



CITY OF OREM

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2024

State of Utah



FAMILY CITY USA

CITY OF OREM

STATE OF UTAH

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE
YEAR ENDED JUNE 30, 2024

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, 2024

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INTRODUCTORY SECTION



November 26, 2024

Mayor and City Council of the City of Orem
Citizens of the City of Orem

The State of Utah requires all local governments to 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, 2024, 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 the 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.

Larson & Company, 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, 2024, 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, 2024, 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 13-16).

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 sixth largest city in the state with a 2020 census population of 98,129 and an estimated population at June 30, 2024, of 95,705. Orem is located 45 miles south of Salt Lake City.

City operations include public safety (police, fire, and emergency medical services), 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 part-time Mayor and a full-time City Manager. 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 30th, unless a property tax increase is proposed. If a property tax increase 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 63-64.

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 the traditional “mall” concept. Currently, one large retail/office building has been constructed along with underground parking, a new above ground parking structure with attached upscale apartments, a Dillard’s department store in the demolished Macy’s department store space, a new professional business office building with an above ground parking structure, three large upscale apartment complexes, and a multi-story Courtyard by Marriott hotel (which was completed in the spring of 2024). Remaining plans for the area include additional small and large retail, upscale office, and apartment complexes. This transformation will ensure the area continues to be a growing and vibrant economic anchor for the community.

Major development continues to occur in the northwest area of the city. Seven industrial flex warehouse buildings were built on two separate project sites. Some of these buildings are occupied by such nationally known companies as Just Ingredients, Redline Racing, Lakanto, Lennox, and Mity-Lite. These warehouse buildings occupy close to 85 acres. Remaining plans for the site call for an additional industrial flex warehouse building and over 27,000 square feet of retail space to be built.

The Cheesecake Factory opened its doors at University Place in June of 2024, occupying approximately 8,500 square feet of retail space after completing a significant renovation of the existing space.

Utah Valley University (UVU) is a major employer in the City with over 5,400 employees serving over 44,000 students. UVU is the State's largest university and plays a pivotal role in the growth of the city.

General Fund sales tax revenue, the City's largest source of tax revenue, was \$31.8 million which was a decline of 1.0% for the current fiscal year after increasing by only 0.9% in the prior fiscal year. The decrease was not a surprise as was mentioned in our FY 2023 letter. The City anticipated sales tax revenues in FY 2024 to be close to FY 2022 revenues (\$31.8 million) which they were. The City budgeted a small 0.7% increase in sales tax revenues for FY 2025 as several economic factors that may affect the City continue to unfold. These include but are not limited to the recent elections, continued economic growth in surrounding areas, and the Federal Reserve’s interest rate policies in relation to inflation.

Employment in Utah continues to do quite well in comparison to most other states. The county unemployment rate for June 2024 was 4.0% compared to 3.0% for the state and 4.1% nationally (see page 34 for a historical comparison).

For all other major revenues, the City expects these revenues, as a whole, to maintain or increase marginally over the next fiscal year.

Long-term Financial Planning & Policies

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

All three major enterprise funds have completed master plan updates which will allow the City to reassess the rates needed for the long-term viability of these utility operations. Along with these master plan updates, the City's impact fees for police, fire, transportation, parks, water, sewer, and storm water are all being analyzed and will be updated in the upcoming fiscal year.

The Mayor and City Council have targeted the assigned/unassigned fund balance of the General Fund to be at approximately 15% of General Fund revenues (the State of Utah requires municipalities have at least 5% but no more than 35%). 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.

As mentioned previously, the City expected a relatively small decline in its sales tax revenues for FY 2024 and anticipates the impact of this decline will result in a decrease in the amount of "reserves" transferred to the Capital Projects Fund in FY 2025. However, the City has the ability to absorb any decline in sales tax revenues without it affecting normal operations of the City. The impact of this decline in revenues reduces only the amount available for one-time capital purchases/projects. To this point and as a reference to the amount revenues could decline before affecting normal operations, the amount transferred from the General Fund's "reserves" to the Capital Projects Fund in FY 2024 was \$5,450,000.

It is the City's policy to fund these one-time capital purchases/projects with one-time funding from sources such as "reserve" transfers, grants, or other unanticipated revenues.

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:

- Continued construction of Hillcrest Park. The park is to be expanded from a small community park to a regional park using ARPA grant funds for the majority of its construction costs. This project was completed in August 2024.
- Began construction on a new water reuse system which uses cleaned water from the City's water reclamation facility to irrigate an adjacent golf course and city owned outdoor regional sports complex and park.
- Continued installation of city-owned streetlights in the remaining areas of the city that currently have Rocky Mountain Power owned streetlights. At the completion of this project, all streetlights in the city will be city-owned lights.
- Continued construction on a new city center which is located immediately south of its current location. This allows regular city center operations to continue without disruption during the construction period. The new city center facility will be entirely cash funded and is expected to be completed in February 2025 with the demolition of the existing city center facility to occur shortly after.
- The ballfields at Lakeside Sports Park had their infields replaced with turf. An area of the park used for soccer also had turf and lighting installed on two fields. For both of these projects, the addition of turf and/or lights will provide flexibility and an ability to attract additional external rental opportunities for various sports groups such as softball, soccer, or lacrosse accelerated leagues and tournaments.
- Continue construction on a 10-million-gallon culinary water storage tank to provide improved water pressure and needed storage.
- Purchased two acres of property to rebuild Fire Station 31.

For the Future

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

- Construction and/or renovation of multiple fire stations including a new fire station in the neighboring city of Vineyard with whom we have a contractual relationship to provide fire and EMS services.

- Construction of a fire department training facility which will include burn structures and classroom space.
- Complete construction of a new 10-million-gallon water storage tank.
- Complete the construction of a new water reuse system.
- Improve or construct facilities at the over 65-year-old water reclamation facility in order to meet new EPA requirements regarding phosphorous and nitrogen discharged into Utah Lake.
- Complete the Deer Creek Intake Project which is being managed by the Provo River Water Users Association (PRWUA). This project will upgrade many of the components from the original construction of the dam in the 1940s as well as providing redundant delivery options at a cost of approximately \$100 million. Orem's share is \$7 million.
- Renovate library circulation area, children's desk, and courtyard space. These renovations would provide better service and more efficient practices for book return, sorting, and repair.
- Complete the installation of city-owned streetlights in all remaining unconverted areas within the city.
- 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).

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, 2023. This was the thirty-sixth 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. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation. We 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,



Brenn Bybee
City Manager



Brandon C. Nelson, CPA
Finance Director

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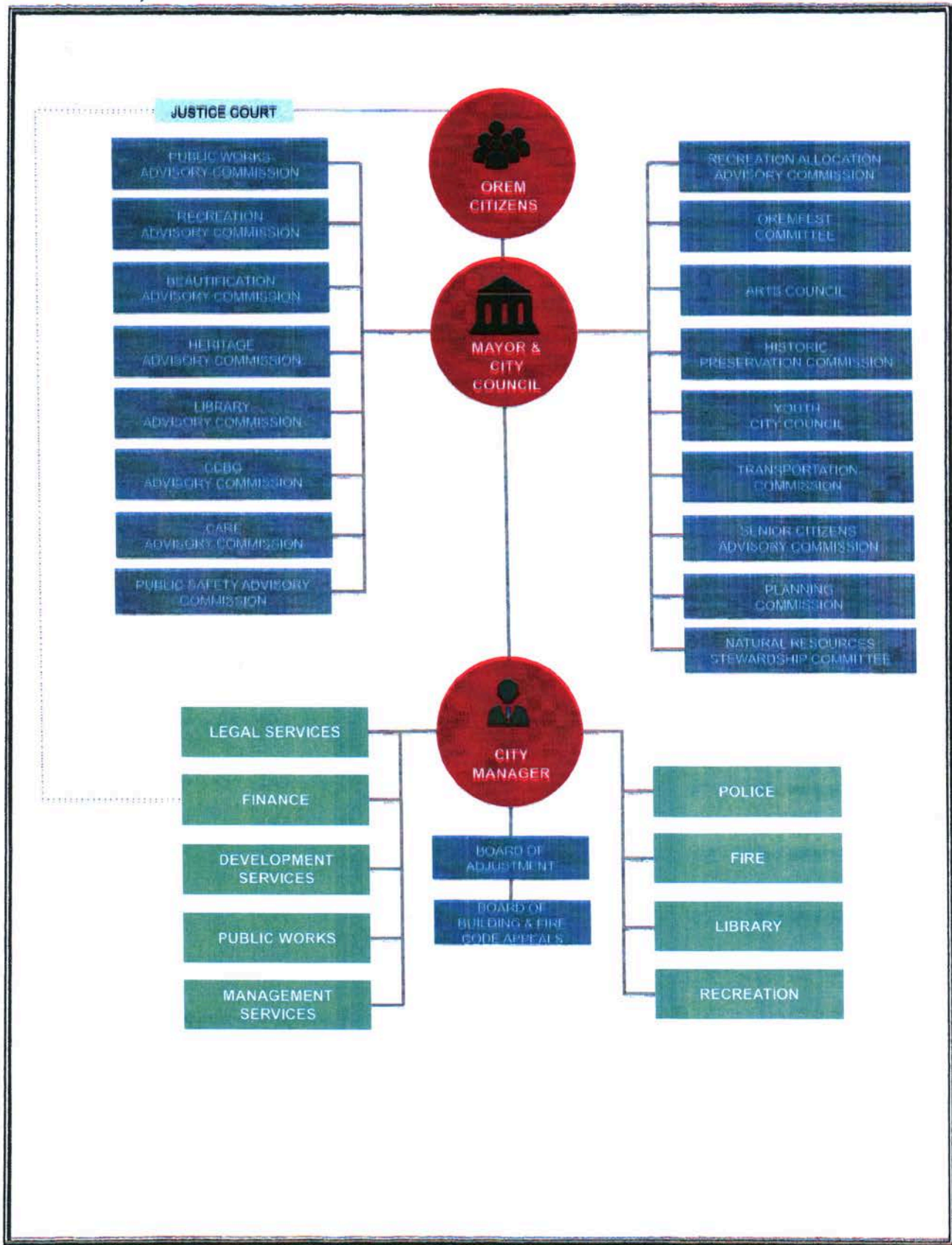
CITY OF OREM
LISTING OF OFFICIALS
ORGANIZED BY CLASSIFICATIONS

Chief Executive Officer

City Manager Brenn Bybee

Executive Staff

Assistant City Manager..... Ryan L. Clark
Deputy City Manager/Management Services Director Keri A. Rugg
Finance Director Brandon C. Nelson, CPA
Director of Development Services Ryan L. Clark
Director of Legal Services Steven C. Earl
Director of Library Services Bryce E. Merrill
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

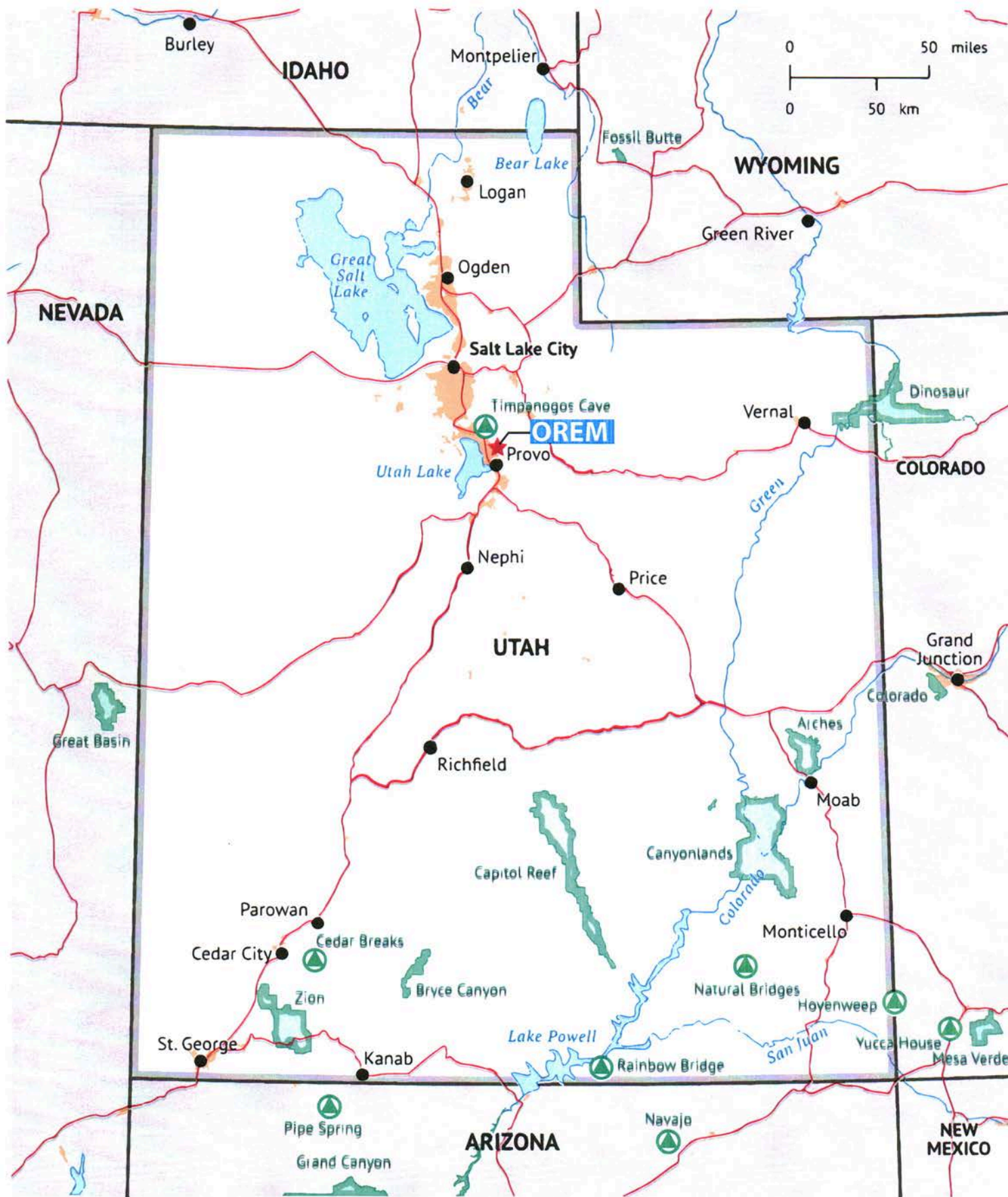
City of Orem
Utah

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members
City of Orem

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund, and the aggregate remaining fund information of the City of Orem, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Orem's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison schedule for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement from fraud is higher than one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing and audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Orem's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate that raise substantial doubt about the City of Orem's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Orem's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules for the capital projects fund, debt service fund, and nonmajor governmental funds, schedule of capital assets used in the operation of governmental funds and are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules for the capital projects fund, debt service fund, and nonmajor governmental funds, and schedule of capital assets used in the operation of governmental funds 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 is the responsibility of management and was derived from and relates directly

to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the budgetary comparison schedules for the capital projects fund, debt service fund, and nonmajor governmental funds, and schedule of capital assets used in the operation of governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and the auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2024, on our consideration of the City of Orem'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 of Orem's internal control over financial reporting and compliance.


Larson & Company, PC

Spanish Fork, Utah
November 26, 2024

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MD & A

City of Orem
Management's Discussion and Analysis
June 30, 2024

The City of Orem's management presents this overview and analysis of its financial activities for the fiscal year ended June 30, 2024. 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 City's governmental funds reported combined ending fund balances of \$86,731,985. Of this amount, \$26,760,135 (30.85%) is available for spending at the City's discretion (unassigned fund balance). Total fund balance decreased by \$12,172,398 compared to the prior year's increase of \$9,407,899. 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 \$16,380,508 compared to the prior year's increase of \$14,144,939. 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 2024, the City spent just over \$15 million on these bond projects with over \$33 million spent in total as of June 30, 2024.
- The City continued construction on a new city center facility located adjacent to the existing facility. The estimated cost of construction is over \$28 million and will be entirely cash funded. The new facility is expected to be completed in early 2025. Upon completion of the new facility, the existing city center facility will be demolished in order to provide parking and courtyard amenities.
- General Fund sales tax revenues received in FY 2024 were \$31,753,335 which were 1.0% below the previous fiscal year. This decrease is concerning and will be discussed later in this overview.

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 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.

City of Orem
Management's Discussion and Analysis
June 30, 2024

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.

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

City of Orem
Management's Discussion and Analysis
June 30, 2024

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 eleven 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, and Capital Projects funds which are considered major funds of the City. Data from the other eight 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 (sewer), 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 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 data provided in the government-wide and fund financial statements.

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Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. As such, assets exceeded liabilities and deferred inflows by \$490,717,604 at June 30, 2024.

By far the largest portion of the City's net position (61.34%) 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	
	2024	2023	2024	2023	2024	2023
Current Assets	\$ 119,531,617	\$ 145,692,418	\$ 105,653,872	\$ 114,631,944	\$ 225,185,489	\$ 260,324,362
Noncurrent Assets:						
Capital Assets	230,651,248	198,690,741	141,914,546	118,821,913	372,565,794	317,512,654
Other	9,160,137	7,262,437	-	-	9,160,137	7,262,437
Total Assets	359,343,002	351,645,596	247,568,418	233,453,857	606,911,420	585,099,453
Deferred Outflows of Resources	10,908,027	9,371,822	2,142,024	857,919	13,050,051	10,229,741
Total Assets & Deferred Outflows of Resources	<u>\$ 370,251,029</u>	<u>\$ 361,017,418</u>	<u>\$ 249,710,442</u>	<u>\$ 234,311,776</u>	<u>\$ 619,961,471</u>	<u>\$ 595,329,194</u>
Long-term Liabilities						
Outstanding	\$ 44,505,989	\$ 44,690,669	\$ 47,887,223	\$ 49,655,139	\$ 92,393,212	\$ 94,345,808
Other Liabilities	17,483,341	30,394,524	6,627,075	5,850,242	24,110,416	36,244,766
Total Liabilities	61,989,330	75,085,193	54,514,298	55,505,381	116,503,628	130,590,574
Deferred Inflows of Resources	12,713,884	13,438,117	26,355	17,114	12,740,239	13,455,231
Net Position:						
Net Investment in Capital Assets	198,130,312	164,329,351	102,872,629	90,131,576	301,002,941	254,460,927
Restricted	34,466,481	36,469,747	13,724,615	23,666,269	48,191,096	60,136,016
Unrestricted	62,951,022	71,695,010	78,572,545	64,991,436	141,523,567	136,686,446
Total Net Position	295,547,815	272,494,108	195,169,789	178,789,281	490,717,604	451,283,389
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 370,251,029</u>	<u>\$ 361,017,418</u>	<u>\$ 249,710,442</u>	<u>\$ 234,311,776</u>	<u>\$ 619,961,471</u>	<u>\$ 595,329,194</u>

A portion of the City of Orem's net position (9.82%) represent resources that are subject to external restrictions on how they may be used. The amount listed as unrestricted net position (\$141,523,567) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Facilities Maintenance internal service fund was the only fund reporting a deficit in unrestricted net position.

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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 \$39,434,215 (8.74%). Total revenues increased by \$9,996,961 (6.64%), primarily due to increases in capital grants and contributions (which includes ARPA grant funds) of \$6,468,251 (54.09%), and other revenues (which includes interest earnings) of \$2,894,912 (32.36%). Total expenses increased \$5,201,990 (4.49%).

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

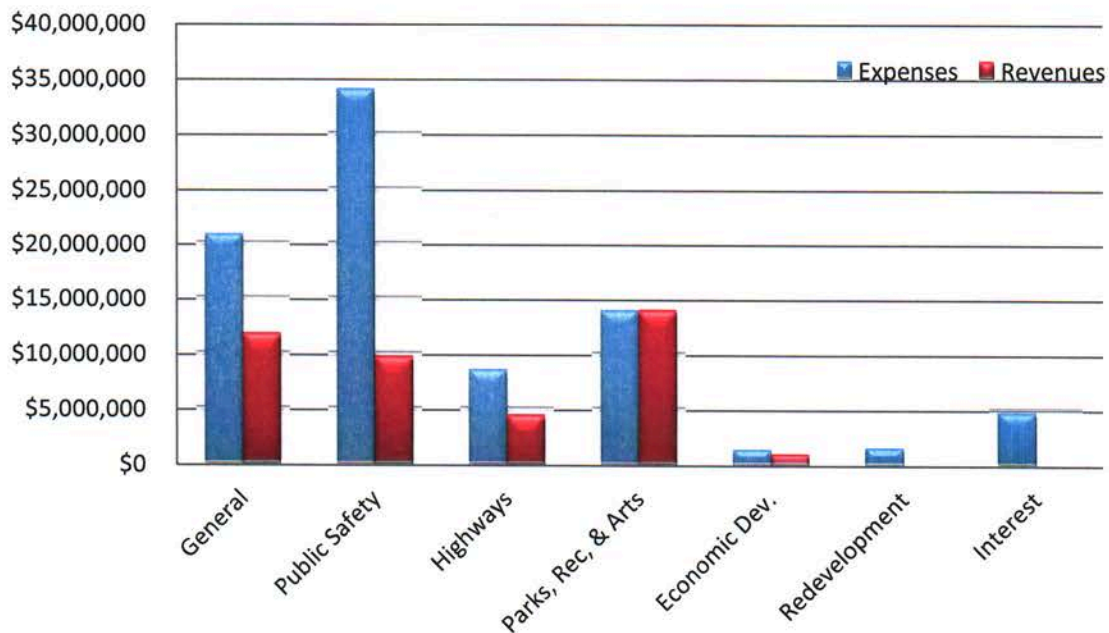
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for Services	\$ 22,668,242	\$ 22,519,538	\$ 46,944,876	\$ 46,517,153	\$ 69,613,118	\$ 69,036,691
Operating Grants and Contributions	1,923,056	1,978,824	-	-	1,923,056	1,978,824
Capital Grants and Contributions	15,724,784	8,586,537	2,702,656	3,372,652	18,427,440	11,959,189
General Revenues:						
Sales Taxes	38,338,115	38,097,180	-	-	38,338,115	38,097,180
Property Taxes	10,651,601	10,593,899	-	-	10,651,601	10,593,899
Other Taxes	9,684,112	9,869,610	-	-	9,684,112	9,869,610
Other	6,351,625	4,961,709	5,488,214	3,983,218	11,839,839	8,944,927
Total Revenues	105,341,535	96,607,297	55,135,746	53,873,023	160,477,281	150,480,320
Expenses						
General Government	20,714,117	17,353,662	-	-	20,714,117	17,353,662
Public Safety	33,918,124	31,972,307	-	-	33,918,124	31,972,307
Highways and Public Improvements	8,413,806	10,011,076	-	-	8,413,806	10,011,076
Parks, Recreation & Arts	13,793,147	11,506,408	-	-	13,793,147	11,506,408
Economic and Physical Development	1,205,616	977,831	-	-	1,205,616	977,831
Redevelopment	1,343,686	1,379,413	-	-	1,343,686	1,379,413
Interest on Long-Term Debt	4,618,149	4,609,304	-	-	4,618,149	4,609,304
Water	-	-	15,527,158	15,840,176	15,527,158	15,840,176
Water Reclamation	-	-	8,440,081	9,883,718	8,440,081	9,883,718
Storm Water	-	-	3,847,271	3,822,402	3,847,271	3,822,402
Recreation	-	-	3,658,261	3,441,292	3,658,261	3,441,292
Solid Waste	-	-	5,027,552	4,503,974	5,027,552	4,503,974
Street Lighting	-	-	536,098	539,513	536,098	539,513
Total Expenses	84,006,645	77,810,001	37,036,421	38,031,075	121,043,066	115,841,076
Change in Net Position before Transfers	21,334,890	18,797,296	18,099,325	15,841,948	39,434,215	34,639,244
Transfers In (Out)	1,718,817	1,697,009	(1,718,817)	(1,697,009)	-	-
Change in Net Position	23,053,707	20,494,305	16,380,508	14,144,939	39,434,215	34,639,244
Net Position - Beginning	272,494,108	251,999,803	178,789,281	164,644,342	451,283,389	416,644,145
Net Position - Ending	\$ 295,547,815	\$ 272,494,108	\$ 195,169,789	\$ 178,789,281	\$ 490,717,604	\$ 451,283,389

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Governmental activities. Governmental activities increased the City of Orem's net position by \$23,053,707 (8.46%). This is an increase of \$2,559,402 from the prior year. Total revenues increased \$8,734,238 (9.04%). Capital grants and contributions increased \$7,138,247 (83.13%) and other revenues increased \$1,389,916 (28.01%). Total expenses increased \$6,196,644 (7.96%).

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 \$65,025,453 because these revenues are not specific to a particular department.

Program Expenses & Revenues - Governmental Activities
For Fiscal Year Ending June 30, 2024



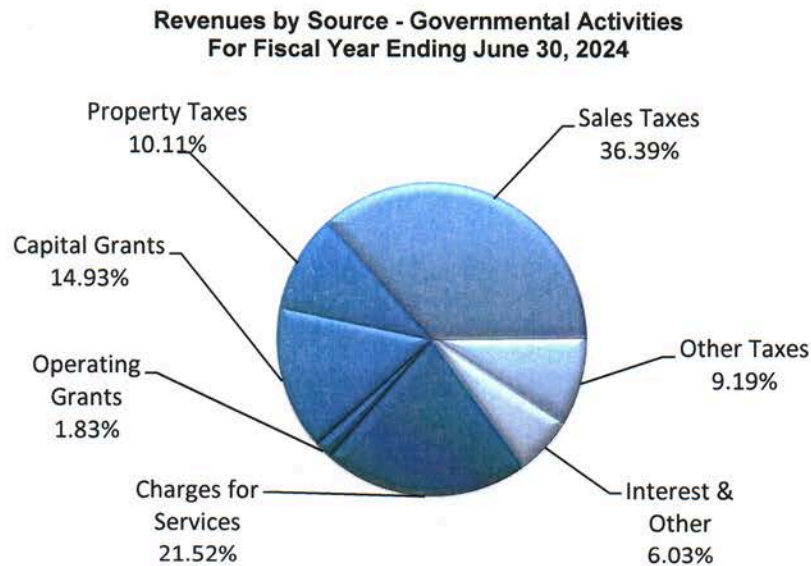
Key elements affecting the change in governmental activities net position are as follows:

- Total revenues increased \$8,734,238 (9.04%).
- Capital grants and contributions increased \$7,138,247 (83.13%). The increase occurred due to spending ARPA funds on eligible projects and thus, recognizing grant revenue as earned.
- Other revenues increased \$1,389,916 (28.01%). The increase was due to an increase in interest earnings as interest rates on invested funds continued to increase over the last fiscal year. Rates of return on the City's invested funds went from around 5.1% to as high as 5.4% during the course of the fiscal year.

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- Total expenses increased by \$6,196,644 (7.96%).
- Wages and benefits (excluding pension expenses) increased by approximately \$3,267,000 over the prior year due to general department wage increases.
- Accrued and actual costs associated with a lawsuit regarding a death at the City's fitness center increased claims and judgments expenses by approximately \$713,000 over the prior year.
- Pension expenses increased city-wide by over \$1.6 million compared to the prior fiscal year as the City's pension liability increased.
- Contracted services increased by approximately \$350,000 over the prior fiscal year as the contract for emergency dispatch services increased by about \$150,000 with the remaining amount being used on a study focusing on department personnel efficiencies, additional lobbying costs to obtain federal grants, and mental health assistance program costs for public safety personnel.

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.

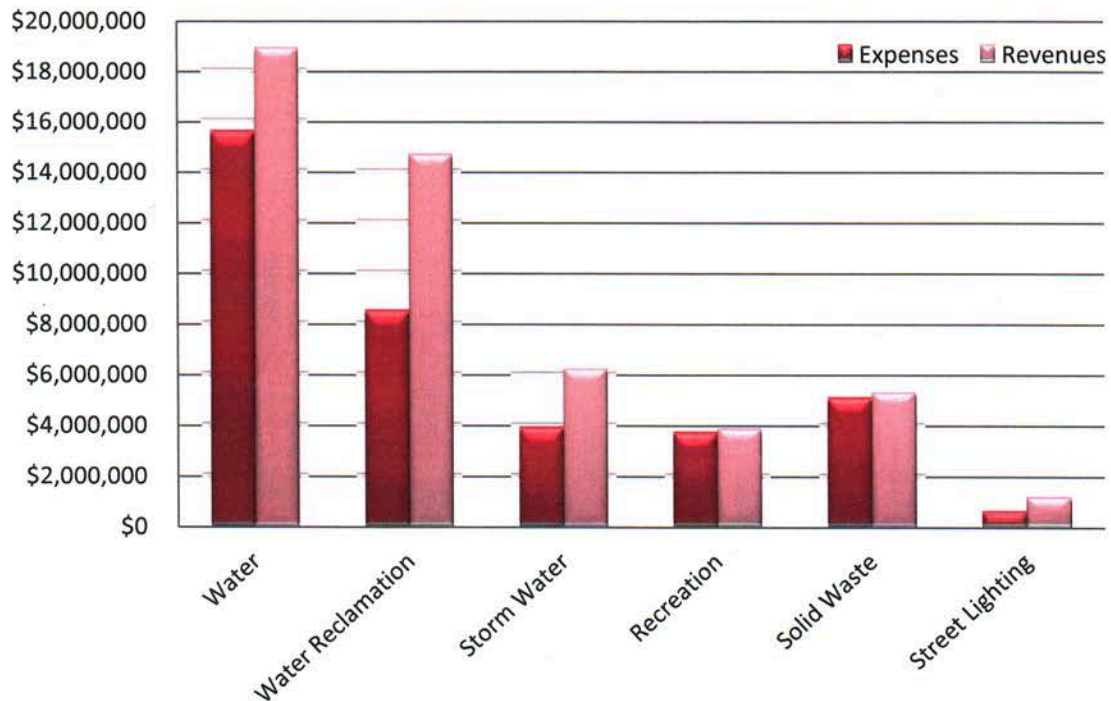


Business-type activities. Business-type activities increased the City's net position by \$16,380,508. The increase in net position represents a 9.16% increase for the current year. Total revenues increased \$1,262,723 (2.34%) and total expenses decreased \$994,654 (2.62%). As of the end of the current fiscal year, all of the City's business-type activities reported a positive net position.

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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, 2024

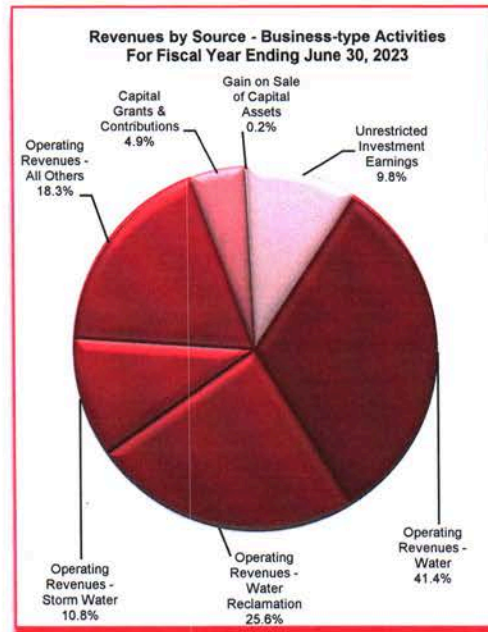


Key elements affecting the change in business-type activities net position are as follows:

- Business-type activities reported an increase in total revenues over the prior year of \$1,262,723 (2.34%). Total revenues increased or decreased as follows:

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- Water fund total revenues decreased by \$178,933 or 1.00%. Charges for services revenues increased \$39,480 or 0.24%. The City raised the base rate by 0.74% (\$20.30 to \$20.45 on a ¾" meter) and increased the usage rate for Tier 1 by \$0.01 or 1.19% as well as increases in Tiers 2-4. These increases were partially offset by decreased usage of 1.69%. Other revenues decreased by \$218,413 due to receiving only a \$250,000 distribution from Metropolitan Water District of Orem (MWDO) instead of the \$500,000 received in the prior year due to lower impact fees received by them. Donations and grants revenues decreased by \$1,303,750 due primarily to receiving a \$1,000,000 grant from the State of Utah Governor's Office of Economic Opportunity for the City's water reuse project. No such funding occurred in the current fiscal year.
- Water Reclamation fund total operating revenues decreased \$247,740 or 1.83%. Charges for service revenues increased \$588,437 due to a 0.73% increase in the sewer base rate (\$12.39 to \$12.48) and a 1.17% increase in the sewer volume charge (\$2.56 to \$2.59). However, excess capacity revenues on impact fees decreased by almost \$800,000 due to lower impact fees collected.
- Storm Water fund total operating revenues increased \$226,008 or 3.98%. The increase was due to a \$0.20 rate increase in the "equivalent service units (ESU)" rate. The rate went from \$8.00/month/ESU to \$8.20/month/ESU (2.50% 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.

- Business-type activities reported a decrease in total expenses from the prior year of \$994,654 (2.62%). Total expenses increased or decreased as follows:
 - Natural gas costs decreased \$307,711 (37.89%). The high cost of natural gas in the prior year caused by a national shortage resulted in two wholesale rate contracts (water reclamation facility and fitness center) the City had with third-party suppliers to increase dramatically since they were market driven. The City

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modified these contracts in FY 2024 and prices stabilized resulting in lower natural gas costs for the current fiscal year.

- Administration charges decreased \$522,998 (16.00%) due, in large part, to decreases in internal project management and other division costs charged to the water, water reclamation, and storm water funds as several non-business-type activities required more of their services than in the previous 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 \$86,731,985. Of this total amount, \$26,760,135 (30.85%) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Unassigned fund balance decreased from the prior year by \$699,859. The remaining fund balance of \$59,971,850 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.

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 \$26,760,135 and total fund balance decreased to \$47,585,518. 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 30.41% (prior year was 39.10%) of total General Fund expenditures, while total fund balance represents 54.08% (prior year was 72.42%) of total General Fund expenditures.

General Fund - Total fund balance decreased \$3,282,908 in the current fiscal year (the prior year had an increase of \$5,761,485). Thus, there was a negative variance from the prior year of \$9,044,393. The following elements were key factors contributing to the total fund balance increase:

- Total revenues of the fund increased \$8,518,023 (10.27%). Intergovernmental revenues increased \$7,242,320 (78.47%) and investment earnings increased \$1,228,189 (29.41%). Details about these variances are as follows:

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- Intergovernmental revenues increased due to spending ARPA grant funds on eligible projects and thus, recognizing grant revenue as earned (increase over prior year of \$8,143,290).
- Interest earnings increased primarily due to rising interest rates which increased returns on the City's invested funds. Rates of return on these invested funds went from around 5.1% to as high as 5.4% during the course of the fiscal year.
- Total expenditures increased \$17,758,678 (25.28%). General government expenditures increased \$2,639,386 (15.54%), public safety expenditures increased \$2,492,035 (7.91%), and capital outlay expenditures increased \$11,617,328 (116.41%). Details about these variances are as follows:
 - General Government expenditures increased in total by \$2,639,386 (15.54%). The increase is a result of higher personnel costs due to general wage and benefit increases of \$552,673 (5.76%) and materials and supplies costs increasing by \$1,682,409 (25.41%) due primarily to inflationary pressures and lower allocation of costs to other funds.
 - Public Safety expenditures increased in total by \$2,492,035 (7.91%) due primarily to higher personnel costs related to wage and benefit increases of \$2,090,600 (8.18%). Police department wages and benefits increased \$403,070 (2.49%) and fire department wages and benefits increased \$1,687,530 (18.01%). The fire increase is due primarily to adding personnel in preparation of opening a new station in the neighboring city of Vineyard under a contracted arrangement. Contracted services increased \$204,434 (10.14%) due to increased emergency dispatch operations costs under our contracted service fee arrangement with Provo City.
 - Capital outlay expenditures increased by \$11,617,328 (116.41%) due to construction costs related to the new city center facility of approximately \$2.5 million and the new Hillcrest Park of approximately \$8.7 million.

Debt Service Fund - Total fund balance is \$1,191,875, all of which is to be used for the payment of debt service. There was a net increase in fund balance in the current year of \$2. Revenues and expenditures both had actual results almost exactly as expected.

Capital Projects Fund - Total fund balance is \$22,619,309, all of which is to be used for capital improvements and large equipment purchases. There was a net decrease in fund balance in the current year of \$4,276,789 (15.90%). The decrease was primarily due to spending \$8,338,964 more on the new city center building in the current fiscal year than in the prior fiscal year.

Proprietary Funds

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

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Water Fund - Unrestricted net position at the end of the year is \$33,618,622, an increase of \$4,102,267 (13.90%). Total net position increased by \$5,844,603 (6.92%) during the current fiscal year (prior fiscal year had an increase of \$6,481,736 or 8.31%).

While total net position did increase by \$5,844,603 in the current fiscal year, it is important to note the decline in this increase when compared to the prior year's increase of \$6,481,736. Items affecting the change in total net position of the fund are as follows:

- Operating revenues decreased \$178,933 (1.00%). Charges for services increased by only 0.24% due to a 1.69% decrease in usage but the effects of this decrease were covered by a 1.19% increase in the Tier 1 usage rate and a 0.74% increase in the base rate. Other revenues, which are part of total operating revenues, decreased due to a \$250,000 reduction in the amount the City received from the Metropolitan Water District of Orem (MWDO) due to lower impact fees being collected during the year.
- Operating expenses decreased \$122,667 (0.85%) in comparison with the prior year. The decrease was primarily due to a change in the administrative allocation as projects were reevaluated.
- Investment earnings increased \$661,629 (24.69%) due to the rise in interest rates over the current fiscal year. Rates of return rose from about 5.1% at the end of the prior fiscal year to as high as 5.4% during the course of the current fiscal year.
- Donations and grants decreased \$1,303,750 (80.00%) primarily due to a \$1,000,000 grant received in the prior fiscal year from the State of Utah Governor's Office of Economic Opportunity for the City's water reuse project which did not occur in the current fiscal year.

Water Reclamation Fund - Unrestricted net position at the end of the year is \$27,129,139, an increase of \$6,297,449 (30.23%). Total net position increased \$7,277,414 (13.00%) during the current fiscal year (prior fiscal year had an increase of \$4,480,539 or 8.70%). Items affecting the change in total net position of the fund are as follows:

- Operating revenues decreased \$247,740 (1.83%). Charges for services increased 4.80% due to a 0.73% increase in the base rate and a 1.17% increase in the sewer volume charge. Other revenues, which are part of total operating revenues, decreased due to lower impact fees being collected which resulted in lower excess capacity revenues.
- Operating expenses decreased \$583,618 (6.63%) in comparison with the prior fiscal year. Personnel services decreased \$242,832 (8.91%) due to pension expenses as retirement system investment performance results were positive and the allocation of these costs to this fund changed due to various staffing changes. Utility costs decreased \$141,643 (13.61%) due to higher natural gas costs in the prior fiscal year since the City had a contract with a third-party supplier whose rates were based on wholesale rates but were market driven. This contract was modified and resulted in lower costs in the current fiscal year.

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- Investment earnings increased \$494,471 (67.74%) due to the rise in interest rates over the current fiscal year. Rates of return rose from about 5.1% at the end of the prior fiscal year to as high as 5.4% during the course of the current fiscal year.
- Impact fee expenses decreased \$851,789 (99.77%) due to less impact fee projects which is due to lower impact fee revenues.
- Contributions from developers increased \$1,049,903 (544.63%) due to several development projects turning over their sewer infrastructure to the City upon completion of the project. No such development projects had yet been completed in the prior fiscal year.

Storm Water Fund - Unrestricted net position at the end of the year is \$14,094,528, an increase of \$3,062,438 (27.76%). Total net position increased \$2,674,355 (8.78%) during the current fiscal year (prior fiscal year had an increase of \$2,515,547 or 9.00%). Items affecting the change in total net position of the fund are as follows:

- Operating revenues increased \$226,008 (3.98%), due to a \$0.20 increase in the "equivalent service units (ESU)" rate which went from \$8.00/month/ESU to \$8.20/month/ESU.
- Operating expenses increased \$63,313 (1.71%) in comparison with the prior year. Contract services increased \$121,717 (26.74%) due to master plan and personnel efficiency studies as well as an increase in the West Union Canal Company agreement.
- Investment earnings increased \$252,252 (64.34%) due to the rise in interest rates over the current fiscal year. Rates of return rose from about 5.1% at the end of the prior fiscal year to as high as 5.4% during the course of 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 \$77,104,744 to a final budget of \$108,253,236, an increase of \$31,148,492 (40.40%). The changes to the General Fund budget are briefly summarized as follows:

- Various public safety grants and donations received during the year totaled \$509,396 and various fines and forfeitures related to the drug task force increased by \$115,000.
- The library received several grants during the year totaling \$57,465.
- 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 \$10,060,714.
- 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 \$382,540.
- 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 \$2,597,183.

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- The City transferred \$5,450,000 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 American Rescue Plan Act (ARPA) grant funding in prior years and the budgeted projects related to these funds were carried over from the prior year which increased the current fiscal year budget. The total amount carried over into the current fiscal year was \$11,852,209.

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 lower than the budgeted amount by \$1,731,036 (3.45%). Actual sales tax revenues were lower than budgeted revenues by \$1,747,154.
- Intergovernmental – Revenues – Actual amount was higher than the budgeted amount by \$11,511,623 (232.07%). Actual revenues were higher than budgeted revenues primarily due to the City recognizing earned ARPA grant revenue during the current fiscal year but the budget amendment adding this funding to the budget had occurred in a previous fiscal year.
- Charges for Services – Revenues – Actual amount was higher than the budgeted amount by \$930,239 (9.80%). The increase was primarily due to an increase of \$303,816 (17.61%) in the Lindon City Fire/EMS contract fee which was not budgeted and a change to how fire inspection billings are done which resulted in an additional \$243,723 (168.08%) in revenues over budget.
- Investment Earnings – Revenues – Actual amount was higher than the budgeted amount by \$2,551,766 (89.44%). Actual revenues were higher than budgeted revenues due to the rise in interest rates over the current fiscal year. Rates of return rose from about 5.1% at the end of the prior fiscal year to as high as 5.4% during the course of the current fiscal year.
- General Government – Expenditures – Actual amounts were lower than budgeted by \$2,176,078 (7.86%). The following narrative provides details about this variance from budget:
 - The City carried over \$3,193,671 in ARPA grant funding which was added to the budget but the City was only able to spend and \$2,747,579 by fiscal year-end.
 - Wages and employee benefit costs were lower than budget by \$669,683. The variance is primarily due to vacant positions that occur naturally throughout the fiscal year as well as some savings due to a restructuring of the organization that took place during the current fiscal year.
 - Professional and technical services accounts were lower than budget by \$387,486 as expected service costs were either delayed or determined to not be necessary. Various studies and surveys are currently in process.

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- **Public Safety – Expenditures – Actual amounts were lower than budgeted by \$6,671,300 (15.22%).**
 - Various vehicle, equipment, and improvement costs totaling \$1,270,363 did not get purchased or completed by the end of the current fiscal year but had been budgeted.
 - 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 \$3,508,900 at the end of the current fiscal year.
 - Wages and employee benefit costs were lower than budget by \$571,910. The variance is primarily due to vacant positions that occur naturally throughout the fiscal year.
 - Various drug task force accounts had budgeted funds that were unspent at fiscal year-end. The unspent funds totaled \$210,795.
- **Highways and Public Improvements – Expenditures – Actual amounts were lower than budgeted by \$3,147,012 (29.58%).**
 - Various street overlay/reconstruction projects, slurry seal projects, micro-surfacing, and street striping and signal projects totaling \$3,096,235 were budgeted but not completed by the current fiscal year-end but are expected to be completed in the next fiscal year.
- **Parks, Recreation, and Arts – Expenditures – Actual amounts were lower than budgeted by \$1,227,168 (6.48%).**
 - Various vehicle and equipment costs totaling \$396,518 did not get purchased by the end of the current fiscal year but had been budgeted.
 - Wages and employee benefit costs were lower than budget by \$330,479. The variance is primarily due to vacant positions that occur naturally throughout the fiscal year.

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, 2024, amounts to \$301,002,941 (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 twelve new vehicles totaling \$697,615 and four new ambulances totaling \$804,720. The City also purchased a piece of property for \$1,431,399 for the eventual relocation of Fire Station #1. They also completed the purchase of a new victim support animal for \$13,253, remodeled the administrative offices and purchased new furniture for \$20,039, purchased a new thermal imaging camera for \$8,192, replaced Fire Station #3's furnace for \$39,820, and purchased various equipment for the new fire tiller for \$20,935.

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- The parks division purchased eight new vehicles for \$427,495, three new riding mowers for \$48,725, three new utility vehicles for \$54,032, and a new stand-on blower for \$10,829. They completed the Northridge Park playground replacement for \$275,000, completed the Nielsen's Grove Park bowery replacement totaling \$180,761, completed the playground replacement at Springwater Park for \$240,000, completed the All-abilities Playground improvements for \$159,995, completed landscaping along 800 North for \$213,998, completed new fencing around the Scera Shell outdoor theater for \$196,969, and continued construction to rebuild and improve Hillcrest Park for \$9,901,915.
- The streets division completed the construction of new sander racks for \$287,923, purchased a new loader for \$228,985, purchased a new roller for \$78,984, and purchased a new 15-ton dump truck for \$162,808.
- Various road, street light, and landscaping projects completed or added to construction in process were approximately \$5,973,000.
- Recreation completed new soccer field lighting and turf installation at Lakeside sports park for \$2,332,470, completed the Lakeside Park sports field infield turf and lighting project spending an additional \$90,080 by fiscal year-end, and completed outdoor pool splash pad reconstruction adding an additional \$239,850 in asset costs.
- The library purchased lockers to be placed at the City's new Hillcrest Park for \$34,886 using grant funds received from the State of Utah.
- The new Orem City Center continued construction and costs for the fiscal year totaled \$15,417,415
- Several other facility projects took place in the current fiscal year at the public safety building, city center, and library. These projects totaled \$49,278.
- The water reclamation division continued construction on a new water reuse facility which added \$967,071 to construction in process. They continued work on a lift station with costs totaling \$122,432. They purchased three new vehicles for \$131,792, a new wheel loader for \$207,628, and various other treatment plant equipment totaling approximately \$239,000.
- The water division had several waterline projects completed or added to construction in process totaling approximately \$3,900,000. They spent approximately \$560,000 in the current fiscal year on the automated meter read technology project that began near the end of FY 2018 which has now been completed. They purchased two new vehicles for \$86,918, a new wheel loader for \$182,533, a new excavator for \$241,985, continued construction of a new 10 million gallon culinary water storage tank with costs totaling \$10,229,324, continued work on a new well with costs totaling \$78,925, and continued work on a water reuse project with costs totaling \$7,781,456.
- The storm water division had several storm water line projects completed or added to construction in process totaling approximately \$1,266,000. New vehicle purchases include three new vehicles for \$216,897 and a riding mower for \$19,078.
- The street lighting division purchased a new bucket truck for \$153,960.
- The fleet maintenance division purchased new column jacks for \$133,932.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Land	\$ 74,011,854	\$ 72,580,455	\$ 6,496,507	\$ 6,496,507	\$ 80,508,361	\$ 79,076,962
Buildings and Systems	41,060,145	43,395,716	509,932	566,872	41,570,077	43,962,588
Improvements other than Buildings	17,395,239	14,592,837	2,964,015	3,290,152	20,359,254	17,882,989
Machinery and Equipment	11,113,299	10,153,080	4,967,334	4,988,065	16,080,633	15,141,145
Infrastructure	50,798,401	48,658,532	83,058,863	82,607,187	133,857,264	131,265,719
Construction in Progress	36,183,762	9,221,573	42,518,205	19,473,440	78,701,967	28,695,013
Intangibles	88,548	88,548	1,399,690	1,399,690	1,488,238	1,488,238
Total Capital Assets	\$ 230,651,248	\$ 198,690,741	\$ 141,914,546	\$ 118,821,913	\$ 372,565,794	\$ 317,512,654

Additional information on the City's capital assets can be found in the footnotes to this financial report on pages 75-77.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$65,197,000. Of this amount, \$25,580,000 comprises debt backed by the full faith and credit of the government and \$39,617,000 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's Outstanding Bonded Debt
General Obligation and Revenue Bonds

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 25,580,000	\$ 26,630,000	\$ -	\$ -	\$ 25,580,000	\$ 26,630,000
Revenue Bonds	-	-	39,617,000	42,454,000	39,617,000	42,454,000
Total Bonds	\$ 25,580,000	\$ 26,630,000	\$ 39,617,000	\$ 42,454,000	\$ 65,197,000	\$ 69,084,000

The City's total bonded debt decreased by \$3,887,000 (5.63%) during the current fiscal year. No new bonded debt was issued during the fiscal year.

The City of Orem maintains a "AAA" rating from Fitch Ratings and a "AAA" 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 \$614,392,843, 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 \$641,837,466. The City currently has no

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outstanding general obligation debt for these types of projects. Thus, the resulting total debt limit is 8% of total taxable value or \$1,256,230,309. More detailed information can be found on pages 168-169.

Additional information on the City's long-term debt can be found in the footnotes to this financial report on pages 80-86.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Orem at June 30, 2024 was 3.9%. The City's unemployment rate compares favorably to the national rate of 4.1%. 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. The table below provides comparative information for the current fiscal year as well as a historical perspective. (Source: U.S. Bureau of Labor Statistics).

HISTORICAL ANNUAL UNEMPLOYMENT RATES

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
City	5.0%	3.0%	2.3%	2.8%	3.9%
County	4.5%	2.8%	2.3%	2.8%	4.0%
State	5.7%	3.1%	2.4%	2.4%	3.0%
Nation	11.1%	5.9%	3.6%	3.6%	4.1%

- The General Fund budget for the fiscal year ending June 30, 2025 reflects a decrease of \$13,594,265 or 16.92% in revenues, excluding appropriations of surplus, compared to the final actual revenues for the fiscal year ended June 30, 2024. The primary reasons for the decreases in budgeted revenues are identified as follows:
 - A decrease in intergovernmental revenues (primarily grants) of \$11,737,630 as the city does not budget for grants until they have actually been awarded and/or earned. Revenues recognized as earned as part of the ARPA grant had the largest impact on this decrease.
 - A decrease in investment earnings of \$1,499,766 as conservative estimates are used to come up with this budget amount each year. The City believed federal interest rates would need to be lowered at some point during the fiscal year which would affect investment rates of return. This did not occur until after the fiscal year-end so interest earnings stayed higher than expected.
- The General Fund budget for the fiscal year ending June 30, 2025 reflects a decrease of \$16,877,173 or 21.01% in expenditures compared to the final actual expenditures for the fiscal year ended June 30, 2024. The primary reasons for the decreases in budgeted revenues are identified as follows:

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- Actual expenditures related to grants in the current fiscal year are higher (approximately \$14.9 million) than what is budgeted in FY 2025 since the City does not include these costs in its original adopted budget. The majority of the actual expenditures are related to ARPA and CARES grant funds.
- Actual capital outlay expenditures (excluding capital outlay items associated with the ARPA and CARES grants previously mentioned) were \$7,227,010 while budgeted FY 2025 capital outlay was only \$4,263,484. A decrease of \$2,963,526.
- Despite some inflationary and personnel cost (due to low unemployment) pressures, the state and the city continue to compare favorably to national indices. While sales tax revenues have leveled off in comparison to previous years, other revenue sources are comparable or 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 or diminished should positive or negative revenue trends continue.

All of these factors were considered in preparing the City's budget for the 2024-2025 fiscal year (July 1, 2024 to June 30, 2025).

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.gov

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BASIC FINANCIAL STATEMENTS

City of Orem
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 56,640,679	\$ 80,563,912	\$ 137,204,591
Investments	15,420,362	-	15,420,362
Receivables (Net of Allowance for Uncollectibles)	1,343,413	5,145,237	6,488,650
Property and Other Taxes Receivable	12,650,552	-	12,650,552
Special Assessments Receivable	32,297	-	32,297
Intergovernmental Receivables	229,718	-	229,718
Notes Receivable	358,593	-	358,593
Leases Receivable	2,222,631	-	2,222,631
Prepaid Expenses	121,984	-	121,984
Inventory	365,460	-	365,460
Restricted Assets:			
Cash and Cash Equivalents:			
Debt Service	888,696	3,784,103	4,672,799
Capital Improvements	12,762,343	16,160,620	28,922,963
Other Purposes	6,631,435	-	6,631,435
Receivables:			
Debt Service	2,282,663	-	2,282,663
Capital Improvement Projects	2,012,463	-	2,012,463
Other Purposes	1,447,572	-	1,447,572
Investments:			
Debt Service	2,672,014	-	2,672,014
Capital Improvement Projects	3,995,566	-	3,995,566
Pension Assets	6,613,313	-	6,613,313
Capital Assets:			
Non-depreciable Capital Assets	110,284,164	50,414,402	160,698,566
Depreciable Capital Assets (net)	120,367,084	91,500,144	211,867,228
Total Assets	<u>359,343,002</u>	<u>247,568,418</u>	<u>606,911,420</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Debt Refundings	5,948	243,693	249,641
Pensions	10,902,079	1,898,331	12,800,410
Total Deferred Outflows of Resources	<u>10,908,027</u>	<u>2,142,024</u>	<u>13,050,051</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 370,251,029</u>	<u>\$ 249,710,442</u>	<u>\$ 619,961,471</u>
LIABILITIES			
Accounts Payable	\$ 5,972,495	\$ 3,164,099	\$ 9,136,594
Customer Deposits	4,136,212	127,804	4,264,016
Accrued Liabilities	2,582,108	1,625,989	4,208,092
Unearned Revenues	2,983,062	1,068,850	4,051,912
Accrued Interest Payable	272,493	640,333	912,826
Liabilities Payable from Restricted Assets	1,536,075	-	1,536,075
Noncurrent Liabilities:			
Due within One Year	5,407,960	3,625,814	9,033,774
Due in more than One Year	39,098,929	44,261,409	83,360,338
Total Liabilities	<u>61,989,330</u>	<u>54,514,298</u>	<u>116,503,628</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenues - Property Taxes	10,107,663	-	10,107,663
Leases	2,222,631	-	2,222,631
Pensions	383,590	26,355	409,945
Total Deferred Inflows of Resources	<u>12,713,884</u>	<u>26,355</u>	<u>12,740,239</u>
NET POSITION			
Net Investment in Capital Assets	198,130,312	102,872,629	301,002,941
Restricted for:			
Debt Service	3,560,710	3,784,103	7,344,813
Capital Improvements	9,946,982	8,141,740	18,088,722
Capital Improvements - Impact Fees	1,663,117	1,798,772	3,461,889
Pensions	6,613,313	-	6,613,313
Community Development	12,682,359	-	12,682,359
Unrestricted	62,951,022	78,572,545	141,523,567
Total Net Position	<u>295,547,815</u>	<u>195,169,789</u>	<u>490,717,604</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 370,251,029</u>	<u>\$ 249,710,442</u>	<u>\$ 619,961,471</u>

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, 2024

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General Government	\$ 20,714,117	\$ 11,693,109	\$ -
Public Safety	33,918,124	8,404,189	1,158,278
Highways and Public Improvements	8,413,806	309,840	-
Parks, Recreation and Arts	13,793,147	2,205,209	77,582
Economic and Physical Development	1,205,616	55,895	634,549
Redevelopment	1,343,686	-	52,647
Interest on Long-term Debt	4,618,149	-	-
Total Governmental Activities	84,006,645	22,668,242	1,923,056
Business-type Activities:			
Water	15,527,158	17,671,764	-
Water Reclamation	8,440,081	13,286,409	-
Storm Water	3,847,271	5,906,642	-
Recreation	3,658,261	3,774,684	-
Solid Waste	5,027,552	5,213,030	-
Street Lighting	536,098	1,092,347	-
Total Business-type Activities	37,036,421	46,944,876	-
Total Primary Government	\$ 121,043,066	\$ 69,613,118	\$ 1,923,056

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
\$ (9,021,008)	\$ -	\$ (9,021,008)
(24,317,273)	-	(24,317,273)
(4,081,242)	-	(4,081,242)
39,723	-	39,723
(401,575)	-	(401,575)
(1,291,039)	-	(1,291,039)
(4,618,149)	-	(4,618,149)
(43,690,563)	-	(43,690,563)
-	3,305,549	3,305,549
-	6,161,918	6,161,918
-	2,285,494	2,285,494
-	116,423	116,423
-	185,478	185,478
-	556,249	556,249
-	12,611,111	12,611,111
(43,690,563)	12,611,111	(31,079,452)
38,338,115	-	38,338,115
10,651,601	-	10,651,601
8,794,879	-	8,794,879
580,737	-	580,737
308,496	-	308,496
6,235,372	5,401,308	11,636,680
116,253	86,906	203,159
1,718,817	(1,718,817)	-
66,744,270	3,769,397	70,513,667
23,053,707	16,380,508	39,434,215
272,494,108	178,789,281	451,283,389
\$ 295,547,815	\$ 195,169,789	\$ 490,717,604

City of Orem
Balance Sheet
Governmental Funds
June 30, 2024

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 24,067,671	\$ 1,191,875	\$ 25,847,715	\$ 495,028	\$ 51,602,289
Investments	15,420,362	-	-	-	15,420,362
Receivables (Net of Allowance for Uncollectibles)	1,312,617	-	1,563	29,233	1,343,413
Property Taxes Receivable	6,500,000	-	-	-	6,500,000
Other Taxes Receivable	6,150,552	-	-	-	6,150,552
Special Assessments Receivable	32,297	-	-	-	32,297
Intergovernmental Receivables	109,790	-	-	119,928	229,718
Due from Other Funds	294,177	-	-	-	294,177
Notes Receivable	-	-	-	358,593	358,593
Leases Receivable	-	-	2,222,631	-	2,222,631
Prepays	102,567	-	-	-	102,567
Restricted Cash and Cash Equivalents:					
Debt Service	888,696	-	-	-	888,696
Capital Improvement Projects	2,217,097	-	-	10,545,246	12,762,343
Other Purposes	1,216,417	-	-	5,415,018	6,631,435
Restricted Receivables:					
Debt Service	-	2,282,663	-	-	2,282,663
Capital Improvement Projects	687,463	-	-	1,325,000	2,012,463
Other Purposes	238,469	-	-	1,209,103	1,447,572
Restricted Investments:					
Debt Service	2,672,014	-	-	-	2,672,014
Capital Improvement Projects	3,995,566	-	-	-	3,995,566
Total Assets	\$ 65,905,755	\$ 3,474,538	\$ 28,071,909	\$ 19,497,149	\$ 116,949,351
LIABILITIES					
Accounts Payable	\$ 1,361,957	\$ -	\$ 2,164,366	\$ 2,354,664	\$ 5,880,987
Customer Deposits	4,136,212	-	-	-	4,136,212
Accrued Liabilities	1,401,051	-	834,544	254,881	2,490,476
Unearned Revenues	2,746,018	-	231,059	5,985	2,983,062
Liabilities Payable from Restricted Assets	1,536,075	-	-	-	1,536,075
Total Liabilities	11,181,313	-	3,229,969	2,615,530	17,026,812
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenues - Property Taxes	6,500,000	2,282,663	-	1,325,000	10,107,663
Deferred Revenues - Receivables	638,924	-	-	221,336	860,260
Leases	-	-	2,222,631	-	2,222,631
Total Deferred Inflows of Resources	7,138,924	2,282,663	2,222,631	1,546,336	13,190,554
FUND BALANCES					
Nonspendable	102,567	-	-	-	102,567
Restricted	12,854,970	-	-	14,876,214	27,731,184
Assigned	7,867,846	1,191,875	22,619,309	459,069	32,138,099
Unassigned	26,760,135	-	-	-	26,760,135
Total Fund Balances	47,585,518	1,191,875	22,619,309	15,335,283	86,731,985
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 65,905,755	\$ 3,474,538	\$ 28,071,909	\$ 19,497,149	\$ 116,949,351

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

Capital assets used in governmental funds are not financial resources.	230,651,248
Total Pension Assets and Deferred Outflows of Resources are not available financial resources and are not reported in the governmental funds.	17,521,340
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.	860,260
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.	4,174,519
Long-term liabilities, including bonds payable, compensated absences, and pensions, are not due and payable in the current period.	(43,735,454)
Interest payable on long-term obligations do not require current financial resources and are not reported in the governmental funds.	(272,493)
Deferred Inflows of Resources related to pensions do not require current financial resources and are not reported in the governmental funds.	(383,590)
Net Position of Governmental Activities	\$ 295,547,815

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, 2024

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes and Special Assessments	\$ 48,458,232	\$ 2,279,197	\$ -	\$ 8,040,657	\$ 58,778,086
Licenses and Permits	1,755,827	-	-	-	1,755,827
Intergovernmental	16,472,130	-	52,647	748,146	17,272,923
Charges for Services	10,420,528	-	-	144,492	10,565,020
Fines and Forfeitures	1,774,086	-	-	-	1,774,086
Charges for Services - Other Funds	5,482,280	-	-	-	5,482,280
Impact Fees	-	-	-	374,917	374,917
Investment Earnings	5,404,766	2,716	-	833,255	6,240,737
Miscellaneous Revenue	1,653,409	-	635,648	309,649	2,598,706
Total Revenues	<u>91,421,258</u>	<u>2,281,913</u>	<u>688,295</u>	<u>10,451,116</u>	<u>104,842,582</u>
EXPENDITURES					
Current:					
General Government	19,626,734	-	-	-	19,626,734
Public Safety	34,002,462	-	-	-	34,002,462
Highways and Public Improvements	3,845,789	-	-	368,571	4,214,360
Parks, Recreation and Arts	8,776,901	-	-	1,144,084	9,920,985
Economic and Physical Development	147,259	-	271,177	552,684	971,120
Redevelopment	-	-	-	1,243,665	1,243,665
Debt Service:					
Principal Retirement	-	1,050,000	-	95,000	1,145,000
Interest and Fiscal Charges	-	4,722,805	-	6,516	4,729,321
Leases - Principal	-	474,000	-	-	474,000
Leases - Interest	-	79,933	-	-	79,933
Capital Outlay	21,597,222	-	10,343,907	10,889,140	42,830,269
Total Expenditures	<u>87,996,367</u>	<u>6,326,738</u>	<u>10,615,084</u>	<u>14,299,660</u>	<u>119,237,849</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>3,424,891</u>	<u>(4,044,825)</u>	<u>(9,926,789)</u>	<u>(3,848,544)</u>	<u>(14,395,267)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Asset Disposals	296,704	-	-	-	296,704
Transfers In	2,219,611	4,044,827	5,650,000	-	11,914,438
Transfers Out	(9,224,114)	-	-	(764,159)	(9,988,273)
Total Other Financing Sources (Uses)	<u>(6,707,799)</u>	<u>4,044,827</u>	<u>5,650,000</u>	<u>(764,159)</u>	<u>2,222,869</u>
Net Change in Fund Balances	<u>(3,282,908)</u>	<u>2</u>	<u>(4,276,789)</u>	<u>(4,612,703)</u>	<u>(12,172,398)</u>
Fund Balance - Beginning	<u>50,868,426</u>	<u>1,191,873</u>	<u>26,896,098</u>	<u>19,947,986</u>	<u>98,904,383</u>
Fund Balance - Ending	<u>\$ 47,585,518</u>	<u>\$ 1,191,875</u>	<u>\$ 22,619,309</u>	<u>\$ 15,335,283</u>	<u>\$ 86,731,985</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, 2024

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

Net Change in Fund Balances - Total Governmental Funds		\$ (12,172,398)
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	\$ 41,017,447	
Depreciation Expense	<u>(8,910,723)</u>	32,106,724
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>\$ 1,619,000</u>	1,619,000
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	\$ (14,276)	
Amortization of Bond Premiums (Discounts)	<u>198,710</u>	184,434
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	\$ (192,659)	
Interest Expense	6,671	
Pension Expense	1,672,213	
Other Post Employment Benefits (OPEB) Expense	<u>61,720</u>	1,547,945
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Special Assessment Revenues	\$ (109,623)	
Charges for Services Revenues	(127,725)	
Gain (Loss) on Sale of Capital Assets	(180,451)	
Pension Revenues - Nonemployer Contributions	<u>620,048</u>	202,249
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>(434,247)</u>
Change in Net Position of Governmental Activities		<u><u>\$ 23,053,707</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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes and Special Assessments	\$ 50,189,268	\$ 50,189,268	\$ 48,458,232	\$ (1,731,036)
Licenses and Permits	1,765,000	1,765,000	1,755,827	(9,173)
Intergovernmental	4,434,500	4,960,507	16,472,130	11,511,623
Charges for Services	9,482,289	9,490,289	10,420,528	930,239
Fines and Forfeitures	1,222,100	1,337,100	1,774,086	436,986
Charges for Services - Other Funds	5,482,280	5,482,280	5,482,280	-
Investment Earnings	2,853,000	2,853,000	5,404,766	2,551,766
Miscellaneous Revenues	974,309	1,078,732	1,653,409	574,677
Total Revenues	76,402,746	77,156,176	91,421,258	14,265,082
EXPENDITURES				
General Government:				
Legislative	682,806	736,206	708,589	27,617
Executive	1,048,105	1,301,930	907,426	394,504
Management Services	4,208,444	4,520,703	4,301,698	219,005
Finance	4,412,548	4,550,451	4,293,442	257,009
Legal Services	1,678,776	1,687,191	1,620,977	66,214
Development Services	6,162,011	6,258,604	6,211,472	47,132
Other - Unclassified	4,540,140	8,616,812	7,452,215	1,164,597
Total General Government	22,732,830	27,671,897	25,495,819	2,176,078
Public Safety:				
Police	21,566,386	23,382,988	21,720,996	1,661,992
Fire	14,565,853	20,452,349	15,443,041	5,009,308
Total Public Safety	36,132,239	43,835,337	37,164,037	6,671,300
Highways and Public Improvements:				
Administration	589,446	666,719	634,077	32,642
Traffic and Streets	6,909,834	9,972,765	6,858,395	3,114,370
Total Highways and Public Improvements	7,499,280	10,639,484	7,492,472	3,147,012
Parks, Recreation and Arts	8,726,497	18,923,948	17,696,780	1,227,168
Economic and Physical Development	148,784	175,223	147,259	27,964
Total Expenditures	75,239,630	101,245,889	87,996,367	13,221,558
Excess of Revenues over Expenditures	1,163,116	(24,089,713)	3,424,891	27,514,604
OTHER FINANCING SOURCES (USES)				
Proceeds from Asset Disposals	100,000	100,000	296,704	196,704
Transfers In	3,134,145	3,339,914	2,219,611	(1,120,303)
Transfers Out	(4,897,261)	(10,347,261)	(9,224,114)	1,123,147
Total Other Financing Sources (Uses)	(1,663,116)	(6,907,347)	(6,707,799)	199,548
Net Change in Fund Balance	(500,000)	(30,997,060)	(3,282,908)	27,714,152
Fund Balance - Beginning	50,868,426	50,868,426	50,868,426	-
Fund Balance - Ending	\$ 50,368,426	\$ 19,871,366	\$ 47,585,518	\$ 27,714,152

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

City of Orem
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities - Enterprise Funds					
	Water	Water	Water	Water	Storm Water	Storm Water
	Fund	Fund	Reclamation	Reclamation	Fund	Fund
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 35,852,689	\$ 30,701,371	\$ 26,239,071	\$ 20,173,183	\$ 13,709,997	\$ 11,104,863
Accounts Receivable (Net of Allowance for Doubtful Accounts)	2,190,361	2,073,271	1,654,224	1,506,198	599,794	546,353
Inventories	-	-	-	-	-	-
Prepays	-	-	-	-	-	-
Restricted Cash & Cash Equivalents:						
Debt Service	3,189,103	3,139,117	595,000	595,000	-	-
Capital Improvements	3,547,814	24,348,706	11,941,730	13,008,717	671,076	2,217,843
Total Current Assets	44,779,967	60,262,465	40,430,025	35,283,098	14,980,867	13,869,059
Noncurrent Assets:						
Capital Assets:						
Land	2,607,756	2,607,756	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	9,292,177	9,292,177	2,157,761	2,092,186	115,667	115,667
Machinery and Equipment	3,862,531	3,575,144	8,083,841	7,869,669	2,900,022	2,810,107
Infrastructure	70,213,722	68,847,841	58,414,242	55,745,044	24,411,548	23,993,074
Construction in Progress	35,683,155	13,764,349	4,208,275	4,252,978	2,453,409	1,291,966
Intangibles	997,276	997,276	195,900	195,900	206,514	206,514
Less Accumulated Depreciation	(43,881,930)	(41,022,332)	(40,386,902)	(38,709,283)	(12,911,471)	(11,929,992)
Total Capital Assets (Net of Accumulated Depreciation)	79,677,773	58,965,297	36,341,211	35,114,588	21,133,702	20,445,349
Total Noncurrent Assets	79,677,773	58,965,297	36,341,211	35,114,588	21,133,702	20,445,349
Total Assets	124,457,740	119,227,762	76,771,236	70,397,686	36,114,569	34,314,408
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Debt Refundings	215,149	308,721	-	-	28,544	55,946
Pensions	581,417	151,298	739,092	173,655	542,496	162,262
Total Deferred Outflows of Resources	796,566	460,019	739,092	173,655	571,040	218,208
Total Assets & Deferred Outflows of Resources	\$ 125,254,306	\$ 119,687,781	\$ 77,510,328	\$ 70,571,341	\$ 36,685,609	\$ 34,532,616
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 2,123,826	\$ 2,209,332	\$ 288,708	\$ 251,805	\$ 18,310	\$ 411,582
Customer Deposits	127,804	115,041	-	-	-	-
Accrued Liabilities	1,322,098	54,735	163,063	292,145	24,897	24,253
Due to Other Funds	-	-	-	-	-	-
Accrued Vacation/PTO Leave	128,008	126,584	132,298	140,624	94,583	110,475
Claims and Judgments	-	-	-	-	-	-
Unearned Revenue	206,948	227,802	-	-	-	-
Accrued Interest Payable	473,336	497,087	127,783	131,565	39,214	44,434
Leases Payable - Current Portion	-	-	-	-	-	-
Bonds Payable - Current Portion	1,919,951	1,874,337	825,329	820,329	507,120	497,733
Total Current Liabilities	6,301,971	5,104,918	1,537,181	1,636,468	684,124	1,088,477
Noncurrent Liabilities:						
Accrued Vacation/PTO Leave	6,738	6,663	6,963	7,401	4,978	5,814
Claims and Judgments	-	-	-	-	-	-
Leases Payable - Long-term Portion	-	-	-	-	-	-
Bonds Payable - Long-term Portion	28,036,126	29,956,077	11,924,422	12,749,751	2,292,771	2,799,891
Pension Liabilities	609,014	167,092	774,173	191,781	568,246	179,200
Total Noncurrent Liabilities	28,651,878	30,129,832	12,705,558	12,948,933	2,865,995	2,984,905
Total Liabilities	34,953,849	35,234,750	14,242,739	14,585,401	3,550,119	4,073,382
DEFERRED INFLOWS OF RESOURCES						
Pensions	8,072	5,249	10,260	6,025	7,531	5,630
Total Deferred Inflows of Resources	8,072	5,249	10,260	6,025	7,531	5,630
NET POSITION						
Net Investment in Capital Assets	53,313,494	42,575,072	26,386,471	24,464,148	18,410,804	18,795,677
Restricted for Debt Service	3,189,103	3,139,117	595,000	595,000	-	-
Restricted for Capital Improvements	103,474	8,500,000	8,038,266	9,020,000	-	-
Restricted for Capital Improvements - Impact Fees	67,692	717,238	1,108,453	1,069,077	622,627	625,837
Unrestricted	33,618,622	29,516,355	27,129,139	20,831,690	14,094,528	11,032,090
Total Net Position	90,292,385	84,447,782	63,257,329	55,979,915	33,127,959	30,453,604
Total Liabilities, Deferred Inflows of Resources, & Net Position	\$ 125,254,306	\$ 119,687,781	\$ 77,510,328	\$ 70,571,341	\$ 36,685,609	\$ 34,532,616

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

Other Enterprise Funds		Other Enterprise Funds		Total		Total		Governmental Activities Internal Service Funds
Current Year		Prior Year		Current Year		Prior Year		Current Year
\$	4,762,155	\$	4,534,124	\$	80,563,912	\$	66,513,541	\$ 5,038,390
	700,858		683,198		5,145,237		4,809,020	-
	-		-		-		-	365,460
	-		-		-		-	19,417
	-		-		3,784,103		3,734,117	-
	-		-		16,160,620		39,575,266	-
	5,463,013		5,217,322		105,653,872		114,631,944	5,423,267
	39,822		39,822		6,496,507		6,496,507	-
	1,509,500		1,509,500		6,189,764		6,189,764	150,000
	544,376		399,238		12,109,981		11,899,268	61,199
	485,166		244,162		15,331,560		14,499,082	946,762
	4,875,431		4,650,230		157,914,943		153,236,189	-
	173,366		164,147		42,518,205		19,473,440	-
	-		-		1,399,690		1,399,690	88,548
	(2,865,801)		(2,710,420)		(100,046,104)		(94,372,027)	(637,346)
	4,761,860		4,296,679		141,914,546		118,821,913	609,163
	4,761,860		4,296,679		141,914,546		118,821,913	609,163
	10,224,873		9,514,001		247,568,418		233,453,857	6,032,430
	-		-		243,693		364,667	-
	35,326		6,037		1,898,331		493,252	1,125,850
	35,326		6,037		2,142,024		857,919	1,125,850
\$	10,260,199	\$	9,520,038	\$	249,710,442	\$	234,311,776	\$ 7,158,280
\$	733,255	\$	624,975	\$	3,164,099	\$	3,497,694	\$ 91,508
	-		-		127,804		115,041	-
	115,931		89,003		1,625,989		460,136	91,627
	-		-		-		-	294,177
	18,525		13,984		373,414		391,667	206,701
	-		-		-		-	525,863
	861,902		876,483		1,068,850		1,104,285	-
	-		-		640,333		673,086	-
	-		-		-		-	38,872
	-		-		3,252,400		3,192,399	-
	1,729,613		1,604,445		10,252,889		9,434,308	1,248,748
	975		736		19,654		20,614	10,879
	-		-		-		-	1,549,630
	-		-		-		-	34,584
	-		-		42,253,319		45,505,719	-
	37,003		6,667		1,988,436		544,740	1,179,287
	37,978		7,403		44,261,409		46,071,073	2,774,380
	1,767,591		1,611,848		54,514,298		55,505,381	4,023,128
	492		210		26,355		17,114	15,629
	492		210		26,355		17,114	15,629
	4,761,860		4,296,679		102,872,629		90,131,576	535,707
	-		-		3,784,103		3,734,117	-
	-		-		8,141,740		17,520,000	-
	-		-		1,798,772		2,412,152	-
	3,730,256		3,611,301		78,572,545		64,991,436	2,583,816
	8,492,116		7,907,980		195,169,789		178,789,281	3,119,523
\$	10,260,199	\$	9,520,038	\$	249,710,442	\$	234,311,776	\$ 7,158,280

City of Orem
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For The Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds				
	Water	Water	Water	Water	Storm Water
	Fund	Fund	Reclamation	Reclamation	Fund
	Current Year	Prior Year	Current Year	Prior Year	Current Year
OPERATING REVENUES					
Charges for Services	\$ 16,531,575	\$ 16,492,095	\$ 12,840,202	\$ 12,251,765	\$ 5,841,286
Other Revenues	1,140,189	1,358,602	446,207	1,282,384	65,356
Total Operating Revenues	17,671,764	17,850,697	13,286,409	13,534,149	5,906,642
OPERATING EXPENSES					
Personnel Services	2,863,496	2,850,139	2,482,554	2,725,386	1,337,957
Supplies and Maintenance	1,099,567	1,046,651	915,672	812,305	320,410
Administrative Fee	1,288,160	1,586,361	766,561	915,866	352,403
Utilities	538,302	690,649	899,290	1,040,933	8,657
Contract Services	5,289,858	5,029,517	901,771	1,036,145	576,921
Equipment Lease and Rentals	47,859	49,726	367	2,147	4,091
Insurance	149,062	180,647	280,686	288,212	69,927
Charges in Lieu of Property Tax	71,787	71,787	52,665	52,665	29,316
Depreciation Expense	2,885,364	2,866,187	1,775,220	1,798,644	987,659
Miscellaneous	143,135	127,593	144,511	130,612	71,527
Total Operating Expenses	14,376,590	14,499,257	8,219,297	8,802,915	3,758,868
Operating Income (Loss)	3,295,174	3,351,440	5,067,112	4,731,234	2,147,774
NONOPERATING REVENUES AND EXPENSES					
Investment Earnings	3,340,985	2,679,356	1,224,410	729,939	644,319
Gain (Loss) on Sale of Capital Assets	2,028	27,055	84,847	8,995	-
Impact Fee Expenditures	(289,469)	(430,546)	(1,970)	(853,759)	(1,970)
Interest Expense	(861,099)	(910,373)	(218,814)	(227,044)	(86,433)
Total Nonoperating Revenues & Expenses	2,192,445	1,365,492	1,088,473	(341,869)	555,916
Income (Loss) before Transfers and Contributions	5,487,619	4,716,932	6,155,585	4,389,365	2,703,690
Capital Donations/Grants	325,845	1,629,595	-	-	-
Contributions - Impact Fees	451,871	422,179	72,912	88,617	47,518
Contributions - Developers	383,227	520,192	1,242,678	192,775	178,605
Transfers In	215,963	214,666	-	-	-
Transfers Out	(1,019,922)	(1,021,828)	(193,761)	(190,218)	(255,458)
Change in Net Position	5,844,603	6,481,736	7,277,414	4,480,539	2,674,355
Total Net Position - Beginning	84,447,782	77,966,046	55,979,915	51,499,376	30,453,604
Total Net Position - Ending	\$ 90,292,385	\$ 84,447,782	\$ 63,257,329	\$ 55,979,915	\$ 33,127,959

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
\$ 5,618,931	\$ 9,965,547	\$ 9,415,723	\$ 45,178,610	\$ 43,778,514	\$ 9,609,947
61,703	114,514	35,950	1,766,266	2,738,639	8,136
5,680,634	10,080,061	9,451,673	46,944,876	46,517,153	9,618,083
1,396,420	2,117,931	2,057,983	8,801,938	9,029,928	4,594,315
306,430	1,293,671	869,628	3,629,320	3,035,014	4,619,463
394,680	339,585	372,800	2,746,709	3,269,707	-
8,098	581,572	722,038	2,027,821	2,461,718	512,258
455,204	4,476,936	4,094,662	11,245,486	10,615,528	-
582	-	-	52,317	52,455	33,034
69,076	137,796	139,577	637,471	677,512	-
29,316	-	-	153,768	153,768	-
970,120	155,381	127,338	5,803,624	5,762,289	99,698
65,629	119,039	100,753	478,212	424,587	-
3,695,555	9,221,911	8,484,779	35,576,666	35,482,506	9,858,768
1,985,079	858,150	966,894	11,368,210	11,034,647	(240,685)
392,067	191,594	137,875	5,401,308	3,939,237	-
-	31	7,931	86,906	43,981	16,871
(29,961)	-	-	(293,409)	(1,314,266)	-
(96,886)	-	-	(1,166,346)	(1,234,303)	(3,085)
265,220	191,625	145,806	4,028,459	1,434,649	13,786
2,250,299	1,049,775	1,112,700	15,396,669	12,469,296	(226,899)
-	-	-	325,845	1,629,595	-
23,369	-	-	572,301	534,165	-
495,925	-	-	1,804,510	1,208,892	-
-	-	67,000	215,963	281,666	-
(254,046)	(465,639)	(512,583)	(1,934,780)	(1,978,675)	(207,348)
2,515,547	584,136	667,117	16,380,508	14,144,939	(434,247)
27,938,057	7,907,980	7,240,863	178,789,281	164,644,342	3,553,770
\$ 30,453,604	\$ 8,492,116	\$ 7,907,980	\$ 195,169,789	\$ 178,789,281	\$ 3,119,523

City of Orem
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds			
	Water	Water	Water	Water
	Fund	Fund	Reclamation	Reclamation
	Current Year	Prior Year	Fund	Fund
			Current Year	Prior Year
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers and Users	\$ 17,533,820	\$ 18,444,649	\$ 13,138,383	\$ 13,370,071
Receipts from Interfund Services Provided	-	-	-	-
Payments to Suppliers	(7,412,313)	(6,143,277)	(3,158,059)	(4,269,153)
Payments for Personnel	(1,580,008)	(2,653,425)	(2,599,210)	(2,240,937)
Payments for Interfund Services Used	(1,288,160)	(1,586,361)	(766,561)	(915,866)
Net Cash Provided (Used) by Operating Activities	7,253,339	8,061,586	6,614,553	5,944,115
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	215,963	214,666	-	-
Transfers Out	(1,019,922)	(1,021,828)	(193,761)	(190,218)
Net Cash Provided (Used) by Noncapital Activities	(803,959)	(807,162)	(193,761)	(190,218)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(23,412,897)	(10,917,616)	(1,818,058)	(2,672,401)
Proceeds from Sales of Capital Assets	194,561	33,184	143,740	8,995
Receipts from Impact Fees Collected	451,871	422,179	72,912	88,617
Payments to Developers - Impact Fees	(289,469)	(430,546)	(1,970)	(853,759)
Donations / Grants	325,845	1,629,595	-	-
Principal paid on Outstanding Debt	(1,606,268)	(1,558,324)	(760,000)	(749,000)
Interest paid on Outstanding Debt	(1,053,596)	(1,102,055)	(282,925)	(290,925)
Net Cash Provided (Used) by Capital and Related Financing Activities	(25,389,953)	(11,923,583)	(2,646,301)	(4,468,473)
CASH FLOW FROM INVESTING ACTIVITIES				
Investment Earnings	3,340,985	2,679,356	1,224,410	729,939
Net Cash Provided (Used) by Investing Activities	3,340,985	2,679,356	1,224,410	729,939
Net Increase (Decrease) in Cash and Cash Equivalents	(15,599,588)	(1,989,803)	4,998,901	2,015,363
Cash and Cash Equivalents - Beginning of Year	58,189,194	60,178,997	33,776,900	31,761,537
Cash and Cash Equivalents - End of Year	\$ 42,589,606	\$ 58,189,194	\$ 38,775,801	\$ 33,776,900
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 3,295,174	\$ 3,351,440	\$ 5,067,112	\$ 4,731,234
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	\$ 2,885,364	\$ 2,866,187	\$ 1,775,220	\$ 1,798,644
(Increase) Decrease in Receivables	(117,090)	630,575	(148,026)	(164,078)
(Increase) Decrease in Inventory	-	-	-	-
(Increase) Decrease in Pension Assets	(430,119)	474,075	(565,437)	1,373,778
Increase (Decrease) in Accounts Payable	(85,506)	1,054,023	36,903	(906,134)
Increase (Decrease) in Customer Deposits	12,763	(730)	-	-
Increase (Decrease) in Accrued Liabilities	1,267,363	16,270	(129,082)	94,173
Increase (Decrease) in Unearned Revenue	(20,854)	(36,623)	-	-
Increase (Decrease) in Accrued Vacation/PTO Leave	1,499	26,469	(8,764)	37,196
Increase (Decrease) in Pension Liabilities	444,745	(320,100)	586,627	(1,020,698)
Increase (Decrease) in Claims and Judgments	-	-	-	-
Total Adjustments	3,958,165	4,710,146	1,547,441	1,212,881
Net Cash Provided (Used) by Operating Activities	\$ 7,253,339	\$ 8,061,586	\$ 6,614,553	\$ 5,944,115
Noncash Investing, Capital, and Financing Activities:				
Contributions of Capital Assets from Developers	\$ 383,227	\$ 520,192	\$ 1,242,678	\$ 192,775

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
\$ 5,853,201	\$ 5,680,834	\$ 10,047,820	\$ 9,301,722	\$ 46,573,224	\$ 46,797,276	\$ -
						9,618,083
(1,474,121)	(557,626)	(6,501,980)	(5,695,122)	(18,546,473)	(16,665,178)	(4,653,180)
(1,343,328)	(1,207,506)	(2,083,648)	(2,022,885)	(7,606,194)	(8,124,753)	(4,548,078)
(352,403)	(394,680)	(339,585)	(372,800)	(2,746,709)	(3,269,707)	-
2,683,349	3,521,022	1,122,607	1,210,915	17,673,848	18,737,638	416,825
			67,000	215,963	281,666	-
(255,458)	(254,046)	(465,639)	(512,583)	(1,934,780)	(1,978,675)	(207,348)
(255,458)	(254,046)	(465,639)	(445,583)	(1,718,817)	(1,697,009)	(207,348)
(1,506,957)	(1,687,154)	(620,562)	(953,833)	(27,358,474)	(16,231,004)	(133,932)
9,551	27,192	31	7,931	347,883	77,302	16,871
47,518	23,369	-	-	572,301	534,165	-
(1,970)	(29,961)	-	-	(293,409)	(1,314,266)	-
-	-	-	-	325,845	1,629,595	-
(470,732)	(455,676)	-	-	(2,837,000)	(2,763,000)	(37,020)
(91,253)	(102,410)	-	-	(1,427,774)	(1,495,390)	(3,085)
(2,013,843)	(2,224,640)	(620,531)	(945,902)	(30,670,628)	(19,562,598)	(157,166)
644,319	392,067	191,594	137,875	5,401,308	3,939,237	-
644,319	392,067	191,594	137,875	5,401,308	3,939,237	-
1,058,367	1,434,403	228,031	(42,695)	(9,314,289)	1,417,268	52,311
13,322,706	11,888,303	4,534,124	4,576,819	109,822,924	108,405,656	4,986,079
\$ 14,381,073	\$ 13,322,706	\$ 4,762,155	\$ 4,534,124	\$ 100,508,635	\$ 109,822,924	\$ 5,038,390
\$ 2,147,774	\$ 1,985,079	\$ 858,150	\$ 966,894	\$ 11,368,210	\$ 11,034,647	\$ (240,685)
\$ 987,659	\$ 970,120	\$ 155,381	\$ 127,338	\$ 5,803,624	\$ 5,762,289	\$ 99,698
(53,441)	200	(17,660)	(90,561)	(336,217)	376,136	860
-	-	-	-	-	-	6,485
(380,234)	486,795	(29,289)	(4,638)	(1,405,079)	2,330,010	(829,527)
(393,272)	376,709	108,280	232,782	(333,595)	757,380	113,443
-	-	-	-	12,763	(730)	-
644	7,622	26,928	27,837	1,165,853	145,902	13,857
-	-	(14,581)	(59,390)	(35,435)	(96,013)	-
(16,728)	20,759	4,780	4,876	(19,213)	89,300	18,383
390,947	(326,262)	30,618	5,777	1,452,937	(1,661,283)	857,381
-	-	-	-	-	-	376,930
535,575	1,535,943	264,457	244,021	6,305,638	7,702,991	657,510
\$ 2,683,349	\$ 3,521,022	\$ 1,122,607	\$ 1,210,915	\$ 17,673,848	\$ 18,737,638	\$ 416,825
\$ 178,605	\$ 495,925	\$ -	\$ -	\$ 1,804,510	\$ 1,208,892	\$ -

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**NOTES
TO THE
FINANCIAL
STATEMENTS**

City of Orem
Notes to the Financial Statements
June 30, 2024

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 Orem Community Foundation (formerly named Orem Foundation Trust) is a nonprofit charitable foundation. The Internal Revenue Service (IRS) gave the City permission to form and operate the foundation 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 Orem Community 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 Community Foundation Special Revenue Fund. Separate financial statements are not issued for this entity.

City of Orem
Notes to the Financial Statements
June 30, 2024

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 the year

City of Orem
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies (continued)

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

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. 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 when such debt exists.

City of Orem
Notes to the Financial Statements
June 30, 2024

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 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 *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 *Self-insurance Fund* accounts for the insurance activities of the various funds throughout 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 proprietary fund's principal ongoing operations. The principal operating revenues of all enterprise funds are charges to customers for sales and services.

City of Orem
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies (continued)

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

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, 2024

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. Leases Receivable

The City leases certain city property and recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of the payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received.

The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease term.

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

- The City uses its estimated rate of return on investments as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

City of Orem
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies (continued)

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

4. 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.

5. 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.

6. Pension Assets

The 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. Pension assets represent the net difference between assets of the plan and the actuarially determined liabilities.

7. 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.

City of Orem
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies (continued)

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

7. Capital Assets (continued)

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

Subscription-based information technology arrangements (SBITA) are defined as a contract that conveys control of the right to use another party's software. This type of asset is recorded as an intangible asset and amortized over the shorter of the subscription term or the assets useful life. The City has no material SBITA contracts at the end of the current fiscal year.

8. Deferred Outflows of Resources

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

9. Compensated Absences

For governmental funds, vested or accumulated vacation leave and paid time off (PTO) 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).

For proprietary funds, vested or accumulated vacation leave and PTO are 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 PTO for all governmental

City of Orem
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies (continued)

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

9. Compensated Absences (continued)

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 and PTO. Traditional vacation employees also earn sick leave. 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. PTO plan employees also earn short-term medical leave (STML) bank hours but these hours are not paid out unless used and thus, no liability exists.

10. Pensions

For purposes of measuring the 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.

11. Right to Use Liabilities

Leases

The City is a lessee of certain equipment. The City recognizes a lease liability and an intangible right to use lease asset in the government-wide and proprietary fund financial statements.

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

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

City of Orem
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies (continued)

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

11. Right to Use Liabilities (continued)

Leases (continued)

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

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

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

12. 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.

13. Deferred Inflows of Resources

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

City of Orem
Notes to the Financial Statements
June 30, 2024

1. **Summary of Significant Accounting Policies (continued)**

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

14. 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.

15. 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 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.

City of Orem
Notes to the Financial Statements
June 30, 2024

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)

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	\$ 398,805,275
Accumulated Depreciation	(168,154,027)
Net adjustment to increase <i>fund balance</i> - <i>total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 230,651,248</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, 2024 were as follows:

<u>Long-term Liability Type</u>	
General Obligation Bonds	\$ 25,580,000
Leases	3,695,456
Less: Internal Service Funds - Current Portion	(38,872)
Notes Payable	194,930
Bond Premiums Deferred	3,056,498
Compensated Absences	3,180,036
Less: Internal Service Funds - Current Portion	(206,701)
Net Pension Liability	6,724,477
Other Long-term Liabilities (inc. Claims & Judgments)	2,075,493
Less: Internal Service Funds - Current Portion	(525,863)
Net adjustment to reduce <i>fund balance</i> - <i>total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 43,735,454</u>

City of Orem
Notes to the Financial Statements
June 30, 2024

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	\$ 1,050,000
Leases	474,000
Notes Payable	95,000
Subtotal	<u>1,619,000</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>\$ 1,619,000</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 30th, the City Council reviews and adjusts the proposed budget. On or before June 30th, 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, 2024

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 multiple 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, 2024

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 (MMA) 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, 2024, are as follows:

Cash on Hand & On Deposit	Fair Value
Cash on Hand	\$ 42,539
Cash on Deposit - Checking	15,220,865
Cash on Deposit - Payroll	50,000
Total Cash on Hand & On Deposit	<u>\$ 15,313,404</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, 2024, \$17,455,959 of the City's bank balance of \$17,772,827 is exposed to custodial credit risk as uninsured and uncollateralized. The carrying amount of the deposits at June 30, 2024, is \$15,313,404.

Investments

The MMA 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; repurchase and

City of Orem
Notes to the Financial Statements
June 30, 2024

4. Detailed Notes for all Funds (continued)

A. Deposits and Investments (continued)

Investments (continued)

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	\$ 159,405,948	\$ -	\$ 159,405,948	\$ -
Zions Bank Inst. Liquidity Management Fund	11,635,515	11,635,515	-	-
Moreton Asset Management Fund	13,150,188	13,150,188	-	-
Total Debt Securities	184,191,651	24,785,703	159,405,948	-
Total Investments by Fair Value Level	\$ 184,191,651	\$ 24,785,703	\$ 159,405,948	\$ -
Total Investments Measured at Fair Value	\$ 184,191,651			

City of Orem
Notes to the Financial Statements
June 30, 2024

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, 2024, 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, 2024, 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	\$ 159,405,948	\$ 159,405,948	\$ -	\$ -	\$ -
Zions Bank Inst. Liquidity Management Fund	11,635,515	4,667,681	6,967,834	-	-
Moreton Asset Management Fund	13,150,188	5,184,014	7,966,174	-	-
Total Debt Securities	\$ 184,191,651	\$ 169,257,643	\$ 14,934,008	\$ -	\$ -

City of Orem
Notes to the Financial Statements
June 30, 2024

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, 2024, are presented below:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
Debt Securities:					
Utah Public Treasurer's Investment Fund	\$ 159,405,948	\$ -	\$ -	\$ -	\$ 159,405,948
Zions Bank Inst. Liquidity Management Fund	11,635,515	5,623,760	2,523,045	3,294,005	194,705
Moreton Asset Management Fund	13,150,188	458,314	1,082,788	3,334,982	8,274,104
Total Debt Securities	<u>\$ 184,191,651</u>	<u>\$ 6,082,074</u>	<u>\$ 3,605,833</u>	<u>\$ 6,628,987</u>	<u>\$ 167,874,757</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, 2024, 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 \$11,635,515 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 \$13,150,188 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, 2024

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, 2024, 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, 2024

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 invested deposit 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, 2024) and then compare those values to come up with an agreed upon fair value of the securities.

As of June 30, 2024, the City had \$159,166,642 invested in the PTIF which had a fair value of \$159,405,948 for an unrealized gain of \$239,306.

The following table shows statistical information about this investment pool:

Investment Type	Investment Percentage
Corporate Bonds and Notes	12.63 %
Money Market Accounts and Certificates of Deposit	0.77 %
U.S. Government Securities	86.60 %
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 and gains less losses and administration fees.

City of Orem
Notes to the Financial Statements
June 30, 2024

4. Detailed Notes for all Funds (continued)

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

Managed Investment Funds (continued)

As of June 30, 2024, the City had \$11,760,433 invested in the ILM which had a fair value of \$11,635,515 for an unrealized loss of \$124,918.

The following table shows statistical information about this fund:

Investment Type	Investment Percentage
Corporate Bonds and Notes	49.99 %
Money Market Accounts and Certificates of Deposit	1.76 %
U.S. Government Securities	48.25 %
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, 2024, the City had \$13,285,557 invested in the Moreton Asset Management Fund which had a fair value of \$13,150,188 for an unrealized loss of \$135,369.

The following table shows statistical information about this fund:

Investment Type	Investment Percentage
Corporate Bonds and Notes	16.31 %
Money Market Accounts and Certificates of Deposit	80.28 %
U.S. Government Securities	3.41 %
Total	100.00 %

City of Orem
Notes to the Financial Statements
June 30, 2024

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, 2024, as summarized below, has been shown in the government-wide Statement of Net Position as follows:

Housing Rehabilitation Loans	\$ 202,317
Business Development Loans	19,019
Total	<u>\$ 221,336</u>

E. Receivables

All receivables are expected to be collected within one year except for \$2,222,631 of leases receivable in the Capital Projects Fund and \$324,193 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, 2024, the various components of *deferred* and *unearned revenues* reported in the governmental funds were as follows:

	Unavailable	Unearned
Property Taxes Receivable	\$ 10,107,663	\$ 10,107,663
Accounts, Notes & Leases Receivable	2,828,976	2,222,631
Donations and Other Funds to be Used for Specific Programs	-	2,983,061
Grant & Other Money Used in Revolving Loan Programs	221,336	-
Special Assessments not yet Due	32,579	-
Total Deferred & Unearned Revenues for Governmental Funds	<u>\$ 13,190,554</u>	<u>\$ 15,313,355</u>

Receivables as of June 30, 2024, 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:

City of Orem
Notes to the Financial Statements
June 30, 2024

4. Detailed Notes for all Funds (continued)

E. Receivables (continued)

	<u>Receivables</u>	<u>Allowance for Uncollectibles</u>	<u>Net Total Receivables</u>
<u>Governmental Activities</u>			
General:			
Property Taxes	\$ 6,500,000	\$ -	\$ 6,500,000
Other Taxes	6,150,552	-	6,150,552
Special Assessments	32,297	-	32,297
Intergovernmental	1,035,722	-	1,035,722
Accounts	1,315,020	(2,403)	1,312,617
	<u>15,033,591</u>	<u>(2,403)</u>	<u>15,031,188</u>
Debt Service:			
Property Taxes	2,282,663	-	2,282,663
Notes Receivable	48,880,243	(48,880,243)	-
	<u>51,162,906</u>	<u>(48,880,243)</u>	<u>2,282,663</u>
Capital Projects:			
Leases Receivable	2,222,631	-	2,222,631
Accounts	1,563	-	1,563
	<u>2,224,194</u>	<u>-</u>	<u>2,224,194</u>
Nonmajor Funds:			
Property Taxes	1,325,000	-	1,325,000
Other Taxes	1,209,103	-	1,209,103
Intergovernmental	119,849	-	119,849
Notes Receivable	497,843	(139,250)	358,593
Accounts	29,312	-	29,312
	<u>3,181,107</u>	<u>(139,250)</u>	<u>3,041,857</u>
Subtotal - Governmental Activities	<u>71,601,798</u>	<u>(49,021,896)</u>	<u>22,579,902</u>
<u>Business-type Activities</u>			
Water:			
Accounts	2,210,812	(20,451)	2,190,361
Water Reclamation:			
Accounts	1,667,368	(13,144)	1,654,224
Storm Water:			
Accounts	605,760	(5,966)	599,794
Nonmajor Funds:			
Accounts	707,453	(6,595)	700,858
Subtotal - Business-type Activities	<u>5,191,393</u>	<u>(46,156)</u>	<u>5,145,237</u>
Totals	<u>\$ 76,793,191</u>	<u>\$ (49,068,052)</u>	<u>\$ 27,725,139</u>

Leases Receivable

The City leases certain properties to third parties. As of June 30, 2024, the City's receivable for lease payments is shown on the governmental funds balance sheet and the government-wide statement of net position. Also, the City has a deferred inflow of resources associated with these leases that will

City of Orem
Notes to the Financial Statements
June 30, 2024

4. Detailed Notes for all Funds (continued)

E. Receivables (continued)

Leases Receivable (continued)

be recognized as revenue over the lease term. A general description of the lease agreements follows:

The City has lease agreements with several cell tower companies who lease city property in order to locate and construct their cell tower facilities. All of the leases except the AT&T lease (which had an initial term of ten (10) years) have initial terms of five (5) years with options to extend for up to four additional five (5) year terms. In accordance with the provisions of GASB No. 87, the leases were retroactively measured and a discount rate of 5% was applied. Detailed information related to each of these leases is as follows:

On September 14, 1999, the City of Orem, as lessor, entered into a cell tower lease agreement with Sprint Spectrum (now Verizon Wireless), the lessee, for property located at 233 East Center Street. The lease, including extensions, will end on September 14, 2024. The lease payment is due annually and the city received \$24,952 for the fiscal year ended June 30, 2024.

On December 11, 2000, the City of Orem, as lessor, entered into a cell tower lease agreement with Crown Castle, the lessee, for property located at 969 East 200 North. The lease, including extensions, will end on December 11, 2025. The lease payment is due annually and the city received \$63,981 for the fiscal year ended June 30, 2024.

On February 12, 2018, the City of Orem, as lessor, renewed a cell tower lease agreement with SBA 2012 TC Assets LLC, the lessee, for property located at 920 North 1200 East. The renewed lease maintains the original lease term that ends on July 13, 2024 but begins a new initial term on July 14, 2024 and ending on July 13, 2049. The lease payment is due annually and the city received \$47,984 for the fiscal year ended June 30, 2024.

On January 2, 2019, the City of Orem, as lessor, renewed a cell tower lease agreement with SBA 2012 TC Assets LLC, the lessee, for property located at 701 South State Street. The renewed lease's initial term began on December 16, 2022, and ends on December 15, 2047. The lease payment is due annually and the city received \$33,270 for the fiscal year ended June 30, 2024.

On December 14, 2020, the City of Orem purchased property from the Alpine School District at 605 East 1400 South which included a cell tower and associated lease with AT&T, the lessee. The lease was transferred to the City of Orem, the lessor, with the same remaining term and payment amounts. The original lease term began on March 22, 2002 and, including extensions, will end on March 21, 2032. The lease payment is due annually and the city received \$28,439 for the fiscal year ended June 30, 2024.

City of Orem
Notes to the Financial Statements
June 30, 2024

4. Detailed Notes for all Funds (continued)

E. Receivables (continued)

Leases Receivable (continued)

On September 27, 2022, the City of Orem, as lessor, entered into a cell tower lease agreement with Verizon Wireless, the lessee, for property located at 1797 West 1000 South. The lease, including extensions, will end on May 25, 2048. The lease payment is due annually and the city received \$33,269 for the fiscal year ended June 30, 2024.

F. Capital Assets

Governmental activities capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities</u>				
Capital Assets, not being depreciated:				
Land	\$ 72,580,455	\$ 1,431,399	\$ -	\$ 74,011,854
Intangibles	88,548	-	-	88,548
Construction in Progress	9,221,573	34,459,438	(7,497,249)	36,183,762
Total Capital Assets, not being depreciated	81,890,576	35,890,837	(7,497,249)	110,284,164
Capital Assets, being depreciated:				
Buildings and Systems	71,146,163	16,812	-	71,162,975
Improvements other than Buildings	44,218,068	4,191,072	(259,599)	48,149,541
Machinery and Equipment	29,370,889	3,474,041	(1,291,892)	31,553,038
Infrastructure	132,637,430	5,075,866	(57,739)	137,655,557
Total Capital Assets, being depreciated	277,372,550	12,757,791	(1,609,230)	288,521,111
Less Accumulated Depreciation for:				
Buildings and Systems	(27,750,447)	(2,352,383)	-	(30,102,830)
Improvements other than Buildings	(29,625,231)	(1,388,670)	259,599	(30,754,302)
Machinery and Equipment	(19,217,809)	(2,333,371)	1,111,441	(20,439,739)
Infrastructure	(83,978,898)	(2,935,997)	57,739	(86,857,156)
Total Accumulated Depreciation	(160,572,385)	(9,010,421)	1,428,779	(168,154,027)
Total Capital Assets, being depreciated, net	116,800,165	3,747,370	(180,451)	120,367,084
Governmental Activities Capital Assets, net	\$ 198,690,741	\$ 39,638,207	\$ (7,677,700)	\$ 230,651,248

City of Orem
Notes to the Financial Statements
June 30, 2024

4. Detailed Notes for all Funds (continued)

F. Capital Assets (continued)

Business-type activities capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type Activities</u>				
Capital Assets, not being depreciated:				
Land	\$ 6,496,507	\$ -	\$ -	\$ 6,496,507
Intangibles	1,399,690	-	-	1,399,690
Construction in Progress	19,473,440	26,310,554	(3,265,789)	42,518,205
Total Capital Assets, not being depreciated	27,369,637	26,310,554	(3,265,789)	50,414,402
Capital Assets, being depreciated:				
Buildings and Systems	6,189,764	-	-	6,189,764
Improvements other than Buildings	11,899,268	210,713	-	12,109,981
Machinery and Equipment	14,499,082	1,228,752	(396,274)	15,331,560
Infrastructure	153,236,189	4,678,754	-	157,914,943
Total Capital Assets, being depreciated	185,824,303	6,118,219	(396,274)	191,546,248
Less Accumulated Depreciation for:				
Buildings and Systems	(5,622,892)	(56,941)	-	(5,679,833)
Improvements other than Buildings	(8,609,116)	(536,852)	-	(9,145,968)
Machinery and Equipment	(9,511,017)	(982,752)	129,547	(10,364,222)
Infrastructure	(70,629,002)	(4,227,079)	-	(74,856,081)
Total Accumulated Depreciation	(94,372,027)	(5,803,624)	129,547	(100,046,104)
Total Capital Assets, being depreciated, net	91,452,276	314,595	(266,727)	91,500,144
Business-type Activities Capital Assets, net	\$ 118,821,913	\$ 26,625,149	\$ (3,532,516)	\$ 141,914,546

City of Orem
Notes to the Financial Statements
June 30, 2024

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	\$ 308,944
Public Safety	1,758,824
Highway and Streets	4,094,644
Parks, Recreation and Arts	2,512,847
Redevelopment	100,021
Economic and Physical Development	135,443
Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets	99,698
Subtotal - Governmental Activities	9,010,421
<u>Business-type Activities</u>	
Water	2,885,364
Water Reclamation	1,775,220
Storm Water	987,659
Recreation	33,672
Street Lighting	121,709
Subtotal - Business-type Activities	5,803,624
Total Depreciation Expense	\$ 14,814,045

Construction Commitments

The City has active construction projects as of June 30, 2024. The projects include street lighting, widening and reconstruction 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	\$ 32,338,896	\$ 20,555,047
Street Construction and Improvements	5,856,329	4,044,936
Public Facility Construction & Improvements	10,596,568	15,534,194
Park and Recreation Improvements	1,464,607	798,877
Water Reclamation Improvements	6,304,706	17,005,181
Storm Water Improvements	2,384,068	6,294,501
Total	\$ 58,945,174	\$ 64,232,736

City of Orem
Notes to the Financial Statements
June 30, 2024

4. Detailed Notes for all Funds (continued)

G. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2024, 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:

Transfers Out	Transfers In				Total
	General Fund	Debt Service Fund	Capital Projects Fund	Water Fund	
Major Funds:					
General	\$ -	\$ 3,757,114	\$ 5,450,000	\$ -	\$ 9,207,114
Water	1,019,922	-	-	-	1,019,922
Water Reclamation	56,628	-	-	137,133	193,761
Storm Water	176,628	-	-	78,830	255,458
Nonmajor Governmental Funds:					
CARE Tax	38,593	-	-	-	38,593
Redevelopment	382,615	-	-	-	382,615
Orem Community Fndtn	55,908	-	200,000	-	255,908
Community Dev.	87,043	-	-	-	87,043
Nonmajor Enterprise Funds:					
Recreation	34,121	-	-	-	34,121
Solid Waste	47,330	-	-	-	47,330
Sreet Lighting	96,475	287,713	-	-	384,188
Internal Service Funds:					
Fleet Maintenance	63,748	-	-	-	63,748
Self Insurance	112,100	-	-	-	112,100
Total	\$ 2,171,111	\$ 4,044,827	\$ 5,650,000	\$ 215,963	\$ 12,081,901

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

City of Orem
Notes to the Financial Statements
June 30, 2024

4. Detailed Notes for all Funds (continued)

H. Jointly Governed Organizations (continued)

with URMA. During the year ended June 30, 2024, the City paid premiums of approximately \$290,000 to URMA. See footnote 5.A. (Other information, risk management) for additional information.

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, 2024, the City paid solid waste tipping fees of approximately \$1,198,000 to NPSWSSD. The City's waste, by weight, represents approximately 25% of all of the solid waste processed by NPSWSSD.

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, 2024, the City paid participation fees of approximately \$181,000 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, 2024, the City paid UTOPIA approximately \$46,000 in customer service fees. The City also paid \$3,490,892 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

City of Orem
Notes to the Financial Statements
June 30, 2024

4. Detailed Notes for all Funds (continued)

H. Jointly Governed Organizations (continued)

June 30, 2024, the City forwarded Contract Utility Enhancement (CUE) agreement receipts of approximately \$34,000 to UIA.

I. Lease Purchase Financing Debt

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 leases as well as the present value of the net minimum lease payments as of June 30, 2024:

Year ending June 30,	Governmental Activities
2025	\$ 595,428
2026	572,432
2027	556,915
2028	557,380
2029	557,616
2030-2034	1,121,134
2035-2039	6,900
2040-2044	94
Total minimum lease payments	3,967,899
Less: Amount representing interest	(272,443)
Present value of net minimum lease payments	<u>\$ 3,695,456</u>

Equipment and related accumulated depreciation under leases is as follows:

	Governmental Activities
Cost of Equipment	\$ 6,331,185
Accumulated Depreciation	(1,622,149)
Difference	<u>\$ 4,709,036</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.

City of Orem
Notes to the Financial Statements
June 30, 2024

4. Detailed Notes for all Funds (continued)

J. Long-term Debt (continued)

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

General obligation bonds outstanding at June 30, 2024, are as follows:

Purpose	Interest Rates	Amount
Governmental activities:		
2014 Road Construction-Refunding	0.25% to 3.00%	\$ 1,080,000
2019 Public Facilities Construction	3.625% to 5.00%	24,500,000
Total		<u>\$ 25,580,000</u>

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	
2025	\$ 1,080,000	\$ 1,201,613	\$ 2,281,613
2026	440,000	1,177,113	1,617,113
2027	480,000	1,154,112	1,634,112
2028	520,000	1,129,113	1,649,113
2029	565,000	1,101,988	1,666,988
2040-2034	3,505,000	5,076,163	8,581,163
2035-2039	4,980,000	4,037,062	9,017,062
2040-2044	6,925,000	2,558,937	9,483,937
2045-2049	7,085,000	633,944	7,718,944
Totals	<u>\$ 25,580,000</u>	<u>\$ 18,070,045</u>	<u>\$ 43,650,045</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 163.

The City has the following revenue bonds outstanding at June 30, 2024:

City of Orem
Notes to the Financial Statements
June 30, 2024

4. Detailed Notes for all Funds (continued)

J. Long-term Debt (continued)

Revenue Bonds (continued)

Water and Storm Sewer Revenue Bonds – Series 2005B

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, 2024, is \$341,000.

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, 2024, is \$2,656,000.

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, 2024, is \$3,880,000.

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, 2024, is \$27,980,000.

City of Orem
Notes to the Financial Statements
June 30, 2024

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, 2024, is \$4,760,000.

Revenue bonds currently outstanding at June 30, 2024, are as follows:

Purpose	Interest Rates	Amount
Business-type Activities:		
Water	1.48%-5.00%	\$ 25,726,709
Wastewater Treatment	0.00%-5.00%	11,420,000
Storm Water	1.48%-5.00%	2,470,291
		<u>39,617,000</u>
Total		<u>\$ 39,617,000</u>

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

Year Ended June 30,	Business-type Activities		Totals
	Principal	Interest	
2025	\$ 2,897,000	\$ 1,357,736	\$ 4,254,736
2026	2,970,000	1,285,284	4,255,284
2027	2,875,000	1,205,475	4,080,475
2028	3,140,000	1,108,850	4,248,850
2029	1,930,000	1,021,650	2,951,650
2030-2034	6,790,000	4,366,075	11,156,075
2035-2039	6,175,000	3,205,300	9,380,300
2040-2044	7,540,000	1,838,200	9,378,200
2045-2049	5,300,000	323,400	5,623,400
Totals	<u>\$ 39,617,000</u>	<u>\$ 15,711,970</u>	<u>\$ 55,328,970</u>

City of Orem
Notes to the Financial Statements
June 30, 2024

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, 2024, is \$194,930.

Notes payable currently outstanding at June 30, 2024, are as follows:

Purpose	Interest Rates	Amount
Governmental Activities:		
HUD Section 108 Loan -		
Economic Development	Variable	\$ 194,930
Total		<u>\$ 194,930</u>

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

Year Ended June 30,	Governmental Activities		Totals
	Principal	Interest	
2025	\$ 95,000	\$ 4,005	\$ 99,005
2026	99,930	1,369	101,299
Totals	<u>\$ 194,930</u>	<u>\$ 5,374</u>	<u>\$ 200,304</u>

Changes in Long-term Liabilities

Changes in bonds payable, deferred items, lease purchase financing debt, and compensated absences during the fiscal year ended June 30, 2024, are as follows:

City of Orem
Notes to the Financial Statements
June 30, 2024

4. Detailed Notes for all Funds (continued)

J. Long-term Debt (continued)

Changes in Long-term Liabilities (continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Bonds Payable:					
General Obligation Bonds	\$ 26,630,000	\$ -	\$ (1,050,000)	\$ 25,580,000	\$ 1,080,000
Plus Issuance Premiums	3,255,208	-	(198,710)	3,056,498	162,190
Total Bonds Payable	29,885,208	-	(1,248,710)	28,636,498	1,242,190
Notes Payable	289,930	-	(95,000)	194,930	95,000
Lease Purchase Financing	4,206,476	-	(511,020)	3,695,456	523,822
Compensated Absences	2,968,995	512,664	(301,623)	3,180,036	3,021,035
Pension Liabilities	5,579,777	1,144,700	-	6,724,477	-
Other Long-term Liabilities	1,760,283	936,698	(621,489)	2,075,492	525,863
Governmental Activities					
Long-term Liabilities	<u>\$ 44,690,669</u>	<u>\$ 2,594,062</u>	<u>\$ (2,777,842)</u>	<u>\$ 44,506,889</u>	<u>\$ 5,407,910</u>
<u>Business-type Activities</u>					
Bonds Payable:					
Revenue Bonds	\$ 42,454,000	\$ -	\$ (2,837,000)	\$ 39,617,000	\$ 2,897,000
Plus Issuance Premiums	6,244,118	-	(355,399)	5,888,719	355,399
Total Bonds Payable	48,698,118	-	(3,192,399)	45,505,719	3,252,399
Compensated Absences	412,281	108,992	(128,205)	393,068	373,415
Pension Liabilities	544,740	1,443,696	-	1,988,436	-
Business-type Activities					
Long-term Liabilities	<u>\$ 49,655,139</u>	<u>\$ 1,552,688</u>	<u>\$ (3,320,604)</u>	<u>\$ 47,887,223</u>	<u>\$ 3,625,814</u>

Compensated Absences

The City operates two compensated absence plans. A traditional vacation plan and a new hybrid paid time off (PTO) plan. New employees were automatically enrolled in the PTO plan as of May 1, 2023. All existing employees as of that date were given the option to stay on the traditional plan or convert to the new PTO plan. Employees electing to convert to the new PTO plan were converted on June 25, 2023.

Employees in the traditional vacation plan earn vacation based upon the employee's years of service. Employees, upon termination, may be paid up to 336 hours of earned vacation. Employees in this plan may also accumulate an unlimited number of sick hours but these hours are not paid out upon termination. Employees in the PTO plan earn vacation based upon the employee's years of service. Employees, upon termination, may be paid up to 336 hours of earned PTO.

City of Orem
Notes to the Financial Statements
June 30, 2024

4. Detailed Notes for all Funds (continued)

J. Long-term Debt (continued)

Compensated Absences (continued)

Employees in this plan also accumulate hours in a short-term medical leave (STML) bank but these hours are not paid out upon termination.

Amounts of vacation and PTO vested and not paid have been accrued as a liability at June 30, 2024. The General Fund has typically been used in prior years to liquidate this liability for governmental funds.

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

City of Orem
Notes to the Financial Statements
June 30, 2024

4. Detailed Notes for all Funds (continued)

K. Equity Classification (continued)

Governmental Fund Financial Statements (continued)

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.
- 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 fund balance classifications and categories for all governmental funds for the fiscal year ended June 30, 2024.

City of Orem
Notes to the Financial Statements
June 30, 2024

4. Detailed Notes for all Funds (continued)

K. Equity Classification (continued)

Governmental Fund Financial Statements (continued)

The governmental fund balance classifications and categories at the end of the current fiscal year are as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds ¹	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Prepaids	\$ 102,567	\$ -	\$ -	\$ -	\$ 102,567
	102,567	-	-	-	102,567
Restricted:					
Class "C" Roads	6,275,007	-	-	-	6,275,007
Utopia DSR Pledge	3,560,710	-	-	-	3,560,710
Task Force	2,994,253	-	-	-	2,994,253
Parks, Rec., & Arts	-	-	-	3,832,862	3,832,862
Fitness Center/Scera Pool	-	-	-	231,612	231,612
Hillcrest/Lakeside Parks	-	-	-	184,033	184,033
Street Improvements	-	-	-	4,329,042	4,329,042
Capital Improvements	-	-	-	143,580	143,580
Public Safety	25,000	-	-	446,825	471,825
Redevelopment	-	-	-	5,171,908	5,171,908
Community Dev.	-	-	-	536,352	536,352
	12,854,970	-	-	14,876,214	27,731,184
Assigned:					
Vehicles	944,493	-	-	-	944,493
Public Safety Equip.	687,138	-	186,000	-	873,138
Public Safety Oper.	250,929	-	-	-	250,929
Fire - Vineyard Station	3,508,901	-	-	-	3,508,901
Library Equipment	153,915	-	507,197	-	661,112
Library Operations	117,512	-	-	-	117,512
Economic Dev. Funds	20,439	-	-	-	20,439
City Manager Oper.	171,879	-	-	-	171,879
Finance Operations	85,435	-	-	-	85,435
Recreation Operations	2,545	-	-	-	2,545
Public Works Equip.	7,304	-	-	-	7,304
Public Works Oper.	179,967	-	-	-	179,967
Facility Improvements	-	-	1,008,306	-	1,008,306
CARES Act Funds	27,621	-	-	-	27,621
Street/Street Light Imp.	-	-	3,542,540	-	3,542,540
Park Improvements	-	-	1,140,201	-	1,140,201
Fitness Center & Equip.	-	-	482,383	-	482,383
City Center Facility	-	-	15,512,466	-	15,512,466
Debt Service	-	1,191,875	-	-	1,191,875
Community Programs	176,863	-	-	24,201	201,064
Murdock Canal	71,207	-	-	-	71,207
Capital Improvements	1,372,528	-	240,216	62,430	1,675,174
Senior Citizen Programs	-	-	-	372,438	372,438
Employee Programs	89,170	-	-	-	89,170
	7,867,846	1,191,875	22,619,309	459,069	32,138,099
Unassigned	26,760,135	-	-	-	26,760,135
Total Fund Balances	\$ 47,585,518	\$ 1,191,875	\$ 22,619,309	\$ 15,335,283	\$ 86,731,985

¹ See pages 112-113 for a breakdown by individual fund

City of Orem
Notes to the Financial Statements
June 30, 2024

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 currently provides coverage for worker's compensation claims through the Workers Compensation Fund of Utah. The Self-insurance fund also provides coverage up to \$15,000 for general liability and \$10,000 for property damage. The City is 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, 2024, the outstanding recapture program liability is \$1,743,172. This liability is presented in the changes in long-term liabilities table (page 85) 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, 2024, the estimated reserves liability is \$332,321. This liability is presented in the changes in long-term liabilities table (page 85) 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, 2023 and 2024 is as follows:

Year ended June 30,	2023	2024
Claim liability, beginning of year	\$ 440,504	\$ 386,048
Claims incurred during the year	-	-
Changes in estimates of claims of prior periods	69,786	93,588
Payments on claims during the year	(124,242)	(147,315)
Claim liability, end of year	<u>\$ 386,048</u>	<u>\$ 332,321</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.

City of Orem
Notes to the Financial Statements
June 30, 2024

5. Other Information (continued)

B. Contingent Liabilities (continued)

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.

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 2004 and again in 2008, UTOPIA issued revenue bonds to fund operations of the network. The net revenues from the communication network were to be used to reimburse a debt service reserve fund for payments on the bond debt. To the extent that there were insufficient net revenues to pay the debt service, the eleven pledged members would be 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.

In 2008, UTOPIA's net revenues were insufficient to reimburse the debt service fund on their existing revenue bond debt. At that time, the eleven pledged members were required to make their respective share pledge payments to the debt service reserve fund on behalf of UTOPIA. The City has been reimbursing its share of the pledge annually to the debt service reserve fund since this time.

The City's liability limit (pledge) for the current fiscal year was set at a maximum of \$3,490,893. 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 is \$66,258,660.

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.

City of Orem
Notes to the Financial Statements
June 30, 2024

5. Other Information (continued)

B. Contingent Liabilities (continued)

Utah Infrastructure Agency (UIA) (continued)

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.

UIA has issued multiple revenue bonds since its inception in 2011. Service fee revenues from the UIA network are currently being 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 would be 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 2024.

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.

City of Orem
Notes to the Financial Statements
June 30, 2024

5. Other Information (continued)

C. Pension Plans (continued)

General Information and Plan Description (continued)

- 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, 2024

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, 2024

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, 2024 are as follows:

Retirement System	Employee Paid	Employer Paid for Employee	Employer Contribution Rates	Employer Rate for 401(k) Plan
<u>Noncontributory System</u>				
Local Governmental - Tier 1	N/A	N/A	17.97%	N/A
Local Governmental - Tier 2	N/A	N/A	16.01%	0.18%
<u>Contributory System</u>				
Local Governmental - Tier 1	6.00%	N/A	13.96%	N/A
Local Governmental - Tier 2	N/A	N/A	17.77%	0.18%
<u>Public Safety System</u>				
Noncontributory - Tier 1	N/A	N/A	37.97%	N/A
Contributory (74) - Tier 1	10.50%	N/A	27.98%	N/A
Contributory (122) - Tier 2	N/A	2.59%	29.02%	N/A
<u>Firefighters System</u>				
Division B - Tier 1	N/A	16.71%	6.34%	N/A
Division B - Tier 2	N/A	2.59%	14.08%	N/A
<u>Tier 2 DC Only</u>				
Local Governmental - Noncontrib.	N/A	N/A	6.19%	10.00%
Local Governmental - Contributory	N/A	N/A	7.95%	10.00%
Public Safety	N/A	N/A	15.02%	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, 2024

5. Other Information (continued)

C. Pension Plans (continued)

Contributions (continued)

For the fiscal year ended June 30, 2024, the employer and employee contributions to the Systems were as follows:

	Employer Contributions	Employee Contributions
Retirement System		
Noncontributory System	\$ 1,643,358	-
Contributory System	49,741	21,378
Public Safety System	1,469,043	-
Firefighters System	223,472	588,992
Tier 2 Public Employees System	1,396,433	-
Tier 2 Public Safety and Firefighter System	1,660,195	111,607
Tier 2 DC Only	99,752	-
Tier 2 DC Public Safety & Firefighter System	26,796	-
Total Contributions	<u>\$ 6,568,790</u>	<u>\$ 721,977</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, 2024, the City had a total pension asset of \$6,613,313 and a total pension liability of \$8,712,912.

	Proportionate Share	Pension Asset	Pension Liability
Retirement System			
Noncontributory System	1.0547663%	\$ -	\$ 2,446,599
Contributory System	2.8587114%	-	235,969
Public Safety System	7.3681280%	-	4,816,636
Firefighters System	3.8935987%	6,613,313	-
Tier 2 Public Employees System	0.2904657%	-	565,357
Tier 2 Public Safety and Firefighter System	1.7211704%	-	648,351
Total Pension Asset / Liability		<u>\$ 6,613,313</u>	<u>\$ 8,712,912</u>

The pension assets and liabilities were measured as of December 31, 2023, and the total pension liability used to calculate the total pension asset and liability was determined by an actuarial valuation as of January 1, 2023, and rolled forward using generally accepted actuarial procedures. The proportion of the

City of Orem
Notes to the Financial Statements
June 30, 2024

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)

total 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, 2024, the City had pension expenses of \$4,338,339. The following table details this total pension expense by retirement system:

Retirement System	Pension Expense
Noncontributory System	\$ 1,668,901
Contributory System	(23,991)
Public Safety System	2,504,544
Firefighters System	(1,375,251)
Tier 2 Public Employees System	738,161
Tier 2 Public Safety & Firefighter System	825,975
Total	<u>\$ 4,338,339</u>

At June 30, 2024, 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	\$ 1,713,137	\$ -
Contributory System	-	-
Public Safety System	2,257,357	-
Firefighters System	424,592	-
Tier 2 Public Employees System	181,080	9,258
Tier 2 Public Safety & Firefighter System	346,699	44,259
	<u>4,922,865</u>	<u>53,517</u>
Changes in assumptions:		
Noncontributory System	734,172	-
Contributory System	-	-
Public Safety System	513,459	-
Firefighters System	153,100	-
Tier 2 Public Employees System	323,608	447
Tier 2 Public Safety & Firefighter System	472,393	13,303
	<u>2,196,732</u>	<u>13,750</u>

(table continues on next page)

City of Orem
Notes to the Financial Statements
June 30, 2024

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	795,612	-
Contributory System	106,181	-
Public Safety System	611,859	-
Firefighters System	567,788	-
Tier 2 Public Employees System	63,842	-
Tier 2 Public Safety & Firefighter System	67,846	-
	<u>2,213,128</u>	<u>-</u>
Changes in proportion and difference between contributions and proportionate share of contributions:		
Noncontributory System	4,479	6,855
Contributory System	-	-
Public Safety System	18,324	13,759
Firefighters System	18,274	294,469
Tier 2 Public Employees System	70,768	11,674
Tier 2 Public Safety & Firefighter System	37,278	15,920
	<u>149,123</u>	<u>342,677</u>
Contributions subsequent to the measurement date:		
Noncontributory System	811,716	-
Contributory System	22,269	-
Public Safety System	736,271	-
Firefighters System	111,527	-
Tier 2 Public Employees System	780,284	-
Tier 2 Public Safety & Firefighter System	856,495	-
	<u>3,318,562</u>	<u>-</u>
Total Deferred Outflows / Inflows of Resources:		
Noncontributory System	4,059,116	6,855
Contributory System	128,450	-
Public Safety System	4,137,270	13,759
Firefighters System	1,275,281	294,469
Tier 2 Public Employees System	1,419,582	21,379
Tier 2 Public Safety & Firefighter System	1,780,711	73,482
	<u>\$ 12,800,410</u>	<u>\$ 409,944</u>

City of Orem
Notes to the Financial Statements
June 30, 2024

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, 2023, are reported as deferred outflows of resources related to pensions in the amount of \$3,318,562 (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
2024	\$ 2,437,307
2025	2,352,472
2026	4,218,501
2027	(798,400)
2028	116,559
Thereafter	745,464

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
2024	\$ 1,066,613	\$ (131,922)	\$ 1,511,427	\$ (122,632)	\$ 53,105	\$ 60,716
2025	1,012,287	9,834	1,049,705	126,957	75,622	78,067
2026	1,495,805	285,843	1,067,346	1,112,864	129,965	126,678
2027	(334,160)	(57,574)	(241,237)	(247,904)	42,094	40,381
2028	-	-	-	-	57,060	59,499
Thereafter	-	-	-	-	260,072	485,392

Actuarial Assumptions

The total pension liability in the December 31, 2023, 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, 2024

5. Other Information (continued)

C. Pension Plans (continued)

Actuarial Assumptions (continued)

Inflation	2.50%
Salary Increases	3.50% to 9.50%, Average, including Inflation
Investment Rate of Return	6.85%, Net of Pension Plan Investment Expense, including Inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age, as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement 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, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	35%	6.87%	2.40%
Debt Securities	20%	1.54%	0.31%
Real Assets	18%	5.43%	0.98%
Private Equity	12%	9.80%	1.18%
Absolute Return	15%	3.86%	0.58%
Cash and Cash Equivalents	0%	0.24%	0.00%
Totals	100%		5.45%
Inflation			2.50%
Expected Arithmetic Nominal Return			7.95%

City of Orem
Notes to the Financial Statements
June 30, 2024

5. Other Information (continued)

C. Pension Plans (continued)

Actuarial Assumptions (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based 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.

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

The following presents the proportionate share of the net pension liability using the discount rate of 6.85%, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1.00% lower (5.85%) or 1.00% higher (7.85%) than the current rate:

	1.00% Decrease (5.85%)	Discount Rate (6.85%)	1.00% Increase (7.85%)
Retirement System			
Noncontributory System	\$ 12,697,717	\$ 2,446,599	\$ (6,138,018)
Contributory System	1,427,577	235,969	(778,486)
Public Safety System	13,498,606	4,816,636	(2,281,279)
Firefighters System	45,531	(6,613,313)	(12,091,355)
Tier 2 Public Employees System	1,942,486	565,357	(502,606)
Tier 2 Public Safety & Firefighter System	2,089,008	648,351	(504,200)
Total	<u>\$ 31,700,925</u>	<u>\$ 2,099,599</u>	<u>\$ (22,295,944)</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, 2024

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, 2024, was \$41,804,540. The City's expense for this plan for the year ended June 30, 2024, was approximately \$387,000 or 0.93% 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 is currently one employee, 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	2024	2023	2022
Employer Contributions	\$ 279,222	\$ 288,413	\$ 297,360
Employee Contributions	\$ -	\$ -	\$ -

City of Orem
Notes to the Financial Statements
June 30, 2024

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 two 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, 2024, was \$41,804,540. The City's expense for this plan for the year ended June 30, 2024, was approximately \$1,602,000 or 3.83% 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	2024	2023	2022
Employer Contributions	\$ 167,230	\$ 154,633	\$ 127,147
Employee Contributions	\$ 177,458	\$ 186,081	\$ 158,445

E. Other Postemployment Benefits

General Information about the OPEB Plan

Plan Description

The City provided 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 employer

City of Orem
Notes to the Financial Statements
June 30, 2024

5. Other Information (continued)

E. Other Postemployment Benefits (continued)

Plan Description (continued)

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 were 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, 2024, one (1) retiree's spouse was participating in the plan. The cost of obtaining actuarial OPEB information for this single participant was too high for the benefit received since the remaining retiree's participation in the plan ends in September 2024 and the OPEB liability would be minimal as of June 30, 2024. Therefore, no reporting for these benefits is included in these annual financial statements.

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, 2024, 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 90-08: 800 North and State Street Economic Zone	\$ 103,594	\$ 47,375
Orem CDA: University Place	1,352,294	189,024
Total	<u>\$ 1,455,888</u>	<u>\$ 236,399</u>

City of Orem
Notes to the Financial Statements
June 30, 2024

5. Other Information (continued)

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

During the year ending June 30, 2024, the RDA expended monies in the categories below as follows:

Economic Development	\$	1,243,665
Capital Outlay		-
Total	\$	<u>1,243,665</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 amounts remitted to the property owner for the past five fiscal years is as follows:

Fiscal Year	Tax Increment Remitted
2024	\$ 1,217,065
2023	1,188,797
2022	1,119,739
2021	1,034,885
2020	872,923

H. Subsequent Event

Long-term Liabilities

On July 31, 2024, the City issued \$9,200,000 in 2024 Sales Tax Revenue Bonds. These bonds have a coupon interest rate of 5.00% with a yield rate between 3.06% and 3.80%. The bonds were issued to finance the acquisition, construction, equipping and furnishing of a new fire training facility as well as improvements to the City's existing Public Safety building. The first payment due on these bonds is April of 2025 and they mature in April of 2044.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

REQUIRED SUPPLEMENTARY INFORMATION

City of Orem Schedule of the Proportionate Share of the Total Pension Liability / Asset Utah Retirement Systems (URS) Last Ten Fiscal Years

System	Proportion of the Total Pension Liability / Asset	Proportionate Share of the Total Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Total Pension Liability (Asset) as a % of its Covered Payroll	Plan Fiduciary Total Position as a % of the Total Pension Liability/Asset
<u>Noncontributory System</u>					
As of December 31, 2023	1.0547663%	\$ 2,446,599	\$ 9,303,031	26.3%	96.9%
As of December 31, 2022	1.1185100%	\$ 1,915,727	\$ 9,444,708	20.3%	97.5%
As of December 31, 2021	1.1572151%	\$ (6,627,495)	\$ 9,911,510	-66.9%	108.7%
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, 2023	2.8587114%	\$ 235,969	\$ 384,635	61.3%	98.2%
As of December 31, 2022	2.8741268%	\$ 295,597	\$ 402,676	73.4%	97.7%
As of December 31, 2021	3.8917187%	\$ (2,817,382)	\$ 571,621	-492.9%	115.9%
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, 2023	7.3681280%	\$ 4,816,636	\$ 3,954,140	121.8%	92.1%
As of December 31, 2022	7.4062483%	\$ 3,441,499	\$ 3,893,775	88.4%	93.7%
As of December 31, 2021	7.7844955%	\$ (2,787,789)	\$ 3,642,113	-76.5%	105.1%
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%

(continued on next page)

REQUIRED SUPPLEMENTARY INFORMATION

City of Orem Schedule of the Proportionate Share of the Total Pension Liability / Asset Utah Retirement Systems (URS) Last Ten Fiscal Years

System	Proportion of the Total Pension Liability / Asset	Proportionate Share of the Total Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Total Pension Liability (Asset) as a % of its Covered Payroll	Plan Fiduciary Total Position as a % of the Total Pension Liability/Asset
<u>Firefighters System</u>					
As of December 31, 2023	3.8935987%	\$ (6,613,313)	\$ 3,503,022	-188.8%	113.3%
As of December 31, 2022	3.6168934%	\$ (4,552,561)	\$ 3,225,346	-141.1%	110.3%
As of December 31, 2021	3.6032095%	\$ (9,746,409)	\$ 3,289,435	-296.3%	122.9%
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%
<u>Tier 2 Public Employees System</u>					
As of December 31, 2023	0.2904657%	\$ 565,357	\$ 7,509,546	7.5%	89.6%
As of December 31, 2022	0.3065277%	\$ 333,776	\$ 6,684,671	5.0%	92.3%
As of December 31, 2021	0.2621427%	\$ (110,949)	\$ 4,864,967	-2.3%	103.8%
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, 2023	1.7211704%	\$ 648,351	\$ 6,521,594	9.9%	89.1%
As of December 31, 2022	1.6532103%	\$ 137,918	\$ 5,086,575	2.7%	96.4%
As of December 31, 2021	1.7041526%	\$ (86,132)	\$ 4,075,293	-2.1%	102.8%
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, 2023		\$ 2,099,599	\$ 31,175,968	6.7%	
Total - As of December 31, 2022		\$ 1,571,956	\$ 28,737,751	5.5%	
Total - As of December 31, 2021		\$ (22,176,156)	\$ 26,354,939	-84.1%	
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%	

REQUIRED SUPPLEMENTARY INFORMATION

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

System	Contributions in relation to the			Contribution	
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	as a % of Covered Payroll ¹
<u>Noncontributory System</u>					
As of June 30, 2024	\$ 1,643,358	\$ 1,643,358	\$ -	\$ 9,463,775	17.36%
As of June 30, 2023	\$ 1,625,680	\$ 1,625,680	\$ -	\$ 9,306,263	17.47%
As of June 30, 2022	\$ 1,710,258	\$ 1,710,258	\$ -	\$ 9,569,014	17.87%
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%
<u>Contributory System</u>					
As of June 30, 2024	\$ 49,741	\$ 49,741	\$ -	\$ 356,309	13.96%
As of June 30, 2023	\$ 51,750	\$ 51,750	\$ -	\$ 370,703	13.96%
As of June 30, 2022	\$ 66,834	\$ 66,834	\$ -	\$ 462,197	14.46%
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%
<u>Public Safety System</u>					
As of June 30, 2024	\$ 1,469,043	\$ 1,469,043	\$ -	\$ 3,984,738	36.87%
As of June 30, 2023	\$ 1,437,164	\$ 1,437,164	\$ -	\$ 3,899,242	36.86%
As of June 30, 2022	\$ 1,430,902	\$ 1,430,902	\$ -	\$ 3,793,021	37.72%
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%
<u>Firefighters System</u>					
As of June 30, 2024	\$ 223,472	\$ 223,472	\$ -	\$ 3,807,852	5.87%
As of June 30, 2023	\$ 184,404	\$ 184,404	\$ -	\$ 3,204,436	5.75%
As of June 30, 2022	\$ 213,374	\$ 213,374	\$ -	\$ 3,259,624	6.55%
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%
<u>Tier 2 Public Employees System *</u>					
As of June 30, 2024	\$ 1,396,433	\$ 1,396,433	\$ -	\$ 8,721,762	16.01%
As of June 30, 2023	\$ 1,128,923	\$ 1,128,923	\$ -	\$ 7,051,344	16.01%
As of June 30, 2022	\$ 923,464	\$ 923,464	\$ -	\$ 5,744,971	16.07%
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%

(continued on next page)

REQUIRED SUPPLEMENTARY INFORMATION

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

System	Contributions in relation to the				Contribution
	Contractually Required	Contractually Required	Contribution Deficiency	Covered	as a % of Covered
	Contribution	Contribution	(Excess)	Payroll	Payroll ¹
Tier 2 Public Safety & Firefighters System *					
As of June 30, 2024	\$ 1,660,195	\$ 1,660,195	\$ -	\$ 7,220,762	22.99%
As of June 30, 2023	\$ 1,310,712	\$ 1,310,712	\$ -	\$ 5,621,663	23.32%
As of June 30, 2022	\$ 1,094,035	\$ 1,094,035	\$ -	\$ 4,544,860	24.07%
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%
Tier 2 Public Employees DC Only System *					
As of June 30, 2024	\$ 99,752	\$ 99,752	\$ -	\$ 1,611,495	6.19%
As of June 30, 2023	\$ 105,197	\$ 105,197	\$ -	\$ 1,620,459	6.49%
As of June 30, 2022	\$ 103,706	\$ 103,706	\$ -	\$ 1,458,801	7.11%
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%
Tier 2 Public Safety & Firefighter DC Only System *					
As of June 30, 2024	\$ 26,796	\$ 26,796	\$ -	\$ 308,702	8.68%
As of June 30, 2023	\$ 37,870	\$ 37,870	\$ -	\$ 360,149	10.52%
As of June 30, 2022	\$ 42,563	\$ 42,563	\$ -	\$ 325,101	13.09%
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%
Total - As of June 30, 2024	\$ 6,568,790	\$ 6,568,790	\$ -	\$ 35,475,395	18.52%
Total - As of June 30, 2023	\$ 5,881,700	\$ 5,881,700	\$ -	\$ 31,434,259	18.71%
Total - As of June 30, 2022	\$ 5,585,136	\$ 5,585,136	\$ -	\$ 29,157,589	19.15%
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%

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

**NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

Utah Retirement Systems Pensions

Accumulated Assets

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension plan.

Changes in Assumptions

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023, actuarial experience study.

**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.

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, 2024

	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	\$ -	\$ -	\$ -	\$ 46,737	\$ -
Accounts Receivable	-	-	-	-	-
Intergovernmental Receivables	-	-	-	-	-
Notes Receivable	-	-	-	137,257	-
Restricted Cash and Cash Equivalents:					
Capital Improvement Projects	1,965,234	1,965,234	569,224	-	2,816,080
Other Purposes	-	-	3,623,518	-	1,360,750
Restricted Receivables:					
Capital Improvement Projects	-	-	-	-	-
Other Purposes	-	-	518,125	-	690,978
Total Assets	<u>\$ 1,965,234</u>	<u>\$ 1,965,234</u>	<u>\$ 4,710,867</u>	<u>\$ 183,994</u>	<u>\$ 4,867,808</u>
LIABILITIES					
Accounts Payable	\$ 302,117	\$ 302,117	\$ 216,249	\$ 115,579	\$ 1,625,466
Accrued Liabilities	-	-	102,531	-	129,592
Unearned Revenues	-	-	-	5,985	-
Total Liabilities	<u>302,117</u>	<u>302,117</u>	<u>318,780</u>	<u>121,564</u>	<u>1,755,058</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	-	-	3,832,862	-	-
Fitness Center Improvements	-	-	80,754	-	-
Scera Pool Improvements	-	-	150,858	-	-
Hillcrest & Lakeside Park Improvements	-	-	184,033	-	-
Public Safety Improvements	446,825	446,825	-	-	-
Traffic Signals	286,925	286,925	-	-	-
Round-a-bouts	155,710	155,710	-	-	-
Street Improvements	773,657	773,657	-	-	3,112,750
Capital Improvements	-	-	143,580	-	-
Redevelopment	-	-	-	-	-
Community Development	-	-	-	-	-
Assigned:					
Community Programs	-	-	-	-	-
Capital Improvements	-	-	-	62,430	-
Senior Citizen Programs	-	-	-	-	-
Total Fund Balances	<u>1,663,117</u>	<u>1,663,117</u>	<u>4,392,087</u>	<u>62,430</u>	<u>3,112,750</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,965,234</u>	<u>\$ 1,965,234</u>	<u>\$ 4,710,867</u>	<u>\$ 183,994</u>	<u>\$ 4,867,808</u>

Special Revenue Funds

Redevelopment Agency Fund	Community Development & Rehabilitation Fund	Orem Community Foundation Fund	Senior Citizens Fund	Total	Total Nonmajor Governmental Funds
\$ -	\$ 52,346	\$ 11,468	\$ 384,477	\$ 495,028	\$ 495,028
-	-	29,233	-	29,233	29,233
-	119,928	-	-	119,928	119,928
-	221,336	-	-	358,593	358,593
5,194,708	-	-	-	8,580,012	10,545,246
-	430,750	-	-	5,415,018	5,415,018
1,325,000	-	-	-	1,325,000	1,325,000
-	-	-	-	1,209,103	1,209,103
<u>\$ 6,519,708</u>	<u>\$ 824,360</u>	<u>\$ 40,701</u>	<u>\$ 384,477</u>	<u>\$ 17,531,915</u>	<u>\$ 19,497,149</u>
\$ 22,800	\$ 43,914	\$ 16,500	\$ 12,039	\$ 2,052,547	\$ 2,354,664
-	22,758	-	-	254,881	254,881
-	-	-	-	5,985	5,985
<u>22,800</u>	<u>66,672</u>	<u>16,500</u>	<u>12,039</u>	<u>2,313,413</u>	<u>2,615,530</u>
1,325,000	-	-	-	1,325,000	1,325,000
-	221,336	-	-	221,336	221,336
<u>1,325,000</u>	<u>221,336</u>	<u>-</u>	<u>-</u>	<u>1,546,336</u>	<u>1,546,336</u>
-	-	-	-	3,832,862	3,832,862
-	-	-	-	80,754	80,754
-	-	-	-	150,858	150,858
-	-	-	-	184,033	184,033
-	-	-	-	-	446,825
-	-	-	-	-	286,925
-	-	-	-	-	155,710
-	-	-	-	3,112,750	3,886,407
-	-	-	-	143,580	143,580
5,171,908	-	-	-	5,171,908	5,171,908
-	536,352	-	-	536,352	536,352
-	-	24,201	-	24,201	24,201
-	-	-	-	62,430	62,430
-	-	-	372,438	372,438	372,438
<u>5,171,908</u>	<u>536,352</u>	<u>24,201</u>	<u>372,438</u>	<u>13,672,166</u>	<u>15,335,283</u>
<u>\$ 6,519,708</u>	<u>\$ 824,360</u>	<u>\$ 40,701</u>	<u>\$ 384,477</u>	<u>\$ 17,531,915</u>	<u>\$ 19,497,149</u>

City of Orem
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended June 30, 2024

	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	-	-	3,098,053	-	3,486,716
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Impact Fees	374,917	374,917	-	-	-
Investment Earnings	138,966	138,966	210,814	14,463	181,812
Miscellaneous Revenues	-	-	-	1,054	-
Total Revenues	513,883	513,883	3,308,867	15,517	3,668,528
EXPENDITURES					
Current:					
Highways and Public Improvements	-	-	-	-	368,571
Parks, Recreation and Arts	-	-	1,057,085	-	-
Economic and Physical Development	53,648	53,648	-	11,121	-
Redevelopment	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	2,119,706	2,119,706	3,979,017	-	4,676,820
Total Expenditures	2,173,354	2,173,354	5,036,102	11,121	5,045,391
Excess (Deficiency) of Revenues over (under) Expenditures	(1,659,471)	(1,659,471)	(1,727,235)	4,396	(1,376,863)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(38,593)	-	-
Total Other Financing Sources and (Uses)	-	-	(38,593)	-	-
Net Change in Fund Balances	(1,659,471)	(1,659,471)	(1,765,828)	4,396	(1,376,863)
Fund Balances - Beginning	3,322,588	3,322,588	6,157,915	58,034	4,489,613
Fund Balances - Ending	\$ 1,663,117	\$ 1,663,117	\$ 4,392,087	\$ 62,430	\$ 3,112,750

Special Revenue Funds

Redevelopment Agency Fund	Community Development & Rehabilitation Fund	Orem Community Foundation Fund	Senior Citizens Fund	Total	Total Nonmajor Governmental Funds
\$ 1,455,888	\$ -	\$ -	\$ -	\$ 1,455,888	\$ 1,455,888
-	-	-	-	6,584,769	6,584,769
-	748,146	-	-	748,146	748,146
-	55,895	-	88,597	144,492	144,492
-	-	-	-	-	374,917
266,401	2,049	-	18,750	694,289	833,255
13,200	-	279,741	15,654	309,649	309,649
<u>1,735,489</u>	<u>806,090</u>	<u>279,741</u>	<u>123,001</u>	<u>9,937,233</u>	<u>10,451,116</u>
-	-	-	-	368,571	368,571
-	-	-	86,999	1,144,084	1,144,084
-	487,915	-	-	499,036	552,684
1,243,665	-	-	-	1,243,665	1,243,665
-	95,000	-	-	95,000	95,000
-	6,516	-	-	6,516	6,516
-	113,597	-	-	8,769,434	10,889,140
<u>1,243,665</u>	<u>703,028</u>	<u>-</u>	<u>86,999</u>	<u>12,126,306</u>	<u>14,299,660</u>
<u>491,824</u>	<u>103,062</u>	<u>279,741</u>	<u>36,002</u>	<u>(2,189,073)</u>	<u>(3,848,544)</u>
-	-	-	-	-	-
(382,615)	(87,043)	(255,908)	-	(764,159)	(764,159)
(382,615)	(87,043)	(255,908)	-	(764,159)	(764,159)
109,209	16,019	23,833	36,002	(2,953,232)	(4,612,703)
5,062,699	520,333	368	336,436	16,625,398	19,947,986
<u>\$ 5,171,908</u>	<u>\$ 536,352</u>	<u>\$ 24,201</u>	<u>\$ 372,438</u>	<u>\$ 13,672,166</u>	<u>\$ 15,335,283</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-IMPACT FEES FUND**

**SPECIAL REVENUE FUNDS
CARE TAX FUND
TELECOMMUNICATION BILLING FUND
TRANSPORTATION SALES TAX FUND
REDEVELOPMENT AGENCY FUND
COMMUNITY DEVELOPMENT & REHABILITATION 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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property Taxes	\$ 2,281,913	\$ 2,281,913	\$ 2,279,197	\$ (2,716)
Investment Earnings	-	-	2,716	2,716
Total Revenues	<u>2,281,913</u>	<u>2,281,913</u>	<u>2,281,913</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	1,050,000	1,050,000	1,050,000	-
Interest and Fiscal Charges	4,722,806	4,722,806	4,722,805	1
Leases - Principal	474,000	474,000	474,000	-
Leases - Interest	79,934	79,934	79,933	1
Total Expenditures	<u>6,326,740</u>	<u>6,326,740</u>	<u>6,326,738</u>	<u>2</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(4,044,827)</u>	<u>(4,044,827)</u>	<u>(4,044,825)</u>	<u>2</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	-	-	-
Payment to Bond Refunding Agent	-	-	-	-
Bond Issuance Premium	-	-	-	-
Transfers In	4,044,827	4,044,827	4,044,827	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>4,044,827</u>	<u>4,044,827</u>	<u>4,044,827</u>	<u>-</u>
Net Change in Fund Balance	-	-	2	2
Fund Balance - Beginning	<u>1,191,873</u>	<u>1,191,873</u>	<u>1,191,873</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,191,873</u>	<u>\$ 1,191,873</u>	<u>\$ 1,191,875</u>	<u>\$ 2</u>

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 52,647	\$ 52,647
Miscellaneous Revenues	325,000	338,829	635,648	296,819
Total Revenues	325,000	338,829	688,295	349,466
EXPENDITURES				
Current:				
Economic and Physical Development	15,000	960,418	271,177	689,241
Capital Outlay	510,000	31,924,509	10,343,907	21,580,602
Total Expenditures	525,000	32,884,927	10,615,084	22,269,843
Excess (Deficiency) of Revenues over (under) Expenditures	(200,000)	(32,546,098)	(9,926,789)	22,619,309
OTHER FINANCING SOURCES (USES)				
Transfers In	200,000	5,650,000	5,650,000	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	200,000	5,650,000	5,650,000	-
Net Change in Fund Balance	-	(26,896,098)	(4,276,789)	22,619,309
Fund Balance - Beginning	26,896,098	26,896,098	26,896,098	-
Fund Balance - Ending	\$ 26,896,098	\$ -	\$ 22,619,309	\$ 22,619,309

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Impact Fees	\$ 875,000	\$ 875,000	\$ 374,917	(500,083)
Investment Earnings	-	-	138,966	138,966
Total Revenues	875,000	875,000	513,883	(361,117)
EXPENDITURES				
Current:				
Economic and Physical Development	-	89,532	53,648	35,884
Capital Outlay	875,000	3,733,678	2,119,706	1,613,972
Total Expenditures	875,000	3,823,210	2,173,354	1,649,856
Excess (Deficiency) of Revenues over (under) Expenditures	-	(2,948,210)	(1,659,471)	1,288,739
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(2,948,210)	(1,659,471)	1,288,739
Fund Balance - Beginning	3,322,588	3,322,588	3,322,588	-
Fund Balance - Ending	\$ 3,322,588	\$ 374,378	\$ 1,663,117	\$ 1,288,739

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Sales Taxes	\$ 3,300,000	\$ 3,300,000	\$ 3,098,053	\$ (201,947)
Investment Earnings	80,000	80,000	210,814	130,814
Total Revenues	<u>3,380,000</u>	<u>3,380,000</u>	<u>3,308,867</u>	<u>(71,133)</u>
EXPENDITURES				
Current:				
Arts and Recreation Development	3,532,000	1,290,550	1,057,085	233,465
Capital Outlay	-	4,548,240	3,979,017	569,223
Total Expenditures	<u>3,532,000</u>	<u>5,838,790</u>	<u>5,036,102</u>	<u>802,688</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(152,000)</u>	<u>(2,458,790)</u>	<u>(1,727,235)</u>	<u>731,555</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(48,000)	(38,593)	(38,593)	-
Total Other Financing Sources (Uses)	<u>(48,000)</u>	<u>(38,593)</u>	<u>(38,593)</u>	<u>-</u>
Net Change in Fund Balance	(200,000)	(2,497,383)	(1,765,828)	731,555
Fund Balance - Beginning	<u>6,157,915</u>	<u>6,157,915</u>	<u>6,157,915</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 5,957,915</u>	<u>\$ 3,660,532</u>	<u>\$ 4,392,087</u>	<u>\$ 731,555</u>

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment Earnings	\$ 21,000	\$ 21,000	\$ 14,463	\$ (6,537)
Miscellaneous Revenues	2,000	2,000	1,054	(946)
Total Revenues	23,000	23,000	15,517	(7,483)
EXPENDITURES				
Current:				
Miscellaneous Expenditures	23,000	23,000	11,121	11,879
Total Expenditures	23,000	23,000	11,121	11,879
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	4,396	4,396
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	4,396	4,396
Fund Balance - Beginning	58,034	58,034	58,034	-
Fund Balance - Ending	\$ 58,034	\$ 58,034	\$ 62,430	\$ 4,396

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Sales Taxes	\$ 3,025,000	\$ 3,025,000	\$ 3,486,716	\$ 461,716
Investment Earnings	65,000	65,000	181,812	116,812
Total Revenues	<u>3,090,000</u>	<u>3,090,000</u>	<u>3,668,528</u>	<u>578,528</u>
EXPENDITURES				
Current:				
Highways & Public Improvements	356,998	370,098	368,571	1,527
Capital Outlay	<u>2,983,002</u>	<u>5,785,982</u>	<u>4,676,820</u>	<u>1,109,162</u>
Total Expenditures	<u>3,340,000</u>	<u>6,156,080</u>	<u>5,045,391</u>	<u>1,110,689</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(250,000)</u>	<u>(3,066,080)</u>	<u>(1,376,863)</u>	<u>1,689,217</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(250,000)</u>	<u>(3,066,080)</u>	<u>(1,376,863)</u>	<u>1,689,217</u>
Fund Balance - Beginning	<u>4,489,613</u>	<u>4,489,613</u>	<u>4,489,613</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 4,239,613</u>	<u>\$ 1,423,533</u>	<u>\$ 3,112,750</u>	<u>\$ 1,689,217</u>

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property Taxes	\$ 1,350,000	\$ 1,350,000	\$ 1,352,294	\$ 2,294
Property Taxes - Tax Increment	110,000	110,000	103,594	(6,406)
Investment Earnings	-	-	266,401	266,401
Miscellaneous Revenues	-	-	13,200	13,200
Total Revenues	<u>1,460,000</u>	<u>1,460,000</u>	<u>1,735,489</u>	<u>275,489</u>
EXPENDITURES				
Current:				
Redevelopment	1,282,500	1,254,769	1,243,665	11,104
Capital Outlay	-	4,607,454	-	4,607,454
Total Expenditures	<u>1,282,500</u>	<u>5,862,223</u>	<u>1,243,665</u>	<u>4,618,558</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>177,500</u>	<u>(4,402,223)</u>	<u>491,824</u>	<u>4,894,047</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(382,500)	(382,615)	(382,615)	-
Total Other Financing Sources (Uses)	<u>(382,500)</u>	<u>(382,615)</u>	<u>(382,615)</u>	<u>-</u>
Net Change in Fund Balance	(205,000)	(4,784,838)	109,209	4,894,047
Fund Balance - Beginning	<u>5,062,699</u>	<u>5,062,699</u>	<u>5,062,699</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 4,857,699</u>	<u>\$ 277,861</u>	<u>\$ 5,171,908</u>	<u>\$ 4,894,047</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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 632,646	\$ 632,646	\$ 748,146	\$ 115,500
Charges for Services	110,000	110,000	55,895	(54,105)
Investment Earnings	-	-	2,049	2,049
Total Revenues	742,646	742,646	806,090	63,444
EXPENDITURES				
Current:				
Economic and Physical Development	539,551	676,668	487,915	188,753
Capital Outlay	32,924	229,581	113,597	115,984
Debt Service:				
Principal Retirement	95,000	95,000	95,000	-
Interest and Fiscal Charges	6,525	6,525	6,516	9
Total Expenditures	674,000	1,007,774	703,028	304,746
Excess (Deficiency) of Revenues over (under) Expenditures	68,646	(265,128)	103,062	368,190
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(68,646)	(71,616)	(87,043)	(15,427)
Total Other Financing Sources (Uses)	(68,646)	(71,616)	(87,043)	(15,427)
Net Change in Fund Balance	-	(336,744)	16,019	352,763
Fund Balance - Beginning	520,333	520,333	520,333	-
Fund Balance - Ending	\$ 520,333	\$ 183,589	\$ 536,352	\$ 352,763

City of Orem
Orem Community Foundation - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Miscellaneous Revenues	\$ 267,000	\$ 335,491	\$ 279,741	\$ (55,750)
Total Revenues	267,000	335,491	279,741	(55,750)
EXPENDITURES				
Current:				
City Programs	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	267,000	335,491	279,741	(55,750)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(267,000)	(335,491)	(255,908)	79,583
Total Other Financing Sources (Uses)	(267,000)	(335,491)	(255,908)	79,583
Net Change in Fund Balance	-	-	23,833	23,833
Fund Balance - Beginning	368	368	368	-
Fund Balance - Ending	\$ 368	\$ 368	\$ 24,201	\$ 23,833

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 23,000	\$ 52,826	\$ 88,597	\$ 35,771
Investment Earnings	4,000	4,000	18,750	14,750
Miscellaneous Revenues	20,850	20,850	15,654	(5,196)
Total Revenues	47,850	77,676	123,001	45,325
EXPENDITURES				
Current:				
Tours	15,650	23,850	35,310	(11,460)
Miscellaneous Expenditures	32,200	53,826	51,689	2,137
Total Expenditures	47,850	77,676	86,999	(9,323)
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	36,002	36,002
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	36,002	36,002
Fund Balance - Beginning	336,436	336,436	336,436	-
Fund Balance - Ending	\$ 336,436	\$ 336,436	\$ 372,438	\$ 36,002

**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, 2024

	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	\$ 1,597,570	\$ 1,441,174	\$ 2,013,474	\$ 1,641,679
Accounts Receivable (Net of Allowance for Doubtful Accounts)	25,581	62,342	555,619	524,581
Total Current Assets	<u>1,623,151</u>	<u>1,503,516</u>	<u>2,569,093</u>	<u>2,166,260</u>
Noncurrent Assets:				
Capital Assets:				
Land	39,822	39,822	-	-
Buildings and Systems	1,509,500	1,509,500	-	-
Improvements other than Buildings	544,376	399,238	-	-
Machinery and Equipment	125,965	96,654	-	-
Infrastructure	-	-	-	-
Construction in Progress	-	106,414	-	-
Less Accumulated Depreciation	(1,805,870)	(1,772,198)	-	-
Total Capital Assets (Net of Accumulated Depreciation)	<u>413,793</u>	<u>379,430</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>413,793</u>	<u>379,430</u>	<u>-</u>	<u>-</u>
Total Assets	<u>2,036,944</u>	<u>1,882,946</u>	<u>2,569,093</u>	<u>2,166,260</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	27,118	4,714	-	-
Total Deferred Outflows of Resources	<u>27,118</u>	<u>4,714</u>	<u>-</u>	<u>-</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 2,064,062</u>	<u>\$ 1,887,660</u>	<u>\$ 2,569,093</u>	<u>\$ 2,166,260</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 54,609	\$ 50,284	\$ 521,772	\$ 338,869
Accrued Liabilities	91,881	73,874	-	-
Accrued Vacation Leave	13,346	9,690	-	-
Unearned Revenues	861,902	876,483	-	-
Total Current Liabilities	<u>1,021,738</u>	<u>1,010,331</u>	<u>521,772</u>	<u>338,869</u>
Noncurrent Liabilities:				
Accrued Vacation Leave	702	510	-	-
Pension Liabilities	28,405	5,206	-	-
Total Noncurrent Liabilities	<u>29,107</u>	<u>5,716</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,050,845</u>	<u>1,016,047</u>	<u>521,772</u>	<u>338,869</u>
DEFERRED INFLOWS OF RESOURCES				
Pensions	377	164	-	-
Total Deferred Inflows of Resources	<u>377</u>	<u>164</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	413,793	379,430	-	-
Unrestricted	599,047	492,019	2,047,321	1,827,391
Total Net Position	<u>1,012,840</u>	<u>871,449</u>	<u>2,047,321</u>	<u>1,827,391</u>
Total Liabilities, Deferred Inflows of Resources, & Net Position	<u>\$ 2,064,062</u>	<u>\$ 1,887,660</u>	<u>\$ 2,569,093</u>	<u>\$ 2,166,260</u>

Street Lighting Fund Current Year	Street Lighting Fund Prior Year	Total Nonmajor Proprietary Funds Current Year	Total Nonmajor Proprietary Funds Prior Year
\$ 1,151,111	\$ 1,451,271	\$ 4,762,155	\$ 4,534,124
119,658	96,275	700,858	683,198
<u>1,270,769</u>	<u>1,547,546</u>	<u>5,463,013</u>	<u>5,217,322</u>
-	-	39,822	39,822
-	-	1,509,500	1,509,500
-	-	544,376	399,238
359,201	147,508	485,166	244,162
4,875,431	4,650,230	4,875,431	4,650,230
173,366	57,733	173,366	164,147
<u>(1,059,931)</u>	<u>(938,222)</u>	<u>(2,865,801)</u>	<u>(2,710,420)</u>
4,348,067	3,917,249	4,761,860	4,296,679
<u>4,348,067</u>	<u>3,917,249</u>	<u>4,761,860</u>	<u>4,296,679</u>
<u>5,618,836</u>	<u>5,464,795</u>	<u>10,224,873</u>	<u>9,514,001</u>
8,208	1,323	35,326	6,037
<u>8,208</u>	<u>1,323</u>	<u>35,326</u>	<u>6,037</u>
<u>\$ 5,627,044</u>	<u>\$ 5,466,118</u>	<u>\$ 10,260,199</u>	<u>\$ 9,520,038</u>
\$ 156,874	\$ 235,822	\$ 733,255	\$ 624,975
24,050	15,129	115,931	89,003
5,179	4,294	18,525	13,984
-	-	861,902	876,483
<u>186,103</u>	<u>255,245</u>	<u>1,729,613</u>	<u>1,604,445</u>
273	226	975	736
<u>8,598</u>	<u>1,461</u>	<u>37,003</u>	<u>6,667</u>
<u>8,871</u>	<u>1,687</u>	<u>37,978</u>	<u>7,403</u>
<u>194,974</u>	<u>256,932</u>	<u>1,767,591</u>	<u>1,611,848</u>
115	46	492	210
<u>115</u>	<u>46</u>	<u>492</u>	<u>210</u>
4,348,067	3,917,249	4,761,860	4,296,679
<u>1,083,888</u>	<u>1,291,891</u>	<u>3,730,256</u>	<u>3,611,301</u>
<u>5,431,955</u>	<u>5,209,140</u>	<u>8,492,116</u>	<u>7,907,980</u>
<u>\$ 5,627,044</u>	<u>\$ 5,466,118</u>	<u>\$ 10,260,199</u>	<u>\$ 9,520,038</u>

City of Orem
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds
For The Year Ended June 30, 2024

	Recreation Fund Current Year	Recreation Fund Prior Year	Solid Waste Fund Current Year
OPERATING REVENUES			
Charges for Services	\$ 3,686,484	\$ 3,495,317	\$ 5,194,132
Other Revenues	88,200	6,371	18,898
Total Operating Revenues	<u>3,774,684</u>	<u>3,501,688</u>	<u>5,213,030</u>
OPERATING EXPENSES			
Personnel Services	1,973,844	1,886,469	-
Supplies and Maintenance	839,168	647,682	385,268
Administrative Fee	136,893	51,421	115,573
Utilities	480,642	630,979	-
Contract Services	24,641	46,400	4,441,911
Insurance	137,338	137,826	-
Depreciation	33,672	21,424	-
Miscellaneous	32,063	19,091	84,800
Total Operating Expenses	<u>3,658,261</u>	<u>3,441,292</u>	<u>5,027,552</u>
Operating Income (Loss)	<u>116,423</u>	<u>60,396</u>	<u>185,478</u>
NONOPERATING REVENUES AND EXPENSES			
Investment Earnings	59,058	43,436	81,782
Gain (Loss) on Sale of Capital Assets	31	2,736	-
Total Nonoperating Revenues & Expenses	<u>59,089</u>	<u>46,172</u>	<u>81,782</u>
Income (Loss) before Transfers	175,512	106,568	267,260
Transfers In	-	67,000	-
Transfers Out	<u>(34,121)</u>	<u>(72,536)</u>	<u>(47,330)</u>
Change in Net Position	141,391	101,032	219,930
Total Net Position - Beginning	<u>871,449</u>	<u>770,417</u>	<u>1,827,391</u>
Total Net Position - Ending	<u>\$ 1,012,840</u>	<u>\$ 871,449</u>	<u>\$ 2,047,321</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
\$ 4,940,671	\$ 1,084,931	\$ 979,735	\$ 9,965,547	\$ 9,415,723
17,471	7,416	12,108	114,514	35,950
4,958,142	1,092,347	991,843	10,080,061	9,451,673
-	144,087	171,514	2,117,931	2,057,983
148,396	69,235	73,550	1,293,671	869,628
238,668	87,119	82,711	339,585	372,800
-	100,930	91,059	581,572	722,038
4,037,381	10,384	10,881	4,476,936	4,094,662
-	458	1,751	137,796	139,577
-	121,709	105,914	155,381	127,338
79,529	2,176	2,133	119,039	100,753
4,503,974	536,098	539,513	9,221,911	8,484,779
454,168	556,249	452,330	858,150	966,894
46,029	50,754	48,410	191,594	137,875
-	-	5,195	31	7,931
46,029	50,754	53,605	191,625	145,806
500,197	607,003	505,935	1,049,775	1,112,700
-	-	-	-	67,000
(74,421)	(384,188)	(365,626)	(465,639)	(512,583)
425,776	222,815	140,309	584,136	667,117
1,401,615	5,209,140	5,068,831	7,907,980	7,240,863
\$ 1,827,391	\$ 5,431,955	\$ 5,209,140	\$ 8,492,116	\$ 7,907,980

City of Orem
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For The Year Ended June 30, 2024

	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	\$ 3,796,864	\$ 3,381,815	\$ 5,181,992	\$ 4,932,252
Payments to Suppliers	(1,510,773)	(1,500,661)	(4,729,076)	(4,239,840)
Payments for Personnel	(1,949,735)	(1,864,815)	-	-
Payments for Interfund Services Used	(136,893)	(51,421)	(115,573)	(238,668)
Net Cash Provided (Used) by Operating Activities	199,463	(35,082)	337,343	453,744
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	-	67,000	-	-
Transfers Out	(34,121)	(72,536)	(47,330)	(74,421)
Net Cash Provided (Used) by Noncapital Activities	(34,121)	(5,536)	(47,330)	(74,421)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(68,035)	(197,288)	-	-
Proceeds from Sales of Capital Assets	31	2,736	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(68,004)	(194,552)	-	-
CASH FLOW FROM INVESTING ACTIVITIES				
Investment Earnings	59,058	43,436	81,782	46,029
Net Cash Provided (Used) by Investing Activities	59,058	43,436	81,782	46,029
Net Increase (Decrease) in Cash and Cash Equivalents	156,396	(191,734)	371,795	425,352
Cash and Cash Equivalents - Beginning of Year	1,441,174	1,632,908	1,641,679	1,216,327
Cash and Cash Equivalents - End of Year	<u>\$ 1,597,570</u>	<u>\$ 1,441,174</u>	<u>\$ 2,013,474</u>	<u>\$ 1,641,679</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 116,423	\$ 60,396	\$ 185,478	\$ 454,168
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	\$ 33,672	\$ 21,424	\$ -	\$ -
(Increase) Decrease in Receivables	36,761	(60,483)	(31,038)	(25,890)
(Increase) Decrease in Pension Assets	(22,404)	(3,672)	-	-
Increase (Decrease) in Accounts Payable	4,325	(17,437)	182,903	25,466
Increase (Decrease) in Accrued Liabilities	18,007	16,011	-	-
Increase (Decrease) in Unearned Revenue	(14,581)	(59,390)	-	-
Increase (Decrease) in Accrued Vacation Leave	3,848	3,519	-	-
Increase (Decrease) in Pension Liabilities	23,412	4,550	-	-
Total Adjustments	83,040	(95,478)	151,865	(424)
Net Cash Provided (Used) by Operating Activities	<u>\$ 199,463</u>	<u>\$ (35,082)</u>	<u>\$ 337,343</u>	<u>\$ 453,744</u>

Street Lighting Fund Current Year	Street Lighting Fund Prior Year	Total Nonmajor Proprietary Funds Current Year	Total Nonmajor Proprietary Funds Prior Year
\$ 1,068,964	\$ 987,655	\$ 10,047,820	\$ 9,301,722
(262,131)	45,379	(6,501,980)	(5,695,122)
(133,913)	(158,070)	(2,083,648)	(2,022,885)
(87,119)	(82,711)	(339,585)	(372,800)
585,801	792,253	1,122,607	1,210,915
(384,188)	(365,626)	(465,639)	67,000 (512,583)
(384,188)	(365,626)	(465,639)	(445,583)
(552,527)	(756,545)	(620,562)	(953,833)
.	5,195	31	7,931
(552,527)	(751,350)	(620,531)	(945,902)
50,754	48,410	191,594	137,875
50,754	48,410	191,594	137,875
(300,160)	(276,313)	228,031	(42,695)
1,451,271	1,727,584	4,534,124	4,576,819
\$ 1,151,111	\$ 1,451,271	\$ 4,762,155	\$ 4,534,124
\$ 556,249	\$ 452,330	858,150	966,894
\$ 121,709	\$ 105,914	155,381	127,338
(23,383)	(4,188)	(17,660)	(90,561)
(6,885)	(966)	(29,289)	(4,638)
(78,948)	224,753	108,280	232,782
8,921	11,826	26,928	27,837
.	.	(14,581)	(59,390)
932	1,357	4,780	4,876
7,206	1,227	30,618	5,777
29,552	339,923	264,457	244,021
\$ 585,801	\$ 792,253	\$ 1,122,607	\$ 1,210,915

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, 2024

	<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	\$ 328,810	\$ 133,066	\$ 2,875,949	\$ 1,700,565	\$ -	\$ 5,038,390
Inventories	-	365,460	-	-	-	365,460
Prepays	-	-	8,750	10,667	-	19,417
Total Current Assets	<u>328,810</u>	<u>498,526</u>	<u>2,884,699</u>	<u>1,711,232</u>	<u>-</u>	<u>5,423,267</u>
Noncurrent Assets:						
Capital Assets:						
Buildings	-	150,000	-	-	-	150,000
Improvements other than Buildings	-	-	-	-	61,199	61,199
Machinery and Equipment	343,762	53,474	-	445,637	103,889	946,762
Intangibles	-	-	-	88,548	-	88,548
Less Accumulated Depreciation	(196,567)	(119,615)	-	(259,530)	(61,634)	(637,346)
Total Capital Assets (Net of Accumulated Depreciation)	<u>147,195</u>	<u>83,859</u>	<u>-</u>	<u>274,655</u>	<u>103,454</u>	<u>609,163</u>
Total Noncurrent Assets	<u>147,195</u>	<u>83,859</u>	<u>-</u>	<u>274,655</u>	<u>103,454</u>	<u>609,163</u>
Total Assets	<u>476,005</u>	<u>582,385</u>	<u>2,884,699</u>	<u>1,985,887</u>	<u>103,454</u>	<u>6,032,430</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pensions	193,398	44,548	61,234	668,133	158,537	1,125,850
Total Deferred Outflows of Resources	<u>193,398</u>	<u>44,548</u>	<u>61,234</u>	<u>668,133</u>	<u>158,537</u>	<u>1,125,850</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 669,403</u>	<u>\$ 626,933</u>	<u>\$ 2,945,933</u>	<u>\$ 2,654,020</u>	<u>\$ 261,991</u>	<u>\$ 7,158,280</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 3,254	\$ 708	\$ 3,180	\$ 75,453	\$ 8,913	\$ 91,508
Accrued Liabilities	12,623	5,798	4,124	39,723	29,359	91,627
Due to Other Funds	-	-	-	-	294,177	294,177
Accrued Vacation/PTO Leave	49,675	20,041	8,940	92,575	35,470	206,701
Claims and Judgments	-	-	525,863	-	-	525,863
Lease Payable - Current	1,100	-	-	37,772	-	38,872
Total Current Liabilities	<u>66,652</u>	<u>26,547</u>	<u>542,107</u>	<u>245,523</u>	<u>367,919</u>	<u>1,248,748</u>
Noncurrent Liabilities:						
Accrued Vacation/PTO Leave	2,615	1,055	471	4,872	1,866	10,879
Claims and Judgments	-	-	1,549,630	-	-	1,549,630
Lease Payable - Long-term	18,444	-	-	16,140	-	34,584
Pension Liabilities	202,578	46,662	64,140	699,845	166,062	1,179,287
Total Noncurrent Liabilities	<u>223,637</u>	<u>47,717</u>	<u>1,614,241</u>	<u>720,857</u>	<u>167,928</u>	<u>2,774,380</u>
Total Liabilities	<u>290,289</u>	<u>74,264</u>	<u>2,156,348</u>	<u>966,380</u>	<u>535,847</u>	<u>4,023,128</u>
DEFERRED INFLOWS OF RESOURCES						
Pensions	2,685	618	850	9,275	2,201	15,629
Total Deferred Inflows of Resources	<u>2,685</u>	<u>618</u>	<u>850</u>	<u>9,275</u>	<u>2,201</u>	<u>15,629</u>
NET POSITION						
Net Investment in Capital Assets	127,651	83,859	-	220,743	103,454	535,707
Unrestricted	248,778	468,192	788,735	1,457,622	(379,511)	2,583,816
Total Net Position	<u>376,429</u>	<u>552,051</u>	<u>788,735</u>	<u>1,678,365</u>	<u>(276,057)</u>	<u>3,119,523</u>
Total Liabilities, Deferred Inflows of Resources, & Net Position	<u>\$ 669,403</u>	<u>\$ 626,933</u>	<u>\$ 2,945,933</u>	<u>\$ 2,654,020</u>	<u>\$ 261,991</u>	<u>\$ 7,158,280</u>

City of Orem
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For The Year Ended June 30, 2024

	Fleet Maintenance	Purchasing / Warehousing	Self- Insurance	Information Technology	Facilities Maintenance	Total
OPERATING REVENUES:						
Charges for Services to Other Funds	\$ 1,075,000	\$ 450,000	\$ 2,424,947	\$ 3,410,000	\$ 2,250,000	\$ 9,609,947
Other Revenues	-	-	-	8,136	-	8,136
Total Operating Revenues	1,075,000	450,000	2,424,947	3,418,136	2,250,000	9,618,083
OPERATING EXPENSES:						
Personnel Services	689,335	254,177	222,645	1,969,982	1,458,176	4,594,315
Supplies, Maintenance and Claims	270,976	139,821	2,456,772	1,352,893	399,001	4,619,463
Utilities	-	-	-	-	512,258	512,258
Equipment Lease & Rentals	-	-	-	33,034	-	33,034
Depreciation Expense	11,320	10,990	-	62,452	14,936	99,698
Total Operating Expenses	971,631	404,988	2,679,417	3,418,361	2,384,371	9,858,768
Operating Income (Loss)	103,369	45,012	(254,470)	(225)	(134,371)	(240,685)
NONOPERATING REVENUES (EXPENSES):						
Gain (Loss) on Sales of Fixed Assets	15,797	-	-	1,074	-	16,871
Interest Expense and Fiscal Charges	-	-	-	(3,085)	-	(3,085)
Total Nonoperating Revenues (Expenses)	15,797	-	-	(2,011)	-	13,786
Income (Loss) before Operating Transfers	119,166	45,012	(254,470)	(2,236)	(134,371)	(226,899)
Transfers In	-	-	-	-	-	-
Transfers Out	(63,748)	-	(143,600)	-	-	(207,348)
Change in Net Position	55,418	45,012	(398,070)	(2,236)	(134,371)	(434,247)
Total Net Position - Beginning	321,011	507,039	1,186,805	1,680,601	(141,686)	3,553,770
Total Net Position - Ending	\$ 376,429	\$ 552,051	\$ 788,735	\$ 1,678,365	\$ (276,057)	\$ 3,119,523

City of Orem
Internal Service Funds
Combining Statement of Cash Flows
For The Year Ended June 30, 2024

	Fleet Maintenance	Purchasing / Warehousing	Self- Insurance	Information Technology	Facilities Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Interfund Services Provided	\$ 1,075,000	\$ 450,000	\$ 2,424,947	\$ 3,418,136	\$ 2,250,000	\$ 9,618,083
Payments to Suppliers	(272,785)	(136,909)	(2,079,059)	(1,358,126)	(806,301)	(4,653,180)
Payments for Personnel	(681,787)	(253,023)	(219,803)	(1,949,766)	(1,443,699)	(4,548,078)
Net Cash Provided (Used) by Operating Activities	120,428	60,068	126,085	110,244	-	416,825
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers Out	(63,748)	-	(143,600)	-	-	(207,348)
Net Cash Provided (Used) by Noncapital Financing Activities	(63,748)	-	(143,600)	-	-	(207,348)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:						
Acquisition of Capital Assets	(133,932)	-	-	-	-	(133,932)
Proceeds from the Sale of Capital Assets	15,797	-	-	1,074	-	16,871
Principal paid on Outstanding Debt	(840)	-	-	(36,180)	-	(37,020)
Interest paid on Outstanding Debt	-	-	-	(3,085)	-	(3,085)
Net Cash Provided (Used) in Capital Financing Activities	(118,975)	-	-	(38,191)	-	(157,166)
CASH FLOW FROM INVESTING ACTIVITIES						
Investment Earnings	-	-	-	-	-	-
Net Cash Provided (Used) by Investing Activities	-	-	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(62,295)	60,068	(17,515)	72,053	-	52,311
Cash and Cash Equivalents - Beginning of Year	391,105	72,998	2,893,464	1,628,512	-	4,986,079
Cash and Cash Equivalents - End of Year	\$ 328,810	\$ 133,066	\$ 2,875,949	\$ 1,700,565	\$ -	\$ 5,038,390
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 103,369	\$ 45,012	\$ (254,470)	\$ (225)	\$ (134,371)	\$ (240,685)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	11,320	10,990	-	62,452	14,936	99,698
(Increase) Decrease in Accounts Receivable	860	-	-	-	-	860
(Increase) Decrease in Inventory	-	6,485	-	-	-	6,485
(Increase) Decrease in Pension Assets	(143,181)	(33,938)	(45,794)	(485,025)	(121,589)	(829,527)
Increase (Decrease) in Accounts Payable	(2,927)	(3,524)	117	17,184	102,593	113,443
Increase (Decrease) in Accrued Liabilities	258	(49)	666	10,617	2,365	13,857
Increase (Decrease) in Accrued Vacation Leave	2,667	(102)	1,233	4,695	9,890	18,383
Increase (Decrease) in Pension Liabilities	148,062	35,194	47,403	500,546	126,176	857,381
Increase (Decrease) in Claims and Judgments	-	-	376,930	-	-	376,930
Total Adjustments	17,059	15,056	380,555	110,469	134,371	657,510
Net Cash Provided (Used) by Operating Activities	\$ 120,428	\$ 60,068	\$ 126,085	\$ 110,244	\$ -	\$ 416,825

**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, 2024 and 2023

	2024	2023
Governmental Funds Capital Assets:		
Land	\$ 74,011,854	\$ 72,580,455
Buildings	71,012,975	70,996,163
Improvements other than Buildings	48,088,342	44,156,869
Machinery and Equipment	30,606,276	28,558,059
Infrastructure	137,655,557	132,637,430
Construction in Progress	36,183,762	9,221,573
Total Governmental Funds Capital Assets	<u>\$ 397,558,766</u>	<u>\$ 358,150,549</u>
Investments in Governmental Funds Capital Assets by Source:		
General Fund	\$ 283,883,462	\$ 262,632,097
Capital Projects Fund	73,607,639	61,245,530
Federal Grants	615,669	615,669
Road Funds	30,121,739	24,440,593
Redevelopment	4,329,828	4,329,828
Community Development	5,000,429	4,886,832
Total Governmental Funds Capital Assets	<u>\$ 397,558,766</u>	<u>\$ 358,150,549</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 position.

City of Orem
Schedules of Capital Assets Used in The Operations of Governmental Funds
Schedule By Function and Activity¹
June 30, 2024

Function and Activity	Land	Buildings	Improvements Other Than Buildings
General Government:			
Executive	\$ -	\$ 2,075	\$ 133,759
Management Services	-	-	-
Finance	-	-	105,495
Legal	-	-	-
Development Services	-	-	-
General Government	1,710,203	3,841,058	5,089,282
Engineering	-	-	-
Redevelopment	1,870,418	-	85,080
Community Development	-	90,544	2,673,121
Total General Government	<u>3,580,621</u>	<u>3,933,677</u>	<u>8,086,737</u>
Public Safety:			
Administration	-	5,377,906	42,868
Police Protection	-	-	170,372
Fire Protection	1,605,495	2,486,089	950,068
Emergency Services	-	1,580	-
Total Public Safety	<u>1,605,495</u>	<u>7,865,575</u>	<u>1,163,308</u>
Highways and Streets:			
Administration & Engineering	33,550	7,874,114	349,523
Street System	52,534,890	6,301,448	9,061,990
Street Lighting	-	-	1,421,854
Total Highways and Streets	<u>52,568,440</u>	<u>14,175,562</u>	<u>10,833,367</u>
Parks and Recreation	16,034,953	35,354,711	26,366,926
Library	<u>222,345</u>	<u>9,683,450</u>	<u>1,638,004</u>
Total Governmental Funds Capital Assets	<u>\$ 74,011,854</u>	<u>\$ 71,012,975</u>	<u>\$ 48,088,342</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 position.

Machinery and Equipment	Infrastructure	Construction in Progress	Total
\$ 729,640	\$ -	\$ -	\$ 865,474
15,547	-	-	15,547
344,788	-	-	450,283
21,498	-	-	21,498
255,964	-	-	255,964
176,997	291,428	7,525,847	18,634,815
393,070	-	-	393,070
-	2,374,330	-	4,329,828
-	2,234,831	1,933	5,000,429
<u>1,937,504</u>	<u>4,900,589</u>	<u>7,527,780</u>	<u>29,966,908</u>
1,595,930	-	-	7,016,704
6,565,970	-	100,000	6,836,342
10,132,057	253,496	318,749	15,745,954
38,487	-	-	40,067
<u>18,332,444</u>	<u>253,496</u>	<u>418,749</u>	<u>29,639,067</u>
318,862	-	-	8,576,049
5,702,014	130,572,171	12,758,519	216,931,032
-	1,136,156	-	2,558,010
<u>6,020,876</u>	<u>131,708,327</u>	<u>12,758,519</u>	<u>228,065,091</u>
3,418,132	793,145	15,478,714	97,446,581
897,320	-	-	12,441,119
<u>\$ 30,606,276</u>	<u>\$ 137,655,557</u>	<u>\$ 36,183,762</u>	<u>\$ 397,558,766</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, 2024

Function and Activity	Governmental Funds Capital Assets June 30, 2023	Additions	Deductions	Governmental Funds Capital Assets June 30, 2024
General Government:				
Executive	\$ 865,474	\$ -	\$ -	\$ 865,474
Management Services	8,013	7,534	-	15,547
Finance	381,606	118,729	(50,052)	450,283
Legal	21,498	-	-	21,498
Development Services	234,404	31,150	(9,590)	255,964
General Government	12,923,141	5,711,674	-	18,634,815
Engineering	411,901	-	(18,831)	393,070
Redevelopment	4,329,828	-	-	4,329,828
Community Development	4,886,832	113,597	-	5,000,429
Total General Government	<u>24,062,697</u>	<u>5,982,684</u>	<u>(78,473)</u>	<u>29,966,908</u>
Public Safety:				
Administration	7,003,583	20,038	(6,917)	7,016,704
Police Protection	6,740,317	742,122	(646,097)	6,836,342
Fire Protection	13,177,695	2,659,398	(91,139)	15,745,954
Emergency Services	78,652	14,000	(52,585)	40,067
Total Public Safety	<u>27,000,247</u>	<u>3,435,558</u>	<u>(796,738)</u>	<u>29,639,067</u>
Highways and Streets:				
Administration & Engineering	8,631,425	-	(55,376)	8,576,049
Street System	198,953,084	18,446,761	(468,813)	216,931,032
Street Lighting	2,558,010	-	-	2,558,010
Total Highways and Streets	<u>210,142,519</u>	<u>18,446,761</u>	<u>(524,189)</u>	<u>228,065,091</u>
Parks and Recreation	84,749,223	12,907,188	(209,830)	97,446,581
Library	12,195,863	245,256	-	12,441,119
Total Governmental Funds Capital Assets	<u>\$ 358,150,549</u>	<u>\$ 41,017,447</u>	<u>\$ (1,609,230)</u>	<u>\$ 397,558,766</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 position.

STATISTICAL SECTION

STATISTICAL SECTION

(Unaudited)

This section of the City of Orem's annual comprehensive financial report (ACFR) 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	144
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	152
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	163
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	173
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	178
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			
	2015	2016	2017	2018
Governmental Activities:				
Net Investment in Capital Assets	\$ 125,400,639	\$ 126,818,760	\$ 131,968,221	\$ 133,402,160
Restricted:				
Debt Service	4,397,812	3,276,616	3,124,343	3,344,100
Capital Improvements	13,746,082	14,968,717	12,172,402	12,037,092
Pensions	474,700	18,819	11,876	871,227
Community Development	2,325,070	1,966,450	2,465,412	3,609,728
Subtotal - Restricted	20,943,664	20,230,602	17,774,033	19,862,147
Unrestricted	14,694,051	22,000,259	23,803,593	27,529,253
Total Governmental Activities Net Position	161,038,354	169,049,621	173,545,847	180,793,560
Business-type Activities:				
Net Investment in Capital Assets	55,221,666	56,904,569	59,715,600	63,143,175
Restricted:				
Debt Service	1,658,404	2,448,592	1,860,333	1,995,491
Capital Improvements	66,000	88,000	110,000	194,727
Pensions	2,025	145	-	-
Subtotal - Restricted	1,726,429	2,536,737	1,970,333	2,190,218
Unrestricted	18,391,654	20,298,964	27,455,917	37,657,454
Total Business-type Activities Net Position	75,339,749	79,740,270	89,141,850	102,990,847
Primary Government:				
Net Investment in Capital Assets	180,622,305	183,723,329	191,683,821	196,545,335
Restricted:				
Debt Service	6,056,216	5,725,208	4,984,676	5,339,591
Capital Improvements	13,812,082	15,056,717	12,282,402	12,231,819
Pensions	476,725	18,964	11,876	871,227
Community Development	2,325,070	1,966,450	2,465,412	3,609,728
Subtotal - Restricted	22,670,093	22,767,339	19,744,366	22,052,365
Unrestricted	33,085,705	42,299,223	51,259,510	65,186,707
Total Primary Government Net Position	\$ 236,378,103	\$ 248,789,891	\$ 262,687,697	\$ 283,784,407

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 134,356,643	\$ 138,676,061	\$ 154,447,536	\$ 155,974,028	\$ 164,329,351	\$ 198,130,312
5,845,268	4,928,893	4,171,302	3,465,584	3,490,893	3,560,710
15,739,000	18,992,324	10,967,133	13,950,399	16,247,508	11,610,099
-	2,426,403	5,693,222	20,096,352	4,552,561	6,613,313
3,832,719	4,048,008	10,406,252	12,693,720	12,178,785	12,682,359
25,416,987	30,395,628	31,237,909	50,206,055	36,469,747	34,466,481
29,921,317	36,678,544	45,425,272	45,819,720	71,695,010	62,951,022
189,694,947	205,750,233	231,110,717	251,999,803	272,494,108	295,547,815
69,151,941	74,134,249	77,095,912	81,282,909	90,131,576	102,872,629
2,121,261	2,157,258	2,218,876	3,592,614	3,734,117	3,784,103
983,589	1,057,806	19,006,176	19,269,762	19,932,152	9,940,512
-	-	111,544	2,079,804	-	-
3,104,850	3,215,064	21,336,596	24,942,180	23,666,269	13,724,615
47,291,346	61,047,974	54,700,557	58,419,253	64,991,436	78,572,545
119,548,137	138,397,287	153,133,065	164,644,342	178,789,281	195,169,789
203,508,584	212,810,310	231,543,448	237,256,937	254,460,927	301,002,941
7,966,529	7,086,151	6,390,178	7,058,198	7,225,010	7,344,813
16,722,589	20,050,130	29,973,309	33,220,161	36,179,660	21,550,611
-	2,426,403	5,804,766	22,176,156	4,552,561	6,613,313
3,832,719	4,048,008	10,406,252	12,693,720	12,178,785	12,682,359
28,521,837	33,610,692	52,574,505	75,148,235	60,136,016	48,191,096
77,212,663	97,726,518	100,125,829	104,238,973	136,686,446	141,523,567
\$ 309,243,084	\$ 344,147,520	\$ 384,243,782	\$ 416,644,145	\$ 451,283,389	\$ 490,717,604

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

	Fiscal Year					
	2015	2016	2017	2018	2019	2020
Expenses						
Governmental Activities:						
General Government	\$ 10,948,663	\$ 11,148,210	\$ 13,160,153	\$ 13,153,262	\$ 15,017,456	\$ 15,221,971
Public Safety	20,363,836	21,750,059	23,578,262	23,214,380	25,463,111	26,294,148
Highways and Public Improvements	7,360,050	7,426,758	7,085,621	7,012,058	7,688,525	7,573,688
Parks, Recreation and Arts	8,448,553	8,704,800	9,471,883	10,561,367	9,613,483	8,734,158
Economic and Physical Development	513,855	867,172	960,630	1,504,742	887,655	709,334
Redevelopment	1,320,100	187,497	1,286,498	756,175	1,004,364	1,258,821
Interest on Long-term Debt	3,990,714	3,624,749	3,596,868	3,505,369	4,122,763	4,732,568
Total Governmental Activities Expenses	52,945,771	53,709,245	59,129,915	59,707,353	63,797,357	64,524,688
Business-type Activities:						
Water	10,460,803	10,335,616	11,021,079	12,570,988	13,361,446	13,039,211
Water Reclamation	6,268,592	6,716,546	6,723,394	7,117,138	7,517,084	7,540,672
Storm Water	2,444,269	2,460,540	2,371,647	2,567,634	2,837,289	3,119,773
Recreation	1,949,301	2,023,758	1,962,995	1,993,090	2,041,021	1,258,441
Solid Waste	3,139,688	3,174,442	3,283,310	3,617,304	3,764,859	4,277,997
Street Lighting	1,297,064	1,396,770	1,174,100	981,777	474,442	481,587
Total Business-type Activities Expenses	25,559,717	26,107,672	26,536,525	28,847,931	29,996,141	29,717,681
Total Primary Government Expenses	78,505,488	79,816,917	85,666,440	88,555,284	93,793,498	94,242,369
Program Revenues						
Governmental Activities:						
Charges for Services:						
General Government	11,868,366	10,018,102	9,718,116	10,147,593	11,286,060	10,198,818
Public Safety	5,229,158	5,904,235	5,768,195	6,006,638	6,405,407	7,804,339
Parks, Recreation and Arts	751,427	936,415	2,008,377	1,495,408	1,506,624	240,568
All Others	118,984	117,234	186,321	332,034	350,681	1,467,081
Operating Grants and Contributions	1,332,898	1,333,496	1,195,663	1,537,093	1,392,846	6,228,568
Capital Grants and Contributions	4,017,121	2,789,074	3,171,938	3,876,983	5,246,807	4,513,950
Total Governmental Activities Program Revenues	23,317,954	21,098,556	22,048,610	23,395,749	26,188,425	30,453,324
Business-type Activities:						
Charges for Services:						
Water	13,425,701	13,336,792	15,547,544	18,355,800	18,934,096	20,821,417
Water Reclamation	8,007,161	7,281,870	8,619,099	9,678,758	11,519,137	13,070,784
Storm Water	3,170,615	3,451,551	4,001,972	4,350,123	4,775,819	5,050,924
Recreation	1,546,991	1,583,477	1,617,273	1,669,921	1,609,329	746,080
Solid Waste	3,400,359	3,515,859	3,571,929	3,692,573	3,845,141	4,098,072
Street Lighting	985,291	988,481	995,480	1,023,366	1,214,710	914,292
Capital Grants and Contributions	591,886	510,138	1,383,925	3,973,808	4,196,701	3,179,941
Total Business-type Activities Program Revenues	31,128,004	30,668,168	35,737,222	42,744,349	46,094,933	47,881,510
Total Primary Government Program Revenues	54,445,958	51,766,724	57,785,832	66,140,098	72,283,358	78,334,834
Net (Expense) Revenue						
Governmental Activities	(29,627,817)	(32,610,689)	(37,081,305)	(36,311,604)	(37,608,932)	(34,071,364)
Business-type Activities	5,568,287	4,560,496	9,200,697	13,896,418	16,098,792	18,163,829
Total Primary Government Net (Expense) Revenue	\$ (24,059,530)	\$ (28,050,193)	\$ (27,880,608)	\$ (22,415,186)	\$ (21,510,140)	\$ (15,907,535)
General Revenues and Other Changes in Net Position						
Governmental Activities:						
Taxes:						
Sales Taxes	20,727,557	21,405,733	22,750,706	24,361,704	24,944,421	28,151,590
Property Taxes	9,839,669	9,229,764	9,141,823	8,669,177	9,701,393	10,432,989
Franchise Taxes	7,698,687	7,853,723	7,894,110	7,961,936	7,887,332	7,865,944
Vehicle and Other Taxes	828,941	1,022,038	881,179	1,031,833	886,489	965,636
Unrestricted Investment Earnings	402,246	688,384	603,500	778,978	2,289,679	2,060,562
Gain on Sale of Capital Assets	2,539,390	19,127	103,983	39,699	163,730	323,466
Transfers	532,903	403,187	202,230	715,990	637,275	326,463
Total Governmental Activities	42,569,393	40,621,956	41,577,531	43,559,317	46,510,319	50,126,650
Business-type Activities:						
Unrestricted Investment Earnings	122,371	175,933	285,761	588,795	1,088,658	1,037,245
Gain (Loss) on Sale of Capital Assets	85,244	67,279	117,352	79,774	7,115	(25,461)
Transfers	(532,903)	(403,187)	(202,230)	(715,990)	(637,275)	(326,463)
Total Business-type Activities	(325,288)	(159,975)	200,883	(47,421)	458,498	685,321
Total Primary Government	42,244,105	40,461,981	41,778,414	43,511,896	46,968,817	50,811,971
Change in Net Position						
Governmental Activities	12,941,576	8,011,267	4,496,226	7,247,713	8,901,387	16,055,286
Business-type Activities	5,242,999	4,400,521	9,401,580	13,848,997	16,557,290	18,849,150
Total Primary Government	\$ 18,184,575	\$ 12,411,788	\$ 13,897,806	\$ 21,096,710	\$ 25,468,677	\$ 34,904,436

Fiscal Year			
2021	2022	2023	2024
\$ 16,072,497	\$ 15,691,209	\$ 17,353,662	\$ 20,714,117
26,234,854	27,353,214	31,972,307	33,918,124
7,296,421	8,187,834	10,011,076	8,413,806
4,444,646	8,910,111	11,506,408	13,793,147
1,068,973	1,204,626	977,831	1,205,616
1,151,383	1,334,386	1,379,413	1,343,686
4,571,442	4,589,160	4,609,304	4,618,149
60,840,216	67,270,540	77,810,001	84,006,645
14,956,163	15,541,478	15,840,176	15,527,158
7,918,906	8,309,770	9,883,718	8,440,081
3,016,483	3,261,027	3,822,402	3,847,271
2,311,074	2,725,743	3,441,292	3,658,261
4,227,392	4,241,603	4,503,974	5,027,552
469,325	522,488	539,513	536,098
32,899,343	34,602,109	38,031,075	37,036,421
93,739,559	101,872,649	115,841,076	121,043,066
10,747,410	11,824,143	11,344,837	11,693,109
7,568,475	8,211,979	9,116,192	8,404,189
2,318,692	1,877,951	1,757,350	2,205,209
397,409	348,703	301,159	365,735
3,753,790	1,930,767	1,978,824	1,923,056
6,270,294	5,725,996	8,586,537	15,724,784
31,056,070	29,919,539	33,084,899	40,316,082
20,341,587	17,818,803	17,850,697	17,671,764
12,591,825	12,986,274	13,534,149	13,286,409
5,300,968	5,515,349	5,680,634	5,906,642
1,159,731	3,142,844	3,501,688	3,774,684
4,370,769	4,624,294	4,958,142	5,213,030
1,055,657	1,069,000	991,843	1,092,347
3,754,528	2,212,406	3,372,652	2,702,656
48,575,055	47,368,970	49,889,805	49,647,532
79,631,125	77,288,509	82,974,704	89,963,614
(29,784,146)	(37,351,001)	(44,725,102)	(43,690,563)
15,675,712	12,766,861	11,858,730	12,611,111
\$ (14,108,434)	\$ (24,584,140)	\$ (32,866,372)	\$ (31,079,452)
33,250,164	37,803,119	38,097,180	38,338,115
10,598,204	10,258,353	10,593,899	10,651,601
7,923,070	8,088,605	8,864,571	8,794,879
846,548	961,419	1,005,039	889,233
432,708	(929,890)	4,804,033	6,235,572
594,136	253,679	157,676	116,253
1,499,800	1,804,802	1,697,009	1,718,817
55,144,630	58,240,087	65,219,407	66,744,470
527,587	134,781	3,939,237	5,401,308
32,279	414,437	43,981	86,906
(1,499,800)	(1,804,802)	(1,697,009)	(1,718,817)
(939,934)	(1,255,584)	2,286,209	3,769,397
54,204,696	56,984,503	67,505,616	70,513,867
25,360,484	20,889,086	20,494,305	23,053,907
14,735,778	11,511,277	14,144,939	16,380,508
\$ 40,096,262	\$ 32,400,363	\$ 34,639,244	\$ 39,434,415

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

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 70,707	\$ 57,122	\$ 51,517	\$ 42,132
Restricted	6,057,938	6,484,410	7,292,911	8,333,431
Assigned	3,125,711	3,562,553	2,844,275	3,559,271
Unassigned	12,747,875	11,474,137	12,829,323	13,449,103
Total General Fund	<u>22,002,231</u>	<u>21,578,222</u>	<u>23,018,026</u>	<u>25,383,937</u>
All Other Governmental Funds				
Nonspendable	-	-	1,000	-
Restricted	14,340,319	13,653,867	10,416,729	10,615,357
Assigned	6,546,914	11,071,273	12,327,020	13,678,638
Total All Other Governmental Funds	<u>20,887,233</u>	<u>30,105,263</u>	<u>22,744,749</u>	<u>24,293,995</u>
Total Governmental Funds				
Nonspendable	70,707	57,122	52,517	42,132
Restricted	20,398,257	20,138,277	17,709,640	18,948,788
Committed	-	5,380,123	-	-
Assigned	9,672,625	14,633,826	15,171,295	17,237,909
Unassigned	12,747,875	11,474,137	12,829,323	13,449,103
Total Governmental Funds	<u>\$ 42,889,464</u>	<u>\$ 51,683,485</u>	<u>\$ 45,762,775</u>	<u>\$ 49,677,932</u>

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 36,328	\$ 49,995	\$ 413,604	\$ 47,512	\$ 34,497	\$ 102,567
8,673,237	8,722,475	10,183,252	12,133,985	12,310,124	12,854,970
4,836,744	10,203,415	11,110,974	10,888,833	11,063,811	7,867,846
13,948,108	12,376,113	18,424,509	22,036,611	27,459,994	26,760,135
27,494,417	31,351,998	40,132,339	45,106,941	50,868,426	47,585,518
-	-	-	-	-	-
42,158,789	30,145,964	14,860,840	17,897,547	19,553,148	14,876,214
17,592,552	19,204,402	21,354,261	26,491,996	28,482,809	24,270,253
59,751,341	49,350,366	36,215,101	44,389,543	48,035,957	39,146,467
36,328	49,995	413,604	47,512	34,497	102,567
50,832,026	38,868,439	25,044,092	30,031,532	31,863,272	27,731,184
-	-	-	-	-	-
22,429,296	29,407,817	32,465,235	37,380,829	39,546,620	32,138,099
13,948,108	12,376,113	18,424,509	22,036,611	27,459,994	26,760,135
\$ 87,245,758	\$ 80,702,364	\$ 76,347,440	\$ 89,496,484	\$ 98,904,383	\$ 86,731,985

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

	Fiscal Year				
	2015	2016	2017	2018	2019
Revenues					
Taxes and Special Assessments	\$ 43,549,348	\$ 39,473,431	\$ 40,804,822	\$ 41,982,483	\$ 43,735,686
Licenses and Permits	2,524,794	1,745,483	1,815,943	1,813,030	2,564,527
Intergovernmental	5,350,019	4,122,570	4,367,601	5,326,785	4,827,536
Charges for Services	7,624,838	7,671,801	7,944,803	8,049,206	8,912,692
Fines and Forfeitures	1,792,829	1,588,994	1,699,609	1,839,251	1,736,445
Charges for Services - Other Funds	4,042,299	3,666,672	3,739,141	4,283,205	4,813,925
Impact Fees	-	-	-	87,291	1,812,117
Investment Earnings	397,648	691,037	602,736	776,059	2,286,635
Miscellaneous Revenue	1,587,285	1,670,552	2,254,504	1,887,641	1,362,254
Total Revenues	66,869,060	60,630,540	63,229,159	66,044,951	72,051,817
Expenditures					
General Government	11,539,358	12,143,760	12,810,872	13,245,295	14,378,024
Public Safety	19,847,226	21,144,586	21,752,711	22,539,915	23,577,274
Highways and Public Improvements	2,828,824	2,922,708	3,029,415	3,053,824	3,195,426
Parks, Recreation and Arts	7,485,247	7,512,284	7,593,094	7,465,177	7,889,131
Economic and Physical Development	886,236	788,526	862,478	1,056,219	792,306
Redevelopment	1,231,600	99,182	1,195,421	761,151	911,069
Debt Service:					
Principal Retirement	5,486,955	4,369,370	3,515,873	3,095,833	1,820,799
Interest and Fiscal Charges	4,201,272	3,802,678	3,554,590	3,473,151	3,694,732
Leases - Principal	108,376	114,173	109,494	546,506	426,000
Leases - Interest	9,177	7,037	4,540	311,092	126,221
Capital Outlay	7,573,606	6,044,338	15,109,224	7,426,441	6,743,546
Total Expenditures	61,197,877	58,948,642	69,537,712	62,974,604	63,554,528
Excess of Revenues over					
 (under) Expenditures	5,671,183	1,681,898	(6,308,553)	3,070,347	8,497,289
Other Financing Sources (Uses)					
Issuance of Bonds & Other Debt	10,174,331	-	2,898,000	-	28,209,763
Payment to Bond Refunding Agent	(9,792,760)	-	(2,861,199)	-	-
Proceeds from Asset Disposals	42,869	19,127	103,983	77,614	155,055
Proceeds from Lease Relinquishments	2,500,000	-	-	-	-
Leases	64,113	6,739,000	-	-	-
Transfers In	11,483,900	12,998,035	11,857,495	13,220,391	14,702,520
Transfers Out	(10,898,865)	(12,644,039)	(11,610,436)	(12,453,195)	(13,996,801)
Total Other Financing Sources (Uses)	3,573,588	7,112,123	387,843	844,810	29,070,537
Net Change in Fund Balances	\$ 9,244,771	\$ 8,794,021	\$ (5,920,710)	\$ 3,915,157	\$ 37,567,826
Debt Service as a percentage					
 of Noncapital Expenditures	17.7%	15.3%	12.8%	12.8%	10.0%

Fiscal Year				
2020	2021	2022	2023	2024
\$ 47,401,515	\$ 52,702,373	\$ 57,116,443	\$ 58,544,226	\$ 58,778,086
1,661,515	2,047,433	2,293,007	1,654,707	1,755,827
9,989,011	9,006,531	6,026,663	10,195,381	17,272,923
8,702,243	9,727,927	10,359,796	10,553,550	10,565,020
1,386,474	1,219,631	1,386,493	1,537,815	1,774,086
5,039,118	4,761,991	5,200,482	5,523,217	5,482,280
753,507	1,017,553	1,630,100	369,980	374,917
2,061,462	430,893	(929,526)	4,800,457	6,240,737
1,816,174	2,692,884	2,312,314	2,337,375	2,598,706
78,811,019	83,607,216	85,395,772	95,516,708	104,842,582
14,730,287	15,264,157	15,579,725	16,987,348	19,626,734
24,553,748	25,742,327	28,681,857	31,432,204	34,002,462
3,226,153	3,214,068	3,220,509	3,803,027	4,214,360
7,940,137	8,155,277	8,864,969	9,046,919	9,920,985
601,842	837,027	1,070,331	724,944	971,120
913,706	1,051,628	1,229,620	1,190,792	1,243,665
1,527,961	1,432,255	1,358,000	1,328,000	1,145,000
4,935,277	4,639,423	4,666,394	4,698,223	4,729,321
435,000	444,000	455,000	465,000	474,000
117,353	108,284	99,043	89,589	79,933
27,476,266	29,124,011	9,275,938	17,994,498	42,830,269
86,457,730	90,012,457	74,501,386	87,760,544	119,237,849
(7,646,711)	(6,405,241)	10,894,386	7,756,164	(14,395,267)
-	-	-	-	-
-	-	-	-	-
704,035	594,136	372,664	183,936	296,704
-	-	-	-	-
-	-	-	-	-
12,071,658	14,840,756	12,610,080	12,073,370	11,914,438
(11,672,376)	(13,384,575)	(10,728,086)	(10,527,348)	(9,988,273)
1,103,317	2,050,317	2,254,658	1,729,958	2,222,869
\$ (6,543,394)	\$ (4,354,924)	\$ 13,149,044	\$ 9,486,122	\$ (12,172,398)

11.6% 11.3% 9.8% 9.1% 8.2%

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

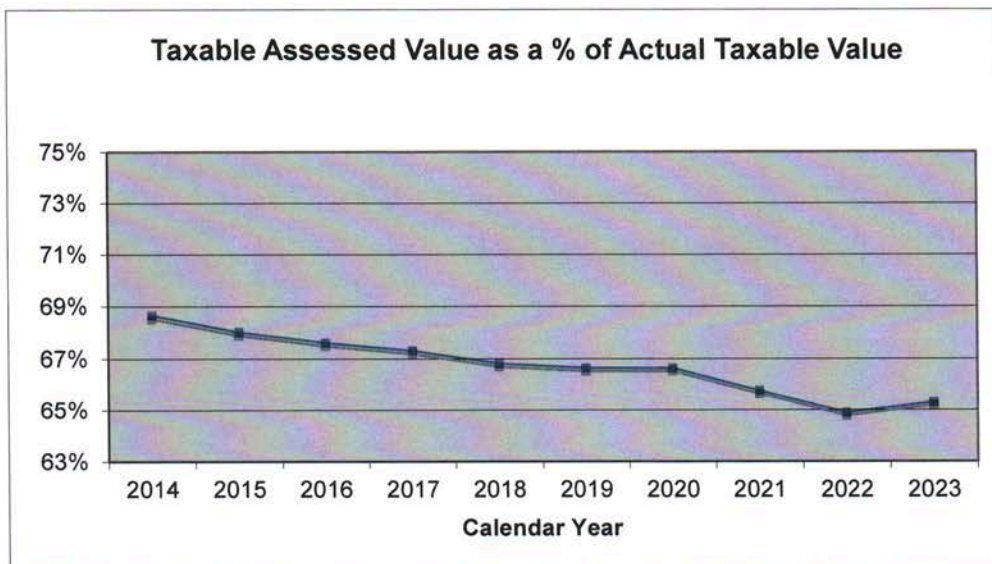
Calendar Year ¹	Taxable Assessed Value				
	Primary	Other	Commercial	Agricultural	Unimproved
	Residential Property	Residential Property	& Industrial Property		Real Property
2014	\$ 2,625,764,385	\$ 7,388,684	\$ 1,540,311,362	\$ 486,609	\$ 147,878,177
2015	2,843,531,994	8,234,684	1,591,591,049	496,907	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
2021	5,000,615,640	33,146,100	2,233,056,298	1,365,085	192,148,239
2022	6,519,901,239	107,515,500	2,652,616,697	1,698,417	246,538,295
2023	6,727,247,425	102,344,500	2,919,935,849	1,892,644	208,145,730

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.

		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
Personal Property	Fee in Lieu Property				
\$ 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%
367,699,460	41,677,494	7,869,708,316	0.001094	11,988,240,649	65.65%
401,082,950	38,740,983	9,968,094,081	0.000925	15,390,525,958	64.77%
458,948,626	39,573,943	10,458,088,717	0.000893	16,045,936,656	65.18%



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

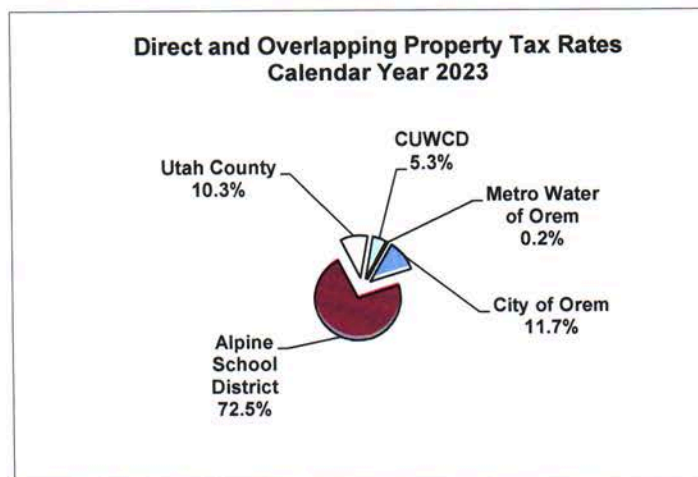
Calendar Year ²	City of Orem Direct Rates			Overlapping Rates ¹				Total
	General Fund	Debt Service Fund	Total Direct Rate	Alpine School District	Utah County	Central Utah Water Conservancy District	Metropolitan Water District of Orem	
2014	0.001217	0.000499	0.001716	0.008096	0.001149	0.000422	0.000036	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
2021	0.000850	0.000244	0.001094	0.006904	0.001007	0.000400	0.000023	0.009428
2022	0.000677	0.000248	0.000925	0.005724	0.000787	0.000400	0.000018	0.007854
2023	0.000656	0.000237	0.000893	0.005518	0.000781	0.000400	0.000017	0.007609

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 2023			Calendar Year 2014		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value ¹		Value	Value ¹		Value
University Place	\$ 312,158,700	1	2.98%	\$ 119,203,099	1	2.54%
Woodtusk LLC	98,969,600	2	0.95%	----		----
Midtown360 LLC	91,793,300	3	0.88%	----		----
TCU Properties	77,921,100	4	0.75%	57,268,400	2	1.22%
Pacificorp	61,163,037	5	0.58%	44,551,270	3	0.95%
Timpanogos Regional Hospital	57,862,000	6	0.55%	42,279,850	4	0.90%
Parkway Lofts LLC	53,721,300	7	0.51%	----		----
Dominion Energy	50,383,221	8	0.48%	19,987,882	8	0.43%
Pinnacle Apartments	45,529,600	9	0.44%	25,223,500	5	0.54%
Wolverine Crossing LLC	38,522,400	10	0.37%	21,118,094	6	0.45%
University Crossing Shopping Ctr	37,696,000	11	0.36%	20,555,400	7	0.44%
Carillon Square LLC	34,392,000	12	0.33%	15,018,900	12	0.32%
Boyer Lake Point Shopping Ctr	----		----	16,918,600	9	0.36%
Village Park Apartments	----		----	16,848,200	10	0.36%
Retail Trust III (Walmart)	----		----	16,543,300	11	0.35%
Total	<u>\$ 960,112,258</u>		<u>9.18%</u>	<u>\$ 415,516,495</u>		<u>8.86%</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
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%	418,828	7,173,645
2018	7,252,003	6,740,722	92.95%	399,711	7,140,433
2019	7,480,867	6,825,355	91.24%	554,822	7,380,177
2020	7,297,759	6,667,581	91.36%	489,489	7,157,070
2021	8,448,992	7,789,321	92.19%	551,910	8,341,231
2022	9,365,797	8,775,062	93.69%	453,615	9,228,677
2023	9,544,688	8,948,309	93.75%	537,560	9,485,869

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%	\$ 99,660	1.35%
98.93%	80,379	1.07%
99.44%	42,160	0.56%
99.57%	31,045	0.43%
98.46%	111,570	1.54%
98.65%	100,690	1.35%
98.07%	140,689	1.93%
98.72%	107,761	1.28%
98.54%	137,120	1.46%
99.38%	58,819	0.62%

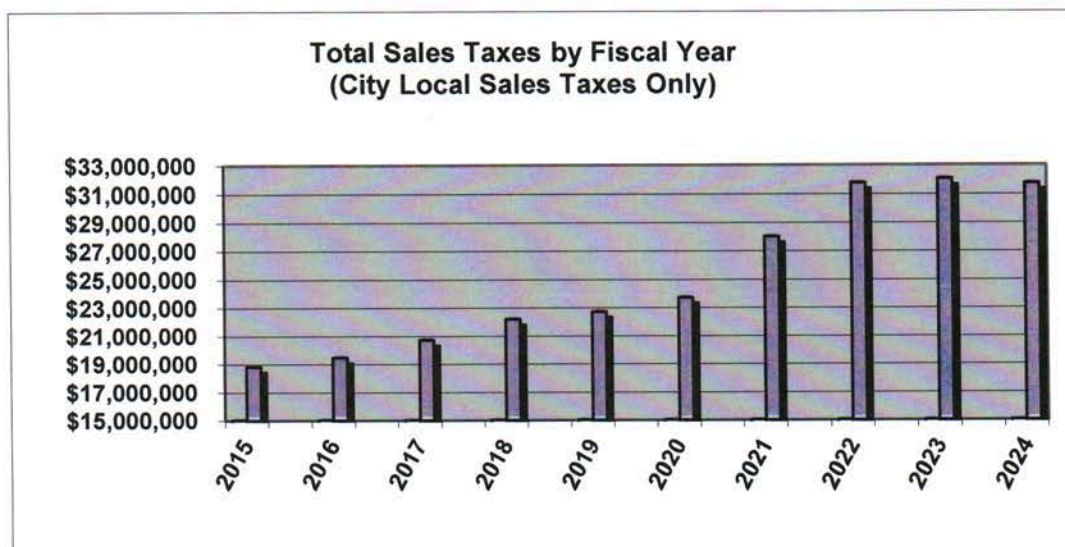
City of Orem
Sales Taxes by Category
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
General Merchandise and Groceries	\$ 5,277,987	\$ 5,333,279	\$ 5,637,951	\$ 5,934,245
Building Materials, Hardware, and Tools	1,801,399	1,952,417	2,299,711	2,585,913
Auto Dealers, Supplies, and Accessories	2,899,382	2,979,991	3,151,370	3,410,522
Home Furnishings, Appliances, & Electronics	1,786,258	1,822,364	1,964,207	2,101,318
Eating and Drinking Establishments	1,245,543	1,314,508	1,499,483	1,749,330
Clothing, Apparel, and Accessories	1,528,112	1,573,936	1,552,018	1,582,714
Professional Equipment and Supplies	1,429,657	1,526,283	1,554,830	1,596,802
Arts, Crafts, and Specialty Items	359,128	382,199	377,497	387,574
Amusement and Recreation	650,710	656,716	674,845	683,181
All Other Categories	1,852,879	1,921,222	2,002,205	2,166,357
Subtotal - City Local Sales Tax	18,831,055	19,462,915	20,714,117	22,197,956
Cultural Arts & Recreation Enhancement (CARE)	1,888,230	1,934,153	2,028,528	2,163,259
Transportation Infrastructure	-	-	-	-
Public Transit	-	-	-	-
Mass Transit - Additional	8,272	8,665	8,062	489
Total City Sales Taxes	<u>\$ 20,727,557</u>	<u>\$ 21,405,733</u>	<u>\$ 22,750,707</u>	<u>\$ 24,361,704</u>
Total City Sales Tax Rate ¹	1.10%	1.10%	1.10%	1.10%
% Increase (Decrease) from prior year, All	4.58%	3.27%	6.28%	7.08%
% Increase (Decrease) from prior year, City Local Sales Tax Only	4.57%	3.36%	6.43%	7.16%

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 162 for additional information regarding this rate.

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 6,105,107	\$ 6,578,582	\$ 7,702,422	\$ 8,537,418	\$ 9,127,774	\$ 9,278,458
3,028,016	3,479,383	4,340,120	5,847,938	5,429,978	5,323,831
3,694,537	3,802,737	4,575,230	5,065,673	4,855,945	4,891,843
2,082,860	1,807,145	2,189,728	2,320,240	2,112,631	1,907,411
1,809,424	1,664,412	1,859,596	2,164,765	2,304,527	2,437,921
1,299,340	1,129,901	1,260,997	1,322,187	1,324,718	1,382,569
1,602,008	1,893,016	2,198,583	2,440,416	2,505,776	2,795,122
358,450	367,346	476,918	563,281	555,672	545,599
726,998	743,740	870,486	967,075	987,592	991,910
2,027,097	2,270,648	2,529,869	2,559,786	2,856,234	2,198,671
22,733,837	23,736,910	28,003,949	31,788,779	32,060,847	31,753,335
2,208,004	2,284,064	2,741,633	3,152,288	3,143,029	3,098,053
-	2,129,802	2,503,967	2,861,927	2,893,782	2,851,227
-	-	-	-	-	635,489
2,580	814	617	124	(479)	11
<u>\$ 24,944,421</u>	<u>\$ 28,151,590</u>	<u>\$ 33,250,166</u>	<u>\$ 37,803,118</u>	<u>\$ 38,097,179</u>	<u>\$ 38,338,115</u>
1.10%	1.20%	1.20%	1.20%	1.20%	1.25%
2.39%	12.86%	18.11%	13.69%	0.78%	0.63%
2.41%	4.41%	17.98%	13.52%	0.86%	-0.96%



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

Fiscal Year 2024				
	Number of Filers	Percentage of Total	Local Sales Tax Revenue	Percentage of Total
General Merchandise and Groceries	2,022	20.93%	\$ 9,278,458	29.22%
Building Materials, Hardware, and Tools	563	5.83%	\$ 5,323,831	16.77%
Auto Dealers, Supplies, and Accessories	505	5.23%	\$ 4,891,843	15.41%
Home Furnishings, Appliances, & Electronics	369	3.82%	\$ 1,907,411	6.01%
Eating and Drinking Establishments	382	3.95%	\$ 2,437,921	7.68%
Clothing, Apparel, and Accessories	602	6.23%	\$ 1,382,569	4.35%
Professional Equipment and Supplies	1,733	17.93%	\$ 2,795,122	8.80%
Arts, Crafts, and Specialty Items	568	5.88%	\$ 545,599	1.72%
Amusement and Recreation	550	5.69%	\$ 991,910	3.12%
All Other Categories	2,369	24.52%	\$ 2,198,671	6.92%
Total	9,663	100.00%	\$ 31,753,335	100.00%

Fiscal Year 2015				
	Number of Filers	Percentage of Total	Local Sales Tax Revenue	Percentage of Total
General Merchandise and Groceries	663	12.32%	\$ 5,277,987	28.03%
Building Materials, Hardware, and Tools	326	6.06%	\$ 1,801,399	9.57%
Auto Dealers, Supplies, and Accessories	327	6.08%	\$ 2,899,382	15.40%
Home Furnishings, Appliances, & Electronics	263	4.89%	\$ 1,786,258	9.49%
Eating and Drinking Establishments	210	3.90%	\$ 1,245,543	6.61%
Clothing, Apparel, and Accessories	208	3.87%	\$ 1,528,112	8.11%
Professional Equipment and Supplies	1,005	18.68%	\$ 1,429,657	7.59%
Arts, Crafts, and Specialty Items	275	5.11%	\$ 359,128	1.91%
Amusement and Recreation	193	3.59%	\$ 650,710	3.46%
All Other Categories	1,910	35.50%	\$ 1,852,879	9.84%
Total	5,380	100.00%	\$ 18,831,055	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 2024			Fiscal Year 2015		
	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
Amazon.com Services LLC	N/A	2	N/A	----		----
Wal-Mart Supercenter	N/A	3	N/A	N/A	2	N/A
Brent Brown Toyota	N/A	4	N/A	N/A	4	N/A
Mountainland Supply Company	N/A	5	N/A	----		----
Target	N/A	6	N/A	N/A	3	N/A
Winco Foods	N/A	7	N/A	N/A	7	N/A
Ken Garff Honda of Orem	N/A	8	N/A	N/A	10	N/A
RC Willey Home Furnishings	N/A	9	N/A	N/A	5	N/A
Pacificorp (Utah Power & Light)	N/A	10	N/A	N/A	6	N/A
USTC - Motor Vehicles	N/A	11	N/A	----		----
Trader Joe's	N/A	12	N/A	----		----
Ken Garff Motors	----		----	N/A	8	N/A
Doterra	----		----	N/A	9	N/A
Ken Garff Nissan of Orem	----		----	N/A	11	N/A
Best Buy Stores LP	----		----	N/A	12	N/A
Total	\$ 9,456,961		29.78%	\$ 5,619,181		29.84%

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)

Fiscal Year	City Direct Sales Tax Rates				Total City Direct Rate
	City Direct Rate	City Cultural Arts & Rec Rate ¹	City Transportation Infrastructure Rate	City Public Transit Rate ²	
2015	1.00%	0.10%	0.00%	0.00%	1.10%
2016	1.00	0.10	0.00	0.00	1.10
2017	1.00	0.10	0.00	0.00	1.10
2018	1.00	0.10	0.00	0.00	1.10
2019	1.00	0.10	0.10	0.00	1.20
2020	1.00	0.10	0.10	0.00	1.20
2021	1.00	0.10	0.10	0.00	1.20
2022	1.00	0.10	0.10	0.00	1.20
2023	1.00	0.10	0.10	0.00	1.20
2024	1.00	0.10	0.10	0.05	1.25

Fiscal Year	Overlapping Sales Tax Rates							
	County Direct Rate	County Transportation Infrastructure Rate	County Mass Transit Rate	County Airport, Highway, & Public Transit Rate	County Public Transit Rate ²	State Direct Rate	State Mass Transit Rate	Total Sales Tax Rate ³
2015	0.25%	0.00%	0.30%	0.25%	0.00%	4.70%	0.25%	6.85%
2016	0.25	0.00	0.30	0.25	0.00	4.70	0.25	6.85
2017	0.25	0.00	0.30	0.25	0.00	4.70	0.25	6.85
2018	0.25	0.00	0.30	0.25	0.00	4.70	0.25	6.85
2019	0.25	0.15	0.30	0.25	0.00	4.85	0.25	7.25
2020	0.25	0.15	0.30	0.25	0.00	4.85	0.25	7.25
2021	0.25	0.15	0.30	0.25	0.00	4.85	0.25	7.25
2022	0.25	0.15	0.30	0.25	0.00	4.85	0.25	7.25
2023	0.25	0.15	0.30	0.25	0.00	4.85	0.25	7.25
2024	0.25	0.15	0.30	0.25	0.15	4.85	0.25	7.45

Source: Utah State Tax Commission

¹ This additional sales tax rate, titled CARE tax, was voted on by the citizens of Orem and was reauthorized in November 2023 to continue for another ten years.

² This new sales tax rate was approved by Utah County. The new tax went into effect on January 1, 2024. The City directly receives a share of the new tax under an agreement with Utah County. The additional tax is to be used to fund eligible highway projects or systems for public transit.

³ 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)

Water & Storm Sewer Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2022	21,305,537	12,954,252	8,351,285	1,490,000	306,551	4.65
2023	22,111,026	14,358,505	7,752,521	1,519,000	273,090	4.33
2024	22,372,861	14,262,435	8,110,426	1,552,000	238,974	4.53

Water, Sewer & Storm Sewer Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2021	\$ 36,061,936	\$ 18,132,373	\$ 17,929,563	\$ -	\$ -	0.00
2022	33,842,229	18,958,034	14,884,195	594,000	887,627	10.05
2023	34,362,791	21,362,776	13,000,015	1,244,000	1,222,300	5.27
2024	35,213,063	20,706,512	14,506,551	1,285,000	1,188,800	5.86

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
2015	\$ 11,830,000	\$ 695,160	\$ 1,155,000	\$ 4,995,000	\$ 1,750,000	\$ 232,149	\$ 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
2022	27,655,000	3,453,913	-	253,000	-	8,667	339,930
2023	26,630,000	3,255,208	-	-	-	-	289,930
2024	25,580,000	3,056,498	-	-	-	-	194,930

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
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
2022	-	9,948,000	35,269,000	6,599,518	51,816,518
2023	-	8,429,000	34,025,000	6,244,117	48,698,117
2024	-	6,877,000	32,740,000	5,888,713	45,505,713

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

Governmental Activities

<u>Leases</u>	<u>Total Governmental Activities</u>
\$ 352,173	\$ 22,054,504
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
4,582,184	36,292,694
4,206,476	34,381,614
3,695,456	32,526,884

Total Primary Government

<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Direct City Debt Per Capita</u>
\$ 52,903,280	2.87%	\$571
53,107,537	2.87	566
47,459,120	2.71	502
41,715,900	2.26	434
65,534,585	1.88	673
61,180,456	2.72	623
92,578,379	2.38	937
88,109,212	3.29	888
83,079,731	2.86	872
78,032,597	2.52	815

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
2015	92,601	\$ 4,333,955,495	\$ 10,811,762	\$ 1,557,040	\$ 9,254,722	0.23%	\$100
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
2022	99,195	7,869,708,316	31,108,913	1,143,948	29,964,965	0.38	302
2023	95,230	9,968,094,081	29,885,208	1,191,873	28,693,335	0.29	301
2024	95,705	10,458,088,717	28,636,498	1,191,875	27,444,623	0.26	287

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, 2024
(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	\$ 32,526,884	100.0000%	\$ 32,526,884
Overlapping Debt:			
Alpine School District	380,000,000	17.6128%	66,928,572
Utah County	-	13.0172%	-
Central Utah Water Conservancy District	116,401,403	3.7046%	4,312,219
Total Overlapping Debt	496,401,403		71,240,791
Total Direct and Overlapping Debt	<u>\$ 528,928,287</u>		<u>\$ 103,767,675</u>
Total Direct and Overlapping Debt Per Capita			<u>\$ 1,084</u>

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			
	2015	2016	2017	2018
<u>General Purposes (4%)</u>				
Debt Limit	\$ 273,693,527	\$ 290,709,109	\$ 313,847,899	\$ 341,392,514
Total Net Debt Applicable to Limit	(8,722,156)	(7,964,651)	(7,964,651)	(6,845,998)
Legal Debt Margin	<u>\$ 264,971,371</u>	<u>\$ 282,744,458</u>	<u>\$ 305,883,248</u>	<u>\$ 334,546,516</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	3.19%	2.74%	2.54%	2.01%
<u>Water, Sewer, & Lighting (4%)</u>				
Debt Limit	\$ 273,693,527	\$ 290,709,109	\$ 313,847,899	\$ 341,392,514
Total Net Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	<u>\$ 273,693,527</u>	<u>\$ 290,709,109</u>	<u>\$ 313,847,899</u>	<u>\$ 341,392,514</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	\$ 547,387,054	\$ 581,418,218	\$ 627,695,798	\$ 682,785,028
Total Net Debt Applicable to Limit	(8,722,156)	(7,964,651)	(7,964,651)	(6,845,998)
Legal Debt Margin	<u>\$ 538,664,898</u>	<u>\$ 573,453,567</u>	<u>\$ 619,731,147</u>	<u>\$ 675,939,030</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	1.59%	1.37%	1.27%	1.00%

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					
2019	2020	2021	2022	2023	2024
\$ 372,228,481	\$ 408,651,401	\$ 440,092,724	\$ 479,529,626	\$ 615,621,038	\$ 641,837,466
(30,859,318)	(30,776,601)	(30,392,111)	(29,964,965)	(28,693,335)	(27,444,623)
<u>\$ 341,369,163</u>	<u>\$ 377,874,800</u>	<u>\$ 409,700,613</u>	<u>\$ 449,564,661</u>	<u>\$ 586,927,703</u>	<u>\$ 614,392,843</u>
8.29%	7.53%	6.91%	6.25%	4.66%	4.28%
\$ 372,228,481	\$ 408,651,401	\$ 440,092,724	\$ 479,529,626	\$ 615,621,038	\$ 641,837,466
<u>\$ 372,228,481</u>	<u>\$ 408,651,401</u>	<u>\$ 440,092,724</u>	<u>\$ 479,529,626</u>	<u>\$ 615,621,038</u>	<u>\$ 641,837,466</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 744,456,962	\$ 817,302,802	\$ 880,185,448	\$ 959,059,252	\$ 1,231,242,076	\$ 1,283,674,932
(30,859,318)	(30,776,601)	(30,392,111)	(29,964,965)	(28,693,335)	(27,444,623)
<u>\$ 713,597,644</u>	<u>\$ 786,526,201</u>	<u>\$ 849,793,337</u>	<u>\$ 929,094,287</u>	<u>\$ 1,202,548,741</u>	<u>\$ 1,256,230,309</u>
4.15%	3.77%	3.45%	3.12%	2.33%	2.14%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed Valuations:

Taxable Value	<u>\$ 10,458,088,717</u>
Estimated Market Value	<u>\$ 16,045,936,656</u>

Legal Debt Margin:

Debt Limitation - 8% of Estimated Market Value ¹	\$ 1,283,674,932
Debt Applicable to Limitation:	
Total General Obligation Bonded Debt	\$ (28,636,498)
Less:	
Assets in Debt Service Funds Available	
for payment of Principal ²	<u>1,191,875</u>
Total Debt Applicable to Limitation	<u>(27,444,623)</u>
Legal Debt Margin	<u>\$ 1,256,230,309</u>

City of Orem
Long-term Bonded Indebtedness Paid By Primary Government
Schedule of Bonded Indebtedness
June 30, 2024
(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				
Total Governmental Activities				
Business-type Activities:				
Revenue Bonds:				
2005B Water and Storm Sewer Revenue Bonds	1.48%	03/17/05	2005-2025	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 06/30/24	Retired Year Ended 06/30/24	Expense Year Ended 06/30/24	Payable In Future Years
\$ 9,645,000	\$ 1,080,000	\$ 1,050,000	\$ 42,750	\$ 13,500
\$ 24,500,000	24,500,000	-	1,188,112	18,056,546
	25,580,000	1,050,000	1,230,862	18,070,046
	25,580,000	1,050,000	1,230,862	18,070,046
\$ 3,000,000	341,000	167,000	7,518	7,593
\$ 12,801,000	2,656,000	1,285,000	71,906	57,228
\$ 4,380,000	3,880,000	100,000	159,550	493,175
\$ 29,320,000	27,980,000	690,000	1,188,800	15,152,975
\$ 6,543,000	4,760,000	595,000	-	-
	39,617,000	2,837,000	1,427,774	15,710,971
	39,617,000	2,837,000	1,427,774	15,710,971
	\$ 65,197,000	\$ 3,887,000	\$ 2,658,636	\$ 33,781,017

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

	Fiscal Year		
	2022	2023	2024
Governmental Activities:			
Compensated Absences	\$ 2,597,198	\$ 2,769,798	\$ 3,180,036
Total Pension Liabilities	-	5,579,775	6,724,476
Claims and Judgments	2,165,465	1,698,563	2,075,492
Other Post-employment Benefits (OPEB)	61,379	61,720	-
Total Governmental Activities	4,824,042	10,109,856	11,980,004
Business-type Activities:			
Compensated Absences	322,981	412,281	393,068
Total Pension Liabilities	-	544,740	1,988,436
Total Business-type Activities	322,981	957,021	2,381,504
Primary Government:			
Compensated Absences	2,920,179	3,182,079	3,573,104
Total Pension Liabilities	-	6,124,515	8,712,912
Claims and Judgments	2,165,465	1,698,563	2,075,492
Other Post-employment Benefits (OPEB)	61,379	61,720	-
Total Primary Government	\$ 5,147,023	\$ 11,066,877	\$ 14,361,508

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
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
2022	99,195	32,574	2,963,847,405	29,879	90,988
2023	95,230	32,652	2,902,284,713	30,477	88,885
2024	95,705	32,787	3,100,459,180	32,396	94,564

Fiscal Year	Median Age	City Unemployment Rate	K-12 Student Population ³	UVU FTE Student Population ⁴
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
2022	27.4	2.30	14,821	26,790
2023	27.3	2.80	14,579	27,646
2024	27.3	3.90	14,529	28,993

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			Fiscal Year		
	2024			2015		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Utah Valley University	3,198	1	6.27%	2,511	1	7.43
Alpine School District	1,220	2	2.39%	1,293	2	3.83
City of Orem	582	3	1.14%	519	5	1.54
Timpanogos Regional Hospital	507	4	0.99%	469	7	1.39
Any Hour, LLC	434	5	0.85%	----		--
Wal-Mart	413	6	0.81%	----		--
United Parcel Service, Inc.	352	7	0.69%	366	9	1.08
Costco Wholesale Corporation	347	8	0.68%	----		--
U.S. Synthetic Corporation	347	9	0.68%	590	4	1.75
Target Stores	299	10	0.59%	----		--
Blue Host Inc.	----		----	600	3	1.78
3B3G Holdings / Screenplay	----		----	500	6	1.48
Blendtec, Inc.	----		----	421	8	1.25
Clearlink Technologies, LLC	----		----	364	10	1.08
Total	7,699		15.10%	7,633		22.51

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			
	2015	2016	2017	2018
General Government	80	88	96	98
Public Safety:				
Police Protection	133	135	137	134
Fire Protection	68	67	68	67
Highways and Public Improvements	25	25	26	26
Parks and Recreation:				
Parks and Recreation	51	47	48	48
Library	46	44	46	46
Cemetery	5	5	5	4
Economic and Physical Development	3	3	3	3
Water	26	26	24	29
Water Reclamation	30	27	30	30
Storm Water	11	11	11	12
Recreation	39	39	39	39
Street Lighting	2	2	2	2
Total	519	519	535	538

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					
2019	2020	2021	2022	2023	2024
102	103	106	104	111	114
134	139	144	139	127	131
68	67	71	72	82	85
27	27	28	28	29	30
47	48	47	44	46	51
44	45	47	48	49	47
5	5	5	5	5	5
2	3	3	3	2	1
30	30	31	29	29	28
29	29	27	26	26	25
12	12	13	12	12	12
35	17	29	48	48	51
3	3	3	3	3	2
538	528	554	561	569	582

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

	Fiscal Year				
	2015	2016	2017	2018	2019
General Government:					
Building Permits Issued	1,301	1,429	1,518	1,473	1,190
Public Safety:					
Police Protection:					
Physical Arrests	3,621	3,842	4,145	4,277	3,539
Traffic Citations	12,487	12,064	12,022	15,616	12,174
Fire Protection:					
Emergency Responses	9,448	10,442	10,471	6,726	6,680
Ambulance Transports	2,709	2,963	2,949	3,099	2,972
Highways and Public Improvements:					
Asphalt Used - Streets (Tons)	4,332	4,060	3,633	3,771	3,077
Concrete Used - Sidewalks (Yards)	805	750	575	818	551
Parks and Recreation:					
Recreation Programs Participants	12,486	12,702	13,974	12,915	12,559
Library - Volumes in Collection (approx.)	366,500	374,190	368,754	390,030	407,744
Cemetery - Interments	323	333	344	352	323
Economic and Physical Development:					
Public Service Organizations Assisted	16	22	16	16	17
Housing Rehab/RLF Loans/Grants Added	4	2	5	2	2
Major Project Improvements Completed	2	0	0	2	0
Water:					
Number of Consumers	22,492	22,771	22,902	23,103	23,517
Average Daily Consumption (MGD)	24.7	24.5	25.1	25.0	23.1
Water Reclamation:					
Number of Service Connections	23,670	23,923	24,422	24,647	24,970
Average Daily Treated (MGD)	7.9	8.2	8.6	8.6	8.5
Storm Water:					
Number of Sumps Added (Removed)	0	1	2	31	(7)
New Infrastructure (Feet)	250	450	0	3,168	3,167
Recreation:					
Fitness Center Admissions	304,020	326,726	361,575	370,350	345,929
Fitness Center Class Participants	3,188	2,596	2,822	3,573	3,421
Scera Park Pool Admissions	47,785	42,434	40,517	51,051	40,444
Scera Park Pool Class Participants	2,786	1,360	1,481	1,559	1,255
Solid Waste:					
Annual Waste Tonnage	27,636	29,008	28,986	28,942	27,409
Street Lighting:					
Number of Street Lights Added	13	36	409	10	412

Source: Various city departments

Fiscal Year				
2020	2021	2022	2023	2024
1,423	1,508	1,541	1,501	1,437
3,604	2,766	2,799	2,827	3,094
8,768	8,673	10,245	8,151	8,960
6,361	6,893	6,494	7,380	7,426
2,813	3,055	3,472	3,046	2,784
3,613	3,378	3,858	2,818	2,948
670	579	671	556	759
6,818	9,927	11,442	10,204	12,238
472,283	481,130	479,616	480,643	478,961
319	386	434	354	368
10	16	18	8	8
8	10	5	4	4
2	2	0	1	0
23,811	24,177	24,363	24,398	24,418
25.0	24.7	19.7	17.4	17.2
25,065	25,137	25,225	25,266	25,286
8.3	8.0	8.0	8.1	8.3
(16)	87	40	6	17
6,600	370	7,950	7,181	4,858
200,733	153,502	448,288	443,505	463,391
2,957	3,584	6,389	10,866	12,550
63,060	62,730	61,242	61,004	31,908
1,176	1,401	1,773	1,630	1,247
28,258	29,390	30,093	31,704	32,341
39	197	12	42	159

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

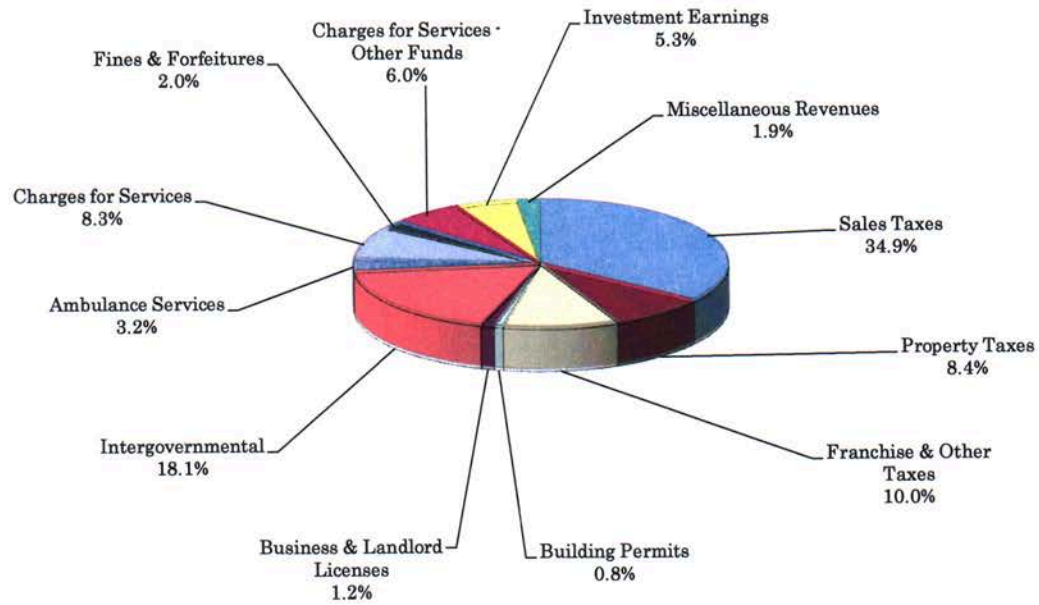
	Fiscal Year				
	2015	2016	2017	2018	2019
General Government:					
Vehicles	169	168	168	159	167
Public Safety:					
Police Protection:					
Stations	1	1	1	1	1
Vehicles	127	125	127	122	121
Fire Protection:					
Stations	4	4	4	4	4
Vehicles	29	28	29	29	30
Highways and Public Improvements:					
Streets (miles)	242	243	243	243	244
Traffic Signals	34	34	36	36	36
Parks and Recreation:					
Parks	26	26	27	27	29
Parks Acreage	385	385	388	388	392
Playgrounds	19	19	20	20	20
Walking/Jogging Trails (miles)	40.8	40.8	40.8	40.8	40.8
Libraries	1	1	1	1	1
Cemeteries	1	1	1	1	1
Water:					
Water Mains (miles)	374	382	382	384	388
Water Service Lines (miles)	103	103	103	103	104
Wells	9	9	9	9	9
Storage Capacity (thousands of gallons)	22,490	21,990	21,950	21,950	21,950
Water Reclamation:					
Sewer Lines (miles)	291	294	331	336	343
Treatment Capacity (MGD)	13.5	13.5	13.5	13.5	13.5
Storm Water:					
Storm Water Lines (miles)	87.1	88.5	88.5	90.1	90.7
Sumps	1,759	1,746	1,748	1,779	1,772
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	21	21	21	21	21
Street Lighting:					
Street Lights	5,217	5,253	5,662	5,672	6,084

Source: Various city departments

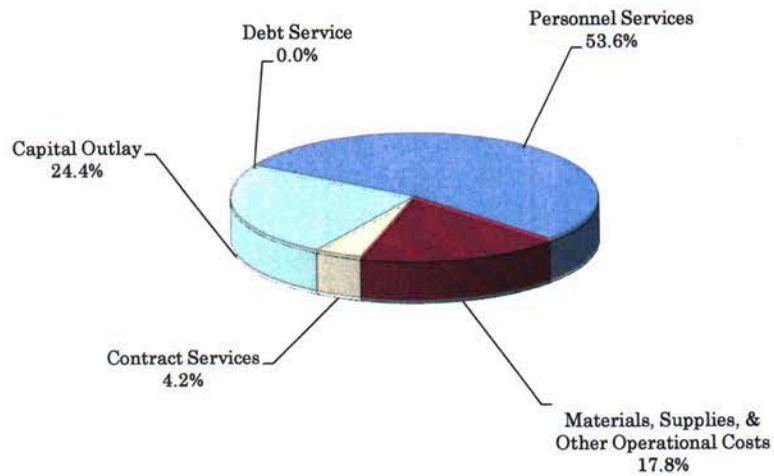
Fiscal Year				
2020	2021	2022	2023	2024
169	175	169	164	188
1	1	1	1	1
125	125	128	136	138
4	4	4	4	4
27	27	25	30	31
244	239	240	240	240
36	36	36	37	38
30	30	30	30	30
392	392	392	392	396
20	20	20	20	20
40.8	40.8	40.8	40.8	40.8
1	1	1	1	1
1	1	1	1	1
388	388	388	388	388
104	104	105	105	105
9	9	9	9	9
21,950	21,950	21,950	21,950	21,950
343	347	351	351	351
13.5	13.5	13.5	13.5	13.5
92.0	92.0	92.0	92.0	94.3
1,756	1,843	1,827	1,833	1,850
1	1	1	1	1
2	2	2	2	2
18	18	18	18	18
21	22	22	21	21
6,123	6,320	6,332	6,374	6,533

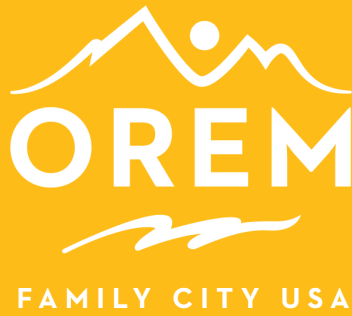
City of Orem
General Fund - Revenues and Expenditures
For The Year Ended June 30, 2024
(Unaudited)

GENERAL FUND - REVENUES



GENERAL FUND - EXPENDITURES





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