849
Total	$ 50,784	$ 321,540	$ 46,885	$ 88,051	$ 507,260

9. DEVELOPER AND CUSTOMER DEPOSITS

General Fund deposits are principally deposits from developers and residents 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 utility deposits the City requires from all residential rental customers and from all businesses before they receive a service connection. The utility 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, 2025:

	Balance at June 30, 2024	Additions	Reductions	Balance at June 30, 2025	Due within One Year
Governmental activities					
General obligation bond	$ 6,985,000	$ -	$ 250,000	$ 6,735,000	$ 265,000
Plus unamortized premium	476,853	-	26,492	450,361	26,492
Notes payable	1,000,000	-	-	1,000,000	-
Leases payable	219,153	-	55,515	163,638	57,660
Compensated absences	1,023,234	928,091	841,179	1,110,146	422,694
Governmental activity long-term liabilities	$ 9,704,240	$ 928,091	$ 1,173,186	$ 9,459,145	$ 771,846
Business-type activities					
Sales tax revenue bonds	$ 45,525,000	$ -	$ 690,000	$ 44,835,000	$ 725,000
Plus unamortized premium	1,797,676	-	61,989	1,735,687	61,989
Leases payable	329,963	-	98,081	231,882	19,924
Compensated absences	687,747	727,871	658,699	756,919	260,248
Accrued landfill closure	2,164,305	27,360	-	2,191,665	-
Business-type activity long-term liabilities	$ 50,504,691	$ 755,231	$ 1,508,769	$ 49,751,153	$ 1,067,161

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.

A detailed breakout of lease payable for the year ended June 30, 2025, is as follows:

	Balance at June 30, 2024	Additions	Reductions	Balance at June 30, 2025	Due within One Year
Governmental activities					
Subscription-based software lease:					
Public Saftey software	$ 208,501	$ -	$ 50,246	$ 158,255	$ 52,277
Engineering & Planning softwr.	10,652	-	5,269	5,383	5,383
Total governmental activities	$ 219,153	$ -	$ 55,515	$ 163,638	$ 57,660
Business-type activities					
Golf Toro Mower lease	$ 79,102	$ -	$ 79,102	$ -	$ -
Light & Power land leases:					
Transmission line - Echo Hydro	188,199	-	3,250	184,949	3,536
Transmission line - Pineview H.	30,631	-	33	30,598	53
Subscription-based software lease:					
Light & Power software	32,031	-	15,696	16,335	16,335
Total business-type activities	$ 329,963	$ -	$ 98,081	$ 231,882	$ 19,924

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 were the funding source for: the purchase of the former Washington Elementary School land, improving that land as a City park, and expanding and improving 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 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.

10. LONG-TERM LIABILITIES (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2026	$ 265,000	$ 302,700	$ 567,700
2027	280,000	289,450	569,450
2028	290,000	275,450	565,450
2029	305,000	260,950	565,950
2030-2034	1,780,000	1,059,250	2,839,250
2035-2039	2,240,000	595,300	2,835,300
2040-2042	1,575,000	127,600	1,702,600
Total	$ 6,735,000	$ 2,910,700	$ 9,645,700

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 are recognized in the Debt Service Fund.

Fiber Fund Sales Tax Revenue Bonds, Series 2023

Sales Tax Revenue Bonds, Series 2023 were issued on August 3, 2023, with a par amount of $45,525,000 and a premium of $1,859,665. These bonds were issued 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. The $45,525,000 in par value is to be repaid in annual principal installments due July 1, 2024, continuing until 2054 (30-year term). Interest payments are also due semiannually on January and July 1st. 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.

The bonds are secured by a pledge of the City's sales tax revenues. Despite sales taxes being the security for the bonds, the City anticipates Fiber Fund subscription revenues to be sufficient to cover all debt service over the life of the bonds. Debt service payment are currently being made through an interfund loan with the Capital Projects Fund until subscriber revenues are able to cover the operating costs of the fund and debt service. The bond indenture does not require a debt service reserve fund as additional security for the bonds. The bond indenture does require monthly transfers into a bond fund account of one-sixth of the interest and one-twelfth of the principal falling due on the bonds on the next succeeding interest and principal payment dates. At June 30, 2025, the bond fund account had a balance of $1,787,312. Beyond the bond fund requirements outlined, the bond indenture has no stipulated terms regarding events of default, termination triggers, or acceleration clauses.

The annual debt service requirements to maturity, including principal and interest for the Sales Tax Revenue Bonds, Series 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 725,000	$ 1,999,175	$ 2,724,175
2027	760,000	1,962,050	2,722,050
2028	800,000	1,923,050	2,723,050
2029	840,000	1,882,050	2,722,050
2030	885,000	1,838,925	2,723,925
2031-2035	5,145,000	8,466,625	13,611,625
2036-2040	6,615,000	7,003,875	13,618,875
2041-2045	8,480,000	5,134,300	13,614,300
2046-2050	10,515,000	3,099,100	13,614,100
2051-2054	10,070,000	825,600	10,895,600
Total	$ 44,835,000	$ 34,134,750	$ 78,969,750

10. LONG-TERM LIABILITIES (Continued)

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.

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 lease 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 final payment on this lease was made during the current fiscal year. The lease carried a 3% fixed interest rate (used as the lease discount rate) and had five annual principal and interest payments of $81,471. The City exercised the lease $1 bargain purchase option and has retained the equipment.

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 lease 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 $8,945 and $987 with annual CPI increases going through the end dates of 2048 and 2064, respectively. The present value of the total lease payments was estimated using discount rates of 3.03% and 3.11% at the measurement date.

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

Year Ending June 30,	Principal	Interest	Total
2026	$ 3,589	$ 6,548	$ 10,137
2027	3,908	6,440	10,348
2028	4,242	6,321	10,563
2029	4,590	6,193	10,783
2030	4,953	6,054	11,007
2031-2035	30,786	28,651	59,437
2036-2040	42,480	23,649	66,129
2041-2045	56,789	15,170	71,959
2046-2050	43,996	7,686	51,682
2051-2055	5,520	2,820	8,340
2056-2060	7,307	1,855	9,162
2061-2064	7,387	589	7,976
Total	$ 215,547	$ 111,976	$ 327,523

Governmental Funds Subscription-Based Software Lease Agreements
The City has long-term Public Safety and Engineering/Planning subscription-based software lease agreements. The intangible right-to-use lease software had values of $24,638, $248,249, and $32,199 and were capitalized at that value to be amortized over the term of the agreements. The annual lease payments total $5,000, $53,688, and $5,500 going through the end dates of July 1, 2026, August 1, 2027, July 1, 2025, and respectively. The present value of the total lease payments, or the leases payable, totaled $24,638, $194,561, and $32,199 using discount rates of 3.69%, 4.07%, and 2.17% at the measurement date. The outstanding leases payable at June 30, 2025, total $148,792, $9,463, and $5,383, respectively.

10. LONG-TERM LIABILITIES (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2026	$ 57,660	$ 6,528	$ 64,188
2027	54,389	4,299	58,688
2028	51,589	2,100	53,689
Total	$ 163,638	$ 12,927	$ 176,565

Enterprise Funds Subscription-Based Software Lease Agreements

The City's Light and Power entered into a long-term subscription-based software lease agreement. The intangible right-to-use lease software had a value of $49,031 and was capitalized at that value to be amortized over the term of the agreement. The annual lease payments total $17,000 going through the end date of October 27, 2025. The present value of the total lease payments, or the lease payable, totaled $49,031 using a discount rates of 4.07% at the measurement date. The outstanding leases payable at June 30, 2025, totaled $16,335.

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

Year Ending June 30,	Principal	Interest	Total
2026	$ 16,335	$ 665	$ 17,000
Total	$ 16,335	$ 665	$ 17,000

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, 2025, the City's total debt limit margins were as follows:

		Governmental Activities	Business-Type Activities
Assessed Property Values (1)	$ 9,019,978,598		
4% of Assessed Property Values		$ 360,799,144	N/A
8% of Assessed Property Values		N/A	$ 721,598,288
Fiscal Year 2025 Outstanding Debt		(7,898,638)	(45,066,882)
Legal Debt Limit Margin (debt capacity)		$ 352,900,506	$ 676,531,406
Legal Debt Limit Margin % (used capacity)		2.1892%	6.2454%

(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, 2025, the contributions including accumulated interest totaled $1,027,034 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.

10. LONG-TERM LIABILITIES (Continued)

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

The estimated liability for these costs is $4,618,377 as of June 30, 2025. The City has reported and included in accrued liabilities $2,191,665 as landfill closure and post-closure care liability at June 30, 2025, which is based on 47.46% 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 2025. The City estimates it will close the landfill in 55 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 2025, has investments (approximating fair value) of $3,842,255 and $1,027,034 held in PTIF accounts, for a combined total of $4,869,289 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 $3,566,138, $467,604, and $79,000 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, 2025, is not expected to be received within 60 days after the year ended June 30, 2025, 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, 2025.

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.

12. PENSION PLAN

General information about the pension plan (continued)
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.

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.

The contribution requirements of the URS are adopted in the City's annual budget and are fully covered by the City.

12. PENSION PLAN (Continued)

Contribution rates as of June 30, 2025, are as follows:

	Tier 1 - DB System		Tier 2 - DB Hybrid System				Tier 2 - 401(k) Option			
	Employee Rate	Employer Rate	Tier 2 Fund	Employee Rate	Employer Rate	Employer 401(k)	Tier 2 Fund	Employee Rate	Employer Rate	Employer 401(k)
Noncontributory System:										
15 Local Governmental Division	0.00%	16.97%	111	0.70%	15.19%	0.00%	211	0.00%	5.19%	10.00%
Public Safety Noncontrib. System:										
48 Bountiful with 2.5% COLA	0.00%	50.38%	122	4.73%	40.97%	0.00%	222	0.00%	26.97%	14.00%

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

For the fiscal year ended June 30, 2025, the employer and employee contributions to the URS are as follows:

System	Employer Contributions	Employee Contributions
Noncontributory	$ 1,085,944	$ -
Public Safety	734,778	-
Tier 2 Public Employees	981,327	45,223
Tier 2 Public Safety and Firefighter	643,627	74,307
Tier 2 DC Only	17,878	-
Tier 2 DC Public Safety and Firefighter	68,705	-
	$ 3,532,259	$ 119,530

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

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

On June 30, 2025, the City reported a net pension asset of $0 and a net pension liability of $7,180,711. 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:

	Non-contributory System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter
Proportion of The Net Pension Liability:				
For year ending December 31, 2024	0.7019641%	100.00%	0.2039644%	0.3110770%
For year ending December 31, 2023	0.7094247%	100.00%	0.2147209%	0.3169255%
Change from Prior Measurement Date	-0.0074606%	0.00%	-0.0107565%	-0.0058485%
Proportionate Share of The Net Pension Liability/(Asset):				
For year ending December 31, 2024	$ 2,226,011	$ 4,205,702	$ 608,301	$ 140,697
For year ending December 31, 2023	$ 1,645,557	$ 4,355,799	$ 417,929	$ 119,382
Change from Prior Measurement Date	$ 580,454	$ (150,097)	$ 190,372	$ 21,315

The net pension asset and liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024, 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, 2025, the City recognized City-wide pension expense of $4,094,924.

12. PENSION PLAN (Continued)

On June 30, 2025, 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	$ 1,800,550	$ 11,583
Change in assumptions	466,202	2,272
Net difference between projected and actual earnings on pension plan investments	1,092,383	-
Changes in proportion and differences between contributions and proportionate share of contributions	108,715	19,586
Contributions subsequent to the measurement date	1,775,672	-
	$ 5,243,522	$ 33,441

$1,775,672 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, 2024. 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
2025	$ 1,505,500
2026	1,881,365
2027	(363,098)
2028	(5,757)
2029	166,030
Thereafter	250,370

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

For the year ended June 30, 2025, the City recognized pension expense of $2,019,649 for this system. On June 30, 2025, 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	$ 1,326,382	$ -
Change in assumptions	184,132	-
Net difference between projected and actual earnings on pension plan investments	670,510	-
Changes in proportion and differences between contributions and proportionate share of contributions	34	7,783
Contributions subsequent to the measurement date	531,140	-
	$ 2,712,198	$ 7,783

$531,140 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, 2024. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

12. PENSION PLAN (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	$ 1,270,676
2026	1,224,352
2027	(272,071)
2028	(49,682)
Thereafter	-

Public Safety System (Agent Plan) pension expense, and deferred outflows and deferred inflows of resources
For the year ended June 30, 2025, the City recognized pension expense of $1,207,469 for this system. On June 30, 2025, 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	$ 126,015	$ -
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	373,874	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	367,454	-
	$ 867,343	$ -

$367,454 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, 2024. 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
2025	$ 148,608
2026	523,883
2027	(146,769)
2028	(25,833)
Thereafter	-

12. PENSION PLAN (Continued)

Tier 2 Public Employees System pension expense, and deferred outflows and deferred inflows of resources
For the year ended June 30, 2025, the City recognized pension expense of $664,478 for this system. On June 30, 2025, 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	$ 262,974	$ 4,191
Change in assumptions	203,165	63
Net difference between projected and actual earnings on pension plan investments	38,880	-
Changes in proportion and differences between contributions and proportionate share of contributions	95,017	8,683
Contributions subsequent to the measurement date	505,591	-
	$ 1,105,627	$ 12,937

$505,591 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, 2024. 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
2025	$ 70,227
2026	108,356
2027	46,565
2028	57,126
2029	135,861
Thereafter	168,964

Tier 2 Public Safety System pension expense, and deferred outflows and deferred inflows of resources
For the year ended June 30, 2025, the City recognized pension expense of $203,328 for this system. On June 30, 2025, 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	$ 85,180	$ 7,392
Change in assumptions	78,905	2,209
Net difference between projected and actual earnings on pension plan investments	9,120	-
Changes in proportion and differences between contributions and proportionate share of contributions	13,662	3,120
Contributions subsequent to the measurement date	371,487	-
	$ 558,354	$ 12,721

$371,487 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, 2024. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

12. PENSION PLAN (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	$ 15,988
2026	24,774
2027	9,177
2028	12,632
2029	30,170
Thereafter	81,405

Actuarial assumptions

The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.5-9.5 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, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale 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, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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.

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%	7.01%	2.45%
Debt Securities	20%	2.54%	0.51%
Real Assets	18%	5.45%	0.98%
Private Equity	12%	10.05%	1.21%
Absolute Return	15%	4.36%	0.65%
Cash and Cash Equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
		Inflation	2.50%
	Expected Arithmetic	Nominal Return	8.30%

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.

12. PENSION PLAN (Continued)

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	$ 9,414,195	$ 2,226,011	$ (3,802,551)
Public Safety	8,378,320	4,205,702	756,093
Tier 2 Public Employees	1,816,849	608,301	(331,829)
Teir 2 Public Safety & Firefighter	479,762	140,697	(130,392)
	$ 20,089,126	$ 7,180,711	$ (3,508,679)

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

For the year ended June 30, 2025, 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	46
Inactive employees entitled to but not yet receiving benefits	13
Active employees	15
Total Agent Employer Tier 1 Plans Covered Employees	74

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, 2024:

Total Pension Liability	12/31/2024	Plan Fiduciary Net Position	12/31/2024
Service cost	$ 403,489	Contributions - employer	$ 1,184,306
Interest	2,134,110	Contributions - member	-
Benefit changes	-	Net investment income	1,992,851
Difference between actual and expected experience	514,952	Benefit payments	(1,732,435)
		Administrative expense	(9,465)
Assumption changes	-	Other	34,956
Benefit payments	(1,732,435)		
Net Change in Total Pension Liability	1,320,116	Net Change in Plan Fiduciary Net Position	1,470,213
Total Pension Liability - Beginning	31,819,357	Plan Fiduciary Net Position - Beginning	27,463,558
Total Pension Liability - Ending **(a)**	$ 33,139,473	Plan Fiduciary Net Position - Ending **(b)**	$ 28,933,771

Total Pension Liability - Plan Fiduciary Net Position **(a-b)** = Net Pension Liability	$ 4,205,702
Pension Plan Fiduciary Net Position **(b)** as a percentage of the total Total Pension Liability **(a)**	87.31%

12. PENSION PLAN (Continued)

Payables to the pension plan
On June 30, 2025, the City had $378,218 in its accrued liabilities balance payable to the URS for pay periods falling within fiscal year 2025.

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:

Defined Contribution System:	June 30,	Employee Contributions	Employer * Contributions
401(k) Plan	2025	$ 201,517	$ 243,941
	2024	145,001	$ 280,860
	2023	162,190	231,694
457 Plan	2025	$ 34,513	$ -
	2024	72,797	$ -
	2023	68,906	-
Roth IRA Plan	2025	$ 64,132	N/A
	2024	58,912	N/A
	2023	57,466	N/A

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

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, 2025, contributions totaling $172,275 were made to the plan by employees and $9,538 by the City.

14. 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, the City 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 $259,715,725 that includes various category limits, some of which are as follows: 1. Buildings, contents, and equipment limit of $248,143,725 with a $100,000 deductible per category, 2. Parked vehicles limit of $16,690,000 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 $1,352,000 with a $100,000 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 $2,300,000 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 $500,000, 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 fifteen 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.

A summary of changes in general liability claims payable for the years ended June 30, 2025, and 2024, are as follows:

	General Liability Claims Payable
Balance, June 30, 2023	$ (165,000)
New claims incurred	245,669
Payments on claims	(400,669)
Balance, June 30, 2024	(320,000)
New claims incurred	334,460
Payments on claims	(314,460)
Balance, June 30, 2025	$ (300,000)

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.

14. RISK MANAGEMENT (Continued)

A summary of changes in workers' compensation claims payable for the years ended June 30, 2025, and 2024 are as follows:

	Workers' Comp Claims Payable
Balance, June 30, 2023	$ 689,293
New claims incurred	184,132
Payments on claims	(506,869)
Balance, June 30, 2024	366,556
New claims incurred	15,088
Payments on claims	(179,134)
Balance, June 30, 2025	$ 202,510

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.

15. 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 s*tatement 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, 2025, the s*tatement of net position* reports such a lease receivable and deferred inflow totaling $1,786,122. That is the combined balance of a Public Safety building lease of $329,194, cell tower leases totaling $1,282,256, a concession building lease of $38,465, and a Main Street building lease of $136,207. These lease agreements were the result of mutually-beneficial lease arrangements on City-owned property and buildings. Leasing is not the principal operation of any City fund.

Public Safety Building Lease

In June 1996, the City entered into a 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% inflation 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 $154,879 in rental income and $8,525 in interest income from this lease for the year ended June 30, 2025.

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 2025 the City has 7 active leases, with the most recent agreement beginning in 2021. The agreements have end dates ranging between fiscal years 2026 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 $163,123 in rental income and $28,564 in interest income from these leases for the year ended June 30, 2025.

Concession Building Lease

In May 2023, the City entered into a 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 $10,372 in rental income and $1,628 in interest income from this lease for the year ended June 30, 2025.

Main Street Building Lease

On July 1, 2024, the RDA purchased land and a building on Main Street for $2,400,000 and entered into a lease-back agreement for that same property with the prior owner. The monthly lease payment is $6,000 to be paid through June 2027. The lease does not have a stated interest rate so the City's external investment pool rate of 5.4% was used as the discount rate for the lease receivable calculation. The City recognized $62,793 in rental income and $9,207 in interest income from this lease for the year ended June 30, 2025.

16. INTERGOVERNMENTAL REVENUE

Intergovernmental revenue in the governmental funds for the year ended June 30, 2025, consists of the following:

	General Fund	Capital Projects	RDA
Utah Class "B&C" Road allotment	$ 2,275,234	$ -	$ -
Local Option Transportation Tax	1,026,161	-	-
Utah Liquor Law Enforcement Grant	55,026	-	-
Various State and Local Law Enforcement Grants	38,392	-	-
SDMFSA bond tax levy reimbursement	83,935	-	-
State and local grants for trailhead and trails construction	-	40,000	-
Property Tax Increment Contributions	-	-	911,449
Federal Victims Advocate Grant - subrecipient of State	33,067	-	-
Various Federal Law Enforcement Grants - subrecipient	126,610	-	-
Total Intergovenmental Revenue	$ 3,638,425	$ 40,000	$ 911,449

The General Fund intergovernmental revenue listed differs from the s*tatement of activities* operating grants and contribution revenue by the $83,935 SDMFSA payment. The government-wide accrual basis of accounting treats the SDMFSA payment as a reduction of a note receivable rather than a revenue.

17. 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, 2025, the City paid $2,828,142 to SDMFSA for its member assessments.

18. COMMITMENTS AND CONTINGENCIES

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

The City had $17,003,828 in outstanding construction commitments on June 30, 2025, as follows:

Fund	Contractor	Project	Contract Amount	Expensed	Commitment Outstanding
Redevel. Agency	City Creek Construction	135 S Main Street building remodel	$ 1,508,640	$ 257,553	$ 1,251,087
Fiber	UTOPIA Fiber	Fiber network construction & connect	46,282,000	38,071,162	8,210,838
Water	MC Green	650 E 200 N watermain installation	406,613	211,800	194,812
Water	MC Green	Mill St. watermain installation	1,250,679	639,400	611,279
Water	Widdison Well Service	Viewmont Well Rehabilitation	702,670	117,925	584,745
Capital Projects	Taylor Electric	Mueller Park Road Retaining Wall	218,208	-	218,208
Capital Projects	Black Forest Paving	200 East road reconstruction	714,533	-	714,533
General Fund	Black Forest Paving	2025 asphalt overlay	620,857	357,119	263,738
Power	Electrical Consultants Inc	NW Substation rebuild design	884,131	489,519	394,612
Power	Cache Valley Electric	NW Substation rebuild GC	3,199,644	-	3,199,644
Power	Virginia Transformer	NW Substation transformers	1,504,520	865,620	638,900
Power	Powell Electric	NW Substation swtichgear	782,437	353,136	429,301
Power	Specialty Electrics	NW Substation relay panels	180,375	-	180,375
Power	Carlson Sales	NW Substation group op. switches	111,755	-	111,755
		Total Construction Commitments Outstanding	$ 58,367,062	$ 41,363,234	$ 17,003,828

19. 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, 2025, the following activity occurred in the City's Redevelopment Agency:

Tax increment collected from other taxing agencies for the Bountiful Project Area		
District #3 (RDA 8010)	$	765,053
District #5 (RDA 9010)		146,396
Total Tax Increment	$	911,449

Tax increment used by the Bountiful Redevelopment Agency		
Amounts loaned to local businesses for startup or redevelopment	$	1,340,000
Amounts expended on redevelopment/site improvement projects	$	455,567
Amounts expended for acquisition of property		2,411,492
Amounts expended for administrative costs		125,620
Total Expenditures	$	4,332,679

20. INTERNAL BALANCES AND INTERFUND TRANSFERS

On June 30, 2025, the government-wide internal balances were as follows:

Receivable Activity	Payable Activity		Amount
Governmental Activities:	Business-Type Activities:		
Internal Service Fund - Consolidation	Internal Service Fund - Consolidation	$	2,122,932
Capital Projects Fund - Due from	Fiber Fund - Due to		2,753,410
		$	4,876,342

Receivable Fund	Payable Fund		Amount
Capital Projects Fund	Fiber Fund	$	2,753,410

Internal Balances

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, 2024) internal balance of $1,941,111 due to governmental activities from business-type activities by $181,821. The internal balance as of June 30, 2025, totaled $2,122,932.

On August 22, 2023, the City Council authorized by resolution an interfund loan between the Capital Projects Fund and the Fiber Fund. The loan is an installment loan to provide a debt service funding source for the Fiber Fund until revenue from Fiber subscribers is sufficient to cover operating costs and the monthly debt service escrow requirements of the Sales Tax Series 2023 bonds.

The interfund agreement includes a term not to exceed five years from the date of the first loan installment, and a variable monthly interest rate tied to the higher of the Public Treasurers' Investment Fund (PTIF) or the 5-year US Treasury note. The interest rate on the interfund loan was 4.48% on June 30, 2025. The first loan installment was made on September 5, 2023, beginning the not-to-exceed period of five years. The interfund principal balance at fiscal year end was $2,746,668 with accrued interest of $6,742 for a combined total of $2,753,410.

20. INTERNAL BALANCES AND INTERFUND TRANSFERS (Continued)

Interfund Transfers

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, 2025, were as follows:

Individual Fund Reconciliation

	In	Out
Governmental:		
General Fund	$ 3,222,651	$ -
Capital Projects Fund	613,755	2,000,000
RAP Tax	-	613,755
Govermental Funds Total	$ 3,836,406	$ 2,613,755
Enterprise:		
Water Fund	$ 2,000,000	$ -
Light and Power Fund	-	3,222,651
Enterprise Funds Total	$ 2,000,000	$ 3,222,651

Government-Wide Reconciliation

	Governmental In/(Out)	Business-Type In/(Out)
General Fund	$ 3,222,651	$ -
Capital Projects Fund	(2,000,000)	-
Water Fund	-	2,000,000
Light and Power Fund	-	(3,222,651)
Government-Wide Total	$ 1,222,651	$ (1,222,651)

Detailed descriptions of the interfund transfers for the year ended June 30, 2025, are as follows:

- $3,222,651 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*.
- $613,755 Capital Projects Fund transfer from the RAP Tax Fund – The Capital Projects Fund constructed a City park with an ice ribbon (Town Square) and a trailhead 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 $613,755 is the transfer of current-year RAP taxes available to the Capital Projects Fund.
- $2,000,000 Capital Projects Fund transfer to the Water Fund – This was a budgeted transfer of Capital Projects Fund reserves to the Water Fund to aid in the financing of the rebuild of a culinary water reservoir to take place in fiscal years 2026 and 2027.

21. 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, 2025, that committed balance totaled $7,203,000. 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, 2025, those committed balances were $10,132,000 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.

21. FUND BALANCE AND NET POSITION (Continued)

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, 2025, the combined reserves, or minimum unrestricted net position, in each required enterprise fund were as follows: Water $4,789,000, Light and Power $17,289,000, Sanitation $2,706,000, Storm Water $1,119,000, Golf $1,082,000, and Cemetery $523,000.

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.

Deficit net position

The City's Fiber Fund reported a deficit net position of $1,936,982 at June 30, 2025. This fund accounts for the new fiber-optic network utility started in fiscal year 2023. These new operations are running at a deficit as the network was still being built during the current fiscal year and subscribership was estimated to take several years to reach a break-even point. As such, subscriber revenues are not currently sufficient to cover the operating costs of the utility. It was known that for these start-up years the operations would run deficits. It is projected that the network will have sufficient subscription revenue to cover all operating costs with enough surplus to eventually remove the deficit net position of the Fund.

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

BOUNTIFUL CITY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Budget Variance	Actual	Variance with
	Original	Final	Original to Final	Amounts	Final budget
Revenues					
Property taxes	$ 3,877,963	$ 3,877,963	$ -	$ 3,888,571	$ 10,608
Sales taxes	7,690,345	7,690,345	-	6,742,091	(948,254)
Franchise taxes	4,009,000	4,009,000	-	4,477,713	468,713
Licenses and permits	633,650	633,650	-	769,351	135,701
Intergovernmental revenues	3,264,640	3,264,640	-	3,638,425	373,785
Charges for services	1,465,211	1,465,211	-	1,588,921	123,710
Fines and forfeitures	120,000	120,000	-	152,106	32,106
Investment earnings	252,217	252,217	-	446,803	194,586
Miscellaneous	102,600	102,600	-	123,597	20,997
Total Revenues	21,415,626	21,415,626	-	21,827,578	411,952
Expenditures					
Current:					
General government:					
Legislative	772,166	772,166	-	577,309	194,857
Legal	549,351	549,351	-	522,621	26,730
Executive	220,728	238,828	18,100	233,155	5,673
Information technology	717,253	717,253	-	580,577	136,676
Finance	672,047	672,047	-	576,816	95,231
Human resources	189,809	194,965	5,156	191,541	3,424
Government buildings	150,021	150,021	-	132,550	17,471
Public safety:					
Police	10,205,351	10,380,351	175,000	9,915,085	465,266
Fire	2,774,537	2,828,147	53,610	2,828,142	5
Streets	5,180,878	5,180,878	-	4,700,430	480,448
Planning and engineering:					
Planning	434,566	434,566	-	413,745	20,821
Engineering	863,938	898,809	34,871	861,503	37,306
Parks and recreation	1,669,839	2,029,139	359,300	1,889,649	139,490
Total Expenditures	24,400,484	25,046,521	646,037	23,423,123	1,623,398
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,984,858)	(3,630,895)	646,037	(1,595,545)	2,035,350
Other Financing Sources (Uses)					
Transfer in	2,990,000	2,990,000	-	3,222,651	232,651
Sale of capital assets	-	-	-	1,880	1,880
Total Other Financing Sources (Uses)	2,990,000	2,990,000	-	3,224,531	234,531
Net Change in Fund Balance *	$ 5,142	$ (640,895)	$ 646,037	1,628,986	$ 2,269,881
Fund Balance, Beginning				6,010,572	
Fund Balance, Ending				$ 7,639,558	

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

BOUNTIFUL CITY
BUDGETARY COMPARISON SCHEDULE
REDEVELOPMENT AGENCY
For The Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Budget Variance	Actual	Variance with
	Original	Final	Original to Final	Amounts	Final budget
Revenues					
Property taxes	$ 79,000	$ 79,000	$ -	$ 71,500	$ (7,500)
Property tax increment contribution	764,947	764,947	-	911,449	146,502
Charges for services	-	-	-	62,793	62,793
Investment earnings	173,423	173,423	-	208,942	35,519
Principal payments on notes receivable	149,713	149,713	-	211,464	61,751
Total Revenues	1,167,083	1,167,083	-	1,466,148	299,065
Expenditures					
Current:					
Redevelopment	3,264,409	5,675,909	2,411,500	4,332,679	1,343,230
Total Expenditures	3,264,409	5,675,909	2,411,500	4,332,679	1,343,230
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,097,326)	(4,508,826)	2,411,500	(2,866,531)	1,642,295
Net Change in Fund Balance *	$ (2,097,326)	$ (4,508,826)	$ (4,508,826)	(2,866,531)	$ 1,642,295
Fund Balance, Beginning				5,790,751	
Fund Balance, Ending				$ 2,924,220	

* 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 CHANGES IN FIDUCIARY NET POSITION AND RELATED RATIOS
PUBLIC SAFETY AGENT PENSION PLAN *(PRESENTED IN THOUSANDS)*
LAST TEN PLAN CALENDER YEARS

	Public Safety - Agent Plan									
	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Total Pension Liability										
Service cost	$ 403	$ 456	$ 405	$ 390	$ 416	$ 402	$ 394	$ 411	$ 409	$ 380
Interest	2,134	2,030	2,020	2,021	1,966	1,903	1,859	1,845	1,711	1,682
Benefit changes	-	-	-	-	-	-	-	-	-	-
Difference between actual and expected experience	516	570	(574)	(787)	(5)	166	(92)	(453)	383	652
Assumption changes	-	324	-	341	35	-	-	880	830	-
Benefit payments	(1,733)	(1,930)	(1,542)	(1,586)	(1,613)	(1,521)	(1,570)	(1,514)	(1,435)	(1,358)
Refunds	-	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	1,320	1,450	309	379	799	950	591	1,169	1,898	1,356
Total Pension Liability - Beginning	31,820	30,370	30,061	29,682	28,883	27,933	27,342	26,173	24,275	22,919
Total Pension Liability - Ending (a)	33,140	31,820	30,370	30,061	29,682	28,883	27,933	27,342	26,173	24,275
Plan Fiduciary Net Position										
Contributions - member	-	-	-	-	-	-	-	-	-	-
Contributions - employer	1,184	1,186	1,244	1,090	1,032	1,033	964	911	943	883
Net investment income	1,993	2,346	(1,462)	4,161	2,825	2,889	(78)	2,498	1,493	310
Benefit payments	(1,733)	(1,930)	(1,542)	(1,586)	(1,613)	(1,521)	(1,570)	(1,514)	(1,435)	(1,358)
Refunds	-	-	-	-	-	-	-	-	-	-
Administrative expense	(9)	(9)	(9)	(9)	(9)	(9)	(10)	(9)	(9)	(9)
Net transfers with affiliated systems	35	192	(644)	36	(666)	36	35	323	35	35
Net Change in Plan Fiduciary Net Position	1,470	1,785	(2,413)	3,692	1,569	2,428	(659)	2,209	1,027	(139)
Plan Fiduciary Net Position - Beginning	27,464	25,679	28,092	24,400	22,831	20,403	21,062	18,853	17,826	17,965
Plan Fiduciary Net Position - Ending (b)	28,934	27,464	25,679	28,092	24,400	22,831	20,403	21,062	18,853	17,826
Net Pension Liability/(Asset) - Ending (a-b)	4,206	4,356	4,691	1,969	5,282	6,052	7,530	6,280	7,320	6,449
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	87.31%	86.31%	84.55%	93.45%	82.20%	79.05%	73.04%	77.03%	72.03%	73.43%
Projected Covered Payroll	1,523	1,962	1,728	1,688	1,780	1,707	1,675	1,814	1,810	1,776
Net Pension Liability as a Percentage of Covered Payroll	276.17%	222.02%	271.47%	116.65%	296.74%	354.54%	449.55%	346.20%	404.42%	363.12%

BOUNTIFUL CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN PLAN CALENDAR 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, 2024	0.7019641%	0%	100%	0.2039644%	0.3110770%
For year ending December 31, 2023	0.7094247%	0%	100%	0.2147209%	0.3169255%
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%
Proportionate Share of The Net Pension Liability/(Asset):					
For year ending December 31, 2024	$ 2,226,011	$ -	$ 4,205,702	$ 608,301	$ 140,697
For year ending December 31, 2023	1,645,556	-	4,355,799	417,929	119,383
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)
Covered Payroll:					
For year ending December 31, 2024	$ 6,348,210	$ -	$ 1,468,966	$ 6,041,567	$ 1,419,976
For year ending December 31, 2023	6,269,454	-	1,640,940	5,551,275	1,200,843
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
Proportionate Share of The Net Pension Liability/(Asset) as a Percentage of its Covered Payroll:					
For year ending December 31, 2024	35.07%	0%	286.30%	10.07%	9.91%
For year ending December 31, 2023	26.25%	0%	265.45%	7.53%	9.94%
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%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset):					
For year ending December 31, 2024	96.02%	0%	87.31%	87.44%	90.10%
For year ending December 31, 2023	96.90%	0%	86.31%	89.58%	89.10%
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%

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	2025	$ 1,085,944	$ 1,085,944	$ -	$ 6,523,124	16.65%
	2024	1,092,207	1,092,207	-	6,177,271	17.68%
	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%
Contributory	2025-'18	$ -	$ -	$ -	$ -	0.00%
	2017	3,226	3,226	-	22,309	14.46%
	2016	9,287	9,287	-	64,226	14.46%
Public Safety	2025	$ 734,778	$ 734,778	$ -	$ 1,462,774	50.23%
	2024	774,423	774,423	-	1,537,164	50.38%
	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%
Tier 2 Public Employees **	2025	$ 981,327	$ 981,327	$ -	$ 6,460,811	15.19%
	2024	921,937	921,937	-	5,758,503	16.01%
	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%

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 **	2025	$ 643,627	$ 643,627	$ -	$ 1,570,972	40.97%
	2024	534,613	534,613	-	1,304,889	40.97%
	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%
Tier 2 Public Employees DC Only **	2025	$ 17,878	$ 17,878	$ -	$ 344,464	5.19%
	2024	22,188	22,188	-	358,447	6.19%
	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%
Tier 2 Public Safety and Firefighter DC Only**	2025	$ 68,705	$ 68,705	$ -	$ 254,746	26.97%
	2024	42,450	42,450	-	157,396	26.97%
	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%

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

BOUNTIFUL CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RSI)

RSI 1. BUDGETARY SCHEDULES – BUDGET VARIANCE EXPLANATIONS

Original budget vs. final budget significant variances

During the fiscal year there were increases in appropriations between the General Fund and RDA Fund's original and final budgeted expenditures. The significant budget increases are explained as follows:

- General Fund parks and recreation expenditure budget was increased by $359,300. This is predominately due to various park restroom remodel costs, water feature repairs at Town Square, and fire mitigation services performed at Creekside Park that the original budget did not consider.
- The RDA Fund redevelopment expenditures budget was increased by $2,411,500. The RDA had budgeted to purchase a Main Street building and land during its 2024 fiscal year. That purchase was delayed and occurred in fiscal year 2025 instead. The purchase came after the 2025 original budget had already been approved, thus necessitating an amendment.

Final budget vs. actual amount significant variances

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 2025, the following analysis is offered as explanation of significant budget-to-actual variances:

Revenues:

- General Fund actual sales tax revenues came in $948,254 less than the final budget. The City allocates its sales tax revenue between the General Fund and the Capital Projects Fund. The State of Utah does not allow any municipality's General Fund to maintain a fund balance in excess of 35% of the fund's total revenues. In order to stay within that maximum requirement, sales taxes were allocated to the Capital Projects Fund that otherwise could have been recorded in the General Fund. The City-wide sales taxes did increase from fiscal year 2024, the budget deficit was simply a function of statutory compliance. The sales tax budget was not amended to reflect the reduction.
- General Fund franchise taxes came in $468,713 higher than the final budget. The main reason for the surplus is municipal energy sales and use taxes were budgeted conservatively and not amended.
- General Fund intergovernmental revenues came in $373,785 higher than the final budget. The main revenue that exceeded budget was State transportation funding (B&C road funds). This is a gasoline tax and can fluctuate based on gas prices, consumption, or legislative changes.
- RDA property tax increment revenues came in $146,502 higher than the final budget. The main reason for the variance is these revenues were budgeted conservatively and not amended.
- RDA actual charge for service revenues came in at $62,793 and there was no original or final budget for this RDA category. On July 1, 2024, the RDA purchased land and a building on Main Street and entered into a lease-back agreement for that same property. The rental payments make up this charge for service revenue, and the final budget was not amended to include this new revenue source.
- RDA principal payments on notes receivable revenues came in $61,751 higher than the final budget. During the current fiscal year there were two new notes receivable agreements established and those additional principal payments added to the revenue. The final budget was not amended for the additional revenue.

Expenditures:

- General Fund actual legislative expenditures were less than the final budget by $194,857. This is due predominately to the legislative department always budgeting for $130,000 in contingency expenditures. Nothing occurred during the fiscal year that required that contingency funding, thus the budget surplus. There was also $40,000 budgeted for a primary municipal election that was not necessary due to fewer candidates than the primary election threshold.
- RDA redevelopment expenditures were less than the final budget by $1,343,230. This is predominately due to the budget including $1,500,000 to remodel a Main Street building, purchased in fiscal year 2024, into a restaurant. During fiscal 2025 the project had multiple delays leading to only $405,766 of that budget being spent. The final budget was not amended to reflect this delay.

Budgetary basis of accounting

Budgets for governmental funds are prepared on the modified accrual basis of accounting (i.e., GAAP basis).

RSI 2. PUBLIC SAFETY AGENT PENSION PLAN

Schedule of contributions

Actuarially determined contribution rates are calculated as of January 1 and become effective July 1, 2024, 18 months after the valuation date (January 1, 2023).

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 the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2020. Female: 110% of the 2020 PR UTAH Retiree Mortality Table for females, projected with the ultimate rates from the MP-2020 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 3. PENSION PLANS CHANGES IN ASSUMPTIONS

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

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 RSI section.

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, 2025

	Special Revenue Fund				
	Landfill Closure	RAP Tax	Cemetery Perpetual Care	Debt Service	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	$ -	$ 53,778	$ 569,810	$ -	$ 623,588
Receivables:					
Taxes	-	149,034	-	-	149,034
Interest	-	1,278	13,524	-	14,802
Investments	-	215,941	2,288,025	-	2,503,966
Restricted assets:					
Cash and cash equivalents	1,027,034	-	-	31,961	1,058,995
Investments	-	-	-	128,338	128,338
Receivables	-	-	-	473,387	473,387
Total Assets	$ 1,027,034	$ 420,031	$ 2,871,359	$ 633,686	$ 4,952,110
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Total Liabilities	-	-	-	-	-
Deferred Inflows of Resources					
Unavailable revenue-property taxes	-	-	-	467,604	467,604
Total Deferred Inflows	-	-	-	467,604	467,604
Fund Balances					
Restricted:					
Landfill Closure	1,027,034	-	-	-	1,027,034
Debt service	-	-	-	166,082	166,082
Committed	-	-	2,871,359	-	2,871,359
Assigned	-	420,031	-	-	420,031
Total Fund Balances	1,027,034	420,031	2,871,359	166,082	4,484,506
Total Liabilities and Fund Balance	$ 1,027,034	$ 420,031	$ 2,871,359	$ 633,686	$ 4,952,110

BOUNTIFUL CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2025

	Special Revenue Fund				
	Landfill Closure	RAP Tax	Cemetery Perpetual Care	Debt Service	Total Nonmajor Governmental Funds
Revenues					
Property taxes	$ -	$ -	$ -	$ 524,413	$ 524,413
Sales taxes	-	829,258	-	-	829,258
Investment earnings	48,226	18,646	141,539	9,398	217,809
Miscellaneous	-	-	72,800	-	72,800
Total Revenues	48,226	847,904	214,339	533,811	1,644,280
Expenditures					
General government	-	-	877	679	1,556
Parks and recreation	-	83,335	-	-	83,335
Debt service:					
Principal	-	-	-	250,000	250,000
Interest	-	-	-	315,200	315,200
Total Expenditures	-	83,335	877	565,879	650,091
Excess (Deficiency) of Revenues Over (Under) Expenditures	48,226	764,569	213,462	(32,068)	994,189
Other Financing Sources (Uses)					
Transfer out	-	(613,755)	-	-	(613,755)
Total Other Financing Sources (Uses)	-	(613,755)	-	-	(613,755)
Changes in Fund Balance	48,226	150,814	213,462	(32,068)	380,434
Fund Balance, Beginning	978,808	269,217	2,657,897	198,150	4,104,072
Fund Balance, Ending	$ 1,027,034	$ 420,031	$ 2,871,359	$ 166,082	$ 4,484,506

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, 2025

	Budgeted Amounts		Budget Variance	Actual	Variance with
	Original	Final	Original to Final	Amounts	Final budget
Revenues					
Sales taxes	$ 3,629,655	$ 3,629,655	$ -	$ 4,643,884	$ 1,014,229
Investment earnings	922,000	933,000	11,000	2,552,342	1,619,342
Intergovernmental	125,000	125,000	-	40,000	(85,000)
Miscellaneous	5,000	5,000	-	65,932	60,932
Total Revenues	4,681,655	4,692,655	11,000	7,302,158	2,609,503
Expenditures					
General Government:					
Finance	4,000	11,000	7,000	14,344	(3,344)
Capital outlay:					
General Government:					
Legislative	290,000	290,000	-	1,200	288,800
Information Systems	220,000	220,000	-	186,374	33,626
Government Buildings	-	70,000	70,000	-	70,000
Public Safety:					
Police	792,230	882,230	90,000	874,715	7,515
Highways and Streets	2,176,000	2,176,000	-	1,195,357	980,643
Parks and recreation	615,000	666,000	51,000	655,715	10,285
Total Expenditures	4,097,230	4,315,230	218,000	2,927,705	1,387,525
Excess (Deficiency) of Revenues Over (Under) Expenditures	584,425	377,425	229,000	4,374,453	3,997,028
Other Financing Sources (Uses)					
Transfer in	600,000	600,000	-	613,755	13,755
Transfer out	(2,000,000)	(2,000,000)	-	(2,000,000)	-
Sale of capital assets	50,000	50,000	-	59,123	9,123
Total Other Financing Sources (Uses)	(1,350,000)	(1,350,000)	-	(1,327,122)	22,878
Net Change in Fund Balance *	$ (765,575)	$ (972,575)	$ 229,000	3,047,331	$ 4,019,906
Fund Balance, Beginning				49,660,002	
Fund Balance, Ending				$ 52,707,333	

* 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 LANDFILL CLOSURE FUND
For The Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Budget Variance	Actual	Variance with
	Original	Final	Original to Final	Amounts	Final budget
Revenues					
Investment earnings	$ 45,600	$ 45,600	$ -	$ 48,226	$ 2,626
Total Revenues	45,600	45,600	-	48,226	2,626
Expenditures					
General government	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	45,600	45,600	-	48,226	2,626
Net Change in Fund Balance	$ 45,600	$ 45,600	$ -	48,226	$ 2,626
Fund Balance, Beginning				978,808	
Fund Balance, Ending				$ 1,027,034	

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, 2025

	Budgeted Amounts		Budget Variance	Actual	Variance with
	Original	Final	Original to Final	Amounts	Final budget
Revenues					
Sales taxes	$ 750,000	$ 750,000	$ -	$ 829,258	$ 79,258
Investment earnings	8,000	8,000	-	18,646	10,646
Total Revenues	758,000	758,000	-	847,904	89,904
Expenditures					
Administrative fees	1,300	1,300	-	835	465
Parks and recreation projects	245,000	245,000	-	-	245,000
RAP tax grant award payments	82,500	82,500	-	82,500	-
Total Expenditures	328,800	328,800	-	83,335	245,465
Excess (Deficiency) of Revenues Over (Under) Expenditures	429,200	429,200	-	764,569	335,369
Other Financing Sources (Uses)					
Transfer out	(600,000)	(600,000)	-	(613,755)	(13,755)
Total Other Financing Sources (Uses)	(600,000)	(600,000)	-	(613,755)	(13,755)
Net Change in Fund Balance *	$ (170,800)	$ (170,800)	$ -	150,814	$ 321,614
Fund Balance, Beginning				269,217	
Fund Balance, Ending				$ 420,031	

* 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, 2025

	Budgeted Amounts		Budget Variance	Actual	Variance with
	Original	Final	Original to Final	Amounts	Final budget
Revenues					
Investment earnings	$ 72,000	$ 72,500	$ 500	$ 141,539	$ 69,039
Miscellaneous	43,000	43,000	-	72,800	29,800
Total Revenues	115,000	115,500	500	214,339	98,839
Expenditures					
Administrative fees	451	951	(500)	877	74
Total Expenditures	451	951	(500)	877	74
Excess (Deficiency) of Revenues Over (Under) Expenditures	114,549	114,549	-	213,462	98,913
Net Change in Fund Balance	$ 114,549	$ 114,549	$ -	213,462	$ 98,913
Fund Balance, Beginning				2,657,897	
Fund Balance, Ending				$ 2,871,359	

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, 2025

	Budgeted Amounts		Budget Variance	Actual	Variance with
	Original	Final	Original to Final	Amounts	Final budget
Revenues					
Property taxes	$ 541,950	$ 541,950	$ -	$ 524,413	$ (17,537)
Investment earnings	600	5,900	5,300	9,398	3,498
Total Revenues	542,550	547,850	5,300	533,811	(14,039)
Expenditures					
Administrative fees	646	646	-	679	(33)
Debt service:					
Principal	250,000	250,000	-	250,000	-
Interest	308,950	315,250	(6,300)	315,200	50
Total Expenditures	559,596	565,896	(6,300)	565,879	17
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,046)	(18,046)	(1,000)	(32,068)	(14,022)
Other Financing Sources (Uses)					
Transfer out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balance *	$ (17,046)	$ (18,046)	$ (1,000)	(32,068)	$ (14,022)
Fund Balance, Beginning				198,150	
Fund Balance, Ending				$ 166,082	

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

NONMAJOR ENTERPRISE FUNDS

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

- Storm Water – to account for monthly storm water charges collected to cover the cost to install and maintain storm drain infrastructure throughout the City.
- 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, 2025

	Business-type Activities - Enterprise Funds			
	Storm Water	Golf Course	Cemetery	Total Nonmajor Enterprise Funds
Assets				
Current Assets:				
Cash and cash equivalents	$ 866,496	$ 221,399	$ 207,945	$ 1,295,840
Receivables:				
Accounts receivable, net	286,150	3,145	17,200	306,495
Interest	25,143	7,132	4,934	37,209
Investments	4,269,813	1,207,271	834,987	6,312,071
Inventories	-	85,137	-	85,137
Total Current Assets	5,447,602	1,524,084	1,065,066	8,036,752
Noncurrent Assets:				
Restricted assets:				
Cash and cash equivalents	196,860	80,160	-	277,020
Capital assets, net:				
Land, land rights and water rights	1,491	1,997,619	5,198,189	7,197,299
Buildings, wells and reservoirs	85,133	540,826	216,693	842,652
Improvements other than buildings	-	177,873	489,172	667,045
Water transmission, distribution, and collection infrastructure	5,511,340	-	-	5,511,340
Machinery and equipment	837,606	190,646	80,023	1,108,275
Construction in progress	206,164	-	-	206,164
Intangible right-to-use lease assets	-	242,200	-	242,200
Total Noncurrent Assets	6,838,594	3,229,324	5,984,077	16,051,995
Total Assets	12,286,196	4,753,408	7,049,143	24,088,747
Deferred Outflows of Resources				
Pensions	216,678	145,220	65,025	426,923
Total Deferred Outflows	216,678	145,220	65,025	426,923
Total Assets and Deferred Outflows	$ 12,502,874	$ 4,898,628	$ 7,114,168	$ 24,515,670

BOUNTIFUL CITY
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Continued)
June 30, 2025

	Business-type Activities - Enterprise Funds			
	Storm Water	Golf Course	Cemetery	Total Nonmajor Enterprise Funds
Liabilities				
Current Liabilities:				
Accounts payable	$ 218,506	$ 69,510	$ 13,585	$ 301,601
Accrued liabilities	16,639	60,016	11,396	88,051
Retainage payable - restricted assets	11,119	-	-	11,119
Unearned revenue - restricted assets	-	80,160	-	80,160
Compensated absences	12,806	19,528	12,231	44,565
Total Current Liabilities	259,070	229,214	37,212	525,496
Noncurrent Liabilities:				
Developer and customer deposits - restricted assets	185,741	-	-	185,741
Compensated absences	11,449	72,794	24,860	109,103
Net pension liability	160,859	107,810	48,274	316,943
Total Noncurrent Liabilities	358,049	180,604	73,134	611,787
Total Liabilities	617,119	409,818	110,346	1,137,283
Deferred Inflows of Resources				
Pensions	1,176	788	353	2,317
Total Deferred Inflows	1,176	788	353	2,317
Net Position				
Net investment in capital assets	6,419,780	3,138,165	5,984,077	15,542,022
Unrestricted	5,464,799	1,349,857	1,019,392	7,834,048
Total Net Position	11,884,579	4,488,022	7,003,469	23,376,070
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 12,502,874	$ 4,898,628	$ 7,114,168	$ 24,515,670

BOUNTIFUL CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For The Fiscal Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Storm Water	Golf Course	Cemetery	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for services	$ 2,062,132	$ -	$ 569,720	$ 2,631,852
Admissions and greens fees	-	1,415,880	-	1,415,880
Equipment and facility rents	-	673,035	-	673,035
Merchandise and concession sales	-	344,294	-	344,294
Sale of cemetery burial plots	-	-	109,850	109,850
Miscellaneous	7,188	5,348	-	12,536
Total Operating Revenues	2,069,320	2,438,557	679,570	5,187,447
Operating Expenses				
Personnel wages and benefits	555,995	999,279	401,473	1,956,747
Materials and supplies	7,973	248,777	13,738	270,488
Repair and maintenance costs	232,181	373,213	119,918	725,312
Contractual and professional services	90,801	8,700	327	99,828
General and administrative costs	158,155	331,537	108,334	598,026
Depreciation	506,519	130,345	52,191	689,055
Amortization	-	89,785	-	89,785
Total Operating Expenses	1,551,624	2,181,636	695,981	4,429,241
Operating Income (Loss)	$ 517,696	$ 256,921	$ (16,411)	$ 758,206
Nonoperating Revenues (Expenses)				
Investment earnings	$ 249,086	$ 66,075	$ 52,679	$ 367,840
Interest expense	-	(592)	-	(592)
Gain (loss) from disposal of capital assets	15,219	6,000	-	21,219
Capital contributions	5,400	-	-	5,400
Total Nonoperating Revenues (Expenses)	269,705	71,483	52,679	393,867
Changes in Net Position	787,401	328,404	36,268	1,152,073
Net Position, Beginning	11,097,178	4,159,618	6,967,201	22,223,997
Net Position, Ending	$ 11,884,579	$ 4,488,022	$ 7,003,469	$ 23,376,070

BOUNTIFUL CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For The Fiscal Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Storm Water	Golf Course	Cemetery	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities				
Receipts from customers and users	$ 2,077,306	$ 2,435,690	$ 669,770	$ 5,182,766
Receipts from customer deposits	86,656	-	-	86,656
Payments to suppliers	(497,413)	(724,752)	(141,665)	(1,363,830)
Payments to employees and related benefits	(536,619)	(983,891)	(392,380)	(1,912,890)
Payments to other funds for services provided	(135,265)	(170,764)	(85,701)	(391,730)
Return of customer deposits	(46,335)	-	-	(46,335)
Net cash flows from operating activities	948,330	556,283	50,024	1,554,637
Cash Flows From Non-Capital Financing Activities				
Grants received	6,556	-	-	6,556
Net cash flows from non-capital financing activities	6,556	-	-	6,556
Cash Flows From Capital and Related Financing				
Capital contributions received	5,400	-	-	5,400
Purchase of capital assets	(911,822)	(110,791)	(41,338)	(1,063,951)
Proceeds from sales of capital assets	15,675	6,000	-	21,675
Principal paid on equipment lease	-	(79,102)	-	(79,102)
Interest paid on equipment lease	-	(2,369)	-	(2,369)
Net cash flows from capital and related financing activities	(890,747)	(186,262)	(41,338)	(1,118,347)
Cash Flows From Investing Activities				
Investment earnings	198,226	50,270	42,683	291,179
Purchase of investments	(1,875,314)	(781,777)	(366,729)	(3,023,820)
Maturity or sale of investments	1,503,936	411,416	294,063	2,209,415
Net cash flows from investing activities	(173,152)	(320,091)	(29,983)	(523,226)
Net Increase (Decrease) In Cash and Cash Equivalents	(109,013)	49,930	(21,297)	(80,380)
Cash and Cash Equivalents, Beginning	1,172,369	251,629	229,242	1,653,240
Cash and Cash Equivalents, Ending	$ 1,063,356	$ 301,559	$ 207,945	$ 1,572,860

BOUNTIFUL CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Fiscal Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Storm Water	Golf Course	Cemetery	Total Nonmajor Enterprise Funds
Reconciliation of operating income to net cash flows from operating activities				
Earnings (loss) from operations	$ 517,696	$ 256,921	$ (16,411)	$ 758,206
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:				
Depreciation and amortization	506,519	220,130	52,191	778,840
Changes in assets and liabilities				
Accounts receivable, net	7,986	(2,867)	(9,800)	(4,681)
Inventories	-	24,678	-	24,678
Deferred outflows - pensions	(50,656)	(3,855)	(2,640)	(57,151)
Accounts payable	(140,522)	24,381	7,467	(108,674)
Accrued liabilities	4,841	7,347	2,410	14,598
Retainage payable	(7,887)	-	-	(7,887)
Unearned revenue	-	(4,185)	-	(4,185)
Developer and customer deposits	40,321	-	-	40,321
Compensated absences	3,056	6,077	3,900	13,033
Deferred inflows - pensions	(188)	(374)	(160)	(722)
Net pension liability	67,164	28,030	13,067	108,261
Net cash flows from operating activities	$ 948,330	$ 556,283	$ 50,024	$ 1,554,637
Schedule of non-cash capital and related financing activities				
Purchase of capital assets on account	$ 221,954	$ 10,999	$ -	$ 232,953

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 $500,000 for workers' compensation claims with and excess insurance policy covering from $500,000 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, 2025

	Risk Management	Workers' Compensation Self-Insurance	Total Internal Service Funds
Assets			
Current Assets			
Cash and cash equivalents	$ 74,746	$ 243,372	$ 318,118
Receivables:			
Interest receivable	1,777	5,491	7,268
Other receivables	-	9,231	9,231
Investments	300,133	928,558	1,228,691
Total Current Assets	376,656	1,186,652	1,563,308
Noncurrent Assets			
Restricted cash and cash equivalents	539,660	-	539,660
Total Noncurrent Assets	539,660	-	539,660
Total Assets	916,316	1,186,652	2,102,968
Deferred Outflows of Resources			
Pensions	25,667	16,710	42,377
Total Deferred Outflows	25,667	16,710	42,377
Total Assets and Deferred Outflows	$ 941,983	$ 1,203,362	$ 2,145,345
Liabilities			
Current Liabilities			
Accounts payable	$ 378,597	$ 202,517	$ 581,114
Accrued liabilities	2,994	1,630	4,624
Total Current Liabilities	381,591	204,147	585,738
Noncurrent Liabilities			
Net pension liability	19,055	12,405	31,460
Total Noncurrent Liabilities	19,055	12,405	31,460
Total Liabilities	400,646	216,552	617,198
Deferred Inflows of Resources			
Pensions	139	91	230
Total Deferred Inflows	139	91	230
Net Position			
Restricted:			
Regulatory required deposit	539,660	-	539,660
Unrestricted	1,538	986,719	988,257
Total Net Position	541,198	986,719	1,527,917
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 941,983	$ 1,203,362	$ 2,145,345

BOUNTIFUL CITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
For The Fiscal Year Ended June 30, 2025

	Risk Management	Workers' Compensation Self-Insurance	Total Internal Service Funds
Operating Revenues			
Charges for services	$ 651,266	$ 368,894	$ 1,020,160
Miscellaneous	-	61,908	61,908
Total Operating Revenues	651,266	430,802	1,082,068
Operating Expenses			
Personnel wages and benefits	116,403	82,682	199,085
Contractual and professional services	127,040	9,651	136,691
General and administrative costs	658,952	83,419	742,371
Claims	334,460	15,088	349,548
Total Operating Expenses	1,236,855	190,840	1,427,695
Operating Income (Loss)	(585,589)	239,962	(345,627)
Nonoperating Revenues (Expense)			
Investment earnings	32,390	54,964	87,354
Total Nonoperating Revenues (Expense)	32,390	54,964	87,354
Changes in Net Position	(553,199)	294,926	(258,273)
Net Position, Beginning	1,094,397	691,793	1,786,190
Net Position, Ending	$ 541,198	$ 986,719	$ 1,527,917

BOUNTIFUL CITY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Fiscal Year Ended June 30, 2025

	Risk Management	Workers' Compensation Self-Insurance	Total Internal Service Funds
Cash Flows From Operating Activities			
Receipts from interfund charges	$ 651,266	$ 366,937	$ 1,018,203
Payments to suppliers	(1,067,349)	(128,914)	(1,196,263)
Payments to employees and related benefits	(113,229)	(80,230)	(193,459)
Net cash flows from operating activities	(529,312)	157,793	(371,519)
Cash Flows From Investing Activities			
Interest on investments	30,837	43,239	74,076
Purchase of investments	(131,819)	(513,753)	(645,572)
Maturity or sale of investments	505,971	316,436	822,407
Net cash flows from investing activities	404,989	(154,078)	250,911
Net Increase (Decrease) In Cash and Cash Equivalents	(124,323)	3,715	(120,608)
Cash and Cash Equivalents, Beginning	738,729	239,657	978,386
Cash and Cash Equivalents, Ending	$ 614,406	$ 243,372	$ 857,778
Reconciliation of operating income to net cash flows from operating activities			
Earnings (loss) from operations	$ (585,589)	$ 239,962	$ (345,627)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:			
Changes in assets and liabilities			
Accounts receivable	-	(1,957)	(1,957)
Prepaid expenses	-	80,894	80,894
Accounts payable	51,614	(164,249)	(112,635)
Accrued liabilities	488	384	872
Deferred outflows - pensions	(755)	(396)	(1,151)
Deferred inflows - pensions	(66)	(43)	(109)
Net pension liability	4,996	3,198	8,194
Net cash flows from operating activities	$ (529,312)	$ 157,793	$ (371,519)

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets	$ 82,121,939	$ 81,356,410	$ 81,135,964	$ 82,645,913	$ 91,946,665	$ 101,589,508	$ 102,661,451	$ 98,466,871	$ 104,316,677	$ 104,305,361
Restricted	1,671,755	1,463,046	1,457,025	1,503,841	1,564,641	1,599,918	1,670,855	3,224,984	2,018,219	1,732,776
Unrestricted	40,132,172	36,802,950	42,218,254	44,728,492	41,096,727	39,125,888	43,205,024	55,797,325	64,735,142	69,498,215
Total governmental activities net position	$ 123,925,866	$ 119,622,406	$ 124,811,243	$ 128,878,246	$ 134,608,033	$ 142,315,314	$ 147,537,330	$ 157,489,180	$ 171,070,038	$ 175,536,352
Business-type Activities										
Net investment in capital assets	$ 65,576,188	$ 70,987,081	$ 78,825,694	$ 78,015,217	$ 77,309,072	$ 85,234,823	$ 84,257,406	$ 88,481,755	$ 88,287,825	$ 90,624,929
Restricted	548,086	616,883	618,702	649,646	689,822	111,629	244,228	200,572	-	-
Unrestricted	47,268,834	48,610,993	45,475,180	46,762,253	46,728,077	44,297,484	45,110,297	42,867,235	49,167,937	55,605,644
Total business-type activities net position	$ 113,393,108	$ 120,214,957	$ 124,919,576	$ 125,427,116	$ 124,726,971	$ 129,643,936	$ 129,611,931	$ 131,549,562	$ 137,455,762	$ 146,230,573
Primary Government										
Net investment in capital assets	$ 147,698,127	$ 152,343,491	$ 159,961,658	$ 160,661,130	$ 169,255,737	$ 186,824,331	$ 186,918,857	$ 186,948,626	$ 192,604,502	$ 194,930,290
Restricted	2,219,841	2,079,929	2,075,727	2,153,487	2,254,463	1,711,547	1,915,083	3,425,556	2,018,219	1,732,776
Unrestricted	87,401,006	85,413,943	87,693,434	91,490,745	87,824,804	83,423,372	88,315,321	98,664,560	113,903,079	125,103,859
Total primary government net position	$ 237,318,974	$ 239,837,363	$ 249,730,819	$ 254,305,362	$ 259,335,004	$ 271,959,250	$ 277,149,261	$ 289,038,742	$ 308,525,800	$ 321,766,925

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Government Activities:										
General governmental	$ 3,341,296	$ 7,192,448	$ 3,016,861	$ 2,756,678	$ 2,931,729	$ 3,421,476	$ 3,283,145	$ 3,189,018	$ 3,305,109	$ 3,619,448
Public safety	9,866,805	12,489,219	9,472,327	10,670,198	10,353,927	10,384,978	9,377,051	11,126,163	11,687,268	13,738,389
Highways and streets	4,063,869	4,897,436	4,425,284	5,058,822	5,243,263	4,923,386	4,934,614	5,888,282	5,812,225	6,088,973
Planning and engineering	731,941	867,524	859,976	893,628	951,735	985,748	900,243	1,160,009	1,222,372	1,338,089
Parks and recreation	1,065,934	1,244,612	1,219,344	1,375,540	1,445,627	1,739,662	1,868,699	2,136,461	2,993,457	3,302,608
Redevelopment	251,093	204,313	253,521	531,500	264,816	249,706	5,239,087	283,315	287,651	354,832
Interest on long-term debt	10,817	9,638	-	-	-	-	-	304,921	294,708	282,458
Total governmental activities expenses	19,331,755	26,905,190	19,247,313	21,286,366	21,191,097	21,704,956	25,602,839	24,088,169	25,602,790	28,724,797
Business-type Activities:										
Fiber (1)	-	-	-	-	-	-	-	18,098.00	2,474,830	2,784,750
Water	3,631,578	3,869,619	3,818,230	4,413,045	4,611,958	4,534,515	4,531,550	5,176,103	5,422,078	6,110,342
Light and Power	22,315,745	23,243,493	24,157,027	25,588,771	28,016,154	25,621,368	26,988,227	30,471,547	27,297,327	29,192,761
Sanitation	1,937,430	2,165,326	2,382,296	2,665,632	2,811,880	2,885,808	3,680,104	4,117,748	4,693,729	4,316,941
Storm Water	912,170	1,004,376	1,094,184	1,173,363	1,244,172	1,270,552	1,336,011	1,443,112	1,474,402	1,554,698
Golf Course	1,467,338	1,540,593	1,569,171	1,692,390	1,785,364	1,781,220	1,695,138	1,915,209	2,037,565	2,189,059
Recycling (2)	377,577	402,793	475,457	585,331	650,384	652,993	581,666	-	-	-
Cemetery	407,908	483,845	523,846	544,294	588,639	568,098	571,228	657,958	651,793	697,647
Total business-type activities expenses	31,049,746	32,710,045	34,020,211	36,662,826	39,708,551	37,314,554	39,383,924	43,799,775	44,051,724	46,846,198
Total primary government expenses	$ 50,381,501	$ 59,615,235	$ 53,267,524	$ 57,949,192	$ 60,899,648	$ 59,019,510	$ 64,986,763	$ 67,887,944	$ 69,654,514	$ 75,570,995
Government Activities Revenues:										
Charges for Services:										
General Government	$ 1,063,736	$ 1,201,472	$ 1,072,202	$ 1,044,255	$ 877,529	$ 1,000,129	$ 1,300,266	$ 1,027,592	$ 1,507,251	$ 1,362,168
Parks, culture and recreation	19,050	16,550	20,890	18,800	13,550	23,950	20,632	19,680	18,860	19,770
Public safety and highways/streets	785,777	797,307	736,835	786,737	823,572	875,481	855,977	913,064	943,410	1,128,440
Redevelopment	-	-	-	-	-	-	-	-	-	62,793
Operating Grants and Contributions (3)	1,607,310	2,341,078	2,310,290	2,454,563	5,797,259	5,742,276	6,748,873	6,679,007	4,334,320	4,465,939
Capital Grants and Contributions	546,698	419,547	9,370	431,640	15,000	934,741	213,010	341,331	1,895,665	68,411
Total gov. activities program revenues	4,022,571	4,775,954	4,149,587	4,735,995	7,526,910	8,576,577	9,138,758	8,980,674	8,699,506	7,107,521
Business-type Activities Revenues:										
Charges for Services:										
Fiber (1)	-	-	-	-	-	-	-	3,104.00	85,759	258,185
Water	4,035,730	4,099,364	5,609,766	5,639,247	5,731,483	5,810,603	5,322,829	5,451,116	5,946,589	6,343,510
Light and Power	25,824,251	26,506,316	27,098,178	27,252,441	26,614,792	28,428,125	27,863,911	30,352,580	33,071,146	35,996,967
Sanitation	2,141,057	2,174,640	2,615,459	2,586,965	2,802,191	3,030,533	3,344,036	3,864,283	3,992,389	4,445,084
Storm Water	1,159,092	1,379,679	1,611,518	1,643,847	1,686,172	1,819,937	1,933,255	2,055,540	2,053,242	2,062,132
Golf Course	1,380,724	1,379,892	1,364,870	1,149,420	1,528,188	1,743,628	1,695,612	1,833,257	2,137,524	2,433,209
Recycling	382,605	418,230	419,927	434,547	423,553	440,046	585,208	-	-	-
Cemetery	530,805	540,969	667,486	579,650	637,109	818,825	883,290	730,675	537,510	679,570
Operating Grants and Contributions	-	-	-	-	42,575	854,579	142,730	-	-	-
Capital grants and Contributions	627,167	4,979,663	800,673	974,966	655,433	1,116,124	419,375	478,223	652,488	723,238
Total business-type act. program rev.	36,081,431	41,478,753	40,187,877	40,261,083	40,121,496	44,062,400	42,190,246	44,768,778	48,476,647	52,941,895
Total primary gov. program revenues	$ 40,104,002	$ 46,254,707	$ 44,337,464	$ 44,997,078	$ 47,648,406	$ 52,638,977	$ 51,329,004	$ 53,749,452	$ 57,176,153	$ 60,049,416
Net (expense)/revenue										
Governmental activities	$ (15,309,184)	$ (22,129,236)	$ (15,097,726)	$ (16,550,371)	$ (13,664,187)	$ (13,128,379)	$ (16,464,081)	$ (15,107,495)	$ (16,903,284)	$ (21,617,276)
Business-type activities	5,031,685	8,768,708	6,167,666	3,598,257	412,945	6,747,846	2,806,322	969,003	4,424,923	6,095,697
Total primary government net expense	$ (10,277,499)	$ (13,360,528)	$ (8,930,060)	$ (12,952,114)	$ (13,251,242)	$ (6,380,533)	$ (13,657,759)	$ (14,138,492)	$ (12,478,361)	$ (15,521,579)

(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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in net position										
Governmental Activities:										
Taxes										
Property taxes (2)	$ 4,040,013	$ 3,707,397	$ 3,617,496	$ 3,969,296	$ 2,928,484	$ 2,954,441	$ 4,057,728	$ 4,742,917	$ 4,545,694	$ 4,484,484
Sales taxes	7,623,749	7,877,935	8,248,442	8,460,480	8,937,963	10,297,567	11,471,705	11,643,379	11,856,450	12,215,233
Franchise taxes	3,664,256	3,770,244	3,782,565	3,802,154	3,642,291	3,681,339	3,770,664	4,313,583	4,445,299	4,477,713
Interest on investments	587,417	566,395	551,096	1,625,239	1,211,323	572,469	(453,049)	1,348,912	3,264,971	3,425,896
Miscellaneous	198,791	232,739	189,540	157,982	253,286	235,074	257,045	217,471	202,068	205,470
Gain (loss) on sale of capital assets	21,178.00	43,644	94,356	57,951	5,543	106,349	66,816	63,675	49,756	52,143
Transfers	2,356,958	2,357,317	2,414,344	2,544,272	2,415,084	2,752,122	2,515,188	2,724,379	3,624,352	1,222,651
Total governmental activities	18,492,362	18,555,671	18,897,839	20,617,374	19,393,974	20,599,361	21,686,097	25,054,316	27,988,590	26,083,590
Business-type Activities:										
Interest on investments	579,854	533,388	555,260	1,528,309	1,190,104	462,287	(609,931)	840,534	4,201,413	3,612,305
Gain (loss) on sale of capital assets	1,135	400	111,436	10,007	6,881	271,555	15,304	2,696,855	24,837	33,094
Miscellaneous	283,365	241,449	284,601	263,662	105,009	187,399	210,598	155,618	234,756	256,366
Transfers	(2,356,958)	(2,357,317)	(2,414,344)	(2,544,272)	(2,415,084)	(2,752,122)	(2,515,188)	(2,724,379)	(2,979,729)	(1,222,651)
Total business-type activities	(1,492,604)	(1,582,080)	(1,463,047)	(742,294)	(1,113,090)	(1,830,881)	(2,899,217)	968,628	1,481,277	2,679,114
Total primary government	$ 16,999,758	$ 16,973,591	$ 17,434,792	$ 19,875,080	$ 18,280,884	$ 18,768,480	$ 18,786,880	$ 26,022,944	$ 29,469,867	$ 28,762,704
Change in net position										
Governmental activities	$ 3,183,178	$ (3,573,565)	$ 3,800,113	$ 4,067,003	$ 5,729,787	$ 7,470,982	$ 5,222,016	$ 9,946,821	$ 11,085,306	$ 4,466,314
Business-type activities	3,539,081	7,186,628	4,704,619	2,855,963	(700,145)	4,916,965	(92,895)	1,937,631	5,906,200	8,774,811
Total primary government	$ 6,722,259	$ 3,613,063	$ 8,504,732	$ 6,922,966	$ 5,029,642	$ 12,387,947	$ 5,129,121	$ 11,884,452	$ 16,991,506	$ 13,241,125

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 14,738	$ 5,000	$ 5,000
Restricted	51,134	38,784	-	-	-	-	-	-	-	-
Committed (1)	-	-	-	-	3,606,000	4,686,000	5,410,000	6,664,000	5,731,000	7,203,000
Assigned	12,064	18,112	37,662	55,035	44,432	30,728	1,055	330	2,266	4,279
Unassigned	3,462,187	3,386,791	3,205,350	3,903,090	227,069	1,843,959	328,849	388,612	272,306	427,279
Total General Fund	$ 3,422,107	$ 3,525,385	$ 3,443,687	$ 3,243,012	$ 3,958,125	$ 6,560,687	$ 5,739,904	$ 7,067,680	$ 6,010,572	$ 7,639,558
All other governmental funds										
Nonspendable	$ -	$ -	$ -	$ 8,780	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	1,100,305	826,762	841,957	865,831	889,085	888,436	917,879	2,365,633	1,483,681	1,193,116
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	24,905,897	25,003,359
Assigned	35,544,447	36,245,936	38,734,766	40,933,831	15,921,394	9,661,143	13,538,696	24,374,065	33,165,247	33,919,584
Total all other governmental funds	$ 38,379,439	$ 37,397,667	$ 41,461,423	$ 43,816,980	$ 41,082,061	$ 36,414,357	$ 38,886,675	$ 51,463,172	$ 59,554,825	$ 60,116,059

(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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Taxes (see Table 5)	$ 15,328,018	$ 15,355,576	$ 15,648,503	$ 16,231,930	$ 15,508,738	$ 16,933,347	$ 19,300,097	$ 20,699,879	$ 20,847,443	$ 21,177,430
Licenses and permits	538,070	679,439	607,561	514,245	508,494	625,681	791,059	615,623	971,678	769,351
Intergovernmental (1)	1,607,310	2,341,078	2,399,903	2,535,658	5,878,964	5,986,854	6,987,481	6,761,347	5,575,528	4,589,874
Charges for services	1,178,991	1,207,577	1,102,127	1,204,818	1,093,312	1,154,482	1,272,768	1,225,124	1,340,982	1,651,714
Fines and forfeitures	151,502	128,313	120,239	130,729	112,845	119,397	113,048	119,589	156,861	152,106
Investment earnings	587,417	566,395	551,096	1,625,239	1,211,323	572,467	(453,049)	1,348,912	3,264,971	3,425,896
Miscellaneous	1,442,347	1,067,640	592,904	356,640	418,305	576,451	397,722	424,044	367,157	473,793
Total Revenues	20,833,655	21,346,018	21,022,333	22,599,259	24,731,981	25,968,679	28,409,126	31,194,518	32,524,620	32,240,164
Expenditures:										
General government	2,988,990	2,513,272	2,280,100	2,199,123	2,404,208	2,913,330	2,678,673	2,719,952	2,714,932	2,830,469
Public safety	8,946,888	8,935,881	8,846,095	9,517,509	9,660,827	10,079,173	10,715,111	11,651,121	12,009,806	12,743,227
Highways and streets	3,054,369	3,065,431	3,039,277	4,065,600	4,154,000	3,988,736	4,042,660	4,813,779	4,602,492	4,700,430
Planning and engineering	752,038	803,667	873,959	900,866	909,197	1,056,119	1,029,532	1,200,372	1,218,598	1,275,248
Parks and recreation	808,441	919,116	926,448	1,060,722	1,083,794	1,257,174	1,414,135	1,398,938	1,663,314	1,972,984
Redevelopment	248,744	605,556	1,093,209	2,419,268	2,616,503	672,552	5,452,465	160,565	693,588	4,332,679
Capital outlay (2)	176,965	4,562,705	129,191	(1,405,059)	(2,319,170)	(332,303)	80,493	137,672	512,273	(1,839,446)
Capitalized capital outlay	2,230,839	3,188,084	2,623,676	3,341,126	11,458,792	11,208,499	4,042,426	6,114,215	5,577,435	4,752,807
Debt service:										
Bond issuance costs	-	-	-	-	-	-	-	140,382	-	-
Principal	212,000	220,000	-	-	-	-	-	400,000	240,000	250,000
Interest and fiscal charges	17,280	8,800	-	-	-	-	-	331,413	163,600	315,200
Total expenditures	19,436,554	24,822,512	19,811,955	22,099,155	29,968,151	30,843,280	29,455,495	29,068,409	29,396,038	31,333,598
Excess of revenues over (under) expenditures	$ 1,397,101	$ (3,476,494)	$ 1,210,378	$ 500,104	$ (5,236,170)	$ (4,874,601)	$ (1,046,369)	$ 2,126,109	$ 3,128,582	$ 906,566

(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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other financing sources (uses):										
Transfers in	$ 2,356,958	$ 5,123,707	$ 4,385,292	$ 2,860,431	$ 3,001,334	$ 3,582,950	$ 2,998,667	$ 3,619,518	$ 4,219,252	$ 3,836,406
Transfers out	-	(2,766,390)	(1,970,948)	(411,816)	(586,250)	(830,828)	(483,479)	(895,139)	(594,900)	(2,613,755)
Bonds issued	-	-	-	-	-	-	160,000	7,465,000	-	-
Premium on bonds issued	-	-	-	-	-	-	-	529,837	-	-
Notes payable issued	-	-	-	-	-	-	-	1,000,000	-	-
Software subscription issued	-	-	-	-	-	-	-	-	194,561	-
Sale of assets	20,955	55,707	68,697	121,951	5,543	137,961	22,716	58,948	87,050	61,003
Total other financing sources (uses)	2,377,913	2,413,024	2,483,041	2,570,566	2,420,627	2,890,083	2,697,904	11,778,164	3,905,963	1,283,654
Net change in fund balances	$ 3,775,014	$ (1,063,470)	$ 3,693,419	$ 3,070,670	$ (2,815,543)	$ (1,984,518)	$ 1,651,535	$ 13,904,273	$ 7,034,545	$ 2,190,220
Debt service as a percentage of non-capital expenditures	1.33%	1.06%	N/A	N/A	N/A	N/A	N/A	3.19%	1.69%	2.13%

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
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
2024	4,314,736	230,958	11,059,743	796,707	4,445,299	20,847,443
2025	4,261,737	222,747	11,385,975	829,258	4,477,713	21,177,430

(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				
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	0.000749	8,621,722	59.19%
2024	4,507,907	534,208	51	103,748	5,145,915	0.000849	8,704,022	59.12%
2025	4,555,474	672,858	30	100,321	5,328,682	0.000814	9,019,979	59.08%

(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

		Direct Rate		Overlapping Rates								
Fiscal Year	Total Direct & Overlapping Rate	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
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
2024	0.009995	0.000738	0.000111	0.006228	0.001298	0.000200	0.000098	0.000062	0.000310	0.000234	0.000563	0.000153
2025	0.009943	0.000716	0.000098	0.006099	0.001246	0.000196	0.000094	0.000060	0.000456	0.000225	0.000550	0.000203

(1) Until FY23 Bountiful City only had a general-purpose property tax levy. FY23 started a debt service tax levy. The 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

	December 31, 2024 taxable valuation				December 31, 2015 taxable valuation			
Taxpayer	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	$ 43,917,704	1	0.82	%	$ 33,169,991	1	1.33	%
IHC Health Services Inc.	31,389,046	2	0.59		7,713,512	8	0.31	
Village Glen Main & Seniors LLC	28,919,772	3	0.54		11,925,455	3	0.48	
Questar Gas	25,517,384	4	0.48		10,299,419	5	0.41	
Millcreek Health Holdings LLC	23,766,538	5	0.45		-		-	
G&E Healthcare Reit Renaissance LLC	21,695,979	6	0.41		15,376,000	2	0.62	
MABEK Co.	14,968,913	7	0.28		10,453,117	4	0.42	
Creekside Senior Living LLC	14,236,465	8	0.27		-		-	
Horne Carrington Place LLC	13,747,250	9	0.26		-		-	
Hepworth Investment Group LLC	13,157,016	10	0.25		-		-	
KVM Colonial LLC	11,240,268	11	0.21		-		-	
WBC Partners LLC	10,101,159	12	0.19		-		-	
Performance Utah LLC	9,784,378	13	0.18		-		-	
Community Centers of America-Auburn LLC	9,181,914	14	0.17		-		-	
Hidden Hollow Circle	8,930,576	15	0.17		-		-	
2030 S Mains St Fee Owner LLC	8,879,750	16	0.17		-		-	
Bountiful Corner LLC	8,726,510	17	0.16		-		-	
Health Care Property Investors inc	8,657,406	18	0.16		-		-	
Eyelands LLC	8,110,642	19	0.15		-		-	
HCP Lakeview MOB LLC	8,198,548	20	0.15		-		-	
Qwest Corporation	-		-		9,795,462	6	0.39	
Bill Olson Investment LTD_ETAL	-		-		7,990,646	7	0.32	
Orvis, Jason & Orvis Family Company	-		-		5,752,015	9	0.23	
Bountiful Plaza Holdings	-		-		5,610,600	10	0.22	
	$323,127,218		6.06	%	$ 118,086,217		4.73	%
Taxable Value			$ 5,328,681,826				$ 2,499,075,040	

Source : Davis County Clerk Auditors Office

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

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year (2)	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years (1)	Total Collections to Date	
		Amount (1)	Percentage of Levy		Amount	Percentage of Levy
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	51,411	2,478,004	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	68,111	2,749,173	93.75
2020	2,962,566	2,727,653	92.07	74,381	2,802,034	94.58
2021	2,937,547	2,798,781	95.28	71,819	2,870,599	97.72
2022	4,022,386	3,860,554	95.98	120,999	3,981,552	98.98
2023	4,807,137	4,567,887	95.02	122,494	4,690,381	97.57
2024	4,630,438	4,385,320	94.71	103,910	4,489,231	96.95
2025	4,587,903	4,322,054	94.21	81,706	4,403,760	95.99

(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)
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	0.09250
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	0.0925
2022	25,566,969	2,174,261	122,681	27,863,911	0.0800 (4)
2023	27,655,152	2,569,471	127,956	30,352,580	0.0800
2024	30,210,091	2,761,108	99,947	33,071,146	0.0824
2025	32,970,824	2,925,242	100,902	35,996,967	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)	Population
	General Obligation Bonds (3)	Special Assessment Bonds	Lease Debt	Notes Payable	Revenue Bonds (4)	Lease Debt					
2016	-	227,513	-	-	12,085,000	-	12,312,513	0.92%	1,343,706,868	283	43,583
2017	-	-	-	-	11,420,000	-	11,420,000	0.79%	1,441,660,352	260	43,908
2018	-	-	-	-	10,745,000	-	10,745,000	0.70%	1,545,305,837	244	43,998
2019	-	-	-	-	10,055,000	-	10,055,000	0.60%	1,681,023,211	228	44,025
2020	-	-	-	-	9,350,000	-	9,350,000	0.55%	1,708,182,073	213	43,981
2021	-	-	-	-	-	302,868	302,868	0.02%	1,771,393,546	7	45,779
2022	160,000	-	-	-	-	310,636	470,636	0.03%	1,855,465,460	10	45,478
2023	7,728,345	-	-	1,034,064	-	419,092	9,181,501	0.38%	2,409,477,876	206	44,566
2024	7,461,853	-	219,153	1,000,000	47,322,676	329,963	56,333,645	2.48%	2,272,093,111	1,271	44,309
2025	7,185,361	-	163,638	1,000,000	46,570,687	231,882	55,151,568	2.45%	2,247,908,295	1,225	45,024

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.
(4) The City issued a Sales Tax Revenue Bond to construct a fiber network with a par amount of $45,525,000 and premium of $1,859,665 on August 3, 2023.

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	Fiber Fund Sales Tax Revenue Bonds (2)	Less: Amount Restricted for repayment	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Fiber Bond Percentage of Sales Tax (4)	Per Capita
2016	$ -	$ -	$ -	$ -	$ -	-	-	-
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-
2022	160	-	-	-	160	0.004%	-	3.52
2023	7,728	20	-	-	7,708	0.151%	-	173
2024	7,462	198	47,323	725	53,861	0.141%	421%	1,216
2025	7,185	166	46,571	779	52,811	0.131%	402%	1,173

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.
(2) The City issued a Fiber Sales Tax Revenue Bond with a par value of $45,525,000 on August 3, 2023.
(3) Percentage of outstanding GO Bonded Debt to actual taxable value of property.
(4) Percentage of outstanding Fiber Sales Tax Revenue bonded debt to Sales Tax collections.

BOUNTIFUL CITY
Direct and Overlapping Governmental Activities Debt
June 30, 2025
Table 13

	Total Debt	Applicable to City		City Debt Ratios (2)		
		Percentage	Amount	To assessed value of: $ 5,328,681,826	To fair value of: $9,019,978,598	To population of: (per capita) 45,024
Direct Governmental-Activities City debt:						
Governmental Activities debt (3)	$ 8,185,361	100.00%	$ 8,185,361	0.15%	0.09%	$ 181.80
Total direct debt	$ 8,185,361		$ 8,185,361			
Overlapping debt:						
State of Utah (1)	$ -		$ -			
Weber Basin Water Conservancy District	132,555,000	3.94%	5,217,638	0.10%	0.06%	$ 116
Davis County	35,267,000	12.06%	4,251,452	0.08%	0.05%	$ 94
Davis School District	479,700,000	12.05%	57,822,809	1.09%	0.64%	$ 1,284
South Davis Recreation District	2,460,000	35.43%	871,515	0.02%	0.01%	$ 19
Total Overlapping debt	$ 649,982,000		$ 68,163,414			
Total direct and overlapping debt applicable to the City			$ 76,348,775	1.43%	0.85%	$ 1,696

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 with a par value of $7,625,000 on July 7th, 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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assessed value (1)	$ 4,153,601	$ 4,453,396	$ 4,779,007	$ 5,191,204	$ 5,689,454	$ 5,847,008	$ 6,607,668	$ 8,636,745	$ 8,718,844	$ 9,033,736
Governmental Debt Limit										
4% of total assessed value	166,144	178,136	191,160	207,648	227,578	233,880	264,307	345,470	348,754	361,349
Debt applicable to limit:										
General obligation bonds (2)	-	-	-	-	-	-	160.00	7,728	7,462	7,185
Special Assesment Bonds	228	-	-	-	-	-	-	-	-	-
Lease Debt	-	-	-	-	-	-	-	-	219	164
Note Payable Debt	-	-	-	-	-	-	-	1,034	1,000	1,000
Total Governmental debt applicable to limit	228	-	-	-	-	-	160	8,762	8,681	8,349
Governmental Legal Debt Margin	$ 165,916	$ 178,136	$ 191,160	$ 207,648	$ 227,578	$ 233,880	$ 264,147	$ 336,708	$ 340,073	$ 353,000
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	2.54%	2.49%	2.31%
Business-Type Debt Limit										
8% of total assessed value	332,288	356,272	382,321	415,296	455,156	467,761	528,613	690,940	697,508	722,699
Debt applicable to limit:										
2023 Fiber Sales Tax Revenue Bonds (3)	-	-	-	-	-	-	-	-	47,323	46,571
2010 Power Revenue Bonds	12,085	11,420	10,745	10,055	9,350	-	-	-	-	-
2021 Golf Lease Debt	-	-	-	-	-	303	311	197	79	-
2014 & 2019 Power Lease Debt	-	-	-	-	-	-	-	222	218	216
2024 Power SBITA	-	-	-	-	-	-	-	-	32	16
Total Business-Type debt applicable to limit	12,085	11,420	10,745	10,055	9,350	303	311	419	297	46,803
Business-Type Legal Debt Margin	$ 320,203	$ 344,852	$ 371,576	$ 405,241	$ 445,806	$ 467,458	$ 528,303	$ 690,521	$ 697,211	$ 675,896
Total net debt applicable to the limit as a percentage of debt limit	3.64%	3.21%	2.81%	2.42%	2.05%	0.06%	0.06%	0.06%	0.04%	6.48%

(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 with a par value of $7,625,000 on July 7th, 2022.
(3) The City issued a Fiber Sales Tax Revenue Bond with a par value of $45,525,000 on August 3, 2023.

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

BOUNTIFUL CITY
Pledged Revenue Coverage
Last Ten Fiscal Years
Table 15

	Revenue Bonds						Special Assessment Bonds			
Fiscal Year Ended June 30,	Gross Revenues	Less: Debt Expenses	Net Available Revenues	Debt Service Principal	Debt Service Interest	Coverage	Special Assessments Collections	Debt Service Principal	Debt Service Interest	Coverage
Revenue Bonds - Governmental Activities										
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%	-	-	-	-
2024	-	-	-	-	-	0.0%	-	-	-	-
2025	-	-	-	-	-	0.0%	-	-	-	-
Revenue Bonds - Business-Type Activities										
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%				
2024***	11,059,743	2,249,232	8,810,511	-	1,869,418	471.3%				
2025	11,385,975	2,017,300	9,368,675	690,000	2,017,300	346.1%				

** In Fiscal Year 2021 the Light & Power Fund Bond was paid off.
***In Fiscal Year 2024 the 2023 Fiber Sales Tax Revenue Bond was issued, City Sales Tax has been pledged to cover the Bond.

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)
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	45,779	(5)	1,771,394	38,694	33,008	(1)	10,570	(3)	2.40
2022	45,478	(1)	1,855,465	40,799	32,343	(1)	10,682	(3)	1.80
2023	44,566	(1)	2,409,478	54,065	31,985	(1)	10,699	(3)	2.40
2024	44,309	(1)	2,272,093	51,278	31,927	(1)	10,429	(3)	3.00
2025	45,024	(1)	2,247,908	49,927	32,043	(1)	10,299	(3)	3.10

(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 2025.
(5) 2020 Census

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

	2025				2016			
Employer (1)	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total City Employment	
Lakeview Hospital	250 - 499	1	1.06 - 2.12	%	250 - 499	2	1.20 - 2.40	%
Smith's Marketplace	250 - 499	2	1.06 - 2.12		250 - 499	3	1.20 - 2.40	
South Davis Community Hospital	250 - 499	3	1.06 - 2.12		500 - 999	1	2.41 - 4.81	
South Davis Recreation Center	250 - 499	4	1.06 - 2.12		250 - 499	4	1.20 - 2.40	
WC Staffing, LLC	250 - 499	5	1.06 - 2.12		N/A	N/A	N/A	
Bountiful Health Center	100 - 249	6	0.43 - 1.05		100 - 249	5	0.48 - 1.19	
Bountiful High School	100 - 249	7	0.43 - 1.05		N/A	N/A	N/A	
One Call Locators	100 - 249	8	0.43 - 1.05		N/A	N/A	N/A	
Performance Ford Lincoln Bountiful	100 - 249	9	0.43 - 1.05		N/A	N/A	N/A	
Viewmont High School	100 - 249	10	0.43 - 1.05		100 - 249	10	0.48 - 1.19	
Bountiful Medical Investors	N/A	N/A	N/A		100 - 249	7	0.48 - 1.19	
Brighton Rehabilitation	N/A	N/A	N/A		100 - 249	8	0.48 - 1.19	
Toyota Bountiful	N/A	N/A	N/A		100 - 249	9	0.48 - 1.19	
Total	1,750 - 3,740		7.45 - 15.85	%	2,500 - 5,240		8.89 - 19.15	%

(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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Department										
General Fund										
Legislative	6	6	6	6	6	6	6	6	6	6
Legal	2	3	4	4	4	4	4	5	4	3
Executive	2	2	2	2	3	4	3	4	4	4
Human Resources	2	2	2	2	2	3	2	2	2	2
Information Systems	4	4	3	4	4	3	4	4	3	4
Administrative	5	5	5	5	5	5	5	5	12	11
Treasurer (2)	7	7	7	7	7	7	7	7	0	0
Government Buildings	2	1	2	1	2	1	1	1	1	1
Police	80	80	56	61	61	78	61	61	61	59
Streets	21	22	22	22	22	22	20	23	21	20
Engineering	8	7	8	8	9	9	9	9	9	7
Parks	21	19	28	28	32	28	23	29	28	29
Planning	4	5	6	4	4	5	4	5	5	4
General Fund Total	166	164	163	151	154	161	176	150	156	150
Enterprise Funds										
Storm Water (1)	3	2	4	4	3	3	4	4	4	5
Water	15	16	19	19	17	18	16	18	16	17
Light and Power	34	37	37	35	36	37	37	37	37	43
Golf	49	43	51	45	43	43	41	39	37	41
Landfill (1)	9	10	11	11	12	11	11	10	10	10
Sanitation (1)	5	5	6	5	5	5	5	6	6	6
Recycling (1)	0	0	0	0	0	0	0	2	2	2
Cemetery	8	8	7	7	8	6	7	8	8	7
Enterprise Fund Total	123	123	121	135	126	124	123	121	120	131
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	281

(1) These departments have shared staff from the General Fund.
(2) In Fiscal Year 24 the Finance and Treasury departments were merged.
(3) In Fiscal Year 23, the City internalized its Recycling services.
Source: City of Bountiful Human Resource Office. These numbers are accumulated based on the number of emlpoyees 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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
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	24	24	24	24	24	23	23
Highways and streets:										
Number of street lights	2,037	2,037	2,035	2,035	2,056	2,054	2,070	2,073	2,099	2,106
Number of traffic signals	15	15	15	15	15	15	15	15	15	15
Miles of streets	159.06	159.06	159.71	159.75	159.96	159.96	160.25	160.27	160.93	160.93
Public Services:										
Recreation and culture:										
Number of municipal parks	13	13	16	16	16	17	18	18	18	17
Number of municipal picnic areas	19	19	19	22	22	29	29	29	29	29
Number of municipal tennis courts	20	20	20	20	20	18	18	18	18	18
Number of municipal soccer fields	6	6	6	6	6	6	9	9	12	12
Number of municipal ball diamonds	10	10	10	10	10	8	9	9	9	9
Number of Trail Heads	2	2	2	2	2	2	3	3	3	4
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	1	1	1	1
Municipal power plants:										
Number of distribution substations	5	5	5	5	5	5	5	5	5	5
Miles of distribution and transmission lines	229.36	229.61	230.72	232.86	235.05	236.89	249.00	267.00	268.75	269.58
Municipal water plants:										
Number of fire hydrants	1,618	1,629	1,644	1,659	1,671	1,683	1,696	1,707	1,716	1,723
Miles of water mains	176.38	176.40	176.60	177.43	178.22	179.18	179.48	180.16	180.25	180.43
Max instantaneous water source capacity (gallons per minute)	9,000	9,500	9,500	9,500	9,500	9,500	10,000	10,000	10,000	10,000
Sanitation utilities:										
Number of collection trucks	13	13	13	13	13	13	13	14	15	16
Number of sanitary landfills	1	1	1	1	1	1	1	1	1	1
Storm water utility:										
Miles of storm water lines (encased)	69.65	70.14	70.80	70.80	71.89	72.30	73.06	72.74	72.86	73.74
Miles of storm water lines (concrete lined)	1.32	1.32	1.32	1.33	1.32	1.31	1.37	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 2024:	26,821
Number of votes cast in 2024 General election:	23,435
Percentage of registered voters voting:	87.38%

Sources: Various City of Bountiful Departments.

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

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Governmental:										
Ordinances passed	12	11	9	11	8	13	11	7	9	8
Resolutions passed	14	20	12	7	16	29	22	18	18	13
Public Safety:										
Hazardous citations written	2,215	1,975	1,707	1,431	3,088	1,785	2,460	2,734	1,774	1,986
Non-hazardous citations written	1,458	1,339	1,094	799	736	368	580	623	526	688
Arrests	1,382	1,130	1,107	946	875	915	877	890	892	814
Highways and Streets:										
Miles of street overlayed	5.18	7.14	17.56	5	7	5.18	4.20	4.50	1.64	3.50
Miles of street reconstructed	0.60	0.00	0.44	0	0.44	0.42	0.39	0.47	0.70	0.52
Planning and Engineering:										
Building Permits Issued	81	169	134	79	33	67	66	50	351	20
Municipal water:										
Average daily gallons consumed	3,729,000	3,968,000	4,389,454	4,442,000	4,127,000	3,688,380	3,366,819	3,512,670	3,839,437	3,174,632
Municipal power:										
Kilowatt hours sold	278,780,541	283,037,185	283,555,713	280,753,086	267,283,693	277,070,477	273,365,941	291,431,986	276,066,839	288,383,268
Storm water:										
Miles of storm drains inspected	2.92	4.61	5.52	7.56	4.02	7.11	6.96	1.43	4.09	4.80
Miles of streets cleaned	159.64	159.71	159.75	159.96	159.96	160.25	160.27	160.27	160.93	160.93
Sanitation utilities:										
Tons of waste collected and landfilled	64,640	56,848	79,880	97,974	98,704	109,984	89,508	67,540	76,882	88,783
Tons of recyclables collected	2,549	2,618	2,587	3,087	2,797	2,273	2,072	1,955	1,793	1,772

Sources: Various City of Bountiful departments.

BOUNTIFUL CITY
BOUNTIFUL, UTAH

SUPPLEMENTARY REPORTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

CERTIFIED PUBLIC ACCOUNTANTS

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

BOUNTIFUL CITY
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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, 2025, 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 7, 2025.

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 or significant deficiencies 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 7, 2025

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, 2025.

State compliance requirements were tested for the year ended June 30, 2025, in the following areas:

- Budgetary Compliance
- Fund Balance
- Restricted Taxes and Related Restricted Revenue
- Fraud Risk Assessment
- Governmental Fees
- Impact Fees
- Utah Retirement Systems
- Crime Insurance for Public Treasurers

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, 2025.

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 two instances of noncompliance, which is required to be reported in accordance with the Guide and which are described in the accompanying *Schedule of Findings and Recommendations* as items 2025-01 and 2025-02. 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

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 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.

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 matters involving internal control over compliance which we are submitting for your consideration. These matters are described in the accompanying *Schedule of Findings and Recommendations* as items 2025-01 and 2025-02.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance 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.

Purpose of this Report

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 Guide. Accordingly, this report is not suitable for any other purpose. However, pursuant to *Utah Code Title* 63G, Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross City, Utah
November 7, 2025

Utah State Compliance

2025-01 – Utah Retirement Systems – Leave of Absence Reporting

Condition: During our testing of compliance over Utah Retirement Systems (URS), it was determined that the City had not reported qualifying employee leave of absences during the fiscal year to URS.

Criteria: Governmental entities must notify URS of any qualifying leave of absences of an employee so that the applicable laws surrounding the leave type can be followed, such as the Family Medical Leave Act, the Uniformed Services & Reemployment Rights Act, the Soldiers & Sailors Civil Relief Act of 1940, laws over Workers' Compensation benefits, etc.

Cause: The City failed to fill out and submit the required leave of absence reports to URS.

Effect: The individual employees' URS benefits may have been impacted depending on the kind of leave taken and the amount of time the employee was on leave, which the City will need to remedy as applicable.

Recommendation: We recommend that the City implement processes and controls that ensure that URS is notified as required of any employee leave of absence.

City's Response: City has implemented controls as part of the payroll process that ensure that URS is notified as required of any employee leave of absence

2025-02 – Fund Balance

Condition: During our testing of compliance over fund balances, we noted a unrestricted/unassigned deficit fund balance in the Fiber Fund in the amount of $1,818,720. This is a repeat finding from the prior year.

Criteria: Utah Code Annotated (UCA) 10-6-117 states "The governing body of any city may not make any appropriation in the final budget of any fund in excess of the estimated expendable revenue for the budget period of the fund."

Cause: The City made more appropriations in the Fiber Fund than the fund had expendable revenues or savings to cover.

Effect: The Fiber Fund has a deficit fund balance which represents negative fund balance that must be recovered to bring the fund back into compliance with State Code.

Recommendation: We recommend that the City take the steps necessary to retire the current deficit in the Fiber Fund per State code requirements, and to prevent future deficits.

City's Response: The City's Fiber fund accounts for the new fiber-optic network utility started in fiscal year 2023. These new operations are running at a deficit as the network was still being built through the end of fiscal year 2025. Only at the end of fiscal 2025 was subscribership available to all areas of the City. As such, subscriber revenues are not currently sufficient to cover the operating and debt service costs of the utility. It was known that for these start-up years the operations would run deficits. It is estimated that within the next three to five fiscal years the subscriber take rate with reach 35-40% of potential subscribers. This would provide sufficient subscription revenue to cover all operating and debt service costs with enough surplus to soon remove the deficit net position of the Fund.