



CITY OF OREM

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

FOR FISCAL YEAR ENDED JUNE 30, 2021

STATE OF UTAH



CITY OF OREM

STATE OF UTAH

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE
YEAR ENDED JUNE 30, 2021

Prepared by:
City of Orem, Finance Department
Brandon C. Nelson, CPA, Finance Director

City of Orem, Utah
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

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INTRODUCTORY SECTION



December 14, 2021

To: Mayor and City Council

Subject: Annual Comprehensive Financial Report

In our ongoing efforts to provide more comprehensive financial information regarding the City, the Finance Department has now completed its thirty-fourth Annual Comprehensive Financial Report (ACFR).

The report contains critical financial information regarding the city's activities over the past fiscal year. The report of Gilbert & Stewart CPA, PC, resulting from their annual independent audit is included as a part of this annual report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with city management.

We believe the data, as presented, is accurate in all material aspects and fairly sets forth the financial position and results of operations of the city as measured by the financial activities of its various funds. Disclosures necessary to enable the reader to gain an understanding of the city's financial affairs have also been included.

The city concluded the year ended June 30, 2021, in sound financial condition. The following is an overview of the city's financial condition.

Operating Revenues

General Fund sales tax revenues grew 18% in Fiscal Year 2021. Sales taxes continue to be the city's single largest revenue source. Water and sewer rates were not increased as originally planned as the City Council wanted to evaluate the use of debt for those large capital projects that are generational in nature rather than continuing to use only the current cash funding model (especially considering the low interest rate environment we are currently in). Thus, water and sewer revenues were relatively flat or even decreased for the fiscal year.

Revenues for other service areas such as residential solid waste collection and street lighting are stable. While Recreation Fund revenues suffered due to the reconstruction of the fitness center and the COVID-19 pandemic, the fitness center was finally completed and opened to the public in March 2021. It has been well received by the public and has been performing well since its reopening.

The city was awarded \$16,087,350 in federal American Rescue Plan Act (ARPA) funding from the U.S. Treasury Department. As of June 30, 2021, the city had received \$8,043,675 of the total awarded amount. The city will be using these funds to improve city operations and facilities to provide a safer environment for individuals, customers, and citizens visiting city facilities, while also providing employees with the tools necessary to continue to do their

jobs in an effective, efficient, and safe manner. A large portion of these funds will be used to complete a new city park located in an underserved low-income area of the city.

Expenditures

The city allocated \$3,746,962 from General Fund reserves for general capital improvement projects. This was made possible by the city's steady economy resulting in revenue growth coupled with one-time building permit funds for one-time uses along with the city's policy of setting its available General Fund reserves at 15% of revenues.

The city's infrastructure is in a stable condition. As mentioned previously, the City Council wanted to evaluate a hybrid approach to infrastructure funding and mid-year decided to move forward with it by issuing \$29,320,000 of water, sewer, and storm water bonds in April 2021. Within the last year, the city has continued, initiated, and/or completed several significant capital improvement projects. These projects include:

- Continued street maintenance plans of systematic preventative maintenance such as crack seals, seal coats, micro-surfacing, and overlays.
- Replacement of old four- inch (4") water lines.
- Completed construction of the new Library Hall and the Orem Family Fitness Center.
- Purchased the Hillcrest Elementary School property from Alpine School District with the intent to expand the city's adjacent park.
- Purchased property to construct a 10-million-gallon culinary water storage tank.
- Continued deployment of automated water meter reading infrastructure in portions of the city.

Additional capital and operational funding is needed for:

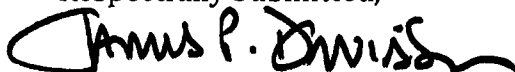
- Expansion of the city's storm water system (e.g. West Union Canal abandonment).
- Installation of automated water meter reading infrastructure throughout the remainder of the city.
- Continued preventative road and sidewalk maintenance.
- Improving transportation in the city through street improvements, mixed-use trails, bike paths, and mass transit.
- Construction and/or renovation of existing city buildings, including the city center and multiple fire stations.

While many of these needs will be funded over the next several years through structured fee increases, many of these projects and issues rely on one-time monies, such as unanticipated revenues, grants, and other resources.

The preparation of this Annual Comprehensive Financial Report could not have been accomplished without the dedicated efforts of many individuals. In particular, the efforts of the Finance Department staff who continue to upgrade and improve the city's accounting and financial reporting systems which improve the quality of information being reported to you, state oversight boards, and the citizens of the City of Orem.

If you have questions regarding this Annual Comprehensive Financial Report, please feel free to discuss them with Finance Director Brandon Nelson or myself.

Respectfully Submitted,



James P. Davidson
City Manager



December 14, 2021

James P. Davidson
City Manager

City of Orem, Utah

The State of Utah 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) as prescribed in the Uniform Accounting Manual for Utah Cities and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This Annual Comprehensive Financial Report (ACFR) of the City of Orem, Utah for the fiscal year ended June 30, 2021, is hereby submitted to you, in accordance with these requirements.

This financial report has been prepared according to the guidelines set forth by the Governmental Accounting Standards Board's (GASB) Statement 34. This report consists of management's representations concerning the finances of the City of Orem. Consequently, management assumes full responsibility for completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management has established an internal control framework designed to both protect the assets of the City from loss, theft, or misuse and to allow for the compiling of 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 internal control procedures have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is complete and reliable in all material respects.

Gilbert & Stewart CPA, PC, a firm of licensed certified public accountants have audited the City of Orem's financial records. The goal of the independent audit was to provide reasonable assurance the financial statements of the City of Orem for the fiscal year ended June 30, 2021, 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 concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Orem's

financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report (see pages 13-14).

Generally accepted accounting principles require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

Government Profile

The City of Orem is located in north central Utah and is currently the fifth largest city in the state with a 2020 census population of 98,129 and an estimated population at June 30, 2021, of 98,812. Orem is located 45 miles south of Salt Lake City.

City operations include public safety (police and fire), economic development, administration, recreation, library, water, sewer, storm water, traffic and streets, solid waste, and street lighting.

The City of Orem has a Manager/Council form of government which allows for a full-time City Manager and a part-time Mayor. The City Council consists of the Mayor and six Council members who are all elected "at large" and while the Mayor leads the City Council, all members have only one vote. The Mayor and Council members serve staggered four-year terms on a part-time basis. Elections in the City of Orem are non-partisan.

The City Manager must submit a proposed annual budget to the City Council for all funds no later than the first regularly scheduled meeting in May. The final adoption must be no later than June 22nd, unless a property tax increase is proposed. If a property tax is proposed, adoption must occur no later than August 31st. The City Council is the administrator of the legal level of budgetary control. Additional information can be found on pages 61-62.

Economic Condition and Outlook

The City is constantly involved in driving economic development. The primary area of economic development has centered around University Place. University Place is in the midst of a transformation from a traditional "mall" to becoming an entertainment, professional business office, and residential living center. Currently, one large office building has been constructed along with underground parking as well as a new above ground parking structure. Three large upscale apartment complexes have been completed. Plans for the area include a multi-story hotel, a professional live performance theater and additional multi-story professional business office. This transformation will ensure the area continues to be a growing and vibrant economic anchor for the community.

Utah Valley University (UVU) is a major employer in the City with over 5,000 employees serving over 40,000 students. UVU is now the State's largest university and plays a pivotal role in the growth of the city.

Employment in Utah is doing extremely well. The county unemployment rate at June 30, 2021, was 2.8% compared to 3.1% for the state and 5.9% nationally (see page 33 for a historical comparison).

Sales tax revenues, the City's largest source of tax revenue, continue to grow despite the COVID-19 pandemic. General Fund sales tax revenues have increased from FY 2012 by 70% (see pages 162-163) and have increased every year since FY 2010. The housing industry continues to be strong as building permit and associated development revenues have increased year over year, on average, since FY 2011. Although the City expects these major revenue sources to continue to grow, the pace at which they grow is expected to decrease to a more sustainable rate.

Long-term Financial Planning & Policies

The City remains optimistic regarding the future and is pro-actively planning its financial future through strategic plans and economic sustainability models.

All three major enterprise funds will be completing master plan updates in the year ahead as the City Council reassessed the cash funding plan being employed by the City and switched to a hybrid plan using cash for smaller capital projects and regular operations and employing debt (which currently offers historically low interest rates) for large multi-generational utility capital projects.

Along with the master plan updates, the City's impact fees for police, fire, transportation, parks, water, sewer, and storm water will all be analyzed and updated.

The Mayor and City Council have targeted a 15% of revenues General Fund assigned/unassigned fund balance (the State of Utah requires municipalities have at least 5% but no more than 30%). Amounts exceeding this target are transferred to the City's Capital Projects Fund to complete capital purchases/projects identified by city staff and approved by the Mayor and City Council. This allows the City to cash fund one-time capital purchases/projects as well as providing sufficient "reserves" in case of economic downturns.

Major Initiatives

For the Year

During the year, the City has worked on several needed projects to benefit the residents and businesses of the community. These projects include, but were not limited to the following:

- Installation of automated water meter reading technology throughout the entire city.
- On-going preventive maintenance on City-owned streets.
- Identifying operational and facility needs related to American Rescue Plan Act (ARPA) funds to provide a safer environment for individuals, customers, citizens, and employees.
- Completed construction on the new community library hall and reconstructing the forty-year-old fitness center.
- Purchased the Hillcrest Elementary School property from Alpine School District with the intent to expand the City's small community park located adjacent to the school property to a regional park
- Purchased property to construct a 10-million-gallon culinary water storage tank to provide improved water pressure and needed storage.

For the Future

The City faces many challenges in the future. Some of the most significant are as follows:

- Continued road and sidewalk maintenance.
- Complete expansion of the storm water system (especially for areas previously serviced by the West Union Canal which is being abandoned).
- Construction and/or renovation of existing city buildings, including the city center and multiple fire stations.
- Complete installation of the new automated water meter reading technology throughout the entire city.
- Complete construction of a new 10-million-gallon water storage tank.
- Maintaining levels of service for all General Fund operations.

Other Information

Awards

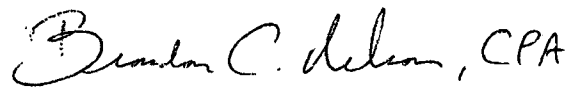
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the thirty-third consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the City published an easily readable and efficiently organized annual comprehensive financial report, the contents of which conform to program standards. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe this current annual comprehensive financial report continues to conform to the Certificate of Achievement Program's requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire Finance Department staff. I would like to express my appreciation to all members of the department who assisted and contributed to its preparation. I would like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and prudent manner.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Brandon C. Nelson, CPA". The signature is written in black ink and is positioned above the printed name.

Brandon C. Nelson, CPA
Finance Director

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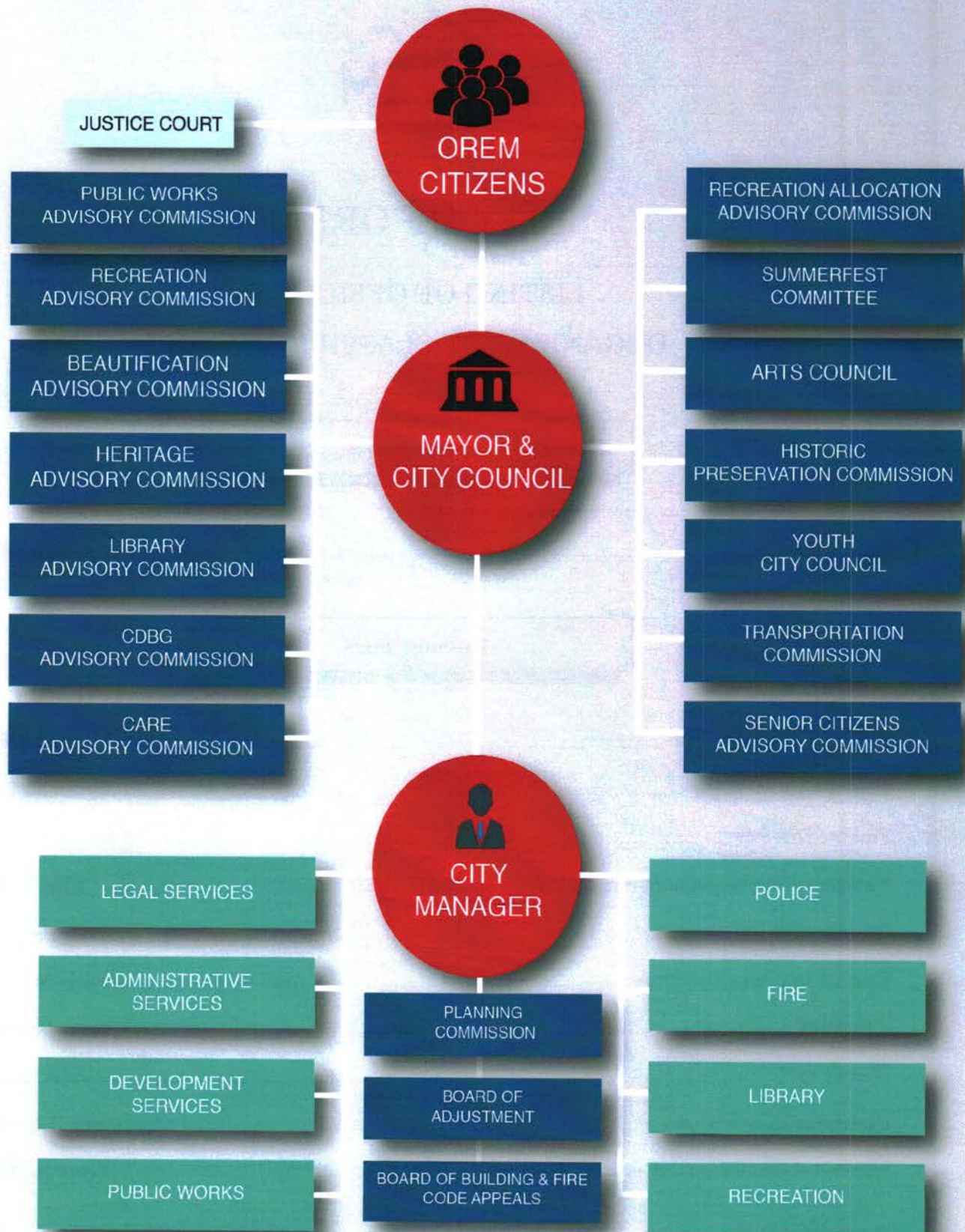
CITY OF OREM
LISTING OF OFFICIALS
ORGANIZED BY CLASSIFICATIONS

Chief Executive Officer

City Manager James P. Davidson

Executive Staff

Assistant City Manager Brenn Bybee
Deputy City Manager Steven M. Downs
Finance Director Brandon C. Nelson
Director of Development Services Ryan L. Clark
Director of Legal Services Heather Schriever
Director of Library Services Charlene M. Crozier
Fire Chief Marc R. Sanderson
Police Chief Josh T. Adams
Director of Public Works Chris R. Tschirki
Director of Recreational Services Bryce E. Merrill





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

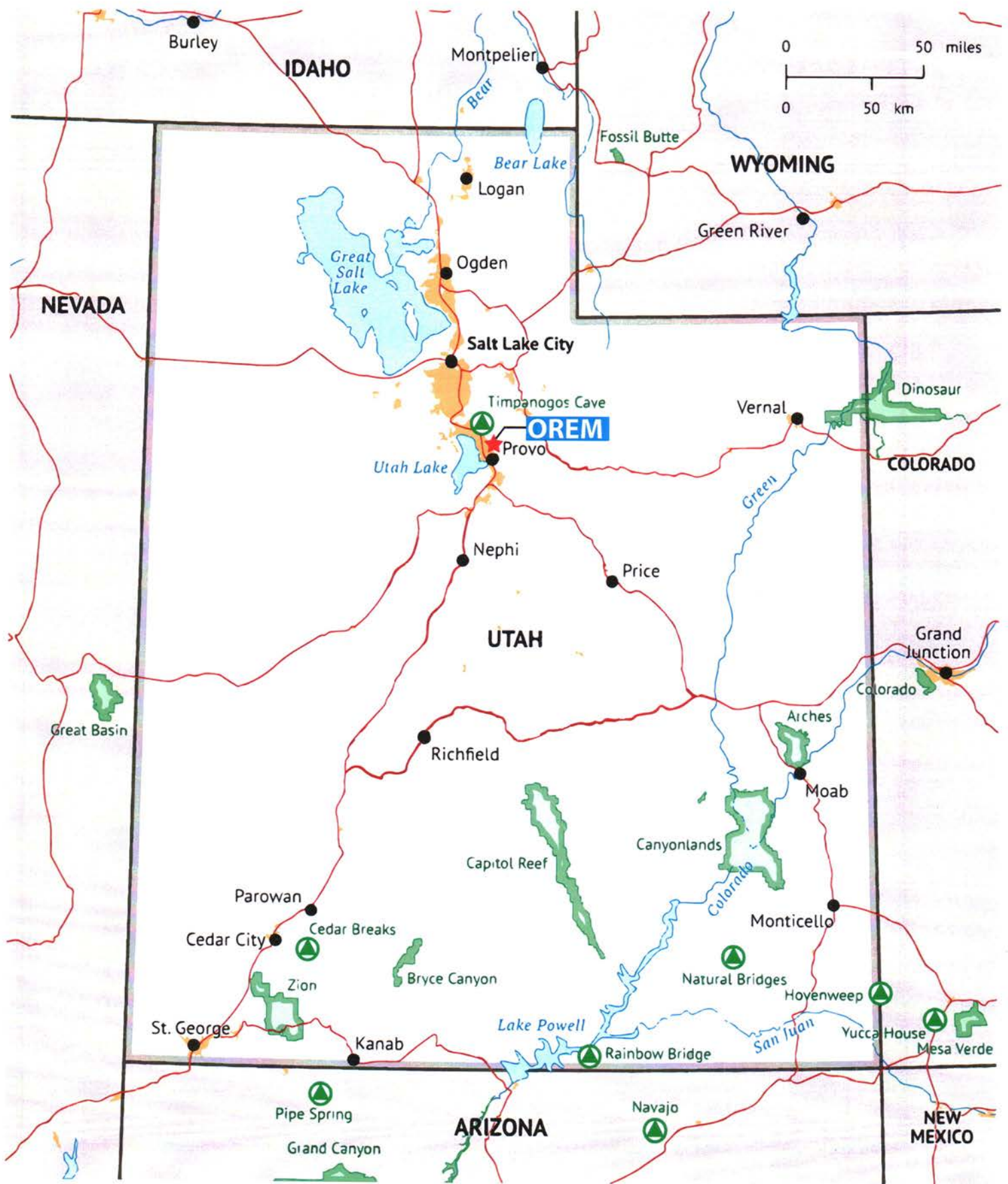
**City of Orem
Utah**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Basic Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Orem, Utah (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Orem, as of June 30, 2021 and the respective changes in financial position and where applicable, cash flows and the respective budgetary comparison for the general and major special revenue funds thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other 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 introductory section, supplemental information, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements, budgetary comparisons, and capital assets as listed as supplemental information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, budgetary comparisons, and capital assets are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied to the audit of the basic financial statements and, accordingly we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2021, 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 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.

Gilbert & Stewart

GILBERT & STEWART, CPA, PC
Provo, Utah
December 1, 2021

MD & A

City of Orem
Management's Discussion and Analysis
June 30, 2021

The City of Orem's management presents this overview and analysis of its financial activities for the fiscal year ended June 30, 2021. This discussion and analysis focuses on significant financial issues, provides an overview of the City's financial activity, highlights significant changes in the City's financial position, and identifies material variances between the approved budget and actual spending.

The City encourages readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal and provided throughout this report.

Financial Highlights

- As of the end of the current fiscal year, the government-wide assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$384,243,782 (total net position). Of this amount, \$64,750,760 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total government-wide net position consists of \$231,543,448 in net investment in capital assets, \$87,949,574 in restricted assets, and \$64,750,760 in unrestricted assets. Total government-wide net position increased by 11.65%.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$76,347,440. Of this amount, \$18,424,509 (24.13%) is available for spending at the City's discretion (unassigned fund balance). Total fund balance decreased by \$4,354,924 compared to the prior year's decrease of \$6,543,394. This change is discussed in greater detail later in this overview and analysis.
- As of the end of the current fiscal year, the City's enterprise funds reported an increase in total net position of \$14,735,778 compared to the prior year's increase of \$18,849,150. The changes to fund balance are discussed in greater detail later in this overview and analysis.
- In April of 2021, the City sold \$29.3 million in water, sewer, and storm water bonds to fund the construction of a new culinary water tank, pressure booster station, two new culinary water wells, a water reuse treatment facility, a biosolids dewatering system, two sewer lift stations, various storm water conveyance projects, and various water and sewer distribution and collection infrastructure improvements. During FY 2021, the City was able to begin work on several of these projects and spent just over \$2.9 million.
- The City completed construction of a new Library Hall and the reconstruction of the City's Family Fitness Center. These projects were funded by 2019 general obligation bonds, donations, and existing capital projects funds.

Overview of the Financial Statements

The following discussion and analysis serves as an introduction to the City's basic financial statements. The City's basic financial statements comprise of

City of Orem
Management's Discussion and Analysis
June 30, 2021

three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Orem'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, liabilities, and deferred inflows, with the difference between the four 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. However, you will also need to consider other non-financial factors.
- The *Statement of Activities* presents information showing how the City's net position changed during the fiscal year reported. 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, all of the current year's revenues and expenses are included regardless of when cash is received or paid.

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 service charges (business-type activities). The governmental activities of the City include the general government, public safety, redevelopment, highways and public improvements, parks, recreation and arts (which includes the library), and economic and physical development. The business-type activities of the City include culinary water distribution, water reclamation (sewer), storm water operations, recreation (fitness center and outdoor pool), solid waste disposal, and street lighting.

Fund financial statements. A *fund* is a grouping of related accounts that is 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. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- *Governmental funds.* These funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund 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 the City's near-term financing requirements.

City of Orem
Management's Discussion and Analysis
June 30, 2021

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financing decisions. Both the governmental fund balance sheet and the governmental fund 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 thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, Capital Projects, and 2019 G.O. Bonds Capital Projects funds, which are considered major funds of the City. Data from the other nine governmental 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* elsewhere in this report.

- *Proprietary funds.* The City of Orem maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water, Water Reclamation, Storm Water, Recreation, Solid Waste, and Street Lighting activities. *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 servicing its fleet of vehicles, providing insurance, procuring and warehousing supplies and materials, maintaining the City's technological needs, and to maintain physical city facilities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Water Reclamation, and Storm Water funds, which are considered major funds of the City. The Recreation, Solid Waste, and the Street Lighting funds are classified as nonmajor and are included in the *combining statements* within this report. Conversely, the five internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* within this report.

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the

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data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. As mentioned in the highlights section, assets exceeded liabilities and deferred inflows by \$384,243,782 at June 30, 2021.

By far the largest portion of the City's net position (60.26%) is its investment in capital assets (e.g. land, buildings, improvements other than buildings, vehicles, machinery and equipment, and infrastructure assets) less any outstanding debt related to the acquisition of those assets. The City uses these capital assets to provide services to citizens. Consequently, these assets are *not* available for future spending. Although the City's investment in its 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.

City of Orem's Total Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current Assets	\$ 110,460,961	\$ 106,915,610	\$ 113,686,835	\$ 68,230,646	\$ 224,147,796	\$ 175,146,256
Noncurrent Assets:						
Capital Assets	192,683,852	167,998,819	98,191,510	94,153,727	290,875,362	262,152,546
Other	6,205,080	3,098,207	111,544	-	6,316,624	3,098,207
Total Assets	309,349,893	278,012,636	211,989,889	162,384,373	521,339,782	440,397,009
Deferred Outflows of Resources	7,365,016	6,419,401	966,073	1,692,066	8,331,089	8,111,467
Total Assets & Deferred Outflows of Resources	<u>\$ 316,714,909</u>	<u>\$ 284,432,037</u>	<u>\$ 212,955,962</u>	<u>\$ 164,076,439</u>	<u>\$ 529,670,871</u>	<u>\$ 448,508,476</u>
Long-term Liabilities						
Outstanding	\$ 44,873,967	\$ 51,134,236	\$ 54,818,997	\$ 22,353,604	\$ 99,692,964	\$ 73,487,840
Other Liabilities	20,517,179	11,978,786	4,542,114	2,630,528	25,059,293	14,609,314
Total Liabilities	65,391,146	63,113,022	59,361,111	24,984,132	124,752,257	88,097,154
Deferred Inflows of Resources	20,213,046	15,568,782	461,786	695,020	20,674,832	16,263,802
Net Position:						
Net Investment in						
Capital Assets	154,447,536	138,676,061	77,095,912	74,134,249	231,543,448	212,810,310
Restricted	31,237,909	30,395,628	56,711,665	3,215,064	87,949,574	33,610,692
Unrestricted	45,425,272	36,678,544	19,325,488	61,047,974	64,750,760	97,726,518
Total Net Position	231,110,717	205,750,233	153,133,065	138,397,287	384,243,782	344,147,520
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 316,714,909</u>	<u>\$ 284,432,037</u>	<u>\$ 212,955,962</u>	<u>\$ 164,076,439</u>	<u>\$ 529,670,871</u>	<u>\$ 448,508,476</u>

A portion of the City of Orem's net position (22.89%) represent resources that are subject to external restrictions on how they may be used. The amount listed as unrestricted net position (\$64,750,760) may be used to meet the City's ongoing obligations to citizens and creditors.

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At the end of the current fiscal year, there were no funds reporting a deficit in unrestricted net position. At the end of the current fiscal year, the City of Orem is able to report positive balances in all three categories of net position, for the City as a whole, as well as for its separate business-type activities.

Comparing the current fiscal year to the prior fiscal year, the City's net position increased by \$40,096,262 (11.65%). Total revenues increased by \$8,449,015 (6.54%), primarily due to increases in sales taxes of \$5,098,574 (18.11%), capital grants and contributions of \$6,090,931 (79.17%), and charges for services of \$1,440,138 (2.24%). Total expenses increased \$3,257,190 (3.46%). Details related to these changes are described later in this section of the report under governmental and business-type activities. The following is a summary of the changes in net position:

City of Orem's Change in Net Position

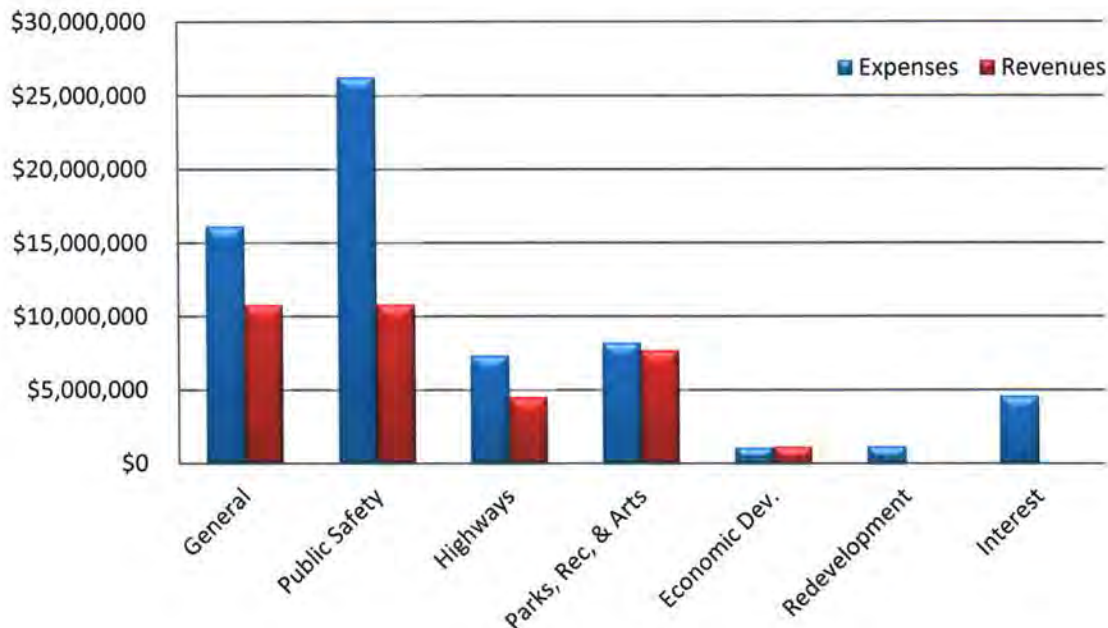
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 21,031,986	\$ 19,710,806	\$ 44,820,527	\$ 44,701,569	\$ 65,852,513	\$ 64,412,375
Operating Grants and Contributions	3,753,790	6,228,568	-	-	3,753,790	6,228,568
Capital Grants and Contributions	10,030,294	4,513,950	3,754,528	3,179,941	13,784,822	7,693,891
General Revenues:						
Sales Taxes	33,250,164	28,151,590	-	-	33,250,164	28,151,590
Property Taxes	10,598,204	10,432,989	-	-	10,598,204	10,432,989
Other Taxes	8,769,618	8,831,580	-	-	8,769,618	8,831,580
Other	1,026,844	2,384,028	559,866	1,011,784	1,586,710	3,395,812
Total Revenues	<u>88,460,900</u>	<u>80,253,511</u>	<u>49,134,921</u>	<u>48,893,294</u>	<u>137,595,821</u>	<u>129,146,805</u>
Expenses:						
General Government	16,072,497	15,221,971	-	-	16,072,497	15,221,971
Public Safety	26,234,854	26,294,148	-	-	26,234,854	26,294,148
Highways and Public Improvements	7,296,421	7,573,688	-	-	7,296,421	7,573,688
Parks, Recreation & Arts	8,204,646	8,734,158	-	-	8,204,646	8,734,158
Economic and Physical Development	1,068,973	709,334	-	-	1,068,973	709,334
Redevelopment	1,151,383	1,258,821	-	-	1,151,383	1,258,821
Interest on Long-Term Debt	4,571,442	4,732,568	-	-	4,571,442	4,732,568
Water	-	-	14,956,163	13,039,211	14,956,163	13,039,211
Water Reclamation	-	-	7,918,906	7,540,672	7,918,906	7,540,672
Storm Water	-	-	3,016,483	3,119,773	3,016,483	3,119,773
Recreation	-	-	2,311,074	1,258,441	2,311,074	1,258,441
Solid Waste	-	-	4,227,392	4,277,997	4,227,392	4,277,997
Street Lighting	-	-	469,325	481,587	469,325	481,587
Total Expenses	<u>64,600,216</u>	<u>64,524,688</u>	<u>32,899,343</u>	<u>29,717,681</u>	<u>97,499,559</u>	<u>94,242,369</u>
Change in Net Position before Transfers	23,860,684	15,728,823	16,235,578	19,175,613	40,096,262	34,904,436
Transfers In (Out)	1,499,800	326,463	(1,499,800)	(326,463)	-	-
Change in Net Position	<u>25,360,484</u>	<u>16,055,286</u>	<u>14,735,778</u>	<u>18,849,150</u>	<u>40,096,262</u>	<u>34,904,436</u>
Net Position - Beginning	205,750,233	189,694,947	138,397,287	119,548,137	344,147,520	309,243,084
Net Position - Ending	<u>\$ 231,110,717</u>	<u>\$ 205,750,233</u>	<u>\$ 153,133,065</u>	<u>\$ 138,397,287</u>	<u>\$ 384,243,782</u>	<u>\$ 344,147,520</u>

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Governmental activities. Governmental activities increased the City of Orem's net position \$25,360,484 (12.33%). This is an increase of \$9,305,198 from the prior year. Total revenues increased \$8,207,389 (10.23%). Sales tax revenues increased \$5,098,574 (18.11%), capital grants and contributions increased \$5,516,344 (122.21%), and charges for services increased \$1,321,180 (6.70%). Total expenses increased \$75,528 (0.12%).

The following graph displays the governmental activities reflected in the table "City of Orem's Change in Net Position". Note that the graph does not include general revenues of \$53,644,830 because these revenues are not specific to a particular department.

Program Expenses & Revenues - Governmental Activities
For Fiscal Year Ending June 30, 2021



Key elements affecting the change in governmental activities net position are as follows:

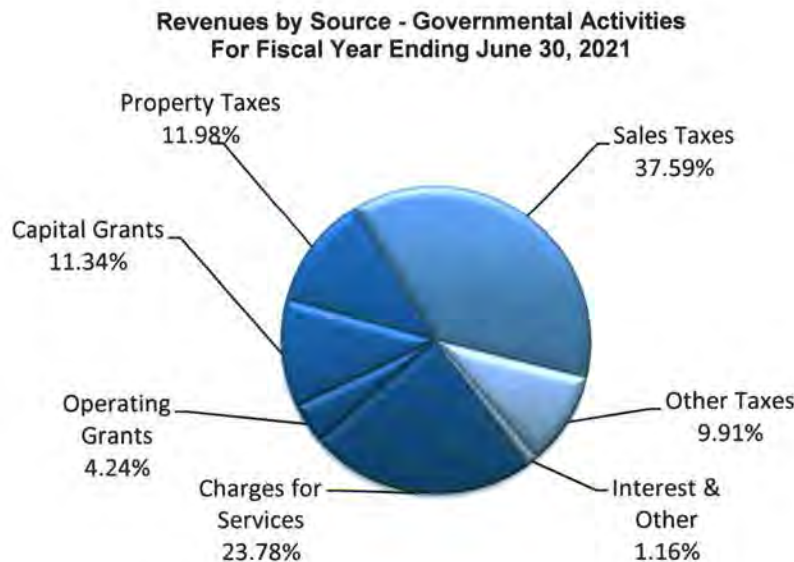
- Total revenues increased \$8,207,389 (10.23%).
- Capital grants and contributions increased \$5,516,344 (122.21%). The increase was due to receiving \$571,342 in American Rescue Plan Act (ARPA) funds from the U.S. Treasury Department as part of COVID-19 pandemic relief efforts. These funds were primarily be used to cover the cost of bathroom renovations and various other qualifying improvements. The City received a \$300,000 grant from Utah County upon completion of the City's new Library Hall facility and a \$477,000

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grant from the State of Utah related to the Volkswagen mitigation settlement award they have been managing. The grant the City received was used to improve fuel efficiency by replacing certain qualifying vehicles. The City also received a donation of property from Orem Community Hospital valued at \$3,760,000 for the purpose of outdoor recreational use.

- Operating grants and contributions decreased \$2,474,778 (39.73%). The decrease was due to receiving \$4,011,796 in CARES Act CRF funds from Utah County as part of the COVID-19 pandemic relief in the prior fiscal year but the City received no funding in the current fiscal year. These funds were primarily used to cover the costs of public safety personnel who dealt with various aspects of the pandemic.
- General revenues increased \$3,844,643 (7.72%). The increase was due, in large part, to sales tax revenues increasing by \$5,098,574 (18.11%). The benefits of having a strong retail base became evident as local sales tax revenues continued to be strong even during the COVID-19 pandemic.
- Total expenses increased by \$75,528 (0.12%).
- Salary and benefit costs across all expense categories increased, in total, by approximately \$1,563,000 due to general salary and benefit increases given during the fiscal year. However, total personnel costs were decreased by approximately \$1,890,000 in lower pension costs due to improved investment performance.
- Various materials, supplies and contracted service costs increased by approximately \$300,000 as city departments returned to normal spending as the financial effects of the COVID-19 pandemic were more positive than anticipated when compared to the prior fiscal year.

The following graph displays the governmental activities revenues by source. The information reflected in this graph comes from the "City of Orem's Change in Net Position" table shown previously.

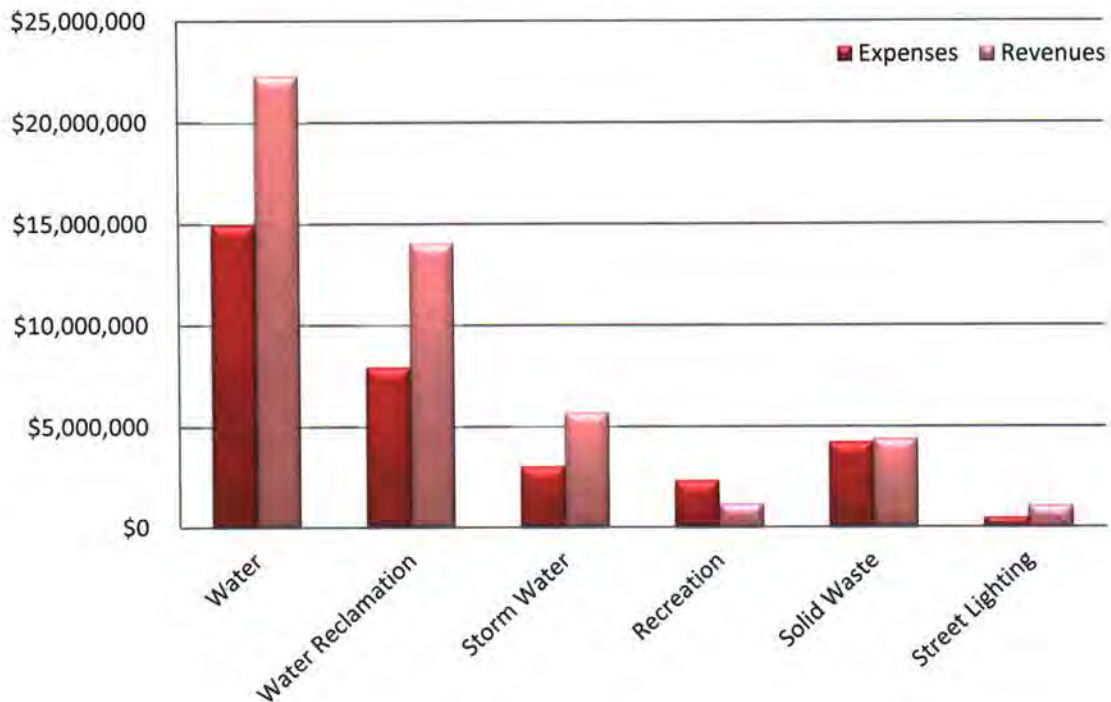


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Business-type activities. Business-type activities increased the City's net position by \$14,735,778. The increase in net position represents a 10.65% increase for the current year. Total revenues increased \$241,627 (0.49%) and total expenses increased \$3,181,662 (10.71%). As of the end of the current fiscal year, all of the City's business-type activities reported a positive net position.

The following graph displays the business-type activities for enterprise funds reflected in the table "City of Orem's Change in Net Position".

Program Expenses & Revenues - Business-type Activities
For Fiscal Year Ending June 30, 2021

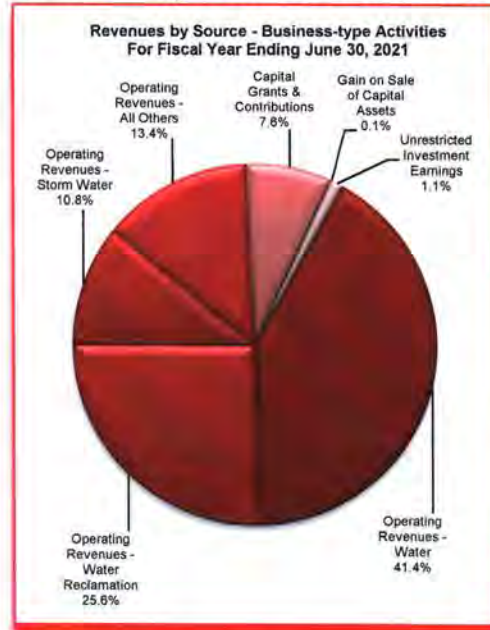


Key elements affecting the change in business-type activities net assets are as follows:

- Business-type activities reported an increase in total revenues over the prior year of \$241,627 (0.49%). Total revenues increased or decreased as follows:

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- Water fund total operating revenues decreased \$479,830 or 2.30%. The City did not raise either the base rate or the tiered usage rates for the fiscal year as the City Council wanted to evaluate the use of debt for those large capital projects that are generational in nature rather than continuing to use only the current cash funding model (especially considering the low interest rate environment we are in). The result of this evaluation was the issuance of bonds in April 2021. Despite not raising any rates, charges for services revenues increased by \$615,394 or 3.39% due to an increase in usage of 5%. The increase in usage is probably due to the very dry water year. Other revenues decreased by \$1,095,224. The primary reason for the decrease in other revenues was a \$1,000,000 decrease in the funds received from the Metropolitan Water District of Orem. The funds received in the prior fiscal year are going to be used to construct a large water storage tank but no such funding occurred in the current fiscal year primarily because the city opted to issue debt to pay for a portion of the project instead of paying for the project entirely with cash.
- Water Reclamation fund total operating revenues decreased \$478,959 or 3.66%. As with water rates, the City Council also put a pause on raising sewer rates until the evaluation mentioned was completed. The decrease in revenues is due to an 8.70% decrease in sewer volume.
- Storm Water fund total operating revenues increased \$250,044 or 4.95%. The increase was due to a \$0.25 rate increase in the “equivalent service units (ESU)” rate. The rate went from \$7.35/month/ESU to \$7.60/month/ESU (3.40% increase).



The graph above displays the business-type activities revenues by source. The information reflected in this graph comes from the “City of Orem’s Change in Net Position” table shown previously.

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- Business-type activities reported a increase in operating expenses from the prior year of \$3,181,662 (10.71%). Operating expenses increased or decreased as follows:
 - Personnel costs decreased \$347,749 (5.13%). While salary and benefits costs increased, the total costs of personnel decreased due to decreases in pension costs due to good investment performance.
 - Utility electric costs increased \$287,722 (19.57%). The decrease was due primarily to the opening of the City's newly reconstructed fitness center which had been closed.
 - Contract services costs increased \$1,375,210 (16.30%). The increase is due, in large part, to increases in water costs to third parties for treatment, storage, conveyance or loss. These include Jordanelle reservoir, Utah Power & Light, and the Olmstead power plant.
 - Bond issuance costs increased \$354,793 (100%). The City issued water, sewer, and storm water bonds in April 2021.
 - Impact fee expenditures increased \$517,954 (52.83%). As water rights impact fees are collected, they are remitted to the Metropolitan Water District of Orem to pay for Jordanelle reservoir water rights. The water rights impact fees received and remitted were significantly more in this current fiscal year than in the prior fiscal year.

Financial Analysis of the Government's Funds

As noted earlier, the City of Orem uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's *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, *unassigned fund balance* may serve as a useful measure of the government's net resources available for spending at fiscal year-end.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$76,347,440. Of this total amount, \$18,424,509 (24.13%) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Unassigned fund balance increased from the prior year by \$6,048,396. The remaining fund balance of \$57,922,931 is "reserved" in one capacity or another indicating that it is not available for new spending because it has already been committed to pay for debt service, capital projects, or a variety of other purposes.

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The General Fund is the chief operating fund of the City. At the end of the current fiscal year, *unassigned fund balance* of the general fund was \$18,424,509 and total fund balance increased to \$8,780,341. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 33.54% (prior year was 22.42%) of total General Fund expenditures, while total fund balance represents 73.05% (prior year was 56.79%) of total General Fund expenditures.

General Fund - Total fund balance increased \$8,780,341 in the current fiscal year (the prior year had an increase of \$3,857,581). Thus, there was a positive variance from the prior year of \$4,922,760. The following elements were key factors contributing to the total fund balance change:

- Total revenues of the fund increased \$3,596,567 (5.40%). Taxes and special assessments increased \$4,496,929 (11.64%), intergovernmental revenues decreased \$1,747,240 (19.54%), and charges for services revenues increased \$926,397 (10.71%). Details about these variances are as follows:
 - Taxes and special assessments increased primarily due to sales tax revenues increasing \$4,267,039 (17.98%). As mentioned previously, the City's strong retail base continued to do well despite the COVID-19 pandemic with significant gains in the general merchandise and groceries, building materials and tools, recreational supplies, and auto dealers and supplies categories.
 - Intergovernmental revenues decreased due to receiving and using a larger portion of CARES Act CRF funds from Utah County in the prior fiscal year than in the current fiscal year. While the City did receive American Rescue Plan Act (ARPA) funds in the current fiscal year, it was so late in the fiscal year that the City had very little time to spend much of these new funds by fiscal year-end.
 - Charges for services revenues increased but not due to any specific source or reason. The largest increase was in cemetery lot sales and interment fees which increased by 37.12% and accounted for \$321,975 of the increase in this category. Ambulance services revenues increased \$174,958 or 8.78% due to higher volume.
- Total expenditures decreased \$274,066 (0.50%). General government expenditures increased \$533,870 (3.62%), public safety expenditures increased \$1,188,579 (4.84%), and capital outlay expenditures decreased \$2,125,071 (37.68%). Details about these variances are as follows:
 - General Government expenditures increased as the result of higher materials, supplies and maintenance costs of \$411,131 (7.09%) primarily due to expending CARES Act CRF funds.
 - Public Safety expenditures increased as the result of higher personnel costs due to general wage and benefit increases of \$1,241,774 (5.93%). Police department wages and benefits increased \$824,839 (6.31%) and fire department wages and benefits increased \$416,935 (5.29%).

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- Capital outlay expenditures decreased due to vehicle purchases in the prior fiscal year that were not duplicated in the current fiscal year. These vehicle purchases from the prior year included vehicles for additional police officer hires authorized as part of the City's property tax rate increase as well as the initial payment for a new fire engine. While \$662,414 of street micro-surfacing expenditures occurred in the prior fiscal year, no such projects occurred in the current fiscal year.

Debt Service Fund - Total fund balance is \$1,960,402, all of which is to be used for the payment of debt service. There was a net decrease in fund balance in the current year of \$801,313. The decrease was the result of using the 2019 General Obligation Bonds capitalized interest funds to make the 2019 General Obligation Bonds payments for the fiscal year.

Capital Projects Fund - Total fund balance is \$19,806,641, all of which is to be used for capital improvements and large equipment purchases. There was a net increase in fund balance in the current year of \$1,636,703 (9.01%). The increase was due to \$7,924,340 in "transfers in" from other funds which will be used to improve several parks and streets as well as making improvements to various city facilities including the city center, cemetery buildings, library, public safety buildings, fitness center, and outdoor pools.

2019 G.O. Bonds Capital Projects Fund - Total fund balance is \$0. This fund accounted for the use of bond proceeds used for capital improvements and large equipment purchases for the new Library Hall and reconstructed Fitness Center. The remaining \$10,966,453 of bond funds were exhausted leaving no available bond funds at fiscal year-end.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail.

Water Fund - Unrestricted net position at the end of the year amounted to \$4,292,301, a decrease of \$26,504,333 (86.06%). Total net position increased by \$6,848,473 (10.07%) during the current fiscal year (prior fiscal year had an increase of \$9,632,547 or 16.51%). Items affecting the change in total net position of the fund are as follows:

- Operating revenues decreased \$479,830 (2.30%). Charges for services increased due to a 5% increase in usage despite no increase in either the base rate or tier rates. However, the Metropolitan Water District of Orem (MWDO) provided \$1,000,000 less in funding in the current fiscal year than the prior fiscal year as they had provided additional funding for the City's storage tank project in the prior year.
- Operating expenses increased \$1,270,685 (10.62%) in comparison with the prior year. The increase includes \$1,154,839 (31.60%) in increased contract services for water storage, conveyance and power loss as well as increased depreciation expense of \$127,433 (4.90%) due to additional automated meter reading installation project costs being capitalized.

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Water Reclamation Fund - Unrestricted net position at the end of the year amounted to \$4,225,108, a decrease of \$13,658,987 (76.38%). Total net position increased \$6,037,689 (14.98%) during the current fiscal year (prior fiscal year had an increase of \$6,130,290 or 17.93%). Items affecting the change in total net position of the fund are as follows:

- Operating revenues decreased \$478,959 (3.66%). The decrease was due to a decrease in sewer volume of 8.70%.
- Operating expenses increased \$16,889 (0.23%) in comparison with the prior year. Personnel services decreased \$282,689 (12.54%) due to a reduction in pension costs caused by positive investment returns. Insurance charges increased \$255,935 (193.04%) due to adjusting the insurance allocation associated with sewer infrastructure and facilities.

Storm Water Fund - Unrestricted net position at the end of the year amounted to \$7,109,314, a decrease of \$1,283,757 (15.30%). Total net position increased \$2,406,640 (10.37%) during the current fiscal year (prior fiscal year had an increase of \$2,258,564 or 10.78%). Items affecting the change in total net position of the fund are as follows:

- Operating revenues increased \$250,044 (4.95%), due to a \$0.25 increase in the "equivalent service units (ESU)" rate which went from \$7.35/month/ESU to \$7.60/month/ESU.
- Operating expenses decreased \$103,625 (3.42%) in comparison with the prior year. Personnel services decreased \$190,948 (18.19%) due to a reduction in pension costs caused by positive investment returns. Contract services expenses increased \$114,057 (34.46%) due to paying for a storm water master plan study update in the current fiscal year.

General Fund Budgetary Highlights

During the fiscal year, the General Fund's original budget was amended from an original budget expenditure total (including net transfers) of \$56,793,746 to a final budget of \$84,288,326, an increase of \$27,494,580 (48.41%). The changes to the General Fund budget are briefly summarized as follows:

- Various public safety grants and donations received during the year totaled \$448,395 and various fines and forfeitures related to the drug task force increased by \$57,003.
- The library received several grants during the year totaling \$35,421. Various other parks, recreation, and arts grants and donations were added to the budget totaling \$70,279.
- Various capital project, equipment, and other accounts were carried over from the prior year and, therefore, were added to the budget in the current year. This increased the budget by \$4,316,178.
- Various outstanding purchases were carried over from the prior year and, therefore, were added to the budget in the current year. This increased the budget by \$309,034.

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- Various outstanding road projects were carried over from the prior year and, therefore, were added to the budget in the current year. This increased the budget by \$1,688,737.
- The City transferred \$3,765,462 to the Capital Projects Fund. The transfer was done as an appropriation of surplus funds in order to stay within the State of Utah's General Fund fund balance limitation.
- The City was awarded CARES Act CRF grant funding through Utah County of \$6,978,967 for COVID-19 pandemic relief.
- The City was awarded American Rescue Plan Act (ARPA) grant funding of \$8,043,675 to aid in public health and economic recovery from the COVID-19 pandemic.
- The City increased its estimate of sales tax revenues by \$1,275,000 as the effects of the COVID-19 pandemic did not have the anticipated negative affect the City budgeted for. As a result, the city increased budgeted sales tax revenues and used the additional funds to give merit increases to all city personnel where no increases had been originally budgeted.

Several General Fund revenue and expenditure categories were significantly higher or lower than their final budgeted amounts. These variances are briefly summarized as follows:

- Taxes and Special Assessments – Revenues – Actual amount was higher than the budgeted amount by \$7,916,804 (22.48%). Actual sales tax revenues were higher than budgeted revenues by \$7,928,948. The City only made one amendment of \$1,275,000 during the year to increase the budgeted sales tax revenues for general wage and salary increases.
- Licenses and Permits – Revenues – Actual amount was higher than the budgeted amount by \$903,933 (79.05%). Actual revenues were higher than budgeted revenues due to building permits exceeding budget by \$644,001 and business licenses exceeding budget by \$189,112. The housing and commercial markets in the area were quite strong despite concerns surrounding the COVID-19 pandemic elsewhere in the nation.
- Intergovernmental – Revenues – Actual amount was lower than the budgeted amount by \$11,882,095 (62.29%). Actual revenues were lower than budgeted revenues because the City amended its budget for the full \$6,978,967 of CARES Act funds it was awarded through Utah County even though actual revenues for the current fiscal year were only \$2,117,690 (the difference being recognized as revenue in the prior fiscal year). The City also received \$8,043,675 in ARPA grant funding which was added to the budget but the City was only able to spend \$571,342 by fiscal year-end.
- Investment Earnings – Revenues – Actual amount was lower than the budgeted amount by \$475,729 (59.92%). The City's investments saw significant deterioration in the interest rates being earned compared to the prior year as a result of the continuing impact of the pandemic.
- General Government – Expenditures – Actual amounts were lower than budgeted by \$14,542,112 (47.94%). The following narrative provides details about this variance from budget:

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- Grant expenditures related to COVID-19 were lower than budgeted because the City amended its budget for the full \$6,978,967 of CARES Act funds it was awarded through Utah County even though actual expenditures for the current fiscal year were only \$1,135,292. The City also received \$8,043,675 in ARPA grant funding which was added to the budget but the City was only able to spend \$465,236 by fiscal year-end.
- Wages and employee benefit costs were lower than budget by \$311,170. The variance is primarily due to vacant positions that occur naturally throughout the fiscal year.
- Professional and technical services accounts were lower than budget by \$470,807 as expected service costs were either delayed or determined to not be necessary. The City's justice court has had very little need of a bailiff as much of the activity has been via electronic means rather than in person. Also, transports to the county jail have been very negligible and thus, the time needed to perform these transports has not been needed.
- Employee development costs were lower than budgeted by \$81,192 primarily due to conference travel cancelations due to COVID-19 related issues.
- Various contingency accounts were not used and thus, were lower than budget by \$185,382.
- Public Safety – Expenditures – Actual amounts were lower than budgeted by \$4,113,235 (13.40%).
 - Regular pay, overtime, and fringe benefits were lower than expected by \$473,720 due to fully funding all positions in the budget even though employee turnover regularly occurs leaving gaps in positions being occupied.
 - Various vehicle, equipment, and uniform costs totaling \$426,620 did not get purchased by the end of the fiscal year but were budgeted.
 - Fire apparatus totaling \$716,006 was budgeted but not spent because it is being accumulated until there are enough funds to pay for the equipment with cash.
 - Contracted Vineyard City future fire station start-up costs are being accumulated and thus, while being budgeted are not being spent as of yet. The accumulated budgeted funds currently total \$1,600,000 at the end of the current fiscal year.
 - Employee development costs were lower than budgeted by \$106,698 primarily due to conference travel cancelations due to COVID-19 related issues.
- Highways and Public Improvements – Expenditures – Actual amounts were lower than budgeted by \$3,073,514 (38.77%). Most of this variance can be attributed to various street overlay/reconstruction projects, slurry seal projects, micro-surfacing, and street striping projects that were not completed by fiscal year end but are expected to be completed in the next fiscal year.

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- Parks, Recreation, and Arts – Expenditures – Actual amounts were lower than budgeted by \$1,049,121 (12.31%). Personnel costs were lower than budgeted by \$348,839 due primarily to several positions being vacant for some of the fiscal year and difficulties in finding enough temporary workers to fill all of the City's open positions. There were also several budgeted equipment purchases and capital projects that had funds remaining totaling approximately \$436,000.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$290,875,362 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment (including vehicles and office equipment), infrastructure, intangibles, and construction in progress.

Major capital asset events during the current fiscal year include the following:

- Public safety purchased seven new vehicles totaling \$274,989 and modified a new fire engine purchase which cost \$359,917.
- The parks division purchased one new tractor for \$44,740 and a new riding mower for \$97,742. They also completed the Geneva Park & Westmore Park renovation projects spending \$242,672 this fiscal year, completed additions to the bike-skills park for \$81,161, and completed landscaping at the new Library Hall and Orem Family Fitness Center for \$124,478.
- The parks and recreation divisions also received a \$3.7 million property donation from Intermountain Healthcare (IHC). The property is part of the Orem Community Hospital campus and has been used regularly by the city for recreation purposes (primarily as a soccer field). IHC donated the property to the city with the restriction that it continue to only be used for outdoor recreational purposes.
- The cemetery reconstructed their upper cemetery road system at a total cost of \$143,691.
- The streets division completed the purchase of a brine maker, tanks and building for \$96,730, purchased two new vehicles totaling \$180,367, and purchased two new dump trucks totaling \$410,911 as part of the VW mitigation settlement grant through the State of Utah.
- Various road, street light, and landscaping projects completed or added to construction in process were approximately \$2,400,000.
- The Finance department purchased additional audio and video equipment for the City's justice court for \$5,514, remodeled the front reception counter for \$14,878, and installed a new fingerprint machine for \$24,826.
- Recreation purchased property from the Alpine School District for \$5,605,295 in order to construct a new city park on the site of the former Hillcrest Elementary School. Fitness Center reconstruction costs added to construction in progress totaled \$15,013,539.

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- The library purchased a new copier for \$6,325, new furniture for \$40,298, and began modifying its current RFID system for \$44,531. Construction costs added for the new Library Hall facility totaled \$1,421,095.
- Vehicle charging stations were added at the City Center for \$78,226.
- Several facility projects took place in the current fiscal year at the public safety building, city center, and library. These projects totaled \$611,863.
- The water division had several waterline projects completed or added to construction in process totaling approximately \$1,487,000. They spent approximately \$395,000 on the automated meter read technology project that began near the end of FY 2018. They purchased one new vehicle for \$29,850 and purchased property for \$2,589,826 for the construction of a new 10 million gallon culinary water storage tank.
- The water reclamation division had several sewer line projects completed or added to construction in process totaling approximately \$2,351,000. They purchased five new vehicles totaling \$130,420, a CCTV sewer camera inspection vehicle for \$495,796, and various other equipment totaling approximately \$334,000.
- The storm water division had several storm water line projects completed or added to construction in process totaling approximately \$1,774,000. A new riding mower for \$15,730 was also purchased.

City of Orem's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 72,551,355	\$ 65,195,839	\$ 6,481,577	\$ 3,888,751	\$ 79,032,932	\$ 69,084,590
Buildings and Systems	18,407,911	9,833,230	717,520	810,531	19,125,431	10,643,761
Improvements other than Buildings	14,343,508	13,892,038	4,270,845	5,044,102	18,614,353	18,936,140
Machinery and Equipment	7,962,650	7,778,392	4,644,973	4,903,597	12,607,623	12,681,989
Infrastructure	49,103,210	48,821,637	78,115,618	75,887,779	127,218,828	124,709,416
Construction in Progress	30,226,670	22,477,683	2,746,287	2,404,277	32,972,957	24,881,960
Intangibles	88,548	-	1,214,690	1,214,690	1,303,238	1,214,690
Total Capital Assets	<u>\$ 192,683,852</u>	<u>\$ 167,998,819</u>	<u>\$ 98,191,510</u>	<u>\$ 94,153,727</u>	<u>\$ 290,875,362</u>	<u>\$ 262,152,546</u>

Additional information on the City's capital assets can be found in the footnotes to this financial report on pages 72-74.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$76,452,000. Of this amount, \$28,655,000 comprises debt backed by the full faith and credit of the government and \$47,797,000 is debt (i.e. revenue bonds) secured solely by specific revenue sources such as sales taxes, franchise taxes, water revenues, water reclamation revenues, and/or storm water revenues.

City of Orem
Management's Discussion and Analysis
June 30, 2021

City of Orem's Outstanding Bonded Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 28,655,000	\$ 29,620,000	\$ -	\$ -	\$ 28,655,000	\$ 29,620,000
Revenue Bonds	496,000	856,000	47,301,000	20,038,000	47,797,000	20,894,000
Total Bonds	\$ 29,151,000	\$ 30,476,000	\$ 47,301,000	\$ 20,038,000	\$ 76,452,000	\$ 50,514,000

The City's total bonded debt increased by \$25,938,000 (51.35%) during the current fiscal year. In April 2021, the City issued 2021A Water, Sewer, and Storm Water Revenue Bonds of \$29,320,000 to fund the construction of a new culinary water storage tank, pressure booster station, two new culinary water wells, a water reuse facility, and various other water, sewer, and storm water infrastructure improvements. The City also refunded the 2010 Water Quality Revenue Bonds held by the State of Utah by issuing \$6,543,000 in 2021B Water, Sewer, and Storm Water Refunding Bonds in parity with the 2021A Series.

The City of Orem maintains a "AAA" rating from Fitch Ratings and a "AA+" rating from Standard & Poor's for bond issuances for which they are responsible for providing a rating on.

State statutes limit the amount of general obligation debt for general purposes a governmental entity may issue to 4% of its total taxable value. The current limitation for the City is \$409,700,613, which is significantly in excess of the City's outstanding general obligation debt for general purposes. In addition, state statutes allow for an additional 4% to be used for water, sewer, or electrical projects. Thus, the current limitation for general obligation debt for water, sewer, or electrical projects is \$440,092,724. The City currently has no outstanding general obligation debt for these types of projects. Thus, the resulting total debt limit is 8% of total taxable value or \$849,793,337. More detailed information can be found on pages 172-173.

Additional information on the City's long-term debt can be found in the footnotes to this financial report on pages 76-82.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Orem at June 30, 2021 was 3.0%. The City's unemployment rate compares favorably to the national rate of 5.9%. The City has a relatively high technology based workforce comparative to other areas of the county and state which can be impacted (for good or bad) to a slightly higher degree than many other workforce groups in the economy. This has been particularly beneficial during the current COVID-19 pandemic as the need for technology-based solutions has been expedited. The table below provides current year comparative information as well as a historical perspective. (Source: U.S. Bureau of Labor Statistics).

City of Orem
Management's Discussion and Analysis
June 30, 2021

HISTORICAL ANNUAL UNEMPLOYMENT RATES

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City	3.7%	3.3%	3.1%	5.0%	3.0%
County	3.6%	3.4%	3.1%	4.5%	2.8%
State	3.9%	3.5%	3.2%	5.7%	3.1%
Nation	4.5%	4.2%	3.8%	11.1%	5.9%

- The General Fund budget for the fiscal year ending June 30, 2022 reflects a decrease of \$7,697,886 or 11.80% in revenues, excluding appropriations of surplus, compared to the final actual revenues for the fiscal year ended June 30, 2021. The decrease in budgeted revenues is due primarily to a decrease in intergovernmental revenues (primarily grants) of \$2,676,274 as the city does not budget for grants until they have actually been awarded and a decrease in sales tax revenues of \$2,683,948 as the city believes FY 2021 was inflated by the spending of federal stimulus funds which is not anticipated to occur in FY 2022. Budgeted expenditures increased by \$1,082,455 or 1.66% over the final fiscal year ended June 30, 2021, expenditures. Most of this is due to the personnel cost increases and additional capital projects and acquisitions in next year's budget.
- Despite some negative impacts of the current pandemic, the state and the city continue to compare favorably to national indices. Sales tax revenues continue to increase in comparison to the prior year while other revenue sources are comparable or gradually improving when compared to the prior fiscal year. These revenue sources as well as others are monitored very closely so the City can identify what future spending may be able to be added should positive revenue trends continue.

All of these factors were considered in preparing the City's budget for the 2021-2022 fiscal year.

Request For Information

This financial report provides a general overview of the City of Orem's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Brandon C. Nelson, CPA
City of Orem
Finance Director
56 North State Street, Orem, UT 84057
or via email at bcnelson@orem.org

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BASIC FINANCIAL STATEMENTS

City of Orem
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 50,547,080	\$ 52,156,546	\$ 102,703,626
Receivables (Net of Allowance for Uncollectibles)	926,420	4,930,168	5,856,588
Property and Other Taxes Receivable	11,953,100	-	11,953,100
Special Assessments Receivable	34,732	-	34,732
Intergovernmental Receivables	369,172	-	369,172
Investments	9,317,181	-	9,317,181
Inventory	339,489	-	339,489
Notes Receivable	205,021	-	205,021
Prepaid Expenses	500,595	-	500,595
Restricted Assets:			
Cash and Cash Equivalents:			
Debt Service	1,653,403	2,218,876	3,872,279
Capital Improvements	19,139,390	54,381,245	73,520,635
Other Purposes	5,139,213	-	5,139,213
Receivables:			
Debt Service	1,480,321	-	1,480,321
Capital Improvement Projects	2,336,443	-	2,336,443
Other Purposes	1,566,758	-	1,566,758
Investments:			
Debt Service	2,517,899	-	2,517,899
Capital Improvement Projects	2,946,602	-	2,946,602
Net Pension Assets	5,693,222	111,544	5,804,766
Capital Assets:			
Non-depreciable Capital Assets	102,866,573	10,442,554	113,309,127
Depreciable Capital Assets (net)	89,817,279	87,748,956	177,566,235
Total Assets	309,349,893	211,989,889	521,339,782
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Debt Refundings	92,441	606,615	699,056
Pensions	7,272,575	359,458	7,632,033
Total Deferred Outflows of Resources	7,365,016	966,073	8,331,089
Total Assets & Deferred Outflows of Resources	\$ 316,714,909	\$ 212,955,962	\$ 529,670,871
LIABILITIES			
Accounts Payable	\$ 2,111,266	\$ 2,467,980	\$ 4,579,246
Customer Deposits	5,901,514	103,180	6,004,694
Accrued Liabilities	2,273,860	444,234	2,718,094
Unearned Revenues	9,101,574	1,166,489	10,268,063
Accrued Interest Payable	289,144	360,231	649,375
Liabilities Payable from Restricted Assets	839,821	-	839,821
Noncurrent Liabilities:			
Due within One Year	4,634,252	2,815,622	7,449,874
Due in more than One Year	40,239,715	52,003,375	92,243,090
Total Liabilities	65,391,146	59,361,111	124,752,258
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenues - Property Taxes	8,735,321	-	8,735,321
Pensions	11,477,725	461,786	11,939,511
Total Deferred Inflows of Resources	20,213,046	461,786	20,674,832
NET POSITION			
Net Investment in Capital Assets	154,447,536	77,095,912	231,543,448
Restricted for:			
Debt Service	4,171,302	2,218,876	6,390,178
Capital Improvements	10,967,133	54,381,245	65,348,378
Pensions	5,693,222	111,544	5,804,766
Community Development	10,406,252	-	10,406,252
Unrestricted	45,425,272	19,325,488	64,750,760
Total Net Position	231,110,717	153,133,065	384,243,782
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 316,714,909	\$ 212,955,962	\$ 529,670,871

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

City of Orem
Statement of Activities
For The Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 16,072,497	\$ 10,747,410	\$ 1,400	\$ -
Public Safety	26,234,854	7,568,475	3,048,399	160,028
Highways and Public Improvements	7,296,421	254,280	-	4,228,492
Parks, Recreation and Arts	8,204,646	2,318,692	51,778	5,287,954
Economic and Physical Development	1,068,973	143,129	631,768	353,820
Redevelopment	1,151,383	-	20,445	-
Interest on Long-term Debt	4,571,442	-	-	-
Total Governmental Activities	<u>64,600,216</u>	<u>21,031,986</u>	<u>3,753,790</u>	<u>10,030,294</u>
Business-type Activities:				
Water	14,956,163	20,341,587	-	1,948,777
Water Reclamation	7,918,906	12,591,825	-	1,420,572
Storm Water	3,016,483	5,300,968	-	385,179
Recreation	2,311,074	1,159,731	-	-
Solid Waste	4,227,392	4,370,759	-	-
Street Lighting	469,325	1,055,657	-	-
Total Business-type Activities	<u>32,899,343</u>	<u>44,820,527</u>	<u>-</u>	<u>3,754,528</u>
Total Primary Government	<u>\$ 97,499,559</u>	<u>\$ 65,852,513</u>	<u>\$ 3,753,790</u>	<u>\$ 13,784,822</u>

General Revenues:
Sales Taxes
Property Taxes
Franchise Taxes
Vehicle Taxes
Other Taxes & Special Assessments
Unrestricted Investment Earnings
Gain (Loss) on Sale of Capital Assets
Transfers In (Out)
Total General Revenues and Transfers
Change in Total Net Position
Total Net Position - Beginning
Total Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (5,323,687)	\$ -	\$ (5,323,687)
(15,457,952)	-	(15,457,952)
(2,813,649)	-	(2,813,649)
(546,222)	-	(546,222)
59,744	-	59,744
(1,130,938)	-	(1,130,938)
(4,571,442)	-	(4,571,442)
(29,784,146)	-	(29,784,146)
-	7,334,201	7,334,201
-	6,093,491	6,093,491
-	2,669,664	2,669,664
-	(1,151,343)	(1,151,343)
-	143,367	143,367
-	586,332	586,332
-	15,675,712	15,675,712
(29,784,146)	15,675,712	(14,108,434)
33,250,164	-	33,250,164
10,598,204	-	10,598,204
7,923,070	-	7,923,070
625,888	-	625,888
220,660	-	220,660
432,708	527,587	960,295
594,136	32,279	626,415
1,499,800	(1,499,800)	-
55,144,630	(939,934)	54,204,696
25,360,484	14,735,778	40,096,262
205,750,233	138,397,287	344,147,520
\$ 231,110,717	\$ 153,133,065	\$ 384,243,782

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City of Orem
Balance Sheet
Governmental Funds
June 30, 2021

	General	Debt Service	Capital Projects	Capital Projects-2019 G.O. Bonds	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 23,886,609	\$ 1,144,437	\$ 20,229,415	\$ -	\$ 358,271	\$ 45,618,732
Receivables (Net of Allowance for Uncollectibles)	821,367	-	55,053	-	50,000	926,420
Property Taxes Receivable	5,700,000	-	-	-	-	5,700,000
Other Taxes Receivable	6,253,100	-	-	-	-	6,253,100
Special Assessments Receivable	34,732	-	-	-	-	34,732
Intergovernmental Receivables	112,169	-	223	-	256,780	369,172
Due from Other Funds	174,809	-	-	-	-	174,809
Notes Receivable	-	-	-	-	205,021	205,021
Investments	9,317,181	-	-	-	-	9,317,181
Prepays	413,604	-	-	-	-	413,604
Restricted Cash and Cash Equivalents:						
Debt Service	837,438	815,965	-	-	-	1,653,403
Capital Improvement Projects	9,054,045	-	-	-	10,085,345	19,139,390
Other Purposes	1,474,480	-	-	-	3,664,733	5,139,213
Restricted Receivables:						
Debt Service	-	1,480,321	-	-	-	1,480,321
Capital Improvement Projects	781,443	-	-	-	1,555,000	2,336,443
Other Purposes	178,673	-	-	-	1,378,766	1,557,439
Restricted Investments:						
Debt Service	2,517,899	-	-	-	-	2,517,899
Capital Improvement Projects	2,946,602	-	-	-	-	2,946,602
Total Assets	<u>\$ 64,504,151</u>	<u>\$ 3,440,723</u>	<u>\$ 20,284,691</u>	<u>\$ -</u>	<u>\$ 17,553,916</u>	<u>\$ 105,783,481</u>
LIABILITIES						
Accounts Payable	\$ 667,485	\$ -	\$ 284,942	\$ -	\$ 1,044,182	\$ 1,996,609
Customer Deposits	5,901,514	-	-	-	-	5,901,514
Accrued Liabilities	2,103,103	-	-	-	7,695	2,110,798
Unearned Revenues	8,898,372	-	193,108	-	10,094	9,101,574
Liabilities Payable from Restricted Assets	839,821	-	-	-	-	839,821
Total Liabilities	<u>18,410,295</u>	<u>-</u>	<u>478,050</u>	<u>-</u>	<u>1,236,780</u>	<u>20,125,125</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Revenues - Property Taxes	5,700,000	1,480,321	-	-	1,555,000	8,735,321
Deferred Revenues - Receivables	261,517	-	-	-	314,078	575,595
Total Deferred Inflows of Resources	<u>5,961,517</u>	<u>1,480,321</u>	<u>-</u>	<u>-</u>	<u>1,869,078</u>	<u>9,310,916</u>
FUND BALANCES						
Nonspendable	413,604	-	-	-	-	413,604
Restricted	10,183,252	815,965	19,088	-	14,025,787	25,044,092
Assigned	11,110,974	1,144,437	19,787,553	-	422,271	32,465,235
Unassigned	18,424,509	-	-	-	-	18,424,509
Total Fund Balances	<u>40,132,339</u>	<u>1,960,402</u>	<u>19,806,641</u>	<u>-</u>	<u>14,448,058</u>	<u>76,347,440</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 64,504,151</u>	<u>\$ 3,440,723</u>	<u>\$ 20,284,691</u>	<u>\$ -</u>	<u>\$ 17,553,916</u>	<u>\$ 105,783,481</u>

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental funds are not financial resources.	192,683,852
Net Pension Assets and Deferred Outflows of Resources are not available financial resources and are not reported in the governmental funds.	13,058,238
Other restricted assets are not available financial resources and are not reported in the governmental funds.	9,319
Certain revenue is unearned in governmental funds but not in the Statement of Net Position because it qualifies for recognition under the economic resources measurement focus.	575,595
Internal service funds are used by management to charge the cost of fleet management, self-insurance, purchasing/warehousing, information technology, and facilities maintenance. The current assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.	4,593,005
Long-term liabilities, including bonds payable, compensated absences, and pensions, are not due and payable in the current period.	(44,389,864)
Other financial obligations not due and payable in the current period.	-
Interest payable on long-term obligations do not require current financial resources and are not reported in the governmental funds.	(289,144)
Deferred Inflows of Resources related to pensions do not require current financial resources and are not reported in the governmental funds.	(11,477,725)
Net Position of Governmental Activities	<u>\$ 231,110,717</u>

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

City of Orem
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2021

	General	Debt Service	Capital Projects	Capital Projects 2019 G.O. Bonds	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes and Special Assessments	\$ 43,139,072	\$ 1,474,696	\$ -	\$ -	\$ 8,088,605	\$ 52,702,373
Licenses and Permits	2,047,433	-	-	-	-	2,047,433
Intergovernmental	7,195,585	-	825,358	-	985,588	9,006,531
Charges for Services	9,575,052	-	-	-	152,875	9,727,927
Fines and Forfeitures	1,219,631	-	-	-	-	1,219,631
Charges for Services - Other Funds	4,761,991	-	-	-	-	4,761,991
Impact Fees	-	-	-	-	1,017,553	1,017,553
Investment Earnings	318,271	6,604	-	-	106,018	430,893
Miscellaneous Revenue	1,895,752	-	474,616	-	322,516	2,692,884
Total Revenues	<u>70,152,787</u>	<u>1,481,300</u>	<u>1,299,974</u>	<u>-</u>	<u>10,673,155</u>	<u>83,607,216</u>
EXPENDITURES						
Current:						
General Government	15,264,157	-	-	-	-	15,264,157
Public Safety	25,742,327	-	-	-	-	25,742,327
Highways and Public Improvements	2,956,344	-	-	-	257,724	3,214,068
Parks, Recreation and Arts	7,223,479	-	-	-	931,798	8,155,277
Economic and Physical Development	235,253	-	129,894	4,614	467,266	837,027
Redevelopment	-	-	-	-	1,051,628	1,051,628
Debt Service:						
Principal Retirement	-	1,352,255	-	-	80,000	1,432,255
Interest and Fiscal Charges	-	4,626,422	-	-	13,001	4,639,423
Capital Leases - Principal	-	444,000	-	-	-	444,000
Capital Leases - Interest	-	108,284	-	-	-	108,284
Capital Outlay	3,514,994	-	7,429,704	10,961,839	7,217,474	29,124,011
Total Expenditures	<u>54,936,554</u>	<u>6,530,961</u>	<u>7,559,598</u>	<u>10,966,453</u>	<u>10,018,891</u>	<u>90,012,457</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>15,216,233</u>	<u>(5,049,661)</u>	<u>(6,259,624)</u>	<u>(10,966,453)</u>	<u>654,264</u>	<u>(6,405,241)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from Asset Disposals	101,651	-	-	-	492,485	594,136
Transfers In	2,668,068	4,248,348	7,924,340	-	-	14,840,756
Transfers Out	(9,205,611)	-	(28,013)	-	(4,150,951)	(13,384,575)
Total Other Financing Sources (Uses)	<u>(6,435,892)</u>	<u>4,248,348</u>	<u>7,896,327</u>	<u>-</u>	<u>(3,658,466)</u>	<u>2,050,317</u>
Net Change in Fund Balances	8,780,341	(801,313)	1,636,703	(10,966,453)	(3,004,202)	(4,354,924)
Fund Balance - Beginning	31,351,998	2,761,715	18,169,938	10,966,453	17,452,260	80,702,364
Fund Balance - Ending	<u>\$ 40,132,339</u>	<u>\$ 1,960,402</u>	<u>\$ 19,806,641</u>	<u>\$ -</u>	<u>\$ 14,448,058</u>	<u>\$ 76,347,440</u>

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

City of Orem
Reconciliation of The Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To The Statement of Activities
For The Year Ended June 30, 2021

Amounts reported for Governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds		\$ (4,354,924)
Governmental funds report capital outlays 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.		
Capital Asset Purchases Capitalized	\$ 31,579,763	
Depreciation Expense	<u>(7,076,509)</u>	24,503,254
The issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds.		
Principal Payments recorded as a reduction of the long-term liability	<u>\$ 1,876,255</u>	1,876,255
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities.		
Amortization of Bond Refundings - Loss on Defeasance	\$ (38,865)	
Amortization of Bond Premiums (Discounts)	<u>209,650</u>	170,786
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.		
Compensated Absences	\$ (142,653)	
Interest Expense	5,479	
Pension Expense	1,861,333	
Other Post Employment Benefits (OPEB) Expense	<u>51,455</u>	1,775,614
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Special Assessment Revenues	\$ (82,572)	
Charges for Services Revenues	44,319	
Pension Revenues - Nonemployer Contributions	<u>537,801</u>	499,548
Internal service funds are used by management to charge the costs of fleet management, purchasing/warehousing, self-insurance, information technology, and facilities maintenance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>889,951</u>
Change in Net Position of Governmental Activities		<u><u>\$ 25,360,484</u></u>

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

City of Orem
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes and Special Assessments	\$ 33,947,268	\$ 35,222,268	\$ 43,139,072	\$ 7,916,804
Licenses and Permits	1,143,500	1,143,500	2,047,433	903,933
Intergovernmental	3,612,682	19,077,680	7,195,585	(11,882,095)
Charges for Services	8,242,898	8,410,770	9,575,052	1,164,282
Fines and Forfeitures	1,326,600	1,383,603	1,219,631	(163,972)
Charges for Services - Other Funds	4,762,617	4,761,991	4,761,991	-
Investment Earnings	794,000	794,000	318,271	(475,729)
Miscellaneous Revenues	785,681	1,698,250	1,895,752	197,502
Total Revenues	54,615,246	72,492,062	70,152,787	(2,339,275)
EXPENDITURES				
General Government:				
Legislative	451,477	451,449	387,372	64,077
Executive	3,647,399	4,236,823	3,581,220	655,603
Finance	3,874,838	3,966,370	3,601,056	365,314
Development Services	3,767,770	4,042,181	3,783,542	258,639
Legal Services	1,364,694	1,377,749	1,292,700	85,049
Other - Unclassified	2,019,446	16,258,991	3,145,561	13,113,430
Total General Government	15,125,624	30,333,563	15,791,451	14,542,112
Public Safety:				
Police	15,864,542	17,811,558	16,610,412	1,201,146
Fire	10,583,723	12,885,056	9,972,967	2,912,089
Total Public Safety	26,448,265	30,696,614	26,583,379	4,113,235
Highways and Public Improvements:				
Administration	512,737	566,291	521,216	45,075
Traffic and Streets	5,167,203	7,361,530	4,333,091	3,028,439
Total Highways and Public Improvements	5,679,940	7,927,821	4,854,307	3,073,514
Parks, Recreation and Arts	7,698,116	8,521,285	7,472,164	1,049,121
Economic and Physical Development	214,210	279,070	235,253	43,817
Total Expenditures	55,166,155	77,758,353	54,936,554	22,777,982
Excess of Revenues over Expenditures	(550,909)	(5,266,291)	15,216,233	20,482,524
OTHER FINANCING SOURCES (USES)				
Proceeds from Asset Disposals	100,000	103,000	101,651	(1,349)
Transfers In	2,664,556	2,675,638	2,668,068	(7,570)
Transfers Out	(4,292,147)	(9,205,611)	(9,205,611)	-
Total Other Financing Sources (Uses)	(1,527,591)	(6,426,973)	(6,435,892)	(8,919)
Net Change in Fund Balance	(2,078,500)	(11,693,264)	8,780,341	20,473,605
Fund Balance - Beginning	31,351,998	31,351,998	31,351,998	-
Fund Balance - Ending	\$ 29,273,498	\$ 19,658,734	\$ 40,132,339	\$ 20,473,605

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

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City of Orem
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds					
	Water Fund Current Year	Water Fund Prior Year	Water Reclamation Fund Current Year	Water Reclamation Fund Prior Year	Storm Water Fund Current Year	Storm Water Fund Prior Year
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 25,799,101	\$ 30,318,763	\$ 12,752,781	\$ 17,485,355	\$ 8,959,914	\$ 8,336,490
Accounts Receivable (Net of Allowance for Doubtful Accounts)	2,506,792	2,438,379	1,310,119	1,327,417	515,152	484,138
Inventories	-	-	-	-	-	-
Prepays	-	-	-	-	-	-
Restricted Cash & Cash Equivalents:						
Debt Service	1,683,376	1,681,258	535,500	476,000	-	-
Capital Improvements	34,070,162	289,880	18,047,230	614,794	2,263,853	153,132
Total Current Assets	64,059,431	34,728,280	32,645,630	19,903,566	11,738,919	8,973,760
Noncurrent Assets:						
Capital Assets:						
Land	2,592,826	-	570,209	570,209	3,278,720	3,278,720
Buildings and Systems	903,086	903,086	3,097,885	3,097,885	679,293	679,293
Improvements other than Buildings	9,262,916	9,262,916	2,028,934	2,028,934	115,667	115,667
Machinery and Equipment	3,308,335	3,278,485	7,338,784	6,813,077	2,552,842	2,570,729
Infrastructure	65,046,853	63,651,782	52,059,097	48,484,574	20,440,087	19,453,299
Construction in Progress	1,059,465	753,294	180,807	1,232,152	1,495,724	415,232
Intangibles	997,276	997,276	195,900	195,900	21,514	21,514
Less Accumulated Depreciation	(35,954,607)	(33,228,924)	(35,481,102)	(33,944,279)	(10,218,680)	(9,378,388)
Total Capital Assets (Net of Accumulated Depreciation)	47,216,150	45,617,915	29,990,514	28,478,452	18,365,167	17,156,066
Net Pension Assets	-	-	111,544	-	-	-
Total Noncurrent Assets	47,216,150	45,617,915	30,102,058	28,478,452	18,365,167	17,156,066
Total Assets	111,275,581	80,346,195	62,747,688	48,382,018	30,104,086	26,129,826
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Debt Refundings	495,865	589,436	-	-	110,750	138,152
Pensions	129,340	370,993	112,543	287,258	76,142	204,276
Total Deferred Outflows of Resources	625,205	960,429	112,543	287,258	186,892	342,428
Total Assets & Deferred Outflows of Resources	\$ 111,900,786	\$ 81,306,624	\$ 62,860,231	\$ 48,669,276	\$ 30,290,978	\$ 26,472,254
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 985,745	\$ 1,000,150	\$ 947,662	\$ 404,722	\$ 154,554	\$ 74,623
Customer Deposits	103,180	106,995	-	-	-	-
Accrued Liabilities	130,454	110,722	105,704	101,839	53,250	46,377
Accrued Vacation Leave	122,861	98,942	123,232	121,337	81,240	68,078
Claims and Judgments	-	-	-	-	-	-
Unearned Revenue	232,580	116,427	-	-	-	-
Accrued Interest Payable	277,208	141,857	49,728	-	33,295	25,545
Capital Leases Payable - Current Portion	-	-	-	-	-	-
Bonds Payable - Current Portion	1,346,443	1,148,969	654,329	594,000	438,627	415,942
Total Current Liabilities	3,198,471	2,724,062	1,880,655	1,221,898	760,966	630,565
Noncurrent Liabilities:						
Accrued Vacation Leave	6,467	5,207	6,486	6,386	4,275	3,582
Claims and Judgments	-	-	-	-	-	-
Capital Leases Payable - Long-term Portion	-	-	-	-	-	-
Bonds Payable - Long-term Portion	33,656,806	9,839,452	14,379,409	6,543,000	3,780,303	2,205,703
Net Pension Liability	62,641	483,857	47,471	374,648	36,879	266,423
Total Noncurrent Liabilities	33,725,914	10,328,516	14,433,366	6,924,034	3,821,457	2,475,708
Total Liabilities	36,924,385	13,052,578	16,314,021	8,145,932	4,582,423	3,106,273
DEFERRED INFLOWS OF RESOURCES						
Pensions	141,226	267,344	192,180	207,003	83,139	147,205
Total Deferred Inflows of Resources	141,226	267,344	192,180	207,003	83,139	147,205
NET POSITION						
Net Investment in Capital Assets	34,789,336	35,218,930	23,434,648	21,341,452	16,252,249	14,672,573
Restricted for Debt Service	1,683,376	1,681,258	535,500	476,000	-	-
Restricted for Capital Improvements	34,070,162	289,880	18,047,230	614,794	2,263,853	153,132
Restricted for Pensions	-	-	111,544	-	-	-
Unrestricted	4,292,301	30,796,634	4,225,108	17,884,095	7,109,314	8,393,071
Total Net Position	74,835,175	67,986,702	46,354,030	40,316,341	25,625,416	23,218,776
Total Liabilities, Deferred Inflows of Resources, & Net Position	\$ 111,900,786	\$ 81,306,624	\$ 62,860,231	\$ 48,669,276	\$ 30,290,978	\$ 26,472,254

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

Other Enterprise Funds Current Year	Other Enterprise Funds Prior Year	Total Current Year	Total Prior Year	Governmental Activities Internal Service Funds Current Year
\$ 4,644,750	\$ 4,082,003	\$ 52,156,546	\$ 60,222,611	\$ 4,928,348
598,105	543,037	4,930,168	4,792,971	-
-	-	-	-	339,489
-	-	-	-	86,991
-	-	2,218,876	2,157,258	-
-	-	54,381,245	1,057,806	-
5,242,855	4,625,040	113,686,835	68,230,646	5,354,828
39,822	39,822	6,481,577	3,888,751	-
1,509,500	4,125,955	6,189,764	8,806,219	150,000
399,238	1,911,903	11,806,755	13,319,420	-
146,127	162,207	13,346,088	12,824,498	632,264
2,967,393	2,902,951	140,513,430	134,492,606	-
10,291	3,599	2,746,287	2,404,277	4,747
-	-	1,214,690	1,214,690	88,548
(2,452,692)	(6,245,143)	(84,107,081)	(82,796,734)	(377,949)
2,619,679	2,901,294	98,191,510	94,153,727	497,610
-	-	111,544	-	300,841
2,619,679	2,901,294	98,303,054	94,153,727	798,451
7,862,534	7,526,334	211,989,889	162,384,373	6,153,279
-	-	606,615	727,588	-
41,433	101,951	359,458	964,478	183,080
41,433	101,951	966,073	1,692,066	183,080
\$ 7,903,967	\$ 7,628,285	\$ 212,955,962	\$ 164,076,439	\$ 6,336,359
\$ 380,019	\$ 341,384	\$ 2,467,980	\$ 1,820,879	\$ 114,657
-	-	103,180	106,995	-
154,826	72,191	444,234	331,129	163,062
48,890	42,858	376,223	331,215	186,662
-	-	-	-	290,199
933,909	87,696	1,166,489	204,123	-
-	-	360,231	167,402	-
-	-	-	-	7,243
-	-	2,439,399	2,158,911	-
1,517,644	544,129	7,357,736	5,120,654	761,823
2,573	2,255	19,801	17,430	9,825
-	-	-	-	611,339
-	-	-	-	21,064
-	-	51,816,518	18,588,155	-
20,065	132,965	167,056	1,257,893	69,697
22,638	135,220	52,003,375	19,863,478	711,925
1,540,282	679,349	59,361,111	24,984,132	1,473,748
45,241	73,468	461,786	695,020	386,796
45,241	73,468	461,786	695,020	386,796
2,619,679	2,901,294	77,095,912	74,134,249	469,303
-	-	2,218,876	2,157,258	-
-	-	54,381,245	1,057,806	-
-	-	111,544	-	300,841
3,698,765	3,974,174	19,325,488	61,047,974	3,705,671
6,318,444	6,875,468	153,133,065	138,397,287	4,475,815
\$ 7,903,967	\$ 7,628,285	\$ 212,955,962	\$ 164,076,439	\$ 6,336,359

City of Orem
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For The Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				
	Water Fund Current Year	Water Fund Prior Year	Water Reclamation Fund Current Year	Water Reclamation Fund Prior Year	Storm Water Fund Current Year
OPERATING REVENUES					
Charges for Services	\$ 18,754,194	\$ 18,138,800	\$ 12,100,616	\$ 12,635,219	\$ 5,207,126
Other Revenues	1,587,393	2,682,617	491,209	435,565	93,842
Total Operating Revenues	20,341,587	20,821,417	12,591,825	13,070,784	5,300,968
OPERATING EXPENSES					
Personnel Services	2,279,065	2,446,818	1,972,312	2,255,001	858,723
Supplies and Maintenance	908,761	729,684	815,941	671,779	282,510
Administrative Fee	1,428,617	1,452,347	827,017	891,001	351,587
Utilities	676,352	622,432	614,283	615,903	8,462
Contract Services	4,808,978	3,654,139	771,091	729,261	445,018
Equipment Lease and Rentals	44,197	48,638	-	2,335	5,900
Insurance	169,781	178,740	388,515	132,580	21,542
Charges in Lieu of Property Tax	71,787	71,787	52,665	52,665	29,316
Depreciation Expense	2,725,683	2,598,250	1,803,070	1,831,040	867,618
Miscellaneous	125,104	164,805	115,779	162,219	59,070
Total Operating Expenses	13,238,325	11,967,640	7,360,673	7,343,784	2,929,746
Operating Income (Loss)	7,103,262	8,853,777	5,231,152	5,727,000	2,371,222
NONOPERATING REVENUES AND EXPENSES					
Investment Earnings	309,311	542,809	150,685	290,071	50,505
Gain (Loss) on Sale of Capital Assets	-	(17,628)	15,179	(7,982)	12,445
Bond Issuance Costs	(254,244)	-	(85,221)	-	(15,328)
Impact Fee Expenditures	(1,064,966)	(767,866)	(433,339)	(196,888)	-
Interest Expense	(398,628)	(303,705)	(39,673)	-	(71,409)
Total Nonoperating Revenues & Expenses	(1,408,527)	(546,390)	(392,369)	85,201	(23,787)
Income (Loss) before Transfers and Contributions	5,694,735	8,307,387	4,838,783	5,812,201	2,347,435
Contributions - Impact Fees & Developers	1,948,777	2,125,400	1,420,572	540,985	385,179
Contributions to Governmental Funds	-	-	-	-	(6,291)
Transfers In	174,571	172,705	-	-	-
Transfers Out	(969,610)	(972,945)	(221,666)	(222,896)	(319,683)
Change in Net Position	6,848,473	9,632,547	6,037,689	6,130,290	2,406,640
Total Net Position - Beginning	67,986,702	58,354,155	40,316,341	34,186,051	23,218,776
Total Net Position - Ending	\$ 74,835,175	\$ 67,986,702	\$ 46,354,030	\$ 40,316,341	\$ 25,625,416

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

Storm Water Fund Prior Year	Other Enterprise Funds Current Year	Other Enterprise Funds Prior Year	Total Current Year	Total Prior Year	Governmental Activities Internal Service Funds Current Year
\$ 5,001,523	\$ 6,417,962	\$ 5,697,036	\$ 42,479,898	\$ 41,472,578	\$ 7,307,140
49,401	168,185	61,408	2,340,629	3,228,991	9,389
5,050,924	6,586,147	5,758,444	44,820,527	44,701,569	7,316,529
1,049,671	1,314,972	1,021,331	6,425,072	6,772,821	2,741,895
238,990	668,835	394,538	2,676,047	2,034,991	3,254,540
384,669	315,057	326,094	2,922,278	3,054,111	-
7,953	458,702	223,789	1,757,799	1,470,077	409,610
330,961	3,789,421	3,724,937	9,814,508	8,439,298	-
7,675	399	1,230	50,496	59,878	2,856
55,180	25,232	27,000	605,070	393,500	-
29,316	-	-	153,768	153,768	-
845,561	200,980	179,154	5,597,351	5,454,005	55,525
83,395	84,201	119,952	384,154	530,371	-
3,033,371	6,857,799	6,018,025	30,386,543	28,362,820	6,464,426
2,017,553	(271,652)	(259,581)	14,433,984	16,338,749	852,103
130,790	17,086	73,575	527,587	1,037,245	-
100	(145,337)	49	(117,713)	(25,461)	1,080
-	-	-	(354,793)	-	-
(15,597)	-	-	(1,498,305)	(980,351)	-
(70,805)	-	-	(509,710)	(374,510)	(560)
44,488	(128,251)	73,624	(1,952,934)	(343,077)	520
2,062,041	(399,903)	(185,957)	12,481,050	15,995,672	852,623
513,556	-	-	3,754,528	3,179,941	-
-	-	-	(6,291)	-	-
-	400,416	1,525,000	574,987	1,697,705	110,000
(317,033)	(557,537)	(511,294)	(2,068,496)	(2,024,168)	(72,672)
2,258,564	(557,024)	827,749	14,735,778	18,849,150	889,951
20,960,212	6,875,468	6,047,719	138,397,287	119,548,137	3,585,864
\$ 23,218,776	\$ 6,318,444	\$ 6,875,468	\$ 153,133,065	\$ 138,397,287	\$ 4,475,815

City of Orem
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			
	Water Fund Current Year	Water Fund Prior Year	Water Reclamation Fund Current Year	Water Reclamation Fund Prior Year
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers and Users	\$ 20,389,327	\$ 20,605,789	\$ 12,609,123	\$ 13,040,713
Receipts from Interfund Services Provided	-	-	-	-
Payments to Suppliers	(6,823,180)	(5,383,357)	(2,215,334)	(2,463,921)
Payments for Personnel	(2,539,835)	(2,520,190)	(2,245,281)	(2,230,748)
Payments for Interfund Services Used	(1,428,617)	(1,452,347)	(827,017)	(891,001)
Net Cash Provided (Used) by Operating Activities	9,597,695	11,249,895	7,321,491	7,455,043
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	174,571	172,705	-	-
Transfers Out	(969,610)	(972,945)	(221,666)	(222,896)
Net Cash Provided (Used) by Noncapital Activities	(795,039)	(800,240)	(221,666)	(222,896)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(3,693,228)	(3,149,071)	(2,427,604)	(2,559,775)
Proceeds from Sales of Capital Assets	-	19,756	17,275	19,520
Receipts from Impact Fees Collected	1,318,087	966,895	530,948	331,425
Payments to Developers - Impact Fees	(1,064,966)	(767,866)	(433,339)	(196,888)
Proceeds from Bonds Issued	25,193,606	-	15,043,793	-
Bond Issuance Costs	(254,244)	-	(85,221)	-
Principal paid on Outstanding Debt	(1,059,754)	(1,056,090)	(7,137,000)	(594,000)
Interest paid on Outstanding Debt	(288,730)	(310,380)	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	20,150,771	(4,296,756)	5,508,852	(2,999,718)
CASH FLOW FROM INVESTING ACTIVITIES				
Investment Earnings	309,311	542,809	150,685	290,071
Net Cash Provided (Used) by Investing Activities	309,311	542,809	150,685	290,071
Net Increase (Decrease) in Cash and Cash Equivalents	29,262,738	6,695,708	12,759,362	4,522,500
Cash and Cash Equivalents - Beginning of Year	32,289,901	25,594,193	18,576,149	14,053,649
Cash and Cash Equivalents - End of Year	\$ 61,552,639	\$ 32,289,901	\$ 31,335,511	\$ 18,576,149
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 7,103,262	\$ 8,853,777	\$ 5,231,152	\$ 5,727,000
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	\$ 2,725,683	\$ 2,598,250	\$ 1,803,070	\$ 1,831,040
(Increase) Decrease in Receivables	(68,413)	(228,212)	17,298	(30,071)
(Increase) Decrease in Inventory	-	-	-	-
(Increase) Decrease in Prepaids	-	-	-	-
(Increase) Decrease in Pension Assets	241,653	495,327	63,171	314,636
Increase (Decrease) in Accounts Payable	(14,405)	92,376	542,940	(97,179)
Increase (Decrease) in Customer Deposits	(3,815)	(5,508)	-	-
Increase (Decrease) in Accrued Liabilities	19,732	(15,149)	3,865	23,296
Increase (Decrease) in Unearned Revenue	116,153	12,584	-	-
Increase (Decrease) in Accrued Vacation Leave	25,179	(3,735)	1,995	8,578
Increase (Decrease) in Pension Liabilities	(547,334)	(549,815)	(342,000)	(322,257)
Increase (Decrease) in Claims and Judgments	-	-	-	-
Total Adjustments	2,494,433	2,396,118	2,090,339	1,728,043
Net Cash Provided (Used) by Operating Activities	\$ 9,597,695	\$ 11,249,895	\$ 7,321,491	\$ 7,455,043
Noncash Investing, Capital, and Financing Activities:				
Contributions of Capital Assets from Developers	\$ 630,690	\$ 1,158,505	\$ 889,624	\$ 209,560
Contributions of Capital Assets to Governmental Funds	-	-	-	-

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

Storm Water Fund Current Year	Storm Water Fund Prior Year	Other Enterprise Funds Current Year	Other Enterprise Funds Prior Year	Total Current Year	Total Prior Year	Governmental Activities Internal Service Funds
\$ 5,269,954	\$ 5,055,317	\$ 6,531,079	\$ 5,772,482	\$ 44,799,483	\$ 44,474,301	\$ -
-	-	-	-	-	-	7,316,529
(771,887)	(719,912)	(4,143,436)	(4,746,388)	(13,953,837)	(13,313,578)	(3,769,754)
(1,003,471)	(998,985)	(1,305,102)	(1,037,994)	(7,093,689)	(6,787,917)	(3,162,529)
(351,587)	(384,669)	(315,057)	(326,094)	(2,922,278)	(3,054,111)	-
3,143,009	2,951,751	767,484	(337,994)	20,829,679	21,318,695	384,246
-	-	400,416	1,525,000	574,987	1,697,705	110,000
(319,683)	(317,033)	(557,537)	(511,294)	(2,068,496)	(2,024,168)	(72,672)
(319,683)	(317,033)	(157,121)	1,013,706	(1,493,509)	(326,463)	37,328
(1,925,720)	(616,540)	(71,134)	(389,454)	(8,117,686)	(6,714,840)	(237,304)
12,445	100	6,432	49	36,152	39,425	1,080
227,889	129,198	-	-	2,076,924	1,427,518	-
-	(15,597)	-	-	(1,498,305)	(980,351)	-
2,015,612	-	-	-	42,253,011	-	-
(15,328)	-	-	-	(354,793)	-	-
(403,246)	(402,910)	-	-	(8,600,000)	(2,053,000)	(25,017)
(51,338)	(60,125)	-	-	(340,068)	(370,505)	(560)
(139,686)	(965,874)	(64,702)	(389,405)	25,455,235	(8,651,753)	(261,801)
50,505	130,790	17,086	73,575	527,587	1,037,245	-
50,505	130,790	17,086	73,575	527,587	1,037,245	-
2,734,145	1,799,634	562,747	359,882	45,318,992	13,377,724	159,773
8,489,622	6,689,988	4,082,003	3,722,121	63,437,675	50,059,951	4,768,575
\$ 11,223,767	\$ 8,489,622	\$ 4,644,750	\$ 4,082,003	\$ 108,756,667	\$ 63,437,675	\$ 4,928,348
\$ 2,371,222	\$ 2,017,553	\$ (271,652)	\$ (259,581)	\$ 14,433,984	\$ 16,338,749	\$ 852,103
\$ 867,618	\$ 845,561	\$ 200,980	\$ 179,154	\$ 5,597,351	\$ 5,454,005	\$ 55,525
(31,014)	4,393	(55,068)	14,038	(137,197)	(239,852)	-
-	-	-	-	-	-	2,005
-	-	-	-	-	-	(56,875)
128,134	143,380	60,518	90,125	493,476	1,043,468	(64,889)
79,931	33,558	38,635	5,799	647,101	34,554	60,317
-	-	-	-	(3,815)	(5,508)	-
6,873	10,369	82,635	(35,406)	113,105	(16,890)	59,587
-	-	846,213	(259,247)	962,366	(246,663)	-
13,855	5,411	6,350	9,146	47,379	19,400	36,236
(293,610)	(108,474)	(141,127)	(82,022)	(1,324,071)	(1,062,568)	(391,981)
-	-	-	-	-	-	(167,782)
771,787	934,198	1,039,136	(78,413)	6,395,695	4,979,946	(467,857)
\$ 3,143,009	\$ 2,951,751	\$ 767,484	\$ (337,994)	\$ 20,829,679	\$ 21,318,695	\$ 384,246
\$ 157,290	\$ 384,358	\$ -	\$ -	\$ 1,677,604	\$ 1,752,423	\$ -
(6,291)	-	-	-	(6,291)	-	-

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**NOTES
TO THE
FINANCIAL
STATEMENTS**

City of Orem
Notes to the Financial Statements
June 30, 2021

1. Summary of Significant Accounting Policies

A. Reporting Entity

The basic financial statements of the City of Orem (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

The City of Orem was incorporated in 1919 and covers approximately 18.66 square miles. The City operates under a Council-Manager form of government. As required by GAAP, the City and its component units (entities for which the City is considered to be financially accountable) present this Annual Comprehensive Financial Report (ACFR). The City is considered to be financially accountable for an organization if the City appoints a voting majority of the organization or there is a potential for the 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 the organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City).

The component units discussed below are included as part of the City's reporting entity as *blended* component units within its governmental funds.

- The Redevelopment Agency of the City of Orem (RDA) was established to prepare and carry out plans to improve, rehabilitate and redevelop project areas within the City. The RDA is governed by a board of trustees composed of the Mayor and members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.
- The City of Orem Foundation is a nonprofit charitable foundation. The Internal Revenue Service (IRS) gave the City permission to form and operate the trust as an approved section 501(c)3 charitable foundation. This enables donors broader charitable donation capabilities since all donations may be fully tax deductible. Although it is a legally separate entity from the City, the City of Orem Foundation is reported as if it were part of the primary government because of the City's ability to impose its will upon its operations, its board of directors is substantively the same as the City's, and all of its services are for the benefit of the City. It is included in these financial statements as the Orem Foundation Trust Special Revenue Fund. Separate financial statements are not issued for this entity.

City of Orem
Notes to the Financial Statements
June 30, 2021

1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

The component unit discussed below is included as part of the City's reporting entity as a *blended* component unit within its proprietary funds.

- The Special Service Lighting District of the City of Orem (SSLD) was established to purchase, install, and maintain street lights, poles, and fixtures within the City. The SSLD collects fees to pay for the street lighting system and the electricity to operate it. The SSLD is governed by a board of directors composed of the Mayor and members of the City Council. Although a legally separate entity from the City, the SSLD is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the SSLD. The SSLD is included in these financial statements as the Street Lighting Fund. Separate financial statements are not issued for the SSLD.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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 fees and charges for support.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. 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 revenues in

City of Orem
Notes to the Financial Statements
June 30, 2021

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than an "other financing source". Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expense in the government-wide financial statements.

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 (within sixty days) to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales and use taxes, franchise taxes, and earned but unreimbursed state, federal, and other grants associated with the current fiscal period are all considered to be susceptible to accrual and therefore 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. Available means when due, or past due, and received within the current period or collected soon enough thereafter to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.
- The *Debt Service Fund* is used to account for all general obligation debt of the City of Orem. Operating transfers are made from the General Fund to service the debt payments made by this fund. The source of fund revenue for retiring the general obligation debt is principally the power of the City to levy general property tax; however, certain debt is serviced by sales tax revenues.

City of Orem
Notes to the Financial Statements
June 30, 2021

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

- The *Capital Projects Fund* is used to account for the acquisition or construction of major capital facilities and equipment of the City of Orem (other than those financed by proprietary funds) as well as the use of resources for the improvement, rehabilitation, or construction of roads (including sidewalks and intersections) and parks.
- The *2019 G.O. Bonds Capital Projects Fund* is used to account for the expenditure of general obligation bond funds for the construction of two new city facilities (Library Hall and Fitness Center) and associated equipment of the City of Orem.

The City reports the following major proprietary funds:

- The *Water Fund* accounts for the activities of the City's water production, treatment, and distribution operations.
- The *Water Reclamation Fund* accounts for the City's sewer collection, treatment, and maintenance operations.
- The *Storm Water Fund* accounts for the operation and maintenance of the City's storm water system.

The City reports the following internal service funds:

- The *Self-insurance Fund* accounts for the insurance activities of the various funds throughout the City.
- The *Fleet Maintenance Fund* accounts for the costs of operating and maintaining vehicles and equipment owned by the City.
- The *Purchasing/Warehousing Fund* accounts for the centralized purchasing and warehousing operations of the City.
- The *Information Technology Fund* accounts for the technological needs of the City primarily related to computers, networks, servers, software programs, and phones.
- The *Facilities Maintenance Fund* accounts for the costs of operating, repairing, and maintaining City owned facilities.

The effect of interfund activity has, generally, been eliminated from the government-wide financial statements. Exceptions to this are payments to the General Fund by various enterprise funds for providing administrative and billing services. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a

City of Orem
Notes to the Financial Statements
June 30, 2021

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

proprietary fund's principal ongoing operations. The principal operating revenues of all enterprise funds are charges to customers for sales and services.

Operating expenses for enterprise 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 non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

Cash includes cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools having the general characteristics of demand deposit accounts. City policy allows for the investment of funds in the following types of investments (in compliance with the State of Utah's Money Management Act):

- Time certificates of deposit with federally insured depositories.
- Investment in the Utah Public Treasurer's Investment Fund (PTIF).
- Open-end managed money market mutual funds.
- Qualified repurchase agreements with qualified depositories, certified dealers, or certified depositories.
- Other investments allowed by the State of Utah's Money Management Act.

Investments are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The Utah Public Treasurer's Investment Fund (PTIF), Zions Bank Institutional Liquidity Management Fund (ILM), and Moreton Asset Management Fund all operate in accordance with state laws and regulations.

Cash equivalents are defined as short-term, highly liquid investments readily convertible to known amounts of cash and so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

City of Orem
Notes to the Financial Statements
June 30, 2021

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

2. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to" or "due from" other funds.

In the Water, Water Reclamation, Storm Water, Solid Waste, and Street Lighting funds, the City records utility revenues billed to customers on a monthly basis. Unbilled service accounts receivable at fiscal year-end have been accrued as revenues and receivables.

3. Inventories and Prepaid Items

Inventories of materials and supplies in the Purchasing/Warehousing internal service fund consist principally of materials used to repair the transmission, distribution, collection and treatment systems of the City's proprietary type services. These inventories are valued at cost and accounted for on a first-in, first-out basis (FIFO). The inventory of materials and supplies are charged to both enterprise and governmental funds when they are used/consumed by the specific fund.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, using the consumption method, in both government-wide and fund financial statements.

4. Restricted Assets

Restricted assets are primarily comprised of cash and receivables restricted for future payments of principal and interest on debt service, unexpended portions of bonds issued for capital construction purposes, and unexpended taxes and/or appropriations collected for very specific uses under state law.

5. Net Pension Assets

The Net Pension Assets of the City were determined by Utah Retirement Systems (URS) actuarial valuations and roll-forwards using generally accepted actuarial procedures and were based upon actual historical contributions and census data provided to URS. Net Pension Assets represent the net difference between assets of the plan and the actuarially determined liabilities.

City of Orem
Notes to the Financial Statements
June 30, 2021

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

6. Capital Assets

The City's capital assets, which includes property, plant, equipment, and infrastructure assets (i.e. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

The City defines capital assets as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	33 - 50
Buildings and Systems	25 - 33 ¹ / ₃
Machinery, Equipment, & Vehicles	5 - 20
Furniture and Equipment	5 - 20
Improvements other than Buildings	5 - 10

7. Deferred Outflows of Resources

These deferred amounts represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

8. Compensated Absences

For governmental funds, vested or accumulated vacation leave and compensatory time-off are not expected to be liquidated with expendable available financial resources and are thus excluded as a liability in each fund's balance sheet and as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balance. These balances would only be reported in a governmental fund's financial statements as a liability and expenditure if they have matured (are due).

City of Orem
Notes to the Financial Statements
June 30, 2021

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

8. Compensated Absences (continued)

For proprietary funds, vested or accumulated vacation leave and compensatory time-off is recorded as an expense and a liability of those funds as the benefits accrue to the employees.

The government-wide financial statements reflect the entire amount of vested and/or accumulated vacation leave and compensatory time-off for all governmental and proprietary funds and are thus recorded as a liability in the Statement of Net Position and as an expense in the Statement of Activities.

Employees are limited to two years of accumulated vacation leave. Employees earn twelve days of sick leave per year. While sick leave may be accumulated without limitation, no benefits accrue to the employees. Therefore, no liability exists and the costs of accumulated sick leave are charged to expenditures only when used.

9. 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 (URS) Pension Plan and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by 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.

10. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt, net pension liabilities, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums, discounts, and losses on bond refundings are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

City of Orem
Notes to the Financial Statements
June 30, 2021

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

11. Deferred Inflows of Resources

These deferred amounts represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

12. Fund Balance / Net Position

Fund Balance

In the governmental fund financial statements, classifications comprising a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in these funds can be spent.

Net Position

In the government-wide and proprietary fund financial statements, classifications are based upon the accessibility of the underlying resources. Restricted items, while generally expendable, are legally restricted by outside parties for a specific purpose.

13. Contributions from Developers

Contributions from developers in the proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

E. Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

2. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *total governmental fund balances* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. This difference

City of Orem
Notes to the Financial Statements
June 30, 2021

2. Reconciliation of Government-wide and Fund Financial Statements
(continued)

A. Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position
(continued)

primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheets.

Capital Related Items

When capital assets used in governmental activities are purchased or constructed, the cost of these capital assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes these capital assets among the assets of the City as a whole.

Cost of Capital Assets	\$ 338,806,591
Accumulated Depreciation	(146,122,739)
Net adjustment to increase <i>fund balance</i> - <i>total governmental funds</i> to arrive at <i>net position</i> - <i>governmental activities</i>	<u>\$ 192,683,852</u>

Long-term Liability Transactions

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the governmental fund financial statements. All liabilities (both current and long-term) are reported in the Statement of Net Position.

Long-term liability balances at June 30, 2021 were as follows:

<u>Long-term Liability Type</u>	
General Obligation Bonds	\$ 28,655,000
Capital Leases	5,044,307
Less: Internal Service Funds - Current Portion	(7,243)
Sales Tax Revenue Bonds	496,000
Notes Payable	454,930
Bond Premiums Deferred	3,672,230
Compensated Absences	2,397,725
Less: Internal Service Funds - Current Portion	(186,662)
Net Pension Liability	3,163,175
Net OPEB Liability	89,063
Claims and Judgments	901,538
Less: Internal Service Funds - Current Portion	(290,199)
Net adjustment to reduce <i>fund balance</i> - <i>total governmental funds</i> to arrive at <i>net position</i> - <i>governmental activities</i>	<u>\$ 44,389,864</u>

City of Orem
Notes to the Financial Statements
June 30, 2021

2. Reconciliation of Government-wide and Fund Financial Statements
(continued)

B. Explanation of differences between Governmental Fund Operating Statements and the Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balance - total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One of these differences is explained here in greater detail.

The second element of the reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position."

The details of this difference are as follows:

Principal payments:	
General Obligation Bonds	\$ 965,000
Sales Tax Revenue Bonds	360,000
Capital Leases	444,000
Notes Payable	107,255
Subtotal	<u>1,876,255</u>
Net adjustment to increase <i>net changes in fund balance - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 1,876,255</u>

3. Stewardship, Compliance and Accountability

A. Budgetary Information

Prior to the first regularly scheduled meeting of the City Council in May, the City Manager and appointed Budget Officer, submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the proposed sources of revenues.

Between May 1st and June 22nd, the City Council reviews and adjusts the proposed budget. On or before June 22nd, a public hearing is held and the budget is legally adopted through passage of an ordinance, unless a property tax increase is proposed. If a property tax increase is proposed, a hearing must be held on or before August 31st, which does not conflict with other taxing entities that have proposed a property tax increase. At this time the final balanced budget is adopted.

City of Orem
Notes to the Financial Statements
June 30, 2021

3. Stewardship, Compliance and Accountability (continued)

A. Budgetary Information (continued)

The City Manager, in conjunction with the Budget Officer and the appropriate department head, has the budget authority to transfer budget appropriations within and between any divisions of any budgetary fund. However, the "fund level" is the legal level of control and the City Manager must obtain approval from the City Council to increase revenues or expenditures for any fund.

An individual department is composed of several divisions. Budget transfers may be made between divisions within a fund as long as they are in the same department. However, they may not transfer from one fund to another fund without City Council approval.

The City Council (administrators of the legal level of control), by resolution, have the authority to transfer budget appropriations between individual budgetary funds. A public hearing must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets of proprietary fund types may be increased by resolution without an additional hearing.

Annual budgets for the General Fund, all Special Revenue Funds, Debt Service Funds, and Capital Projects Funds were legally adopted by the City and are prepared on the modified-accrual method of accounting. Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of actual versus such budgets for governmental funds.

Tax Revenues

Property taxes are collected by the Utah County Treasurer and remitted to the City in two to three installments in December, January, and a final settlement generally in March of the new calendar year. Taxes are levied and are due and payable on November 1st and delinquent after November 30th of each year at which time they become liens if not paid. An accrual of uncollected current and prior year's property taxes beyond those received within 60 days after the fiscal year end has not been made, as the amounts are not deemed to be material.

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

Franchise taxes are charged to various utility companies doing business within the City including telephone, cable television, gas utility, and electric utility companies. The fees are remitted on a monthly, quarterly, or annual basis. All fees due and payable to the City at June 30 have been accrued.

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds

A. Deposits and Investments

The City's deposit and investment activities are governed by the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7). The State of Utah Money Management Council has the responsibility to advise the Utah State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State of Utah, and review the rules adopted under the authority of the Utah Money Management Act that relate to the deposit and investment of public funds.

The Money Management Act requires deposits be in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Deposits

The City's deposits (including cash on hand) at June 30, 2021, are as follows:

Cash on Hand & On Deposit	Fair Value
Cash on Hand	\$ 34,005
Cash on Deposit - Checking	16,123,959
Cash on Deposit - Payroll	975,967
Total Cash on Hand & On Deposit	<u>\$ 17,133,931</u>

Custodial Credit Risk

The custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. Deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Deposits are not collateralized nor are they required to be by state statute. The City has no formal policy regarding custodial credit risk for these deposits. As of June 30, 2021, \$17,239,894 of the City's bank balance of \$18,429,608 is exposed to custodial credit risk as uninsured and uncollateralized. The carrying amount of the deposits at June 30, 2021, is \$17,133,931.

Investments

The Money Management Act defines the types of securities authorized as appropriate investments and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities.

The Act authorizes investments in both negotiable and non-negotiable deposits of qualified depositories and permitted negotiable depositories;

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

A. Deposits and Investments (continued)

Investments (continued)

repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. 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; and,
- *Level 3:* Unobservable inputs.

At June 30, the City had the following recurring fair value measurements:

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt Securities:				
Utah Public Treasurer's Investment Fund	\$ 159,659,626	\$ -	\$ 159,659,626	\$ -
Zions Bank Inst. Liquidity Management Fund	10,869,168	10,869,168	-	-
Moreton Asset Management Fund	12,372,212	12,372,212	-	-
Total Debt Securities	182,901,006	23,241,380	159,659,626	-
Total Investments by Fair Value Level	\$ 182,901,006	\$ 23,241,380	\$ 159,659,626	\$ -
Total Investments Measured at Fair Value	<u>\$ 182,901,006</u>			

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

A. Deposits and Investments (continued)

Investments (continued)

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- Utah Public Treasurers' Investment Fund – Application of the June 30, 2021, fair value factor, as calculated by the Utah State Treasurer, to the City's ending balance in the Fund.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The City's policy for managing interest rate risk is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. The Act further limits the remaining term to maturity on all investments in obligations of the U.S. Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State of Utah to five (5) years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three (3) years.

The City's investments at June 30, 2021, are presented below:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Debt Securities:					
Utah Public Treasurer's Investment Fund	\$ 159,659,626	\$ 159,659,626	\$ -	\$ -	\$ -
Zions Bank Inst. Liquidity Management Fund	10,869,168	8,121,305	2,747,863	-	-
Moreton Asset Management Fund	12,372,212	3,008,796	9,363,416	-	-
Total Debt Securities	<u>\$ 182,901,006</u>	<u>\$ 170,789,727</u>	<u>\$ 12,111,279</u>	<u>\$ -</u>	<u>\$ -</u>

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

A. Deposits and Investments (continued)

Investments (continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City follows the Money Management Act as previously discussed as its policy for reducing exposure to investment credit risk.

The City's debt investments ratings at June 30, 2021, are presented below:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
Debt Securities:					
Utah Public Treasurer's Investment Fund	\$ 159,659,626	\$ -	\$ -	\$ -	\$ 159,659,626
Zions Bank Inst. Liquidity Management Fund	10,869,168	251,773	249,997	3,986,410	6,380,988
Moreton Asset Management Fund	12,372,212	233,941	1,936,942	8,930,128	1,271,201
Total Debt Securities	<u>\$ 182,901,006</u>	<u>\$ 485,714</u>	<u>\$ 2,186,939</u>	<u>\$ 12,916,538</u>	<u>\$ 167,311,815</u>

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

Most of the City's investments at June 30, 2021, were with the Utah Public Treasurer's Investment Fund (PTIF) and therefore, are not categorized as to custodial credit risk. The investments in the Zions Bank Institutional Liquidity Management Fund (ILM) have custodial credit risk exposure. Of the \$10,869,168 invested in the ILM Fund, none of the related securities are uninsured or unregistered. The investments in the Moreton Asset Management Fund have custodial credit risk exposure. Of the \$12,372,212 invested in the Moreton Asset Management Fund, none of the related securities are uninsured or unregistered.

Additional information regarding the Utah PTIF, Zions Bank ILM Fund, and Moreton Asset Management Fund is available in footnote 4.B. of these notes to the financial statements.

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

A. Deposits and Investments (continued)

Investments (continued)

Concentration of Credit Risk

The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to between five percent (5%) and ten percent (10%) depending upon the total dollar amount held in the portfolio. The Money Management Council limitations do not apply to securities issued by the U.S. Government and its agencies. Most of the City's investments at June 30, 2021, were with the Utah PTIF and therefore, are not categorized as to concentration of credit risk.

There are no amounts invested directly in Zions Bank securities either as corporate notes or as securities within the ILM Fund. There are no amounts invested directly in Moreton securities either as corporate notes or as securities within the Moreton Asset Management Fund.

Additional information regarding the Utah PTIF, Zions Bank ILM Fund, and Moreton Asset Management Fund is available in footnote 4.B. of these notes to the financial statements.

B. External Investment Pools and Managed Investment Funds

External Investment Pools

Public Treasurer's Investment Fund (PTIF)

The City invests in this external investment pool which is administered by the Treasurer of the State of Utah. State agencies, municipalities, counties, and local governments within the state are allowed to invest in the PTIF. There is no required participation and no minimum balance or minimum/maximum transaction requirements.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Chapter 51-7, Utah Code Annotated, 1953, as amended. The Act establishes the Money Management Council which oversees the activities of the State Treasurer and the PTIF. The Act details the investments that are authorized, which are high-grade securities, and therefore, there is very little credit risk except in the most unusual and unforeseen circumstances.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah and participants share proportionally in any realized gains or losses on investments.

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

B. External Investment Pools and Managed Investment Funds (continued)

External Investment Pools (continued)

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis. The participants' balance is their investment deposited in the PTIF plus their share of income, gains and losses, net of administration fees, which are allocated to each participant on the ratio of each participant's share to the total funds in the PTIF.

Twice a year, at June 30 and December 31, the investments are valued at fair value to enable participants to adjust their investments in this pool at fair value. The Bank of New York and the State of Utah separately determine each security's fair value in accordance with GASB 31 (i.e. for almost all pool investments the quoted market price as of June 30, 2021) and then compare those values to come up with an agreed upon fair value of the securities.

As of June 30, 2021, the City had \$159,126,177 invested in the PTIF which had a fair value of \$159,659,626 for an unrealized gain of \$533,449.

The following table shows statistical information about this investment pool:

Investment Type	Investment Percentage
Corporate Bonds and Notes	84.48 %
Money Market Accounts and Certificates of Deposit	7.90 %
U.S. Government Securities	7.62 %
Total	100.00 %

Managed Investment Funds

Zions Bank Institutional Liquidity Management Fund (ILM)

The City invests in this managed investment fund which is administered by the Investment Management and Capital Markets Division of Zions Bancorporation. The required minimum balance is \$5,000,000. There are no minimum/maximum transaction requirements.

The ILM is not registered with the SEC as an investment company. The ILM is a registered investment advisor and is certified by the Utah Money Management Council. The Utah Money Management Act details the investments that are authorized, which are high-grade securities, and therefore, there is very little credit risk except in the most unusual and unforeseen circumstances.

Deposits in the ILM are not insured or otherwise guaranteed by Zions Bank. The ILM issues statements on a monthly basis. It operates and reports on an amortized cost basis. The ILM balance is the City's investment plus income

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

B. External Investment Pools and Managed Investment Funds (continued)

Managed Investment Funds (continued)

and gains less losses and administration fees.

As of June 30, 2021, the City had \$10,868,792 invested in the ILM which had a fair value of \$10,869,168 for an unrealized gain of \$376.

The following table shows statistical information about this fund:

Investment Type	Investment Percentage
Corporate Bonds and Notes	38.97 %
Money Market Accounts and Certificates of Deposit	58.72 %
U.S. Government Securities	2.31 %
Total	100.00 %

Moreton Asset Management Fund

The City invests in this managed investment fund which is administered by the Moreton Advisors group. The required minimum balance is \$5,000,000. There are no minimum/maximum transaction requirements.

The Moreton Asset Management Fund is not registered with the SEC as an investment company. The Moreton Asset Management Fund is a registered investment advisor and is certified by the Utah Money Management Council. The Utah Money Management Act details the investments that are authorized, which are high-grade securities, and therefore, there is very little credit risk except in the most unusual and unforeseen circumstances.

Deposits in the Moreton Asset Management Fund are not insured or otherwise guaranteed by Moreton. The Moreton Asset Management Fund issues statements on a monthly basis. It operates and reports on an amortized cost basis. The Moreton Asset Management Fund balance is the City's investment plus income and gains less losses and administration fees.

As of June 30, 2021, the City had \$12,250,343 invested in the Moreton Asset Management Fund which had a fair value of \$12,372,212 for an unrealized gain of \$121,869.

The following table shows statistical information about this fund:

Investment Type	Investment Percentage
Corporate Bonds and Notes	57.12 %
Money Market Accounts and Certificates of Deposit	41.67 %
U.S. Government Securities	1.21 %
Total	100.00 %

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

C. Customer Deposits

Enterprise fund deposits are deposits the City requires from residential or business customers who are receiving a utility connection but have a bankruptcy on record or have had their water turned off (or about to be turned off) for a third time in a twelve month period of time. The deposit is refundable after one year of satisfactory payment history.

D. Loans Receivable - CDBG and EDA Loans

The City uses monies from the Community Development Block Grant (CDBG) program to create housing rehabilitation and business development loans. Additional funds from the Economic Development Agency (EDA) and the Utah Revolving Loan Fund are used to supplement the business development loan program. The principal balance of the loans at June 30, 2021, as summarized below, has been shown in the government-wide Statement of Net Position as follows:

Housing Rehabilitation Loans	\$ 205,020
Business Development Loans	109,058
Total	<u>\$ 314,078</u>

E. Receivables

All receivables are expected to be collected within one year except for \$511,858 of notes receivable in the nonmajor funds.

Governmental funds report *deferred revenues* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report *unearned revenues* when revenue recognition is delayed in connection with resources that have been received, but not yet earned.

As of June 30, 2021, the various components of *deferred* and *unearned revenues* reported in the governmental funds were as follows:

	Unavailable	Unearned
Property Taxes Receivable	\$ 8,735,321	\$ 8,735,321
Accounts and Notes Receivable	226,785	-
Donations and Other Funds to be Used for Specific Programs	-	9,101,574
Grant & Other Money Used in Revolving Loan Programs	314,078	-
Special Assessments not yet Due	34,732	-
Total Deferred & Unearned Revenues for Governmental Funds	<u>\$ 9,310,916</u>	<u>\$ 17,836,895</u>

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

E. Receivables (continued)

Receivables as of June 30, 2021, for the government's individual major funds, as well as nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Receivables	Allowance for Uncollectibles	Net Total Receivables
<u>Governmental Activities</u>			
General:			
Property Taxes	\$ 5,700,000	\$ -	\$ 5,700,000
Other Taxes	6,253,101	-	6,253,101
Special Assessments	34,732	-	34,732
Intergovernmental	1,072,284	-	1,072,284
Accounts	1,051,044	(229,677)	821,367
	<u>14,111,161</u>	<u>(229,677)</u>	<u>13,881,484</u>
Debt Service:			
Property Taxes	1,480,321	-	1,480,321
Notes Receivable	36,264,865	(36,264,865)	-
	<u>37,745,186</u>	<u>(36,264,865)</u>	<u>1,480,321</u>
Capital Projects:			
Accounts	55,276	-	55,276
	<u>55,276</u>	<u>-</u>	<u>55,276</u>
Nonmajor Funds:			
Property Taxes	1,555,000	-	1,555,000
Other Taxes	1,008,941	-	1,008,941
Intergovernmental	266,099	-	266,099
Notes Receivable	755,366	(92,846)	662,520
	<u>3,585,406</u>	<u>(92,846)</u>	<u>3,492,560</u>
Subtotal - Governmental Activities	<u>55,497,029</u>	<u>(36,587,388)</u>	<u>18,909,641</u>
<u>Business-type Activities</u>			
Water:			
Accounts	2,531,652	(24,880)	2,506,772
Water Reclamation:			
Accounts	1,322,443	(12,324)	1,310,119
Storm Water:			
Accounts	520,268	(5,117)	515,151
Nonmajor Funds:			
Accounts	603,699	(5,594)	598,105
Subtotal - Business-type Activities	<u>4,978,062</u>	<u>(47,915)</u>	<u>4,930,147</u>
Totals	<u>\$ 60,475,091</u>	<u>\$ (36,635,303)</u>	<u>\$ 23,839,788</u>

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

F. Capital Assets

Governmental activities capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities</u>				
Capital Assets, not being depreciated:				
Land	\$ 65,195,839	\$ 7,355,516	\$ -	\$ 72,551,355
Intangibles	-	88,548	-	88,548
Construction in Progress	22,477,683	19,126,396	(11,377,409)	30,226,670
Total Capital Assets, not being depreciated	87,673,522	26,570,460	(11,377,409)	102,866,573
Capital Assets, being depreciated:				
Buildings and Systems	32,881,587	9,546,512	-	42,428,099
Improvements other than Buildings	38,972,594	1,947,802	-	40,920,396
Machinery and Equipment	24,406,479	2,065,763	(1,349,118)	25,123,124
Infrastructure	124,396,371	3,072,028	-	127,468,399
Total Capital Assets, being depreciated	220,657,031	16,632,105	(1,349,118)	235,940,018
Less Accumulated Depreciation for:				
Buildings and Systems	(23,054,357)	(965,831)	-	(24,020,188)
Improvements other than Buildings	(25,080,556)	(1,496,332)	-	(26,576,888)
Machinery and Equipment	(16,622,087)	(1,879,416)	1,341,029	(17,160,474)
Infrastructure	(75,574,734)	(2,790,455)	-	(78,365,189)
Total Accumulated Depreciation	(140,331,734)	(7,132,034)	1,341,029	(146,122,739)
Total Capital Assets, being depreciated, net	80,325,297	9,500,071	(8,089)	89,817,279
Governmental Activities Capital Assets, net	\$ 167,998,819	\$ 36,070,531	\$ (11,385,498)	\$ 192,683,852

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

F. Capital Assets (continued)

Business-type activities capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type Activities</u>				
Capital Assets, not being depreciated:				
Land	\$ 3,888,751	\$ 2,592,826	\$ -	\$ 6,481,577
Intangibles	1,214,690	-	-	1,214,690
Construction in Progress	2,404,277	3,182,213	(2,840,203)	2,746,287
Total Capital Assets, not being depreciated	7,507,718	5,775,039	(2,840,203)	10,442,554
Capital Assets, being depreciated:				
Buildings and Systems	8,806,219	-	(2,616,455)	6,189,764
Improvements other than Buildings	13,319,420	-	(1,512,665)	11,806,755
Machinery and Equipment	12,824,498	839,630	(318,040)	13,346,088
Infrastructure	134,492,606	6,020,824	-	140,513,430
Total Capital Assets, being depreciated	169,442,743	6,860,454	(4,447,160)	171,856,037
Less Accumulated Depreciation for:				
Buildings and Systems	(7,995,688)	(93,011)	2,616,455	(5,472,244)
Improvements other than Buildings	(8,275,318)	(621,488)	1,360,896	(7,535,910)
Machinery and Equipment	(7,920,901)	(1,089,867)	309,653	(8,701,115)
Infrastructure	(58,604,827)	(3,792,985)	-	(62,397,812)
Total Accumulated Depreciation	(82,796,734)	(5,597,351)	4,287,004	(84,107,081)
Total Capital Assets, being depreciated, net	86,646,009	1,263,103	(160,156)	87,748,956
Business-type Activities Capital Assets, net	\$ 94,153,727	\$ 7,038,142	\$ (3,000,359)	\$ 98,191,510

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

F. Capital Assets (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

	Depreciation Expense
<u>Governmental Activities</u>	
General Government	\$ 346,078
Public Safety	1,439,271
Highway and Streets	3,593,158
Parks, Recreation and Arts	1,492,540
Redevelopment	99,755
Economic and Physical Development	105,707
Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets	55,525
Subtotal - Governmental Activities	7,132,034
<u>Business-type Activities</u>	
Water	2,725,683
Water Reclamation	1,803,070
Storm Water	867,618
Recreation	109,874
Street Lighting	91,106
Subtotal - Business-type Activities	5,597,351
Total Depreciation Expense	<u>\$ 12,729,385</u>

Construction Commitments

The City has active construction projects as of June 30, 2021. The projects include street construction in areas with newly developed housing, widening and construction of existing streets and sidewalks, water, water reclamation, and storm water system improvements, and new construction and improvements to various public facilities. At year-end, the City's commitments with contractors and others are as follows:

<u>Project</u>	<u>Spent-to- Date</u>	<u>Remaining Commitment</u>
Water Systems Improvements	\$ 4,636,464	\$ 30,226,535
Street Construction and Improvements	4,041,745	4,822,241
Public Facility Construction & Improvements	3,259,971	1,552,802
Park and Recreation Improvements	390,754	564,015
Water Reclamation Improvements	1,009,753	13,970,313
Storm Water Improvements	1,954,474	6,424,490
Total	<u>\$ 15,293,161</u>	<u>\$ 57,560,396</u>

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

G. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2021, is as follows:

Interfund Transfers

Transfers between funds occur primarily to finance programs accounted for in one fund with resources collected in other funds in accordance with budgetary authorizations. Fiscal year interfund transfers are as follows:

	<u>In</u>	<u>Out</u>
Major Funds:		
General	\$ 2,668,068	\$ 9,205,611
Debt Service Fund	4,248,348	-
Capital Projects Fund	7,924,340	28,013
Water Fund	174,571	969,610
Water Reclamation Fund	-	221,666
Storm Water Fund	-	319,683
Nonmajor Governmental Funds	-	4,150,951
Nonmajor Enterprise Funds	400,416	557,537
Internal Service Funds	110,000	72,672
	<u>\$ 15,525,743</u>	<u>\$ 15,525,743</u>

H. Jointly Governed Organizations

The City in conjunction with other governmental entities, jointly governs several organizations. Each organization's board is comprised of one member from each participating entity. A brief description of the City's relationship with each organization follows:

Utah Risk Management Agency (URMA) - The City provides for its general liability risks and worker's compensation through a joint protection agreement with URMA. During the year ended June 30, 2021, the City paid premiums of approximately \$226,000 to URMA.

North Pointe Solid Waste Special Service District (NPSWSSD) - The district is a component unit of Utah County and represents thirteen cities in the northern part of the county. NPSWSSD was created to process and dispose of municipal solid waste. The City disposes of its solid waste through an agreement with NPSWSSD, which operates a solid waste transfer station. The City is represented on the NPSWSSD board and has voting rights related to the operations and financing of NPSWSSD. NPSWSSD has a service contract for the ultimate disposal of waste at a landfill located in an adjacent county. During the year ended June 30, 2021, the City paid solid waste tipping fees of approximately \$1,056,000 to NPSWSSD. The City's waste, by weight, represents approximately 25% of all of the solid waste processed by NPSWSSD.

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

H. Jointly Governed Organizations (continued)

North Utah Valley Animal Services Special Service District (NUVAS) - The Utah County Board of Commissioners ("The Commission) created the district. The Commission delegated all powers to manage the district to an Administrative Control Board which has three members appointed by the Commission and a member from each of the fourteen participating cities. Each participating city delivers stray, homeless, endangered, injured or other animals to the district's shelter facility. NUVAS is charged with identifying and/or locating the animal's rightful owner. Personnel of the district also evaluate, house, treat and/or humanely dispose of any animal brought to them by the City. NUVAS also handles all licensing and licensing renewals. During the year ended June 30, 2021, the City paid participation fees of approximately \$134,000 to NUVAS.

Utah Telecommunication Open Infrastructure Agency (UTOPIA) – UTOPIA was formed under the Utah Interlocal Cooperation Act by its eighteen founding cities, of which, the City of Orem is a member. This agency has the assignment to design, finance, build, operate and maintain a fiber-to-home and fiber-to-business fiber optic communication network. UTOPIA will build the infrastructure but private companies will deliver the services over the network. During the year ended June 30, 2021, the City paid UTOPIA approximately \$31,000 in customer service fees. The City also paid \$3,289,546 in pledge funds into a debt service reserve fund which was used to pay UTOPIA debt obligations for the fiscal year. A corresponding long-term note receivable was also increased by this amount. See footnote 5.B. (Other information, contingent liabilities) for additional information.

Utah Infrastructure Agency (UIA) – UIA was formed under the Utah Interlocal Cooperation Act by its nine member cities, of which, the City of Orem is a member. This agency was organized to provide for the acquisition, construction, and installation of telecommunication and cable television lines to a customer's premises using a demand utility model. During the year ended June 30, 2021, the City forwarded Contract Utility Enhancement (CUE) agreement receipts of approximately \$105,000 to UIA and paid approximately \$3,000 in customer service fees.

I. Capital Leases

The City has entered into certain lease agreements under which the related equipment will become the property of the City when the terms of the lease agreement are met. All City lease contracts contain a fiscal non-funding clause allowing the City Council the option of terminating the lease agreement at the end of any fiscal year. In the opinion of City management, the likelihood of this clause being exercised is remote.

The following is a schedule, by year, of future minimum lease payments of all

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

I. Capital Leases (continued)

capital leases as well as the present value of the net minimum lease payments as of June 30, 2021:

Year ending June 30,	Governmental Activities
2022	\$ 561,316
2023	555,689
2024	555,033
2025	556,314
2026	556,222
2027-2031	2,789,195
2032-2036	6,825
2037-2041	3,039
Total minimum lease payments	5,583,633
Less: Amount representing interest	(539,326)
Present value of net minimum lease payments	<u>\$ 5,044,307</u>

Equipment and related accumulated depreciation under capital leases is as follows:

	Governmental Activities
Cost of Equipment	\$ 6,292,775
Accumulated Depreciation	(962,044)
Difference	<u>\$ 5,330,731</u>

J. Long-term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital projects. All general obligation bonds issued are for governmental activities. The original amount of general obligation bonds issued in prior years was \$34,145,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the government.

General obligation bonds outstanding at June 30, 2021, are as follows:

Purpose	Interest Rates	Amount
Governmental activities:		
2014 Road Construction-Refunding	0.25% to 3.00%	\$ 4,155,000
2019 Public Facilities Construction	3.625% to 5.00%	24,500,000
Total		<u>\$ 28,655,000</u>

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

J. Long-term Debt (continued)

General Obligation Bonds (continued)

Annual debt service requirements to maturity for the above reflected general obligation debt is as follows:

Year Ended June 30,	Governmental Activities		Totals
	Principal	Interest	
2022	\$ 1,000,000	\$ 1,287,237	\$ 2,287,237
2023	1,025,000	1,259,425	2,284,425
2024	1,050,000	1,230,863	2,280,863
2025	1,080,000	1,201,613	2,281,613
2026	440,000	1,177,113	1,617,113
2027-2031	2,820,000	5,511,637	8,331,637
2032-2036	4,040,000	4,712,063	8,752,063
2037-2041	5,700,000	3,503,562	9,203,562
2042-2046	7,850,000	1,820,813	9,670,813
2047-2051	3,650,000	143,243	3,793,243
Totals	<u>\$ 28,655,000</u>	<u>\$ 21,847,569</u>	<u>\$ 50,502,569</u>

Revenue Bonds

All of the City's water and storm sewer/water, water quality, franchise tax, and sales tax revenue bonds are payable solely by a pledge and assignment of their associated revenue sources. For additional information regarding the City's pledged-revenue coverage, see the table on page 167.

The City has the following revenue bonds outstanding at June 30, 2021:

Water and Storm Sewer Revenue Bonds – Series 2005 B

In March of 2005, the City entered into an agreement to issue revenue bonds through the Utah State Department of Drinking Water of \$3,000,000. The proceeds of the bonds were used for the completion of improvements to the city's water and storm water systems. The terms of the bond contract require principal payable annually commencing in July 2006 with interest payable semi-annually in January and July through July 2025. The interest rate is fixed at 1.48%. Outstanding principal at June 30, 2021, is \$834,000.

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

J. Long-term Debt (continued)

Revenue Bonds (continued)

Water and Storm Sewer Revenue Refunding Bonds – Series 2013

In July of 2013, the City issued revenue refunding bonds of \$12,801,000 through private placement. The proceeds were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of the Series 2005A water and storm sewer revenue bonds. The terms of the bond contract require principal payable annually commencing in July 2014 and interest payable semi-annually in January and July through July 2025. The interest rate is fixed at 2.18%. Outstanding principal at June 30, 2021, is \$6,424,000.

Water and Storm Sewer Revenue Refunding Bonds – Series 2016

In October of 2016, the City issued revenue refunding bonds of \$4,380,000 through a public offering. The proceeds were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of the Series 2008 water and storm sewer revenue bonds. The terms of the bond contract require principal payable annually commencing in July 2019 and interest payable beginning in January 2017 and payable semi-annually through July 2028. The interest rate varies between 2.00% and 4.50%. Outstanding principal at June 30, 2021, is \$4,180,000.

Sales Tax Revenue Refunding Bonds – Series 2017

In February of 2017, the City issued sales tax revenue refunding bonds of \$2,898,000 through a public offering. The proceeds were placed in a trust account and used to pay the remaining outstanding principal balance of the Series 2007 sales tax revenue refunding bonds. The terms of the bond contract require principal payable annually commencing in April 2018 with interest payable semi-annually in April and October through April 2023. The interest rate is fixed at 1.94%. Outstanding principal at June 30, 2021, is \$496,000.

Water, Sewer & Storm Water Revenue Bonds – Series 2021A

In April of 2021, the City issued revenue bonds of \$29,320,000 through a public offering for improvements to the City's water, sewer and storm sewer systems. The terms of the bond contract require principal payable annually commencing in July 2022 and interest payable semi-annually in January and July through July 2046. The interest rate varies between 3.00% and 5.00%. Outstanding principal at June 30, 2021, is \$29,320,000.

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

J. Long-term Debt (continued)

Revenue Bonds (continued)

Water, Sewer & Storm Water Revenue Refunding Bonds – Series 2021B

In April of 2021, the City issued revenue parity bonds simultaneously with the Series 2021A bonds. The parity bonds were used to refinance the 2010 Water Quality Revenue Bonds issued through the State of Utah's Department of Environmental Quality. The new parity bonds maintain the same contract terms as the originally issued bonds which required principal to be paid annually in February until 2032. Payments on the bonds are paid from sewer charges to customers. The interest rate is fixed at 0.00%. Outstanding principal at June 30, 2021, is \$6,543,000.

Revenue bonds currently outstanding at June 30, 2021, are as follows:

Purpose	Interest Rates	Amount
Governmental Activities:		
Recreation Projects	1.94%	\$ 496,000
Business-type Activities:		
Water	1.48%-5.00%	29,969,675
Wastewater Treatment	0.00%-5.00%	13,523,000
Storm Water	1.48%-5.00%	3,808,325
		<u>47,301,000</u>
Total		<u>\$ 47,797,000</u>

Annual debt service requirements to maturity for the above reflected revenue bond debt is as follows:

Year Ended June 30,	Governmental Activities		Business-type Activities		Totals
	Principal	Interest	Principal	Interest	
2022	\$ 243,000	\$ 9,622	\$ 2,084,000	\$ 1,193,179	\$ 3,529,801
2023	253,000	4,908	2,763,000	1,495,389	4,516,297
2024	-	-	2,837,000	1,427,776	4,264,776
2025	-	-	2,897,000	1,357,736	4,254,736
2026	-	-	2,970,000	1,285,284	4,255,284
2027-2031	-	-	10,995,000	5,223,125	16,218,125
2032-2036	-	-	6,060,000	3,908,125	9,968,125
2037-2041	-	-	6,690,000	2,691,000	9,381,000
2042-2046	-	-	8,170,000	1,210,000	9,380,000
2047-2051	-	-	1,835,000	36,700	1,871,700
Totals	<u>\$ 496,000</u>	<u>\$ 14,530</u>	<u>\$ 47,301,000</u>	<u>\$ 19,828,314</u>	<u>\$ 67,639,844</u>

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

J. Long-term Debt (continued)

Notes Payable

HUD Section 108 Loan

In November of 2005, the City entered into a loan agreement with the Department of Housing and Urban Development (HUD) in the amount of \$1,320,000 to promote, facilitate, and encourage industrial and business development within the City. The terms of the loan agreement require principal payable annually commencing in August 2006 and interest payable semi-annually in February and August through August 2025. The interest rate is variable. Outstanding principal at June 30, 2021, is \$454,930.

Notes payable currently outstanding at June 30, 2021, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental Activities:		
HUD Section 108 Loan -		
Economic Development	Variable	\$ 454,930
Total		<u>\$ 454,930</u>

Annual debt service requirements to maturity for the above reflected notes payable is as follows:

Year Ended	<u>Governmental Activities</u>		
June 30,	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	\$ 80,000	\$ 10,953	\$ 90,953
2023	85,000	8,842	93,842
2024	95,000	6,516	101,516
2025	95,000	4,005	99,005
2026	99,930	1,369	101,299
Totals	<u>\$ 454,930</u>	<u>\$ 31,685</u>	<u>\$ 486,615</u>

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

J. Long-term Debt (continued)

Changes in Long-term Liabilities

Changes in bonds payable, deferred items, capital leases, and compensated absences during the fiscal year ended June 30, 2021, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Bonds Payable:					
General Obligation Bonds	\$ 29,620,000	\$ -	\$ (965,000)	\$ 28,655,000	\$ 1,000,000
Revenue Bonds	856,000	-	(360,000)	496,000	243,000
Plus Issuance Premiums	3,881,880	-	(209,650)	3,672,230	209,650
Total Bonds Payable	34,357,880	-	(1,534,650)	32,823,230	1,452,650
Notes Payable	562,186	-	(107,256)	454,930	80,000
Capital Leases	5,513,323	-	(469,016)	5,044,307	462,243
Compensated Absences	2,218,836	358,622	(179,734)	2,397,724	2,277,839
Net Pension Liabilities	7,255,064	-	(4,091,889)	3,163,175	-
Other Long-term Liabilities	1,226,947	281,414	(517,760)	990,601	361,520
Governmental Activities					
Long-term Liabilities	<u>\$ 51,134,236</u>	<u>\$ 640,036</u>	<u>\$ (6,900,305)</u>	<u>\$ 44,873,967</u>	<u>\$ 4,634,252</u>
<u>Business-type Activities</u>					
Bonds Payable:					
Revenue Bonds	\$ 20,038,000	\$ 35,863,000	\$ (8,600,000)	\$ 47,301,000	\$ 2,084,000
Plus Issuance Premiums	709,067	6,390,010	(144,160)	6,954,917	355,399
Total Bonds Payable	20,747,067	42,253,010	(8,744,160)	54,255,917	2,439,399
Compensated Absences	348,645	76,281	(28,902)	396,024	376,223
Net Pension Liabilities	1,257,893	-	(1,090,837)	167,056	-
Business-type Activities					
Long-term Liabilities	<u>\$ 22,353,605</u>	<u>\$ 42,329,291</u>	<u>\$ (9,863,899)</u>	<u>\$ 54,818,997</u>	<u>\$ 2,815,622</u>

Compensated Absences

City employees earn vacation based upon the employee's years of service. Employees, upon termination, may be paid up to 336 hours of earned vacation. Amounts of vacation vested and not paid have been accrued as a liability at June 30, 2021. The General Fund has typically been used in prior years to liquidate this liability for governmental funds.

While an employee may accumulate an unlimited number of sick hours, these hours are not paid out upon termination.

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

K. Equity Classification

Government-wide and Proprietary Fund Financial Statements

Equity is classified in the government-wide and proprietary fund financial statements as net position and is displayed in three components:

- 1) Net Investment in Capital Assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.
- 2) Restricted Net Position – resources with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) are imposed by law through constitutional provisions or enabling legislation.
- 3) Unrestricted Net Position – consists of all other resources that do not meet the definition of “restricted” or “net investment in capital assets” as defined above.

Governmental Fund Financial Statements

Equity is classified in the governmental fund financial statements as fund balance. Governmental fund balances are further classified as Nonspendable, Restricted, Committed, Assigned, or Unassigned.

- 1) Nonspendable Fund Balance – this classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.
- 2) Restricted Fund Balance – this classification includes amounts that are restricted by enabling legislation. Other amounts are also reported in this classification if they are (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) are imposed by law through constitutional provisions or enabling legislation.
- 3) Committed Fund Balance – this classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (ordinance) of the City Council, which is the City’s highest level of decision making authority. It also includes contractual obligations to the extent that existing resources are specifically committed for use in satisfying those contractual requirements.

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

K. Equity Classification (continued)

Governmental Fund Financial Statements (continued)

- 4) Assigned Fund Balance – this classification includes amounts that are constrained by the City's intent to use the funds for specific purposes, but are neither restricted nor committed, as established by the City Manager. The City Manager received the authority to place constraints on city funds through an ordinance created by the City Council. It also includes all remaining amounts that are reported in governmental funds (other than the General Fund) which have specific purposes and that are not classified in one of the previous classifications.
- 5) Unassigned Fund Balance – this classification is generally the residual classification for the General Fund. However, it may be necessary to report a negative unassigned fund balance for other governmental funds if expenditures incurred for specific purposes exceeds the amounts restricted, committed, or assigned for those purposes. Thus, this classification is normally a positive amount within the General Fund and represents fund balance that has not been restricted, committed, or assigned for any specific purposes.

When restricted and unrestricted resources are available, it is the City's accounting policy to use restricted resources first.

When committed, assigned, or unassigned resources are available for use, it is the City's accounting policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

The City has not formally adopted any minimum fund balance policy. However, the State of Utah does require the City to maintain 5% of the current fiscal year's actual revenues as a minimum fund balance. The City is cognizant of and adheres to this requirement.

The following page provides greater detail of the fund balance classifications and categories for all governmental funds for the fiscal year ended June 30, 2021. The governmental fund balance classifications and categories at the end of the current fiscal year are as follows:

City of Orem
Notes to the Financial Statements
June 30, 2021

4. Detailed Notes for all Funds (continued)

K. Equity Classification (continued)

Governmental Fund Financial Statements (continued)

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds ¹	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Prepays	\$ 413,604	\$ -	\$ -	\$ -	\$ 413,604
	413,604	-	-	-	413,604
Restricted:					
Class "C" Roads	5,249,123	-	-	-	5,249,123
Utopia DSR Pledge	3,355,337	-	-	-	3,355,337
Task Force	1,548,792	-	-	-	1,548,792
Parks, Rec., & Arts	-	-	-	2,685,320	2,685,320
Fitness Center	-	-	-	1,066,171	1,066,171
Debt Service	-	815,965	-	-	815,965
Capital Improvements	-	-	19,088	4,622,751	4,641,839
Other Purposes	30,000	-	-	5,651,545	5,681,545
	10,183,252	815,965	19,088	14,025,787	25,044,092
Assigned:					
Vehicles	763,805	-	-	-	763,805
Public Safety Equip.	616,210	-	60,306	-	676,516
Library Media Funds	110,377	-	-	-	110,377
Economic Dev. Funds	63,787	-	-	-	63,787
Facility Improvements	-	-	1,108,042	-	1,108,042
CARES Act Funds	5,526,759	-	-	-	5,526,759
Street/Street Light Imp.	-	-	2,623,628	-	2,623,628
Park Improvements	-	-	756,595	-	756,595
Fitness Center	-	-	1,017,244	-	1,017,244
Library Hall	-	-	313,482	-	313,482
Debt Service	-	1,144,437	-	-	1,144,437
Capital Improvements	777,180	-	13,908,256	-	14,685,436
Other Purposes	3,252,856	-	-	422,271	3,675,127
	11,110,974	1,144,437	19,787,553	422,271	32,465,235
Unassigned	18,424,509	-	-	-	18,424,509
Total Fund Balances	\$ 40,132,339	\$ 1,960,402	\$ 19,806,641	\$ 14,448,058	\$ 76,347,440

¹ See pages 114-115 for a breakdown by individual fund

5. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains this fund to account for and finance its risks of loss. The City provides coverage for worker's compensation claims through the Workers Compensation Fund of Utah which was effective as of January 1, 2019. The Self-insurance fund also provides coverage up to \$15,000 for general liability and \$10,000 for property damage. The City is

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

A. Risk Management (continued)

insured through the Utah Risk Management Agency (URMA) for liability and claims in excess of coverage provided by the Self-insurance Fund for liability and property claims. While URMA pays for any liability and property claims exceeding the deductible amount, these claims are repaid by the City through a five-year recapture program. Thus, each year the City pays its annual premium plus a recapture component. As of June 30, 2021, the outstanding recapture program liability is \$657,014. This liability is presented in the changes in long-term liabilities table (page 82) as part of the "other long-term liability" amount.

The City is insured by Safety National Insurance Company for worker's compensation claims in excess of coverage provided by the Self-insurance Fund. Only one claim has exceeded this coverage in the past five fiscal years. All funds of the City participate in the program and make payments to the Self-insurance Fund based on estimates of the amounts needed to pay prior and current year claims. As of June 30, 2021, the estimated reserves liability is \$244,524. This liability is presented in the changes in long-term liabilities table (page 82) as an "other long-term liability". The activity related to pre-January 1, 2019, worker's compensation claims (all retained risk) for the years ended June 30, 2020 and 2021 is as follows:

Year ended June 30,	2020	2021
Claim liability, beginning of year	\$ 546,617	\$ 330,081
Claims incurred during the year	-	-
Changes in estimates of claims of prior periods	39,817	59,963
Payments on claims during the year	(256,353)	(145,520)
Claim liability, end of year	<u>\$ 330,081</u>	<u>\$ 244,524</u>

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

B. Contingent Liabilities (continued)

Utah Telecommunication Open Infrastructure Agency (UTOPIA)

The City is a member of UTOPIA, an interlocal, nonprofit agency. UTOPIA was formed under the Utah Interlocal Cooperation Act by its eighteen founding cities, of which the City is one of the eleven pledged members. This agency has the assignment to design, finance, build, operate and maintain a fiber-to-home and fiber-to-business fiber optic communication network. UTOPIA will build the infrastructure but private companies will deliver the services over the network. UTOPIA acts as the wholesaler, not the retailer.

In July 2004, UTOPIA issued an \$85,000,000 revenue bond. In June 2008, UTOPIA issued \$185,000,000 in new revenue bonds to pay and cancel the 2004 revenue bonds, pay and cancel other related debt, pay outstanding unfunded construction commitments, provide two years of capitalized interest and LOC payments, provide approximately \$10,000,000 in operational and construction funds, and to pay the costs of issuing the 2008 bonds.

In December 2011, UTOPIA refinanced the existing 2008 variable rate bonds and replaced them with a long-term relatively fixed rate debt structure (SWAP arrangement). The new debt structure eliminated the letter of credit fee and will result in an estimated savings of \$117 million over the life of the bonds. The new 2011 revenue bonds still have principal payments due quarterly commencing in December 2013 and continuing through June 2040 with interest payments due monthly commencing in January 2012 and continuing through June 2040.

Net revenues from the communication network will reimburse a debt service reserve fund for payments on the bond debt. To the extent that there are insufficient net revenues to pay the debt service, the eleven pledged members are required to reimburse the UTOPIA debt service reserve fund of any shortfall by their respective percentages up to a specific dollar amount. Each member city has pledged sales tax revenues to pay their respective percentage of any shortfall amount. None of the pledge requirements were modified by the 2011 bond refinancing. The City's liability limit (pledge) for the current fiscal year was set at a maximum of \$3,289,545. The pledge limit has an annual increase which is not to exceed 2%. The City's total remaining maximum pledge amount for all fiscal years through 2040 (end of the bond term) is \$76,231,100.

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

B. Contingent Liabilities (continued)

Utah Infrastructure Agency (UIA)

The City is a member of UIA, an interlocal, nonprofit agency. UIA was formed under the Utah Interlocal Cooperation Act by its nine member cities, of which the City is one of the eight contracting members.

This agency was organized to provide for the acquisition, construction, and installation of telecommunication and cable television lines to a customer's premises using a demand utility model.

The UIA network will be connected to the fiber optic network of UTOPIA (see previous page) pursuant to an Indefeasible Right of Use (IRU) agreement which provides UIA access to certain facilities of and capacity in the UTOPIA network. Construction of the UIA network began in May of 2011.

In May 2011, UIA issued \$29,390,000 in revenue bonds (\$20,275,000 tax exempt and \$9,115,000 taxable). In July 2013, UIA issued \$11,205,000 (all tax exempt) of revenue bonds. In October 2015, UIA issued \$24,295,000 (all tax exempt) of revenue bonds. The total of these bond issuances is \$64,890,000 and they were all refunded with the Series 2017 refunding bonds described below.

In December 2017, UIA issued \$77,405,000 (\$73,905,000 tax exempt and \$3,500,000 taxable) of revenue and refunding bonds. The bonds were issued to refund the Series 2011, 2013, and 2015 bonds and to obtain additional funding for infrastructure. The Series 2017 bonds have principal payments due annually commencing in October 2018 and continuing through October 2040 with interest payments due semi-annually in April and October beginning in April 2018. The interest rate on these bonds varies between 2% and 5%.

Service fee revenues from the UIA network will be used to make the debt service payments. To the extent there are insufficient service fee revenues to pay a debt service payment, the eight contracting members are required to pay to UIA any shortfall by their respective percentages up to a specific dollar amount. Each contracting city has pledged franchise tax revenues to pay their respective percentage of any shortfall amount. The City's liability limit (pledge) is set at \$1,223,786. The City did not have to make any pledge payments in Fiscal Year 2021.

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

C. Pension Plans

General Information and Plan Description

The City is an eligible plan participant whose pension plans are administered by and provided through the Utah Retirement Systems (URS). URS administers the following pension trust funds (collectively referred to as "The Systems"):

- Public Employees Noncontributory Retirement System (Noncontributory System); Public Employees Contributory Retirement System (Contributory System); and the Firefighters Retirement System (Firefighters System). Each of these systems is a cost-sharing, multiple-employer, public employee retirement system.
- Public Safety Retirement System (Public Safety System). This plan is a mixed agent and cost-sharing, multiple-employer public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) and Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighter System). Both of these systems are cost-sharing, multiple-employer, public employee retirement systems.

The Tier 2 Retirement Systems became effective July 1, 2011. All eligible employees hired on or after July 1, 2011, who had no previous service credit with any of the Utah Retirement 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 Utah 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 (Board), whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report which includes financial statements and required supplementary information for the Systems. The financial report may be obtained by writing to the Utah Retirement Systems, 560 East 200 South, Salt Lake City, UT 84102 or by visiting the URS website at www.urs.org/general/publications.

Summary of Retirement Benefits by System

The Systems currently provide retirement benefits, annual cost of living adjustments, disability benefits, and death benefits.

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

C. Pension Plans (continued)

Summary of Retirement Benefits by System (continued)

A summary of retirement benefits are as follows:

Retirement System	Final Average Salary	Years of Service required and/or Age Eligible for Benefit	Benefit Percentage Per Year of Service	COLA **
Noncontributory System	Highest 3 Years	30 Years - Any Age 25 Years - Any Age * 20 Years - Age 60 * 10 Years - Age 62 * 4 Years - Age 65	2% / Yr - All Years	Up to 4%
Contributory System	Highest 5 Years	30 Years - Any Age 20 Years - Age 60 * 10 Years - Age 62 * 4 Years - Age 65	1.25% / Yr to June 1975 or 2% / Yr from July 1975 to the Present	Up to 4%
Public Safety System	Highest 3 Years	20 Years - Any Age 10 Years - Age 60 4 Years - Age 65	2.5% / Yr up to 20 Yrs and 2% / Yr over 20 Yrs	Up to 2.5% or 4.0% Depending on Employer
Firefighters System	Highest 3 Years	20 Years - Any Age 10 Years - Age 60 4 Years - Age 65	2.5% / Yr up to 20 Yrs and 2% / Yr over 20 Yrs	Up to 4%
Tier 2 Public Employees System	Highest 5 Years	35 Years - Any Age 20 Years - Age 60 * 10 Years - Age 62 * 4 Years - Age 65	1.5% / Yr - All Years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 Years - Any Age 20 Years - Age 60 * 10 Years - Age 62 * 4 Years - Age 65	1.5% / Yr to June 2020 or 2% / Yr from July 2020 to the Present	Up to 2.5%

* Actuarial reductions apply.

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges (compounded benefit). Cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year. However, unused CPI increases may be carried forward to subsequent years.

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

C. Pension Plans (continued)

Contributions

As a condition of participation in the Systems, the City and/or its employees are required to contribute certain percentages of salaries and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2021 are as follows:

<u>Retirement System</u>	<u>Employee Paid</u>	<u>Employer Paid for Employee</u>	<u>Employer Contribution Rates</u>	<u>Employer Rate for 401(k) Plan</u>
<u>Noncontributory System</u>				
Local Governmental - Tier 1	N/A	N/A	18.47%	N/A
<u>Contributory System</u>				
Local Governmental - Tier 1	6.00%	N/A	14.46%	N/A
Local Governmental - Tier 2	N/A	N/A	15.80%	0.89%
<u>Public Safety System</u>				
Noncontributory - Tier 1	N/A	N/A	38.97%	N/A
Contributory (74) - Tier 1	10.50%	N/A	28.98%	N/A
Contributory (122) - Tier 2	N/A	2.27%	30.02%	N/A
<u>Firefighters System</u>				
Division B - Tier 1	N/A	16.71%	7.24%	N/A
Division B - Tier 2	N/A	2.27%	14.08%	N/A
<u>Tier 2 DC Only</u>				
Local Governmental	N/A	N/A	6.69%	10.00%
Public Safety	N/A	N/A	16.02%	14.00%
Firefighters	N/A	N/A	0.08%	14.00%

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

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

C. Pension Plans (continued)

Contributions (continued)

For the fiscal year ended June 30, 2021, the employer and employee contributions to the Systems were as follows:

Retirement System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 1,776,850	N/A
Contributory System	100,566	41,729
Public Safety System	1,300,202	10,099
Firefighters System	215,320	496,961
Tier 2 Public Employees System	699,664	-
Tier 2 Public Safety and Firefighter System	909,579	85,033
Tier 2 DC Only	84,258	N/A
Tier 2 DC Public Safety & Firefighter System	34,194	N/A
Total Contributions	<u>\$ 5,120,633</u>	<u>\$ 633,822</u>

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

Pension Assets, Liabilities, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources related to Pensions

At June 30, 2021, the City had a net pension asset of \$5,804,766 and a net pension liability of \$3,330,231.

Retirement System	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	1.1576503%	\$ -	\$ 593,808
Contributory System	4.6970700%	841,818	-
Public Safety System	7.0891923%	-	2,548,793
Firefighters System	3.6834896%	4,962,948	-
Tier 2 Public Employees System	0.2547670%	-	36,643
Tier 2 Public Safety and Firefighter System	1.6833421%	-	150,987
Total Net Pension Asset / Liability		<u>\$ 5,804,766</u>	<u>\$ 3,330,231</u>

The net pension asset and liability were measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020, and rolled forward using generally accepted actuarial procedures. The proportion

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

C. Pension Plans (continued)

Pension Assets, Liabilities, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources related to Pensions (continued)

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 over the total of all employer contributions to the Systems during the plan year.

For the year ended June 30, 2021, the City had pension expenses of \$1,400,807. The following table details this total pension expense by retirement system:

Retirement System	Pension Expense
Noncontributory System	\$ 551,177
Contributory System	(496,977)
Public Safety System	1,883,309
Firefighters System	(1,354,557)
Tier 2 Public Employees System	358,355
Tier 2 Public Safety & Firefighter System	459,500
Total	<u>\$ 1,400,807</u>

At June 30, 2021, the City had deferred outflows and inflows of resources related to pensions from the following sources:

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience:		
Noncontributory System	\$ 796,636	\$ -
Contributory System	-	-
Public Safety System	2,888,087	-
Firefighters System	166,271	172,655
Tier 2 Public Employees System	33,730	16,779
Tier 2 Public Safety & Firefighter System	78,070	48
	<u>3,962,794</u>	<u>189,482</u>
Changes in assumptions:		
Noncontributory System	-	77,673
Contributory System	-	-
Public Safety System	272,000	122,568
Firefighters System	542,760	-
Tier 2 Public Employees System	46,348	1,333
Tier 2 Public Safety & Firefighter System	35,087	16,176
	<u>896,195</u>	<u>217,750</u>

(table continues on next page)

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

C. Pension Plans (continued)

Pension Assets, Liabilities, Expense, Deferred Outflows of Resources, and
Deferred Inflows of Resources related to Pensions (continued)

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected & actual earnings on pension plan investments:		
Noncontributory System	-	4,336,023
Contributory System	-	1,428,109
Public Safety System	-	2,605,688
Firefighters System	-	2,828,567
Tier 2 Public Employees System	-	107,107
Tier 2 Public Safety & Firefighter System	-	96,492
	-	11,401,986
Changes in proportion and difference between contributions and proportionate share of contributions:		
Noncontributory System	24,530	76,143
Contributory System	-	-
Public Safety System	3,177	50,342
Firefighters System	46,826	2,086
Tier 2 Public Employees System	51,412	-
Tier 2 Public Safety & Firefighter System	25,676	1,722
	151,621	130,293
Contributions subsequent to the measurement date:		
Noncontributory System	881,591	-
Contributory System	47,608	-
Public Safety System	683,352	-
Firefighters System	107,055	-
Tier 2 Public Employees System	407,576	-
Tier 2 Public Safety & Firefighter System	494,241	-
	2,621,423	-
Total Deferred Outflows / Inflows of Resources:		
Noncontributory System	1,702,757	4,489,839
Contributory System	47,608	1,428,109
Public Safety System	3,846,616	2,778,598
Firefighters System	862,912	3,003,308
Tier 2 Public Employees System	539,066	125,219
Tier 2 Public Safety & Firefighter System	633,074	114,438
	<u>\$ 7,632,033</u>	<u>\$ 11,939,511</u>

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

C. Pension Plans (continued)

Pension Assets, Liabilities, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources related to Pensions (continued)

Contributions made by the City to URS prior to our fiscal year end but after the measurement date of December 31, 2020, are reported as deferred outflows of resources related to pensions in the amount of \$2,621,424 (see breakdown by retirement system in the previous table). These contributions will be recognized as a reduction of the net pension liability in the following fiscal year.

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

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (1,191,392)
2022	(477,128)
2023	(3,590,249)
2024	(1,827,203)
2025	20,311
Thereafter	136,758

The following table outlines the net deferred outflows (inflows) of resources that will be recognized in pension expense for each retirement system:

Year Ended Dec. 31,	Non- Contributory System	Contributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety & Firefighter System
2021	\$ (974,469)	\$ (456,763)	\$ 875,992	\$ (599,074)	\$ (18,674)	\$ (18,404)
2022	(460,780)	(218,837)	538,061	(312,015)	(11,148)	(12,409)
2023	(1,514,572)	(519,596)	(596,225)	(910,496)	(25,265)	(24,095)
2024	(718,853)	(232,913)	(433,162)	(425,866)	(7,643)	(8,766)
2025	-	-	-	-	12,107	8,204
Thereafter	-	-	-	-	56,893	79,865

Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement period:

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

C. Pension Plans (continued)

Actuarial Assumptions (continued)

Inflation	2.50%
Salary Increases	3.25% to 9.75%, Average, including Inflation
Investment Rate of Return	6.95%, 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 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 and public safety members, respectively.

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the five (5) 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	37%	6.30%	2.33%
Debt Securities	20%	0.00%	0.00%
Real Assets	15%	6.19%	0.93%
Private Equity	12%	9.50%	1.14%
Absolute Return	16%	2.75%	0.44%
Cash and Cash Equivalents	0%	0.00%	0.00%
Totals	100%		4.84%
Inflation			2.50%
Expected Arithmetic Nominal Return			7.34%

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

C. Pension Plans (continued)

Actuarial Assumptions (continued)

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

Discount Rate

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

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to changes in the Discount Rate

The proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (5.95%) or 1.00% higher (7.95%) than the current rate is presented in the following table:

	1.00% Decrease (5.95%)	Discount Rate (6.95%)	1.00% Increase (7.95%)
Retirement System			
Noncontributory System	\$ 10,294,875	\$ 593,808	\$ (7,493,490)
Contributory System	1,252,053	(841,818)	(2,609,739)
Public Safety System	9,317,705	2,548,793	(2,966,613)
Firefighters System	651,564	(4,962,948)	(9,571,650)
Tier 2 Public Employees System	616,585	36,643	(406,998)
Tier 2 Public Safety & Firefighter System	711,852	150,987	(296,339)
Total	<u>\$ 22,844,634</u>	<u>\$ (2,474,535)</u>	<u>\$ (23,344,829)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report (www.urs.org).

Funding and Allocation Method

The City used each active URS participating employee's current wage and years of service to calculate a weighted amount. These weighted amounts were used to establish a percentage of each system's total applicable net liability or asset (as provided by URS). Each employee is then assigned their applicable

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

C. Pension Plans (continued)

Funding and Allocation Method (continued)

amount based upon the prior calculations and grouped according to their job assignment. The total amount for all employees associated with a governmental fund is recorded as a governmental activity in the government-wide statements. Obligations for these employees are generally liquidated through the General Fund. Amounts for all employees associated with a proprietary fund are identified and all associated transactions are recorded within the applicable proprietary fund. Each proprietary fund is responsible to liquidate its own pension obligations.

D. Employee Retirement Plans other than Pension Plans

401(k) Defined Contribution Plan

The City's 401(k) defined contribution plan is administered by ICMA Retirement Corporation (ICMA-RC). The payroll covered by the defined contribution plan for the year ended June 30, 2021, was \$32,695,810. The City's expense for this plan for the year ended June 30, 2021 was approximately \$327,000 or 1.00% of the total participants' salary.

The contribution rates were previously fixed by the City Council and the contributions were remitted on a timely basis. All employees are fully vested for the contributions made by the City.

In the early 1980's, the City elected to withdraw from the Utah Retirement Systems (URS) pension plan and contribute these funds to each employee's 401(k) account. However, State lawmakers soon mandated that all employees were required to join the URS except certain classes of employees. The City Council was allowed to identify which employees qualified. They elected to allow department heads, the City Manager, and City Council members the option of whether or not to participate in the URS. There are currently three employees, the Mayor, and all six City Council members who have elected to not participate in the URS.

The City also participates in the URS 401(k) defined contribution savings plan which is generally a supplemental plan to the basic pension benefits of the URS, but may be used as a primary retirement plan. Employee and employer contributions to the URS 401(k) defined contribution savings plan for the fiscal years ended June 30 were as follows:

Contribution Type	2021	2020	2019
Employer Contributions	\$ 274,072	\$ 267,198	\$ 235,362
Employee Contributions	\$ -	\$ -	\$ -

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

D. Employee Retirement Plans other than Pension Plans (continued)

457 Deferred Compensation Plan

The deferred compensation plan was created in 1981 as a Social Security replacement program for the employees of the City. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City participates in four plans. The assets associated with these plans are not included in the basic financial statements, as they are not legal assets of the City.

All elected officials and permanent employees may also elect to participate in the City's deferred compensation plan and all temporary employees are required to participate in a deferred compensation plan. Under this plan, participants defer a percentage of their compensation up to 7.5% for executive management personnel and up to 5.5% for all other employees (except for the City Manager, whose participation in the plan is determined through negotiation with the City Council, and employees required to pay Medicare insurance premiums) for employees hired prior to March 1986. For those hired after March 1986 the percentage is 6.0% and 4.0% respectively. The City matches the amount deferred by the participants, not to exceed the maximums listed previously or the IRS legal limit. The payroll covered by the deferred compensation plan for the year ended June 30, 2021, was \$32,695,810. The City's expense for this plan for the year ended June 30, 2021, was approximately \$1,241,000 or 3.80% of the total participants' salary. The contribution rates were determined by the City Council and the contributions were remitted on a timely basis.

The City also participates in the URS 457 defined contribution savings plan which is generally a supplemental plan to the basic pension benefits of the URS, but may be used as a primary retirement plan. Employee and employer contributions to the URS 457 defined contribution savings plan for the fiscal years ended June 30 were as follows:

Contribution Type	2021	2020	2019
Employer Contributions	\$ 103,249	\$ 88,353	\$ 106,355
Employee Contributions	\$ 133,345	\$ 106,929	\$ 127,678

E. Other Postemployment Benefits

General Information about the OPEB Plan

Plan Description

The City provides postemployment healthcare benefits through a single-employer defined benefit plan to all employees who retired from the City prior to January 1, 2007, and who were qualified to retire from any of the Utah State Retirement Systems. The benefit, benefit level, employee and

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

E. Other Postemployment Benefits (continued)

Plan Description (continued)

employer contributions are governed by City policy and can be amended at any time. The plan is not accounted for as a trust fund and no assets are being accumulated in a trust that meet the criteria in paragraph 4 of Statement 75. The plan does not issue a separate financial report.

Employees who retire(d) on or after January 1, 2007, are not eligible to participate in this plan unless retiree health insurance is offered as an option to an employee under a voluntary separation plan which are unusual and infrequent. Otherwise, no new entrants to the plan will occur. As of June 30, 2021, there are four (4) retirees or retirees spouses participating in the plan.

The City currently pays for postemployment benefits other than pensions on a "pay-as-you-go" basis. Contribution amounts for the City and the plan members may be amended at any time and for any reason. For the fiscal year ended June 30, 2021, total plan premiums paid were \$60,399. The City contributed \$33,683 (55.77% of total premiums) and retiree plan members receiving benefits contributed \$26,716 (44.23% of total premiums). The activity of the plan is reported in the City's General Fund and all obligations are liquidated through the General Fund.

Total OPEB Liability

The City's total OPEB liability of \$89,063 was determined by an actuarial valuation as of January 1, 2020, and measurement date of December 31, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise noted:

Inflation	2.20%
Salary Increases	N/A
Discount Rate	2.16%
Healthcare Cost Trend Rates	4.10% scaling down to 3.70% over 54 years.
Retirees' Share of Benefit-Related Costs	55% of projected health insurance premiums

The discount rate was based on the 20-year Bond Buyer General Obligation Municipal Index.

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

E. Other Postemployment Benefits (continued)

Actuarial Assumptions and Other Inputs (continued)

Mortality rates were based on 2010 Pub General Healthy Retiree with 100% of MP Ultimate scale for retirees and 2010 Pub General Disabled Retiree with 100% of MP Ultimate scale for disabled participants.

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

Changes in the Total OPEB Liability

The following table shows the changes in the City's total OPEB liability:

	Total OPEB Liability
Total OPEB Liability as of January 1, 2020	\$ 157,627
Changes for the Year:	
Service Cost	-
Interest on Total OPEB Liability	2,700
Effect of Economic/Demographic Gains/Losses	-
Changes in Assumptions or Other Inputs	58
Expected Benefit Payments	(71,322)
Net Changes	(68,564)
Total OPEB Liability as of January 1, 2021	\$ 89,063

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability of the City, calculated using the discount rate of 2.16%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (1.16%) or 1.00% higher (3.16%) than the current rate:

	1.00% Decrease (1.16%)	Discount Rate (2.16%)	1.00% Increase (3.16%)
Total OPEB Liability at January 1, 2021	\$ 90,276	\$ 89,063	\$ 87,889

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the City, calculated using the current healthcare cost trend rates, as well as what the City's total

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

E. Other Postemployment Benefits (continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

OPEB liability would be if it were calculated using trend rates that are 1.00% lower or 1.00% higher than the current rate:

	1.00% Decrease	Current Trend Rate	1.00% Increase
Total OPEB Liability at January 1, 2021	\$ 87,489	\$ 89,063	\$ 90,661

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the year ended June 30, 2021, the City had OPEB expenses of \$22,451.

The following table details this total OPEB expense:

Description	OPEB Expense
Service Cost	\$ -
Interest on Total OPEB Liability	2,700
Effect of Plan Changes	-
Recognition of Deferred Outflows/Inflows of Resources:	
Recognition of Economic/Demographic Gains/Losses	3,549
Recognition of Assumption Changes or Inputs	16,202
Total	<u>\$ 22,451</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB (continued)

At June 30, 2021, the City reported the following deferred outflows of resources or inflows of resources related to OPEB:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Deferred Outflows / Inflows of Resources		
Differences between expected and actual experience	\$ -	\$ 1,135
Changes in assumptions	-	5,209
Total OPEB Deferred Outflows / Inflows of Resources	<u>\$ -</u>	<u>\$ 6,344</u>

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

E. Other Postemployment Benefits (continued)

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

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ 6,336
2022	8
2023	-
2024	-
2025	-
Thereafter	-

F. Segment Information for Enterprise Funds

The City has issued revenue bonds to finance certain improvements to its culinary water distribution system, water reclamation plant, and storm sewer system. Because each of these activities is accounted for in separate funds and all of those funds are reported as major funds in the fund financial statements, segment disclosures herein are not required.

G. Redevelopment Agency of the City of Orem

The following Redevelopment Agency information is presented as required by Utah State Code Section 17A-2-1217(3).

For the year ended June 30, 2021, the following activity occurred in the City's Redevelopment Agency:

Tax Increment Collected From Other Taxing Agencies For The Project Area	Total Received	Orem City's Portion
Orem 85-01: Orem Tek Development	\$ 336,644	177,867
Orem 85-02: Timpanogos Technological Center	184,859	97,184
Orem 85-03A: University Parkway Development	213,862	112,885
Orem 85-03B: University Parkway Development	346,178	182,471
Orem 85-04: Economic Zone in Central Orem	104,842	55,358
Orem 87-10: Boyer Project on Center and State Street	216,693	114,389
Orem 90-08: 800 North and State Street Economic Zone	259,613	51,718
Orem CDA: University Place	1,149,872	169,174
Total	<u>\$ 2,812,563</u>	<u>\$ 961,046</u>
Outstanding Loans to Finance RDA Projects	<u>\$ -</u>	

City of Orem
Notes to the Financial Statements
June 30, 2021

5. Other Information (continued)

G. Redevelopment Agency of the City of Orem (continued)

During the year ending June 30, 2021, the RDA expended monies in the categories below as follows:

Economic Development	\$	1,051,628
Capital Outlay		170,048
Total	\$	<u>1,221,676</u>

The Redevelopment Agency did not pay tax increment funds to any taxing agencies for projects during the current fiscal year.

The Redevelopment Agency has one contractual arrangement in the University Place CDA area. The contract was entered into to help fund infrastructure improvements being made as part of an economic development plan for the area. The agreement specifies that 90% of the property taxes collected for this project area are to be remitted to the property owner, 5% to be held within the RDA for future improvements in the project area, and 5% to be paid to the city for administration costs. The agreement term is for twenty years and ends in Fiscal Year 2038. The amount remitted to the property owner for the current fiscal year was \$1,034,885.

H. Subsequent Event

The City has been involved in a breach of contract lawsuit alleging certain clean-up obligations were not disclosed related to the sale of real property the City owned. The case progressed through discovery and into the pretrial and trial-setting phase during the 2021 calendar year. The parties are in the process of finalizing a settlement and dismissing the litigation. The City estimates its potential liability is \$1,150,000 but the actual settlement amount is currently unknown. The Utah Risk Management Agency (URMA) will provide the funds for any settlement and repayment to URMA will be handled pursuant to the City's standard agreement with URMA.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

REQUIRED SUPPLEMENTARY INFORMATION

City of Orem Schedule of the Proportionate Share of the Net Pension Liability Utah Retirement Systems (URS) Last Ten Fiscal Years ¹

System	Proportion of the Net Pension Liability / Asset	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
<u>Noncontributory System</u>					
As of December 31, 2020	1.1576503%	\$ 593,808	\$ 10,188,153	5.8%	99.2%
As of December 31, 2019	1.1763291%	\$ 4,433,430	\$ 10,490,803	42.3%	93.7%
As of December 31, 2018	1.1710300%	\$ 8,623,141	\$ 10,235,192	84.2%	87.0%
As of December 31, 2017	1.1480441%	\$ 5,029,925	\$ 9,994,622	50.3%	91.9%
As of December 31, 2016	1.1669202%	\$ 7,493,056	\$ 10,377,805	72.2%	87.3%
As of December 31, 2015	1.1507910%	\$ 6,511,735	\$ 10,141,076	64.2%	87.8%
As of December 31, 2014	1.1640325%	\$ 5,054,503	\$ 10,427,520	48.5%	90.2%
<u>Contributory System</u>					
As of December 31, 2020	4.6970700%	\$ (841,818)	\$ 774,803	-108.6%	103.9%
As of December 31, 2019	5.2166185%	\$ 341,879	\$ 934,782	36.6%	98.6%
As of December 31, 2018	5.0759551%	\$ 2,059,837	\$ 950,067	216.8%	91.2%
As of December 31, 2017	4.5962283%	\$ 374,014	\$ 932,647	40.1%	98.2%
As of December 31, 2016	4.2142704%	\$ 1,382,749	\$ 1,011,168	136.7%	92.9%
As of December 31, 2015	2.3846854%	\$ 1,676,087	\$ 1,016,082	165.0%	85.7%
As of December 31, 2014	1.9700731%	\$ 568,255	\$ 1,055,247	53.9%	94.0%
<u>Public Safety System</u>					
As of December 31, 2020	7.0891923%	\$ 2,548,793	\$ 3,285,378	77.6%	94.5%
As of December 31, 2019	7.1030859%	\$ 3,527,392	\$ 3,397,985	103.8%	91.7%
As of December 31, 2018	7.3044190%	\$ 5,755,853	\$ 3,474,822	165.6%	85.6%
As of December 31, 2017	7.4094711%	\$ 3,580,282	\$ 3,643,056	98.3%	90.5%
As of December 31, 2016	7.8307470%	\$ 4,880,882	\$ 4,114,120	118.6%	86.1%
As of December 31, 2015	7.6878583%	\$ 3,751,301	\$ 4,043,837	92.8%	87.6%
As of December 31, 2014	7.8553996%	\$ 3,106,282	\$ 4,163,687	74.6%	89.0%
<u>Firefighters System</u>					
As of December 31, 2020	3.6834896%	\$ (4,962,948)	\$ 3,158,996	-157.1%	112.0%
As of December 31, 2019	3.8802995%	\$ (2,426,403)	\$ 3,191,512	-76.0%	105.8%
As of December 31, 2018	3.7318322%	\$ 1,508,227	\$ 3,051,512	49.4%	96.1%
As of December 31, 2017	3.7993255%	\$ (852,323)	\$ 3,178,325	-26.8%	102.3%
As of December 31, 2016	3.8179852%	\$ 564,747	\$ 3,300,053	17.1%	98.4%
As of December 31, 2015	3.9201431%	\$ 667,045	\$ 3,306,160	20.2%	98.1%
As of December 31, 2014	4.1264713%	\$ (454,109)	\$ 3,468,618	-13.1%	101.3%

(continued on next page)

REQUIRED SUPPLEMENTARY INFORMATION

City of Orem Schedule of the Proportionate Share of the Net Pension Liability Utah Retirement Systems (URS) Last Ten Fiscal Years ¹

System	Proportion of the Net Pension Liability / Asset	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
<u>Tier 2 Public Employees System</u>					
As of December 31, 2020	0.2547670%	\$ 36,643	\$ 4,072,643	0.9%	98.3%
As of December 31, 2019	0.2455577%	\$ 55,228	\$ 3,413,091	1.6%	96.5%
As of December 31, 2018	0.2706777%	\$ 115,925	\$ 3,161,819	3.7%	90.8%
As of December 31, 2017	0.2959959%	\$ 26,097	\$ 2,894,899	0.9%	97.4%
As of December 31, 2016	0.3019157%	\$ 33,678	\$ 2,475,959	1.4%	95.1%
As of December 31, 2015	0.2589627%	\$ (565)	\$ 1,673,317	0.0%	100.2%
As of December 31, 2014	0.1982677%	\$ (6,008)	\$ 972,771	-0.6%	103.5%
<u>Tier 2 Public Safety and Firefighters System</u>					
As of December 31, 2020	1.6833421%	\$ 150,987	\$ 3,343,708	4.5%	93.1%
As of December 31, 2019	1.6481079%	\$ 155,028	\$ 2,716,402	5.7%	89.6%
As of December 31, 2018	1.6322111%	\$ 40,896	\$ 2,183,063	1.9%	95.6%
As of December 31, 2017	1.6337586%	\$ (18,904)	\$ 1,724,051	-1.1%	103.0%
As of December 31, 2016	1.3680971%	\$ (11,876)	\$ 1,130,354	-1.1%	103.6%
As of December 31, 2015	1.2593445%	\$ (18,399)	\$ 749,442	-2.5%	110.7%
As of December 31, 2014	1.1227061%	\$ (16,608)	\$ 464,014	-3.6%	120.5%
Total - As of December 31, 2020		\$ (2,474,535)	\$ 24,823,681	-10.0%	
Total - As of December 31, 2019		\$ 6,086,554	\$ 24,144,575	25.2%	
Total - As of December 31, 2018		\$ 18,103,879	\$ 23,056,475	78.5%	
Total - As of December 31, 2017		\$ 8,139,091	\$ 22,367,600	36.4%	
Total - As of December 31, 2016		\$ 14,343,236	\$ 22,409,459	64.0%	
Total - As of December 31, 2015		\$ 12,587,204	\$ 20,929,914	60.1%	
Total - As of December 31, 2014		\$ 8,252,315	\$ 20,551,857	40.2%	

¹ In accordance with paragraph 81.a of GASB 68, the City will need to disclose a ten (10) year history of their proportionate share of the Net Pension Liability or Asset in this schedule. However, this schedule will be populated prospectively.

REQUIRED SUPPLEMENTARY INFORMATION

City of Orem Schedule of Contributions Utah Retirement Systems (URS) Last Ten Fiscal Years ¹

System	Contributions in relation to the				Contribution as a % of Covered Payroll ²
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	
<u>Noncontributory System</u>					
As of June 30, 2021	\$ 1,776,850	\$ 1,776,850	\$ -	\$ 10,096,295	17.60%
As of June 30, 2020	\$ 1,835,859	\$ 1,835,859	\$ -	\$ 10,508,753	17.47%
As of June 30, 2019	\$ 1,849,063	\$ 1,849,063	\$ -	\$ 10,576,380	17.48%
As of June 30, 2018	\$ 1,826,860	\$ 1,826,860	\$ -	\$ 10,413,456	17.54%
As of June 30, 2017	\$ 1,733,503	\$ 1,733,503	\$ -	\$ 9,986,591	17.36%
As of June 30, 2016	\$ 1,742,920	\$ 1,742,920	\$ -	\$ 10,082,347	17.29%
As of June 30, 2015	\$ 1,785,144	\$ 1,785,144	\$ -	\$ 10,274,003	17.38%
As of June 30, 2014	\$ 1,720,949	\$ 1,720,949	\$ -	\$ 10,573,678	16.28%
<u>Contributory System</u>					
As of June 30, 2021	\$ 100,566	\$ 100,566	\$ -	\$ 695,479	14.46%
As of June 30, 2020	\$ 124,700	\$ 124,700	\$ -	\$ 862,379	14.46%
As of June 30, 2019	\$ 139,613	\$ 139,613	\$ -	\$ 965,512	14.46%
As of June 30, 2018	\$ 139,995	\$ 139,995	\$ -	\$ 968,153	14.46%
As of June 30, 2017	\$ 136,617	\$ 136,617	\$ -	\$ 944,788	14.46%
As of June 30, 2016	\$ 146,149	\$ 146,149	\$ -	\$ 1,010,709	14.46%
As of June 30, 2015	\$ 146,645	\$ 146,645	\$ -	\$ 1,014,143	14.46%
As of June 30, 2014	\$ 145,300	\$ 145,300	\$ -	\$ 1,094,124	13.28%
<u>Public Safety System</u>					
As of June 30, 2021	\$ 1,300,202	\$ 1,300,202	\$ -	\$ 3,450,026	37.69%
As of June 30, 2020	\$ 1,207,483	\$ 1,207,483	\$ -	\$ 3,173,176	38.05%
As of June 30, 2019	\$ 1,286,440	\$ 1,286,440	\$ -	\$ 3,324,661	38.69%
As of June 30, 2018	\$ 1,379,976	\$ 1,379,976	\$ -	\$ 3,609,633	38.23%
As of June 30, 2017	\$ 1,417,405	\$ 1,417,405	\$ -	\$ 3,768,298	37.61%
As of June 30, 2016	\$ 1,534,707	\$ 1,534,707	\$ -	\$ 4,080,078	37.61%
As of June 30, 2015	\$ 1,527,206	\$ 1,527,206	\$ -	\$ 4,050,464	37.70%
As of June 30, 2014	\$ 1,557,376	\$ 1,557,376	\$ -	\$ 4,247,643	36.66%
<u>Firefighters System</u>					
As of June 30, 2021	\$ 215,320	\$ 215,320	\$ -	\$ 3,240,242	6.65%
As of June 30, 2020	\$ 228,761	\$ 228,761	\$ -	\$ 3,179,830	7.19%
As of June 30, 2019	\$ 226,592	\$ 226,592	\$ -	\$ 3,129,730	7.24%
As of June 30, 2018	\$ 215,452	\$ 215,452	\$ -	\$ 3,200,968	6.73%
As of June 30, 2017	\$ 210,460	\$ 210,460	\$ -	\$ 3,160,058	6.66%
As of June 30, 2016	\$ 219,686	\$ 219,686	\$ -	\$ 3,249,791	6.76%
As of June 30, 2015	\$ 220,389	\$ 220,389	\$ -	\$ 3,344,592	6.59%
As of June 30, 2014	\$ 160,554	\$ 160,554	\$ -	\$ 3,601,273	4.46%
<u>Tier 2 Public Employees System *</u>					
As of June 30, 2021	\$ 699,664	\$ 699,664	\$ -	\$ 4,428,258	15.80%
As of June 30, 2020	\$ 580,300	\$ 580,300	\$ -	\$ 3,705,620	15.66%
As of June 30, 2019	\$ 519,001	\$ 519,001	\$ -	\$ 3,339,834	15.54%
As of June 30, 2018	\$ 479,329	\$ 479,329	\$ -	\$ 3,172,260	15.11%
As of June 30, 2017	\$ 402,025	\$ 402,025	\$ -	\$ 2,696,348	14.91%
As of June 30, 2016	\$ 300,882	\$ 300,882	\$ -	\$ 2,017,989	14.91%
As of June 30, 2015	\$ 185,143	\$ 185,143	\$ -	\$ 1,239,243	14.94%
As of June 30, 2014	\$ 113,677	\$ 113,677	\$ -	\$ 812,557	13.99%

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REQUIRED SUPPLEMENTARY INFORMATION

City of Orem Schedule of Contributions Utah Retirement Systems (URS) Last Ten Fiscal Years ¹

System	Contractually Required Contribution	Contributions in relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll ²
<u>Tier 2 Public Safety & Firefighters System *</u>					
As of June 30, 2021	\$ 909,579	\$ 909,579	\$ -	\$ 3,747,569	24.27%
As of June 30, 2020	\$ 658,136	\$ 658,136	\$ -	\$ 3,056,839	21.53%
As of June 30, 2019	\$ 521,389	\$ 521,389	\$ -	\$ 2,434,086	21.42%
As of June 30, 2018	\$ 412,572	\$ 412,572	\$ -	\$ 2,002,958	20.60%
As of June 30, 2017	\$ 275,954	\$ 275,954	\$ -	\$ 1,415,167	19.50%
As of June 30, 2016	\$ 156,487	\$ 156,487	\$ -	\$ 867,683	18.04%
As of June 30, 2015	\$ 103,493	\$ 103,493	\$ -	\$ 585,142	17.69%
As of June 30, 2014	\$ 70,564	\$ 70,564	\$ -	\$ 366,223	19.27%
<u>Tier 2 Public Employees DC Only System *</u>					
As of June 30, 2021	\$ 84,258	\$ 84,258	\$ -	\$ 1,259,452	6.69%
As of June 30, 2020	\$ 65,955	\$ 65,955	\$ -	\$ 988,073	6.68%
As of June 30, 2019	\$ 51,752	\$ 51,752	\$ -	\$ 773,571	6.69%
As of June 30, 2018	\$ 42,785	\$ 42,785	\$ -	\$ 639,540	6.69%
As of June 30, 2017	\$ 31,690	\$ 31,690	\$ -	\$ 473,700	6.69%
As of June 30, 2016	\$ 27,955	\$ 27,955	\$ -	\$ 417,869	6.69%
As of June 30, 2015	\$ 20,253	\$ 20,253	\$ -	\$ 300,442	6.74%
As of June 30, 2014	\$ 9,492	\$ 9,492	\$ -	\$ 170,441	5.57%
<u>Tier 2 Public Safety & Firefighter DC Only System *</u>					
As of June 30, 2021	\$ 34,194	\$ 34,194	\$ -	\$ 239,719	14.26%
As of June 30, 2020	\$ 34,667	\$ 34,667	\$ -	\$ 317,640	10.91%
As of June 30, 2019	\$ 28,973	\$ 28,973	\$ -	\$ 309,371	9.37%
As of June 30, 2018	\$ 33,792	\$ 33,792	\$ -	\$ 307,332	11.00%
As of June 30, 2017	\$ 35,814	\$ 35,814	\$ -	\$ 272,236	13.16%
As of June 30, 2016	\$ 34,337	\$ 34,337	\$ -	\$ 260,874	13.16%
As of June 30, 2015	\$ 20,094	\$ 20,094	\$ -	\$ 137,956	14.57%
As of June 30, 2014	\$ -	\$ -	\$ -	\$ -	0.00%
Total - As of June 30, 2021	\$ 5,120,633	\$ 5,120,633	\$ -	\$ 27,157,040	18.86%
Total - As of June 30, 2020	\$ 4,735,861	\$ 4,735,861	\$ -	\$ 25,792,310	18.36%
Total - As of June 30, 2019	\$ 4,622,823	\$ 4,622,823	\$ -	\$ 24,853,145	18.60%
Total - As of June 30, 2018	\$ 4,530,761	\$ 4,530,761	\$ -	\$ 24,314,300	18.63%
Total - As of June 30, 2017	\$ 4,243,468	\$ 4,243,468	\$ -	\$ 22,717,186	18.68%
Total - As of June 30, 2016	\$ 4,163,123	\$ 4,163,123	\$ -	\$ 21,987,340	18.93%
Total - As of June 30, 2015	\$ 4,008,367	\$ 4,008,367	\$ -	\$ 20,945,985	19.14%
Total - As of June 30, 2014	\$ 3,777,912	\$ 3,777,912	\$ -	\$ 20,865,939	18.11%

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

¹ In accordance with GASE 68 (paragraph 81.b), the City will need to disclose a ten (10) year history in this schedule. However, this schedule will be populated prospectively.

² Contributions as a percentage of covered payroll may be different than the Board certified rate due to rounding or other administrative issues..

REQUIRED SUPPLEMENTARY INFORMATION

City of Orem Schedule of Changes in Total OPEB Liability & Related Ratios Last Ten Fiscal Years ¹

	FY 2019	FY 2020	FY 2021
Total OPEB Liability			
Service Cost	\$ -	\$ -	\$ -
Interest on Total OPEB Liability	5,892	4,716	2,700
Changes of Benefit Terms	-	-	-
Effect of Economic/Demographic Gains or Losses	-	8,233	-
Changes in Assumptions or Other Inputs	-	37,530	58
Expected Benefit Payments	(15,892)	(49,382)	(71,322)
Net Change in Total OPEB Liability	(10,000)	1,097	(68,564)
Total OPEB Liability - Beginning	\$ 166,530	\$ 156,530	\$ 157,627
Total OPEB Liability - Ending	\$ 156,530	\$ 157,627	\$ 89,063
Covered-Employee Payroll	N/A	N/A	N/A
Total OPEB Liability as a % of Covered-Employee Payroll	N/A	N/A	N/A

¹ In accordance with GASB 75, the City will need to disclose a ten (10) year history in this schedule. However, this schedule will be populated prospectively.

**NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

Utah Retirement Systems Pensions

Changes in Assumptions

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

Other Post Employment Benefits (OPEB)

Changes in Assumptions

The discount rate was changed to 2.16% (from 2.21%) since this is the discount rate that will be used to measure the Total OPEB Liability for purposes of GASB 75.

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**OTHER
STATEMENTS
&
SCHEDULES**

Combining Financial Statements Nonmajor Governmental Funds

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities and equipment other than those financed by proprietary funds.

Capital Projects-Impact Fees Fund – This fund is used to account for the acquisition, construction, and/or improvement of major capital facilities of the City as part of funding provided by impact fees collected from developers.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

CARE Tax Fund – This fund is used to account for the preparation and implementation of plans to improve, rehabilitate and/or develop cultural arts and recreation facilities within the City.

Telecommunication Billing Fund – This fund is used to account for billing activities related to the Utopia Infrastructure Agency (UIA) contract utility enhancement agreements.

Transportation Sales Tax Fund – This fund is used to account for revenues and expenditures related to permissible transportation needs such as streets, sidewalks, curb and gutters, traffic safety features, traffic signs and signals, street lighting, and trails for non-motorized vehicles connecting an origin with a destination.

Redevelopment Fund – This fund is used to account for the preparation and implementation of plans to improve, rehabilitate and redevelop project areas within the City.

Community Development & Rehabilitation Fund – This fund is used to account for a variety of efforts to assist development. It is financed principally by federal entitlements from the U.S. Department of Housing and Urban Development, Community Development Block Grants. Grants and loans are made from this fund to assist housing rehabilitation, business development, and equipment and services that aid the indigent, handicapped, elderly, etc.

Friends of the Orem Public Library Fund – This fund is used to support various library and community oriented programs.

Orem Foundation Trust Fund – This fund is used to account for the financial transactions of the Orem Foundation Trust, an approved IRS Section 501(c)3 charitable organization. All funds received are used to support and enhance services and programs provided by the City.

Senior Citizens Fund – This fund is used to account for the financial transactions of those activities related to the Senior Citizen Friendship Center and its senior citizen patrons.

City of Orem
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Capital Projects Funds		Special Revenue Funds		
	Capital Projects - Impact Fees Fund	Total	CARE Tax Fund	Tele- Communication Billing Fund	Transportation Sales Tax Fund
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 37,377	\$ -
Accounts Receivable	-	-	-	-	-
Intergovernmental Receivables	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Restricted Cash and Cash Equivalents:					
Capital Improvement Projects	1,542,417	1,542,417	1,132,330	-	2,253,024
Other Purposes	-	-	2,654,427	-	486,989
Restricted Receivables:					
Capital Improvement Projects	-	-	-	-	-
Other Purposes	-	-	525,997	260,768	482,944
Total Assets	<u>\$ 1,542,417</u>	<u>\$ 1,542,417</u>	<u>\$ 4,312,754</u>	<u>\$ 298,145</u>	<u>\$ 3,222,957</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 505,206	\$ 236,519	\$ 197,808
Accrued Liabilities	-	-	-	-	872
Unearned Revenues	-	-	-	10,094	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>505,206</u>	<u>246,613</u>	<u>198,680</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenues - Property Taxes	-	-	-	-	-
Deferred Revenues - Receivables	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted:					
Parks, Recreation, & Arts	-	-	2,675,218	-	102
Land Acquisition	-	-	10,000	-	-
Fitness Center	-	-	1,066,171	-	-
Capital Improvements	1,542,417	1,542,417	56,159	-	3,024,175
Other Purposes	-	-	-	-	-
Assigned:					
Community Promotion	-	-	-	-	-
Other Purposes	-	-	-	51,532	-
Total Fund Balances	<u>1,542,417</u>	<u>1,542,417</u>	<u>3,807,548</u>	<u>51,532</u>	<u>3,024,277</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,542,417</u>	<u>\$ 1,542,417</u>	<u>\$ 4,312,754</u>	<u>\$ 298,145</u>	<u>\$ 3,222,957</u>

Special Revenue Funds						
Redevelopment Agency Fund	Community Development & Rehabilitation Fund	Friends of the Orem Public Library Fund	Orem Foundation Trust Fund	Senior Citizens Fund	Total	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 1,180	\$ 319,714	\$ 358,271	\$ 358,271
-	-	-	50,000	-	50,000	50,000
-	256,780	-	-	-	256,780	256,780
-	205,021	-	-	-	205,021	205,021
5,157,574	-	-	-	-	8,542,928	10,085,345
-	523,317	-	-	-	3,664,733	3,664,733
1,555,000	-	-	-	-	1,555,000	1,555,000
-	109,057	-	-	-	1,378,766	1,378,766
<u>\$ 6,712,574</u>	<u>\$ 1,094,175</u>	<u>\$ -</u>	<u>\$ 51,180</u>	<u>\$ 319,714</u>	<u>\$ 16,011,499</u>	<u>\$ 17,553,916</u>
\$ -	\$ 104,494	\$ -	\$ -	\$ 155	\$ 1,044,182	\$ 1,044,182
-	6,823	-	-	-	7,695	7,695
-	-	-	-	-	10,094	10,094
-	174,809	-	-	-	174,809	174,809
-	286,126	-	-	155	1,236,780	1,236,780
1,555,000	-	-	-	-	1,555,000	1,555,000
-	314,078	-	-	-	314,078	314,078
<u>1,555,000</u>	<u>314,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,869,078</u>	<u>1,869,078</u>
-	-	-	-	-	2,675,320	2,675,320
-	-	-	-	-	10,000	10,000
-	-	-	-	-	1,066,171	1,066,171
-	-	-	-	-	3,080,334	4,622,751
5,157,574	493,971	-	-	-	5,651,545	5,651,545
-	-	-	51,180	-	51,180	51,180
-	-	-	-	319,559	371,091	371,091
<u>5,157,574</u>	<u>493,971</u>	<u>-</u>	<u>51,180</u>	<u>319,559</u>	<u>12,905,641</u>	<u>14,448,058</u>
<u>\$ 6,712,574</u>	<u>\$ 1,094,175</u>	<u>\$ -</u>	<u>\$ 51,180</u>	<u>\$ 319,714</u>	<u>\$ 16,011,499</u>	<u>\$ 17,553,916</u>

City of Orem
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended June 30, 2021

	Capital Projects Funds		Special Revenue Funds		
	Capital Projects - Impact Fees Fund	Total	CARE Tax Fund	Tele- Communication Billing Fund	Transportation Sales Tax Fund
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	2,741,633	-	2,503,967
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Impact Fees	1,017,553	1,017,553	-	-	-
Investment Earnings	11,209	11,209	20,017	28,811	9,884
Miscellaneous Revenues	-	-	-	2,616	-
Total Revenues	<u>1,028,762</u>	<u>1,028,762</u>	<u>2,761,650</u>	<u>31,427</u>	<u>2,513,851</u>
EXPENDITURES					
Current:					
Highways and Public Improvements	-	-	-	-	257,724
Parks, Recreation and Arts	-	-	928,723	-	-
Economic and Physical Development	-	-	-	21,730	-
Redevelopment	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	2,124,138	2,124,138	3,371,511	-	1,197,957
Total Expenditures	<u>2,124,138</u>	<u>2,124,138</u>	<u>4,300,234</u>	<u>21,730</u>	<u>1,455,681</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,095,376)</u>	<u>(1,095,376)</u>	<u>(1,538,584)</u>	<u>9,697</u>	<u>1,058,170</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Asset Disposals	-	-	-	-	-
Transfers Out	-	-	(33,407)	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>(33,407)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,095,376)	(1,095,376)	(1,571,991)	9,697	1,058,170
Fund Balances - Beginning	<u>2,637,793</u>	<u>2,637,793</u>	<u>5,379,539</u>	<u>41,835</u>	<u>1,966,107</u>
Fund Balances - Ending	<u>\$ 1,542,417</u>	<u>\$ 1,542,417</u>	<u>\$ 3,807,548</u>	<u>\$ 51,532</u>	<u>\$ 3,024,277</u>

Special Revenue Funds

Redevelopment Agency Fund	Community Development & Rehabilitation Fund	Friends of the Orem Public Library Fund	Orem Foundation Trust Fund	Senior Citizens Fund	Total	Total Nonmajor Governmental Funds
\$ 2,843,005	\$ -	\$ -	\$ -	\$ -	\$ 2,843,005	\$ 2,843,005
-	-	-	-	-	5,245,600	5,245,600
-	985,588	-	-	-	985,588	985,588
-	143,129	-	-	9,746	152,875	152,875
-	-	-	-	-	-	1,017,553
32,249	2,252	-	-	1,596	94,809	106,018
8,800	-	-	297,621	13,479	322,516	322,516
<u>2,884,054</u>	<u>1,130,969</u>	<u>-</u>	<u>297,621</u>	<u>24,821</u>	<u>9,644,393</u>	<u>10,673,155</u>
-	-	-	-	-	257,724	257,724
-	-	2	-	3,073	931,798	931,798
-	445,536	-	-	-	467,266	467,266
1,051,628	-	-	-	-	1,051,628	1,051,628
-	80,000	-	-	-	80,000	80,000
-	13,001	-	-	-	13,001	13,001
170,048	353,820	-	-	-	5,093,336	7,217,474
<u>1,221,676</u>	<u>892,357</u>	<u>2</u>	<u>-</u>	<u>3,073</u>	<u>7,894,753</u>	<u>10,018,891</u>
<u>1,662,378</u>	<u>238,612</u>	<u>(2)</u>	<u>297,621</u>	<u>21,748</u>	<u>1,749,640</u>	<u>654,264</u>
492,485	-	-	-	-	492,485	492,485
(3,691,577)	(177,077)	(1,299)	(247,591)	-	(4,150,951)	(4,150,951)
<u>(3,199,092)</u>	<u>(177,077)</u>	<u>(1,299)</u>	<u>(247,591)</u>	<u>-</u>	<u>(3,658,466)</u>	<u>(3,658,466)</u>
(1,536,714)	61,535	(1,301)	50,030	21,748	(1,908,826)	(3,004,202)
6,694,288	432,436	1,301	1,150	297,811	14,814,467	17,452,260
<u>\$ 5,157,574</u>	<u>\$ 493,971</u>	<u>\$ -</u>	<u>\$ 51,180</u>	<u>\$ 319,559</u>	<u>\$ 12,905,641</u>	<u>\$ 14,448,058</u>

**GOVERNMENTAL FUNDS
SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

**DEBT SERVICE FUNDS
DEBT SERVICE FUND**

**CAPITAL PROJECTS FUNDS
CAPITAL PROJECTS FUND
CAPITAL PROJECTS-2019 G.O. BOND FUND
CAPITAL PROJECTS-IMPACT FEES FUND**

**SPECIAL REVENUE FUNDS
CARE TAX FUND
TELECOMMUNICATION BILLING FUND
TRANSPORTATION SALES TAX FUND
REDEVELOPMENT AGENCY FUND
COMMUNITY DEVELOPMENT & REHABILITATION FUND
FRIENDS OF THE OREM PUBLIC LIBRARY FUND
OREM FOUNDATION TRUST FUND
SENIOR CITIZENS FUND**

City of Orem
Debt Service - Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property Taxes	\$ 1,474,796	\$ 1,474,796	\$ 1,474,696	\$ (100)
Investment Earnings	-	-	6,604	6,604
Total Revenues	1,474,796	1,474,796	1,481,300	6,504
EXPENDITURES				
Debt Service:				
Principal Retirement	1,352,255	1,352,255	1,352,255	-
Interest and Fiscal Charges	4,626,522	4,626,522	4,626,422	100
Capital Lease Payments - Principal	444,000	444,000	444,000	-
Capital Lease Payments - Interest	108,284	108,284	108,284	-
Total Expenditures	6,531,061	6,531,061	6,530,961	100
Excess (Deficiency) of Revenues over (under) Expenditures	(5,056,265)	(5,056,265)	(5,049,661)	6,604
OTHER FINANCING SOURCES (USES)				
Transfers In	4,248,348	4,248,348	4,248,348	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	4,248,348	4,248,348	4,248,348	-
Net Change in Fund Balance	(807,917)	(807,917)	(801,313)	6,604
Fund Balance - Beginning	2,761,715	2,761,715	2,761,715	-
Fund Balance - Ending	\$ 1,953,798	\$ 1,953,798	\$ 1,960,402	\$ 6,604

City of Orem
Capital Projects - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 1,406,087	\$ 825,358	\$ (580,729)
Miscellaneous Revenues	275,000	527,292	474,616	(52,676)
Total Revenues	275,000	1,933,379	1,299,974	(633,405)
EXPENDITURES				
Current:				
Economic and Physical Development	10,000	930,669	129,894	800,775
Capital Outlay	436,987	25,988,492	7,429,704	18,558,788
Total Expenditures	446,987	26,919,161	7,559,598	19,359,563
Excess (Deficiency) of Revenues over (under) Expenditures	(171,987)	(24,985,782)	(6,259,624)	18,726,158
OTHER FINANCING SOURCES (USES)				
Transfers In	200,000	7,974,341	7,924,340	(50,001)
Transfers Out	(28,013)	(28,013)	(28,013)	-
Total Other Financing Sources (Uses)	171,987	7,946,328	7,896,327	(50,001)
Net Change in Fund Balance	-	(17,039,454)	1,636,703	18,676,157
Fund Balance - Beginning	18,169,938	18,169,938	18,169,938	-
Fund Balance - Ending	\$ 18,169,938	\$ 1,130,484	\$ 19,806,641	\$ 18,676,157

City of Orem
Capital Projects-2019 G.O. Bonds - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment Earnings	\$ -	\$ 32,090	\$ -	(32,090)
Total Revenues	-	32,090	-	(32,090)
EXPENDITURES				
Current:				
Capital Outlay	-	10,961,839	10,961,839	-
Economic and Physical Development	-	4,614	4,614	-
Total Expenditures	-	10,966,453	10,966,453	-
Excess (Deficiency) of Revenues over (under) Expenditures	-	(10,934,363)	(10,966,453)	(32,090)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(10,934,363)	(10,966,453)	(32,090)
Fund Balance - Beginning	10,966,453	10,966,453	10,966,453	-
Fund Balance - Ending	\$ 10,966,453	\$ 32,090	\$ -	\$ (32,090)

City of Orem
Capital Projects-Impact Fees - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Impact Fees	\$ 1,515,000	\$ 1,520,295	\$ 1,017,553	(502,742)
Investment Earnings	-	-	11,209	11,209
Total Revenues	<u>1,515,000</u>	<u>1,520,295</u>	<u>1,028,762</u>	<u>(491,533)</u>
EXPENDITURES				
Current:				
Economic and Physical Development	-	75,000	-	75,000
Capital Outlay	<u>1,515,000</u>	<u>2,486,576</u>	<u>2,124,138</u>	<u>362,438</u>
Total Expenditures	<u>1,515,000</u>	<u>2,561,576</u>	<u>2,124,138</u>	<u>437,438</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>-</u>	<u>(1,041,281)</u>	<u>(1,095,376)</u>	<u>(54,095)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>(1,041,281)</u>	<u>(1,095,376)</u>	<u>(54,095)</u>
Fund Balance - Beginning	<u>2,637,793</u>	<u>2,637,793</u>	<u>2,637,793</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,637,793</u>	<u>\$ 1,596,512</u>	<u>\$ 1,542,417</u>	<u>\$ (54,095)</u>

City of Orem
CARE Tax - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Sales Taxes	\$ 1,980,000	\$ 1,980,000	\$ 2,741,633	\$ 761,633
Investment Earnings	65,000	65,000	20,017	(44,983)
Total Revenues	2,045,000	2,045,000	2,761,650	716,650
EXPENDITURES				
Current:				
Arts and Recreation Development	2,010,500	1,007,826	928,723	79,103
Capital Outlay	-	4,503,841	3,371,511	1,132,330
Total Expenditures	2,010,500	5,511,667	4,300,234	1,211,433
Excess (Deficiency) of Revenues over (under) Expenditures	34,500	(3,466,667)	(1,538,584)	1,928,083
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(34,500)	(33,407)	(33,407)	-
Total Other Financing Sources (Uses)	(34,500)	(33,407)	(33,407)	-
Net Change in Fund Balance	-	(3,500,074)	(1,571,991)	1,928,083
Fund Balance - Beginning	5,379,539	5,379,539	5,379,539	-
Fund Balance - Ending	\$ 5,379,539	\$ 1,879,465	\$ 3,807,548	\$ 1,928,083

City of Orem
Telecommunication Billing Fund - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment Earnings	\$ 40,000	\$ 40,000	\$ 28,811	\$ (11,189)
Miscellaneous Revenues	4,000	4,000	2,616	(1,384)
Total Revenues	44,000	44,000	31,427	(12,573)
EXPENDITURES				
Current:				
Miscellaneous Expenditures	44,000	44,000	21,730	22,270
Total Expenditures	44,000	44,000	21,730	22,270
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	9,697	9,697
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	9,697	9,697
Fund Balance - Beginning	41,835	41,835	41,835	-
Fund Balance - Ending	\$ 41,835	\$ 41,835	\$ 51,532	\$ 9,697

City of Orem
Transportation Sales Tax - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Sales Taxes	\$ 1,900,000	\$ 1,900,000	\$ 2,503,967	\$ 603,967
Investment Earnings	15,000	15,000	9,884	(5,116)
Total Revenues	1,915,000	1,915,000	2,513,851	598,851
EXPENDITURES				
Current:				
Highways & Public Improvements	218,748	293,748	257,724	36,024
Capital Outlay	1,696,252	3,450,982	1,197,957	2,253,025
Total Expenditures	1,915,000	3,744,730	1,455,681	2,289,049
Excess (Deficiency) of Revenues over (under) Expenditures	-	(1,829,730)	1,058,170	2,887,900
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(1,829,730)	1,058,170	2,887,900
Fund Balance - Beginning	1,966,107	1,966,107	1,966,107	-
Fund Balance - Ending	\$ 1,966,107	\$ 136,377	\$ 3,024,277	\$ 2,887,900

City of Orem
Redevelopment Agency - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Property Taxes	\$ -	\$ 1,215,805	\$ 1,384,134	\$ 168,329
Property Taxes - Tax Increment	2,410,000	1,446,887	1,458,871	11,984
Investment Earnings	-	32,000	32,249	249
Miscellaneous Revenues	-	8,800	8,800	-
Total Revenues	<u>2,410,000</u>	<u>2,703,492</u>	<u>2,884,054</u>	<u>180,562</u>
EXPENDITURES				
Current:				
Redevelopment	1,667,664	1,099,523	1,051,628	47,895
Capital Outlay	-	4,747,148	170,048	4,577,100
Total Expenditures	<u>1,667,664</u>	<u>5,846,671</u>	<u>1,221,676</u>	<u>4,624,995</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>742,336</u>	<u>(3,143,179)</u>	<u>1,662,378</u>	<u>4,805,557</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Asset Disposals	-	492,485	492,485	-
Transfers In	-	-	-	-
Transfers Out	(742,336)	(3,684,084)	(3,691,577)	(7,493)
Total Other Financing Sources (Uses)	<u>(742,336)</u>	<u>(3,191,599)</u>	<u>(3,199,092)</u>	<u>(7,493)</u>
Net Change in Fund Balance	-	(6,334,778)	(1,536,714)	4,798,064
Fund Balance - Beginning	<u>6,694,288</u>	<u>6,694,288</u>	<u>6,694,288</u>	-
Fund Balance - Ending	<u>\$ 6,694,288</u>	<u>\$ 359,510</u>	<u>\$ 5,157,574</u>	<u>\$ 4,798,064</u>

City of Orem
Community Development and Rehabilitation - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 736,500	\$ 1,259,283	\$ 985,588	\$ (273,695)
Charges for Services	165,000	165,000	143,129	(21,871)
Investment Earnings	2,000	2,000	2,252	252
Total Revenues	<u>903,500</u>	<u>1,426,283</u>	<u>1,130,969</u>	<u>(295,314)</u>
EXPENDITURES				
Current:				
Economic and Physical Development	418,358	849,806	445,536	404,270
Capital Outlay	200,000	545,961	353,820	192,141
Debt Service:				
Principal Retirement	80,000	80,000	80,000	-
Interest and Fiscal Charges	13,001	13,001	13,001	-
Total Expenditures	<u>711,359</u>	<u>1,488,768</u>	<u>892,357</u>	<u>596,411</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>192,141</u>	<u>(62,485)</u>	<u>238,612</u>	<u>301,097</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Asset Disposals	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(192,141)	(192,141)	(177,077)	15,064
Total Other Financing Sources (Uses)	<u>(192,141)</u>	<u>(192,141)</u>	<u>(177,077)</u>	<u>15,064</u>
Net Change in Fund Balance	-	(254,626)	61,535	316,161
Fund Balance - Beginning	<u>432,436</u>	<u>432,436</u>	<u>432,436</u>	-
Fund Balance - Ending	<u>\$ 432,436</u>	<u>\$ 177,810</u>	<u>\$ 493,971</u>	<u>\$ 316,161</u>

City of Orem
Friends of the Orem Public Library - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment Earnings	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenues	250	-	-	-
Total Revenues	250	-	-	-
EXPENDITURES				
Current:				
Library Programs	-	-	2	(2)
Total Expenditures	-	-	2	(2)
Excess (Deficiency) of Revenues over (under) Expenditures	250	-	(2)	(2)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(250)	(1,299)	(1,299)	-
Total Other Financing Sources (Uses)	(250)	(1,299)	(1,299)	-
Net Change in Fund Balance	-	(1,299)	(1,301)	(2)
Fund Balance - Beginning	1,301	1,301	1,301	-
Fund Balance - Ending	\$ 1,301	\$ 2	\$ -	\$ (2)

City of Orem
Orem Foundation Trust - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous Revenues	\$ 200,000	\$ 297,591	\$ 297,621	\$ 30
Total Revenues	200,000	297,591	297,621	30
EXPENDITURES				
Current:				
City Programs	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	200,000	297,591	297,621	30
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(200,000)	(297,591)	(247,591)	50,000
Total Other Financing Sources (Uses)	(200,000)	(297,591)	(247,591)	50,000
Net Change in Fund Balance	-	-	50,030	50,030
Fund Balance - Beginning	1,150	1,150	1,150	-
Fund Balance - Ending	\$ 1,150	\$ 1,150	\$ 51,180	\$ 50,030

City of Orem
Senior Citizens - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 15,600	\$ 15,600	\$ 9,746	\$ (5,854)
Investment Earnings	1,800	1,800	1,596	(204)
Miscellaneous Revenues	21,600	21,600	13,479	(8,121)
Total Revenues	39,000	39,000	24,821	(14,179)
EXPENDITURES				
Current:				
Dances	3,500	3,500	-	3,500
Tours	10,000	10,000	780	9,220
Miscellaneous Expenditures	25,500	25,500	2,293	23,207
Total Expenditures	39,000	39,000	3,073	35,927
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	21,748	21,748
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	21,748	21,748
Fund Balance - Beginning	297,811	297,811	297,811	-
Fund Balance - Ending	\$ 297,811	\$ 297,811	\$ 319,559	\$ 21,748

Combining Financial Statements Nonmajor Proprietary Funds

Recreation Fund – This fund is to account for the services provided by the City's Fitness Center. The Fitness Center complex includes an indoor swimming pool, indoor track, basketball court, handball courts, racquetball courts, an outdoor swimming pool/water park (Scera Park), and other facilities. A variety of classes and open play are made available to residents and non-residents on a fee basis.

Solid Waste Fund – This fund is to account for the collection of residential garbage within the City. Residential garbage collection services are provided by a private contractor through a contract with the City. Businesses and commercial concerns within the City are not serviced, but may contract with private firms for these same services.

Street Lighting Fund – This fund is to account for providing the residents and businesses of the City with a new street lighting system. Lease Revenue Bonds were issued to cover the purchase and installation of the system. Payment and costs of these bonds are not accounted for here, but are in the Debt Service Fund.

City of Orem
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2021

	Recreation Fund Current Year	Recreation Fund Prior Year	Solid Waste Fund Current Year	Solid Waste Fund Prior Year
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,283,235	\$ 988,172	\$ 922,337	\$ 902,484
Accounts Receivable (Net of Allowance for Doubtful Accounts)	33,378	500	477,449	457,004
Total Current Assets	<u>1,316,613</u>	<u>988,672</u>	<u>1,399,786</u>	<u>1,359,488</u>
Noncurrent Assets:				
Capital Assets:				
Land	39,822	39,822	-	-
Buildings and Systems	1,509,500	4,125,955	-	-
Improvements other than Buildings	399,238	1,911,903	-	-
Machinery and Equipment	5,780	5,780	-	-
Infrastructure	-	-	-	-
Construction in Progress	-	-	-	-
Less Accumulated Depreciation	(1,730,432)	(5,597,909)	-	-
Total Capital Assets (Net of Accumulated Depreciation)	<u>223,908</u>	<u>485,551</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>223,908</u>	<u>485,551</u>	<u>-</u>	<u>-</u>
Total Assets	<u>1,540,521</u>	<u>1,474,223</u>	<u>1,399,786</u>	<u>1,359,488</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	34,320	84,100	-	-
Total Deferred Outflows of Resources	<u>34,320</u>	<u>84,100</u>	<u>-</u>	<u>-</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 1,574,841</u>	<u>\$ 1,558,323</u>	<u>\$ 1,399,786</u>	<u>\$ 1,359,488</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 57,852	\$ 28,760	\$ 311,783	\$ 311,360
Accrued Liabilities	143,771	64,674	-	-
Accrued Vacation Leave	36,349	30,246	-	-
Unearned Revenues	933,909	87,696	-	-
Total Current Liabilities	<u>1,171,881</u>	<u>211,376</u>	<u>311,783</u>	<u>311,360</u>
Noncurrent Liabilities:				
Accrued Vacation Leave	1,913	1,592	-	-
Net Pension Liability	16,621	109,685	-	-
Total Noncurrent Liabilities	<u>18,534</u>	<u>111,277</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,190,415</u>	<u>322,653</u>	<u>311,783</u>	<u>311,360</u>
DEFERRED INFLOWS OF RESOURCES				
Pensions	37,474	60,604	-	-
Total Deferred Inflows of Resources	<u>37,474</u>	<u>60,604</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	223,908	485,551	-	-
Unrestricted	123,044	689,515	1,088,003	1,048,128
Total Net Position	<u>346,952</u>	<u>1,175,066</u>	<u>1,088,003</u>	<u>1,048,128</u>
Total Liabilities, Deferred Inflows of Resources, & Net Position	<u>\$ 1,574,841</u>	<u>\$ 1,558,323</u>	<u>\$ 1,399,786</u>	<u>\$ 1,359,488</u>

Street Lighting Fund Current Year	Street Lighting Fund Prior Year	Total Nonmajor Proprietary Funds Current Year	Total Nonmajor Proprietary Funds Prior Year
\$ 2,439,178	\$ 2,191,347	\$ 4,644,750	\$ 4,082,003
87,278	85,533	598,105	543,037
<u>2,526,456</u>	<u>2,276,880</u>	<u>5,242,855</u>	<u>4,625,040</u>
-	-	39,822	39,822
-	-	1,509,500	4,125,955
-	-	399,238	1,911,903
140,347	156,427	146,127	162,207
2,967,393	2,902,951	2,967,393	2,902,951
10,291	3,599	10,291	3,599
<u>(722,260)</u>	<u>(647,234)</u>	<u>(2,452,692)</u>	<u>(6,245,143)</u>
<u>2,395,771</u>	<u>2,415,743</u>	<u>2,619,679</u>	<u>2,901,294</u>
<u>2,395,771</u>	<u>2,415,743</u>	<u>2,619,679</u>	<u>2,901,294</u>
<u>4,922,227</u>	<u>4,692,623</u>	<u>7,862,534</u>	<u>7,526,334</u>
<u>7,113</u>	<u>17,851</u>	<u>41,433</u>	<u>101,951</u>
<u>7,113</u>	<u>17,851</u>	<u>41,433</u>	<u>101,951</u>
<u>\$ 4,929,340</u>	<u>\$ 4,710,474</u>	<u>\$ 7,903,967</u>	<u>\$ 7,628,285</u>
\$ 10,384	\$ 1,264	\$ 380,019	\$ 341,384
11,055	7,517	154,826	72,191
12,541	12,612	48,890	42,858
-	-	933,909	87,696
<u>33,980</u>	<u>21,393</u>	<u>1,517,644</u>	<u>544,129</u>
660	663	2,573	2,255
<u>3,444</u>	<u>23,280</u>	<u>20,065</u>	<u>132,965</u>
<u>4,104</u>	<u>23,943</u>	<u>22,638</u>	<u>135,220</u>
<u>38,084</u>	<u>45,336</u>	<u>1,540,282</u>	<u>679,349</u>
<u>7,767</u>	<u>12,864</u>	<u>45,241</u>	<u>73,468</u>
<u>7,767</u>	<u>12,864</u>	<u>45,241</u>	<u>73,468</u>
<u>2,395,771</u>	<u>2,415,743</u>	<u>2,619,679</u>	<u>2,901,294</u>
<u>2,487,718</u>	<u>2,236,531</u>	<u>3,698,765</u>	<u>3,974,174</u>
<u>4,883,489</u>	<u>4,652,274</u>	<u>6,318,444</u>	<u>6,875,468</u>
<u>\$ 4,929,340</u>	<u>\$ 4,710,474</u>	<u>\$ 7,903,967</u>	<u>\$ 7,628,285</u>

City of Orem
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds
For The Year Ended June 30, 2021

	Recreation Fund Current Year	Recreation Fund Prior Year	Solid Waste Fund Current Year
OPERATING REVENUES			
Charges for Services	\$ 1,159,477	\$ 745,840	\$ 4,361,147
Other Revenues	254	240	9,612
Total Operating Revenues	<u>1,159,731</u>	<u>746,080</u>	<u>4,370,759</u>
OPERATING EXPENSES			
Personnel Services	1,158,454	852,612	-
Supplies and Maintenance	483,762	126,021	159,366
Administrative Fee	21,333	30,090	225,482
Utilities	333,020	98,250	-
Contract Services	23,495	10,370	3,765,926
Equipment Lease and Rentals	-	-	-
Insurance	24,664	24,000	-
Depreciation	109,874	111,462	-
Miscellaneous	6,480	5,636	76,618
Total Operating Expenses	<u>2,161,082</u>	<u>1,258,441</u>	<u>4,227,392</u>
Operating Income (Loss)	<u>(1,001,351)</u>	<u>(512,361)</u>	<u>143,367</u>
NONOPERATING REVENUES AND EXPENSES			
Investment Earnings	3,116	16,544	2,862
Gain (Loss) on Sale of Capital Assets	(149,992)	49	-
Total Nonoperating Revenues & Expenses	<u>(146,876)</u>	<u>16,593</u>	<u>2,862</u>
Income (Loss) before Transfers	<u>(1,148,227)</u>	<u>(495,768)</u>	<u>146,229</u>
Transfers In	400,416	750,000	-
Transfers Out	(80,303)	(77,282)	(106,354)
Change in Net Position	<u>(828,114)</u>	<u>176,950</u>	<u>39,875</u>
Total Net Position - Beginning	<u>1,175,066</u>	<u>998,116</u>	<u>1,048,128</u>
Total Net Position - Ending	<u>\$ 346,952</u>	<u>\$ 1,175,066</u>	<u>\$ 1,088,003</u>

Solid Waste Fund Prior Year	Street Lighting Fund Current Year	Street Lighting Fund Prior Year	Total Nonmajor Proprietary Funds Current Year	Total Nonmajor Proprietary Funds Prior Year
\$ 4,094,572	\$ 897,338	\$ 856,624	\$ 6,417,962	\$ 5,697,036
3,500	158,319	57,668	168,185	61,408
4,098,072	1,055,657	914,292	6,586,147	5,758,444
-	156,518	168,719	1,314,972	1,021,331
226,784	25,707	41,733	668,835	394,538
223,719	68,242	72,285	315,057	326,094
-	125,682	125,539	458,702	223,789
3,714,522	-	45	3,789,421	3,724,937
-	399	1,230	399	1,230
-	568	3,000	25,232	27,000
-	91,106	67,692	200,980	179,154
112,972	1,103	1,344	84,201	119,952
4,277,997	469,325	481,587	6,857,799	6,018,025
(179,925)	586,332	432,705	(271,652)	(259,581)
15,052	11,108	41,979	17,086	73,575
-	4,655	-	(145,337)	49
15,052	15,763	41,979	(128,251)	73,624
(164,873)	602,095	474,684	(399,903)	(185,957)
-	-	775,000	400,416	1,525,000
(65,669)	(370,880)	(368,343)	(557,537)	(511,294)
(230,542)	231,215	881,341	(557,024)	827,749
1,278,670	4,652,274	3,770,933	6,875,468	6,047,719
\$ 1,048,128	\$ 4,883,489	\$ 4,652,274	\$ 6,318,444	\$ 6,875,468

City of Orem
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For The Year Ended June 30, 2021

	Recreation Fund Current Year	Recreation Fund Prior Year	Solid Waste Fund Current Year	Solid Waste Fund Prior Year
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 1,126,853	\$ 765,038	\$ 4,350,314	\$ 4,086,591
Payments to Suppliers	2,390	(544,151)	(4,001,487)	(4,019,384)
Payments for Personnel	(1,137,853)	(874,269)	-	-
Payments for Interfund Services Used	(21,333)	(30,090)	(225,482)	(223,719)
Net Cash Provided (Used) by Operating Activities	(29,943)	(683,472)	123,345	(156,512)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	400,416	750,000	-	-
Transfers Out	(80,303)	(77,282)	(106,354)	(65,669)
Net Cash Provided (Used) by Noncapital Activities	320,113	672,718	(106,354)	(65,669)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	-	-	-	-
Proceeds from Sales of Capital Assets	1,777	49	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	1,777	49	-	-
CASH FLOW FROM INVESTING ACTIVITIES				
Investment Earnings	3,116	16,544	2,862	15,052
Net Cash Provided (Used) by Investing Activities	3,116	16,544	2,862	15,052
Net Increase (Decrease) in Cash and Cash Equivalents	295,063	5,839	19,853	(207,129)
Cash and Cash Equivalents - Beginning of Year	988,172	982,333	902,484	1,109,613
Cash and Cash Equivalents - End of Year	<u>\$ 1,283,235</u>	<u>\$ 988,172</u>	<u>\$ 922,337</u>	<u>\$ 902,484</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (1,001,351)	\$ (512,361)	\$ 143,367	\$ (179,925)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	\$ 109,874	\$ 111,462	\$ -	\$ -
(Increase) Decrease in Receivables	(32,878)	18,958	(20,445)	(11,481)
(Increase) Decrease in Pension Assets	49,780	80,477	-	-
Increase (Decrease) in Accounts Payable	29,092	(19,133)	423	34,894
Increase (Decrease) in Accrued Liabilities	79,097	(34,926)	-	-
Increase (Decrease) in Unearned Revenue	846,213	(259,247)	-	-
Increase (Decrease) in Accrued Vacation Leave	6,424	8,167	-	-
Increase (Decrease) in Pension Liabilities	(116,194)	(76,869)	-	-
Total Adjustments	971,408	(171,111)	(20,022)	23,413
Net Cash Provided (Used) by Operating Activities	<u>\$ (29,943)</u>	<u>\$ (683,472)</u>	<u>\$ 123,345</u>	<u>\$ (156,512)</u>

Street Lighting Fund Current Year	Street Lighting Fund Prior Year	Total Nonmajor Proprietary Funds Current Year	Total Nonmajor Proprietary Funds Prior Year
\$ 1,053,912	\$ 920,853	\$ 6,531,079	\$ 5,772,482
(144,339)	(182,853)	(4,143,436)	(4,746,388)
(167,249)	(163,725)	(1,305,102)	(1,037,994)
(68,242)	(72,285)	(315,057)	(326,094)
674,082	501,990	767,484	(337,994)
-	775,000	400,416	1,525,000
(370,880)	(368,343)	(557,537)	(511,294)
(370,880)	406,657	(157,121)	1,013,706
(71,134)	(389,454)	(71,134)	(389,454)
4,655	-	6,432	49
(66,479)	(389,454)	(64,702)	(389,405)
11,108	41,979	17,086	73,575
11,108	41,979	17,086	73,575
247,831	561,172	562,747	359,882
2,191,347	1,630,175	4,082,003	3,722,121
\$ 2,439,178	\$ 2,191,347	\$ 4,644,750	\$ 4,082,003
\$ 586,332	\$ 432,705	(271,652)	(259,581)
\$ 91,106	\$ 67,692	200,980	179,154
(1,745)	6,561	(55,068)	14,038
10,738	9,648	60,518	90,125
9,120	(9,962)	38,635	5,799
3,538	(480)	82,635	(35,406)
-	-	846,213	(259,247)
(74)	979	6,350	9,146
(24,933)	(5,153)	(141,127)	(82,022)
87,750	69,285	1,039,136	(78,413)
\$ 674,082	\$ 501,990	\$ 767,484	\$ (337,994)

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Fleet Maintenance Fund – This fund accounts for the repair and maintenance of vehicles and equipment for all City operations. It is financed by charges made to other funds for use of its services. Supplies and materials are charged at cost to the specific fund. Personnel, administration and overhead costs are charged on an estimated basis established at the beginning of each fiscal year.

Purchasing/Warehousing Fund – This fund accounts for the central purchasing and warehousing functions for the City. It provides the service to all governmental and proprietary funds. It is financed by charges made to the other funds. Funds are charged for supplies and materials at cost. Personnel, administrative and overhead costs are charged on an estimated allocation basis established at the beginning of each fiscal year.

Self-Insurance Fund – This fund accounts for the costs of insurance premiums and claims made against the City. Monies are accumulated in this fund to pay premiums for liability and property damage insurance and other claims. The City participates in the Utah Risk Management Mutual Association for its liability and property damage insurance. Insurance for large vehicles and equipment is purchased from private insurers. The fund also accounts for the insurance benefits of employees (i.e., state unemployment insurance, workers compensation insurance). The fund is financed by allocated charges made to the other funds for liability and property damage insurance. Charges for employee insurance benefits are made directly to each fund as a part of the payroll system. See footnote 5.A. for additional information regarding this fund.

Information Technology Fund – This fund accounts for the technological needs of the City including, but not limited to, computers, servers, networks, telephone systems, cell phone services, software, internet services, and all maintenance needs related thereto. It provides these services to all governmental and proprietary funds. It is financed by charges made to the other funds. Funds are charged for supplies and materials at cost. Personnel, administrative and overhead costs are charged on an estimated allocation basis established at the beginning of each fiscal year.

Facilities Maintenance Fund – This fund accounts for the repair and maintenance of all city facilities. It is financed by charges made to other funds for use of its services. Supplies and materials are charged at cost to the specific fund. Personnel, administrative and overhead costs are charged on an estimated allocation basis established at the beginning of each fiscal year.

City of Orem
Internal Service Funds
Combining Statement of Net Position
June 30, 2021

	<u>Fleet Maintenance</u>	<u>Purchasing / Warehousing</u>	<u>Self- Insurance</u>	<u>Information Technology</u>	<u>Facilities Maintenance</u>	<u>Total</u>
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 495,510	\$ 97,845	\$ 2,763,140	\$ 1,349,870	\$ 221,983	\$ 4,928,348
Inventories	-	339,489	-	-	-	339,489
Prepays	-	-	-	86,991	-	86,991
Total Current Assets	<u>495,510</u>	<u>437,334</u>	<u>2,763,140</u>	<u>1,436,861</u>	<u>221,983</u>	<u>5,354,828</u>
Noncurrent Assets:						
Capital Assets:						
Buildings	-	150,000	-	-	-	150,000
Machinery and Equipment	196,584	39,442	-	326,226	70,012	632,264
Construction in Progress	-	-	-	4,747	-	4,747
Intangibles	-	-	-	88,548	-	88,548
Less Accumulated Depreciation	(165,833)	(110,827)	-	(98,681)	(2,608)	(377,949)
Total Capital Assets (Net of Accumulated Depreciation)	<u>30,751</u>	<u>78,615</u>	<u>-</u>	<u>320,840</u>	<u>67,404</u>	<u>497,610</u>
Net Pension Assets	-	-	-	300,841	-	300,841
Total Noncurrent Assets	<u>30,751</u>	<u>78,615</u>	<u>-</u>	<u>621,681</u>	<u>67,404</u>	<u>798,451</u>
Total Assets	<u>526,261</u>	<u>515,949</u>	<u>2,763,140</u>	<u>2,058,542</u>	<u>289,387</u>	<u>6,153,279</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pensions	27,265	3,595	7,988	123,464	20,768	183,080
Total Deferred Outflows of Resources	<u>27,265</u>	<u>3,595</u>	<u>7,988</u>	<u>123,464</u>	<u>20,768</u>	<u>183,080</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 553,526</u>	<u>\$ 519,544</u>	<u>\$ 2,771,128</u>	<u>\$ 2,182,006</u>	<u>\$ 310,155</u>	<u>\$ 6,336,359</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 2,110	\$ 506	\$ 22,626	\$ 21,716	\$ 67,699	\$ 114,657
Accrued Liabilities	28,026	10,907	5,908	71,724	46,497	163,062
Accrued Vacation Leave	47,033	7,776	8,804	103,211	19,838	186,662
Claims and Judgments	-	-	290,199	-	-	290,199
Capital Lease Payable - Current	1,100	-	-	6,143	-	7,243
Total Current Liabilities	<u>78,269</u>	<u>19,189</u>	<u>327,537</u>	<u>202,794</u>	<u>134,034</u>	<u>761,823</u>
Noncurrent Liabilities:						
Accrued Vacation Leave	2,476	409	464	5,432	1,044	9,825
Claims and Judgments	-	-	611,339	-	-	611,339
Capital Lease Payable - Long-term	21,064	-	-	-	-	21,064
Net Pension Liability	13,204	1,741	3,870	40,824	10,058	69,697
Total Noncurrent Liabilities	<u>36,744</u>	<u>2,150</u>	<u>615,673</u>	<u>46,256</u>	<u>11,102</u>	<u>711,925</u>
Total Liabilities	<u>115,013</u>	<u>21,339</u>	<u>943,210</u>	<u>249,050</u>	<u>145,136</u>	<u>1,473,748</u>
DEFERRED INFLOWS OF RESOURCES						
Pensions	29,770	3,925	8,722	321,702	22,677	386,796
Total Deferred Inflows of Resources	<u>29,770</u>	<u>3,925</u>	<u>8,722</u>	<u>321,702</u>	<u>22,677</u>	<u>386,796</u>
NET POSITION						
Net Investment in Capital Assets	8,587	78,615	-	314,697	67,404	469,303
Restricted for Pensions	-	-	-	300,841	-	300,841
Unrestricted	400,156	415,665	1,819,196	995,716	74,938	3,705,671
Total Net Position	<u>408,743</u>	<u>494,280</u>	<u>1,819,196</u>	<u>1,611,254</u>	<u>142,342</u>	<u>4,475,815</u>
Total Liabilities, Deferred Inflows of Resources, & Net Position	<u>\$ 553,526</u>	<u>\$ 519,544</u>	<u>\$ 2,771,128</u>	<u>\$ 2,182,006</u>	<u>\$ 310,155</u>	<u>\$ 6,336,359</u>

City of Orem
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For The Year Ended June 30, 2021

	Fleet Maintenance	Purchasing / Warehousing	Self- Insurance	Information Technology	Facilities Maintenance	Total
OPERATING REVENUES:						
Charges for Services to Other Funds	\$ 830,000	\$ 380,000	\$ 2,043,140	\$ 2,432,000	\$ 1,622,000	\$ 7,307,140
Other Revenues	-	53	-	9,336	-	9,389
Total Operating Revenues	<u>830,000</u>	<u>380,053</u>	<u>2,043,140</u>	<u>2,441,336</u>	<u>1,622,000</u>	<u>7,316,529</u>
OPERATING EXPENSES:						
Personnel Services	471,921	163,090	108,540	1,095,096	903,248	2,741,895
Supplies, Maintenance and Claims	208,578	164,841	1,862,870	744,059	274,192	3,254,540
Utilities	-	-	-	-	409,610	409,610
Equipment Lease & Rentals	-	-	-	2,856	-	2,856
Depreciation Expense	9,666	6,704	-	36,547	2,608	55,525
Total Operating Expenses	<u>690,165</u>	<u>334,635</u>	<u>1,971,410</u>	<u>1,878,558</u>	<u>1,589,658</u>	<u>6,464,426</u>
Operating Income (Loss)	<u>139,835</u>	<u>45,418</u>	<u>71,730</u>	<u>562,778</u>	<u>32,342</u>	<u>852,103</u>
NONOPERATING REVENUES (EXPENSES):						
Gain (Loss) on Sales of Fixed Assets	1,080	-	-	-	-	1,080
Interest Expense and Fiscal Charges	-	-	-	(560)	-	(560)
Total Nonoperating Revenues (Expenses)	1,080	-	-	(560)	-	520
Income (Loss) before Operating Transfers	140,915	45,418	71,730	562,218	32,342	852,623
Transfers In	-	-	-	-	110,000	110,000
Transfers Out	<u>(72,672)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(72,672)</u>
Change in Net Position	68,243	45,418	71,730	562,218	142,342	889,951
Total Net Position - Beginning	<u>340,500</u>	<u>448,862</u>	<u>1,747,466</u>	<u>1,049,036</u>	<u>-</u>	<u>3,585,864</u>
Total Net Position - Ending	<u>\$ 408,743</u>	<u>\$ 494,280</u>	<u>\$ 1,819,196</u>	<u>\$ 1,611,254</u>	<u>\$ 142,342</u>	<u>\$ 4,475,815</u>

City of Orem
Internal Service Funds
Combining Statement of Cash Flows
For The Year Ended June 30, 2021

	Fleet Maintenance	Purchasing / Warehousing	Self- Insurance	Information Technology	Facilities Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Interfund Services Provided	\$ 830,000	\$ 380,053	\$ 2,043,140	\$ 2,441,336	\$ 1,622,000	\$ 7,316,529
Payments to Suppliers	(206,636)	(163,462)	(2,036,049)	(794,001)	(569,606)	(3,769,754)
Payments for Personnel	(515,101)	(212,924)	(118,604)	(1,445,501)	(870,399)	(3,162,529)
Net Cash Provided (Used) by Operating Activities	108,263	3,667	(111,513)	201,834	181,995	384,246
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers In	-	-	-	-	110,000	110,000
Transfers Out	(72,672)	-	-	-	-	(72,672)
Net Cash Provided (Used) by Noncapital Financing Activities	(72,672)	-	-	-	110,000	37,328
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:						
Acquisition of Capital Assets	-	-	-	(167,292)	(70,012)	(237,304)
Proceeds from the Sale of Capital Assets	1,080	-	-	-	-	1,080
Principal paid on Outstanding Debt	(885)	-	-	(24,132)	-	(25,017)
Interest paid on Outstanding Debt	-	-	-	(560)	-	(560)
Net Cash Provided (Used) in Capital Financing Activities	195	-	-	(191,984)	(70,012)	(261,801)
CASH FLOW FROM INVESTING ACTIVITIES						
Investment Earnings	-	-	-	-	-	-
Net Cash Provided (Used) by Investing Activities	-	-	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	35,786	3,667	(111,513)	9,850	221,983	159,773
Cash and Cash Equivalents - Beginning of Year	459,724	94,178	2,874,653	1,340,020	-	4,768,575
Cash and Cash Equivalents - End of Year	\$ 495,510	\$ 97,845	\$ 2,763,140	\$ 1,349,870	\$ 221,983	\$ 4,928,348
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 139,835	\$ 45,418	\$ 71,730	\$ 562,778	\$ 32,342	\$ 852,103
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	9,666	6,704	-	36,547	2,608	55,525
(Increase) Decrease in Inventory	-	2,005	-	-	-	2,005
(Increase) Decrease in Prepaids	-	-	-	(56,875)	-	(56,875)
(Increase) Decrease in Pension Assets	37,041	42,194	11,017	(134,373)	(20,768)	(64,889)
Increase (Decrease) in Accounts Payable	(1,473)	(540)	(6,338)	969	67,699	60,317
Increase (Decrease) in Accrued Liabilities	3,415	(86)	941	8,820	46,497	59,587
Increase (Decrease) in Accrued Vacation Leave	7,014	(4,978)	4,811	8,507	20,882	36,236
Increase (Decrease) in Pension Liabilities	(87,235)	(87,050)	(25,892)	(224,539)	32,735	(391,981)
Increase (Decrease) in Claims and Judgments	-	-	(167,782)	-	-	(167,782)
Total Adjustments	(31,572)	(41,751)	(183,243)	(360,944)	149,653	(467,857)
Net Cash Provided (Used) by Operating Activities	\$ 108,263	\$ 3,667	\$ (111,513)	\$ 201,834	\$ 181,995	\$ 384,246

**SCHEDULES OF
CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

City of Orem
Schedules of Capital Assets Used in The Operations of Governmental Funds
Schedules By Source - Comparative¹
June 30, 2021 and 2020

	2021	2020
Governmental Funds Capital Assets:		
Land	\$ 72,551,355	\$ 65,195,839
Buildings	42,278,099	32,731,587
Improvements other than Buildings	40,920,396	38,972,594
Machinery and Equipment	24,490,860	23,969,453
Infrastructure	127,468,399	124,396,371
Construction in Progress	30,221,923	22,426,454
Total Governmental Funds Capital Assets	<u>\$ 337,931,032</u>	<u>\$ 307,692,298</u>
Investments in Governmental Funds Capital Assets by Source:		
General Fund	\$ 252,996,139	\$ 245,162,644
Capital Projects Fund	55,867,019	35,489,358
Federal Grants	635,635	635,635
Road Funds	19,556,366	17,928,501
Redevelopment	4,329,828	4,159,780
Community Development	4,546,045	4,316,380
Total Governmental Funds Capital Assets	<u>\$ 337,931,032</u>	<u>\$ 307,692,298</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Orem
Schedules of Capital Assets Used in The Operations of Governmental Funds
Schedule By Function and Activity¹
June 30, 2021

Function and Activity	Land	Buildings	Improvements Other Than Buildings
General Government:			
Executive	\$ -	\$ 2,075	\$ 81,479
Personnel Administration	-	-	-
Finance	-	-	26,263
Legal	-	-	-
Development Services	-	-	-
General Government	1,710,203	3,841,058	4,750,720
Engineering	-	-	-
Redevelopment	1,870,418	-	85,080
Community Development	-	8,105	2,256,953
Total General Government	<u>3,580,621</u>	<u>3,851,238</u>	<u>7,200,495</u>
Public Safety:			
Administration	-	5,377,906	28,407
Police Protection	-	-	145,296
Fire Protection	174,096	2,486,089	935,128
Emergency Services	-	1,580	-
Total Public Safety	<u>174,096</u>	<u>7,865,575</u>	<u>1,108,831</u>
Highways and Streets:			
Administration & Engineering	33,550	7,874,114	363,324
Street System	52,505,790	4,751,130	4,937,350
Street Lighting	-	-	1,421,854
Total Highways and Streets	<u>52,539,340</u>	<u>12,625,244</u>	<u>6,722,528</u>
Parks and Recreation	16,034,954	8,252,592	24,550,907
Library	222,345	9,683,450	1,337,634
Total Governmental Funds Capital Assets	<u>\$ 72,551,356</u>	<u>\$ 42,278,099</u>	<u>\$ 40,920,395</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

Machinery and Equipment	Infrastructure	Construction in Progress	Total
\$ 740,864	\$ -	\$ -	\$ 824,418
8,013	-	-	8,013
350,040	-	-	376,303
21,498	-	-	21,498
179,778	-	-	179,778
176,997	291,428	310,331	11,080,737
385,392	-	-	385,392
-	2,374,330	-	4,329,828
-	2,234,831	46,154	4,546,043
<u>1,862,582</u>	<u>4,900,589</u>	<u>356,485</u>	<u>21,752,010</u>
1,236,792	-	-	6,643,105
6,517,884	-	-	6,663,180
6,394,954	253,496	1,714,046	11,957,809
77,072	-	-	78,652
<u>14,226,702</u>	<u>253,496</u>	<u>1,714,046</u>	<u>25,342,746</u>
326,624	-	-	8,597,612
4,304,820	120,338,224	1,540,515	188,377,829
-	1,136,156	-	2,558,010
<u>4,631,444</u>	<u>121,474,380</u>	<u>1,540,515</u>	<u>199,533,451</u>
3,028,479	839,934	26,610,875	79,317,741
741,655	-	-	11,985,084
<u>\$ 24,490,862</u>	<u>\$ 127,468,399</u>	<u>\$ 30,221,921</u>	<u>\$ 337,931,032</u>

City of Orem
Schedules of Capital Assets Used in The Operations of Governmental Funds
Schedule of Changes By Function and Activity¹
For The Year Ended June 30, 2021

Function and Activity	Governmental Funds Capital Assets June 30, 2020	Additions	Deductions	Governmental Funds Capital Assets June 30, 2021
General Government:				
Executive	\$ 830,946	\$ -	\$ (6,528)	\$ 824,418
Personnel Administration	8,013	-	-	8,013
Finance	353,657	53,450	(30,804)	376,303
Legal	21,498	-	-	21,498
Development Services	179,778	-	-	179,778
General Government	10,617,107	463,630	-	11,080,737
Engineering	385,392	-	-	385,392
Redevelopment	4,159,780	170,048	-	4,329,828
Community Development	4,316,377	244,820	(15,154)	4,546,043
Total General Government	<u>20,872,548</u>	<u>931,948</u>	<u>(52,486)</u>	<u>21,752,010</u>
Public Safety:				
Administration	6,643,105	-	-	6,643,105
Police Protection	6,462,215	317,501	(116,536)	6,663,180
Fire Protection	12,116,023	564,859	(723,073)	11,957,809
Emergency Services	78,652	-	-	78,652
Total Public Safety	<u>25,299,995</u>	<u>882,360</u>	<u>(839,609)</u>	<u>25,342,746</u>
Highways and Streets:				
Administration & Engineering	8,620,722	-	(23,110)	8,597,612
Street System	179,351,395	9,371,956	(345,522)	188,377,829
Street Lighting	2,558,010	-	-	2,558,010
Total Highways and Streets	<u>190,530,127</u>	<u>9,371,956</u>	<u>(368,632)</u>	<u>199,533,451</u>
Parks and Recreation	59,288,785	20,241,922	(212,966)	79,317,741
Library	11,700,843	284,241	-	11,985,084
Total Governmental Funds Capital Assets	<u>\$ 307,692,298</u>	<u>\$ 31,712,427</u>	<u>\$ (1,473,693)</u>	<u>\$ 337,931,032</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

STATISTICAL SECTION

STATISTICAL SECTION

(Unaudited)

This section of the City of Orem's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	148
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	156
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity and Other Debt Information	167
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	177
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating and Other Information	182
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the city provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. Information related to any new GASB pronouncements required to be included within these statements is shown prospectively except in those cases in which prior year information was readily available.

City of Orem
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2012	2013	2014	2015
Governmental Activities:				
Net Investment in Capital Assets	\$ 118,628,873	\$ 116,156,331	\$ 119,632,622	\$ 125,400,639
Restricted:				
Debt Service	5,243,669	3,321,577	3,962,783	4,397,812
Capital Improvements	12,514,381	14,939,254	13,182,105	13,746,082
Pensions	-	-	-	474,700
Community Development	4,969,244	5,238,370	2,077,923	2,325,070
Subtotal - Restricted	22,727,294	23,499,201	19,222,811	20,943,664
Unrestricted	12,619,271	15,467,624	18,050,956	14,694,051
Total Governmental Activities Net Position	153,975,438	155,123,156	156,906,389	161,038,354
Business-type Activities:				
Net Investment in Capital Assets	51,205,188	52,401,013	51,205,761	55,221,666
Restricted:				
Debt Service	2,140,970	2,035,413	2,415,159	1,658,404
Capital Improvements	103,510	-	44,000	66,000
Pensions	-	-	-	2,025
Subtotal - Restricted	2,244,480	2,035,413	2,459,159	1,726,429
Unrestricted	11,483,226	13,503,553	17,867,439	18,391,654
Total Business-type Activities Net Position	64,932,894	67,939,979	71,532,359	75,339,749
Primary Government:				
Net Investment in Capital Assets	169,834,061	168,557,344	170,838,383	180,622,305
Restricted:				
Debt Service	7,384,639	5,356,990	6,377,942	6,056,216
Capital Improvements	12,617,891	14,939,254	13,226,105	13,812,082
Pensions	-	-	-	476,725
Community Development	4,969,244	5,238,370	2,077,923	2,325,070
Subtotal - Restricted	24,971,774	25,534,614	21,681,970	22,670,093
Unrestricted	24,102,497	28,971,177	35,918,395	33,085,705
Total Primary Government Net Position	\$ 218,908,332	\$ 223,063,135	\$ 228,438,748	\$ 236,378,103

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 126,818,760	\$ 131,968,221	\$ 133,402,160	\$ 134,356,643	\$ 138,676,061	\$ 154,447,536
3,276,616	3,124,343	3,344,100	5,845,268	4,928,893	4,171,302
14,968,717	12,172,402	12,037,092	15,739,000	18,992,324	10,967,133
18,819	11,876	871,227	-	2,426,403	5,693,222
1,966,450	2,465,412	3,609,728	3,832,719	4,048,008	10,406,252
20,230,602	17,774,033	19,862,147	25,416,987	30,395,628	31,237,909
22,000,259	23,803,593	27,529,253	29,921,317	36,678,544	45,425,272
169,049,621	173,545,847	180,793,560	189,694,947	205,750,233	231,110,717
56,904,569	59,715,600	63,143,175	69,151,941	74,134,249	77,095,912
2,448,592	1,860,333	1,995,491	2,121,261	2,157,258	2,218,876
88,000	110,000	194,727	983,589	1,057,806	54,381,245
145	-	-	-	-	111,544
2,536,737	1,970,333	2,190,218	3,104,850	3,215,064	56,711,665
20,298,964	27,455,917	37,657,454	47,291,346	61,047,974	19,325,488
79,740,270	89,141,850	102,990,847	119,548,137	138,397,287	153,133,065
183,723,329	191,683,821	196,545,335	203,508,584	212,810,310	231,543,448
5,725,208	4,984,676	5,339,591	7,966,529	7,086,151	6,390,178
15,056,717	12,282,402	12,231,819	16,722,589	20,050,130	65,348,378
18,964	11,876	871,227	-	2,426,403	5,804,766
1,966,450	2,465,412	3,609,728	3,832,719	4,048,008	10,406,252
22,767,339	19,744,366	22,052,365	28,521,837	33,610,692	87,949,574
42,299,223	51,259,510	65,186,707	77,212,663	97,726,518	64,750,760
<u>\$ 248,789,891</u>	<u>\$ 262,687,697</u>	<u>\$ 283,784,407</u>	<u>\$ 309,243,084</u>	<u>\$ 344,147,520</u>	<u>\$ 384,243,782</u>

City of Orem
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year					
	2012	2013	2014	2015	2016	2017
Expenses						
Governmental Activities:						
General Government	\$ 11,154,305	\$ 11,534,649	\$ 12,398,443	\$ 10,948,663	\$ 11,148,210	\$ 13,160,153
Public Safety	21,611,770	21,305,592	20,927,444	20,363,836	21,750,059	23,578,262
Highways and Public Improvements	7,987,142	7,485,469	7,583,113	7,360,050	7,426,758	7,085,621
Parks, Recreation and Arts	9,266,216	8,961,377	8,415,399	8,448,553	8,704,800	9,471,883
Economic and Physical Development	1,664,674	778,954	815,708	513,855	867,172	950,630
Redevelopment	1,651,667	1,217,886	1,305,271	1,320,100	187,497	1,286,498
Interest on Long-term Debt	3,654,187	6,151,718	6,585,839	3,990,714	3,624,749	3,596,868
Total Governmental Activities Expenses	56,989,961	57,435,645	58,031,217	52,945,771	53,709,245	59,129,915
Business-type Activities:						
Water	9,939,501	10,405,264	10,765,320	10,460,803	10,335,616	11,021,079
Water Reclamation	6,173,983	6,164,406	6,597,101	6,268,592	6,716,546	6,723,394
Storm Water	2,335,612	2,338,213	2,401,066	2,444,269	2,460,540	2,371,647
Recreation	1,818,935	1,758,026	1,716,490	1,949,301	2,023,758	1,962,995
Solid Waste	3,189,138	2,999,632	3,207,627	3,139,688	3,174,442	3,283,310
Street Lighting	1,231,494	1,260,509	1,283,895	1,297,064	1,396,770	1,174,100
Total Business-type Activities Expenses	24,688,663	24,926,050	25,971,499	25,559,717	26,107,672	26,536,525
Total Primary Government Expenses	81,678,624	82,361,695	84,002,716	78,505,488	79,816,917	85,666,440
Program Revenues						
Governmental Activities:						
Charges for Services:						
General Government	9,943,923	9,624,404	10,180,619	11,868,366	10,018,102	9,718,116
Public Safety	4,116,110	4,306,443	4,276,822	5,229,158	5,904,235	5,768,195
Parks, Recreation and Arts	833,489	820,453	856,832	751,427	936,415	2,008,377
All Others	78,199	163,099	76,768	118,984	117,234	186,321
Operating Grants and Contributions	2,077,014	1,273,162	1,271,755	1,332,898	1,333,496	1,195,663
Capital Grants and Contributions	2,565,504	2,613,082	2,413,909	4,017,121	2,789,074	3,171,938
Total Governmental Activities Program Revenues	19,614,239	18,800,643	19,076,705	23,317,954	21,098,556	22,048,610
Business-type Activities:						
Charges for Services:						
Water	11,040,897	11,021,745	13,201,526	13,425,701	13,336,792	15,547,544
Water Reclamation	6,811,766	7,146,508	7,520,706	8,007,161	7,281,870	8,619,099
Storm Water	2,944,351	3,091,807	3,103,768	3,170,615	3,451,551	4,001,972
Recreation	1,704,847	1,650,645	1,369,357	1,546,991	1,583,477	1,617,273
Solid Waste	3,180,937	3,237,559	3,369,722	3,400,359	3,515,859	3,571,929
Street Lighting	869,312	897,672	1,011,739	985,291	988,481	995,480
Capital Grants and Contributions	73,400	394,507	723,964	591,886	510,138	1,383,925
Total Business-type Activities Program Revenues	26,625,510	27,440,443	30,300,782	31,128,004	30,668,168	35,737,232
Total Primary Government Program Revenues	46,239,749	46,241,086	49,377,487	54,445,958	51,766,724	57,785,832
Net (Expense) Revenue						
Governmental Activities	(37,375,722)	(38,635,002)	(38,954,512)	(29,627,817)	(32,610,689)	(37,081,305)
Business-type Activities	1,936,847	2,514,393	4,329,283	5,568,287	4,560,496	9,200,697
Total Primary Government Net (Expense) Revenue	\$ (35,438,875)	\$ (36,120,609)	\$ (34,625,229)	\$ (24,059,530)	\$ (28,050,193)	\$ (27,880,608)
General Revenues and Other Changes in Net Position						
Governmental Activities:						
Taxes:						
Sales Taxes	18,106,273	18,944,647	19,818,967	20,727,557	21,405,733	22,750,706
Property Taxes	11,008,739	11,517,710	11,065,522	9,839,669	9,229,764	9,141,823
Franchise Taxes	7,437,757	7,816,921	7,956,780	7,698,687	7,853,723	7,894,110
Vehicle and Other Taxes	1,963,732	1,585,215	1,402,481	828,941	1,022,038	881,179
Unrestricted Investment Earnings	288,930	274,462	421,721	402,246	688,384	603,500
Gain on Sale of Capital Assets	73,693	43,371	54,728	2,539,390	19,127	103,983
Transfers	(98,040)	(399,606)	500,649	532,903	403,187	202,230
Total Governmental Activities	38,781,084	39,782,720	41,220,848	42,569,393	40,621,956	41,577,531
Business-type Activities:						
Unrestricted Investment Earnings	125,167	90,651	98,093	122,371	175,933	285,761
Gain (Loss) on Sale of Capital Assets	170,813	2,435	10,733	85,244	67,279	117,352
Transfers	98,040	399,606	(500,649)	(532,903)	(403,187)	(202,230)
Total Business-type Activities	394,020	492,692	(391,823)	(325,288)	(159,975)	200,883
Total Primary Government	39,175,104	40,275,412	40,829,025	42,244,105	40,461,981	41,778,414
Change in Net Position						
Governmental Activities	1,405,362	1,147,718	2,266,336	12,941,576	8,011,267	4,496,226
Business-type Activities	2,330,867	3,007,085	3,937,460	5,242,999	4,400,521	9,401,580
Total Primary Government	\$ 3,736,229	\$ 4,154,803	\$ 6,203,796	\$ 18,184,575	\$ 12,411,788	\$ 13,897,806

Fiscal Year			
2018	2019	2020	2021
\$ 13,153,262	\$ 15,017,466	\$ 15,221,971	\$ 16,072,497
23,214,380	25,463,111	26,294,148	26,234,854
7,012,058	7,688,525	7,573,688	7,296,421
10,561,367	9,613,483	8,734,158	4,444,646
1,504,742	887,655	709,334	1,068,973
756,175	1,004,364	1,258,821	1,151,383
3,505,369	4,122,763	4,732,568	4,571,442
59,707,353	63,797,357	64,524,688	60,840,216
12,570,988	13,361,446	13,039,211	14,956,163
7,117,138	7,517,084	7,540,672	7,918,906
2,567,634	2,837,289	3,119,773	3,016,483
1,993,090	2,041,021	1,258,441	2,311,074
3,617,304	3,764,859	4,277,997	4,227,392
981,777	474,442	481,587	469,325
28,847,331	29,996,141	29,717,681	32,899,343
88,555,284	93,793,498	94,242,369	93,739,559
10,147,593	11,286,060	10,198,818	10,747,410
6,006,638	6,405,407	7,804,339	7,568,475
1,495,408	1,506,624	240,568	2,318,692
332,034	350,681	1,467,081	397,409
1,537,093	1,392,846	6,228,568	3,753,790
3,876,983	5,246,807	4,513,950	6,270,294
23,395,749	26,188,425	30,453,324	31,056,070
18,355,800	18,934,096	20,821,417	20,341,587
9,678,758	11,519,137	13,070,784	12,591,825
4,350,123	4,775,819	5,050,924	5,300,968
1,609,921	1,609,329	746,080	1,159,731
3,692,573	3,845,141	4,098,072	4,370,759
1,023,366	1,214,710	914,292	1,055,657
3,973,808	4,196,701	3,179,941	3,754,528
42,744,349	46,094,933	47,881,510	48,575,055
66,140,098	72,283,358	78,334,834	79,631,125
(36,311,604)	(37,608,932)	(34,071,364)	(29,784,146)
13,896,418	16,098,792	18,163,829	15,675,712
\$ (22,415,186)	\$ (21,510,140)	\$ (15,907,535)	\$ (14,108,434)
24,361,704	24,944,421	28,151,590	33,250,164
8,669,177	9,701,393	10,432,989	10,598,204
7,961,936	7,887,332	7,865,944	7,923,070
1,031,833	886,489	965,636	846,548
778,978	2,289,679	2,060,562	432,708
39,699	163,730	323,466	594,136
715,990	637,275	326,463	1,499,800
43,559,317	46,510,319	50,126,650	55,144,630
588,795	1,088,658	1,037,245	527,587
79,774	7,115	(25,461)	32,279
(715,990)	(637,275)	(326,463)	(1,499,800)
(47,421)	458,498	685,321	(939,934)
43,511,896	46,968,817	50,811,971	54,204,696
7,247,713	8,901,387	16,055,286	25,360,484
13,848,997	16,557,290	18,849,150	14,735,778
\$ 21,096,710	\$ 25,458,677	\$ 34,904,436	\$ 40,096,262

City of Orem
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 97,590	\$ 183,807	\$ 146,343	\$ 70,707
Restricted	5,367,461	5,721,516	5,554,462	6,057,938
Committed	75,000	75,000	75,000	-
Assigned	2,145,703	1,500,374	1,893,107	3,125,711
Unassigned	<u>3,396,016</u>	<u>6,092,838</u>	<u>10,073,358</u>	<u>12,747,875</u>
Total General Fund	<u>11,081,770</u>	<u>13,573,535</u>	<u>17,742,270</u>	<u>22,002,231</u>
All Other Governmental Funds				
Nonspendable	4,341,351	2,473,532	-	-
Restricted	12,920,892	15,120,346	13,522,006	14,340,319
Committed	-	-	-	-
Assigned	<u>2,487,021</u>	<u>3,518,562</u>	<u>2,380,417</u>	<u>6,546,914</u>
Total All Other Governmental Funds	<u>19,749,264</u>	<u>21,112,440</u>	<u>15,902,423</u>	<u>20,887,233</u>
Total Governmental Funds				
Nonspendable	4,438,941	2,657,339	146,343	70,707
Restricted	18,288,353	20,841,862	19,076,468	20,398,257
Committed	75,000	75,000	75,000	-
Assigned	4,632,724	5,018,936	4,273,524	9,672,625
Unassigned	<u>3,396,016</u>	<u>6,092,838</u>	<u>10,073,358</u>	<u>12,747,875</u>
Total Governmental Funds	<u>\$ 30,831,034</u>	<u>\$ 34,685,975</u>	<u>\$ 33,644,693</u>	<u>\$ 42,889,464</u>

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 57,122	\$ 51,517	\$ 42,132	\$ 36,328	\$ 49,995	\$ 413,604
6,484,410	7,292,911	8,333,431	8,673,237	8,722,475	10,183,252
-	-	-	-	-	-
3,562,553	2,844,275	3,559,271	4,836,744	10,203,415	11,110,974
11,474,137	12,829,323	13,449,103	13,948,108	12,376,113	18,424,509
21,578,222	23,018,026	25,383,937	27,494,417	31,351,998	40,132,339
-	1,000	-	-	-	-
13,653,867	10,416,729	10,615,357	42,158,789	30,145,964	14,860,840
5,380,123	-	-	-	-	-
11,071,273	12,327,020	13,678,638	17,592,552	19,204,402	21,354,261
30,105,263	22,744,749	24,293,995	59,751,341	49,350,366	36,215,101
57,122	52,517	42,132	36,328	49,995	413,604
20,138,277	17,709,640	18,948,788	50,832,026	38,868,439	25,044,092
5,380,123	-	-	-	-	-
14,633,826	15,171,295	17,237,909	22,429,296	29,407,817	32,465,235
11,474,137	12,829,323	13,449,103	13,948,108	12,376,113	18,424,509
\$ 51,683,485	\$ 45,762,775	\$ 49,677,932	\$ 87,245,758	\$ 80,702,364	\$ 76,347,440

City of Orem
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year				
	2012	2013	2014	2015	2016
Revenues					
Taxes and Special Assessments	\$ 40,286,108	\$ 40,595,860	\$ 40,004,715	\$ 43,549,348	\$ 39,473,431
Licenses and Permits	1,093,859	1,147,855	1,437,173	2,524,794	1,745,483
Intergovernmental	4,642,518	3,886,244	3,685,664	5,350,019	4,122,570
Charges for Services	5,789,061	6,026,996	6,387,452	7,624,838	7,671,801
Fines and Forfeitures	1,343,329	1,358,345	1,587,870	1,792,829	1,588,994
Charges for Services - Other Funds	4,478,369	4,447,898	4,498,406	4,042,299	3,666,672
Impact Fees	-	-	-	-	-
Investment Earnings	340,125	274,439	420,619	397,648	691,037
Miscellaneous Revenue	2,256,723	1,889,659	1,557,414	1,587,285	1,670,552
Total Revenues	60,230,092	59,627,296	59,579,313	66,869,060	60,630,540
Expenditures					
General Government	10,348,586	11,093,324	11,609,569	11,539,358	12,143,760
Public Safety	20,371,289	20,332,951	19,951,315	19,847,226	21,144,586
Highways and Public Improvements	3,707,727	2,974,008	2,934,326	2,828,824	2,922,708
Parks, Recreation and Arts	7,730,925	7,558,171	7,016,106	7,485,247	7,512,284
Economic and Physical Development	1,588,116	707,403	707,759	886,236	788,526
Redevelopment	1,562,238	1,128,457	1,215,842	1,231,600	99,182
Debt Service:					
Principal Retirement	3,834,833	3,130,714	3,814,621	5,486,955	4,369,370
Interest and Fiscal Charges	3,821,259	6,233,296	6,706,815	4,201,272	3,802,678
Capital Lease Payments - Principal	31,132	98,213	108,318	108,376	114,173
Capital Lease Payments - Interest	1,989	12,099	10,218	9,177	7,037
Capital Outlay	4,435,299	1,963,153	7,180,569	7,573,606	6,044,338
Total Expenditures	57,433,393	55,231,789	61,255,458	61,197,877	58,948,642
Excess of Revenues over					
(under) Expenditures	2,796,699	4,395,507	(1,676,145)	5,671,183	1,681,898
Other Financing Sources (Uses)					
Issuance of Bonds & Other Debt	1,814,000	-	-	10,174,331	-
Payment to Bond Refunding Agent	(1,785,000)	-	-	(9,792,760)	-
Proceeds from Asset Disposals	45,598	48,275	107,760	42,869	19,127
Proceeds from Lease Relinquishments	-	-	-	2,500,000	-
Capital Leases	525,147	-	26,454	64,113	6,739,000
Transfers In	5,933,470	7,199,980	7,452,857	11,483,900	12,998,035
Transfers Out	(6,031,510)	(7,788,821)	(6,952,208)	(10,898,865)	(12,644,039)
Total Other Financing Sources (Uses)	501,705	(540,566)	634,863	3,573,588	7,112,123
Net Change in Fund Balances	\$ 3,298,404	\$ 3,854,941	\$ (1,041,282)	\$ 9,244,771	\$ 8,794,021
Debt Service as a percentage					
of Noncapital Expenditures	14.3%	17.4%	19.2%	17.7%	15.3%

Fiscal Year				
2017	2018	2019	2020	2021
\$ 40,804,822	\$ 41,982,483	\$ 43,735,686	\$ 47,401,515	\$ 52,702,373
1,815,943	1,813,030	2,564,527	1,661,515	2,047,433
4,367,601	5,326,785	4,827,536	9,989,011	9,006,531
7,944,803	8,049,206	8,912,692	8,702,243	9,727,927
1,699,609	1,839,251	1,736,445	1,386,474	1,219,631
3,739,141	4,283,205	4,813,925	5,039,118	4,761,991
-	87,291	1,812,117	753,507	1,017,553
602,736	776,059	2,286,635	2,061,462	430,893
2,254,504	1,887,641	1,362,254	1,816,174	2,692,884
63,229,159	66,044,951	72,051,817	78,811,019	83,607,216
12,810,872	13,245,295	14,378,024	14,730,287	15,264,157
21,752,711	22,539,915	23,577,274	24,553,748	25,742,327
3,029,415	3,053,824	3,195,426	3,226,153	3,214,068
7,593,094	7,465,177	7,889,131	7,940,137	8,155,277
862,478	1,056,219	792,306	601,842	837,027
1,195,421	761,151	911,069	913,706	1,051,628
3,515,873	3,095,833	1,820,799	1,527,961	1,432,255
3,554,590	3,473,151	3,694,732	4,935,277	4,639,423
109,494	546,506	426,000	435,000	444,000
4,540	311,092	126,221	117,353	108,284
15,109,224	7,426,441	6,743,546	27,476,266	29,124,011
69,537,712	62,974,604	63,554,528	86,457,730	90,012,457
(6,308,553)	3,070,347	8,497,289	(7,646,711)	(6,405,241)
2,898,000	-	28,209,763	-	-
(2,861,199)	-	-	-	-
103,983	77,614	155,055	704,035	594,136
-	-	-	-	-
-	-	-	-	-
11,857,495	13,220,391	14,702,520	12,071,658	14,840,756
(11,610,436)	(12,453,195)	(13,996,801)	(11,672,376)	(13,384,575)
387,843	844,810	29,070,537	1,103,317	2,050,317
\$ (5,920,710)	\$ 3,915,157	\$ 37,567,826	\$ (6,543,394)	\$ (4,354,924)
12.8%	12.8%	10.0%	11.6%	11.3%

City of Orem
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Calendar Years
(Unaudited)

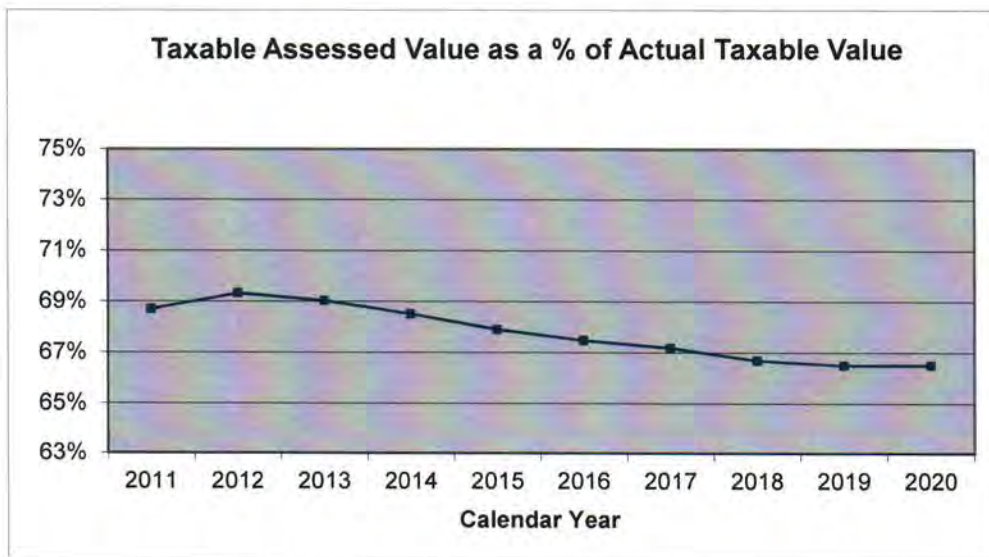
Calendar Year ¹	Taxable Assessed Value				
	Primary Residential Property	Other Residential Property	Commercial & Industrial Property	Agricultural Property	Unimproved Real Property
2011	\$ 2,319,187,515	\$ 60,784,441	\$ 1,551,035,553	\$ 446,286	\$ 3,599,142
2012	2,284,573,816	4,073,304	1,451,256,784	544,039	136,586,644
2013	2,372,218,303	4,459,944	1,455,891,528	528,035	127,808,953
2014	2,625,764,385	7,388,684	1,540,311,362	486,609	147,878,177
2015	2,843,531,994	8,234,684	1,591,591,049	496,907	145,565,291
2016	3,107,389,501	11,331,034	1,666,181,801	936,304	160,189,356
2017	3,410,863,935	12,024,179	1,792,344,368	837,724	156,979,408
2018	3,775,842,951	12,752,600	1,888,362,910	931,418	164,540,170
2019	4,166,790,367	15,841,000	2,053,671,086	904,733	173,954,008
2020	4,477,283,315	26,847,485	2,218,165,060	1,371,812	188,660,779

Source: Utah State Tax Commission - Property Tax Division

Notes: Property in the City of Orem is reassessed once every five years, on average. The county assesses property at approximately 55 percent of actual value for residential property and 100 percent of actual value for all other categories. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentages.

¹ Assessed values are reported by the county on a calendar year basis rather than July 1 to June 30 fiscal year.

Personal Property	Fee in Lieu Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
\$ 294,715,129	\$ 43,727,917	\$ 4,273,495,983	0.001879	\$ 6,220,745,765	68.70%
310,397,550	43,171,491	4,230,603,628	0.001921	6,103,133,090	69.32%
328,234,567	44,814,165	4,333,955,495	0.001871	6,278,510,424	69.03%
322,456,519	43,654,474	4,687,940,210	0.001716	6,842,338,176	68.51%
299,822,251	45,221,895	4,934,464,071	0.001652	7,267,727,717	67.90%
302,375,000	46,114,051	5,294,517,047	0.001550	7,846,197,485	67.48%
316,299,118	44,919,303	5,734,268,035	0.001346	8,534,812,856	67.19%
319,419,105	44,102,879	6,205,952,033	0.001281	9,305,712,029	66.69%
339,452,728	43,518,173	6,794,132,095	0.001260	10,216,285,032	66.50%
363,773,499	41,018,229	7,317,120,179	0.001166	11,002,318,106	66.51%



City of Orem
Direct and Overlapping Property Tax Rates
Last Ten Calendar Years
(Unaudited)

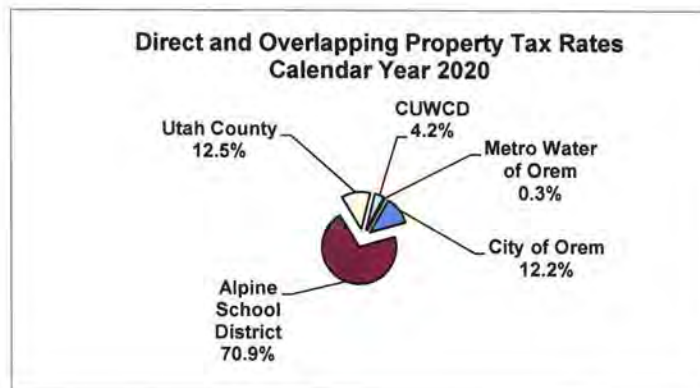
Calendar Year ²	City of Orem Direct Rates			Overlapping Rates ¹				Total
	General Fund	Debt Service Fund	Total Direct Rate	Alpine School District	Utah County	Central Utah Water Conservancy District	Metropolitan Water District of Orem	
2011	0.001325	0.000554	0.001879	0.008812	0.001342	0.000436	0.000039	0.012508
2012	0.001355	0.000566	0.001921	0.008828	0.001324	0.000455	0.000040	0.012568
2013	0.001324	0.000547	0.001871	0.008699	0.001259	0.000446	0.000039	0.012314
2014	0.001217	0.000499	0.001716	0.008096	0.001149	0.000422	0.000036	0.011419
2015	0.001188	0.000464	0.001652	0.008177	0.001098	0.000405	0.000035	0.011367
2016	0.001123	0.000427	0.001550	0.007718	0.001049	0.000400	0.000033	0.010750
2017	0.001050	0.000296	0.001346	0.007167	0.000969	0.000400	0.000031	0.009913
2018	0.001001	0.000280	0.001281	0.007033	0.000911	0.000400	0.000030	0.009655
2019	0.000983	0.000277	0.001260	0.006699	0.000839	0.000400	0.000027	0.009225
2020	0.000925	0.000241	0.001166	0.006800	0.001202	0.000400	0.000025	0.009593

Source: Utah State Tax Commission - Property Tax Division

Notes: The City's basic property tax rate is primarily increased by: 1) a majority vote of the City Council after holding public hearings, 2) the approval of general obligation debt by a majority of the City's residents, 3) through a judgment levy due to a court ordered reduction to an entity(s) property tax, and 4) the overall assessed property values of the City's residents are reduced by the County Assessor. Rates for debt service are set based on each year's requirements. The tax rate is applied directly to the taxable value of the property.

¹ Overlapping rates are those of local and county governments. These rates apply to all property owners within the City of Orem.

² Taxes are collected and reported by the County on a calendar year basis rather than July 1 to June 30 fiscal year.



City of Orem
Principal Property Tax Payers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	Calendar Year 2020			Calendar Year 2011		
	Taxable Assessed Value ¹	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value ¹	Rank	Percentage of Total Taxable Assessed Value
University Place	\$ 224,444,900	1	3.07%	\$ 118,038,185	1	2.76%
Woodtusk LLC	83,732,100	2	1.14%	----		----
Pacificorp	71,392,691	3	0.98%	46,855,573	3	1.10%
TCU Properties	69,900,100	4	0.96%	57,137,700	2	----
Midtown360 LLC	59,977,400	5	0.82%	----		----
Dominion Energy (Questar Gas)	49,714,029	6	0.68%	18,027,646	6	0.42%
Timpanogos Regional Hospital	48,186,500	7	0.66%	42,824,700	4	1.00%
Parkway Lofts LLC	45,597,800	8	0.62%	----		----
Pinnacle Apartments	37,738,700	9	0.52%	----		----
University Crossing Shopping Ctr	31,301,100	10	0.43%	----		----
Wolverine Crossing LLC	30,960,300	11	0.42%	18,278,730	5	0.43%
Carillon Square LLC	29,098,600	12	0.40%	----		----
Greater Growth Properties (GGP)	----		----	17,876,300	7	0.42%
Boyer Lake Point Shopping Ctr	----		----	17,819,200	8	0.42%
Retail Trust III (Walmart)	----		----	15,672,200	9	0.37%
Dickson Properties LLC	----		----	15,458,900	10	0.36%
CenturyLink (Qwest Corp.)	----		----	14,825,756	11	0.35%
Orem Eastpointe LLC	----		----	13,681,800	12	0.32%
Total	<u>\$ 782,044,220</u>		<u>10.69%</u>	<u>\$ 396,496,690</u>		<u>9.28%</u>

¹ Assessed values are reported by the County on a calendar year basis rather than July 1 to June 30 fiscal year.

City of Orem
Property Tax Levies and Collections
Last Ten Calendar Years
(Unaudited)

Calendar Year ¹	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections by Tax Levy Year	Total Tax Collections
2011	\$ 7,301,643	\$ 6,644,493	91.00%	\$ 558,514	\$ 7,203,007
2012	7,370,522	6,788,600	92.10%	480,274	7,268,874
2013	7,374,914	6,815,131	92.41%	439,124	7,254,255
2014	7,387,198	6,793,773	91.97%	493,765	7,287,538
2015	7,529,322	6,935,505	92.11%	513,438	7,448,943
2016	7,586,065	7,059,043	93.05%	484,862	7,543,905
2017	7,204,690	6,754,817	93.76%	417,300	7,172,117
2018	7,252,003	6,740,722	92.95%	396,947	7,137,669
2019	7,480,867	6,825,355	91.24%	546,048	7,371,403
2020	7,297,759	6,667,581	91.36%	462,757	7,130,338

¹ Taxes are levied, collected, and reported by the County on a calendar or tax levy year basis rather than a July 1 to June 30 fiscal year.

Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes by Tax Levy Year	Ratio of Outstanding Delinquent Taxes to Total Tax Levy
98.65%	\$ 98,636	1.35%
98.62%	101,648	1.38%
98.36%	120,659	1.64%
98.65%	99,660	1.35%
98.93%	80,379	1.07%
99.44%	42,160	0.56%
99.55%	32,573	0.45%
98.42%	114,334	1.58%
98.54%	109,464	1.46%
97.71%	167,421	2.29%

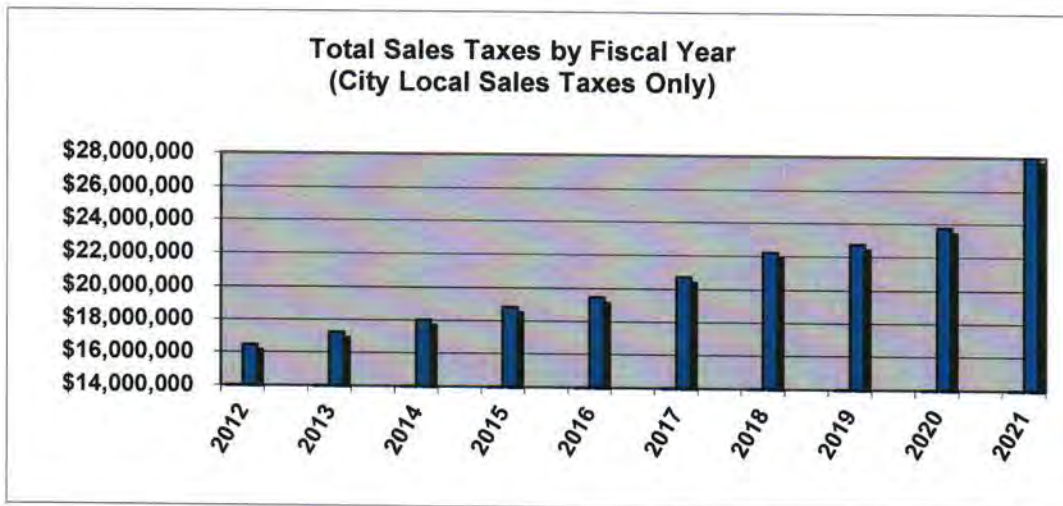
City of Orem
Sales Taxes by Category
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2012	2013	2014	2015
General Merchandise and Groceries	\$ 4,959,192	\$ 5,030,506	\$ 5,140,689	\$ 5,277,987
Building Materials, Hardware, and Tools	1,589,790	1,576,835	1,661,997	1,801,399
Auto Dealers, Supplies, and Accessories	2,338,347	2,769,371	2,874,555	2,899,382
Home Furnishings, Appliances, & Electronics	1,560,747	1,614,843	1,685,399	1,786,258
Eating and Drinking Establishments	1,200,356	1,104,646	1,168,448	1,245,543
Clothing, Apparel, and Accessories	1,435,943	1,397,682	1,464,384	1,528,112
Professional Equipment and Supplies	1,031,773	1,207,903	1,378,551	1,429,657
Arts, Crafts, and Specialty Items	312,424	291,241	322,670	359,128
Amusement and Recreation	559,763	551,462	578,775	650,710
All Other Categories	1,465,414	1,688,683	1,732,104	1,852,879
Subtotal - City Local Sales Tax	16,453,749	17,233,172	18,007,572	18,831,055
Cultural Arts & Recreation Enhancement (CARE)	1,652,524	1,711,475	1,811,395	1,888,230
Transportation Infrastructure	-	-	-	-
Mass Transit - Additional	-	-	-	8,272
Total City Sales Taxes	<u>\$ 18,106,273</u>	<u>\$ 18,944,647</u>	<u>\$ 19,818,967</u>	<u>\$ 20,727,557</u>
Total City Sales Tax Rate ¹	1.10%	1.10%	1.10%	1.10%
% Increase (Decrease) from prior year, All	5.91%	4.63%	4.62%	4.58%
% Increase (Decrease) from prior year, City Local Sales Tax Only	5.89%	4.74%	4.49%	4.57%

Source: Internally generated, but based upon sales tax amounts reported to the City by the Utah State Tax Commission.

¹ See sales tax rate breakdown on page 166 for additional information regarding this rate.

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 5,333,279	\$ 5,637,951	\$ 5,934,245	\$ 6,105,107	\$ 6,578,582	\$ 7,702,422
1,952,417	2,299,711	2,585,913	3,028,016	3,479,383	4,340,120
2,979,991	3,151,370	3,410,522	3,694,537	3,802,737	4,575,230
1,822,364	1,964,207	2,101,318	2,082,860	1,807,145	2,189,728
1,314,508	1,499,483	1,749,330	1,809,424	1,664,412	1,859,596
1,573,936	1,552,018	1,582,714	1,299,340	1,129,901	1,260,997
1,526,283	1,554,830	1,596,802	1,602,008	1,893,016	2,198,583
382,199	377,497	387,574	358,450	367,346	476,918
656,716	674,845	683,181	726,998	743,740	870,486
1,921,222	2,002,205	2,166,357	2,027,097	2,270,648	2,529,869
19,462,915	20,714,117	22,197,956	22,733,837	23,736,910	28,003,949
1,934,153	2,028,528	2,163,259	2,208,004	2,284,064	2,741,633
-	-	-	-	2,129,802	2,503,967
8,665	8,062	489	2,580	814	617
<u>\$ 21,405,733</u>	<u>\$ 22,750,707</u>	<u>\$ 24,361,704</u>	<u>\$ 24,944,421</u>	<u>\$ 28,151,590</u>	<u>\$ 33,250,166</u>
1.10%	1.10%	1.10%	1.20%	1.20%	1.20%
3.27%	6.28%	7.08%	2.39%	12.86%	18.11%
3.36%	6.43%	7.16%	2.41%	4.41%	17.98%



City of Orem
Other Sales Tax Revenue Information by Category
Current Year and Nine Years Ago
(Unaudited)

Fiscal Year 2021				
	Number	Percentage	Local	
	of Filers	of Total	Sales Tax	Percentage
			Revenue	of Total
General Merchandise and Groceries	1,702	18.71%	\$ 7,702,422	27.50%
Building Materials, Hardware, and Tools	436	4.79%	\$ 4,340,120	15.50%
Auto Dealers, Supplies, and Accessories	531	5.84%	\$ 4,575,230	16.34%
Home Furnishings, Appliances, & Electronics	374	4.11%	\$ 2,189,728	7.82%
Eating and Drinking Establishments	339	3.73%	\$ 1,859,596	6.64%
Clothing, Apparel, and Accessories	584	6.42%	\$ 1,260,997	4.50%
Professional Equipment and Supplies	1,661	18.26%	\$ 2,198,583	7.85%
Arts, Crafts, and Specialty Items	462	5.08%	\$ 476,918	1.70%
Amusement and Recreation	509	5.60%	\$ 870,486	3.11%
All Other Categories	2,499	27.47%	\$ 2,529,869	9.03%
Total	9,097	100.00%	\$ 28,003,949	100.00%

Fiscal Year 2012				
	Number	Percentage	Local	
	of Filers	of Total	Sales Tax	Percentage
			Revenue	of Total
General Merchandise and Groceries	573	11.03%	\$ 4,959,192	30.14%
Building Materials, Hardware, and Tools	338	6.50%	\$ 1,589,790	9.66%
Auto Dealers, Supplies, and Accessories	330	6.35%	\$ 2,338,347	14.21%
Home Furnishings, Appliances, & Electronics	256	4.93%	\$ 1,560,747	9.49%
Eating and Drinking Establishments	235	4.52%	\$ 1,200,356	7.30%
Clothing, Apparel, and Accessories	215	4.14%	\$ 1,435,943	8.73%
Professional Equipment and Supplies	867	16.68%	\$ 1,031,773	6.27%
Arts, Crafts, and Specialty Items	270	5.20%	\$ 312,424	1.90%
Amusement and Recreation	190	3.66%	\$ 559,763	3.40%
All Other Categories	1,923	37.00%	\$ 1,465,414	8.91%
Total	5,197	100.00%	\$ 16,453,749	100.00%

Source: Internally generated, but based upon sales tax amounts reported to the City by the Utah State Tax Commission.

City of Orem
Principal Sales Tax Payers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	Fiscal Year 2021			Fiscal Year 2012		
	Local Sales Taxes ¹	Rank	Percentage of Total Local Sales Taxes ¹	Local Sales Taxes ¹	Rank	Percentage of Total Local Sales Taxes ¹
Costco Wholesale Corporation	N/A	1	N/A	N/A	1	N/A
Wal-Mart Supercenter	N/A	2	N/A	N/A	2	N/A
Brent Brown Toyota	N/A	3	N/A	N/A	7	N/A
Target	N/A	4	N/A	N/A	3	N/A
RC Willey Home Furnishings	N/A	5	N/A	N/A	8	N/A
BMC Holdings Inc.	N/A	6	N/A	----		----
Winco Foods	N/A	7	N/A	N/A	9	N/A
Mountainland Supply Company	N/A	8	N/A	----		----
Pacificorp (Utah Power & Light)	N/A	9	N/A	N/A	5	N/A
Ken Garff Honda of Orem	N/A	10	N/A	N/A	11	N/A
Lowes Home Centers LLC	N/A	11	N/A	N/A	12	----
Smith's Food & Drug	N/A	12	N/A	----		----
U.S. Synthetic Corporation	----		----	N/A	4	N/A
Ken Garff Nissan of Orem	----		----	N/A	6	N/A
Best Buy Stores LP	----		----	N/A	10	N/A
Total	<u>\$ 7,883,455</u>		<u>28.15%</u>	<u>\$ 6,062,042</u>		<u>31.80%</u>

Source: Utah State Tax Commission.

¹ Due to confidentiality issues, the amounts and percentages of the twelve largest revenue payers cannot be displayed. However, the aggregate total is displayed along with the individual rankings in an effort to provide the reader with information as to where the City's sales tax base originates.

City of Orem
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years
(Unaudited)

City Direct Sales Tax Rates				
Fiscal Year	City Direct Rate	City Cultural Arts & Rec Rate ¹	City Transportation Infrastructure Rate ²	Total City Direct Rate
2012	1.00%	0.10%	0.00%	1.10%
2013	1.00	0.10	0.00	1.10
2014	1.00	0.10	0.00	1.10
2015	1.00	0.10	0.00	1.10
2016	1.00	0.10	0.00	1.10
2017	1.00	0.10	0.00	1.10
2018	1.00	0.10	0.00	1.10
2019	1.00	0.10	0.10	1.20
2020	1.00	0.10	0.10	1.20
2021	1.00	0.10	0.10	1.20

Overlapping Sales Tax Rates							
Fiscal Year	County Direct Rate	County Transportation Infrastructure Rate ²	County Mass Transit Rate	County Airport, Highway, & Public Transit Rate	State Direct Rate ³	State Mass Transit Rate	Total Sales Tax Rate ⁴
2012	0.25%	0.00%	0.30%	0.25%	4.70%	0.25%	6.85%
2013	0.25	0.00	0.30	0.25	4.70	0.25	6.85
2014	0.25	0.00	0.30	0.25	4.70	0.25	6.85
2015	0.25	0.00	0.30	0.25	4.70	0.25	6.85
2016	0.25	0.00	0.30	0.25	4.70	0.25	6.85
2017	0.25	0.00	0.30	0.25	4.70	0.25	6.85
2018	0.25	0.00	0.30	0.25	4.70	0.25	6.85
2019	0.25	0.15	0.30	0.25	4.85	0.25	7.25
2020	0.25	0.15	0.30	0.25	4.85	0.25	7.25
2021	0.25	0.15	0.30	0.25	4.85	0.25	7.25

Source: Utah State Tax Commission

¹ This additional sales tax rate, titled CARE tax, was voted on by the citizens of Orem and went into effect on April 1, 2006. It was reauthorized by citizen vote in November 2013 to continue for another ten years.

² This new sales tax rate was approved by Utah County. The new tax went into effect on April 1, 2019. The City directly receives a share of the new tax but did not begin to receive these funds until July 1, 2019, due to an agreement with Utah County. The additional tax is to be used to fund eligible transportation projects.

³ The State of Utah direct sales tax rate was increased effective April 1, 2019.

⁴ The total sales tax rate for non-prepared food and food ingredients was set at 3.00% statewide (1.00% City Direct Rate, 0.25% County Direct Rate, and 1.75% State Direct Rate) and went into effect on January 1, 2008.

City of Orem
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Sales Tax Revenue Bonds						
Fiscal Year	Local Sales Taxes	Debt Service		Coverage		
		Principal	Interest			
2012	\$ 16,453,749	\$ 710,000	\$ 367,619	15.27		
2013	17,233,172	746,000	268,182	16.99		
2014	18,007,572	840,000	256,669	16.42		
2015	18,831,055	853,000	243,444	17.17		
2016	19,462,915	1,065,000	216,274	15.19		
2017	20,714,117	1,125,000	106,824	16.82		
2018	22,197,956	1,231,000	64,342	17.14		
2019	22,733,837	459,000	32,340	46.27		
2020	23,736,910	352,000	23,435	63.23		
2021	28,003,949	360,000	16,606	74.36		

Water & Storm Sewer Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	\$ 12,544,643	\$ 8,851,011	\$ 3,693,632	\$ 890,000	\$ 972,772	1.98
2013	12,864,859	9,256,350	3,608,509	917,000	940,512	1.94
2014	13,927,292	9,814,494	4,112,798	944,000	792,256	2.37
2015	14,141,179	9,588,439	4,552,740	1,228,000	619,984	2.46
2016	14,847,401	9,468,250	5,379,151	1,267,000	578,638	2.91
2017	17,169,942	10,000,616	7,169,326	1,326,000	412,011	4.13
2018	20,133,406	10,509,666	9,623,740	1,279,000	424,593	5.65
2019	21,342,117	11,212,585	10,129,532	1,380,000	396,703	5.70
2020	23,140,323	11,557,200	11,583,123	1,459,000	366,956	6.34
2021	23,961,320	12,574,770	11,386,550	1,463,000	336,417	6.33

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

¹ Operating expenses do not include depreciation, interest, or amortization expenses.

City of Orem
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Governmental Activities							
Fiscal Year	General Obligation Bonds	G.O. Bonds Issuance Premiums	Special Assessment Bonds	Sales Tax Revenue Bonds	Franchise Tax Revenue Bonds	Revenue Bonds Issuance Premiums	Notes Payable
2012	\$ 15,210,000	\$ 288,101	\$ 5,925,000	\$ 7,434,000	\$ 3,375,000	\$ 428,323	\$ 1,268,313
2013	13,900,000	257,636	5,444,000	6,688,000	2,850,000	363,031	1,199,599
2014	12,550,000	227,170	4,446,000	5,848,000	2,300,000	297,740	1,122,977
2015	11,830,000	695,160	1,155,000	4,995,000	1,750,000	232,449	1,045,022
2016	10,200,000	611,762	165,000	3,930,000	1,150,000	167,158	960,652
2017	8,535,000	528,364	155,000	2,898,000	525,000	101,867	869,779
2018	7,310,000	452,969	140,000	1,667,000	-	52,426	769,946
2019	30,560,000	4,050,044	130,000	1,208,000	-	41,487	668,147
2020	29,620,000	3,851,333	-	856,000	-	30,547	562,186
2021	28,655,000	3,652,623	-	496,000	-	19,607	454,930

Business-type Activities					
Fiscal Year	Water Quality Revenue Bonds	Water & Storm Sewer Revenue Bonds	Water, Sewer & Storm Swr Revenue Bonds	Revenue Bonds Issuance Premiums	Total Business-type Activities
2012	\$ 12,578,757	\$ 21,300,000	\$ -	\$ 560,200	\$ 34,438,957
2013	11,762,757	20,383,000	-	518,391	32,664,148
2014	10,938,757	21,535,000	-	476,585	32,950,342
2015	10,107,000	20,307,000	-	434,776	30,848,776
2016	9,513,000	19,040,000	-	392,965	28,945,965
2017	8,919,000	17,019,000	-	1,014,797	26,952,797
2018	8,325,000	15,740,000	-	912,889	24,977,889
2019	7,731,000	14,360,000	-	810,978	22,901,978
2020	7,137,000	12,901,000	-	709,067	20,747,067
2021	-	11,438,000	35,863,000	6,954,912	54,255,912

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

Governmental Activities

Capital Leases	Total Governmental Activities
\$ 576,512	\$ 34,505,249
478,299	31,180,565
396,436	27,188,323
352,173	22,054,804
6,977,000	24,161,572
6,893,313	20,506,323
6,345,670	16,738,011
5,974,929	42,632,607
5,513,323	40,433,389
5,044,307	38,322,467

Total Primary Government

Total Primary Government	Percentage of Personal Income	Direct City Debt Per Capita
\$ 68,944,206	4.42%	\$772
63,844,713	3.67	713
60,138,665	3.47	667
52,903,580	2.87	571
53,107,537	2.71	566
47,459,120	2.26	502
41,715,900	1.88	434
65,534,585	2.72	673
61,180,456	2.38	623
92,578,379	3.29	937

City of Orem
Ratios of Net General Obligation Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population ¹	Taxable Assessed Value	Gross Bonded Debt	Debt Service Monies Available ²	Net Bonded Debt	Ratio of Net Bonded Debt To Taxable Assessed Value	Net Bonded Debt Per Capita
2012	89,279	\$ 4,490,211,229	\$ 15,498,101	\$ 1,282,169	\$ 14,215,932	0.32%	\$159
2013	89,584	4,273,495,983	14,157,636	1,654,406	12,503,230	0.30	140
2014	90,154	4,230,603,628	12,777,170	399,982	12,377,188	0.29	137
2015	92,601	4,333,955,495	12,525,160	1,557,040	10,968,120	0.23	118
2016	93,788	4,687,940,210	10,811,762	861,873	9,949,889	0.20	106
2017	94,499	4,934,464,071	9,063,364	1,098,713	7,964,651	0.15	84
2018	96,159	5,294,517,047	7,762,969	916,971	6,845,998	0.12	71
2019	97,328	5,734,268,035	34,610,044	3,789,092	30,820,952	0.49	317
2020	98,129	6,794,132,095	33,471,333	2,694,732	30,776,601	0.45	314
2021	98,812	7,317,120,179	32,307,623	1,915,512	30,392,111	0.42	308

¹ Population estimates were based upon census data and building activity within the City.

² Debt service monies available are net of reserves dedicated to other debt issues, i.e., revenue bonds and capital leases.

City of Orem
Direct and Overlapping Governmental Activities Debt
June 30, 2021
(Unaudited)

Jurisdiction	Total Governmental Activities Debt Outstanding	Percentage Applicable to the Citizens of the City of Orem ¹	Amount Applicable to the Citizens of the City of Orem
Direct Debt:			
City of Orem	\$ 38,322,467	100.0000%	\$ 38,322,467
Overlapping Debt:			
Alpine School District	508,880,000	20.2441%	103,017,923
Utah County	-	14.7151%	-
Central Utah Water Conservancy District	167,587,665	4.0869%	6,849,127
Total Overlapping Debt	676,467,665		109,867,050
Total Direct and Overlapping Debt	\$ 714,790,132		\$ 148,189,517
Total Direct and Overlapping Debt Per Capita			\$ 1,500

Sources: Assessed value data used to calculate applicable percentages was provided by the Utah State Tax Commission.

Notes: Overlapping governments are those that coincide 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 Orem. 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 This percentage uses taxable assessed property values. Applicable percentages were calculated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

City of Orem
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2012	2013	2014	2015
<u>General Purposes (4%)</u>				
Debt Limit	\$ 248,829,831	\$ 244,125,324	\$ 251,140,417	\$ 273,693,527
Total Net Debt Applicable to Limit	(13,927,831)	(12,418,290)	(15,781,433)	(8,722,156)
Legal Debt Margin	<u>\$ 234,902,000</u>	<u>\$ 231,707,034</u>	<u>\$ 235,358,984</u>	<u>\$ 264,971,371</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	5.60%	5.09%	6.28%	3.19%
<u>Water, Sewer, & Lighting (4%)</u>				
Debt Limit	\$ 248,829,831	\$ 244,125,324	\$ 251,140,417	\$ 273,693,527
Total Net Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	<u>\$ 248,829,831</u>	<u>\$ 244,125,324</u>	<u>\$ 251,140,417</u>	<u>\$ 273,693,527</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%
<u>Total (8%)</u>				
Debt Limit	\$ 497,659,662	\$ 488,250,648	\$ 502,280,834	\$ 547,387,054
Total Net Debt Applicable to Limit	(13,927,831)	(12,418,290)	(15,781,433)	(8,722,156)
Legal Debt Margin	<u>\$ 483,731,831</u>	<u>\$ 475,832,358</u>	<u>\$ 486,499,401</u>	<u>\$ 538,664,898</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	2.80%	2.54%	3.14%	1.59%

¹ The 8% debt limitation applies only to general obligation bonded debt. The City is limited to 4% for general purposes with the other 4% and any remaining unused general purposes portion being available for use for water, sewer, and lighting purposes.

² Debt service monies available are net of reserves dedicated to other debt issues (i.e. revenue bonds and capital leases).

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 290,709,109	\$ 313,847,899	\$ 341,392,514	\$ 372,228,481	\$ 408,651,401	\$ 440,092,724
(7,964,651)	(7,964,651)	(6,845,998)	(30,859,318)	(30,776,601)	(30,392,111)
<u>\$ 282,744,458</u>	<u>\$ 305,883,248</u>	<u>\$ 334,546,516</u>	<u>\$ 341,369,163</u>	<u>\$ 377,874,800</u>	<u>\$ 409,700,613</u>
2.74%	2.54%	2.01%	8.29%	7.53%	6.91%
\$ 290,709,109	\$ 313,847,899	\$ 341,392,514	\$ 372,228,481	\$ 408,651,401	\$ 440,092,724
-	-	-	-	-	-
<u>\$ 290,709,109</u>	<u>\$ 313,847,899</u>	<u>\$ 341,392,514</u>	<u>\$ 372,228,481</u>	<u>\$ 408,651,401</u>	<u>\$ 440,092,724</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 581,418,218	\$ 627,695,798	\$ 682,785,028	\$ 744,456,962	\$ 817,302,802	\$ 880,185,448
(7,964,651)	(7,964,651)	(6,845,998)	(30,859,318)	(30,776,601)	(30,392,111)
<u>\$ 573,453,567</u>	<u>\$ 619,731,147</u>	<u>\$ 675,939,030</u>	<u>\$ 713,597,644</u>	<u>\$ 786,526,201</u>	<u>\$ 849,793,337</u>
1.37%	1.27%	1.00%	4.15%	3.77%	3.45%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Valuations:

Taxable Value	<u>\$ 7,317,120,179</u>
Estimated Market Value	<u>\$ 11,002,318,106</u>

Legal Debt Margin:

Debt Limitation - 8% of Estimated Market Value ¹	\$ 880,185,449
Debt Applicable to Limitation:	
Total General Obligation Bonded Debt	\$ (32,307,623)
Less:	
Assets in Debt Service Funds Available for payment of Principal ²	<u>1,915,512</u>
Total Debt Applicable to Limitation	<u>(30,392,111)</u>
Legal Debt Margin	<u>\$ 849,793,338</u>

City of Orem
Long-term Bonded Indebtedness Paid By Primary Government
Schedule of Bonded Indebtedness
June 30, 2021
(Unaudited)

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Term of Bonds</u>	<u>Annual Terms of Serial Bonds</u>
Governmental Activities:				
General Obligation Bonds:				
Series 2014 Road Bonds - Refunding	0.25% - 3.00%	11/05/14	2014-2024	Various
Series 2019 Bonds	3.625% - 5.00%	02/26/19	2019-2048	Various
Total General Obligation Bonds				
Revenue Bonds:				
Sales Tax Revenue Refunding Bonds - Series 2017	1.94%	02/23/17	2017-2023	Various
Total Revenue Bonds				
Total Governmental Activities				
Business-type Activities:				
Revenue Bonds:				
2005B Water and Storm Sewer Revenue Bonds	1.48%	03/17/05	2005-2025	Various
Water Quality Revenue Bonds	0.00%	02/16/10	2010-2032	Various
2013 Water and Storm Sewer Revenue Refunding Bonds	2.18%	07/02/13	2013-2025	Various
2016 Water and Storm Sewer Revenue Refunding Bonds	2.00% - 4.50%	10/25/16	2016-2028	Various
2021A Water, Sewer and Storm Sewer Revenue Bonds	3.00% - 5.00%	04/27/21	2021-2046	Various
2021B Water, Sewer and Storm Sewer Revenue Bonds	0.00%	04/27/21	2021-2032	Various
Total Revenue Bonds				
Total Business-type Activities				
Total Primary Government Long-term Bonded Indebtedness				

Original Amount	Principal		Interest	
	Balance 06/30/21	Retired Year Ended 06/30/21	Expense Year Ended 06/30/21	Payable In Future Years
\$ 9,645,000	\$ 4,155,000	\$ 965,000	\$ 128,600	\$ 226,688
\$ 24,500,000	<u>24,500,000</u>	<u>-</u>	<u>1,188,112</u>	<u>21,620,882</u>
	<u>28,655,000</u>	<u>965,000</u>	<u>1,316,712</u>	<u>21,847,570</u>
\$ 2,898,000	<u>496,000</u>	<u>360,000</u>	<u>16,606</u>	<u>14,530</u>
	<u>496,000</u>	<u>360,000</u>	<u>16,606</u>	<u>14,530</u>
	<u>29,151,000</u>	<u>1,325,000</u>	<u>1,333,318</u>	<u>21,862,100</u>
\$ 3,000,000	834,000	160,000	14,711	37,400
\$ 11,889,000	-	7,137,000	-	-
\$ 12,801,000	6,424,000	1,203,000	153,156	356,386
\$ 4,380,000	4,180,000	100,000	168,550	982,825
\$ 29,320,000	29,320,000	-	-	18,451,703
\$ 6,543,000	<u>6,543,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>47,301,000</u>	<u>8,600,000</u>	<u>336,417</u>	<u>19,828,314</u>
	<u>47,301,000</u>	<u>8,600,000</u>	<u>336,417</u>	<u>19,828,314</u>
	<u>\$ 76,452,000</u>	<u>\$ 9,925,000</u>	<u>\$ 1,669,735</u>	<u>\$ 41,690,414</u>

City of Orem
Other Long-term Liabilities Paid by Primary Government
Last Three Fiscal Years
(Unaudited)

	Fiscal Year		
	2019	2020	2021
Governmental Activities:			
Compensated Absences	\$ 2,081,476	\$ 2,218,836	\$ 2,397,724
Net Pension Liabilities	15,276,459	7,255,064	3,163,175
Claims and Judgments	1,379,031	1,069,320	901,538
Other Post-employment Benefits (OPEB)	156,530	157,627	89,063
Total Governmental Activities	18,893,496	10,700,847	6,551,500
Business-type Activities:			
Compensated Absences	329,245	348,645	396,024
Net Pension Liabilities	2,827,423	1,257,893	167,056
Total Business-type Activities	3,156,668	1,606,538	563,080
Primary Government:			
Compensated Absences	2,410,721	2,567,481	2,793,748
Net Pension Liabilities	18,103,882	8,512,957	3,330,231
Claims and Judgments	1,379,031	1,069,320	901,538
Other Post-employment Benefits (OPEB)	156,530	157,627	89,063
Total Primary Government	\$ 22,050,164	\$ 12,307,385	\$ 7,114,580

City of Orem
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population ¹	Households ²	Personal Income	Per Capita Personal Income ²	Per Household Personal Income
2012	89,279	27,533	\$ 1,559,347,014	\$ 17,466	\$ 56,636
2013	89,584	27,515	1,738,556,688	19,407	63,186
2014	90,154	27,486	1,734,833,422	19,243	63,117
2015	92,601	28,520	1,843,593,309	19,909	64,642
2016	93,788	29,534	1,963,264,204	20,933	66,475
2017	94,499	29,594	2,104,114,734	22,266	71,099
2018	96,159	30,009	2,218,003,494	23,066	73,911
2019	97,328	30,705	2,412,955,776	24,792	78,585
2020	98,129	31,503	2,571,470,445	26,205	81,626
2021	98,812	32,399	2,811,794,272	28,456	86,786

Fiscal Year	Median Age	City Unemployment Rate	K-12 Student Population ³	UVU FTE Student Population ⁴
2012	26.3	6.40%	16,359	22,448
2013	26.3	5.30	16,437	21,617
2014	26.4	3.90	16,275	20,697
2015	26.5	3.50	15,757	21,335
2016	26.7	3.90	15,787	22,591
2017	26.8	3.70	15,668	23,706
2018	27.0	3.30	15,644	25,037
2019	27.2	3.10	15,608	26,574
2020	27.4	5.00	14,595	27,531
2021	27.4	3.00	14,759	27,202

¹ Population estimates were based upon census data and building activity within the City.

² Data is based upon federal income tax return data provided by the Utah State Tax Commission. The data for the current fiscal year is based on the most recent calendar year data.

³ Data was provided by the Alpine School District.

⁴ Data represents fall semester counts based on the Utah Valley University (UVU) fact book.

City of Orem
Other Demographic Statistics
(Unaudited)

Census Population Count

Year	Population	Increase	Percent Increase
1890	435	-	-
1900	692	257	37.14%
1910	1,064	372	34.96
1920	1,664	600	36.06
1930	1,915	251	13.11
1940	2,914	999	34.28
1950	8,338	5,424	65.05
1960	18,394	10,056	54.67
1970	25,760	7,366	28.59
1980	52,399	26,639	50.84
1990	67,561	15,162	22.44
2000	84,324	16,763	19.88
2010	88,328	4,004	4.53
2020	98,129	9,801	9.99

Age Distribution of Population ¹

Age	Total		Male		Female	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	8,791	8.96%	4,356	4.44%	4,435	4.52%
5 - 9	6,668	6.79%	3,304	3.37%	3,364	3.43%
10 - 14	8,066	8.22%	3,997	4.07%	4,069	4.15%
15 - 19	7,279	7.42%	3,606	3.68%	3,673	3.74%
20 - 24	14,144	14.42%	7,008	7.14%	7,136	7.27%
25 - 34	17,104	17.43%	8,475	8.64%	8,629	8.79%
35 - 44	10,848	11.06%	5,375	5.48%	5,473	5.58%
45 - 54	8,672	8.84%	4,297	4.38%	4,375	4.46%
55 - 59	3,702	3.77%	1,834	1.87%	1,868	1.90%
60 - 64	3,673	3.74%	1,820	1.85%	1,853	1.89%
65 - 74	5,164	5.26%	2,559	2.61%	2,605	2.66%
75 - 84	2,503	2.55%	1,240	1.26%	1,263	1.29%
85+	1,515	1.54%	750	0.76%	765	0.78%
TOTAL	98,129	100.00%	48,621	49.55%	49,508	50.45%

¹ Source: Census Bureau - This information is from a 2019 estimate as the Census Bureau has indicated they will not be releasing their standard 2020 estimate because of the impacts of the COVID-19 pandemic on data collection.

City of Orem
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	Fiscal Year 2021			Fiscal Year 2012		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Utah Valley University	2,881	1	5.68%	1,956	1	4.06%
Alpine School District	1,402	2	2.77%	1,644	2	3.41%
U.S. Synthetic Corporation	600	3	1.18%	592	5	1.23%
City of Orem	554	4	1.09%	521	6	1.08%
Timpanogos Regional Hospital	505	5	1.00%	459	7	0.95%
Wal-Mart	499	6	0.98%	386	10	0.80%
Target Stores	360	7	0.71%	----		----
United Parcel Service, Inc.	356	8	0.70%	----		----
Any Hour Electric	320	9	0.63%	----		----
Mity-Lite Inc.	300	10	0.59%	----		----
Adobe Systems Inc. (Omniiture)	----		----	599	3	1.24%
Convergys Corporation	----		----	592	4	1.23%
Xlear, Inc.	----		----	440	8	0.91%
Response Marketing Group	----		----	387	9	0.80%
Total	<u>7,777</u>		<u>15.34%</u>	<u>7,576</u>		<u>15.71%</u>

Source: Orem City's business licensing database and personal communications with certain governmental entities by Orem City personnel.

City of Orem
Full-Time-Equivalent City Government Employees
by Function/Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2012	2013	2014	2015
General Government	110	102	107	105
Public Safety:				
Police Protection	136	131	130	133
Fire Protection	70	65	68	68
Highways and Public Improvements	0	0	0	0
Parks and Recreation:				
Parks and Recreation	36	29	35	36
Library	43	45	45	46
Cemetery	5	5	5	5
Economic and Physical Development	3	4	4	3
Water	27	26	27	26
Water Reclamation	30	29	30	30
Storm Water	10	10	11	11
Recreation	49	53	53	54
Street Lighting	2	2	2	2
Total	521	501	517	519

Source: City of Orem - Human Resource Department

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

Fiscal Year					
2016	2017	2018	2019	2020	2021
113	122	124	129	130	133
135	137	134	134	139	144
67	68	67	68	67	71
0	0	0	0	0	1
32	33	33	32	33	32
44	46	46	44	45	47
5	5	4	5	5	5
3	3	3	2	3	3
26	24	29	30	30	31
27	30	30	29	29	27
11	11	12	12	12	13
54	54	54	50	32	44
2	2	2	3	3	3
519	535	538	538	528	554

City of Orem
Operating Indicators by Function / Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2012	2013	2014	2015	2016
General Government:					
Building Permits Issued	899	817	1,064	1,301	1,429
Public Safety:					
Police Protection:					
Physical Arrests	6,016	4,338	3,335	3,621	3,842
Traffic Citations	10,042	16,042	18,116	12,487	12,064
Fire Protection:					
Emergency Responses	7,628	9,058	8,105	9,448	10,442
Ambulance Transports	2,320	2,434	2,461	2,709	2,963
Other Public Safety Services:					
Emergency Dispatch Calls	39,405	37,867	24,906	27,251	28,023
Highways and Public Improvements:					
Asphalt Used - Streets (Tons)	5,965	5,287	4,725	4,332	4,060
Concrete Used - Sidewalks (Yards)	1,020	796	821	805	750
Parks and Recreation:					
Recreation Programs Participants	16,700	12,276	12,984	12,486	12,702
Library - Volumes in Collection (approx.)	320,703	326,253	329,204	366,500	374,190
Cemetery - Interments	294	252	322	323	333
Economic and Physical Development:					
Public Service Organizations Assisted	16	16	16	16	22
Housing Rehab/RLF Loans/Grants Added	11	6	6	4	2
Major Project Improvements Completed	1	1	0	2	0
Water:					
Number of Consumers	21,965	22,107	22,176	22,492	22,771
Average Daily Consumption (MGD)	26.7	26.9	24.7	24.7	24.5
Water Reclamation:					
Number of Service Connections	21,088	21,226	23,232	23,670	23,923
Average Daily Treated (MGD)	8.2	7.9	7.9	7.9	8.2
Storm Water:					
Number of Sumps Added (Removed)	8	4	3	0	1
New Infrastructure (Feet)	40,656	29,040	0	250	450
Recreation:					
Fitness Center Admissions	384,895	369,068	353,657	304,020	326,726
Fitness Center Class Participants	3,926	4,236	5,051	3,188	2,596
Scera Park Pool Admissions	43,183	39,545	39,286	47,785	42,434
Scera Park Pool Class Participants	1,661	3,180	2,912	2,786	1,360
Solid Waste:					
Annual Waste Tonnage	24,832	26,527	28,503	27,636	29,008
Avg Annual Waste per Household (Tons)	1.25	1.39	1.36	1.38	1.46
Street Lighting:					
Number of Street Lights Added	88	1	29	13	36

Source: Various city departments

Fiscal Year				
2017	2018	2019	2020	2021
1,518	1,473	1,190	1,423	1,508
4,145	4,277	3,539	3,604	2,766
12,022	15,616	12,174	8,768	8,673
10,471	6,726	6,680	6,361	6,893
2,949	3,099	2,972	2,813	3,055
27,024	27,768	30,396	32,380	32,897
3,633	3,771	3,077	3,613	3,378
575	818	551	670	579
13,974	12,915	12,559	6,818	9,927
368,754	390,030	407,744	472,283	481,130
344	352	323	319	386
16	16	17	10	16
5	2	2	8	10
0	2	0	2	2
22,949	23,103	23,517	23,811	24,177
25.1	25.0	23.1	25.0	24.7
24,422	24,647	24,970	25,065	25,137
8.6	8.6	8.5	8.3	8.0
2	31	(7)	(16)	87
0	3,168	3,167	6,600	370
361,575	370,350	345,929	200,733	153,502
2,822	3,573	3,421	2,957	3,584
40,517	51,051	40,444	63,060	62,730
1,481	1,559	1,255	1,176	1,401
28,986	28,942	27,409	28,258	29,390
1.45	1.44	1.35	1.39	1.41
409	10	412	39	197

City of Orem
Capital Asset Statistics by Function / Program
Last Ten Fiscal Years
(Unaudited)

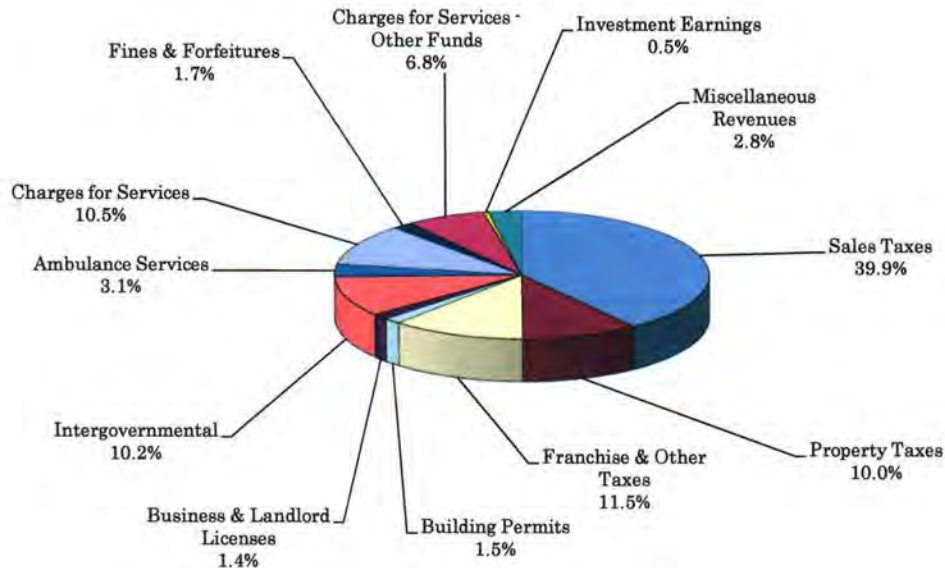
	Fiscal Year				
	2012	2013	2014	2015	2016
General Government:					
Vehicles	170	165	172	169	168
Public Safety:					
Police Protection:					
Stations	1	1	1	1	1
Vehicles	113	122	107	127	125
Fire Protection:					
Stations	4	4	4	4	4
Vehicles	29	30	28	29	28
Highways and Public Improvements:					
Streets (miles)	241	241	242	242	243
Traffic Signals	34	34	34	34	34
Parks and Recreation:					
Parks	22	22	25	26	26
Parks Acreage	350	350	363	385	385
Playgrounds	18	18	18	19	19
Walking/Jogging Trails (miles)	40.0	40.0	40.0	40.8	40.8
Libraries	1	1	1	1	1
Cemeteries	1	1	1	1	1
Water:					
Water Mains (miles)	351	374	374	374	382
Water Service Lines (miles)	101	103	103	103	103
Wells	9	9	9	9	9
Storage Capacity (thousands of gallons)	22,440	22,440	22,440	22,490	21,990
Water Reclamation:					
Sewer Lines (miles)	281	286	288	291	294
Treatment Capacity (MGD)	13.5	13.5	13.5	13.5	13.5
Storm Water:					
Storm Water Lines (miles)	78.5	84.0	84.0	87.1	88.5
Sumps	1,783	1,755	1,759	1,759	1,746
Recreation:					
Fitness Centers	1	1	1	1	1
Pools	2	2	2	2	2
Baseball / Softball Diamonds	18	18	18	18	18
Soccer / Football Fields	18	18	18	21	21
Street Lighting:					
Street Lights	5,174	5,175	5,204	5,217	5,253

Source: Various city departments

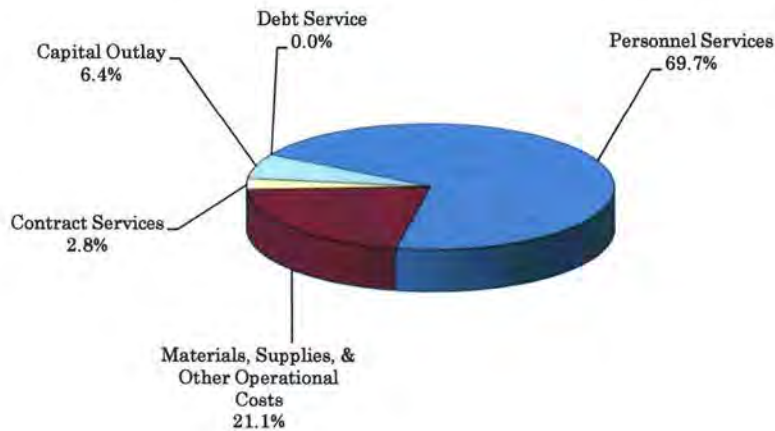
Fiscal Year				
2017	2018	2019	2020	2021
168	159	167	169	175
1	1	1	1	1
127	122	121	125	125
4	4	4	4	4
29	29	30	27	27
243	243	244	244	244
36	36	36	36	36
27	27	29	30	30
388	388	392	392	392
20	20	20	20	20
40.8	40.8	40.8	40.8	40.8
1	1	1	1	1
1	1	1	1	1
382	384	388	388	388
103	103	104	104	104
9	9	9	9	9
21,950	21,950	21,950	21,950	21,950
331	336	343	343	347
13.5	13.5	13.5	13.5	13.5
88.5	90.1	90.7	92.0	92.0
1,748	1,779	1,772	1,756	1,843
1	1	1	1	1
2	2	2	2	2
18	18	18	18	18
21	21	21	21	21
5,662	5,672	6,084	6,123	6,320

City of Orem
General Fund - Revenues and Expenditures
For The Year Ended June 30, 2021
(Unaudited)

GENERAL FUND - REVENUES



GENERAL FUND - EXPENDITURES





801.229.7010 | OREM.ORG
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OREM, UT 84057

