



# CITY OF OREM

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2025

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**State of Utah**



FAMILY CITY USA

# CITY OF OREM

STATE OF UTAH

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE  
YEAR ENDED JUNE 30, 2025

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, 2025**

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# **INTRODUCTORY SECTION**



November 21, 2025

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, 2025, 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, 2025, 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, 2025, 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 estimated population at June 30, 2025, of 97,048. Orem is located 45 miles south of Salt Lake City.

City operations include public safety (police, fire, and emergency medical services), administration, community and economic development, events, parks, 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 30<sup>th</sup>, unless a property tax increase is proposed. If a property tax increase is proposed, adoption must occur no later than August 31<sup>st</sup>. 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 primary area of economic development has centered around University Place. University Place continues its transformation from the traditional “mall” concept. The recently completed nine-story combination parking garage and office building has attracted two tenants that occupy the entire ninth floor and a quarter of the seventh floor. Home Depot signed a lease and is in the process of a zone change application with a site plan being the next step in the process. Within the last year, a Lego store, Rosati’s Pizza, and other retail outlets have opened at University Place. Dreamwalk, an interactive art installation, just opened a new phase with a record setting LED cloud. 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.

Redevelopment and business growth continues in other parts of the city. New businesses include Tractor Supply, Village Baker, Bubbakoo’s Burritos, Vessel Kitchen, Trajector Disability, Tiger Friday, Nexgen Metal Design Systems, and Anchorsix. Additionally, the Central Utah Surgical Center completed construction and is now open providing employment to over 100 employees.

The Cheesecake Factory opened its doors at University Place in June of 2024 and began full-scale operations in July of 2024. The restaurant occupies approximately 8,500 square feet of retail space after completing a significant renovation of the existing space.

A larger project coming in the next fiscal year includes the relocation of the Costco fuel center solidifying Costco’s dedication to stay at their current location in Orem for years to come. Other economic projects include retail development on Geneva Road in southwest Orem. Future economic growth successes are envisioned as the Orem Business Alliance continues to grow its membership and through a stronger partnership with the UVU Business Resource Center and its business incubator and accelerator offerings.

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 \$32.7 million which was an increase of 3.1% for the current fiscal year after decreasing for the first time since FY 2010 by 1.0% in the prior fiscal year. The City anticipated sales tax revenues would grow in FY 2025 but the increase was slightly larger than the \$32 million the City budgeted for the fiscal year. The City does again anticipate sales tax revenue growth of 2.5% for FY 2026 which was reflected in the City’s FY 2026 Adopted Budget. The City continues

to expect the investment and growth in businesses wanting to be in Orem, particularly near University Place and the City's downtown area, to continue to push sales tax revenues upward into the future.

Employment in Utah continues to do quite well in comparison to most other states. The county unemployment rate for June 2025 was 3.9% compared to 3.2% 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.

To further bolster the City's downtown area, the City is engaged in a long range planning study entitled HeArt of Downtown which aims to increase its regional draw by focusing on development targeted to the arts, recreation, education, events, and food retail.

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 to 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 nominal increase in its sales tax revenues for FY 2025 and anticipates the impact of this nominal increase will result in approximately the same amount of "reserves" being transferred to the Capital Projects Fund in FY 2026. The amount transferred from the General Fund's "reserves" to the Capital Projects Fund in FY 2025 was \$3,200,000.

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:

- Issued \$9.2 million in sales tax revenue bonds in July of 2024 to construct a new fire training facility with burn structures and classroom space along with making improvements and remodeling the existing public safety building since the fire department relocated from the public safety building to the new City Hall facility and changes needed to be made to better accommodate the police department's needs. Approximately \$5.1 million of these bond proceeds were spent in the current fiscal year.
- Continued 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. Approximately \$8.8 million was spent on the project during the current fiscal year.
- A regional project connecting Geneva Road in Orem with the new Lakeview Parkway which connects to the Provo Airport has required a greater involvement financially in the current fiscal year as the most recent construction phase has now reached Orem. This includes the purchase of property, negotiating easements, and even participating in construction costs.
- Construction on a new city hall, parking lot, plaza, and Gold Star Family Memorial is nearing completion. All of these city center construction projects are entirely cash funded with an anticipated total cost of approximately \$38 million with approximately \$16.2 million of the cost occurring in the current fiscal year.
- The Library began work near the end of the fiscal year to renovate the entrance and administration area as well as to create a small playground area and greenhouse in the courtyard area between the two structures of the existing library. The expected cost of this project is \$2.1 million.
- Continued construction on a 10-million-gallon culinary water storage tank to provide improved water pressure and needed storage. The City spent approximately \$2.7 million on this project in the current fiscal year. The project is expected to be completed in FY 2027.

- Improvements to Northridge Park were completed which included tennis and pickleball courts as well as court lighting for \$679,860.

### 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.
- Complete construction of a new 10-million-gallon water storage tank providing improved water pressure and needed storage. The estimated total cost of this project is approximately \$22.1 million over the course of approximately six years.
- Complete the construction of a new water reuse system which will use cleaned water from the City's water reclamation facility to irrigate an adjacent golf course and city owned outdoor regional sports complex and park.
- Improve or construct facilities at the over 65-year-old water reclamation facility in order to replace aging infrastructure and meet new EPA regulations for phosphorus and nitrogen discharged into Utah Lake. This project is expected to be completed over a twenty-year period at a cost of approximately \$160 million that will include several phases. Some of this cost will be shared by the cities of Vineyard and Lindon who have an interest in the facility.
- 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.
- Complete the renovation of the 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. As we continue to work through obtaining easement agreements, the project may extend into the 2027 fiscal year.
- 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, 2024. This was the thirty-seventh 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**

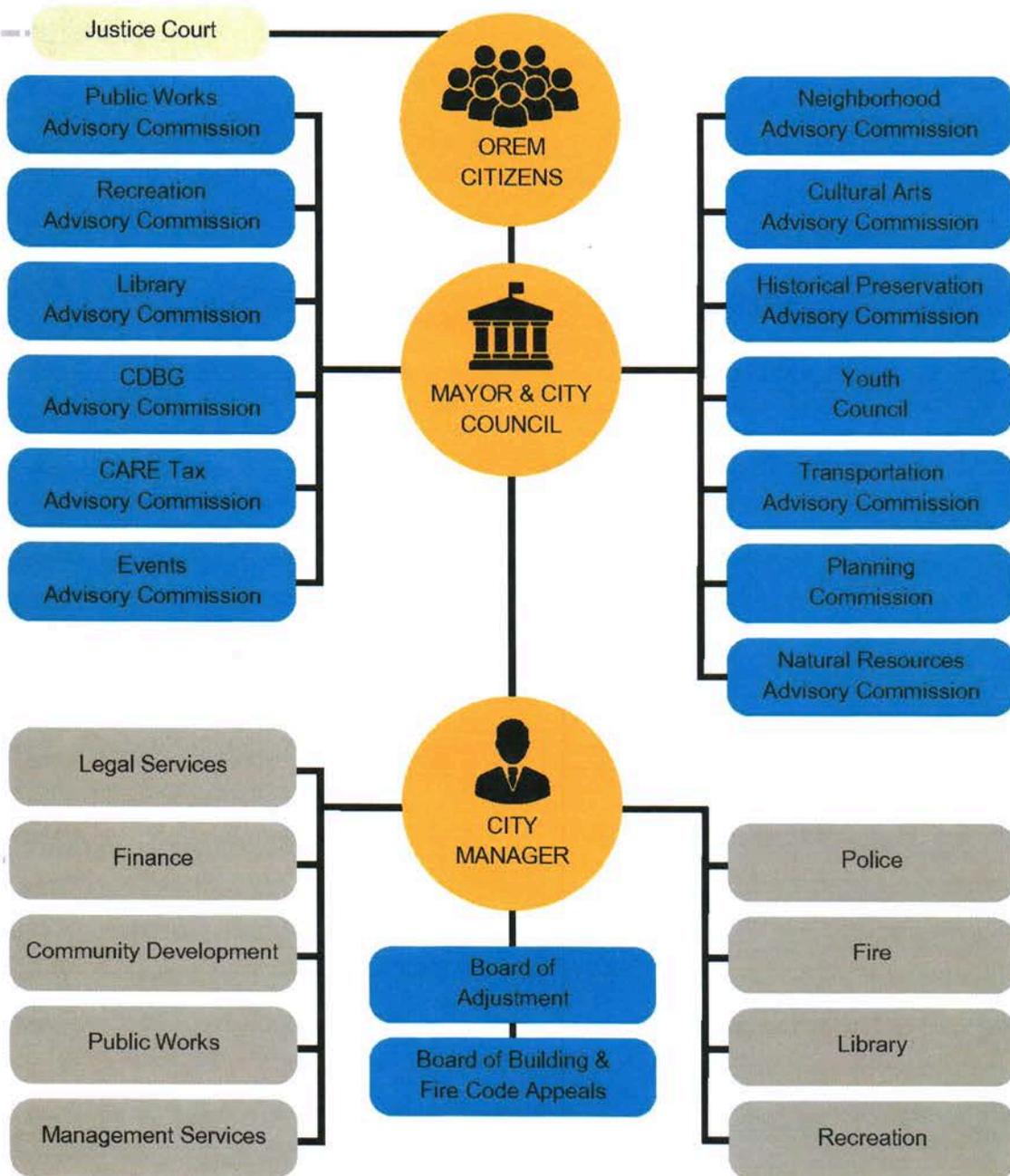
**Chief Executive Officer**

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 Community Development ..... Gary A. McGinn  
Director of Legal Services ..... Steven C. Earl  
Director of Library Services ..... Bryce E. Merrill  
Fire Chief ..... Marc R. Sanderson  
Police Chief ..... Bryan J. Robinson  
Director of Public Works ..... Chris R. Tschirki  
Director of Recreational Services ..... Bryce E. Merrill

# CITY OF OREM ORGANIZATIONAL STRUCTURE





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

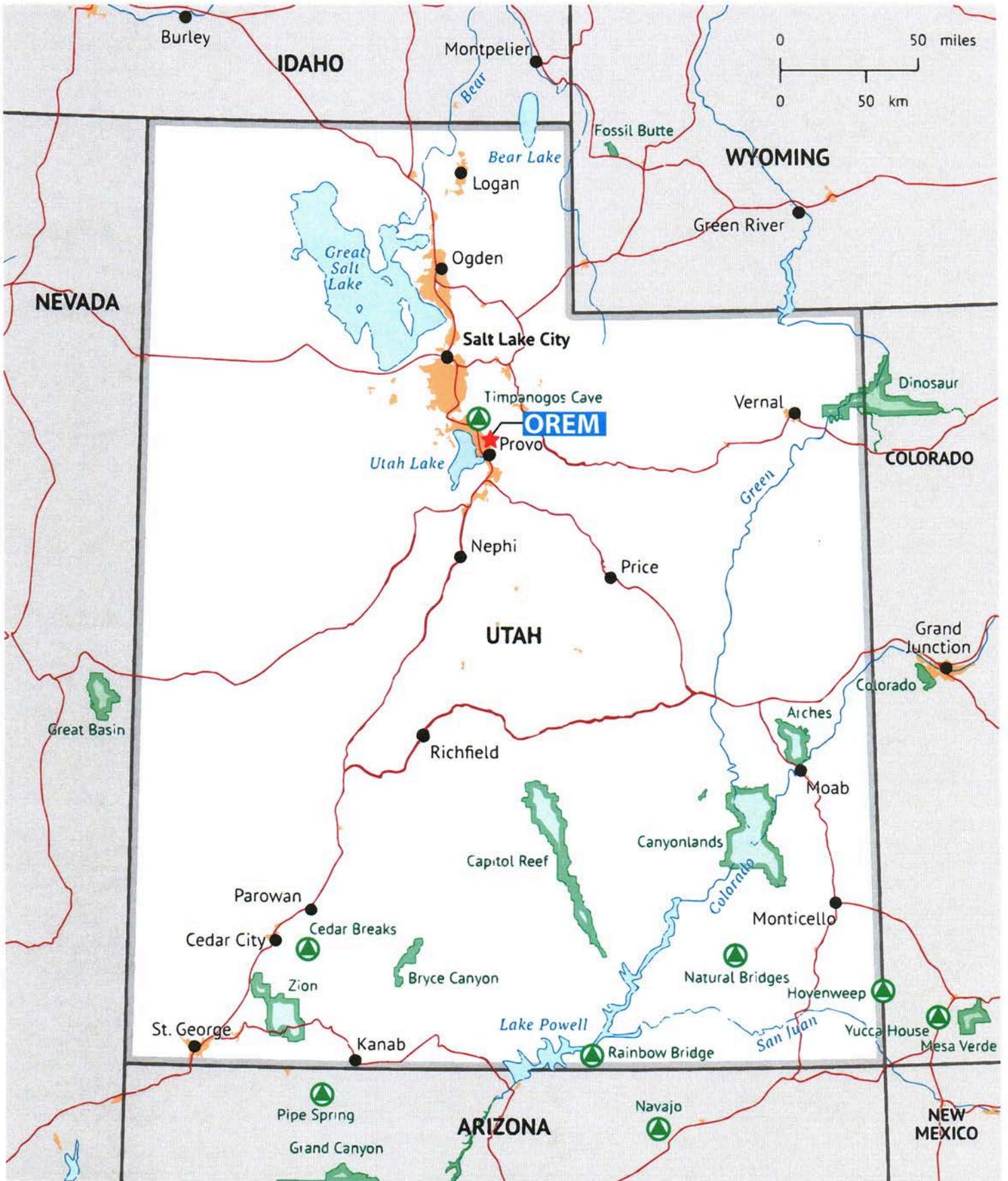
**City of Orem  
Utah**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morrill*

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 accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orem, as of and for the year ended June 30, 2025, 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, 2025, 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* (GAS), 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.

#### **Responsibilities 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.

Larson & Company  
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Main: (801) 798-3545 | [www.larsco.com](http://www.larsco.com)

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### ***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 and GAS 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 and GAS, 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 schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations, Part*

200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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, schedule of capital assets used in the operation of governmental funds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the 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 the schedule of expenditures of federal awards 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 21, 2025, 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*  
Larson & Company, PC

Spanish Fork, Utah  
November 21, 2025

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**MD & A**

**City of Orem**  
**Management's Discussion and Analysis**  
**June 30, 2025**

The City of Orem's management presents this overview and analysis of its financial activities for the fiscal year ended June 30, 2025. 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 \$81,904,609. Of this amount, \$26,562,945 (32.43%) is available for spending at the City's discretion (unassigned fund balance). Total fund balance decreased by \$4,827,376 compared to the prior year's decrease of \$12,172,398. 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 \$24,350,069 compared to the prior year's increase of \$16,380,508. The changes to fund balance are discussed in greater detail later in this overview and analysis.
- In July of 2024, the City sold \$9.2 million in sales tax revenue bonds to fund the construction of a new fire training facility and remodeling the City's existing public safety building as well as various other public safety projects. During FY 2025, the City spent just over \$5.3 million on these bond projects.
- The City has almost completed construction on a new city center facility located adjacent to the existing facility. The estimated cost of construction, FF&E, IT infrastructure and other items is over \$37 million and is entirely cash funded. The new facility and improvements are expected to be completed by November 2025.
- General Fund sales tax revenues received in FY 2025 were \$32,730,138 which was 3.1% higher than the previous fiscal year. This was a welcome increase after having a decrease in the prior fiscal year for the first time since FY 2010.

### **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.

**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.

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- 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 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

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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.

### **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 \$523,551,323 at June 30, 2025.

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By far the largest portion of the City's net position (65.27%) 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	
	2025	2024	2025	2024	2025	2024
Current Assets	\$ 115,490,825	\$ 119,531,617	\$ 110,046,362	\$ 105,653,872	\$ 225,537,187	\$ 225,185,489
Noncurrent Assets:						
Capital Assets	255,264,337	230,651,248	160,915,251	141,914,546	416,179,588	372,565,794
Other	9,993,644	9,160,137	-	-	9,993,644	9,160,137
Total Assets	380,748,806	359,343,002	270,961,613	247,568,418	651,710,419	606,911,420
Deferred Outflows of Resources	12,236,143	10,908,027	906,102	2,142,024	13,142,245	13,050,051
Total Assets & Deferred Outflows of Resources	<u>\$ 392,984,949</u>	<u>\$ 370,251,029</u>	<u>\$ 271,867,715</u>	<u>\$ 249,710,442</u>	<u>\$ 664,852,664</u>	<u>\$ 619,961,471</u>
Long-term Liabilities						
Outstanding	\$ 57,105,971	\$ 44,505,989	\$ 44,313,788	\$ 47,887,223	\$ 101,419,759	\$ 92,393,212
Other Liabilities	18,153,893	17,483,341	8,023,889	6,627,075	26,177,782	24,110,416
Total Liabilities	75,259,864	61,989,330	52,337,677	54,514,298	127,597,541	116,503,628
Deferred Inflows of Resources	13,693,620	12,713,884	10,180	26,355	13,703,800	12,740,239
Net Position:						
Net Investment in Capital Assets	216,059,501	197,064,165	116,098,941	101,469,244	332,158,442	298,533,409
Restricted	36,137,531	35,532,628	8,134,207	13,724,615	44,271,738	49,257,243
Unrestricted	51,834,433	62,951,022	95,286,710	79,975,930	147,121,143	142,926,952
Total Net Position	304,031,465	295,547,815	219,519,858	195,169,789	523,551,323	490,717,604
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 392,984,949</u>	<u>\$ 370,251,029</u>	<u>\$ 271,867,715</u>	<u>\$ 249,710,442</u>	<u>\$ 664,852,664</u>	<u>\$ 619,961,471</u>

A portion of the City of Orem's net position (8.46%) represent resources that are subject to external restrictions on how they may be used. The amount listed as unrestricted net position (\$147,121,143) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Community Development & Rehabilitation special revenue fund and the Facilities Maintenance internal service fund have a deficit in unrestricted net position. At the end of the current fiscal year, the City of Orem is able to report positive balances in all

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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 \$32,833,719 (6.69%). Total revenues increased by \$6,515,311 (4.06%), primarily due to increases in charges for services of \$9,190,705 (13.20%) and in spite of a decrease in capital grants and contributions (which includes ARPA grant funds) of \$3,516,219 (19.08%). Total expenses increased \$13,115,807 (10.84%).

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**

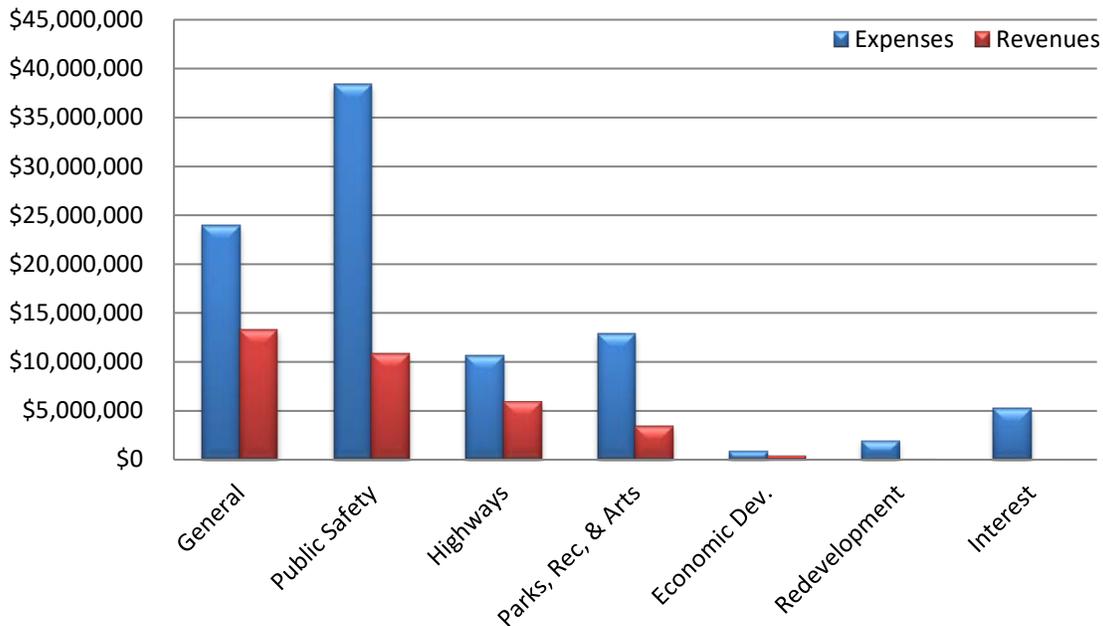
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 25,758,106	\$ 22,668,242	\$ 53,045,717	\$ 46,944,876	\$ 78,803,823	\$ 69,613,118
Operating Grants and Contributions	1,517,257	1,923,056	-	-	1,517,257	1,923,056
Capital Grants and Contributions	6,656,506	15,724,784	8,254,715	2,702,656	14,911,221	18,427,440
General Revenues:						
Sales Taxes	40,129,043	38,338,115	-	-	40,129,043	38,338,115
Property Taxes	11,285,308	10,651,601	-	-	11,285,308	10,651,601
Other Taxes	9,743,667	9,684,112	-	-	9,743,667	9,684,112
Other	5,630,260	6,351,625	4,972,013	5,488,214	10,602,273	11,839,839
Total Revenues	<u>100,720,147</u>	<u>105,341,535</u>	<u>66,272,445</u>	<u>55,135,746</u>	<u>166,992,592</u>	<u>160,477,281</u>
<b>Expenses</b>						
General Government	23,956,702	20,714,117	-	-	23,956,702	20,714,117
Public Safety	38,423,209	33,918,124	-	-	38,423,209	33,918,124
Highways and Public Improvements	10,605,918	8,413,806	-	-	10,605,918	8,413,806
Parks, Recreation & Arts	12,900,222	13,793,147	-	-	12,900,222	13,793,147
Economic and Physical Development	836,328	1,205,616	-	-	836,328	1,205,616
Redevelopment	1,955,393	1,343,686	-	-	1,955,393	1,343,686
Interest on Long-Term Debt	5,220,064	4,618,149	-	-	5,220,064	4,618,149
Water	-	-	16,611,558	15,527,158	16,611,558	15,527,158
Water Reclamation	-	-	9,146,878	8,440,081	9,146,878	8,440,081
Storm Water	-	-	3,976,982	3,847,271	3,976,982	3,847,271
Recreation	-	-	4,206,308	3,658,261	4,206,308	3,658,261
Solid Waste	-	-	5,506,689	5,027,552	5,506,689	5,027,552
Street Lighting	-	-	812,622	536,098	812,622	536,098
Total Expenses	<u>93,897,836</u>	<u>84,006,645</u>	<u>40,261,037</u>	<u>37,036,421</u>	<u>134,158,873</u>	<u>121,043,066</u>
Change in Net Position before Transfers	6,822,311	21,334,890	26,011,408	18,099,325	32,833,719	39,434,215
Transfers In (Out)	1,661,339	1,718,817	(1,661,339)	(1,718,817)	-	-
Change in Net Position	8,483,650	23,053,707	24,350,069	16,380,508	32,833,719	39,434,215
Net Position - Beginning	295,547,815	272,494,108	195,169,789	178,789,281	490,717,604	451,283,389
Net Position - Ending	<u>\$ 304,031,465</u>	<u>\$ 295,547,815</u>	<u>\$ 219,519,858</u>	<u>\$ 195,169,789</u>	<u>\$ 523,551,323</u>	<u>\$ 490,717,604</u>

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**Governmental activities.** Governmental activities increased the City of Orem’s net position by \$8,483,650 (2.87%). This is a decrease of \$14,570,057 from the prior year. Total revenues decreased \$4,621,388 (4.39%). Charges for services revenue increased \$3,089,864 (13.63%) while capital grants and contributions decreased \$9,068,278 (57.67%). Total expenses increased \$9,891,191 (11.77%).

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 \$66,788,278 because these revenues are not specific to a particular department.

**Program Expenses & Revenues - Governmental Activities**  
**For Fiscal Year Ending June 30, 2025**



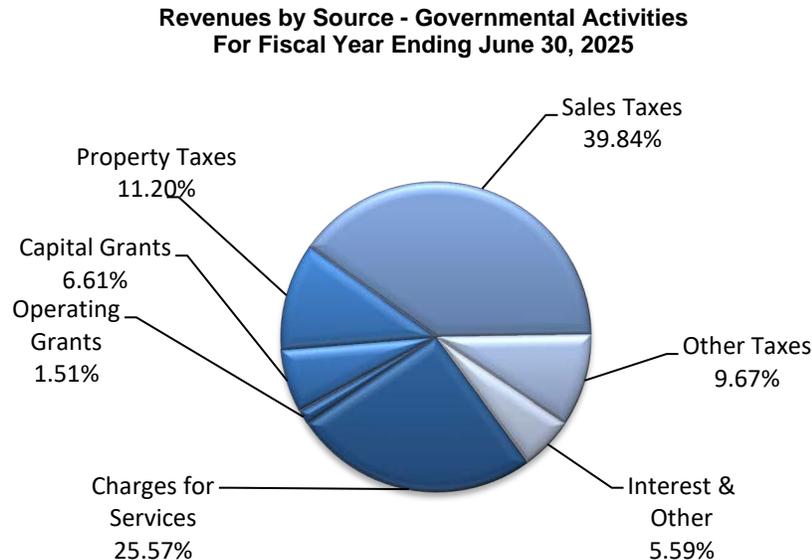
Key elements affecting the change in governmental activities net position are as follows:

- Total revenues decreased \$4,621,388 (4.39%).
- Charges for services revenue increased \$3,089,864 (13.63%). The increase is due primarily to Vineyard & Lindon city fire and EMS service contracts which increased due to additional staffing in those cities.
- Capital grants and contributions decreased \$9,068,278 (57.67%). The decrease occurred due to spending almost all of the ARPA grant funds on eligible projects in the prior fiscal year (\$11.4 million vs. \$0.5 million) and thus, less grant revenue was available to be recognized as earned in the current fiscal year.

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- Total expenses increased by \$9,891,191 (11.77%).
- Wages and benefits (excluding compensated absences and pension expenses) increased by approximately \$3.1 million over the prior year due to general department wage increases.
- Compensated absence costs increased by almost \$1.6 million due primarily to incorporating GASB 101 liability accruals for sick leave and short-term medical leave.
- Pension expenses increased city-wide by over \$2.7 million compared to the prior fiscal year as the City’s pension liability increased.
- Interest on long-term debt increased by \$601,915 over the prior fiscal year due to issuing the 2024 Sales Tax Revenue Bonds in July 2024. Interest paid and or accrued on this debt was the primary cause of the increase in this interest cost.
- Redevelopment costs increased by \$611,707 due to additional tax increment received for the University Place CDA. The existing contractual arrangement with University Place requires that 90% of the tax increment received be remitted back to them.

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

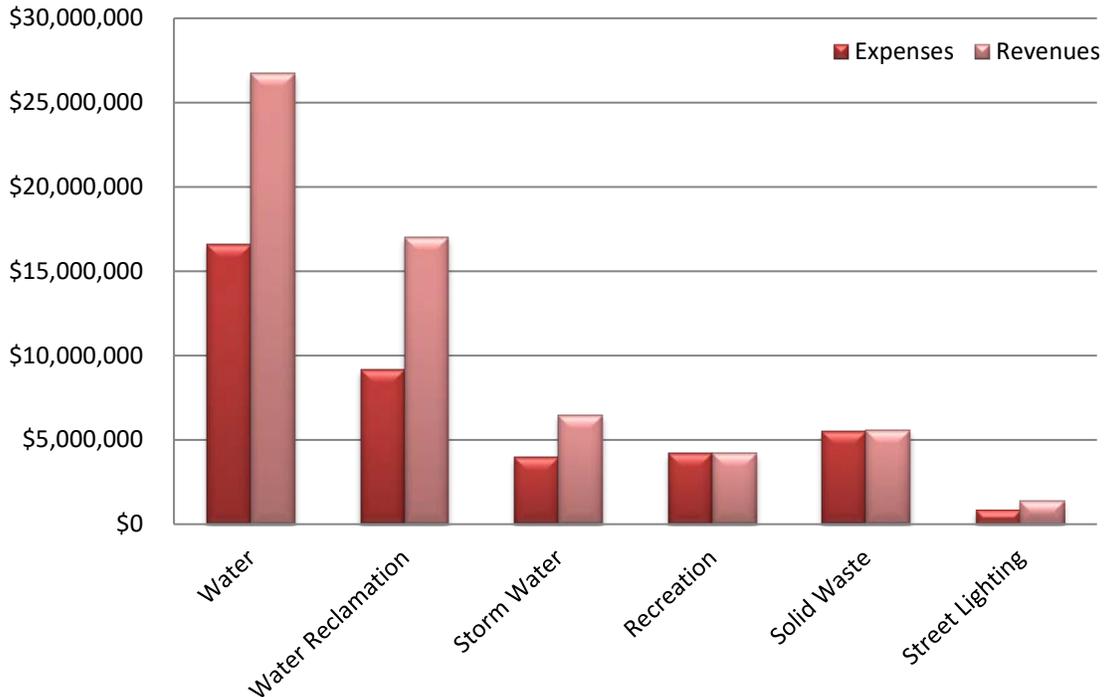


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**Business-type activities.** Business-type activities increased the City’s net position by \$24,350,069. The increase in net position represents a 48.65% increase for the current year. Total revenues increased \$11,136,699 (20.20%) and total expenses increased \$3,224,616 (8.71%). As of the end of the current fiscal year, all of the City’s business-type activities reported a positive net position.

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

**Program Expenses & Revenues - Business-type Activities**  
**For Fiscal Year Ending June 30, 2025**

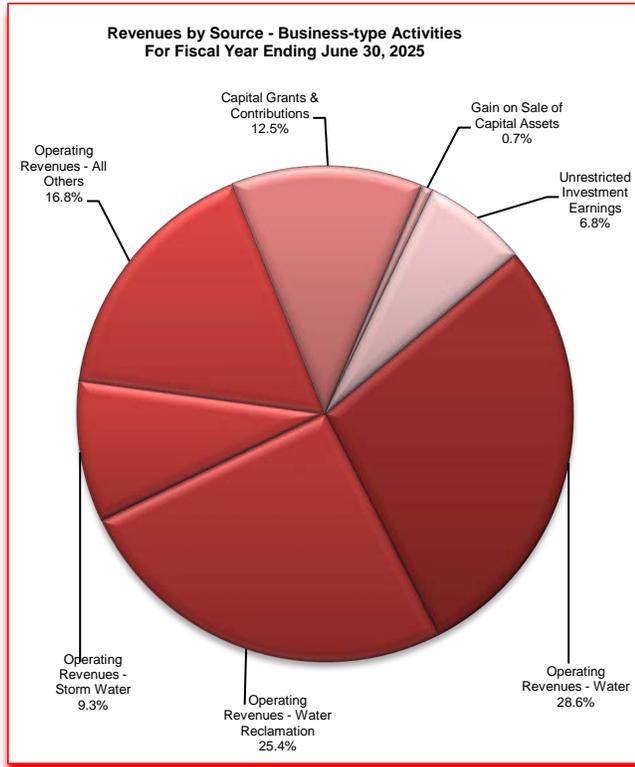


Key elements affecting the change in business-type activities net position are as follows:

- Business-type activities reported an increase in total revenues over the prior year of \$11,136,699 (20.20%). Total revenues increased or decreased as follows:

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- Water fund total revenues increased by \$7,012,033 or 32.86%. Charges for services revenues increased \$1,485,300 or 8.98%. The City raised the base rate by 3.52% (\$20.45 to \$21.17 on a ¾” meter) and the usagee rate for Tier 1 by \$0.03 or 3.53% as well as increases in Tiers 2-4. Usage also increased by 11.4%. Other revenues decreased by \$226,648 due to not receiving a distribution from Metropolitan Water District of Orem (MWDO) whereas the City received \$250,000 in the prior year. The decrease in the distribution is due to lower impact fees received by them. Capital grants and donations revenues increased pretty significantly due to receiving a grant of \$7,000,000 from Utah County (ARPA funds) for the City’s tertiary water reuse project. No such funding occurred in the prior fiscal year.
- Water Reclamation fund total revenues increased \$3,744,077 or 25.65%. Charges for service revenues increased \$1,651,253 due to a 36.06% increase in the sewer base rate (\$12.48 to \$16.98) and a 3.47% increase in the sewer volume charge (\$2.59 to \$2.68). However, usage decreased by 7.6%.
- Storm Water fund total revenues increased \$475,414 or 7.26%. The increase was due to a \$0.29 rate increase in the “equivalent service units (ESU)” rate. The rate went from \$8.20/month/ESU to \$8.49/month/ESU (3.54% 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 an increase in total expenses from the prior year of \$3,224,616 (8.71%). Total expenses increased or decreased as follows:

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- Wages and benefits (excluding compensated absences and pension expenses) increased by approximately \$904,000 over the prior year due to general department wage increases.
- Compensated absence costs increased by approximately \$550,000 due primarily to incorporating GASB 101 liability accruals for sick leave and short-term medical leave.
- Pension expenses increased by over \$182,000 compared to the prior fiscal year as the City's pension liability increased.
- Contracted services increased \$1,280,158 (11.38%) due, in large part, to increases in solid waste hauling fees, holiday lighting fees for the City's Lights On Celebration, and Central Utah Water Conservancy District (CUWCD) water treatment fees.

### **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 \$81,904,609. Of this total amount, \$26,562,945 (32.43%) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Unassigned fund balance decreased from the prior year by \$197,190. The remaining fund balance of \$55,341,664 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 \$26,562,945 and total fund balance increased to \$49,402,820. 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 35.08% (prior year was 30.41%) of total General Fund expenditures, while total fund balance represents 65.24% (prior year was 54.08%) of total General Fund expenditures.

*General Fund* - Total fund balance increased \$1,817,302 in the current fiscal year (the prior year had a decrease of \$3,282,908). Thus, there was a positive variance from the prior year of \$5,100,210.

The following elements were key factors contributing to the total fund balance increase:

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- Total revenues of the fund decreased \$8,580,575 (9.39%). Intergovernmental revenues decreased \$10,391,213 (63.08%) and charges for services increased \$1,344,591 (12.90%). Details about these variances are as follows:
  - Intergovernmental revenues decreased due to less ARPA grant funds available to spend on eligible projects and thus, less grant revenue recognized as earned (decrease over prior year of \$10,960,025). All ARPA grant funds that had been received were spent by fiscal year end.
  - Charges for services increased primarily due to an increase in the Vineyard and Lindon City fire and EMS contracts of \$876,096 as well as increased ambulance revenues of \$240,480.
  
- Total expenditures decreased \$12,275,186 (13.95%). 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:
  - Public Safety expenditures increased by \$3,050,229 (8.97%) due primarily to higher personnel costs related to wage and benefit increases of \$2,174,263 (7.87%). Police department wages and benefits increased \$913,542 (5.51%) and fire department wages and benefits increased \$1,260,721 (11.40%). The fire increase is due, in part, to continuing to add personnel in preparation of opening a new station in the neighboring city of Vineyard under a contracted arrangement. The remaining increase is primarily due to increased materials and supplies costs.
  - Capital outlay expenditures decreased by \$16,208,171 (300.76%) due to construction costs tied to the fund for the new city center facility and the new Hillcrest Park being mostly completed in the prior fiscal year.

*Debt Service Fund* - Total fund balance is \$1,198,865, 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 \$6,990. Revenues and expenditures both had actual results almost exactly as expected.

*Capital Projects Fund* - Total fund balance is \$14,276,271, 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 \$8,343,038 (36.88%). The decrease was primarily due to spending \$14.9 million on the new city center building and \$4.6 million on a new fire training facility in the current fiscal year. However, a new sales tax revenue bond was issued which increased fund balance by \$9.2 million.

**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 \$39,876,118, an increase of \$4,989,595 (14.30%). Total net position increased by \$11,716,125 (12.98%) during the current fiscal year (prior fiscal year had an increase of \$5,844,603 or 6.92%). Items affecting the change in total net position of the fund are as follows:

- Operating revenues increased \$1,258,652 (7.12%). Charges for services increased by 8.98% due to an 11.04% increase in usage, a 3.53% increase in the Tier 1 usage rate, and a 3.52% 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 increased \$1,225,941 (8.53%) in comparison with the prior year. The increase was not caused by any one particular cost but rather a combination of personnel cost increases, higher material and supplies costs, higher costs for water treatment, and a higher administrative allocation as projects were reevaluated.
- Investment earnings decreased \$1,206,702 (36.12%) due to decreasing interest rates compared to the prior fiscal year. Rates of return in the prior year averaged 5.34% while they averaged 4.75% in the current fiscal year.
- Donations and grants increased substantially by \$6,679,865 (2050.01%) due to a \$7 million grant received in the current fiscal year from Utah County for the City's water reuse project which did not occur in the prior fiscal year.

Water Reclamation Fund - Unrestricted net position at the end of the year is \$37,200,840, an increase of \$9,958,169 (36.55%). Total net position increased \$9,150,438 (14.47%) during the current fiscal year (prior fiscal year had an increase of \$7,277,414 or 13.00%). Items affecting the change in total net position of the fund are as follows:

- Operating revenues increased \$3,563,602 (26.82%). Charges for services increased 12.86% due to a 36.06% increase in the base rate and a 3.47% increase in the sewer volume charge while there was a 7.6% decrease in actual usage. Other revenues, which are part of total operating revenues, increased due to revenues from Vineyard and Lindon City for their share of the tertiary water reuse project costs.
- Operating expenses increased \$700,897 (8.53%) in comparison with the prior fiscal year. Personnel services increased \$370,583 (14.93%) due to regular wage and benefit increases as well as additional sick and short-term medical leave costs that began to be accrued in the current year. The remaining increase was due to higher materials and supplies costs, a higher administrative allocation as projects were reevaluated, higher utility costs, and higher depreciation expense.
- Investment earnings increased \$184,760 (15.09%) despite average rates of return decreasing from 5.34% in the prior year to 4.75% in the current fiscal year. However, the fund had significantly higher cash balances available to invest due, in large part, to higher revenues from rate increases.

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- Contributions from developers decreased \$1,161,198 (93.44%) due to several development projects turning over their sewer infrastructure to the City upon completion of the project in the prior year while no such development projects had yet been completed in the current fiscal year.

Storm Water Fund - Unrestricted net position at the end of the year is \$14,156,041, an increase of \$61,513 (0.44%). Total net position increased \$3,099,699 (9.36%) during the current fiscal year (prior fiscal year had an increase of \$2,674,355 or 8.78%). Items affecting the change in total net position of the fund are as follows:

- Operating revenues increased \$235,662 (3.99%), due to a \$0.29 increase (3.54%) in the “equivalent service units (ESU)” rate which went from \$8.20/month/ESU to \$8.49/month/ESU.
- Operating expenses increased \$136,963 (3.64%) in comparison with the prior year. Personnel services increased \$221,292 (16.54%) due to regular wage and benefit increases as well as additional sick and short-term medical leave costs that began to be accrued in the current year. Contract services decreased \$64,970 (11.26%) due to master plan and personnel efficiency studies and a West Union Canal Company agreement being completed in the prior fiscal year but no such studies or agreements took place in the current fiscal year.
- Gain on Sale of Capital Assets increased \$115,078 (100.00%) due primarily to the sale of a Caterpillar backhoe in the current fiscal year while the fund had no such sale of an asset in the prior 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 \$78,451,009 to a final budget of \$94,796,581, an increase of \$16,345,572 (20.84%). The changes to the General Fund budget are briefly summarized as follows:

- Various public safety grants and donations received during the year totaled \$418,982 and various fines and forfeitures related to the drug task force increased by \$188,000.
- The library received several grants during the year totaling \$22,440.
- 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 \$7,692,442.
- 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 \$542,093.
- 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 \$3,156,872.
- The City transferred \$3,200,000 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.

**City of Orem**  
**Management's Discussion and Analysis**  
**June 30, 2025**

- 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 \$446,092.

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

- Intergovernmental – Revenues – Actual amount was higher than the budgeted amount by \$1,107,392 (22.27%). Actual revenues were higher than budgeted revenues due to the City recognizing \$446,092 of 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 as well as state B&C Road revenues exceeding their budgeted amount by \$635,093.
- Charges for Services – Revenues – Actual amount was higher than the budgeted amount by \$1,276,951 (12.18%). The increase was primarily due to an increase of \$482,057 (27.25%) in the Vineyard City Fire/EMS contract fee which was not budgeted and increased ambulance fees received over budget of \$333,551 (11.91%).
- Fines and Forfeitures – Revenues – Actual amount was higher than the budgeted amount by \$467,050 (30.77%). Actual revenues were higher than budgeted revenues due to higher Justice Court revenues which was primarily caused by a higher case load.
- General Government – Expenditures – Actual amounts were lower than budgeted by \$1,688,803 (7.73%). The following narrative provides details about this variance from budget:
  - Wages and employee benefit costs were lower than budget by \$804,007. The variance is primarily due to vacant positions that occur naturally throughout the fiscal year.
  - Professional and technical services accounts were lower than budget by \$521,025 as expected service costs were either delayed or determined to not be necessary. Various studies and surveys are currently in process.
- Public Safety – Expenditures – Actual amounts were lower than budgeted by \$7,503,645 (16.24%).
  - Various vehicle, equipment, and improvement costs totaling \$1,514,409 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 \$4,356,452 at the end of the current fiscal year.
  - Wages and employee benefit costs were lower than budget by \$31,703. 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 \$433,852.

**City of Orem**  
**Management's Discussion and Analysis**  
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- Highways and Public Improvements – Expenditures – Actual amounts were lower than budgeted by \$2,854,917 (29.01%).
  - Various street overlay/reconstruction projects, slurry seal projects, micro-surfacing, and street striping and signal projects totaling \$2,426,627 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 \$1,229,583 (11.28%).
  - Various vehicle and equipment costs totaling \$456,539 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 \$334,005. 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, 2025, amounts to \$341,706,010 (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 twenty-three new vehicles totaling \$1,313,123, a new fire brush truck for \$221,347, and a new command post trailer for \$31,346. They also purchased a mobile storage system for \$39,151, remodeled the gun range for \$89,604, purchased new evidence lockers for \$46,119, replaced the chiller at the public safety building for \$106,622, replaced two furnaces at the City's fire stations for \$30,673, and purchased new fire extrication equipment for \$66,111.
- Using funds from the sales tax revenue bonds issued in July 2024, public safety also made some improvements to Fire Station #2 for \$80,988, constructed burn structures and a classroom at the City's new fire training facility totaling \$4,591,733, and had remodeling and improvement costs at the existing public safety building of \$468,794.
- The parks division purchased six new vehicles for \$161,540, six new riding mowers for \$229,302, a new utility vehicle for \$19,371, and a deep tine aerator for \$57,616. They completed the cement work for the mini-train route through City Center Park and other sidewalk improvements for \$258,044, the Northridge Park tennis/pickleball courts and other improvements for \$679,860, the bike park trails project for \$247,000, and the rebuild and improvements at Hillcrest Park for \$54,257. They also began work on the Windsor Park playground, pickleball courts, and multi-sport court totaling \$189,841 for the fiscal year.

**City of Orem**  
**Management's Discussion and Analysis**  
**June 30, 2025**

- The streets division purchased four vehicles totaling \$241,285, purchased a concrete clean-out trailer for \$21,685, and purchased two new backhoes for \$303,800.
- Various road, street light, and landscaping projects completed or added to construction in process were approximately \$6,875,000.
- Recreation made some splash pad improvements totaling \$20,450 and replaced the fitness center swim area scoreboard for \$40,130.
- The library redesigned the lighting at Library Hall for \$60,000 and purchased several pieces of equipment totaling \$22,255.
- The new Orem City Center continued construction and costs for the fiscal year totaled \$16,198,787.
- Several other facility projects took place in the current fiscal year at the public works building, city center, and library. These projects totaled \$400,478.
- The water reclamation division continued construction on a new water reuse facility which added \$3,622,874 to construction in process. They completed the work on a lift station with costs totaling \$37,434. They purchased a new utility vehicle for \$24,121, a new tilt trailer for \$17,690, a new backhoe for \$154,900, began work on a remodeling the biosolids building for \$519,366, replaced the solids handling tank blower for \$221,069, and various other treatment plant equipment totaling approximately \$600,000. Various sewer line improvements were completed or were in process totaling \$3,247,759.
- The water division had several waterline projects completed or added to construction in process totaling approximately \$2,174,000. They purchased two new vehicles for \$96,256, three new backhoes for \$446,700, continued construction of a new 10 million gallon culinary water storage tank with costs totaling \$2,699,604, continued work on a new well with costs totaling \$117,491, and continued work on a water reuse project with costs totaling \$5,998,936.
- The storm water division had several storm water line projects completed or added to construction in process totaling approximately \$2,911,000. New vehicle purchases include one new vehicle for \$128,492, a new vac truck for \$429,079, a new backhoe for \$148,900, and a riding mower for \$19,328.
- The street lighting division purchased a new vehicle for \$53,420.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Land	\$ 75,577,971	\$ 74,011,854	\$ 6,496,507	\$ 6,496,507	\$ 82,074,478	\$ 80,508,361
Buildings and Systems	38,848,183	41,060,145	460,778	509,932	39,308,961	41,570,077
Improvements other						
than Buildings	34,237,850	17,395,239	2,882,045	2,964,015	37,119,895	20,359,254
Machinery and Equipment	11,589,884	11,113,299	5,833,421	4,967,334	17,423,305	16,080,633
Infrastructure	52,079,984	50,798,401	88,057,726	83,058,863	140,137,710	133,857,264
Construction in Progress	42,841,917	36,183,762	55,785,084	42,518,205	98,627,001	78,701,967
Intangibles	88,548	88,548	1,399,690	1,399,690	1,488,238	1,488,238
<b>Total Capital Assets</b>	<b>\$ 255,264,337</b>	<b>\$ 230,651,248</b>	<b>\$ 160,915,251</b>	<b>\$ 141,914,546</b>	<b>\$ 416,179,588</b>	<b>\$ 372,565,794</b>

**City of Orem  
Management's Discussion and Analysis  
June 30, 2025**

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 \$70,020,000. Of this amount, \$24,500,000 comprises debt backed by the full faith and credit of the government and \$45,520,000 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 Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	\$ 24,500,000	\$ 25,580,000	\$ -	\$ -	\$ 24,500,000	\$ 25,580,000
Revenue Bonds	8,800,000	-	36,720,000	39,617,000	45,520,000	39,617,000
Total Bonds	<u>\$ 33,300,000</u>	<u>\$ 25,580,000</u>	<u>\$ 36,720,000</u>	<u>\$ 39,617,000</u>	<u>\$ 70,020,000</u>	<u>\$ 65,197,000</u>

The City's total bonded debt increased by \$4,823,000 (7.40%) during the current fiscal year. The City issued \$9.2 million in sales tax revenue bonds in July of 2024 to build a new fire training facility and to remodel and make improvements to its existing public safety building along with other public safety improvements.

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 \$633,094,678, 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 \$660,221,596. The City currently has no outstanding general obligation debt for these types of projects. Thus, the resulting total debt limit is 8% of total taxable value or \$1,293,316,274. 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 80-87.

**City of Orem  
Management’s Discussion and Analysis  
June 30, 2025**

**Economic Factors and Next Year’s Budgets and Rates**

- The unemployment rate for the City of Orem at June 30, 2025 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>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>City</b>	3.0%	2.3%	2.8%	3.9%	3.9%
<b>County</b>	2.8%	2.3%	2.8%	4.0%	3.9%
<b>State</b>	3.1%	2.4%	2.4%	3.0%	3.2%
<b>Nation</b>	5.9%	3.6%	3.6%	4.1%	4.1%

- The General Fund budget for the fiscal year ending June 30, 2026 reflects an increase of \$142,639 or 0.17% in revenues, excluding appropriations of surplus, compared to the final actual revenues for the fiscal year ended June 30, 2025. The primary reasons for the increase in budgeted revenues are identified as follows:
  - A decrease in intergovernmental revenues (primarily grants) of \$562,776 as the city does not budget for grants until they have actually been awarded and/or earned.
  - An increase in taxes and special assessments of \$660,022 primarily due to an increase in expected sales tax revenues.
- The General Fund budget for the fiscal year ending June 30, 2026 reflects an increase of \$1,959,941 or 2.35% in expenditures compared to the final actual expenditures for the fiscal year ended June 30, 2025. The primary reasons for the increases in budgeted expenditures are identified as follows:
  - Budgeted expenditures related to wage and benefit increases (primarily health insurance) caused the FY 2026 budget to increase compared to the FY 2025 actual expenditures.
  - Actual capital outlay expenditures have exceeded budgeted capital outlay expenditures in the past few years due to the ARPA and CARES grants received in those prior years. However, those grants did not have a significant effect on FY 2025 actual capital outlay expenditures (they were basically all spent at the end of FY 2024) and thus, the FY 2026 budgeted capital outlay expenditures are much closer to the actual capital outlay expenditures of FY 2025.

**City of Orem**  
**Management's Discussion and Analysis**  
**June 30, 2025**

- 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 not seen the large increases seen in years past, the City saw a reasonable increase in FY 2025 (3.1%) and expects to see a similar increase in these revenues in FY 2026. 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 adopted budget for the 2025-2026 fiscal year (July 1, 2025 to June 30, 2026).

**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](mailto:bcnelson@orem.gov)

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**BASIC  
FINANCIAL  
STATEMENTS**

**City of Orem**  
**Statement of Net Position**  
**June 30, 2025**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 39,158,392	\$ 95,076,742	\$ 134,235,134
Investments	17,290,118	-	17,290,118
Receivables (Net of Allowance for Uncollectibles)	1,340,239	5,288,303	6,628,542
Property and Other Taxes Receivable	15,068,239	-	15,068,239
Special Assessments Receivable	34,842	-	34,842
Intergovernmental Receivables	194,253	-	194,253
Notes Receivable	312,396	-	312,396
Leases Receivable	2,478,377	-	2,478,377
Prepaid Expenses	239,450	-	239,450
Inventory	354,859	-	354,859
Restricted Assets:			
Cash and Cash Equivalents:			
Debt Service	1,039,491	3,661,788	4,701,279
Capital Improvements	19,668,133	6,019,529	25,687,662
Other Purposes	8,175,291	-	8,175,291
Receivables:			
Debt Service	1,617,613	-	1,617,613
Capital Improvement Projects	2,923,215	-	2,923,215
Other Purposes	1,547,507	-	1,547,507
Investments:			
Debt Service	2,725,454	-	2,725,454
Capital Improvement Projects	4,039,411	-	4,039,411
Pension Assets	7,277,189	-	7,277,189
Capital Assets:			
Non-depreciable Capital Assets	118,508,436	63,681,281	182,189,717
Depreciable Capital Assets (net)	136,755,901	97,233,970	233,989,871
Total Assets	<u>380,748,806</u>	<u>270,961,613</u>	<u>651,710,419</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Loss on Debt Refundings	(0)	122,720	122,720
Pensions	12,236,143	783,382	13,019,525
Total Deferred Outflows of Resources	<u>12,236,143</u>	<u>906,102</u>	<u>13,142,245</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 392,984,949</u>	<u>\$ 271,867,715</u>	<u>\$ 664,852,664</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 7,572,628	\$ 4,280,746	\$ 11,853,374
Customer Deposits	2,752,283	139,241	2,891,524
Accrued Liabilities	3,463,930	1,888,906	5,352,836
Unearned Revenues	2,216,555	1,108,405	3,324,960
Accrued Interest Payable	362,218	606,591	968,809
Liabilities Payable from Restricted Assets	1,786,278	-	1,786,278
Noncurrent Liabilities:			
Due within One Year	5,766,961	3,837,938	9,604,899
Due in more than One Year	51,339,010	40,475,850	91,814,860
Total Liabilities	<u>75,259,864</u>	<u>52,337,677</u>	<u>127,597,541</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Revenues - Property Taxes	10,467,613	-	10,467,613
Leases	2,478,377	-	2,478,377
Pensions	747,630	10,180	757,810
Total Deferred Inflows of Resources	<u>13,693,620</u>	<u>10,180</u>	<u>13,703,800</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	216,059,501	116,098,941	332,158,442
Restricted for:			
Debt Service	3,764,945	3,661,788	7,426,733
Capital Improvements	11,215,668	2,268,654	13,484,322
Capital Improvements - Impact Fees	1,353,888	2,203,765	3,557,653
Pensions	7,277,189	-	7,277,189
Community Development	12,525,841	-	12,525,841
Unrestricted	51,834,433	95,286,710	147,121,143
Total Net Position	<u>304,031,465</u>	<u>219,519,858</u>	<u>523,551,323</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 392,984,949</u>	<u>\$ 271,867,715</u>	<u>\$ 664,852,664</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, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 23,956,702	\$ 13,160,520	\$ -	\$ 150,350
Public Safety	38,423,209	9,686,425	1,160,244	15,661
Highways and Public Improvements	10,605,918	335,366	-	5,587,949
Parks, Recreation and Arts	12,900,222	2,550,604	39,488	833,419
Economic and Physical Development	836,328	25,191	263,751	69,127
Redevelopment	1,955,393	-	53,774	-
Interest on Long-term Debt	5,220,064	-	-	-
Total Governmental Activities	<u>93,897,836</u>	<u>25,758,106</u>	<u>1,517,257</u>	<u>6,656,506</u>
Business-type Activities:				
Water	16,611,558	18,930,416	-	7,777,842
Water Reclamation	9,146,878	16,850,011	-	165,526
Storm Water	3,976,982	6,142,304	-	311,347
Recreation	4,206,308	4,193,034	-	-
Solid Waste	5,506,689	5,554,117	-	-
Street Lighting	812,622	1,375,835	-	-
Total Business-type Activities	<u>40,261,037</u>	<u>53,045,717</u>	<u>-</u>	<u>8,254,715</u>
Total Primary Government	<u>\$ 134,158,873</u>	<u>\$ 78,803,823</u>	<u>\$ 1,517,257</u>	<u>\$ 14,911,221</u>

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

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (10,645,832)	\$ -	\$ (10,645,832)
(27,560,879)	-	(27,560,879)
(4,682,603)	-	(4,682,603)
(9,476,711)	-	(9,476,711)
(478,259)	-	(478,259)
(1,901,619)	-	(1,901,619)
(5,220,064)	-	(5,220,064)
<u>(59,965,967)</u>	<u>-</u>	<u>(59,965,967)</u>
-	10,096,700	10,096,700
-	7,868,659	7,868,659
-	2,476,669	2,476,669
-	(13,274)	(13,274)
-	47,428	47,428
-	563,213	563,213
-	<u>21,039,395</u>	<u>21,039,395</u>
<u>(59,965,967)</u>	<u>21,039,395</u>	<u>(38,926,572)</u>
40,129,043	-	40,129,043
11,285,308	-	11,285,308
8,766,170	-	8,766,170
541,227	-	541,227
436,270	-	436,270
4,820,001	4,494,127	9,314,128
810,259	477,886	1,288,145
1,661,339	(1,661,339)	-
<u>68,449,617</u>	<u>3,310,674</u>	<u>71,760,291</u>
8,483,650	24,350,069	32,833,719
295,547,815	195,169,789	490,717,604
<u>\$ 304,031,465</u>	<u>\$ 219,519,858</u>	<u>\$ 523,551,323</u>

**City of Orem  
Balance Sheet  
Governmental Funds  
June 30, 2025**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 21,592,971	\$ 1,065,845	\$ 11,282,451	\$ 363,327	\$ 34,304,594
Investments	17,290,118	-	-	-	17,290,118
Receivables (Net of Allowance for Uncollectibles)	1,336,936	-	3,303	-	1,340,239
Property Taxes Receivable	6,800,000	-	-	-	6,800,000
Other Taxes Receivable	8,268,239	-	-	-	8,268,239
Special Assessments Receivable	34,842	-	-	-	34,842
Intergovernmental Receivables	105,510	-	-	88,743	194,253
Due from Other Funds	311,443	-	-	-	311,443
Notes Receivable	-	-	-	312,396	312,396
Leases Receivable	-	-	2,478,377	-	2,478,377
Prepays	56,805	-	-	-	56,805
Restricted Cash and Cash Equivalents:					
Debt Service	906,471	133,020	-	-	1,039,491
Capital Improvement Projects	2,172,940	-	6,493,253	11,001,940	19,668,133
Other Purposes	2,719,873	-	-	5,455,418	8,175,291
Restricted Receivables:					
Debt Service	-	1,617,613	-	-	1,617,613
Capital Improvement Projects	873,215	-	-	2,050,000	2,923,215
Other Purposes	194,997	-	-	1,352,510	1,547,507
Restricted Investments:					
Debt Service	2,725,454	-	-	-	2,725,454
Capital Improvement Projects	4,039,411	-	-	-	4,039,411
<b>Total Assets</b>	<u>\$ 69,429,225</u>	<u>\$ 2,816,478</u>	<u>\$ 20,257,384</u>	<u>\$ 20,624,334</u>	<u>\$ 113,127,421</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 4,553,810	\$ -	\$ 1,574,074	\$ 1,169,197	\$ 7,297,081
Customer Deposits	2,752,283	-	-	-	2,752,283
Accrued Liabilities	1,611,689	-	1,628,717	96,130	3,336,536
Due to Other Funds	-	-	-	78,000	78,000
Unearned Revenues	1,911,952	-	299,945	4,658	2,216,555
Liabilities Payable from Restricted Assets	1,786,278	-	-	-	1,786,278
<b>Total Liabilities</b>	<u>12,616,012</u>	<u>-</u>	<u>3,502,736</u>	<u>1,347,985</u>	<u>17,466,733</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Revenues - Property Taxes	6,800,000	1,617,613	-	2,050,000	10,467,613
Deferred Revenues - Receivables	610,393	-	-	199,696	810,089
Leases	-	-	2,478,377	-	2,478,377
<b>Total Deferred Inflows of Resources</b>	<u>7,410,393</u>	<u>1,617,613</u>	<u>2,478,377</u>	<u>2,249,696</u>	<u>13,756,079</u>
<b>FUND BALANCES</b>					
Nonspendable	56,805	-	-	-	56,805
Restricted	13,069,883	133,020	-	16,654,274	29,857,177
Assigned	9,713,187	1,065,845	14,276,271	372,379	25,427,682
Unassigned	26,562,945	-	-	-	26,562,945
<b>Total Fund Balances</b>	<u>49,402,820</u>	<u>1,198,865</u>	<u>14,276,271</u>	<u>17,026,653</u>	<u>81,904,609</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 69,429,225</u>	<u>\$ 2,816,478</u>	<u>\$ 20,257,384</u>	<u>\$ 20,624,334</u>	<u>\$ 113,127,421</u>

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

Capital assets used in governmental funds are not financial resources.	255,264,337
Total Pension Assets and Deferred Outflows of Resources are not available financial resources and are not reported in the governmental funds.	19,513,332
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.	810,089
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.	3,972,612
Long-term liabilities, including bonds payable, compensated absences, and pensions, are not due and payable in the current period.	(56,323,666)
Interest payable on long-term obligations do not require current financial resources and are not reported in the governmental funds.	(362,218)
Deferred Inflows of Resources related to pensions do not require current financial resources and are not reported in the governmental funds.	(747,630)
<b>Net Position of Governmental Activities</b>	<u>\$ 304,031,465</u>

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

**City of Orem**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For The Year Ended June 30, 2025**

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Taxes and Special Assessments	\$ 49,476,751	\$ 2,278,941	\$ -	\$ 9,423,966	\$ 61,179,658
Licenses and Permits	1,764,670	-	-	-	1,764,670
Intergovernmental	6,080,917	-	1,516,047	332,878	7,929,842
Charges for Services	11,765,119	-	-	104,895	11,870,014
Fines and Forfeitures	1,984,818	-	-	-	1,984,818
Charges for Services - Other Funds	5,630,481	-	-	-	5,630,481
Impact Fees	-	-	-	243,921	243,921
Investment Earnings	3,733,044	10,711	372,729	701,254	4,817,738
Miscellaneous Revenue	2,404,883	-	544,037	1,098,605	4,047,525
Total Revenues	<u>82,840,683</u>	<u>2,289,652</u>	<u>2,432,813</u>	<u>11,905,519</u>	<u>99,468,667</u>
<b>EXPENDITURES</b>					
Current:					
General Government	19,985,426	-	-	-	19,985,426
Public Safety	37,052,691	-	-	-	37,052,691
Highways and Public Improvements	4,087,107	-	-	162,687	4,249,794
Parks, Recreation and Arts	8,988,418	-	-	1,269,547	10,257,965
Economic and Physical Development	218,488	-	128,722	317,013	664,223
Redevelopment	-	-	-	1,856,563	1,856,563
Debt Service:					
Principal Retirement	-	1,480,000	-	95,000	1,575,000
Interest and Fiscal Charges	-	5,089,206	-	4,005	5,093,211
Bond Issuance Costs	-	-	168,845	-	168,845
Leases - Principal	-	485,000	-	-	485,000
Leases - Interest	-	70,064	-	-	70,064
Capital Outlay	5,389,051	-	24,393,418	5,937,006	35,719,475
Total Expenditures	<u>75,721,181</u>	<u>7,124,270</u>	<u>24,690,985</u>	<u>9,641,821</u>	<u>117,178,257</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>7,119,502</u>	<u>(4,834,618)</u>	<u>(22,258,172)</u>	<u>2,263,698</u>	<u>(17,709,590)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Asset Disposals	475,632	-	401,100	-	876,732
Issuance of Bonds	-	-	9,200,000	-	9,200,000
Bond Issuance Premium	-	-	977,015	-	977,015
Transfers In	2,029,251	4,841,608	3,337,019	36,517	10,244,395
Transfers Out	(7,807,083)	-	-	(608,845)	(8,415,928)
Total Other Financing Sources (Uses)	<u>(5,302,200)</u>	<u>4,841,608</u>	<u>13,915,134</u>	<u>(572,328)</u>	<u>12,882,214</u>
Net Change in Fund Balances	1,817,302	6,990	(8,343,038)	1,691,370	(4,827,376)
Fund Balance - Beginning	47,585,518	1,191,875	22,619,309	15,335,283	86,731,985
Fund Balance - Ending	<u>\$ 49,402,820</u>	<u>\$ 1,198,865</u>	<u>\$ 14,276,271</u>	<u>\$ 17,026,653</u>	<u>\$ 81,904,609</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, 2025**

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

Net Change in Fund Balances - Total Governmental Funds		\$ (4,827,376)
<p>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.</p>		
Capital Asset Purchases Capitalized	\$ 33,808,495	
Depreciation Expense	<u>(9,152,064)</u>	24,656,431
<p>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.</p>		
Issuance of Long-term Debt recorded as a long-term liability	\$ (9,200,000)	
Principal Payments recorded as a reduction of the long-term liability	<u>2,060,000</u>	(7,140,000)
<p>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.</p>		
Bond (Premiums) Discounts	\$ (977,015)	
Amortization of Bond Refundings - Loss on Defeasance	(5,948)	
Amortization of Bond Premiums (Discounts)	<u>207,729</u>	(775,234)
<p>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.</p>		
Compensated Absences	\$ (1,595,091)	
Interest Expense	(89,725)	
Pension Expense	(1,837,722)	
Other Post Employment Benefits (OPEB) Expense	<u>-</u>	(3,522,538)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Special Assessment Revenues	\$ (19,377)	
Charges for Services Revenues	(30,794)	
Gain (Loss) on Sale of Capital Assets	(66,473)	
Pension Revenues - Nonemployer Contributions	<u>491,392</u>	374,748
<p>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.</p>		
		<u>(282,381)</u>
Change in Net Position of Governmental Activities		<u><u>\$ 8,483,650</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, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes and Special Assessments	\$ 49,008,868	\$ 49,008,868	\$ 49,476,751	\$ 467,883
Licenses and Permits	1,775,000	1,775,000	1,764,670	(10,330)
Intergovernmental	4,534,500	4,973,525	6,080,917	1,107,392
Charges for Services	10,346,789	10,488,168	11,765,119	1,276,951
Fines and Forfeitures	1,329,100	1,517,768	1,984,818	467,050
Charges for Services - Other Funds	5,630,481	5,630,481	5,630,481	-
Investment Earnings	3,905,000	3,905,000	3,733,044	(171,956)
Miscellaneous Revenues	1,636,271	2,021,102	2,404,883	383,781
Total Revenues	<u>78,166,009</u>	<u>79,319,912</u>	<u>82,840,683</u>	<u>3,520,771</u>
<b>EXPENDITURES</b>				
General Government:				
Legislative	658,848	500,658	494,415	6,243
Executive	1,112,970	1,331,871	1,031,576	300,295
Management Services	4,346,958	4,610,594	4,434,429	176,165
Finance	4,660,267	4,619,979	4,373,649	246,330
Legal Services	2,002,429	1,896,234	1,808,636	87,598
Community Development	6,719,270	6,647,318	6,488,123	159,195
Other - Unclassified	3,183,910	2,235,780	1,522,803	712,977
Total General Government	<u>22,684,652</u>	<u>21,842,434</u>	<u>20,153,631</u>	<u>1,688,803</u>
Public Safety:				
Police	21,271,948	24,869,771	23,440,454	1,429,317
Fire	15,897,121	21,322,647	15,248,319	6,074,328
Total Public Safety	<u>37,169,069</u>	<u>46,192,418</u>	<u>38,688,773</u>	<u>7,503,645</u>
Highways and Public Improvements:				
Administration	624,605	698,624	681,817	16,807
Traffic and Streets	5,667,916	9,141,234	6,303,124	2,838,110
Total Highways and Public Improvements	<u>6,292,521</u>	<u>9,839,858</u>	<u>6,984,941</u>	<u>2,854,917</u>
Parks, Recreation and Arts	9,541,441	10,904,931	9,675,348	1,229,583
Economic and Physical Development	159,484	250,334	218,488	31,846
Total Expenditures	<u>75,847,167</u>	<u>89,029,975</u>	<u>75,721,181</u>	<u>13,276,948</u>
Excess of Revenues over Expenditures	<u>2,318,842</u>	<u>(9,710,063)</u>	<u>7,119,502</u>	<u>16,829,565</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Asset Disposals	285,000	310,200	475,632	165,432
Leases	-	-	-	-
Transfers In	3,276,962	3,444,140	2,029,251	(1,414,889)
Transfers Out	(5,880,804)	(9,210,746)	(7,807,083)	1,403,663
Total Other Financing Sources (Uses)	<u>(2,318,842)</u>	<u>(5,456,406)</u>	<u>(5,302,200)</u>	<u>154,206</u>
Net Change in Fund Balance	-	(15,166,469)	1,817,302	16,983,771
Fund Balance - Beginning	47,585,518	47,585,518	47,585,518	-
Fund Balance - Ending	<u>\$ 47,585,518</u>	<u>\$ 32,419,049</u>	<u>\$ 49,402,820</u>	<u>\$ 16,983,771</u>

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

**City of Orem**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2025**

	<b>Business-type Activities - Enterprise Funds</b>					
			<b>Water</b>		<b>Water</b>	
	<b>Water</b>	<b>Water</b>	<b>Reclamation</b>	<b>Reclamation</b>	<b>Storm Water</b>	<b>Storm Water</b>
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>
	<b>Current Year</b>	<b>Prior Year</b>	<b>Current Year</b>	<b>Prior Year</b>	<b>Current Year</b>	<b>Prior Year</b>
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 39,863,345	\$ 35,852,689	\$ 36,289,076	\$ 26,239,071	\$ 13,981,156	\$ 13,709,997
Accounts Receivable (Net of Allowance for Doubtful Accounts)	2,250,082	2,190,361	1,699,293	1,654,224	609,207	599,794
Inventories	-	-	-	-	-	-
Prepays	-	-	-	-	-	-
Restricted Cash & Cash Equivalents:						
Debt Service	3,066,788	3,189,103	595,000	595,000	-	-
Capital Improvements	1,706,305	3,547,814	3,584,260	11,941,730	728,964	671,076
Total Current Assets	<u>46,886,520</u>	<u>44,779,967</u>	<u>42,167,629</u>	<u>40,430,025</u>	<u>15,319,327</u>	<u>14,980,867</u>
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	685,529	679,293
Improvements other than Buildings	9,379,416	9,292,177	2,467,288	2,157,761	173,446	115,667
Machinery and Equipment	3,908,761	3,862,531	8,385,008	8,083,841	3,795,930	2,900,022
Infrastructure	75,256,910	70,213,722	58,632,662	58,414,242	27,792,202	24,411,548
Construction in Progress	41,890,617	35,683,155	11,765,548	4,208,275	2,125,427	2,453,409
Intangibles	997,276	997,276	195,900	195,900	206,514	206,514
Less Accumulated Depreciation	(46,091,998)	(43,881,930)	(42,084,147)	(40,386,902)	(13,890,003)	(12,911,471)
Total Capital Assets (Net of Accumulated Depreciation)	<u>88,851,824</u>	<u>79,677,773</u>	<u>43,030,353</u>	<u>36,341,211</u>	<u>24,167,765</u>	<u>21,133,702</u>
Total Noncurrent Assets	<u>88,851,824</u>	<u>79,677,773</u>	<u>43,030,353</u>	<u>36,341,211</u>	<u>24,167,765</u>	<u>21,133,702</u>
Total Assets	<u>135,738,344</u>	<u>124,457,740</u>	<u>85,197,982</u>	<u>76,771,236</u>	<u>39,487,092</u>	<u>36,114,569</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Loss on Debt Refundings	121,578	215,149	-	-	1,142	28,544
Pensions	242,332	581,417	293,860	739,092	202,863	542,496
Total Deferred Outflows of Resources	<u>363,910</u>	<u>796,566</u>	<u>293,860</u>	<u>739,092</u>	<u>204,005</u>	<u>571,040</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 136,102,254</u>	<u>\$ 125,254,306</u>	<u>\$ 85,491,842</u>	<u>\$ 77,510,328</u>	<u>\$ 39,691,097</u>	<u>\$ 36,685,609</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	\$ 2,908,301	\$ 2,123,826	\$ 272,977	\$ 288,708	\$ 574,709	\$ 18,310
Customer Deposits	139,241	127,804	-	-	-	-
Accrued Liabilities	1,670,921	1,322,098	85,132	163,063	26,187	24,897
Due to Other Funds	-	-	-	-	-	-
Compensated Absences	171,377	128,008	160,879	132,298	122,346	94,583
Claims and Judgments	-	-	-	-	-	-
Unearned Revenue	200,191	206,948	-	-	-	-
Accrued Interest Payable	448,803	473,336	123,888	127,783	33,900	39,214
Leases Payable - Current Portion	-	-	-	-	-	-
Bonds Payable - Current Portion	1,967,896	1,919,951	835,329	825,329	522,175	507,120
Total Current Liabilities	<u>7,506,730</u>	<u>6,301,971</u>	<u>1,478,205</u>	<u>1,537,181</u>	<u>1,279,317</u>	<u>684,124</u>
Noncurrent Liabilities:						
Compensated Absences	184,176	6,738	111,019	6,963	133,416	4,978
Claims and Judgments	-	-	-	-	-	-
Leases Payable - Long-term Portion	-	-	-	-	-	-
Bonds Payable - Long-term Portion	26,068,230	28,036,126	11,089,093	11,924,422	1,770,596	2,292,771
Pension Liabilities	331,459	609,014	401,939	774,173	277,474	568,246
Total Noncurrent Liabilities	<u>26,583,865</u>	<u>28,651,878</u>	<u>11,602,051</u>	<u>12,705,558</u>	<u>2,181,486</u>	<u>2,865,995</u>
Total Liabilities	<u>34,090,595</u>	<u>34,953,849</u>	<u>13,080,256</u>	<u>14,242,739</u>	<u>3,460,803</u>	<u>3,550,119</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pensions	3,149	8,072	3,819	10,260	2,636	7,531
Total Deferred Inflows of Resources	<u>3,149</u>	<u>8,072</u>	<u>3,819</u>	<u>10,260</u>	<u>2,636</u>	<u>7,531</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	58,842,581	52,045,593	31,091,495	26,272,939	21,342,653	18,410,804
Restricted for Debt Service	3,066,788	3,189,103	595,000	595,000	-	-
Restricted for Capital Improvements	-	103,474	2,268,654	8,038,266	-	-
Restricted for Capital Improvements - Impact Fees	223,023	67,692	1,251,778	1,108,453	728,964	622,627
Unrestricted	39,876,118	34,886,523	37,200,840	27,242,671	14,156,041	14,094,528
Total Net Position	<u>102,008,510</u>	<u>90,292,385</u>	<u>72,407,767</u>	<u>63,257,329</u>	<u>36,227,658</u>	<u>33,127,959</u>
Total Liabilities, Deferred Inflows of Resources, & Net Position	<u>\$ 136,102,254</u>	<u>\$ 125,254,306</u>	<u>\$ 85,491,842</u>	<u>\$ 77,510,328</u>	<u>\$ 39,691,097</u>	<u>\$ 36,685,609</u>

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

Other Enterprise Funds		Other Enterprise Funds		Total		Total		Governmental Activities
Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Internal Service Funds
Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year
\$ 4,943,165	\$ 4,762,155	\$ 95,076,742	\$ 80,563,912	\$ 4,853,798				
729,721	700,858	5,288,303	5,145,237	-				
-	-	-	-	354,859				
-	-	-	-	182,645				
-	-	3,661,788	3,784,103	-				
-	-	6,019,529	16,160,620	-				
5,672,886	5,463,013	110,046,362	105,653,872	5,391,302				
39,822	39,822	6,496,507	6,496,507	-				
1,509,500	1,509,500	6,196,000	6,189,764	150,000				
544,376	544,376	12,564,526	12,109,981	61,199				
568,979	485,166	16,658,678	15,331,560	941,078				
5,254,540	4,875,431	166,936,314	157,914,943	-				
3,492	173,366	55,785,084	42,518,205	114,594				
-	-	1,399,690	1,399,690	88,548				
(3,055,400)	(2,865,801)	(105,121,548)	(100,046,104)	(723,125)				
4,865,309	4,761,860	160,915,251	141,914,546	632,294				
4,865,309	4,761,860	160,915,251	141,914,546	632,294				
10,538,195	10,224,873	270,961,613	247,568,418	6,023,596				
-	-	122,720	243,693	-				
44,327	35,326	783,382	1,898,331	354,937				
44,327	35,326	906,102	2,142,024	354,937				
\$ 10,582,522	\$ 10,260,199	\$ 271,867,715	\$ 249,710,442	\$ 6,378,533				
\$ 524,759	\$ 733,255	\$ 4,280,746	\$ 3,164,099	\$ 275,547				
-	-	139,241	127,804	-				
106,666	115,931	1,888,906	1,625,989	127,394				
-	-	-	-	233,443				
57,936	18,525	512,538	373,414	209,577				
-	-	-	-	555,539				
908,214	861,902	1,108,405	1,068,850	-				
-	-	606,591	640,333	-				
-	-	-	-	17,190				
-	-	3,325,400	3,252,400	-				
1,597,575	1,729,613	11,861,827	10,252,889	1,418,690				
47,816	975	476,427	19,654	283,732				
-	-	-	-	1,330,903				
-	-	-	-	17,974				
-	-	38,927,919	42,253,319	-				
60,632	37,003	1,071,504	1,988,436	485,478				
108,448	37,978	40,475,850	44,261,409	2,118,087				
1,706,023	1,767,591	52,337,677	54,514,298	3,536,777				
576	492	10,180	26,355	4,614				
576	492	10,180	26,355	4,614				
4,822,212	4,739,908	116,098,941	101,469,244	553,887				
-	-	3,661,788	3,784,103	-				
-	-	2,268,654	8,141,740	-				
-	-	2,203,765	1,798,772	-				
4,053,711	3,752,208	95,286,710	79,975,930	2,283,255				
8,875,923	8,492,116	219,519,858	195,169,789	2,837,142				
\$ 10,582,522	\$ 10,260,199	\$ 271,867,715	\$ 249,710,442	\$ 6,378,533				

**City of Orem**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For The Year Ended June 30, 2025**

	<b>Business-type Activities - Enterprise Funds</b>				
	<b>Water</b>	<b>Water</b>	<b>Water</b>	<b>Water</b>	<b>Storm Water</b>
	<b>Fund</b>	<b>Fund</b>	<b>Reclamation</b>	<b>Reclamation</b>	<b>Fund</b>
	<b>Current Year</b>	<b>Prior Year</b>	<b>Fund</b>	<b>Fund</b>	<b>Current Year</b>
	<b>Current Year</b>	<b>Prior Year</b>	<b>Current Year</b>	<b>Prior Year</b>	<b>Current Year</b>
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 18,016,875	\$ 16,531,575	\$ 14,491,455	\$ 12,840,202	\$ 6,110,768
Other Revenues	913,541	1,140,189	2,358,556	446,207	31,536
Total Operating Revenues	<u>18,930,416</u>	<u>17,671,764</u>	<u>16,850,011</u>	<u>13,286,409</u>	<u>6,142,304</u>
<b>OPERATING EXPENSES</b>					
Personnel Services	3,087,863	2,863,496	2,853,137	2,482,554	1,559,249
Supplies and Maintenance	1,319,418	1,099,567	1,028,809	915,672	302,475
Administrative Fee	1,419,327	1,288,160	837,213	766,561	376,176
Utilities	603,645	538,302	959,266	899,290	8,203
Contract Services	5,848,465	5,289,858	889,388	901,771	511,951
Equipment Lease and Rentals	37,005	47,859	4,055	367	90
Insurance	150,368	149,062	291,821	280,686	64,263
Charges in Lieu of Property Tax	71,787	71,787	52,665	52,665	29,316
Depreciation Expense	2,883,715	2,885,364	1,846,634	1,775,220	966,628
Miscellaneous	180,938	143,135	157,206	144,511	77,480
Total Operating Expenses	<u>15,602,531</u>	<u>14,376,590</u>	<u>8,920,194</u>	<u>8,219,297</u>	<u>3,895,831</u>
Operating Income (Loss)	<u>3,327,885</u>	<u>3,295,174</u>	<u>7,929,817</u>	<u>5,067,112</u>	<u>2,246,473</u>
<b>NONOPERATING REVENUES</b>					
<b>AND EXPENSES</b>					
Investment Earnings	2,134,283	3,340,985	1,409,170	1,224,410	768,993
Gain (Loss) on Sale of Capital Assets	282,246	2,028	80,562	84,847	115,078
Impact Fee Expenditures	(198,882)	(289,469)	(16,358)	(1,970)	(6,304)
Interest Expense	(810,145)	(861,099)	(210,326)	(218,814)	(74,847)
Total Nonoperating Revenues & Expenses	<u>1,407,502</u>	<u>2,192,445</u>	<u>1,263,048</u>	<u>1,088,473</u>	<u>802,920</u>
Income (Loss) before Transfers and Contributions	4,735,387	5,487,619	9,192,865	6,155,585	3,049,393
Capital Donations/Grants	7,005,710	325,845	-	-	-
Contributions - Impact Fees	288,182	451,871	84,046	72,912	46,437
Contributions - Developers	483,950	383,227	81,480	1,242,678	264,910
Transfers In	230,144	215,963	-	-	-
Transfers Out	(1,027,248)	(1,019,922)	(207,953)	(193,761)	(261,041)
Change in Net Position	11,716,125	5,844,603	9,150,438	7,277,414	3,099,699
Total Net Position - Beginning	90,292,385	84,447,782	63,257,329	55,979,915	33,127,959
Total Net Position - Ending	<u>\$ 102,008,510</u>	<u>\$ 90,292,385</u>	<u>\$ 72,407,767</u>	<u>\$ 63,257,329</u>	<u>\$ 36,227,658</u>

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

<b>Storm Water Fund Prior Year</b>	<b>Other Enterprise Funds Current Year</b>	<b>Other Enterprise Funds Prior Year</b>	<b>Total Current Year</b>	<b>Total Prior Year</b>	<b>Governmental Activities Internal Service Funds Current Year</b>
\$ 5,841,286	\$ 10,952,805	\$ 9,965,547	\$ 49,571,903	\$ 45,178,610	\$ 9,666,902
65,356	170,181	114,514	3,473,814	1,766,266	7,457
5,906,642	11,122,986	10,080,061	53,045,717	46,944,876	9,674,359
1,337,957	2,966,815	2,117,931	10,467,064	8,801,938	4,785,928
320,410	838,512	1,293,671	3,489,214	3,629,320	4,329,685
352,403	427,105	339,585	3,059,821	2,746,709	-
8,657	510,503	581,572	2,081,617	2,027,821	550,437
576,921	5,275,840	4,476,936	12,525,644	11,245,486	-
4,091	-	-	41,150	52,317	23,487
69,927	143,171	137,796	649,623	637,471	-
29,316	-	-	153,768	153,768	-
987,659	189,599	155,381	5,886,576	5,803,624	98,611
71,527	174,074	119,039	589,698	478,212	-
3,758,868	10,525,619	9,221,911	38,944,175	35,576,666	9,788,148
2,147,774	597,367	858,150	14,101,542	11,368,210	(113,789)
644,319	181,681	191,594	4,494,127	5,401,308	-
-	-	31	477,886	86,906	78
(1,970)	-	-	(221,544)	(293,409)	-
(86,433)	-	-	(1,095,318)	(1,166,346)	(1,542)
555,916	181,681	191,625	3,655,151	4,028,459	(1,464)
2,703,690	779,048	1,049,775	17,756,693	15,396,669	(115,253)
-	-	-	7,005,710	325,845	-
47,518	-	-	418,665	572,301	-
178,605	-	-	830,340	1,804,510	-
-	134,000	-	364,144	215,963	-
(255,458)	(529,241)	(465,639)	(2,025,483)	(1,934,780)	(167,128)
2,674,355	383,807	584,136	24,350,069	16,380,508	(282,381)
30,453,604	8,492,116	7,907,980	195,169,789	178,789,281	3,119,523
\$ 33,127,959	\$ 8,875,923	\$ 8,492,116	\$ 219,519,858	\$ 195,169,789	\$ 2,837,142

**City of Orem**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For The Year Ended June 30, 2025**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Water</b>	<b>Water</b>	<b>Water</b>
	<b>Fund</b>	<b>Fund</b>	<b>Reclamation</b>	<b>Reclamation</b>
	<b>Current Year</b>	<b>Prior Year</b>	<b>Current Year</b>	<b>Prior Year</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from Customers and Users	\$ 18,863,938	\$ 17,533,820	\$ 16,804,942	\$ 13,138,383
Receipts from Interfund Services Provided	-	-	-	-
Payments to Suppliers	(9,384,695)	(8,680,214)	(3,457,205)	(3,271,591)
Payments for Personnel	(4,070,621)	(1,580,008)	(2,751,874)	(2,599,210)
Payments for Interfund Services Used	(1,419,327)	(1,288,160)	(837,213)	(766,561)
Net Cash Provided (Used) by Operating Activities	<u>3,989,295</u>	<u>5,985,438</u>	<u>9,758,650</u>	<u>6,501,021</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers In	230,144	215,963	-	-
Transfers Out	(1,027,248)	(1,019,922)	(207,953)	(193,761)
Net Cash Provided (Used) by Noncapital Activities	<u>(797,104)</u>	<u>(803,959)</u>	<u>(207,953)</u>	<u>(193,761)</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(8,083,771)	(22,144,996)	(8,418,016)	(1,704,526)
Proceeds from Sales of Capital Assets	364,426	194,561	122,546	143,740
Receipts from Impact Fees Collected	288,182	451,871	84,046	72,912
Payments to Developers - Impact Fees	(198,882)	(289,469)	(16,358)	(1,970)
Donations / Grants	7,005,710	325,845	-	-
Principal paid on Outstanding Debt	(1,651,882)	(1,606,268)	(765,000)	(760,000)
Interest paid on Outstanding Debt	(1,003,425)	(1,053,596)	(274,550)	(282,925)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,279,642)</u>	<u>(24,122,052)</u>	<u>(9,267,332)</u>	<u>(2,532,769)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Investment Earnings	2,134,283	3,340,985	1,409,170	1,224,410
Net Cash Provided (Used) by Investing Activities	<u>2,134,283</u>	<u>3,340,985</u>	<u>1,409,170</u>	<u>1,224,410</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,046,832	(15,599,588)	1,692,535	4,998,901
Cash and Cash Equivalents - Beginning of Year	42,589,606	58,189,194	38,775,801	33,776,900
Cash and Cash Equivalents - End of Year	<u>\$ 44,636,438</u>	<u>\$ 42,589,606</u>	<u>\$ 40,468,336</u>	<u>\$ 38,775,801</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>				
<b>Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	\$ 3,327,885	\$ 3,295,174	\$ 7,929,817	\$ 5,067,112
Adjustments to Reconcile Operating Income (Loss) to Net Cash				
Provided (Used) by Operating Activities:				
Depreciation Expense	\$ 2,883,715	\$ 2,885,364	\$ 1,846,634	\$ 1,775,220
(Increase) Decrease in Receivables	(59,721)	(117,090)	(45,069)	(148,026)
(Increase) Decrease in Inventory	-	-	-	-
(Increase) Decrease in Pension Assets	339,085	(430,119)	445,232	(565,437)
Increase (Decrease) in Accounts Payable	(1,184,506)	(1,353,407)	(73,995)	(76,629)
Increase (Decrease) in Customer Deposits	11,437	12,763	-	-
Increase (Decrease) in Accrued Liabilities	(1,260,172)	1,267,363	(97,931)	(129,082)
Increase (Decrease) in Unearned Revenue	(6,757)	(20,854)	-	-
Increase (Decrease) in Accrued Vacation/PTO Leave	220,807	1,499	132,637	(8,764)
Increase (Decrease) in Pension Liabilities	(282,478)	444,745	(378,675)	586,627
Increase (Decrease) in Claims and Judgments	-	-	-	-
Total Adjustments	<u>661,410</u>	<u>2,690,264</u>	<u>1,828,833</u>	<u>1,433,909</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,989,295</u>	<u>\$ 5,985,438</u>	<u>\$ 9,758,650</u>	<u>\$ 6,501,021</u>
<b>Noncash Investing, Capital, and Financing Activities:</b>				
Contributions of Capital Assets from Developers	\$ 483,950	\$ 383,227	\$ 81,480	\$ 1,242,678
Retainage & Payables Related to Capital Asset Acquisitions	3,577,976	1,267,901	78,264	113,532

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
\$ 6,132,891	\$ 5,853,201	\$ 11,140,435	\$ 10,047,820	\$ 52,942,206	\$ 46,573,224	\$ -
-	-	-	-	-	-	9,674,359
(998,265)	(1,474,121)	(7,194,939)	(6,523,572)	(21,035,104)	(19,949,498)	(5,129,458)
(1,357,792)	(1,343,328)	(2,873,870)	(2,083,648)	(11,054,157)	(7,606,194)	(4,444,110)
(376,176)	(352,403)	(427,105)	(339,585)	(3,059,821)	(2,746,709)	-
3,400,658	2,683,349	644,521	1,101,015	17,793,124	16,270,823	100,791
-	-	134,000	-	364,144	215,963	-
(261,041)	(255,458)	(529,241)	(465,639)	(2,025,483)	(1,934,780)	(167,128)
(261,041)	(255,458)	(395,241)	(465,639)	(1,661,339)	(1,718,817)	(167,128)
(3,210,383)	(1,506,957)	(249,951)	(598,970)	(19,962,121)	(25,955,449)	(78,499)
150,566	9,551	-	31	637,538	347,883	78
46,437	47,518	-	-	418,665	572,301	-
(6,304)	(1,970)	-	-	(221,544)	(293,409)	-
-	-	-	-	7,005,710	325,845	-
(480,118)	(470,732)	-	-	(2,897,000)	(2,837,000)	(38,292)
(79,761)	(91,253)	-	-	(1,357,736)	(1,427,774)	(1,542)
(3,579,563)	(2,013,843)	(249,951)	(598,939)	(16,376,488)	(29,267,603)	(118,255)
768,993	644,319	181,681	191,594	4,494,127	5,401,308	-
768,993	644,319	181,681	191,594	4,494,127	5,401,308	-
329,047	1,058,367	181,010	228,031	4,249,424	(9,314,289)	(184,592)
14,381,073	13,322,706	4,762,155	4,534,124	100,508,635	109,822,924	5,038,390
\$ 14,710,120	\$ 14,381,073	\$ 4,943,165	\$ 4,762,155	\$ 104,758,059	\$ 100,508,635	\$ 4,853,798
\$ 2,246,473	\$ 2,147,774	\$ 597,367	\$ 858,150	\$ 14,101,542	\$ 11,368,210	\$ (113,789)
\$ 966,628	\$ 987,659	\$ 189,599	\$ 155,381	\$ 5,886,576	\$ 5,803,624	\$ 98,611
(9,413)	(53,441)	(28,863)	(17,660)	(143,066)	(336,217)	-
-	-	-	-	-	-	10,601
339,633	(380,234)	(9,001)	(29,289)	1,114,949	(1,405,079)	770,913
(4,487)	(393,272)	(251,593)	86,688	(1,514,581)	(1,736,620)	80,062
-	-	-	-	11,437	12,763	-
1,290	644	(9,265)	26,928	(1,366,078)	1,165,853	35,767
-	-	46,312	(14,581)	39,555	(35,435)	-
156,201	(16,728)	86,252	4,780	595,897	(19,213)	275,729
(295,667)	390,947	23,713	30,618	(933,107)	1,452,937	(704,824)
-	-	-	-	-	-	(189,051)
1,154,185	535,575	47,154	242,865	3,691,582	4,902,613	214,580
\$ 3,400,658	\$ 2,683,349	\$ 644,521	\$ 1,101,015	\$ 17,793,124	\$ 16,270,823	\$ 100,791
\$ 264,910	\$ 178,605	\$ -	\$ -	\$ 830,340	\$ 1,804,510	\$ -
560,886	-	43,097	21,592	4,260,223	1,403,025	43,243

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**NOTES  
TO THE  
FINANCIAL  
STATEMENTS**

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**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 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, 2025**

**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, 2025

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 or other tax revenues when such debt exists.

City of Orem  
Notes to the Financial Statements  
June 30, 2025

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, 2025

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, 2025

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 non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

City of Orem  
Notes to the Financial Statements  
June 30, 2025

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, 2025**

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 <sup>1</sup> / <sub>3</sub>
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, paid time off (PTO), sick leave, and short-term medical leave (STML) are not expected to be liquidated with expendable available financial resources and are 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, PTO, sick leave, and STML 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 while vested and/or accumulated sick leave and STML use estimates to determine if the

City of Orem  
Notes to the Financial Statements  
June 30, 2025

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)*

leave is more likely than not to be used or otherwise paid or settled. Thus, all governmental and proprietary funds record all compensated absences as a liability in the Statement of Net Position and as an expense in the Statement of Activities.

Employees are limited as to how much they can accumulate in vacation leave and PTO. Traditional vacation employees earn sick leave and PTO plan employees earn short-term medical leave (STML). Both the sick leave and STML plans may accumulate hours without limitation.

*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. However, they are not material and thus, no "right to use liabilities" have been recorded in the City's financial statements.

If they were material, the City would recognize 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 would be reduced by the principal portion of any 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 would be 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, 2025

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 non-cancellable 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.

If lease assets that are material exist, they are reported with other capital assets and if lease liabilities that are material exist, they 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, 2025

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, 2025

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	\$ 430,525,670
Accumulated Depreciation	(175,261,333)
Net adjustment to increase <i>fund balance</i> - <i>total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 255,264,337

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, 2025 were as follows:

<u>Long-term Liability Type</u>	
General Obligation Bonds	\$ 24,500,000
Revenue Bonds	8,800,000
Leases	3,172,164
Less: Internal Service Funds - Current Portion	(17,190)
Notes Payable	99,930
Bond Premiums Deferred	3,825,783
Compensated Absences	5,050,858
Less: Internal Service Funds - Current Portion	(209,577)
Net Pension Liability	9,770,795
Other Long-term Liabilities (inc. Claims & Judgments)	1,886,442
Less: Internal Service Funds - Current Portion	(555,539)
Net adjustment to reduce <i>fund balance</i> - <i>total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 56,323,666

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**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	\$ 1,080,000
Revenue Bonds	400,000
Leases	485,000
Notes Payable	95,000
Subtotal	2,060,000
Net adjustment to increase <i>net changes in fund balance</i> - total governmental funds to arrive at <i>changes in net position of governmental activities</i>	\$ 2,060,000

**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 1<sup>st</sup>. The operating budget includes proposed expenditures and the proposed sources of revenues.

Between May 1<sup>st</sup> and June 30<sup>th</sup>, the City Council reviews and adjusts the proposed budget. On or before June 30<sup>th</sup>, 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 31<sup>st</sup>, 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, 2025**

**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 1<sup>st</sup> and delinquent after November 30<sup>th</sup> 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, 2025**

**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	\$ 55,848
Cash on Deposit - Checking	17,185,497
Cash on Deposit - Payroll	50,000
Total Cash on Hand & On Deposit	\$ 17,291,345

*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, 2025, \$18,029,659 of the City’s bank balance of \$18,381,440 is exposed to custodial credit risk as uninsured and uncollateralized. The carrying amount of the deposits at June 30, 2025, is \$17,291,345.

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, 2025**

**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	\$ 153,430,032	\$ -	\$ 153,430,032	\$ -
Zions Bank Inst. Liquidity Management Fund	12,260,887	12,260,887	-	-
Moreton Asset Management Fund	13,876,485	13,876,485	-	-
Total Debt Securities	<u>179,567,404</u>	<u>26,137,372</u>	<u>153,430,032</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 179,567,404</u>	<u>\$ 26,137,372</u>	<u>\$ 153,430,032</u>	<u>\$ -</u>
Total Investments Measured at Fair Value	<u>\$ 179,567,404</u>			

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**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, 2025, 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, 2025, 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	\$ 153,430,032	\$ 153,430,032	\$ -	\$ -	\$ -
Zions Bank Inst. Liquidity Management Fund	12,260,887	1,312,986	10,947,901	-	-
Moreton Asset Management Fund	13,876,485	3,805,178	10,071,307	-	-
<b>Total Debt Securities</b>	<b>\$ 179,567,404</b>	<b>\$ 158,548,196</b>	<b>\$ 21,019,208</b>	<b>\$ -</b>	<b>\$ -</b>

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**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, 2025, are presented below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Ratings</u>			
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
<u>Debt Securities:</u>					
Utah Public Treasurer's Investment Fund	\$ 153,430,032	\$ -	\$ -	\$ -	\$ 153,430,032
Zions Bank Inst. Liquidity Management Fund	12,260,887	-	5,866,302	6,331,677	62,908
Moreton Asset Management Fund	13,876,485	265,040	3,005,009	3,171,551	7,434,885
<b>Total Debt Securities</b>	<b>\$ 179,567,404</b>	<b>\$ 265,040</b>	<b>\$ 8,871,311</b>	<b>\$ 9,503,228</b>	<b>\$ 160,927,825</b>

*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, 2025, 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 \$13,876,485 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, 2025**

**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, 2025, 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, 2025**

**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, 2025) and then compare those values to come up with an agreed upon fair value of the securities.

As of June 30, 2025, the City had \$153,126,013 invested in the PTIF which had a fair value of \$153,430,032 for an unrealized gain of \$304,019.

The following table shows statistical information about this investment pool:

Investment Type	Investment Percentage
Corporate Bonds and Notes	6.75 %
Money Market Accounts and Certificates of Deposit	4.92 %
U.S. Government Securities	88.33 %
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, 2025**

**4. Detailed Notes for all Funds (continued)**

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

Managed Investment Funds (continued)

As of June 30, 2025, the City had \$12,283,588 invested in the ILM which had a fair value of \$12,260,887 for an unrealized loss of \$22,701.

The following table shows statistical information about this fund:

Investment Type	Investment Percentage
Corporate Bonds and Notes	71.84 %
Money Market Accounts and Certificates of Deposit	0.51 %
U.S. Government Securities	27.65 %
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, 2025, the City had \$13,846,551 invested in the Moreton Asset Management Fund which had a fair value of \$13,876,485 for an unrealized gain of \$29,934.

The following table shows statistical information about this fund:

Investment Type	Investment Percentage
Corporate Bonds and Notes	26.12 %
Money Market Accounts and Certificates of Deposit	67.70 %
U.S. Government Securities	6.18 %
Total	100.00 %

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**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, 2025, as summarized below, has been shown in the government-wide Statement of Net Position as follows:

Housing Rehabilitation Loans	\$ 186,524
Business Development Loans	13,172
Total	\$ 199,696

**E. Receivables**

All receivables are expected to be collected within one year except for \$2,434,459 of leases receivable in the Capital Projects Fund and \$281,996 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, 2025, the various components of *deferred* and *unearned revenues* reported in the governmental funds were as follows:

	Unavailable	Unearned
Property Taxes Receivable	\$ 10,467,613	\$ 10,467,613
Accounts, Notes & Leases Receivable	3,010,010	2,434,459
Donations and Other Funds to be Used for Specific Programs	-	2,216,555
Grant & Other Money Used in Revolving Loan Programs	199,696	-
Special Assessments not yet Due	34,842	-
Total Deferred & Unearned Revenues for Governmental Funds	\$ 13,712,161	\$ 15,118,627

Receivables as of June 30, 2025, 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, 2025**

**4. Detailed Notes for all Funds (continued)**

**E. Receivables (continued)**

	<u>Receivables</u>	<u>Allowance for Uncollectibles</u>	<u>Net Total Receivables</u>
<b><u>Governmental Activities</u></b>			
<b>General:</b>			
Property Taxes	\$ 6,800,000	\$ -	\$ 6,800,000
Other Taxes	8,268,239	-	8,268,239
Special Assessments	34,842	-	34,842
Intergovernmental	1,173,722	-	1,173,722
Accounts	1,339,459	(2,523)	1,336,936
	<u>17,616,262</u>	<u>(2,523)</u>	<u>17,613,739</u>
<b>Debt Service:</b>			
Property Taxes	1,617,613	-	1,617,613
Notes Receivable	53,819,273	(53,819,273)	-
	<u>55,436,886</u>	<u>(53,819,273)</u>	<u>1,617,613</u>
<b>Capital Projects:</b>			
Leases Receivable	2,478,377	-	2,478,377
Accounts	3,303	-	3,303
	<u>2,481,680</u>	<u>-</u>	<u>2,481,680</u>
<b>Nonmajor Funds:</b>			
Property Taxes	2,050,000	-	2,050,000
Other Taxes	1,352,510	-	1,352,510
Intergovernmental	88,743	-	88,743
Notes Receivable	448,479	(136,083)	312,396
	<u>3,939,732</u>	<u>(136,083)</u>	<u>3,803,649</u>
Subtotal - Governmental Activities	<u>79,474,560</u>	<u>(53,957,879)</u>	<u>25,516,681</u>
<b><u>Business-type Activities</u></b>			
<b>Water:</b>			
Accounts	2,271,487	(21,406)	2,250,081
<b>Water Reclamation:</b>			
Accounts	1,713,368	(14,075)	1,699,293
<b>Storm Water:</b>			
Accounts	615,196	(5,989)	609,207
<b>Nonmajor Funds:</b>			
Accounts	736,906	(7,184)	729,722
Subtotal - Business-type Activities	<u>5,336,957</u>	<u>(48,654)</u>	<u>5,288,303</u>
<b>Totals</b>	<u>\$ 84,811,517</u>	<u>\$ (54,006,533)</u>	<u>\$ 30,804,984</u>

**Leases Receivable**

The City leases certain properties to third parties. As of June 30, 2025, 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, 2025**

**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 August 31, 2023, the City of Orem, as lessor, entered into a cell tower lease agreement with Verizon Wireless, the lessee, for property located at 233 East Center Street. The lease, including extensions, will end on September 14, 2047. The lease payment is due annually and the city received \$25,950 for the fiscal year ended June 30, 2025.

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 \$59,736 for the fiscal year ended June 30, 2025.

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 \$60,445 for the fiscal year ended June 30, 2025.

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 \$34,601 for the fiscal year ended June 30, 2025.

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 \$29,577 for the fiscal year ended June 30, 2025.

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**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 \$34,599 for the fiscal year ended June 30, 2025.

**F. Capital Assets**

Governmental activities capital asset activity for the year ended June 30, 2025, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
<b><u>Governmental Activities</u></b>				
Capital Assets, not being depreciated:				
Land	\$ 74,011,854	\$ 1,566,117	\$ -	\$ 75,577,971
Intangibles	88,548	-	-	88,548
Construction in Progress	36,183,762	25,730,271	(19,072,116)	42,841,917
Total Capital Assets, not being depreciated	<u>110,284,164</u>	<u>27,296,388</u>	<u>(19,072,116)</u>	<u>118,508,436</u>
Capital Assets, being depreciated:				
Buildings and Systems	71,162,975	6,236	(50,140)	71,119,071
Improvements other than Buildings	48,149,541	18,258,297	(504,693)	65,903,145
Machinery and Equipment	31,553,038	3,073,798	(1,655,009)	32,971,827
Infrastructure	137,655,557	4,367,634	-	142,023,191
Total Capital Assets, being depreciated	<u>288,521,111</u>	<u>25,705,965</u>	<u>(2,209,842)</u>	<u>312,017,234</u>
Less Accumulated Depreciation for:				
Buildings and Systems	(30,102,830)	(2,218,198)	50,140	(32,270,888)
Improvements other than Buildings	(30,754,302)	(1,446,217)	535,224	(31,665,295)
Machinery and Equipment	(20,439,739)	(2,500,209)	1,558,005	(21,381,943)
Infrastructure	(86,857,156)	(3,086,051)	-	(89,943,207)
Total Accumulated Depreciation	<u>(168,154,027)</u>	<u>(9,250,675)</u>	<u>2,143,369</u>	<u>(175,261,333)</u>
Total Capital Assets, being depreciated, net	<u>120,367,084</u>	<u>16,455,290</u>	<u>(66,473)</u>	<u>136,755,901</u>
Governmental Activities Capital Assets, net	<u>\$ 230,651,248</u>	<u>\$ 43,751,678</u>	<u>\$ (19,138,589)</u>	<u>\$ 255,264,337</u>

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**4. Detailed Notes for all Funds (continued)**

**F. Capital Assets (continued)**

Business-type activities capital asset activity for the year ended June 30, 2025, was as follows:

	<b>Beginning</b>			<b>Ending</b>
	<b>Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance</b>
<b><u>Business-type Activities</u></b>				
Capital Assets, not being depreciated:				
Land	\$ 6,496,507	\$ -	\$ -	\$ 6,496,507
Intangibles	1,399,690	-	-	1,399,690
Construction in Progress	42,518,205	22,326,972	(9,060,093)	55,785,084
Total Capital Assets, not being depreciated	<u>50,414,402</u>	<u>22,326,972</u>	<u>(9,060,093)</u>	<u>63,681,281</u>
Capital Assets, being depreciated:				
Buildings and Systems	6,189,764	6,236	-	6,196,000
Improvements other than Buildings	12,109,981	454,545	-	12,564,526
Machinery and Equipment	15,331,560	2,144,523	(817,405)	16,658,678
Infrastructure	157,914,943	9,286,223	(264,852)	166,936,314
Total Capital Assets, being depreciated	<u>191,546,248</u>	<u>11,891,527</u>	<u>(1,082,257)</u>	<u>202,355,518</u>
Less Accumulated Depreciation for:				
Buildings and Systems	(5,679,833)	(55,389)	-	(5,735,222)
Improvements other than Buildings	(9,145,968)	(536,513)	-	(9,682,481)
Machinery and Equipment	(10,364,222)	(1,007,315)	546,280	(10,825,257)
Infrastructure	(74,856,081)	(4,287,359)	264,852	(78,878,588)
Total Accumulated Depreciation	<u>(100,046,104)</u>	<u>(5,886,576)</u>	<u>811,132</u>	<u>(105,121,548)</u>
Total Capital Assets, being depreciated, net	<u>91,500,144</u>	<u>6,004,951</u>	<u>(271,125)</u>	<u>97,233,970</u>
Business-type Activities Capital Assets, net	<u>\$ 141,914,546</u>	<u>\$ 28,331,923</u>	<u>\$ (9,331,218)</u>	<u>\$ 160,915,251</u>

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**4. Detailed Notes for all Funds (continued)**

**F. Capital Assets (continued)**

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

	<b>Depreciation Expense</b>
<b><u>Governmental Activities</u></b>	
General Government	\$ 360,698
Public Safety	1,689,990
Highway and Streets	4,377,350
Parks, Recreation and Arts	2,518,246
Redevelopment	98,830
Economic and Physical Development	106,950
Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets	98,611
Subtotal - Governmental Activities	9,250,675
<b><u>Business-type Activities</u></b>	
Water	2,883,715
Water Reclamation	1,846,634
Storm Water	966,628
Recreation	38,187
Solid Waste	126
Street Lighting	151,286
Subtotal - Business-type Activities	5,886,576
Total Depreciation Expense	\$ 15,137,251

**Construction Commitments**

The City has active construction projects as of June 30, 2025. 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	\$ 27,768,058	\$ 18,548,159
Street Construction and Improvements	5,962,063	5,308,575
Public Facility Construction & Improvements	24,541,598	4,544,058
Park and Recreation Improvements	1,710,108	2,449,000
Water Reclamation Improvements	10,352,000	12,148,212
Storm Water Improvements	2,568,563	6,547,590
Total	\$ 72,902,390	\$ 49,545,594

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**4. Detailed Notes for all Funds (continued)**

**G. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2025, 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 In						Total
	General	Debt Service	Capital Projects	Water	Recreation	Senior Citizens	
Transfers Out	Fund	Fund	Fund	Fund	Fund	Fund	
<b>Major Funds:</b>							
General	\$ -	\$ 4,552,974	\$ 3,254,109	\$ -	\$ -	\$ -	\$ 7,807,083
Water	1,027,248	-	-	-	-	-	1,027,248
Water Reclmntn	59,425	-	-	148,528	-	-	207,953
Storm Water	179,425	-	-	81,616	-	-	261,041
<b>Nonmajor Governmental Funds:</b>							
CARE Tax	41,104	-	-	-	-	-	41,104
Redevelopment	151,254	-	-	-	-	-	151,254
Orem Comm. Fd	90,526	-	82,910	-	134,000	-	307,436
Community Dev.	82,051	-	-	-	-	-	82,051
Sr Citizens Fund	27,000	-	-	-	-	-	27,000
<b>Nonmajor Enterprise Funds:</b>							
Recreation	88,450	-	-	-	-	-	88,450
Solid Waste	50,528	-	-	-	-	-	50,528
Sreet Lighting	101,629	288,634	-	-	-	-	390,263
<b>Internal Service Funds:</b>							
Fleet Maint.	67,611	-	-	-	-	-	67,611
Self-Insurance	63,000	-	-	-	-	36,517	99,517
<b>Total</b>	<b>\$ 2,029,251</b>	<b>\$ 4,841,608</b>	<b>\$ 3,337,019</b>	<b>\$ 230,144</b>	<b>\$ 134,000</b>	<b>\$ 36,517</b>	<b>\$ 10,608,539</b>

**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, 2025**

**4. Detailed Notes for all Funds (continued)**

**H. Jointly Governed Organizations (continued)**

with URMA. During the year ended June 30, 2025, the City paid premiums of approximately \$296,000 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, 2025, the City paid solid waste tipping fees of approximately \$1,245,000 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, 2025, the City paid participation fees of approximately \$222,000 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, 2025, the City paid UTOPIA approximately \$54,000 in customer service fees. The City also paid \$3,560,710 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, 2025**

**4. Detailed Notes for all Funds (continued)**

**H. Jointly Governed Organizations (continued)**

June 30, 2025, the City forwarded Contract Utility Enhancement (CUE) agreement receipts of approximately \$31,000 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, 2025:

Year ending June 30,	Governmental Activities
2026	\$ 572,332
2027	556,765
2028	557,380
2029	557,616
2030	558,626
2031-2035	563,758
2036-2040	6,524
Total minimum lease payments	3,373,001
Less: Amount representing interest	(200,837)
Present value of net minimum lease payments	\$ 3,172,164

Equipment and related accumulated depreciation under leases is as follows:

	Governmental Activities
Cost of Equipment	\$ 6,331,185
Accumulated Depreciation	(1,856,379)
Difference	\$ 4,474,806

**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 \$24,500,000.

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**4. Detailed Notes for all Funds (continued)**

**J. Long-term Debt (continued)**

General Obligation Bonds (continued)

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

General obligation bonds outstanding at June 30, 2025, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities:		
2019 Public Facilities Construction	3.625% to 5.00%	\$ 24,500,000
Total		<u>\$ 24,500,000</u>

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

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
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
2030	605,000	1,075,763	1,680,763
2031-2035	3,765,000	4,903,938	8,668,938
2036-2040	5,330,000	3,779,312	9,109,312
2041-2045	7,375,000	2,201,438	9,576,438
2046-2050	5,420,000	345,656	5,765,656
Totals	<u>\$ 24,500,000</u>	<u>\$ 16,868,433</u>	<u>\$ 41,368,433</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, 2025:

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

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, 2025, is \$172,000.

*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, 2025, is \$1,343,000.

*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, 2025, is \$3,780,000.

*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, 2025, is \$27,260,000.

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

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, 2025, is \$4,165,000.

*Sales Tax Revenue Bonds – Series 2024*

In July of 2024, the City issued revenue bonds of \$9,200,000 through a public offering for the construction of a new fire training facility and to remodel the current public safety building. The terms of the bond contract require principal payable annually commencing in April 2025 and interest payable semi-annually in April and October through April 2044. The interest rate is fixed at 5.00%. Outstanding principal at June 30, 2025, is \$8,800,000.

Revenue bonds currently outstanding at June 30, 2025, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental Activities:		
Public Safety	5.00%	\$ 8,800,000
		<u>8,800,000</u>
Business-type Activities:		
Water	1.48%-5.00%	\$ 24,074,827
Wastewater Treatment	0.00%-5.00%	10,655,000
Storm Water	1.48%-5.00%	1,990,173
		<u>36,720,000</u>
Total		<u>\$ 45,520,000</u>

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

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**4. Detailed Notes for all Funds (continued)**

**J. Long-term Debt (continued)**

Revenue Bonds (continued)

Year Ended June 30,	Governmental Activities		Business-type Activities		Totals
	Principal	Interest	Principal	Interest	
2026	\$ 290,000	\$ 440,000	\$ 2,970,000	\$ 1,285,284	\$ 4,985,284
2027	300,000	425,500	2,875,000	1,205,475	4,805,975
2028	315,000	410,500	3,140,000	1,108,850	4,974,350
2029	335,000	394,750	1,930,000	1,021,650	3,681,400
2030	350,000	378,000	1,500,000	966,825	3,194,825
2031-2035	2,030,000	1,609,000	6,430,000	4,137,050	14,206,050
2036-2040	2,595,000	1,048,000	6,425,000	2,953,300	13,021,300
2041-2045	2,585,000	331,000	7,850,000	1,530,400	12,296,400
2046-2050	-	-	3,600,000	145,400	3,745,400
Totals	<u>\$ 8,800,000</u>	<u>\$ 5,036,750</u>	<u>\$ 36,720,000</u>	<u>\$ 14,354,234</u>	<u>\$ 64,910,984</u>

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, 2025, is \$99,930.

Notes payable currently outstanding at June 30, 2025, are as follows:

Purpose	Interest Rates	Amount
Governmental Activities:		
HUD Section 108 Loan -		
Economic Development	Variable	\$ 99,930
Total		<u>\$ 99,930</u>

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

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**4. Detailed Notes for all Funds (continued)**

**J. Long-term Debt (continued)**

Changes in Long-term Liabilities (continued)

Year Ended June 30,	Governmental Activities		Totals
	Principal	Interest	
2026	\$ 99,930	\$ 1,369	\$ 101,299
Totals	\$ 99,930	\$ 1,369	\$ 101,299

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, 2025, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b><u>Governmental Activities</u></b>					
Bonds Payable:					
General Obligation Bonds	\$ 25,580,000	\$ -	\$ (1,080,000)	\$ 24,500,000	\$ 440,000
Revenue Bonds	-	9,200,000	(400,000)	8,800,000	290,000
Plus Issuance Premiums	3,056,498	977,015	(207,730)	3,825,783	180,481
Total Bonds Payable	28,636,498	10,177,015	(1,687,730)	37,125,783	910,481
Notes Payable	194,930	-	(95,000)	99,930	99,930
Lease Purchase Financing	3,695,456	-	(523,292)	3,172,164	507,190
Compensated Absences	3,180,036	1,870,821	-	5,050,857	3,693,821
Pension Liabilities	6,724,477	3,046,318	-	9,770,795	-
Other Long-term Liabilities	2,075,492	251,934	(440,984)	1,886,442	555,539
Governmental Activities					
Long-term Liabilities	\$ 44,506,889	\$ 15,346,088	\$ (2,747,006)	\$ 57,105,971	\$ 5,766,961
<b><u>Business-type Activities</u></b>					
Bonds Payable:					
Revenue Bonds	\$ 39,617,000	\$ -	\$ (2,897,000)	\$ 36,720,000	\$ 2,970,000
Plus Issuance Premiums	5,888,719	-	(355,400)	5,533,319	355,400
Total Bonds Payable	45,505,719	-	(3,252,400)	42,253,319	3,325,400
Compensated Absences	393,068	595,897	-	988,965	512,538
Pension Liabilities	1,988,436	-	(916,932)	1,071,504	-
Business-type Activities					
Long-term Liabilities	\$ 47,887,223	\$ 595,897	\$ (4,169,332)	\$ 44,313,788	\$ 3,837,938

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**4. Detailed Notes for all Funds (continued)**

**J. Long-term Debt (continued)**

Compensated Absences

The City operates two compensated absence plans. A traditional vacation plan and a 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 the maximum number of hours of earned vacation as shown in the table below. 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 employees' years of service. Employees, upon termination, may be paid up to the maximum number of hours of earned PTO as shown in the table below. Employees in this plan also accumulate hours in a short-term medical leave (STML) bank but these hours are not paid out upon termination.

Plan Type	Regular Maximum Accumulated Hours	Executive Staff Maximum Accumulated Hours	Fire Maximum Accumulated Hours
Vacation Plan:			
0-5 Years of Service	240	364	336
6-10 Years of Service	288	364	404
11+ Years of Service	336	364	470
PTO Plan	480	686	672
Sick Leave Plan	Unlimited	Unlimited	Unlimited
STML Plan	Unlimited	Unlimited	Unlimited

The City has implemented GASB 101 for compensated absences. Amounts for vested vacation and PTO hours earned and not yet paid have been accrued as a liability at June 30, 2025. Sick and STML hours accumulated but not paid have also been accrued as a liability at June 30, 2025, using estimates to determine if the leave is more likely than not to be used or otherwise paid or settled. Any salary-related payments related to Medicare taxes (the City does not participate in Social Security) and pensions were included as part of total liability calculations.

The impact of implementing GASB 101 was not material to the financial statements as a whole or to any one individual fund and thus, prior year fund balances or net position balances were not restated. All changes due to this

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**4. Detailed Notes for all Funds (continued)**

**J. Long-term Debt (continued)**

Compensated Absences (continued)

implementation were accounted for as part of the compensated absences liability and as personnel expenditures in the current fiscal year in the respective fund Statements of Position, Statement of Activities, Balance Sheets, and Statement of Revenues, Expenditures, and Changes in Fund Balances/Net Position.

**K. Equity Classification**

Government-wide and Proprietary Fund Financial Statements

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

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

Governmental Fund Financial Statements

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

- 1) Nonspendable Fund Balance – this classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.
- 2) Restricted Fund Balance – this classification includes amounts that are restricted by enabling legislation. Other amounts are also reported in this classification if they are (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) are imposed by law through constitutional provisions or enabling legislation.

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**4. Detailed Notes for all Funds (continued)**

**K. Equity Classification (continued)**

Governmental Fund Financial Statements (continued)

- 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, 2025.

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

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**4. Detailed Notes for all Funds (continued)**

**K. Equity Classification (continued)**

Governmental Fund Financial Statements (continued)

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds <sup>1</sup>	Total Governmental Funds
<b>Fund Balances:</b>					
Nonspendable:					
Prepays	\$ 56,805	\$ -	\$ -	\$ -	\$ 56,805
	56,805	-	-	-	56,805
Restricted:					
Class "C" Roads	6,588,420	-	-	-	6,588,420
Utopia DSR Pledge	3,631,925	-	-	-	3,631,925
Task Force	2,824,538	-	-	-	2,824,538
Parks, Rec., & Arts	-	-	-	3,651,697	3,651,697
Fitness Center/Scera Pool	-	-	-	144,785	144,785
HeArt of Downtown Prjct	-	-	-	500,000	500,000
Hillcrest/Lakeside Parks	-	-	-	118,270	118,270
Windsor/Library Parks	-	-	-	1,200,000	1,200,000
Street Improvements	-	-	-	4,495,313	4,495,313
Capital Improvements	-	-	-	232,167	232,167
Public Safety	25,000	-	-	526,886	551,886
Debt Service	-	133,020	-	-	133,020
Redevelopment	-	-	-	5,443,088	5,443,088
Community Dev.	-	-	-	342,068	342,068
	13,069,883	133,020	-	16,654,274	29,857,177
Assigned:					
Vehicles	890,288	-	-	-	890,288
Public Safety Equip.	1,610,775	-	3,654	-	1,614,429
Public Safety Oper.	463,752	-	-	-	463,752
Public Safety Bldg Remode	-	-	2,180,840	-	2,180,840
Fire - Vineyard Station	4,356,452	-	-	-	4,356,452
Fire Training Facility	-	-	2,991,761	-	2,991,761
Library Equipment	742,891	-	406,750	-	1,149,641
Library Operations	140,819	-	-	-	140,819
Economic Dev. Funds	223,303	-	-	-	223,303
City Manager Oper.	60,360	-	-	-	60,360
Finance Operations	69,448	-	-	-	69,448
Recreation Operations	10,408	-	-	-	10,408
Public Works Equip.	4,411	-	-	-	4,411
Public Works Oper.	149,839	-	-	-	149,839
Facility Improvements	-	-	640,283	-	640,283
Street/Street Light Imp.	-	-	2,467,206	-	2,467,206
Park Improvements	-	-	2,170,174	-	2,170,174
Fitness Center & Equip.	-	-	588,483	-	588,483
City Center Facility	-	-	2,629,870	-	2,629,870
Debt Service	-	1,065,845	-	-	1,065,845
Community Programs	82,845	-	-	43,486	126,331
Murdock Canal	47,572	-	-	-	47,572
Capital Improvements	804,811	-	197,250	57,614	1,059,675
Senior Citizen Programs	-	-	-	271,279	271,279
Employee Programs	55,213	-	-	-	55,213
	9,713,187	1,065,845	14,276,271	372,379	25,427,682
Unassigned	26,562,945	-	-	-	26,562,945
<b>Total Fund Balances</b>	<b>\$ 49,402,820</b>	<b>\$ 1,198,865</b>	<b>\$ 14,276,271</b>	<b>\$ 17,026,653</b>	<b>\$ 81,904,609</b>

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**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, 2025, the outstanding recapture program liability is \$1,569,995. 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, 2025, the estimated reserves liability is \$330,740. 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, 2024 and 2025 is as follows:

Year ended June 30,	2024	2025
Claim liability, beginning of year	\$ 386,048	\$ 332,321
Claims incurred during the year	-	-
Changes in estimates of claims of prior periods	93,588	11,808
Payments on claims during the year	(147,315)	(13,389)
Claim liability, end of year	<u>\$ 332,321</u>	<u>\$ 330,740</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, 2025**

**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 \$3,560,710. 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 \$62,401,717.

The City does receive an annual "dividend" from earnings which the City uses to offset a portion of the pledge amount paid. For Fiscal Year 2025, the amount received totaled \$1,027,959.

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.

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**5. Other Information (continued)**

**B. Contingent Liabilities (continued)**

Utah Infrastructure Agency (UIA) (continued)

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

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

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 2025.

**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, 2025**

**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](http://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, 2025**

**5. Other Information (continued)**

**C. Pension Plans (continued)**

Summary of Retirement Benefits by System (continued)

A summary of retirement benefits are as follows:

<u>Retirement System</u>	<u>Final Average Salary</u>	<u>Years of Service required and/or Age Eligible for Benefit</u>	<u>Benefit Percentage Per Year of Service</u>	<u>COLA **</u>
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, 2025**

**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, 2025 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	16.97%	N/A
Local Governmental - Tier 2	N/A	N/A	15.89%	N/A
<u>Contributory System</u>				
Local Governmental - Tier 1	6.00%	N/A	12.96%	N/A
Local Governmental - Tier 2	N/A	N/A	17.65%	N/A
<u>Public Safety System</u>				
Noncontributory - Tier 1	N/A	N/A	36.97%	N/A
Contributory (122) - Tier 2	N/A	4.73%	28.02%	N/A
<u>Firefighters System</u>				
Division B - Tier 1	N/A	16.71%	4.34%	N/A
Division B - Tier 2	N/A	4.73%	14.08%	N/A
<u>Tier 2 DC Only</u>				
Local Governmental - Noncontrib.	N/A	N/A	5.19%	10.00%
Local Governmental - Contributory	N/A	N/A	6.95%	10.00%
Public Safety	N/A	N/A	14.02%	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, 2025**

**5. Other Information (continued)**

**C. Pension Plans (continued)**

Contributions (continued)

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

<u>Retirement System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 1,465,938	-
Contributory System	40,412	18,709
Public Safety System	1,463,102	-
Firefighters System	154,752	595,837
Tier 2 Public Employees System	1,436,544	68,780
Tier 2 Public Safety and Firefighter System	1,780,688	381,006
Tier 2 DC Public Employees Plan	115,606	-
Tier 2 DC Public Safety & Firefighter System	27,209	-
Total Contributions	<u>\$ 6,484,251</u>	<u>\$ 1,064,332</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, 2025, the City had a total pension asset of \$7,277,189 and a total pension liability of \$10,842,296.

<u>Retirement System</u>	<u>Proportionate Share</u>	<u>Pension Asset</u>	<u>Pension Liability</u>
Noncontributory System	1.0617355%	\$ -	\$ 3,366,887
Contributory System	2.5475607%	-	319,275
Public Safety System	7.5856182%	-	5,471,569
Firefighters System	4.2763391%	7,277,189	-
Tier 2 Public Employees System	0.3120147%	-	930,549
Tier 2 Public Safety and Firefighter System	1.6671111%	-	754,016
Total Pension Asset / Liability		<u>\$ 7,277,189</u>	<u>\$ 10,842,296</u>

The pension assets and liabilities were measured as of December 31, 2024, and the total pension liability used to calculate the total pension asset and liability was determined by an actuarial valuation as of January 1, 2024, and rolled forward using generally accepted actuarial procedures. The proportion of the

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**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, 2025, the City had pension expenses of \$8,117,996. The following table details this total pension expense by retirement system:

Retirement System	Pension Expense
Noncontributory System	\$ 3,064,845
Contributory System	60,584
Public Safety System	3,634,347
Firefighters System	(747,085)
Tier 2 Public Employees System	1,015,156
Tier 2 Public Safety & Firefighter System	1,090,149
Total	<u>\$ 8,117,996</u>

At June 30, 2025, 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	\$ 2,006,180	\$ -
Contributory System	-	-
Public Safety System	1,574,077	-
Firefighters System	981,576	-
Tier 2 Public Employees System	402,283	6,411
Tier 2 Public Safety & Firefighter System	456,493	39,617
	<u>5,420,609</u>	<u>46,028</u>
Changes in assumptions:		
Noncontributory System	278,504	-
Contributory System	-	-
Public Safety System	188,552	-
Firefighters System	2,858	-
Tier 2 Public Employees System	310,792	96
Tier 2 Public Safety & Firefighter System	422,865	11,840
	<u>1,203,571</u>	<u>11,936</u>

(table continues on next page)

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**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	1,014,160	-
Contributory System	171,421	-
Public Safety System	754,901	-
Firefighters System	812,232	-
Tier 2 Public Employees System	59,476	-
Tier 2 Public Safety & Firefighter System	48,873	-
	<u>2,861,063</u>	<u>-</u>
Changes in proportion and difference between contributions and proportionate share of contributions:		
Noncontributory System	1,748	19,881
Contributory System	-	-
Public Safety System	24,777	-
Firefighters System	-	654,793
Tier 2 Public Employees System	136,136	10,477
Tier 2 Public Safety & Firefighter System	75,639	14,694
	<u>238,300</u>	<u>699,845</u>
Contributions subsequent to the measurement date:		
Noncontributory System	719,856	-
Contributory System	20,165	-
Public Safety System	739,421	-
Firefighters System	76,901	-
Tier 2 Public Employees System	823,358	-
Tier 2 Public Safety & Firefighter System	916,280	-
	<u>3,295,981</u>	<u>-</u>
Total Deferred Outflows / Inflows of Resources:		
Noncontributory System	4,020,448	19,881
Contributory System	191,586	-
Public Safety System	3,281,728	-
Firefighters System	1,873,567	654,793
Tier 2 Public Employees System	1,732,045	16,984
Tier 2 Public Safety & Firefighter System	1,920,150	66,151
	<u>\$ 13,019,524</u>	<u>\$ 757,809</u>

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**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, 2024, are reported as deferred outflows of resources related to pensions in the amount of \$3,295,981 (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
2025	\$ 4,018,485
2026	4,915,040
2027	(986,895)
2028	(45,980)
2029	368,883
Thereafter	696,201

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
2025	\$ 1,917,950	\$ (1,428)	\$ 1,679,039	\$ 230,661	\$ 106,101	\$ 86,163
2026	1,849,420	244,539	1,220,152	1,303,188	164,494	133,247
2027	(411,513)	(61,499)	(302,621)	(331,082)	70,160	49,660
2028	(75,146)	(10,191)	(54,263)	(60,895)	86,338	68,177
2029	-	-	-	-	206,718	162,165
Thereafter	-	-	-	-	257,894	438,307

Actuarial Assumptions

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

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

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

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**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	\$ 14,239,167	\$ 3,366,887	\$ (5,751,438)
Contributory System	1,356,164	319,275	(567,142)
Public Safety System	14,927,237	5,471,569	(2,267,554)
Firefighters System	350,998	(7,277,189)	(13,559,756)
Tier 2 Public Employees System	2,779,325	930,549	(507,616)
Tier 2 Public Safety & Firefighter System	2,571,123	754,016	(698,790)
Total	<u>\$ 36,224,014</u>	<u>\$ 3,565,107</u>	<u>\$ (23,352,296)</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](http://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, 2025**

**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, 2025, was \$46,100,978. The City's expense for this plan for the year ended June 30, 2025, was approximately \$599,000 or 1.30% 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	2025	2024	2023
Employer Contributions	\$ 346,121	\$ 279,222	\$ 288,413
Employee Contributions	\$ -	\$ -	\$ -

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**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, 2025, was \$46,100,978. The City's expense for this plan for the year ended June 30, 2025, was approximately \$2,259,000 or 3.70% 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	2025	2024	2023
Employer Contributions	\$ 175,608	\$ 167,230	\$ 154,633
Employee Contributions	\$ 190,943	\$ 177,458	\$ 186,081

**E. 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.

**City of Orem**  
**Notes to the Financial Statements**  
**June 30, 2025**

**5. Other Information (continued)**

**F. 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, 2025, 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 CDA: University Place	\$ 2,025,071	\$ 257,830
Total	<u>\$ 2,025,071</u>	<u>\$ 257,830</u>

During the year ending June 30, 2025, the RDA expended monies in the categories below as follows:

Economic Development	\$ 1,856,563
Capital Outlay	-
Total	<u>\$ 1,856,563</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
2025	\$ 1,822,564
2024	1,217,065
2023	1,188,797
2022	1,119,739
2021	1,034,885

**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**

<u>System</u>	<b>Proportion of the Total Pension Liability / Asset</b>	<b>Proportionate Share of the Total Pension Liability (Asset)</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Total Pension Liability (Asset) as a % of its Covered Payroll</b>	<b>Plan Fiduciary Total Position as a % of the Total Pension Liability/Asset</b>
<u>Noncontributory System</u>					
As of December 31, 2024	1.0617355%	\$ 3,366,887	\$ 9,240,089	36.4%	96.0%
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%
<u>Contributory System</u>					
As of December 31, 2024	2.5475607%	\$ 319,275	\$ 315,749	101.1%	97.3%
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%
<u>Public Safety System</u>					
As of December 31, 2024	7.5856182%	\$ 5,471,569	\$ 3,975,033	137.6%	91.8%
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%

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**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**

<u>System</u>	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, 2024	4.2763391%	\$ (7,277,189)	\$ 3,846,145	-189.2%	112.7%
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%
<u>Tier 2 Public Employees System</u>					
As of December 31, 2024	0.3120147%	\$ 930,549	\$ 9,244,715	10.1%	87.4%
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%
<u>Tier 2 Public Safety and Firefighters System</u>					
As of December 31, 2024	1.6671111%	\$ 754,016	\$ 7,609,885	9.9%	90.1%
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%
Total - As of December 31, 2024		\$ 3,565,107	\$ 34,231,616	10.4%	
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%	

**REQUIRED  
SUPPLEMENTARY INFORMATION**

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

<b>System</b>	<b>Contributions in relation to the</b>			<b>Covered Payroll</b>	<b>Contribution as a % of Covered Payroll <sup>1</sup></b>
	<b>Contractually Required Contribution</b>	<b>Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>		
<b><u>Noncontributory System</u></b>					
As of June 30, 2025	\$ 1,465,938	\$ 1,465,938	\$ -	\$ 8,968,949	16.34%
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%
<b><u>Contributory System</u></b>					
As of June 30, 2025	\$ 40,412	\$ 40,412	\$ -	\$ 311,822	12.96%
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%
<b><u>Public Safety System</u></b>					
As of June 30, 2025	\$ 1,463,102	\$ 1,463,102	\$ -	\$ 3,985,854	36.71%
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%
<b><u>Firefighters System</u></b>					
As of June 30, 2025	\$ 154,753	\$ 154,753	\$ -	\$ 3,865,262	4.00%
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%
<b><u>Tier 2 Public Employees System *</u></b>					
As of June 30, 2025	\$ 1,436,544	\$ 1,436,544	\$ -	\$ 9,798,710	14.66%
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%

(continued on next page)

**REQUIRED  
SUPPLEMENTARY INFORMATION**

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

<b>System</b>	<b>Contributions in relation to the</b>				<b>Covered Payroll</b>	<b>Contribution as a % of Covered Payroll <sup>1</sup></b>
	<b>Contractually Required Contribution</b>	<b>Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>			
<b>Tier 2 Public Safety &amp; Firefighters System *</b>						
As of June 30, 2025	\$ 1,780,688	\$ 1,780,688	\$ -	\$ 8,056,422	22.10%	
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%	
<b>Tier 2 Public Employees DC Only System *</b>						
As of June 30, 2025	\$ 115,606	\$ 115,606	\$ -	\$ 2,227,480	5.19%	
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%	
<b>Tier 2 Public Safety &amp; Firefighter DC Only System *</b>						
As of June 30, 2025	\$ 27,209	\$ 27,209	\$ -	\$ 401,678	6.77%	
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%	
<b>Total - As of June 30, 2025</b>	<b>\$ 6,484,252</b>	<b>\$ 6,484,252</b>	<b>\$ -</b>	<b>\$ 37,616,177</b>	<b>17.24%</b>	
<b>Total - As of June 30, 2024</b>	<b>\$ 6,568,790</b>	<b>\$ 6,568,790</b>	<b>\$ -</b>	<b>\$ 35,475,395</b>	<b>18.52%</b>	
<b>Total - As of June 30, 2023</b>	<b>\$ 5,881,700</b>	<b>\$ 5,881,700</b>	<b>\$ -</b>	<b>\$ 31,434,259</b>	<b>18.71%</b>	
<b>Total - As of June 30, 2022</b>	<b>\$ 5,585,136</b>	<b>\$ 5,585,136</b>	<b>\$ -</b>	<b>\$ 29,157,589</b>	<b>19.15%</b>	
<b>Total - As of June 30, 2021</b>	<b>\$ 5,120,633</b>	<b>\$ 5,120,633</b>	<b>\$ -</b>	<b>\$ 27,157,040</b>	<b>18.86%</b>	
<b>Total - As of June 30, 2020</b>	<b>\$ 4,735,861</b>	<b>\$ 4,735,861</b>	<b>\$ -</b>	<b>\$ 25,792,310</b>	<b>18.36%</b>	
<b>Total - As of June 30, 2019</b>	<b>\$ 4,622,823</b>	<b>\$ 4,622,823</b>	<b>\$ -</b>	<b>\$ 24,853,145</b>	<b>18.60%</b>	
<b>Total - As of June 30, 2018</b>	<b>\$ 4,530,761</b>	<b>\$ 4,530,761</b>	<b>\$ -</b>	<b>\$ 24,314,300</b>	<b>18.63%</b>	
<b>Total - As of June 30, 2017</b>	<b>\$ 4,243,468</b>	<b>\$ 4,243,468</b>	<b>\$ -</b>	<b>\$ 22,717,186</b>	<b>18.68%</b>	
<b>Total - As of June 30, 2016</b>	<b>\$ 4,163,123</b>	<b>\$ 4,163,123</b>	<b>\$ -</b>	<b>\$ 21,987,340</b>	<b>18.93%</b>	

\* 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.

<sup>1</sup> 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, 2025**

**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*

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

**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 Community Foundation Fund – This fund is used to account for the financial transactions of the Orem Community Foundation, 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, 2025**

	Capital Projects Funds		Special Revenue Funds		
	Capital Projects - Impact Fees Fund	Total	CARE Tax Fund	Tele- Communication Billing Fund	Transportation Sales Tax Fund
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 45,333	\$ -
Intergovernmental Receivables	-	-	-	-	-
Notes Receivable	-	-	-	112,700	-
Restricted Cash and Cash Equivalents:					
Capital Improvement Projects	1,353,888	1,353,888	2,202,698	-	2,002,266
Other Purposes	-	-	3,234,880	-	1,832,041
Restricted Receivables:					
Capital Improvement Projects	-	-	-	-	-
Other Purposes	-	-	607,520	-	744,990
Total Assets	\$ 1,353,888	\$ 1,353,888	\$ 6,045,098	\$ 158,033	\$ 4,579,297
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ 198,179	\$ 95,761	\$ 835,245
Accrued Liabilities	-	-	-	-	75,741
Unearned Revenues	-	-	-	4,658	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	-	198,179	100,419	910,986
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Revenues - Property Taxes	-	-	-	-	-
Deferred Revenues - Receivables	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
<b>FUND BALANCES</b>					
Restricted:					
Parks, Recreation, & Arts	-	-	3,651,697	-	-
Fitness Center Improvements	-	-	30,038	-	-
Scera Pool Improvements	-	-	114,747	-	-
Hillcrest & Lakeside Park Improvements	-	-	118,270	-	-
HeArt of Downtown Project	-	-	500,000	-	-
Library Park Project	-	-	850,000	-	-
Windsor Park Project	-	-	350,000	-	-
Public Safety Improvements	526,886	526,886	-	-	-
Traffic Signals	77,406	77,406	-	-	-
Round-a-bouts	84,086	84,086	-	-	-
Street Improvements	665,510	665,510	-	-	3,668,311
Capital Improvements	-	-	232,167	-	-
Redevelopment	-	-	-	-	-
Community Development	-	-	-	-	-
Assigned:					
Community Programs	-	-	-	-	-
Capital Improvements	-	-	-	57,614	-
Senior Citizen Programs	-	-	-	-	-
Total Fund Balances	1,353,888	1,353,888	5,846,919	57,614	3,668,311
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,353,888	\$ 1,353,888	\$ 6,045,098	\$ 158,033	\$ 4,579,297

**Special Revenue Funds**

<b>Redevelopment Agency Fund</b>	<b>Community Development &amp; Rehabilitation Fund</b>	<b>Orem Community Foundation Fund</b>	<b>Senior Citizens Fund</b>	<b>Total</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ 43,486	\$ 274,508	\$ 363,327	\$ 363,327
-	88,743	-	-	88,743	88,743
-	199,696	-	-	312,396	312,396
5,443,088	-	-	-	9,648,052	11,001,940
-	388,497	-	-	5,455,418	5,455,418
2,050,000	-	-	-	2,050,000	2,050,000
-	-	-	-	1,352,510	1,352,510
<u>\$ 7,493,088</u>	<u>\$ 676,936</u>	<u>\$ 43,486</u>	<u>\$ 274,508</u>	<u>\$ 19,270,446</u>	<u>\$ 20,624,334</u>
\$ -	\$ 36,783	\$ -	\$ 3,229	\$ 1,169,197	\$ 1,169,197
-	20,389	-	-	96,130	96,130
-	-	-	-	4,658	4,658
-	78,000	-	-	78,000	78,000
-	<u>135,172</u>	-	<u>3,229</u>	<u>1,347,985</u>	<u>1,347,985</u>
2,050,000	-	-	-	2,050,000	2,050,000
-	199,696	-	-	199,696	199,696
<u>2,050,000</u>	<u>199,696</u>	-	-	<u>2,249,696</u>	<u>2,249,696</u>
-	-	-	-	3,651,697	3,651,697
-	-	-	-	30,038	30,038
-	-	-	-	114,747	114,747
-	-	-	-	118,270	118,270
-	-	-	-	500,000	500,000
-	-	-	-	850,000	850,000
-	-	-	-	350,000	350,000
-	-	-	-	-	526,886
-	-	-	-	-	77,406
-	-	-	-	-	84,086
-	-	-	-	3,668,311	4,333,821
-	-	-	-	232,167	232,167
5,443,088	-	-	-	5,443,088	5,443,088
-	342,068	-	-	342,068	342,068
-	-	43,486	-	43,486	43,486
-	-	-	-	57,614	57,614
-	-	-	271,279	271,279	271,279
<u>5,443,088</u>	<u>342,068</u>	<u>43,486</u>	<u>271,279</u>	<u>15,672,765</u>	<u>17,026,653</u>
<u>\$ 7,493,088</u>	<u>\$ 676,936</u>	<u>\$ 43,486</u>	<u>\$ 274,508</u>	<u>\$ 19,270,446</u>	<u>\$ 20,624,334</u>

**City of Orem**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For The Year Ended June 30, 2025**

	<u>Capital Projects Funds</u>		<u>Special Revenue Funds</u>		
	<u>Capital Projects - Impact Fees Fund</u>	<u>Total</u>	<u>CARE Tax Fund</u>	<u>Tele-Communication Billing Fund</u>	<u>Transportation Sales Tax Fund</u>
<b>REVENUES</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	3,193,092	-	4,205,803
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Impact Fees	243,921	243,921	-	-	-
Investment Earnings	78,321	78,321	193,897	2,743	168,695
Miscellaneous Revenues	-	-	-	787	741,927
Total Revenues	<u>322,242</u>	<u>322,242</u>	<u>3,386,989</u>	<u>3,530</u>	<u>5,116,425</u>
<b>EXPENDITURES</b>					
Current:					
Highways and Public Improvements	-	-	-	-	162,687
Parks, Recreation and Arts	-	-	1,188,550	-	-
Economic and Physical Development	4,724	4,724	-	8,346	-
Redevelopment	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	626,747	626,747	702,503	-	4,398,177
Total Expenditures	<u>631,471</u>	<u>631,471</u>	<u>1,891,053</u>	<u>8,346</u>	<u>4,560,864</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(309,229)</u>	<u>(309,229)</u>	<u>1,495,936</u>	<u>(4,816)</u>	<u>555,561</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(41,104)	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>(41,104)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(309,229)	(309,229)	1,454,832	(4,816)	555,561
Fund Balances - Beginning	1,663,117	1,663,117	4,392,087	62,430	3,112,750
Fund Balances - Ending	<u>\$ 1,353,888</u>	<u>\$ 1,353,888</u>	<u>\$ 5,846,919</u>	<u>\$ 57,614</u>	<u>\$ 3,668,311</u>

**Special Revenue Funds**

<b>Redevelopment Agency Fund</b>	<b>Community Development &amp; Rehabilitation Fund</b>	<b>Orem Community Foundation Fund</b>	<b>Senior Citizens Fund</b>	<b>Total</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 2,025,071	\$ -	\$ -	\$ -	\$ 2,025,071	\$ 2,025,071
-	-	-	-	7,398,895	7,398,895
-	332,878	-	-	332,878	332,878
-	25,191	-	79,704	104,895	104,895
-	-	-	-	-	243,921
239,626	1,773	-	16,199	622,933	701,254
14,300	-	326,721	14,870	1,098,605	1,098,605
<u>2,278,997</u>	<u>359,842</u>	<u>326,721</u>	<u>110,773</u>	<u>11,583,277</u>	<u>11,905,519</u>
-	-	-	-	162,687	162,687
-	-	-	80,997	1,269,547	1,269,547
-	303,943	-	-	312,289	317,013
1,856,563	-	-	-	1,856,563	1,856,563
-	95,000	-	-	95,000	95,000
-	4,005	-	-	4,005	4,005
-	69,127	-	140,452	5,310,259	5,937,006
<u>1,856,563</u>	<u>472,075</u>	<u>-</u>	<u>221,449</u>	<u>9,010,350</u>	<u>9,641,821</u>
<u>422,434</u>	<u>(112,233)</u>	<u>326,721</u>	<u>(110,676)</u>	<u>2,572,927</u>	<u>2,263,698</u>
-	-	-	36,517	36,517	36,517
(151,254)	(82,051)	(307,436)	(27,000)	(608,845)	(608,845)
<u>(151,254)</u>	<u>(82,051)</u>	<u>(307,436)</u>	<u>9,517</u>	<u>(572,328)</u>	<u>(572,328)</u>
271,180	(194,284)	19,285	(101,159)	2,000,599	1,691,370
<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>\$ 5,443,088</u>	<u>\$ 342,068</u>	<u>\$ 43,486</u>	<u>\$ 271,279</u>	<u>\$ 15,672,765</u>	<u>\$ 17,026,653</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, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property Taxes	\$ 2,282,663	\$ 2,282,663	\$ 2,278,941	\$ (3,722)
Investment Earnings	-	-	10,711	10,711
Total Revenues	<u>2,282,663</u>	<u>2,282,663</u>	<u>2,289,652</u>	<u>6,989</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,080,000	1,480,000	1,480,000	-
Interest and Fiscal Charges	5,415,373	5,091,206	5,089,206	2,000
Leases - Principal	485,000	485,000	485,000	-
Leases - Interest	70,065	70,065	70,064	1
Total Expenditures	<u>7,050,438</u>	<u>7,126,271</u>	<u>7,124,270</u>	<u>2,001</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(4,767,775)</u>	<u>(4,843,608)</u>	<u>(4,834,618)</u>	<u>8,990</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	4,767,775	4,843,608	4,841,608	(2,000)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>4,767,775</u>	<u>4,843,608</u>	<u>4,841,608</u>	<u>(2,000)</u>
Net Change in Fund Balance	-	-	6,990	6,990
Fund Balance - Beginning	<u>1,191,875</u>	<u>1,191,875</u>	<u>1,191,875</u>	-
Fund Balance - Ending	<u>\$ 1,191,875</u>	<u>\$ 1,191,875</u>	<u>\$ 1,198,865</u>	<u>\$ 6,990</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, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 2,291,293	\$ 1,516,047	\$ (775,246)
Investment Earnings	-	305,947	372,729	66,782
Miscellaneous Revenues	370,000	450,450	544,037	93,587
Total Revenues	<u>370,000</u>	<u>3,047,690</u>	<u>2,432,813</u>	<u>(614,877)</u>
<b>EXPENDITURES</b>				
Current:				
Economic and Physical Development	15,000	967,297	128,722	838,575
Capital Outlay	405,000	38,044,891	24,393,418	13,651,473
Bond Issuance Costs	-	168,845	168,845	-
Total Expenditures	<u>420,000</u>	<u>39,181,033</u>	<u>24,690,985</u>	<u>14,490,048</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(50,000)</u>	<u>(36,133,343)</u>	<u>(22,258,172)</u>	<u>13,875,171</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	9,200,000	9,200,000	-
Proceeds from Asset Disposals	-	-	401,100	401,100
Bond Issuance Premium	-	977,015	977,015	-
Transfers In	50,000	3,337,019	3,337,019	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>13,514,034</u>	<u>13,915,134</u>	<u>401,100</u>
Net Change in Fund Balance	-	(22,619,309)	(8,343,038)	14,276,271
Fund Balance - Beginning	<u>22,619,309</u>	<u>22,619,309</u>	<u>22,619,309</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 22,619,309</u>	<u>\$ -</u>	<u>\$ 14,276,271</u>	<u>\$ 14,276,271</u>

**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, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Impact Fees	\$ 450,000	\$ 450,000	\$ 243,921	(206,079)
Investment Earnings	-	-	78,321	78,321
Total Revenues	<u>450,000</u>	<u>450,000</u>	<u>322,242</u>	<u>(127,758)</u>
<b>EXPENDITURES</b>				
Current:				
Economic and Physical Development	-	7,884	4,724	3,160
Capital Outlay	450,000	1,331,848	626,747	705,101
Total Expenditures	<u>450,000</u>	<u>1,339,732</u>	<u>631,471</u>	<u>708,261</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>-</u>	<u>(889,732)</u>	<u>(309,229)</u>	<u>580,503</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>(889,732)</u>	<u>(309,229)</u>	<u>580,503</u>
Fund Balance - Beginning	<u>1,663,117</u>	<u>1,663,117</u>	<u>1,663,117</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,663,117</u>	<u>\$ 773,385</u>	<u>\$ 1,353,888</u>	<u>\$ 580,503</u>

**City of Orem**  
**CARE Tax - Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For The Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Sales Taxes	\$ 3,150,000	\$ 3,150,000	\$ 3,193,092	\$ 43,092
Investment Earnings	150,000	150,000	193,897	43,897
Total Revenues	3,300,000	3,300,000	3,386,989	86,989
<b>EXPENDITURES</b>				
Current:				
Arts and Recreation Development	3,252,750	1,392,548	1,188,550	203,998
Capital Outlay	-	2,905,201	702,503	2,202,698
Total Expenditures	3,252,750	4,297,749	1,891,053	2,406,696
Excess (Deficiency) of Revenues over (under) Expenditures	47,250	(997,749)	1,495,936	2,493,685
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(47,250)	(41,104)	(41,104)	-
Total Other Financing Sources (Uses)	(47,250)	(41,104)	(41,104)	-
Net Change in Fund Balance	-	(1,038,853)	1,454,832	2,493,685
Fund Balance - Beginning	4,392,087	4,392,087	4,392,087	-
Fund Balance - Ending	\$ 4,392,087	\$ 3,353,234	\$ 5,846,919	\$ 2,493,685

**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, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment Earnings	\$ 14,000	\$ 14,000	\$ 2,743	\$ (11,257)
Miscellaneous Revenues	1,000	1,000	787	(213)
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>3,530</u>	<u>(11,470)</u>
<b>EXPENDITURES</b>				
Current:				
Miscellaneous Expenditures	15,000	15,000	8,346	6,654
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>8,346</u>	<u>6,654</u>
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	(4,816)	(4,816)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	(4,816)	(4,816)
Fund Balance - Beginning	<u>62,430</u>	<u>62,430</u>	<u>62,430</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 62,430</u>	<u>\$ 62,430</u>	<u>\$ 57,614</u>	<u>\$ (4,816)</u>

**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, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Sales Taxes	\$ 4,275,000	\$ 4,275,000	\$ 4,205,803	\$ (69,197)
Investment Earnings	150,000	150,000	168,695	18,695
Miscellaneous Revenues	-	-	741,927	741,927
Total Revenues	4,425,000	4,425,000	5,116,425	691,425
<b>EXPENDITURES</b>				
Current:				
Highways & Public Improvements	216,861	162,961	162,687	274
Capital Outlay	4,208,139	5,658,516	4,398,177	1,260,339
Total Expenditures	4,425,000	5,821,477	4,560,864	1,260,613
Excess (Deficiency) of Revenues over (under) Expenditures	-	(1,396,477)	555,561	1,952,038
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(1,396,477)	555,561	1,952,038
Fund Balance - Beginning	3,112,750	3,112,750	3,112,750	-
Fund Balance - Ending	\$ 3,112,750	\$ 1,716,273	\$ 3,668,311	\$ 1,952,038

**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, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property Taxes	\$ 1,325,000	\$ 2,025,071	\$ 2,025,071	\$ -
Investment Earnings	-	15,000	239,626	224,626
Miscellaneous Revenues	-	-	14,300	14,300
Total Revenues	<u>1,325,000</u>	<u>2,040,071</u>	<u>2,278,997</u>	<u>238,926</u>
<b>EXPENDITURES</b>				
Current:				
Redevelopment	1,273,750	1,871,563	1,856,563	15,000
Capital Outlay	-	4,917,908	-	4,917,908
Total Expenditures	<u>1,273,750</u>	<u>6,789,471</u>	<u>1,856,563</u>	<u>4,932,908</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>51,250</u>	<u>(4,749,400)</u>	<u>422,434</u>	<u>5,171,834</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(116,250)	(151,254)	(151,254)	-
Total Other Financing Sources (Uses)	<u>(116,250)</u>	<u>(151,254)</u>	<u>(151,254)</u>	<u>-</u>
Net Change in Fund Balance	(65,000)	(4,900,654)	271,180	5,171,834
Fund Balance - Beginning	<u>5,171,908</u>	<u>5,171,908</u>	<u>5,171,908</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 5,106,908</u>	<u>\$ 271,254</u>	<u>\$ 5,443,088</u>	<u>\$ 5,171,834</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, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 632,646	\$ 616,207	\$ 332,878	\$ (283,329)
Charges for Services	110,000	110,000	25,191	(84,809)
Investment Earnings	-	-	1,773	1,773
Total Revenues	<u>742,646</u>	<u>726,207</u>	<u>359,842</u>	<u>(366,365)</u>
<b>EXPENDITURES</b>				
Current:				
Economic and Physical Development	494,434	441,512	303,943	137,569
Capital Outlay	72,528	199,003	69,127	129,876
Debt Service:				
Principal Retirement	95,000	95,000	95,000	-
Interest and Fiscal Charges	4,006	4,006	4,005	1
Total Expenditures	<u>665,968</u>	<u>739,521</u>	<u>472,075</u>	<u>267,446</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>76,678</u>	<u>(13,314)</u>	<u>(112,233)</u>	<u>(98,919)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	<u>(76,678)</u>	<u>(83,048)</u>	<u>(82,051)</u>	<u>997</u>
Total Other Financing Sources (Uses)	<u>(76,678)</u>	<u>(83,048)</u>	<u>(82,051)</u>	<u>997</u>
Net Change in Fund Balance	-	(96,362)	(194,284)	(97,922)
Fund Balance - Beginning	<u>536,352</u>	<u>536,352</u>	<u>536,352</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 536,352</u>	<u>\$ 439,990</u>	<u>\$ 342,068</u>	<u>\$ (97,922)</u>

**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, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous Revenues	\$ 156,951	\$ 319,147	\$ 326,721	\$ 7,574
Total Revenues	<u>156,951</u>	<u>319,147</u>	<u>326,721</u>	<u>7,574</u>
<b>EXPENDITURES</b>				
Current:				
City Programs	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>156,951</u>	<u>319,147</u>	<u>326,721</u>	<u>7,574</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(156,951)	(319,664)	(307,436)	12,228
Total Other Financing Sources (Uses)	<u>(156,951)</u>	<u>(319,664)</u>	<u>(307,436)</u>	<u>12,228</u>
Net Change in Fund Balance	-	(517)	19,285	19,802
Fund Balance - Beginning	<u>24,201</u>	<u>24,201</u>	<u>24,201</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 24,201</u>	<u>\$ 23,684</u>	<u>\$ 43,486</u>	<u>\$ 19,802</u>

**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, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 56,000	\$ 247,122	\$ 79,704	\$ (167,418)
Investment Earnings	6,000	6,000	16,199	10,199
Miscellaneous Revenues	17,850	18,063	14,870	(3,193)
Total Revenues	79,850	271,185	110,773	(160,412)
<b>EXPENDITURES</b>				
Current:				
Dances	500	500	-	500
Tours	15,650	15,650	15,132	518
Miscellaneous Expenditures	36,700	33,700	65,865	(32,165)
Capital Outlay	-	194,335	140,452	53,883
Total Expenditures	52,850	244,185	221,449	22,736
Excess (Deficiency) of Revenues over (under) Expenditures	27,000	27,000	(110,676)	(137,676)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	36,517	36,517	-
Transfers Out	(27,000)	(27,000)	(27,000)	-
Total Other Financing Sources (Uses)	(27,000)	9,517	9,517	-
Net Change in Fund Balance	-	36,517	(101,159)	(137,676)
Fund Balance - Beginning	372,438	372,438	372,438	-
Fund Balance - Ending	\$ 372,438	\$ 408,955	\$ 271,279	\$ (137,676)

## **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, 2025**

	<u>Recreation Fund Current Year</u>	<u>Recreation Fund Prior Year</u>	<u>Solid Waste Fund Current Year</u>	<u>Solid Waste Fund Prior Year</u>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 1,882,425	\$ 1,597,570	\$ 1,913,835	\$ 2,013,474
Accounts Receivable (Net of Allowance for Doubtful Accounts)	8,050	25,581	597,349	555,619
Total Current Assets	<u>1,890,475</u>	<u>1,623,151</u>	<u>2,511,184</u>	<u>2,569,093</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	544,376	-	-
Machinery and Equipment	138,767	125,965	10,603	-
Infrastructure	-	-	-	-
Construction in Progress	-	-	-	-
Less Accumulated Depreciation	(1,844,057)	(1,805,870)	(126)	-
Total Capital Assets (Net of Accumulated Depreciation)	<u>388,408</u>	<u>413,793</u>	<u>10,477</u>	<u>-</u>
Total Noncurrent Assets	<u>388,408</u>	<u>413,793</u>	<u>10,477</u>	<u>-</u>
Total Assets	<u>2,278,883</u>	<u>2,036,944</u>	<u>2,521,661</u>	<u>2,569,093</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	39,974	27,118	-	-
Total Deferred Outflows of Resources	<u>39,974</u>	<u>27,118</u>	<u>-</u>	<u>-</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 2,318,857</u>	<u>\$ 2,064,062</u>	<u>\$ 2,521,661</u>	<u>\$ 2,569,093</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 50,468	\$ 54,609	\$ 402,030	\$ 521,772
Accrued Liabilities	101,558	91,881	-	-
Compensated Absences	51,866	13,346	-	-
Unearned Revenues	908,214	861,902	-	-
Total Current Liabilities	<u>1,112,106</u>	<u>1,021,738</u>	<u>402,030</u>	<u>521,772</u>
Noncurrent Liabilities:				
Compensated Absences	39,296	702	-	-
Pension Liabilities	54,677	28,405	-	-
Total Noncurrent Liabilities	<u>93,973</u>	<u>29,107</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,206,079</u>	<u>1,050,845</u>	<u>402,030</u>	<u>521,772</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	519	377	-	-
Total Deferred Inflows of Resources	<u>519</u>	<u>377</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	388,408	413,793	10,477	-
Unrestricted	723,851	599,047	2,109,154	2,047,321
Total Net Position	<u>1,112,259</u>	<u>1,012,840</u>	<u>2,119,631</u>	<u>2,047,321</u>
Total Liabilities, Deferred Inflows of Resources, & Net Position	<u>\$ 2,318,857</u>	<u>\$ 2,064,062</u>	<u>\$ 2,521,661</u>	<u>\$ 2,569,093</u>

<b>Street Lighting Fund Current Year</b>	<b>Street Lighting Fund Prior Year</b>	<b>Total Nonmajor Proprietary Funds Current Year</b>	<b>Total Nonmajor Proprietary Funds Prior Year</b>
\$ 1,146,905	\$ 1,151,111	\$ 4,943,165	\$ 4,762,155
124,322	119,658	729,721	700,858
<u>1,271,227</u>	<u>1,270,769</u>	<u>5,672,886</u>	<u>5,463,013</u>
-	-	39,822	39,822
-	-	1,509,500	1,509,500
-	-	544,376	544,376
419,609	359,201	568,979	485,166
5,254,540	4,875,431	5,254,540	4,875,431
3,492	173,366	3,492	173,366
<u>(1,211,217)</u>	<u>(1,059,931)</u>	<u>(3,055,400)</u>	<u>(2,865,801)</u>
4,466,424	4,348,067	4,865,309	4,761,860
<u>4,466,424</u>	<u>4,348,067</u>	<u>4,865,309</u>	<u>4,761,860</u>
<u>5,737,651</u>	<u>5,618,836</u>	<u>10,538,195</u>	<u>10,224,873</u>
4,353	8,208	44,327	35,326
<u>4,353</u>	<u>8,208</u>	<u>44,327</u>	<u>35,326</u>
<u>\$ 5,742,004</u>	<u>\$ 5,627,044</u>	<u>\$ 10,582,522</u>	<u>\$ 10,260,199</u>
\$ 72,261	\$ 156,874	\$ 524,759	\$ 733,255
5,108	24,050	106,666	115,931
6,070	5,179	57,936	18,525
-	-	908,214	861,902
<u>83,439</u>	<u>186,103</u>	<u>1,597,575</u>	<u>1,729,613</u>
8,520	273	47,816	975
5,955	8,598	60,632	37,003
14,475	8,871	108,448	37,978
<u>97,914</u>	<u>194,974</u>	<u>1,706,023</u>	<u>1,767,591</u>
57	115	576	492
<u>57</u>	<u>115</u>	<u>576</u>	<u>492</u>
4,423,327	4,326,115	4,822,212	4,739,908
1,220,706	1,105,840	4,053,711	3,752,208
<u>5,644,033</u>	<u>5,431,955</u>	<u>8,875,923</u>	<u>8,492,116</u>
<u>\$ 5,742,004</u>	<u>\$ 5,627,044</u>	<u>\$ 10,582,522</u>	<u>\$ 10,260,199</u>

**City of Orem**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Proprietary Funds**  
**For The Year Ended June 30, 2025**

	<b>Recreation Fund Current Year</b>	<b>Recreation Fund Prior Year</b>	<b>Solid Waste Fund Current Year</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 4,068,795	\$ 3,686,484	\$ 5,537,319
Other Revenues	124,239	88,200	16,798
Total Operating Revenues	<u>4,193,034</u>	<u>3,774,684</u>	<u>5,554,117</u>
<b>OPERATING EXPENSES</b>			
Personnel Services	2,810,541	1,973,844	-
Supplies and Maintenance	518,432	839,168	224,782
Administrative Fee	210,080	136,893	121,567
Utilities	410,197	480,642	-
Contract Services	31,735	24,641	5,034,149
Insurance	142,562	137,338	-
Depreciation	38,187	33,672	126
Miscellaneous	44,574	32,063	126,065
Total Operating Expenses	<u>4,206,308</u>	<u>3,658,261</u>	<u>5,506,689</u>
Operating Income (Loss)	<u>(13,274)</u>	<u>116,423</u>	<u>47,428</u>
<b>NONOPERATING REVENUES AND EXPENSES</b>			
Investment Earnings	67,143	59,058	75,410
Gain (Loss) on Sale of Capital Assets	-	31	-
Total Nonoperating Revenues & Expenses	<u>67,143</u>	<u>59,089</u>	<u>75,410</u>
Income (Loss) before Transfers	53,869	175,512	122,838
Transfers In	134,000	-	-
Transfers Out	<u>(88,450)</u>	<u>(34,121)</u>	<u>(50,528)</u>
Change in Net Position	99,419	141,391	72,310
Total Net Position - Beginning	<u>1,012,840</u>	<u>871,449</u>	<u>2,047,321</u>
Total Net Position - Ending	<u>\$ 1,112,259</u>	<u>\$ 1,012,840</u>	<u>\$ 2,119,631</u>

<b>Solid Waste Fund Prior Year</b>	<b>Street Lighting Fund Current Year</b>	<b>Street Lighting Fund Prior Year</b>	<b>Total Nonmajor Proprietary Funds Current Year</b>	<b>Total Nonmajor Proprietary Funds Prior Year</b>
\$ 5,194,132	\$ 1,346,691	\$ 1,084,931	\$ 10,952,805	\$ 9,965,547
18,898	29,144	7,416	170,181	114,514
<u>5,213,030</u>	<u>1,375,835</u>	<u>1,092,347</u>	<u>11,122,986</u>	<u>10,080,061</u>
-	156,274	144,087	2,966,815	2,117,931
385,268	95,298	69,235	838,512	1,293,671
115,573	95,458	87,119	427,105	339,585
-	100,306	100,930	510,503	581,572
4,441,911	209,956	10,384	5,275,840	4,476,936
-	609	458	143,171	137,796
-	151,286	121,709	189,599	155,381
84,800	3,435	2,176	174,074	119,039
<u>5,027,552</u>	<u>812,622</u>	<u>536,098</u>	<u>10,525,619</u>	<u>9,221,911</u>
<u>185,478</u>	<u>563,213</u>	<u>556,249</u>	<u>597,367</u>	<u>858,150</u>
81,782	39,128	50,754	181,681	191,594
-	-	-	-	31
<u>81,782</u>	<u>39,128</u>	<u>50,754</u>	<u>181,681</u>	<u>191,625</u>
<u>267,260</u>	<u>602,341</u>	<u>607,003</u>	<u>779,048</u>	<u>1,049,775</u>
-	-	-	134,000	-
<u>(47,330)</u>	<u>(390,263)</u>	<u>(384,188)</u>	<u>(529,241)</u>	<u>(465,639)</u>
219,930	212,078	222,815	383,807	584,136
<u>1,827,391</u>	<u>5,431,955</u>	<u>5,209,140</u>	<u>8,492,116</u>	<u>7,907,980</u>
<u>\$ 2,047,321</u>	<u>\$ 5,644,033</u>	<u>\$ 5,431,955</u>	<u>\$ 8,875,923</u>	<u>\$ 8,492,116</u>

**City of Orem**  
**Combining Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**For The Year Ended June 30, 2025**

	<u>Recreation Fund Current Year</u>	<u>Recreation Fund Prior Year</u>	<u>Solid Waste Fund Current Year</u>	<u>Solid Waste Fund Prior Year</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers and Users	\$ 4,256,877	\$ 3,796,864	\$ 5,512,387	\$ 5,181,992
Payments to Suppliers	(1,152,887)	(1,510,773)	(5,504,738)	(4,729,076)
Payments for Personnel	(2,708,946)	(1,949,735)	-	-
Payments for Interfund Services Used	(210,080)	(136,893)	(121,567)	(115,573)
Net Cash Provided (Used) by Operating Activities	<u>184,964</u>	<u>199,463</u>	<u>(113,918)</u>	<u>337,343</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers In	134,000	-	-	-
Transfers Out	(88,450)	(34,121)	(50,528)	(47,330)
Net Cash Provided (Used) by Noncapital Activities	<u>45,550</u>	<u>(34,121)</u>	<u>(50,528)</u>	<u>(47,330)</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(12,802)	(68,035)	(10,603)	-
Proceeds from Sales of Capital Assets	-	31	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(12,802)</u>	<u>(68,004)</u>	<u>(10,603)</u>	<u>-</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Investment Earnings	67,143	59,058	75,410	81,782
Net Cash Provided (Used) by Investing Activities	<u>67,143</u>	<u>59,058</u>	<u>75,410</u>	<u>81,782</u>
Net Increase (Decrease) in Cash and Cash Equivalents	284,855	156,396	(99,639)	371,795
Cash and Cash Equivalents - Beginning of Year	1,597,570	1,441,174	2,013,474	1,641,679
Cash and Cash Equivalents - End of Year	<u>\$ 1,882,425</u>	<u>\$ 1,597,570</u>	<u>\$ 1,913,835</u>	<u>\$ 2,013,474</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	\$ (13,274)	\$ 116,423	\$ 47,428	\$ 185,478
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	\$ 38,187	\$ 33,672	\$ 126	\$ -
(Increase) Decrease in Receivables	17,531	36,761	(41,730)	(31,038)
(Increase) Decrease in Pension Assets	(12,856)	(22,404)	-	-
Increase (Decrease) in Accounts Payable	(4,141)	4,325	(119,742)	182,903
Increase (Decrease) in Accrued Liabilities	9,677	18,007	-	-
Increase (Decrease) in Unearned Revenue	46,312	(14,581)	-	-
Increase (Decrease) in Accrued Vacation Leave	77,114	3,848	-	-
Increase (Decrease) in Pension Liabilities	26,414	23,412	-	-
Total Adjustments	<u>198,238</u>	<u>83,040</u>	<u>(161,346)</u>	<u>151,865</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 184,964</u>	<u>\$ 199,463</u>	<u>\$ (113,918)</u>	<u>\$ 337,343</u>
<b>Noncash Investing, Capital, and Financing Activities:</b>				
Retainage & Payables Related to Capital Asset Acquisitions	\$ -	\$ -	\$ -	\$ -

<b>Street Lighting Fund Current Year</b>	<b>Street Lighting Fund Prior Year</b>	<b>Total Nonmajor Proprietary Funds Current Year</b>	<b>Total Nonmajor Proprietary Funds Prior Year</b>
\$ 1,371,171 (537,314) (164,924) (95,458)	\$ 1,068,964 (283,723) (133,913) (87,119)	\$ 11,140,435 (7,194,939) (2,873,870) (427,105)	\$ 10,047,820 (6,523,572) (2,083,648) (339,585)
<u>573,475</u>	<u>564,209</u>	<u>644,521</u>	<u>1,101,015</u>
-	-	134,000	-
<u>(390,263)</u>	<u>(384,188)</u>	<u>(529,241)</u>	<u>(465,639)</u>
<u>(390,263)</u>	<u>(384,188)</u>	<u>(395,241)</u>	<u>(465,639)</u>
(226,546)	(530,935)	(249,951)	(598,970)
-	-	-	31
<u>(226,546)</u>	<u>(530,935)</u>	<u>(249,951)</u>	<u>(598,939)</u>
<u>39,128</u>	<u>50,754</u>	<u>181,681</u>	<u>191,594</u>
<u>39,128</u>	<u>50,754</u>	<u>181,681</u>	<u>191,594</u>
(4,206)	(300,160)	181,010	228,031
<u>1,151,111</u>	<u>1,451,271</u>	<u>4,762,155</u>	<u>4,534,124</u>
<u>\$ 1,146,905</u>	<u>\$ 1,151,111</u>	<u>\$ 4,943,165</u>	<u>\$ 4,762,155</u>
<u>\$ 563,213</u>	<u>\$ 556,249</u>	<u>597,367</u>	<u>858,150</u>
\$ 151,286 (4,664) 3,855 (127,710) (18,942) - 9,138 (2,701) 10,262	\$ 121,709 (23,383) (6,885) (100,540) 8,921 - 932 7,206 7,960	189,599 (28,863) (9,001) (251,593) (9,265) 46,312 86,252 23,713 47,154	155,381 (17,660) (29,289) 86,688 26,928 (14,581) 4,780 30,618 242,865
<u>\$ 573,475</u>	<u>\$ 564,209</u>	<u>\$ 644,521</u>	<u>\$ 1,101,015</u>
\$ 43,097	\$ 21,592	\$ 43,097	\$ 21,592

## 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, 2025**

	<b>Fleet Maintenance</b>	<b>Purchasing / Warehousing</b>	<b>Self- Insurance</b>	<b>Information Technology</b>	<b>Facilities Maintenance</b>	<b>Total</b>
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 365,663	\$ 144,195	\$ 2,842,886	\$ 1,501,054	\$ -	\$ 4,853,798
Inventories	-	354,859	-	-	-	354,859
Prepays	-	-	8,750	173,895	-	182,645
Total Current Assets	<u>365,663</u>	<u>499,054</u>	<u>2,851,636</u>	<u>1,674,949</u>	<u>-</u>	<u>5,391,302</u>
Noncurrent Assets:						
Capital Assets:						
Buildings	-	150,000	-	-	-	150,000
Improvements other than Buildings	-	-	-	-	61,199	61,199
Machinery and Equipment	338,078	53,474	-	445,637	103,889	941,078
Construction in Progress	31,864	12,064	-	70,666	-	114,594
Intangibles	-	-	-	88,548	-	88,548
Less Accumulated Depreciation	(207,223)	(130,605)	-	(308,727)	(76,570)	(723,125)
Total Capital Assets (Net of Accumulated Depreciation)	<u>162,719</u>	<u>84,933</u>	<u>-</u>	<u>296,124</u>	<u>88,518</u>	<u>632,294</u>
Total Noncurrent Assets	<u>162,719</u>	<u>84,933</u>	<u>-</u>	<u>296,124</u>	<u>88,518</u>	<u>632,294</u>
Total Assets	<u>528,382</u>	<u>583,987</u>	<u>2,851,636</u>	<u>1,971,073</u>	<u>88,518</u>	<u>6,023,596</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pensions	87,403	21,666	-	228,124	17,744	354,937
Total Deferred Outflows of Resources	<u>87,403</u>	<u>21,666</u>	<u>-</u>	<u>228,124</u>	<u>17,744</u>	<u>354,937</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 615,785</u>	<u>\$ 605,653</u>	<u>\$ 2,851,636</u>	<u>\$ 2,199,197</u>	<u>\$ 106,262</u>	<u>\$ 6,378,533</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	\$ 31,113	\$ 10,828	\$ 14,293	\$ 199,130	\$ 20,183	\$ 275,547
Accrued Liabilities	15,316	17,035	14,349	59,089	21,605	127,394
Due to Other Funds	-	-	-	-	233,443	233,443
Compensated Absences	51,676	18,623	-	108,812	30,466	209,577
Claims and Judgments	-	-	555,539	-	-	555,539
Lease Payable - Current	1,000	-	-	16,190	-	17,190
Total Current Liabilities	<u>99,105</u>	<u>46,486</u>	<u>584,181</u>	<u>383,221</u>	<u>305,697</u>	<u>1,418,690</u>
Noncurrent Liabilities:						
Compensated Absences	81,066	7,023	-	184,011	11,632	283,732
Claims and Judgments	-	-	1,330,903	-	-	1,330,903
Lease Payable - Long-term	17,974	-	-	-	-	17,974
Pension Liabilities	119,549	29,634	-	312,025	24,270	485,478
Total Noncurrent Liabilities	<u>218,589</u>	<u>36,657</u>	<u>1,330,903</u>	<u>496,036</u>	<u>35,902</u>	<u>2,118,087</u>
Total Liabilities	<u>317,694</u>	<u>83,143</u>	<u>1,915,084</u>	<u>879,257</u>	<u>341,599</u>	<u>3,536,777</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pensions	1,136	282	-	2,965	231	4,614
Total Deferred Inflows of Resources	<u>1,136</u>	<u>282</u>	<u>-</u>	<u>2,965</u>	<u>231</u>	<u>4,614</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	117,173	78,161	-	270,035	88,518	553,887
Unrestricted	179,782	444,067	936,552	1,046,940	(324,086)	2,283,255
Total Net Position	<u>296,955</u>	<u>522,228</u>	<u>936,552</u>	<u>1,316,975</u>	<u>(235,568)</u>	<u>2,837,142</u>
Total Liabilities, Deferred Inflows of Resources, & Net Position	<u>\$ 615,785</u>	<u>\$ 605,653</u>	<u>\$ 2,851,636</u>	<u>\$ 2,199,197</u>	<u>\$ 106,262</u>	<u>\$ 6,378,533</u>

**City of Orem**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For The Year Ended June 30, 2025**

	<u>Fleet Maintenance</u>	<u>Purchasing / Warehousing</u>	<u>Self- Insurance</u>	<u>Information Technology</u>	<u>Facilities Maintenance</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>						
Charges for Services to Other Funds	\$ 1,085,000	\$ 470,000	\$ 2,613,738	\$ 3,410,000	\$ 2,088,164	\$ 9,666,902
Other Revenues	-	-	-	7,457	-	7,457
Total Operating Revenues	<u>1,085,000</u>	<u>470,000</u>	<u>2,613,738</u>	<u>3,417,457</u>	<u>2,088,164</u>	<u>9,674,359</u>
<b>OPERATING EXPENSES:</b>						
Personnel Services	794,400	327,596	255,011	2,425,649	983,272	4,785,928
Supplies, Maintenance and Claims	278,975	161,237	2,111,393	1,279,050	499,030	4,329,685
Utilities	-	-	-	-	550,437	550,437
Equipment Lease & Rentals	-	-	-	23,487	-	23,487
Depreciation Expense	23,488	10,990	-	49,197	14,936	98,611
Total Operating Expenses	<u>1,096,863</u>	<u>499,823</u>	<u>2,366,404</u>	<u>3,777,383</u>	<u>2,047,675</u>	<u>9,788,148</u>
Operating Income (Loss)	<u>(11,863)</u>	<u>(29,823)</u>	<u>247,334</u>	<u>(359,926)</u>	<u>40,489</u>	<u>(113,789)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Gain (Loss) on Sales of Fixed Assets	-	-	-	78	-	78
Interest Expense and Fiscal Charges	-	-	-	(1,542)	-	(1,542)
Total Nonoperating Revenues (Expenses)	-	-	-	(1,464)	-	(1,464)
Income (Loss) before Operating Transfers	(11,863)	(29,823)	247,334	(361,390)	40,489	(115,253)
Transfers In	-	-	-	-	-	-
Transfers Out	(67,611)	-	(99,517)	-	-	(167,128)
Change in Net Position	<u>(79,474)</u>	<u>(29,823)</u>	<u>147,817</u>	<u>(361,390)</u>	<u>40,489</u>	<u>(282,381)</u>
Total Net Position - Beginning	<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 Net Position - Ending	<u>\$ 296,955</u>	<u>\$ 522,228</u>	<u>\$ 936,552</u>	<u>\$ 1,316,975</u>	<u>\$ (235,568)</u>	<u>\$ 2,837,142</u>

**City of Orem**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For The Year Ended June 30, 2025**

	<b>Fleet Maintenance</b>	<b>Purchasing / Warehousing</b>	<b>Self- Insurance</b>	<b>Information Technology</b>	<b>Facilities Maintenance</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from Interfund Services Provided	\$ 1,085,000	\$ 470,000	\$ 2,613,738	\$ 3,417,457	\$ 2,088,164	\$ 9,674,359
Payments to Suppliers	(274,995)	(136,051)	(2,279,106)	(1,332,621)	(1,106,685)	(5,129,458)
Payments for Personnel	(692,531)	(317,528)	(268,178)	(2,184,394)	(981,479)	(4,444,110)
Net Cash Provided (Used) by Operating Activities	117,474	16,421	66,454	(99,558)	-	100,791
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers Out	(67,611)	-	(99,517)	-	-	(167,128)
Net Cash Provided (Used) by Noncapital Financing Activities	(67,611)	-	(99,517)	-	-	(167,128)
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES:</b>						
Acquisition of Capital Assets	(12,440)	(5,292)	-	(60,767)	-	(78,499)
Proceeds from the Sale of Capital Assets	-	-	-	78	-	78
Principal paid on Outstanding Debt	(570)	-	-	(37,722)	-	(38,292)
Interest paid on Outstanding Debt	-	-	-	(1,542)	-	(1,542)
Net Cash Provided (Used) in Capital Financing Activities	(13,010)	(5,292)	-	(99,953)	-	(118,255)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Investment Earnings	-	-	-	-	-	-
Net Cash Provided (Used) by Investing Activities	-	-	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	36,853	11,129	(33,063)	(199,511)	-	(184,592)
Cash and Cash Equivalents - Beginning of Year	328,810	133,066	2,875,949	1,700,565	-	5,038,390
Cash and Cash Equivalents - End of Year	\$ 365,663	\$ 144,195	\$ 2,842,886	\$ 1,501,054	\$ -	\$ 4,853,798
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Operating Income (Loss)	\$ (11,863)	\$ (29,823)	\$ 247,334	\$ (359,926)	\$ 40,489	\$ (113,789)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	23,488	10,990	-	49,197	14,936	98,611
(Increase) Decrease in Accounts Receivable	-	-	-	-	-	-
(Increase) Decrease in Inventory	-	10,601	-	-	-	10,601
(Increase) Decrease in Prepays	-	-	-	(163,228)	-	(163,228)
(Increase) Decrease in Pension Assets	105,995	22,882	61,234	440,009	140,793	770,913
Increase (Decrease) in Accounts Payable	1,287	3,348	11,113	113,778	(49,464)	80,062
Increase (Decrease) in Accrued Liabilities	2,693	11,237	10,225	19,366	(7,754)	35,767
Increase (Decrease) in Compensated Absences	80,452	4,550	(9,411)	195,376	4,762	275,729
Increase (Decrease) in Pension Liabilities	(84,578)	(17,364)	(64,990)	(394,130)	(143,762)	(704,824)
Increase (Decrease) in Claims and Judgments	-	-	(189,051)	-	-	(189,051)
Total Adjustments	129,337	46,244	(180,880)	260,368	(40,489)	214,580
Net Cash Provided (Used) by Operating Activities	\$ 117,474	\$ 16,421	\$ 66,454	\$ (99,558)	\$ -	\$ 100,791
<b>Noncash Investing, Capital, and Financing Activities:</b>						
Retainage & Payables Related to Capital Asset Acquisitions	\$ 26,572	\$ 6,772	\$ -	\$ 9,899	\$ -	\$ 43,243

**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 - Comparative<sup>1</sup>  
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Governmental Funds Capital Assets:</b>		
Land	\$ 75,577,972	\$ 74,011,854
Buildings	70,969,071	71,012,975
Improvements other than Buildings	65,841,945	48,088,342
Machinery and Equipment	32,030,750	30,606,276
Infrastructure	142,023,191	137,655,557
Construction in Progress	42,727,323	36,183,762
Total Governmental Funds Capital Assets	<u>\$ 429,170,252</u>	<u>\$ 397,558,766</u>
<b>Investments in Governmental Funds Capital Assets by Source:</b>		
General Fund	\$ 291,138,549	\$ 283,883,462
Capital Projects Fund	93,137,798	73,607,639
Federal Grants	615,669	615,669
Road Funds	35,058,776	30,121,739
Redevelopment	4,329,828	4,329,828
Community Development	4,889,632	5,000,429
Total Governmental Funds Capital Assets	<u>\$ 429,170,252</u>	<u>\$ 397,558,766</u>

<sup>1</sup> 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 Activity<sup>1</sup>  
June 30, 2025

Function and Activity	Land	Buildings	Improvements Other Than Buildings
<b>General Government:</b>			
Executive	\$ -	\$ 2,075	\$ 133,759
Management Services	-	-	-
Finance	-	-	105,495
Legal	-	-	-
Community Development	-	-	-
General Government	1,710,203	3,644,977	5,061,682
Engineering	-	-	-
Redevelopment	1,870,418	-	85,080
Community Development	-	90,544	2,562,323
Total General Government	3,580,621	3,737,596	7,948,339
<b>Public Safety:</b>			
Administration	-	5,377,906	270,802
Police Protection	-	-	243,321
Fire Protection	1,613,645	2,632,030	1,031,056
Emergency Services	-	1,580	-
Total Public Safety	1,613,645	8,011,516	1,545,179
<b>Highways and Streets:</b>			
Administration & Engineering	33,550	7,874,114	349,523
Street System	54,092,857	6,307,684	10,766,332
Street Lighting	-	-	1,421,854
Total Highways and Streets	54,126,407	14,181,798	12,537,709
<b>Parks and Recreation</b>	16,034,954	35,354,711	42,078,214
<b>Library</b>	222,345	9,683,450	1,732,504
<b>Total Governmental Funds Capital Assets</b>	\$ 75,577,972	\$ 70,969,071	\$ 65,841,945

<sup>1</sup>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
\$ 733,616	\$ -	\$ -	\$ 869,450
50,380	-	-	50,380
349,331	-	-	454,826
10,908	-	-	10,908
265,774	-	-	265,774
176,997	291,428	7,553,114	18,438,401
348,070	-	-	348,070
-	2,374,330	-	4,329,828
-	2,234,831	1,933	4,889,631
<u>1,935,076</u>	<u>4,900,589</u>	<u>7,555,047</u>	<u>29,657,268</u>
1,621,323	-	240,860	7,510,891
6,459,156	-	464,467	7,166,944
10,128,167	253,496	5,054,930	20,713,324
38,487	-	-	40,067
<u>18,247,133</u>	<u>253,496</u>	<u>5,760,257</u>	<u>35,431,226</u>
318,825	-	-	8,576,012
6,686,657	134,939,805	28,949,983	241,743,318
-	1,136,156	-	2,558,010
<u>7,005,482</u>	<u>136,075,961</u>	<u>28,949,983</u>	<u>252,877,340</u>
3,923,483	793,145	462,036	98,646,543
919,576	-	-	12,557,875
<u>\$ 32,030,750</u>	<u>\$ 142,023,191</u>	<u>\$ 42,727,323</u>	<u>\$ 429,170,252</u>

**City of Orem**  
**Schedules of Capital Assets Used in The Operations of Governmental Funds**  
**Schedule of Changes By Function and Activity<sup>1</sup>**  
**For The Year Ended June 30, 2025**

Function and Activity	Governmental Funds Capital Assets June 30, 2024	Additions	Deductions	Governmental Funds Capital Assets June 30, 2025
<b>General Government:</b>				
Executive	\$ 865,474	\$ 33,533	\$ (29,557)	\$ 869,450
Management Services	15,547	42,846	(8,013)	50,380
Finance	450,283	27,654	(23,111)	454,826
Legal	21,498	-	(10,590)	10,908
Community Development	255,964	36,904	(27,094)	265,774
General Government	18,634,815	27,267	(223,681)	18,438,401
Engineering	393,070	-	(45,000)	348,070
Redevelopment	4,329,828	-	-	4,329,828
Community Development	5,000,429	27,750	(138,548)	4,889,631
<b>Total General Government</b>	<b>29,966,908</b>	<b>195,954</b>	<b>(505,594)</b>	<b>29,657,268</b>
<b>Public Safety:</b>				
Administration	7,016,704	507,945	(13,758)	7,510,891
Police Protection	6,836,342	991,625	(661,023)	7,166,944
Fire Protection	15,745,954	5,416,710	(449,340)	20,713,324
Emergency Services	40,067	-	-	40,067
<b>Total Public Safety</b>	<b>29,639,067</b>	<b>6,916,280</b>	<b>(1,124,121)</b>	<b>35,431,226</b>
<b>Highways and Streets:</b>				
Administration & Engineering	8,576,049	6,122	(6,159)	8,576,012
Street System	216,931,032	25,309,234	(496,948)	241,743,318
Street Lighting	2,558,010	-	-	2,558,010
<b>Total Highways and Streets</b>	<b>228,065,091</b>	<b>25,315,356</b>	<b>(503,107)</b>	<b>252,877,340</b>
<b>Parks and Recreation</b>	97,446,581	1,586,385	(386,423)	98,646,543
<b>Library</b>	12,441,119	116,756	-	12,557,875
<b>Total Governmental Funds Capital Assets</b>	<b>\$ 397,558,766</b>	<b>\$ 34,130,731</b>	<b>\$ (2,519,245)</b>	<b>\$ 429,170,252</b>

<sup>1</sup> 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>
<b>Financial Trends</b>	<b>144</b>
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>152</b>
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
<b>Debt Capacity and Other Debt Information</b>	<b>163</b>
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.	
<b>Demographic and Economic Information</b>	<b>173</b>
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.	
<b>Operating and Other Information</b>	<b>178</b>
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)**

	<b>Fiscal Year</b>			
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 126,818,760	\$ 131,968,221	\$ 133,402,160	\$ 134,356,643
Restricted:				
Debt Service	3,276,616	3,124,343	3,344,100	5,845,268
Capital Improvements	14,968,717	12,172,402	12,037,092	15,739,000
Pensions	18,819	11,876	871,227	-
Community Development	1,966,450	2,465,412	3,609,728	3,832,719
Subtotal - Restricted	20,230,602	17,774,033	19,862,147	25,416,987
Unrestricted	22,000,259	23,803,593	27,529,253	29,921,317
Total Governmental Activities Net Position	169,049,621	173,545,847	180,793,560	189,694,947
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	56,904,569	59,715,600	63,143,175	69,151,941
Restricted:				
Debt Service	2,448,592	1,860,333	1,995,491	2,121,261
Capital Improvements	88,000	110,000	194,727	983,589
Pensions	145	-	-	-
Subtotal - Restricted	2,536,737	1,970,333	2,190,218	3,104,850
Unrestricted	20,298,964	27,455,917	37,657,454	47,291,346
Total Business-type Activities Net Position	79,740,270	89,141,850	102,990,847	119,548,137
<b>Primary Government:</b>				
Net Investment in Capital Assets	183,723,329	191,683,821	196,545,335	203,508,584
Restricted:				
Debt Service	5,725,208	4,984,676	5,339,591	7,966,529
Capital Improvements	15,056,717	12,282,402	12,231,819	16,722,589
Pensions	18,964	11,876	871,227	-
Community Development	1,966,450	2,465,412	3,609,728	3,832,719
Subtotal - Restricted	22,767,339	19,744,366	22,052,365	28,521,837
Unrestricted	42,299,223	51,259,510	65,186,707	77,212,663
Total Primary Government Net Position	\$ 248,789,891	\$ 262,687,697	\$ 283,784,407	\$ 309,243,084

<b>Fiscal Year</b>					
<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 138,676,061	\$ 154,447,536	\$ 155,974,028	\$ 164,329,351	\$ 197,064,165	\$ 216,059,501
4,928,893	4,171,302	3,465,584	3,490,893	3,560,710	3,764,945
18,992,324	10,967,133	13,950,399	16,247,508	12,676,246	12,569,556
2,426,403	5,693,222	20,096,352	4,552,561	6,613,313	7,277,189
4,048,008	10,406,252	12,693,720	12,178,785	12,682,359	12,525,841
30,395,628	31,237,909	50,206,055	36,469,747	35,532,628	36,137,531
36,678,544	45,425,272	45,819,720	71,695,010	62,951,022	51,834,433
<u>205,750,233</u>	<u>231,110,717</u>	<u>251,999,803</u>	<u>272,494,108</u>	<u>295,547,815</u>	<u>304,031,465</u>
74,134,249	77,095,912	81,282,909	90,131,576	101,469,244	116,098,941
2,157,258	2,218,876	3,592,614	3,734,117	3,784,103	3,661,788
1,057,806	19,006,176	19,269,762	19,932,152	9,940,512	4,472,419
-	111,544	2,079,804	-	-	-
3,215,064	21,336,596	24,942,180	23,666,269	13,724,615	8,134,207
61,047,974	54,700,557	58,419,253	64,991,436	79,975,930	95,286,710
<u>138,397,287</u>	<u>153,133,065</u>	<u>164,644,342</u>	<u>178,789,281</u>	<u>195,169,789</u>	<u>219,519,858</u>
212,810,310	231,543,448	237,256,937	254,460,927	298,533,409	332,158,442
7,086,151	6,390,178	7,058,198	7,225,010	7,344,813	7,426,733
20,050,130	29,973,309	33,220,161	36,179,660	22,616,758	17,041,975
2,426,403	5,804,766	22,176,156	4,552,561	6,613,313	7,277,189
4,048,008	10,406,252	12,693,720	12,178,785	12,682,359	12,525,841
33,610,692	52,574,505	75,148,235	60,136,016	49,257,243	44,271,738
97,726,518	100,125,829	104,238,973	136,686,446	142,926,952	147,121,143
<u>\$ 344,147,520</u>	<u>\$ 384,243,782</u>	<u>\$ 416,644,145</u>	<u>\$ 451,283,389</u>	<u>\$ 490,717,604</u>	<u>\$ 523,551,323</u>

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

	Fiscal Year					
	2016	2017	2018	2019	2020	2021
<b>Expenses</b>						
Governmental Activities:						
General Government	\$ 11,148,210	\$ 13,160,153	\$ 13,153,262	\$ 15,017,456	\$ 15,221,971	\$ 16,072,497
Public Safety	21,750,059	23,578,262	23,214,380	25,463,111	26,294,148	26,234,854
Highways and Public Improvements	7,426,758	7,085,621	7,012,058	7,688,525	7,573,688	7,296,421
Parks, Recreation and Arts	8,704,800	9,471,883	10,561,367	9,613,483	8,734,158	4,444,646
Economic and Physical Development	867,172	950,630	1,504,742	887,655	709,334	1,068,973
Redevelopment	187,497	1,286,498	756,175	1,004,364	1,258,821	1,151,383
Interest on Long-term Debt	3,624,749	3,596,868	3,505,369	4,122,763	4,732,568	4,571,442
Total Governmental Activities Expenses	<u>53,709,245</u>	<u>59,129,915</u>	<u>59,707,353</u>	<u>63,797,357</u>	<u>64,524,688</u>	<u>60,840,216</u>
Business-type Activities:						
Water	10,335,616	11,021,079	12,570,988	13,361,446	13,039,211	14,956,163
Water Reclamation	6,716,546	6,723,394	7,117,138	7,517,084	7,540,672	7,918,906
Storm Water	2,460,540	2,371,647	2,567,634	2,837,289	3,119,773	3,016,483
Recreation	2,023,758	1,962,995	1,993,090	2,041,021	1,258,441	2,311,074
Solid Waste	3,174,442	3,286,310	3,617,304	3,764,859	4,277,997	4,227,392
Street Lighting	1,396,770	1,174,100	981,777	474,442	481,587	469,325
Total Business-type Activities Expenses	<u>26,107,672</u>	<u>26,536,525</u>	<u>28,847,931</u>	<u>29,996,141</u>	<u>29,717,681</u>	<u>32,899,343</u>
Total Primary Government Expenses	<u>79,816,917</u>	<u>85,666,440</u>	<u>88,555,284</u>	<u>93,793,498</u>	<u>94,242,369</u>	<u>93,739,559</u>
<b>Program Revenues</b>						
Governmental Activities:						
Charges for Services:						
General Government	10,018,102	9,718,116	10,147,593	11,286,060	10,198,818	10,747,410
Public Safety	5,904,235	5,768,195	6,006,638	6,405,407	7,804,339	7,568,475
Parks, Recreation and Arts	936,415	2,008,377	1,495,408	1,506,624	240,568	2,318,692
All Others	117,234	186,321	332,034	350,681	1,467,081	397,409
Operating Grants and Contributions	1,333,496	1,195,663	1,537,093	1,392,846	6,228,568	3,753,790
Capital Grants and Contributions	2,789,074	3,171,938	3,876,983	5,246,807	4,513,950	6,270,294
Total Governmental Activities Program Revenues	<u>21,098,556</u>	<u>22,048,610</u>	<u>23,395,749</u>	<u>26,188,425</u>	<u>30,453,324</u>	<u>31,056,070</u>
Business-type Activities:						
Charges for Services:						
Water	13,336,792	15,547,544	18,355,800	18,934,096	20,821,417	20,341,587
Water Reclamation	7,281,870	8,619,099	9,678,758	11,519,137	13,070,784	12,591,825
Storm Water	3,451,551	4,001,972	4,350,123	4,775,819	5,050,924	5,300,968
Recreation	1,583,477	1,617,273	1,669,921	1,609,329	746,080	1,159,731
Solid Waste	3,515,859	3,571,929	3,692,573	3,845,141	4,098,072	4,370,759
Street Lighting	988,481	995,480	1,023,366	1,214,710	914,292	1,055,657
Capital Grants and Contributions	510,138	1,383,925	3,973,808	4,196,701	3,179,941	3,754,528
Total Business-type Activities Program Revenues	<u>30,668,168</u>	<u>35,737,222</u>	<u>42,744,349</u>	<u>46,094,933</u>	<u>47,881,510</u>	<u>48,575,055</u>
Total Primary Government Program Revenues	<u>51,766,724</u>	<u>57,785,832</u>	<u>66,140,098</u>	<u>72,283,358</u>	<u>78,334,834</u>	<u>79,631,125</u>
<b>Net (Expense) Revenue</b>						
Governmental Activities	(32,610,689)	(37,081,305)	(36,311,604)	(37,608,932)	(34,071,364)	(29,784,146)
Business-type Activities	4,560,496	9,200,697	13,896,418	16,098,792	18,163,829	15,675,712
Total Primary Government Net (Expense) Revenue	<u>\$ (28,050,193)</u>	<u>\$ (27,880,608)</u>	<u>\$ (22,415,186)</u>	<u>\$ (21,510,140)</u>	<u>\$ (15,907,535)</u>	<u>\$ (14,108,434)</u>
<b>General Revenues and Other Changes in Net Position</b>						
Governmental Activities:						
Taxes:						
Sales Taxes	21,405,733	22,750,706	24,361,704	24,944,421	28,151,590	33,250,164
Property Taxes	9,229,764	9,141,823	8,669,177	9,701,393	10,432,989	10,598,204
Franchise Taxes	7,853,723	7,894,110	7,961,936	7,887,332	7,865,944	7,923,070
Vehicle and Other Taxes	1,022,038	881,179	1,031,833	886,489	965,636	846,548
Unrestricted Investment Earnings	688,384	603,500	778,978	2,289,679	2,060,562	432,708
Gain on Sale of Capital Assets	19,127	103,983	39,699	163,730	323,466	594,136
Transfers	403,187	202,230	715,990	637,275	326,463	1,499,800
Total Governmental Activities	<u>40,621,956</u>	<u>41,577,531</u>	<u>43,559,317</u>	<u>46,510,319</u>	<u>50,126,650</u>	<u>55,144,630</u>
Business-type Activities:						
Unrestricted Investment Earnings	175,933	285,761	588,795	1,088,658	1,037,245	527,587
Gain (Loss) on Sale of Capital Assets	67,279	117,352	79,774	7,115	(25,461)	32,279
Transfers	(403,187)	(202,230)	(715,990)	(637,275)	(326,463)	(1,499,800)
Total Business-type Activities	<u>(159,975)</u>	<u>200,883</u>	<u>(47,421)</u>	<u>458,498</u>	<u>685,321</u>	<u>(939,934)</u>
Total Primary Government	<u>40,461,981</u>	<u>41,778,414</u>	<u>43,511,896</u>	<u>46,968,817</u>	<u>50,811,971</u>	<u>54,204,696</u>
<b>Change in Net Position</b>						
Governmental Activities	8,011,267	4,496,226	7,247,713	8,901,387	16,055,286	25,360,484
Business-type Activities	4,400,521	9,401,580	13,848,997	16,557,290	18,849,150	14,735,778
Total Primary Government	<u>\$ 12,411,788</u>	<u>\$ 13,897,806</u>	<u>\$ 21,096,710</u>	<u>\$ 25,458,677</u>	<u>\$ 34,904,436</u>	<u>\$ 40,096,262</u>

Fiscal Year			
2022	2023	2024	2025
\$ 15,691,209	\$ 17,353,662	\$ 20,714,117	\$ 23,956,702
27,353,214	31,972,307	33,918,124	38,423,209
8,187,834	10,011,076	8,413,806	10,605,918
8,910,111	11,506,408	13,793,147	12,900,222
1,204,626	977,831	1,205,616	836,328
1,334,386	1,379,413	1,343,686	1,955,393
4,589,160	4,609,304	4,618,149	5,220,064
<u>67,270,540</u>	<u>77,810,001</u>	<u>84,006,645</u>	<u>93,897,836</u>
15,541,478	15,840,176	15,527,158	16,611,558
8,309,770	9,883,718	8,440,081	9,146,878
3,261,027	3,822,402	3,847,271	3,976,982
2,725,743	3,441,292	3,658,261	4,206,308
4,241,603	4,503,974	5,027,552	5,506,689
522,488	539,513	536,098	812,622
<u>34,602,109</u>	<u>38,031,075</u>	<u>37,036,421</u>	<u>40,261,037</u>
<u>101,872,649</u>	<u>115,841,076</u>	<u>121,043,066</u>	<u>134,158,873</u>
11,824,143	11,344,837	11,693,109	13,160,520
8,211,979	9,116,192	8,404,189	9,686,425
1,877,951	1,757,350	2,205,209	2,550,604
348,703	301,159	365,735	360,557
1,930,767	1,978,824	1,923,056	1,517,257
5,725,996	8,586,537	15,724,784	6,656,506
<u>29,919,539</u>	<u>33,084,899</u>	<u>40,316,082</u>	<u>33,931,869</u>
17,818,803	17,850,697	17,671,764	18,930,416
12,986,274	13,534,149	13,286,409	16,850,011
5,515,349	5,680,634	5,906,642	6,142,304
3,142,844	3,501,688	3,774,684	4,193,034
4,624,294	4,958,142	5,213,030	5,554,117
1,069,000	991,843	1,092,347	1,375,835
2,212,406	3,372,652	2,702,656	8,254,715
<u>47,368,970</u>	<u>49,889,805</u>	<u>49,647,532</u>	<u>61,300,432</u>
<u>77,288,509</u>	<u>82,974,704</u>	<u>89,963,614</u>	<u>95,232,301</u>
(37,351,001)	(44,725,102)	(43,690,563)	(59,965,967)
<u>12,766,861</u>	<u>11,858,730</u>	<u>12,611,111</u>	<u>21,039,395</u>
<u>\$ (24,584,140)</u>	<u>\$ (32,866,372)</u>	<u>\$ (31,079,452)</u>	<u>\$ (38,926,572)</u>
37,803,119	38,097,180	38,338,115	40,129,043
10,258,353	10,593,899	10,651,601	11,285,308
8,088,605	8,864,571	8,794,879	8,766,170
961,419	1,005,039	889,233	977,497
(929,890)	4,804,033	6,235,572	4,820,001
253,679	157,676	116,253	810,259
<u>1,804,802</u>	<u>1,697,009</u>	<u>1,718,817</u>	<u>1,661,339</u>
<u>58,240,087</u>	<u>65,219,407</u>	<u>66,744,470</u>	<u>68,449,617</u>
134,781	3,939,237	5,401,308	4,494,127
414,437	43,981	86,906	477,886
<u>(1,804,802)</u>	<u>(1,697,009)</u>	<u>(1,718,817)</u>	<u>(1,661,339)</u>
<u>(1,255,584)</u>	<u>2,286,209</u>	<u>3,769,397</u>	<u>3,310,674</u>
<u>56,984,503</u>	<u>67,505,616</u>	<u>70,513,867</u>	<u>71,760,291</u>
20,889,086	20,494,305	23,053,907	8,483,650
<u>11,511,277</u>	<u>14,144,939</u>	<u>16,380,508</u>	<u>24,350,069</u>
<u>\$ 32,400,363</u>	<u>\$ 34,639,244</u>	<u>\$ 39,434,415</u>	<u>\$ 32,833,719</u>

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

	Fiscal Year			
	2016	2017	2018	2019
<b>General Fund</b>				
Nonspendable	\$ 57,122	\$ 51,517	\$ 42,132	\$ 36,328
Restricted	6,484,410	7,292,911	8,333,431	8,673,237
Assigned	3,562,553	2,844,275	3,559,271	4,836,744
Unassigned	11,474,137	12,829,323	13,449,103	13,948,108
Total General Fund	<u>21,578,222</u>	<u>23,018,026</u>	<u>25,383,937</u>	<u>27,494,417</u>
<b>All Other Governmental Funds</b>				
Nonspendable	-	1,000	-	-
Restricted	13,653,867	10,416,729	10,615,357	42,158,789
Assigned	11,071,273	12,327,020	13,678,638	17,592,552
Total All Other Governmental Funds	<u>30,105,263</u>	<u>22,744,749</u>	<u>24,293,995</u>	<u>59,751,341</u>
<b>Total Governmental Funds</b>				
Nonspendable	57,122	52,517	42,132	36,328
Restricted	20,138,277	17,709,640	18,948,788	50,832,026
Committed	5,380,123	-	-	-
Assigned	14,633,826	15,171,295	17,237,909	22,429,296
Unassigned	11,474,137	12,829,323	13,449,103	13,948,108
Total Governmental Funds	<u>\$ 51,683,485</u>	<u>\$ 45,762,775</u>	<u>\$ 49,677,932</u>	<u>\$ 87,245,758</u>

<b>Fiscal Year</b>					
<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 49,995	\$ 413,604	\$ 47,512	\$ 34,497	\$ 102,567	\$ 56,805
8,722,475	10,183,252	12,133,985	12,310,124	12,854,970	13,069,883
10,203,415	11,110,974	10,888,833	11,063,811	7,867,846	9,713,187
12,376,113	18,424,509	22,036,611	27,459,994	26,760,135	26,562,945
31,351,998	40,132,339	45,106,941	50,868,426	47,585,518	49,402,820
-	-	-	-	-	-
30,145,964	14,860,840	17,897,547	19,553,148	14,876,214	16,787,294
19,204,402	21,354,261	26,491,996	28,482,809	24,270,253	15,714,495
49,350,366	36,215,101	44,389,543	48,035,957	39,146,467	32,501,789
49,995	413,604	47,512	34,497	102,567	56,805
38,868,439	25,044,092	30,031,532	31,863,272	27,731,184	29,857,177
-	-	-	-	-	-
29,407,817	32,465,235	37,380,829	39,546,620	32,138,099	25,427,682
12,376,113	18,424,509	22,036,611	27,459,994	26,760,135	26,562,945
<u>\$ 80,702,364</u>	<u>\$ 76,347,440</u>	<u>\$ 89,496,484</u>	<u>\$ 98,904,383</u>	<u>\$ 86,731,985</u>	<u>\$ 81,904,609</u>

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

	<b>Fiscal Year</b>				
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Revenues</b>					
Taxes and Special Assessments	\$ 39,473,431	\$ 40,804,822	\$ 41,982,483	\$ 43,735,686	\$ 47,401,515
Licenses and Permits	1,745,483	1,815,943	1,813,030	2,564,527	1,661,515
Intergovernmental	4,122,570	4,367,601	5,326,785	4,827,536	9,989,011
Charges for Services	7,671,801	7,944,803	8,049,206	8,912,692	8,702,243
Fines and Forfeitures	1,588,994	1,699,609	1,839,251	1,736,445	1,386,474
Charges for Services - Other Funds	3,666,672	3,739,141	4,283,205	4,813,925	5,039,118
Impact Fees	-	-	87,291	1,812,117	753,507
Investment Earnings	691,037	602,736	776,059	2,286,635	2,061,462
Miscellaneous Revenue	1,670,552	2,254,504	1,887,641	1,362,254	1,816,174
<b>Total Revenues</b>	<b>60,630,540</b>	<b>63,229,159</b>	<b>66,044,951</b>	<b>72,051,817</b>	<b>78,811,019</b>
<b>Expenditures</b>					
General Government	12,143,760	12,810,872	13,245,295	14,378,024	14,730,287
Public Safety	21,144,586	21,752,711	22,539,915	23,577,274	24,553,748
Highways and Public Improvements	2,922,708	3,029,415	3,053,824	3,195,426	3,226,153
Parks, Recreation and Arts	7,512,284	7,593,094	7,465,177	7,889,131	7,940,137
Economic and Physical Development	788,526	862,478	1,056,219	792,306	601,842
Redevelopment	99,182	1,195,421	761,151	911,069	913,706
Debt Service:					
Principal Retirement	4,369,370	3,515,873	3,095,833	1,820,799	1,527,961
Interest and Fiscal Charges	3,802,678	3,554,590	3,473,151	3,694,732	4,935,277
Leases - Principal	114,173	109,494	546,506	426,000	435,000
Leases - Interest	7,037	4,540	311,092	126,221	117,353
Capital Outlay	6,044,338	15,109,224	7,426,441	6,743,546	27,476,266
<b>Total Expenditures</b>	<b>58,948,642</b>	<b>69,537,712</b>	<b>62,974,604</b>	<b>63,554,528</b>	<b>86,457,730</b>
<b>Excess of Revenues over (under) Expenditures</b>	<b>1,681,898</b>	<b>(6,308,553)</b>	<b>3,070,347</b>	<b>8,497,289</b>	<b>(7,646,711)</b>
<b>Other Financing Sources (Uses)</b>					
Issuance of Bonds & Other Debt	-	2,898,000	-	28,209,763	-
Payment to Bond Refunding Agent	-	(2,861,199)	-	-	-
Proceeds from Asset Disposals	19,127	103,983	77,614	155,055	704,035
Proceeds from Lease Relinquishments	-	-	-	-	-
Leases	6,739,000	-	-	-	-
Transfers In	12,998,035	11,857,495	13,220,391	14,702,520	12,071,658
Transfers Out	(12,644,039)	(11,610,436)	(12,453,195)	(13,996,801)	(11,672,376)
<b>Total Other Financing Sources (Uses)</b>	<b>7,112,123</b>	<b>387,843</b>	<b>844,810</b>	<b>29,070,537</b>	<b>1,103,317</b>
<b>Net Change in Fund Balances</b>	<b>\$ 8,794,021</b>	<b>\$ (5,920,710)</b>	<b>\$ 3,915,157</b>	<b>\$ 37,567,826</b>	<b>\$ (6,543,394)</b>
<b>Debt Service as a percentage of Noncapital Expenditures</b>	<b>15.3%</b>	<b>12.8%</b>	<b>12.8%</b>	<b>10.0%</b>	<b>11.6%</b>

<b>Fiscal Year</b>				
<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 52,702,373	\$ 57,116,443	\$ 58,544,226	\$ 58,778,086	\$ 61,179,658
2,047,433	2,293,007	1,654,707	1,755,827	1,764,670
9,006,531	6,026,663	10,195,381	17,272,923	7,929,842
9,727,927	10,359,796	10,553,550	10,565,020	11,870,014
1,219,631	1,386,493	1,537,815	1,774,086	1,984,818
4,761,991	5,200,482	5,523,217	5,482,280	5,630,481
1,017,553	1,630,100	369,980	374,917	243,921
430,893	(929,526)	4,800,457	6,240,737	4,817,738
2,692,884	2,312,314	2,337,375	2,598,706	4,047,525
<u>83,607,216</u>	<u>85,395,772</u>	<u>95,516,708</u>	<u>104,842,582</u>	<u>99,468,667</u>
15,264,157	15,579,725	16,987,348	19,626,734	19,985,426
25,742,327	28,681,857	31,432,204	34,002,462	37,052,691
3,214,068	3,220,509	3,803,027	4,214,360	4,249,794
8,155,277	8,864,969	9,046,919	9,920,985	10,257,965
837,027	1,070,331	724,944	971,120	664,223
1,051,628	1,229,620	1,190,792	1,243,665	1,856,563
1,432,255	1,358,000	1,328,000	1,145,000	1,575,000
4,639,423	4,666,394	4,698,223	4,729,321	5,262,056
444,000	455,000	465,000	474,000	485,000
108,284	99,043	89,589	79,933	70,064
<u>29,124,011</u>	<u>9,275,938</u>	<u>17,994,498</u>	<u>42,830,269</u>	<u>35,719,475</u>
<u>90,012,457</u>	<u>74,501,386</u>	<u>87,760,544</u>	<u>119,237,849</u>	<u>117,178,257</u>
(6,405,241)	10,894,386	7,756,164	(14,395,267)	(17,709,590)
-	-	-	-	10,177,015
-	-	-	-	-
594,136	372,664	183,936	296,704	876,732
-	-	-	-	-
-	-	-	-	-
14,840,756	12,610,080	12,073,370	11,914,438	10,244,395
<u>(13,384,575)</u>	<u>(10,728,086)</u>	<u>(10,527,348)</u>	<u>(9,988,273)</u>	<u>(8,415,928)</u>
<u>2,050,317</u>	<u>2,254,658</u>	<u>1,729,958</u>	<u>2,222,869</u>	<u>12,882,214</u>
<u>\$ (4,354,924)</u>	<u>\$ 13,149,044</u>	<u>\$ 9,486,122</u>	<u>\$ (12,172,398)</u>	<u>\$ (4,827,376)</u>
11.3%	9.8%	9.1%	8.2%	8.7%

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

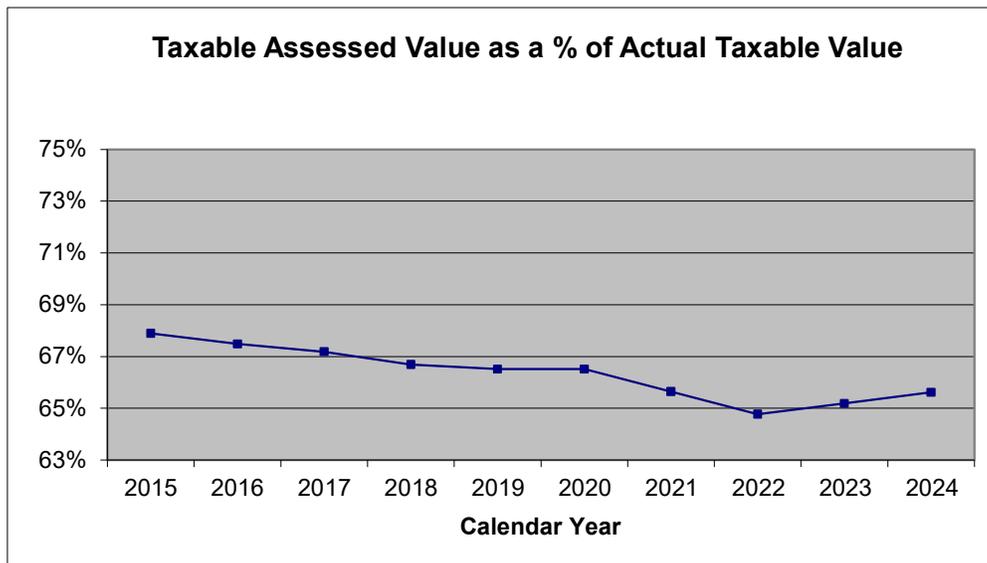
Calendar Year <sup>1</sup>	Taxable Assessed Value				
	Primary Residential Property	Other Residential Property	Commercial & Industrial Property	Agricultural Property	Unimproved Real Property
	2015	\$ 2,843,531,994	\$ 8,234,684	\$ 1,591,591,049	\$ 496,907
2016	3,107,389,501	11,331,034	1,666,181,801	936,304	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
2024	6,815,582,473	120,877,900	3,155,147,566	1,878,537	207,352,930

**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.

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

			<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
<b>Personal Property</b>	<b>Fee in Lieu Property</b>					
\$ 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%
491,884,712	37,530,019		10,830,254,137	0.000870	16,505,539,897	65.62%



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

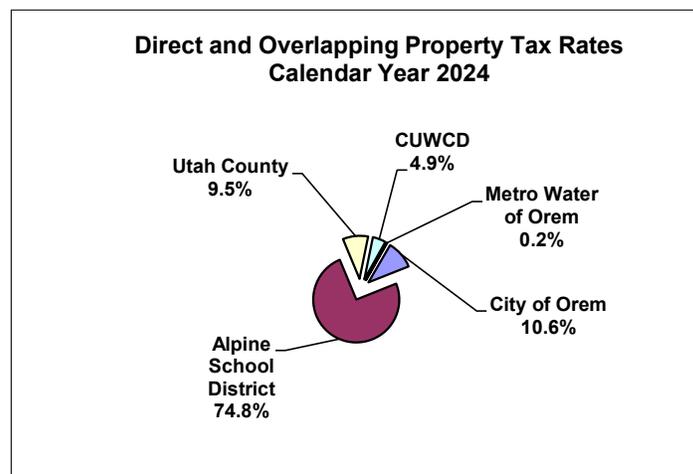
Calendar Year <sup>2</sup>	City of Orem Direct Rates			Overlapping Rates <sup>1</sup>				Total
	General Fund	Debt Service Fund	Total Direct Rate	Alpine School District	Utah County	Central Utah Water Conservancy District	Metropolitan Water District of Orem	
2015	0.001188	0.000464	0.001652	0.008177	0.001098	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
2024	0.000641	0.000229	0.000870	0.006115	0.000776	0.000400	0.000017	0.008178

**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.

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

<sup>2</sup> 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)**

<b>Taxpayer</b>	<b>Calendar Year</b>			<b>Calendar Year</b>		
	<b>2024</b>			<b>2015</b>		
	<b>Taxable Assessed Value<sup>1</sup></b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value<sup>1</sup></b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
University Place	\$ 312,158,700	1	2.88%	\$ 126,385,600	1	2.56%
Woodtusk LLC	208,906,400	2	1.93%	----		----
Midtown360 LLC	91,793,300	3	0.85%	----		----
TCU Properties	79,236,500	4	0.73%	57,268,400	2	1.16%
Pacificorp	61,163,037	5	0.56%	48,767,025	3	0.99%
Timpanogos Regional Hospital	57,862,000	6	0.53%	41,697,700	4	0.85%
Parkway Lofts LLC	53,721,300	7	0.50%	----		----
Enbridge (Dominion Energy)	50,383,221	8	0.47%	28,175,918	5	0.57%
Pinnacle Apartments	45,529,600	9	0.42%	25,571,600	6	0.52%
Wolverine Crossing LLC	38,522,400	10	0.36%	21,025,200	9	0.43%
Carillon Square LLC	37,835,100	11	0.35%	21,505,000	8	0.44%
University Crossing Shopping Ctr	37,391,700	12	0.35%	22,515,900	7	0.46%
Retail Trust III (Walmart)	----		----	17,523,500	10	0.36%
Village Park Apartments	----		----	17,399,000	11	0.35%
Boyer Lake Point Shopping Ctr	----		----	17,303,900	12	0.35%
<b>Total</b>	<b>\$ 1,074,503,258</b>		<b>9.92%</b>	<b>\$ 445,138,743</b>		<b>9.02%</b>

<sup>1</sup> 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)**

<b>Calendar Year<sup>1</sup></b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Current Taxes Collected</b>	<b>Delinquent Tax Collections by Tax Levy Year</b>	<b>Total Tax Collections</b>
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%	492,112	7,159,693
2021	8,448,992	7,789,321	92.19%	552,717	8,342,038
2022	9,365,797	8,775,062	93.69%	455,151	9,230,213
2023	9,544,688	8,948,309	93.75%	545,746	9,494,055
2024	9,566,009	9,001,845	94.10%	485,719	9,487,564

<sup>1</sup> 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.

<b>Ratio of Total Tax Collections to Total Tax Levy</b>	<b>Outstanding Delinquent Taxes by Tax Levy Year</b>	<b>Ratio of Outstanding Delinquent Taxes to Total Tax Levy</b>
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%
98.11%	138,066	1.89%
98.73%	106,954	1.27%
98.55%	135,584	1.45%
99.47%	50,633	0.53%
99.18%	78,445	0.82%

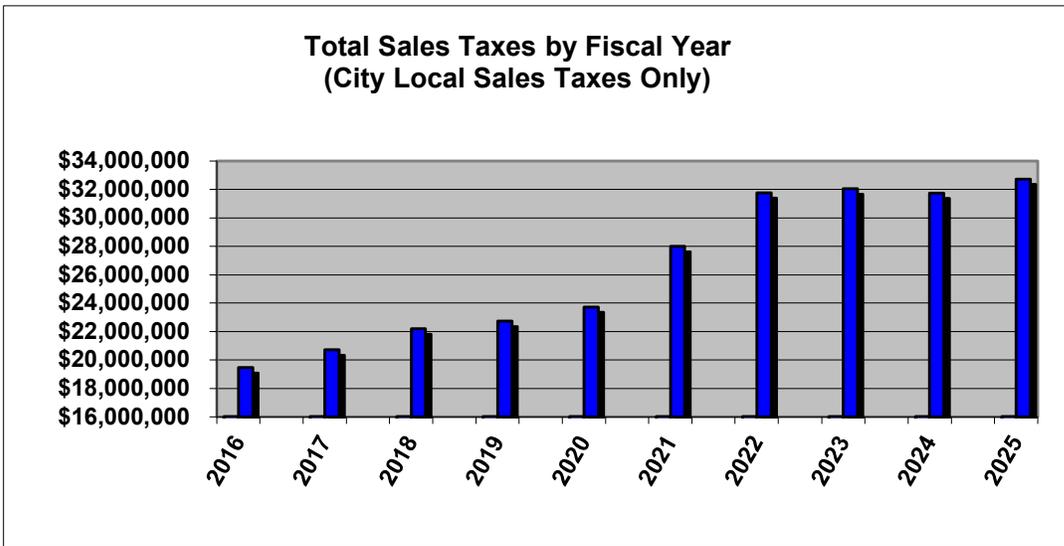
**City of Orem**  
**Sales Taxes by Category**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	<b>Fiscal Year</b>			
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
General Merchandise and Groceries	\$ 5,333,279	\$ 5,637,951	\$ 5,934,245	\$ 6,105,107
Building Materials, Hardware, and Tools	1,952,417	2,299,711	2,585,913	3,028,016
Auto Dealers, Supplies, and Accessories	2,979,991	3,151,370	3,410,522	3,694,537
Home Furnishings, Appliances, & Electronics	1,822,364	1,964,207	2,101,318	2,082,860
Eating and Drinking Establishments	1,314,508	1,499,483	1,749,330	1,809,424
Clothing, Apparel, and Accessories	1,573,936	1,552,018	1,582,714	1,299,340
Professional Equipment and Supplies	1,526,283	1,554,830	1,596,802	1,602,008
Arts, Crafts, and Specialty Items	382,199	377,497	387,574	358,450
Amusement and Recreation	656,716	674,845	683,181	726,998
All Other Categories	1,921,222	2,002,205	2,166,357	2,027,097
Subtotal - City Local Sales Tax	19,462,915	20,714,117	22,197,956	22,733,837
Cultural Arts & Recreation Enhancement (CARE)	1,934,153	2,028,528	2,163,259	2,208,004
Transportation Infrastructure	-	-	-	-
Public Transit	-	-	-	-
Mass Transit - Additional	8,665	8,062	489	2,580
<b>Total City Sales Taxes</b>	<b>\$ 21,405,733</b>	<b>\$ 22,750,707</b>	<b>\$ 24,361,704</b>	<b>\$ 24,944,421</b>
Total City Sales Tax Rate <sup>1</sup>	1.10%	1.10%	1.10%	1.10%
% Increase (Decrease) from prior year, All	3.27%	6.28%	7.08%	2.39%
% Increase (Decrease) from prior year, City Local Sales Tax Only	3.36%	6.43%	7.16%	2.41%

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

<sup>1</sup> See sales tax rate breakdown on page 162 for additional information regarding this rate.

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 6,578,582	\$ 7,702,422	\$ 8,537,418	\$ 9,127,774	\$ 9,278,458	\$ 9,635,940
3,479,383	4,340,120	5,847,938	5,429,978	5,323,831	5,149,094
3,802,737	4,575,230	5,065,673	4,855,945	4,891,843	5,067,540
1,807,145	2,189,728	2,320,240	2,112,631	1,907,411	1,835,764
1,664,412	1,859,596	2,164,765	2,304,527	2,437,921	2,499,496
1,129,901	1,260,997	1,322,187	1,324,718	1,382,569	1,589,480
1,893,016	2,198,583	2,440,416	2,505,776	2,795,122	2,962,081
367,346	476,918	563,281	555,672	545,599	560,526
743,740	870,486	967,075	987,592	991,910	1,047,598
2,270,648	2,529,869	2,559,786	2,856,234	2,198,671	2,382,619
23,736,910	28,003,949	31,788,779	32,060,847	31,753,335	32,730,138
2,284,064	2,741,633	3,152,288	3,143,029	3,098,053	3,193,092
2,129,802	2,503,967	2,861,927	2,893,782	2,851,227	2,921,858
-	-	-	-	635,489	1,283,945
814	617	124	(479)	11	10
<b>\$ 28,151,590</b>	<b>\$ 33,250,166</b>	<b>\$ 37,803,118</b>	<b>\$ 38,097,179</b>	<b>\$ 38,338,115</b>	<b>\$ 40,129,043</b>
1.10%	1.20%	1.20%	1.20%	1.20%	1.25%
12.86%	18.11%	13.69%	0.78%	0.63%	4.67%
4.41%	17.98%	13.52%	0.86%	-0.96%	3.08%



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

<b>Fiscal Year 2025</b>				
	<b>Number of Filers</b>	<b>Percentage of Total</b>	<b>Local Sales Tax Revenue</b>	<b>Percentage of Total</b>
General Merchandise and Groceries	2,189	21.12%	\$ 9,635,940	29.44%
Building Materials, Hardware, and Tools	580	5.59%	\$ 5,149,094	15.73%
Auto Dealers, Supplies, and Accessories	541	5.22%	\$ 5,067,540	15.48%
Home Furnishings, Appliances, & Electronics	377	3.64%	\$ 1,835,764	5.61%
Eating and Drinking Establishments	402	3.88%	\$ 2,499,496	7.64%
Clothing, Apparel, and Accessories	769	7.42%	\$ 1,589,480	4.86%
Professional Equipment and Supplies	1,778	17.15%	\$ 2,962,081	9.05%
Arts, Crafts, and Specialty Items	591	5.70%	\$ 560,526	1.71%
Amusement and Recreation	563	5.43%	\$ 1,047,598	3.20%
All Other Categories	2,577	24.86%	\$ 2,382,619	7.28%
<b>Total</b>	<b>10,367</b>	<b>100.00%</b>	<b>\$ 32,730,138</b>	<b>100.00%</b>

<b>Fiscal Year 2016</b>				
	<b>Number of Filers</b>	<b>Percentage of Total</b>	<b>Local Sales Tax Revenue</b>	<b>Percentage of Total</b>
General Merchandise and Groceries	801	14.13%	\$ 5,333,279	27.40%
Building Materials, Hardware, and Tools	354	6.25%	\$ 1,952,417	10.03%
Auto Dealers, Supplies, and Accessories	347	6.12%	\$ 2,979,991	15.31%
Home Furnishings, Appliances, & Electronics	265	4.68%	\$ 1,822,364	9.36%
Eating and Drinking Establishments	227	4.00%	\$ 1,314,508	6.75%
Clothing, Apparel, and Accessories	217	3.83%	\$ 1,573,936	8.09%
Professional Equipment and Supplies	1,149	20.27%	\$ 1,526,283	7.84%
Arts, Crafts, and Specialty Items	268	4.73%	\$ 382,199	1.96%
Amusement and Recreation	218	3.85%	\$ 656,716	3.37%
All Other Categories	1,822	32.15%	\$ 1,921,222	9.87%
<b>Total</b>	<b>5,668</b>	<b>100.00%</b>	<b>\$ 19,462,915</b>	<b>100.00%</b>

**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 2025			Fiscal Year 2016		
	Local Sales Taxes <sup>1</sup>	Rank	Percentage of Total Local Sales Taxes <sup>1</sup>	Local Sales Taxes <sup>1</sup>	Rank	Percentage of Total Local Sales Taxes <sup>1</sup>
	Costco Wholesale Corporation	N/A	1	N/A	N/A	1
Amazon.com Services LLC	N/A	2	N/A	---		---
Wal-Mart Supercenter	N/A	3	N/A	N/A	2	N/A
Orem/Brent Brown Toyota	N/A	4	N/A	N/A	3	N/A
Mountainland Supply Company	N/A	5	N/A	---		---
Winco Foods	N/A	6	N/A	N/A	7	N/A
Target	N/A	7	N/A	N/A	4	N/A
Ken Garff Honda of Orem	N/A	8	N/A	N/A	8	N/A
Pacificorp (Utah Power & Light)	N/A	9	N/A	N/A	6	N/A
RC Willey Home Furnishings	N/A	10	N/A	N/A	5	N/A
Trader Joe's	N/A	11	N/A	---		---
Smith's Food & Drug	N/A	12	N/A	---		---
Ken Garff Nissan of Orem	---		---	N/A	9	N/A
Harmons	---		---	N/A	10	N/A
Lowes Home Centers LLC	---		---	N/A	11	N/A
Best Buy Stores LP	---		---	N/A	12	N/A
<b>Total</b>	<b>\$ 9,848,578</b>		<b>30.09%</b>	<b>\$ 5,798,871</b>		<b>29.79%</b>

**Source:** Utah State Tax Commission.

<sup>1</sup> 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)**

<b>City Direct Sales Tax Rates</b>					
<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>City Cultural Arts &amp; Rec Rate <sup>1</sup></b>	<b>City Transportation Infrastructure Rate</b>	<b>City Public Transit Rate <sup>2</sup></b>	<b>Total City Direct Rate</b>
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
2025	1.00	0.10	0.10	0.05	1.25

<b>Overlapping Sales Tax Rates</b>								
<b>Fiscal Year</b>	<b>County Direct Rate</b>	<b>County Transportation Infrastructure Rate</b>	<b>County Mass Transit Rate</b>	<b>County Airport, Highway, &amp; Public Transit Rate</b>	<b>County Public Transit Rate <sup>2</sup></b>	<b>State Direct Rate</b>	<b>State Mass Transit Rate</b>	<b>Total Sales Tax Rate <sup>3</sup></b>
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
2025	0.25	0.15	0.30	0.25	0.15	4.85	0.25	7.45

**Source:** Utah State Tax Commission

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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 <sup>1</sup>	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2025	24,127,643	15,648,019	8,479,624	1,582,000	204,186	4.75

Water, Sewer & Storm Sewer Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses <sup>1</sup>	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
2025	38,619,098	22,721,579	15,897,519	1,315,000	1,153,550	6.44

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

<sup>1</sup> Operating expenses do not include depreciation, interest, or amortization expenses.

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

<b>Governmental Activities</b>							
<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>G.O. Bonds Issuance Premiums</b>	<b>Special Assessment Bonds</b>	<b>Sales Tax Revenue Bonds</b>	<b>Franchise Tax Revenue Bonds</b>	<b>Revenue Bonds Issuance Premiums</b>	<b>Notes Payable</b>
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
2025	24,500,000	3,825,783	-	-	-	-	99,930

<b>Business-type Activities</b>					
<b>Fiscal Year</b>	<b>Water Quality Revenue Bonds</b>	<b>Water &amp; Storm Sewer Revenue Bonds</b>	<b>Water, Sewer &amp; Storm Swr Revenue Bonds</b>	<b>Revenue Bonds Issuance Premiums</b>	<b>Total Business-type Activities</b>
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
2025	-	5,295,000	31,425,000	5,533,319	42,253,319

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

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**Governmental Activities**

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<b>Leases</b>	<b>Total Governmental Activities</b>
\$	\$
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
3,172,164	31,597,877

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**Total Primary Government**

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<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Direct City Debt Per Capita</b>
\$	2.71%	\$566
53,107,537	2.71	502
47,459,120	2.26	434
41,715,900	1.88	673
65,534,585	2.72	623
61,180,456	2.38	937
92,578,379	3.29	888
88,109,212	2.86	872
83,079,731	2.52	815
78,032,597	2.28	761
73,851,196		

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

<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Taxable Assessed Value</b>	<b>Gross Bonded Debt</b>	<b>Debt Service Monies Available <sup>2</sup></b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt To Taxable Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
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
2025	97,048	10,830,254,137	28,325,783	1,198,865	27,126,918	0.25	280

<sup>1</sup> Population estimates were based upon census data and building activity within the City.

<sup>2</sup> Debt service monies available are net of reserves dedicated to other debt issues, i.e., revenue bonds and lease financings.

**City of Orem**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2025**  
**(Unaudited)**

<u>Jurisdiction</u>	<u>Total Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to the Citizens of the City of Orem <sup>1</sup></u>	<u>Amount Applicable to the Citizens of the City of Orem</u>
<b>Direct Debt:</b>			
City of Orem	\$ 31,597,877	100.0000%	\$ 31,597,877
<b>Overlapping Debt:</b>			
Alpine School District	354,725,496	12.2972%	43,621,205
Utah County	-	12.6438%	-
Central Utah Water Conservancy District	<u>105,507,820</u>	3.5671%	<u>3,763,612</u>
Total Overlapping Debt	460,233,316		47,384,817
<b>Total Direct and Overlapping Debt</b>	<u><u>\$ 491,831,193</u></u>		<u><u>\$ 78,982,694</u></u>
<b>Total Direct and Overlapping Debt Per Capita</b>			<u><u>\$ 814</u></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.

<sup>1</sup> 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)**

	<b>Fiscal Year</b>			
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b><u>General Purposes (4%)</u></b>				
Debt Limit	\$ 290,709,109	\$ 313,847,899	\$ 341,392,514	\$ 372,228,481
Total Net Debt Applicable to Limit	<u>(7,964,651)</u>	<u>(7,964,651)</u>	<u>(6,845,998)</u>	<u>(30,859,318)</u>
Legal Debt Margin	<u>\$ 282,744,458</u>	<u>\$ 305,883,248</u>	<u>\$ 334,546,516</u>	<u>\$ 341,369,163</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	2.74%	2.54%	2.01%	8.29%
<b><u>Water, Sewer, &amp; Lighting (4%)</u></b>				
Debt Limit	\$ 290,709,109	\$ 313,847,899	\$ 341,392,514	\$ 372,228,481
Total Net Debt Applicable to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 290,709,109</u>	<u>\$ 313,847,899</u>	<u>\$ 341,392,514</u>	<u>\$ 372,228,481</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%
<b><u>Total (8%)</u></b>				
Debt Limit	\$ 581,418,218	\$ 627,695,798	\$ 682,785,028	\$ 744,456,962
Total Net Debt Applicable to Limit	<u>(7,964,651)</u>	<u>(7,964,651)</u>	<u>(6,845,998)</u>	<u>(30,859,318)</u>
Legal Debt Margin	<u>\$ 573,453,567</u>	<u>\$ 619,731,147</u>	<u>\$ 675,939,030</u>	<u>\$ 713,597,644</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	1.37%	1.27%	1.00%	4.15%

<sup>1</sup> 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.

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

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ 408,651,401	\$ 440,092,724	\$ 479,529,626	\$ 615,621,038	\$ 641,837,466	\$ 660,221,596	
(30,776,601)	(30,392,111)	(29,964,965)	(28,693,335)	(27,444,623)	(27,126,918)	
<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>	<u>\$ 633,094,678</u>	
7.53%	6.91%	6.25%	4.66%	4.28%	4.11%	
\$ 408,651,401	\$ 440,092,724	\$ 479,529,626	\$ 615,621,038	\$ 641,837,466	\$ 660,221,596	
-	-	-	-	-	-	
<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>	<u>\$ 660,221,596</u>	
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
\$ 817,302,802	\$ 880,185,448	\$ 959,059,252	\$ 1,231,242,076	\$ 1,283,674,932	\$ 1,320,443,192	
(30,776,601)	(30,392,111)	(29,964,965)	(28,693,335)	(27,444,623)	(27,126,918)	
<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>	<u>\$ 1,293,316,274</u>	
3.77%	3.45%	3.12%	2.33%	2.14%	2.05%	

#### Legal Debt Margin Calculation for Fiscal Year 2024

##### Assessed Valuations:

Taxable Value	<u>\$ 10,830,254,137</u>
Estimated Market Value	<u>\$ 16,505,539,897</u>

##### Legal Debt Margin:

Debt Limitation - 8% of Estimated Market Value <sup>1</sup>	\$ 1,320,443,192
Debt Applicable to Limitation:	
Total General Obligation Bonded Debt	\$ (28,325,783)
Less:	
Assets in Debt Service Funds Available for payment of Principal <sup>2</sup>	<u>1,198,865</u>
Total Debt Applicable to Limitation	<u>(27,126,918)</u>
<b>Legal Debt Margin</b>	<u><u>\$ 1,293,316,274</u></u>

**City of Orem**  
**Long-term Bonded Indebtedness Paid By Primary Government**  
**Schedule of Bonded Indebtedness**  
**June 30, 2025**  
**(Unaudited)**

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Term of Bonds</u>	<u>Annual Terms of Serial Bonds</u>
<b>Governmental Activities:</b>				
General Obligation Bonds:				
Series 2019 Bonds	3.625% - 5.00%	02/26/19	2019-2048	Various
Total General Obligation Bonds				
Revenue Bonds:				
Series 2024 Sales Tax Revenue Bonds	5.00%	07/31/24	2024-2044	Various
Total Revenue Bonds				
Total Governmental Activities				
<b>Business-type Activities:</b>				
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				

<b>Original Amount</b>	<b>Principal</b>		<b>Interest</b>	
	<b>Balance 06/30/25</b>	<b>Retired Year Ended 06/30/25</b>	<b>Expense Year Ended 06/30/25</b>	<b>Payable In Future Years</b>
\$ 24,500,000	24,500,000	-	1,188,112	16,868,434
	24,500,000	-	1,188,112	16,868,434
\$ 9,200,000	8,800,000	400,000	325,833	5,036,750
	8,800,000	400,000	325,833	5,036,750
	33,300,000	400,000	1,513,945	21,905,184
\$ 3,000,000	172,000	169,000	5,047	2,546
\$ 12,801,000	1,343,000	1,313,000	43,589	13,419
\$ 4,380,000	3,780,000	100,000	155,550	337,625
\$ 29,320,000	27,260,000	720,000	1,153,550	13,999,425
\$ 6,543,000	4,165,000	595,000	-	-
	36,720,000	2,897,000	1,357,736	14,353,015
	36,720,000	2,897,000	1,357,736	14,353,015
	<u>\$ 70,020,000</u>	<u>\$ 3,297,000</u>	<u>\$ 2,871,681</u>	<u>\$ 36,258,199</u>

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

	<b>Fiscal Year</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Governmental Activities:</b>			
Compensated Absences	\$ 2,769,798	\$ 3,180,036	\$ 5,050,857
Total Pension Liabilities	5,579,775	6,724,476	9,770,795
Claims and Judgments	1,698,563	2,075,492	1,886,442
Other Post-employment Benefits (OPEB)	61,720	-	-
Total Governmental Activities	<u>10,109,856</u>	<u>11,980,004</u>	<u>16,708,094</u>
<b>Business-type Activities:</b>			
Compensated Absences	412,281	393,068	988,965
Total Pension Liabilities	<u>544,740</u>	<u>1,988,436</u>	<u>1,071,504</u>
Total Business-type Activities	<u>957,021</u>	<u>2,381,504</u>	<u>2,060,469</u>
<b>Primary Government:</b>			
Compensated Absences	3,182,079	3,573,104	6,039,822
Total Pension Liabilities	6,124,515	8,712,912	10,842,299
Claims and Judgments	1,698,563	2,075,492	1,886,442
Other Post-employment Benefits (OPEB)	61,720	-	-
Total Primary Government	<u>\$ 11,066,877</u>	<u>\$ 14,361,508</u>	<u>\$ 18,768,563</u>

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

<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Households <sup>2</sup></b>	<b>Personal Income</b>	<b>Per Capita Personal Income <sup>2</sup></b>	<b>Per Household Personal Income</b>
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
2025	97,048	32,843	3,241,403,200	33,400	98,694

<b>Fiscal Year</b>	<b>Median Age</b>	<b>City Unemployment Rate</b>	<b>K-12 Student Population <sup>3</sup></b>	<b>UVU FTE Student Population <sup>4</sup></b>
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
2025	27.3	3.90	13,993	30,426

<sup>1</sup> Population estimates were based upon census data and building activity within the City.

<sup>2</sup> 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 available.

<sup>3</sup> Data was provided by the Alpine School District.

<sup>4</sup> 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 <sup>1</sup>**

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%
<b>TOTAL</b>	<b>98,129</b>	<b>100.00%</b>	<b>48,621</b>	<b>49.55%</b>	<b>49,508</b>	<b>50.45%</b>

<sup>1</sup> 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)**

<u>Taxpayer</u>	<u>Fiscal Year</u>			<u>Fiscal Year</u>		
	<u>2025</u>			<u>2016</u>		
	<u>Number</u>	<u>Rank</u>	<u>Percentage</u>	<u>Number</u>	<u>Rank</u>	<u>Percentage</u>
	<u>of</u>		<u>of</u>	<u>of</u>		<u>of</u>
	<u>Employees</u>		<u>Total City</u>	<u>Employees</u>		<u>Total City</u>
			<u>Employment</u>			<u>Employment</u>
Utah Valley University	3,299	1	6.47%	2,689	1	7.66%
Alpine School District	1,144	2	2.24%	1,343	2	3.83%
City of Orem	599	3	1.17%	519	6	1.48%
Timpanogos Regional Hospital	507	4	0.99%	475	7	1.35%
Any Hour, LLC	485	5	0.95%	----		----
Wal-Mart	398	6	0.78%	----		----
United Parcel Service, Inc.	360	7	0.71%	----		----
Costco Wholesale Corporation	363	8	0.71%	----		----
U.S. Synthetic Corporation	355	9	0.70%	590	5	1.68%
Target Stores	320	10	0.63%	----		----
Vivint Solar Developer	----		----	882	3	2.51%
Blue Host Inc.	----		----	590	4	1.68%
Wayfair	----		----	445	8	1.27%
Clearlink Technologies, LLC	----		----	414	9	1.18%
Convergys Corporation	----		----	372	10	1.06%
<b>Total</b>	<u>7,830</u>		<u>15.35%</u>	<u>8,319</u>		<u>23.70%</u>

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

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

	Fiscal Year			
	2016	2017	2018	2019
General Government	88	96	98	102
Public Safety:				
Police Protection	135	137	134	134
Fire Protection	67	68	67	68
Highways and Public Improvements	25	26	26	27
Parks, Recreation and Arts:				
Parks and Recreation	47	48	48	47
Library	44	46	46	44
Cemetery	5	5	4	5
Economic and Physical Development	3	3	3	2
Water	26	24	29	30
Water Reclamation	27	30	30	29
Storm Water	11	11	12	12
Recreation	39	39	39	35
Street Lighting	2	2	2	3
<b>Total</b>	<b>519</b>	<b>535</b>	<b>538</b>	<b>538</b>

**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.

<b>Fiscal Year</b>					
<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
103	106	104	111	114	116
139	144	139	127	131	131
67	71	72	82	85	92
27	28	28	29	30	37
48	47	44	46	51	50
45	47	48	49	47	45
5	5	5	5	5	6
3	3	3	2	1	2
30	31	29	29	28	26
29	27	26	26	25	26
12	13	12	12	12	12
17	29	48	48	51	54
3	3	3	3	2	2
<b>528</b>	<b>554</b>	<b>561</b>	<b>569</b>	<b>582</b>	<b>599</b>

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

	<b>Fiscal Year</b>				
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General Government:					
Building Permits Issued	1,429	1,518	1,473	1,190	1,423
Public Safety:					
Police Protection:					
Physical Arrests	3,842	4,145	4,277	3,539	3,604
Traffic Citations	12,064	12,022	15,616	12,174	8,768
Fire Protection:					
Emergency Responses	10,442	10,471	6,726	6,680	6,361
Ambulance Transports	2,963	2,949	3,099	2,972	2,813
Highways and Public Improvements:					
Asphalt Used - Streets (Tons)	4,060	3,633	3,771	3,077	3,613
Concrete Used - Sidewalks (Yards)	750	575	818	551	670
Parks and Recreation:					
Recreation Programs Participants	12,702	13,974	12,915	12,559	6,818
Library - Volumes in Collection (approx.)	374,190	368,754	390,030	407,744	472,283
Cemetery - Interments	333	344	352	323	319
Economic and Physical Development:					
Public Service Organizations Assisted	22	16	16	17	10
Housing Rehab/RLF Loans/Grants Added	2	5	2	2	8
Major Project Improvements Completed	0	0	2	0	2
Water:					
Number of Consumers	22,771	22,902	23,103	23,517	23,811
Average Daily Consumption (MGD)	24.5	25.1	25.0	23.1	25.0
Water Reclamation:					
Number of Service Connections	23,923	24,422	24,647	24,970	25,065
Average Daily Treated (MGD)	8.2	8.6	8.6	8.5	8.3
Storm Water:					
Number of Sumps Added (Removed)	1	2	31	(7)	(16)
New Infrastructure (Feet)	450	0	3,168	3,167	6,600
Recreation:					
Fitness Center Admissions	326,726	361,575	370,350	345,929	200,733
Fitness Center Class Participants	2,596	2,822	3,573	3,421	2,957
Scera Park Pool Admissions	42,434	40,517	51,051	40,444	63,060
Scera Park Pool Class Participants	1,360	1,481	1,559	1,255	1,176
Solid Waste:					
Annual Waste Tonnage	29,008	28,986	28,942	27,409	28,258
Street Lighting:					
Number of Street Lights Added	36	409	10	412	39

**Source:** Various city departments

<b>Fiscal Year</b>				
<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
1,508	1,541	1,501	1,437	2,697
2,766	2,799	2,827	3,094	2,792
8,673	10,245	8,151	8,960	11,987
6,893	6,494	7,380	7,426	7,775
3,055	3,472	3,046	2,784	2,921
3,378	3,858	2,818	2,948	3,671
579	671	556	759	774
9,927	11,442	10,204	12,238	13,539
481,130	479,616	480,643	478,961	488,290
386	434	354	368	361
16	18	8	8	8
10	5	4	4	2
2	0	1	0	2
24,177	24,363	24,398	24,418	24,449
24.7	19.7	17.4	17.2	20.4
25,137	25,225	25,266	25,286	25,369
8.0	8.0	8.1	8.3	8.5
87	40	6	17	17
370	7,950	7,181	4,858	5,945
153,502	448,288	443,505	463,391	515,199
3,584	6,389	10,866	12,550	13,852
62,730	61,242	61,004	31,908	33,401
1,401	1,773	1,630	1,247	895
29,390	30,093	31,704	32,341	31,950
197	12	42	159	45

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

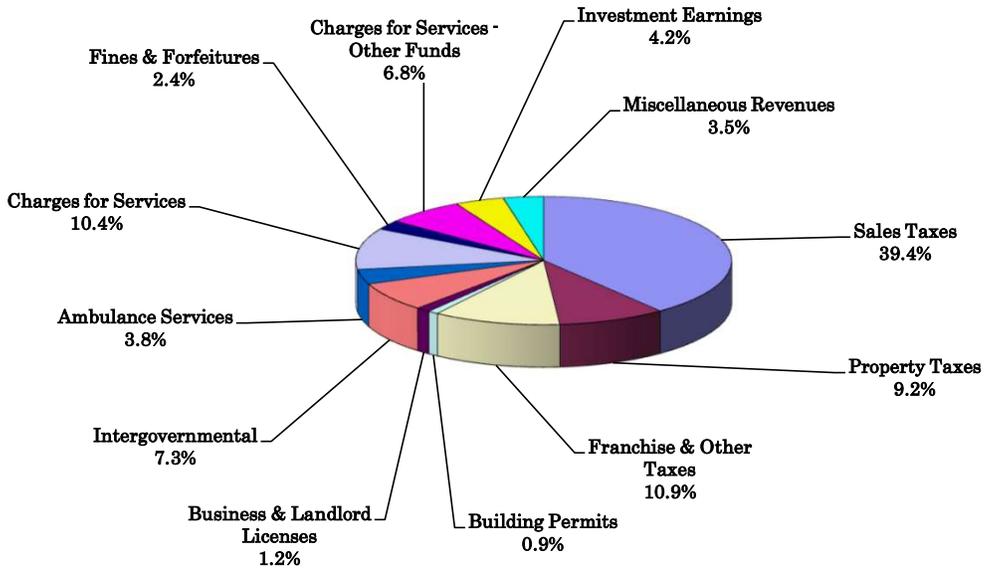
	Fiscal Year				
	2016	2017	2018	2019	2020
General Government:					
Vehicles	168	168	159	167	169
Public Safety:					
Police Protection:					
Stations	1	1	1	1	1
Vehicles	125	127	122	121	125
Fire Protection:					
Stations	4	4	4	4	4
Vehicles	28	29	29	30	27
Highways and Public Improvements:					
Streets (miles)	243	243	243	244	244
Traffic Signals	34	36	36	36	36
Parks and Recreation:					
Parks	26	27	27	29	30
Parks Acreage	385	388	388	392	392
Playgrounds	19	20	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)	354	354	354	356	356
Water Service Lines (miles)	103	103	103	104	104
Wells	9	9	9	9	9
Storage Capacity (thousands of gallons)	21,990	21,950	21,950	21,950	21,950
Water Reclamation:					
Sewer Lines (miles)	294	298	302	305	305
Treatment Capacity (MGD)	13.5	13.5	13.5	13.5	13.5
Storm Water:					
Storm Water Lines (miles)	88.5	88.5	90.1	90.7	92.0
Sumps	1,746	1,748	1,779	1,772	1,756
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	6,123

**Source:** Various city departments

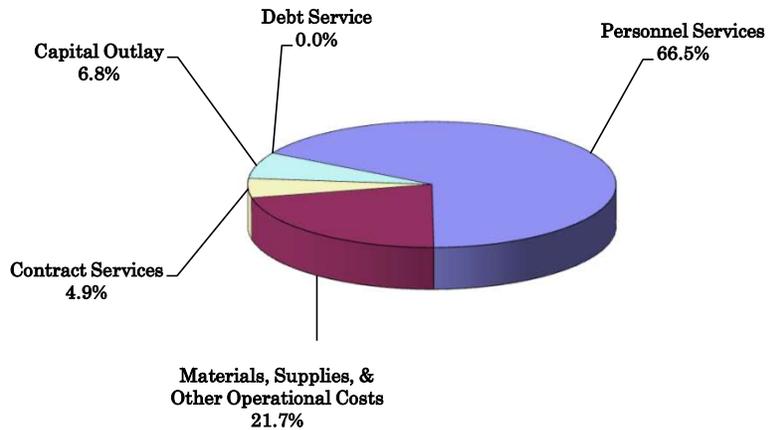
Fiscal Year				
2021	2022	2023	2024	2025
175	169	164	188	189
1	1	1	1	1
125	128	136	138	139
4	4	4	4	4
27	25	30	31	36
239	240	240	240	246
36	36	37	38	39
30	30	30	30	30
392	392	392	396	396
20	20	20	20	20
40.8	40.8	40.8	40.8	40.8
1	1	1	1	1
1	1	1	1	1
357	357	358	361	358
104	105	105	105	105
9	9	9	9	9
21,950	21,950	21,950	21,950	21,950
306	307	308	311	308
13.5	13.5	13.5	13.5	13.5
92.0	92.0	92.0	94.3	95.2
1,843	1,827	1,833	1,850	1,867
1	1	1	1	1
2	2	2	2	2
18	18	18	18	18
22	22	21	21	21
6,320	6,332	6,374	6,533	6,578

City of Orem  
 General Fund - Revenues and Expenditures  
 For The Year Ended June 30, 2025  
 (Unaudited)

**GENERAL FUND - REVENUES**



**GENERAL FUND - EXPENDITURES**





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56 N. State Street Orem, UT 84057

