

BOUNTIFUL CITY, UTAH



Annual Comprehensive Financial Report For The Fiscal Year Ended June 30, 2022



Mayor: Kendalyn Harris
City Manager: Gary Hill

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



BOUNTIFUL CITY, UTAH

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**



Prepared by:

Bountiful City Finance Department

**Tyson Beck, CPA
Finance Director**

**David Burgoyne
Assistant Finance Director**

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

BOUNTIFUL CITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2022

TABLE OF CONTENTS

	<u>Page</u>
Introductory Section	
Letter of Transmittal.....	i
Principal Officials.....	iv
Organizational Chart	v
Certificate of Achievement for Excellence in Financial Reporting	vi
 Financial Section	
Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
 Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	23
Statement of Activities	25
 Fund Financial Statements:	
Balance Sheet – Governmental Funds	26
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund.....	30
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Redevelopment Agency Special Revenue Fund.....	31
Statement of Net Position – Proprietary Funds.....	32
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.....	34
Statement of Cash Flows – Proprietary Funds.....	36
Statement of Fiduciary Net Position – OPEB Plans	38
Statement of Changes in Fiduciary Net Position – OPEB Plans.....	39
 Notes to the Financial Statements	 40
 Required Supplementary Information:	
Schedule of Changes in Fiduciary Net Position and Related Ratios - Public Safety Agent Pension Plan – Last Ten Fiscal Years.....	76
Schedule of the Proportionate Share of the Net Pension Liability – Last Ten Fiscal Years.....	77
Schedule of Contributions – Pension Plans – Last Ten Fiscal Years	78
Schedule of Changes in Fiduciary Net Position and Related Ratios - OPEB Plans – Last Ten Fiscal Years.....	79
Schedule of Contributions – OPEB Plans – Last Ten Fiscal Years.....	80
 Notes to Required Supplementary Information.....	 81
 Supplemental Information:	
Introduction.....	83
Nonmajor Governmental Funds Combining and Individual Fund Statements and Schedules: Combining Balance Sheet	84

BOUNTIFUL CITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2022

TABLE OF CONTENTS (Continued)

	<u>Page</u>
Financial Section (Continued)	
Supplemental Information (Continued):	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	85
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – Landfill Closure Special Revenue Fund.....	86
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – RAP Tax Special Revenue Fund.....	87
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – Cemetery Perpetual Care Special Revenue Fund.....	88
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – Debt Service Fund.....	89
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances – Budget and Actual – Major Capital Projects Fund	90
Nonmajor Enterprise Funds Combining and Individual Fund Statements:	
Combining Statement of Net Position	91
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	93
Combining Statement of Cash Flows	95
Nonmajor Internal Service Funds Combining and Individual Fund Statements:	
Combining Statement of Net position.....	97
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	98
Combining Statement of Cash Flows	99
 Statistical Section	
Introduction.....	100
Financial Trend:	
Table 1 – Net Position by Component	101
Table 2 – Changes in Net Position.....	102
Table 3 – Fund Balances of Governmental Funds	104
Table 4 – Changes in Fund Balances of Governmental Funds	105
Revenue Capacity:	
Table 5 – Governmental Activities Tax Revenues by Source.....	107
Table 6 – Assessed Value and Estimated Actual Value of Taxable Property	108
Table 7 – Property Tax Rates Direct and Overlapping Governments	109
Table 8 – Principal Property Tax Payers	110
Table 9 – Property Tax Levies and Collections	111
Table 10 – Light and Power Charges for Services.....	112
Debt Capacity:	
Table 11 – Ratios of Outstanding Debt by Type	113
Table 12 – Ratios of General Bond Debt Outstanding	114
Table 13 – Direct and Overlapping Governmental Activities Debt	115
Table 14 – Legal Debt Margin Information	116
Table 15 – Pledged Revenue Coverage	117
Demographic and Economic Information:	
Table 16 – Demographic and Economic Statistics.....	118
Table 17 – Principal Employers.....	119
Operating Information:	
Table 18 – June Employee Count - City Government Employees by Function.....	120
Table 19 – Capital Assets Statistics by Function	121
Table 20 – Operating Indicators by Program/Function.....	122

INTRODUCTORY SECTION



BOUNTIFUL

KENDALYN HARRIS
MAYOR

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

CITY MANAGER
Gary R. Hill

November 7, 2022

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, 2022.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Keddington & Christensen, LLC, a firm of certified public accountants, has audited the City's financial statements for the fiscal year ended June 30, 2022. 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, 2022. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the fiscal year 2022 financial statements also included a federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. This additional auditing was triggered by the American Rescue Plan Act (ARPA) grant money of \$2,602,590 received during the fiscal year. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports can be found in a supplemental report dated November 7, 2022.

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

Profile of the Government

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

Profile of the Government (Continued)

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

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

The City provides the following services: public safety, public works (engineering, planning, parks and recreation, and streets), public utilities (electricity, water, recycling, landfill and sanitation, and storm water), and general government (legislative, executive, legal, finance, information technology, human resources, and treasury). 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 2022 is estimated at 45,811, with a potential for an estimated 55,000 residents at final build-out, which should occur by approximately 2030.

Local economy

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

Long-term financial planning

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

Relevant financial policies

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

The City has a policy that requires the adoption of a balanced annual operating budget (i.e., estimated revenues are equal to or in excess of appropriations). For the year ended June 30, 2022, there were three governmental funds with estimated revenues significantly less than expenditure appropriations. In such cases, the policy allows for the appropriation of fund balance to close the gap. The RDA, Capital Projects, and RAP Tax funds had final budgeted shortfalls of \$5,401,145, \$3,315,656, and \$190,210, respectively. The RDA did reduce the budgeted shortfall by \$1,105,760 due to fewer than anticipated RDA loans issued and fewer redevelopment project expenditures. The City ultimately had an actual revenue surplus in the Capital Projects fund of \$6,562,249 due to the delay of certain capital projects, favorable surpluses in tax and other revenues, and the ARPA grant proceeds. Due to similar sales tax revenues and fewer recreation expenditures, the RAP Tax fund ended with an actual revenue surplus of \$131,009.

Major initiatives

As the City is nearing its final build-out, the City's major initiatives are focused on maintaining basic services and infrastructure. There are 8 major projects in progress that are expected to be completed or initiated in fiscal years 2023 and 2024 as follows:

1. In fiscal year 2022 the City began converting the Washington Elementary land into the planned 10 acre park. Through fiscal year 2022 the park development costs totaled \$195,601 and the budgeted fiscal year 2023 development expenditures are set at \$3.2 million. The funding for this project will be provided by the 2022 General Obligation bond issued on July 7, 2022.

Major initiatives (Continued)

2. The City has recently completed a trails master plan process. The capital budgets for fiscal years 2023 and 2024 include \$2.23 million to expand the City's trail system as guided by the master plan. The funding for this project will be provided by the 2022 General Obligation bond issued on July 7, 2022.
3. A road construction project for the extension of Eagle Ridge Drive to connect to Bountiful Boulevard began during fiscal year 2022. Through fiscal year 2022 the construction costs totaled \$69,124 and the budgeted fiscal year 2023 project expenditures are set at \$1 million. The funding for this project will be provided by an interest-free loan from Davis County that will be repaid when a developer reimburses the City for the project costs.
4. The City and the RDA have been involved financially in the large Renaissance Town Center development (~1500 to 1800 South on Main Street). This development will be built in phases but is planned as a mixed residential and commercial development that will bring several hundred new apartments to the City. It is unlikely that the City will have further financial investment, but this remains a significant initiative for the City.
5. A project to rehabilitate a City culinary water well (Calder Well) is budgeted at \$557,000 in 2023.
6. The Light and Power department has started a project to expand their inventory yard and build a security wall. This project is anticipated to cost \$1,400,000 with \$200,000 budgeted in 2023 and \$1,200,000 in 2024.
7. The final major project is the rebuild of the Light and Power department's North-West substation. This project will replace all major components of the existing substation. The project is estimated to begin in fiscal year 2023 and be completed in fiscal year 2024. The project has a budget of \$615,000 in 2023 and \$3,000,000 in 2024.

All of these major initiatives discussed, with the exception of numbers 1 & 2, are anticipated be completed without any external financing.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Bountiful City for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the 41st consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR which satisfied both GAAP and applicable program requirements.

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

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

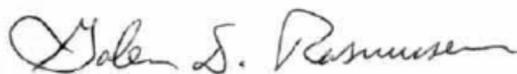
The preparation of this ACFR would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We appreciate all City departments for their assistance in providing the data necessary to prepare this report.

We also express our sincere appreciation to Mayor Kendalyn Harris, each member of the City Council, and City Manager Gary Hill for the many hours they spend in helping to run the City organization 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, 2022**

ELECTED OFFICIALS

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

EXECUTIVE BUDGETARY AND LEGAL OFFICIALS

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

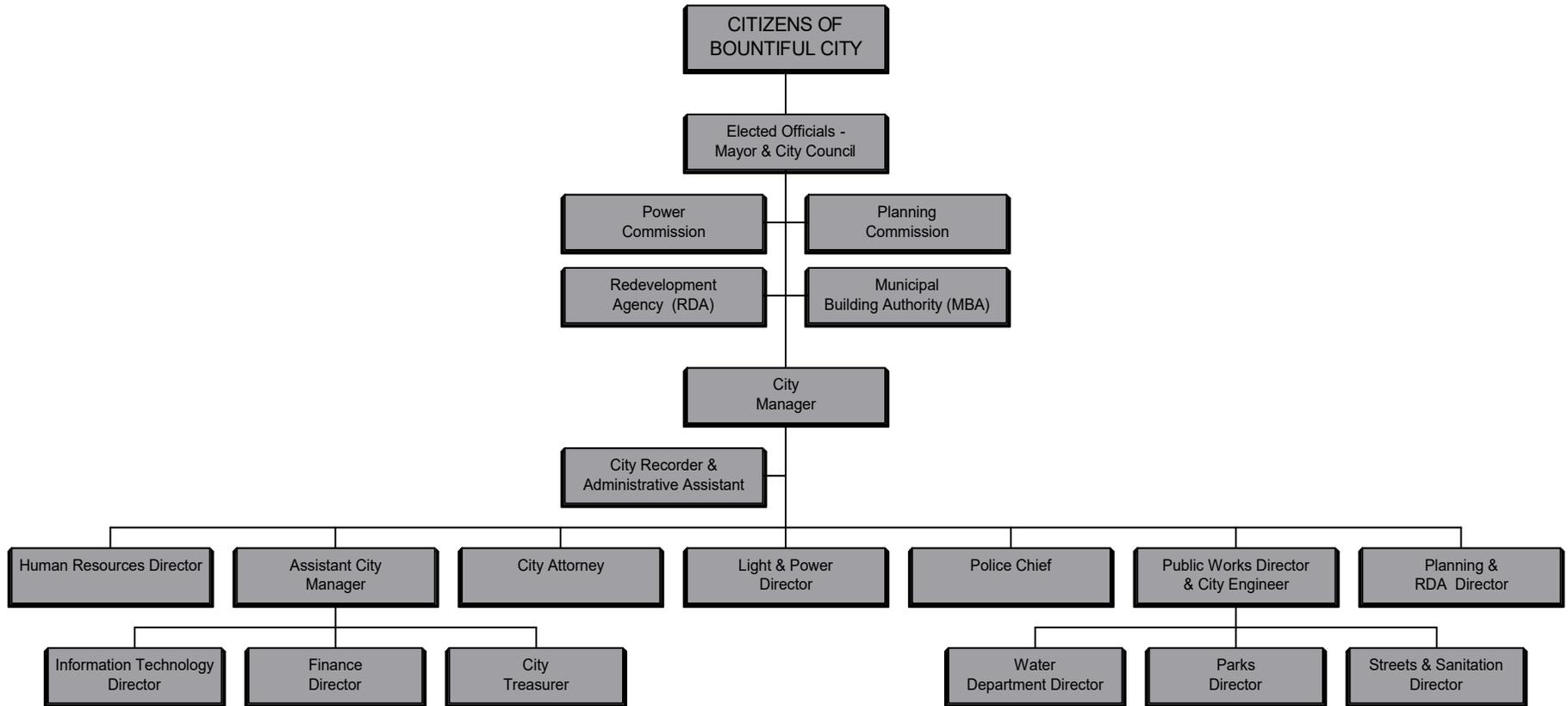
DEPARTMENT HEADS

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

STATUTORY APPOINTED OFFICIALS

S. Ted Elder	City Treasurer
Shawna Andrus	City Recorder

**BOUNTIFUL CITY
ORGANIZATIONAL CHART
June 30, 2022**





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, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



CERTIFIED PUBLIC
ACCOUNTANTS

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

To the Mayor and City Council
Bountiful City
Bountiful, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bountiful City, Utah (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bountiful City, Utah, as of June 30, 2022, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and the Redevelopment Agency Special Revenue Fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statement, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Change in Accounting Principle

As described in Note 23 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 7, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

K&C, CPA_s

K&C, Certified Public Accountants
Salt Lake City, Utah
November 7, 2022

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2022

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, 2022. 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, 2022, by \$277,149,261. Of this amount, unrestricted net position of \$88,315,321 may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net position increased by \$4,891,949 from the prior year.
- The total net position increased by \$5,190,011 from the prior year. The net increase was made up of a \$5,222,016 increase from governmental activities and a net \$32,005 decrease from business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$44,626,579, an increase of \$1,651,535 from the prior year. Of the current year fund balance amount, \$43,708,700 is unrestricted (the total of the committed, assigned, and unassigned components of fund balance) and available for spending. The remaining \$917,879 has been legally restricted by parties outside the financial reporting entity.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$5,739,904, or 29.09% of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022

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 government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 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 2022 budget.

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

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

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

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

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

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

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022

Overview of the Financial Statements (Continued)

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

Government-wide Overall Financial Analysis

On June 30, 2022, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$277,149,261. 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 62,506,508	\$ 55,749,580	\$ 54,840,555	\$ 52,293,561	\$ 117,347,063	\$ 108,043,141
Capital and intangible assets	102,825,474	101,589,508	84,628,163	85,544,496	187,453,637	187,134,004
Total assets	<u>165,331,982</u>	<u>157,339,088</u>	<u>139,468,718</u>	<u>137,838,057</u>	<u>304,800,700</u>	<u>295,177,145</u>
Total deferred outflows of resources	1,848,361	1,408,960	1,069,347	837,869	2,917,708	2,246,829
Current liabilities	2,542,823	2,312,337	3,763,189	3,771,139	6,306,012	6,083,476
Long-term liabilities	3,923,975	7,319,334	3,682,643	3,446,655	7,606,618	10,765,989
Total liabilities	<u>6,466,798</u>	<u>9,631,671</u>	<u>7,445,832</u>	<u>7,217,794</u>	<u>13,912,630</u>	<u>16,849,465</u>
Total deferred inflows of resources	13,176,215	6,801,063	3,480,302	1,814,196	16,656,517	8,615,259
Net position:						
Net investment in capital assets	102,661,451	101,589,508	84,257,406	85,234,823	186,918,857	186,824,331
Restricted	1,670,855	1,599,918	244,228	111,629	1,915,083	1,711,547
Unrestricted	43,205,024	39,125,888	45,110,297	44,297,484	88,315,321	83,423,372
Total net position	<u>\$ 147,537,330</u>	<u>\$ 142,315,314</u>	<u>\$ 129,611,931</u>	<u>\$ 129,643,936</u>	<u>\$ 277,149,261</u>	<u>\$ 271,959,250</u>

Current and other assets increased in total by \$9,303,922 from the prior year. This large swing is due predominantly to a \$3,027,616 increase in cash and investments, a \$1,335,402 decrease in receivables, a \$2,169,871 increase in leases receivable, and the \$4,627,339 net pension asset. The increase in cash and investments is partially due to the decrease in receivables as well as the results of the fiscal year 2022 operations. The leases receivable is a new balance sheet asset recorded with the implementation of the GASB 87, *Leases* standard. The net pension asset increase is the result of the Utah Retirement Systems (URS) funded status of pension liabilities. In fiscal year 2022 the URS return on investments was 17.46% vastly increasing the pension assets. This swing took a fiscal year 2021 net pension liability of \$5,744,758 to only \$1,968,504 in fiscal year 2022 with an additional net pension asset of \$4,627,339 where there was none in fiscal year 2021.

Long-term liabilities decreased in total by \$3,159,371 from the prior year. This is predominantly due to the \$3,776,254 swing in the net pension liability mentioned in the paragraph above with a partially offsetting increase of \$496,561 in accrued landfill closure due to a current year change in closure plans and cost estimates.

By far the largest portion of the City's net position \$186,918,857 (67.44%) 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, \$1,915,083 (0.69%), entails resources that are subject to external restrictions on how they may be used.

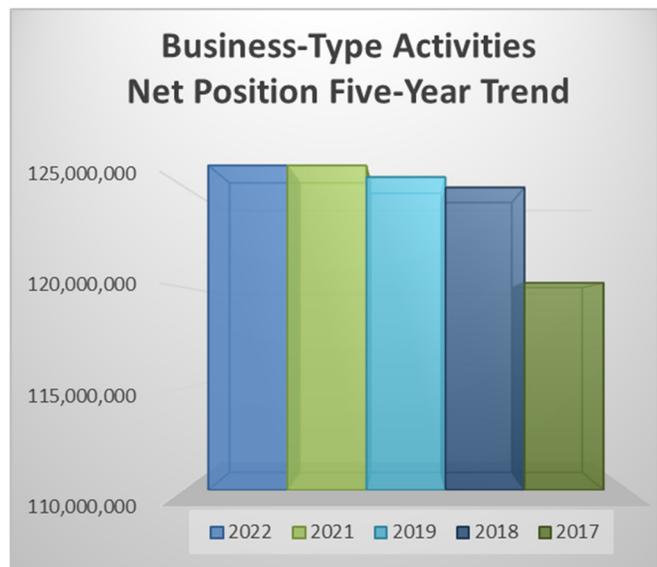
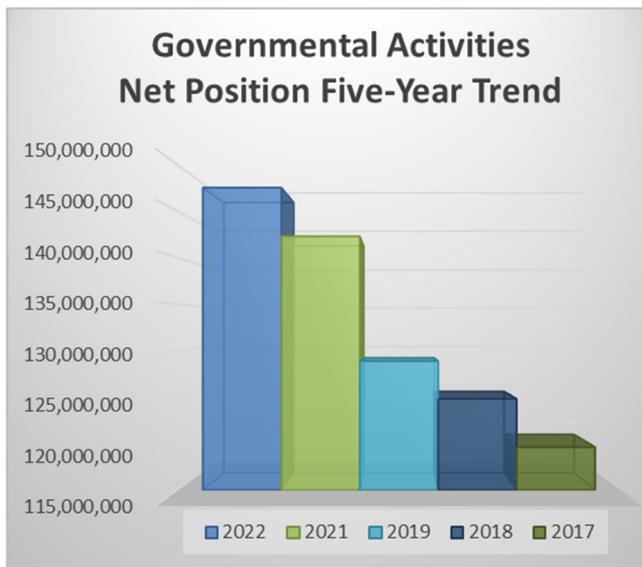
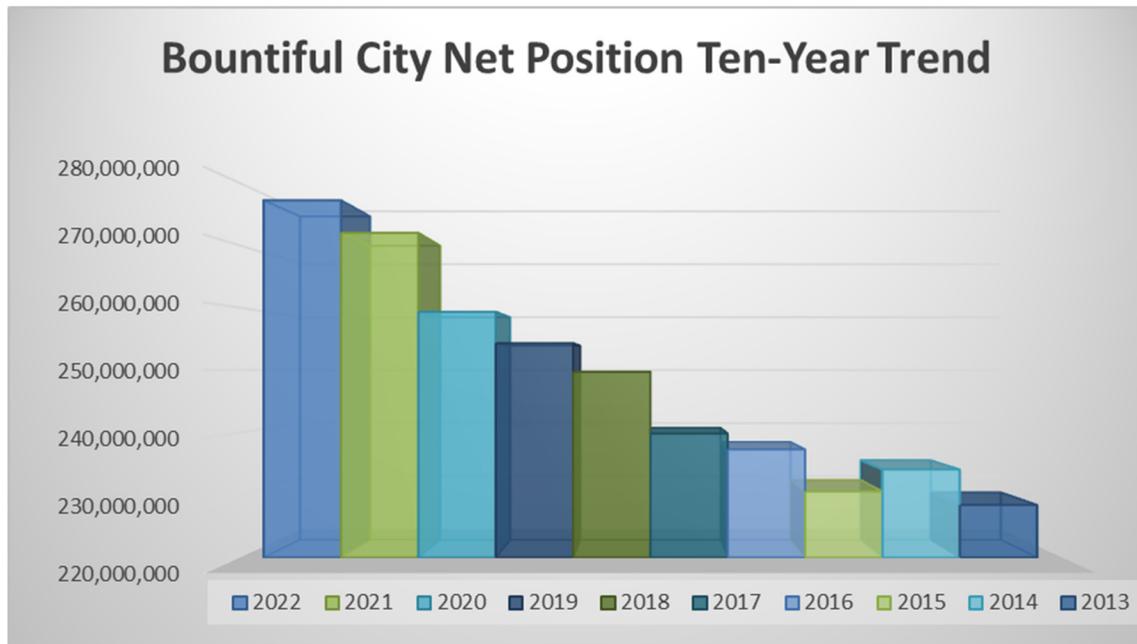
**BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022**

Government-wide Overall Financial Analysis (Continued)

The remaining balance of \$88,315,321 (31.87%) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

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

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



BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022

Government-wide Overall Financial Analysis (Continued)

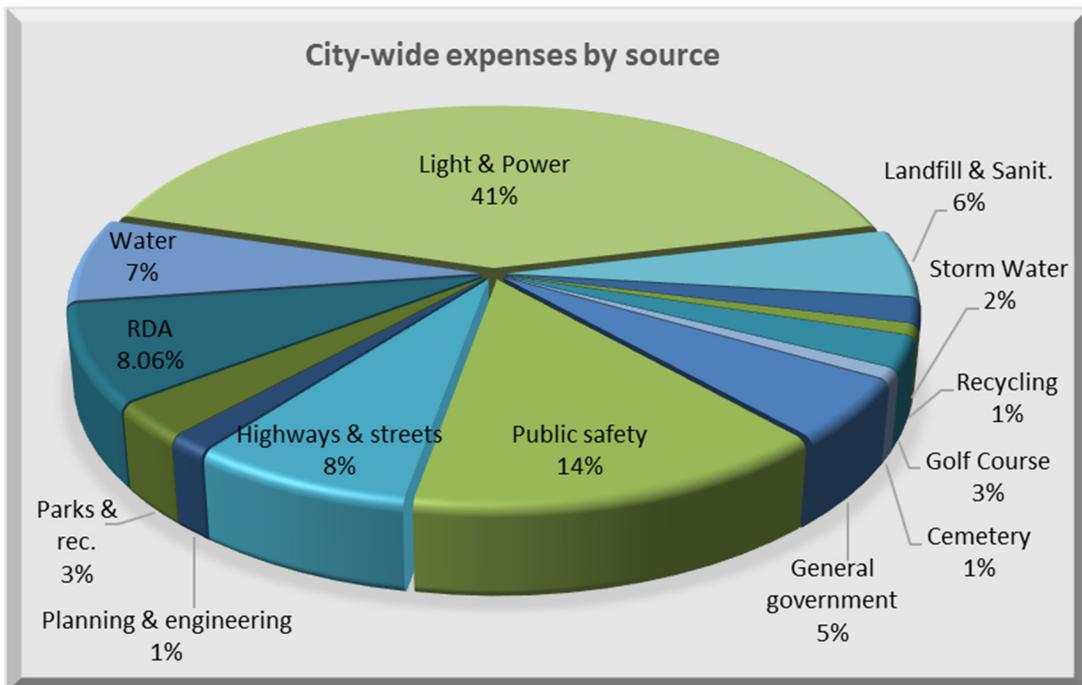
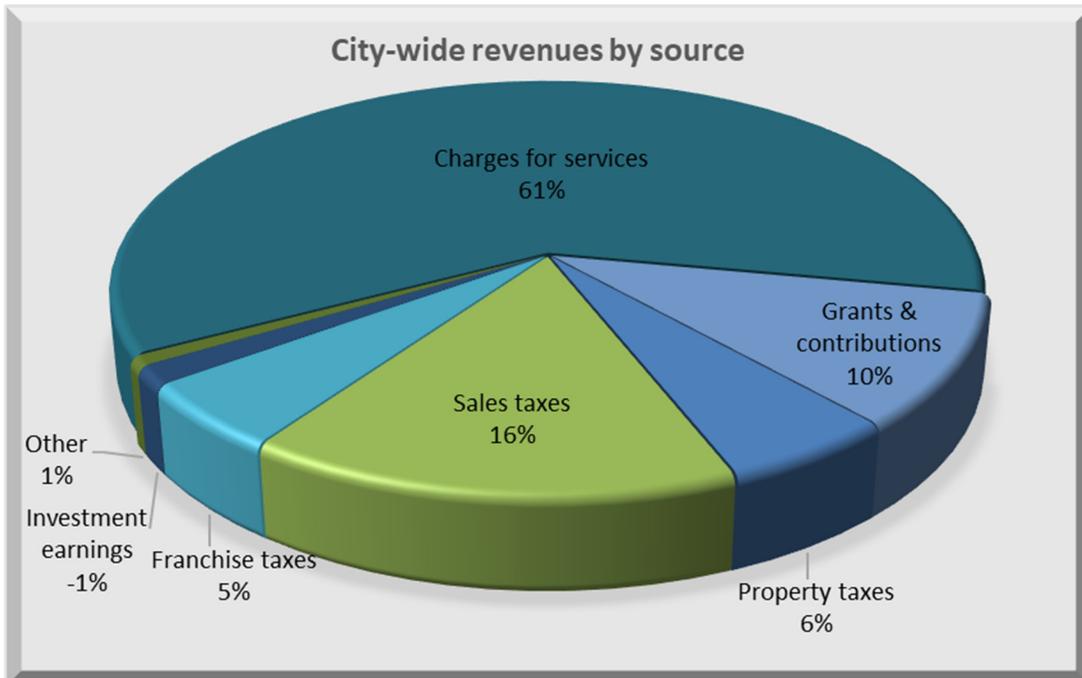
In addition to reviewing the City-wide net position, an analysis of the year-over-year change in net position is representative of the unique financial activity that has taken place over the course of the fiscal year. During the year ended June 30, 2022, the overall net position of the City increased \$5,190,011, a 1.91% change, from the prior fiscal year. The increase from governmental activities of \$5,222,016 is \$2,485,265 less than the \$7,707,281 increase to net position of fiscal year 2021. The decrease from business-type activities of \$32,005 is \$4,948,970 less than the \$4,916,965 net increase to net position of fiscal year 2021.

Bountiful City Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 2,176,875	\$ 1,899,560	\$ 41,628,141	\$ 42,091,697	\$ 43,805,016	\$ 43,991,257
Operating grants and contributions	6,748,873	5,742,276	142,730	854,579	6,891,603	6,596,855
Capital grants and contributions	213,010	934,741	419,375	1,116,124	632,385	2,050,865
General revenues:						
Property taxes	4,057,728	2,954,441	-	-	4,057,728	2,954,441
Sales taxes	11,471,705	10,297,567	-	-	11,471,705	10,297,567
Franchise taxes	3,770,664	3,681,339	-	-	3,770,664	3,681,339
Other	(129,188)	913,892	(384,029)	921,241	(513,217)	1,835,133
Total revenues	28,309,667	26,423,816	41,806,217	44,983,641	70,115,884	71,407,457
Expenses:						
General government	3,283,145	3,421,476	-	-	3,283,145	3,421,476
Public safety	9,377,051	10,384,978	-	-	9,377,051	10,384,978
Highways and streets	4,934,614	4,923,386	-	-	4,934,614	4,923,386
Planning and engineering	900,243	985,748	-	-	900,243	985,748
Parks and recreation	1,868,699	1,739,662	-	-	1,868,699	1,739,662
Redevelopment	5,239,087	249,706	-	-	5,239,087	249,706
Water	-	-	4,531,550	4,534,515	4,531,550	4,534,515
Light and Power	-	-	26,988,227	25,621,368	26,988,227	25,621,368
Landfill and Sanitation	-	-	3,680,104	2,885,808	3,680,104	2,885,808
Storm Water	-	-	1,336,011	1,270,552	1,336,011	1,270,552
Golf Course	-	-	1,695,138	1,781,220	1,695,138	1,781,220
Recycling	-	-	581,666	652,993	581,666	652,993
Cemetery	-	-	571,228	568,098	571,228	568,098
Total expenses	25,602,839	21,704,956	39,383,924	37,314,554	64,986,763	59,019,510
Change in net position before transfers	2,706,828	4,718,860	2,422,293	7,669,087	5,129,121	12,387,947
Transfers	2,515,188	2,752,122	(2,515,188)	(2,752,122)	-	-
Increase (Decrease) in net position	5,222,016	7,470,982	(92,895)	4,916,965	5,129,121	12,387,947
Net position - beginning of year	142,315,314	134,608,033	129,643,936	124,726,971	271,959,250	259,335,004
Prior Period Adjustment	-	236,299	60,890	-	60,890	236,299
Net position - end of year	\$ 147,537,330	\$ 142,315,314	\$ 129,611,931	\$ 129,643,936	\$ 277,149,261	\$ 271,959,250

**BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022**

Government-wide Overall Financial Analysis (Continued)

The graphs that follow present fiscal year 2022 City-wide revenue and expense information to highlight the magnitude of each revenue source and City services by function.



BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022

Financial Analysis of Governmental Activities

For the period ended June 30, 2022, the City's governmental activities increased the City's net position by \$5,222,016. During the 2022 fiscal year, the governmental activities and operations of the City were mostly unchanged with the exception of some expanded services and asset acquisitions in parks and recreation. In order to continue this level of service a property tax rate increase was implemented in the current year and some long-term financing was obtained for the parks asset acquisition. There were no other significant changes to the City's fee schedule or financing.

Although there were no significant fee structure or operational changes during the current fiscal year, there were many financial variances from fiscal year 2021. 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 \$2,485,265 less than last year's increase of \$7,707,281 due to the following 4 factors:

1. Fiscal year 2022 reported a net increase in governmental activities revenue of \$1,885,851 from fiscal year 2021, attributed to the underlined reasons below:
 - Charges for services revenue had a net increase of \$277,315 due to the following 3 factors: **1)** Building permit fee revenue increased by \$114,462. During the current year a building permit was paid for one of the largest residential/mixed use developments for the City in many years (Renaissance Town Center), which is the main reason for the increase in permit fees; **2)** a \$109,287 increase in zoning and subdivision application fees due to a new subdivision (Creekside Views) and a fairly large land use application. The previous year did not have any new subdivisions or similar sized applications; **3)** The remaining net increase of \$53,566 came predominantly from additional road excavation permits, which is a fairly routine fluctuation depending upon developments and repairs.
 - Operating grants and contributions revenue increased by a net \$1,006,597 due to the following 8 factors: **1)** Federal grant revenue to mitigate and respond to the COVID-19 pandemic increased by \$945,353. The current year recognized \$2,602,590 in ARPA revenue while the previous year only recognized \$1,657,237 in similar CARES Act revenue; **2)** Intergovernmental contributed property tax increment revenue decreased \$63,053, which is just a decrease in how much increment was collected and remitted to the City; **3)** State of Utah grant revenue increased by \$63,902 mostly due to increased grant awards for the City's Public Safety Answering Point (PSAP); **4)** \$105,950 increase in 0.25% Davis County transportation sales tax collections due mainly to fiscal year 2022 generating additional sales taxes; **5)** \$78,590 increase in road fund allotments from the State also due to increased sales taxes as it is also derived from sales tax; **6)** \$220,556 decrease in disaster recovery grants through FEMA as the current year was just the final reimbursement payments (\$94,131) for damage sustained during the September 8, 2020, windstorm that hit the City and surrounding communities; **7)** \$93,570 in additional miscellaneous Federal grant revenue predominantly due to a new fuels reduction grant (HMGP) that was not received in the prior year; and **8)** the remaining net increase in this revenue of \$2,841 is due to various other small and fairly routine fluctuations.
 - Capital grants and contributions revenue decreased \$721,731 predominantly due to a reduction of developer capital contributions of \$742,766. The current fiscal year only had \$29,479 in donated infrastructure (e.g. road, sidewalk, underlying land, etc.) while the prior fiscal year had \$772,245 from an abnormally large subdivision (Stone Creek). In fiscal year 2022 the City accepted the Roger Seifert subdivision (i.e., \$29,479) after the City provided final inspection/approval of the infrastructure and began ownership and maintenance of those assets. The partially offsetting net increase in this revenue of \$21,035 was due to various fluctuations in grant and contribution revenues.
 - Property tax revenues had an increase of \$1,103,287. On August 11, 2021, the City Council approved an estimated \$950,000 (36.6%) property tax increase. The actual increase from the prior fiscal year ended up being \$1,103,287 when all aspects of the property tax (e.g., delinquent, fee-in-lieu, increment, etc.) were accumulated. This increase was to help fund a new full-time employee for the Information Technology department (keeping up with constant demand for more technology to operate), two new full-time employees for the Parks and recreation department (maintain 25 acres of park space added over recent fiscal years), recapture lost buying power of property taxes since State code requires property tax revenue to remain flat (except for new growth) unless tax rates are raised by the City Council, and to ensure the City can continue to keep sufficient cash reserves to operate as much as possible under a pay-as-you-go operation.
 - Sales tax revenues increased \$1,174,138. This 11.40% increase from 2021 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 the largest contributor to the increased revenue. During the fiscal year the State Tax Commission did increase their population estimate of the City (up 1,781 residents or 4.05%), thus increasing the City's proportionate share of the 50% population allocation. Additionally, throughout fiscal year 2022 there has been significant inflation causing sales

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022

Financial Analysis of Governmental Activities (Continued)

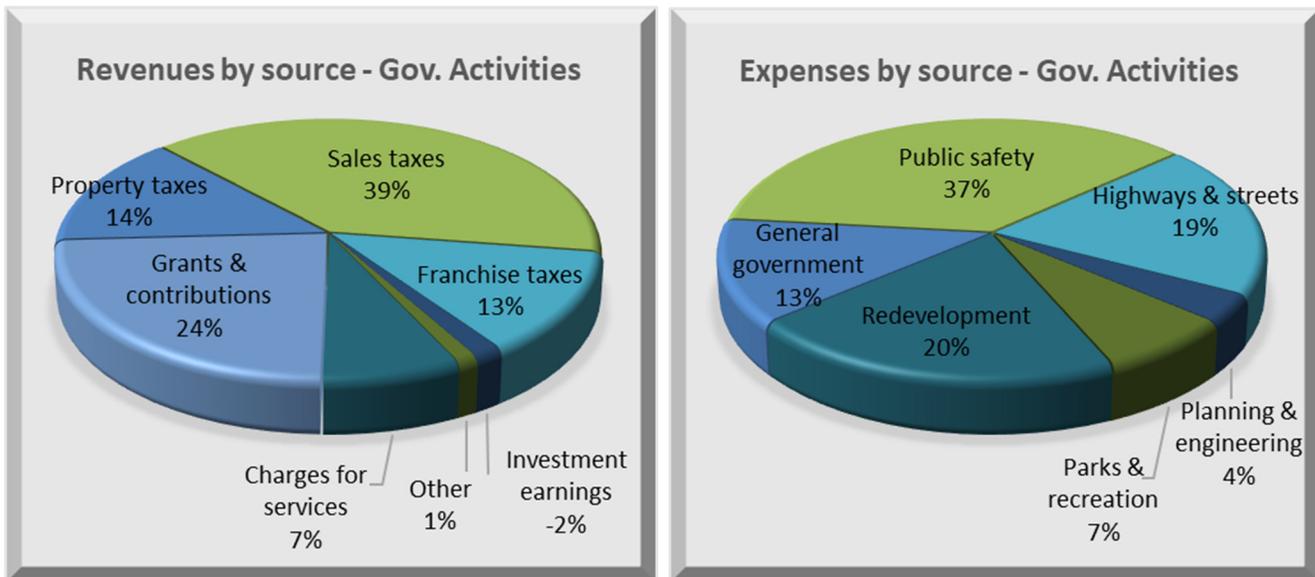
- prices to exceed where they were in the prior fiscal year with the corresponding increases in sales taxes.
- Franchise tax revenues increased by a net \$89,325 due primarily to increased Municipal Energy Sales and Use (MESU) taxes on natural gas sales. As mentioned previously, inflation was very significant throughout the fiscal year and especially in fuel resources causing prices and associated taxes to increase from the prior year.
 - Other revenue had a net decrease of \$1,043,080 due to these 3 factors: **1)** \$23,921 decrease in interest earnings due predominantly to the majority of the fiscal year having overall lower investment returns as compared to the prior fiscal year. This stems mostly from a continued down national economy and the Federal Reserve maintaining low interest rates through March of 2022, to stimulate the economy; **2)** During the current fiscal year the City's governmental funds recorded a \$993,564 unrealized loss while recording its investment portfolio based on its fair value. This was a \$1,057,646 increased loss from the prior year's \$64,082 unrealized gains. Unrealized gains or losses reflect the variance between the investment's carrying value and its value if it were to be sold. For the latter part of fiscal year 2022, interest rates were rising in the bond market, principally due to the Federal Reserve increasing the internal borrowing rate (150 basis points over four months). This caused the market value of the City's investments to devalue when compared to the market rates, resulting in abnormally large unrealized losses. It should be noted that this unrealized loss is likely only a temporary accounting loss as the City does not intend to sell those investments before maturity nor are the investments likely to default as they are all highly rated; and **3)** \$38,487 net increase in various miscellaneous revenues that were fairly routine in nature.
2. Fiscal year 2022 reported that governmental activity expenses increased by a net \$3,897,883 from fiscal year 2021 as explained by the following underlined factors:
- General government expenses decreased \$138,331 due to the following **8** factors: **1)** \$116,282 increase in personnel salaries and benefits due principally to a City-wide 2% cost of living adjustment (COLA) in wages, earned merit increases to wages, and increased medical insurance premiums. Additionally, the City added a new full-time position in the Information Technology department; **2)** election expenses increased by \$74,382 as the current fiscal year had the rotating municipal election and the prior fiscal year did not; **3)** expenses decreased by \$30,729 due to a revised administrative services charge to enterprise funds to reimburse the General Fund for services provided; **4)** \$217,067 increase in expenses predominantly due to increased depreciation from the current year adding \$4.2 million of new depreciable assets and a full year's depreciation of the fiscal year 2021 capital asset additions of \$8.2 million; **5)** \$535,647 in reduced sub-grantee expense as the current year only had \$5,000 while in the prior fiscal year the City paid \$540,647 to sub-grantees with CARES Act grant money to aid other governmental agencies and provide some utility customer hardship grants; **6)** \$108,335 increase in professional services as the current year had \$54,165 paid for a fiber-optic network feasibility study and a \$56,632 payment for a cell signal boosting project, while the prior year only had a small \$4,650 amount of these services; **7)** \$124,214 in reduced pension expense resulting from the adjustments to the City's Net Pension liability (NPL). The City's overall NPL went from \$5,744,758 in fiscal year 2021 to a Net Pension Asset of \$4,627,339 during the current year in all but the City's public safety agent plan that still had a \$1,968,504 NPL. This large positive swing came from the URS receiving a 17.46% return on their investments significantly increasing the pension plan assets; and **8)** \$36,193 net increase in various expenses that were fairly routine in nature.
 - Public safety expenses decreased \$1,007,927 due to the following **5** factors: **1)** pension expense decreased \$1,703,134 due to the current-year adjustments to the City's NPL already discussed; **2)** \$420,855 increase in personnel salaries and benefits. To begin the current fiscal year there was a City-wide 2% COLA, throughout the fiscal year there were earned merit increases to wages, and then mid-fiscal year the City provided all sworn employees a wage increase ranging from 10% to 20%. This mid-year increase was prompted by regional pressures to raise officer wages; **3)** \$104,766 increase expenses due to increases in the accrued paid-time-off liabilities. These increases stem mostly from the increased wages already mentioned; **4)** \$219,782 increase in member assessment payments to the South Davis Metro Fire Service Area (SDMFSA) that provides residents fire and emergency medical services. This increase was larger than normal as the SDMFSA has also had their expenses increase significantly; and **5)** the remaining net decrease to expense of \$50,196 comes from various routine smaller increases and decreases from the prior year.
 - Highways and Streets expenses increased by a net \$11,228 due to the following **4** factors: **1)** \$306,398 increase in road maintenance expenses due to fairly routine fluctuation in quantity of road projects completed and increased cost of asphalt and other materials; **2)** \$74,020 decrease in pension expense due to the current-year adjustments to the City's NPL already discussed; **3)** \$249,043 decrease in road, curb and gutter, and sidewalk repairs mostly due the prior fiscal year being abnormally high due to the damage caused by the September 2020 wind storm; and **4)**

**BOUNTIFUL CITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022**

Financial Analysis of Governmental Activities (Continued)

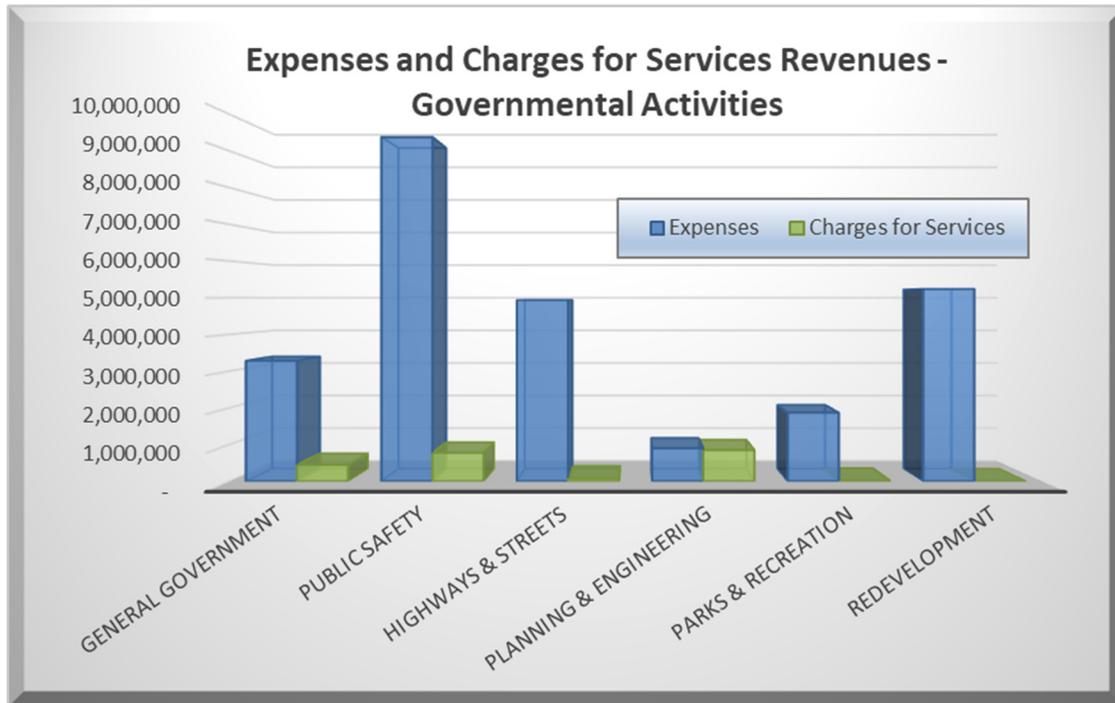
- the remaining increase to expense of \$27,893 comes from the net of various smaller changes from the prior year.
- Planning and Engineering expenses had a net decrease of \$85,505 due principally to the Planning department being down one full-time employee throughout the entire fiscal year due to inability to replace an employee that left the City for other employment.
 - Parks and recreation expenses increased \$129,037 due to the following 4 factors: **1)** \$157,323 increase in depreciation expense predominantly due to a full fiscal year of depreciation on the prior fiscal year’s \$8.68 million of new depreciable assets (most of that being the new Town Square park); **2)** \$118,218 increase in personnel expenses. This is due mainly to the hiring of two new full-time Parks employees (increasing full-time staffing from 6 to 8 for a 33% increase). Additionally, there was the 2% COLA in wages for the existing employees and increased medical insurance premiums; **3)** \$153,301 decrease in capital expenses; and **4)** a net \$6,797 increase in fairly routine fluctuations in various expenses.
 - Redevelopment expenses increased by a \$4,989,381. This large increase is due predominantly to the RDA providing \$5,000,000 to the developer of the Renaissance Town Center project area (~1500 to 1800 South on Main Street) as an infrastructure grant that could turn into a loan if certain development timeframes are not met. \$3,980,000 of this grant was issued to help build a parking structure as for the mixed residential and commercial development. The remaining \$1,020,000 of the grant was issued to aid in the construction of the development’s road and connected infrastructure. The offsetting decrease in expenses of \$10,619 is the net result of fairly routine transactions too numerous and small to warrant further explanation.
3. In fiscal year 2022, the transfers from business-type activities to governmental activities decreased by \$236,934 from fiscal year 2021. This decrease came from decreased Light and Power fund subsidy to the General Fund as this subsidy is calculated as 10% of electric metered sales. As electric metered sales decreased during the current year so did the subsidy transfer to the General Fund.
 4. In the current fiscal year there were no restatements of net position for governmental activities. In fiscal year 2021, a \$236,299 restatement of net position was recorded to reestablish some RDA land back on the City’s asset listing.

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



**BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022**

Financial Analysis of Governmental Activities (Continued)



Financial Analysis of Business-type Activities

For the period ended June 30, 2022, business-type activities decreased the City's net position by \$32,005. Although there were no significant operational changes during the current fiscal year, there were many financial variances from fiscal year 2021. 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 \$4,948,970 less than the \$4,916,965 increase for fiscal year 2021 due to the following 4 factors:

1. Fiscal year 2022 reported a decrease in business-type activity revenue of \$3,177,424 from fiscal year 2021, attributed to the underlined reasons below:
 - Charges for services revenue decreased \$463,556. This overall net decrease is made up of decreases from Light and Power of \$564,214, Water of \$487,774, and Golf of \$48,016. These decreases were partially offset with increases from Landfill and Sanitation of \$313,503, Storm Water of \$113,318, Recycle of \$145,162, and Cemetery of \$64,465.
 - The Light and Power decrease is due to decreased Electric Metered Sales (EMS) from the prior year. Fiscal year 2021 EMS was the highest on City record with abnormally hot weather and a newly implemented tiered power rate structure. The current fiscal year still had the second highest EMS on record but was down due to weather and resident consumption fluctuations.
 - The Water decrease is due to increased restrictions imposed on residents that use culinary water to irrigate their landscaping (approximately 25% of residents). City management and the City Council implemented such restrictions beginning in fiscal year 2021 due to severe drought conditions in Utah. The fiscal year 2021 restrictions limited watering to only three times per week for limited timeframes, which did decrease metered water sales but only dropped them by \$79,120. As the drought persisted, the adopted restrictions for the current fiscal year moved to only two times per week with more conservation campaigning by the City. This significantly reduced the metered water sales in fiscal year 2022.
 - The Golf Course revenue decrease is mostly due to reduced admission fees and cart rentals. Fiscal year 2021 was the highest year of revenues ever recorded with the current year coming in second. The pandemic did boost many of the fiscal year 2021 revenues beyond expectations as individuals were seeking outdoor recreation with pandemic concerns and health department mandates. It is likely that the decrease is a bit of a correction to a more typical golf demand.

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022

Financial Analysis of Business-type Activities (Continued)

- The Landfill and Sanitation increase is predominantly due to a \$3 per can rate increase (100% increase as the rate in the prior fiscal year was \$3) for residential collection and increased gate receipts at the landfill. The gate receipt increase is simply a function of increased use of the City's landfill as there were no rate changes in the current year nor were there any operational changes.
 - The Storm Water increase was also anticipated as the rate was increased by 6.46% in the current year (from \$7.75 to \$8.25 per Equivalent Residential Unit). This rate increase and some population growth account for the overall increase from the prior fiscal year.
 - The Recycle increase was anticipated due to a \$1 per can rate increase (36.37% increase from the prior year rate of \$2.75).
 - The Cemetery current year increase was due to higher lot sales and interment fees. The nature of these operations can cause significant swings from one fiscal year to the next. There were no rate changes in the current year nor were there any operational changes.
- Operating grants and contributions revenue decreased \$711,849 due to: 1) The current fiscal year only had \$142,730 in disaster recovery grant revenue through FEMA to reimburse damage sustained during the September 8, 2020, windstorm, while the prior fiscal year had \$743,895. That equates to a \$601,165 reduction in that grant revenue from the prior fiscal year; and 2) \$110,684 net decrease in various other Federal and State grants too small and numerous to warrant further discussion.
- Capital grants and contributions revenue decreased \$696,749 due to these 4 factors: 1) \$635,551 decrease in donations from private developers donating infrastructure to the City or paying the City to install the required infrastructure that the City will own and maintain. During the prior year there were three larger than normal residential developments while the current fiscal year had relatively few developer projects reaching the donation stage of completion; 2) \$57,920 decrease in water impact fee revenue due again to reduced projects ready for the permitting stage; 3) \$76,569 reduction in Federal bond interest expense subsidy revenue. This decrease is due to the City redeeming all outstanding bonds in the prior fiscal year thus ending that grant program; and 4) \$73,291 in State grant revenue for the purchase of a sanitation truck. There was no such grant revenue in the prior fiscal year.
- Other revenue had a net decrease of \$1,305,270 due to these 3 factors: 1) During the current fiscal year the City's enterprise funds recorded a \$1,006,253 unrealized loss while recording its investment portfolio based on its fair value. This was a \$1,072,975 increased loss from the prior year's \$66,722 unrealized gains. The unrealized loss occurred for the same reasons already described under the governmental activities (see page 10 under Other revenue); 2) \$256,251 decrease in the gain on disposal of capital assets. Fluctuations in this revenue are fairly routine as asset lifecycles can be unpredictable. The Water fund did have the largest swing as the prior year had a large \$192,598 net gain while the current fiscal year had a net loss of \$50,787 (due mostly to the disposal of recently purchased SCADA equipment); and 3) \$23,956 net increase in fairly routine revenue fluctuations too numerous and small to warrant further explanation.
2. Fiscal year 2022 reported that business-type expenses increased by \$2,069,370 from fiscal year 2021 as explained by the following underlined factors:
- The Water fund expenses decreased \$2,965 due the following 5 factors: 1) depreciation expense increased \$30,309 which is a fairly routine increase as the department continues its replacement of fully depreciated waterlines; 2) general and administrative expenses increased by \$50,302 mostly due to an infrequent purchase to replace all the vehicle radios; 3) the current year had a \$50,787 loss on deletion of capital assets whereas the prior year had a gain; 4) \$177,830 decrease in personnel wage and benefit expense. The majority of that decrease came from reduced pension expense due to the adjustments to the City's net pension liability (large decrease in 2022), with some decrease coming from the prior year replacement of the top two managers of the department; and 5) a net \$43,467 increase in fairly routine swings in operating expenses.
- The Light and Power fund expenses increased \$1,366,859 due to the following 6 factors: 1) \$377,378 decrease in personnel wages and benefits. The current year had reduced pension expense of \$378,123 due to the adjustments to the City's net pension liability. That decrease was partially offset by a \$748 increase routine to personnel wages and benefits; 2) repairs and maintenance expense decreased \$359,530. The current year's expenses were fairly routine. The cause for the decrease was the prior year was abnormally large with significant repairs to the power distribution lines caused by the September 2020 wind storm; 3) interest expense dropped by \$179,754 as the City did not have to make any interest payments during the current fiscal year as the electric revenue bonds were fully redeemed in November 2020; 4) power purchase expenses increased \$1,293,876 (10.77% increase). This increase did not come from purchasing more power as kilowatt hours sold were actually down from the prior year. This

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022

Financial Analysis of Business-type Activities (Continued)

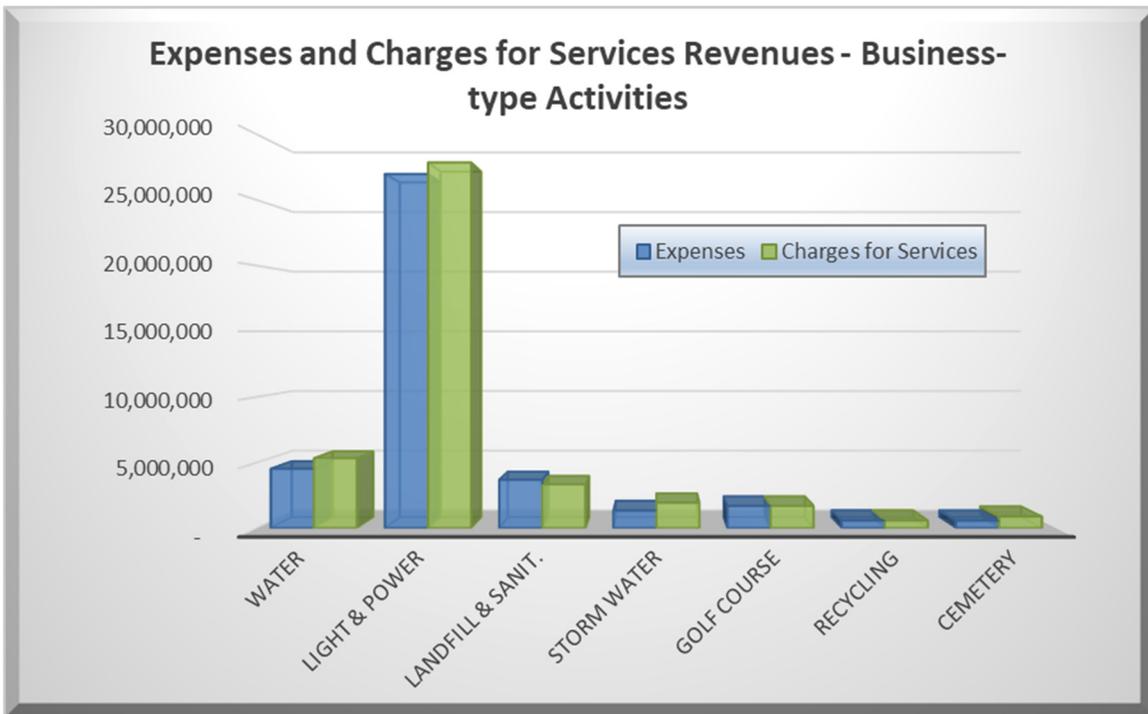
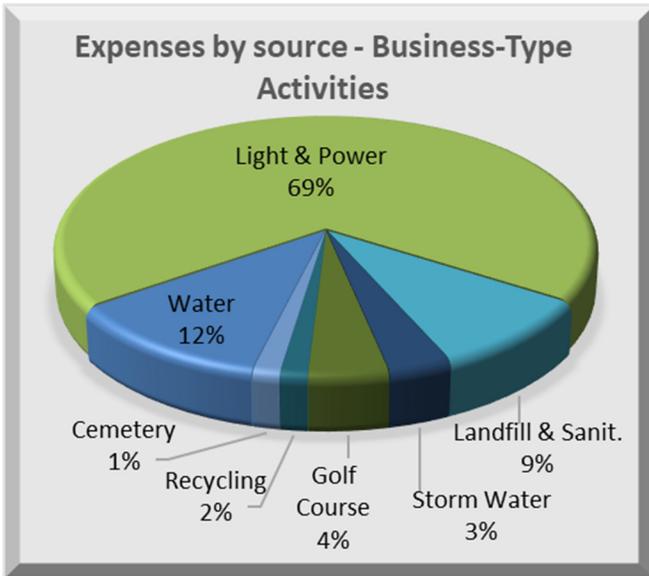
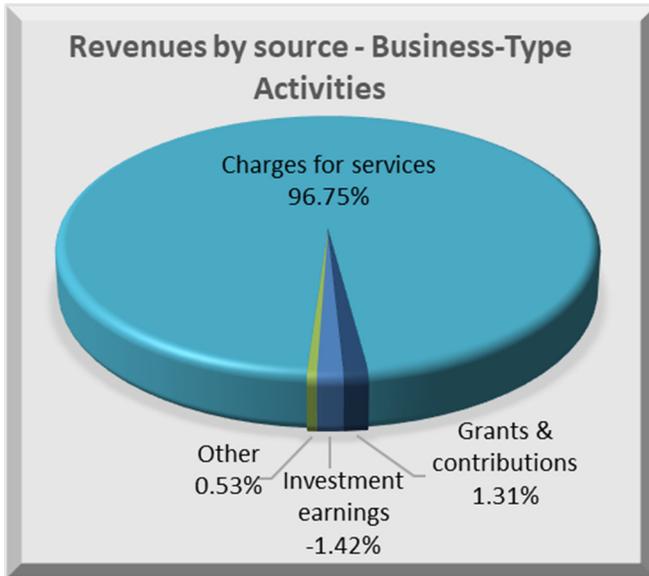
increase stems predominately from the increased rates to purchase power off the market. The ongoing drought has made the City's Colorado River Storage Project (CRSP), Echo hydro dam, and Pineview hydro dam power resources less able to supply power at the cheaper rates. This required the City to seek alternate, more expensive, power resources as demand was still high. The City had to call back its power from the Intermountain Power Project (IPP) that it normally sells to California cities. The City also ran its natural gas power plant more than in the prior fiscal year to try and limit market purchases at peak times. Additionally, the city had to increase its power purchases off the market (through UAMPS), at high rates that were compounded by high inflation, in order to meet demand. This combination of limited cheap power, inflated kWh rates, and greater reliance on the power market sky rocketed the city's power costs in fiscal year 2022 as compared to similar power purchased in 2021; **5**) power generation expenses increased \$827,076. Of that increase the majority came from increased natural gas purchased to generate electricity at the City's power plant rather than purchase off the market during peak periods. Natural gas prices also were affected by the inflation driving up the natural gas costs. The City's hydro generation costs actually decreased during the current fiscal year, but those reductions were more than covered by the natural gas power generation increases; **6**) the remaining \$162,569 net increase in Light and Power operating expenses is due to fairly typical fluctuations that are too small and numerous to warrant further explanation.

- The Landfill and Sanitation fund expenses increased \$794,296 due to the following **5** items: **1**) \$22,170 net increase in personnel wages and benefits. The current year had reduced pension expense of \$69,279 due to the adjustments to the City's net pension liability. That decrease was offset by a \$91,449 increase routine to personnel wages and benefits; **2**) repair and maintenance expense increased \$637,875. \$476,567 of that increase pertained to added landfill closure/post closure expense. The City's Engineering department increased the planned landfill sloping and changed the planned landfill closure capping. These changes increased the closure/post closure cost estimate from \$2,302,925 to \$4,060,720 as well as increased the estimated capacity of the landfill bringing the capacity utilized down from 62.06% to 47.42%. This change in management estimate caused fiscal year 2022 to have an abnormally large increase to the closure liability and offsetting expense. The remaining \$161,308 increase in repair and maintenance expense was a fairly normal swing in repairs to the fund's loaders, trucks, and other machinery; **3**) \$115,521 increase in materials and supplies expense. This was mostly from increased cost of sanitation cans and hazardous waste disposal fees. There were also the expenses of \$49,380 for a new program to pay a company to remove mattresses and box springs from the landfill and recycle them. **4**) \$71,663 decrease in contractual and professional services expense. The cause of the decrease was the prior year was abnormally high with increased contracted green waste grinding to dispose of all the September 2020, windstorm debris; and **5**) a net \$90,393 increase in other operating expenses that are fairly routine transactions too numerous and small to discuss.
 - The non-major enterprise fund expenses decreased \$88,820. This net decrease is broken down by fund as follows: Storm Water \$65,459 increase, Golf Course \$86,082 decrease, Recycling \$71,327 decrease, and Cemetery \$3,130 decrease. Each of these funds, with the exception of Recycle, saw personnel expenses decrease due to the change in the net pension liability. The Recycle fund had a \$70,338 decrease in charges from the recycler to take the City's recycle refuse. This was due to improvement in the recycle market, thus allowing the recycler to charge the City less to take the materials. All other expense changes for these funds from the prior year are fairly normal operational cost fluctuations and need no further discussion.
3. In fiscal year 2022, the transfers from business-type activities to governmental activities decreased by \$236,934 from fiscal year 2021. This decrease came from decreased Light and Power fund subsidy to the General Fund as this subsidy is calculated as 10% of electric metered sales. As electric metered sales decreased during the current year so did the subsidy transfer to the General Fund.
 4. In the current fiscal year, a \$60,890 restatement of net position was recorded for business-type activities. This restatement was recorded in the current fiscal year during the process of implementing GASB 87, *Leases*. The accounting for that standard necessitated a net credit to net position. In fiscal year 2021 there were no restatements of net position.

**BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022**

Financial Analysis of Business-type Activities (Continued)

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



BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022

Financial Analysis of Governmental Funds

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

On June 30, 2022, the City's governmental funds reported combined ending fund balance of \$44,626,579, increase of \$1,651,535 from the prior year ending fund balance. Of the current year fund balance, \$43,708,700 (97.94%) is available for spending; however, \$29,840,100 (66.87%) has been committed by the City Council and \$13,539,751 (30.34%) has been assigned by the City Manager for subsequent years' capital expenditures and other specified uses, leaving an unassigned amount of \$328,849 (0.74%). The remaining \$917,879 (2.06%) of fund balance is not available for spending because it is legally restricted by parties outside the financial reporting entity for future landfill closure costs.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, fund balance of \$5,739,904 in the General Fund was segmented as \$5,410,000 in committed, \$1,055 in assigned, and \$328,849 in unassigned. The General Fund's largest portion of fund balance is committed by a reserve policy adopted by the City Council. That committed balance is to be limited in use to unanticipated and non-recurring needs. It is important to note that the State of Utah does not allow the City's General Fund to maintain a fund balance in excess of 35% of the fund's total revenues. To maintain that maximum requirement, sales taxes are allocated to the Capital Projects Fund that otherwise could have been recorded in the General Fund. A complete analysis of the General Fund's fund balance should also consider the balance in the Capital Projects Fund.

During the year ended June 30, 2022, the fund balance of the General Fund decreased by \$820,783. This represents a negative 12.51% change in fund balance. The current year decrease is a \$3,503,969 decrease from the prior fiscal year's \$2,683,186 increase to fund balance. This change from fiscal year 2021 is due to the following 4 reasons:

1. General Fund revenues decreased by \$2,352,064 from fiscal year 2021, attributed to the following underlined factors:
 - \$3,510,468 decrease in tax revenue from the following 3 sources: **1)** \$1,109,402 increase in property tax revenue from the current year property tax rate increase (see expanded description on page 9 of this report); **2)** \$4,709,195 decrease in sales tax due to the General Fund receiving a much smaller allocation of the City's overall sales tax dollars in the current year. As mentioned previously, in order to keep the General Fund fund balance within statutory limits sales taxes are recorded in the Capital Projects fund. During the current fiscal year the General Fund recorded \$1.1 million more in property tax revenue and \$1 million more in intergovernmental revenues than in fiscal year 2021. Additionally, the General Fund expenditures actually decreased by \$233,556. The increased revenue and decreased expenditure combination forced almost all of the fiscal year 2022 sales tax revenue into the Capital Projects fund in order to not exceed the 35% maximum fund balance in the General Fund. The City's non-RAP tax sales tax collections were up from 2021 by \$1,140,818 or 11.88%, but that increase was recorded in the Capital Project Fund revenue; and **3)** a net \$89,325 increase in franchise tax due primarily to increased Municipal Energy Sales and Use (MESU) taxes on natural gas sales.
 - \$165,378 increase in licenses and permits revenue due mainly to the permitting fees being paid for one of the largest developments for the City in recent years (Renaissance Town Center - mixed residential and commercial project).
 - \$1,071,263 increase in intergovernmental revenue due to the following 3 reasons: **1)** a \$184,540 increase in 0.25% Davis County transportation tax and "Class B&C Road" allotment from the State. These are both sales tax derived contributions to the City so the increase is mainly due to the overall increase in sales taxes; **2)** \$883,877 net increase in Federal and State grant revenue. See page 9 of this report for more detailed description of this change in operating grant revenue; and **3)** a net \$2,846 increase in various other fairly routine swings in grant and contribution revenue.
 - \$118,286 increase in charges for services revenue principally due to a fairly normal fluctuation in subdivision permitting and land use application fees.
 - \$196,523 net revenue decrease in all other General Fund revenues. This net decrease comes mainly from the increased unrealized loss from recording investments at fair value.
2. General Fund expenditures increased by \$544,000 from 2021 attributed to the following underlined factors:
 - General government expenditures had a net decrease of \$233,556. These changes were outlined on page 10 of this report under the bullets **1), 2), 3), 5), and 6)** with the remaining net increase of \$33,821 coming from routine fluctuations in various other operating expenditures. Bullets **4)** and **7)** only pertain to accrual accounting adjustments not applicable in the governmental accounting for the General Fund.

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022

Financial Analysis of Governmental Funds (Continued)

- Public Safety expenditures increased \$635,938. The majority of this net increase was outlined on page 10 of this report under the bullets 2) and 4). The remaining net decrease of \$4,699 comes from routine fluctuations in various other operating expenditures.
 - Highways and streets expenditures increased \$53,924. The majority of this net increase was outlined on page 10 of this report under the bullets 1) and 3). The remaining net decrease of \$22,845 comes from routine fluctuations in various other operating expenditures.
 - Planning and engineering expenditures decreased \$26,587. The majority of this net increase was outlined on page 11 of this report that explained by personnel expenditures decreased by \$72,999 from the prior fiscal year. The partially offsetting net increase of \$46,412 comes from routine fluctuations in various other operating expenditures.
 - Parks and recreation expenditures increased \$114,281 due mostly to a \$118,218 increase in personnel expenses. This is due mainly to the hiring of two new full-time Parks employees. The remaining net decrease of \$1,494 comes from other fairly routine operating expenditure fluctuations.
3. In fiscal year 2022, the transfer in (other financing source) was \$607,305 lower than in 2021. The decrease from 2021 was due to 2021 having a one-time transfer in of \$370,371 from the MBA Fund to close out its operations. Additionally, the transfer in from the Light and Power Fund was \$236,934 lower than the prior year due to decreased electric metered sales. This subsidy transfer is based on 10% of those electric metered sales.
4. General Fund sale of capital assets brought in \$600 (other financing source) less than the capital sales in fiscal year 2021. This is a fairly routine fluctuation for the General Fund operations.

The Capital Projects Fund has a total fund balance of \$31,014,132, 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, 2022, the fund balance in the Capital Projects Fund increased by \$6,562,249 or 26.84%. This Capital Projects fund balance increase was \$11,937,042 more than last fiscal year's decrease of \$5,374,793 due to the following 5 reasons:

1. Capital Project fund revenues increased \$5,106,621 from fiscal year 2021 attributed to the following 5 factors: 1) \$5,850,013 increase in sales tax revenue due mostly to the fund receiving a much larger allocation of sales tax, as previously discussed under the General Fund narrative. The City's non-RAP tax sales tax collections were up from 2021 by \$1,140,818 or 11.88%, with that increase being recorded in the Capital Project Fund revenue; 2) \$622,374 increase in unrealized loss on the fair value of the City's investments for reasons previously explained; 3) \$29,224 decrease in investment earnings due to reduced interest rates through much of the current year; 4) \$68,480 decrease in miscellaneous revenue as a note receivable was paid off during the prior year and there were no principal payments during the current year; and 5) \$23,314 net decrease in revenues that routinely fluctuate and are too small to warrant further discussion.
2. Capital Project fund expenditures decreased \$6,735,455 from fiscal year 2021 attributed to the following underlined factors:
 - General government capital outlay expenditures decreased a net \$6,775,108 due to the following: 1) decreased City Hall remodel project expenditures from fiscal year 2021 of \$3,578,419 as the project was complete in the prior year; 2) decreased improvement other-than-buildings expenditures of \$70,040 from fiscal year 2021. This decrease is due to the current year having \$195,601 in start-up expenditures on the new Washington Park and the prior year having the wrap-up expenditures of \$265,641 on the Town Square Park; 3) decreased land expenditures of \$3,089,198 from fiscal year 2021. During the current year the City purchased land costing \$874,101 for Main Street future development while the prior year had land purchases of \$3,472,954 for Washington Park and \$490,345 for the North Canyon trailhead/parking lot; and 4) \$37,451 decreased capital expenditures predominantly due to the prior year having an unusual purchase of an articulating man-lift for the Buildings department.
 - Public Safety capital outlay expenditures increased \$331,393. During the current fiscal year the Public Safety building chiller had to be replaced and the department began a software conversion project. These infrequent purchases caused the majority of the increase from the prior year.
 - Highways and Streets capital outlay expenditures decreased \$380,916. During the current year only \$30,652 was spent to finalize the project to replace the existing equipment garage and wash bay at the public works building. This was a \$1,534,956 reduction from the prior year. This reduction in expenditures was partially offset by a \$1,046,990 increase in road reconstruction expenditures as the City completed the 1000 North project during the current year and the prior year did not have as large of a reconstruction project. The remaining net increase of \$107,050 was due to fairly normal capital expenditure fluctuations.

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022

Financial Analysis of Governmental Funds (Continued)

- Parks and recreation capital outlay expenditures increased \$90,249. During fiscal year 2022 the City began a new trails operation within the Parks and recreation department. The City's eastern boundaries are along the Wasatch Mountain range. This new trails operation is working to implement a trails master plan for mountain biking, hiking, and some motor vehicle trails throughout the mountain range. During the current fiscal year the City spent \$128,681 in trails expenditures (mostly design work but some actual trail construction). The offsetting net decrease in Parks and recreation expenditures of \$38,432 is the result of fairly routine cost fluctuations in regular asset replacements.
- The remaining decrease in expenditures of \$1,073 comes from decreased bank and investment fees.
- 3. Capital Project fund's transfer in increased \$23,022 due to a increased Creekside Park reimbursement from the RAP Tax fund. This reimbursement transfer amount varies from year-to-year depending upon what is built into the budget or available in RAP Tax fund balance.
- 4. During the current fiscal year, the City received a \$160,000 good-faith payment for General Obligation (GO) bonds that were officially issued on July 7, 2022. The \$160,000 was recorded as a other financing source revenue. There were no bonds issued during the prior fiscal year.
- 5. Gain on sale of capital assets decreased \$88,056 mostly due to the prior fiscal year being abnormally high with the Police Department selling more vehicles than normal due to fiscal year 2020 being exceptionally hard to purchase new vehicles.

The Redevelopment Agency fund (RDA) has a total fund balance of \$3,971,225, all of which has been assigned by the City Manager for eligible redevelopment projects. During the year ended June 30, 2022, the fund balance in the RDA fund decreased \$4,295,385 or -51.96%. This decrease was \$5,115,481 less than last fiscal year's increase of \$820,096. The \$5,115,481 decrease from the prior fiscal year consisted of the following 3 items:

1. RDA fund revenue decreased \$308,979 from fiscal year 2021 attributed to the following underlined factors:
 - Intergovernmental property tax increment contribution revenue decreased \$63,053. This decrease is a function of the RDA's agreement with the taxing entities that levy the tax and has Davis County remit the increment to the RDA. The calculations are such that in years where there is little new growth in the redevelopment area, a slightly reduced tax increment is anticipated. Such was the case for the current and prior fiscal years.
 - Investment earnings revenue decreased \$123,579 due to: 1) \$17,408 decrease in investment earnings due to reduced cash balances and lower average interest rates, and a \$106,171 increase in unrealized loss on investments for the same reasons already explained with other funds of the City.
 - Miscellaneous revenue decreased \$152,124 due to decreased principal payments received from the business loan program. The current year principal payments were fairly typical. The prior year principal payments were unusually high stemming from two loans that were paid off early.
 - The remaining increase to revenues of \$29,777 is the net result of fairly routine revenue fluctuations.
2. RDA fund expenditures increased \$4,779,913 from fiscal year 2021 attributed to the following underlined factors:
 - Special RDA project expenditures increased \$4,990,805. This significant increase was outlined on page 11 of this report (Renaissance Town Center development grants).
 - Land purchase expenditures decreased \$542,397 as the RDA had no current year purchases but the prior fiscal year had the land purchase of the property just off of Main Street near Town Square.
 - RDA business loan expenditures increased \$330,000 as the RDA loaned that total during the current fiscal year to aid the Renaissance Town Center development. The prior fiscal year did not have any business loans issued.
 - The remaining increase in expenditures of \$1,505 is the net result of other routine transactions too numerous and small to warrant further explanation.
3. RDA sale of capital assets decreased \$26,589 from fiscal year 2021. The current year had no dispositions of capital assets. In the prior year the RDA sold .041 acres of land.

The non-major governmental funds all had positive current year changes in fund balance, with the exception of the Debt Service Fund, as follows: Landfill Closure \$4,443, RAP Tax \$131,009, Cemetery Perpetual Care \$70,322, and Debt Service a negative \$320. The Debt Service Fund current year loss was due to the negative investment earnings from the unrealized losses.

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022

Financial Analysis of Proprietary funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As such there will not be any detailed analysis of these funds as it has already been presented under the Financial Analysis of Business-type Activities section on pages 12 through 14.

Unrestricted net position, or the amount available for spending, of the Water, Light and Power, and Landfill and Sanitation Funds (all Major Funds) at the end of the current year were \$6,222,505, \$23,255,222, and \$11,374,089, respectively. The changes in total net position from fiscal year 2021 for those same funds were positive \$995,908, negative \$1,351,707, and negative \$372,165, respectively.

The other four nonmajor enterprise funds each ended the current year with positive unrestricted net position. The non-major enterprise funds all had positive current year changes in fund balance as follows: Storm Water \$564,164, Golf Course \$8,369, Recycling \$97,473, and Cemetery \$305,436.

General Fund Budgetary Highlights

During the year there were increases in appropriations between the General Fund's original and final amended budgeted expenditures totaling \$97,500 for the following departments:

1. Executive - \$10,000. The original budget did not include additional furniture items for City Hall that had been overlooked in the remodeling project costs.
2. Engineering - \$37,500. Unbudgeted costs for contracted building inspections. These services were necessary during a change in staffing due to retirement.
3. Parks - \$50,000. Increase in appropriation was made mostly as a precautionary amendment to cover unanticipated costs. The original budget ended up being more than sufficient for the actual expenditures.

The General Fund *Budget and Actual* statement presents the original and final budget amounts as well as how those compare to the current year actual expenditures. That statement can be reviewed on page 30 of this report.

Each year the City seeks to adopt budgets for revenues and expenditures that will be conservative estimates of what will ultimately transpire. Due to a variety of factors, revenues and expenditures will vary from the final budget. For the fiscal year 2022, the following analysis is offered as explanation of significant variances greater than \$150,000:

1. Actual sales tax revenues were lower than the final budget by \$5,480,036 due to a sales tax revenue reallocation between the General Fund and the Capital Projects Fund. This reallocation was necessary in order to maintain the General Fund's fund balance at the 35% maximum as discussed previously. This reallocation left the General Fund sales tax revenues at \$470,479 which resulted in the unfavorable budget to actual variance.
2. The licenses and permits revenue was budgeted based on conservative average collections over the recent past. Actual revenues were higher than the final budget by \$248,059. This favorable variance was principally due to permitting fees being paid for one of the largest developments for the City in recent years (Renaissance Town Center - mixed residential and commercial project) and some larger excavation permits received. These were not budgeted as their timing was unknown.
3. Actual intergovernmental revenues came in \$3,293,442 higher than the final budget for the following reasons:
 - During fiscal year 2022 the City received \$2,602,590 in American Rescue Plan Act (ARPA) grant funding as part of the pandemic response. There was no budget set for that revenue creating the positive budget variance.
 - The "Class B&C" road funds from the State and the 0.25% County-option transportation sales tax came in \$482,128 higher than budget. This favorable variance was due to conservative budgeting philosophy amplified by an unanticipated large increase in sales taxes. Both of those revenues are derived from sales taxes.
 - Miscellaneous Federal grants were budgeted at \$36,500 with only fairly routine public safety grants in mind. Actual miscellaneous Federal grants came in at \$230,759 creating a positive variance of \$194,259. This favorable variance came predominantly from unbudgeted grants of \$87,445 from a Hazard Mitigation Grant Program (HMGP) award and additional FEMA awards of \$94,131 from the September 2020 wind storm disaster.
 - The remaining \$14,465 positive variance between actual and budget is the net result of routine fluctuations of a variety of smaller grant and intergovernmental sources.

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022

General Fund Budgetary Highlights (Continued)

4. Actual investment earnings revenue for the current fiscal year was a negative \$35,763. It was budgeted at a positive \$139,000, which causes the \$174,763 negative variance from budget. Actual investment returns came in at \$210,537; however, unrealized losses from the recording of those investments at fair value were \$246,300 resulting in the negative \$35,763 net investment loss. The City did not budget for the unrealized loss.
5. The Highways and streets department budget of \$4,472,459 was underspent by \$429,799 due principally to remaining street repair/maintenance budget. The department was unable to perform as many street concrete repairs and overlay/treatment projects as had been anticipated in the budgeting process. An additional underspent area was road salt purchases due to another consecutive light snow season.
6. The Planning department budget of \$458,427 was underspent by \$173,173 due to budgeted consulting fees for a master planning process that remained mostly unspent, and the department being down one full-time employee throughout fiscal year 2022.

Capital Asset and Debt Administration

Capital assets

The City's investment in capital assets for its governmental and business-type activities on June 30, 2022, amounts to \$187,453,637 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, intangible asset power contracts and lease agreements, vehicles and equipment, furniture/fixtures/office equipment, street lights, service lines, sidewalks, curb and gutter, roads, and similar infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$319,633 (change coming from a \$1,235,966 increase for governmental activities and a \$916,333 decrease for business-type activities). Major capital asset activity during the current fiscal year has been summarized in the following two tables:

	Bountiful City Capital and Intangible Assets (Net of depreciation & amortization)					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 56,808,185	\$ 55,922,950	\$ 9,029,944	\$ 8,844,394	\$ 65,838,129	\$ 64,767,344
Infrastructure	16,420,421	15,335,021	37,014,938	35,837,000	53,435,359	51,172,021
Buildings and other structures	15,293,817	14,468,963	13,366,680	13,650,528	28,660,497	28,119,491
Improvements other than buildings	9,490,161	9,964,647	1,641,646	1,724,392	11,131,807	11,689,039
Street light and traffic signal system	-	-	-	39,439	-	39,439
Machinery & equipment	3,384,181	3,174,454	21,637,634	22,016,824	25,021,815	25,191,278
Furniture, fixtures, & office equip.	774,150	937,656	58,730	73,725	832,880	1,011,381
Construction in progress (CIP)	654,559	1,785,817	360,569	1,055,620	1,015,128	2,841,437
Intangible asset - power projects	-	-	1,006,467	2,302,574	1,006,467	2,302,574
Intangible right-to-use leased assets	-	-	511,555	-	511,555	-
Total capital and intangible assets	\$ 102,825,474	\$ 101,589,508	\$ 84,628,163	\$ 85,544,496	\$ 187,453,637	\$ 187,134,004

BOUNTIFUL CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022

Capital Asset and Debt Administration (Continued)

Bountiful City Schedule of Capital Asset Current Fiscal Year Additions (Retirements)			
	Governmental Activities	Business-type Activities	Totals
Land purchases - Main Street land and 400 North water tank land	\$ 874,101	\$ 185,550	\$ 1,059,651
Land adjustment - reinstatement of small parcel of land	6,934	-	6,934
Land under city streets donation - developer contribution	4,200	-	4,200
Infrastructure - developer contributions	25,280	135,600	160,880
Motor vehicle purchases	781,969	455,266	1,237,235
Equipment/machinery purchases	226,401	1,498,023	1,724,424
Egget Park playground equipment purchase	44,800	-	44,800
Reconstruction of streets, curb, gutter and sidewalk Infrastructure	1,506,137	-	1,506,137
Computer network and storage upgrade	34,390	-	34,390
Construction and design costs for Washington Elementary park (Fiscal 2022 CIP)	195,487	-	195,487
Construction and design costs for a trailhead and a new mountain trail (Fiscal 2022 CIP)	33,925	-	33,925
Design and installation costs for Police & Dispatch software (Fiscal 2022 CIP)	355,466	-	355,466
Golf Course clubhouse remodel	-	201,997	201,997
Reconstruction costs for streets, curb, gutter and sidewalk (Fiscal 2022 CIP)	62,617	-	62,617
Final construction costs for garage/wash bay building replacement (closeout of CIP)	30,652	90,281	120,933
Water and Storm Water Infrastructure (water mains and storm drains)	-	1,189,653	1,189,653
Culinary water SCADA system, equipment, and control panel upgrades	-	306,068	306,068
Cemetery maintenance shop expansion and remodel	-	251,969	251,969
Cemetery land improvements - healing gardens and urn niche landscaping	-	46,848	46,848
Light & Power transmission & distribution system/line construction and replacement	-	972,117	972,117
Less historical cost of current-year retired assets	(465,655)	(1,526,446)	(1,992,101)
Less current year change in accumulated depreciation	(2,480,738)	(3,564,398)	(6,045,136)
Less current year intangible asset reduction and change in accumulated amortization	-	(1,158,861)	(1,158,861)
Total change in capital asset net book value from the previous year	<u>\$ 1,235,966</u>	<u>\$ (916,333.00)</u>	<u>\$ 319,633</u>

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

Long-term debt

At the end of the current fiscal year, the City had begun the process of issuing General Obligation bonded debt with a par amount of \$7,625,000 and a premium amount of \$529,837. These bonds were issued on July 7, 2022, to finance the purchase of the former Washington Elementary School site, improve it as a City park, and to expand and improve the City's trail system. On June 28, 2022, the City received a "good faith" payment on these bonds totaling \$160,000 that is accounted for as a current year liability. The City had no other bonded debt outstanding at June 30, 2022.

Bountiful City Outstanding Bonded Debt						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation bonds, Series '22	\$ 160,000	\$ -	\$ -	\$ -	\$ 160,000	\$ -
Total	<u>\$ 160,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,000</u>	<u>\$ -</u>

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

BOUNTIFUL CITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Fiscal Year Ended June 30, 2022

Economic Factors, Next Year’s Budgets and Rates

The City considers regional and national economic forecasts and performs its own management analysis as a component in the process of developing the one-year operating and capital budgets, along with the long-term capital plans of the City. The assumptions in the analysis are reviewed with the City Council as background for decisions about revenue projections and cost allocations. Budgets for fiscal year 2023 were developed based upon the following criteria and assumptions:

1. Economic activity in the State of Utah and the local region has withstood the pandemic with surprising resilience due to the diverse nature of the State’s economy. No economic downturns were estimated in this budget.
2. Development activity is very minimal within City boundaries. Bountiful continues its movement toward a build-out of housing stock and “maintenance mode” of existing services for the City. Subdivision of existing lots will be the main area of growth for the future.
3. Taxes are the main source of revenue for the governmental funds (66% in fiscal year 2022). For the 2023 budget: 1) Sales tax was projected conservatively with an expected 3% increase (\$309,571) from the fiscal year 2022 actual as it is estimated that sales taxes will not grow as quickly as the past two fiscal years but will still have some increase; 2) There was no increase in the general property tax levy rate and those revenues were budgeted fairly flat with a \$95,922 increase for new growth; 3) Beginning with the calendar 2022 tax levy (fiscal year 2023 revenues), the City will begin collecting on a debt service property tax levy to pay the Series 2022 General Obligation bonds. This levy is budgeted to bring in \$679,604 in property tax revenue; 4) Franchise taxes were budgeted with a \$205,000 decrease to true up the budget with recent year’s results as these revenues have been trending down in the recent past.
4. The City projected intergovernmental revenues with an estimated \$204,048 increase mostly due to the anticipated 3% increase in sales taxes that would increase the City’s road fund contributions from the State that are sales tax derived.
5. The City budgeted licenses and permits revenue with a \$88,150 increase. This is mostly due to Engineering and Planning fee increases being approved with the 2023 budget. These increases were put in place to update fees that had not been increased in many years. The increases were based on estimates of staff time and other costs necessary to perform the services requested by developers and residents.
6. The budget includes a 3% cost-of-living adjustment for personnel and scheduled merit raises per the City’s pay scale for those employees that are eligible.
7. The Landfill and Sanitation departments each authorized to hire one new full-time employee. The 2023 budget includes added personnel costs as well as equipment/supply costs for the new hires.
8. The budget for employee benefits included a 4% increase for the increased premiums for health care coverage.
9. The budget includes inflationary increases in operating costs for energy and general goods and services.
10. The City’s 2023 budgeted expenditures for the Capital Projects Fund totals \$8,042,435. The infrequent projects included in that budget include \$3.2 million to complete the Washington Park project, \$659,635 for police dispatching/records management software, and \$730,000 for the new Trails department to construct the North Canyon trailhead and various other trails master plan project. The remaining budget of \$3,452,800 comes from street and other machinery and equipment purchases that are fairly routine annual expenditures.
11. Each year City management performs evaluations, including market comparisons, of the adequacy of fees in the enterprise funds to ensure their ongoing viability and stability. For the fiscal year 2023 budget there were three enterprise funds with rate and fees increases that could have a significant impact on enterprise fund revenue as outlined below:
 - i. All Light and Power kilowatt usage rates and fees and associated customer charges for were increased by 3%. All connection, deactivation, and deposit rates and fees remained unchanged. The budgeted \$663,066 increase in metered sales was predominately estimated based on that 3% increase.
 - ii. The Storm Water Equivalent Residential Unit (ERU) rate increased \$.50 from \$8.25 to \$8.75. This is a 6.06% increase; however, the corresponding revenue was budgeted conservatively to only increase 4.69% (\$90,000).
 - iii. The Cemetery burial spaces rates previously had a resident and non-resident rate, but those were combined with the 2023 budget with no significant revenue change anticipated. The grave opening fees are still broken out by resident and non-resident with all of those fees increasing by a range of 10.82% for a non-resident grave opening (double depth 1st & 2nd) up to 166.67% for non-resident grave opening (second burial – top casket).

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, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 7,384,473	\$ 6,066,590	\$ 13,451,063
Receivables:			
Taxes	6,581,286	-	6,581,286
Accounts, net	457,406	5,119,061	5,576,467
Interest	122,923	117,968	240,891
Intergovernmental	685,315	231,420	916,735
Leases	231,915	-	231,915
Investments	36,473,849	35,891,392	72,365,241
Inventories	-	3,053,873	3,053,873
Prepaid expenses	-	136,852	136,852
Total Current Assets	<u>51,937,167</u>	<u>50,617,156</u>	<u>102,554,323</u>
Noncurrent assets:			
Internal balances	1,611,309	(1,611,309)	-
Notes receivable	2,004,058	-	2,004,058
Leases receivable	1,937,956	-	1,937,956
Restricted assets:			
Cash and cash equivalents	1,475,747	3,179,525	4,655,272
Investments	1,057,565	-	1,057,565
Net other postemployment benefits asset	317,688	192,862	510,550
Net pension asset	2,165,018	2,462,321	4,627,339
Capital assets, net:			
Land, land rights, and water rights	56,808,185	9,029,944	65,838,129
Buildings, wells, and reservoirs	15,293,817	13,366,680	28,660,497
Improvements other than buildings	9,490,161	1,641,646	11,131,807
Power & water transmission, distribution, and collection infrastructure	-	37,014,938	37,014,938
Machinery and equipment	3,384,181	21,637,634	25,021,815
Furniture, fixtures and office equipment	774,150	58,730	832,880
Infrastructure	16,420,421	-	16,420,421
Construction in progress	654,559	360,569	1,015,128
Intangible asset - power projects	-	1,006,467	1,006,467
Intangible right-to-use leased assets	-	511,555	511,555
Total Noncurrent Assets	<u>113,394,815</u>	<u>88,851,562</u>	<u>202,246,377</u>
Total Assets	<u>165,331,982</u>	<u>139,468,718</u>	<u>304,800,700</u>
Deferred Outflows of Resources			
Pensions	1,828,038	1,057,010	2,885,048
Other postemployment benefits plan	20,323	12,337	32,660
Total Deferred Outflows of Resources	<u>1,848,361</u>	<u>1,069,347</u>	<u>2,917,708</u>
Total Assets and Deferred Outflows	<u>\$ 167,180,343</u>	<u>\$ 140,538,065</u>	<u>\$ 307,718,408</u>

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

BOUNTIFUL CITY
STATEMENT OF NET POSITION (Continued)
June 30, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Liabilities			
Current Liabilities:			
Accounts payable	\$ 1,082,514	\$ 2,519,968	\$ 3,602,482
Accrued liabilities	809,027	635,263	1,444,290
Accrued interest payable	-	8,292	8,292
Retainage payable - restricted assets	4,023	60,121	64,144
Unearned revenue	8,811	182,077	190,888
Compensated absences	478,448	242,767	721,215
Leases payable	-	114,701	114,701
Bonds payable	160,000	-	160,000
Total Current Liabilities	<u>2,542,823</u>	<u>3,763,189</u>	<u>6,306,012</u>
Noncurrent Liabilities:			
Developer and customer deposits - restricted assets	1,062,485	1,011,583	2,074,068
Compensated absences	892,986	549,381	1,442,367
Leases payable	-	195,935	195,935
Accrued landfill closure - restricted assets	-	1,925,744	1,925,744
Net pension liability	1,968,504	-	1,968,504
Total Noncurrent Liabilities	<u>3,923,975</u>	<u>3,682,643</u>	<u>7,606,618</u>
Total Liabilities	<u>6,466,798</u>	<u>7,445,832</u>	<u>13,912,630</u>
Deferred Inflows of Resources			
Deferred revenue-property taxes	4,357,789	-	4,357,789
Deferred revenue-lease payments	2,169,871	-	2,169,871
Pensions	6,537,444	3,412,848	9,950,292
Other postemployment benefits plan	111,111	67,454	178,565
Total Deferred Inflows of Resources	<u>13,176,215</u>	<u>3,480,302</u>	<u>16,656,517</u>
Net Position			
Net investment in capital assets	102,661,451	84,257,406	186,918,857
Restricted for:			
Landfill closure	892,879	-	892,879
Regulatory required insurance deposit	526,076	-	526,076
Pensions	-	106,483	106,483
Other postemployment benefits	226,900	137,745	364,645
Trial donation	25,000	-	25,000
Unrestricted	43,205,024	45,110,297	88,315,321
Total Net Position	<u>147,537,330</u>	<u>129,611,931</u>	<u>277,149,261</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 167,180,343</u>	<u>\$ 140,538,065</u>	<u>\$ 307,718,408</u>

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

BOUNTIFUL CITY
STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities							
General government	\$ 3,283,145	\$ 448,144	\$ 305,224	\$ -	\$ (2,529,777)	\$ -	\$ (2,529,777)
Public safety	9,377,051	776,719	2,689,755	-	(5,910,577)	-	(5,910,577)
Highways and streets	4,934,614	79,258	2,827,128	148,500	(1,879,728)	-	(1,879,728)
Planning and engineering	900,243	852,122	-	-	(48,121)	-	(48,121)
Parks and recreation	1,868,699	20,632	-	27,010	(1,821,057)	-	(1,821,057)
Redevelopment	5,239,087	-	926,766	37,500	(4,274,821)	-	(4,274,821)
Total Governmental Activities	25,602,839	2,176,875	6,748,873	213,010	(16,464,081)	-	(16,464,081)
Business-type Activities							
Water	4,531,550	5,322,829	2,498	238,751	-	1,032,528	1,032,528
Light and power	26,988,227	27,863,911	97,359	102,046	-	1,075,089	1,075,089
Landfill and sanitation	3,680,104	3,344,036	36,077	73,291	-	(226,700)	(226,700)
Storm water	1,336,011	1,933,255	814	5,287	-	603,345	603,345
Golf course	1,695,138	1,695,612	2,951	-	-	3,425	3,425
Recycling	581,666	585,208	-	-	-	3,542	3,542
Cemetery	571,228	883,290	3,031	-	-	315,093	315,093
Total Business-type Activities	39,383,924	41,628,141	142,730	419,375	-	2,806,322	2,806,322
Total Government	\$ 64,986,763	\$ 43,805,016	\$ 6,891,603	\$ 632,385	\$ (16,464,081)	\$ 2,806,322	\$ (13,657,759)
			General Revenues				
			Property taxes		\$ 4,057,728	\$ -	\$ 4,057,728
			Sales taxes		11,471,705	-	11,471,705
			Franchise taxes		3,770,664	-	3,770,664
			Investment earnings		(453,049)	(609,931)	(1,062,980)
			Miscellaneous		257,045	210,598	467,643
			Gain on disposal of capital assets		66,816	15,304	82,120
			Transfers		2,515,188	(2,515,188)	-
			Total General Revenues and Transfers		21,686,097	(2,899,217)	18,786,880
			Changes in Net Position		5,222,016	(92,895)	5,129,121
			Net Position, Beginning		142,315,314	129,643,936	271,959,250
			Prior Period Adjustment		-	60,890	60,890
			Net Position, Ending		\$ 147,537,330	\$ 129,611,931	\$ 277,149,261

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

BOUNTIFUL CITY
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2022

	General	Capital Projects	Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 1,047,029	\$ 4,868,034	\$ 643,507	\$ 443,615	\$ 7,002,185
Receivables:					
Taxes	4,612,830	1,779,026	70,000	119,430	6,581,286
Accounts - net	386,370	56,483	-	-	442,853
Interest	28,876	68,764	10,903	7,941	116,484
Intergovernmental	685,315	-	-	-	685,315
Leases	2,169,871	-	-	-	2,169,871
Investments	4,454,774	24,313,242	3,323,214	2,420,028	34,511,258
Restricted assets:					
Cash and cash equivalents	31,792	-	-	917,879	949,671
Investments	1,057,565	-	-	-	1,057,565
Total Assets	\$ 14,474,422	\$ 31,085,549	\$ 4,047,624	\$ 3,908,893	\$ 53,516,488
Liabilities					
Accounts payable	\$ 404,517	\$ 71,417	\$ 2,036	\$ 7,575	\$ 485,545
Retainage payable - restricted assets	4,023	-	-	-	4,023
Accrued liabilities	797,022	-	4,363	-	801,385
Unearned revenues	8,811	-	-	-	8,811
Developer and customer deposits - restricted assets	1,062,485	-	-	-	1,062,485
Total Liabilities	2,276,858	71,417	6,399	7,575	2,362,249
Deferred Inflows of Resources					
Unavailable revenue-property taxes	4,287,789	-	70,000	-	4,357,789
Unavailable revenue-lease payments	2,169,871	-	-	-	2,169,871
Total Deferred Inflows of Resources	6,457,660	-	70,000	-	6,527,660
Fund Balances					
Restricted:					
Landfill closure	-	-	-	892,879	892,879
Trail donation	-	-	-	25,000	25,000
Committed:					
Operating reserve	5,410,000	10,100,000	-	-	15,510,000
Emergency reserve	-	12,000,000	-	-	12,000,000
Cemetery perpetual care	-	-	-	2,330,100	2,330,100
Assigned:					
Computer replacement	1,055	-	-	-	1,055
Capital projects	-	8,914,132	-	-	8,914,132
RDA fund	-	-	3,971,225	-	3,971,225
Recreation, parks, and arts	-	-	-	632,321	632,321
Debt service fund	-	-	-	21,018	21,018
Unassigned	328,849	-	-	-	328,849
Total Fund Balances	5,739,904	31,014,132	3,971,225	3,901,318	44,626,579
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,474,422	\$ 31,085,549	\$ 4,047,624	\$ 3,908,893	\$ 53,516,488

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, 2022

Amounts reported for governmental activities in the *statement of net position* (page 24) are different from the amounts reported in the governmental funds balance sheet (page 26) because:

Total fund balances - governmental funds (page 26)	\$ 44,626,579
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	102,825,474
The net OPEB asset resulting from OPEB trust assets being in excess of the total OPEB liability is not an available resource and, therefore, is not reported in the governmental funds.	317,688
The net pension asset resulting from pension assets exceeding pension liabilities is not an available resource and, therefore, is not reported in the funds.	2,165,018
The General Fund and RDA Fund's long-term notes receivable are not current financial resources and, therefore, are not reported in the governmental funds.	2,004,058
Deferred outflows of resources associated with the net pension liability and asset are not an available resource and, therefore, are not reported in the governmental funds.	1,828,038
Deferred outflows of resources associated with the net OPEB asset are not an available resource and, therefore, are not reported in the governmental funds.	20,323
The compensated absences liability is not due and payable in the current period and, therefore, is not recorded in the governmental funds.	(1,371,434)
The bonds payable long-term liability is not due and payable in the current period and, therefore, is not recorded in the governmental funds.	(160,000)
The net pension long-term liability is not due and payable in the current period and, therefore, is not recorded in the governmental funds.	(1,968,504)
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.	(6,537,444)
Deferred inflows of resources associated with the net OPEB asset are not due and payable in the current period and, therefore, are not recorded in the governmental funds.	(111,111)
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.	2,287,336
Internal service funds had net current year losses. These losses were eliminated at the government-wide level creating an internal balance due to governmental activities from business-type activities. These losses were added to the accumulated total of previous net losses.	1,611,309
Net Position of governmental activities	\$ 147,537,330

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, 2022

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes	\$ 3,987,052	\$ -	\$ 70,676	\$ -	\$ 4,057,728
Sales taxes	470,479	10,272,022	-	729,204	11,471,705
Franchise taxes	3,770,664	-	-	-	3,770,664
Licenses and permits	791,059	-	-	-	791,059
Intergovernmental	5,904,194	119,021	37,500	-	6,060,715
Intergov. property tax increment	-	-	926,766	-	926,766
Charges for services	1,272,768	-	-	-	1,272,768
Fines and forfeitures	113,048	-	-	-	113,048
Investment earnings	(35,763)	(375,390)	(4,799)	(37,097)	(453,049)
Miscellaneous	119,484	20,161	126,937	131,140	397,722
Total Revenues	<u>16,392,985</u>	<u>10,035,814</u>	<u>1,157,080</u>	<u>823,247</u>	<u>28,409,126</u>
Expenditures					
Current:					
General government	2,660,135	16,841	-	1,697	2,678,673
Public safety	10,715,111	-	-	-	10,715,111
Highways and streets	4,042,660	-	-	-	4,042,660
Planning and engineering	1,029,532	-	-	-	1,029,532
Parks and recreation	1,281,518	-	-	132,617	1,414,135
Redevelopment	-	-	5,452,465	-	5,452,465
Capital outlay:					
General government	-	1,138,640	-	-	1,138,640
Public safety	-	629,065	-	-	629,065
Highways and streets	-	2,135,291	-	-	2,135,291
Parks and recreation	-	219,923	-	-	219,923
Total Expenditures	<u>19,728,956</u>	<u>4,139,760</u>	<u>5,452,465</u>	<u>134,314</u>	<u>29,455,495</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,335,971)</u>	<u>5,896,054</u>	<u>(4,295,385)</u>	<u>688,933</u>	<u>(1,046,369)</u>
Other Financing Sources (Uses)					
Transfer in	2,515,188	483,479	-	-	2,998,667
Transfer out	-	-	-	(483,479)	(483,479)
Bonds issued	-	160,000	-	-	160,000
Sale of capital assets	-	22,716	-	-	22,716
Total Other Financing Sources (Uses)	<u>2,515,188</u>	<u>666,195</u>	<u>-</u>	<u>(483,479)</u>	<u>2,697,904</u>
Net Change in Fund Balance	<u>(820,783)</u>	<u>6,562,249</u>	<u>(4,295,385)</u>	<u>205,454</u>	<u>1,651,535</u>
Fund Balance, Beginning	<u>6,560,687</u>	<u>24,451,883</u>	<u>8,266,610</u>	<u>3,695,864</u>	<u>42,975,044</u>
Fund Balance, Ending	<u>\$ 5,739,904</u>	<u>\$ 31,014,132</u>	<u>\$ 3,971,225</u>	<u>\$ 3,901,318</u>	<u>\$ 44,626,579</u>

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, 2022

Amounts reported for governmental activities in the *statement of activities* (page 25) are different because:

Net Change in Fund Balances - total governmental funds (page 28)	\$ 1,651,535
Governmental funds have reported capital outlays, past and present, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	(2,880,038)
Governmental funds report capital outlays as expenditures. These expenditures are reported as capital assets in the statement of net position.	4,042,426
Governmental funds do not account for developer donations of capital assets that cannot be used as current financial resources. These donations are reported as capital grants and contributions in the statement of activities.	29,479
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.	44,099
In the statement of activities, current changes to the net OPEB asset act to decrease OPEB expense. Governmental funds do not recognize anything other than OPEB plan payments.	41,270
Governmental funds report issuance of long-term debt as other financing sources rather than as a liability, as shown in the statement of net position.	(160,000)
Proceeds from repayment of General Fund and RDA Fund's long-term notes receivable are recorded as revenue in the governmental funds; however, the repayment is recorded as a reduction of the loan principal in the statement of net position.	(202,688)
Amounts loaned by the RDA are recorded as expenditures in that governmental fund; however, the loan is recorded as a long-term note receivable for the statement of net position.	330,000
In the statement of activities, current changes to the net pension asset and associated deferred outflows and inflows of resources act to decrease pension expense. Governmental funds recognize only the actual pension contribution expenditures.	2,112,817
In the statement of activities, current changes to the net pension liability and associated deferred outflows and inflows of resources act to decrease pension expense. Governmental funds recognize only the actual pension contribution expenditures.	501,475
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.	(88,052)
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.	(200,307)
Change in net position of governmental activities	\$ 5,222,016

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

BOUNTIFUL CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For The Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 3,899,059	\$ 3,899,059	\$ 3,987,052	\$ 87,993
Sales taxes	5,853,015	5,950,515	470,479	(5,480,036)
Franchise taxes	3,775,000	3,775,000	3,770,664	(4,336)
Licenses and permits	543,000	543,000	791,059	248,059
Intergovernmental revenues	2,610,752	2,610,752	5,904,194	3,293,442
Charges for services	1,187,903	1,187,903	1,272,768	84,865
Fines and forfeitures	110,000	110,000	113,048	3,048
Investment earnings	139,000	139,000	(35,763)	(174,763)
Miscellaneous	67,700	67,700	119,484	51,784
Total Revenues	<u>18,185,429</u>	<u>18,282,929</u>	<u>16,392,985</u>	<u>(1,889,944)</u>
Expenditures				
Current:				
General government:				
Legislative	826,338	826,338	700,416	125,922
Legal	408,591	408,591	389,367	19,224
Executive	186,902	196,902	197,929	(1,027)
Information technology	607,075	607,075	594,208	12,867
Finance	420,650	420,650	411,208	9,442
Human resources	150,694	150,694	139,850	10,844
Treasury	132,991	132,991	118,232	14,759
Government buildings	120,512	120,512	108,925	11,587
Public safety:				
Police	8,465,976	8,465,976	8,352,625	113,351
Fire	2,375,000	2,375,000	2,362,486	12,514
Highways and streets	4,472,459	4,472,459	4,042,660	429,799
Planning and engineering:				
Planning	458,427	458,427	285,254	173,173
Engineering	709,102	746,602	744,278	2,324
Parks	1,358,100	1,408,100	1,281,518	126,582
Total Expenditures	<u>20,692,817</u>	<u>20,790,317</u>	<u>19,728,956</u>	<u>1,061,361</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(2,507,388)</u>	<u>(2,507,388)</u>	<u>(3,335,971)</u>	<u>(828,583)</u>
Other Financing Sources (Uses)				
Transfer in	2,450,000	2,450,000	2,515,188	65,188
Sale of capital assets	40,000	40,000	-	(40,000)
Total Other Financing Sources (Uses)	<u>2,490,000</u>	<u>2,490,000</u>	<u>2,515,188</u>	<u>25,188</u>
Net Change in Fund Balance *	<u>\$ (17,388)</u>	<u>\$ (17,388)</u>	<u>(820,783)</u>	<u>\$ (803,395)</u>
Fund Balance, Beginning			<u>6,560,687</u>	
Fund Balance, Ending			<u>\$ 5,739,904</u>	

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

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

BOUNTIFUL CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – REDEVELOPMENT AGENCY SPECIAL
REVENUE FUND
For The Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ -	\$ -	\$ 70,676	\$ 70,676
Intergovernmental revenues	-	-	37,500	37,500
Property tax increment contribution	1,035,507	1,035,507	926,766	(108,741)
Investment earnings	98,476	98,476	(4,799)	(103,275)
Principal payments on notes receivable	195,463	195,463	126,937	(68,526)
Total Revenues	<u>1,329,446</u>	<u>1,329,446</u>	<u>1,157,080</u>	<u>(172,366)</u>
Expenditures				
Current:				
Redevelopment	<u>6,730,591</u>	<u>6,730,591</u>	<u>5,452,465</u>	<u>1,278,126</u>
Total Expenditures	<u>6,730,591</u>	<u>6,730,591</u>	<u>5,452,465</u>	<u>1,278,126</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(5,401,145)</u>	<u>(5,401,145)</u>	<u>(4,295,385)</u>	<u>1,105,760</u>
Net Change in Fund Balance *	<u>\$ (5,401,145)</u>	<u>\$ (5,401,145)</u>	<u>(4,295,385)</u>	<u>\$ 1,105,760</u>
Fund Balance, Beginning			<u>8,266,610</u>	
Fund Balance, Ending			<u>\$ 3,971,225</u>	

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

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

BOUNTIFUL CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2022

	Business-type Activities - Enterprise Funds				Total Enterprise	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		
Assets						
Current Assets						
Cash and cash equivalents	\$ 848,442	\$ 2,267,992	\$ 2,119,098	\$ 831,058	\$ 6,066,590	\$ 382,288
Receivables:						
Accounts receivable, net	726,981	3,706,023	315,009	371,048	5,119,061	14,553
Interest receivable	15,219	56,271	29,672	16,806	117,968	6,439
Intergovernmental receivable	2,498	100,293	121,833	6,796	231,420	-
Investments	4,638,807	17,085,898	9,043,907	5,122,780	35,891,392	1,962,591
Inventories	412,046	2,559,983	-	81,844	3,053,873	-
Prepaid expenses	128,879	7,973	-	-	136,852	-
Total Current Assets	6,772,872	25,784,433	11,629,519	6,430,332	50,617,156	2,365,871
Noncurrent Assets						
Restricted assets:						
Cash and cash equivalents	49,917	1,041,024	1,926,765	161,819	3,179,525	526,076
Net other postemployment benefits asset	40,264	96,230	26,440	29,928	192,862	-
Net pension asset	437,160	1,325,959	287,368	411,834	2,462,321	52,201
Due from other funds	-	-	-	-	-	-
Capital assets, net:						
Land, land rights and water rights	525,559	1,263,349	43,737	7,197,299	9,029,944	-
Buildings, wells and reservoirs	6,977,643	4,867,477	738,105	783,455	13,366,680	-
Improvements other than buildings	79,463	669,328	134,643	758,212	1,641,646	-
Power & water transmission, distribution, and collection infrastructure	16,205,264	16,328,490	-	4,481,184	37,014,938	-
Machinery and equipment	2,439,877	14,782,217	3,356,163	1,059,377	21,637,634	-
Furniture, fixtures and office equipment	-	58,730	-	-	58,730	-
Construction in progress	190,343	30,002	-	140,224	360,569	-
Intangible asset - power projects	-	1,006,467	-	-	1,006,467	-
Intangible right-to-use leased assets	-	-	-	511,555	511,555	-
Total Noncurrent Assets	26,945,490	41,469,273	6,513,221	15,534,887	90,462,871	578,277
Total Assets	33,718,362	67,253,706	18,142,740	21,965,219	141,080,027	2,944,148
Deferred Outflows of Resources						
Pensions	187,661	569,199	123,360	176,790	1,057,010	22,409
Other postemployment benefits plan	2,576	6,156	1,691	1,914	12,337	-
Total Deferred Outflows	190,237	575,355	125,051	178,704	1,069,347	22,409
Total Assets and Deferred Outflows	\$ 33,908,599	\$ 67,829,061	\$ 18,267,791	\$ 22,143,923	\$ 142,149,374	\$ 2,966,557

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

BOUNTIFUL CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2022

	Business-type Activities - Enterprise Funds				Total Enterprise	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		
Current Liabilities						
Accounts payable	\$ 368,644	\$ 1,725,611	\$ 97,157	\$ 328,556	\$ 2,519,968	\$ 596,973
Accrued liabilities	79,127	368,181	71,167	116,788	635,263	7,642
Accrued Interest Payable	-	-	-	8,292	8,292	-
Retainage payable - restricted assets	25,017	-	1,021	34,083	60,121	-
Unearned revenue - restricted assets	24,900	85,515	-	71,662	182,077	-
Compensated absences	36,699	135,239	31,233	39,596	242,767	-
Leases payable	-	-	-	114,701	114,701	-
Total Current Liabilities	534,387	2,314,546	200,578	713,678	3,763,189	604,615
Noncurrent Liabilities						
Developer and customer deposits - restricted assets	-	955,509	-	56,074	1,011,583	-
Compensated absences	90,914	300,180	56,894	101,393	549,381	-
Leases payable	-	-	-	195,935	195,935	-
Accrued landfill closure - restricted assets	-	-	1,925,744	-	1,925,744	-
Total Noncurrent Liabilities	90,914	1,255,689	1,982,638	353,402	3,682,643	-
Total Liabilities	625,301	3,570,235	2,183,216	1,067,080	7,445,832	604,615
Deferred Inflows of Resources						
Pensions	605,916	1,837,817	398,300	570,815	3,412,848	72,352
Other postemployment benefits plan	14,082	33,656	9,248	10,468	67,454	-
Total Deferred Inflows	619,998	1,871,473	407,548	581,283	3,480,302	72,352
Net Position						
Net investment in capital assets	26,393,132	39,006,060	4,271,627	14,586,587	84,257,406	-
Restricted:						
Regulatory required insurance deposit	-	-	-	-	-	526,076
Pensions	18,905	57,341	12,428	17,809	106,483	2,258
Other postemployment benefits	28,758	68,730	18,883	21,374	137,745	-
Unrestricted	6,222,505	23,255,222	11,374,089	5,869,790	46,721,606	1,761,256
Total Net Position	32,663,300	62,387,353	15,677,027	20,495,560	131,223,240	2,289,590
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 33,908,599	\$ 67,829,061	\$ 18,267,791	\$ 22,143,923	\$ 142,149,374	\$ 2,966,557
Net Position Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Net Position:					\$ 131,223,240	
Adjustment for the cumulative internal balance from the net activity between internal service funds and enterprise funds					(1,611,309)	
					\$ 129,611,931	

Net Position of Business-type activities (page 24)

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

BOUNTIFUL CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For The Fiscal Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				Total Enterprise	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		
Operating Revenues						
Charges for services	\$ 5,299,994	\$ 27,721,204	\$ 3,344,036	\$ 2,987,043	\$ 39,352,277	\$ 851,444
Connection and servicing	22,835	94,269	-	-	117,104	-
Admissions and lesson fees	-	-	-	970,771	970,771	-
Equipment and facility rents	-	48,438	-	443,961	492,399	-
Merchandise and concession sales	-	-	-	280,880	280,880	-
Sale of cemetery burial plots	-	-	-	414,710	414,710	-
Miscellaneous	1,495	133,475	63,876	11,752	210,598	-
Total Operating Revenues	5,324,324	27,997,386	3,407,912	5,109,117	41,838,739	851,444
Operating Expenses						
Personnel wages and benefits	1,110,123	3,831,344	1,125,876	1,439,232	7,506,575	140,446
Materials and supplies	440,706	73,951	241,302	222,314	978,273	-
Repair and maintenance costs	374,693	2,145,628	1,165,321	524,561	4,210,203	-
Contractual and professional services	103,169	28,331	256,063	621,853	1,009,416	39,015
Power purchases	-	13,306,953	-	-	13,306,953	-
Power generation costs	-	2,430,655	-	-	2,430,655	-
General and administrative costs	1,120,102	1,158,070	318,680	645,659	3,242,511	635,829
Claims	-	-	-	-	-	543,594
Depreciation	1,294,653	2,475,513	546,120	593,419	4,909,705	-
Amortization	-	1,296,107	-	89,785	1,385,892	-
Total Operating Expenses	4,443,446	26,746,552	3,653,362	4,136,823	38,980,183	1,358,884
Operating Income (Loss)	\$ 880,878	\$ 1,250,834	\$ (245,450)	\$ 972,294	\$ 2,858,556	\$ (507,440)

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, 2022

	Business-type Activities - Enterprise Funds				Total Enterprise	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		
Nonoperating Revenues (Expenses)						
Investment earnings	\$ (75,432)	\$ (295,562)	\$ (147,583)	\$ (91,354)	\$ (609,931)	\$ (33,240)
Intergovernmental - Grants	2,498	97,359	109,368	6,796	216,021	-
Interest expense	-	-	-	(10,560)	(10,560)	-
Gain (loss) from disposal of capital assets	(50,787)	8,804	6,500	(2,021)	(37,504)	-
Total Nonoperating Revenues (Expenses)	(123,721)	(189,399)	(31,715)	(97,139)	(441,974)	(33,240)
Income (loss) before contributions & transfers	757,157	1,061,435	(277,165)	875,155	2,416,582	(540,680)
Capital Contributions	238,751	102,046	-	5,287	346,084	-
Transfers in	-	-	-	95,000	95,000	-
Transfers out	-	(2,515,188)	(95,000)	-	(2,610,188)	-
Change in Net Position	995,908	(1,351,707)	(372,165)	975,442	247,478	(540,680)
Net Position, Beginning	31,667,392	63,739,060	16,049,192	19,459,228	130,914,872	2,830,270
Prior Period Adjustment	-	-	-	60,890	60,890	-
Net Position, Ending	\$ 32,663,300	\$ 62,387,353	\$ 15,677,027	\$ 20,495,560	\$ 131,223,240	\$ 2,289,590
Reconciliation from Proprietary Funds to Business-type Activities on the Statement of Activities:					\$ 247,478	
Adjustment to eliminate the current fiscal year's internal service funds net loss from internal customers applicable to business-type activities					(340,373)	
Changes in Net Position of Business-type activities (page 25)					\$ (92,895)	

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, 2022

	Business-type Activities - Enterprise Funds				Total Enterprise	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds		
Cash Flows From Operating Activities						
Receipts from customers and users	\$ 5,554,554	\$ 28,712,834	\$ 3,393,706	\$ 5,149,783	\$ 42,810,877	\$ 851,032
Receipts from customer deposits	-	152,027	-	9,230	161,257	-
Payments to suppliers	(1,497,495)	(19,328,647)	(1,163,778)	(1,600,471)	(23,590,391)	(1,060,916)
Payments to employees and related benefits	(1,331,709)	(4,545,741)	(1,273,850)	(1,650,212)	(8,801,512)	(167,039)
Payments to other funds for services provided	(428,178)	(822,798)	(245,598)	(379,915)	(1,876,489)	-
Return of customer deposits	-	(139,206)	-	-	(139,206)	-
Net cash flows from operating activities	<u>2,297,172</u>	<u>4,028,469</u>	<u>710,480</u>	<u>1,528,415</u>	<u>8,564,536</u>	<u>(376,923)</u>
Cash Flows From Non-Capital Financing Activities						
Transfers from other funds	-	-	-	95,000	95,000	-
Transfers to other funds	-	(2,515,188)	(95,000)	-	(2,610,188)	-
Grants received	10,326	497,469	192,988	27,713	728,496	-
Net cash flows from non-capital financing activities	<u>10,326</u>	<u>(2,017,719)</u>	<u>97,988</u>	<u>122,713</u>	<u>(1,786,692)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities						
Capital contributions	103,151	102,046	-	5,287	210,484	-
Purchase of capital assets	(1,631,514)	(1,257,878)	(1,169,286)	(1,139,095)	(5,197,773)	-
Proceeds from sales of capital assets	53,200	39,900	6,500	-	99,600	-
Principal paid equipment lease	-	-	-	(110,312)	(110,312)	-
Interest paid on equipment lease	-	-	-	(13,100)	(13,100)	-
Net cash flows from capital and related financing activities	<u>\$ (1,475,163)</u>	<u>\$ (1,115,932)</u>	<u>\$ (1,162,786)</u>	<u>\$ (1,257,220)</u>	<u>\$ (5,011,101)</u>	<u>\$ -</u>
Cash Flows From Investing Activities						
Investment earnings	\$ 42,483	\$ 141,832	\$ 83,701	\$ 39,216	\$ 307,232	\$ 17,142
Purchase of investments	(3,899,514)	(13,233,951)	(7,004,995)	(4,179,939)	(28,318,399)	(1,520,132)
Sale of investments	1,733,552	6,442,332	3,861,695	2,077,463	14,115,042	995,785
Net cash flows from investing activities	<u>(2,123,479)</u>	<u>(6,649,787)</u>	<u>(3,059,599)</u>	<u>(2,063,260)</u>	<u>(13,896,125)</u>	<u>(507,205)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	(1,291,144)	(5,754,969)	(3,413,917)	(1,669,352)	(12,129,382)	(884,128)
Cash and Cash Equivalents, Beginning	2,189,503	9,063,985	7,459,780	2,662,229	21,375,497	1,792,492
Cash and Cash Equivalents, Ending	<u>\$ 898,359</u>	<u>\$ 3,309,016</u>	<u>\$ 4,045,863</u>	<u>\$ 992,877</u>	<u>\$ 9,246,115</u>	<u>\$ 908,364</u>

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

BOUNTIFUL CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
For The Fiscal Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds			
Reconciliation of operating income to net cash flows from operating activities							
Earnings (loss) from operations	\$ 880,878	\$ 1,250,834	\$ (245,450)	\$ 972,294	\$ 2,858,556	\$ (507,440)	
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:							
Depreciation and amortization	1,294,653	3,771,620	546,120	683,204	6,295,597	-	
Changes in assets and liabilities							
Accounts receivable, net	214,511	664,031	(14,206)	40,666	905,002	(412)	
Inventories	(96,402)	(555,442)	-	(31,923)	(683,767)	-	
Prepaid expenses	(2,779)	3,543	-	-	764	-	
Other postemployment benefits (OPEB) asset	368	(795)	(1,457)	(822)	(2,706)	-	
Net pension asset	(437,160)	(1,325,959)	(287,368)	(411,834)	(2,462,321)	(52,201)	
Deferred outflows - pensions	(39,504)	(118,312)	(28,786)	(39,907)	(226,509)	(5,323)	
Deferred outflows - OPEB	(1,002)	(2,458)	(723)	(786)	(4,969)	-	
Accounts payable	237,947	(447,142)	62,260	28,118	(118,817)	155,873	
Accrued liabilities	6,388	(8,743)	13,169	5,235	16,049	638	
Retainage payable	(32,157)	(73)	-	13,666	(18,564)	-	
Unearned revenue	15,719	51,417	-	2,091	69,227	-	
Developer and customer deposits	-	12,821	-	9,230	22,051	-	
Compensated absences	4,485	(28,809)	(2,218)	14,800	(11,742)	-	
Accrued landfill closure	-	-	496,561	-	496,561	-	
Deferred inflows - pensions	297,596	899,505	201,488	285,958	1,684,547	36,797	
Deferred inflows - OPEB	(4,271)	(9,453)	(2,037)	(2,680)	(18,441)	-	
Net pension liability	(42,098)	(128,116)	(26,873)	(38,895)	(235,982)	(4,855)	
Net cash flows from operating activities	\$ 2,297,172	\$ 4,028,469	\$ 710,480	\$ 1,528,415	\$ 8,564,536	\$ (376,923)	
Schedule of non-cash capital and related financing activities							
Contributions of capital assets	\$ 135,600	\$ -	\$ -	\$ -	\$ 135,600	\$ -	
Leasing of assets	-	-	-	182,995	182,995	-	
Capital assets contributed from/(to) other funds	(41,490)	-	(24,865)	-	(66,355)	-	

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

BOUNTIFUL CITY
STATEMENT OF FIDUCIARY NET POSITION
OPEB PLANS
June 30, 2022

	Other Postemployment Benefits Plan (OPEB) Trust
Assets	
Cash and cash equivalents	\$ 357,785
Interest receivable	521
Investments:	
Corporate bonds	188,717
Agency bonds	48,159
Total Assets	\$ 595,182
Net position - Restricted for OPEB	\$ 595,182
Total Net Position - Restricted for OPEB	595,182
Total Liabilities and Net Position	\$ 595,182

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

BOUNTIFUL CITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OPEB PLANS
For The Fiscal Year Ended June 30, 2022

	Other Postemployment Benefits Plan (OPEB) Trust
Additions	
Interest earnings:	
Interest and dividends	\$ 3,784
Net increase/(decrease) in fair value	(3,737)
Investment expense	(263)
Net investment earnings	(216)
Total Additions	(216)
Deductions	
Benefits	16,144
Total Deductions	16,144
Changes in Net Position	(16,360)
Net Position, Beginning	611,542
Net Position, Ending	\$ 595,182

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

BOUNTIFUL CITY

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Reporting Entity

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

Blended Component Units

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

Fiduciary Component Unit

The Bountiful City Council approved the creation of an integral-part trust to administer a other postemployment benefit (OPEB) plan to provide benefits to retired City employees. The integral-part trust is legally protected from City creditors, was funded exclusively by City contributions, its assets are dedicated to providing OPEB to retired City employees, and is irrevocable. In conformity with GAAP, the OPEB plan is considered a fiduciary component unit of the City and not combined with the primary government. The OPEB plan financial statements are included on pages 38 and 39 of this report as the OPEB plan does not issue a separate report.

Basis of Presentation - Government-Wide and Fund Financial Statements

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

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

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

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

Fund Financial Statements

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

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

The City reports the following fiduciary fund:

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

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

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

Additionally, the City reports the following nonmajor fund types:

- The City accounts for the Landfill Closure, RAP Tax, 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, Cemetery, and Recycling Funds account for the provision of these services to the residents of the City. These funds are accounted for as nonmajor enterprise funds.
- Internal service funds are used to account for the central financing of goods or services provided by an internal service fund to various departments of the City on a cost-reimbursement basis. The City has a Workers' Compensation and a Risk Management internal service fund. These funds account for the City's self-insurance programs.

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

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

Proprietary funds Operating and Nonoperating Revenues and Expenses

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

Budgets

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets (Continued)

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

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

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

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

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

Taxes

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

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

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

Utility Billing Revenue

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

Cash and cash equivalents

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

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

Inventories and prepaid expenses/expenditures

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

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

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, 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 leased equipment, and infrastructure are depreciated/amortized using the straight-line method over the following estimated useful lives:

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

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

Deferred outflows of resources

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

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences

The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. The liability for compensated absences includes salary-related benefits, where applicable. A liability for compensated absences is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences has been estimated based on the following City policies:

Vacation:

The City's policy permits employees to accumulate earned but unused vacation benefits up to 240 hours in a calendar year, which are eligible for payment upon separation from City service. Employees are also permitted to cash 40 or 80 hours, depending upon position, of accrued vacation benefits each calendar year.

Compensation Time:

All non-exempt employees accumulate overtime hours at time-and-a-half. This time is eligible for future paid leave, payment at the department head discretion, or payment upon separation from City service.

Sick Leave:

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

Pensions

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

Deferred inflows of resources

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

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Lessee: The City is a lessee for a noncancellable lease of golf course equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more.

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

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

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

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

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

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

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

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

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

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

Fund equity

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

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund equity (Continued)

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

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

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

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

Fund balance and net position flow assumptions

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

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

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

Interfund transactions

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS

The City maintains an internal cash and investment pool that is available for use by all funds. The pooled cash and investment concept is used to maximize the City's investment program. Cash includes amounts in demand deposits including the portion of the Utah Public Treasurer's Investment Fund (PTIF) that is considered as a demand deposit. Investments are stated at fair value. Each fund's portion of this pool is displayed on the combined balance sheets as "cash and cash equivalents" and "investments" which also includes cash accounts that are separately held by several of the City's funds. Investment income from this internal pooling is allocated to the respective funds based on the sources of funds invested.

Deposits and investments for the City are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council ("the Council").

The PTIF is an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis, which approximates fair value at yearend. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances. As of June 30, 2022, the fair value per share factor for investments in the PTIF was .995869.

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, 2022, \$17,452,790 of the City's bank balances of \$18,609,988 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, 2022, \$72,659,683 of the City's \$73,659,683 in investments was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

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

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Following are the City's cash on hand, on deposit, and investments on June 30, 2022:

	Carrying Value	Fair Value Factor	Fair Value	Credit Rating (1)	Ave. Maturity (Years) (2)
<u>Bountiful City</u>					
Cash on hand and on deposit:					
Cash on hand	\$ 4,700	1	\$ 4,700	N/A	N/A
Cash on deposit	5,275,655	1	5,275,655	N/A	N/A
Regulatory Insurance Deposit	526,076	1	526,076	N/A	N/A
Utah State Treasurer's investment pool accounts (3)	12,299,904	0.995869	12,249,088	N/A	0.17
Total cash on hand and deposit	<u>\$ 18,106,335</u>		<u>\$ 18,055,519</u>		
Investments:					
U.S. Agency bonds	\$ 34,401,293	1	\$ 34,401,293	AAA	3.28
Certificates of deposit	479,643	1	479,643	AA-	2.33
Corporate bonds	38,541,870	1	38,541,870	A	1.04
Total Investments	<u>\$ 73,422,806</u>		<u>\$ 73,422,806</u>		<u>1.66</u>
<u>Fiduciary Fund - OPEB Trust</u>					
Cash on hand and on deposit:					
Cash on Deposit - OPEB	\$ 357,785	1	\$ 357,785	N/A	N/A
Total cash on hand and deposit	<u>\$ 357,785</u>		<u>\$ 357,785</u>		
Investments:					
U.S. Agency bonds - OPEB	\$ 48,159	1	\$ 48,159	AAA	2.66
Corporate bonds - OPEB	\$ 188,717	1	\$ 188,717	AA-	1.39
Total Investments	<u>\$ 236,876</u>		<u>\$ 236,876</u>		<u>1.39</u>

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

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

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

Fair value of investments

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

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

At June 30, 2022, the City's investments of \$73,422,806 had the following recurring fair value measurements:

- U.S. Agency bonds of \$9,639,602 are valued using quoted market prices (Level 1 inputs)
- Corporate bonds of \$20,133,767 are valued using quoted market prices (Level 1 inputs)
- Certificates of deposit of \$479,643 are valued using a matrix pricing model (Level 2 inputs). Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices
- U.S. Agency bonds of \$24,761,692 are valued using a matrix pricing model (Level 2 inputs)
- Corporate bonds of \$18,408,102 are valued using a matrix pricing model (Level 2 inputs)

At June 30, 2022, the fiduciary OPEB plan investments had U.S. Agency bonds of \$48,159 and corporate bonds of \$188,717 with fair value measurements using quoted market prices (Level 1 inputs).

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

The City's investments are carried at fair value and changes in fair value affect the amount of investment income reported even if the change is unrealized. The calculation of an investment's realized gains and losses is entirely separate from the net change in the fair value. Unrealized gains or losses reflect the variance between the investment's carrying value and its value if it were sold. For the latter part of fiscal year 2022 interest rates were rising in the bond market, principally due to the Federal Reserve increasing the internal borrowing rate (150 basis points over four months), causing the market value of the City's investments to devalue resulting in large unrealized losses. These unrealized losses drove the City's overall net investment earnings negative. The following schedule breaks out the City's net investment earnings for the fiscal year ending June 30, 2022:

	Governmental Activities	Business-type Activities	Total
Interest and net realized gains/(losses)	\$ 540,515	\$ 396,322	\$ 936,837
Unrealized gains/(losses)	(993,564)	(1,006,253)	(1,999,817)
Total net investment earnings/(loss)	\$ (453,049)	\$ (609,931)	\$ (1,062,980)

The City's investment policy stipulates the purchase of highly rated investments, and its investment practice is to hold investments to maturity; thus, it is unlikely that the unrealized losses reported during the fiscal year will be realized. Any investments that were sold during the current fiscal year did include realized gains or losses that included changes in fair value (i.e., unrealized) that actually occurred in prior periods and were thus 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 into a single taxes receivable line and accounts receivable (net of allowance for doubtful accounts) for the General fund. Below is the detail of taxes and accounts receivable for the major governmental funds:

	General Fund	Capital Projects	Redevelopment Agency
Taxes Receivable:			
Franchise taxes	\$ 265,036	\$ -	\$ -
Property taxes	4,327,609	-	70,000
Sales taxes	20,185	1,779,026	-
Total Taxes Receivable	\$ 4,612,830	\$ 1,779,026	\$ 70,000
Accounts Receivable:	\$ 393,464	\$ 56,483	\$ -
Less: allowance for uncollectibles	(7,094)	-	-
Total Accounts Receivable - Net	\$ 386,370	\$ 56,483	\$ -
Intergovernmental Receivable:			
State of Utah Class B&C Road Funds	\$ 412,282	\$ -	\$ -
Local Option Transportation Tax	163,645	-	-
FEMA disaster recovery grant	109,388	-	-
Total Intergovernmental	\$ 685,315	\$ -	\$ -

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS (Continued)

The accounts receivable balances in the enterprise funds are shown net of the associated allowance for doubtful accounts. Below is the detail for all enterprise fund receivables at June 30, 2022:

	Water	Light and Power	Landfill and Sanitation	Nonmajor Enterprise Funds
Accounts receivable	\$ 732,183	\$ 3,750,239	\$ 316,662	\$ 373,258
Less: allowance for uncollectibles	(5,202)	(44,216)	(1,653)	(2,210)
Total Accounts Receivable - Net	<u>\$ 726,981</u>	<u>\$ 3,706,023</u>	<u>\$ 315,009</u>	<u>\$ 371,048</u>

4. NOTES RECEIVABLE

The Redevelopment Agency occasionally provides low-cost building and grounds rehabilitation loans to businesses in the City. Additionally, the City has one outstanding promissory note. The City has established notes receivable for these loans on the government-wide financial statements. The terms and outstanding balances of all the City notes receivable as of June 30, 2022 are as follows:

Balance June 30, 2022	Interest Rate	Monthly Payments		Balloon Payments	
		Amount	Due Through	Amount	Due
<u>RDA Loans</u>					
\$ 378,567	3.00%	\$ 9,317	January 2026	\$ -	N/A
475,909	3.00%	3,050	December 2023	443,639	December 2023
323,864	3.00%	3,186	February 2023	-	N/A
<u>Repayment Promissory Note</u>					
825,718	3-5%	*	June 2033 *	-	N/A
<u>\$ 2,004,058</u>		<u>\$ 15,553</u>		<u>\$ 443,639</u>	

* The \$825,718 promissory note is paid through annual payments that range between \$74,415 and \$75,776 through June 2033.

South Davis Metro Fire Service Area (SDMFSA) Promissory Note

On July 1, 2016, SDMFSA that provides the City's emergency medical and fire services, became its own taxing district. As part of the interlocal agreements to establish this new taxing district, the City donated capital assets to SDMFSA with a net book value of \$2,271,345 with the stipulation that the City would not have to participate in any of the debt service payments for existing bonds issued under the old interlocal agency. In November 2017, SDMFSA levied a tax, affecting City residents, to pay for debt service on those existing bonds. In an effort to make the City whole and as part of the signed interlocal agreements, SDMFSA has agreed to pay the City an estimated \$1,219,062 in annual tax collections over a 15-year period ending June of 2033. The current estimate of the remaining balance is \$825,718.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2022, is as follows:

	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 55,922,950	\$ 885,235	\$ -	\$ -	\$ 56,808,185
Construction in progress	1,785,817	2,184,283	-	(3,315,541)	654,559
Total capital assets, not being depreciated	57,708,767	3,069,518	-	(3,315,541)	57,462,744
Capital assets, being depreciated					
Infrastructure	36,020,559	25,280	31,739	1,666,615	37,680,715
Buildings	28,965,597	-	79,000	1,648,926	30,535,523
Improvements other than buildings	15,882,571	44,800	-	-	15,927,371
Machinery and equipment	10,104,023	942,016	354,916	66,355	10,757,478
Furniture, fixtures and office equip.	3,078,194	34,390	-	-	3,112,584
Total capital assets, being depreciated	94,050,944	1,046,486	465,655	3,381,896	98,013,671
Accumulated Depreciation					
Infrastructure	20,685,538	606,494	31,738	-	21,260,294
Buildings	14,496,634	824,072	79,000	-	15,241,706
Improvements other than buildings	5,917,924	519,286	-	-	6,437,210
Machinery and equipment	6,929,569	732,290	354,917	66,355	7,373,297
Furniture, fixtures and office equip.	2,140,538	197,896	-	-	2,338,434
Total accumulated depreciation	50,170,203	2,880,038	465,655	66,355	52,650,941
Total capital assets, being depreciated, net	43,880,741	(1,833,552)	-	3,315,541	45,362,730
Governmental activities capital assets, net	<u>\$ 101,589,508</u>	<u>\$ 1,235,966</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,825,474</u>

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

<u>Governmental activities</u>	
General government	\$ 692,205
Public safety	289,748
Highways and public improvements	1,100,997
Parks and recreation	662,936
Planning & engineering	9,571
Redevelopment Agency	124,581
Total depreciation expense - governmental activities	<u>\$ 2,880,038</u>

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

The Enterprise Funds' property, plant and equipment consist of the following at June 30, 2022:

	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Business-type Activities					
Capital assets, not being depreciated					
Land, land rights, and water rights	\$ 8,844,394	\$ 185,550	\$ -	\$ -	\$ 9,029,944
Construction in progress	1,055,620	1,523,068	31,096	(2,187,023)	360,569
Total capital assets, not being depreciated	<u>9,900,014</u>	<u>1,708,618</u>	<u>31,096</u>	<u>(2,187,023)</u>	<u>9,390,513</u>
Capital assets, being depreciated					
Buildings, wells and reservoirs	28,589,542	453,968	33,641	233,593	29,243,462
Improvements other than buildings	4,356,220	46,848	-	-	4,403,068
Power & water transmission, distrib., and collection infrastructure	84,561,566	928,985	299,390	1,953,430	87,144,591
Street light and traffic systems	2,366,331	-	-	-	2,366,331
Machinery and equipment	50,679,406	2,194,956	1,095,963	(506,719)	51,271,680
Furniture, fixtures and office equip.	183,259	-	-	-	183,259
Total capital assets, being depreciated	<u>170,736,324</u>	<u>3,624,757</u>	<u>1,428,994</u>	<u>1,680,304</u>	<u>174,612,391</u>
Less accumulated depreciation for					
Buildings, wells and reservoirs	14,939,014	971,409	33,641	-	15,876,782
Improvements other than buildings	2,631,828	129,594	-	-	2,761,422
Power & water transmission, distrib., and collection infrastructure	48,724,566	1,684,090	279,003	-	50,129,653
Street light and traffic systems	2,326,892	39,439	-	-	2,366,331
Machinery and equipment	28,662,582	2,070,178	1,010,341	(88,373)	29,634,046
Furniture, fixtures and office equip.	109,534	14,995	-	-	124,529
Total accumulated depreciation	<u>97,394,416</u>	<u>4,909,705</u>	<u>1,322,985</u>	<u>(88,373)</u>	<u>100,892,763</u>
Total capital assets, being depreciated, net	<u>73,341,908</u>	<u>(1,284,948)</u>	<u>106,009</u>	<u>1,768,677</u>	<u>73,719,628</u>
Business-type activities net capital assets	<u>\$ 83,241,922</u>	<u>\$ 423,670</u>	<u>\$ 137,105</u>	<u>\$ (418,346)</u>	<u>\$ 83,110,141</u>
Amortized assets					
Intangible asset - right to use	\$ 320,240	\$ -	\$ -	\$ 440,364	\$ 760,604
Intangible asset - power projects	2,302,574	-	1,296,107	-	1,006,467
Total amortized assets	<u>2,622,814</u>	<u>-</u>	<u>1,296,107</u>	<u>440,364</u>	<u>1,767,071</u>
Less accumulated amortization for					
Leased machinery and equipment	137,246	89,785	-	22,018	249,049
Total accumulated amortization	<u>137,246</u>	<u>89,785</u>	<u>-</u>	<u>22,018</u>	<u>249,049</u>
Business-type activities net amortized assets	<u>\$ 2,485,568</u>	<u>\$ (89,785)</u>	<u>\$ 1,296,107</u>	<u>\$ 418,346</u>	<u>\$ 1,518,022</u>

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

Business-type Activities	Dep. Expense	Amort. Expense
Water	\$ 1,294,653	\$ -
Light and Power	2,475,513	-
Landfill and Sanitation	546,120	-
Storm Water	432,824	-
Golf Course	94,833	89,785
Cemetery	65,762	-
Total expense - business-type activities	<u>\$ 4,909,705</u>	<u>\$ 89,785</u>

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2022:

Restricted for regulatory required insurance deposit	\$ 526,076
Restricted for landfill closure and post-closure costs	1,925,744
Restricted settlement funds received for landfill closure/post-closure	892,879
Restricted for customer utility deposits	955,509
Restricted by donors for trails	25,000
Restricted for refundable performance bond deposits	1,118,559
Restricted for construction retention	64,143
Restricted for unearned revenue	190,889
Restricted for unremitted fees collected on behalf of other governments	14,038
Restricted for other postemployment benefits	<u>5,137,889</u>
Total restricted assets as shown on the Statement of Net Position	<u>\$ 10,850,726</u>

7. INTANGIBLE ASSET - POWER PROJECTS, AND RELATED CONTRACTS

On September 26, 1978, the Light and Power Fund (the Fund) entered into a 50-year contract with options to renew with the Intermountain Power Agency (IPA) for the intangible right to purchase electric power. Under the terms of the agreement, the Fund is liable for an agreed-upon purchase amount of approximately 1.3% of production regardless of whether it is used or not. On December 1, 1980, the Fund entered into an excess power sales agreement whereby all power purchased from IPA in excess of the Fund's scheduled amount will be sold to a group of California cities, thus relieving the Fund's excess power purchase liability. In the current year the Fund purchased power via this contract totaling \$432,242. For fiscal year 2023, the budget for this contract is \$678,908.

The Fund has a contract with Western Area Power Administration to provide a prorated share of the actual hydropower capacity from the Salt Lake City Area Integrated Projects. This is part of the Colorado River Storage Project (CRSP). This contract was revised October 1989 and will be in force until September 30, 2024. In the current year the Fund purchased power via this contract totaling \$3,182,053. For fiscal year 2023, the budget for this contract is \$3,196,200.

On July 1, 1993, the Fund entered into an agreement with Utah Associated Municipal Power Systems (UAMPS) to purchase a five-megawatt intangible right to purchase power from the San Juan Unit No. 4 coal-fired power plant from Public Service of New Mexico for the sum of \$6,061,174. Under the terms of this agreement, the Fund is liable for a take-or-pay amount of 1.004% of the plant's production. During fiscal year 2022 \$1,212,235 of the intangible asset balance was amortized to expense bringing the intangible asset's unamortized balance was zero. Subsequent to yearend, the plant's coal contract ended and on September 30, 2022, the plant was be shut down. In the current year, the Fund purchased power totaling \$1,537,587 via this contract. For fiscal year 2023, the budget for this contract is \$525,704 covering the July to September 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 \$8,054,319 for power sales and purchases. For fiscal year 2023, the budget amount for UAMPS net purchases is \$8,283,282.

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 2022 \$83,872 of the intangible asset balance was amortized to expense as contract is expected to end in January of 2034 (12-year remaining life). At the end of fiscal year 2022 this asset's unamortized balance is \$1,006,467.

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 \$1,031,199 via this contract. For fiscal year 2023, the budget for this contract is \$689,350.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACCRUED LIABILITIES

Accrued liabilities of the City for the year ended June 30, 2022, were as follows:

Accrued Liabilities:	General Fund	Redevelopment Agency	Internal Service	Governmental Activities	
	Employee payroll	\$ 795,220	\$ 4,363	\$ 7,642	\$ 807,225
Other	1,802	-	-	1,802	
Total	\$ 797,022	\$ 4,363	\$ 7,642	\$ 809,027	

Accrued Liabilities:	Water	Light and Power	Landfill and Sanitation	Other Enterprise Funds	Business-Type Activities
	Employee payroll	\$ 79,127	\$ 245,271	\$ 69,833	\$ 92,995
Sales taxes	-	122,910	1,334	23,793	148,037
Total	\$ 79,127	\$ 368,181	\$ 71,167	\$ 116,788	\$ 635,263

9. DEVELOPER AND CUSTOMER DEPOSITS

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

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

10. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2022:

	Balance at June 30, 2021	Additions	Reductions	Balance at June 30, 2022	Due within One Year
Governmental activities					
General obligation bond	\$ -	\$ 160,000	\$ -	\$ 160,000	\$ 160,000
Compensated absences	1,283,382	977,774	889,722	1,371,434	478,448
Governmental activity long-term liabilities	\$ 1,283,382	\$ 1,137,774	\$ 889,722	\$ 1,531,434	\$ 638,448
Business-type activities					
Leases payable	\$ 302,868	\$ 118,080	\$ 110,312	\$ 310,636	\$ 114,701
Compensated absences	803,890	465,390	477,132	792,148	242,767
Accrued landfill closure	1,429,183	496,561	-	1,925,744	-
Business-type activity long-term liabilities	\$ 2,535,941	\$ 1,080,031	\$ 587,444	\$ 3,028,528	\$ 357,468

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. LONG-TERM LIABILITIES (Continued)

General Obligations Bond

Subsequent to yearend, 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 issued on July 7, 2022, to finance the purchase of the former Washington Elementary School site, improve it as a City park, and to expand and improve the City’s trail system. On June 28, 2022, the City received a “good faith” payment on these bonds totaling \$160,000 that is accounted for as a current year liability. The actual issuance proceeds payment was received on July 7, 2022.

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

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 400,000	\$ 167,813	\$ 567,813
2024	240,000	327,200	567,200
2025	250,000	315,200	565,200
2026	265,000	302,700	567,700
2027	280,000	289,450	569,450
2028-2032	1,610,000	1,224,500	2,834,500
2033-2037	2,055,000	783,050	2,838,050
2038-2042	2,525,000	311,000	2,836,000
Total	<u>\$ 7,625,000</u>	<u>\$ 3,720,913</u>	<u>\$ 11,345,913</u>

On June 21, 2022, the City Council authorized Davis County to begin the debt service property tax levy that will cover all of the principal and interest costs for the repayment of the General Obligation Bonds, Series 2022.

Golf Grounds Equipment Lease

On September 1, 2020, the City entered into a lease agreement for nine pieces of mowing and grounds maintenance equipment. The leased equipment had a market value at the lease agreement date of \$440,364 and was capitalized at that value as an intangible right-to-use asset. At the end of fiscal year 2022 the accumulated amortization for these right-to-use assets totaled \$66,055 leaving the net book value at \$374,309. The City traded in twelve pieces of equipment as part of this transaction for a value of \$57,000 leaving the financed balance at \$383,364. The lease carries a 3% fixed interest rate (used as the discount rate) and has five annual principal and interest payments of \$81,471 due on October 1st. At the end of the lease term the equipment has a bargain purchase option of \$1.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 74,567	\$ 6,905	\$ 81,472
2024	76,801	4,671	81,472
2025	79,102	2,370	81,472
Total	<u>\$ 230,470</u>	<u>\$ 13,946</u>	<u>\$ 244,416</u>

Golf Carts Lease

On July 1, 2018, the City entered into a lease agreement for sixty-nine Golf Carts. The leased equipment had a market value at the lease agreement date of \$320,240 and, in fiscal year 2022 with GASB 87 implementation, was capitalized at that value as an intangible right-to-use asset. At the end of fiscal year 2022 the accumulated amortization for these right-to-use assets totaled \$182,994 leaving the net book value at \$137,246. The City traded

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. LONG-TERM LIABILITIES (Continued)

Golf Carts Lease (Continued)

in sixty-nine Golf Carts as part of this transaction at a value of \$89,850 leaving the financed balance at \$230,390. The lease carries a 3.8% fixed interest rate (used as the discount rate) and has five annual principal and interest payments due on July 1st. At the end of the lease term the Golf Carts have a purchase option of \$42,780.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 40,134	\$ 3,141	\$ 43,275
2024	40,032	1,663	41,695
Total	<u>\$ 80,166</u>	<u>\$ 4,804</u>	<u>\$ 84,970</u>

Intangible Right-To-Use Lease Assets

The following is a summary of the City's lease intangible right-to-use asset transactions for the year ended June 30, 2022:

<u>Lessee activities</u>	<u>Net Balance June 30, 2021</u>	<u>Additions</u>	<u>Current-Year Amortization</u>	<u>Net Balance June 30, 2022</u>
Machinery and equipment				
Right-to-use assets:				
Golf course grounds equipment	\$ 418,345	\$ -	\$ 44,036	\$ 374,309
Golf course golf carts	-	182,995	45,749	137,246
Total, right-to-use asset	<u>\$ 418,345</u>	<u>\$ 182,995</u>	<u>\$ 89,785</u>	<u>\$ 511,555</u>

Legal Debt Margin

The City is subject to a governmental funds debt limit that is 4 percent of the valuation of taxable property. Additionally, the City is subject to a proprietary funds debt limit that is 8 percent of the valuation of taxable property. On June 30, 2022, the City's total debt limit margins were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Assessed Property Values (1) <u>\$ 6,607,667,609</u>		
4% of Assessed Property Values	\$ 264,306,704	
8% of Assessed Property Values		\$ 528,613,409
Fiscal Year 2022 Outstanding Debt	(160,000)	(310,636)
Legal Debt Limit Margin	<u>\$ 264,146,704</u>	<u>\$ 528,302,773</u>
Legal Debt Limit Margin %	0.0605%	0.0588%

(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, 2022, the contributions including accumulated interest totaled \$892,879 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.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 \$4,060,720 as of June 30, 2022. The City has reported and included in accrued liabilities \$1,925,744 as landfill closure and post-closure care liability at June 30, 2022, which is based on 47.42% 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 2022.

During the current fiscal year, both the closure/post-closure estimated cost as well as the landfill's capacity utilized estimate were updated. The City's Engineering Department increased the planned landfill sloping and changed the planned landfill closure capping. These changes increased the cost estimate from \$2,302,925 to \$4,060,720 as well as increased the estimated capacity of the landfill bring the amount utilized down from 62.06% to 47.42%. This change in management estimate caused fiscal year 2022 to have an abnormally large increase to the closure liability and offsetting expense. Historically the liability increase and annual expense averaged about \$40,000; however, in fiscal 2022 that number was \$496,561. These engineering changes are estimated to increase the landfill life by an additional 30 years.

The City estimates it will close the landfill in 58 years, or the 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 2022, has investments (approximating fair value) of \$2,294,000 and \$892,879 held in PTIF accounts, for a combined total of \$3,186,879 held for these purposes. The City expects that future inflation costs will be paid from interest earnings on these account balances. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

11. DEFERRED INFLOW OF RESOURCES - UNAVAILABLE PROPERTY TAXES

In conjunction with the implementation of GASB Statement No. 33, "*Accounting and Financial Reporting for Nonexchange Transactions*", the City has accrued a property tax receivable and a deferred inflow of resources for unavailable property tax revenue in the General Fund and Redevelopment Agency in the amounts of \$4,287,789 and \$70,000 respectively.

Property taxes in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 60 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on property owners on or before June 22, and then are payable by November 30. Since the property tax to be levied on June 22, 2022, is not expected to be received within 60 days after the year ended June 30, 2022, 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, 2022.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PENSION PLAN

General information about the pension plan

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

- Public Employees Noncontributory Retirement System (Tier 1 Noncontributory System) is a multiple employer, cost sharing, retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employees, retirement system.
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employees, retirement system.
- The Public Safety Retirement System (Tier 1 Public Safety System) is an agent, multiple-employer, retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Systems, are members of the Tier 2 Retirement System.

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. The Systems are a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. The Systems issue a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102, by calling 1-800-365-8772, or visiting the website: www.urs.org/general/publications

Summary of benefits by system

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

<u>System</u>	<u>Final Average Salary</u>	<u>Years of Service Required and/or age eligible for benefit</u>	<u>Benefit Percent per Year of Service</u>	<u>COLA **</u>
Noncontributory	Highest 3 years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Public Safety	Highest 3 years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years; 2.00% per year over 20 years	Up to 2.5% or 4% depending on employer
Tier 2 Public Employees	Highest 5 years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter	Highest 5 years	25 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year all years 2.00% per year July 1, 2020 to present	Up to 2.5%

* Actuarial reductions are applied

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PENSION PLAN (Continued)

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2022, are as follows:

	Employee Paid	Employer Contribution Rate	Employer 401(k)
Contributory System:			
11 Local Governmental Division Tier 1	6.00%	14.46%	N/A
111 Local Governmental Division Tier 2	N/A	16.07%	0.62%
Noncontributory System:			
15 Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety System:			
Contributory: 122 Hybrid Public Safety Tier 2	2.27%	40.97%	N/A
Noncontributory: 48 Bountiful with 2.5% COLA	N/A	50.38%	N/A
Tier 2 Defined Contribution Only:			
211 Local Government	N/A	6.69%	10.00%
222 Public Safety	N/A	26.97%	14.00%

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

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

For the fiscal year ended June 30, 2022, the contributions to the Systems are as follows:

System	Employer Contributions	Employee Contributions
Noncontributory	\$ 1,174,400	N/A
Public Safety	906,195	-
Tier 2 Public Employees	674,280	-
Tier 2 Public Safety and Firefighter	327,507	-
Tier 2 DC Only	16,716	N/A
Tier 2 DC Public Safety and Firefighter	30,523	N/A
	\$ 3,129,621	\$ -

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PENSION PLAN (Continued)

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

On June 30, 2022, the City reported a net pension asset of \$4,627,339 and a net pension liability of \$1,968,504. These balances, the City's percentage share of the Systems, and how they have changed from the previous measurement date are broken out by system as follows:

	Non- contributory System	Contributory System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter
<u>Proportion of The Net Pension Liability:</u>					
For year ending December 31, 2021	0.7901484%	0.0000000%	100.00%	0.2051706%	0.3015128%
For year ending December 31, 2020	0.7974886%	0.0000000%	100.00%	0.1997604%	0.2779554%
Change from Prior Measurement Date	-0.0073402%	0.0000000%	0.00%	0.0054102%	0.0235574%
<u>Proportionate Share of The Net Pension Liability/(Asset):</u>					
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
Change from Prior Measurement Date	\$ (4,934,330)	\$ -	\$ (3,313,526)	\$ (115,567)	\$ (40,170)

The net pension asset and liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021 and rolled-forward using generally accepted actuarial procedures. The City's proportionate share of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year. The net pension liabilities pertaining to governmental activities are liquidated by the General Fund.

For the year ended June 30, 2022, the City recognized City-wide pension expense of (\$751,392).

On June 30, 2022, 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	\$ 529,219	\$ 454,860
Change in assumptions	721,244	32,739
Net difference between projected and actual earnings on pension plan investments	-	9,417,523
Changes in proportion and differences between contributions and proportionate share of contributions	52,402	45,170
Contributions subsequent to the measurement date	1,582,183	-
	<u>\$ 2,885,048</u>	<u>\$ 9,950,292</u>

\$1,582,184 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, 2021. 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
2022	\$ (2,023,427)
2023	(2,918,324)
2024	(2,279,551)
2025	(1,541,603)
2026	18,876
Thereafter	96,602

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PENSION PLAN (Continued)

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

For the year ended June 30, 2022, the City recognized pension expense of (\$739,828) for this system. On June 30, 2022, this system's reported deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 473,973	\$ -
Change in assumptions	424,713	29,210
Net difference between projected and actual earnings on pension plan investments	-	6,092,661
Changes in proportion and differences between contributions and proportionate share of contributions	-	44,065
Contributions subsequent to the measurement date	560,287	-
	<u>\$ 1,458,973</u>	<u>\$ 6,165,936</u>

\$560,287 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, 2021. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2022	\$ (1,032,032)
2023	(1,747,465)
2024	(1,475,437)
2025	(1,012,316)
2026	-
Thereafter	-

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

For the year ended June 30, 2022, the City recognized pension expense of (\$393,581) for this system. On June 30, 2022, this system's reported deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ -	\$ 441,168
Change in assumptions	198,462	-
Net difference between projected and actual earnings on pension plan investments	-	3,063,722
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	474,121	-
	<u>\$ 672,583</u>	<u>\$ 3,504,890</u>

\$474,121 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, 2021. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PENSION PLAN (Continued)

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

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

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (940,980)
2023	(1,106,982)
2024	(757,174)
2025	(501,292)
2026	-
Thereafter	-

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

For the year ended June 30, 2022, the City recognized pension expense of \$301,566 for this system. On June 30, 2022, 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	\$ 42,187	\$ 11,188
Change in assumptions	80,968	821
Net difference between projected and actual earnings on pension plan investments	-	214,560
Changes in proportion and differences between contributions and proportionate share of contributions	46,671	-
Contributions subsequent to the measurement date	351,054	-
	<u>\$ 520,880</u>	<u>\$ 226,569</u>

\$351,054 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, 2021. 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
2022	\$ (40,277)
2023	(51,646)
2024	(37,454)
2025	(21,549)
2026	16,807
Thereafter	77,376

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PENSION PLAN (Continued)

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

For the year ended June 30, 2022, the City recognized pension expense of \$80,451 for this system. On June 30, 2022, this system's reported deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 13,059	\$ 2,504
Change in assumptions	17,101	2,708
Net difference between projected and actual earnings on pension plan investments	-	46,580
Changes in proportion and differences between contributions and proportionate share of contributions	5,731	1,105
Contributions subsequent to the measurement date	196,721	-
	\$ 232,612	\$ 52,897

\$196,721 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, 2021. 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
2022	\$ (10,139)
2023	(12,232)
2024	(9,486)
2025	(6,446)
2026	2,069
Thereafter	19,228

Actuarial assumptions

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2021, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PENSION PLAN (Continued)

Actuarial assumptions (Continued)

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

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity Securities	37%	6.58%	2.43%
Debt Securities	20%	-0.28%	-0.06%
Real Assets	15%	5.77%	0.87%
Private Equity	12%	9.85%	1.18%
Absolute Return	16%	2.91%	0.47%
Cash and Cash Equivalents	0%	-1.01%	0.00%
Totals	<u>100%</u>		<u>4.89%</u>
		Inflation	2.50%
		Expected Arithmetic Nominal Return	<u>7.39%</u>

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

Discount rate

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the Systems' Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement period.

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

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85%, 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	\$ 2,433,371	\$ (4,525,264)	\$ (10,330,889)
Public Safety	5,762,607	1,968,504	(1,168,970)
Tier 2 Public Employees	517,387	(86,836)	(550,754)
Teir 2 Public Safety & Firefighter	122,256	(15,239)	(124,392)
	<u>\$ 8,835,621</u>	<u>\$ (2,658,835)</u>	<u>\$ (12,175,005)</u>

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

For the year ended June 30, 2022, the City had the following covered employees under the Public Safety-Agent, multiple employer, pension plan:

Covered Employees	Tier 1 Bountiful Public Safety
Inactive employees or beneficiaries currently receiving benefits	45
Inactive employees entitled to but not yet receiving benefits	12
Active employees	22
Total Agent Employer Tier 1 Plans Covered Employees	<u>79</u>

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. PENSION PLAN (Continued)

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

The following is the schedule of changes in the City's Agent net pension liability and plan fiduciary net position for the actuarial measurement date of December 31, 2021:

Total Pension Liability	<u>12/31/2021</u>	Plan Fiduciary Net Position	<u>12/31/2021</u>
Service cost	\$ 390,240	Contributions - employer	\$ 1,089,776
Interest	2,021,286	Contributions - member	-
Benefit changes	-	Net investment income	4,162,052
Difference between actual and expected experience	(786,584)	Benefit payments	(1,586,330)
Assumption changes	340,824	Administrative expense	(9,007)
Benefit payments	<u>(1,586,330)</u>	Other	36,471
Net Change in Total Pension Liability	379,436	Net Change in Plan Fiduciary Net Position	<u>3,692,962</u>
Total Pension Liability - Beginning	29,681,296	Plan Fiduciary Net Position - Beginning	24,399,266
Total Pension Liability - Ending (a)	<u>\$ 30,060,732</u>	Plan Fiduciary Net Position - Ending (b)	<u>\$ 28,092,228</u>

Total Pension Liability - Plan Fiduciary Net Position **(a-b)** = Net Pension Liability \$ 1,968,504
Pension Plan Fiduciary Net Position **(b)** as a percentage of the total Total Pension Liability **(a)** 93.45%

Payables to the pension plan

On June 30, 2022, the City had \$170,927 in its accrued liabilities balance payable to the Systems for pay periods falling within fiscal year 2022.

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

13. RETIREMENT PLANS

Systems' defined contribution plans

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

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

<u>Defined Contribution System:</u>	<u>June 30,</u>	<u>Employee</u>	<u>Employer *</u>
		<u>Contributions</u>	<u>Contributions</u>
401(k) Plan	2022	\$ 154,541	\$ 213,622
	2021	139,742	211,438
	2020	142,201	111,514
457 Plan	2022	\$ 60,292	-
	2021	74,001	-
	2020	44,656	-
Roth IRA Plan	2022	\$ 63,484	N/A
	2021	58,629	N/A
	2020	51,720	N/A

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. RETIREMENT PLANS (Continued)

Mission Square Retirement (formerly ICMA) 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, 2022, contributions totaling \$172,864 were made to the plan by employees and \$7,052 by the City.

14. OTHER POSTEMPLOYMENT BENEFITS

Plan description and plan benefits

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

Health insurance benefit:

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

For these eligible retirees, the City pays for single-coverage medical and prescription drug insurance until they reach Medicare age at 65. At the end of fiscal year 2022 there was only one participant receiving this benefit. In September of 2022, this benefit will expire as all participants will have reached the age of 65.

Life insurance benefit:

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

The City's OPEB plan administering these benefits does not issue a separate report. The activity of the plan is reported in the City funds from which eligible participants have retired.

Funding policy and contributions

As part of the OPEB offering the City Council determined that the City would pre-fund the total liability for the OPEB plan. In fiscal year 2009 the City established an OPEB trust with a \$1.6 million actuarially calculated balance. The City has not contributed additional amounts into the trust since that initial funding as it is expecting the trust balance plus investment earnings to cover the current and future OPEB plan expenses. Because of the overfunded status of the plan, the actuarial calculations show a \$0 actuarially determined contribution. The covered payroll as of June 30, 2022, was \$12,910,227.

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

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

On June 30, 2022, the City reported a net OPEB asset of \$510,550. The net OPEB asset was measured as of June 30, 2022, by an actuarial valuation using generally accepted actuarial procedures.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

On June 30, 2022, the reported deferred outflows and deferred inflows of resources related to OPEB are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,314	\$ 64,362
Change in assumptions	16,309	114,203
Net difference between projected and actual earnings on OPEB plan investments	6,037	-
	\$ 32,660	\$ 178,565

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

Year Ended June 30,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (64,457)
2024	(62,611)
2025	(7,094)
2026	(5,556)
2027	(2,279)
Thereafter	(3,908)

For the year ended June 30, 2022, the City recognized an actuarially calculated negative OPEB expense of \$67,388.

OPEB plan covered employees

For the year ended June 30, 2022, the City had the following covered employees under the OPEB plan:

Covered Employees	Single-Employer - Health Insurance OPEB Benefit	Single-Employer - Life Insurance OPEB Benefit
Inactive Employees Currently Receiving Benefits	1	105
Active Employees	discontinued plan	182
Total OPEB Plan Covered Employees	1	287

Actuarial assumptions

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

Inflation Rate	2.50%
Discount Rate	4.09%
Health Care Trend Rate	Starts at 7.50% decreasing 0.50% annually to an ultimate rate of 4.5%
Investment Rate of Return	1.50%

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial assumptions (Continued)

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

<u>Asset Class</u>	<u>Current & Assumed Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Debt Securities	39.886%	3.21%	1.00%
Cash and Cash Equivalents	60.113%	1.11%	0.50%
Totals	<u>100%</u>		<u>1.50%</u>

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

Discount rate

The discount rate used to measure the total OPEB liability was 4.09%. The projection of cash flows used to determine the discount rate assumed that there would be no additional employer contributions. Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB asset calculated using the discount rate of 4.09%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	<u>1% Decrease (3.09%)</u>	<u>Discount Rate (4.09%)</u>	<u>1% Increase (5.09%)</u>
Net OPEB Asset as of June 30, 2022	\$ 500,073	\$ 510,550	\$ 519,329

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

The following presents the net OPEB asset calculated using the health care trend rate range from 7.50 to 4.50%, as well as what the net OPEB asset would be if it were calculated using a health care trend rate range that is 1-percentage-point lower (6.50 to 3.50%) or 1-percentage-point higher (8.50 to 5.50%) than the current rate range:

	<u>1% Decrease (6.5 - 3.5%)</u>	<u>Discount Rate (7.5 - 4.5%)</u>	<u>1% Increase (8.5 - 5.5%)</u>
Net OPEB Asset as of June 30, 2022	\$ 521,130	\$ 510,550	\$ 497,482

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Net OPEB Asset and OPEB plan fiduciary net position

The following is the schedule of changes in the City's net OPEB asset and OPEB plan fiduciary net position for the actuarial measurement date of June 30, 2022:

	6/30/2022		6/30/2022
Total OPEB Liability		OPEB Plan Fiduciary Net Position	
Service cost	\$ 3,331	Contributions - member	\$ -
Interest	2,200	Contributions - employer	-
Benefit changes	-	Net investment income	(216)
Difference between actual and expected experience	11,786	Benefit payments	(16,144)
Assumption changes	(21,716)	Refunds	-
Benefit payments	(16,144)	Administrative expense	-
Net Change in Total OPEB Liability	(20,543)	Net Change in Plan Fiduciary Net Position	(16,360)
Total OPEB Liability - Beginning	105,175	Plan Fiduciary Net Position - Beginning	611,542
Total OPEB Liability - Ending (a)	\$ 84,632	Plan Fiduciary Net Position - Ending (b)	\$ 595,182

Total OPEB Liability - OPEB Plan Fiduciary Net Position **(a-b)** = Net OPEB Liability/(Asset) \$ (510,550)

OPEB Plan Fiduciary Net Position **(b)** as a percentage of the total OPEB liability **(a)** 703.26%

15. RISK MANAGEMENT

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

- (1) For general liability risk the City is self-insured up to \$500,000, with commercial excess insurance from \$500,000 to \$10,000,000. To cover the self-insured portion of the risk, there is established a Risk Management Fund (an internal service fund). This covers municipal liability exposure including general liability, auto, public officials' errors and omissions and law enforcement.
- (2) The City has an all-risk property insurance policy with a total insured value of \$210,768,087 that includes various category limits, some of which are as follows: 1. buildings and contents limit of \$200,735,872 with a \$50,000 deductible per category, 2. Parked vehicles limit of \$14,900,000 with a \$10,000 deductible, 3. interruption of services limit of \$1,000,000 with a \$100,000 deductible, 4. mobile equipment/contractors equipment limit of \$1,210,215 with a \$50,000 deductible, 5. \$10,000,000 in earthquake coverage with a \$250,000 deductible, 6. \$10,000,000 in flood coverage for facilities that are located outside the standard report zone with a \$250,000 deductible, and 7. cyber liability limit of \$2,000,000 with a \$50,000 deductible. The City is self-insured for property loss above the limits and below the retentions/deductibles. The operating departments of the General Fund or enterprise funds assume the financial responsibility for risk retained by the City for property damage.
- (3) The Treasurer is covered under a \$1,700,000 bond with a \$15,000 deductible. The City also has public employee dishonesty insurance (an employee blanket bond and commercial crime) with a \$500,000 limit per occurrence and a \$5,000 deductible.
- (4) For workers compensation coverage the City is self-insured up to \$600,000, 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 thirteen fiscal years the City's insurance settlements have not exceeded insurance coverage.

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. RISK MANAGEMENT (Continued)

A summary of changes in general liability claims payable for the years ended June 30, 2022, and 2021, are as follows:

	General Liability Claims Payable
Balance, June 30, 2020	\$ -
New claims incurred	33,599
Payments on claims	(33,599)
Balance, June 30, 2021	-
New claims incurred	348,674
Payments on claims	(513,674)
Balance, June 30, 2022	\$ (165,000)

The City also has a risk management program for workers' compensation. Premiums are paid to the Workers' Compensation Self-Insurance Fund (an internal service fund) and are available to pay these claims along with certain administrative expenses. A summary of changes in workers' compensation claims payable for the years ended June 30, 2022, and 2021 are as follows:

	Workers' Comp Claims Payable
Balance, June 30, 2020	\$ 347,760
New claims incurred	440,471
Payments on claims	(356,314)
Balance, June 30, 2021	431,917
New claims incurred	194,920
Payments on claims	(206,968)
Balance, June 30, 2022	\$ 419,869

City management believes that possible claims where the loss cannot be reasonably estimated (claims incurred but not reported) are not material to the financial statements of the City.

16. LEASES – LESSOR ACTIVITIES

During fiscal year 2022 the City implemented GASB statement 87, *Leases*. This implementation added to the *statement of net position* a lease receivable of \$2,169,871 offset by a deferred inflow of resources for governmental activities. This represents the future lease payments to be paid by the lessee. On June 30, 2022, the Public Safety building lease receivable totaled \$775,346 while the cell tower leases receivable totaled \$1,394,525.

Public Safety Building Lease

In June 1996, the City entered into an operating lease agreement with the State of Utah whereby the State's Judicial Court (Court) will lease portions of the City's Public Safety building. The most recent amendment to the original lease happened on July 8, 2019, which extended the lease term through June 30, 2027. The lease has a stated 2% inflator rate that is used as the discount rate for the lease receivable calculations. The State Judicial Court leases approximately 48% of the building. The City recognized \$136,759 in rental income and \$17,220 in interest income from this lease for the year ended June 30, 2022.

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 2022 the City has 8 active leases, with the most recent agreement beginning back in 2018. The agreements have end dates ranging between fiscal years 2023 and 2044. 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 \$142,131 in rental income and \$33,535 in interest income from these leases for the year ended June 30, 2022.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. INTERGOVERNMENTAL REVENUE

Intergovernmental revenue in the governmental funds for the year ended June 30, 2022, consists of the following:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>RDA</u>
Utah Class "B&C" Road allotment	\$ 1,861,669	\$ -	\$ -
Local Option Transportation Tax	965,459	-	-
Utah Liquor Law Enforcement Grant	42,398	-	-
Various State and Local Law Enforcement Grants	119,232	-	-
SDMFSA bond tax levy reimbursement	82,087	-	-
Utah Outdoor Recreation Grant	-	-	37,500
Property Tax Increment Contributions	-	-	926,766
Federal ARPA Grant - subrecipient of State	2,602,590	-	-
Federal disaster recovery grant - subrecipient of State	94,131	-	-
Federal Victims Advocate Grant - subrecipient of State	25,851	-	-
Federal Diesel Emission Reduction Act grant - subrecipient	-	119,021	-
Federal hazard mitigation grant - fuels reduction	87,445	-	-
Various Federal Law Enforcement Grants - subrecipient	23,332	-	-
Total Intergovernmental Revenue	<u>\$ 5,904,194</u>	<u>\$ 119,021</u>	<u>\$ 964,266</u>

The General Fund intergovernmental revenue listed differs from the *statement of activities* operating grants and contribution revenue by the \$82,087 SDMFSA payment and a \$37,500 RDA grant. The government-wide accrual basis of accounting treats that SDMFSA payment as a reduction of a note receivable rather than a revenue, and the RDA grant is included in the capital grants revenue instead of operating.

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 \$7,487,685 in outstanding construction commitments on June 30, 2022, as follows:

<u>Contractor</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Spent/Accrued Project-to-Date</u>	<u>Commitment Outstanding</u>
MGB+A	Washington Park design services	\$ 277,286	\$ 189,083	\$ 88,203
Launch Construction	Washington Park construction	3,247,486	-	3,247,486
Motorola/Spillman	Computer aided dispatch software	367,039	183,520	183,519
Staker Parson	200 North & 200 S. cul-de-sac recon.	211,960	-	211,960
Advaced Paving	200 South road reconstruction	325,746	-	325,746
Renner Sports Surfaces	Cheese Park pickleball court reconst.	214,440	-	214,440
Avid Trails	Holbrook to Ward Canyon trail const.	97,383	19,477	77,906
Paragon Construction	Oakwood Drive storm drain project	41,309	30,461	10,848
M.C. Green & Sons, Inc.	800 East storm drain project	638,724	108,130	530,594
Newman Construction	Watermain installation projects	2,246,874	389,865	1,857,009
Advantage Reline	Summerwood reservoir watermain	149,189	-	149,189
Electrical Consultants, Inc.	North West Substation designs	318,694	16,686	302,008
Down Under Construction	Underground boring projects	288,777	-	288,777
Total Construction Commitments Outstanding		<u>\$ 8,424,907</u>	<u>\$ 937,222</u>	<u>\$ 7,487,685</u>

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. FIRE AND EMERGENCY MEDICAL SERVICES

The South Davis Metro Fire Service Area (SDMFSA) is a special service district organized on July 1, 2016. SDMFSA provides fire and emergency medical services to the cities of Bountiful, Centerville, North Salt Lake, West Bountiful, Woods Cross and the unincorporated areas of South Davis County. SDMFSA is governed by its own Board of Trustees made up of elected officials from each participating member entity. SDMFSA does levy taxes and collect impact fees to cover most capital expenditures; however, most of the SDMFSA's operations are funded by quarterly member assessments. For the year ended June 30, 2022, the City paid \$2,362,486 to SDMFSA for its member assessments.

20. INTERNAL BALANCES AND INTERFUND TRANSFERS

On June 30, 2022, the government-wide internal balances were as follows:

<u>Receivable Activity</u>	<u>Payable Activity</u>	<u>Amount</u>
Governmental Activities	Business-Type Activities	\$ 1,611,309

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, 2021) internal balance of \$1,270,936 due to governmental activities from business-type activities by \$340,373.

During the year transfers were made which will not be repaid. These transfers occurred primarily to finance programs, accounted for in one fund, with resources collected in other funds, in accordance with budgetary and statutory authorizations. Interfund transfers for the year ended June 30, 2021 were as follows:

Individual Fund Reconciliation			Government-Wide Reconciliation		
	In	Out		Governmental In	Business- Type Out
Governmental:					
General Fund	\$ 2,515,188	\$ -	General Fund	\$ 2,515,188	\$ -
Capital Projects Fund	483,479	-	Light and Power Fund	-	2,515,188
RAP Tax	-	483,479			
Governmental Funds Total	\$ 2,998,667	\$ 483,479	Government-Wide Total	\$ 2,515,188	\$ 2,515,188
Enterprise:					
Recycle Fund	\$ 95,000	\$ -			
Light and Power Fund	-	2,515,188			
Landfill/Sanitation Fund	-	95,000			
Enterprise Funds Total	\$ 95,000	\$ 2,610,188			

Detailed descriptions of the interfund transfers for the year ended June 30, 2022, are as follows:

- \$2,515,188 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*.
- \$483,479 Capital Projects Fund transfer from the RAP Tax Fund – This is an annual budgeted transfer of RAP tax collections to reimburse the Capital Projects Fund for expenditures made to construct Creekside Park. \$334,619 remains to be reimbursed in fiscal year 2023 and then the RAP Tax Fund will begin annual reimbursement transfers for \$1.5 million of the expenditures made to construct the Town Square Park.
- \$95,000 Recycle Fund transfer from the Landfill & Sanitation Fund – This is a planned operations subsidy designed to keep Recycle fees low to residents until the recycling market can begin to rebound. Currently the City's recycling fees are not sufficient to cover the cost to haul and recycle the disposal items.

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. REDEVELOPMENT AGENCY OF BOUNTIFUL CITY

The City's Redevelopment Agency is the recipient of property tax increment levied by many governmental agencies throughout Davis County. This increment is contributed to the Redevelopment Agency to perform redevelopment projects within specific boundaries (i.e. districts). This is done as an investment by the taxing entities to enhance their own tax base. For the year ended June 30, 2022, 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)	\$ 773,990
District #5 (RDA 9010)	152,776
Total Tax Increment	\$ 926,766
Tax increment used by the Bountiful Redevelopment Agency	
Amounts loaned to local businesses for startup or redevelopment	\$ 330,000
Amounts expended on redevelopment/site improvement projects	5,012,682
Amounts expended for administrative costs	109,783
Total Expenditures	\$ 5,452,465

22. FUND BALANCE AND NET POSITION

Committed fund balance policy

On June 21, 2022, the City Council re-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, 2022, that committed balance totaled \$5,410,000. 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, 2022, those committed balances were \$10,100,000 and \$12,000,000, respectively. The capital reserve is limited in use to large and infrequent (20 to 30-year lifecycle assets) capital projects. The emergency reserve is limited in use to City-wide financial emergencies or natural disasters. If this committed balance falls below the outlined thresholds because it has been used, essentially as a "revenue" source, the policy provides for actions to replenish the amount to the minimum target level. The replenishment is to occur within a five-year period.

Minimum unrestricted net position policy

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

BOUNTIFUL CITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. FUND BALANCE AND NET POSITION (Continued)

Minimum unrestricted net position policy (continued)

On June 30, 2022, the combined reserves, or minimum unrestricted net position, in each required enterprise fund were as follows: Water \$3,659,000, Light and Power \$15,108,000, Landfill and Sanitation \$2,091,000, Storm Water \$829,000, Golf \$832,000, and Cemetery \$453,000.

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

23. PRIOR PERIOD ADJUSTMENT

Golf Course lease GASB 87 restatement

In fiscal year 2022, the City implemented GASB 87, *Leases*. The accounting for that standard necessitated a net credit to net position of \$60,890. The City historically expensed the purchase of golf carts as they were individually below the City’s capitalization threshold. On July 1, 2018, the City entered into a lease agreement for sixty-nine Golf Carts, and as part of the agreement the City traded in sixty-nine Golf Carts at a value of \$89,850. That value had already been expensed into net position in previous years but was a necessary component in determining the intangible right-to-use asset and lease payable under GASB 87. Additionally, there was a higher expense required under GASB 87 right-to-use asset amortization than the previously recorded operating lease payment expense, which netted down the trade-in value by \$28,960. The ultimate result of this accounting standard implementation for the Golf Course fund was a net increase of net position by \$60,890.

24. SUBSEQUENT EVENTS

Grant Award Distribution

On July 27, 2022, the City received its second and final \$2,602,589 distribution of grant money from the American Rescue Plan Act (ARPA). The City is a subrecipient of these funds through State of Utah. The ARPA funds received by the City must be used in accordance with Federal guidelines in responding to the Coronavirus Disease 2019 (COVID-19) pandemic. The funds must be incurred for eligible expenditures by December 31, 2024. As with the City’s first distribution (received and recognized in the current fiscal year), it is the City’s current plan to utilize the second distribution for revenue-replacement and cover the cost of public safety expenditures.

Recycle Operations and Fund Consolidation

On October 11, 2022, the City Council approved a plan to make the recycling collection and hauling service a City-employee operation. Since fiscal year 2009 when the City began recycling services, those collection and hauling operations had been contracted with an external provider. The City’s current provider contract ends November 30, 2022, and their proposed renewal contract included a 15 percent fee increase. This prompted management discussions about the benefits and cost savings of bringing those services in-house, which led to the City Council approving the change in operations. The City Council approved the hiring of two new full-time employees and the use of reserve Landfill and Sanitation equipment to provide those services.

The City’s Landfill and Sanitation operations have always benefitted from the Recycle operations. Due to the operational and managerial interconnectivity of the Landfill, Sanitation, and Recycle operations, the City Council also approved the consolidation of these funds from an external financial reporting and budgeting perspective. Beginning with fiscal year 2023, the City will only report one consolidated enterprise fund for these operations.

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

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

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

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

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

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

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

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

System	Year Ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contrib.	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory	2022	\$ 1,174,400	\$ 1,174,400	\$ -	\$ 6,438,217	18.24%
	2021	1,223,263	1,223,263	-	6,696,221	18.27%
	2020	1,248,171	1,248,171	-	6,845,990	18.23%
	2019	1,239,699	1,239,699	-	6,817,661	18.18%
	2018	1,292,595	1,292,595	-	7,102,501	18.20%
	2017	1,279,622	1,279,622	-	7,026,472	18.21%
	2016	1,284,463	1,284,463	-	7,041,664	18.24%
	2015	1,307,905	1,307,905	-	7,137,872	18.32%
	2014	1,281,508	1,281,508	-	7,460,346	17.18%
Contributory	2022-18	\$ -	\$ -	\$ -	\$ -	0.00%
	2017	3,226	3,226	-	22,309	14.46%
	2016	9,287	9,287	-	64,226	14.46%
	2015	8,565	8,565	-	59,233	14.46%
	2014	11,493	11,493	-	86,340	13.31%
Public Safety	2022	\$ 906,195	\$ 906,195	\$ -	\$ 1,798,718	50.38%
	2021	864,681	864,681	-	1,795,564	48.16%
	2020	882,824	882,824	-	1,900,841	46.44%
	2019	861,011	861,011	-	1,853,847	46.44%
	2018	859,414	859,414	-	1,873,916	45.86%
	2017	841,719	841,719	-	1,917,440	43.90%
	2016	857,665	857,665	-	1,949,765	43.99%
	2015	836,649	836,649	-	1,897,832	44.08%
Tier 2 Public Employees **	2022	\$ 674,280	\$ 674,280	\$ -	\$ 4,195,894	16.07%
	2021	543,363	543,363	-	3,438,857	15.80%
	2020	477,199	477,199	-	3,047,255	15.66%
	2019	427,003	427,003	-	2,747,765	15.54%
	2018	347,689	347,689	-	2,301,054	15.11%
	2017	283,365	283,365	-	1,900,504	14.91%
	2016	242,475	242,475	-	1,626,256	14.91%
	2015	179,721	179,721	-	1,202,985	14.94%
	2014	117,887	117,887	-	843,431	13.98%
Tier 2 Public Safety and Firefighter **	2022	\$ 327,507	\$ 327,507	\$ -	\$ 799,385	40.97%
	2021	266,387	266,387	-	650,474	40.95%
	2020	189,657	189,657	-	496,785	38.18%
	2019	171,896	171,896	-	449,635	38.23%
	2018	123,400	123,400	-	327,232	37.71%
	2017	71,661	71,661	-	201,125	35.63%
	2016	49,087	49,087	-	137,770	35.63%
	2015	28,274	28,274	-	79,243	35.68%
Tier 2 Public Employees DC Only **	2022	\$ 16,716	\$ 16,716	\$ -	\$ 249,858	6.69%
	2021	22,095	22,095	-	333,129	6.63%
	2020	17,895	17,895	-	267,492	6.69%
	2019	18,399	18,399	-	275,026	6.69%
	2018	17,566	17,566	-	262,570	6.69%
	2017	13,735	13,735	-	205,314	6.69%
	2016	11,523	11,523	-	172,166	6.69%
	2015	9,546	9,546	-	142,059	6.72%
	2014	535	535	-	7,763	6.89%
Tier 2 Public Safety and Firefighter DC Only**	2022	\$ 30,523	\$ 30,523	\$ -	\$ 113,175	26.97%
	2021	17,875	17,875	-	66,276	26.97%
	2020	30,745	30,745	-	113,998	26.97%
	2019	27,251	27,251	-	101,042	26.97%
	2018	11,934	11,934	-	44,248	26.97%
	2017	10,511	10,511	-	42,113	24.96%
	2016	9,811	9,811	-	39,308	24.96%
	2015	4,262	4,262	-	15,840	26.91%
	2014	86	86	-	1,282	6.71%

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

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

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

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

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

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

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

* The 10-year schedule will be built prospectively.

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

BOUNTIFUL CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RSI)

RSI 1. PUBLIC SAFETY AGENT PENSION PLAN

Schedule of contributions

Methods and Assumptions used to Determine Contribution Rates:

Actuarial Cost Method.....	Entry Age Normal
Amortization Method.....	Level Percentage of Payroll
Amortization Period.....	Maximum 20-year period
Asset Valuation Method.....	5-year smoothed market
Investment Rate of Return...	6.95%
Inflation.....	2.50%
Salary increases.....	Composed of 2.50% inflation, plus 0.75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service
Mortality	Male: 110% of the 2020 PR UTAH Retiree Mortality Table for males, projected with 80% of the ultimate rates from the MP-2019 mortality improvement scale using a base year of 2020. Female: 110% of the 2020 PR UTAH Retiree Mortality Table for females, projected with 80% of the ultimate rates from the MP-2019 mortality improvement scale using a base year of 2020.

Other information:

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

RSI 2. PENSION PLANS CHANGES IN ASSUMPTIONS

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021, actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability of as December 31, 2020, for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020, actuarial valuation and are currently scheduled to be reviewed in the year 2023.

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

RSI 3. OPEB SINGLE-EMPLOYER PLAN METHODS AND ASSUMPTIONS

The actuarial valuation calculating the total net OPEB asset, deferred outflows and inflows of resources related to OPEB, OPEB expense, and the actuarially determined contributions for the year ended June 30, 2022, was determined using the following actuarial methods and assumptions:

Methods and Assumptions used for the Actuarially Determined contributions:

Actuarial Cost Method.....	Entry Age Normal									
Amortization Method.....	Level Percentage of Payroll									
Amortization Period.....	7-year period									
Investment Rate of Return....	1.50%									
Discount Rate.....	4.09%									
Inflation.....	2.50%									
Mortality	General Employees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020									
	Public Safety: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020									
	Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020									
Health Care Trend Rates	FYE	Medical	FYE	Medical						
	2023	7.50%	2027	5.50%						
	2024	7.00%	2028	5.00%						
	2025	6.50%	2029+	4.50%						
	2026	6.00%								
Employee Turnover Rate	Local Government				Public Safety					
	YOS	Male	Female	YOS	Male	Female				
	0	18.00%	24.0%	0	15.00%	15.0%				
	5	7.00%	9.5%	5	4.50%	4.5%				
	10	4.00%	5.5%	10	2.50%	2.5%				
	15	2.75%	4.0%	15	1.75%	1.8%				
	20	2.00%	2.50%	20	1.00%	1.00%				
	25+	1.00%	1.00%	25+	1.00%	1.00%				
Retirement Rate	Local Government (Males)									
	Tier 1 URS Plan					Tier 2 URS Plan				
	Age	4 YOS	10 YOS	20 YOS	30 YOS	35+YOS	4 YOS	10 YOS	20 YOS	35+YOS
	50	0.0%	0.0%	0.0%	15.0%	15.0%	0.0%	0.0%	0.0%	15.0%
	55	0.0%	0.0%	0.0%	15.0%	15.0%	0.0%	0.0%	0.0%	15.0%
	60	0.0%	0.0%	4.0%	20.0%	20.0%	0.0%	0.0%	2.0%	20.0%
	62	0.0%	10.0%	10.0%	23.0%	23.0%	0.0%	6.0%	6.0%	23.0%
	65	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
	70	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
	75+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Local Government (Females)									
	Tier 1 URS Plan					Tier 2 URS Plan				
	Age	4 YOS	10 YOS	20 YOS	30 YOS	35+YOS	4 YOS	10 YOS	20 YOS	35 YOS
	50	0.0%	0.0%	0.0%	12.0%	12.0%	0.0%	0.0%	0.0%	12.0%
	55	0.0%	0.0%	0.0%	15.0%	15.0%	0.0%	0.0%	0.0%	15.0%
	60	0.0%	0.0%	10.0%	20.0%	20.0%	0.0%	2.0%	2.0%	20.0%
	62	0.0%	13.0%	13.0%	28.0%	28.0%	0.0%	6.0%	6.0%	28.0%
	65	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
	70	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
	75+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Public Safety (Unisex)									
	Tier 1 URS Plan					Tier 2 URS Plan				
	Age	5 YOS	10 YOS	20 YOS	30+YOS	5 YOS	10 YOS	20 YOS	25 YOS	30+YOS
	45	0.0%	0.0%	15.0%	15.0%	0.0%	0.0%	0.0%	15.0%	15.0%
	50	0.0%	0.0%	15.0%	15.0%	0.0%	0.0%	0.0%	15.0%	15.0%
	55	0.0%	0.0%	15.0%	15.0%	0.0%	0.0%	0.0%	15.0%	15.0%
	60	14.0%	14.0%	20.0%	20.0%	5.0%	5.0%	5.0%	20.0%	20.0%
	63	14.0%	14.0%	30.0%	30.0%	10.0%	10.0%	10.0%	30.0%	30.0%
	65	28.0%	28.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
	70+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SUPPLEMENTAL INFORMATION

**BOUNTIFUL CITY
SUPPLEMENTAL INFORMATION
INTRODUCTION**

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

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

- Landfill Closure – to account for funds paid to the City in 1990 from several surrounding municipalities as a settlement of their estimated liability to aid in the closure and post-closure costs of the City’s landfill. This fund also accounts for any expenditures of those 1990 funds used in connection with closure or post-closure costs.
- RAP Tax – to account for collections and expenditures of the City’s Recreation, Arts, and Parks (RAP) sales tax levy.
- 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, 2022

	Special Revenue Fund				Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Cemetery Perpetual Care	Debt Service	
Assets					
Cash and cash equivalents	\$ -	\$ 63,247	\$ 376,967	\$ 3,401	\$ 443,615
Receivables:					
Taxes	-	119,430	-	-	119,430
Interest	-	1,495	6,390	56	7,941
Investments	-	455,724	1,946,743	17,561	2,420,028
Restricted assets:					
Cash and cash equivalents	892,879	25,000	-	-	917,879
Total Assets	<u>\$ 892,879</u>	<u>\$ 664,896</u>	<u>\$ 2,330,100</u>	<u>\$ 21,018</u>	<u>\$ 3,908,893</u>
Liabilities					
Accounts payable	\$ -	\$ 7,575	\$ -	\$ -	\$ 7,575
Total Liabilities	<u>-</u>	<u>7,575</u>	<u>-</u>	<u>-</u>	<u>7,575</u>
Fund Balances					
Restricted:					
Landfill Closure	892,879	-	-	-	892,879
Trail donation		25,000			25,000
Committed	-	-	2,330,100	-	2,330,100
Assigned	-	632,321	-	21,018	653,339
Total Fund Balances	<u>892,879</u>	<u>657,321</u>	<u>2,330,100</u>	<u>21,018</u>	<u>3,901,318</u>
Total Liabilities and Fund Balance	<u>\$ 892,879</u>	<u>\$ 664,896</u>	<u>\$ 2,330,100</u>	<u>\$ 21,018</u>	<u>\$ 3,908,893</u>

BOUNTIFUL CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2022

	Special Revenue Fund				Total Nonmajor Governmental Funds
	Landfill Closure	RAP Tax	Cemetery Perpetual Care	Debt Service	
Revenues					
Sales taxes	\$ -	\$ 729,204	\$ -	\$ -	\$ 729,204
Investment earnings	4,443	(7,099)	(34,136)	(305)	(37,097)
Miscellaneous	-	25,000	106,140	-	131,140
Total Revenues	<u>4,443</u>	<u>747,105</u>	<u>72,004</u>	<u>(305)</u>	<u>823,247</u>
Expenditures					
General government	-	-	1,682	15	1,697
Parks and recreation	-	132,617	-	-	132,617
Total Expenditures	<u>-</u>	<u>132,617</u>	<u>1,682</u>	<u>15</u>	<u>134,314</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,443</u>	<u>614,488</u>	<u>70,322</u>	<u>(320)</u>	<u>688,933</u>
Other Financing Sources (Uses)					
Transfer out	-	(483,479)	-	-	(483,479)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(483,479)</u>	<u>-</u>	<u>-</u>	<u>(483,479)</u>
Changes in Fund Balance	4,443	131,009	70,322	(320)	205,454
Fund Balance, Beginning	<u>888,436</u>	<u>526,312</u>	<u>2,259,778</u>	<u>21,338</u>	<u>3,695,864</u>
Fund Balance, Ending	<u>\$ 892,879</u>	<u>\$ 657,321</u>	<u>\$ 2,330,100</u>	<u>\$ 21,018</u>	<u>\$ 3,901,318</u>

BOUNTIFUL CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL –NONMAJOR LANDFILL CLOSURE FUND
For The Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 4,600	\$ 4,600	\$ 4,443	\$ (157)
Total Revenues	<u>4,600</u>	<u>4,600</u>	<u>4,443</u>	<u>(157)</u>
Expenditures				
General government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,600</u>	<u>4,600</u>	<u>4,443</u>	<u>(157)</u>
Net Change in Fund Balance	<u>\$ 4,600</u>	<u>\$ 4,600</u>	<u>4,443</u>	<u>\$ (157)</u>
Fund Balance, Beginning			<u>888,436</u>	
Fund Balance, Ending			<u>\$ 892,879</u>	

BOUNTIFUL CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL –NONMAJOR RAP TAX
SPECIAL REVENUE FUND
For The Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales taxes	\$ 644,639	\$ 644,639	\$ 729,204	\$ 84,565
Investment earnings	5,000	5,000	(7,099)	(12,099)
Miscellaneous	-	-	25,000	25,000
Total Revenues	<u>649,639</u>	<u>649,639</u>	<u>747,105</u>	<u>97,466</u>
Expenditures				
Administrative fees	460	460	814	(354)
Parks and recreation projects	285,000	285,000	59,248	225,752
RAP tax grant award payments	70,910	70,910	72,555	(1,645)
Total Expenditures	<u>356,370</u>	<u>356,370</u>	<u>132,617</u>	<u>223,753</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>293,269</u>	<u>293,269</u>	<u>614,488</u>	<u>321,219</u>
Other Financing Sources (Uses)				
Transfer out	(483,479)	(483,479)	(483,479)	-
Total Other Financing Sources (Uses)	<u>(483,479)</u>	<u>(483,479)</u>	<u>(483,479)</u>	<u>-</u>
Net Change in Fund Balance *	<u>\$ (190,210)</u>	<u>\$ (190,210)</u>	131,009	<u>\$ 321,219</u>
Fund Balance, Beginning			<u>526,312</u>	
Fund Balance, Ending			<u>\$ 657,321</u>	

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

BOUNTIFUL CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – NONMAJOR CEMETERY PERPETUAL
CARE SPECIAL REVENUE FUND
For The Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 18,000	\$ 18,000	\$ (34,136)	\$ (52,136)
Miscellaneous	72,000	72,200	106,140	33,940
Total Revenues	<u>90,000</u>	<u>90,200</u>	<u>72,004</u>	<u>(18,196)</u>
Expenditures				
Administrative fees	1,540	1,740	1,682	58
Total Expenditures	<u>1,540</u>	<u>1,740</u>	<u>1,682</u>	<u>58</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>88,460</u>	<u>88,460</u>	<u>70,322</u>	<u>(18,138)</u>
Net Change in Fund Balance	<u>\$ 88,460</u>	<u>\$ 88,460</u>	<u>70,322</u>	<u>\$ (18,138)</u>
Fund Balance, Beginning			<u>2,259,778</u>	
Fund Balance, Ending			<u>\$ 2,330,100</u>	

BOUNTIFUL CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – NONMAJOR DEBT SERVICE FUND
For The Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 200	\$ 200	\$ (305)	\$ (505)
Total Revenues	<u>200</u>	<u>200</u>	<u>(305)</u>	<u>(505)</u>
Expenditures				
Administrative fees	25	25	15	10
Total Expenditures	<u>25</u>	<u>25</u>	<u>15</u>	<u>10</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>175</u>	<u>175</u>	<u>(320)</u>	<u>(495)</u>
Net Change in Fund Balance	<u>\$ 175</u>	<u>\$ 175</u>	<u>(320)</u>	<u>\$ (495)</u>
Fund Balance, Beginning			<u>21,338</u>	
Fund Balance, Ending			<u>\$ 21,018</u>	

BOUNTIFUL CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – MAJOR CAPITAL PROJECTS FUND
For The Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales taxes	\$ 3,464,055	\$ 3,464,055	\$ 10,272,022	\$ 6,807,967
Investment earnings	252,000	252,000	(375,390)	(627,390)
Intergovernmental	50,000	50,000	119,021	69,021
Miscellaneous	-	-	20,161	20,161
Total Revenues	<u>3,766,055</u>	<u>3,766,055</u>	<u>10,035,814</u>	<u>6,269,759</u>
Expenditures				
General Government:				
Finance	19,000	19,000	16,841	2,159
Capital outlay:				
General Government:				
Legislative	3,272,800	3,207,800	1,104,250	2,103,550
Information Systems	-	34,390	34,390	-
Public Safety:				
Police	857,000	857,000	629,065	227,935
Highways and Streets	3,227,000	3,227,000	2,135,291	1,091,709
Parks and recreation	100,000	220,000	219,923	77
Total Expenditures	<u>7,475,800</u>	<u>7,565,190</u>	<u>4,139,760</u>	<u>3,425,430</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(3,709,745)</u>	<u>(3,799,135)</u>	<u>5,896,054</u>	<u>9,695,189</u>
Other Financing Sources (Uses)				
Transfer in	483,479	483,479	483,479	-
Bonds issued	-	-	160,000	160,000
Sale of capital assets	-	-	22,716	22,716
Total Other Financing Sources (Uses)	<u>483,479</u>	<u>483,479</u>	<u>666,195</u>	<u>182,716</u>
Net Change in Fund Balance *	<u>\$ (3,226,266)</u>	<u>\$ (3,315,656)</u>	<u>6,562,249</u>	<u>\$ 9,877,905</u>
Fund Balance, Beginning			<u>24,451,883</u>	
Fund Balance, Ending			<u>\$ 31,014,132</u>	

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

NONMAJOR ENTERPRISE FUNDS

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

- Storm Water – to account for monthly storm water charges collected to cover the cost to install and maintain storm drain infrastructure throughout the City.
- 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, 2022

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Assets					
Current Assets:					
Cash and cash equivalents	\$ 528,392	\$ 127,447	\$ 13,772	\$ 161,447	\$ 831,058
Receivables:					
Accounts receivable, net	267,807	3,394	80,687	19,160	371,048
Interest	10,395	3,358	233	2,820	16,806
Intergovernmental	814	2,951	-	3,031	6,796
Investments	3,168,499	1,023,596	71,123	859,562	5,122,780
Inventories	-	81,844	-	-	81,844
Total Current Assets	3,975,907	1,242,590	165,815	1,046,020	6,430,332
Noncurrent Assets:					
Restricted assets:					
Cash and cash equivalents	85,157	71,662	-	5,000	161,819
Net other postemployment benefits asset	6,883	14,403	-	8,642	29,928
Net pension asset	147,753	184,621	-	79,460	411,834
Capital assets, net:					
Land, land rights and water rights	1,491	1,997,619	-	5,198,189	7,197,299
Buildings, wells and reservoirs	147,727	388,799	-	246,929	783,455
Improvements other than buildings	-	268,527	-	489,685	758,212
Water transmission, distribution, and collection infrastructure	4,481,184	-	-	-	4,481,184
Machinery and equipment	869,026	136,137	-	54,214	1,059,377
Construction in progress	140,224	-	-	-	140,224
Intangible right-to-use leased assets	-	511,555	-	-	511,555
Total Noncurrent Assets	5,879,445	3,573,323	-	6,082,119	15,534,887
Total Assets	9,855,352	4,815,913	165,815	7,128,139	21,965,219
Deferred Outflows of Resources					
Pensions	63,427	79,253	-	34,110	176,790
Other postemployment benefits	440	921	-	553	1,914
Total Deferred Outflows	63,867	80,174	-	34,663	178,704
Total Assets and Deferred Outflows	\$ 9,919,219	\$ 4,896,087	\$ 165,815	\$ 7,162,802	\$ 22,143,923

BOUNTIFUL CITY
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Continued)
June 30, 2022

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Liabilities					
Current Liabilities:					
Accounts payable	\$ 192,275	\$ 35,831	\$ 44,350	\$ 56,100	\$ 328,556
Accrued liabilities	25,525	72,834	-	18,429	116,788
Accrued Interest Payable	-	8,292	-	-	8,292
Retainage payable - restricted assets	29,083	-	-	5,000	34,083
Unearned revenue - restricted assets	-	71,662	-	-	71,662
Compensated absences	12,118	18,392	-	9,086	39,596
Leases Payable	-	114,701	-	-	114,701
Total Current Liabilities	259,001	321,712	44,350	88,615	713,678
Noncurrent Liabilities:					
Developer and customer deposits - restricted assets	56,074	-	-	-	56,074
Compensated absences	6,887	70,842	-	23,664	101,393
Leases Payable	-	195,935	-	-	195,935
Total Noncurrent Liabilities	62,961	266,777	-	23,664	353,402
Total Liabilities	321,962	588,489	44,350	112,279	1,067,080
Deferred Inflows of Resources					
Pensions	204,791	255,890	-	110,134	570,815
Other postemployment benefits	2,407	5,038	-	3,023	10,468
Total Deferred Inflows	207,198	260,928	-	113,157	581,283
Net Position					
Net investment in capital assets	5,610,569	2,992,001	-	5,984,017	14,586,587
Restricted:					
Pensions	6,389	7,984	-	3,436	17,809
Other postemployment benefits	4,916	10,286	-	6,172	21,374
Unrestricted	3,768,185	1,036,399	121,465	943,741	5,869,790
Total Net Position	9,390,059	4,046,670	121,465	6,937,366	20,495,560
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 9,919,219	\$ 4,896,087	\$ 165,815	\$ 7,162,802	\$ 22,143,923

BOUNTIFUL CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For The Fiscal Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Operating Revenues					
Charges for services	\$ 1,933,255	\$ -	\$ 585,208	\$ 468,580	\$ 2,987,043
Admissions and lesson fees	-	970,771	-	-	970,771
Equipment and facility rents	-	443,961	-	-	443,961
Merchandise and concession sales	-	280,880	-	-	280,880
Sale of cemetery burial plots	-	-	-	414,710	414,710
Miscellaneous	6,144	4,813	515	280	11,752
Total Operating Revenues	1,939,399	1,700,425	585,723	883,570	5,109,117
Operating Expenses					
Personnel wages and benefits	405,507	735,930	-	297,795	1,439,232
Materials and supplies	15,899	197,974	-	8,441	222,314
Repair and maintenance costs	205,066	236,238	-	83,257	524,561
Contractual and professional services	112,082	7,952	501,546	273	621,853
General and administrative costs	150,891	304,259	80,120	110,389	645,659
Depreciation	432,824	94,833	-	65,762	593,419
Amortization	-	89,785	-	-	89,785
Total Operating Expenses	1,322,269	1,666,971	581,666	565,917	4,136,823
Operating Income (Loss)	\$ 617,130	\$ 33,454	\$ 4,057	\$ 317,653	\$ 972,294

BOUNTIFUL CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Fiscal Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Nonoperating Revenues (Expenses)					
Investment earnings	\$ (57,046)	\$ (17,476)	\$ (1,584)	\$ (15,248)	\$ (91,354)
Intergovernmental - Grants	814	2,951	-	3,031	6,796
Interest expense	-	(10,560)	-	-	(10,560)
Gain (loss) from disposal of capital assets	(2,021)	-	-	-	(2,021)
Total Nonoperating Revenues (Expenses)	(58,253)	(25,085)	(1,584)	(12,217)	(97,139)
Income (loss) before contributions & transfers	558,877	8,369	2,473	305,436	875,155
Capital contributions	5,287	-	-	-	5,287
Transfers in	-	-	95,000	-	95,000
Changes in Net Position	564,164	8,369	97,473	305,436	975,442
Net Position, Beginning	8,825,895	3,977,411	23,992	6,631,930	19,459,228
Prior Period Adjustment	-	60,890	-	-	60,890
Net Position, Ending	\$ 9,390,059	\$ 4,046,670	\$ 121,465	\$ 6,937,366	\$ 20,495,560

BOUNTIFUL CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For The Fiscal Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				Total Nonmajor Enterprise Funds
	Storm Water	Golf Course	Recycling	Cemetery	
Cash Flows From Operating Activities					
Receipts from customers and users	\$ 1,980,069	\$ 1,704,639	\$ 576,565	\$ 888,510	\$ 5,149,783
Receipts from customer deposits	9,230	-	-	-	9,230
Payments to suppliers	(260,882)	(605,279)	(584,853)	(149,457)	(1,600,471)
Payments to employees and related benefits	(474,612)	(832,501)	-	(343,099)	(1,650,212)
Payments to other funds for services provided	(127,364)	(164,045)	-	(88,506)	(379,915)
Net cash flows from operating activities	<u>1,126,441</u>	<u>102,814</u>	<u>(8,288)</u>	<u>307,448</u>	<u>1,528,415</u>
Cash Flows From Non-Capital Financing Activities					
Transfers from other funds	-	-	95,000	-	95,000
Grants received	3,425	11,533	-	12,755	27,713
Net cash flows from non-capital financing activities	<u>3,425</u>	<u>11,533</u>	<u>95,000</u>	<u>12,755</u>	<u>122,713</u>
Cash Flows From Capital and Related Financing					
Capital contributions received	5,287	-	-	-	5,287
Purchase of capital assets	(638,281)	(201,997)	-	(298,817)	(1,139,095)
Principal paid on equipment lease	-	(110,312)	-	-	(110,312)
Interest paid on equipment lease	-	(13,100)	-	-	(13,100)
Net cash flows from capital and related financing activities	<u>(632,994)</u>	<u>(325,409)</u>	<u>-</u>	<u>(298,817)</u>	<u>(1,257,220)</u>
Cash Flows From Investing Activities					
Investment earnings	23,539	8,813	173	6,691	39,216
Purchase of investments	(2,621,642)	(792,828)	(99,692)	(665,777)	(4,179,939)
Sale of investments	1,184,088	529,576	26,579	337,220	2,077,463
Net cash flows from investing activities	<u>(1,414,015)</u>	<u>(254,439)</u>	<u>(72,940)</u>	<u>(321,866)</u>	<u>(2,063,260)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	<u>(917,143)</u>	<u>(465,501)</u>	<u>13,772</u>	<u>(300,480)</u>	<u>(1,669,352)</u>
Cash and Cash Equivalents, Beginning	<u>1,530,692</u>	<u>664,610</u>	<u>-</u>	<u>466,927</u>	<u>2,662,229</u>
Cash and Cash Equivalents, Ending	<u>\$ 613,549</u>	<u>\$ 199,109</u>	<u>\$ 13,772</u>	<u>\$ 166,447</u>	<u>\$ 992,877</u>

BOUNTIFUL CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (Continued)
For The Fiscal Year Ended June 30, 2022

	<u>Business-type Activities - Enterprise Funds</u>				<u>Total Nonmajor Enterprise Funds</u>
	<u>Storm Water</u>	<u>Golf Course</u>	<u>Recycling</u>	<u>Cemetery</u>	
Reconciliation of operating income to net cash flows from operating activities					
Earnings (loss) from operations	\$ 617,130	\$ 33,454	\$ 4,057	\$ 317,653	\$ 972,294
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:					
Depreciation and amortization	432,824	184,618	-	65,762	683,204
Changes in assets and liabilities					
Accounts receivable, net	40,670	4,214	(9,158)	4,940	40,666
Inventories	-	(31,923)	-	-	(31,923)
Prepaid expenses	-	-	-	-	-
Other postemployment benefits asset	(1,062)	150	-	90	(822)
Net pension asset	(147,753)	(184,621)	-	(79,460)	(411,834)
Deferred outflows - pensions	(14,308)	(17,423)	-	(8,176)	(39,907)
Deferred outflows - OPEB	(214)	(357)	-	(215)	(786)
Accounts payable	81,598	(8,930)	(3,187)	(41,363)	28,118
Accrued liabilities	428	3,439	-	1,368	5,235
Retainage payable	13,666	-	-	-	13,666
Unearned revenue	-	2,091	-	-	2,091
Developer and customer deposits	9,230	-	-	-	9,230
Compensated absences	5,838	9,988	-	(1,026)	14,800
Deferred inflows - pensions	102,574	127,219	-	56,165	285,958
Deferred inflows - OPEB	(223)	(1,536)	-	(921)	(2,680)
Net pension liability	(13,957)	(17,569)	-	(7,369)	(38,895)
Net cash flows from operating activities	<u>\$ 1,126,441</u>	<u>\$ 102,814</u>	<u>\$ (8,288)</u>	<u>\$ 307,448</u>	<u>\$ 1,528,415</u>
Schedule of non-cash capital and related financing activities					
Leasing of assets	\$ -	\$ 182,995	\$ -	\$ -	\$ 182,995

INTERNAL SERVICE FUNDS

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

- Risk Management – this fund’s primary purpose is to provide general liability immunity services for City operations covering costs of claims and insurance policies. The City is self-insured up to \$500,000 with an excess insurance policy covering from \$500,000 up to \$10,000,000. This fund accounts for monthly interfund charges estimated to cover the cost to of insurance, claims, and other operating costs associated with City operational risk mitigation. This fund also accounts for any operating costs incurred to provide the risk mitigation services.
- Workers’ Compensation Self-Insurance – this fund’s primary purpose is to provide employee compensation for work-related injuries. The City is self-insured up to \$600,000 for workers’ compensation claims with and excess insurance policy covering from \$600,000 to \$1,000,000. This fund accounts for monthly interfund charges estimated to cover the cost to of insurance, claims, and other operating costs associated with workers’ compensation. This fund also accounts for any operating and capital expenses incurred to provide the workers’ compensation services.

BOUNTIFUL CITY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2022

	<u>Risk Management</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 210,517	\$ 171,771	\$ 382,288
Receivables:			
Interest receivable	3,567	2,872	6,439
Other receivables	-	14,553	14,553
Investments	1,087,154	875,437	1,962,591
Total Current Assets	<u>1,301,238</u>	<u>1,064,633</u>	<u>2,365,871</u>
Noncurrent Assets			
Restricted cash and cash equivalents	526,076	-	526,076
Restricted net pension asset	30,751	21,450	52,201
Total Noncurrent Assets	<u>556,827</u>	<u>21,450</u>	<u>578,277</u>
Total Assets	<u>1,858,065</u>	<u>1,086,083</u>	<u>2,944,148</u>
Deferred Outflows of Resources			
Pensions	13,201	9,208	22,409
Total Deferred Outflows	<u>13,201</u>	<u>9,208</u>	<u>22,409</u>
Total Assets and Deferred Outflows	<u>\$ 1,871,266</u>	<u>\$ 1,095,291</u>	<u>\$ 2,966,557</u>
Liabilities			
Current Liabilities			
Accounts payable	\$ 175,602	\$ 421,371	\$ 596,973
Accrued liabilities	5,278	2,364	7,642
Total Current Liabilities	<u>180,880</u>	<u>423,735</u>	<u>604,615</u>
Total Liabilities	<u>180,880</u>	<u>423,735</u>	<u>604,615</u>
Deferred Inflows of Resources			
Pensions	42,622	29,730	72,352
Total Deferred Inflows	<u>42,622</u>	<u>29,730</u>	<u>72,352</u>
Net Position			
Restricted:			
Regulatory required deposit	526,076	-	526,076
Pensions	1,330	928	2,258
Unrestricted	1,120,358	640,898	1,761,256
Total Net Position	<u>1,647,764</u>	<u>641,826</u>	<u>2,289,590</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 1,871,266</u>	<u>\$ 1,095,291</u>	<u>\$ 2,966,557</u>

BOUNTIFUL CITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
For The Fiscal Year Ended June 30, 2022

	Risk Management	Workers' Compensation Self-Insurance	Total Internal Service Funds
Operating Revenues			
Charges for services	\$ 551,193	\$ 300,251	\$ 851,444
Total Operating Revenues	<u>551,193</u>	<u>300,251</u>	<u>851,444</u>
Operating Expenses			
Personnel wages and benefits	86,340	54,106	140,446
Contractual and professional services	29,115	9,900	39,015
General and administrative costs	553,863	81,966	635,829
Claims	348,674	194,920	543,594
Total Operating Expenses	<u>1,017,992</u>	<u>340,892</u>	<u>1,358,884</u>
Operating Income (Loss)	<u>(466,799)</u>	<u>(40,641)</u>	<u>(507,440)</u>
Nonoperating Revenues (Expense)			
Investment earnings	<u>(17,962)</u>	<u>(15,278)</u>	<u>(33,240)</u>
Total Nonoperating Revenues (Expense)	<u>(17,962)</u>	<u>(15,278)</u>	<u>(33,240)</u>
Changes in Net Position	(484,761)	(55,919)	(540,680)
Net Position, Beginning	<u>2,132,525</u>	<u>697,745</u>	<u>2,830,270</u>
Net Position, Ending	<u>\$ 1,647,764</u>	<u>\$ 641,826</u>	<u>\$ 2,289,590</u>

BOUNTIFUL CITY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Fiscal Year Ended June 30, 2022

	Risk Management	Workers' Compensation Self-Insurance	Total Internal Service Funds
Cash Flows From Operating Activities			
Receipts from interfund charges	\$ 552,093	\$ 298,939	\$ 851,032
Payments to suppliers	(763,190)	(297,726)	(1,060,916)
Payments to employees and related benefits	(102,143)	(64,896)	(167,039)
Net cash flows from operating activities	(313,240)	(63,683)	(376,923)
Cash Flows From Investing Activities			
Interest on investments	10,020	7,122	17,142
Purchase of investments	(842,059)	(678,073)	(1,520,132)
Sale of investments	610,601	385,184	995,785
Net cash flows from investing activities	(221,438)	(285,767)	(507,205)
Net Increase (Decrease) In Cash and Cash Equivalents	(534,678)	(349,450)	(884,128)
Cash and Cash Equivalents, Beginning	1,271,271	521,221	1,792,492
Cash and Cash Equivalents, Ending	\$ 736,593	\$ 171,771	\$ 908,364
Reconciliation of operating income to net cash flows from operating activities			
Earnings (loss) from operations	\$ (466,799)	\$ (40,641)	\$ (507,440)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:			
Changes in assets and liabilities			
Accounts receivable	900	(1,312)	(412)
Accounts payable	167,210	(11,337)	155,873
Accrued liabilities	374	264	638
Net pension asset	(30,751)	(21,450)	(52,201)
Deferred outflows - pensions	(3,242)	(2,081)	(5,323)
Deferred inflows - pensions	21,898	14,899	36,797
Net pension liability	(2,830)	(2,025)	(4,855)
Net cash flows from operating activities	\$ (313,240)	\$ (63,683)	\$ (376,923)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net investment in capital assets	\$ 74,103,304	\$ 77,753,067	\$ 81,472,401	\$ 82,121,939	\$ 81,356,410	\$ 81,135,964	\$ 82,645,913	\$ 91,946,665	\$ 101,589,508	\$ 102,661,451
Restricted	3,663,738	3,393,773	3,112,341	1,671,755	1,463,046	1,457,025	1,503,841	1,564,641	1,599,918	1,670,855
Unrestricted	44,932,661	44,081,459	36,157,946	40,132,172	36,802,950	42,218,254	44,728,492	41,096,727	39,125,888	43,205,024
Total governmental activities net position	\$ 122,699,703	\$ 125,228,299	\$ 120,742,688	\$ 123,925,866	\$ 119,622,406	\$ 124,811,243	\$ 128,878,246	\$ 134,608,033	\$ 142,315,314	\$ 147,537,330
Business-type Activities										
Net investment in capital assets	\$ 52,073,365	\$ 50,089,185	\$ 49,827,165	\$ 65,576,188	\$ 70,987,081	\$ 78,825,694	\$ 78,015,217	\$ 77,309,072	\$ 85,234,823	\$ 84,257,406
Restricted	537,775	538,343	543,050	548,086	616,883	618,702	649,646	689,822	111,629	244,228
Unrestricted	53,111,351	58,237,995	59,483,812	47,268,834	48,610,993	45,475,180	46,762,253	46,728,077	44,297,484	45,110,297
Total business-type activities net position	\$ 105,722,491	\$ 108,865,523	\$ 109,854,027	\$ 113,393,108	\$ 120,214,957	\$ 124,919,576	\$ 125,427,116	\$ 124,726,971	\$ 129,643,936	\$ 129,611,931
Primary Government										
Net investment in capital assets	\$ 126,176,669	\$ 127,842,252	\$ 131,299,566	\$ 147,698,127	\$ 152,343,491	\$ 159,961,658	\$ 160,661,130	\$ 169,255,737	\$ 186,824,331	\$ 186,918,857
Restricted	4,201,513	3,932,116	3,655,391	2,219,841	2,079,929	2,075,727	2,153,487	2,254,463	1,711,547	1,915,083
Unrestricted	98,044,012	102,319,454	95,641,758	87,401,006	85,413,943	87,693,434	91,490,745	87,824,804	83,423,372	88,315,321
Total primary government net position	\$ 228,422,194	\$ 234,093,822	\$ 230,596,715	\$ 237,318,974	\$ 239,837,363	\$ 249,730,819	\$ 254,305,362	\$ 259,335,004	\$ 271,959,250	\$ 277,149,261

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

Table 2

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Government Activities:										
General governmental	\$ 3,581,400	\$ 4,252,481	\$ 3,437,814	\$ 3,341,296	\$ 7,192,448	\$ 3,016,861	\$ 2,756,678	\$ 2,931,729	\$ 3,421,476	\$ 3,283,145
Public safety	9,000,597	8,960,236	9,375,233	9,866,805	12,489,219	9,472,327	10,670,198	10,353,927	10,384,978	9,377,051
Highways and streets	4,067,275	3,979,845	3,984,340	4,063,869	4,897,436	4,425,284	5,058,822	5,243,263	4,923,386	4,934,614
Planning and engineering	1,022,280	884,133	745,669	731,941	867,524	859,976	893,628	951,735	985,748	900,243
Parks and recreation	1,003,832	1,002,463	1,067,132	1,065,934	1,244,612	1,219,344	1,375,540	1,445,627	1,739,662	1,868,699
Redevelopment	600,355	601,424	1,371,281	251,093	204,313	253,521	531,500	264,816	249,706	5,239,087
Interest on long-term debt	102,623	19,760	26,339	10,817	9,638	-	-	-	-	-
Total governmental activities expenses	19,378,362	19,700,342	20,007,808	19,331,755	26,905,190	19,247,313	21,286,366	21,191,097	21,704,956	25,602,839
Business-type Activities:										
Water	3,371,663	3,597,648	3,494,082	3,631,578	3,869,619	3,818,230	4,413,045	4,611,958	4,534,515	4,531,550
Light and Power	23,015,562	22,924,477	23,688,812	22,315,745	23,243,493	24,157,027	25,588,771	28,016,154	25,621,368	26,988,227
Landfill and Sanitation	1,108,510	1,984,027	2,003,479	1,937,430	2,165,326	2,382,296	2,665,632	2,811,880	2,885,808	3,680,104
Storm Water	971,430	1,148,856	868,856	912,170	1,004,376	1,094,184	1,173,363	1,244,172	1,270,552	1,336,011
Sewer (1)	-	-	-	-	-	-	-	-	-	-
Golf Course	1,404,462	1,584,534	1,483,707	1,467,338	1,540,593	1,569,171	1,692,390	1,785,364	1,781,220	1,695,138
Recycling	471,210	407,891	368,091	377,577	402,793	475,457	585,331	650,384	652,993	581,666
Sanitation (1)	802,742	-	-	-	-	-	-	-	-	-
Cemetery	325,056	370,992	394,069	407,908	483,845	523,846	544,294	588,639	568,098	571,228
Total business-type activities expenses	31,470,635	32,018,425	32,301,096	31,049,746	32,710,045	34,020,211	36,662,826	39,708,551	37,314,554	39,383,924
Total primary government expenses	\$ 50,848,997	\$ 51,718,767	\$ 52,308,904	\$ 50,381,501	\$ 59,615,235	\$ 53,267,524	\$ 57,949,192	\$ 60,899,648	\$ 59,019,510	\$ 64,986,763
Program Revenues										
Government Activities:										
Charges for Services:										
General Government	\$ 2,349,674	\$ 2,401,070	\$ 1,574,521	\$ 1,063,736	\$ 1,201,472	\$ 1,072,202	\$ 1,044,255	\$ 877,529	\$ 1,000,129	\$ 1,300,266
Parks, culture and recreation	14,725	15,050	16,260	19,050	16,550	20,890	18,800	13,550	23,950	20,632
Public safety and highways/streets	711,658	733,684	776,226	785,777	797,307	736,835	786,737	823,572	875,481	855,977
Operating Grants and Contributions (2)	1,624,716	1,333,065	1,411,005	1,607,310	2,341,078	2,310,290	2,454,563	5,797,259	5,742,276	6,748,873
Capital Grants and Contributions	66,843	103,235	459,557	546,698	419,547	9,370	431,640	15,000	934,741	213,010
Total gov. activities program revenues	4,767,616	4,586,104	4,237,569	4,022,571	4,775,954	4,149,587	4,735,995	7,526,910	8,576,577	9,138,758
Business-type Activities:										
Charges for Services:										
Water	3,026,573	4,056,749	3,937,063	4,035,730	4,099,364	5,609,766	5,639,247	5,731,483	5,810,603	5,322,829
Light and Power	27,086,113	26,627,796	25,719,743	25,824,251	26,506,316	27,098,178	27,252,441	26,614,792	28,428,125	27,863,911
Landfill and Sanitation	1,015,014	2,188,751	2,337,975	2,141,057	2,174,640	2,615,459	2,586,965	2,802,191	3,030,533	3,344,036
Storm Water	907,515	909,566	1,101,803	1,159,092	1,379,679	1,611,518	1,643,847	1,686,172	1,819,937	1,933,255
Sewer (1)	-	-	-	-	-	-	-	-	-	-
Golf Course	1,473,679	1,468,023	1,446,847	1,380,724	1,379,892	1,364,870	1,149,420	1,528,188	1,743,628	1,695,612
Recycling	482,335	423,248	376,751	382,605	418,230	419,927	434,547	423,553	440,046	585,208
Sanitation (1)	851,060	-	-	-	-	-	-	-	-	-
Cemetery	329,765	423,503	514,595	530,805	540,969	667,486	579,650	637,109	818,825	883,290
Operating Grants and Contributions	-	-	-	-	-	-	-	42,575	854,579	142,730
Capital grants and Contributions	694,943	745,806	656,541	627,167	4,979,663	800,673	974,966	655,433	1,116,124	419,375
Total business-type act. program rev.	35,866,997	36,843,442	36,091,318	36,081,431	41,478,753	40,187,877	40,261,083	40,121,496	44,062,400	42,190,246
Total primary gov. program revenues	\$ 40,634,613	\$ 41,429,546	\$ 40,328,887	\$ 40,104,002	\$ 46,254,707	\$ 44,337,464	\$ 44,997,078	\$ 47,648,406	\$ 52,638,977	\$ 51,329,004
Net (expense)/revenue										
Governmental activities	\$ (14,610,746)	\$ (15,114,238)	\$ (15,770,239)	\$ (15,309,184)	\$ (22,129,236)	\$ (15,097,726)	\$ (16,550,371)	\$ (13,664,187)	\$ (13,128,379)	\$ (16,464,081)
Business-type activities	4,396,362	4,825,017	3,790,222	5,031,685	8,768,708	6,167,666	3,598,257	412,945	6,747,846	2,806,322
Total primary government net expense	\$ (10,214,384)	\$ (10,289,221)	\$ (11,980,017)	\$ (10,277,499)	\$ (13,360,528)	\$ (8,930,060)	\$ (12,952,114)	\$ (13,251,242)	\$ (6,380,533)	\$ (13,657,759)

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

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Revenues and Other Changes in net position										
Governmental activities:										
Taxes										
Property taxes (2)	\$ 3,960,963	\$ 3,912,339	\$ 3,788,098	\$ 4,040,013	\$ 3,707,397	\$ 3,617,496	\$ 3,969,296	\$ 2,928,484	\$ 2,954,441	\$ 4,057,728
Sales taxes	6,456,991	6,782,369	7,134,825	7,623,749	7,877,935	8,248,442	8,460,480	8,937,963	10,297,567	11,471,705
Franchise taxes	4,008,695	3,945,634	3,681,671	3,664,256	3,770,244	3,782,565	3,802,154	3,642,291	3,681,339	3,770,664
Interest on investments	554,481	504,405	498,436	587,417	566,395	551,096	1,625,239	1,211,323	572,469	(453,049)
Miscellaneous	70,866	102,499	153,874	198,791	232,739	189,540	157,982	253,286	235,074	257,045
Gain (loss) on sale of capital assets	-	-	66,376.00	21,178.00	43,644	94,356	57,951	5,543	106,349	66,816
Special items	-	-	-	-	-	-	-	-	-	-
Transfers	2,314,400	2,395,588	2,164,845	2,356,958	2,357,317	2,414,344	2,544,272	2,415,084	2,752,122	2,515,188
Total governmental activities	<u>17,366,396</u>	<u>17,642,834</u>	<u>17,488,125</u>	<u>18,492,362</u>	<u>18,555,671</u>	<u>18,897,839</u>	<u>20,617,374</u>	<u>19,393,974</u>	<u>20,599,361</u>	<u>21,686,097</u>
Business-type Activities:										
Interest on investments	400,606	365,492	436,633	579,854	533,388	555,260	1,528,309	1,190,104	462,287	(609,931)
Gain (loss) on sale of capital assets	26,016	43,569	28,229	1,135	400	111,436	10,007	6,881	271,555	15,304
Special items/Miscellaneous	280,604.00	304,542.00	299,601.00	283,365	241,449	284,601	263,662	105,009	187,399	210,598
Transfers	(2,314,400)	(2,395,588)	(2,164,845)	(2,356,958)	(2,357,317)	(2,414,344)	(2,544,272)	(2,415,084)	(2,752,122)	(2,515,188)
Loss on disposal of segment of business	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>(1,607,174)</u>	<u>(1,681,985)</u>	<u>(1,400,382)</u>	<u>(1,492,604)</u>	<u>(1,582,080)</u>	<u>(1,463,047)</u>	<u>(742,294)</u>	<u>(1,113,090)</u>	<u>(1,830,881)</u>	<u>(2,899,217)</u>
Total primary government	<u>\$ 15,759,222</u>	<u>\$ 15,960,849</u>	<u>\$ 16,087,743</u>	<u>\$ 16,999,758</u>	<u>\$ 16,973,591</u>	<u>\$ 17,434,792</u>	<u>\$ 19,875,080</u>	<u>\$ 18,280,884</u>	<u>\$ 18,768,480</u>	<u>\$ 18,786,880</u>
Change in net position										
Governmental activities	\$ 2,755,650	\$ 2,528,596	\$ 1,717,886	\$ 3,183,178	\$ (3,573,565)	\$ 3,800,113	\$ 4,067,003	\$ 5,729,787	\$ 7,470,982	\$ 5,222,016
Business-type activities	2,789,188	3,143,032	2,389,840	3,539,081	7,186,628	4,704,619	2,855,963	(700,145)	4,916,965	(92,895)
Total primary government	<u>\$ 5,544,838</u>	<u>\$ 5,671,628</u>	<u>\$ 4,107,726</u>	<u>\$ 6,722,259</u>	<u>\$ 3,613,063</u>	<u>\$ 8,504,732</u>	<u>\$ 6,922,966</u>	<u>\$ 5,029,642</u>	<u>\$ 12,387,947</u>	<u>\$ 5,129,121</u>

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	84,734	87,637	84,588	51,134	38,784	-	-	-	-	-
Committed (1)	-	-	-	-	-	-	-	3,606,000	4,686,000	5,410,000
Assigned	35,526	23,887	102	12,064	18,112	37,662	55,035	44,432	30,728	1,055
Unassigned	2,448,175	3,215,001	3,337,417	3,462,187	3,386,791	3,205,350	3,903,090	227,069	1,843,959	328,849
Total General Fund	<u>\$ 2,568,435</u>	<u>\$ 3,326,525</u>	<u>\$ 3,422,107</u>	<u>\$ 3,525,385</u>	<u>\$ 3,443,687</u>	<u>\$ 3,243,012</u>	<u>\$ 3,958,125</u>	<u>\$ 3,877,501</u>	<u>\$ 6,560,687</u>	<u>\$ 5,739,904</u>
All other governmental funds										
Nonspendable	\$ 558,358	\$ 558,358	\$ -	\$ -	\$ -	\$ -	\$ 8,780	\$ -	\$ -	\$ -
Restricted	3,060,490	2,787,116	2,508,167	1,100,305	826,762	841,957	865,831	889,085	888,436	917,879
Committed (1)	-	-	-	1,734,687	324,969	1,884,700	2,008,538	24,271,582	25,864,778	24,430,100
Assigned	34,606,690	32,658,253	32,199,536	35,544,447	36,245,936	38,734,766	40,933,831	15,921,394	9,661,143	13,538,696
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 38,225,538</u>	<u>\$ 36,003,727</u>	<u>\$ 34,707,703</u>	<u>\$ 38,379,439</u>	<u>\$ 37,397,667</u>	<u>\$ 41,461,423</u>	<u>\$ 43,816,980</u>	<u>\$ 41,082,061</u>	<u>\$ 36,414,357</u>	<u>\$ 38,886,675</u>

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Taxes (see Table 5)	\$ 14,328,306	\$ 14,640,342	\$ 14,604,594	\$ 15,328,018	\$ 15,355,576	\$ 15,648,503	\$ 16,231,930	\$ 15,508,738	\$ 16,933,347	\$ 19,300,097
Licenses and permits	593,746	668,595	639,203	538,070	679,439	607,561	514,245	508,494	625,681	791,059
Intergovernmental (1)	1,624,716	1,333,065	1,411,005	1,607,310	2,341,078	2,399,903	2,535,658	5,878,964	5,986,854	6,987,481
Charges for services	2,431,034	2,337,365	1,577,584	1,178,991	1,207,577	1,102,127	1,204,818	1,093,312	1,154,482	1,272,768
Fines and forfeitures	148,891	143,844	150,220	151,502	128,313	120,239	130,729	112,845	119,397	113,048
Investment earnings	514,069	471,769	498,435	587,417	566,395	551,096	1,625,239	1,211,323	572,467	(453,049)
Miscellaneous	828,478	743,655	956,055	1,442,347	1,067,640	592,904	356,640	418,305	576,451	397,722
Total Revenues	20,469,240	20,338,635	19,837,096	20,833,655	21,346,018	21,022,333	22,599,259	24,731,981	25,968,679	28,409,126
Expenditures:										
General government	3,078,288	3,406,526	3,041,448	2,988,990	2,513,272	2,280,100	2,199,123	2,404,208	2,913,330	2,678,673
Public safety	7,925,807	7,482,444	8,519,714	8,946,888	8,935,881	8,846,095	9,517,509	9,660,827	10,079,173	10,715,111
Highways and streets	2,923,089	2,877,012	2,875,139	3,054,369	3,065,431	3,039,277	4,065,600	4,154,000	3,988,736	4,042,660
Planning and engineering	968,171	956,440	735,003	752,038	803,667	873,959	900,866	909,197	1,056,119	1,029,532
Parks and recreation	703,227	747,048	781,729	808,441	919,116	926,448	1,060,722	1,083,794	1,257,174	1,414,135
Redevelopment	1,050,868	2,337,206	1,636,222	248,744	605,556	1,093,209	2,419,268	2,616,503	672,552	5,452,465
Capital outlay (2)	229,883	-	-	176,965	4,562,705	129,191	(1,405,059)	(2,319,170)	(332,303)	80,493
Capitalized capital outlay	1,494,677	5,077,488	4,737,261	2,230,839	3,188,084	2,623,676	3,341,126	11,458,792	11,208,499	4,042,426
Debt service:										
Bond issuance costs	-	22,681	-	-	-	-	-	-	-	-
Principal	829,000	2,000,000	908,000	212,000	220,000	-	-	-	-	-
Interest and fiscal charges	122,783	61,749	35,637	17,280	8,800	-	-	-	-	-
Total expenditures	19,325,793	24,968,594	23,270,153	19,436,554	24,822,512	19,811,955	22,099,155	29,968,151	30,843,280	29,455,495
Excess of revenues over (under) expenditures	\$ 1,143,447	\$ (4,629,959)	\$ (3,433,057)	\$ 1,397,101	\$ (3,476,494)	\$ 1,210,378	\$ 500,104	\$ (5,236,170)	\$ (4,874,601)	\$ (1,046,369)

(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)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Other financing sources (uses):										
Transfers in	\$ 2,439,445	\$ 2,395,588	\$ 2,400,468	\$ 2,356,958	\$ 5,123,707	\$ 4,385,292	\$ 2,860,431	\$ 3,001,334	\$ 3,582,950	\$ 2,998,667
Transfers out	(125,045)	-	(235,623)	-	(2,766,390)	(1,970,948)	(411,816)	(586,250)	(830,828)	(483,479)
Bonds issued	-	766,000	-	-	-	-	-	-	-	160,000
Sale of assets	23,710	4,650	24,700	20,955	55,707	68,697	121,951	5,543	137,961	22,716
Total other financing sources (uses)	<u>2,338,110</u>	<u>3,166,238</u>	<u>2,189,545</u>	<u>2,377,913</u>	<u>2,413,024</u>	<u>2,483,041</u>	<u>2,570,566</u>	<u>2,420,627</u>	<u>2,890,083</u>	<u>2,697,904</u>
Net change in fund balances	<u>\$ 3,481,557</u>	<u>\$ (1,463,721)</u>	<u>\$ (1,243,512)</u>	<u>\$ 3,775,014</u>	<u>\$ (1,063,470)</u>	<u>\$ 3,693,419</u>	<u>\$ 3,070,670</u>	<u>\$ (2,815,543)</u>	<u>\$ (1,984,518)</u>	<u>\$ 1,651,535</u>

Debt service as a percentage of non-capital expenditures	5.34%	10.37%	5.09%	1.33%	1.06%	N/A	N/A	N/A	N/A	N/A
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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
2013	\$ 3,743,390	\$ 217,573	\$ 6,058,549	\$ 398,441	\$ 3,416,274	\$ 13,834,227
2014	3,701,049	211,290	6,346,757	435,612	3,945,634	14,640,342
2015	3,577,649	210,449	6,672,517	462,308	3,681,671	14,604,594
2016	3,824,710	215,303	7,107,293	516,456	3,664,256	15,328,018
2017	3,493,781	213,616	7,350,405	527,530	3,770,244	15,355,576
2018	3,415,826	201,670	7,698,239	550,203	3,782,565	15,648,503
2019	3,751,875	217,421	7,891,905	568,575	3,802,154	16,231,930
2020 (1)	2,729,398	199,086	8,326,421	611,542	3,642,291	15,508,738
2021	2,749,290	205,151	9,601,683	695,884	3,681,339	16,933,347
2022	3,796,066	261,662	10,742,501	729,204	3,770,664	19,300,097

(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				
2013	\$ 1,762,165	\$ 399,036	\$ 187	\$ 64,841	\$ 2,226,229	0.001063	\$ 3,582,185	62.15%
2014	1,668,062	379,160	160	60,040	2,107,421	0.000946	3,666,320	57.48%
2015	2,074,866	326,681	124	60,559	2,462,229	0.000957	4,091,095	60.19%
2016	2,135,735	494,329	79	73,273	2,703,415	0.000890	4,642,505	58.23%
2017	2,224,216	393,297	35	70,390	2,687,938	0.000832	4,453,396	60.36%
2018	2,405,742	410,184	16	61,045	2,876,987	0.000880	4,767,051	60.35%
2019	2,616,287	440,306	19	58,672	3,115,284	0.000814	5,178,287	60.16%
2020	2,862,151	480,876	24	72,962	3,416,013	0.000789	5,677,646	60.17%
2021	2,964,503	472,078	23	73,926	3,510,530	0.000967	5,835,949	60.15%
2022	3,369,265	496,551	32	81,356	3,947,204	0.000889	6,607,668	59.74%

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

(2) Includes centrally assessed property.

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

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

Fiscal Year	Direct Rate			Overlapping Rates							
	Total Direct & Overlapping Rate	Bountiful City (1)	Davis County School District	Davis County (2)	Weber Basin Water	Mosquito Abatement District	Bountiful Water Subconservancy District	South Davis Sewer District	Davis County Library	South Davis Metro Fire Service Area (3)	South Davis Recreation District
2013	0.013632	0.001063	0.008710	0.002331	0.000210	0.000103	0.000128	0.000324	0.000389	-	0.000374
2014	0.012809	0.000946	0.008259	0.002161	0.000199	0.000124	0.000120	0.000301	0.000361	-	0.000338
2015	0.012853	0.000957	0.008555	0.001905	0.000196	0.000122	0.000120	0.000303	0.000361	-	0.000334
2016	0.012387	0.000890	0.008125	0.002014	0.000187	0.000116	0.000110	0.000287	0.000342	0.000010	0.000306
2017	0.012288	0.000832	0.007575	0.002210	0.000174	0.000107	0.000103	0.000264	0.000376	0.000368	0.000279
2018	0.012200	0.000880	0.007701	0.002046	0.000164	0.000119	0.000096	0.000245	0.000349	0.000343	0.000257
2019	0.011869	0.000814	0.007808	0.001760	0.000153	0.000112	0.000089	0.000234	0.000329	0.000328	0.000242
2020	0.011874	0.000789	0.007670	0.001896	0.000146	0.000110	0.000183	0.000226	0.000319	0.000317	0.000218
2021	0.012195	0.000967	0.007642	0.001608	0.000132	0.000099	0.000078	0.000296	0.000578	0.000585	0.000210
2022	0.010033	0.000889	0.006424	0.001233	0.000167	0.000096	0.000061	0.000306	0.000229	0.000475	0.000153

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

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

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

Source: Property Tax Division, Utah State Tax Commission

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

Taxpayer	December 31, 2021 taxable valuation			December 31, 2012 taxable valuation		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
WBC Partners LLC	\$ 37,007,817	1	0.94 %	\$ 5,592,732	9	0.26 %
Hospital Corporation of Utah	27,881,747	2	0.71	28,282,045	1	1.30
IHC Health Services Inc.	25,493,583	3	0.65	7,199,101	7	0.33
Questar Gas	20,020,068	4	0.51	8,960,271	5	0.41
G&E Healthcare Reit Renaissance LLC	18,790,553	5	0.48	15,376,000	2	0.71
Providential BBA Property LLC	17,697,309	6	0.45	-	-	-
Village Glen Main & Seniors LLC	17,046,798	7	0.43	11,390,695	4	0.52
Columbia Lakeview Hospital	16,358,115	8	0.41	-	-	-
MABEK Co.	12,277,429	9	0.31	12,284,241	3	0.57
CenturyLink	10,222,319	10	0.26	8,696,160	6	0.40
Creekside Senior Living LLC	10,209,162	11	0.26	-	-	-
Home Carrington Place LLC	8,952,352	12	0.23	-	-	-
Colonial Lakeview Apartments LLC-ETAL	8,877,586	13	0.22	-	-	-
Hepworth Investment Group LLC	8,741,785	14	0.22	-	-	-
HCP Lakeview MOB LLC	8,026,674	15	0.20	5,125,000	10	0.24
Community Centers of America- Auburn LLC	7,073,276	16	0.18	-	-	-
TC Windgate LLC-ETAL	6,457,000	17	0.16	-	-	-
Hidden Hollow Circle	6,239,520	18	0.16	-	-	-
Health Care Property Investors Inc.	5,738,735	19	0.15	-	-	-
Bountiful Corner LLC	5,564,338	20	0.14	-	-	-
Bill Olson Investment LTD_ETAL	-	-	-	6,357,330	8	0.29
	<u>\$278,676,166</u>		<u>7.06 %</u>	<u>\$ 109,263,575</u>		<u>5.03 %</u>
Taxable Value			\$ 3,947,203,967			\$ 2,172,491,456

Source : Davis County Clerk Auditors Office

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

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 2,452,020	\$ 2,360,398	96.26 %	\$ 88,804	\$ 2,449,202	99.89 %
2014	2,442,814	2,353,263	96.33	82,112	2,435,375	99.70
2015	2,520,959	2,312,056	91.71	112,197	2,424,253	96.16
2016	2,580,854	2,391,210	92.65	88,371	2,479,581	96.08
2017	2,581,960	2,426,593	93.98	51,413	2,478,002	95.97
2018	2,576,944	2,337,008	90.69	85,941	2,420,676	93.94
2019	2,932,394	2,681,062	91.43	64,227	2,742,774	93.53
2020	2,962,566	2,727,653	92.07	71,399	2,795,416	94.36
2021	2,937,547	2,798,781	95.28	66,353	2,851,786	97.08
2022	4,022,386	3,860,554	95.98	75,786	3,936,340	97.86

(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)
2013	\$ 24,394,453	\$ 2,568,479	\$ 2,877	\$ 26,510,311	0.0925
2014	23,955,880	2,545,129	9,302	25,719,743	0.0925
2015	23,202,093	2,401,930	115,720	25,719,743	0.0925
2016	23,521,610	2,197,020	105,621	25,824,251	0.0925
2017	23,949,727	2,412,459	144,130	26,506,316	0.0925
2018	24,579,348	2,390,156	128,674	27,098,178	0.0925
2019	24,966,059	2,195,750	90,632	27,252,441	0.0925
2020	24,557,700	1,934,393	122,699	26,614,792	0.0925
2021	26,224,198	2,080,247	123,680	28,428,125	0.0800 (4)
2022	25,566,969	2,174,261	122,681	27,863,911	0.0800

(1) Industrial customer with separate variable and contractual charge.

(2) Includes rental income, power line underground system repairs, income from uncollectible accounts, and connection fee income.

(3) Standard residential customer power rate. Does not apply to all classes of customers.

(4) The standard residential customer power rate was \$0.0800 for the first 400 KWH beginning in Fiscal Year 2021.

BOUNTIFUL CITY
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Table 11

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Household Personal Income (2)	Debt Per Capita (1)
	General Obligation Bonds (3)	Special Assessment Bonds	Revenue Bonds	Revenue Bonds	Lease Debt				
2013	\$ -	\$ 848,237	\$ 1,772,675	\$14,025,000	\$ -	\$ 16,645,912	1.56 %	\$ 1,066,010,000	\$ 388
2014	-	1,028,301	322,000	13,385,000	-	14,735,301	1.30	1,137,211,066	343
2015	-	454,534	-	12,740,000	-	13,194,534	1.15	1,146,190,300	305
2016	-	227,513	-	12,085,000	-	12,312,513	1.02	1,204,921,063	283
2017	-	-	-	11,420,000	-	11,420,000	0.88	1,303,221,396	260
2018	-	-	-	10,745,000	-	10,745,000	0.80	1,342,009,968	244
2019	-	-	-	10,055,000	-	10,055,000	0.75	1,402,764,622	228
2020	-	-	-	9,350,000	-	9,350,000	0.67	1,401,665,337	213
2021	-	-	-	-	302,868	302,868	0.02	1,468,135,823	7
2022	160,000	-	-	-	310,636	470,636	0.03	1,468,135,823 (4)	10

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

(1) See Table 16 for population details

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

(3) The 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 most recent household personal income data available at the time of printing is from the 2020 tax year.

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

Fiscal Year Ended June 30,	General Obligation Bonds (1)	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2013	\$ -	\$ -	\$ -	-	%
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	160,000	-	160,000	0.00	3.49

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

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

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

	Total Debt	Applicable to City		City Debt Ratios (2)		
		Percentage	Amount	To assessed value of: \$ 3,947,203,967	To fair value of: \$6,607,667,609	To population of: (per capita) 45,811
Direct Governmental-Activities City debt:						
Governmental-Activities debt (3)	\$ 160,000	100.00%	\$ 160,000	0.00%	0.00%	\$ 3.49
Total direct debt	<u>\$ 160,000</u>		<u>\$ 160,000</u>			
Overlapping debt:						
State of Utah (1)	\$ -		\$ -			
Weber Basin Water Conservancy District	151,425,000	4.54%	6,878,390	0.17%	0.10%	\$ 150
Davis County	37,700,000	12.29%	4,634,114	0.12%	0.07%	\$ 101
Davis School District	504,010,000	12.29%	61,953,313	1.57%	0.94%	\$ 1,352
South Davis Recreation District	5,850,000	34.23%	2,002,438	0.05%	0.03%	\$ 44
Total Overlapping debt	<u>\$ 698,985,000</u>		<u>\$ 75,468,255</u>			
Total direct and overlapping debt applicable to the City			<u>\$ 75,628,255</u>	1.92%	1.14%	\$ 1,651

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Bountiful. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The State of Utah general obligation debt is not included in the debt ratios because the State of Utah currently levies no ad valorem tax for payment of general obligation bonds.

(2) Percentages and the per capita amount are calculated by dividing the total debt applicable to the City by the fair and assessed values of property within its boundaries and its current population.

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

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed value (1)	\$ 3,595,394	\$ 3,679,505	\$ 4,103,401	\$ 4,153,601	\$ 4,453,396	\$ 4,779,007	\$ 5,191,204	\$ 5,689,454	\$ 5,847,008	\$ 6,607,668
Governmental Debt Limit										
4% of total assessed value (2)	143,816	147,180	164,136	166,144	178,136	191,160	207,648	227,578	233,880	264,307
Debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	160
Special Assessment Bonds	848	1,028	455	228						
Revenue Bonds	1,773	322	-	-	-	-	-	-	-	-
Total Governmental debt applicable to limit	2,621	1,350	455	228	-	-	-	-	-	160
Governmental Legal Debt Margin	\$ 141,195	\$ 145,830	\$ 163,681	\$ 165,916	\$ 178,136	\$ 191,160	\$ 207,648	\$ 227,578	\$ 233,880	\$ 264,147
Total net debt applicable to the limit as a percentage of debt limit	2%	1%	0%	0%	0%	0%	0%	0%	0%	0.06%
Business-Type Debt Limit										
8% of total assessed value	287,632	294,360	328,272	332,288	356,272	382,321	415,296	455,156	467,761	528,613
Debt applicable to limit:										
2010 Power Revenue Bonds	14,025	13,385	12,740	12,085	11,420	10,745	10,055	9,350	-	-
2021 Golf Lease Debt	-	-	-	-	-	-	-	-	303	311
Total Business-Type debt applicable to limit	14,025	13,385	12,740	12,085	11,420	10,745	10,055	9,350	303	311
Business-Type Legal Debt Margin	\$ 273,607	\$ 280,975	\$ 315,532	\$ 320,203	\$ 344,852	\$ 371,576	\$ 405,241	\$ 445,806	\$ 467,458	\$ 528,303
Total net debt applicable to the limit as a percentage of debt limit	4.88%	4.55%	3.88%	3.64%	3.21%	2.81%	2.42%	2.05%	0.06%	0.06%

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

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

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

BOUNTIFUL CITY
Pledged Revenue Coverage
Last Ten Fiscal Years
Table 15

Fiscal Year Ended June 30,	Revenue Bonds						Special Assessment Bonds			
	Gross Revenues	Less: Debt Expenses	Net Available Revenues	Debt Service		Coverage	Special Assessments Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
Revenue Bonds - Governmental Activities										
2013	\$ 621,277	\$ 4,150	\$ 617,127	\$ 638,000	\$ 82,818	0.86	\$ 267,438	\$ 191,000	\$ 39,965	1.16 %
2014*	597,678	24,331	573,347	688,000	28,469	0.80	267,557	197,000	33,280	1.16
2015**	598,016	4,150	593,866	705,000	10,237	0.83	266,219	203,000	25,400	1.17
2016	-	-	-	-	-	-	270,403	212,000	17,280	1.18
2017	-	-	-	-	-	-	251,465	220,000	8,800	1.10
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-

* Fiscal year 2014 expenses represent cost of issuance for refunding

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

Revenue Bonds - Business-Type Activities (Light & Power Fund)										
2013	\$ 28,049,427	\$ 25,773,767	\$ 2,275,660	\$ 630,000	\$ 652,753	1.77 %				
2014	27,433,112	24,607,639	2,825,472	640,000	641,542	2.20				
2015	26,585,700	20,966,677	5,619,023	645,000	628,372	4.41				
2016	26,733,206	19,432,143	7,301,063	655,000	612,396	5.76				
2017	27,251,210	20,272,758	6,978,452	665,000	593,242	5.55				
2018	28,039,563	21,258,547	6,781,016	675,000	570,799	5.44				
2019	28,728,182	21,340,306	7,387,876	690,000	544,868	5.98				
2020	27,741,133	23,519,461	4,221,672	705,000	516,888	3.46				
2021***	29,206,419	21,451,507	7,754,912	9,350,000	179,754	0.81				
2022	-	-	-	-	-	-				

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

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

Fiscal Year Ended June 30,	Population		Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income	Number of residents 18 years and older		School Enrollment		Unemployment Rate (4)
2013	42,898	(1)	1,066,010	24,850	31,659	(5)	10,144	(5)	4.20 %
2014	42,920	(1)	1,137,211	26,496	30,607	(1)	10,144	(5)	3.60
2015	43,279	(1),(2)	1,146,190	26,484	30,862	(1)	11,191	(3)	3.60
2016	43,583	(1),(2)	1,204,921	27,647	31,005	(1)	11,303	(3)	3.30
2017	43,908	(1),(2)	1,303,221	29,681	31,331	(1)	11,600	(3)	3.10
2018	43,998	(1)	1,342,010	30,502	30,809	(1)	10,974	(3)	3.00
2019	44,025	(1)	1,402,764	31,863	30,886	(1)	10,941	(3)	2.70
2020	43,981	(1)	1,401,665	31,870	31,139	(1)	10,570	(3)	4.10
2021	45,762	(6)	1,468,136	32,082	33,008	(1)	10,682	(3)	2.40
2022	45,811	(1)	1,468,136 (7)	32,048	32,343	(1)	10,699	(3)	1.80

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

(2) Utah State Tax Commission.

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

(4) Utah Department of Workforce Services - All rates are annual, except for the final year, which rate is as of July 2022.

(5) City Estimates.

(6) 2020 Census

(7) The most recent household personal income data available at the time of printing is from the 2020 tax year.

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

Employer (1)	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lakeview Hospital	250 - 499	1	1.09 - 2.18 %	500 - 999	1	2.45 - 4.90 %
Smith's Marketplace	250 - 499	2	1.09 - 2.18	100 - 249	8	0.49 - 1.22
South Davis Recreation Center	250 - 499	3	1.09 - 2.18	100 - 249	9	0.49 - 1.22
Western Peaks Community Hospital	250 - 499	4	1.09 - 2.18	500 - 999	2	2.45 - 4.90
Bountiful Health Center	100 - 249	5	0.44 - 1.09	N/A	N/A	N/A
Bountiful High School	100 - 249	6	0.44 - 1.09	100 - 249	4	0.49 - 1.22
One Call Locators	100 - 249	7	0.44 - 1.09	N/A	N/A	N/A
Performance Ford Lincoln Bountiful	100 - 249	8	0.44 - 1.09	N/A	N/A	N/A
Viewmont High School	100 - 249	9	0.44 - 1.09	100 - 249	10	0.49 - 1.22
Youth Health Associates, Inc.	100 - 249	10	0.44 - 1.09	N/A	N/A	N/A
Lexington Law Firm	N/A	N/A	N/A	250 - 499	3	1.23 - 2.45
City First Mortgage Services, L.L.C.	N/A	N/A	N/A	100 - 249	5	0.49 - 1.22
Developers Investment Company	N/A	N/A	N/A	100 - 249	6	0.49 - 1.22
Intermountain Temporaries	N/A	N/A	N/A	100 - 249	7	0.49 - 1.22
Total	1,600 - 3,490		7.00 - 15.26 %	1,950 - 4,240		9.56 - 20.79 %

(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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Department										
General Fund										
Legislative	6	6	6	6	6	6	6	6	7	7
Legal	3	3	3	2	3	4	4	4	4	4
Executive	2	3	2	2	2	2	2	3	4	3
Human Resources		2	2	2	2	2	2	2	3	2
Information Systems	4	4	3	4	4	3	4	4	3	4
Administrative	6	5	5	5	5	5	5	5	5	5
Treasurer	7	7	7	7	7	7	7	7	7	7
Government Buildings	2	2	2	2	1	2	1	2	1	1
Police	95	90	77	80	80	56	61	61	78	61
Streets	19	20	23	21	22	22	22	22	22	20
Engineering	8	7	8	8	7	8	8	9	9	9
Parks	20	13	23	21	19	28	28	32	28	23
Planning	4	4	5	4	5	6	4	4	5	4
General Fund Total	176	166	166	164	163	151	154	161	176	150
Enterprise Funds										
Storm Water (1)	3	2	3	3	2	4	4	3	3	4
Water	18	16	16	15	16	19	19	17	18	16
Light and Power	37	38	36	34	37	37	35	36	37	37
Golf	46	47	46	49	43	51	45	43	43	41
Landfill (1)	9	11	9	9	10	11	11	12	11	11
Sanitation	5	6	6	5	5	6	5	5	5	5
Cemetery	11	8	7	8	8	7	7	8	6	7
Enterprise Fund Total	129	128	123	123	121	135	126	124	123	121
Internal Service Funds										
Risk Management (1)	-	-	-	-	-	-	-	-	-	-
Workers Compensation (1)	-	-	-	-	-	-	-	-	-	-
Internal Service Fund Total	-									
Redevelopment Agency										
Redevelopment Agency (1)	-	-	-	-	-	-	-	-	-	-
Total Positions	305	294	289	287	284	286	280	285	299	271

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

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

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fire protection:										
Number of stations (1)	2	2	2	2	2	2	2	2	2	2
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	22	22	22	22	22	22	24	24	24	24
Highways and streets:										
Number of street lights	2,039	2,042	2,037	2,037	2,035	2,035	2,056	2,054	2,070	2,073
Number of traffic signals	15	15	15	15	15	15	15	15	15	15
Miles of streets	159.06	159.06	159.06	159.06	159.71	159.75	159.96	159.96	160.25	160.27
Public Services:										
Recreation and culture:										
Number of municipal parks	13	13	13	13	16	16	16	17	18	18
Number of municipal picnic areas	19	19	19	19	19	22	22	29	29	29
Number of municipal tennis courts	24	20	20	20	20	20	20	18	18	18
Number of municipal soccer fields	5	6	6	6	6	6	6	6	9	9
Number of municipal ball diamonds	10	10	10	10	10	10	10	8	9	9
Number of Trail Heads	2	2	2	2	2	2	2	2	3	3
Number of municipal golf courses	1	1	1	1	1	1	1	1	1	1
Number of ice arenas (3)	0	0	0	0	0	0	0	0	1	1
Municipal power plants:										
Number of distribution substations	5	5	5	5	5	5	5	5	5	5
Miles of distribution and transmission lines	229.12	229.12	229.16	229.36	229.61	230.72	232.86	235.05	236.89	249.00
Municipal water plants:										
Number of fire hydrants	1,599	1,612	1,618	1,629	1,644	1,659	1,671	1,683	1,696	1,707
Miles of water mains	175.85	176.31	176.38	176.40	176.60	177.43	178.22	179.18	179.48	180.16
Max instantaneous water source capacity (gallons per minute)	8,900	9,000	9,000	9,500	9,500	9,500	9,500	9,500	10,000	10,000
Sanitation utilities:										
Number of collection trucks	13	13	13	13	13	13	13	13	13	14
Number of sanitary landfills	1	1	1	1	1	1	1	1	1	1
Storm water utility:										
Miles of storm water lines (encased)	71.14	71.16	69.65	70.14	70.80	70.80	71.89	72.30	73.06	72.74
Miles of storm water lines (concrete lined)	1.40	1.32	1.32	1.32	1.32	1.33	1.32	1.31	1.37	1
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 2021: 26,633

Number of votes cast in 2021 General election: 13,285

Percentage of registered voters voting: 49.88%

Sources: Various City of Bountiful Departments.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/Program										
General Governmental:										
Ordinances passed	8	14	28	12	11	9	11	8	13	11
Resolutions passed	10	14	11	14	20	12	7	16	29	22
Public Safety:										
Hazardous citations written	1,973	2,142	2,258	2,215	1,975	1,707	1,431	3,088	1,785	2,460
Non-hazardous citations written	1,353	1,005	1,469	1,458	1,339	1,094	799	736	368	580
Arrests	1,448	1,611	1,086	1,382	1,130	1,107	946	875	915	877
Highways and Streets:										
Miles of street overlaid	5.60	6.43	7.00	5.18	7	18	5.20	6.60	5.18	4.20
Miles of street reconstructed	0.09	0.00	0.39	0.60	0	0.44	0.14	0.44	0.42	0.39
Planning and Engineering:										
Building Permits Issued	57	88	62	81	169	134	79	33	67	66
Municipal water:										
Average daily gallons consumed	4,491,000	4,492,000	4,185,000	3,729,000	3,968,000	4,389,454	4,442,000	4,127,000	3,688,380	3,366,819
Municipal power:										
Kilowatt hours sold	298,186,064	294,130,877	277,674,203	278,780,541	283,037,185	283,555,713	280,753,086	267,283,693	277,070,477	273,365,941
Storm water:										
Miles of storm drains inspected	5.13	4.70	4.78	2.92	4.61	5.52	7.56	4.02	7.11	6.96
Miles of streets cleaned	159.06	159.08	158.36	159.64	159.71	159.75	159.96	159.96	160.25	160.27
Sanitation utilities:										
Tons of waste collected and landfilled	55,426	52,354	68,795	64,640	56,848	79,880	97,974	98,704	109,984	89,508
Tons of recyclables collected	2,812	2,713	2,384	2,549	2,618	2,587	3,087	2,797	2,273	2,072

Sources: Various City of Bountiful departments.

**BOUNTIFUL CITY
BOUNTIFUL, UTAH**

SUPPLEMENTARY REPORTS

INCLUDING SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



**CERTIFIED PUBLIC
ACCOUNTANTS**

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

**BOUNTIFUL CITY
SUPPLEMENTARY REPORTS
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2022**

	<u>Page</u>
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditor’s Report on Compliance and Report on internal Control over Compliance As Required by the <i>State Compliance Audit Guide</i>	2
Schedule of Findings and Recommendations	4
Single Audit	
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the <i>Uniform Guidance</i>	6
Schedule of Expenditures of Federal Awards.....	8
Notes to the Schedule of Expenditures of Federal Awards	9
Schedule of Findings and Questioned Costs.....	10



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, 2022, 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, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

K&C, CPAs

K&C, Certified Public Accountants
Salt Lake City, Utah
November 7, 2022

Telephone (801) 590-2600
Fax (801) 265-9405

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



CERTIFIED PUBLIC
ACCOUNTANTS

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

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

To the Mayor and City Council
Bountiful City
Bountiful, Utah

Report on Compliance

We have audited Bountiful City, Utah's (the City) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended June 30, 2022.

State compliance requirements were tested for the year ended June 30, 2022 in the following areas:

- Budgetary Compliance
- Fund Balance
- Restricted Taxes and Related Restricted Revenue
- Fraud Risk Assessment
- Governmental Fees
- Impact Fees
- Utah Retirement Systems
- Public Treasurer's Bond

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Compliance

In our opinion, Bountiful City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2022.

Report On Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted two 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.

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

K&C, CPAs

K&C, Certified Public Accountants
Salt Lake City, Utah
November 7, 2022

BOUNTIFUL CITY
SCHEDULE OF FINDING AND RECOMMENDATIONS
For the Fiscal Year Ended June 30, 2022

Utah State Compliance

Budgetary Compliance

Finding

Per UC 10-6-123: “City officers may not make or incur expenditures or encumbrances in excess of total appropriations for any department in the budget as adopted or as subsequently amended.”

The City incurred expenditures in excess of total appropriations in the City’s Liability Insurance Fund. Total expenditures as of 6/30/2022 amounted to \$1,017,993, and total appropriations amounted to \$883,620, resulting in expenditures in excess of appropriations of \$134,373.

Recommendation

We recommend that the City work to ensure that expenditures do not exceed appropriations.

City Response:

The budget overage in the Liability Insurance Fund occurred as a result of an accounting adjustment that was discovered as necessary after the Fiscal Year 2021-2022 budget had been closed. This accounting adjustment increased the claims expense due to estimated settlement and was not anticipated during the City’s annual budget reviews and did not allow for any amendment to the budget.

Governmental Fees

Finding

The State Compliance Audit Guide requires auditors to test four Governmental Fees to determine the following:

1. Are the revenues and expenses tracked for each specific service or regulatory activity for which the fees are charged?
2. If fee revenue is in excess of expenses, does the entity track those excess revenues to only be used for the intended purpose of the fee in subsequent years?
3. Was a reasonable methodology used to calculate the fee?

The State Compliance Audit Guide does not indicate any legal reference to the state code requiring the city to account for governmental fees as noted above nor is there any accounting guidance that required such accounting.

The four fees selected all had separate general ledger accounts or are recorded within a general ledger account that can be separated out from the other fees.

Since the City is not required to track the related expenses for the fees tested, the City does not do so, and therefore the City does not determine or track the excess of revenues for the fees tested.

The methodology used to determine the fees tested is the City Council determined what fee should be charged.

Recommendation

We cannot provide a recommendation since the City is not required to track separately the related expenses.

City Response:

As stated by the auditors, the City is currently compliant with state code and accounting standards and no change is recommended. City management and elected officials carefully establish governmental fees to simply cover the cost of services and not as a means to fund any other City operation.

SINGLE AUDIT



CERTIFIED PUBLIC
ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Mayor and City Council
Bountiful City
Bountiful, Utah

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bountiful City, Utah's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

- Obtain an understanding of the City’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We issued our report thereon dated November 7, 2022, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

K&C, CPAs

K&C, Certified Public Accountants
Salt Lake City, Utah
November 7, 2022

BOUNTIFUL CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>Department of the Treasury</u>				
State of Utah - Governor's Office Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	UT0601	\$ -	\$ 2,602,590
<u>Environmental Protection Agency (EPA)</u>				
Diesel Emission Reduction Act	66.039	Subrecipient of the State of Utah - DE-96846501-1	-	119,021
<u>Department of Justice</u>				
Justice Assistance Grant (JAG)	16.738	Subrecipient of the State of Utah - 19A106	-	5,993
JAG - bulletproof vest grant	16.738	Subrecipient of the State of Utah - 207881	-	1,214
Victims of Crime Act (VOCA)	16.575	Subrecipient of the State of Utah - 20VOCA023	-	25,851
Total Department of Justice			-	33,058
<u>Department of Homeland Security/FEMA</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Subrecipient of the State of Utah - FM-5292-02R	-	236,862
Emergency Management Performance Grant (EMPG)	97.042	Subrecipient of the State of Utah's EMD-2021-EP-00011- S01 through agreement DEM- EMPG-2021-006	-	16,125
Hazard Mitigation Grant Program (HMPG)	97.039	Subrecipient of the State of Utah's FM-5292-02R	-	87,445
Total Department of Homeland Security/FEMA			-	340,433
Total Expenditures of Federal Awards			\$ -	\$ 3,095,101

BOUNTIFUL CITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

A. Basis of Accounting

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

B. Indirect Cost Rate

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

BOUNTIFUL CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

- | | |
|---|---------------|
| 1. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified? | None reported |
| 2. Type of auditor's report issued on compliance for major federal programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 4. Identification of major federal program: | |

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

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | No |

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None